



Alaska Seafood Marketing Institute

Whitefish Committee Meeting

November 2, 2023

3:00 - 5:00 PM AKST

Approved Minutes (on 5-10-24)

I. Chair O' Hara called the meeting to Order at 3:03 PM AKST.

a. Roll Call & Introduction of Guests

Chair Frank O'Hara III
Vice Chair Rebecca Skinner
Daniel Kusakari
Julie Yeasting
Mike Cusack
Joel Peterson- Proxy Brody Pierson
Hyunok (Lisa) Lee
Keith Singleton
Merle Knapp
Ron Rogness (Virtual)
Julia Ying

Other guests attending: Ron Risher, Nick S., Paddy O'Donnell, Seth Stewart, Tony Macedo, Rachel Sapin- Intrafish, Marc Solano, Pat Shanahan, Shigeki Okano, Phil Young, Bart Lovejoy, Nicole Kimball, Kristen Dobroth- Undercurrent News, Larry Christensen, and Sinclair Wily.

ASMI Staff and Contractors present: Nicole Alba, Megan Belair, Jann Dickerson, Claudia Lecarnaque, Christine Fanning, Tim Welsh, Susan Marks, Ksenia Gorovaia, Akiko Yakata, Hannah Lindoff and Stephanie Pan.

b. Approval of Agenda

Motion: *Yeasting* moved to approve the agenda. *Knapp* seconded. All in favor. Motion passed.

c. Approval of Minutes from October 11, 2023

Motion: *Knapp* moved to approve the minutes from October 11. *Yeasting* seconded. All in favor. Motion passed.

d. ASMI Antitrust Statement

Chair O’Hara III referred to the anti-trust statement and asked committee members to keep it in mind as the meeting is held.

e. Chair Remarks

Chair O’ Hara thanked the group for appointing him as Chair and thanked Alba and Belair for their assistance in planning and running the whitefish committee meetings. He referred to ASMI Board Chairman Kimball’s remarks in the morning meetings and discussed his hopes for coming up with ideas to weather the current storm and challenges in not just the whitefish market but the seafood industry as a whole.

f. Vice Chair Remarks

Vice Chair Skinner thanked the committee for her appointment as Vice Chair.

g. Public Comment

Paddy O’Donnell, a Kodiak trawler, expressed frustration with seafood consumption in the US and the high price of Alaska seafood at retail and foodservice. He expressed his desire to tap into the fast-food chains with high-volume low-price whitefish like pollock in the domestic market. He asked the group for more promotion of flatfish and expressed the need for better identification and differentiation of flatfish in the market, the need for domestic secondary processing, and development of the US domestic markets.

Seth Stewart of Yakobi Fisheries discussed an SK Grant that he is applying for that would be for marketing and promoting lingcod, domestically. He would like to partner with ASMI and develop materials that are aligned with ASMI brand that can be shared across the industry. **Action item: ASMI will follow up with Stewart on the Lingcod proposal and how ASMI might help.**

II. New Business

a. Committee members introduced themselves and discussed what organizations they work for and what species they specialize in.

b. Species Update Roundtable

Flatfish, Atka Mackerel, POP:

Kusakari discussed a challenging year for yellowfin sole with a decline in demand. Inventory levels are still high, and orders have not been coming in. Production volume was reduced, and other species were targeted. Information from the market looks more positive for 2024. POP has also had a challenging year with the weak Yen and exchange rate as Japan is the main market for POP. POP inventory is still high, and demand is very low. Atka Mackerel, on the other hand, has had relatively healthy demand compared to other products. The full quota wasn’t caught last year which helped to drive demand. Kusakari expressed hope that the Yen will stabilize in the next year.

Ying discussed that during the first three quarters of this year, the sacrifice that Alaska seafood producers have made with the low cost of product has not yet transferred to the consumer end. This is gradually changing and now being transferred to consumers and consumers are starting to see inflation in seafood prices at retail drop slightly. She predicts

at the start of 2024 retail prices will drop and possibly restaurant prices as well although this may not be as significant because of high labor costs. When consumers see this, purchasing may be better in 2024 and all of the sacrifice in 2023 will be rewarded. In reference to the Japanese market, Ying discussed that interest rates may increase which will cause the exchange rate to change and importing power will increase.

Alaska Pollock:

Cusack described how pollock, just as all Alaska species, is having challenges in the current market. He is optimistic that things are looking up. He expressed that ASMI does a great job of promoting AK pollock and flatfish domestically, especially during Lent. He explained that there is a lot more interest in pollock and flatfish around the world and the shift away from Chinese reprocessing to different places in the world that is opening new opportunities in different places in the world. When discussing what ASMI can do, he suggested that the best plan of action is to stay the course and continue promoting product of the USA along with the Alaska messaging.

O'Hara asked if Cusack thought that the pollock market was settling. Cusack said yes things have settled. There are opportunities, especially sushi and surimi seafood in the domestic market. The more consumers are educated on surimi and its nutritional value, the more consumption will increase. Over half of pollock is used for surimi, 50% surimi, 50% fillets. Lee explained that they are seeing historically low prices in the surimi market. Inventory is moving but price is very low. Pollock blocks price is fine but there is slower movement. Yeasting discussed opportunities for innovation in product form and value add due to price drops in raw material.

Yeasting added that the story of full utilization is important to tell for pollock as well. Knapp asked the group if they see Russian produced surimi as a long-term issue and if ASMI needs to be working on long-term plan or what is the short-term fix? Are the value-add markets like fish oil and fish meal able to weather the storm? Yeasting responded that the origin story of Alaska seafood continues to be important because of this and we need to continue to emphasize that Alaska is the gold standard of fisheries management.

Cod:

Singleton discussed how important highlighting product of the USA and country of origin is on products. He would like to see the ASMI logo in red, white, and blue. He continued to explain that he believes fried fish is becoming less popular and products with marinades and rubs are becoming more popular. He expressed the importance of innovation and value added and added that the Symphony of Seafood is a valuable program and should be taken advantage of by more processors. His main direction for ASMI is to help promote innovation and value-added.

Pierson added that this past year prices dropped starting in February and have continued as Russian prices dropped. He is seeing more positive signs, possibly because the season has closed in the Bering Sea. Demand is increasing. Long-line prices have come up a bit and he is hopeful. Fukushima water release has caused Japan to begin to buy again as well and even with the weak yen they are paying a competitive price in the market.

Cusack continued that ASMI should now more than ever stay focused on the markets that we know are tried and true. Focus on the core markets that work and try not to diversify too much.

Lee added insight on troll-caught cod and shore plant frozen fillets. She said they saw the slowing of the market since the end of last year mainly due to high prices and consumption had slowed and explained that shore plant processed too many fillets. There is still high inventory of 2022 product in the market.

Herring and Roe:

Skinner discussed the landscape of herring and explained that herring is managed by the state of AK and permits are by product: sac roe, roe on kelp, food and bait. The focus is on sac roe, as food-based permits are only 10% of sac roe GH. She explained that roe traditionally went to Japan, but overtime, due to change in tastes of the younger generation, demand in those markets has decreased. Skinner continued to explain that part of the problem now with transitioning to flesh based permits are that roe seasons are when fish are spawning and food and bait harvest would be later in the fall. Food and bait harvest is going into the bait market and the quota is almost completely caught but in 2023, the Togiak sac roe harvest was 0 and the Sitka Sound roe fishery's GH was 30,000 t but only 10,000 t was harvested. On a regulatory basis, there are efforts to the Board of Fish to open more opportunity to harvest fish at different times a year, to possibly change the way the sac roe permits work or to have more food and bait permits issued. Skinner advised that the committee continue to keep an eye on any regulation changes that could present further opportunities for new markets for ASMI, including consumer herring markets in Europe and more bait production.

Pat Shanahan updated the committee on the actions of WASA (Wild Alaska Sole Association). Shanahan explained that the focus of WASA has been on lack of market and product knowledge to establish a brand for the species. A team has been formed to do market analysis to find out where fish are sold and what the trends are. Also, consumer research has been conducted in three key markets, US, UK and France. Other key markets include Germany and Italy. She continued to explain that WASA is working with ASMI on three key projects including: individual nutritional info for flatfish species, meetings with key customers to see what they need in the market and where fish is being sold, and establishing a brand.

Shanahan discussed the issues with the nomenclature of flatfish and explained that almost all flatfish is being sold as flounder in the US. WASA has hired a brand strategy firm and has recommended that the name they use in the market is wild Alaska sole. Sole was recommended for many reasons including that the name flounder doesn't mean anything to European customers, the term flatfish sounds like more than one fish and could be hard to brand and sole is simple and memorable.

Yeasting asked what WASA is doing about the issue of lost identity and recognition when it gets reprocessed in China or elsewhere?

Shanahan explained that there is a loss of control of the product when it is reprocessed

somewhere else and there isn't much that can be done about that. Something that can be done is to increase the value enough, so people are willing to pay for something even if it is reprocessed outside of the US.

Discussion continued on the nomenclature of flatfish in the domestic and international markets and the importance of being in lockstep with ASMI when it comes to naming of flatfish on websites and in marketing materials. The impetus of doing this research is to inform the ASMI process and make ASMI promotions of flatfish more successful.

Skinner asked if the market data has been shared with ASMI and if the data can be shared at the future Whitefish committee meeting. Shanahan responded that yes, the data has been shared with ASMI and she would be happy to share more information at a future meeting.

- c. Discussion and responses to questions from the Board of Directors.
(See answers to questions below)

III. Good of the Order

Chair O' Hara III thanked the committee members.

IV. Adjourn

Motion: Chair O'Hara asked for a motion to adjourn. Knapp moved to adjourn and was seconded by Yeasting. All in favor. The meeting adjourned at 5:10 PM AKST.



2023 ASMI All Hands on Deck
Key Questions for Species Committees – [Whitefish](#)

- 1. What do your species need from ASMI to be immediately successful in the marketplace?**
 - a. Rank the top 3 opportunities you see for your species in international markets.**
 - 1) More directed funding for building demand at retail and foodservice to educate consumers about Alaska whitefish species globally – highlighting the affordability and accessibility of Alaska frozen species.
 - 2) Emphasize the Alaska, USA origin of whitefish products, for example: “Product of Alaska, U.S.A,” “Wild caught in Alaska, U.S.A” and incorporate the sustainability story.
 - 3) Employ a targeted strategy to identify and develop new customers in favorable markets and leverage industry studies, for example, WASA and GAPP’s 2040 “Favorable” and “Very -Favorable” market study.
 - b. Rank the top 3 opportunities you see for your species in the US domestic market.**
 - 1) More directed funding for building demand at retail and foodservice to educate consumers about Alaska whitefish species domestically – including sharing home preparation and convenience recipes.
 - 2) Highlight the affordability, accessibility, and quality of frozen Alaska whitefish species.

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- 3) Surimi – Leverage the significant increase in the U.S. retail sushi market and educate consumers about the health benefits of Alaska pollock surimi. Highlight the full utilization story of Alaska pollock.

2. Are there any areas where ASMI may be able to provide technical support for your species? (i.e., quality, products, packaging, health, safety, nutritional)

- 1) Increase research into and education on the nutritional value of whitefish.
- 2) Compile research on the lower carbon footprint of Alaska whitefish compared to other proteins and effectively message to consumers.
- 3) Consider a feasibility study on increasing domestic value-added processing capability in Alaska. Bringing more processing back to the U.S. must happen and will likely require diverse efforts across multiple fronts. A feasibility study would be one step along that road.

3. For your species, what issues or topics (if any) can ASMI help with messaging and/or outreach?

- 1) Improve communication strategy, including managing response to negative press, emphasizing the highly sustainable management of Alaska's fisheries, and noting our management remains strong even with climate change impacts on stocks.
- 2) Promoting social responsibility, including labor standards and job safety, that Alaska businesses practices and regulations.
- 3) Encourage and facilitate more collaboration between industry groups promoting and marketing Alaska seafood. For example, if one group produces images or video, encourage the sharing and promotion across multiple social media platforms to leverage the reach of all groups combined.

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4. Rank the top 3 challenges/threats you foresee for your species in the next year or near future.

- 1) Most whitefish is caught by trawl gear, and U.S. trawl is constantly under attack in the media. The negative messaging around trawling fails to recognize or acknowledge that Alaska trawl fisheries are sustainability managed and have a low carbon footprint, particularly compared to trawl fisheries outside the U.S. jurisdiction. Fisheries management is complicated, and consumers often don't know enough to parse out what's accurate, so this negative coverage negatively impacts all whitefish and all fisheries in Alaska as consumers are being told these fisheries are unsustainable. Confused consumers often pass up a product altogether if they hear negative things, whether true or not.
- 2) Challenges finding qualified crew and processing workers.
- 3) Lack of skilled reprocessing facilities outside of China and the industry's continued dependence on China.
- 4) High levels of low-priced Russian seafood have had a negative impact.
- 5) Increased operating costs through raising interest rates and higher fuel prices.

5. What resources can ASMI provide to best help harvesters?

- 1) Research and identify market conditions and trends for Alaska seafood finished product markets and share with industry. I.e., Circana report.
- 2) Expand the McKinley harvest updates reports to include Global competitors and better communicate the information to harvesters.