



Alaska Seafood Marketing Institute
International Marketing Committee Meeting
September 1, 2020
Zoom Meeting

DRAFT MINUTES

Introduction

A regular meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order virtually (via zoom) at 9:03AM on September 1, 2020.

Roll Call

Committee members present:

Julie Yeasting, Chair
Frank O'Hara, Vice Chair
Shigeki Okano
Phil Young
Rasmus Soerensen
Bob Janzing
Michael McGinley
Tomi Marsh
Jeffrey Stephan
Lance Magnuson
Merle Knapp

Committee members not present:

Bob Barnett
Dean Pugh
Norman Aoyagi

Staff present:

Hannah Lindoff, Sr. Director of Global Marketing and Strategy
Alysha Guthrie, Assistant International Program Coordinator
Nicole Stangeland, International Marketing & Grants Coordinator

Alice Ottoson-McKeen, International Marketing Coordinator
Susan Marks, Sustainability/Certification Advisor
Monica George, International Marketing Specialist
Jeremy Woodrow, Executive Director
Ashley Heimbigner, Communications Director
Michael Kohan, Technical Director
Megan Rider, Domestic Director
Becky Monagle, Finance Director,
Michelle Kaelke, Accountant

Approval of Previous Meeting Minutes

Soerensen moved to approve the minutes from the International Marketing Committee meeting that took place on May 19, 2020; Stephan seconded. The motion passed unanimously.

Public Comment

No public comment.

Chairwoman comments

Yeasting welcomed everyone to the meeting. She noted the many changes in the past few months and stated that this IMC meeting was to review the budget additions. She remarked that she was looking forward to input from the committee and thanked everyone for their time.

Vice-Chairman comments

O'Hara encouraged the committee to look for opportunities in the current market situation. He shared that while outlooks were dismal now, there was still a lot of opportunity. He stated that he looked forward to the next market upturn.

Program Director Comments

Lindoff welcomed everyone and reminded the committee that there was much uncertainty at the last IMC meeting. She expressed that she was proud of the industry in how they dealt with the extraordinary circumstances. She expressed how fortunate we all were to bring high quality, sustainable protein to world markets at a time of significant need. Finally, she thanked the IMC for their support and dedication to ASMI and the brand.

Executive Director Comments

Woodrow announced that the ASMI board was conducting bi-weekly meetings. He stated that the board typically discusses the current market challenges during a roundtable and invited IMC members to join the next board meeting. Woodrow shared that ASMI initiated a COVID-19 research project with McDowell. He noted that the research will help summarize the challenges at hand and provide direction for ASMI. Lastly, he announced the committee application process was open for those interested in serving on ASMI committees.

Responsible Fisheries Management Update

Marks shared that the Certified Seafood Collaborative (CSC) was working on five strategic initiatives, as well as identifying tasks and focusing efforts on the overall strategic plan for CSC. She noted that they worked with the Foraker Group to help define the purpose and vision and they identified four areas that make the program unique.

Marks announced that the CSC completed an MOA with ASMI that outlines the responsibilities over the next year. She shared that ASMI will work on B2B and consumer education, sales promotion, quality control, and advertising. She shared that the primary focus was on the domestic market right now and noted that they are working with the different regions' websites and collateral.

Marks shared an article featured in *National Fisherman Magazine* and noted that the new RFM logo was being used. She remarked that the Southern Europe program has translated the materials to Portuguese, Italian, and Spanish and noted that the Japan team was also using the new logo.

Marks commented on the potential geographic expansion of the program.

Soerensen asked for specifics on the timeframe for onboarding Iceland and Norway to the program. Marks replied that this could potentially take place next year. O'Hara shared that he detailed the program plan during a CSC presentation with the Amendment 80 group; he noted that the meeting was effective.

Okano asked what the participant cost for chain of custody was. Marks replied that it depends on several things: whether it was a single site or multiple sites and whether or not they already have MSC CoC. She noted that if the audit was conducted by an approved company, the addition of the RFM audit would be significantly less. She noted that the audit was approximately \$1,500-2,000 without using the approved companies. She remarked that retailers do not need CoC, as product is already packaged and consumer-ready.

Budget Presentation

Lindoff began the budget portion of the presentation and provided detail about the different pots of money being referenced in the meeting. She noted that MAP funds were the primary funding source for the program. She also noted that the rollover funding discussed in the meeting was MAP money and was required to be spent in FY21. She explained that ATP funds were the money received from the USDA for trade disputes in China, which total approximately \$7.5M and were required to be used over five years. Lindoff recommended the committee not add match money to the budget this year.

Lindoff shared details of the MAP carry-over request, and noted that \$781,588 MAP moved forward from FY20 to FY21, with \$100k not yet allocated. She stated that the plan was to allocate the additional 100,000 later in the fiscal year, depending on opportunities that arise. She noted that funding was moved from the staff travel line, as no travel was occurring. She shared that China will not receive additional funding this year, however, some of their trade shows were cancelled and those funds will be put back into their budget.

Lindoff reiterated the strategy behind saving the rollover match funds for future years. She shared that the focus will remain on retail promotions with the goal being consumer enjoyment and ultimately repeat purchase.

Lindoff shared the Japan program's new QR code labels and noted they linked the customer to a recipe database. She remarked that the goal was to help species that have suffered since the pandemic began, with an effort to increase purchase at retail. She stated that the goal was to identify new markets for products that lost the foodservice sector and high end clientele.

Regarding foodservice, Lindoff stated that demographics cannot be ignored. She noted that there has been a rise in single-person households, shrinking apartment sizes, and increasing global temperatures –

all of which discourage cooking at home. She emphasized that in the future, it will be essential to remain connected to the HRI sector. She remarked the many opportunities for grab and go options at both retail and foodservice, as well as meal bundles for families.

Several IMC members agreed with Lindoff and her plan to spend the global line in Korea this year.

China

Ottoson-McKeen reiterated that the China budget would stay the same and that the China Fisheries budget would be reallocated to Trade PR.

She shared that China was doing well in terms of COVID-19 recovery and the country is seeing a return to normalcy. She noted that restaurants were back open, and the HRI sector is recovering well. She commented that ASMI China is conducting regular marketing activities, which include retail promotions, menu promotions, chef seminars, ecommerce promotions and social media collaborations with Key Opinion Leaders (KOLs).

On the topic of social media, Ottoson-McKeen noted that in the past, many of ASMI's promotions took place on WeChat, but due to President Trump's executive order banning US companies from transactions related to WeChat, ASMI would be shifting activities to other sites such as Weibo and TouTiao News.

Ottoson-McKeen stated that the ASMI China program would be increasing their focus on trade outreach due to uncertainty in the market. As part of this effort, she shared that ASMI China planned to conduct 16 trade seminars in FY21 in a mix of tier 1 and tier 2 cities. She said that the program was looking for additional ways to help industry navigate the exclusion process. She shared plans to implement a retail survey to track what products were making it into the market.

Japan

Ottoson-McKeen presented the budget additions requested for the Japan program - a \$130,000 increase, spread across retail merchandising, trade outreach, and consumer PR.

Ottoson-McKeen stated that Japan was not as far along as China in their COVID-19 recovery. However, she reported that people were beginning to go back to work in offices, usually part time, and that some restaurants were back open. She noted that people were opting to cook meals at home or if they went out, were favoring quick service restaurants such as fast food or convenience store grab and go options over sit down restaurants.

Ottoson-McKeen explained that with the additional funds in retail merchandising, the program planned to increase promotions for salmon flake and marinated products.

For the budget increase to trade outreach, ASMI Japan hoped to enhance their marketing tools, especially for species that were less commonly recognized as being from Alaska, such as rockfish, Atka mackerel, surimi products, and Pacific cod. Ottoson-McKeen stated that the materials would continue to focus on wild, natural and sustainable as well as the health and nutrition benefits of Alaska seafood. She added that sustainability has become a buzzword in Japan due to the popularity of the UN's Sustainable Development Goals (SDGs).

For the additional budget to Consumer PR, Ottoson-McKeen shared plans for a media tie-in with LEE magazine and website. LEE is a high-end media company that focuses on food, fashion and interior design. Ottoson-McKeen shared the results from an FY20 promotion with LEE that reached 1.2 million users and increased ASMI Japan's Instagram following by 20%.

Southeast Asia

Ottoson-McKeen explained that the SE Asia program did not receive MAP funds and therefore was not eligible for MAP rollover. However, the program had identified a number of additional promotional opportunities that could be paid for with ATP funding.

Ottoson-McKeen commended the SE Asia OMRs for doing a great job learning the industry and building the program in their first year. She summarized their achievements for the year which included building a solid online infrastructure and social media following, two successful seminars, multiple retail collaborations, and over 180 trade meetings.

She explained that these many meetings and close relationships with the trade were what led to the identification of additional promotional opportunities. With the additional budget, the SE Asia program planned to conduct more retail promotions and expand into foodservice. Ottoson-McKeen reported that SE Asia was far along in their COVID-19 recovery and restaurants were back open. She added that the program was also working on a promotion with a food delivery app.

Ottoson-McKeen shared an example of a retail promotion the SE Asia program conducted in FY20 with Thammachart, one of Thailand's leading importer-distributors of salmon and other seafood. Thammachart manages seafood counters at more than 180 retail outlets in Thailand. For the promotion, a variety of Alaska sockeye products were promoted on Thammachart's ecommerce site as well as at a selection of brick and mortar stores. The promotion was highlighted on Thammachart's social media accounts and through popular Thai food bloggers.

Discussion

Okano asked if there was any way to distinguish Alaska product from Russian product in Japan. Ottoson-McKeen stated that origin-identification was a focus of the ASMI Japan program, and that ASMI provided Alaska origin stickers for retail products and worked with companies to have Alaska on their packaging. Okano noted the importance of educating retailers, as well as consumers.

Magnuson asked how to verify cod products in Japan were of Alaska origin when there was so much product from Russian longliners ending up in the market. Ottoson-McKeen said the Japan OMRs were in touch with the trade and retailers and could look into ways to mitigate false claims. Lindoff added that ASMI's trade representative for Japan, Akiko Yakata, could look into mislabeling. She said RFM certification could help because Alaska companies would have CoC. She stated that ASMI wanted to push the wild message even if it did help some competitors because the largest competitor was Chilean farmed fish.

Yeasting expressed concern about the China market and whether Alaska products were making it into the domestic market. Ottoson-McKeen noted the concern and mentioned that when ASMI conducts promotions in China, import certificates were obtained to ensure Alaska origin.

O'Hara echoed Yeasting's concerns about getting products into the Chinese domestic market and brought up coronavirus testing at ports, which was causing delays and further uncertainty.

Lindoff agreed that there were obstacles in the China market and said that was why no budget additions had been requested. She reported that ASMI had a meeting with FAS and FDA about coronavirus testing at ports. She stated that ASMI was monitoring the situation and making sure all US entities were on the same page, but trying to maintain a low profile. She described the China budget as part of a long-term strategy, noting that it was a tremendous market, but very difficult right now.

Knapp shared that he was the new chairman of the GAPP roe committee, and asked if there were specific plans for promoting Alaska fish roe products in the Asia market. Ottoson-McKeen said that the Asia programs were often thinking about roe and ways to promote it. She said roe products were included in recipe development, retail promotions, chef seminars, and social media posts. She shared some ideas from a recent conversation with the Japan program about new ways to promote roe, such as trying to elevate rice balls so that there were more options (similar to sushi). Lindoff added another idea was to market mentaiko as a self-care product, and encourage people to purchase it for themselves as a gift.

O'Hara noted the potential of the Korean market, stating that products were reprocessed there but also remained in the domestic market. He asked who on the ASMI team would head up efforts in Korea. Ottoson-McKeen replied that she would cover Korea, with assistance from Lindoff and the Japan OMRs.

McGinley asked if there had been any tariff exclusion success stories. Yeasting said that exclusions were being granted. She suggested revisiting the China budget at All Hands and the spring budget meeting. She noted it had been an excellent consumer commodity market until the last few years, and expressed hope that it would build back up.

Northern Europe

George reported on the NEU moderate budget increase due to rollover with \$80,000 added to retail merchandising and \$30,000 added to trade PR.

George reported that burgers remain one of the UK consumer's favorite foods and the result has prompted retailers to create their own fish burger range, which have been popular among consumers. Specifically, George presented the new Aldi burger range calling out wild Alaska pollock and the Alaska Seafood logo on pack. To support these products, George said they focused on sustainability messaging of Alaska seafood and recipe inspiration by investing in a two-page advertisement in Aldi's in-store magazine, reaching 1.65 million shoppers across Aldi's 879 UK stores and 142 stores in Ireland. The promotion resulted in an uplift of 37.5% and George stated although COVID-19 was a contributing factor, consumers were turning to frozen foods and Aldi continued to see steady high sales in recent months.

George stated this was a big win for the UK market as it has been a targeted initiative in this region to work with trade to call out Alaska origin on pack and use the Alaska Seafood logo. In this example, ASMI negotiated with Aldi and Thistle Seafood to include the Alaska Seafood logo and take it to the next level of calling out wild Alaska pollock. George said right now a change in packaging can have a massive impact in these markets for Alaska Seafood leaving the target audience with the message to "Choose Alaska."

George presented on research from Kantar, conducted in the UK, and stated that the research results show a high level of consumer trust for the Alaska brand (71% trust rating), reinforcing the value of labeling products with Alaska origin, as well as using the Alaska Seafood logo on packaging. George referenced ways for trade to partner with ASMI by using the logo, Netx or an ASMI ambassador and she presented a UK Sea Value/Fish Tales canned salmon product featuring the face of Bruce Schactler.

Soerensen asked when the research would be available. George responded that it would be distributed in the near future and she would distribute the findings to the IMC.

France and Belgium

George stated that ASMI plans to add \$30,000 to consumer PR for an influencer campaign in the region and stated that they would run an ad to expand into ecommerce. George shared more information about the success of the Bring! shopping app in Germany and the plan to expand that campaign to France. The shopping promotion would be a pre-Christmas campaign promoting wild Alaska pollock surimi and Pacific cod to their more than one million followers. The Bring! shopping app promotion would share recipes to inspire consumers to try Alaska seafood for hearty, holiday dishes. George said with one click, the ingredients from these recipes can be added directly to the consumers' cart for purchase.

George shared that a new brochure for cod was developed. She said they were creating digital assets that increased virtual communication with consumers and continued to support traditional print PR. She remarked that their goal was to provide species information, but also focus on promoting recipes and cooking tips. George said the idea was to create digestible marketing pieces to inform key opinion leaders in print and through online media about Pacific cod and choosing Alaska origin. She said this was a nice example of providing not only information about the species but recipes and preparation tips with the goal to lead to purchase, enjoyment and repeat purchase at home.

Central Europe

George shared that this budget would increase \$95,000, with \$55,000 dedicated to influencer promotions and building university promotions.

George showcased the smoked materials for Germany and stated they were beautiful and informative for both trade and consumers, alike. She shared that they brought in social influencers, and noted the excitement with continuing to build on the smoked market. She said this is a great illustration of how ASMI programs create beautiful, informative materials to educate trade and consumers alike. She emphasized they also create an opportunity to go mobile, using these assets online through social channels and create inbound marketing by getting the information on our websites.

She shared that they continue to work on leveraging resources to be utilized across programs, and that South America and Denmark have shown interest in smoked seafood materials. McGinley noted his satisfaction with the focus on smokers and shared that the smoking trade supported the industry this year. He noted that everyone has a SKU for wild sockeye salmon now, and that although it is more expensive, it needs to be in front of the consumer.

George stated Poland continues to be a growing consumer market for Alaska seafood. George said ASMI would continue promotions with retailers such as Lidl and expand trade and consumer outreach. ASMI plans to launch campaigns this marketing year to work with sports influencers such as sponsorship of a

basketball team in partnership with Ambramcyk to capitalize on their influence in the market showing Alaska seafood as the best protein in an athlete's diet. George said ASMI would also continue to build partnerships with Polish processors in the region to keep the reprocessing opportunity door open in this market for Alaska seafood. O'Hara commented that seeing the reprocessing capacity in Poland was eye opening.

Action Item: George to follow up with Knapp regarding pollock roe promotions in France.

Eastern Europe

Stangeland shared that an additional \$80,000 in MAP funds were added to the program for a specific infrastructure project called the 'Eat Alaska Platform.' She shared that the ASMI regional OMR identified an opportunity to create a platform to highlight Alaska seafood in Ukraine. She shared that the platform would be comprised of new and pre-existing video and photo content, and SEO. She remarked that the Eat Alaska platform would be a digital space dedicated to showcasing Alaska Seafood in a modern, approachable way. She further stated that retailer partnerships would be conducted through the platform.

Soerensen asked whether the platform covered all types of seafood and asked if a link was available, to which Stangeland replied that it was still in the initial planning stages, but would be shared as soon as possible.

South America

Stangeland shared that the South America program receives both ATP and MAP funding. She noted that an additional \$35,000 has been added to the budget, \$26,000 is allocated to a global partnership with the organization 50 Best Restaurants. She remarked that upon determination of the chef's location, the funding would move to the appropriate program budget.

Stangeland noted the important progress made in Peru with regard to the regulatory obstacles that were an issue previously. She remarked that the market access issue had been temporarily resolved with the approval of a pilot project, in effect until August 2021. She further shared that the pilot project allowed the import of raw material into the market, for reprocessing and exporting to other markets, without the need for sample analysis.

Soerensen expressed his gratitude for River Global's commitment and hard work on the matter and praised them for a job well done.

Southern Europe

Guthrie shared that the Southern Europe budget was complex due to where the budget additions came from. Guthrie shared that \$60,000 from the trade show line was allocated to trade PR due to the Conxemar trade show cancellation. She shared that an additional \$40,000 was put into the trade PR line for several trade opportunities that were identified.

Guthrie noted that \$40,000 was being put into retail merchandising as the strategy had pivoted to accommodate online promotions. She noted that \$40,000 was also taken from the staff travel line on the general budget and put into foodservice promotions for the region. She shared that this would

complement the \$30,000 in MAP funds that were allocated to foodservice, specifically for a seafood week in Barcelona. Guthrie shared that the total MAP funds added to the region were \$110,000.

Guthrie shared information on Alaska Seafood Week, stating that it would take place during the week of Seafood Expo Global as a “Welcome to Barcelona!” campaign. She noted that the blueprint used would come from the successfully run Alaska pollock week in Seattle earlier in the year. She remarked that the goal would be to work through the local distributors to showcase a variety of species at top 20 restaurants in Barcelona. She shared that the goal would be to raise awareness of Alaska seafood with chefs, restaurateurs, and consumers alike.

Guthrie stated that they plan to compile the recipes into a keepsake booklet and make it available as Seafood Expo Global’s first ever Barcelona edition. She noted the goal to allow industry to showcase the variety of species with their buyers by either reserving a time or specific space available in the restaurants. She remarked that the program was still in the planning stages and that they were open to suggestions and feedback.

Soerensen commented that the budget was well thought through. The committee approved the budget to send on the ASMI Board of Directors.

Seafood Expo Global Discussion

Moving to the discussion of Seafood Expo Global, Lindoff explained that there was a need to revisit how we allocate ASMI booth space now that there was a new venue. She shared that the RFP for the stand builder would be issued soon.

Lindoff explained the previous order for priority allocation place and size and presented the ASMI booth space. She explained the process for pavilion selection.

Knapp commented that a more solid, larger presence was needed.

Yeasting questioned how to prioritize primary processors and traders working with Alaska products. She encouraged the IMC to share their thoughts on how to prioritize the demand for the space.

After discussion and clarification of the previous allocation system, it was decided to table any motion until further clarification on the booth design was achieved.

Action item: ASMI to send guidelines to the IMC and to solicit participants to participate in the RFP design review.

IMC/Industry Updates

Salmon

McGinley shared that there were good runs in Bristol Bay again, but that COVID-19 caused challenges with processors. He noted that sockeye catch and sales were decent and that canned sales were booming at retail. He emphasized that it was a great year for canned salmon. He shared that it was a down pink salmon year, and that OBI canned a significant amount of pink salmon. He remarked the extremely high operating costs faced by processors, due to COVID-19.

Young agreed that the canned market looked good. He said people were wanting to keep up with demand and they were hoping for repeat usage. He said this year had more filets and less H&G.

Okano shared that there was a reduction in the supply of roe. Knapp asked how consumers will deal with the increase in prices. Okano shared that they would need to reduce the quantity of sushi.

Knapp encouraged ASMI to promote the value proposition to the consumer.

Kohan asked the IMC for their input regarding the lack of supply of grade 1 salmon roe, noting that it was something the Technical Committee had discussed.

Cod

Peterson shared that as far as longline Alaska cod, they were cautiously optimistic.

Magnuson stated that they lost market share in Japan and also in Europe.

Yeasting noted that in China, cod prices were low.

Knapp asked about cod roe and Yeasting shared that there was a reduction in quota, and they were in a shortage situation. Janzing agreed, stating they were out of cod roe, and there was more demand than supply. Knapp asked what ASMI can do in regards to cod roe. It was noted that it was selling itself, and maintaining competitiveness.

Wild Alaska pollock

Soerensen stated that Alaska pollock ends up in retail products and iterated that retail was doing better than foodservice. He shared that the challenge remained on the operations side; with very high operating costs due to COVID-19. He shared that there were long travel times to the fishing grounds and stated that fish size has trended on the smaller side. He shared that yields were substantially down, and that there was proportionately more surimi and fishmeal this season. He noted that there was a major shift in terms of what types of products they were actually producing now. He shared that foodservice was performing quite well in the domestic market. He further noted that retail was winning in the Japanese market and that surimi products were doing well at retail.

Knapp suggested it was necessary to drive up the fillet market and that there was need for ASMI support in all markets. There was a discussion on the impacts of the price gap of high grade versus low grade surimi product.

Flatfish Rockfish/ Atka Mackerel/POP

O'Hara shared that these species were struggling. He noted that it started with the tariff issue which subsequently dropped prices and then with the onset of the coronavirus pandemic. He shared that they received a tariff exemption; however, it would only be valid through December. He remarked that the quantity was stable, but that the finished product side was weaker. He also noted that foodservice had essentially dissolved, but that the retail level had seen success.

Crab

Okano shared that opilio retail sales had been successful.

Black cod/halibut

Janzing stated that 45% of the quota had been caught, which was an increase from last year. He stated that they were concentrated on 5-7lb and 7lb + size. Yeasting stated that halibut had a reset on ground price.

Good of the Order

Knapp wanted to note that program directors could expect to hear more from him on pollock roe as well as for ideas on all roe; he shared that he was elected to the GAPP roe committee and their first meeting was scheduled September 15th. Lindoff shared that she was invited to lead a panel discussion with the OMRs at GAPP's annual meeting.

McGinley asked about the status of the suppliers directory. George shared that the suppliers directory was in the final stages of hosting and that she would be in touch in the coming weeks.

Knapp moved to adjourn. Soerensen seconded. Meeting adjourned at 12:45 PST.