

RE: Update on RFM certification of salmon, cost-share for 2016

Dear RFM Salmon Client Group,

August 5, 2016



The Alaska Fisheries Development Foundation (AFDF) is the Client for the RFM certification of Alaska salmon. I am writing to provide an update regarding AFDF's recent work as the Client and information about cost-sharing for the coming year.

Review of Alaska RFM Program

Maintaining choice in sustainability certifications is critical. The Alaska Seafood Marketing Institute (ASMI) is the owner of Alaska's alternative to MSC certification, called the ***Alaska Responsible Fisheries Management (RFM) Program***. In 2014, ASMI took full ownership of the Alaska RFM Program in order to increase transparency and improve the program for greater market acceptance.

Part of the improvements of the Alaska RFM Program included identifying a Client for each fishery. This change improved the governance structure of the Alaska RFM Program by providing separation between the owner of the RFM standard (ASMI) and the Client for each fishery. For more information about the improvements of the Alaska RFM Program, click [here](#).

In July, 2016, the Alaska RFM Program became the first certification program successfully benchmarked against the [Global Sustainable Seafood Initiative \(GSSI\) tool](#) (see info attached). This recognition demonstrates the rigor of the RFM program and marks an important milestone for enabling buyers to have an informed choice for the procurement of certified seafood. To date, ***no other certification program in the world has completed this benchmark and it represents a competitive advantage of the Alaska RFM program.***

Review of AFDF's work as Client

In 2015, AFDF became the Client for Alaska salmon and cod. As the Client, AFDF is responsible for working with a third-party certifier to complete the fishery certifications (once every five years) and annual surveillance audits, and for meeting any "non-conformances" which are placed on the certification of the fishery. For a list of RFM certified fisheries and Clients for each fishery, click [here](#).

As the Client, AFDF successfully completed the 3rd and 4th annual surveillance audits (ASA) in 2015 & 2016. As a result, ***the Alaska salmon fishery maintains RFM certification for all regions, all gear types, and all***

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salmon species. The final reports can be viewed online [here](#). At this time, ***no other certification besides RFM covers all Alaska salmon statewide.*** For example, RFM covers PWS salmon, but MSC does not.

Due to a tight timeline, AFDF requested a nine-month extension of the certificate through December 11, 2016. Included in this packet is a copy of the extended certificate. In order to complete the five-year re-certification of the fishery by December, AFDF has already started the work. A contract was signed with the certifier (Global Trust), the Assessment Team is in place, and has already conducted a site visit which was facilitated by Dave Gaudet. A draft report is expected to be released in October, at which time there will be a 30-day public review period.

This re-certification is being conducted under version 1.3 of the RFM standard, which includes a registration process for stakeholders wishing to comment on the draft report after it is published. It is important for the Assessment Team to receive comments from industry stakeholders, as well as ENGO stakeholders, consequently, ***AFDF urges members of the RFM Salmon Client Group who have an interest to register [here](#)***, and submit comments during the 30-day open comment period.

The Client is required to meet non-conformances placed on the fishery. For the salmon fishery, the hatcheries remain the most contested and questioned portion of the certification. Over the last year, AFDF hired a facilitator and fishery scientist with expertise in Alaska salmon to work on documenting practices related to ADF&G's management of hatcheries in order to satisfy the Assessment Team. AFDF has been working to develop a white paper specifically on the history of salmon hatcheries with accurate information on hot-button issues. This white paper will be available as an educational tool with current and future Assessment Teams.

AFDF has also been working cooperatively with the MSC Salmon Client (Pacific Seafood Processors Association – PSPA) to share resources, ideas, and work products on these issues, as they affect both MSC and RFM certifications, and sharing results in efficiencies for industry. In August of 2015 & 2016, educational site visits have been and will be held in Cordova to facilitate a deeper understanding of hatchery /wild stock interactions and research being conducted which will be used to inform and benefit the entire statewide hatchery program.

Working cooperatively and employing additional resources, AFDF has been able to make significant positive progress in reducing concerns from the ENGO and scientific community related to Alaska's salmon hatcheries. However, concerns were raised during the site visit regarding issues related to Kodiak hatchery pink salmon. AFDF is currently working to resolve the situation in a satisfactory manner for all parties. It is likely that more details will be known after the Assessment Team releases the draft report on the ASMI website referenced above.

Cost-Sharing

In order to participate as members of the RFM Salmon Client Group, primary processing companies, which purchase Alaska salmon directly from fishermen, are required to pay a fair

and equitable share of the cost of the fishery certification in proportion with the pounds of salmon purchased. The total direct cost for the next year is estimated at **\$86,250**. This total cost does not include third-party certifier costs, which typically represent the largest expense for a Client Group. For now, ASMI will continue to reimburse costs for the third-party certifier (Global Trust). For more details on the budget, please see the attachment titled, ***RFM certification of Alaska Salmon - Budget & Cost-Sharing for 2016***.

AFDF proposes to distribute the direct costs proportionately to primary processors at a rate of ***\$141 per million pounds of salmon purchased from fishermen in 2015***. As you can see, AFDF kept costs for 2015 below the projected budget. Also, there was a shortfall (\$3,449) due to a low collection rate of approximately 57%, consequently the actual budget was not met. The shortfall has been included in the 2016 costs, and the non-collection rate was increased to 1.76. AFDF has opened a separate account for this program; if any funds remain after the work is completed, then they will be accounted for and rolled forward into the 2017 budget.

AFDF maintains complete transparency regarding accounting for industry and will honor any request for financial information from the Client Group or prospective members. As long as there remains interest from industry, AFDF will continue to invoice members of the RFM Salmon Client Group every year for the cost AFDF incurs maintaining the RFM certificate for the Alaska salmon fishery. AFDF will maintain a cost-sharing mechanism which is proportionate to the amount of Alaska salmon purchased from fishermen.

The Alaska RFM Program offers a certification seal (see bottom of this letter) available to companies which pay their share of fishery certification costs and obtain a Chain of Custody certification. Unlike the MSC program, ***logo licensing fees are NOT charged for using the RFM seal***. The seal can be used on your website, marketing and POS materials. Participating companies need only to sign a "Terms of Use Agreement" with ASMI. If you would like more information about using the RFM seal or the Chain of Custody requirements, please visit [here](#), or contact Susan Marks, ASMI Sustainability Director, at smarks@alaskaseafood.org or at 206-713-6978.

If you are a primary processor and would like to continue to use the RFM certification, or become a new user of the RFM certification, your company is asked to sign the enclosed ***Letter of Commitment*** in which AFDF requests confidential information regarding the amount of salmon purchased from fishermen by your company in 2015. This information will remain strictly confidential to AFDF staff alone; however, the information is absolutely necessary if AFDF is to apply its cost-sharing model accurately and fairly. ***AFDF requests that Letters of Commitment be completed and returned to AFDF via email by August 15th, 2016***. In response to receiving Letters of Commitment, AFDF will email invoices ASAP. ***AFDF requests invoices are paid by September 15th, 2016***. Any company paying after Oct. 1st will be assessed an additional 10% surcharge for each 30 days the payment is late.

Below is a re-cap of what is required of members of the RFM Salmon Client Group:

- 1) Review the attachments:
 - a. Budget & Cost-Sharing for 2016
 - b. Letter of Commitment
 - c. Client Group List
 - d. GSSI press release & fact sheet
 - e. RFM Salmon Certificate – extended to Dec., 2016
- 2) Sign the Letter of Commitment, fill in the # of lbs of salmon purchased from fishermen in 2015, and email it back to me.
- 3) After receiving an invoice from AFDF via email, mail a check to AFDF by September 15th (please note the new Wrangell mailing address).

I look forward to continuing work with the Alaska seafood industry to make the Alaska RFM certification a valuable and successful marketing tool for Alaska salmon. If you have any questions about the program, or AFDF's management of the RFM Salmon Client Group, please do not hesitate to call or email me.

Sincerely,



Julie Decker, Executive Director

jdecker@afdf.org



**RFM certification of Alaska Salmon
Budget & Cost-Sharing for 2016**
Client: Alaska Fisheries Development Foundation

1-Aug-16

RFM Certification Costs - Alaska Salmon	2015 Projected	2015 Actual	2016 Projected
Indirect Costs to Industry (paid by ASMI)			
*Certifying Body (GT) - 3rd & 4th ASA Contract & Travel	\$ 38,140	\$ 38,140	\$ -
*Certifying Body (GT) - Re-assessment Contract & Travel	\$ -	\$ -	\$ 91,838
Direct Costs to Industry (paid by Client Group)			
**Facilitator (David Gaudet)	\$ 30,000	\$ 23,531	\$ 30,000
***Consultant (Fisheries Scientist)	\$ 4,500	\$ 4,190	\$ 4,500
AFDF Ex. Director @ \$50/hr	\$ 9,750	\$ 8,509	\$ 24,000
AFDF Operations Manager @ \$40/hr	\$ 6,000	\$ 3,337	\$ 6,000
Associated Travel & Supplies (ED & Facilitator)	\$ 5,000	\$ 4,357	\$ 7,500
Subtotal Direct Costs to Industry	\$ 55,250	\$ 43,924	\$ 72,000
AFDF Overhead (15% of direct costs)	\$ 8,288	\$ 6,589	\$ 10,800
Total Direct Costs to Industry	\$ 63,538	\$ 50,513	\$ 82,800

*estimate; actual costs will be reimbursed by ASMI, without collection from industry

Facilitator 2016 = \$75/hr x 400 hrs = \$30,000; *Consultant 2016 = \$75/hr x 60 hours = \$4,500

Cost-Sharing of Direct Costs to Industry	2015 Projected	2015 Actual	2016 Projected
Total Direct Costs to Industry	\$ 63,538	\$ 50,513	\$ 82,800
Amount collected from Industry Client Group	\$ 47,064	\$ 47,064	\$ -
Shortfall (roll-forward) from previous year	\$ -	\$ -	\$ 3,449
Subtotal = Direct Costs + Shortfall (roll-forward)	\$ 63,538	\$ 50,513	\$ 86,249
Total salmon harvested in previous year (millions lbs)	717	717	1072
Non-collection factor	1.30	1.76	1.76
Cost-sharing Rate per million lbs of salmon purchased from fishermen	\$ 115	NA	\$ 141

Example #1: If a company purchased 1 million lbs or less of salmon from fishermen in 2015, the fee charged to this company in 2016 would be \$141.

Example #2: If a company purchased 200 million pounds of salmon from fishermen in 2015, the fee charged for 2016 would be 200 x \$141 = \$28,200.



RFM Salmon Client Group

Letter of Commitment

To: Julie Decker, Executive Director
jdecker@afdf.org



The purpose of this **Letter of Commitment** is to pledge participation in the RFM Salmon Client Group, including cost-sharing for the five-year re-certification of the fishery which is required to maintain the Alaska RFM certificate for the Alaska salmon fishery.

Regarding participation in the RFM Salmon Client Group, we understand the following:

- AFDF has signed an MOU with ASMI to be the Client for the Alaska salmon fishery.
- The total budget for this work is **\$86,250** as detailed in the enclosed spreadsheet titled, **RFM certification of Alaska Salmon - Budget & Cost-Sharing for 2016**.
- Global Trust (GT) has been hired by AFDF as the certification body (CB) to conduct the third-party assessment; at this time, ASMI will be paying for all costs associated with the CB.
- Timeline is estimated to be 12 months, including completion of fishery certification and management of Client Group and any non-conformances issued.
- David Gaudet Fisheries Services has been hired by AFDF to facilitate the process.
- Additional consultation by scientists with expertise in Alaska salmon may be necessary. In the past, AFDF utilized Alex Wertheimer.
- Letters of Commitment are due Aug. 15th, and payment of invoices is due Sept. 15th. Any company paying after Oct. 1st will be assessed an additional 10% surcharge for each 30 days the payment is late.
- If there is an objection or appeal filed, this pledge recognizes that any costs incurred to represent the Alaska salmon fishery will be in addition to the budget attached.

I, _____, on behalf of _____,
am hereby authorized to pledge our company's share of the funding specified in the attached budget. Our company purchased _____ million pounds of salmon in 2015, and at a cost-share rate of \$141 per million pounds our company's share = (# million pounds X \$141) = _____. **This information will be held strictly confidential by AFDF staff.**

Signature

Date



Alaska RFM Salmon Certification

Client Group List*

APICDA, DBA Bering Pacific Seafoods
Blundell Seafoods
Copper River Seafoods
EC Phillips & Sons
Icicle Seafoods
International Seafoods of Alaska
North Pacific Seafoods
Pacific Seafoods Group
Peter Pan Seafoods
Triad Fisheries
Trident Seafoods

*In 2015, these companies paid the cost-share rate of \$115 per million pounds of salmon purchased in 2014.



GSSI recognizes the Alaska Responsible Fisheries Management Certification Program

12 July 2016, Rome, Italy

Today the GSSI Steering Board announced its recognition of the Alaska Responsible Fisheries Management (RFM) Certification Program for the scope of Fisheries Certification at the 32nd session of the FAO Committee on Fisheries in Rome, Italy.

GSSI's recognition shows that the Alaska RFM Program, with Fisheries Management Standard Version 1.3, effective 1 January 2016, is in alignment with all 143 applicable Essential Components of the GSSI Global Benchmark Tool (version 1.0, 8 October 2015). The Tool is grounded in the FAO Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries and consists of performance areas related to scheme governance, operational management (including chain of custody) and applied wild-capture fisheries audit standards.

Alaska RFM is the first certification scheme to be benchmarked against GSSI's Global Benchmark Tool and to achieve recognition demonstrating alignment. This recognition follows a rigorous benchmark process over the last seven months, which included a 30-day public consultation, before approval by the GSSI Steering Board.

"The Alaska RFM Certification Program successfully completed the process as the first GSSI-recognized scheme, following the launch of GSSI's Global Benchmark Tool last year October," stated GSSI Steering Board co-chair Bill DiMento (VP Quality Assurance, Sustainability and Government Affairs, High Liner Foods). Co-chair Tania Taranovski (Director Sustainable Seafood Programs, New England Aquarium), added *"Today marks an important milestone in enabling informed choice for the procurement of certified seafood."*

"We commend the Alaska RFM Program for successfully completing the GSSI benchmark process," said Audun Lem (Deputy Director Fisheries and Aquaculture Policy and Economics Division, FAO). *"Through a rigorous and transparent process they have proven alignment with the components of the Global Benchmark Tool which are grounded in the FAO Code of Conduct for Responsible Fisheries and related instruments. The recognition of robust certification programs by GSSI will improve transparency in seafood certification and increase confidence in the seafood market, objectives FAO fully supports."*

"ASMI appreciates the opportunity to be part of the GSSI process and would like to thank all those involved for many years of dedicated work," commented Susan Marks, Sustainability Director for the Alaska Seafood Marketing Institute. *"With over 40 organizations worldwide including NGOs, retailers, foodservice operators and seafood industry supporting GSSI, we are pleased Alaska RFM is recognized as meeting all applicable Essential Components of this Benchmark Tool. Seafood buyers want to make informed choices and GSSI provides a tool for them to identify credible certification programs. We look forward to seeing how this will help resolve some of the challenges faced by those in the seafood industry."*



At the launch of the Global Benchmark Tool in October 2015, retailers, brand manufacturers, traders and food service companies committed to include the outcomes of the GSSI Benchmark Process in their daily operations by recognizing all GSSI recognized certification schemes as acceptable when sourcing certified seafood. *“Sodexo is committed to accept all GSSI recognized schemes when sourcing certified seafood. We welcome Alaska RFM’s recognition today by GSSI and encourage companies across the seafood sector worldwide to join our commitment,”* stated Lesley Sander, Director, Sustainability Metrics and Performance Measures, Sodexo.

[Access the Benchmark Report and learn more about recognition](#)

About Alaska RFM

The Alaska Seafood Marketing Institute (ASMI) developed the Responsible Fisheries Management program in 2010 to offer seafood buyers and sellers a credible, cost-effective choice in seafood certification. The aim of the program was to deliver a voluntary, internationally accredited, third-party certification of Responsible Fisheries Management based on existing and widely accepted fisheries management models and guidance documents of the Food and Agriculture Organization of the United Nations. RFM is committed to an open, transparent, collaborative process with a sound governance structure and expert advisory committees.

For more information on the Alaska RFM Program visit <http://www.alaskaseafood.org/rfm-certification/>

About GSSI

GSSI is a global platform and partnership of seafood companies, NGOs, experts, governmental and intergovernmental organizations. The mission of GSSI is to ensure confidence in the supply and promotion of certified seafood as well as to promote improvement in seafood certification schemes.

GSSI’s Global Benchmark Tool, which is based on international reference documents from the FAO, will identify and recognize robust and credible certification schemes and support other schemes to improve. The Benchmark Process is open to all certification schemes that wish to be GSSI-recognized. GSSI will recognize a scheme that has gone through the process and is in alignment with all GSSI Essential Components.

For more information on GSSI Benchmarking, contact the GSSI Secretariat at secretariat@ourgssi.org or visit the website at www.ourgssi.org.



Confidence in certified seafood



GLOBAL BENCHMARK TOOL

GSSI increases comparability and transparency in seafood certification and enables informed choice for procurement of certified seafood. GSSI's Global Benchmark Tool, which is based on international reference documents, will identify and recognize robust and credible certification schemes and support other schemes to improve. To make information available across the supply chain, Benchmark Reports for GSSI-recognized schemes will be published.

GSSI's Global Benchmark Tool was developed over a 3-year multi-stakeholder process, with environmental NGOs, global business, experts, governmental and intergovernmental organizations, alongside two public consultations and a pilot test. As a result of this inclusive and in-depth process, GSSI believes the bar being set is both appropriate and achievable.

GSSI does not rank schemes because it believes that supporting a level playing field will best promote solutions to today's complex challenges across the entire seafood supply chain.

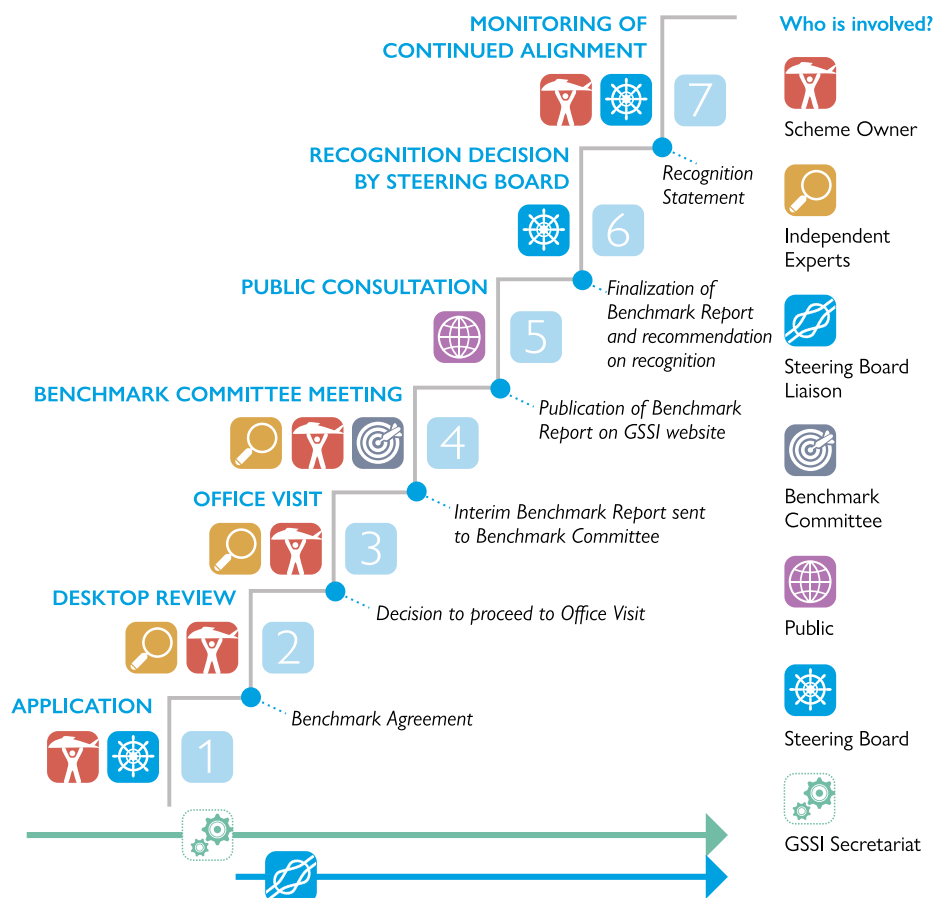
GSSI Benchmark Process

GSSI's 7-step Benchmark Process is open to all certification schemes that wish to be GSSI-recognized. The expert-led process involves objective assessments made against the Benchmark Framework. It has been designed to be independent, impartial and transparent.

The process is rigorous and involves close information sharing between GSSI and a scheme. The steps include an Application, Desktop Review, Office Visit, Benchmark Committee Meeting, Public Consultation, Recognition Decision and Monitoring of Continued Alignment.

The 30-day Public Consultation on a Benchmark Report takes place before a scheme achieves recognition. It provides an opportunity for the public to engage in the process as part of GSSI's commitment to transparency. At this point, details of benchmarked schemes are made public. Schemes can announce their decision to be benchmarked at any time.

From Application to Recognition: Key steps and responsibilities in the GSSI Benchmark Process



Global Reference Framework for Seafood Certification



GSSI bridges the public-private divide, harnessing both the commercial power of the market and the influence of governments to truly deliver change.

GSSI recognition

GSSI delivers recognition of seafood certification schemes aligned with the FAO Guidelines. GSSI will publicly recognize a scheme that has gone through the Benchmark Process and is in alignment with with all applicable GSSI Essential Components.* GSSI will make the results publicly available through its Recognition statement and Benchmark Report on www.ourgssi.org.



Food and Agriculture Organization of the United Nations

GSSI's Benchmark Report is made up of a user-friendly PDF Report, with different section overviews, and an Excel spreadsheet with filter/sort functions.

Schemes that are in alignment with GSSI Supplementary Components (not needed for GSSI recognition) can show how they meet those parts of the Code of Conduct for Responsible Fisheries and related FAO documents, ISO normative standards and ISEAL codes.

GSSI is not a consumer-facing initiative and does not permit any consumer-facing labelling about its recognition (including using its logo) or make policy for any business or scheme.

*GSSI Essential Components based on FAO *Guidelines for the Ecolabelling of Fish and Fishery Products from Marine/Inland Capture Fisheries* and FAO *Technical Guidelines on Aquaculture Certification*.



GSSI and sustainability

GSSI's partnership recognizes the lively debate on what is sustainability. GSSI drives change towards sustainability through a multi-stakeholder process. It is a global platform and partnership of seafood companies, NGOs, experts, governmental and intergovernmental organizations working towards more sustainable seafood for everyone. GSSI is doing this through delivering recognition of certification schemes that are aligned with FAO Guidelines.

GSSI does not, however, define sustainable or responsible seafood. It is the responsibility of a seafood certification scheme to define the claims it can make in relation to sustainability.

GSSI does not undertake any accreditation or certification, develop or own any standards. GSSI benchmarks a certification scheme and does not evaluate a fishery or aquaculture operation. It is their responsibility to define how they comply with any claim being made.



For more information, contact:

secretariat@ourgssi.org or visit: www.ourgssi.org



**Global
TRUST**
CERTIFICATION

**This is to certify that the Fishery Management for
Alaska Salmon Commercial Fisheries**

Have been evaluated by Global Trust Certification Ltd, in accordance with the requirements of ISO/IEC Guide 17065,
and the process was found to meet the requirements of:

**Alaska FAO-Based Responsible Fisheries Management
Certification**

As derived from:

1995 FAO Code of Conduct for Responsible Fisheries, and
2005 FAO Guidelines for Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries (as extended in 2009).

**Alaska RFM is owned by the Alaska Seafood Marketing Institute;
311 N. Franklin Street Suite 200 Juneau, AK 99801-1147**

Unit of Certification

**Alaska Salmon (all species and gear types) fished by the commercial fishery under the state
management of the Alaska Department of Fish and Game.**

- Applicant Group :** Alaska Fisheries Development Foundation
Registration No : AK SAL 001
Product Common Name (Species) : King/Chinook Salmon(*Oncorhynchus tshawytscha*);
Sockeye/Red Salmon(*Oncorhynchus nerka*);
Coho/Silver Salmon(*Oncorhynchus kisutch*);
Pink/Humpback Salmon(*Oncorhynchus gorbusha*);
Keta/Chum Salmon(*Oncorhynchus keta*).
Geographic Location : Alaska Department of Fish and Game
Admin. Region 1: Southeast & Yakutat.
Admin. Region 2: Central.
Admin. Region 3: Arctic-Yukon Kuskokwim.
Admin. Region 4: Kodiak, Chignik, Alaska Peninsula &
Aleutian Islands.
Gear Types : Purse Seine, Drift Gillnet, Set Gillnet and Troll.
Principal Management Authority : Alaska Department of Fish and Game
Certificate Issue Date : 11th March 2011
Annual Surveillance : Prior to 11th March each year
Re-Evaluation Due Date : 11th September 2015
Certificate Expiry Date : 11th March 2016
Certificate Extended to: 11th December 2016

Signed on behalf of Global Trust Certification Ltd:

**Mr Bill Paterson
General Manager**



This certificate is issued after initial assessment and is validated through continual assessment. To check the validity of this certificate contact Global Trust Certification Ltd. This certificate remains the property of Global Trust Certification Ltd, and must be returned immediately on request.