



Wild, Natural & Sustainable®

REPORT TO ASMI BOARD OF DIRECTORS, MAY 2022
ALASKA GLOBAL FOOD AID PROGRAM – EXPANDING COMMERCIAL MARKETS

FY 2023 GLOBAL FOOD AID PROGRAM BUDGET

BRUCE SCHACTLER, GLOBAL FOOD AID PROGRAM DIRECTOR

FY 2023 PROGRAM BUDGET OVERVIEW & COMPARISON WITH FY 2022 BUDGET

FY22 Budget (July 1, 2021 – June 30, 2022)		FY23 Budget (July 1, 2022 – June 30, 2023)	
Program Operations	FY22 Budget	Program Operations	FY23 Budget
Personnel	\$168,000	Personnel	\$176,000
Travel	\$ 22,000	Travel	\$24,000
Subtotal	\$190,000	Subtotal	\$200,000
Marketing Operations & Pilot Projects		Marketing Operations & Pilot Projects	
Retainer for GF&N	\$92,000	Retainer for GF&N	\$92,000
Retainer Subtotal	\$92,000	Retainer Subtotal	\$92,000
Promotions, Trade Shows, Conferences, Presentations & Educational Events		Promotions, Trade Shows, Conferences, Presentations & Educational Events	
“Taste of Food Aid” (Washington, DC)	\$5,000	“Taste of Food Aid” (Washington, DC)	\$5,000
All Hands Meeting	\$3,500	All Hands Meeting	\$3,500
USAEDC Meeting (2)	\$3,500	USAEDC Meeting (2)	\$3,500
USDA/USAID International Food Aid & Development Marketing Activities, Conferences	\$7,500	USDA/USAID International Food Aid & Development Marketing Activities, Conferences	\$7,500
USDA Nutrition Programs -- Domestic - New (Programs related to COVID relief, BBB) & established programs (School Lunch, TFAP, FDPIR, WIC, USDA/FDA programs; Dietary Guidelines for Americans, Section 32 etc.)	\$7,500	USDA Nutrition Programs -- Domestic - New (Programs related to COVID relief, BBB) & established programs (School Lunch, TFAP, FDPIR, WIC, USDA/FDA programs; Dietary Guidelines for Americans, Section 32 etc.)	\$7,500
Global Child Nutrition Forum	\$0	Global Child Nutrition Forum	\$0
ASMI/Legislature Presentation	\$0	ASMI/Legislature Presentation	\$0
USDA Sponsored Protein & Trade Export Expansion Global Based Initiative	\$0	USDA Sponsored Protein & Trade Export Expansion Global Based Initiative	\$0
Promotional materials, publications, web, upgrade & development	\$4,000	Promotional materials, publications, web, upgrade & development	\$4,000
Promo, Marketing, Trade Shows, Confs, Presentations & Ed Events Subtotal	\$31,000	Promo, Marketing, Trade Shows, Confs, Presentations & Ed Events Subtotal	\$31,000
TOTAL Program FY22	\$313,000	TOTAL Program FY23	\$323,000

Extra Budgetary Activities & Special Projects FY22		Extra Budgetary Activities & Special Projects FY23	
Special Projects	\$32,000	Special Projects	\$32,000
Legislative Capital Grant (Herring & Protein Powder Projects)	\$111,000* or the balance as of June 30, 2021	Legislative Capital Grant (Herring & Protein Powder Projects)	\$9,381.51 * or the balance as of June 30, 22
TOTAL Extrabudgetary Activities FY22	\$140,000	TOTAL Extrabudgetary Activities FY23	\$41,381.51

FUNDING SUMMARY

The ASMI Global Food Aid Program (AGFAP) budget for FY 2023 activities is maintained at the same and extremely minimal FY 2022 level. The AGFAP Contractor’s retainer remains the same and there is a small increase in the Director’s compensation package.

Everything we do to meet the expectations of the Board is done in a very focused manner by the program Director and the Contractor, primarily through direct interaction with industry representatives and other stakeholders and decision makers in the food assistance and nutrition science arenas to advance the Board’s priorities.

We preserve the ability to develop and update our promotional and website materials for new products, programs, customers and events while limiting expenditures, by having our design and publishing is primarily done where possible by the AGFAP contractor, in coordination with ASMI branding.

I have spent minimally from the Legislative Capital Grant. That additional fund was meant to move a Wild Alaska Herring product and a Wild Alaska Seafood powder product to market. If either of these two products ever gains enough support to approach the market, we will need every penny of it to test, promote or launch either of these new, Wild Alaska Seafood products into any market.

To help the industry better understand the world “food herring” market, and better appraise potential market opportunities for our Wild Alaska Herring, we have commissioned an in-depth research project into every aspect of that market, from “boat to throat.” It is quite involved, and I hope to have it available for your review in early summer.

Similarly to the importance of gaining market understanding, is the need for infrastructure required to effectively produce the raw product used in the production of food products, such as fillets and canned products. To this end I have sourced and acquired the automatic feeder that is

needed to run the program's herring line (de-scaler and fillet machine) in a manner that is capable to match the line's designed production specifications.

In the meantime, we are targeting new Wild Alaska Salmon, rock fish (POP) and pollock products that are applicable for consumer consumption through retail, food service and food assistance marketing channels.

From my periodic reports, you are all quite familiar with the activities and associated results that have come to the Alaska seafood Industry from the efforts of the ASMI GFAP in CY 2021, where approximately \$100M of Wild Alaska seafood was purchased by USDA and moved through their growing variety of food programs to our common seafood customers.

Our activities in CY 2022 will be similar in focus, with the goal of introducing three more seafood products to more people, through USDA programs, both domestic and international or wherever and whenever the situation calls for.

POSITIONING FY 2022 ACCOMPLISHMENTS FOR FY 2023

In calendar year (CY) 2021, the AGFAP continued to work closely with USDA and the Alaska Congressional Delegation to position the Alaska seafood industry firmly within USDA's current and growing array of programs and new initiatives. This is and has been a very effective channel to reach millions of new American consumers with Wild Alaska seafood across every state, because USDA food recipients continuously turn over and move in and out of the ability to purchase their food at retail. We continue to work in whatever way is needed and feasible on behalf of the Alaska seafood industry in this CY 2022

US GOVERNMENT SALES

USDA is on track to buy well over \$100 million Wild Alaska seafood this year, as indicated in newly authorized Section 32 and other emergency programs. Over \$83.3 million has been purchased just through March 2022, including almost \$63 million of canned Pink and Red Salmon and \$21.6 million of Wild Alaska Pollock. Also, USDA has authorized an additional \$37M of Alaska Pollock products to purchase for US food banks through Section 32 this year.

We also continue to facilitate and support USDA purchases of Wild Alaska canned Pink Salmon for a multi-year school feeding program through an NGO in Sri Lanka.

Most recently, and to add to the above \$120M of purchases and solid commitments so far in 2022, an April announcement advised that more canned Pink Salmon, Alaska Pollock nuggets, sticks, blocks and fillet portions and Wild Alaska Sockeye fillet portions, will be purchased for

the range of programs including schools, take home, elderly and emergency feeding programs and for Indian reservations in the next few months.

This year we ensured that Alaska seafood was included in the Administration’s Build Back Better initiative where USDA purchased another round of canned Wild Alaska Sockeye Salmon in 14.75oz cans....a new “voluntary” product for USDA. Our direct interaction with USDA procurement staff is critical to their best understanding of product specifications and timing for the purchases, as well as following shipping schedules. Canned Red Salmon is very much in demand based on the volumes the Food & Nutrition Service (FNS) requested and which the Agricultural Marketing Service (AMS) asked to purchase.

NUTRITION SCIENCE & POLICY

US Government nutrition policy needs to drive the food choices the USDA makes for its food assistance programs! Our nutrition science and policy work through our Consultant seeks to make sure that that seafood plays a more prominent part of the American diet and we are pushing for all USDA programs to include seafood. We were successful in ensuring the latest Dietary Guidelines for Americans recommend at least 2 weekly servings of Seafood for All Americans of all ages.

We are working quite closely with our Congressional Delegation and USDA to update the food baskets of the Women Infants and Children’s Supplemental Nutrition Program (WIC) to include seafood in all WIC food baskets for pregnant and postpartum women and children in the program. To this end, Senators Murkowski and Gillibrand sponsored a group letter from the Senate and Congress to urge USDA to move rapidly to make seafood (shelf stable) available to all WIC participants. Senator Sullivan has also taken a role through his leadership in the Commerce Committee. We hope to work on expanding the types of seafood in the WIC program in future USDA program updates.

In 2022, as USDA began to expand their seafood offerings to better align purchases/supply with recommendations from the latest Dietary Guidelines for Americans (DGA 2022-2025). We have been steadily working with USDA to grow the amount and variety of Wild Alaska seafood it purchases, which continues to offer great opportunities to our Alaska Seafood suppliers. However, USDA is also expanding their seafood purchases from other regions in the US and with that, come new challenges for Alaska seafood beyond what the industry is seeing in terms of supply chain disruptions and skyrocketing shipping prices. We do not see this trend changing.

NEW PRODUCTS & PROGRAMS

We will continue to work on promoting species, products and varying forms that best address the supply conditions of Alaska’s seafood sectors AND meet the needs of USDA and its food insecure clients.

Early this year, USDA reached out to me as the industry’s Government Programs representative to help access familiar products already on the USDA lists of approved foods as well as new products that could meet USDA’s evolving needs. We were pleased to support the suggested use of canned Sockeye (Red) Salmon from USDA staff. A recent USDA solicitation for over 300,000 cases of “tall” canned Sockeye was only able to procure 47,000 cases due to an ill-timed solicitation and delivery schedule.

We immediately met with senior USDA procurement staff to again work them through our cycle of production and supply as well as the shipping and supply chain challenges of the day. Additionally, we are actively working with USDA to re-issue a large solicitation this spring for the remaining \$38 million of canned Sockeye for delivery through 2023, on a reasonable schedule that matches our harvest, processing, and supply realities.

The US Government and the USDA are trying to keep up with the rapidly growing number of food insecure Americans. This has led to a significant increase in the purchase of all foods, and even new varieties of seafood meant to provide some relief to those fisheries that are completely dependent on the fresh market in food service. Some of these products that are new to USDA, such as “Atlantic ground fish” and “Gulf Shrimp” and “Walleye Pike” from the Great Lakes, Pacific Pink Shrimp, Pacific Rock Fish and Pacific Whiting fillets as well as other less expensive, albeit less nutritious, foods that are reaching more people in more places than ever before in the US.

At your request, we continue to pursue additional Government purchases through Section 32 and all other programs. We recently sent in a request from ASMI to the Secretary of Agriculture for a purchase of 4 million pounds of Pacific Rockfish and suggested new specifications that fit with the Alaska fisheries. Similarly, a formal Section 32 request was submitted to USDA for 5M pounds of Wild Alaska Pinks Salmon fillet portions.

With now 10 different Wild Alaska Seafood products being purchased by USDA, these purchases have shown to be an especially effective way to bring Alaska Seafood products to tens of millions of new consumers, who now look for this growing number of Wild Alaska Seafood products in stores across America.

WORLDWIDE FOOD AID

As the Ukrainian refugee numbers approached 250K people in the first days of the war, we reached out to our contacts in the US State Department and our Alaska Congressional Delegation to advise of their potential ability to purchase Canned Wild Alaska Salmon for the US relief effort. The numbers of people who have fled Ukraine is now a staggering 11M, just two months later. We continue to interact with United States Agency for International Development (USAID), World Food Program and other food aid organizations along with Congress, as the needs and requirements and policies for humanitarian assistance evolve.

NEW PRODUCTS IN FY 2022 & FY 2023

USDA PROGRAM MARKET

We are working with USDA on new Wild Alaska Seafood products such as Pacific Rockfish fillets (frozen), wild Alaska Pink Salmon fillet portions (frozen), and canned Red Salmon (one pound tall). USDA has some specifications already in the system that easily can be adjusted with only minor editing to match Alaska’s production capabilities. For others, we are working closely with staff to develop specifications that are consistent with our Wild Alaska Seafood production and products.

The addition of Pink Salmon fillet portions into USDA program purchases may encourage and help bring more production of this wonderful product to the US, which will in turn allow the Alaska Seafood industry to define the product from and quality specs rather than leaving it to others in other countries. This is key for USDA as the government requires to “Buy America” and purchases only products whose ingredients and processing make them Made in America. Pink Salmon fillet portions may also be at a price point attractive to USDA.

The need and call for shelf stable protein is high. Canned Salmon alone cannot meet the need. We believe that canned Wild Alaska Pollock may be a great potential opportunity for industry to add a new product to our growing list of Wild Alaska Seafood in USDA programs. We have the raw product, and the canning infrastructure is in place. Inserting just one step into the regular Salmon canning process will produce what we believe is a great shelf-stable product for both domestic and international programs.

We can recommend, we can facilitate, and we can help, but active interest from the Alaska Seafood Industry is the key for new products and their associated increased sales and exposure.

COMMERCIAL MARKET

The continued rise and expansion of the nation’s refresh programs led me once again to look to Wild Alaska Pink Salmon as a “new” US retail product, which is a key “description” for USDA products. Working with the ASMI Domestic Retail group, a significant Midwestern distributor stepped up to the plate in summer 2021 to purchase H&G product and began a domestic “refresh” program for Wild Alaska Pink Salmon. We are quite aware of a few others who have also taken on the production of Wild Alaska Pink Salmon fillet products as a frozen US retail item with increasing success.

We look forward to working hard for the industry again this year to support the Board’s priorities for Wild Alaska Seafood and to expand opportunities for new Wild Alaska Seafood products into what we believe is clearly a growing market here and abroad.

Bruce Schactler
Global Food Aid Program - Director