

# 2017 ANNUAL REPORT



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Dear GOED Members,

Being in the omega-3 business for over 20 years, I have personally experienced the many ups and downs that we have faced in our industry. The excitement of acceptance in infant formula, the granting of various health claims around the world, and the explosion of the dietary supplements market. On the down-side we have faced many challenges, including the scrutiny of ambiguous clinical results and, despite being one of the most studied compounds in history, the spillover of safety and efficacy concerns that has plagued the supplements industry as a whole.

Over the years GOED has been the steadfast rock to count on to reliably lead us through it all. The GOED team's dedication and passion to educate the world on the many benefits of omega-3's has been unwavering, and it is showing in the results. We are not only solidifying gaps in existing science, educating healthcare practitioners, and pushing the regulatory envelope in many areas to broaden the acceptance of omega-3's, but even more exciting we are focusing on supporting research in new areas that could truly transform our industry. I believe that we have only touched the surface in understanding all of the benefits of DHA and EPA. The needs in mental health, including childhood learning, sports nutrition and cognitive decline are tremendous, and are just a few of the additional functional areas where we know these compounds can play a critical role.

Bringing research, healthcare, regulatory and business leaders together to reach consensus on opportunities like these has been a key strength of the GOED team. I am proud to chair the GOED board and be a part of the effort to take omega-3's to the next level of awareness and growth. I hope that you too will support these efforts and consider increasing your involvement and support of the GOED team. Together we have the potential to re-shape our future and dramatically change the world's understanding of the need for DHA and EPA.



**Tom Feeley**  
 DSM Nutritional Products  
*GOED Board Chair, 2017*

Dear GOED Members,

The 2017 fiscal year has been very eventful for the omega-3 industry, but 2018 promises to be even more so. I want to call out the work of the Executive Council for Education and Outreach (ECEO) for its efforts to help promote and defend omega-3s. The Council's continual funding of a scientific and public relations program has put the omega-3 industry in a strong position to handle future issues, including managing the results from the VITAL and REDUCE-IT studies that will publish in 2018. These studies are very large and will have a lasting impact on the industry. The companies on the ECEO, including BASF, DSM, Golden Omega, Organic Technologies, Pharmavite, and TASA deserve the gratitude of the industry for enabling GOED to increase activities and reach.

In the Codex Alimentarius Commission forum, we are starting to see the impact that negative headlines and neutral studies can have from a policy point of view. We met fierce resistance to positive data showing that omega-3s can have a significantly positive impact on public health with data that is stronger than exists for sodium and saturated fat reduction, which are well established dogma in the nutrition community. This means our industry needs to continue to invest in these initiatives to ensure we are still able to provide such valuable nutrients for public health going forward.

I am pleased to report that, as an organization, GOED's fiscal and operational health has stabilized. The downturn in the market had caused significant financial stress on the organization with multiple members leaving GOED and/or paying their dues extremely late. We continue to face a late payment issue, but membership appears to be stable. GOED is an extremely lean organization and even just a handful of late payments alters what we are able to accomplish during the year. Thank you to those members who have recognized this and reached out to help the organization. We look forward to continuing to work with all of our members and partners in 2018.

All the best,



**Adam Ismail**  
*Executive Director*

# ACCOMPLISHMENTS

## Our work in the omega-3 sector in 2017

### Science:

- Funded meta-analysis of EPA & DHA and coronary heart disease risk - [bit.ly/goedm-a](http://bit.ly/goedm-a)
- Funded meta-analysis of EPA & DHA and cardiac death risk - [bit.ly/cardiacdeathma](http://bit.ly/cardiacdeathma)
- Relunched more user-friendly Fats of Life website and newsletter for health practitioners
- Published scientific paper refuting Albert *et al* publication questioning quality and label claims of fish oil supplements in New Zealand
- In conjunction with Seafood Nutrition Partnership, participated in State of the Science Symposium to educate nutrition policymakers about omega-3 science
- Updated GOED Intake Recommendation to reflect latest science on prenatal dosage recommendations

### Marketing and Outreach

- Created a tool to allow members to search GOED's extensive consumer market research database to understand global consumer behaviors and attitudes on health and wellness and omega-3s
- Set up an RD (Registered Dietitian) Ambassador Network to serve as influencers to consumers
- In conjunction with GOED member DSM, presented at FoodFluence 2017, an education event for the top 30 nutrition communicators in the U.S., resulting in multiple media items about omega-3s
- Sponsored a breakfast at Food & Nutrition Conference & Expo (FNCE) to educate dietitians about the benefits of omega-3s for heart health
- Created consumer video on benefits of omega-3s for heart health and corresponding heart health infographic
- Published European and Asian versions of heart health infographic. All infographics are available for download here - [bit.ly/goedinfographics](http://bit.ly/goedinfographics)
- Created consumer video on benefits of omega-3s for brain health
- Created infographic on omega-3s and prenatal health and omega-3s and eye health. All infographics are available on our consumer website - [bit.ly/goedinfogfx](http://bit.ly/goedinfogfx)
- Updated AlwaysOmeGas3.com consumer website to include dedicated infographic and video pages
- Created Chinese language version of all consumer videos
- Created 'blank' consumer videos for members wishing to translate into other languages
- Generated 11.8 million impressions and reached an audience of 340

million consumers through ongoing public relations outreach

- Gave presentations at several dozen events to continue to educate about omega-3s and provide slide presentations for members to reuse
- Updated annual Ingredient Market Report detailing global value and volume of omega-3 raw materials
- Continued membership in American Heart Association's Industry Nutrition Advisory Panel (INAP)
- Facilitated 'Grand Rounds' presentation by cardiologist on benefits of omega-3s to a network of physicians

### Technical:

- Established Oxidation Control Best Practices document to assist members and industry in controlling oxidation in omega-3 supplement products
- Updated GOED's Technical Guidance documents
- Completed testing of the top 50 supplements in the US for EPA/DHA content and oxidation levels (paper to be published in 2018)
- Commissioned study at UC Davis to study composition of oxidation products generated in Albert *et al Am. J. Physiol.* 2016 oxidation study
- Commissioned study with GOED member Nutrasource to test existing samples of omega-3 supplements for oxidation levels (paper to be published in 2018)
- Collected information on levels of glycidyl- and MCPD esters in EPA/DHA oils from members and informed the European Commission about our sector with a view to new limits for these process contaminants
- Joined Codex Working Group for the development of a Code of Practice for the mitigation of glycidyl- and MCPD-esters in oils
- Polled the GOED membership and evaluated whether a change in maximum oxidation levels is needed
- Summarized information on microbiological limits applicable to EPA/DHA oils, to be included in a new update of the Technical Guidance Documents

### Regulatory:

- Continued work to establish a Codex nutrient reference value non-communicable disease (NRV-NCD) for EPA+DHA. GOED Delegation participated in 39th Session of the Codex Committee on Nutrition and Foods for Special Dietary Uses (CCNFSDU).
- Continued work on moving towards dietary reference intake (DRI) review in Canada and the US
- Met three times with US FDA to discuss omega-3 topics related to

dietary supplement status in the US and the US position related to the Codex NRV-NCD for EPA+DHA

- Provided oral comments during US Food and Drug Administration (FDA) Office of Dietary Supplement Program (ODSP) meeting on the development of a list of pre-Dietary Supplement Health and Education Act (DSHEA) dietary ingredients
- Provided oral comments in support of Codex nutrient reference value (NRV) for EPA+DHA during US preparatory meeting in advance of the CCNFSDU
- Continued to provide input on the work to adopt a Codex Fish Oil Standard. GOED Delegation participated in 25th Session of Codex Committee on Fats and Oils (CCFO) where the recommendation was made to adopt the Standard for Fish Oils. The Standard was formally adopted by the Codex Alimentarius Commission in July 2017
- GOED provided extensive information to Badan Pom (BPOM), The National Agency of Drug and Food Control of Indonesia, via APSKI (Asosiasi Pengusaha Suplemen Kesehatan Indonesia), which resulted in the 30 May 2017 declaration that BPOM's 30 December 2016 Circular Letter restricting the sale of EPA & DHA-containing supplements is null and void. The decision means that supplements with more than 300 mg of EPA & DHA can be sold without a health claim
- Continued to compile substantiation that fish oils, including concentrates, are old dietary ingredients (marketed prior to October 15, 1994)

- Responded to US International Trade Commission complaint that threatened the sale of concentrated EPA & DHA products in supplements and foods in the US
- Commissioned feasibility assessment to determine if existing science related to EPA & DHA and chronic disease risk is sufficient to substantiate and derive a dietary reference intake (DRI) for EPA & DHA

### Member Services & Quality:

- Implemented new CRM program to better track member engagement and improve member satisfaction
- Completed 40 Meet a GOED Member videos to introduce member capabilities to other members ([bit.ly/magoedm](http://bit.ly/magoedm))
- Answered 28 member questions in our Ask GOED video series ([bit.ly/askgoed](http://bit.ly/askgoed))
- Hosted six GOED Omega-3 pavilions at trade shows to assist member visibility
- Recorded 15,000+ interactions with GOED members via phone, email and in-person conversations
- Added a "Solutions Needed" section in newsletter for members to respond to general sourcing inquiries and made over 100 personal introductions for specific need inquiries
- Launched a new advertising program in *The GOED Current* and *Fats of Life*
- Held first member meeting in China (June 2017)

# STRATEGY

## This is what's on the horizon.

The end of the 2017 fiscal year also means GOED has reached the end of a three-year strategic plan with the vision to make GOED "the global authoritative and trusted voice to guide and improve consumer awareness about the benefits of long-chain EPA & DHA omega-3s." The strategic plan focused on four key areas: consumer education, RDIs/health claims, sustainability, and quality/ethics. Within each area of focus, we set some specific goals and were only able to complete five of the nine goals. Unfortunately, financial constraints due to slow collections of member dues resulted in many of the projects being underfunded and de-prioritized.

Probably most disappointing is that we were unable to make any progress towards our sustainability objectives, aside from holding a conference in Peru to promote eco-certification of the fishery. The area in which we made the most progress was Quality and Ethics, having successfully revised the Monograph, issuing multiple new guidance documents on claims and technical projects, and testing the top-selling omega-3 products in response to negative media about the quality of omega-3 supplements. The lack of a DRI in the US and Canada continues to be a significant challenge that

we have been unable to overcome, but is going to be a core piece of our next strategic plan. In the meantime, we initiated work at the Codex level to develop a DRI that would effectively apply to the entire world and will continue to push this issue for the next couple of years.

The GOED board has already met to begin drafting the next strategic plan; more details on this should be available once it is finalized.





# EXECUTIVE COUNCIL ON EDUCATION AND OUTREACH

## A group of GOED members on a dedicated mission

At the beginning of 2016, at the suggestion of the GOED board, GOED's Executive Council on Education and Outreach (ECEO) was formed. The objective of the ECEO was to fund additional important strategic initiatives not covered by GOED's main budget. The structure was set up for nine seats on the Executive Council at \$200,000 each. The original ECEO consisted of:

- BASF
- DSM
- GOED
- Golden Omega/TASA (sharing one seat)\*
- Pharmavite

*\*TASA completed its ECEO involvement at the end of 2016*

The GOED board empowered the ECEO to work on four strategic pillars:

- Scientific Publishing
- Public Relations
- Health Practitioner Outreach
- RDI Lobbying

The ECEO members agreed that the initial focus should be on the U.S. market as it is the largest omega-3 market, any work done there would likely benefit other markets, and addressing issues in the US would benefit the overall global omega-3 market. Here's an update on activities and progress.

## Scientific Publishing

During 2016 and 2017, the ECEO focused on shoring up the science around omega-3s, commissioning a meta analysis linking omega-3s to a reduced risk of cardiac death (published in August 2017) and supporting a pre-existing GOED-sponsored meta analysis on omega-3s and a reduced risk of coronary heart disease (published in January 2017).

The ECEO also agreed to fund a clinical study database that GOED is now building. When it's complete, the database will allow custom searches of all omega-3 research using a variety of filters including health outcome, population, number of subjects, type of intervention, etc. Data entry is ongoing, but thus far more than 30,000 abstracts have been screened and classified by a network of scientists.

Also under the auspices of the ECEO, GOED participated in a State of the Science symposium in partnership with the Seafood Nutrition Partnership to educate U.S. nutrition policymakers about omega-3 benefits.

Additionally, it funded a scientific workshop on EPA & DHA essentiality at the ISSFAL conference and approved GOED's participation in the American Heart Association's Industry Nutrition Advisory Panel (INAP).

Safety was another focus of the Scientific Publishing arm of the ECEO, and three different oxidation studies were commissioned, with publication dates in 2018.

## Public Relations

The ECEO now funds GOED's public relations activities with Linhart PR, with

whom GOED has been working since 2015. PR activities include actively pursuing positive media coverage about omega-3s and monitoring of omega-3 related consumer news and positive/negative sentiment. Linhart also works to cultivate relationships with reporters on GOED's behalf.

Additionally, Linhart and GOED have collaborated on creating consumer videos and infographics for use by members and through GOED's consumer-facing social media platforms and website. See page 8 for examples.

Lastly, Linhart and GOED worked together to create an RD Ambassador Network to leverage 'media' dietitians as influencers to consumers and also work on other national media-specific projects and opportunities on a case-by-case basis. This has led to multiple positive publications on omega-3s in top media outlets, including:

- *Washington Post*
- *Prevention*
- *Reader's Digest*
- *U.S. News and World Report*
- *Forbes*

All together our PR efforts generated 11.8 million impressions and reached an audience of 340 million consumers.

## Healthcare Outreach

In addition to the work with dietitian influencers, the ECEO sought to engage healthcare providers as another group that has significant influence over consumers. In 2016, it supported a Medscape digital program to reach out to family practitioners with information about omega-3 benefits for heart health and also spent much of 2016 conducting research into the health practitioner world to determine the best practitioner groups with which to engage.

In 2017 the ECEO hired Havas Life, a healthcare marketing agency, to research sentiment and attitudes within these pre-determined groups — nurse practitioners, physician assistants and pharmacists — and which messaging resonated most. Based on these learnings the ECEO is now about to determine which marketing tactics to deploy in 2018.

## DRI Lobbying

The ECEO initially put a lower priority on lobbying for a Dietary Reference Intake (DRI) in the US and Canada until scientific research gaps had been addressed. However, this topic remains of interest to the group, so in 2017 it funded a feasibility study to determine whether existing science is sufficient to successfully pursue a DRI or if there is additional work to be done, after which the future direction of the DRI Lobbying efforts will be discussed.

*Additional seats are still available on the Executive Council and members can contribute funds to this important work without the responsibilities or financial commitment that come along with holding a seat on the Executive Council.*

# YOUR BENEFITS

This is what we shared with you this year.

All level members received the following resources and benefits:

- + 80 combined editions of newsletters *The GOED Current*, *GOED动态*, and accompanying *Breaking News* alerts to keep members updated on GOED activities and industry topics
- + New infographics on omega-3s and eye health and omega-3s and prenatal health
- + A new consumer video on benefits of omega-3s for brain health
- + European- and Asian-version publications of our heart health infographic
- + The creation of a Chinese language version of all consumer videos, plus video assets and templates which can be used to translate the videos into any other language
- + The creation of a 'Solutions Needed' and 'Job Board' Column in *The GOED Current* newsletter to provide commercial business leads and employment opportunities for members
- + The release of 40 'Meet a GOED Member' and 28 'Ask GOED' videos to members to help them obtain resources and answer most frequently asked questions from the membership
- + A unified response to a U.S. International Trade Commission complaint that threatened the sale of concentrated EPA & DHA products in supplements and foods in the U.S. to protect member's interest
- + The funding of 2 meta-analysis on EPA&DHA and coronary heart disease risk and EPA&DHA and cardiac death risk, to further substantiate the benefit of omega-3's
- + Access to all committee meeting minutes for Scientific, Regulatory, Technical, and Communications Committee, 48 updates in total, to help members stay on top of the industry
- + The addition of 12 new GOED presentations to our library

In addition, Plus and Leadership Levels received:

- + Access to the new Consumer Survey Analysis Tool where members can analyze and compare consumer survey data from different markets and/or different time periods in the same market
- + Access to two additional consumer surveys
- + 2016's edition of the annual Ingredient Market Report detailing global value and volume of omega-3 raw materials



# COMMITTEES

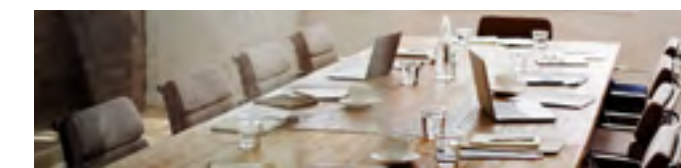
This is how GOED members work together.

**Communications Committee** - The GOED Communications Committee continues to concentrate on developing consumer education materials. This year it coordinated infographics on eye health, prenatal health and omega-3s lowering the risk of coronary heart disease. The Committee was also instrumental in developing a consumer video on omega-3s and brain health. In addition, the Committee provides guidance on projects funded by the Executive Council, such as a newly developed strategy targeting health practitioners, and ongoing work by GOED's network of registered dietitians who work on our behalf as consumer influencers.

**Regulatory Affairs Committee** - The GOED Regulatory Affairs Committee monitors regulatory developments related to EPA & DHA and provides input, when necessary, to the development of regulation and policy relevant to the omega-3 industry. Each month, committee members discuss recent regulatory developments to determine which ones need to be monitored or addressed in an effort to protect the omega-3 industry. Committee members also participate in global regulatory and scientific meetings, offer expert opinions and meet with government agencies around the world in an effort to educate them on the health benefits associated with EPA & DHA. In 2017, the Regulatory Affairs Committee monitored and worked on a number of regulatory issues, including: Codex nutrient reference value for EPA & DHA, Codex Standard for Fish Oils, Indonesia's restriction on the sale of EPA & DHA supplements, and old dietary ingredient substantiation in the U.S. for EPA & DHA supplement ingredients.

**Science Committee** - The GOED Science Committee focuses on fostering a deeper understanding of the health benefits of EPA & DHA omega-3 fatty acids. Each month, committee members discuss the current scientific literature and many times will focus on a different outcome/health condition of interest. Past topics have included: early pre-term birth, cognition, brain injury, normalized dosing and bioavailability & absorption. In addition, the committee monitors ongoing clinical studies and those about to publish in order to help prepare the industry for any potential neutral or negative studies that will need to be addressed, as well as positive studies that can be used to promote increased intake of EPA & DHA. In 2017, the Science Committee also advised the Communications Committee on content for infographics and videos.

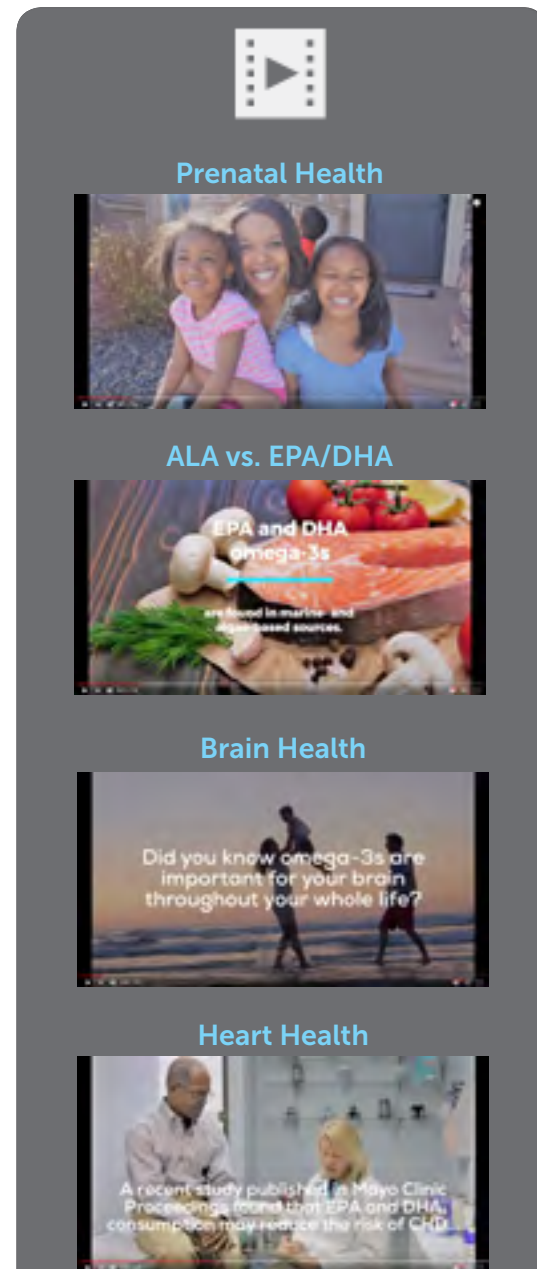
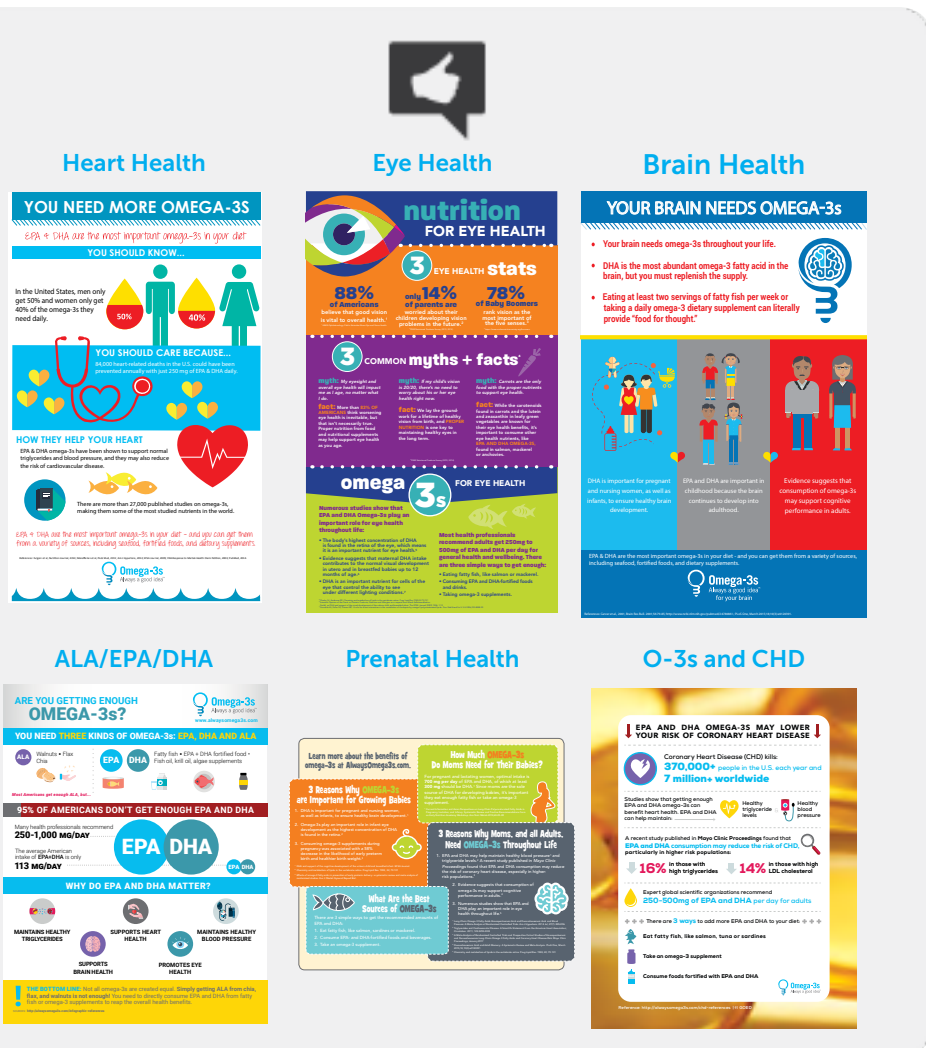
**Technical Committee** - The GOED Technical Committee is responsible for keeping the GOED Voluntary Monograph and Technical Guidance Documents updated. Additionally, it evaluates testing programs, technical guidelines and regulations from bodies around the world, and answers technical questions from GOED members. Member companies represented on the Technical Committee regularly assist with analyses of products in the marketplace, and provide oil samples for testing in the AOCS-GOED Lab Proficiency Program. In 2017, the Technical Committee updated its Technical Guidance Documents, and developed a Best-Practice Guidelines on Oxidation Control to assist members and companies that handle EPA & DHA oils reduce the risk for oxidation. Member laboratories participated in GOED-commissioned studies on oxidation, and new information was collected on process contaminants in EPA & DHA oil manufacturing, which served to inform international organizations.



# HOW ARE WE HELPING MEMBERS REACH CONSUMERS?

Part of GOED's mission is to provide tools for our members to use to educate consumers. We have created **six infographics**, as well as **four consumer videos** on prenatal health, heart health and brain health, and the difference between ALA, EPA, and DHA.

We also have a consumer-facing website at [www.alwaysomega3s.com](http://www.alwaysomega3s.com) as well as a Facebook page and Twitter account. You can find all the infographics and videos on our consumer website and they are available for downloading.



Our **RD Ambassador network**, a group of media-savvy dietitians, also interact with consumers regularly on the benefits of omega-3s through blogs and their own social media platforms. Here are some examples:



**Blog Post: The Best Nutrients to Feed Your Brain**

“DHA makes up a significant percentage of fat in the brain and is important for brain development. Babies need DHA for cognitive development, and this is especially important in the second half of pregnancy and through infancy. Pregnant moms pass DHA to their growing babies through the placenta, and in breast milk after birth. For adults, research shows that DHA, alone or combined with EPA, contributes to improved memory function in older adults.”

**(Reached 13,593 Facebook and Twitter followers)**



**Blog Post: Critical Nutrients for Mom and Baby When Breastfeeding**

“At the top of the list, omega-3 fatty acids stand out as one of the most essential nutrients when breastfeeding. EPA and DHA—found in marine foods—are the primary omega-3s you need to support heart health, brain health, eye health and maternal health.”

**(Reached 42,300 Instagram followers)**



**Blog Post: Fish Oil Supplements: Myths, Facts and Who Needs to Take Fish Oil**

“The Global Organization for EPA and DHA Omega-3s (GOED) has some recommendations to help. GOED recommends consuming 500 mg per day for healthy adults, 700-1000 mg per day for pregnant or lactating women or those who have been diagnosed with heart disease, and more than 1000 mg per day for adults with additional health concerns like high blood pressure or high triglycerides, in order to prevent the development of heart disease.”

**(Reached 18,455 Twitter and Facebook followers)**



# FINANCIALS

## This is how your dues were spent.

GOED Operating Budget - Profit and Loss - Budget vs. Actual - 2016-2017 Fiscal Year Ending September 30, 2016

Income	Actual	Budget	Difference	% of Budget
<b>Dues Revenue</b>				
Bad Debt	(\$165,775)	(\$100,000)	(\$65,775)	166%
Existing Member Dues	\$1,730,395	\$1,740,515	(\$10,120)	99%
New Member Dues	\$97,250	\$216,300	(\$119,050)	45%
<b>Non-Dues Revenue</b>				
GOED Exchange (net)	\$73,950	(\$30,000)	\$103,950	-246%
<b>Total Income</b>	<b>\$1,778,367</b>	<b>\$1,866,590</b>	<b>(\$88,223)</b>	<b>95%</b>
<b>Cost of Goods Sold</b>				
Consumer Research/Market/Report/Survey Analysis	\$10,000	\$58,000	(\$48,000)	17%
Digital Media, Newsletters, Videos	\$10,432	\$24,000	(\$13,568)	43%
Tradeshaw Exhibits	\$22,352	\$0	\$22,352	
<b>Total Cost of Goods Sold</b>	<b>\$42,784</b>	<b>\$82,000</b>	<b>(\$39,216)</b>	<b>52%</b>
<b>Gross Profit</b>	<b>\$1,735,583</b>	<b>\$1,784,590</b>	<b>(\$49,007)</b>	<b>97%</b>
<b>Expenses</b>				
<b>Administrative Overhead</b>				
GOED China Office	\$6,000	\$6,000	\$0	100%
IT, Web Hosting, & Management	\$29,586		\$29,586	
Other Administrative Expenses	\$45,161	\$50,004	(\$4,843)	90%
Professional Fees and Insurance	\$16,015	\$20,000	(\$3,985)	80%
Rent	\$39,600	\$39,600	\$0	100%
Salaries, Wages and Benefits	\$1,044,020	\$1,091,494	(\$47,474)	96%
Travel and Industry Meetings	\$186,695	\$169,900	\$16,795	110%
<b>Total Administrative Overhead</b>	<b>\$1,367,078</b>	<b>\$1,376,998</b>	<b>(\$9,920)</b>	<b>99%</b>
<b>Strategic Areas of Focus</b>				
<b>Consumer Awareness</b>				
Executive Council Contribution	\$187,500	\$187,500	\$0	100%
Sponsorships	\$18,632	\$10,000	\$8,632	186%
Website Development- Fats of Life	\$2,631		\$2,631	
<b>Total Consumer Awareness</b>	<b>\$208,763</b>	<b>\$197,500</b>	<b>\$11,263</b>	<b>106%</b>
<b>Quality and Ethics</b>				
Industry Testing	\$21,638	\$10,000	\$11,638	216%
<b>Total Quality and Ethics</b>	<b>\$21,638</b>	<b>\$10,000</b>	<b>\$11,638</b>	<b>216%</b>
<b>RDIs and Health Claims</b>				
Health Claim Consultant/Writers	\$14,575	\$20,000	(\$5,425)	73%
Reserve	\$0	\$49,992	(\$49,992)	0%
Dues, Publications, Books	\$10,105	\$18,500	(\$8,395)	55%
Scientific Affairs	\$76,612	\$90,000	(\$13,388)	85%
<b>Total RDIs and Health Claims</b>	<b>\$101,292</b>	<b>\$178,492</b>	<b>(\$77,200)</b>	<b>57%</b>
<b>Net Income</b>	<b>\$36,813</b>	<b>\$21,600</b>	<b>\$15,213</b>	<b>170%</b>

## Notes on Financial Statements

Total revenues were more than \$88,000 less than expected, but were more than \$191,000 below budget if you extract the net results of the GOED Exchange, which has significant cash expenses after the fiscal year. Receivable write-offs continue to be an issue for GOED, having exceeded budget by \$66,000. New member recruitment was significantly more challenging this year and was nearly \$119,000 below budget. We are more optimistic for 2018, where new member revenues have exceeded \$47,000 in the first quarter, but this is still not above historical new member recruitment levels.

GOED was able to limit the impact of below-budget revenues by having lower than expected spending in two key areas: cost of services and regulatory spending. Due to low cash levels, we delayed conducting as many consumer surveys as in prior years, saving approximately \$48,000 in fiscal 2017. In addition, we had held a \$50,000 regulatory reserve to address any emergency regulatory issues that arose during the year, but fortunately none did and that budget was not used. (See page 12 for a comparison of GOED revenues by year and type from 2015 to 2017.)

Overall, net income slightly exceeded our expectations, but the organization is essentially at a breakeven level and without cash reserves, this is only able to be achieved through reduced expenditures. Also, these results are on an accrual basis and do not reflect the impact of slow payment of dues by members. GOED has primarily managed this aspect by delaying our contributions to the Executive Council, but this creates a debt obligation for the organization that stood at over \$100,000 at the end of fiscal 2017. (See page 12 for a comparison of GOED net income by year from 2015 to 2017.)

## GOED Exchange | Profit & Loss | 2017

	Total (in US\$)
<b>Revenue</b>	
Conference Registrations	\$25,785.00
Conference Sponsorships	\$84,500.00
<b>Total Revenue</b>	<b>\$110,285.00</b>
<b>Cost of Services</b>	
Exchange Conference	
Production Expenses	\$32,650.00
Materials	\$3,113.02
<b>Total Cost of Services</b>	<b>\$35,763.02</b>
<b>Gross Profit</b>	<b>\$74,521.98</b>
<b>Expenses</b>	
Bank Fees	\$325.16
Lodging	\$185.80
Meals & Entertainment	\$61.51
<b>Total Expenses</b>	<b>\$572.47</b>
<b>Net Income</b>	<b>\$73,949.51</b>

The GOED Exchange had a net income of \$74,000 in fiscal 2017, but this does not reflect the actual profitability of the event. Since the event is held in February 2018, the majority of the expenses are incurred after the end of the 2017 fiscal year in September. We currently expect the event to break even with approximately 215 attendees.

## Executive Council | Profit & Loss | 2017

	Total (in US\$)
Revenue	\$594,250.00
<b>Total Income</b>	<b>\$594,250.00</b>
<b>Expenses</b>	
<b>Consumer Awareness</b>	
Consumer PR Program	\$509,109.00
Sponsorships	\$10,000.00
<b>Total Consumer Awareness</b>	<b>\$519,109.00</b>
<b>Regulatory Program</b>	<b>\$6,375.00</b>
Scientific Affairs	\$240,340.01
<b>Total Expenses</b>	<b>\$765,824.01</b>
<b>Net Income</b>	<b>-\$171,574.01</b>

The Executive Council showed a significant net loss of \$171,000 in 2017, but this had no impact on the core operating budget. In 2016, the Executive Council had a positive net income of \$549,000. This year's net loss reflects spending on projects that were funded last year but had not yet been initiated.

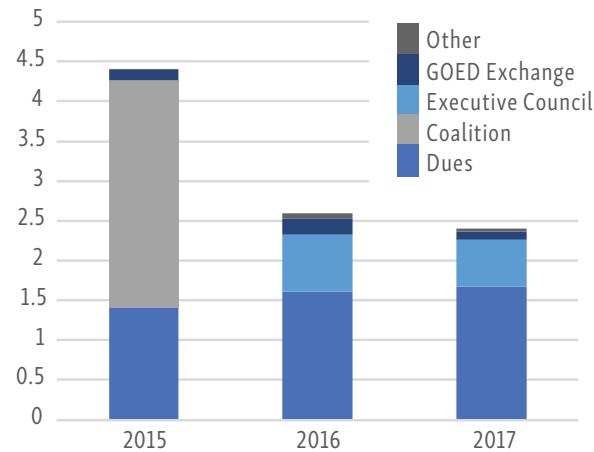
GOED Consolidated Balance Sheet for 2016-2017 Fiscal Year

ASSETS	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
US BANK - Executive Council	\$450,103.03
US BANK - Operating	\$78,025.79
Other Bank Accounts	\$1,233.35
<b>Total Bank Accounts</b>	<b>\$529,362.17</b>
<b>Accounts Receivable</b>	
Accounts Receivable	\$402,557.77
<b>Total Accounts Receivable</b>	<b>\$402,557.77</b>
<b>Other Current Assets</b>	
Employee Loan	-\$147.45
Trust- Legal Payment	\$2,150.00
<b>Total Other Current Assets</b>	<b>\$2,002.55</b>
<b>Total Current Assets</b>	<b>\$933,922.49</b>
<b>Fixed Assets</b>	
Office Equipment	\$20,971.65
Office Furniture & Fixtures	\$2,999.75
<b>Total Fixed Assets</b>	<b>\$23,971.40</b>
<b>TOTAL ASSETS</b>	<b>\$957,893.89</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$29,624.04
<b>Total Accounts Payable</b>	<b>\$29,624.04</b>
<b>Credit Cards</b>	
American Express	\$43,248.04
US Bank line of credit	\$16,218.91
<b>Total Credit Cards</b>	<b>\$59,466.95</b>
<b>Total Current Liabilities</b>	<b>\$89,090.99</b>
<b>TOTAL LIABILITIES</b>	<b>\$89,090.99</b>
<b>Equity</b>	
Opening Balance Equity	\$38,316.12
Retained Earnings	\$762,256.98
Net Income	\$68,229.80
<b>TOTAL EQUITY</b>	<b>\$868,802.90</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$957,893.89</b>

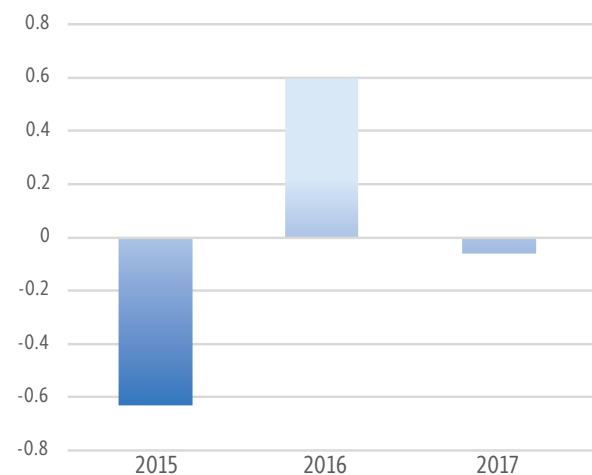
Notes on Financial Statements

GOED remains financially strong on a consolidated basis with only \$89,000 in external debt. However, the assets of the Executive Council mask the operating issues GOED has had this year. The primary issues we have faced are lower than expected new member revenue and slow payment of dues by existing members. The new member revenue was addressed in notes on the income statement, but slow collections has led to \$178,000 in additional working capital requirements over the course of the last year. We did, however, end the year with \$78,000 in our operating bank account, a \$53,000 improvement over last year.

GOED Revenues By Type (in US\$000), 2015-2017



GOED Net Income (in US\$000), 2015-2017

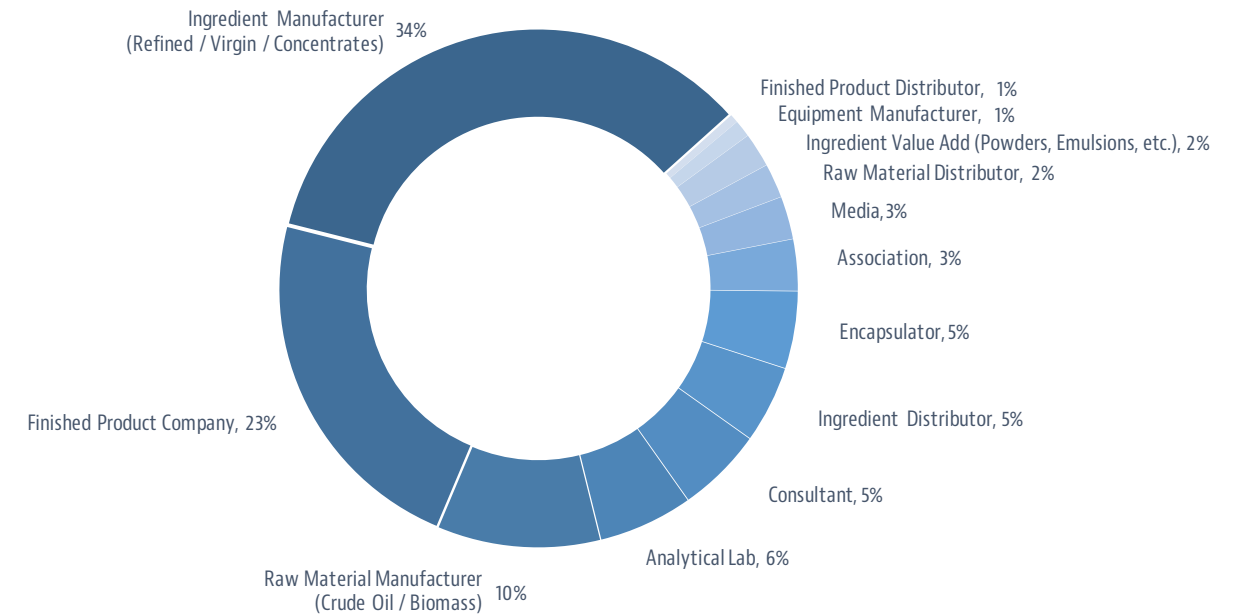


# THE MEMBERSHIP

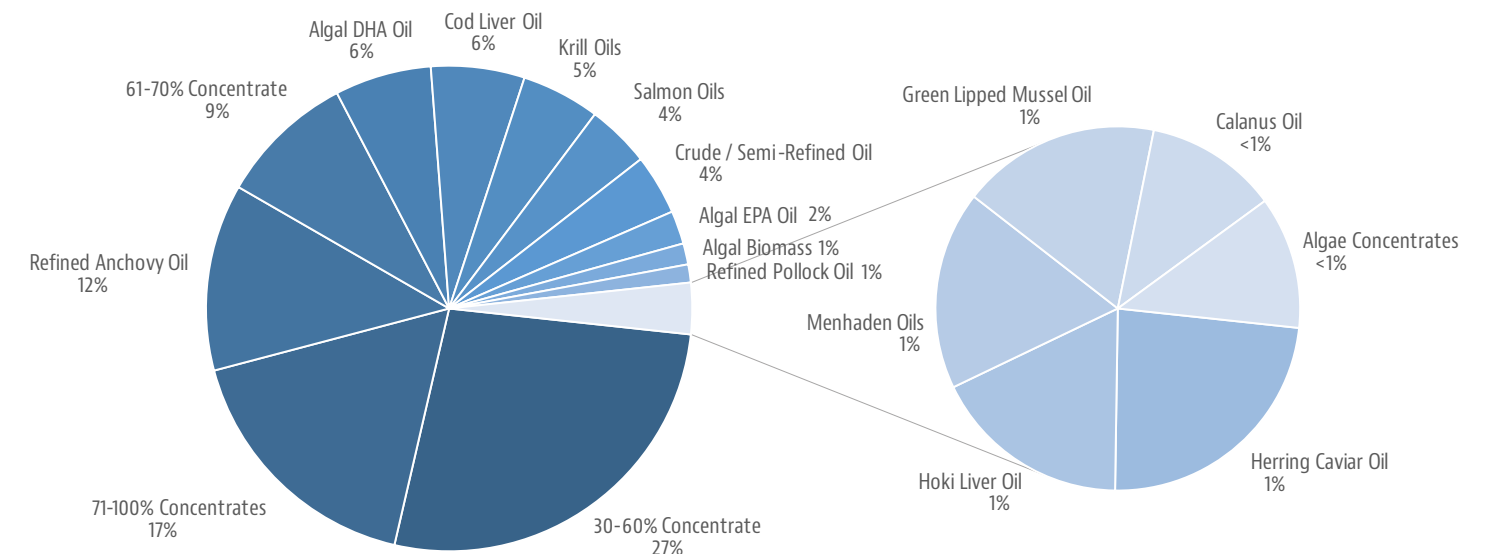
## This is your community.

GOED's members are diverse in scope and geography. Our members are involved in all aspects of the global omega-3 supply chain and represent a variety of raw material sources, finished product categories and processing technologies.

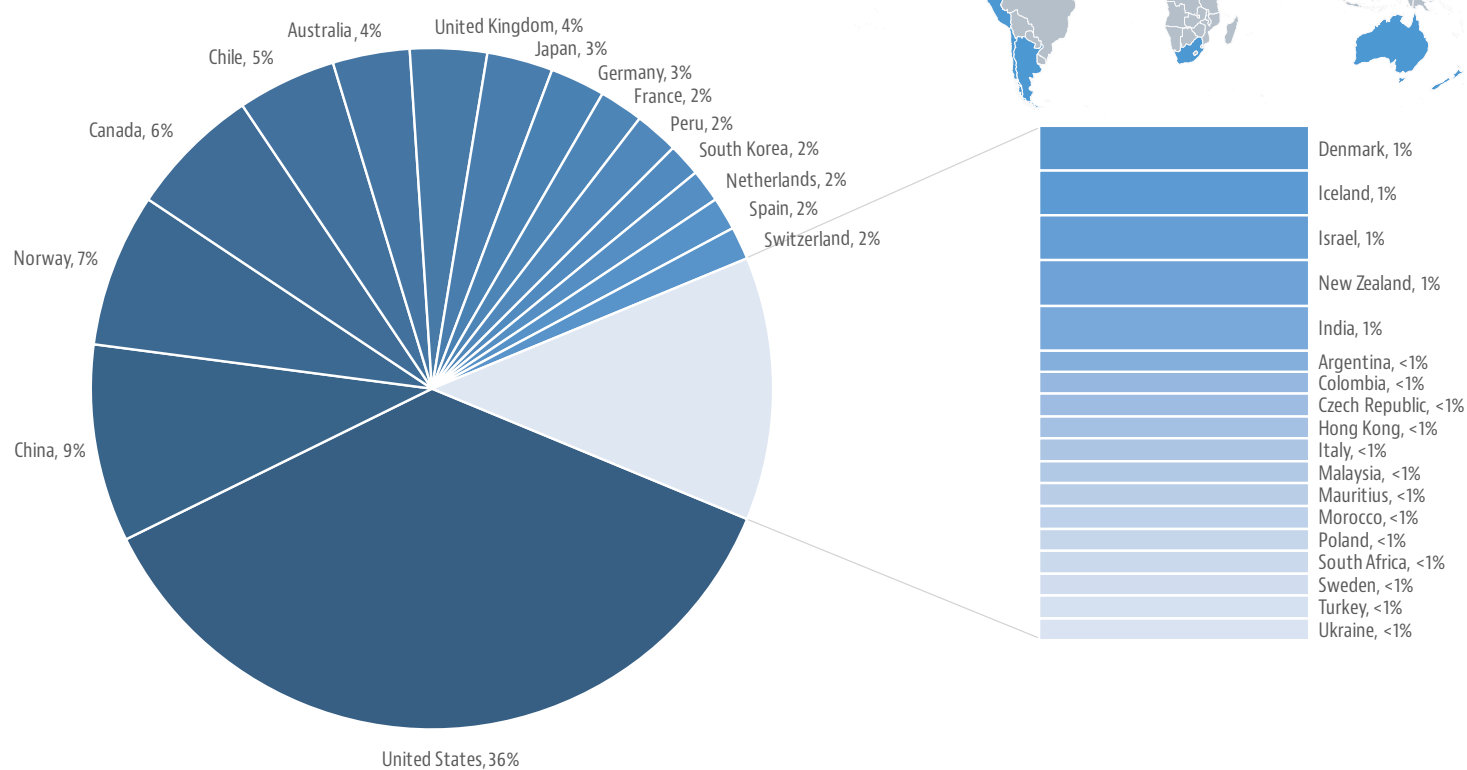
GOED MEMBERSHIP BY PRIMARY OMEGA-3 VALUE CHAIN POSITION, 2017



GOED MEMBER OMEGA-3 PRODUCTS BY CATEGORY, 2017



COUNTRIES WITH GOED MEMBERS, 2017



## 2017 GOED MEMBERSHIP CHANGES

### New members:

- American River Nutrition
- Ddrops
- Enzymotec
- Innovix Pharma
- Intelligent Labs
- Jiangsu Weisikang Food Sci-Tech Development Co., Inc.
- Liaoyu Antarctic Krill Technology Development
- MSC - Marine Stewardship Council
- Newsience
- Now Foods
- Nutriswiss AG
- RB (Reckitt Benckiser)
- Shenzhen Qianhai Xiaozao Technology
- Sovapec - Maromega

### Upgrades:

- High-Fortune Bio-Tech
- Nuseed
- Organic Technologies
- Qualitas Health
- Simris
- Sirio Pharma

### Downgrades:

- Luhua Biomarine

### Cancellations/Terminations/Mergers:

- Bering Select
- Blue Pacific Oils
- Cabio Bioengineering Co. Ltd.
- Dairygold
- Heliae
- Sapphire Energy
- Smit & Zoon
- Sojitz

# THE STAFF

## This is who is in your corner.

### GOED's Management

GOED staff is always available to answer member questions and assist members with all facets of their membership. See below for particular areas of expertise.



Adam Ismail | [adam@goedomega3.com](mailto:adam@goedomega3.com)

*Executive Director*

Consult with Adam on the big-picture ways GOED connects with and influences the global omega-3 industry.



Harry B. Rice, PhD | [harry@goedomega3.com](mailto:harry@goedomega3.com)

*Vice President of Regulatory and Scientific Affairs*

Harry participates in the global regulatory arena as it pertains to omega-3s, as well as keeping up on the ever-growing body of clinical science around omega-3s.



Ellen Schutt | [ellen@goedomega3.com](mailto:ellen@goedomega3.com)

*Vice President of Communications and Education*

Ellen oversees GOED member and consumer communications as well as coordinating trade media relationships and healthcare outreach.



Mike Roberts | [mike@goedomega3.com](mailto:mike@goedomega3.com)

*Director of Business Development*

Mike is GOED's membership and business development director, so whether you are seeking specific new contacts, expanding into new markets, or interested in discussing various membership level options, Mike is your key contact.



Aldo Bernasconi, PhD | [aldo@goedomega3.com](mailto:aldo@goedomega3.com)

*Director of Information and Research*

Aldo is GOED's data scientist and helps bring clarity to GOED's market research, such as our Global Ingredient Market Report and ongoing consumer surveys.



Gerard Bannenberg, PhD | [gerard@goedomega3.com](mailto:gerard@goedomega3.com)

*Director of Compliance and Healthcare Outreach*

Gerard is the editor of our *Fats of Life* newsletter for health practitioners and works on technical and analytical matters. In addition, he has a strong scientific background in the benefits of omega-3s.



Vangie Lund | [vangie@goedomega3.com](mailto:vangie@goedomega3.com)

*Accounting Office Manager*

Vangie is GOED's bookkeeper, accountant, and office manager. If you have any questions about the balance or payment of your GOED account, Vangie can answer them.



Chris Gearheart | [chris@goedomega3.com](mailto:chris@goedomega3.com)

*Member Services Manager*

Chris supports a number of different GOED initiatives using data analysis, video production, graphic design, and customer service.

### GOED Board of Directors

- Chair:** Thomas Feeley | *DSM*
- Vice-Chair:** Albert Strube | *Pronova Biopharma | BASF*
- Past Chair:** Leslie van der Meulen | *Bioprocess Algae*
- Secretary:** Daniel Wiley | *Organic Technologies*
- Treasurer:** Carilyn Anderson | *Carlson Labs*
- Todd Norton | *Aker Biomarine*
- Tim Doran | *Catalent*
- Thomas Gulbrandsen | *Epax / Pelagia*
- Jorge Brahm | *Golden Omega*
- Olav Sandnes | *KD Pharma / Marine Ingredients*
- Melody Harwood | *Neptune Wellness Solutions*
- Arnaud Daudry | *Olvea*
- Carol Locke MD | *Omega Natural Science*
- Joe Vidal | *Omega Protein*
- Daniel Wiley | *Organic Technologies*
- Miguel Catalayud | *Qualitas Health*
- Fernando Moreno | *Solutex*
- Tony Sberna | *Synthetic Genomics*
- Gonzalo De Romaña | *TASA*

## Did You Know?

The GOED team has 20 years of academic training in biological sciences (16 of which specifically relate to dietetics and nutrition), in addition to 6 years of study in business administration.

We have 57 years of professional nutrition industry experience, 40 of which was spent working specifically in omega-3s.

Check out our management listing at left to see how we put these skills to use. Let us know how we can be of service.



**VISION:** BE THE GLOBAL AUTHORITATIVE AND TRUSTED VOICE TO GUIDE AND IMPROVE CONSUMER AWARENESS ABOUT THE BENEFITS OF LONG-CHAIN EPA & DHA OMEGA-3S AND RELATED PRODUCTS.

**MISSION:** GIVE SUPPORT TO GLOBAL MEMBERS BY REPORTING TO CONSUMERS AND CONSUMER INFLUENCERS THE BENEFITS AND OPTIMAL INTAKE LEVELS OF LONG-CHAIN EPA & DHA OMEGA-3S, BASED ON SCIENTIFIC STUDIES, WHILE ENSURING THE HIGHEST QUALITY STANDARDS AND SUSTAINABILITY PRACTICES.