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**ALASKA GLOBAL FOOD AID PROGRAM
REPORT FOR ASMI ALL HANDS MEETING
ANCHORAGE, ALASKA
NOVEMBER 2017**

During 2017, the ASMI Alaska Global Food Aid Program (AGFAP) has concentrated on expanding the impact of Wild Alaska Seafood in domestic and export food aid programs with new species, product forms and package sizes. We are pushing for more seafood to be included in all United States Department of Agriculture (USDA) programs and to align Wild Alaska Seafood with the priorities of domestic and international food aid markets while anticipating future trends.

We are constantly seeking ways to increase the customer base for Wild Alaska Seafood. This year we have had success with the introduction of two new products and forms and have doubled the volume and reach of others. We continue to advise USDA on Wild Alaska Seafood products: what is available, when it is available, in which product forms, and which ones will help them meet their needs for shelf stable and frozen seafood products across the range of USG funded food and nutrition programs. We make full use of our Washington, DC based Food Aid and Nutrition Consultants and their networks to help maintain a continuous dialogue with scientific and food aid stakeholder groups. We work hard to position Wild Alaska Seafood as the “go to” option for the USDA, as it navigates the implications of shifting nutrition science and policy. We always keep in mind that today’s program participant will be tomorrow’s retail customer and increasingly, vice versa.

This report provides an update since the 2016 All Hands Meeting.

DOMESTIC PROGRAM PURCHASES IN FY 2017

The food aid market has been, and is, a reliable and very good customer for the Alaska Seafood industry. The preference for Wild Alaska Seafood in several domestic feeding programs has Wild Alaska Pollock and Canned Wild Alaska Salmon as a steady item on the menu. Supporting the balance between supply and demand when inventory builds up is also a feature of several domestic food aid programs.

After the extremely poor Pink Salmon harvest in 2016, it was clear that the Canned Wild Alaska Pink Salmon supply would not support the demand and subsequent purchase requests from USDA. We are happy to see that the 2017 pack is sufficient to once again supply Canned Wild Alaska Pink Salmon to the USDA programs that have come to rely on this product.

USDA PURCHASES FY 2017	
Alaska Pollock Fillets	\$ 19,758,480
Alaska Pollock Breaded Fish Sticks	\$ 4,011,888
Alaska Pollock Block	\$ 3,917,074
Canned Pink Salmon	\$ 5,475,942
Salmon Fillet Portions	\$ 4,973,760
Kosher Canned Pink Salmon	\$ 2,381,118
Total	\$ 40,518,262



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Expanding Markets: Wild Alaska Salmon Through our constant interaction with USDA decision makers, they are again drawing on Wild Alaska Salmon to increase the availability of healthy foods in the Food Distribution Program on Indian Reservations (FDPIR) for this domestic safety net program. Our consultants in DC carried out a marketing blitz aimed at all USDA Food Distribution Directors. The outcome proved to be very successful and opened up communication between the USDA and Indian reservations. These developments have been extremely rewarding. The recent purchase of 438,000 pounds of 4 oz. vacuum packed PBO Wild Alaska Salmon fillet portions (Sockeye), valued at just shy of \$5 million, was a 100% increase in volume from last year's pilot program to expand the food aid basket with more traditional foods for populations living on reservations throughout the United States. The fillets have gotten rave reviews among these new consumers and have led to the consideration of additional Wild Alaska Salmon fillet options and we are working with USDA on making them available for next year's offerings.

Expanding Markets: Wild Alaska Pollock We have been working with USDA and the Alaska Pollock producers over the last several years to increase purchases for both domestic and international food and nutrition programs and to change the way their end-consumer products are produced and offered. It has been apparent for some time that nutrition and food assistance markets needed a new direct-purchase product. In January of this year, we were finally successful in adding a new Wild Alaska Pollock Breaded Fish Stick to the list of products that are available for purchase in the National School Lunch Program (NSLP). This long awaited, new listing now enables USDA itself and any school system, no matter how small, to purchase any amount of this Wild Alaska Pollock product through USDA, rather than having to reprocess Alaska Pollock blocks. Another successful marketing blitz informed school nutrition directors of the new addition to the food basket and how to buy it. Nearly 900,000 lbs. have been purchased since March. The NSLP is the largest of the US feeding programs and will effectively expose millions of families to this new great Wild Alaska Seafood product, which should lead to purchases of similar products available in their local grocery stores. This product also got great reviews from schools.

For a variety of reasons, Wild Alaska Pollock has been having a very difficult time in the world market over the last few years, to the point of questionable viability for some. For the last year, the Alaska Global Food Aid Program, has made a very focused effort to increase the number of programs and the volume of Wild Alaska Pollock products used in US domestic food, nutrition and safety net programs. The need for affordable, high quality lean protein products for food insecure Americans is very high and Wild Alaska Pollock fits that description perfectly.

As it is in all new markets, developing or identifying the right product for the program or purpose is the first step. Working directly with the Alaska Pollock producers, we identified an array of likely products for family feeding and presented those products to USDA in February. That demonstration with decision makers in USDA's Washington DC test kitchen, coupled with subsequent economic information synthesized and presented strategically, resulted in a final decision by USDA to purchase \$20M of Wild Alaska Pollock products for use across the USA in Food Banks. This purchase will comprise a new product form of 4 oz., unbreaded, fillet portions cut from PBO block. The portions are glazed and packaged in a 2 lb. re-sealable bag for the best storage and easy preparation. The American people like this product and feedback has been excellent.



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Expanding markets: Wild Alaska Herring The Alaska Herring Development Project, with operational and financial support from across the industry and the State of Alaska, has been underway for the last eight years. It began with a request from USDA for new, shelf stable, Alaska Seafood Products that would work in the venue of world food aid and advanced nutrition. This was coupled with the State of Alaska searching for economic development projects that could bring jobs and opportunity to western Alaska. The Project has learned and shared with industry how to handle the herring for canning and filleting for the food market. We have shared these products around the world and have designed and accomplished nutritional research with undernourished consumers in Western Africa, where the Herring reduce and mitigate malnutrition. These extended projects showed canned Wild Alaska Herring to be nothing short of a nutritional miracle food.

Wild Alaska Herring is meeting with great success in the US as well, with expanding interest in Wild Alaska Herring fillets. In Seattle Washington, Alaska Herring Week finished Year 3, with a six-fold increase in restaurant participation. Over 50 restaurants including four James Beard Award winners took part in an unbelievable display of how to prepare herring by serving it for lunch and dinners for a week in late June (see www.nwherringweek.com). The herring fillets were produced from male roe herring in Naknek by NPSI during the Togiak Roe Herring fishery specifically for this event and others like it, such as the Slow Food event in Denver in July, Pacific Marine Expo (BB event), U of A smoked fish workshop in Kodiak and numerous others. Restaurants from Portland to San Francisco have received samples and are delighted with the results from their customers. **This has all finally resulted in more commercial investment and a new market in Asia for these fillets over the last two years. With this new market and the associated exposure of Wild Alaska Herring, we expect to see the volume of this new Wild Alaska Seafood product increase through its inclusion in ASMI domestic and international marketing programs and those of industry around the world.**

RESPONDING TO GLOBAL FOOD AID & NUTRITION PRIORITIES

Our interaction with USG food and nutrition programs, Tufts and other University researchers, the scientific community, and the Alaska delegation, are keeping Alaska Seafood in the forefront of US food and nutrition policy and programming. The USG is actively engaged in an all-of-Government drive to improve its food aid programs, offer healthier foods, improve the supply chain, and ensure food safety. As a result, USDA has increased its purchases of fruit, vegetables, whole grains, and lean protein.

US Nutrition Policy & Seafood Consumption The Dietary Guidelines for Americans (DGA, 2015) and the US Food and Drug Administration set US nutrition policy, recommending at least two servings of healthful seafood weekly (6-8 oz.) for Americans of all ages and for pregnant women to promote healthy fetal development. The USDA/FNS Women Infants and Children Supplemental Nutrition (WIC), School Lunch, and other nutrition programs are slowly incorporating these recommendations, and interaction from our Global Food Aid Program has been instrumental in the expansion of seafood consumption through existing programs and in new ones, increasing the sales of Wild Alaska Pollock and Wild Alaska Salmon. The new individual fillet portions align better with the tastes and choices of modern program recipients than traditional shelf stable canned products. The US population is not eating enough seafood (DGA 2015). In fact, a recent *Intrafish* report noted that 2016 saw a decrease in US seafood consumption. Americans need to at least double their intake to meet the



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minimum recommendations and USDA is actively seeking to provide cost effective, healthful offerings for their customers who tend to have higher prevalence of diabetes, cardiovascular disease, and hypertension compared to the rest of the population. The new Wild Alaska Pollock and Wild Alaska Salmon frozen fillet portions, with all of their health benefits, fill this need perfectly. We are pushing hard for this policy to be implemented in all USG food and nutrition programs and continue to work intensively with USDA and other decision makers on specifications and marketing with food-aid customers. **We are focusing our efforts to harmonize USG approaches, to ensure that only US origin shelf stable and frozen seafood is included in all USG programs.**

Global Nutrition Needs & Marine Protein On the international side, scientific evidence continues to shine a spotlight on maternal and child nutrition as a key driver of impact globally. Nutrition solutions for this target group are a growing priority for food aid programmers. In recent years, the United States Agency for International Development (USAID) has added new products to better support the nutrition of vulnerable people in international food security and humanitarian programs and USDA/FAS is seeking more fortified products for school meals in the McGovern-Dole International Food for Education and Child Nutrition programs (MGD). Wild Alaska Salmon and Herring are the best sources of vital essential fats (Omega-3's) and high-quality marine protein for people of all ages. This is especially true for mothers and babies during and after pregnancy – the critical first 1,000 days. Protein is gaining recognition as key to healthy growth and development in early life that can prevent obesity and chronic disease later on. Demand is increasing for animal quality protein and international concern is growing about how to provide sustainable, affordable protein to an expanding middle class. **We have assured that marine source protein has a place in this debate and we are there to make sure that Alaska Seafood protein is clearly a best option.**

Now is the time for us to modernize and consolidate ASMI nutrition messaging across all species and programs, both domestic and international, in order to provide consumers with consistent, evidence-based, and useful information presented so as to make sure ASMI is their go to source for nutrition and health information and Wild Alaska Seafood is their product of choice.

EVIDENCE BASED MARKETING

We have been exploring new marine based products (Herring and Seafood Powder) with USDA, World Food Programme (WFP) and other institutional food aid partners for some time. We have tested various prototypes with consistently high consumer ratings and broad appeal in diverse countries. Our pilot project with Wild Alaska Salmon Protein Powder in the Republic of Congo (Brazzaville) and with canned Wild Alaska Herring in Cambodia and Liberia, and our recent randomized controlled four-village study in Guinea-Bissau, have demonstrated their effectiveness in improving nutrition among school age children and HIV positive adults, and in preventing nutrition among children under five years of age from worsening during the lean season. Shelf stable canned Wild Alaska Herring is very well accepted and desirable in Africa and Asia and is preferred in all our consumer tests, over locally-available





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canned sardines, pilchards and mackerel.

Alaska Seafood Protein Powder We consistently see the most excitement around the prospect of Wild Alaska Seafood Protein Powder and the evidence from our year-long pilot program in Congo with 4,000 school aged kids. In September, we traveled to Dakar, Senegal to participate in a USDA sponsored trade conference where we meet with representatives of USDA, WFP, NGOs and African national school lunch programs, as well as commercial brokers, traders and manufacturers from Senegal, Nigeria, Ghana and Ivory Coast. We then went on to Montreal, Canada to attend the Global Child Nutrition Forum and meet with stakeholders from 35 national school lunch programs across the globe. There was widespread and high-level interest in Wild Alaska Seafood Protein Powder as a means of providing much needed marine quality protein to improve school meals and as an ingredient for commercial food processing applications. The school and commercial representatives with whom we spoke, would buy it today if it were available at a reasonable price point. We are seeking an improved Wild Alaska Seafood Protein Powder, with better sensory characteristics and mild flavor profile that will deliver at least 50% of daily protein requirements in a single serving, so we can conduct a randomized controlled trial and pilot project to document its nutritional effects over a period of time. **The international Food Aid business is ready, willing and able to purchase this new product and put it to work in their many programs around the world. We also see great potential for this product in the ever-growing retail market for the protein conscious US and global consumer.**

THINKING AHEAD

We are continuing our successful approach of identifying promising new products, laying the groundwork with agencies and potential markets, finding partners to work with and opportunities for research and development (R&D) that promote Wild Alaska Seafood resources.

The many, growing USG programs have become a very good and steady customer for Wild Alaska Seafood. In the last year, US origin Tuna, which had come back to compete for this market after being out of play for the last five years or so, may now be off the docket again, with the closing of the American Samoa Tuna canning plant. Wild Alaska Seafood should be on tap, ready to fill this gap with canned Wild Alaska Salmon and our new frozen Wild Alaska Pollock and Wild Alaska Salmon portions. New options may be in order. As our supply volume naturally changes from year to year, it is important to keep in mind the demand we have created in these programs is growing, and so will its importance to our overall market share even as it varies from year to year. As the number of options grows, flexibility and potential increases.

We look forward to working hard for the industry again this year to support the Industry's priorities with higher use of Wild Alaska Pollock and Wild Alaska Salmon, while expanding opportunities for new Wild Alaska Seafood products and applications to address, not only the changing nutritional science here and abroad, but the dietary preferences and choices of our Wild Alaska Seafood customers.

Bruce Schactler
Global Food Aid Program Director