

CAIA / DFO California Trip Report

Safeway US

Phil Gibson, Group Director, Corporate Seafood
John Beretta, VP, Corporate Seafood

Background Info

- Numerous distribution centers across US
- Buy mainly from Canada (Chicago, Denver distribution center usually buys East Coast farmed salmon; remainder buy from BC). Some product from Scotland goes into eastern stores. No longer use Chilean product.
- Main distributors: Lucimerica, Pacific Seafoods

Perspectives on Greenpeace Initiative & ENGO's

- Safeway did eventually respond to Greenpeace questionnaire
- Do not plan to change purchasing decisions based on Greenpeace recommendations, however, they feel somewhat anxious about possible repercussions of this decision.
- Board of Directors feeling pressure from CAAR
- Feels the Greenpeace initiative may have potential to impact business. Felt it hamstrung industry in the EU

Other Discussion Items

- Would like a centralized source of information on aquaculture – Phil expressed challenge of researching issues (e.g. sea lice; PCB's)
- Appreciated Canadian government / industry partnership at this meeting
- Safeway is working on developing their own robust sustainability program – will be finalized by end of year. Would be interested in receiving one set of 'Canadian industry standards' to feed into this process.
- Their interest in sustainability is driven by a desire to be good stewards / corporate citizens. However, they know they have to balance this with a desire to provide those products their customers want. (For example, rather than not carry orange roughy, they researched and found a sustainable industry to buy from in New Zealand)
- Recommended either GAA or WWF as possible certification system for farmed salmon.
- Very supportive of coordinated stocking program in Broughton – have discussed this with Clare Backman
- Would be interested in any new studies on contaminant levels in Canadian farmed salmon
- Expressed interest in more extensive briefing from DFO/CAIA on Canadian regulatory environment, sustainability practices & food safety issues. Would invite Safeway reps from across US
- Safeway's research has indicated that the term natural has no resonance associated with seafood. Customers just expect seafood to be natural.

Lusamerica (Distributor)

Contact: John Silva, Purchasing Director

Background Information

- Service Safeway, Sysco and upscale markets
- Farmed salmon is increasing in sales
- Purchases from Cooke & BC suppliers
- 70% Retail / 30% Foodservice

Discussion Items

- No impact from ENGO movement – retailers are feeling it, not distributor.
- Sustainability is a big thing – everyone is talking about it. Retailers are asking distributor for information – and starting to ask distributors to look for it.
- Supportive of continuing to buy from Canada – good relationship with BC suppliers
- Customers aren't demanding certification now, but he sees it coming. Sees it will become a selling point – a way of differentiation – give him 'an edge' over his competitors. Will be able to advertise 'sustainable'
- Availability of farmed salmon is an issue, so can't be too demanding of suppliers for certification at this point
- May consider corporate sustainability program down the road
- Felt Salmon of the Americas was good – gap now in information sources