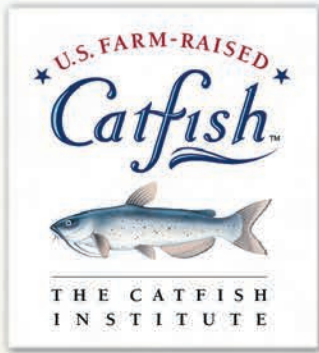


The Catfish Institute

2016 ANNUAL REPORT





Dear Friends:

The year 2016 marked the 30th anniversary of the creation of The Catfish Institute. What began in 1986 by a group of progressive farmers and feed mills continues today as a true testament to our founders and their vision for the U.S. Farm-Raised Catfish industry. For the past 30 years, TCI has worked to provide the highest level of leadership, service and commitment to the promotion and support of this industry. The awareness created through the many TCI-developed programs has provided the American consumer a clear choice when distinguishing ourselves from ever-growing competition in the seafood marketplace.

2016 also marked the implementation of the long-awaited Catfish Inspection Program. USDA's Food Safety and Inspection Service placed full time inspectors in our plants and assumed oversight of the industry from FDA. Projections are for the program to be fully implemented by the end of 2017.

While the industry enjoyed better economic conditions, it said goodbye to Seymour Johnson, who served as the first Chairman of the Board for The Catfish Institute and later as Director Emeritus. Seymour passed away in February 2016. He gave freely of his time, and his leadership and commitment to the industry are much appreciated. He will be truly missed.

In this annual report, you will get a glimpse of TCI's promotional campaigns, as well as the various programs executed throughout 2016. Each of these was carefully geared toward increasing consumer awareness and product sales.

The Catfish Institute greatly appreciates its member feed mills and farmers for their support. A very special thank you goes to the entire Board of Directors for their time sacrificed in providing unending leadership and guidance.

Harry Simmons, Jr.

Harry Simmons, Jr.
Chairman, The Catfish Institute

Roger E. Barlow

Roger E. Barlow
President, The Catfish Institute

The Catfish Institute Member Feed Mills

Alabama Catfish Feed Mill, LLC
Uniontown, Alabama

Delta Western
Indianola, Mississippi

Fishbelt Feeds
Moorhead, Mississippi

Top Water
Wisner, Louisiana

The Catfish Institute Board of Directors and Officers



Chairman
Harry Simmons, Jr.
Fishbelt Feeds



Vice-Chairman
David Pearce
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President
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The Catfish Institute



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Fishbelt Feeds



Jonathan Mills
Delta Western



Will Nobile
Fishbelt Feeds



Joe Oglesby
Fishbelt Feeds



Harrell Potter
Fishbelt Feeds



Solon Scott, III
Delta Western



George Smelley
Alabama Catfish
Feed Mill, LLC



Jim Tackett
Delta Western



John Williamson
Alabama Catfish
Feed Mill, LLC



Butch Wilson
Alabama Catfish
Feed Mill, LLC



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The Catfish Institute celebrated its 30th anniversary in 2016, and although the industry has changed greatly since our founding in 1986, the goal of our marketing programs has always remained the same—to drive consumer interest and continued demand for U.S. Farm-Raised Catfish.

We take great pride in the work we do on your behalf, and we stand firm in the belief that TCI creates as much “bang for your buck” as any industry marketing association in the nation.

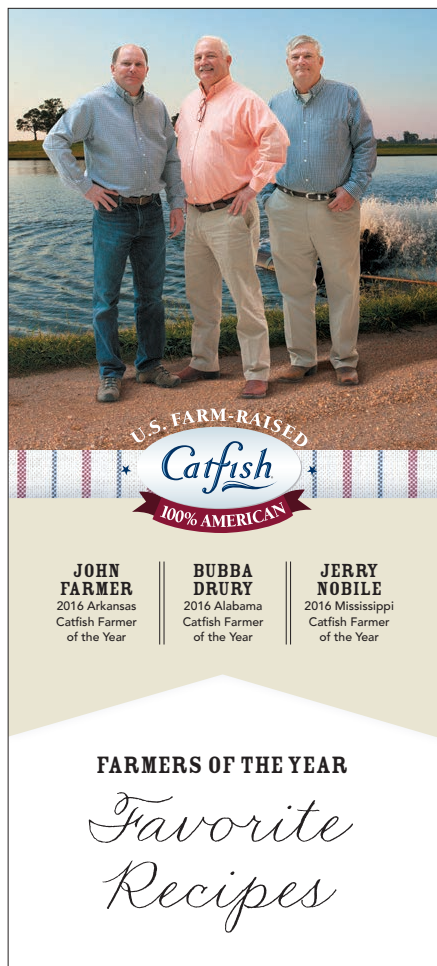
Throughout the pages of this report, we will offer a glimpse into the details of the many promotions and initiatives undertaken over the past year. As always, we hope you will agree that our marketing programs remain innovative and successful, and are worthy of your continued support.

Collateral Branding

TCI released several new printed collateral pieces this year, including our annual Catfish Farmers of the Year “Favorite Recipes” brochure. 2016 Catfish Farmers of the Year Bubba Drury of Alabama, John Farmer of Arkansas, and Jerry Nobile of Mississippi were kind enough to share their unique takes on preparing our favorite finfish.

We are particularly pleased with the creation of a new monthly recipe wall calendar. It offers a dozen seasonal variations of catfish dishes sure to keep consumers coming back for more!

And in celebration of our 30th anniversary, a unique hardbound cookbook celebrating the work of The Catfish Institute was also created. To pull this showpiece together, we scoured through our archives of the hundreds of recipes that have been developed over these last three



Each year, TCI produces a new “Favorite Recipes” brochure featuring the industry’s Catfish Farmers of the Year.

decades, narrowing them down to our 100 favorites, which are included in this commemorative book.

National Catfish Month

To celebrate August as National Catfish Month, our marketing and public relations campaign included outreach through our social media platforms; regional radio features by the 2016 Catfish Farmers of the Year; nationally broadcast television segments; and print ads in regional publications.

The radio ads aired throughout the month of August on a broad network of stations across Alabama, Arkansas, Louisiana and Tennessee. These ads are designed to build industry pride, recognize our farmers and their families, and create awareness and drive demand among our consumer base.

TCI again continued its sponsorship of the Mr. Food Test Kitchen®, a nationally syndicated cooking television show targeted toward home cooks. Mr. Food airs daily in more than 130 TV markets nationwide and reaches over 5.5 million viewers each

Crunchy Baked Catfish		Southern Fried Catfish		Pan-Fried Catfish	
JOHN FARMER	SERVES 4-6	BUBBA DRURY	SERVES 4-6	JERRY NOBILE	SERVES 4
4 to 6 U.S. Farm-Raised Catfish Fillets 2 cups Kellogg® Rice Krispies® cereal	1 cup mayonnaise Salt and pepper to taste	4 to 6 U.S. Farm-Raised Catfish Fillets Peanut oil for frying 1 tablespoon Tony Chachere's® Original Creole Seasoning	1 package ZATARAIN'S® Seasoned Fish Fri®	4 to 6 U.S. Farm-Raised Catfish Fillets ¾ cups flour ½ cup cornmeal 2 teaspoons Tony Chachere's® Original Creole Seasoning	2 tablespoons butter 2 lemons Salt and pepper to taste
<p>PREHEAT oven to 350° F. CRUSH Kellogg's Rice Krispies in a large resealable bag until fine. PAT catfish fillets dry with paper towels. COAT generously with mayonnaise, and cover both sides with crushed Rice Krispies. PLACE skin side down on cooking rack above a roasting pan, and SEASON with salt and pepper to taste. BAKE for 30 to 40 minutes or until fish flakes easily.</p>		<p>FILL deep fryer with peanut oil and heat to 350° F. CUT catfish fillets into strips. SPRINKLE with Tony Chachere's seasoning. Evenly COAT strips with Zatarain's Seasoned Fish Fri. Working in batches, FRY strips in hot oil until light golden brown, approximately 7 minutes. DRAIN on paper towels. SERVE with hush puppies, baked beans and fresh cabbage slaw for a classic Southern dish.</p>		<p>In a medium bowl, MIX together flour, cornmeal and Tony Chachere's seasoning. PLACE catfish fillets in mixture, coating both sides. MELT butter in an electric skillet on medium heat. COOK fillets for 6 to 8 minutes on each side. SQUEEZE lemon juice over fillets while cooking. When done, fish should easily flake with a fork. DRAIN on paper towels. SEASON with salt and pepper, and GARNISH with fresh lemons.</p>	

FOR MORE RECIPES, VISIT USCATFISH.COM

day. Two new, nationally televised Mr. Food programs featuring U.S. Catfish aired during the month of August. An additional episode aired during mid-December.

The popular Cooking Up Louisiana Treasures television program also produced a special episode for National Catfish Month again this year. This syndicated series airs across a network of stations throughout the state of Louisiana, with additional outflow into Arkansas, Mississippi and Texas. The Louisiana Department of Agriculture co-sponsors the program, and Commissioner Mike Strain, a longtime catfish industry supporter on both the regional and national levels, helps to co-host many of the segments.

Social Media

Thanks to carefully targeted outreach and timely posts throughout

the year, TCI's Facebook following grew by more than 20-percent in 2016, now boasting nearly 90,000 fans, along with steady rates of growth occurring on our Twitter and Pinterest pages. We value the opportunity to interact directly with the public through these platforms and look forward to continuing work in these areas.

Fall & Winter Media Campaign Television

Each year, the autumn months begin a decline in demand for U.S. Farm-Raised Catfish, both in restaurants and at retail markets. To combat this downturn, TCI developed a Fall & Winter media campaign meant to draw the attention of consumers during the prime "ham and turkey season".

The advertising schedule began with



Social media offers opportunities to connect and converse with our consumers.



A new 12-month wall calendar.

a strong TV campaign in key markets across our primary consumption areas. Research shows that limited marketing funds are better spent attracting existing customers to eat more product, rather than spent exclusively attracting new, untapped customers.

Additional research continues to show that family gatherings are at the core of the hearts and minds of catfish lovers, regardless of age, race, income or geographic location. Our recently created television spots utilize this information as we seek to influence the purchasing decisions of current and future generations.

We maintained our presence on the Wrangler Network, the new broadcast home of North America's greatest rodeos. The online-only streaming TV network has opened the door to millions of rodeo fans across the continent, as U.S. Catfish became a major sponsor in hopes of reaching, perhaps, the nation's most patriotic audience with our "All-American" marketing messages.

And, as read about earlier in this report, we also maintained our national television outreach through the syndicated Mr. Food Test Kitchen® program. With an episode specifically designed to air during the holidays, this show continues to thrive, reaching more than 5 million households daily.



A fall/winter 2016 regional media campaign included outdoor billboards, TV and radio.



Radio

An additional radio campaign also ran during this autumn timeframe. Our 2016 Farmers of the Year radio spots aired, as did spots that built awareness of our successful Country of Origin Labeling laws for catfish served in restaurants across five states—Alabama, Arkansas, Louisiana, Mississippi and Tennessee.

In addition, a tailgating radio spot ran throughout football season that encouraged fans to include U.S. Farm-Raised Catfish in their weekend sporting activities. This is a target market about which we feel strongly, and we will continue to explore new avenues of reaching them effectively and economically.

Outdoor

TCI also utilized its media relationships to secure a significant presence on outdoor billboards across the south. Many of these billboards are electronic, which allows for our message to be changed on a regular basis. Outdoor advertising provides an opportunity for our message to be brought to new audiences in an exciting way.



Seafood Expo North America

TCI is a longtime exhibitor at North America's largest seafood trade show—Seafood Expo North America. Held in Boston, Mass., the annual show boasts an attendance of more than 20,000 seafood buyers, many of whom visit our booth and taste U.S. Farm-Raised Catfish for the first time.

The 2016 Catfish Farmers of the Year were all in attendance this year—Bubba Drury of Alabama, John Farmer

of Arkansas, and Jerry Nobile of Mississippi. Our team shared the message of all-American quality, freshness and food safety, as well as extreme culinary versatility.

As always, we are appreciative of the time and effort donated by our farmers who traveled to Boston to provide first-hand knowledge of the industry, while providing a true show of force for the long-term viability and strength of U.S. Farm-Raised Catfish.

Mail-Rebate Program

TCI's mail-in rebate program continued for a third year, thanks to a partnership with R&V Works' Cajun Cookers. This Louisiana-based manufacturer of premium deep fryers, grills and smokers includes our rebate forms in every unit sold. By providing a \$5 rebate on the purchase of two or more pounds of U.S. Farm-Raised Catfish, TCI is able to build brand awareness for our products and open doors for new and increased product sales nationwide.

Catfish App for Smartphones and Tablets

TCI continues to promote its new smartphone app, which allows catfish lovers to explore recipes, watch cooking videos and learn more about the U.S. Farm-Raised Catfish



industry—all in the palm of the hand.

The app is completely free and can be found by searching "U.S. Catfish" in either the Apple App Store or on Google Play for Android devices.

Industry Research

Each year, TCI partners with professional research firms in order to gain important consumer insight as to purchasing preferences, trends, flavor profiles, comparisons with competing species, and so on.

Additionally, TCI's agreement with Auburn University to produce the monthly catfish processing and feed delivery reports continued in 2016. These reports provide timely, accurate, and comprehensive data that is crucial for the success of our industry.





The 2016 Young Farmer Leadership Program met in Starkville, Mississippi, on the campus of Mississippi State University.

Young Farmer Leadership Program

Now in its seventh year, the Young Farmer Leadership Program, which is co-funded by TCI and Catfish Farmers of America, brings together the next generation of catfish industry leaders for two days of seminars, roundtable discussions and team building. This year's meetings were held at

Mississippi State University in Starkville, Mississippi

The connections made through the Young Farmer Leadership Program will serve these young farmers well into the future and equip them for roles as leaders of state catfish organizations, TCI, CFA and other associations in the catfish industry.

Government Relations

Beyond traditional marketing, TCI resources are also often utilized to assist with the industry's federal lobbying efforts. The importance of TCI and CFA's work in the fight for the USDA-FSIS catfish inspection program cannot be understated. This years-long fight has been successful, with



Legislative luncheons are held annually in several states to show appreciation and support for catfish Country of Origin Labeling laws.

implementation of the inspection program beginning in 2016. However, many challenges remain on the horizon, and our efforts will continue for the foreseeable future.

Foodservice Marketing

For the third consecutive year, TCI's relationship with Performance

Foodservice Group led to the development of a successful national marketing program for U.S. Catfish.

These programs are always multi-pronged and involve educating the PFG sales staff, the restaurant owners, and the consumers about choosing domestic catfish products. We are pleased that our work has helped our

foodservice partners move their focus toward the many premium quality products offered by the U.S. Farm-Raised Catfish industry.

Public Relations

TCI develops and distributes News Alerts throughout the year on many topics of importance to the catfish

TCI's co-marketing programs help develop U.S. Farm-Raised Catfish promotions at restaurants and grocery stores across the nation.

TCI's goal is to represent the catfish industry with pride and to drive consumer interest, demand and loyalty for U.S. Farm-Raised Catfish.

industry. News Alerts are sent to those in the catfish industry as well as policymakers on the federal and state levels; agricultural leaders nationwide; and members of the U. S. and foreign media. The format of News Alerts provides readers with a good summary of the topic at hand, but also provides them with links to learn more about the summarized information. Our News Alerts have provided information that went on to be used in news stories and discussions on radio and television. News Alerts are an important method for sharing information among catfish industry constituents and bringing awareness to the industry and the issues affecting U.S. Farm-Raised Catfish.



TCI news alerts result in a steady flow of media stories, including this Inside Edition segment dealing with seafood menu fraud.

Co-Marketing Programs

Now in its tenth year, the Partnership Program leverages the marketing dollars of TCI's member processors and state marketing organizations to further promote the U.S. Catfish industry. This program provides reimbursement for 50% of applicable marketing costs—up to a set amount of \$30,000 per processor and \$10,000 per state organization, per calendar year.

These partnership dollars fund a variety of marketing programs such as billboard, television and radio advertisements; collateral materials; website development; and many other special promotions. All funding requests are reviewed to ensure validity and sound use of industry resources.

Another extremely popular and successful co-marketing initiative, known as the Sales Incentive Program,

**The Catfish Institute
News Alert**

Asian and U.S. Consumers Worry About Chinese Food Safety

November 4, 2016 -- China's worries about the safety of its food are growing while U.S. consumers remain concerned about imported Chinese food. A recent survey of Chinese public opinion found that more than 69 percent believe that the related challenges of food safety and pollution are "big problems," *Forbes Magazine* reported. Twenty-five percent more Chinese in 2016 were disturbed over food safety than in 2008 when a similar survey was conducted.

Despite attempts by the Chinese government to improve perceptions of that nation's food supply, a majority of Chinese consumers surveyed believe food safety, air or water pollution will remain the same or worsen, [according to Forbes](#).

It's no wonder that health food media continue warning Americans about potential dangers from Chinese food imports in general and, seafood, such as tilapia, in particular. Citing the likelihood of Chinese farmed-fish being grown in waste water, [HealthyWildandFree.com](#) and other health food sites such as [The Hearty Soul](#) warn consumers to avoid tilapia.

"It's one of the worst fish purchases you could buy; and it's commonly known that in China the seafood farmers won't even let their children eat the seafood that they farm."

As reported by [Fox News](#), "according to the Monterey Bay Aquarium Seafood Watch, over 95 percent of tilapia consumed in the U.S. in 2013 came from overseas, and 73 percent of those imports came from China."

The FDA physically inspects only two percent of the imported seafood-including tilapia-for which it is responsible, and less than one-percent is laboratory tested for banned chemicals and drugs.

U.S. Farm-Raised Catfish is a safe and delicious alternative to imported seafood. It is highly regulated and 100 percent American produced and processed. For more information about U.S. Farm-Raised Catfish, visit [UScatfish.com](#).

For More Information:
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[news@UScatfish.com](#)



THE CATFISH INSTITUTE

**The Catfish Institute
News Alert**

USDA-FSIS Inspection Halts Dangerous Vietnamese Pangasius Shipment

May 24, 2016 -- The USDA-FSIS Inspection Program for catfish and catfish-like species has been operating for mere days and has found two contaminated shipments of pangasius from Vietnam. The shipments were refused entry because FSIS found elevated amounts of Malachite Green and Crystal Violet, two banned and dangerous carcinogens. One shipment also contained enrofloxacin, an antibiotic illegal for use in U.S. food products.


FSIS recently took over inspection of domestic and important catfish and catfish-like species from FDA, as mandated in the 2008 and 2014 Farm Bills. The FSIS Catfish Inspection Program is providing a greater level of protection for American consumers than FDA, which inspected less than 0.2% of imported catfish-like species.

"Early indications from the FSIS inspections show a stricter inspection element is warranted, and they are uncovering contaminants we don't want American consumers to eat," said Chris Gallegos, a spokesman from the office of U.S. Senator Thad Cochran.

FSIS inspection is underway and accomplishing its goal of protecting American consumers from the safety threat of untested and dangerous catfish-like products dumped by foreign governments into our markets.

U.S. Farm-Raised Catfish is a safe, highly regulated and delicious 100 percent American produced and processed alternative to potentially hazardous imported seafood. For more information about U.S. Farm-Raised Catfish, visit [UScatfish.com](#).

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THE CATFISH INSTITUTE

**The Catfish Institute
News Alert**

Imported Seafood Remains Top Violator of U.S. Food Safety Standards

April 6, 2016 -- Fishery and seafood products accounted for the majority of imported food shipments refused by the FDA, according to a recent United States Department of Agriculture (USDA) analysis of all FDA Import Refusals of food products during the period 2005 through 2013. Of the total 87,552 imported food shipment refusals, fishery/seafood products (with 17,980 refusals) were also the most likely import to contain the pathogens *Salmonella* and *Listeria*.

The Centers for Disease Control and Prevention states *Salmonella* is responsible for approximately 1.2 million illnesses and an estimated 450 deaths in the U.S. each year; and *Listeria* sickens 1,600 Americans annually, of which 260 die.

Sanitary violations specifically, "filth" was the most common reason for shipment refusals of fishery/seafood products, and accounted for 30% of recorded violations in these products during the 2005-2013 period. *Salmonella* accounted for another 20% of recorded seafood violations during this same time frame. "The safety of imported seafood clearly continues to be of significant concern, based on the number of shipments refused by FDA," USDA concluded.

Of all imported food refusals, the share for seafood (20.5 percent) was slightly higher during 2005-2013 than the period 1998-2004 (20.1 percent) when a similar study was conducted. By comparison, the number of import refusals of vegetable products, the second largest imported food violator, decreased significantly from 20.6 percent in 1998-2004 to 16.1 percent in 2005-2013. Mexico, India and China were the biggest violators with the most shipments refused.

The FDA physically examines less than 1 percent of food shipments imported into the U.S. Continuing quality and safety problems with imported catfish and catfish-like species led Congress to transfer inspection responsibilities for these fish from FDA to the USDA effective March 1.

For safety you can depend on, choose U.S. Farm-Raised Catfish. It is 100 percent American grown and processed and a delicious alternative to potentially hazardous imported seafood. For more information about U.S. Farm-Raised Catfish, visit [UScatfish.com](#).

For More Information:
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[news@UScatfish.com](#)



THE CATFISH INSTITUTE

provides up to \$50,000 per affiliated processor for consumer-directed promotions in restaurant and grocery chains across the nation.

New partnerships with restaurant chains, local catfish houses, grocery store chains and high-end, white tablecloth establishments have opened doors for our processors as they seek to drive sales and broaden markets in the face of stiff competition from cheaper imports.

Country of Origin Labeling Laws

Several states-including Alabama, Arkansas, Louisiana, Mississippi, and

Tennessee-currently require restaurants to identify the country of origin of the catfish they serve.

To make it even easier for consumers to obtain information when ordering catfish in restaurants, Alabama and Arkansas strengthened their country of origin labeling laws during the 2015 legislative session. Restaurants in each state now are required to identify the country of origin of both catfish and catfish-like species, including imported pangasius (also known as basa, tra and swai).

These newly improved laws are a huge win for consumer safety, but they

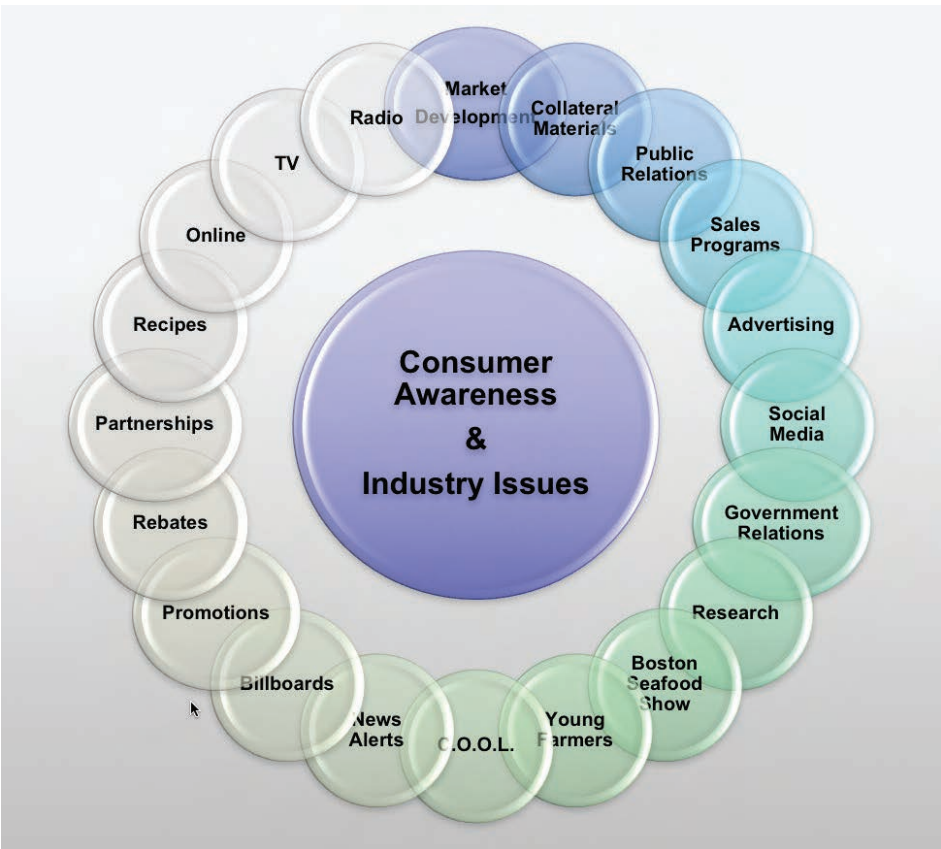


must be enforced to be truly effective. With limited staffing for frequent inspections, each state requires our help to have a successful law.

Please be a conscientious consumer. When you are dining at a restaurant, take note of whether catfish, or catfish-like species, are being sold. If they are not properly labeled, please call your state agency, as listed in the accompanying sidebar.

Goals and Tactics

TCI's goal is to represent the catfish industry with pride and to drive consumer interest, demand and loyalty for U.S. Farm-Raised Catfish. Our efforts reach across a wide variety of tactics within the field of "marketing". We are constantly adapting and changing our efforts and our methods to suit the needs of the industry and the steady stream of new opportunities made available by constant innovation within the media world. We hope you will agree that the programs you've reviewed in this report are innovative, successful and worthy of your continued support.



TCI marketing efforts continue to grow in breadth, depth and effectiveness.

Restaurant Labeling Laws in Your State

Please be a conscientious consumer. When dining at a restaurant, take note of whether catfish, or imported catfish-like species, are being sold. If they are not properly labeled, please contact the appropriate state agency listed below.



ALABAMA
Alabama Farmers Federation,
Rick Oates,
800.392.5705, ext. 4305



ARKANSAS
Arkansas Bureau of
Standards,
Tom Pugh,
501.225.1598



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