



Wild, Natural & Sustainable®

Alaska Seafood Marketing Institute
All Hands On Deck
Board of Directors Meeting
November 30, 2017
Captain Cook
Anchorage, AK

Draft Minutes

I. **a. Roll Call**

Chair Schultheis called the meeting to order at 9:10am

Members Present:

Chair Jack Schultheis
Allen Kimball
Tomi Marsh
Richard Riggs
Tom Enlow
Fritz Johnson
Commissioner Mike Navarre
Tom Sunderland*

Staff Present:

Alexa Tonkovich
Sara Truitt

Members absent:

Sen. Peter Micciche
Sen. Gary Stevens
Sen. Lyman Hoffman
Rep. Louise Stutes
Mark Palmer

Assembly:

Additional members of ASMI Staff,
contractors, industry, press,
members of the public

*Chair Schultheis notes that Tom Sunderland will serve as a non-voting proxy for Member Mark Palmer

b. Approval Of Agenda

Enlow moves to approve the agenda. Marsh Seconded. The motion passed unanimously.

c. Approve Minutes from Oct 25, 2017

Chair notes the minutes have been distributed. Asks for corrections – Kimball moves to approve the minutes. Riggs seconds the motion. Motion passes.

d. Chair notes remarks

Chair Schultheis notes that he and the board should be proud to serve on the board and represent the industry and the people of Alaska working in the industry. Compliments the assembly and the board, reminds the board that while their diverse representation is a positive attribute, decisions made must be done based on what is best for their fellow Alaskans. Reminds board members that they must take their company hats off.

Chair Schultheis then notes the new Commissioner of the Department of Commerce is present

on the board, welcomes him and asks that a letter be read aloud, on behalf of the whole board, addressed to former Commissioner Chris Hladick and present Commissioner Mike Navarre.

Vice Chair Kimball: reads a letter aloud to the assembly for Commissioner Hladick thanking him for his service to ASMI.

Riggs: reads a letter aloud to present Commissioner Navarre on behalf of the board. The letter invites Commissioner Navarre to the ASMI board in an ex officio capacity.

Navarre: Thanks the board and accepts their invitation.

e. Public Comment

Chair Schultheis announces the board will now hear public comment. Hearing none the Chair closes the public comment period.

II. Executive Director Update

Tonkovich: Notes there are several contractors present who have given a long period of service to ASMI. Invites those present to stand for acknowledgement and reads names and length of service aloud:

Robin Wang and Roger Zhang represent ASMI in China for the last 20 years

David McClellan, 20 years of service, covers Spain Italy, and Portugal

Tricia Sanguinetti, 18 years of service, Domestic and RFM

Mark Jones, 21 years of service, US Retail

David Wooley, 24 years of service, US Foodservice Program

Tonkovich: invites assembly to give a round of applause for their hard work and dedication to AK Seafood industry.

Tonkovich: to members of board and companies operating in the international arena, we will be sending out an industry contribution form. We use Industry in-kind contributions as a match to ASMI's Federal grant. You will be receiving contact from us next week.

III. Operational Committee Reports.

Chair Schultheis invites each Operational Committee Chair to give their report to the board. Begins with Chair Thomas of the Domestic Marketing Committee.

Thomas: Thanks the board and to Chair. Notes there was much productive discussion in their committee meeting, addresses questions that were answered in committee:

Thomas: Noted that several key items were identified in the committee meeting. The first being bringing new staff up to speed about the AK seafood industry. Almost complete turnover of domestic staff. New staff have depth of marketing experience, but low on seafood industry knowledge/experience. Both the Domestic Marketing Committee and the species committees suggest a sharing of information amongst industry members, on a voluntary basis to share information and knowledge with new staff. Thomas asks for board support to make this a

priority.

The second item was to improve communication between ASMI and industry around ASMI programs. Both staff and industry expressed frustration about a lack of communication. Committee asks for direct communication when important events come up. Committee encourages partnering on events and promotions.

Another item was the branded vs generic seafood products. When certain product forms are needed for a promotion, there is often only one brand available to provide the item. The idea among the committee was to have generic items available, with generic packaging for promotional events. The next item was sustainability: to improve communication between communication and sustainability programs. Important for united sustainability messaging. The final item: Still confusion within industry about RFM. Noted RFM is looking at strategic plan for outreach. Committee members noted needing simple direct message for sales people. Domestic committee aimed to incorporate species responses when they crafted their own answers.

What major challenges do you see the ASMI program you guide facing in the coming years? (short-term and long term), please specific by marketing, species or general programmatic concern.

Thomas: State budget cuts and staff turnover. Both the ASMI budget and the ADFG budget. The committee feels spending should be strategic and focused.

What strengths or opportunities have you identified in the ASMI program you guide?

Thomas: Changing consumer/evolving market. Technomic presentation about market research was well received and enlightening. Committee recommends that ASMI adjust messaging to reflect discoveries in the Technomic research. Partner with industry on events and promotions. Capitalize on Alaska story with Ocean to Table approach.

Taking into account comments from the species committees, are there any specific actions you would recommend for the ASMI program you guide? (species committee comments and recommendations will be provided in writing at the conclusion of their respective meetings)

Thomas: Continue to advance pollock promotion but also be proactive about promoting salmon. Promote flatfish as a star species. Develop pink salmon headed and gutted filets and continue to stabilize canned salmon market.

Are there any specific questions pertaining to your program you would like the ASMI Board to address? Or any specific actions you would like them to consider? If not, write N/A.

Thomas: A year ago the Domestic Marketing Committee recommended that the board not form separate domestic marketing and communications committees. Board followed that recommendation. This year's discussion showed pros and cons to the past years' structure.

First, the consumer PR program is integral to the Domestic Marketing Program. The Consumer PR program is part of communications program. It's important for the program staff and committee to have input into the PR program. The main drawback is the lack of processor representation on the committee. With so many new staff members in the Domestic Marketing Program, it is a hindrance to not have processor input.

Keeping committee together may be best to increase communications, but having a large committee makes it difficult to get business done. The committee supports keeping the two committee's together for another year, but if split, have joint meetings between two committees. Motion was: ASMI Domestic Marketing Committee recommends that we continue as a combined committee for one more year. Consider additional appointments of processors to the committee. The motion passed 7/2.

Chair Schultheis invited discussion from board members.

Enlow: asks how many processors are currently on the committee?

Thomas: There are 3 processors & 1 processor association for total of 4.

Enlow: How does that compare to past representation.

Thomas: In past committee was smaller with 5 processors/3 harvesters.

Enlow: If the board combined but added processors, we'd have a committee of 14 or 15 members?

Thea: It would be helpful to have 2 more processors.

Kimball: Questions if there was discussion about the Communications team being able work across other programs since it is grouped with Domestic.

Thomas: Jeremy noted he is supposed to also help the other operational committees but his time is focused on domestic mainly. Didn't discuss how that would work if the current committee were split. Also brought up that if the committees were split, and yet had joint meetings it would not necessarily resolve the issue of a large committee.

Chair Schultheis: good report. Asks for further questions. No questions. Thanks committee for their work.

Chair Schultheis: Announces that next is the International Marketing Committee report. Invites Chair McGinley to provide his committee's report.

McGinley: Thanks chair/members of board. Notes the diverse representation on IMC. Goes directly to addressing the Operational Committee Questions/answers:

What major challenges do you see the ASMI program you guide facing in the coming years? (short term and long term). Please be specific by market, species, or general programmatic concern:

McGinley: Duty rates and non-tariff barriers. More demand for pollock. China tariff has changed quite a bit. Increasing demand from customers on social and traceability questions. Questions such as: "do children work on boats". Other demographics are changing demand, for example: Japan OMR concerned they are the only market in the world for pollock roe, but the demand there is diminishing, or in UK mostly only aging customers eat canned salmon. Japan shifted from primary seafood consumption to meat consumption. China competes with us with portions of our own fish, but fish are soaked in phosphates. In Japan, the tagline does not include

sustainability because at the time it was written, that did not translate well. Recommend a change in the tagline to something about responsible fishing. Japan does not want to do a promotion on something only to find they don't have it next year.

What strengths or opportunities have you identified in the ASMI program you guide?

McGinley: Creative promotional ideas in several markets. Things like the Food Truck in Europe. Meal Kits all around the world. Refresh markets continue to grow; it is a good match for AK seafood. We can create high quality single frozen portions. Single serving filets are growing in popularity. International program does a good job in their trade shows, inbound and outbound missions. Notes Brussels/China Fisheries/Outbound missions to Asia/Brazil: Bring industry members into marketplace. This year we have one group coming from China and one from Ukraine. OMR's noted in the meeting that they need more industry participation at trade shows internationally. We have great strength in our International Staff. IMC members describe them as Adaptive, Capable, and Insightful. Compliments Hannah Lindoff to the assembly for her great job.

Taking into account comments from the species committees, are there any specific actions you would recommend for the ASMI program you guide?

McGinley: On whitefish committee report: FAO67 for pollock designator does separate us out from the Russian industry. Whitefish wishes to increase promotion of flatfish and pollock in China.

Cross promotion on species. Japan has good king salmon promotion, but the idea of combining a species in greater need of promotion with a premium product.

Salmon: does not want to be left out in light of pollock promotion.

Taking into account comments from the species committees, are there any specific actions you would recommend for the ASMI program you guide?

McGinley: Traceability and social audits – need some sort of unified concept from the board as to how we're approaching questions such as children on fishing boats. Keep OMR's in the loop better. They would like better updates from staff, want to stay on the pulse of the industry. Notes that he is an outgoing chair. Enjoys his work with the committee and closes with compliments for the committee and staff members.

Chair Schultheis: opens questions for Michael

Enlow: Asks his feel for balance of representation on the committee.

McGinley: Feels there is substantial balance. Good packer to harvester ratio. Lot of regulation and cultural attention, good to have members with experience in international work.

Enlow: if you had comment about the earlier questions regarding communications programs tied to domestic committee – is that a concern from IMC.

McGinley: Has no comment. Feels Communications is doing well. International can always use more help.

Chair Schultheis: Thanks McGinley for presenting. Invites Seafood Technical Committee Chair Dan Block to report.

Block: Thanks board and chair and provides a run-through of the highlights of the committee meeting: Thanks program director Michael Kohan for her hard work to support Technical endeavors. Update of RFM chain of custody. Notes motion to approve it passed. Notes the presentation by Dr. Gerlach, Kimbely Stryker and Ms. Carpenter from the Department of Environmental Conservation. Dr. Gerlach reported that Ten-thousand samples have been collected through the fish-monitoring program, results of which show low contaminant content in flesh. Ms. Stryker and Carpenter spoke on program development. Block also noted Kohan's report on graduate student study on the freezing/cooking thresholds to kill parasites in salmon fillets. Intern research was conducted at Kodiak Marine Science Center. Interesting results from the study and promise to expand their work and introduce or propose changes to the hazard guide that would provide more realistic levels of freezing and cooking than those currently proposed in the FDA hazard guide. USDA QSP report, undertaken in Indonesia to promote whitefish and yellowfin sole. Further discussion on specialty product outreach as a follow up to Andy Wink's presentation on Tuesday. Committee also discussed updates to shellfish and salmon buyers guide. Reviewing training materials to GMPs/SSOP's/Fish handling posters. Update from Julie Matweyou regarding the Kodiak Marine Science Center. Considerable work done at the center this summer. Important work done at that facility. Block ended his overview by noting a request from the committee that the board continue to support efforts to maintain the facility in its current capacity.

What major challenges do you see the ASMI program you guide facing in the coming years?

Block: Budgetary limitations remain an on-going concern for our committee as we work to continue our efforts to advance seafood quality, nutrition, safety, and science initiatives.

What strengths or opportunities have you identified in the ASMI program you guide?

Block: Strengths: Delivery of collaborative research project (Sea Grant/KSMSC/ADF&G) which established freezing & cooking thresholds for eliminating nematode viability within Salmon fillets.

Delivery of improved publications and training materials to advance promotion, safety, and product quality of AK seafood products (eg – specie guides, fish handling posters, GMP/SSOP posters, etc)

Opportunities: Continued focus to develop/identify products, processes, and opportunities to more fully utilize commercial fishery resources in AK. Advanced research projects which utilize KSMSC to ensure its preservation as an asset to the industry.

Taking into account comments from the species committees' are there any specific actions you would recommend for the ASMI program you guide?

Block: Chalky Halibut Issue: Technical Committee will review available research literature to-date (IPHC, etc), and evaluate potential research project which could benefit fish handling practices at Harvester-level to reduce incidence of this issue.

Mercury Testing of King Crab by Canada: Technical Committee will explore available FDA data, and State of AK specie-testing data, for possible communication to CFIA through FDA, or USDC, in an effort to demonstrate no basis for performing Mercury Testing of AK King Crab.

Update to Salmon Guide: Technical Committee will establish collaborative exchange with Salmon Committee to ensure accuracy, adequacy of content, and format, to ensure opportunity for review/input prior to completion of finished product.

Are there any specific questions pertaining to your program that you would like the ASMI board to address? Or any specific actions you would like them to consider?

Block: The Technical committee would request sufficient funding of our program by the ASMI board to ensure maintenance of on-going initiatives in the areas of quality, nutrition, food safety and science.

Block invites questions from the board.

Commissioner Navarre: Asks what is driving Canada's request for mercury testing in king crab?

Block: Not sure why. Historic levels of mercury has been a fraction of the .5 parts per million in Canadian requirements.

IV RFM Program

- a. Approval of the Version 4 QMS and Procedures
- b. RFM Strategic Plan Update and Path Forward

Chair Schultheis: Thanks Block for his report. Invites the RFM Committee Jeff Regnart and Mark Fina.

Fina: Introduces himself and Regnart. Regnart introduces slideshow. Notes some of the presentation refers to information provided in the RFM binders at the board table and will review past years activities during presentation.

Reviews: Looks to see if objectives of industry are being met by the certification program. Looks both ways: at fisheries/fishermen and what the program can do for them, and at marketing side, what the program can do for them. Maintain accreditation from GSSI and ISO. Review of QMS Procedures. Fina notes work with contractors to remain compliant with the GSSI and ISO requirements.

Regnart: reviews the executive summary. Reviews their approach to procedures. Notes changes to documents for cost savings. Surveillance Audit Methodology/Additional surveillance audit guidance. Projected to reduce costs to fisheries clients by as much as 30%. Exploring relationships with other FAO certifications around the world. Also looking for FAO help with leveraging exposure around the world. Looking to ensure sufficient staff onboard and sufficient funding. Notes future work: working on a logo distinct from ASMI logo. Update strategic plan, investigate possible scope expansion outside of Alaska. Regnart notes the importance of chain of custody work. Fina notes this helps committee working together to identify next steps and revisit Strategic plan, map out where we want to go which is already within current work.

Chair invites questions.

Kimball: Thanks RFM committee and staff/consultants. Q: looking forward, any discussion from a market standpoint, what markets we might target and how we would approach them.

Fina: Felt their current work was necessary precursor to the question posed. All of the upcoming work of outreach and workshops before reaching out to industry to implement targeting.
Regnart – also wanted to look at cost efficiencies. Needed to do this work to stay in compliance but save dollars. Current work allows us to know what the cost is first.

Enlow: appreciates hard work. We received a GSSI certification prior to the rewrite to QMS. There was concern that tinkering with QMS would ...does this go before the GSSI review committee to ensure changes to procedures haven't brought us out of compliance and how do you get the word that we are in compliance.

Regnart: If these become new governing documents of the program we would reach out the GSSI and go through worksheet to ensure that we make modifications- if needed- to stay in compliance. Fina: We've been cognizant of that issue and making sure we didn't run afoul of that.

Schultheis: do you feel the committee is staffed adequately.

Fina: It has worked well. We may want to engage with other staff as we start to look at marketing. Staffing is not a concern.

Chair thanks Fina and Regnart for their presentation.

Chair asks for a motion to adopt he revise documents

Marsh makes a motion to accept version 4 of the QMS and procedures as presented. Enlow seconds the motion. Motion passes.

Chair: We will take a fifteen minute break and reconvene.

Break begins at 10:33am. Reconvene at 10:54am.

Enlow makes a motion to move into Executive Session. Kimball seconds the motion. Motion passes.

Executive Session begins at 11:45am to discuss Committee selection/Reappointments, Budget and RFM.

Riggs makes a motion to return to open session. Johnson seconds. Reconvene in open session at 2:15pm.

IV. New Business

- a. Appoint/Reappoint committee members

Chair Schultheis: Asks Allen Kimball to introduce new committee set up.

Kimball makes a motion to create a communications committee with the intent to work more directly to support the communications program and allow it to work across operational committees. The board of directors will provide guidance regarding the scope within one month. The board of directors will maintain a domestic marketing committee with a balanced composition to better support the programs it serves. Also appoints the following individuals to the following committees:

Domestic Marketing Committee:

Re-appoint: Tom Sunderland, Thea Thomas, Bob Barnett, Ron Jolin, Lilani Estacio.

Appoint: Mike Cusack, Branson Spiers and 2-3 sales /processors seats tbd at the next meeting.

NEW: Communications Committee:

Re-appoint: Cassandra Squibb, Julianne Curry, Nicole Kimball, Jessica Hathaway, Peggy Parker

Appoint: Lorin Gelfand

Halibut-Sablefish:

Re-appoint: William Sullivan

Appoint: William Rogers

Whitefish:

Re-appoint: Frank O'Hara

Appoint: Ron Risher

Salmon:

Re-appoint: Julianne Curry, Melanie Brown

Appoint: Branson Spiers, Larry Christensen, Cynthia Wallesz

Shellfish:

Re-appoint: Linda Kozak

Appoint: Tyson Fick, Steven Minor, Edward Paulson, Dan Sullivan

International Marketing Committee:

Reappoint: Michael McGinley, Bob Janzing, Norman Aoyagi, Duncan Fields, Jeffrey Stephan

Appoint: Phil Young, Rasmus Soerensen

Seafood Technical Committee:

Re-appoint: Hart Schwarzenbach

Appoint: Christina Mireles-DeWitt, Tiffany Hanson

Johnson seconds the motion. Motion passes.

b. Board Strategic Planning Session

Chair Schultheis: This winter the Board will conduct a work session. Date has not yet been picked in January yet. The Board will update the strategic plan among other items.

c. Set dates and locations for the following:

- 2018 Spring Budget Board of Directors Meeting

Chair Schultheis asks Board members to select a date for the spring Budget Board of Directors Meeting.

Board members discuss availability of various dates in May. Board agrees to hold budget meeting in Juneau. Date Set for May 10th in Juneau.

Chair Schultheis asks for anything remaining for the good of the order?

Kimball: Notes there seems to be a question of terms on the committees and states that the Executive Director will send out a communication regarding terms to provide clarification.

Chair Schultheis opens comments to the public, allowing for final comments. Hearing none, asks for motion to adjourn.

Enlow makes a motion to adjourn the meeting. Riggs seconds the motion. Motion passes unanimously. Adjourned at 2:42pm.