

Annotated Agenda
MAFAC Meeting – Silver Spring, Maryland
October 15 -17, 2019

- 1. Title of Discussion:** **Seafood Promotion in the United States-- Looking to USDA Boards for Lessons Learned and Existing Frameworks for Marketing of Generic Commodities**
- 2. Moderator:** **Megan Davis**, Research Professor, Aquaculture and Stock Enhancement, Florida Atlantic University, Harbor Branch Oceanographic Institute; MAFAC Member
- Panelists:** **Heather Pichelman**, Director, Promotion and Economics Division, Specialty Crops Program, Agricultural Marketing Service, USDA
- Mary Anne Hansan**, President, Paper and Packaging Board
- Stephen Lovett**, former CEO, Softwood Lumber Board

Megan Davis will open with a presentation on the recent work of MAFAC's Commerce Subcommittee Seafood Promotion Task Group (10 min), then Heather Pichelman will provide an overview of USDA's Agricultural Marketing Services and Commodity Board program (15 min), followed by Commodity Board overviews from Mary Anne Hanson and Stephen Lovett (10 min. each). An interactive panel discussion with MAFAC (60 min) will follow.

3. Objective/Purpose

MAFAC, together with the seafood community, has started to examine whether the establishment of a National Seafood Council could improve consumer confidence in U.S. wild-capture and aquaculture harvested seafood and benefit the U.S. seafood producers.

Throughout this year, MAFAC began conversations with industry players and held panel discussions to gauge the interest and potential value behind such a National Seafood Council. Noting the interest expressed to date, MAFAC has continued to further develop the concept of a National Seafood Council and is developing a draft concept paper to sketch out potential framework options for a Council. The concept will be discussed at this meeting by the full MAFAC to determine whether it should be modified and/or finalized, and subsequently shared externally with the wider seafood industry for consideration and feedback.

The goal of this session is for MAFAC to discuss with and learn from subject matter experts about the inner workings, challenges, value, and frameworks of commodity boards overseen by the U.S. Department of Agriculture's (USDA) -- particularly throughout the different stages of garnering support, establishing, and operating new boards.

MAFAC will utilize takeaways from this panel discussion to continue their examination on the value of a National Seafood Council to:

- Encourage more consumption of U.S. seafood.
- Ensure the U.S. consumer has accurate information on the sustainability of U.S. wild caught and aquaculture seafood products.
- Benefit the U.S. seafood industry.

4. Background/Synopsis

As part of its examination, MAFAC is reviewing the goals and authorities of the Fish and Seafood Promotion Act (FSPA) of 1986 (16 U.S.C. 4001 et seq.). The FSPA established two federally managed marketing capabilities to promote the consumption of domestically harvested seafood. First, it set up a congressionally funded National Fish and Seafood Promotion Council (National Council) for a period of five years (\$11M funded over the full period, through the Saltonstall-Kennedy Act). This National Council, which sunset in 1991, was comprised of industry representatives who directed the spending of the congressionally appropriated dollars to fund a national level, generic seafood marketing and education campaign to benefit the industry as a whole. Second, the FSPA provided the ability for the Secretary of Commerce or its designee (NMFS) to approve and oversee individual, industry-funded seafood marketing councils for specific types of seafood commodities. In both the National and industry specific councils, the FSPA requires that NMFS approve or reject proposed individual seafood marketing plans based on the accuracy and scientific validity of the information they presented.

When the FSPA was established over 30 years ago, it was designed in large part to be similar to the authorities provided to the USDA's Agricultural Marketing Service under a similar act, the Commodity Act. Under the Commodity Act, agricultural industries initiate the idea for a particular board or council for their commodity, like milk, pork, avocados, peanuts, etc., and bring their interest to USDA. These boards are voluntary and industry initiated and funded. They require industry referendum to be passed that outlines who the members for the board will be, which part of the industry is assessed and how much, and what the general goals and strategy of the board are. The USDA establishes the board by regulation and provides ongoing oversight about all aspects of its work. Like this USDA structure, establishing a species-specific seafood marketing council requires NMFS to oversee an industry referendum to establish a proposed council and its marketing plan.

While the National Council operated via its congressionally appropriated funding from 1987-1991, no species-specific seafood marketing councils have ever been established. In 1996, the regulations implementing the FSPA were removed from the Code of Federal Regulations (CFR) as part of a government-wide Presidential regulatory reform effort. Yet, though the implementing regulations were withdrawn from the CFR, the Act itself remained in effect, and new regulations for the individual seafood promotion councils were drafted in 2006 and finalized in 2007 in response to expressed interest from the tuna industry (however, no proposal or referendum by the tuna industry followed).

5. Questions for Panel and MAFAC Discussion:

Garnering Support and Early Stages

1. What was the process like to garner support for and establish your commodity Board? What challenges were faced, and what strategies were employed to bring industry members together?
 - o Did other industry groups exist at the time your board was established? If so, did you work collaboratively with those groups to ensure you were not duplicating efforts?
 - o Does your industry have other non-profit, councils and organizations that continue their individual marketing programs, and does the check off program enhance their efforts?
2. Once established, how long did the "ramp up" period take for your board to really get their work (marketing, research, etc.) up and running and to show a return on investment (ROI) from the assessment fee?
3. Can you provide the group a brief history of a successful marketing campaign (e.g. the Tuna the Wonderfish campaign)? Can you provide some insight into what strategies were the most and least successful?

Assessments and Funding Model

4. Given your experience working on different campaigns and boards, (e.g. Tuna the Wonderfish campaign and the Paper and Packaging Board), what do you think the pros and cons are of the different funding models?
5. How much do those who are assessed "feel" the assessment, i.e., do they tend to find the assessment fee too expensive or does it not affect their revenue?
6. How did you determine the mandatory assessment fees for your boards? And, how do you determine the exemption threshold to determine what companies are exempt from paying fees? Where does the assessment begin - with the "producers" only or others in the chain?
7. Do you find that the industry members your boards assess are also a part of other marketing/industry group organizations (i.e. state and region specific efforts)?

USDA AMS and Boards Partnership

8. Describe the benefits of having USDA AMS oversight. Are there added benefits from the research that is conducted within the agency? How important is the validation that USDA AMS oversight provides to your Board's messaging and marketing campaigns?

Marketing and Consumer Interactions

9. How do you neutralize the message to be inclusive of different products and different size companies?
10. Your websites are very professional, transparent, and have a wealth of knowledge and resources. Who utilizes the website materials the most, companies or consumers?

11. What is the most effective way to reach the consumer to increase awareness (and “consumption” of the product)?

Metrics

12. What metrics does your board use to gauge its efficacy?

Other

13. What are some of the boards’ proudest moments/accomplishments?

6. Action to be taken by MAFAC members

At the conclusion of the panel and MAFAC discussion, the Commerce Subcommittee will be convened to discuss and finalize a proposed concept paper for MAFAC consideration at this meeting. The purpose of this paper is to share the concept of a National Seafood Council with the wider seafood industry for their consideration and feedback.

Guest Panelist Biographies:

HEATHER PICHELMAN



Heather Pichelman is the Director of the Promotion and Economics Division (PED) within the Agricultural Marketing Service’s Specialty Crops Program. PED oversees 12 of the 21 research and promotion programs in AMS, including programs for highbush blueberries, Hass avocados, potatoes and softwood lumber. PED also evaluates the effect of changes in market conditions of agricultural commodities under the Specialty Crops Program. She has been the Director of PED since September of 2014.

Prior to joining AMS, Heather was an attorney in USDA’s Office of the General Counsel for eight years, where she worked on a wide range of AMS marketing and regulatory issues. Heather also previously worked at the Federal Bureau of Investigation’s Legal Forfeiture Unit, and with K&L Gates law firm, where she specialized in issues related to government affairs and international trade.

Heather is a graduate of American University with a B.A. in Communications, Legal Institutions, and Economics and Government. She earned her Juris Doctor degree from the George Mason University School of Law.

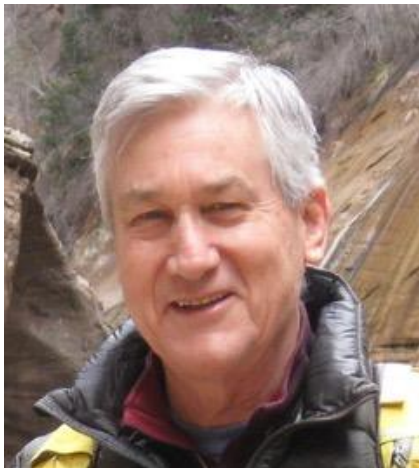
MARY ANNE HANSAN



As the first President of the Paper and Packaging Board (P+PB), Mary Anne Hansan leads the Paper and Packaging – How Life Unfolds® national consumer and B2B campaign. The campaign is designed to slow the decline in paper use and reinforce and grow preference for paper-based packaging. Mary Anne works alongside a board of 10 to oversee all aspects of the campaign including research, strategy, messaging, and campaign metrics. The campaign raises around \$24 million annually for promotion

Prior to joining the Paper and Packaging Board five years ago, Mary Anne worked in a wide range of industries overseeing category marketing and promotion including flowers, plastics, and seafood. During her seven-year tenure with the National Fisheries Institute from 2007-2014, Mary Anne created a voluntary, check-off style campaign for the canned tuna sector addressing mercury and sustainability myths as well as promoting tuna's nutrition and health benefits. Today she works with a staff of 10 to bring the Paper and Packaging – How Life Unfolds® campaign to life for 47 paper manufacturers and importers who fund the program.

STEPHEN M. LOVETT



Steve is the former CEO of the Softwood Lumber Board, an organization that invests in research and promotion of sustainably produced advanced softwood lumber building products. He has 35 years of experience with the forest products industry and was Executive Vice President & COO of the American Forest & Paper Association. Steve serves on the supervisory board of Danzer Holding AG, a multinational forest products company based in Austria, and is an officer (Treasurer) and trustee of the National Building Museum. He has served on several non-profit boards, holds degrees from Harvard and Stanford, and served in the U.S. Navy during the Vietnam conflict.