



Alaska Seafood Marketing Institute
International Marketing Committee Meeting
August 16-17, 2023
Seattle, WA

Draft Minutes
Day 1 – August 16, 2023
9:30 a.m. – 3:30 p.m.

Call to Order

A meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order at PSQS and on a public Zoom meeting, by Chair Soerensen at 9:37 am.

Roll Call

Committee Members Present

In person

Rasmus Soerensen, Chair

Bob Barnett, Vice Chair

Al Gross

Bart Lovejoy

Michael McGinley

Julie Yeasting

Phil Young

Jeffrey Stephan

Frank O'Hara III

Joel Peterson joined at 10:30 am

Virtually

Richard Riggs, Board Member

Tomi Marsh, Board Member

Allen Kimball, Board Member

Not Present

Duncan Fields, Board Member

Shigeki Okano

George Li



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ASMI Staff and OMRs

Hannah Lindoff, Senior Director of Global Marketing & Strategy
Nicole Alba, International Marketing & Grants Manager
Hannah Schlosstein, International Marketing Coordinator- Asia
Susana Osorio Cardona, International Marketing Coordinator – Europe
Megan Belair, Assistant International Marketing Coordinator
Greg Smith, Communications Director
Stephanie Pan, ASMI China
Yuka Inui, ASMI Japan
Maria Kraus, ASMI Central EU and Western EU
Mara Kuhnert, ASMI Central EU
Ksenia Gorovaia, ASMI Eastern EU
Alexa Tonkovich, Northern EU
Akiko Yakata, ASMI Japan
Alicia Parker, Northern EU
David McClelland, ASMI Southern EU
Claudia Lecarnaque, ASMI Latin America
Carolina Nascimento, ASMI Latin America
Roger Zhang, ASMI China
Tim Welsh, ASMI Southeast Asia
Susan Marks, RFM Sustainability Advisor
Virtually
Heather Johnson-Smith, Administrative Manager

Announcements

Lindoff explained that the previous meeting's minute approval would be later in the day and species updates would be the first item on the agenda. She also made known that a copy of the anti-trust statement was available.

Guest Introductions

Guest introduced themselves:

Brody Pierson, Bering Select
Todd Green North Pacific Seafoods
Song Choi, Trident Seafoods
Cathie DuPuis, American Seafoods
Irina Zilanova, OBI (online)

Chair Soerensen welcomed the guests.



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Public Comment

No public comments.

Species Updates by IMC Members

Salmon Update by Michael McGinley & Phil Young

McGinley explained that pink salmon are coming in strong; coho salmon are not here yet. Inventory carry-over from the previous year is the main market issue. The farmed salmon industry is booming. Demand has slowed. Special effort should be made to promote keta salmon due to high volume returns (smaller fish sizes). Keta season is seeing lighter meat color, which is seen as undesirable by some markets. OMRs should be thinking creatively about alternative uses for pale salmon meat.

Young stated that there has been an overall slowdown. High-end proteins took a hit globally. Prices are dropping due to supply and demand fluctuations. The canned situation is the same as frozen salmon: significant carry-over. Canada and the UK were the biggest markets for sockeye but are now slowing down. This year, the pink situation will be different because Russia is closing in on a billion pounds of pink that are flooding the market. Luckily, much Alaska pink salmon goes into cans, which can be marketed through USDA food aid programs. Some sectors do not want Russian products, which is great for Alaska seafood. However, the product goes through China, and it is uncertain if it will stay in that market or go from there into our target markets. ASMI should continue to promote Alaska's origin and quality and highlight the stability of the US as a country and partner. The roe market is very much the same. It hit record highs last year. However, the Hokkaido salmon run was 50% above projections. Ikura volumes will also be large this year, especially for pink salmon roe.

McGinley added that this is a big year in terms of volume. European customers have commented on not wanting to depend on Norwegian salmon. The refreshed market could be an opportunity. Asian markets are also open for new business. There are several niche markets for AK salmon, which are low volume. China is the biggest reprocessing market. The OMRs have been working on developing new markets. Bringing processing closer to home countries is also a trend we can take advantage of.

The Chinese domestic market for AK salmon is small and not growing. Customers are used to the oily flavor profile of farmed salmon. China OMR Pan explained that consumers are interested in raw salmon offered by Norway and Russia and suggested looking into fresh AK salmon for that market.

McGinley noted that markets around the world are interested in fresh AK salmon. However, it is much more challenging to supply than frozen due to health certificate requirements abroad and packaging limitations domestically (Styrofoam ban in Alaska). Due to the high oil content of sockeye, he recommended marketing it to Chinese consumers. CEU/WEU OMR Kraus agreed on fresh being more challenging in the EU and explained only niche clients have offered fresh salmon. Transgourmet group has a special retail offering for two weeks only, at 4.99 EUR/100 grams (around 50 EUR/kg). Offering fresh AK salmon would be a smart move in terms of PR, although not as much for volume. SEU OMR McClellan



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agreed. Fresh is a great promotion for Alaska salmon and seafood but comes with complicated logistics. Supplying fresh salmon to Europe has worked best through wholesalers on the East Coast rather than shipping straight from Seattle. Head-on would be readily accepted; H&G could also work. Certain buyers in Europe put AK salmon in the spotlight, especially king and coho.

Young noted that this year's Bristol Bay sockeye quality is superior. We see bigger fish (4-6) but smaller numbers. Southeast AK sockeye quantities are very limited, so the catch is sold fresh to the lower 48. McGinley added that Cook Inlet salmon was mostly sold fresh this year. However, the benchmark continues to be Bristol Bay 4-6. Young reminded the OMRs to also continue promoting pink and keta. Pinks will mainly be IQF. Fresh counter pink promotions could be a good option for European markets.

Groundfish Update by Frank O'Hara

Atka mackerel

O'Hara shared that this fish is mainly for the Japanese market and especially popular with young people. Atka mackerel's most common product form is cut in half and butterflied. There was a significant decrease in the restaurant portion of the business during the pandemic, resulting in a focus on retail promotions. The industry has gone into boneless filets and smaller sizes. The 200 million rice ball promotion ASMI logo in Japanese 7/11 stores was highlighted. Atka mackerel and redfish (rockfish) are on menus in Thailand. It is a beautiful fish when headed and gutted, and a very oily fish. The volume of AK groundfish species makes them particularly attractive (250 tons caught per day on average). Atka mackerel is sold mainly to Japan and Korea. Russia also catches and processes this species and sells it directly to Japan. The FAO fishing region tends to be called out in small font on the back of the packaging. Unlike salted cod (covered with salt for several hours/days), Atka mackerel is butterflied, cleaned, and soaked in a saltwater solution for only 30 minutes, removing 7-10% of the moisture. The resulting flavor is not as intense as with salted cod. ASMI Japan OMR Yakata expressed that these species would be good options for future rice ball collaborations as would herring roe or herring roe on kelp. O'Hara called it the 'Japanese chicken wings' because it's served at every bar. Yakata agreed that it is a staple menu option.

Other groundfish

O'Hara noted that Bering Sea yellowfin sole is a stable product, amounting to 150,000 tons annually. The season is January through November. It is a more challenging species to process because it is thin and must be hand-cut. YFS has traditionally been processed in China resulting in twice frozen filets. 30% of the production goes to Japan, 30% to the USA, 30% to Europe and remaining 10% to various destinations. France is an important market for filets, as well as Japan, Germany, and the Netherlands. This is the same situation with Alaska plaice. It is very sustainable for schools, factories, and hospital restaurants/foodservice. Dutch processors are looking for species other than Atlantic plaice, given that the fishery has been discontinued. It could be a good fit for AK once frozen products.

The most important species of redfish/rockfish is POP. It has a lot of competition in Norway. The AK fishery was slow to obtain MSC and RFM certifications but has obtained them. Japan and China are the primary markets for the species, especially Japan for whole-round POP. Processing includes dipping in vitamin C



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solution to preserve the natural red coloring. The industry is working hard to develop alternative markets to Japan due to the weakening of the Yen, which could include competing with Icelandic and Norwegian products. It can be sold as redfish in Europe and has MSC certification. Yeasting explained there is single frozen filet production in Alaska, specifically IQF, but it is very costly. The production tends to be sold domestically as it competes with East Coast rockfish. SEU OMR McClellan commented on the market potential for the species in Southern EU if the fillets were made available.

The Chinese tariff exemption on yellowfin coming from China will expire in September. The industry hopes it can be made permanent, as with Alaska pollock and Pacific cod. McClellan added that there is an 8% tariff into Europe.

Pacific Cod and Sablefish Update by Brody Pierson

Pacific Cod

Pierson noted that demand has been steady with no significant carry-over inventory. Smaller fish sizes dominate and have been going into China, but consumers have stopped buying. In general, it has been difficult to move the small, hand-cut product. Medium-size fish are going to the EU, Japan, and the East Coast. The Japanese market is doing better, and paying higher prices for Pacific cod than anywhere else. Russia is the biggest competitor, with high volumes and a tendency to cut prices at a rate that Alaska producers cannot. However, fish sizes are equally small. The collarbone on (CBO) market has been strong for fully salted, hung-dry. Lower numbers of Atlantic cod and the current unpredictability of the fishery, coupled with bad weather windows, have largely contributed to a stronger market for Pacific cod.

Longliners are selling their catch easily and quickly. Fish are moving from 4-5lbs to the 5-7lbs category. The CBO market focuses on 7-9lbs, while offshore factories are mostly salting. Production generally focuses on frozen H&G for further processing in secondary markets. Korea and Japan have been very aggressive on stomachs in the by-product market this year; roe is slightly down, as is milt. Korea is the only major market for fish heads, but there have been difficulties due to the rejection of any shipment with visible blood, which is unavoidable once the fish is no longer whole. Collarbone off (J-cut) is focused on sizes 17lbs plus. 2-4lbs are considered small, and 5-7lbs are medium size destined for Japan and Europe because it plays nicely to equipment (anything under 3lbs is difficult to run through the machinery).

Sablefish

Japan is the sole market for smaller-size sablefish (under 4lbs) and has been steady given current fish size trends (under 2-3lbs) The fish are portioned, marinated in miso or sake, and grilled. However, it is very price sensitive. 7lbs+ fish are sold as luxury items in high-end markets such as Hong Kong, Singapore, and Dubai. These bigger fish are also very popular across European high-end markets, with steaks being the preferred product form. The US domestic market is only starting to learn about the product.

There is a big price difference between 2-3lbs and 5lbs and up fish (5lbs are triple the price). With the former going to Japan and representing the biggest volume, and the latter to high-end, niche markets where price is not the main driver (1% of catch), it's necessary to develop more opportunities for 3-4 lbs (45% of catch) and 4-5 lbs sizes (5-7% of catch). These can be too small for steaks but can be suitable for



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fillets. It must also be considered that in 5-10 years, the bulk of the fishery will have grown into this mid-range (4-5 lbs) and will need these new markets. The SE Asia OMR Welsh commented on the potential for building demand in that region if the supply is reliable. Pierson spoke of a very strong quota and trust in current fisheries management. He also mentioned the UK as a growing resource for 5 lbs up. Fishing seasons are March to May and fall months.

Yakata explained that 2 lbs sablefish are used in a small but growing market for bento boxes (small pieces are marinated and then grilled). Common product forms are bone-in, skin-on steak, also served grilled. Typical processing for retail is H&G, then center cut.

Alaska Pollock Update by Bart Lovejoy

Lovejoy presented types of pollock block and surimi grades, highlighting the use of different waste streams to recover as much of the resource as possible during processing. The strength of Alaska pollock as a resource lies in its quantity and stability (MSC and RFM certified). Blocks are the main product form. Those manufactured in the US at sea or shore plants are solid due to better automation and sizing capacity, while Russian blocks tend to be misshapen, have gaps in corners or middle, and be too wide or too thin, making further processing more difficult and outcomes less reliable.

On whether to block twice frozen product reprocessed in China from entering the US or into other markets because it might be of Russian origin, Lovejoy argued that the focus should be on highlighting traceability. US product is traceable, while China produces 'laundered' seafood due to co-mingling of origin. Attacking another origin, however, will confuse consumers instead of speeding up their purchasing decisions. Therefore, marketing efforts should focus on underlining our strengths and ensuring buyers/consumers identify them quickly and choose our products.

Russia, except for China, has lost most fillet block markets due to its invasion of Ukraine. This has resulted in the accumulation of massive inventories of Russian products sitting in cold storage and price dumping strategies for blocks and surimi. US products are unable to compete due to the weakening of the ruble. The recommended strategy for Alaska Seafood is to continue promotional activities focused on origin identification and highlight traceability.

Kodiak Salmon Fishery Management by Jeff Stephan

Stephan gave examples of the resources made available by AK fishery management agencies to fishermen and processors, using Kodiak Island as an example. He also spoke to the importance of continuing to share sustainability stories abroad as the main differentiator from other unmanaged fisheries such as the Russian.

Soerensen called a lunch recess at 11:30 a.m.

Soerensen called the meeting back to order at 1:00 p.m. at Trident Seafoods.



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Approval of Previous Minutes

Motion: Barnett moved to approve draft minutes from the previous IMC meeting on March 28th, 2023, Gross seconded. All in favor. Motion passed.

Guests were introduced:

Omar Sadeque, Trident Seafoods

Sana Watterson, O'Hara Corporation

Mike Cusack, American Seafoods

ASMI China Presentation by Roger Zhang and Stephanie Pan

The OMRs presented on the protein and alternative protein markets in China --focusing on the strategies implemented by Alaska Seafood's direct competitors, their program's most successful long-term marketing efforts, and the most important upcoming events for which industry participation is highly encouraged. The committee discussed the China market and asked for clarification about how product origin is determined for promotions. The OMRs explained the robust process they go through to vet import certificates for AK origin product eligible for promotion.

ASMI Japan Presentation by Akiko Yakata and Yuka Inui

The OMRs presented on Japan's protein and alternative protein markets, focusing on the strategies implemented by Alaska Seafood's direct competitors, their program's most successful long-term marketing efforts, and the most important upcoming events for which industry participation is highly encouraged.

ASMI Southeast Asia Presentation by Tim Welsh

OMR presented on the protein and alternative protein markets in Southeast Asia, focusing on the strategies implemented by Alaska seafood's direct competitors, their program's most successful long-term marketing efforts, and the most important upcoming events for which industry participation is highly encouraged. Welsh proposed a December date for an in-bound mission to Thailand. The committee expressed that they are in favor of the mission but not of the December timing. The committee asked ASMI staff to follow up with a poll of committee members.

Action Item: ASMI staff will poll committee members about potential dates for a trade mission to Thailand.

ASMI Latin America (formerly Brazil & South America) Presentation by Carolina Nascimento and Claudia Lecarnaque

OMRs presented on the protein and alternative protein markets in Latin America, focusing on the strategies implemented by Alaska Seafood's direct competitors, their program's most successful long-



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term marketing efforts, and the most important upcoming events for which industry participation is highly encouraged. The OMRs presented possible dates for a Mexico trade mission. The committee supported the mission but again felt they needed an online poll to best determine dates.

Action Item: ASMI staff will poll committee members about potential dates for a trade mission to Mexico.

Nascimento concluded by announcing that she will no longer work as ASMI's OMR for the region and that Lecarnaque will now lead the Latin America program.

At 3:35 p.m., Chair Soerensen asked for a motion to recess until the next day. **Motion: Yeasting moved to recess. O'Hara seconded. All in favor. Motion passed.**

Day 2 - August 17, 2023
9:00 a.m. – 11:05 a.m.

Chair Soerensen resumed meeting at 9:00 a.m. He welcomed guests not present during the previous day.

Daniel Kusakari, Ocean Peace
Jim Johnson, Glacier Seafood
Sun Kim, Golden Tech International
John Bay, Golden Tech International
Mark Wilsby, Eastern Fisheries
Shaun Hardy, Eastern Fisheries
Pat Shanahan, WASA

ASMI Northern Europe Presentation by Alexa Tonkovich and Alicia Parker

OMRs presented on the protein and alternative protein markets in Northern Europe, focusing on the strategies implemented by Alaska Seafood's direct competitors, their program's most successful long-term marketing efforts, and the most important upcoming events for which industry participation is highly encouraged. The committee asked for clarification on the term "Veganuary," which refers to vegan January. The committee also discussed the canned market.

ASMI Eastern Europe Presentation by Ksenia Gorovaia

OMR presented on the protein and alternative protein markets in Eastern Europe, focusing on the strategies implemented by Alaska Seafood's direct competitors, their program's most successful long-term marketing efforts, and the most important upcoming events for which industry participation is highly encouraged. She also commented on future collaboration for the Scandinavian markets covered by the Northern Europe program. Gorovaia also highlighted opportunities in the Israel market. The committee thanked Gorovaia for her hard work under difficult circumstances.



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ASMI Central and Western Europe Presentations by Maria Kraus and Mara Kuhnert

OMRs presented on the protein and alternative protein markets in Central and Western Europe, focusing on the strategies implemented by Alaska Seafood's direct competitors, on their program's most successful long-term marketing efforts, and on the most important upcoming events for which industry participation is highly encouraged. The committee discussed opportunities to build a refresh market in the regions.

ASMI Southern Europe Presentation by David McClellan

OMR presented on Southern Europe's protein and alternative protein markets-focusing on the strategies implemented by Alaska Seafood's direct competitors-, their program's most successful long-term marketing efforts, and the most important upcoming events, CONXEMAR and Seafood Expo Global, for which industry participation is highly encouraged.

WASA Presentation by Pat Shanahan

Shanahan presented the preliminary findings of the European consumer research commissioned by the association in relation to the most important species of groundfish. Yellowfin sole, as the strategic species for the European market, was the presentation's focus.

Jim Johnson, President & CEO of Glacier Fish Company, welcomed attendees and explained how the tour of the North Star would be conducted.

Soerensen concluded the meeting and thanked all companies, associations, and participants who contributed to the two-day meeting.

Motion: Yeasting moved to adjourn. Young seconded. All in favor. Motion passed.

The meeting adjourned at 11:05 a.m.