I.  A. Call to Order  
Chairman Schultheis called the meeting to order at 10:05am AKST.

B. Roll Call  
Present:  
Chairman Jack Schultheis  
Vice Chairman Allen Kimball  
Tom Enlow  
Tomi Marsh  
Mark Palmer  
Gus Skaflestad  
Sen. Peter Micciche  
Rep. Louise Stutes  
Rep. Dan Ortiz  
Commissioner Julie Anderson  
John Moller  
Present Continued:  
Jeremy Woodrow  

Absent:  
Mike Erickson  
Sen. Gary Stevens  
Sen. Lyman Hoffman  

Others Present:  
ASMI Staff  
ASMI Contractors  
Members of Domestic Industry  
Members of International Industry
C. Approval of Agenda
Chair Schultheis requested a motion to approve the agenda for May 5, 2020.

Vice Chairman Kimball moved to approve the agenda as presented. Marsh seconds the motion. All are in favor, the motion passes.

D. Approval of Minutes February 3, 2020
Chair Schultheis requests a motion to approve the minutes from the February 3, 2020 Board Meeting.

Marsh moved to approve the minutes from Feb 3, 2020. Vice Chairman Kimball seconds the motion. All are in favor, the motion passes.

E. Chairman Remarks
Chairman Schultheis declined remarks, noting only that there is a large amount of material to cover.

F. Executive Director Remarks
Chairman Schultheis invited Executive Director Woodrow to give his remarks.

Woodrow noted ASMI staff’s success in a quick and successful transition into COVID-19 work-from-home protocols. Noted volatility of current pandemic situation. Noted current savings due to so many industry event cancellations would result in a need to revisit budget in August 2020. Woodrow noted he will be looking to the Board for guidance on where to spend savings from this year. Noted Federal funding opportunities that can roll over into next year, which will also require further consideration in future months. This concluded update.

G. Public Comment
Chair Schultheis announced the board would take Public Comment, limited to 3 minutes per speaker.

Yuri Floka provided a written comment in the chat box of Zoom: “consider an increase of canned seafood marketing as essential epidemics proof category and bring it at least to 14% (as per 2018 complete Alaska production statistics) of 2021 marketing budget.” No other public comment was presented during this time.

II. Legislative Update:
Chair Schultheis invited Woodrow to provide a legislative update:

Woodrow reviewed the Legislatures 2021 enacted budget. Notes budget approved without changes. Notes ASMI was approved for full amount of ATP funds last year, kept out of this year’s budget document to prevent appearance of a false increase this year. Notes this includes Statutory Program Receipts. Noted bottom line just over $20 million dollars, with un-noted
addition of ATP funds.

Next Woodrow reviewed HB203 Transportation of Live Crab which would allow surface transport of live crab, namely all king species, dungeness and bairdi. Passed and signed by Governor Dunleavy last week. Woodrow notes this will go into effect in July 2020.

Next Woodrow reviewed mariculture statute. Noted it was added on to existing HB241, as amendment version O. Woodrow explained HB241 did not pass due to lack of time and other pressing issues before the Legislature during the prior session. As of right now ASMI remains prohibited from marketing mariculture. Woodrow offered to answer questions. No questions were presented. This closed the Legislative Update.

III. Alaska Seafood Industry Update:
Chair next invited Garret Evridge from McDowell to present.

Evridge provided overview of current economic realities caused by the pandemic response from the public. Noted: a loss in foodservice revenue as individuals focus on essential services and retail grocery purchases; supply chain struggle impacting sales of fresh cases at grocery stores. Historical sustaining of $300 million fresh market in the last several years, could be sensitive to disruptions. Alaska Seafood is states #1 international export from AK. Export value fell approximately 4% in 2019. Since 2011 value has been approximately $3 billion. With two months of data for 2020, would have better sense of the current disruptions impact on export flow after Q1 and Q2 closes. Noted yield of actual salmon are in line with prior year volume according to Fish and Game estimates. Reviewed salmon, noted its consumption heavier in retail on average. Salmon accounts for the majority of the fresh market. Noted growing percentage of Russian salmon in the market. Reviews Pollock. Reduced Japanese consumption and completing supply from Russia. Recovery in value since lows observed in 2016 and 2017. Market is still adjusting to pandemic response. May be well positioned for recession due to its affordability. Reviewed halibut market weakness; prices down, yields down approximately 56% from last year. Reviewed sablefish at 66% fewer landings this year than last. Noted sensitive market price based on size, with many small fish landed. Prices in Japan down 25% for Sablefish. Reviewed Pacific Cod. Notes harvest reduction of 25% since 2016 in addition to lower values. Noted large percentage of TAC left in water for both Pacific Cod and Sablefish with potential Russia will surpass Alaska as the primary Pacific Cod producer this year or next. Reviewed crab. Early pricing for snow crab in Canada is down 15%. Notes more affordable crab goes to foodservice with higher value sold at retail. Noted weakened Russian Ruble, makes their products more affordable. Existing geopolitical factors and warming oceans also contribute to production impacts, lack of cold storage infrastructure.

Evridge noted that current pandemic impact may suggest consumers have made purchases of Alaska Seafood for the first time at retail. Increase in cook-at-home trends. Meat shortages in US noted may create room for expansion of AK seafood in the marketplace. Evridge ended the presentation and offered to answer questions. No questions were presented
IV. **ASMI Budget Presentation:**

Chairman Schultheis next invited ASMI Budget Presentation from Finance Director Becky Monagle.

Monagle explains she is presenting the overview of FY21 budget and proposed Admin budget for FY21. Executive office increase by $5,000, Communications up by 25k, tech up by 68k with Sustainability/RFM decreasing 68k. Domestic reduced by 22.5k in both the Retail and Foodservice programs. International Program MAP decrease 194k, ATP down 781k, slight increase ATP match at 21k. Cochran missions last year: 2 missions 109k total; not in the FY21 plan. Global Food Aid and Consumer PR will both stay the same as last year. Budget includes the $11.5 million from SDPR. Increase related to Federal funds that ASMI will receive: $4.5 million and $1.5 million in ATP funding. Capital Appropriation balance as of April is $111k. Original end date was to be June 30, 2018. Each year it is not spent, ASMI request an extension from OMB. If money not spent by end of June, ASMI will ask for additional extension.

Monagle outlines the Admin Budget. Personnel Service increased due to absorption of an accounting position formerly under the International Program. Travel reduction by 15k of all admin staff. Fulfillment house reduction of 25k, (aka KP contract). Board and committee travel reduced by 25k. Reduction does not affect the Committee Travel Budgets for the Certified Seafood Collaborative, International Marketing Committee, or Fisheries Standard Committee. Seafood Market Research and Information (McDowell contract) no change. Consolidated costs remain the same. Core costs remain the same. Boston Go Wild (reception) cost could increase if two shows are held in the same fiscal year. IT costs reduced 75k. Department of Law/Trademark cost do not change.

Began year with $16.9 million. Estimated $16.9 million in Federal receipts collected. SDPR estimate conservative $9 million. Total millions expected just under $33 million. Moving into next year, just over $14 million carryover. Notes FY24, ending carryforward is $7.2 million that rolls into FY25. In July of 2025 may have cash flow issues vs prior estimates of FY23 cash flow. Notes this does change each year based on actual revenue and expenditures.

Chair Schultheis invites questions. No questions.

V. **Communications and Consumer PR Budget:**

Chairman Schultheis next invited Communications Director Ashley Heimbigner to present the Communications/PR Budget.

Program Director Heimbigner presented the Communications FY21 proposed budget of $867,000. Noted a 3% increase ($25,000) over FY20 totals. Increase includes addition of third staff person and program related efficiencies. Notes Personnel Services makes up 41% of budget; $360,000. Travel makes up 5% of budget; $41,000. Both items were increased into FY21 to make up for addition of third staff person. Increase of 18% towards Printing, Materials and Swag for a budget of $65,000. Notes 11% reduction to Fleet, Seafood Industry & In-State Advertising and Promotions with budget of $100,000. Reduction to AK Stock Photo, Video and
Profiles, with budget of $15,000 due to ATP funding asset collection project. Reduction of 8% to Conferences and Event Sponsorships, with budget of $110,000. Notes reduction of 8% of Contract Labor Support for budget of $170,000. Increase of Media Tour Expenses of $6,000. Notes 2020 cancelled/postponed events: Kodiak ComFish, Anchorage Chamber, Bristol Bay Fish Expo, Petersburg & Ketchikan Town Halls, Juneau Maritime Festival, Annual Media FAM Tour, NYC Media Event.

Next, Heimbigner reviewed Consumer PR budget of $1.02 million in FY21 proposed budget which is the same as the FY20 budget. This included $65,000 monthly retainer, including domestic trade PR. Program operations total $720,000. Domestic Trade PR total budget is $60,000. Program Expenses total budget $250,000. Press Materials and Media Assets total budget is $9,000. Paid Digital Programs total budget is $120,000. Miscellaneous Events and Sponsorships: $4,000. Spring NYC Media Event: $40,000. FAM Trip 2021: $45,000. Edelman Travel: $15,000. Miscellaneous Media Opportunities: $7,000. End Presentation.

Chair Schultheis invited questions for Heimbigner. No questions.

VI. International Marketing Program
Chair invites Sr. Director of Global Marketing and Strategy Hannah Lindoff to present the international program budget.

Lindoff presented the FY21 proposed budget for the International Marketing Program which totaled $8,488,652. Her presentation provided a breakdown of funding sources: Market Access Program (MAP), the annual grant award from Foreign Agricultural Service (FAS): $4,453,652, Agricultural Trade Promotion Program (ATP), one time funding of $7.5 million awarded in response to China-US Trade Dispute: $1,540,000, Match or SDPR and contributions for specific events (MAP & ATP match): $2,495,000. The FY21 budget decreased in ATP funding by -$782,000, MAP decreased -$63,000, and Match decreased by $110,000. A total of $955,000 was cut. For the next year, FAS will allow ASMI to roll unspent MAP funds forward. The roll forward amount will be significant due to how many activities have been cancelled. The total roll over is still pending. Lindoff proposed to present revisions in the fall of 2020.

Next Lindoff reviewed the ASMI HQ budget, $924,500, down 9% from FY2020 to reflect movement of one accounting position into the Admin budget. She proposed a $330,000 total budget for the Global line, which is a -9.5% reduction from FY20. The China program budget decreased by -25% to $989,461. Japan budget reduced -16% for total of $1,196,260. The Northern Europe budget decreased -3% for a total of $1,153,142, however, it must be noted that this budget contains ATP activities that will actually be conducted from other ASMI programs, including Communications and Technical. The Western Europe program decreased by -38% for a total of $705,202 due to the movement of SEG from Brussels to Barcelona. Central Europe decreased -7% for a total of $699,876. Southern Europe increased 47% due to the addition to SEG, now held in Barcelona. The total budget is $1,172,270. The Eastern Europe budget decreased by -16% for a budget of $372,200. South America decrease -7% for a $593,824 total budget. Southeast Asia increased 7% for a budget total of $351,917.
Chair Schultheis invited questions from the board. Board members asked questions for discussion.

VII. **Global Food Aid**  
Chairman Schultheis invited Program Coordinator Bruce Schactler to present the Global Food Aid Budget.

Schactler presented a flat-funded budget in line with FY20 totals. Schactler explained purchases of canned salmon are in process. Surplus of budget expected due to lack of attendance at postponed and cancelled trade shows.

Chair Schultheis asked for questions from Schactler. No questions.

VIII. **Domestic Marketing Program**  
Chairman Schultheis invited Domestic Program Director Megan Rider to present.

Rider presented the Domestic Program FY21 Proposed Budget beginning with Foodservice: Foodservice Program Operations $277,000, down $24,000 from FY20. Marketing Operations $215,000, which includes a -$50,000 decrease. Operator Promotions budget $275,000 which is a decrease by -$42,000. Distributor promotions budget down -$85,000 for total of $250,000. Trade Show and Conferences $200,000 which includes an increase of $6,000. Trade Support up $172,500 for total of $384,500. Foodservice advertising $145,000 flat funded.

Next, Rider presented Retail Budget. Program Operations $277,000. Decrease of -$24,000. Marketing Operations no change, funding of $221,000. Special Projects and Co-Op Promotions includes a decrease of -$97,000 for budget total of $269,000. Retail Trade Promotions flat funded at $375,000. Retail Trade Show and Conferences flat funded at $146,000. Trade Support budget of $298,500, increase of $48,500. Retail Trade Advertising $16,000 flat funded. Rider notes cancelled and postponed events: Expo West, Seafood Expo North America, Global Culinary Innovators Association Event, Hot Luck, Various Lent Promotions. End Presentation.

Chair Schultheis asked for questions. Board members presented questions for discussion.

IX. **Seafood Technical Program Budget**  
Chairman Schultheis invited Seafood Technical Director Michael Kohan to present budget.

Kohan presented the proposed FY21 budget total of $433,000. Noted increase in ATP funds being applied to material development. Program Operations at $309,000. Applied Investigations at $50,000. Support Materials at $60,000. Trade Education at $14,000. Kohan reviewed list of Technical program materials planned for production in FY21.

Chair Schultheis asked for questions. No Questions.
X. **RFM Program Budget**
Chairman Schultheis invited Jeff Regart and Susan Marks to present the RFM Program Budget.

Regnart presented the proposed budget for RFM FY21 of $687,000 total. Shows a decrease of -$60,000 from FY20. Trademark Law new logo $10,000. Materials Printing $15,000. Events Sponsorships $12,000. Expert contractors $267,000. Certification $325,000. Shows FY22 budget drops to $352,000. Certification costs would be paid by fishery clients. Regnart expressed current intent for no budget request to be necessary in FY23. Noted the Certified Seafood Collaborative (CSC) is working on strategic plan. Regnart reviewed the CSC’s vision statement, core values, strategic initiatives, vision navigation chart.

Chair Schultheis asked for questions. No questions.

XI. **Budget Discussion**
Chairman Schultheis next opened up conversation on Budget Discussion. Invites questions.

Vice Chairman Kimball thanked the program directors for their presentations, and acknowledged the difficulties of the current environment. Noted need for flexibility. Noted Marsh’s prior point regarding protein supply-chain challenges, which could be a positive or negative opportunity for industry.

Marsh echoed Vice Chairman Kimball’s encouragement of flexibility. Suggested future fall meeting to re-evaluate budgets presented today.

Palmer noted he agrees with sentiment of flexibility and desire to review in fall.

Woodrow remarked that a board meeting can be held in the fall, will need to evaluate the best point in time to do so once more firm budget numbers are available.

Vice Chairman Kimball encouraged staff and board to continue to gather data to help direct programs during this dynamic time.

Marsh suggested a monthly or biweekly board meeting schedule for the duration of the summer.

Vice Chairman Kimball suggested further outreach from board to committees to have actionable information for staff.

XII. **Executive Session**
- Certified Seafood Collaborative
- Trade Barriers
Chairman Schultheis asked for motion to enter Executive Session.
Marsh moved to enter Executive Session. Enlow seconds the motion. All are in favor, the motions passes.

Board enters into executive session.

XIII. Return to Open Session
Chairman Schultheis requested a motion to return to open session.

Palmer moved to return to open session. Vice Chairman Kimball seconds the motion. The motion passes.

Board now in open session.

Vice Chair Kimball motions to approve ASMI budget as presented ($17,473,652 with an approximate capital appropriation budget of $111k) for FY21 with the ability to work together with staff between Board on changes as appropriate to that budget in respects to the global pandemic that we are involved in. Palmer seconds. All are in favor. Motion passes unanimously.

Marsh made the following motion, indicating it has two parts:

Part 1 - The ASMI board hereby directs the Executive Director to enter into a Memorandum of Agreement with the Certified Seafood Collaborative (CSC). This partnership will allow for critical services to be delivered to the Alaskan fishing industry. Specifically, the fishery and chain of custody certification services provided by this agreement are in the best interests of the State of Alaska and its fishery resources. Available funding in FY21 shall not exceed $687,000.

Part 2 – The ASMI Board hereby directs the Executive Director to develop and enter into a Memorandum of Agreement with the CSC for a program of consumer education, sales promotion, quality control, and advertising related to the RFM certification program.

Chairman Schultheis asked for a second to the motion.

Vice Chairman Kimball seconds the motion. All are in favor. The motion passes.

XIV. Good of the Order
Chairman Schultheis asked for further business for the good of the order. No further business.

XV. Adjourn
Chairman Schultheis requests a motion to adjourn.

Palmer moved to adjourn. Marsh seconds the motion. All are in favor, the motion passes.
Meeting adjourned at 1:30pm AKST.

Approved and Signed May 21, 2020

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Executive Director; Secretary