

ALL HANDS 2020 MEETING REPORT MARKET OVERVIEW

Over the last year, the ASMI Alaska Global Food Aid Program (AGFAP) has focused on expanding the use of Wild Alaska Seafood in domestic and export food aid programs, by introducing new species, new product forms, and new opportunities to increase product offerings 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 without spending industry's marketing money.

The food aid market has been, and is, a reliable and very good customer for the Alaska Seafood industry. The AGFAP actively works to expand Wild Alaska Seafood offerings on the "foods available" lists for all food and nutrition programs, increasing access to traditional, nutritional, and appetizing choices for all participants. We do this through marketing, messaging, nutrition science and policy, product innovation, market development, and advocacy. The preference for Wild Alaska Seafood in domestic feeding programs has, more than ever, made Wild Alaska Pollock and Wild Alaska Salmon steady items on their participants' menus.

GOVERNMENT SALES

\$23 million purchases of WAP and canned Pink Salmon for regular programs – NSLP, seniors, food banks, etc.

- *Increased purchases for regular programs to meet much larger than usual need*

\$20 million Section 32 WAP purchase for emergency safety net programs and food banks

- *To meet the needs of increased food insecurity in America*

New product introduced through Section 32: Nuggets for Emergency safety Net programs

- *Working to get this into National School Lunch Program (NSLP) next year*

USDA now has 3 consumer WAP products for its programs (Sticks, fillets and nuggets), in addition to frozen block, transformed into consumer products by school districts

Expansion of seafood through Section 32 due to increased COVID response purchases. This extended to Atlantic whitefish; while this is good for seafood overall, it could be competition to Alaska seafood in the program

- *We will work towards adjusting specification to include Alaska/Pacific species.*

360 MT (36,000 cases of 14.75oz/24cans) of canned Pink Salmon for International purchase to USDA/FAS for School Feeding in Sri Lanka

- *This is first purchase for a three-five year program and a first purchase for Save the Children, an NGO we have been working with to include canned Salmon*



These large purchases come out of our specific work to bring some help to our Wild Alaska Seafood Industry, so significantly impacted in the marketplace. This year, our industry was dominated by supply chain disruptions, Russian and Chinese trade competition from unfair tariffs, continued trade mitigation measures, COVID response, the CARES ACT and other legislation, leading to significantly increased purchases of all foods and new varieties of seafood, (most recently and quite competitively, not all wild Alaska sourced). These super nutritious wild Alaska seafood products are being distributed to food banks, schools and other distribution programs all across the United States to help USDA mitigate the rapid and continuing increases in food insecurity for Americans in all walks of life. 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 venues and innovations in supply and distribution channels are coming online every month.

THIS CALENDAR YEAR-TO-DATE

All told, in 2020, we have facilitated about \$54 million in Alaska WAP and Salmon product purchases to USDA for domestic and international food, nutrition and safety net programs. This is in addition to the \$40 million of WAP purchased at the end of FY19 (September) through Section 32 for food banks being distributed through December 2020.

OUTLOOK

We are requesting another \$80 million Alaska seafood be purchased through Section 32 for FY21, starting in January, to continue this cycle through 2021 and into 2022 , as predictions are expecting continued trade and Covid 19 disruptions to the supply chain for the foreseeable future.

SUPPORTING INDUSTRY & DEVELOPING NEW CONSUMERS

Supporting the balance of supply and demand between the industry's production and agency/program needs is one of the elements in our portfolio that never seems to let up. As in any market, 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.

Wild Alaska Pollock and Salmon products are widely accepted by consumers. Government purchases are expanding the market for these species of Wild Alaska Seafood. 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 and the Dietary Guidelines for Americans (DGA).

USDA purchases during the year are providing great nutrition for millions of food insecure Americans and school children, many of whom are tasting Wild Alaska Pollock and Salmon for the first time. The growing number of options is exposing program recipients to a variety of products they can also find in their supermarkets and restaurants going forward. Feeding America's food insecure families with Wild Alaska Seafood has a multiplier effect which comes back as increased purchases of Alaska products in all sectors of the marketplace. Families like the taste of these Alaska Seafood products, become familiar with them, and will seek them out when they can.

ADDING VARIETY & REACHING MILLIONS OF CONSUMERS

Since 2016, when the ASMI Board Whitefish Committee requested our assistance in the Alaska Pollock sector, we have been working hard to increase purchases of Wild Alaska Pollock products. It had been apparent for some time that domestic and international nutrition and food assistance markets needed new direct-purchase products.

WILD ALASKA POLLOCK – DOMESTIC SALES

The adoption of Wild Alaska Pollock consumer-ready offerings in USG programs has been a huge success for the Alaska Pollock industry overall. Our recent consumer research showed the 4oz Wild Alaska Pollock Fillet Portions and the Wild Alaska Pollock Fish Sticks continue to receive glowing reviews from recipients and staff handling them.

Building on the successful introduction of Wild Alaska Pollock Whole-Grain Breaded Fish Sticks in school feeding, we have expanded our consumer-reach exponentially. National School Lunch Program (NSLP), the largest of USDA's food and nutrition programs, reaches almost **30,000,000 children** every day during the school year. Adding Wild Alaska Pollock fish sticks to the NSLP allowed us to get them included also in The Emergency Food Assistance Program (TEFAP). **Forty million families** at risk of hunger and food insecurity are receiving our wild Alaska Seafood through **special purchases now and** with current purchases set for distribution through 2020.

The Wild Alaska Pollock Breaded Fish Sticks are so popular that USDA continues to expand their purchases. 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 many tens of millions of people to these cost-effective, healthful value-added products.

With the current disruption by COVID, School Feeding through family service centers, churches, food pantries, and other community activities has expanded to summer and after school programs. DC Central Kitchen for example, has Wild Alaska Pollock on its Healthy School Foods menu, and is marketing its sustainably sourced, farm to table, healthful qualities as being especially beneficial to children's development – a theme being taken up, at our urging, by the DGA 2020 Committee.

Working directly with the Alaska Pollock industry and USDA, as well as American "food aid" consumers, we have again in 2020, inserted a new Wild Alaska Pollock product into the USDA portfolio of food being distributed to the American people. **This summer and again this fall, USDA has purchased over \$4M of Wild Alaska Pollock "Nuggets" that will be distributed across the** American Food Bank system into early 2021.

Leveraging USDA food aid consumer experiences has expanded the reach of Wild Alaska Pollock to customers across retail and food service sectors. Market expansion and increased adoption from these USDA programs is absolutely playing a significant part in the overall increase in market share and value. Our program has 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. As it is in all

new markets, developing or identifying the right product for the program or purpose is the first step.

ALASKA SALMON – DOMESTIC & INTERNATIONAL SALES

The AGFAP's consumer market research has also identified a renewed interest and significant demand for Wild Alaska Canned Salmon in domestic and international programs. It is a big part of the Commodity Supplemental Food Program (CSFP), serving **676,000 elderly individuals** per month. Seafood, shelf-stable and frozen, is a must-have in all meal programs; it is especially effective to deliver high quality protein in emergency situations – and there have been many this year. As part of our trade mitigation efforts, USDA has increased the volume of Wild Alaska **Canned Pink Salmon** for domestic food banks. This year, **over \$25 million worth of canned Pink Salmon was purchased for domestic programs.**

Working closely with Save the Children and USDA, we also secured the first international purchase of canned Pink Salmon in a multi-year school feeding program. The first purchase of **360 Metric tons (36,000 cases of 14.25 Tall)** took place in September 2020. We expect the similar volumes in the next three years for this program.

The dynamics of the international food assistance marketplace have evolved in the past few years towards specialized nutritious products for therapeutic and supplementary feeding to address acute malnutrition among children under 24 months of age. New evidence is showing that animal source foods (including seafood) provide essential elements of healthy diets for all ages, including the earliest years. We expect there to be an increased demand for high quality marine source protein and omega 3- fatty acids globally and in commercial and food assistance markets in the coming years if the right mix of product innovation is available at an attractive price point.

ENSURING SEAFOOD IN NUTRITION POLICY

Seafood is gaining importance in the Dietary Guidelines for Americans (DGA) which are currently being updated for 2020. The DGA-2020 provide the population at large with guidelines for healthy eating through 2025. They also serve as the nutrition policy framework for the USG to guide food purchases in all programs.

Through our Nutrition Consultant, we are actively engaged in the DGA-2020 process in Washington DC and germinated the seeds, within the DGA Committee, of including the role of seafood in neurocognitive development and the importance of seafood in the first 1,000 days of life (pregnancy through 24 months) as part of the DGA review process.

We were successful in getting seafood consumption front and center in the Scientific Report that came out recently. It underpins the next Dietary Guidelines for Americans (DGA 2020) committee proceedings and the development of guidelines that will set Nutrition policy for the next five years.

- We provided comments on the Scientific Report and strengthened seafood recommendations for the DGA2020 based on the science reviewed by the committee.
- We are working to ensure that a consistent science-based seafood message for all Americans is included in the DGA2020 (work over the next few months) to:
 - Recommended seafood consumption of at least 2 servings for all age groups
 - Recommended 2-3 servings a week for pregnant and breastfeeding women

Our principal Nutrition and Food Aid program consultant Dr. Nina Schlossman is further representing ASMI and Alaska Seafood through her participation in the recent Future of Food Assistance for Nutrition Evidence Summit II and involvement in the overall Tufts University Food Aid Quality Review Project. ESII highlighted USAID's efforts in this area through the work and innovations the project has undertaken to improve nutrition and quality of USAID international food assistance efforts and the global humanitarian supply chain. ESII overall will help guide USAID policy related to food assistance for nutrition over the next years.

Through our consultant Dr Nina Schlossman, we are involved in all ways relevant to our work for ASMI, such as the importance of marine and animal source foods to improve nutrition and prevent malnutrition and her work with the USAID and USDA on optimizing food assistance supply chains and enhanced traceability.

KEY TRENDS & OUTLOOK

- **Animal Source Foods (ASF), including Seafood** ASF are critical elements in addressing food insecurity, malnutrition and promoting good nutrition for anyone (ref DGA2020 work on US dietary guidelines recommending 2-3 servings/week of seafood for pregnant and breastfeeding women) in addition to continued recommendation for at least 2 servings for everyone.
- **Big Data & Increasing Data Digitization** USDA and USAID are both on track to increase traceability and incident reporting efforts so this will be relevant to what Alaska Seafood suppliers will be asked to do for domestic and international food assistance products (USDA is already floating this for the domestic supply chain). Specific Amino acids and Omega 3 fatty Acids (EPA, DHA) are going to be an increased focus to improve cognitive, development and healthy growth outcomes.

We also will continue to work with and through our Alaska Congressional Delegation and a coalition of all seafood stakeholders on ASMI's behalf to make sure that these seafood recommendations get into the rules for ALL food and nutrition programs and encourage more seafood purchases for the programs.

THINKING AHEAD

We continue to advise the various USDA Agencies 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 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 position 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 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 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 access 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

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



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**ALASKA GLOBAL FOOD AID PROGRAM -- EXPANDING COMMERCIAL MARKETS
ALL HANDS MEETING REPORT
November 2020**

USDA/AMS PURCHASES OF ALASKA SEAFOOD - WILD ALASKA POLLOCK AND SALMON - FY20 (YTD: 19 September 2020)

DATE	TYPE OF PURCHASE	MATERIAL	QUANTITY (LBS)	QUANTITY (CS)	TOTAL DOLLARS	TOTAL FOR SOLICITATION
8/6/2020	Section 32	FISH AK PLCK FILLETS FRZ PKG-20/2 LB	3,192,000		7,793,858.00	
8/6/2020	Section 32	FISH AK PLCK STICKS FRZ PKG-20/2 LB	4,066,000		8,176,312.80	15,970,170.80
8/25/2020	Section 32	FISH AK PLCK NUGGETS FRZ PKG-20/2 LB	798,000		1,609,364.60	1,609,364.60
9/19/2020	Section 32	FISH AK PLCK NUGGETS FRZ PKG-20/2 LB	1,026,000		2,121,418.40	2,121,418.40
TOTAL SECTION 32:			9,082,000		19,700,953.80	
12/18/2019	Regular	K SALMON PINK CAN-24/14.75 OZ		3,040	189,574.40	
12/18/2019	Regular	SALMON PINK CAN-24/14.75 OZ		22,800	1,428,815.20	1,618,389.60
5/27/2020	Regular	FISH AK PLCK FILLETS FRZ PKG-20/2	342,000		862,907.80	
5/27/2020	Regular	FISH AK PLCK STICKS BRD FRZ CTN 40 LB	1,330,000		2,773,581.82	
5/27/2020	Regular	FISH AK POLLOCK STICKS FRZ 20/2 LB	190,000		411,882.00	4,048,371.62
6/11/2020	Regular	FISH AK PLCK FILLETS FRZ PKG-20/2	76,000		195,312.40	
6/11/2020	Regular	FISH AK PLCK STICKS FRZ CTN-40 LB	76,000		169,847.40	
6/11/2020	Regular	K SALMON PINK CAN-24/14.75 OZ		71,440	4,509,903.60	
6/11/2020	Regular	SALMON PINK CAN-24/14.75 OZ		293,360	18,923,106.70	23,798,170.10
8/18/2020	Regular	FISH AK PLCK FRZ BULK CTN-49.5 LB	1,465,200		2,272,089.60	2,272,089.60
TOTAL REGULAR PURCHASES:					31,737,020.92	
TOTAL DOMESTIC PURCHASES:					51,437,974.72	

International Programs: Canned Salmon for Sri Lankan Schools 2,337,261.81

TOTAL DOMESTIC & INTERNATIONAL PURCHASES: 53,775,236.53