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**ALASKA GLOBAL FOOD AID PROGRAM
ASMI ALL HANDS MEETING
ANCHORAGE, ALASKA
OCTOBER 2018**

In 2018, the ASMI Alaska Global Food Aid Program (AGFAP) focused on expanding the impact of Wild Alaska Seafood in domestic and export food aid programs by introducing new species, product forms, and opportunities to increase product offerings within food and nutrition programs. 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 and seeking more opportunities to increase the customer base for Wild Alaska Seafood.

The food aid market has been, and is, a reliable and very good customer for the Alaska Seafood industry. We actively work to expand Wild Alaska Seafood offerings on the “foods available” lists for these programs and increase access to traditional, nutritional, and palatable choices for all participants through marketing, messaging, policy, innovation, product and market development, and advocacy. The preference for Wild Alaska Seafood in several domestic feeding programs has made Wild Alaska Pollock and Canned Wild Alaska Salmon a steady item on their participants’ menus.

Supporting the balance of supply and demand between the industry’s production and agency needs is one of the elements in our portfolio that never seems to let up. As in any market, one of the keys to success is having a variety of products that may be substituted for each other from year to year and among programs. This “toolbox” will not only include a variety of products, but a range of species those products are made from. This report provides an update since the 2017 All Hands Meeting.

USDA PURCHASES FY 2018	
Wild Alaska Salmon Fillet Portions	\$ 3,666,600
Wild Alaska Canned Pink Salmon	\$ 8,607,587
Wild Alaska K Canned Pink Salmon	\$ 2,292,256
Wild Alaska Pollock Fish Sticks	\$ 3,577,856
Wild Alaska Pollock Block	\$ 3,985,748
Wild Alaska Pollock Fillet Portions	\$ --
Total	\$ 22,130,046

DOMESTIC PROGRAM PURCHASES IN FY 2018



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USDA purchased \$22,130,046 worth of Wild Alaska Seafood products for US Government food and Nutrition programs in FY18. Building on the successful introduction of Wild Alaska Pollock Whole-Grain Breaded Fish Sticks into school feeding in April 2017, we have expanded our consumer-reach exponentially. The National School Lunch Program (NSLP), the largest of USDA's food and nutrition programs, reaches over **13,000,000 children** every day. The addition of the Wild Alaska Pollock Fish Sticks to the NSLP, has now led to their inclusion into The Emergency Food Assistance Program (TEFAP) as a permanent option for the nation's food banks beginning in 2019. Currently, over **8,000,000 families** have access to meals offering this product in their local food banks and pantries all over the country.

Through direct messaging and marketing, **87,000 individuals** participating in Food Distribution Program on Indian Reservations (FDPIR) are now receiving traditional Wild Alaska Salmon Fillets. Approximately **46,000,000 people** turn to food assistance programs for extra support every year. Those who receive food supplied through these USG programs experience varying levels of food insecurity, often turning to food pantries and kitchens for extra support to supplement their grocery purchases. Wild Alaska Seafood is tapping into a much larger consumer-base than ever before. The new Wild Alaska Pollock fillet portions align better with the tastes and choices of modern program recipients than traditional shelf stable canned products. The additions of Wild Alaska Seafood products will help expand market share, leading to more commercial sales through the millions of consumers participating in food and nutrition programs and choosing to buy similar products at their local grocery stores. The new individual fillet portions align better with the tastes and choices of modern program recipients than traditional shelf stable canned products.

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, traditional foods in FDPIR, a domestic safety net program with over 80,000 participants.



FDPIR recipient unloading food



Food products in FDPIR pantry

AGFAP carried out a marketing blitz aimed at all USDA Food Distribution Directors in over 500 state agency contacts and all 344 Tribal leaders and organized tastings of other species with key USDA decision-makers. The outcome proved to be very effective and opened up communication between the USDA and Indian reservations. These developments have been extremely rewarding. The recent purchase of **324,000 pounds** of 4 oz. vacuum



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packed PBO Wild Alaska Salmon Fillet Portions (Sockeye), valued at approximately **\$4 million**, was a great addition to the Wild Alaska Seafood sales package into this new market, targeting traditional foods for populations living on reservations throughout the United States. The Wild Alaska Salmon Fillet Portions have received rave reviews among these new consumers and have led to the consideration of additional Wild Alaska Salmon Fillet Portions options in other USDA programs.

Based on consumer demand among school nutrition directors, USDA has become particularly interested in adding Wild Alaska Salmon Fillet Portions to the NSLP program and possibly other nutritional feeding programs. We held two very successful tastings and demonstrations of Wild Alaska Pink and Keta Fillet Portions (4 oz., frozen), in Washington, DC this summer. Both “new” species were extremely well received, and gave great insight into the varying preferences for the different species. For these very large USDA programs, it seems that the current year’s pricing is above the level that works for preset budgets. FDIPIR is less price sensitive and is very happy with the Wild Alaska [Sockeye] Salmon Fillet Portions (4 oz., PBO, vacpac and frozen), keeping this product on the permanent list of traditional foods available for this program.

AGFAP’s recent consumer research has also identified a renewed interest and demand for Wild Alaska Canned Salmon in both domestic and international food programs. Canned Salmon is frequently included in the Commodity Supplemental Food Program (CSFP) serving **684,000 elderly individuals** per month. Seafood, shelf-stable and frozen, is a must-have in all meal programs. But even Wild Alaska Canned Pink Salmon is currently pushing the upper limits of some USG program budgets. In fact, a USG implementing partner working in Sri Lanka recently included 4000 metric tons of Wild Alaska Canned Salmon in their food aid programs for their 4 year program, however we will see how it all works out with pricing and budget. With more committed R&D, our Wild Alaska Herring can become a ‘new’ product for our Alaska Global Food Aid product line, particularly well positioned for international Food Aid programs which need high protein, shelf stable products at the best price point possible.



Canned Salmon for distribution at Capital Area Food Bank

Photo credit: Mandy Bridges

Sign for Canned Salmon at Capital Area Food Bank

Photo credit: Mandy Bridges

Expanding Markets | Wild Alaska Pollock: We have been working with USDA and the Alaska Pollock producers over the last several years to increase purchases of Wild Alaska Pollock products for both domestic and international food and nutrition programs and to change the way their end-consumer products are produced and



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offered. It has been apparent for some time that nutrition and food assistance markets needed a new direct-purchase product. The addition of Wild Alaska Pollock in US Government programming has resulted in a huge success for the Alaska Pollock industry as a whole. Recent consumer research conducted through our AGFAP, received glowing reviews from recipients of the 4oz Wild Alaska Pollock Fillet Portions and the Wild Alaska Pollock Fish Sticks.

This year we have had success with the introduction of Wild Alaska Pollock Fillet Portions into the TEFAP, working to ensure that the product becomes a permanent item on this safety net program's "Foods Available List." During the first nine months of 2018, over 8,000,000 new families received access to meals offering Wild Alaska Pollock Portions in their local food kitchens and pantries through TEFAP. Through this special purchase, Wild Alaska Pollock portions have spread to more programs beyond TEFAP, including After-School Feeding through family service centers, churches, food pantries, and other community activities. DC Central Kitchen now includes Wild Alaska Pollock Portions in its Healthy School Foods menu, touting its sustainably sourced, farm to table, healthful qualities being beneficial for children's development. We expanded the reach of the Wild Alaska Pollock into TEFAP, leveraging consumer experience, since their successful adoption into school lunches two years ago.

The Wild Alaska Pollock Breaded Fish Sticks, on the list of products available for purchase in the NSLP since FY17 are very popular. This long-awaited listing 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. This product also received great reviews from schools and our consumer research discovered that it is one of the most highly requested items by food bank clients as well, and will be a good addition to the TEFAP program, beginning in FY19. Another successful marketing blitz informed school nutrition directors of the new addition to the food basket and how to buy it. Nearly **1.6 million lbs.** have been purchased in FY2018.



Photo credit: DC Central Kitchen

The addition of consumer-ready Wild Alaska Pollock into US Government programming has resulted in a huge success for the Alaska Seafood industry, as a whole. Recent consumer research conducted through ASMI's AGFAP received glowing reviews from recipients of the Wild Alaska Pollock Fillet Portions, Wild Alaska Pollock Fish Sticks, and other Wild Alaska Seafood products in various US food and nutrition programs. The feedback from program directors, cooks, and consumers about Wild Alaska Seafood is overwhelmingly positive and gives valuable insight on ways to expand the market to effectively expose over 25,000,000 people to these cost-effective, healthful value-added products.

Wild Alaska Pollock is doing better in the market this year and the market expansion and increased consumption from these USDA programs is playing a significant part. For the last year, the AGFAP has



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focused its efforts on increasing the number of programs and volume of Wild Alaska Pollock products 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 industry and USDA, as well as American “food aid” consumers, we will be presenting new Wild Alaska Pollock products in 2019.

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 many 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 advance nutrition. This was coupled with the State of Alaska searching for economic development projects that could bring jobs and opportunity to Alaskans. The Project has learned and shared with industry how to handle herring for canning and filleting for the food market. We have shared these products around the world and have designed and conducted nutritional research with undernourished consumers in West Africa, where the Herring reduced and mitigated malnutrition. These extended projects showed canned Wild Alaska Herring to be nothing short of a nutritional miracle food.

Wild Alaska Herring has been met with increased enthusiasm, through some limited although increasing production of Wild Alaska Herring Fillets. The fillets are produced primarily from male roe herring during the Togiak Roe Herring fishery, but also during the summer fishery in Dutch Harbor. Restaurants from Seattle to San Francisco have tried samples and are delighted with the results. With this positive feedback from their customers, demand is growing. Canned Herring is imported into the US at a rate of some 2,700 metric tons per year, with a wholesale value of over \$11 million, so **we hope to see the volume of this new product increase through its potential inclusion in ASMI domestic and international marketing programs and the efforts of industry around the world.**

RESPONDING TO GLOBAL FOOD AID & NUTRITION PRIORITIES

The US population is not eating enough seafood (DGA 2015) and could be decreasing according to a recent *Intrafish* report (2016). Americans need to at least double their intake to meet the 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.

US Nutrition Policy & Seafood Consumption: We continue to work closely with policy makers on the development of the *2020-2025 Dietary Guidelines for Americans* and other nutrition-based programming and policies by providing key nutritional information and testimony on the importance of seafood throughout the lifecycle. Our interactions with USG and other decision makers, Tufts and other University researchers, the broader scientific community, and the Alaska delegation, help us keep Alaska Seafood in the forefront of US food and nutrition policy and programming.

The new Wild Alaska Pollock and Wild Alaska Salmon Fillet Portions, with all of their health benefits, fit the bill



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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.**

The USDA Food and Nutrition Service's (FNS) Women Infants and Children Supplemental Nutrition (WIC) program, School Lunch, and other nutrition programs are currently incorporating DGA and FDA recommendations to consume at least two servings of healthful seafood per week. Interaction from our Alaska 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.

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 great and popular 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.

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 (Wild Alaska Herring and Seafood Protein 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 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 a very well accepted and desirable in Africa and Asia and is preferred in all our consumer tests, over locally-available canned sardines, pilchards and mackerel. For that reason, we have now have accomplished an official, USDA specification written for our first opportunity to include Wild Alaska Canned Herring into international Food Aid projects as a potential



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option to other shelf stable products like our Wild Alaska canned salmon.

Market Opportunity | Alaska Seafood Protein Powder: We consistently see the most excitement in world food aid circles around the prospect of a Wild Alaska Seafood Protein Powder. The real evidence from our year-long pilot program in Congo with 4,000 school aged kids added to the theoretical that this product will be available to the protein challenged people around the world. There is a widespread and high-level of 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. School, government and commercial representatives with whom we have spoken, would buy it today if it were available at a reasonable price point. We are actively working with Alaska Seafood industry members to develop 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. We are currently planning a randomized controlled trial and pilot project to document its nutritional effects this spring of 2019. **The international Food Aid business is ready, willing and able to purchase this new product and put it to work in their many programs. 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 continue to advise the various agencies of USDA on Alaska's Wild Seafood products: what is available, when it is available, in which product forms, and which ones will help them most effectively meet their needs for shelf stable and frozen seafood products across the range of US Government (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 evolving nutrition science and policy and responds to the implications of trade tariffs on their program offerings. We always keep in mind that today's program participant will be tomorrow's retail customer and increasingly, vice versa.

The many, growing USG programs have become a very good and steady customer for Wild Alaska Seafood. As our supply volume and price points naturally change 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 things vary from year to year. As the number of options grows, flexibility is needed and potential increases. 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. We continue to urge the USDA to include Wild Alaska Pollock and other Wild Alaska Seafood products in all their food and nutrition programs which will help Americans access cost-effective, healthful, value-added options.

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



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the dietary preferences and choices of our Wild Alaska Seafood customers.

Bruce Schactler
Global Food Aid Program Director