

## **INTERNATIONAL MARKETING COMMITTEE MEETING**

August 5, 2024

9:30 a.m. – 4:30 p.m. PST

American Seafoods, Market Place Tower

2025 First Ave, Suite 900

Seattle, WA, 98121

### **DRAFT Minutes**

#### **I. INTRODUCTION**

##### **a. Call to Order**

A public meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order by Chair Rasmus Soerensen at 9:31 am PST.

##### **b. Roll Call:**

Rasmus Soerensen, Chair  
Bob Barnett, Vice Chair, online  
Bart Lovejoy, online  
Alan Gross  
George Li, online  
Michael McGinley  
Shigeki Okano  
Frank O'Hara III  
Joel Peterson  
Stephen Rhoads  
Jeffrey Stephan, online  
Julie Yeasting

##### **Board Members:**

Tomi Marsh- not present  
Richard Riggs, online  
Duncan Fields- not present

##### **Staff:**

Nicole Alba  
Susana Osoria Cardona  
Hannah Schlosstein  
Megan Belair  
Greg Smith  
John Burrows  
Megan Rider  
Tanna Peters

##### **Overseas Marketing Representatives (OMRs):**

Akiko Yakata  
Aya Hamamoto  
May Feng

Roger Zheng  
Alexa Tonkovich  
Alicia Parker  
Tim Welsh  
Sarina Welsh  
Daeng Veereprechanon  
Ksenia Gorovaia  
Jose Maderira, online  
Claudia Lecaranaque  
Leonardo Silveira  
David McClellan  
Jens Hombeck, online  
Maria Kraus, online  
Mara Kuhnert, online

**c. Approval of Draft Agenda**

Rasmus Sorensen announced that David McCellan's flight had been rescheduled so it might be necessary to adjust the schedule when he arrives.

Julie Yeasting moved to approve the draft agenda with a possible change for McClellan's presentation time, if needed; Al Gross seconded. No objections, motion passed.

**d. Approval of Previous Minutes**

Michael McGinley moved to approve the draft minutes; Joel Peterson seconded. No objections, motion passed.

**e. Announcements & Reading of Antitrust Statement**

Sorensen mentioned that the ASMI antitrust statement is printed for each committee member as part of the meeting packet, and they should read it before starting.

**f. Introduction of Guests/Visitors**

Robert Gershberg - Sogda, online  
Ron Risher - Grow Best, online  
Julia Ying - Polar Bay Seafoods  
Mike Cusack - American Seafoods

**g. Public Comment**

No comments were made.

**II. REPORTS**

**a. Chairman's Report and Comments**

Sorensen welcomed the OMRs to Seattle. He noted that the last handful of meetings had started out talking about how difficult the world markets are for seafood right now and he was hoping this would be different, but that was not the case. 2023 was a very tough year for seafood and food products in general. 2024 market conditions did not improve much. It is still very tough to sell seafood, any species, anywhere. Demand is confusing, big brands are also scratching their heads and trying to figure out what consumer behavior really is,

inventories are a bit higher than they usually are, which puts pressure on market conditions, currency fluctuations are causing instability, wars are happening in Ukraine and the Middle East. All of this causes a lot of uncertainty and affects our industry. He emphasized that in times of trouble nothing is more important than marketing and that we need to continue to embrace the message of Alaska origin. To quote the Norwegian Seafood booth at SEG 2024 “Origin Matters”. In Alaska, we make the best products in the world, and they are abundant. It’s never been more important to shout that message.

**b. Vice Chairman’s Report and Comments**

Vice Chair Barnett thanked the staff and OMRs that came from all over the world for the meeting. He expressed his regret for not being at the meeting, but added that he was at a long-standing family reunion where Alaska Seafood night is revered by all. He appreciates the fact that ASMI is diligent and constructive in these challenging times. He reiterated that being a harvester and small business owner is now more challenging than ever and it’s apparent that the industry as a whole is feeling these challenges. He echoed Soerensen’s comments about origin and expressed that now is the time to push the Alaska brand as the best quality, most sustainable and most craved for. He looks forward to hearing everyone’s input and what people are seeing and hearing in their markets.

**c. International Marketing Manager’s Report and Comments**

Nicole Alba thanked the Chair and Vice Chair and welcomed everyone. She noted that when the committee last met in early May she proposed the FY25 budget and since then ASMI has been awarded just over \$4 million of federal RAPP Tranche 1 funding that is to be spent in FY25. During this meeting the OMRs will present their plans for all FY25 funds. She reminded the group that the EU was ineligible for RAPP T1 so they have been allocated more MAP funds. For RAPP T1, FAS approved all proposed activities. Therefore, HQ staff will be executing several projects in the fall including an India feasibility study, an RFP for a MENAWA OMR, and a sample banks project to procure, ship and store seafood samples to be used in emerging markets. She went on to note other projects the HQ staff has been working on including applying for MAP 25 funding in June, actively closing out the ATP grant program that sunset in June, inbound missions including a pan-European press tour to Cordova and Seattle in May, an annual international culinary retreat in June in Homer, two Bristol Bay buyer missions including a delegation of Japanese co-op buyers and another of Polish processors in July. Lastly, she communicated that FAS just announced the RAPP Tranche 2 application period for another \$300 million, with a deadline of October 4<sup>th</sup>, which is much sooner than anticipated. A change for tranche 2 is that the EU is eligible. Those funds, if awarded, would be available to cooperators in January 2025. She concluded by thanking the ASMI international staff and expressed that technically the International Program Director role is still vacant, and that staff are all doing work outside of their scope to ensure that the international program continues to be successful.

Soerensen asked if ASMI applied for \$7.5 million in RAPP tranche 1 and if we she had an idea of what could be awarded to ASMI for tranche 2. Alba reported that we applied for \$13 million in tranche 1 and gave more context about RAPP tranche 1 vs trance 2. She concluded that a \$4 million award for tranche 2 would be her conservative estimate.

Yeasting asked if ASMI received feedback from FAS for our RAPP tranche 1 application. Alba explained that the award timeline had been expedited and that there wasn’t any formal

feedback. Typically, with MAP funding there is a formal review process but there won't be enough time for that to happen before RAPP tranche 2 applications are due.

### **III. Species updates by IMC members**

O'Hara discussed that Atka mackerel mainly goes to Japan and that within that country there is a lot of product diversification. Even with a weak Yen there is good value for the Japanese, resulting in the industry being able to weather the yen issue. He then discussed that POP is similar and it is used in schools, factories, and grocery stores, not in restaurants, so we aren't seeing the benefits for tourism, but it is stable. He then described that flatfish and yellowfin sole are having a challenging year due to a 23% reduction in catch year to date, which was down 25% the year prior. Therefore, it's concerning that markets haven't quite reacted to the significant drop in catch over the past 3 years. EU seems slow. He looks forward to hearing how cod and pollock are doing in those regions and if there are opportunities for other whitefish due to the 31% reduction in Norwegian cod quota and the possible Russian pollock shake up. He's wondering if there would be an opportunity to introduce yellowfin sole to new finished product buyers. He also discussed the status of the Wild Alaska Sole Association (WASA) including the development of the website and logo. WASA received an SK grant in their second attempt, based on the good feedback received which they used to reapply. The grant will give them a much-needed influx of funds.

Lovejoy explained that the pollock industry is still seeing challenges including a push on the surimi side to increase block production and meet demand in the EU and domestically. Prices remain flat trending slightly up domestically and in Europe. Surimi in Asia remains a challenge. There might be a price lift in Japan at the end of the month. Fish meal is down a little bit. Fish oil is really falling off on price and demand and facing some competition from frozen sardine oils and meals being manufactured and exported to Chile, which is a big market for oil.

McGinley discussed that they are seeing strong demand for salmon thanks to reprocessing in Asia being required to not to use Russian fish. This year's sockeye catch hit expected numbers but is down in weight, due to smaller fish. Customers are responding well in US and smokers are doing so around the world. For pinks it's a short year, so there is strong demand and good prices. He indicated that he didn't think many companies would end up with very much inventory. Okano added that the pink catch is lower than expected, the sockeye return to Bristol Bay is around 50 million which is 20% more than forecasted but weights are low, causing a short supply. The domestic market is the leading in the sockeye market and most chum salmon are staying domestically as well or going to Europe. He explained that the salmon inventory levels should be good after the season, but now that supply is down, we need to watch costs given that less volume this year could be an issue. Pertaining to the roe market, Okano said that while the Yen is weak, it has gotten a bit better but very low compared to three years ago. Supply is down so people who need to source Alaska MSC roe will need to give competitive pricing.

McGinley added that cans are doing quite well, but they still need to be protected. All cans this year will be sold due to a short pink harvest this year, but he emphasized that cans should be promoted not only in traditional markets but in emerging markets as well. He suggested using some of the new marketing dollars to continue to promote cans.

Peterson asked if this the strongest we have seen the domestic market for Sockeye. Okano responded that percentagewise there's a good amount going to domestic. But catch has dropped quite a bit. McGinley said the refreshed market is strong as well and thinks we are getting people addicted to sockeye vs. farmed salmon.

Barnett asked about the fresh market and if it is something that should be pursued. Yeasting responded that there is volatile pricing in fresh and we are competing against Atlantic salmon which is always year-round.

Peterson discussed the cod market and explained that due to the Atlantic quota being down over 30% there is a lot more demand than supply. Some have been playing the reexport game and are hanging on to the market share. Prices are still ticking up and there is still some volatility. Brazil is struggling which is hurting markets. The window is closing for that market if they want to secure the fish for the Christmas season. Prices are good, costs are high, margins not quite there yet. Labor is a challenge, and we are going to need to pay people more competitively in the long term. Things are good but there's work to do.

Soerensen and Peterson discussed quotas for cod in Alaska and the North Atlantic. Peterson explained that the Alaska quota can go up or down 10-15%, the North Atlantic is usually up or down 20%. So, the recommended 31% reduction must be being triggered by a biomass concern. Pierson added that they are seeing more interest from certain retailers that will not take Russian fish. Soerensen agreed that they are seeing the same thing on the pollock side. There will be a phase out period but we will continue to see more demand from European markets.

Li added that the price for Russian pollock is \$1050 per MT. Ying stressed that cod and pollock buyers and sellers are still cooperating, getting Russian origin raw material products into US market and asked how we can stop it. She explained that there is a \$1000/MT price difference on cod and \$600/MT on pollock. There are still people selling Russian origin product at the same price as US origin product. She said that she has seen nothing being done to try to control this situation. If nothing is done, this will continue. Discussion continued with the mention of SIMP and the political issues around seafood which are perhaps more for NFI than for ASMI to handle.

Rhoads noted that sablefish is a tale of sizes. The premium markets are looking for bargain fish and they are running out of 3–4-pound fish. As for international markets, there is an increase in demand from Japan, but supply is down because fisherman can't pay crew. Hong Kong has put the brakes on because their restaurant industry has really slowed down. Markets in Europe are doing ok as we are continuing to tell the origin story to differentiate us. Canadian fish don't have MSC, but they also don't have a tariff into those markets. We will not reach our harvesting quota this year. When demand is more than supply it helps, but overhead costs are still an issue.

#### IV. **CEU and WEU Presentation and Discussion** - *presented virtually*

Hombeck presented about the Central Europe and Western Europe ASMI regions including an overview of the Russian supply into the tow regions, a recap of promotions, and highlighted a push for support of innovation in salmon products and new sales channels for sablefish.

There was discussion around black cod including the proper way to smoke and if there is need for technical training or educational materials. **Technical Committee ask:** Fact sheet for how black cod should be treated. Discussion continued around black cod and how it was perceived in the region, and what the species is called. Hombeck described that in both Germany and France it is a new product so people are not really aware of the translated names, so they usually include "black cod" in English. Soerensen responded that the common name of the species is sablefish and not black cod, and suggested looking into this trade name to avoid rebranding efforts down the road.

Yeasting asked what the follow up with the Polish Processors has been after the inbound mission and asked how they are discussing RFM. Hombeck responded that he has followed up

with all participants and has an objective to get these companies to promote Alaska origin in their own marketing and continue to support these efforts to make more targeted and highly visible Alaska campaigns. Inbound missions help not only to grow business but also to create an emotional tie to Alaska and get these companies excited to promote the origin. As for as RFM, regional industry are turning it down quite fast and saying that they are not interested in another certification. MSC is all that matters in these regions. He said that the program continues to try to keep people informed and that some Polish processors expressed interest after being in Alaska. He concluded that it is his priority to focus on getting the ASMI logo on pack and secondarily the RFM logo.

O'Hara and Hombeck discussed WASA and the possibility of promotions in the CEU/WEU regions.

Discussion continued around how ASMI can educate consumers on the difference between Russian and Alaska origin seafood.

#### **V. SEU Presentation and Discussion**

McClellan presented about the Southern European region including an overview on tradeshow and the market and brand building efforts in Spain, Italy, and Portugal.

Soerensen highlighted that cod consumption is down 30% in Portugal and asked if pricing was the only reason. McClellan explained that younger consumers are not eating as much cod, and because of pricing buyers are not buying the volumes they used to before.

McGinley pointed out that refreshed is taking off in the US for sockeye and we need to get on the fresh section in all other markets.

#### **VI. NEU Presentation and Discussion**

Parker and Tonkovich presented on the Northern Europe region. They touched on the recent UK political shake up, current market update, highlighted marketing success from the past year, upcoming plans for new RAPP funds, and Russian seafood in the UK market.

Soerensen and Tonkovich discussed opportunities in the fish and chip sector. Parker suggested that if there was some innovation in the sector there could be more growth, and it could be a possibility for flatfish or pollock.

O'Hara stressed that it is important to continue to keep an eye on Urk in the Netherlands. He appreciates the fact that ASMI is coordinating to bring a group to Seattle. He expressed that since there is more capacity in their factories it would be great to see them continue to process flatfish instead of having to switch to farmed salmon. Our relationship with them is important. Tonkovich agreed and expressed that this group of processors is very keen on strengthening relationships with the US and there is a push to get more Alaska product processed there.

Woodrow asked if the new election has caused any talks about new trade agreements. Tonkovich explained that the UK would happily take a trade agreement with the US but the issues are on the US side. Some states have MOUs with the UK giving them more favorable trade agreements from products coming from that state instead of the US as a whole.

Soerensen commented on the 35% import duty for Russian product and asked if it was working given that Russian origin seafood is processed in other countries. Tonkovich explained that the discussion is ongoing and maybe with the new administration there would be progress.

**VII. EEU Presentation and Discussion**

Gorovia presented on the Eastern Europe region. She gave an overview of the seafood exports to the region, current projects, plans for the upcoming season, including new partners, the continuation of the Easyfish website development, updates on RAPP funds and entering into Armenia, Kazakhstan, and Azerbaijan.

**VIII. LATAM Presentation and Discussion**

Lecarnaque and Silveira presented on the LATAM market. They gave an overview on exports, imports and consumption within the region, alluded to marketing projects from the previous year and upcoming plans including plans for new RAPP funding in Panama and the Dominican Republic.

Soerensen asked if there is any negative sentiment against Russia in this region. Silveria explained that some people that are more politically inclined will be against Russia, but overall there is not much negativity. Specifically in Brazil, Colombia and Peru, people don't care and are not paying attention. This is a bit different in Chile.

They discussed the new nutritional labeling legislation being a benefit for seafood. Yeasting asked if sustainability matters in the region and the LATAM team explained that it is starting to matter more with consumers, but people don't want to pay more.

McGinley asked about the seafood show in October in Brazil and Lecarnaque expressed the show is getting more popular and is moving to a bigger venue.

**IX. China Presentation and Discussion**

Zhang and Feng presented on the China program including recent campaigns focusing on Alaska origin and plans for funding for the upcoming year. They also presented on Russian seafood dynamics in the Chinese market.

Yeasting asked about the general feeling of US/China relations after the most recent executive order and if there are there any anti US sentiments among consumers. Zhang responded that Chinese consumers still think that US products are one of the most reliable products. He added that on the government level, it's harder to say. He also said that Chinese tourism and business with foreign people are increasing. They then discussed WeChat promotions.

**X. Southeast Asia Presentation and Discussion**

Sarina and Tim Welsh presented on Southeast Asia region. They discussed recent trade missions and trade shows, upcoming plans for MAP and RAPP funding, including a new consumer program in Thailand, Singapore and Malaysia. They also talked about their plans for EMP funding and proposed dates for an outbound trade mission to Indonesia (February 23-28, 2025).

There was discussion around a potential trade mission to Indonesia in February. O'Hara expressed concern over Halal certificates that Welsh said he would investigate. Woodrow added that ASMI technical director John Burrows has done some work with Halal and could be a good resource on this issue.

Soerensen and Ying added that they thought Indonesia was interesting for reprocessing.

Soerensen expressed that the Southeast Asia region should be an important target for ASMI activities. He said that customers are actively looking for alternatives to China and although it's not easy because due to infrastructure, strategically it is a good idea. He highly encouraged industry to participate in these missions to Southeast Asia.

**XI. Japan Presentation and Discussion**

Yakata and Hammamoto presented on ASMI Japan program touching upon the economy, seafood consumption, plans for new RAPP funding, and past successes. They also discussed concerns about Russian seafood in their market.

Yakata reported on successful engagement and continued cooperations with participants from the international culinary retreat held in Alaska in 2023 and 2024.

**XII. Good of the Order & Adjourn**

Rhoads moved to adjourn, Yeasting seconded. No objections, motion passed.

Meeting adjourned at 4:46pm.