



## Alaska Seafood Marketing Institute

Alaska Seafood Marketing Institute  
International Marketing Committee Meeting  
January 18, 2018  
Trident Seafoods  
5303 Shilshole Ave. NW  
Seattle, WA  
**DRAFT MINUTES**

### **INTRODUCTION**

A regular meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order at 9:05 AM on January 18, 2018, at Trident headquarters in Seattle, Washington.

#### **Roll Call**

Committee members present:

Michael McGinley, Chairman  
Lance Magnuson, Vice Chairman  
Bob Janzing  
Norman Aoyagi  
Shigeki Okano  
Merle Knapp  
Julie Yeasting  
Jeff Stephan  
Dean Pugh  
Phil Young  
Tomi Marsh (Telephonic)

Committee members not present:

Duncan Fields  
Rasmus Soerensen

Staff present:

Hannah Lindoff, International Marketing Director  
Monica George, International Marketing Coordinator  
Alice Ottoson-McKeen, Assistant International Program Coordinator  
Ashley Heimbigner, International Marketing Coordinator

**Guests:**

Ron Risher, Icicle Seafoods

Mike Cusack, American Seafoods

Tim Meixner, Alaskan Leader Seafoods

**Approval of Previous Meeting Minutes:**

Pugh moved to approve the minutes from the International Marketing Committee meeting on November 28, 2017; Janzing seconded. The motion passed unanimously.

**Introduction of Guests/Visitors:**

Ron Risher of Icicle Seafoods, Mike Cusack of American Seafoods, and Tim Meixner of Alaskan Leader Seafoods introduced themselves.

**Public Comment:**

Risher congratulated McGinley on a job well done as Chairman.

**Chairman Report:**

McGinley welcomed Phil Young from Canfisco and Rasmus Soerensen from American Seafoods to the International Marketing Committee. He commented that it will be helpful to have Young on the board because of his experience with canned salmon. McGinley addressed ASMI's shrinking budgets and called for a robust discussion about the international budget. McGinley spoke about the importance of the seafood industry to families and communities in Alaska and encouraged ASMI to incorporate that story into the messaging more often.

**Vice Chair Report:**

Magnuson echoed McGinley's comments on the value of having a canned salmon expert on the committee and expressed his frustration with the marketing efforts on behalf of canned salmon. Magnuson encouraged committee members to be vocal about what was working and what was not working in the international program and to make wise decisions about the budget.

**International Program Director Report:**

Lindoff thanked McGinley and Magnuson for their service as chair and vice chair.

ASMI's new International Marketing Coordinator for China, Japan and Eastern Europe, Ashley Heimbigner, introduced herself. Heimbigner outlined her professional background representing Alaska and the Alaska market through her work at Alaskan Brewing, the Arctic Winter Games, and Visit Anchorage.

Hannah updated the committee on ASMI's Seattle office move and staffing situation, stating that most of the Seattle positions had moved up to Juneau, but that Susan Marks and Lisa Martinson would be in

Seattle until June 30, 2018 when the office is set to officially close. She thanked the industry for organizing a whitefish training for all the new staff.

Lindoff discussed the governor's proposed budget, which would zero out funding for ASMI. Magnuson asked if there was a plan to ask for more funds. Lindoff said that there was no plan at this time. She commented that ASMI's economic impact report was just released that the numbers could be provided to private companies for use in their own lobbying efforts.

#### **FY18 Budget:**

Lindoff gave an overview of the international budget for 2018, noting that ASMI took a small cut in funding from the Market Access Program (MAP) and a roughly \$100,000 cut in matching funds, which, she reminded the group, are now made up entirely of STPR funds and do not include money from the state.

Lindoff provided a description of Foreign Agriculture Service (FAS) grants that could serve as additional sources of income for the international program including the Emerging Markets Program (EMP), Global Based Initiatives (GBI), and the Cochran Program. Lindoff informed the committee that a Cochran mission from Vietnam would be coming through Seattle in March and that ASMI was planning a Cochran mission from the Ukraine for July 21 – August 3, 2018.

Knapp asked for clarification on how trips under the Cochran Program were funded. Lindoff explained the funding can either go to a contractor who then organizes the trip, as is the case with the mission from Vietnam, or to ASMI directly and then ASMI staff organize the trip, as with the mission from the Ukraine. She reiterated that the funding goes on top of the international budget and explained that ASMI pays for the trip and is reimbursed by Cochran afterwards.

Lindoff explained that for the Global Based Initiative for US Seafood to SE Asia, ASMI is a participant. The program pays for one ASMI staff to participate and for all the conference rooms, while ASMI pays for attendee hotel rooms through the global budget line.

McGinley complimented staff on seeking out extra funds and Knapp echoed his sentiment, stating that the staff was doing a great job minimizing the impact on the international budget.

Lindoff moved on to the FY19 International Budget and began by highlighting two major changes. First, Lindoff proposed cutting the WEU and CEU consumer advertising programs because the budgets were not substantial enough to get an economy of scale. Second, Lindoff suggested that the ASMI continue to hold the OMR summer strategy session to every other year to save on budget to allow for a more in-depth and robust summer IMC meeting.

Lindoff presented the chart for the overall international budget, noting that Japan remains the largest program, with China and Northern Europe as the second largest, and Western Europe third.

Stephan asked how the return on investment was measured for the international programs. Lindoff explained the programs submitted country progress reports, that consumer research was conducted in

every region, and that FAS looked at export numbers. Lindoff provided other ways to measure success including the number of trade partners ASMI programs have and how many companies use Alaska messaging on their packaging. Lindoff proposed looking into some of the programs where ASMI receives a good return on investment at the next meeting.

Knapp asked what the budget for the Brussels trade show encompassed. Lindoff responded the main costs were the space and the booth construction but the budget also included the food truck, product shipment, and furniture. Lindoff noted that the exhibitors pay-in, which offset the costs slightly, but that that number is on top of the overall budget. Lindoff stated that the price for a booth at Brussels is \$5,000 and that the cost increased a few years ago to match the increased cost of the overall show space.

Janzing commented that much of the industry is experiencing a shift out of Japan and into other markets due to competition from other countries. Janzing questioned if Japan deserved to be awarded the most funding.

The committee asked for clarification on which budget lines certain travel costs came out of. Lindoff explained that staff travel to Brussels comes out of staff travel and that the OMRs have their own travel lines within their budgets.

Lindoff presented the funds ASMI was set to receive in FY19 outside the program's budget. ASMI will participate in a USA Seafood in Southeast Asia GBI and a summer Cochran mission from the Ukraine. Lindoff informed the group that ASMI had also agreed to help with a proposed EMP from American Indian Foods for seafood exporters of Alaska Native descent who export to China. She explained that ASMI is not managing the funding, but will be named as a partner supporting the project.

Knapp asked for more information about American Indian Foods. Lindoff elaborated that the group is a MAP cooperator like ASMI, but mainly participates in trade shows and brought three Alaska seafood companies to Brussels last year.

Okano asked how the budget was allocated in terms of species, citing different market demand for different species depending on the time. Yeasting agreed, and asked if there was flexibility in the percentages of funding going to each species.

Lindoff responded that the budget is split up by country and overarching category in the region, not by species.

Lindoff presented the Global budget, which included a 5% cut to the global evaluation budget.

Lindoff presented the Japan budget, the largest program budget. Lindoff proposed a 3% cut to the budget to be shared between consumer advertising, contractor travel and foodservice promotions.

Yeasting asked what the retainer was and what it covered.

Lindoff explained the retainer is what ASMI pays for OMR services and would include staff time and anything done in-house. Lindoff recognized that the Japan agency was expensive, but said their price was on par with other Tokyo agencies.

Lindoff reminded everyone that the Japan program had lost their long time trade representative, and expressed her desire to get the new trade representative more involved in the industry. She introduced her plan to bring him to Seattle in the spring for the pollock roe auction and to meet industry.

Magnuson echoed Janzing's comments from earlier, questioning the size of the Japan budget and stating that there had been continental shifts in the cod industry. He also stated that while Japan was still an important market, it seemed hard to justify the amount of money being put into the country while other markets were struggling.

Knapp agreed, saying that the items that sell into Japan are the items that are tight in supply and would move into Japan regardless. Knapp stated that there was a steady demand for pollock in Japan and expressed that he felt ASMI's work did not change sales. He opined there could be other markets that would get a more significant lift from ASMI funding.

McGinley expressed agreement, and questioned if the money might be better spent in new markets as opposed to the traditional markets.

Okano spoke about the risk of investing in a new market and reminded the committee that with something new, the returns could be slow. He emphasized the importance of maintaining the established markets, even while chasing something new.

Lindoff noted that of the overall budget cuts, Japan was taking one third.

Stephan asked about the results from the Rose Research surveys and Lindoff said those results were in the country progress reports, which would be up on the website in February.

Lindoff stated that if the committee wanted to make cuts to the Japan program, there would need to be some consideration as to what line to take it out of. Lindoff pointed out that retail merchandising was the most expensive program.

Aoyagi spoke about the importance of clear communication between the Japan program and the industry, with the industry providing more instruction about which products needed promotion and the Japan program telling the industry what product forms buyers in Japan are requesting. Aoyagi stressed that overall there needed to be more coordination with Japan and that with more instruction the industry could expect greater returns.

Lindoff agreed that feedback from the industry would be greatly appreciated and suggested discussing what species or products needed focus at the IMC meetings.

Magnuson stated that a breakdown of how the budget was split between the species would be helpful.

Young asked about the management process for the OMRs. Lindoff explained that ASMI submits a marketing plan to the Foreign Agriculture Service for each region two years in advance of receiving funding. That budget is brought to the IMC to review and make amendments. Throughout the year, OMRs submit proposals for activities that include descriptions and costs, which are reviewed and approved by ASMI international staff. Lindoff hoped that with three marketing staff each program's strategies could have more focus and more staff time could be spent directing each program and steering them based on direction from the IMC.

Aoyagi provided a historical overview of ASMI's spending in Japan, describing the shift from promoting sockeye 20 years ago to developing and promoting surimi. He stated that now it was time to develop more fillet blocks.

Lindoff presented the Northern Europe budget, which included the UK, Netherlands, Ireland, Denmark, Finland and Sweden. Lindoff proposed a 3% cut to the NEU program, mainly coming out of the consumer PR line with a small cut to the travel line. In response to a question about the impacts of the favorable exchange rate, Lindoff commented that the strong dollar allowed ASMI to have more reach in spending but hurt exports and now the opposite would be true as exchange rates are changing.

McGinley recognized the UK as a dynamic market and noted there was a good debate to be had about what species to focus funds on, keeping in mind that the UK was a mainstay for canned salmon.

Magnuson asked what effort there had been to increase marketing in Denmark. He said the market was complicated since product was processed in Denmark but consumed elsewhere. He asked if promotions were done in the country that received the product or the country that processed the product.

Lindoff stated the UK hired a new trade representative and ASMI could instruct her to look into new trade partners in Denmark. She explained that if Danish companies were to increase Alaska branding then that would fall under the NEU program, but sales promotions would be done in the region the products were sold in.

Lindoff presented the China budget. She commended the program for its e-commerce promotions, which have been affordable with high return on investment. Lindoff proposed a \$23,000 cut to the China budget split between consumer PR, trade PR and contractor travel.

Yeasting voiced her support for the China program and highlighted a successful promotion ASMI conducted with Sam's Club to sell whole king crab. Yeasting said the promotion's organizer was pleased to work with ASMI and saw the promotion as being very successful.

Knapp asked how much ASMI spent on the activity. Heimbigner responded that the overall promotion, which included king crab and other products and was conducted in 19 Sam's Club stores, cost \$23,000.

**Knapp requested the sales numbers from the promotion when available.**

McGinley attributed Trident's success on the promotion to their attention to the product form Chinese consumers wanted – whole king crab.

Magnuson stated that he saw a lot of potential in the Chinese market due to the growing middle class and opportunities with internet-based sales, referencing scooters that deliver online orders within a half hour. Magnuson asked if it would be possible to recreate the success China has had with e-commerce in other countries. Based on the program's success, Magnuson proposed increasing the China budget.

Risher agreed there was potential to carry sales strategies from China to other countries in the region. There was a question about whether ASMI's China agency could expand their operation to other countries.

Lindoff said it was unlikely the China agency could start covering other countries because the regions are set by the Foreign Agriculture Service, but noted there was some opportunity to work in other Asian countries through the Southeast Asia GBI. Lindoff expressed confidence with the representation in China and said she felt they would be capable of taking on more funding and spending it effectively.

Knapp asked if it would make sense to pull money from the Japan program and reallocate it to China.

Aoyagi spoke about the increasing importance of e-commerce and expressed his hope that programs could use it to focus on more affordable products.

Yeasting stated that the market in China is shifting and that it is important to protect the Alaska name there. Risher agreed, and cited an example of Norway putting money into cod promotions and benefitting from Alaska's good reputation.

Lindoff presented the Southern Europe budget, and proposed a small cut to the trade PR and contractor travel lines. Lindoff stated that in general, the SEU program is running well and noted that it is about the same size as the Western and Central EU programs but without consumer advertising. She expressed her hope for opportunities in the HRI sector now that the region is coming out of a recession.

Magnuson expressed his support for the SEU program and commended the SEU OMR, David McClellan, for listening to the trade and developing markets based upon their recommendations. Magnuson spoke about younger generations in Italy moving away from cured cod, and McClellan's work to promote light salted cod to those consumers and gain lifelong customers.

Knapp echoed Magnuson's sentiments, complimenting McClellan on staying closely tuned into the industry and reacting to the information he received.

Magnuson proposed increasing the SEU budget.

Lindoff asked if the committee were to increase the SEU budget, would the increase go to the trade line. Magnuson responded yes.

Lindoff presented the EEU budget and proposed a small cut to contractor travel. Lindoff complimented the EEU OMR for being resourceful and productive, despite political obstacles.

Lindoff presented the budget for the Brazil program and proposed a small cut to contractor travel. Lindoff stated her opinion that the Brazil program has done a good job and specifically commended the team on becoming seafood experts.

Lindoff brought up a question from the Brazilian OMR about what different companies had done when faced with inspectors who were throwing away shipments due to parasites. McGinley suggested providing inspectors with literature about how parasites are not a factor in frozen fish.

Magnuson spoke about the difficulty of getting cod into the Brazilian market. Pugh echoed Magnuson's comments and said there were many obstacles to doing business in Brazil due to DIPOA and other regulations.

Yeasting recognized Brazil as a difficult market, but said she found it helpful to have an office because of all the product being imported into Brazil from China. Yeasting expressed her opinion that the Brazil office did a good job.

Lindoff expressed her support for the program in Brazil because of the strength of the team and because the office allowed ASMI to have a presence in South America. She stated that despite issues with the economy and corruption, companies who were able to enter the market were seeing returns.

Magnuson discussed the decline in cod sales in Brazil within the last decade and attributed the drop to high prices. He noted some interest out of Norway for Pacific cod going into Brazil, but stated he was not doing any direct sales.

Lindoff suggested a more in depth look into ROI in Brazil and a strategic discussion about the Brazil budget during the summer IMC meeting.

Magnuson asked how much product was being sold into the market. Lindoff stated that in 2011, 31 metric tons were imported and in 2016, that number had increased to 2,041 metric tons.

McGinley said there was an opportunity for canned products in Brazil and asked what the best way would be to tap into that potential.

Young responded that Brazil, like Korea, was a hard market for cans. He brought up one example of a company that buys Alaska products but does the canning in Brazil and creates mainly value-added products with lower salmon content.

Magnuson expressed concern over products being sold into Brazil and advertised as products of Alaska that were low quality.

Okano asked about seafood consumption in Brazil. Magnuson stated it was similar to the U.S. in terms of per capita consumption. Yeasting added that Japanese restaurants are very popular in Brazil.

Lindoff presented the Western Europe budget, which includes France and Belgium. Lindoff proposed eliminating the consumer advertising program and increasing funding for the website due to a higher ROI on online advertisements than print advertisements. Lindoff noted that leftover funds from Brussels

would go back into the WEU program and said the more industry participants at the show, the more likely there would be funds leftover.

Lindoff stated that the priorities as she saw them for WEU were to work closer with the trade and have the program more closely resemble the SEU program.

Lindoff presented the CEU budget. The region includes Germany, Switzerland, Austria, Poland and the Czech Republic. Lindoff proposed cutting the consumer advertising program and splitting the funds between trade PR, retail merchandising, website, and foodservice promotions. She expressed her hope that this program would start working more closely with the trade.

**McGinley called for a 15-minute break at 11:25 AM. The session reconvened at 11:40 AM.**

Lindoff called for recommendations from the committee on the budget.

Janzing recommend making cuts to the Japan budget. McGinley seconded the sentiment and proposed reallocating the money to China, SEU and EEU.

Okano urged the committee to have a strategy when reallocating the budget and to invest in the regions that would result in the highest gross. Okano further stated that it was important to study what product forms were needed in Japan and suggested ASMI instruct Japan to pay more attention to pollock and pollock roe. Okano expressed his hesitancy about making substantial cuts to the Japan program, and advised instead more guidance from the industry and ASMI.

McGinley asked about the efficacy of putting more money into promoting pollock roe in Japan and questioned whether the money would be better spent in an emerging market.

**Cusack expressed a desire for more information about what activities the programs had planned in their markets and greater detail about how they were spending their money.**

Cusack voiced his support for taking funds from the Japan program and reallocating them to the EEU and China. Cusack also suggested cutting the Brazil budget – not because the ASMI team was doing poorly but because the market was so difficult. Cusack recommended more focus on the regions where ASMI would receive the best return on investment.

Yeasting voiced her support for the Brazil program because of its position as a foothold in South America and because of the strong team working there.

There was a question about what retail merchandising covered as the largest line in the Japan budget. Lindoff explained that it would include things like in-store promotions and features in store catalogs.

Yeasting asked about the effectiveness the retail promotions in Japan. Lindoff responded that the Japan program usually saw strong sales numbers from the promotions.

Stephan urged caution when making cuts to the Japan program. He commented that it was a solid economy with educated consumers.

Lindoff suggested the committee review the international program's Strategic Annex document at their next meeting and discuss overall strategy for the program going forward. She proposed incorporating information on each region's ROI into that discussion.

Magnuson asked when the board would review the budget. Lindoff responded in May.

Yeasting asked which programs were being put out to RFP this year. Lindoff responded Japan, Brazil, SEU and China were going through the RFP process in 2018. She noted that RFPs were required every five years, but ASMI had the option to RFP every year.

Magnuson proposed cutting the Japan program by an additional \$170,000 and giving China \$100,000 and \$70,000 to SEU.

McGinley expressed his support for the Eastern Europe program and proposed adding \$25,000 to Eastern Europe.

Yeasting agreed with cutting \$170,000 from Japan as a total number, but recommended allocating based on market size and going heavier into China.

Lindoff suggested \$100,000 to China and splitting the other \$70,000 between SEU and EEU

McGinley advocated for looking at investing in markets with the highest return on investment and questioned the efficacy of marketing in Japan since the consumer is already so knowledgeable about the product.

Okano stated that the more important question than how much each program received was how they were spending their money. He urged wise spending in Japan.

Multiple committee members voiced surprise about the size of the Japan retainer. It was the consensus of members who had worked in Japan that Tokyo agencies are expensive and they did not believe the retainer was abnormally high. There was a discussion about the RFP process and what costs could be negotiated during that process.

Members of the committee expressed a desire for the Japan program to increase its involvement with the trade to the level it had been at with their former trade representative. Lindoff responded it was her hope that this would be possible and that bringing the new trade rep to Seattle in the spring would help that effort.

Yeasting proposed a closer look at Japan's spending during the summer strategy session.

Okano asked if there had been research into how ASMI Japan was helping the industry. He said it was his opinion the program should focus on pollock roe.

Janzing stated that Alaska's only competitor for pollock roe was Eastern Europe and that he saw potential to bring up the value of pollock roe slightly.

Stephan asked if it would be best to move money out of Japan to promote pollock roe or to move money around within Japan.

McGinley asked for staff input on where ASMI was getting the best value. Lindoff responded that she agreed that China, SEU and EEU were very effective programs with promising markets.

Janzing stated his opinion that Japan was a mature market and that it would be better put dollars into evolving markets.

Lindoff restated that the proposal was to reduce Japan budget by \$170,000 and reallocate to China at \$100,000, SEU at \$50,000 and Eastern Europe at \$20,000.

McGinley proposed giving \$5,000 to \$10,000 extra to EEU.

Janzing proposed taking \$23,000 out of Brazil.

Young proposed taking \$100,000 out of Brazil due to so much trouble getting into the market.

Lindoff stated the program in Brazil does the best they can with the market situation, but the frustration was understandable.

There was a discussion about the pollock going into Brazil. The committee agreed there was a large amount coming in from China and Russia and that much of it was highly adulterated. Knapp noted that the duty for U.S. products was very high and that Glacier Fish had decided investing in the market was not worth it.

Magnuson proposed cutting \$75,000 from the Brazil program.

Yeasting stated she felt \$75,000 was too much and suggested cutting \$30,000.

McGinley suggested an examination of the breakdown of the Brazil budget at the summer IMC meeting.

The group discussed the appropriate amount to cut from Brazil and the consensus was to take out \$50,000.

Lindoff proposed cutting the HRI line and taking the other \$20,000 from the trade line.

McGinley asked what the proposed cuts were to the other programs in Europe.

Lindoff responded that the proposed budget included 1% cuts to Western, CEU and SEU and a 3% cut to NEU.

McGinley proposed putting money back into NEU and perhaps using it to focus on Denmark.

Yeasting proposed of the \$50,000 cut from Brazil, putting \$30,000 into NEU and \$20,000 into China, and gave a new proposal to cut \$50,000 from Brazil, \$170,000 from Japan and reallocate \$120,000 to China, \$40,000 to SEU, \$30,000 to NEU and \$20,000 to EEU.

McGinley proposed another \$5,000 to \$10,000 for Eastern Europe. Janzing agreed.

Okano agreed cutting Japan would be best but stated that he believed \$170,000 would be too much. Okano proposed cutting \$100,000 instead of \$170,000 and revisiting how the program was spending its money.

Magnuson expressed his support for cutting \$170,000 from Japan, stating that he felt it was an appropriate amount and that he supported rewarding the other programs.

Stephan expressed disapproval with the cut and stated he preferred a \$100,000 cut. He commented that with the cost of the retainer, the cut would mean much less going into the market.

Lindoff stated that if there was a big reduction there would be flexibility to take the retainer down.

**Yeasting moved to reduce the Japan budget by an additional \$170,000 and the Brazil budget by an additional \$50,000, resulting in a total reallocation of \$220,000 dollars to be distributed as follows:**

- **\$120,000 to China**
- **\$25,000 to Eastern Europe**
- **\$50,000 to Southern Europe**
- **\$25,000 to Northern Europe**

**Magnuson seconded the motion.**

McGinley called for discussion

Young expressed his support for the motion.

**Knapp proposed an amendment to the motion that the cuts to Japan must be tied to a renegotiation of the retainer.**

**Yeasting seconded Knapp's amendment.**

Knapp called for guidelines on the amount to be cut from the retainer. Lindoff proposed going with proportionality and cutting the retainer based on the percentage of the overall budget cut.

McGinley called for a vote.

**Magnuson, Janzing, Yeasting, McGinley, Pugh, Young, and Knapp voted in favor of the motion; Aoyagi, Okano and Stephan opposed. The motion passed 7:3.**

Stephan expressed his support and respect for the decision of the committee.

**McGinley called for lunch at 12:30PM. The meeting reconvened at 1:25PM.**

**Poland Trade Mission Discussion:**

Lindoff informed the committee that Food Export USA was no longer participating in a proposed trade mission to Poland at the end of March 2018, which meant there was new flexibility on the dates. Lindoff

asked the group for their input on what timing would work best. Multiple IMC members expressed their concerns about the planned timing of the mission, stating that it was an awkward time in between the Boston and Brussels trade shows and that it was too close to Easter.

It was decided to postpone the Poland trade mission to 2019 and to discuss the exact dates at the summer meeting. McGinley expressed support for holding the mission the week after the Boston trade show. Yeasting agreed that would be a good time.

#### **Trade Show Discussion:**

McGinley expressed concern about the lack of respect shown to speakers at the Boston Seafood Show reception and proposed having himself introduce Alexa and using the IMC to help silence the crowd.

Magnuson suggested having the speeches closer to the start of the program and said he would be willing to help silence the crowd.

McGinley suggested adopting an instant messaging system for Brussels to keep the industry informed in real time about potential trade leads and events. Janzing voiced his support for the idea.

Magnuson stated that it would be helpful to have tables in Boston to conduct meetings - similar to those at Conxemar and Brussels.

McGinley asked for feedback about the receptions that surrounded the various trade shows. Lindoff stated that FAS appreciates the reception in Brussels and this year again proposed having it be a USA reception. Magnuson commented that the Boston reception was wildly popular, but it was unclear if the correct people were attending. McGinley asked how the tickets were allocated and Lindoff explained that sponsoring companies received a certain number and ASMI received a certain number.

**McGinley proposed using WhatsApp in Brussels as a method of communication between companies and ASMI staff, leaving what was sent out to the discretion of ASMI staff and OMRs. George agreed to send out a reminder to everyone to download the app a few weeks before the show.**

#### **Herring Discussion:**

Bruce Schactler gave an update on the herring markets via telephone. Schactler said that consumption was high in the United States and requested the International Program increase marketing efforts for herring.

Okano commented that in Japan most of the herring consumed was from Norway and Iceland and was smaller than the Togiak herring, but that there was potential to increase consumption in Japan because of the low price.

McGinley suggested sending IQF fillets to the Brussels show along with some pricing guidelines. He requested that Schactler follow up with some basic facts on herring.

Aoyagi commented that one major factor of cost was ocean freight from Bristol Bay to Hokkaido and suggested negotiating better shipping prices.

#### **Japan and China Tagline Presentations:**

Lindoff presented results from a recent tagline study in Japan. The study was conducted after the IMC agreed at the last meeting to reincorporate sustainability into the Japanese tagline. Lindoff presented the top five taglines from the study.

**The Japanese speakers on the committee discussed the options and proposed a new idea - adding the word "Sustainability" in katakana to the existing tagline, followed by a check mark. The committee agreed this was the best option.**

Lindoff presented the results from a tagline study in China. The study had been conducted to replace the word "wild" because it was no longer allowed in advertisements in China.

**Of the options China tested, the committee agreed the best was "Natural, Pure, Sustainable."**

#### **Species Updates:**

McGinley requested a copy of the "Species Update" slide so he could send the pictures of the technical posters to his plant managers.

#### **Pollock**

Knapp stated pollock was gaining some steam and that fillet blocks were starting to rebound in the marketplace after the inventory crash caused by Pacific Andes going bankrupt. Knapp credited the success to supply and demand, not promotions. Knapp stated that pollock roe needed marketing help. Janzing said that there had been an uptick in interest in cod roe, and hoped that would translate into more sales for pollock roe.

#### **Cod**

Janzing stated the cod market is up. Magnuson agreed, stating that cod markets are at historic numbers and there were many customers buying in anticipation of greater cuts to the quota in 2018 in the Bering Sea. He said the cut of 16% was actually lower than expected. Magnuson commented there was a strong demand domestically for cod, and that domestic sales had increased 300%. He noted that the higher prices are hard on customers in Europe and some customers were moving to Atlantic cod. Magnuson predicted pricing would continue to be strong due to reductions in quotas in the Gulf of Alaska. He also mentioned that there has been increased interest for cod milt and roe out of Korea, Japan and Europe.

Meixner commented that the quota reductions in the Gulf had increased the demand for products from the Bering Sea.

#### **Flatfish**

Yeasting stated that flatfish was experiencing historically high levels and that yellowfin sole was the primary product out of the Bering Sea. Yeasting said of the flatfish processed in China, much of the whole round stayed in country but the H&G fleet was sent to Europe and the U.S. She stated that rock sole was sold mostly into Japan, but that the fishery was a tricky one due to the cod quota cuts.

Knapp asked what could impact the current values for flatfish and cause a crash. Yeasting replied that if the price became too high consumers would choose other products.

## **Crab**

Stephan noted that Kodiak was having the first tanner crab season in years.

McGinley asked the committee for feedback on what ASMI should be promoting.

Janzing urged continued promotion of all products. Yeasting agreed, adding that for higher-end items the promotions were about convincing consumers they were worth the price.

## **Salmon**

McGinley described a good year in Bristol Bay. Pugh and Janzing agreed. McGinley noted the salmon committee had asked for continued focus on salmon. Pugh stressed the importance of ensuring the high quality of the product.

**Janzing mentioned that before Brussels it would be good to have feedback from OMRs about what products are going into their markets.**

Young spoke about the canned salmon market. He stated the market did not make money last year, that Canada is flat year-to-year, and canned sockeye sales in the UK were down. Young attributed the fall in the UK to house brands with low prices taking customers from the two major Alaska salmon brands – John West and Prince’s. House brands do not do promotions and therefore do not help the category, he explained. Young suggested ASMI provide more help to John West and Prince’s.

McGinley noted that the industry was slowly moving away from canned, which hurt canned prices.

Okano stated that Japan took in about 20,000 tons of sockeye last year and that Alaska sockeye is competing with Chilean coho and Russian coho. He said that overall the price of seafood in Japan is up.

Okano stated that the ikura price has gone up because of a low catch in Hokkaido. Janzing noted the next Hokkaido prediction comes out in June.

Aoyagi speculated that some of the Hokkaido run was intercepted by Russia. He said that as the Hokkaido run went down and the Russian numbers rose.

Yeasting read comments from Rasmus Soerensen. Soerensen stated he would like the industry to stay informed of OMR activities before they happen and that he believed ASMI could stretch their spending further if there was better collaboration and development. He urged including FAO 67 in all EU communications.

### **Black Cod/Halibut**

Yeasting stated that the halibut and black cod markets had stalled out due to high prices. Young speculated that halibut TACs would be coming down.

Knapp asked if cobia was a competitor of black cod. Risher stated that it did not have as high oil content as black cod or seabass and probably would not substitute for those.

### **Vote for Chair and Vice Chair:**

Committee members voted for a new chair and vice chair via secret ballot. **Lance Magnuson was elected chair and Julie Yeasting was elected vice chair.**

### **Next Meeting Date:**

**It was decided the next meeting would be held on Monday, August 20, 2018.**

### **Closing Comments:**

Stephan offered his best wishes to Lindoff on the upcoming birth of her child. Stephan commended McGinley for his work as chairman. Stephan extended a welcome to Alice, Monica, and Ashley and congratulations to Lance and Julie for their new roles as chair and vice chair.

**McGinley moved to adjourn. Pugh seconded. The meeting adjourned at 3:39 PM.**