

ALL HANDS 2021 MEETING REPORT

GOVERNMENT SALES OVERVIEW

The USDA food aid programs remain a steady and very good customer for the Alaska Seafood industry. The Alaska Global Food Aid Program (AGFAP) actively works to expand Wild Alaska Seafood offerings on the “foods available” lists for all food and nutrition programs, increasing access to nutritious and delicious choices for all participants. We do this through marketing, messaging, nutrition science and policy, product innovation, market development, and advocacy.

This Fiscal Year (FY21), the USDA bought almost \$90 million in total purchases of Alaska Seafood products: \$35 million of frozen wild Alaska pollock and \$52 million of frozen and canned Sockeye salmon, and canned pink salmon for regular and new programs. We expect that there may be one more purchase opportunity before January.

- *Increased demand to supply new distribution channels in schools and communities and address the increased food insecurity across America*
- *Alaska seafood is going to school children, seniors, family food banks, distributions on tribal lands*

More Alaska Seafood products in more USDA programs

- *USDA now has 3 consumer WAP products for its programs (sticks, fillets, and nuggets), in addition to frozen block that is transformed into consumer products by school districts*
- *We are striving to get WAP Nuggets into the school lunch program food catalog, since they are now well established in food banks*
- *We'd like to get another new product like surimi into the programs in 2022.*
- *Canned Sockeye (Red) salmon is now included in new FARES/CARES Act program – anticipated for November, with distribution through Spring*
- *We are looking to have Sockeye included permanently in TFAP programs (regular food bank supply purchases)*

Expansion of seafood through Section 32 (increased COVID response and expanded emergency purchases)

- *We worked with USDA to include Pacific Rockfish as a product available to the food Bank system. We were successful in adjusting that new Pacific Rockfish specification to include Alaska as well as Pacific species of rockfish*

Alaska Seafood in overseas programs

- *460 MT (46,000 cases of 1 lb talls) canned pink salmon were purchased for USDA/FAS for School Feeding in year 2 of a multi-year program with “Save the Children” in Sri Lanka*

MARKET OVERVIEW

This has been a year of shifting and rebalancing in food systems worldwide. The Wild Alaska Seafood sector felt it in the marketplace, which continues to react to supply chain disruptions, exacerbated by extreme shipping increases, and unfair trade competition from Russia and China. Trade mitigation and other legislation to address supply issues and food insecurity through and following the 2020-2021 pandemic, reach all the way into the USDA Food Aid Programs to both complicate, but also enhance Alaska Seafood's position!

SUPPORTING INDUSTRY, ADDING VARIETY & REACHING MILLIONS OF CONSUMERS

The ASMI Alaska Global Food Aid Program (AGFAP) leveraged its long experience and relationships with Congress, the administration, decision-makers at the United States Department of Agriculture (USDA) and stakeholders in the food and nutrition community to support the Wild Alaska Seafood industry through the US Government food assistance supply chain.

The AGFAP's focused marketing and science-based approach is helping support USDA's need for nutritious high protein products for its programs. As a result, wild Alaska pollock and salmon are regular and well appreciated items on their participants' menus. The respect and preference for Wild Alaska Seafood is solidly established.

Over the last year, AGFAP has focused on expanding Wild Alaska Seafood offerings in domestic and export food aid programs. We introduced new species, new product forms, and sought new opportunities to increase consumer products within USDA food and nutrition programs. These purchases and distributions are an especially effective way to bring Alaska Seafood products to tens of millions of new consumers every year.

While there are new opportunities for Alaska Seafood products, the new products also bring with them, stiff competition from other seafood species as well as new suppliers, including from a variety of Atlantic, Pacific and Gulf fish and shrimp. Many less expensive, albeit less nutritious, foods have also joined the food aid basket through all the new mechanisms USDA is employing to get more food out to more people in more places than ever before in the US. We work to position the value and quality of sustainable Alaska Seafood in the programs and delicately navigate the price-point orientation of some programs.

Government purchases are expanding the market for Wild Alaska pollock and salmon. From school lunch to the home meal programs, Alaska is doing a great job of adding "seafood" to the consumer's plate more often, as advised by the USDA nutritional guidelines. The food bank network has been working overtime and the schools are distributing food to their families even when children are not in schools. More supply and distribution channels are being used for food assistance distributions. This year we are on a good track with market expansion and market development of new products for the international and domestic food aid programs, including potential new wild Alaska Pollock forms like surimi and even canned seafood products.

This year will call for a hybrid approach to the workplace and those in proximity to decision-makers will have an edge. We are well positioned with our DC-based Food Aid and Nutrition Consultant to work with our colleagues in Washington DC, as the USDA and other food aid stakeholders return to the workplace.

ENSURING SEAFOOD IN NUTRITION POLICY

ASMI GFAP continued to leverage its work Dietary Guidelines for Americans (DGA) 2020-2025, which now recommends at least 2 weekly servings of seafood for Americans of all ages from 12 months old, including pregnant women. The DGA are the basis for USG nutrition policy, and we continue to advocate that it be built into all USG food and nutrition programs. The DGA seafood recommendations for people of all ages and life stages will help expand seafood consumption, including among those consumers trying Alaska pollock and salmon products in U.S. food and nutrition programs. They will seek these products out when they can in the marketplace.

We will continue to work with and through our Alaska Congressional Delegation and a coalition of all seafood stakeholders on ASMI's behalf to ensure a consistent science-based seafood message in all US nutrition policy and that the seafood recommendations we helped inform get into the rules for ALL food and nutrition programs and encourage more seafood purchases for the programs.

Through our consultant Dr Nina Schlossman, we are actively engaged in nutrition science and policy in Washington DC, in all ways relevant to our work for ASMI. Dr. Nina Schlossman further supports ASMI and Alaska Seafood through her faculty position at Tufts University Friedman School of Nutrition Science and Policy and her work with the USAID and USDA on optimizing food assistance supply chains and enhanced traceability.

This year we have the opportunity to get seafood included in all the baskets for the Women Infants and Children's Supplemental Food Program (WIC) – which has been a goal for AGFAP and the Delegation for many years now. AGFAP's is well positioned to focus on advocacy and scientific support through hearings and comments to shape the updated rules.

OUTLOOK

Predictions are for continued need for nutritious foods across America. We are working with USDA and the Secretary of Agriculture for other large Alaska seafood purchases for FY22, starting in the spring, to provide a dependable pipeline for USDA programs and their consumers that have come to rely on this wonderful food source. A key to success is having a variety of products that may be substituted for each other from year to year and across programs. This "toolbox" includes not only a variety of products, but a range of species those products are made from.

THINKING AHEAD

We continue to advise the various USDA Agencies on Alaska's Wild Seafood products:

1. what is available
2. when it is available
3. in which product forms
4. Which ones will help them most effectively 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 broad networks to help maintain a continuous dialogue with scientific, policy and food aid stakeholder groups within USDA and across the country. We work hard to continue the position of Wild Alaska Seafood as the "go to" option for the USDA, as it navigates constantly evolving nutrition science and policy, and responds to the implications of trade tariffs on their program offerings

We always keep in mind the fact that today's program participant will be tomorrow's retail customer and increasingly, vice versa. Contrary to some speculation, the many, growing USG programs are not a subsidy or bail out!! The programs have become a very good and steady customer for our Wild Alaska Seafood and also a great service to the food insecure to have their only access to such high quality protein... . As our supply volume and price points naturally change from year to year, it is important to keep in mind that the demand we have created in these programs is growing, and so will its importance to our overall market share; even as the situations vary from year to year.

We are continuing our successful strategic marketing approach - 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. We continue to urge the USDA to include Wild Alaska Seafood products in all their food and nutrition programs to help Americans meet the USG dietary guidelines by accessing cost-effective, healthful, value-added options.

We have identified several new potential Wild Alaska Seafood species and products that seem to fit into the "new" and much expanded idea of what USDA and the American consumer would like in these programs and are aggressively looking to cross products between USG programs and US retail as one clearly supports and effects the other.

We look forward to working hard for the industry again this year to support the Alaska Seafood Industry's priorities with higher use of Wild Alaska Pollock products, 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