



Wild, Natural & Sustainable®

Alaska Seafood Marketing Institute
ASMI Board Meeting
Tuesday, December 17, 2013 8:30AM
Seattle, Washington
-DRAFT MINUTES-

The meeting of the ASMI Board of Directors was called to order at 8:40am at the Silvercloud Inn Hotel, Capitol Hill Meeting Room, Seattle, Washington.

In attendance:

Mr. Kevin Adams – Chair
Mr. Mark R. Palmer – Vice Chair
Mr. Barry Collier
Ms. Amy Humphreys
Mr. John Garner
Mr. Jack Schultheis – via teleconference
Mr. Bruce Wallace
Ms. Roberta Graham
Senator Gary Stevens
Representative Alan Austerman
Mr. Michael Cerne

Absent:

Mr. John Moller

Guests:

ASMI Staff
Ms. Sara Chambers

Roll call was taken and a quorum was established.

APPROVAL OF THE AGENDA

It was moved by Mr. Barry Collier and seconded by Mr. John Garner to approve the agenda as presented. The motion was adopted by unanimous consent.

CHAIR REPORT

The Chair thanked everyone for attending the meeting during the busy holiday season and extended gracious comments to staff in regards to the All Hands meeting in October, stating that the event was a great success.

EXECUTIVE DIRECTOR REPORT

The Chair opened the floor to Mr. Michael Cerne, ASMI Executive Director. Mr. Cerne welcomed Ms. Sara Chambers, Professional Licensing Operations Manager, Department of Commerce, Community and Economic Development and thanked her for traveling from Juneau for the training, ethics and procedures portion of the day's meeting.

Mr. Cerne reported that the Executive Assistant position is still open with ASMI staff and that applications are currently being accepted.

Mr. Cerne reported on the proposed budget report in which Governor Parnell released last week. ASMI is looking for the same budget as last year.

Mr. Cerne reported that the \$500,000 contract for the PR special project was awarded to Adam Friedman Associates LLC and that ASMI staff is working on that now.

Mr. Cerne reported that ASMI activities and events since the last board meeting included, fiscal staff, Food Aid and International staff attended the annual MAP conference in Baltimore this past November.

Mr. Cerne reported that Civil Rights training is required of board members and ASMI staff members and that Ms. Alexa Tonkovich, International Marketing Director has brought this information to distribute to be in compliance for the federal grant.

Mr. Cerne reported that Pacific Marine Expo was a great success and that there was a lot of wonderful feedback from the event.

Mr. Cerne reported that he received a letter from Senator Begich, asking ASMI to look into researching and marketing Alaska Seafood in the Philippines. ASMI replied, explaining the action that the Board and committees took at the October All Hands meeting, with regard to hiring McDowell Group to conduct a feasibility study to be presented this coming February.

Mr. Cerne reported that the Germans have accepted the invitation to have a trade mission in Alaska this coming summer. There are 10 people from several seafood industry distributors and retail outlets that will be in attendance and the trade mission will coincide with the last day of the council meeting in June.

Mr. Cerne reported that executives from Walmart will be visiting Juneau January 7-9, 2014 with a full day of meetings on the 8th. ASMI will take the Walmart executives to the Science Center, hatchery, a processing plant and have a meeting at the Governor's house. The Chair let the Board know they are all welcome to attend those meetings.

BOARD TRAINING

The Chair welcomed Ms. Sara Chambers to present the Board Training. Ms. Chambers thanked the Chair and Board for a warm welcome and explained that this training is very important for all board members to have. Ms. Chambers asked that each board member introduce themselves and explain in a brief statement what they hoped to get out of the training session. Ms. Chambers then began her presentation.

BREAK 10:50AM – 11:03AM
BOARD TRAINING CONTINUED

Ms. Chambers continued with the training presentation.

TRAVEL POLICIES

Mr. Cerne explained that there are over 300 trips per year for 100 travelers that the ASMI Fiscal Staff processes. Mr. Cerne went over the procedure for requesting travel in detail and explained that travel reconciliation forms need to be received by the ASMI Fiscal Staff within 5 days upon returning from their travel. Mr. Cerne explained that personal deviation from state travel is acceptable, but needs to be addressed to ensure the rules are being followed. The rule states that if you are staying longer than your trip requires, the state can still book your trip and the comparisons are done, but the extra days that are not necessary for business travel, cannot be paid by the state. For example, for this particular meeting, if you travel on a Friday, to partake in holiday shopping, the lodging for those extra days and per diem cannot be paid. Another example would be that if you wish to travel to Dallas to visit family on your way to a business trip in Washington D.C., you would book the airfare yourself and then be reimbursed the amount the flight would have cost from the original destination to Washington D.C. only.

HOSTING

Mr. Cerne explained that the state recognizes that hosting is a standard private business practice and that ASMI does quite a bit of hosting, but that has to be balanced by being accountable and being responsible with the use of public funds and what monies we use for hosting. The policy states that there are certain events that can be hosted, who can be hosted and who can actually host (the Commissioner, the Executive Director and marketing staff can host). Mr. Cerne went on to explain the policy in detail, with regard to what is covered under hosting such as food, alcohol and lodging. Mr. Cerne explained that there are two circumstances where hosting is not allowed. The first is when an event has the primary benefit of, or is being predominately attended by state officials, and the second is when an event hosting state official spouses. If MAP funding is used for hosting, there are more strict regulations. Mr. Cerne explained that if you have any questions with regards to hosting, to defer to staff.

EXECUTIVE SESSION

Executive session entered at 12:15pm.

The meeting reconvened at 2:08pm.

CAP ASSIGNMENTS

Mr. Garner motioned, seconded by Mr. Palmer that the board appoint the following individuals to the Customer Advisory Panel.

Retail

Paul Stanton – Director of Seafood Ahold USA

Food Service

Wade Weistling – V.P. of Culinary Development> The Oceanaire Seafood Room/ Morton's

China

Mr. Ghao Linming – General Manager Everfish International Ltd/ Qingdao Yutai Import & Export Co. Ltd.

EU

Ralf Forner – Seafood Manager Trans Gourmet

PINK SALMON MARKETING PLAN

The chair asked that Mr. Cerne read the motion from the last board meeting, which read “that ASMI staff work with committees to develop a plan for expenditures not to exceed \$1.5 million for the marketing support of frozen and canned pink salmon.” The Chair reported that that assignment went out to ASMI staff and that Mr. Larry Andrews, Retail Marketing Director managed the process between the Retail, Foodservice, International and Food Aid programs. The Chair stated that the board could vote for plan A or B or both or redirect, depending on their findings. Mr. Cerne reported that he asked McDowell Group to provide background information, so that ASMI would know what the best approach would be. **With regard to the draft plan for increased government purchased of canned pink salmon for the Food Aid program, Mr. Garner made a motion “that we approve the budget for that component for the program at \$57,000 and would add not to the motion, but a comment that if it looks like we need more money that we would apply to Bruce to come back to the board.” Ms. Humphreys seconded. The motion was adopted by unanimous consent.**

There is board discussion that they are disappointed in not seeing the volumes that are likely to be moved like they were hoping to see and that perhaps there is a better alternative that has not been presented yet. Mr. Cerne stated that the estimate for cases being moved is based on the coupon effect only and that there is not a way to measure the PR effort. Mr. Palmer stated that what was being presented is what can be done immediately, but that if the board wants a bigger picture, it will take time and cannot be accomplished in the timeframe staff was originally given. **Mr. Garner moved to have ASMI staff ask the Attorney General’s office, whether ASMI funding can be allocated directly to the primary producers in Alaska in support of their brand for canned salmon. Mr. Palmer seconded. The motion was adopted with unanimous consent. Mr. Garner moved that if the Attorney General responds affirmatively that the ASMI staff provides the board with a potential plan of supporting canned salmon in the marketplace in light of the information that we have from the Attorney General. Mr. Collier seconded. The motion was adopted by unanimous consent.**

STAKEHOLDER SURVEY

Mr. Cerne stated that in 2008 and 2011 ASMI contracted with McDowell Group to do a Stakeholder Survey to see how ASMI was doing. Mr. Cerne would like to do the same in 2014. Mr. Cerne stated that it will be interesting to see how the industry thinks ASMI is doing with regard to RFM, etc. There was question from the board as to cost. Mr. Cerne stated that he would get back to the board with that information. Mr. Collier suggested we don’t approve this project moving forward until the board is made aware of the cost. Mr. Garner asked who would be surveyed and how the information will be used. (Note: please see public comments for update to this topic).

POLLOCK MARKETING INITIATIVES

Mr. Garner stated that Pollock is suffering significant problems. The Pollock market is divided up into three or four segments depending on how you look at it based on product form. The segments are: Surimi, PBO block, deep skin block and Roe. The values at this point in time are pretty historic lows. With regards to specific markets, the most concentrated area that can be affected is PBO block in Germany. Mr. Garner asked if the board would consider asking staff to develop marketing initiatives with the idea of trying to increase true Alaska brand awareness for PBO Pollock block in Germany. Mr. Palmer asked if part of this initiative is to create brand awareness and distinction from true Alaska Pollock, from Russian Pollock and if there was an initiative going on in Germany right now that we could join in on. Mr. Garner was not aware of any such initiative already under way. It was suggested by Mr. Garner that the board start with ASMI staff and ask for their input and see where to go from there. The Chair asked Mr. Garner if there was a number that he wanted to assign to this effort. Mr. Garner

suggested it be in line with the pink canned salmon initiative. The Chair clarified with Mr. Garner, that Mr. Garner was giving direction to Mr. Cerne to have ASMI staff come up with a PBO Pollock block plan for Germany for \$1.5 million, Mr. Garner replied affirmatively.

Mr. Cerne stated that when this was brought to him to put on the agenda, he understood it to be an initiative for ASMI to host a workshop in conjunction with a council meeting to be held in Seattle in February or April in Anchorage to bring in the major Pollock producers and be more responsive to the issues that GAPP passed along to the Board.

Mr. Garner stated that he believes the workshop should happen regardless, that a motion is not required at this time and is happy to wait on this issue.

NEW BUSINESS

PINK SALMON DONATIONS TO THE PHILIPPINES

Ms. Graham moved to assist with the current food relief effort in the Philippines, that the board approve committing \$250,000 from ASMI FY14 budget to be transferred to the Division of Economic Development in the Department of Commerce, Community and Economic Development to be used towards Philippine marketing and relief effort. Mr. Wallace seconded. The motion carried with unanimous consent.

PUBLIC COMMENT

Mr. Bruce Schactler, Food Aid Director, stated that with regards to sending pink salmon donations to the Philippines, if ASMI is sending 4 containers, that \$250,000 would not be enough to cover the total costs. That \$265,000 would be a more appropriate figure. **By friendly amendment, the motion that Ms. Graham put forward was changed to reflect the \$265,000 for pink salmon donations to the Philippines. The updated motion was carried with unanimous consent.**

Mr. Naresh Shrestha, ASMI Administrative and Fiscal Officer, stated that the Stakeholder Survey that would be conducted for research in 2014 cost between \$12,000-\$13,000. Mr. Cerne stated that the survey group would be large processors, small processors, industry organizations and purveyor marketers. **Mr. Collier moved that ASMI staff move forward with the Stakeholder Survey. Mr. Garner seconded. The motion carried with unanimous consent.**

The Chair thanked everyone again for attending and wished all a Merry Christmas.

ADJOURN

There being no further business, Mr. Palmer made a motion to adjourn. Mr. Collier seconded. Meeting adjourned at 2:55pm.

Respectfully Submitted,

Heather Carey
Administrative Support Technician
ASMI Seattle

