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**ALASKA GLOBAL FOOD AID PROGRAM
FY 2016 GLOBAL FOOD AID PROGRAM BUDGET
BRUCE SCHACTLER, GLOBAL FOOD AID PROGRAM DIRECTOR
MAY 5TH 2015**

FY 2016 PROGRAM BUDGET OVERVIEW & COMPARISON WITH FY2015 BUDGET

FY15 Budget (July 1, 2014-June 30, 2015)		FY16 Budget (July 1, 2015-June 30, 2016)	
Program Operations	FY15 Budget	Program Operations	FY16 Budget
Personnel	\$118,000	Personnel	\$150,000
Travel	\$25,000	Travel	\$25,000
Subtotal	\$143,000	Subtotal	\$175,000
Marketing Operations/ Pilot Projects		Marketing Operations/ Pilot Projects	
Retainer for GF&N	\$78,000	Retainer for GF&N	\$78,000
Retainer Subtotal	\$78,000	Retainer Subtotal	\$78,000
Promotions, Trade Shows, Conferences, Presentations & Educational Events		Promotions, Trade Shows, Conferences, Presentations & Educational Events	
"Taste of Food Aid" DC	\$5,000	"Taste of Food Aid" DC	\$5,000
All Hands Meeting	\$3,000	All Hands Meeting	\$3,000
USAEDC Meeting	\$3,000	USAEDC Meetings (2)	\$4,000
USDA/USAID International Food Aid Convention (Kansas City) *	\$18,000	USDA/USAID International Food Aid Convention (Kansas City)	\$18,000
NEW: School Nutrition Conference (School Lunch)	\$10,000	School & Child Nutrition -Domestic (School Lunch Conference; USDA/FDA programs; Dietary Guidelines)	\$10,000
Global Child Nutrition Forum (South Africa) **	\$17,000	Global Child Nutrition - Forum (TBA/Africa)	\$17,000
ASMI/Legislature Presentation	\$3,000	ASMI/Legislature Presentation	\$3,000
Pink Salmon Donation Philippines – Monitor & Evaluate (remaining funds from Donation budget of \$265K)	\$13,000	USDA Global Based Initiative - Ghana (American Soybean Assoc. led Capacity Building for Increased Exports of US Protein Food to Africa)	\$23,000
		Promotional materials, publications, web, upgrade & development	\$14,000
Promo, Trade Shows, Conf, Presentations & Ed Events Subtotal	\$69,000	Promo, Trade Shows, Conf, Presentations & Ed Events Subtotal	\$97,000
TOTAL Program FY15	\$293,000	TOTAL Program FY16	\$350,000

* Conference postponed to FY16; reprogrammed to cover alternative opportunities to market to international food aid stakeholders

** Timing conflicted with All Hands Meeting; reprogrammed to cover alternative marketing opportunities



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GLOBAL FOOD AID PROGRAM - EXTRABUDGETARY ACTIVITIES

FY15 (July 1, 2014-June 30, 2015)			FY16 (July 1, 2015-June 30, 2016)	
Extrabudgetary Activities & Special Projects		Expended	Extrabudgetary Activities & Special Projects	
Pink Salmon Marketing Project	\$32,000	\$32,000	Special Canned Pink & Sockeye Salmon Marketing Project	\$40,000
Legislative Capital Grant (Herring & Protein Powder Projects)	\$210,000	\$100,000	Legislative Capital Grant (Herring & Protein Powder Projects)	\$110,000
			USDA Alaska Salmon & Pollock Fisheries Value Chain Education Tour	To be Determined

Our budget categories remain largely the same as in FY2015 with the addition of funds to upgrade and replace our promotional materials, publications and web pages, which have not been updated in several years. It should be noted that our consultant’s retainer has remained the same since 2008 and we will be doing additional work in Washington DC, interacting with food and nutrition science, program/policy issues, with USDA and other stakeholders to ensure that seafood is incorporated into all relevant USDA and other USG food and nutrition programs – domestic and international.

PROGRAM BUDGET HIGHLIGHTS

The ASMI Alaska Global Food Aid Program (AGFAP) will continue to focus, on behalf of the Board, the Alaska Seafood industry and the State of Alaska, on solutions for the Pink and Sockeye Salmon sectors, with the goal of reducing the current inventory of canned Red Salmon and Pink Salmon, by opening up new channels with US Government (USG) purchases. We will continue to position Alaska Salmon, Pollock and other seafood to align with the priorities and trends in domestic and international food-aid markets and nutrition science and policy. Several USG nutrition and food assistance initiatives and policies are ramping up in FY 2016 (WIC food basket review, Dietary Guidelines for Americans 2015) in which we are playing a critical role in providing in testimony, writing comments and participating in hearings and meetings about these issues. We will continue to meet challenges and seek new opportunities to research and develop evidence for new products, forms and uses for an updated commercially viable, cost effective set of Alaska seafood products that will better fit the needs of the USG, institutional and commercial customers in the US and overseas.



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PROGRAM CHALLENGES

The US Government is working on improving domestic food and nutrition service programs such as the Women Infant and Children (WIC) supplemental nutrition program are especially important. Demand for Canned Salmon, the only present US source shelf stable fish available for purchase, has been steadily increasing in the food aid community. Yet there are several important challenges to increase Alaska Seafood purchases in food aid domestically and internationally.

1. SURPLUS INVENTORY OF CANNED SALMON PRODUCTS

A current residual inventory of canned Pink and Sockeye Salmon is creating hard challenges in the market, for a variety of reasons. In 2014, we worked with the Secretary of Agriculture and USDA on surplus removal (Section 32) purchases for canned Pink Salmon in 1 lb tall cans stemming from the huge harvest in 2013. The 1 lb tall cans have been very well received through the USDA supplied food pantry and food bank program (TEFAP).

The form of half pound cans has not been used in the USDA system, so these are “new products” that require an additional level of education and analysis. As with the new size of can, Sockeye have never been included in any USDA program, so we are excited to add another product to the mix. Samples of Sockeye have been very well received in all manner and as I write this, the entire analysis process is going well.

- The challenge will be to see if we can get USDA to consider the canned Sockeye product for a Section 32 Bonus Buy after an analysis of the market situation.

2. DECREASED PURCHASES OF FROZEN POLLOCK

FROZEN POLLOCK BLOCKS Pollock purchases in US domestic food aid programs have leveled or declined in recent years. Frozen Pollock blocks (16.5 lb) are currently the only product form that is included in US domestic programs. It is currently purchased frozen and then transformed before it can be used by consumers in individual portions, which may be less than desirable compared to other ready to eat products available to USDA, e.g. catfish.

- The challenge is to get USDA/FNS to agree to try new forms of the product that are commercially available (e.g. individual portion sizes) and consider purchasing such new products for their TEFAP and other, new FNS programs.

3. Legislative and Budgetary Threats to Food Aid

In Kind Food Aid Purchases The economic and political events again inform this year’s activities and threaten the in-kind donations of food from the United States (US) in international food assistance programs, which means more competition for including canned salmon and herring in these programs since there is less in-kind food going overseas:

- There are several budget and legislative initiatives to reform USG international food aid and shipments (e.g., Administration’s FY16 Budget, Corker-Coons Bill) that pose challenges. Attempts are consistently made to cut into in-kind food aid (i.e. food products from the US) shipped on US flag vessels in favor of local and regional food purchases (i.e. food and products from other countries including our commercial



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competitors) with cash, electronic payment and vouchers similar to our domestic Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program (e.g. in Syria).

- The Farm Bill has authorized a 60 million dollar local and regional purchase component in the USDA/FAS McGovern-Dole International Food for Education and Child Nutrition program (MGD/FFE), which so far has remained unfunded.
- There are fewer organizations getting longer grants under the MGD/FFE program which reduces the number of grants given and therefore opportunity for Alaska products and there is some pushback to including canned salmon which is viewed as a high nutrition but also a high cost product that is inefficient (heavy and expensive) to ship in canned format.
- We need to be at the table even more in order to follow these developments in real time.

4. Lack of Seafood Products in Emergencies and Disaster Preparedness

We have seen time and again that canned salmon is excluded from USG large scale disaster relief efforts even though there is a need for shelf stable products that can be used in the first weeks of a disaster, that are high in nutrition, do not need preparation or cooking and store for five years in prepositioning warehouses in the USA and across the globe as are other products. Canned Salmon and other fish products are very appropriate to include along with to high energy biscuits, lipid based supplementary pastes and in daily emergency rations.

- Examples include the latest disasters in Nepal and the Philippines where there was no canned Salmon in the emergency food basket.

OPPORTUNITIES:

We are seeking more and new opportunities for current Alaska seafood products and for new product forms and offerings for the USDA domestic and international programs, including e.g., canned Salmon (Pink and Red), Salmon Burgers, canned Herring, individual frozen Pollock servings, high protein Salmon/Seafood Powder.

- **Section 32 Bonus Buy Purchases:** Work with industry and USDA to execute an order for a Section 32 Bonus Buy for canned Red Salmon and canned Pink Salmon as needed and feasible, based on the fishery and market situation – current and projected for 2015/2016.
- **Supply Chain Issues – Resolution with USDA:** we work actively to addressing barriers with USDA through repeated meetings and communication, e.g. load weights, new product specifications and updates, and other supply chain issues as they arise.
- **Alaska Fisheries Value Chain Education for USDA, other Stakeholders:** Organizing a visit for USDA decision makers and stakeholders to Alaska to see firsthand and learn about the value chain in Pink and Sockeye salmon (canned, other products like burgers), Pollock (frozen blocks, and individual portions, other products). **(supplemental budget request)**
- **Marketing to International Food Aid Organizations and Stakeholders:** We will continue to meet regularly with and work with these organizations to make sure that they include canned Salmon and Herring whenever possible.



- **Providing Testimony, Comments, and Other Science-Based Input to Increase Seafood Consumption:**
 - **Domestic Seafood Consumption Guidance** Our Washington based Nutrition Consultant; Dr Nina Schlossman will be providing more real time testimony and comments in various venues, including the Institutes of Medicine and National Academy of Sciences on support for increased seafood consumption, such as the committee reviewing WIC food baskets to ensure that canned Salmon and other seafood is included in all baskets; the Dietary Guidelines for Americans 2015, to ensure that the current recommendation for at least 2 servings and 8 oz of safe fish (salmon and pollock) is adopted and included in all food and nutrition programs and the Food and Drug Administration's recommendation about safety for pregnant women to eat seafood like Salmon.
 - **International Seafood Guidance:** We will seek opportunities to monitor, participate in and provide input in international venues, such as the Global Child Nutrition Forum, the Global Based Initiative, and new initiatives such as fish consumption in the global initiative **Protein 2050** that seeks ways to address protein needs sustainably for the growing population anticipated by 2050.
- **Continue to Develop the Evidence Base and Market Demand for New Alaska Seafood:** We continue to see and hear of great interest in a seafood powder in the international food aid community and from consumers as well as interest in cost-efficient seafood products to enhance nutritional quality of the diet. These stakeholders seek an evidence-based food aid basket and food supply. Opportunities include:
 - **Herring/Guinea-Bissau:** Four Village randomized controlled trial of canned Herring to mitigate malnutrition in the rainy season in Guinea Bissau (field work starting in May 2015).
 - **Herring/Cambodia:** testing product acceptability in an Asian region that has both Food Aid and commercial opportunities
 - **Powder/Congo:** complete the analysis of the second round of data from the salmon powder pilot project with 9,000 school children in Congo and develop publications to disseminate the results to stakeholders and decision makers.
- **Powder Research & Development (R&D):** to obtain a Salmon or Seafood powder high in protein and with the right sensory and nutritional characteristics for a broad consumer palate, starting with food assistance consumers.
- **New Channels for Alaska Seafood Products:** Red Salmon may be a good option for the Food Distribution Program for Indian Reservation (FDPIR) program and the half pound can may turn out to be a size preference in specific programs; different forms of Pollock and Salmon that are easy to prepare for K-12 school lunch programs
- **Kosher Products:** USDA continues to need to ramp up their sourcing of Kosher and Halal shelf stable protein foods for domestic food and nutrition programs; we are working to get more cost-neutral Kosher canned product into the program and to have industry insure the Halal certification of the 2015 pack.
- **Disaster Prepositioning:** there continues to be a need for shelf stable high protein foods that can be prepositioned for food aid disasters – both domestic and international



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We are actively engaged in the process of the Dietary Guidelines for Americans (DGA) and we are making sure that fish consumption (at least 2-3 servings a week) remains a priority recommendation in the 2015 DGA and continue to push for this policy to be implemented in all other USG food and nutrition programs and included in all WIC food baskets and in School meals. We continue our intensive interaction with USDA other food aid stakeholders on specifications and marketing with food-aid customers and efforts to harmonize USG approaches to US origin shelf stable and other seafood.

The US Government has been engaged in an “All-of-Government” effort to improve the quality of its food aid programs, processes, and products and has been aggressively honing its overall food aid basket. USDA has increased the offerings of fruits, vegetables, whole grains, and lean protein in the USDA/FNS WIC and School Lunch programs in the US. Our Nutrition and Food Aid consultant, Dr. Nina Schlossman and her Tufts University colleagues have been advising USAID over the past five years as they have added new nutrient dense ready to use supplementary and therapeutic foods and strengthened the fortified blended cereals and oil to better address the priority nutritional needs of mothers and children in the first 1,000 days and those of vulnerable people in USAID Food for Peace (PL480 Title II) humanitarian programs and USDA/FAS has been pilot testing new fortified food aid products like fortified rice, ready to use supplements and micronutrient powders for school children through the McGovern-Dole food for education programs.

We are continuing our successful approach through FY2016 of identifying promising new products, laying the groundwork with agencies and potential markets, finding partners to work with and opportunities for R&D that promote Alaska seafood resources. Following on the very positive results of the pilot project in Liberia, we have decided to conduct our next pilot projects in Guinea-Bissau Africa and South East Asia – Cambodia. Based on the great results of our pilot project with school children in Congo, we will seek improved seafood powders, with better sensory characteristics and flavor profiles that will deliver at least 20% of daily protein requirements in a serving. This research and development (R&D) phase is the next step to conducting a controlled pilot project to determine the nutritional effects of the product over several months time.

We look forward to working hard for the industry again this year to support the Board’s priorities with Government purchases of Canned Salmon and Alaska Seafood and expand opportunities for new products and forms that respond to priorities here and abroad.

Bruce Schactler
Global Food Aid Program Director