

To: ASMI Board of Directors

Date: May 2018

From: Susan Marks

RE: Proposed FY19 Sustainability Program Budget

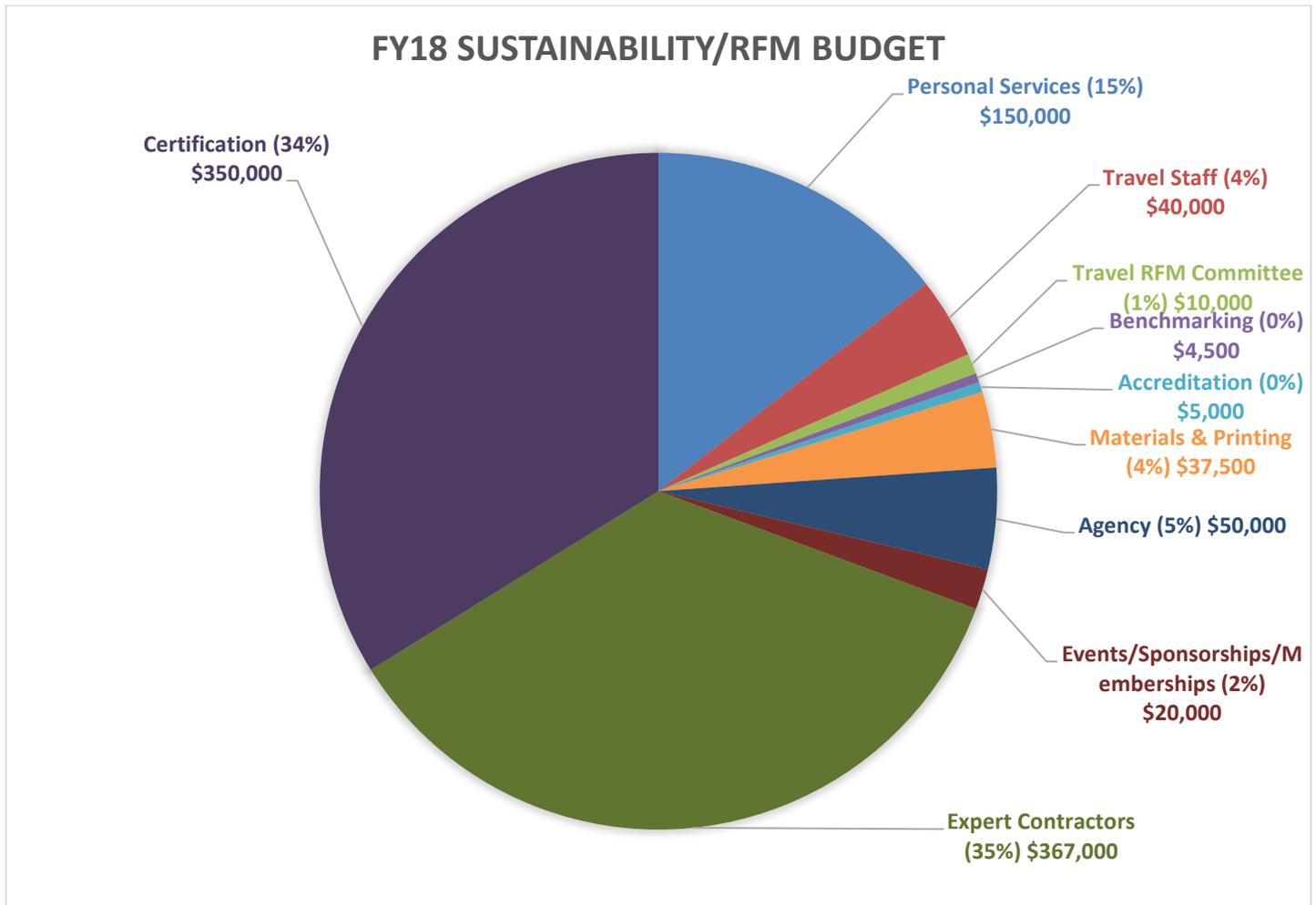
Comparison of FY18 and FY19 Sustainability Program Budgets

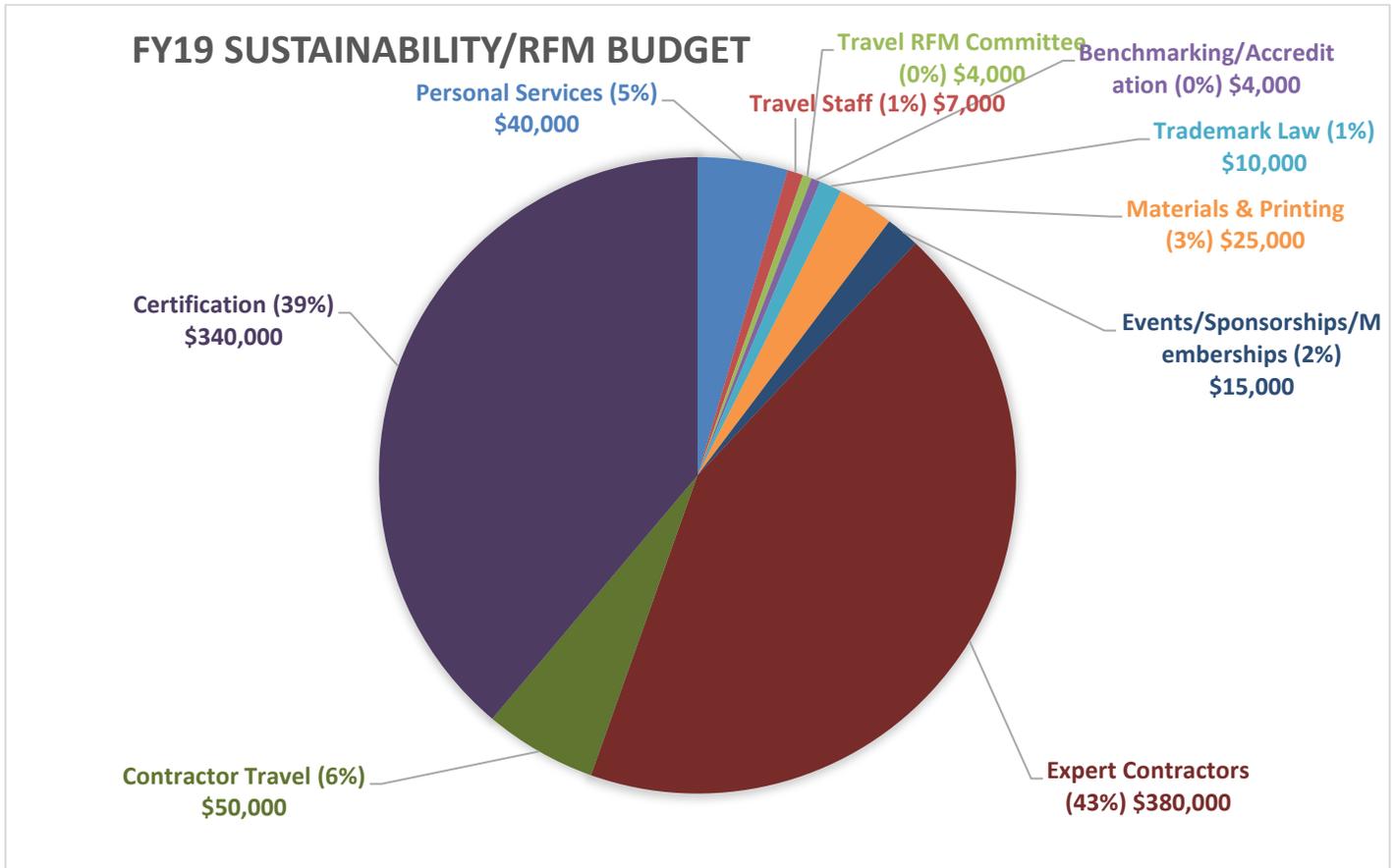
	FY18 Budget
Program Operations	
Personal Services	\$150,000
Travel Staff	\$40,000
Travel/RFM Committee	\$10,000
Travel/FSC Committee	\$00
	\$200,000
Benchmarking	\$4,500
Accreditation	\$5,000
Materials & Printing	\$37,500
Agency (<i>PR, Communications, Messaging</i>)	\$50,000
Events/Sponsorships/Memberships	\$20,000
Expert Contractors	\$367,000
Certification	\$350,000
TOTALS	\$1,034,000

The following is a summary of the proposed Sustainability Program budget for FY19.

Sustainability/RFM Program	FY19 Budget
Program Operations	
Personal Services	\$40,000
Travel Staff	\$7,000
Travel/RFM Committee	\$4,000
Travel/FSC Committee	\$00
	\$51,000
Benchmarking / Accreditation	\$4,000
Trademark Law / RFM Transition	\$10,000
Materials & Printing	\$25,000
Events/Sponsorships/Memberships	\$15,000
Expert Contractors	\$380,000
(<i>contractor travel</i>)	\$ 50,000
Certification	\$340,000
TOTALS	\$875,000

Sustainability Program Budget Summary and Activity Overview





FY19 Budget Information

Program Operations

	FY 18 Original Budget	FY19 Proposed
Personal Services	\$150,000	\$40,000
Travel – Staff	\$40,000	\$7,000
Travel – RFM Committee	\$10,000	\$4,000
Travel – FSC	\$00	\$00
	\$200,000	\$51,000

Contractors in FY19 will primarily staff the Sustainability/RFM Program. An administrative assistant position will likely be hired and shared with one or more ASMI programs, so there is a \$40,000 placeholder for this position under Personal Services. This position will have minimal travel, so staff travel has decreased significantly. Monies from these categories will be reallocated to other areas of the budget.

Similar to FY18, there are no plans to convene the Fisheries Standard Committee (FSC) for an in-person meeting in FY19, and the travel for the RFM Committee has been decreased based on FY18 numbers.

Benchmarking

FY18 Original Budget	FY19 Proposed
\$4,500	\$4,000

This section is specific to the RFM Program. The RFM Program achieved GSSI recognition in July 2016. This is valid for 3 years; however, there is an annual requirement for a Program review and an annual audit with GSSI. As of this date, GSSI is still working on the format for their annual reviews. We do not know exact costs; however, feel leaving \$4K in this category will be sufficient. We also anticipate the first AK RFM GSSI program review will happen before FY18 ends.

* FY19, we have combined this category to include accreditation fees

Trademark Law / RFM Transition

FY18 Original Budget	FY19 Proposed
\$00	\$10,000

This is a new category for FY19. We anticipate with the impending transition of the RFM Program, there will be fees associated with the trademarks and miscellaneous fees associated with the transition. We would like to be able to track these.

Materials & Printing

FY18 Original Budget	FY19 Proposed
\$37,500	\$25,000

This section represents costs for the overall Sustainability Program; including RFM and the RFM Newsletter. The Sustainability materials date back to 2012, with some as old as 2008, and there is an urgent need to refresh, update and/or create new Sustainability materials. This will be a complete update to messaging, graphic design and printing of new materials. Additionally, if the AK RFM Program transitions in FY19, there will be a need to 'refresh' the RFM Tool Kit (collateral).

** This category is also used for shipping costs.*

Events/Sponsorships/Memberships

FY18 Original Budget	FY19 Proposed
\$20,000	\$15,000

This category was increased in FY18 due to higher contributions from Sustainability toward the Boston Seafood Show, a primary sponsorship at the Global SeaWeb Sustainability Conference and other smaller sponsorships with key messages around sustainability. We have slightly decreased it due to budget cuts for FY19.

As Sustainability continues to be part of the key messaging for Alaska Seafood, more events and sponsorship opportunities are available for consideration. All must be vetted for the best ROI.

Expert Contractors

FY18 Original Budget	FY19 Proposed
\$367,000	\$380,000
<i>(travel)</i> \$ 50,000	

In FY19, expert consultants will make up the majority of the staff for the Sustainability and RFM Programs, with the exception of a part time ASMI assistant. A combination of talents in Technical, Fisheries, Accreditation/Certification, Sustainability, Program Management, Communications and Marketing are represented under this category.

Similar to FY18, there remains some 'TBD's' in this category for FY19. These should be better understood as a transition plan for RFM is decided.

Certification

FY18 Original Budget	FY19 Proposed
\$350,000	\$340,000

Fishery certification costs are 'estimated' to average \$350,000 per year for the seven fisheries currently certified under the RFM Standard. The cost estimates can fluctuate from a low of \$260,000 to a high of \$450,000 depending on which fisheries are going through full re-certification vs. an annual surveillance audit and when the costs hit the budget.

We saw an example of this in FY17/18 with our certification costs coming in under budget by about \$100K in FY17 and over budget by approximately that same amount in FY18. This was due to three fisheries that switched to our new certification body, DNV, therefore postponing work that should have been completed in FY17 to FY18.

All of our certified fisheries will be in annual surveillance audit rotation for FY19 and due to procedural changes in our RFM Quality Management System (QMS); we anticipate seeing a decrease in certification costs to reflect this.

Additional Considerations

Certain work with the RFM Program is 'fixed' or defined by having met and continuing to maintain GSSI recognition. However, there are variables with the Program that could affect the budget pertaining to RFM and to resources for the program. These are flagged below for the Board. In addition, once the future of the RFM Program is determined the appropriate outreach and communications efforts will become clearer.

More details about the potential transition can be found in a separate report to the Board titled '*ASMI RFM Transition Alternatives*'.

Potential Budget / Resource impacts:

- RFM Fisheries Standard Version 2.0 must go through formal accreditation processes with multiple accreditation boards
- The release of the Fisheries Standard Version 2.0 will require submission to Global Sustainable Seafood Initiative (GSSI) to indicate which sections of the formal GSSI Application Section D have changed
- The release of RFM Quality Management System (QMS) Version 4.0 will require submission to GSSI to indicate which sections of the formal GSSI Application Sections A & B have changed
- The Program continues to see decreased numbers in Chain of Custody participation (35+ companies dropped CoC in FY17/18)
- Related to the above point, harmonization with MSC Chain of Custody to lessen 'audit fatigue' among supply chain was flagged as important
- Outreach & Communications