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**To:** Alliance for a Healthier Generation

**From:** Brendan Fitzpatrick, Elizabeth Phillips, & Robert Wescott, Keybridge

**Subject:** Preliminary Data Highlights from the Alliance Healthier School Meals Program

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## **I. OVERVIEW**

In July 2011, the Alliance for a Healthier Generation signed an industry agreement with leading food manufacturers and Group Purchasing Organizations (“GPOs”) to develop, produce, and market healthier food products for schools at competitive prices. As part of this agreement, signatories also agreed to submit data to an independent entity to verify progress towards the public commitments. Since 2012, Keybridge has collected detailed sales and marketing data to measure whether manufacturers and GPOs are holding to their commitments.

This memo provides a preliminary “snap shot” of the data collected from manufacturers as of August 2014. The data show sizeable increases in sales of Alliance-compliant products from participating manufacturers between the 2010-11 and 2012-13 school years and illustrate the changes being made by industry to bring healthier and affordable foods into school cafeterias. The final report, which will be available later this year, will include more detailed findings, manufacturer sales data from the most recent academic year (i.e., the 2013-14 school year), and data collected from GPOs. It will also include information that has been collected about efforts to market Alliance-compliant products and qualitative insights from structured interviews with key stakeholders, which help to contextualize the Alliance’s role in facilitating changes to the school food landscape.

## **II. DATA OVERVIEW**

Since 2012, Keybridge has maintained detailed databases of school food sales and marketing information collected from food manufacturers and GPOs as part of the Alliance Healthier School Meals Program. This database includes data from 14 manufacturers (AdvancePierre, Aryzta, Asian Food Solutions, BakeCrafters, ConAgra Foods – including ConAgra Foodservice, JM Swank, and Lamb Weston – High Liner Foods, JTM Food Group, McCain Foods USA, Rich Products Corporation, Tasty Brands, Trident Seafoods, and Tyson Foods) and three GPOs (HPS, Premier, and Provista).

Keybridge has collected and validated data from these companies for the 2010-11, 2011-12, and 2012-13 school years and is currently collecting and validating data for the 2013-14 school year. Because data collection for the 2013-14 is incomplete, the data in this preliminary update only reflect changes through the 2012-13 school year. Also, the data only reflect the sales of 13 manufacturers because one is still working to provide accurate data for the 2012-13 school year.

The manufacturers that report data include 2 of the 3 largest and 11 of the 25 largest suppliers of foods for school meals, and represent the majority of the school market for proteins and potato products and sizeable shares in most other product categories.

### **III. KEY STATISTICS**

A core component of the school meals agreement was the commitment to increase sales of healthier, Alliance-compliant products. These statistics provide a unique perspective on how the school food environment has changed between the 2010-11 and 2012-13 school years. They show that:

- Total school sales of Alliance-compliant products by these participating manufacturers grew by \$130 million, from \$182 million in the 2010-11 school year to \$312 million in the 2012-13 school years. This represented an increase of 71%. Sales of non-compliant products decreased from \$781 million to \$756 million, or -3%, over the same time period.
- Alliance-compliant product sales represented nearly a third (29%) of all school food sales by participating manufacturers during the 2012-13 school year. This was a 10 percentage point increase from 19% of sales in the 2010-11 school year.
- Sales of Alliance-compliant grain products (i.e., those with at least 51% whole grain) grew fourfold between the 2010-11 and 2012-13 school years, increasing from \$12 million to \$66 million (+465%). Sales of Alliance-compliant fish, meat, and non-meat products also grew over the same period of time, increasing from \$127 million to \$169 million (+33%).

Additionally, over this same time period, participating manufacturers have increased the number of Alliance-compliant products that are available to schools. More specifically:

- Between the 2010-11 and 2012-13 school years, participating manufacturers added 127 more Alliance-compliant products to their portfolios, a 27% increase.
- The number of individual Alliance-compliant products with national sales higher than \$1 million per year increased by 59% from 51 to 81 products over the same period.

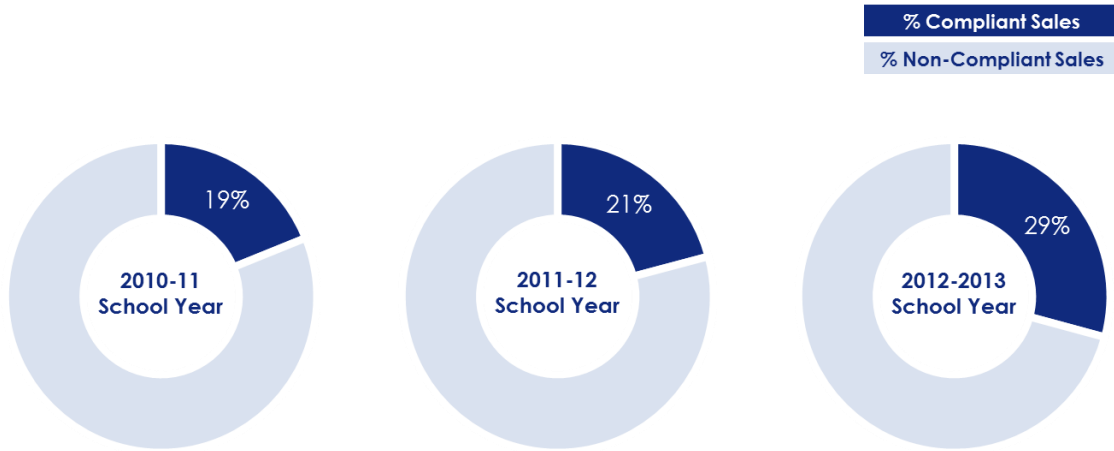
### **IV. NEXT STEPS**

The final report will summarize changes in the types of school food products sold to schools between the 2010-11 and 2013-14 school years from manufacturers and GPOs. The report will integrate the quantitative findings derived from the complete sales and marketing data with the qualitative findings gathered through structured interviews. Through these interviews, Keybridge distilled a set of qualitative insights regarding: (1) why companies participated in the program; (2) how the pledges influenced the marketplace for healthier school food; (3) specific challenges manufacturers faced when delivering Alliance-compliant products; and (4) persistent barriers that schools continue to face in improving meal offerings. Detailed findings from this qualitative information gathering will be included in our final report.

V. APPENDIX

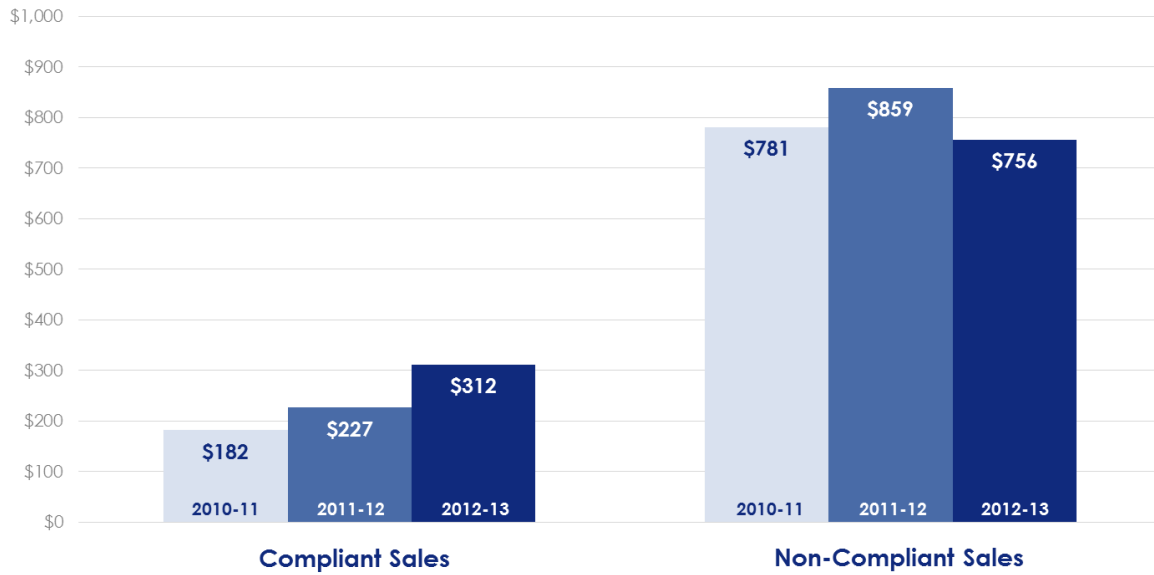
**Alliance-Compliant & Non-Compliant Product Sales**

Percentage of Total Sales



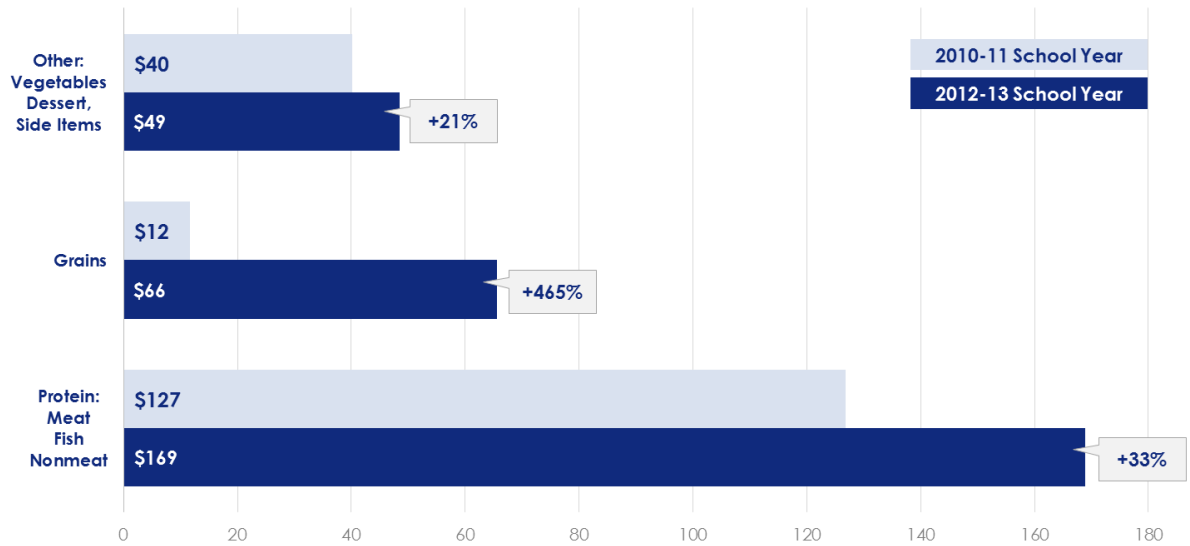
**Total Sales of Alliance-Compliant & Non-Compliant Products**

In Millions \$



### Total Sales of Alliance-Compliant Products by Product Category

In Millions \$



### Number of Alliance-Compliant Products

