



Alaska Seafood Marketing Institute

Alaska Seafood Marketing Institute (ASMI)  
**International Marketing Committee Meeting**

Tuesday, March 28, 2023

9:30am – 4:00pm

**Approved Minutes (Approved 8.16.23)**

**Call to Order**

A meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order in person by Chair Soerensen at 9:33am.

**Roll Call**

*Committee Members Present*

Rasmus Soerensen, Chair

Bob Barnett, Vice Chair

Dr. Al Gross

Allen Kimball

George Li

Bart Lovejoy

Michael McGinley

Shigeki Okano

Julie Yeasting

Phil Young

*Virtually*

Frank O'Hara III

Joel Peterson

Jeffrey Stephan

*Tomi Marsh, Board Member*

**Honorary Committee Members**

Merle Knapp

*Not Present*

Richard Riggs, Board Member

Duncan Fields, Board Member

### *ASMI Staff and Others Present*

Hannah Lindoff, Senior Director of Global Marketing & Strategy

Hannah Schlosstein, International Marketing Coordinator- Asia

Susana Osorio Cardona, International Marketing Coordinator – Europe

Megan Belair, Assistant International Marketing Coordinator

### **Other Guests Attending**

Colin McMillan, Canfisco (in person)

Cathy DuPuis, American Seafoods (in person)

Ron Risher, OBI Seafoods (on zoom)

Pat Shanahan, Wild Alaska Sole Association (WASA) (on zoom)

Steven Nast, OBI Seafoods (on zoom)

### **Approval of Previous Minutes**

Chair Soerensen moved to approve draft minutes from previous IMC meeting on November 10<sup>th</sup>, 2022.

Julie Yeasting approved, Phil Young seconded. All agreed. Motion passed.

### **Announcements**

Ron Risher will be moving to a new organization in mid-April.

### **Guest Introductions**

All non-IMC members were welcomed to the meeting by Chair Soerensen.

### **Public Comment**

No public comments.

### **Chair's Report and Comments**

Soerensen expressed gratitude to Julie and Frank (outgoing Chair and Vice Chair), as they ran the IMC during the challenging time of the pandemic. Soerensen is honored and thankful to run the IMC, as ASMI evolves and noted that ASMI is doing well both domestically and internationally. Commented on the great OMR teams around the world and that they are the best advocates of Alaska seafood that we have for each market.

Soerensen is honored to be part of the IMC and working closely with the ASMI team. He hopes to have an interactive committee and communicate frequently; ASMI is here to help but can only do so if they get constructive feedback from the industry.

Soerensen and Lindoff spoke of the anti-trust statements and its presence on the table.

### **Vice Chair's Report and Comments**

Vice Chair Barnett concurred with Chair Soerensen's comments and hopes to help with the committee going forward and in its growth. In speaking about his visit to Vietnam, he saw a stark difference

between the two missions in 2016 and this year. He commented that Vietnam was ready for Alaska seafood this time, and now they are willing to work with us.

Barnett noted that if there is anything that he can do as Vice Chair, please let him know.

### **Program Director's Report and Comments**

Lindoff announced the resignation of Ashleigh Heimbigner, ASMI Communications Director. Heimbigner will be moving on from ASMI as of late April. Lindoff acknowledged the phenomenal digital asset library, and video assets that Heimbigner contributed. Lindoff acknowledged her hard work on many projects and hopes that the Board uses those assets.

Lindoff commented on the focus of today's meeting: the approval of the upcoming year's budget. Currently the legislature is in session and there is a five-million-dollar proposal for ASMI in the Governor's supplementary budget that requires the Legislature's approval. If approved, we will have a slightly different budget than if it is not approved. Lindoff is hopeful ASMI will be awarded full funding.

### **Species Updates**

#### **O'Hara provided a flatfish report:**

- O'Hara noted that there is a seemingly unlimited demand for rock sole and Alaska plaice, particularly in Europe. This is largely based on the decline in the plaice catch being observed in the N. Sea coupled with 50% buyback of the fishing fleet for European plaice, these two species are in high demand.
- Yellowfin sole: O'Hara noted we are seeing a weakening of large inventories with the smaller sizes of yellowfin sole available, especially in the French market.
  - O'Hara remarked there is still demand for larger size flatfish in the US, but things are moving slower than is ideal.
  - Yellowfin prices haven't soared, but they are relatively stable. Other species prices were through the roof during the pandemic, but we never saw this with yellowfin sole.
  - Lindoff has set up meetings to understand how naming works in Europe to address naming issues.
- Mackerel
  - O'Hara noted that mackerel was historically 50% retail 50% restaurant in Japan, during the pandemic restaurant purchasing slowed but with lifting of mask mandates we are seeing a return. Noted he has seen big promotions from ASMI Japan and hopes it continues.
- POP
  - O'Hara reported that in Japan POP is a stable market, with the desired bright red skin color.
  - O'Hara noted that because the Alaska POP is now RFM and MSC certified, we should continue to improve and focus on the US and EU markets.

Q: Yeasting inquired about what is happening in China with these species.

A: O'Hara noted that with the lifting of China's Zero-COVID policies, factories are hungry for business; and they have increased capacity and have huge volumes of fillets coming out of the country. He noted many gains were made outside of China during the pandemic.

Q: Okano was curious about the change from pre to “post-pandemic”? Is there still a lot of cargo in Europe and China?

A: O’Hara noted the majority used to go to China and that has changed drastically. China still has huge volume, high fillet quality, and high recovery rates.

Committee continued discussion.

**Joel Peterson provided pacific cod update.**

Peterson noted that up until January of this year there was little interest from the main markets – silence through December. He noted that in the last six weeks we have seen more interest, with some push back on prices.

Peterson noted that cod sizing has been variable and presented challenges. He remarked that the industry must pivot to different markets; as of six years ago about 70% of pacific cod was going international, and in the last 3-4 years this has shifted primarily to serving the domestic market.

Peterson noted that currently, Europe is the most improved market. Japan has been quiet, but they tend to come on stronger in B season, and China has seen signs of light recently.

Peterson remarks that the shock is that we haven’t seen the cost come down, but there has been more price stability lately.

Q: Soerensen asked that with dramatic drop of 20% for cod, and 10% drop for rollover...Is that an opportunity for US pacific cod in the other markets?

A: Peterson commented that he has seen an uptick in overall volume for exports to EU; customers are showing more interest now.

Committee continued discussion.

**Bart Lovejoy provided a pollock update.**

**Please find his notes here:**

**POLLOCK BLOCK & SURIMI**

When compared to historical pricing, 2023 A season prices for Pollock blocks remain strong even though demand is waning. Interest remains for Pollock blocks in the EU at lower price levels and lower volumes, overall. In the EU, A season PBO prices are down 16%-20% from B season 2022. Deep skin prices are down 6%-7% from B season 2022. Buyers are hesitant to commit to any volume from the B season currently as they monitor their own sales to get an indication of need from future production. Inventory levels of Pollock blocks at cold storage are significant and continue to increase with new 2023 US and Russian production coming into the market.

Russian once-frozen PBO block and mince inventory from 2021 & 2022 remains unsold in Europe. More will be imported to the EU this year. Speculation at the end of 2022 that the overstock of Russian Pollock blocks could bring parity between Russian & US Pollock block prices in the EU did not materialize. 2023 US single-frozen PBO continues to trade at \$500-\$700 per ton higher than 2023 Russian single frozen PBO. We think this can be attributed, in part, to a lack of consumer acceptance of Russian-origin seafood in the EU and, secondarily, to highly variable quality. The main driver of lower demand and prices in the EU market is the decline of retail & food service sales due to inflation.

In North America, the consumer-packaged goods (CPG) and quick serve restaurant (QSR) market segments continue to perform well. Q1-2023 sales data will be reviewed closely in Europe and North America. Consumption during the Lenten season will be of particular interest to both primary and secondary processors as year-over-year sales continue to show a decline through the end of 2022.

In Europe, CPG manufacturers continue to see a decline in demand and have responded by reducing production volumes. Some of the branded players in Europe were successful in pushing through significant, double-digit price increases in Q3-2022 and this helped them to maintain healthy balance sheets and offset declining sales through the end of 2022. 2023 looks to be much more challenging with continued inflation/price increases at retail, the progressive decline in demand, and the high level of raw material inventory.

Overall surimi supply in the Japanese market increased 9,762 metric tons in 2022 from 2021 despite a significant cut to the US Alaska Pollock quota. Russia increased its exports of surimi into Japan by 13,000 metric tons in 2022 over its 2021 export volumes (3,091 metric tons). There was also an increase in imported volumes of Southern Blue Whiting, Hoki, and Itoyori surimi to Japan in 2022 as well.

Subsequently, downward pressure on surimi prices continues due to the higher-than-normal supply of surimi and slowing sales. Russia continues to aggressively price surimi of varying quality in Japan with some success. There is speculation that Russian surimi exports to Japan could reach 35,000-40,000 metric tons by year-end.

The Japanese domestic market has seen some decrease in surimi finished product consumption. Major secondary processors in Japan note decreases in sales volumes up to 10%. General consumer activity remains strong in the post-pandemic era, but rising costs are affecting purchasing decisions.

Current offers for A Season 2023 US Alaska Pollock surimi production into the Japanese market are reported to be as much as 150-180 Yen/kg lower than B season 2022 contracts. While the Yen has strengthened and stabilized somewhat since Q3-2022, it is not enough to offset the lower prices being offered.

The Korean surimi market is similarly positioned. High surimi inventory levels of low priced, unsold Russian surimi inventory, new 2023 surimi imports, flat to declining demand, and poor exchange rates are putting significant downward pressure on both demand and price.

This is a serious inventory issue in both Japan and Korea that cannot be solved by price alone.

#### FISHMEAL & FISH OIL

Asian markets show some signs of weakening demand for fishmeal, but remain historically strong. Baby eel catching in Asia had been poor until very recently. Looking forward, Pollock fishmeal demand will grow slightly over the next few months as baby Eel catches make it to the pond and the summer grow out season approaches.

The fish oil market shows continued strength. A season 2023 fish oil priced 35%-40% higher than 2022 B season contracts. The outlook for fish oil markets looks strong for the next 3 to 4 months.

#### POLLOCK ROE

A Season 2023 Pollock roe production from the BSAI fishery was down 10% year-over-year as of March 18th. There had been a notable decrease in the size of the individual roe skeins. The combination of lower volumes and smaller, more desirable roe skein size drove strong pricing and competition during the first round of roe auctions in Seattle. First auction prices were higher than 2022 on reduced supply

and strong demand. Several sizable Japanese firms are reducing use of Russian Pollock roe or are not using Russian Pollock roe at all for Onigiri.

The first Russian Pollock Roe auctions will take place in Busan the week of March 13.

#### Outlook

2023 is shaping up to be a challenging year. Markets continue to be hit hard by inflation, poor exchange rates, increasing inventory levels and declining sales at retail and food service

Committee continued discussion.

#### **Phil Young provided a salmon update.**

Young noted that the sockeye inventory is high, and the demand is lower. He remarked that salmon is being sold at a discount and will continue as buyers take what they need for immediate use.

- Canned – Young remarked that there is a large inventory for pink and red halves. These did well during the pandemic with shelves that were near empty in the UK. Young noted that the market for canned is quite slow and could be due to a hangover from folks currently using what is in their cupboard.
- He remarked that the market overall is going back to where we could have expected given the supply being large in the previous year. Salmon prices were expected to have gone down, they did not, and now the market is correcting itself.
- He remarked that roe was a high price market in 2022. He noted that roe prices were good, and a large supply is sitting in Japan currently.

Michael McGinley commented that this is a useful discussion post-Boston. He notes that Russia's forecast for pink salmon is high. McGinley notes that we should be strategic about how the industry moves forward in the marketplace given that there is a move towards recession in EU due to the war in Ukraine; impacting things economically. McGinley notes that for sockeye, the US market has been good. McGinley suggests that ASMI retail promotions highlighting fresh seafood versus farmed fish is going to be the way to increase demand given that the outlook for the sockeye salmon run is high again this year (top 10 runs).

Okano commented that the fish are coming and there is still unsold inventory. He notes that the roe price is very strong from last year.

Soerensen noted that it is an economic contraction; we are seeing consumers be cautious about the supply chain.

Kimball commented that there was great progress in the domestic market with ASMI and Mark Jones. ASMI moved quickly within a 90 day window and there was significant progress made but the industry must continue to be broadly positioned on sockeye and pink.

Committee continued discussion.

#### **Bob Barnett provided an update on black cod.**

Barnett reported that the season is open and they have caught about 2.6 million with a 6.0 tack. He

noted the fish are smaller this year.

Okano commented that London has a big market for black cod, but they are looking for larger fish.

### **Allen Kimball provided an update on crab.**

Kimball implored industry members to read the NOAA technical article published about crab fisheries and Alaskan salmon. The report states larger size crab have good survival rates (opilio, and red king crab), and there is a strong bairdi fishery in the Gulf of Alaska (entire quota was harvested in 3 days). He notes that Dungeness crab is normalizing across the West coast since January.

10 MINUTE BREAK at 9:41

Soerensen called meeting to order at 9:51AM

### **FY24 Budget Discussion**

Lindoff presented that the international division is looking at two scenarios for FY24. These scenarios differ based on whether the Alaska State Legislature awards ASMI additional funds, or not. She reports that ATP (Agricultural Trade Program) funding is coming to a close, and the funds must be spent entirely by September 2024 (final year).

Lindoff presented both scenarios:

- Scenario 1 and 2: MAP award will stay the same.
  - Our MAP award is \$4.8 million
- Scenario 1:
  - ASMI doesn't receive any money from the Legislature, ASMI international division will take cut in funding
- Scenario 2:
  - We are awarded funds from Legislature (potential award of up to \$5 million to be distributed throughout ASMI division's)
  - Expansion of Southeast Asia and other markets

### Explanation of federal funding streams:

- MAP: Market Access Program Funding. If Farm Bill goes through it might increase.
  - ASMI's historical funding stream; Federal
  - Kimball comment – All orgs. can write to representatives about increasing this funding
    - To understand the fiscal climate – we must look at it as sustainable funding
- ATP: Agricultural Trade Promotion program
  - This is a one-time award received in response to trade-war with China
    - Five year grant cycle, will cease after September 2024
- Match: \$ that the Board gives to us through industry
  - Based on ex-vessel fish value, and this is based on the success of the market
- EMP: Emerging Market Program
  - Applied for this to investigate Africa as an emerging market
  - We will apply for EMP funding for SE Asia and Latin America - must be strategic how we do those so that we can spend money both places.

#### 2024 Scenario:

- China is going to decrease in the same way in both budgets
  - Major drop is in the China program, everything else in scenario 1 is a haircut and in scenario 2 is keeping things steady but giving SE Asia an increase
- Global line:
  - Scenario 2: We have a much bigger global line
  - Scenario 2: Still have money in the budget but we will do that with a little less flair
    - This would be an easier way to do it

#### Headquarters Change in Budget:

- Slight increase in personnel services due to a full staff
- Bump up staff travel
  - Culinary Retreat is being run wholly through International
- Consolidated Program expenses & product/marketing/goodwill materials:
  - Shipping products are incredibly expensive so they have been bumped up for next year.

#### JAPAN:

- Scenario 1:
  - Consumer Promotions would take a cut
  - Roe product promotions was ATP focused and will now go-down as this is no longer a high focus.
- Scenario 2:
  - If given this scenario, we would increase consumer promotions and increase foodservice promotions
  - Digital creative trend is the same as Consumer PR
- Overall, either take a small cut (scenario 1) or a very minor lift (scenario 2)

#### CHINA:

- Only 1 scenario here because either way, we will be moving towards removing Consumer PR in China.
  - We are getting to the point where we can't reach the entire consumer market with \$100k
    - FAS would like us to diversify.
      - Budget is shrinking, and we are cutting 25%
    - Social media will move under the website
  - Trade PR and Advertising had a minor cut due to Training School & Chef Competition
  - Main emphasis will be the show, trade servicing, and removing the consumer line
  - Surimi is a home run in the China market
  - New activity: I Love Alaska (celebrity chefs share online)



- This will replace the Chef Training Schools. Use social media and celebrity chefs to get further reach
- This will be proposed in the UES for FY24-25

#### **SOUTHEAST ASIA:**

- Region where we see the fastest growth
- Scenario 1 (every other program receives a budget cut)
  - 1% increase
- Scenario 2
  - 16% increase
  - More into trade servicing and events
  - Bumped up HRI promotions as the next step, and it is a completely different market
- Apply for EMP funding for trade missions that are separate from the retail promotions MAP funding.
- Long John Silver
  - Singapore: Playing Alaska pollock videos.
    - QSR videos are playing in *conbini* in Japan – new area of communication and advertisement
- Sockeye, POP, and mentaiko as an opportunity in SE Asia
  - The scale of growth has been rapid, size of the factories has been impressive

- **SHARE A LINK TO VIDEO AT LONG JOHN SILVER**

#### **Latin America:**

- Scenario 2 increases in:
  - Trade servicing and retail merchandising
- Mexico has many opportunities, but we don't have a budget for it due to the industry not voicing that desire yet
  - Paperwork poses a barrier
- Last year went to Guadalajara for a trade show
  - Significant interest in the products, but it can also be a good place for processing. Need to bridge the gap for processing as we have done with Vietnamese companies
  - Trade mission with industry members
  - Can write an EMP for Mexico if desired
- Kimball comment: Two main species that are of growth and opportunity in Latin America are Alaska salmon and Alaska pollock.
  - Panama has never been discussed, but they do business in US dollars. Big hub for Latin America in terms of grocery and retail.
    - Potential missed opportunity, owed evaluation.
- Mike McGinley comment:
  - Carolina helped with a lot of paperwork issues.
  - Latin America is a big, canned salmon consumer. Consider promoting this in LATAM.

### **Northern Europe (primarily UK, Netherlands, Ireland, Sweden etc):**

- Larger markets budgetarily – it is a mega program.
- ATP will be removed because it is shrinking, and we need to assign funds to SE Asia
  - Looks like a big cut because digital assets are being moved to Consumer PR
    - Hoping to do more interesting foodservice promotions going forward. The potential is strong even though the market is struggling currently.
      - This is why we have increased Consumer PR – to keep doing interesting programs.
  - Promotions highlighted:
    - New foodservice promotion of smoked salmon with bagels and beans. This is a new project
    - Sainsbury's 'Free not farmed' promotions on the endcaps around Christmas.

### **Southern Europe:**

- Scenario 1
  - Minor cut, but there will be a Trade Show increase by 1%
    - SEG, CONXEMAR will be supported for the future
- Scenario 2
  - Boost 'Foodservice Promotions'
  - Increase the Trade Shows line
- Wild Alaska Restaurant Week
  - Send out to industry members – hope they can be patrons of these locations
  - 2022 – Alaska Pollock Week was done in school catering programs to help balance this restaurant week promotion that focuses on other species
- SEG
  - Able to sublet a small portion of the SUSTA booth – and move some of the co-exhibitors there
  - Pre-SEG OMR meeting will be held in American Seafood
  - Monday around lunch:
    - FAS will present a quick market update on Morocco and its Middle East programs.
      - Africa has this time to shine

### **Western Europe (France & Belgium):**

- Scenario 1: 4% decrease. Scenario 2: 3% increase
- France is an important historical market
  - HQ is trying to increase involvement, and we have a new contractor in Paris – Nadia.
- ATP – Online Chef Tutorials are being removed
- Wild Alaska Seafood Months (WASM)
  - Positioning New Year as a seafood holiday is positive.
  - Highlighting the access to healthy foods.

### **Central Europe (Germany, Poland, Austria, Switzerland, Czech Republic):**

- Program has been running smoothly
- Consumer PR budget was much higher than WEU so we cut slightly.
  - Online marketing tools was also cut because of ATP funding diminishing/going away
- Scenario 1: 3% decrease. Scenario 2: 4% increase
- Ideal to take advantage of Polish programming
  - Could become an interesting program in the future
  - Poland is the European hub for H&G processing to service NEU markets

### **LUNCH: 12:15**

**Chair Soerensen called to order and meeting reconvened at 1:00pm**

### **Eastern Europe:**

- Big cut is in technical education because we had hoped to do more samples
  - Overall, the region is down 20%, as opposed to Ukraine, down 71%
  - Huge jump in Lithuania; large exports to this location
  - Moldova went from \$0 to \$262,993
- Georgia & Moldova
  - Herring, halibut, and roe are positive experiences given limited resources and the devastation in Ukraine
- Eastern Europe has a higher percentage of H&G products and a big roe market
  - Value added is increasing in the region

### **Global:**

- Yearly evaluation is completed as a component of grant requirements
- Sustainability Technical events
  - Susan Marks & RFM program
- Trade show
  - Go to GULFOOD in Dubai, potentially
- Potential to try a Global Broad-Based Initiative (GBI) with other cooperators or do a trade show
- Scenario 1: Every region gets a small cut, then we will only fund the Global trade line at \$15,500.00 (for GULFOODs or another show).
- Scenario 2: Every program raises slightly (SE Asia gets 16% lift), and we take advantage of that and do other activities in this area.
  - Funds for somewhere we are not represented:
    - Gulf is an ideal location because it's a high-end market. Many other markets can't sustain high-end products whereas the Middle East is better poised for this.

## Africa Project Recap/Near East Strategy

- GBI application would be a good idea. The only issue is that Food Export NE was the lead previously and did all the paperwork – they have a new Executive Director who does not want to lead this. Consequentially, ASMI would need to be the lead.
- A few opportunities/options in this region:
  - Fund an outbound mission to the region. One country a year for three years.
  - Can send samples to FAS Dubai
  - Dubai chef from 'Billionaire' would like to come to Alaska and create videos and media
- Gulfood is going to be like Singapore and/or Hong Kong where there is limited capacity, but it is for high-end products.
- Lindoff's preference would be to sit on this for a year and just do Gulfood Show before writing a GBI grant proposal
  - Try just to fund the show for a year and then use the information we gather there for writing the grant application in the future.
    - Mike comment: There might be a better opportunity soon with their market growing and opening up.
- Lovejoy comment about India?
  - We could do a similar thing that we did with the Africa Road Map Methodology project in the past. We can duplicate this type of set-up for India.

## Africa Road Map Methodology

1. Member interviews
  - Consumer Research
  - In-depth desk research
  - In-person meetings
  - Follow-up interviews upcoming
2. Looked at all the constraints and identified some that ASMI can assist with:
  - a. Resources: new and emerging markets are challenging for small companies to explore with limited resources. ASMI can do this exploration
  - b. Tariffs and Trade Barriers:
  - c. Lack of Established Business Ties
  - d. Lack of Knowledge
3. Advantages:
  - a. Population is large and growing
  - b. Prime location on the continent
  - c. World Bank ranks Morocco 2<sup>nd</sup> in the middle East/N. Africa (MENA) region
  - d. Openness to trade and investment
    - i. Morocco was first to recognize US as an independent country. US has recognized their territory which creates good relations.
    - ii. Have a free trade agreement (AfCFTA) and Morocco as an entry point is fantastic
  - e. According to FAS Post, the business community is solid
  - f. International companies doing work there is solid
  - g. Growing industry

4. Consumer Research
  - a. All was positive, but Morocco and Egypt were very strong in purchase and intent for AK seafood, and other metrics
5. February Mission
  - a. Agadir Feb. 2-5 for the Halieutis Trade show
    - i. Visited many processing facilities, multi-product plant tour (day trip)
  - b. Casablanca Feb. 5-6
    - i. Plant visit, store checks, HRI
    - ii. Already eating some AK seafood, fish-eating culture
  - c. Rabat Feb. 7
6. Follow-up:
  - a. Conducting interviews with these companies
  - b. Barcelona one-on-one meetings available
7. Bonus: Canned Strategy
  - a. Opportunity for canning and canned foods in this region. They have canning factories, and they prefer canned foods, generally
    - i. How can we move canned salmon off the shelf to be positioned elsewhere?  
Worth thinking about canned salmon as somewhere we send salmon for canning within their infrastructure and with their own flavorings.

FAS Discussion:

- FAS would like to see US Cooperators be serious about investing in Africa. We created the outline and would like to see a couple of people move into the region.
- FAS EMP Funds could be used for Africa.
  - Given \$202,000 for research in the region alone. This demonstrates how eager they are to participate in Africa.
  - ASMI could do some interesting things in this area, hoping for canned product issues.
- Morocco is increasing their aquaculture production in tilapia.
- Comments: The vice-chair would like to see the presentation before the IMC budget meeting. Likes global budget limited idea, starts small
- Comment: Li, do a market survey/visit of near east/Africa before visiting the show with Global line.
- Comment: Lovejoy, international is doing great with limited funds. Prezi on Morocco/EMP shows the importance of researching more in the near east/Africa.
- Comment: McGinley highlights the importance of canneries to sustain the industry. Where to use the money better. More emerging market research, H&G POP, and rockfish is a big market in Africa. Supports diminishing China's budget
  - Looking for a recommendation to the board for the budget

Chair Soerensen moved to hear from industry members present during a round-table discussion.

Okano comment: Agrees and would like Lindoff to move forward with budget.

Dr. Gross comment: Agrees that cutting back from China would be appropriate. Wise to increase in Asia given the strength of USD, buying power will be high. Like the idea of having a look in Dubai. Alaska pollock can't go to Dubai but certainly to Africa.

Yeasting comment: Thanks for the data-rich and detailed budget presentation. ASMI has been good at maximizing the resources that they have available to us. Conclusions: There are issues with China and its tariff situation, can see the reallocation having the biggest impact (SE Asia, S. America, and Japan). Morocco seems like a good fit, given the location, SEU market access, and processing potential.

Young comment: Agrees with the proposed cuts and additions. Glad to see the NEU market maintained. Japan: we must be there because it is so important, but if their currency remains weak, they will depend on Russia even more.

O'Hara comment: Agree with reducing China's budget. Would like to learn more about what is happening in Africa; noted that quoted prices can be very variable.

Peterson comment: Russia prices are a different business model, difficult to complete. Africa isn't a great market for us currently, and might not see that changing. Even S. America is difficult for cod. Looking at developing niches in places like Dubai and Qatar. Europe is a place of focus and increase presence over there

Stephan comment: Positive steps forward. The steps that have been outlined by Lindoff and we should make an investment in that direction and explore it. Barcelona will provide an opportunity to speak with folks from the government in Morocco.

Committee continued discussion.

### **Approve Budget**

Soerensen called for a motion to approve the budget. McGinley moved to approve the budget as proposed by the ASMI staff. Julie Yeasting seconded. No objections. Motion passed.

### **Trade Mission Discussion**

Hannah Schlosstein presented the Vietnam Trade Mission that took place in February and March of 2023.

#### Industry feedback:

Vice Chair Barnett: Noted a stark difference between the original trade mission and this trade mission. Commented on factory cleanliness. Noted there are tariff issues with items that enter the domestic market but not with re-exportation.

O'Hara comment: There was a Japanese presence at most factories visited on the mission. Vietnam and Japan have a tax free, free trade relationship

Chair Soerensen comment: Any ideas on future trade missions?

McGinley comment: It is useful to coordinate missions around trade shows or other food shows. He notes this creates a unique opportunity for industry to speak directly with buyers etc.

Barnett: Vietnam was timed well with other government entities.

Stephan comment: Mexico- Had opportunity in 2012 to visit with Denny Alba (Ocean Beauty) with WUSATA. Pleased and excited about opportunities in Mexico. Sees opportunities now.

Yeasting comment: 100% of trade people voted on Indonesia as the next location after the Vietnam Trade Mission.

Lindoff: Budget is currently unknown but with SE Asia we are applying for MAP funding, but we would also like to apply for EMP funding for SEAsia. EMP funding can be used for Indonesia and other locations. Thailand mission should be this coming year using ATP funding. Lindoff notes there is an OMR strategy session in August. We can continue this discussion with OMRs then.

Committee continues discussion.

### **Good of the Order**

Chair Soerensen expresses thanks to the committee and requests any additional comments.

### **Adjourn:**

Phil Young moved to adjourn; Al Gross seconded. None opposed. Motion passed at 2:56pm.