

ANNUAL
MEAT 2018
CONFERENCE



February 25-27, 2018
Gaylord Opryland Resort & Convention Center
Nashville, TN



FOUNDATION FOR
MEAT RESEARCH & POULTRY EDUCATION

www.meatconference.com



LABELINSIGHT

Understanding Emerging Trends, Ingredients and Nutrients in Processed Meats to Tell Your Best Brand Story.

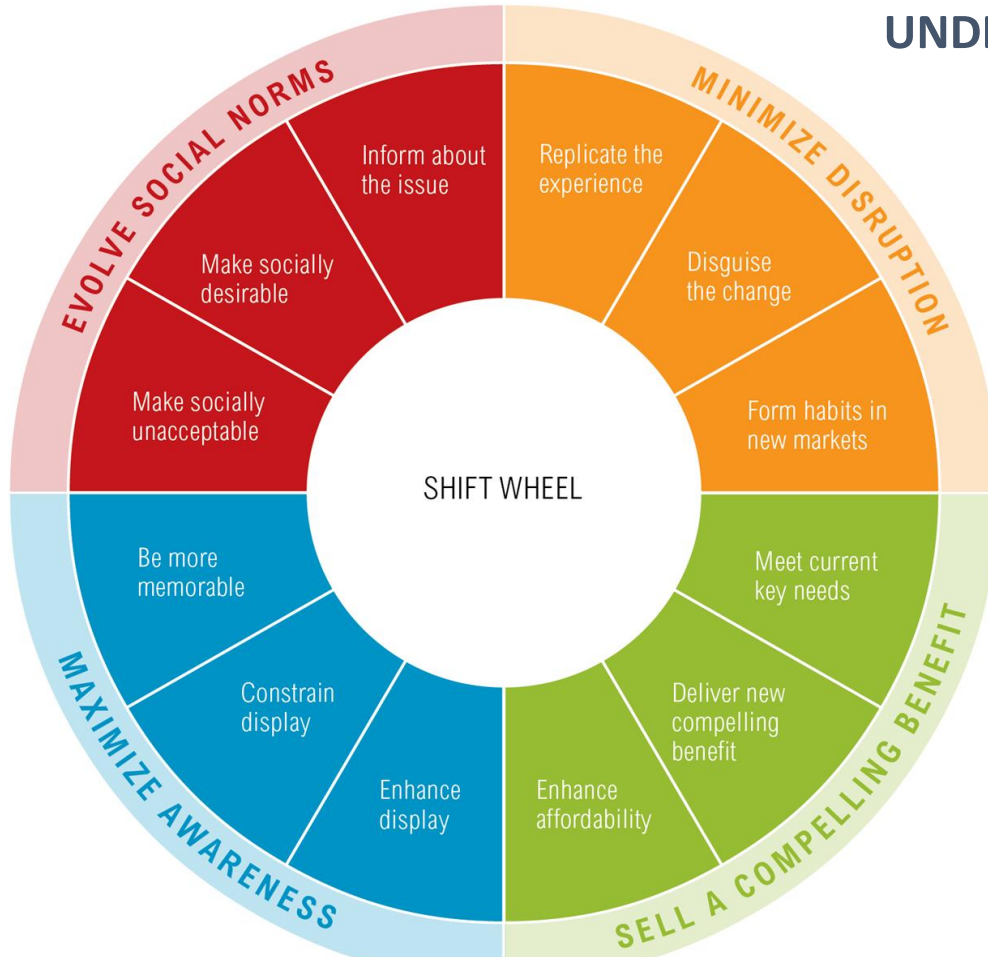
Brooke K. Bright

Sr. Data Strategy Manager, Label Insight



www.meatconference.com

UNDERSTANDING CONSUMER DIET SHIFT

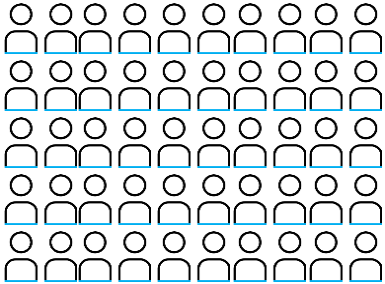


- **Minimizing Disruption**
- **Selling a Compelling Benefit**
- **Maximizing Awareness**
- **Evolving Social Norms**

PROTEIN PERCEPTIONS

50%

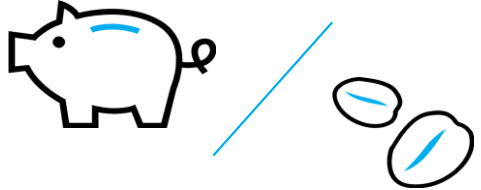
of consumers say they have protein at every meal



Source: Nielsen, US HomeScan Panel Protein survey, April 2017

30%

Agree that the source of the protein does matter

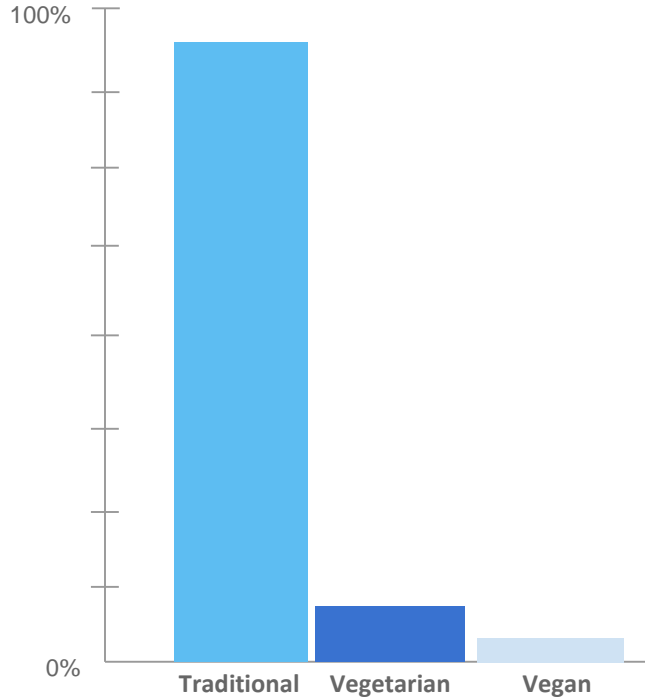


19%

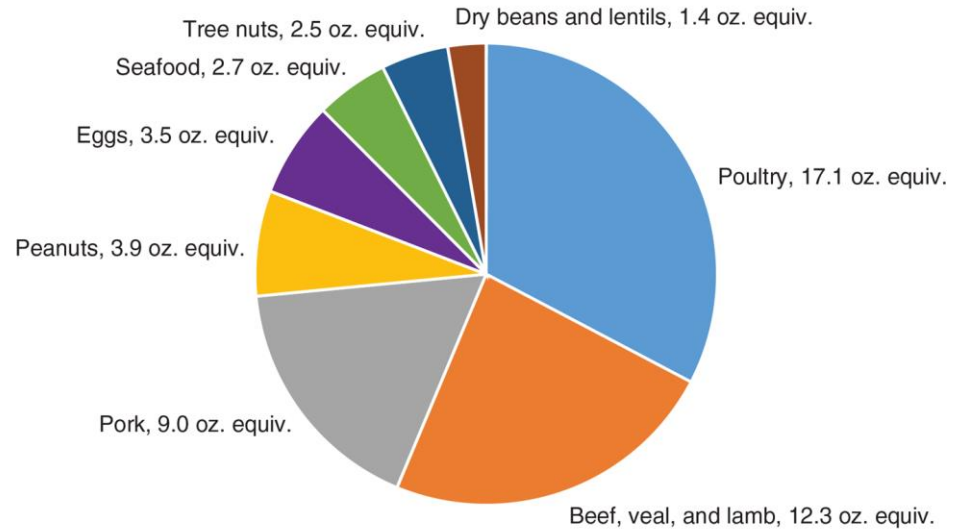
Consistently monitor daily protein intake



THE U.S. DIET AND PROTEIN SOURCES



U.S. per capita consumption of protein foods, ounce equivalents per week




Note: oz. equiv. = ounce equivalent. One ounce of meat, poultry, or fish; ¼ cup of cooked beans; 1 egg; 1 tablespoon of peanut butter; ½ ounce of nuts or seeds is equal to 1 ounce equivalent from the Protein Foods group. Loss-adjusted food availability data are proxies for consumption.

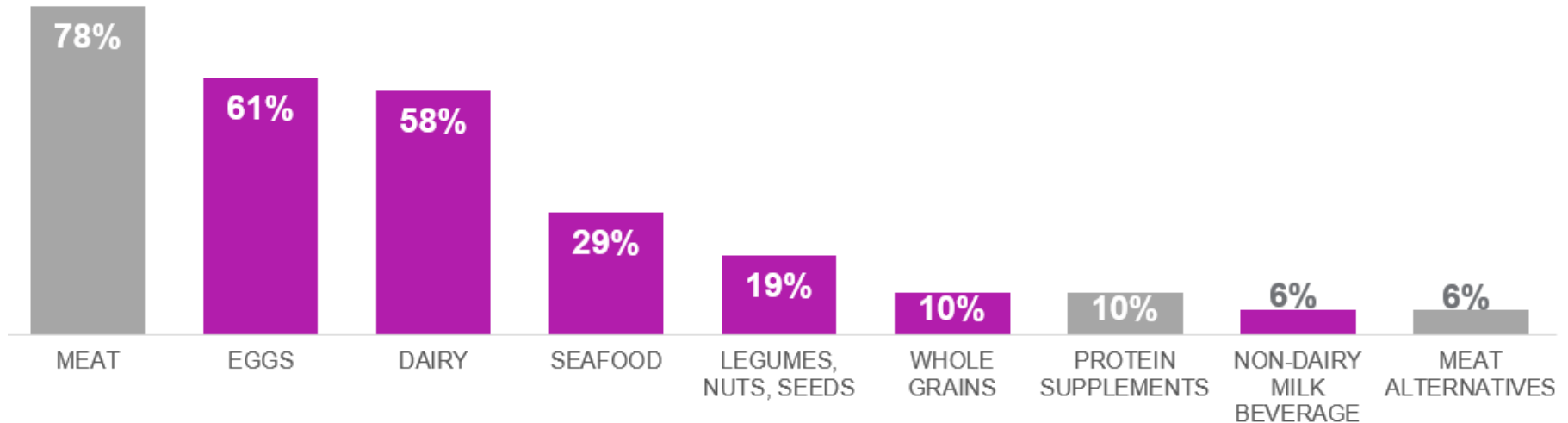
Source: USDA, Economic Research Service, Loss-Adjusted Food Availability data.

Source: USDA ERS

WHERE PROTEIN COMES FROM MATTERS

Q: WHAT ARE THE PRIMARY SOURCES OF PROTEIN IN YOUR/YOUR HOUSEHOLD'S DIET? *SELECT UP TO 3*

 Americans planning to increase consumption



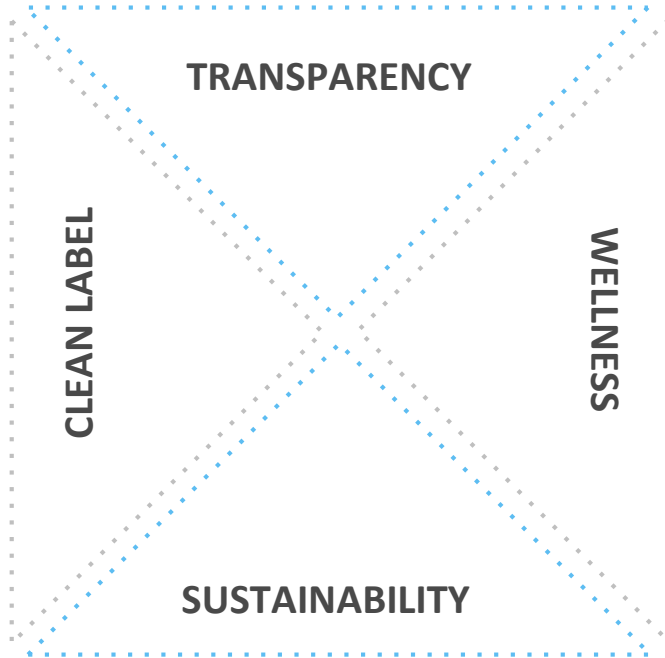
Source: Nielsen, US Homescan Panel Protein survey, April 2017

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THE PRODUCTS WE BUY ARE MORE THAN JUST FOOD AND GOODS



TOP CONSUMER DRIVERS

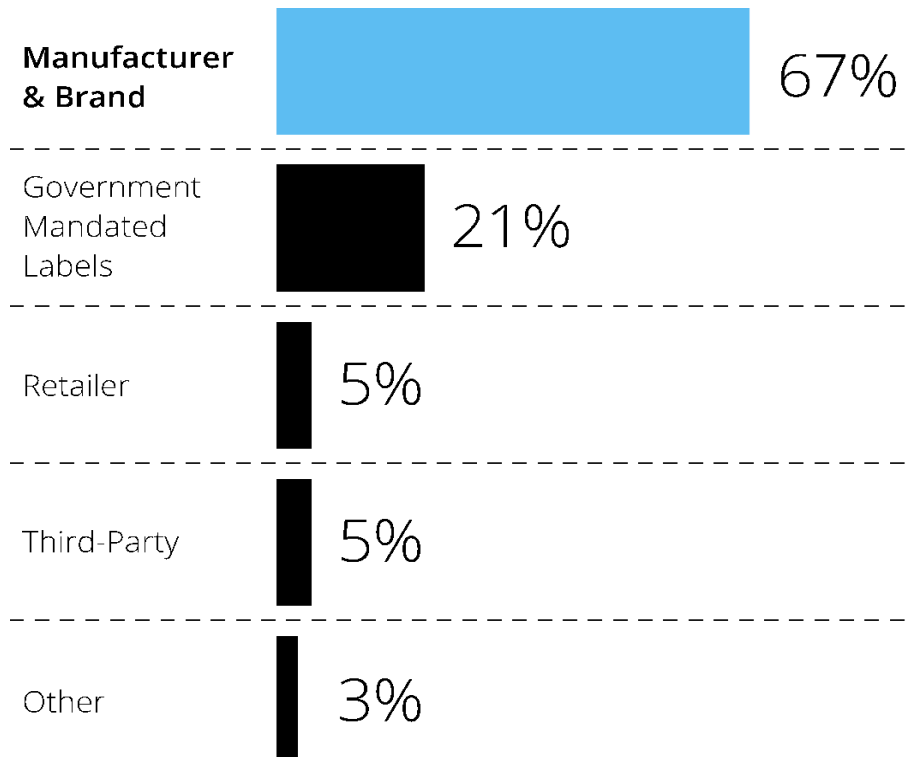


CONSUMERS FEEL
PRODUCT TRANSPARENCY
SHOULD BE PROVIDED BY:



Source: Label Insight, Transparency Study

THE WHY BEHIND THE BUY - TRANSPARENCY

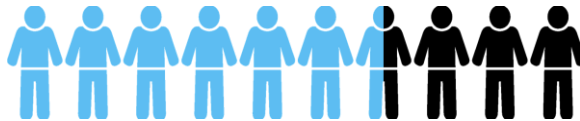


THE DEMAND FOR PRODUCT TRANSPARENCY

Consumers are looking for product transparency.
However, only 12% consider brands a trusted source.

67%

HAVE DIFFICULTY DETERMINING
IF A PRODUCT MEETS THEIR NEEDS.



According to the 2016 Solving Transparency Study.

39%

WOULD SWITCH BRANDS OVER
PRODUCT TRANSPARENCY.



According to the 2016 Solving Transparency Study.

TRANSPARENCY IS A BOARDROOM DISCUSSION



"I've always believed consumers have a right to know what's in their food. **The single most important ingredient in the recipe for success is transparency** because transparency builds trust."

- Denise Morrison, CEO Campbell's Co.

Campbell's



Unilever

"Transparency leads to trust, which is the basis for prosperity."

- Paul Polman, CEO Unilever

"We believe that it's our role, it's our responsibility. We believe that it's what our customers want us to do. It's what we believe the world wants us to do.

We actually believe we're entering into a new era of trust and transparency.

When that light gets shined on Walmart, we want you to feel good about what you see."

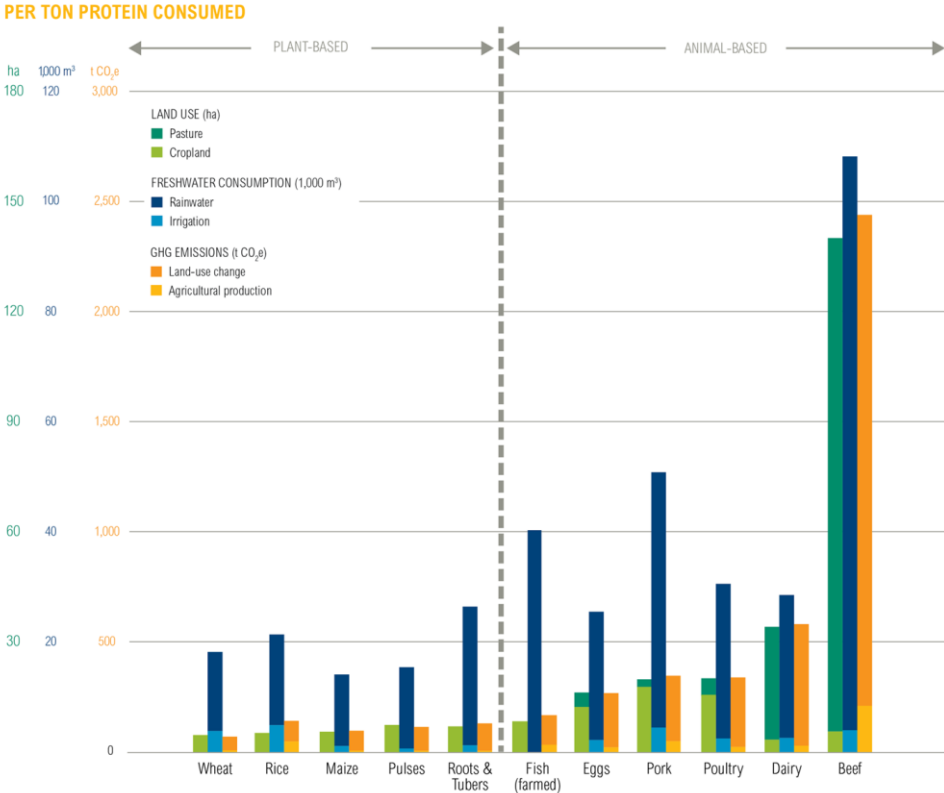
- Doug McMillon, CEO Walmart

Walmart 



THE WHY BEHIND THE BUY - SUSTAINABILITY

Animal-Based Foods Are More Resource-Intensive than Plant-Based Foods




Sustainability is particularly important in the meat industry, as the resources required to produce such products are high including

- Land Use
- Freshwater Consumption
- GHG Emissions

THE SUSTAINABILITY ROI



➤ Consumers are becoming more and more **aware** of the **environmental impact** of food & beverage products, with an emphasis on **animal based** protein.

➤ **37% of consumers** consider whether a product is produced using sustainable methods when they make purchasing decisions. 

According to the 2016 Solving Transparency Study.

➤ There's good news - sustainable food practices **encourage brand loyalty** across the total store.

SUSTAINABILITY IS GROWING

F&B Growth
VS Year Ago

11.4%

Sustainable
Farming



10.8%

Business
Practices



4.2%

Production
Methods



3.9%

Animal
Welfare



3.2%

Sustainable
Fishing



2.5%

Packaging
Material



SUSTAINABILITY IS GROWING

F&B Growth
VS Year Ago

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Sustainable
Farming



10.8%

Business
Practices



4.2%

Production
Methods



3.9%

Animal
Welfare



3.2%

Sustainable
Fishing



2.5%

Packaging
Material



Presence in
Processed Meats

0.42%

Sust. Farming
EU Org Farming

0.13%

B Corporation
Fair Trade
Ethical

0.24%

Renewable Energy
Water Footprint
Carbon Footprint

8.44%

Farm Raised
Vegetarian Fed
Humane
Grass Fed
Free Range
Pasture Raised

41.82%

Wild Caught
Farmed Seafood
Sustainable
MSC Certified
Sust. Fishing
Dolphin Safe

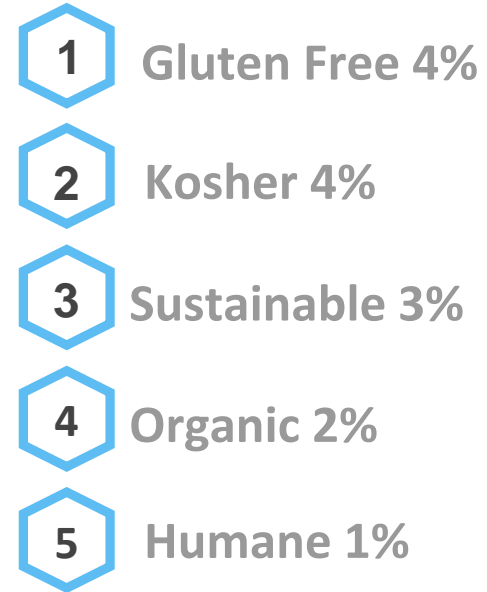
4.97%

Recyclable
Rec. Packaging
% Post Cons.
Less Packaging
Sust. Packaging

Top Attributes

UTILIZING 3RD PARTY CERTIFICATIONS TO TELL YOUR SUSTAINABILITY STORY

- ▶ 3rd certification means an **independent organization** has reviewed the manufacturing process of a product and has independently determined that the final product **complies** with specific standards.
- ▶ A [recent study](#) by the MSC showed that while **57%** of the seafood buyers surveyed trusted ecolabels, only **37%** trust a brand's own promise on its packaging.
- ▶ Certifications breed **transparency** and **trust**.



Presence in
Processed Meats

ALTERNATIVE SUSTAINABILITY



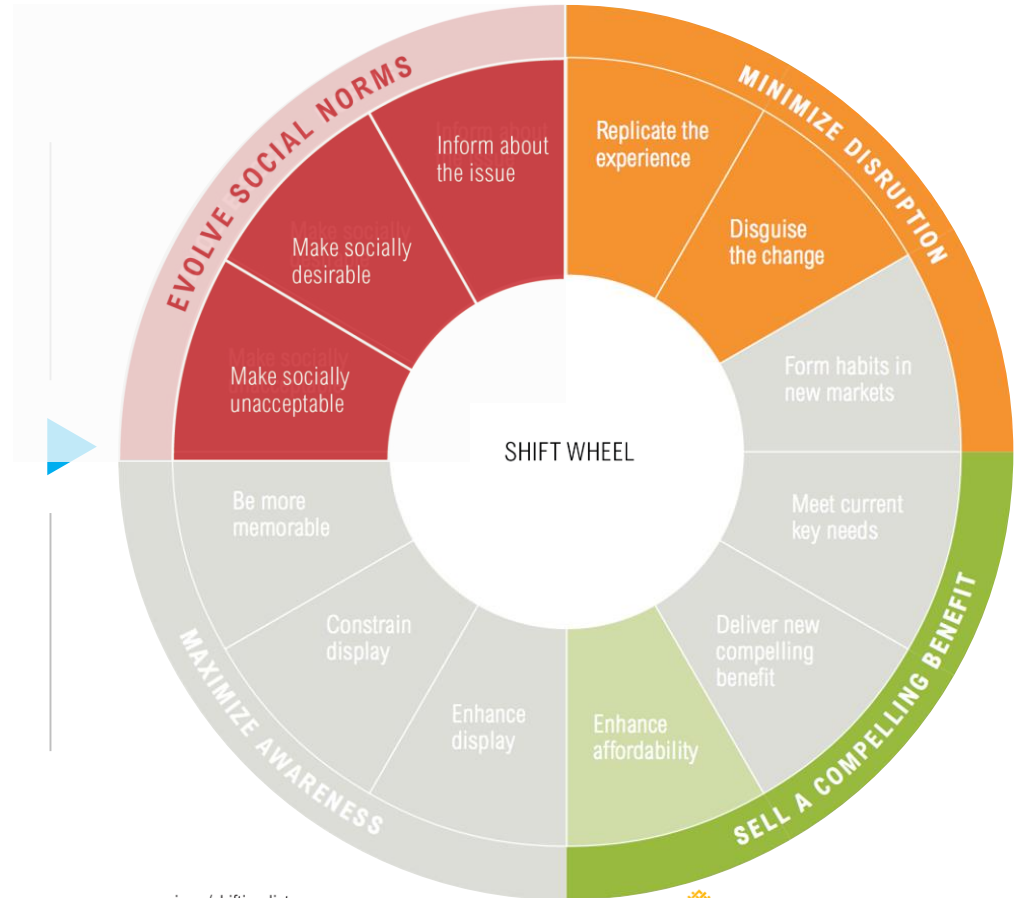
of consumers agree that it's important to get the right dietary balance of both animal and plant foods



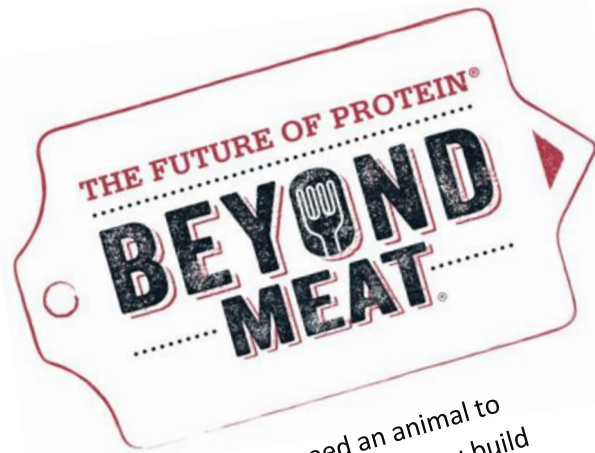
14.7%

of Food & Beverage \$s come from products that meet a Plant Based Diet, up **0.4pts** from YAGO

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SUSTAINABLE PROTEIN INNOVATION



Why do you need an animal to create meat? Why can't you build meat directly from plants? It turns out, you can! The ingredients in Beyond Meat include soy protein, pea protein, and carrot fiber.

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INSIGHT



The production of meat through tissue culture could have immense effects in reducing the environmental impact of our agriculture system, minimizing threats to public health, addressing issues of animal welfare, and providing food security. Cultured Meat represents the crucial first step in finding a sustainable alternative to meat production.

IMPOSSIBLE™
Investigating the molecular basis of food flavors and textures, learning how the foods we choose affect our planet and our bodies. We're discovering healthy, sustainable new ingredients from nature. We take a fresh look at food and invent new ways to make the meat we crave -- directly from plants.

SUSTAINABLE FOOD WASTE INNOVATION AND EMERGING SHIFTS

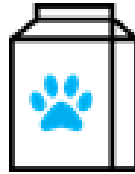
Animal by-products have historically been routed to pet food manufacturers, reducing food waste and impact. However, recent trends show an emerging market which threatens this practice.

It may depend on how they are marketed as ingredients — to pet food companies as well as to consumers.

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INSIGHT

52 WEEK DOLLAR GROWTH

1%



TOTAL
DOG FOOD

8%



MEAT IS 1ST
INGREDIENT

19%



ANIMAL BY-
PRODUCT FREE



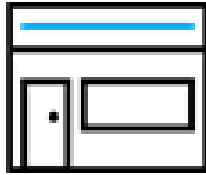
29% of total
pet food
products



46% of total
pet food
products

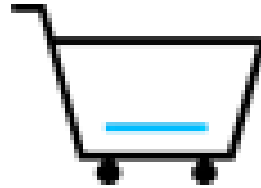
THE WHY BEHIND THE BUY - CLEAN LABEL

AVERAGE AMERICAN SHOPPING BEHAVIORS



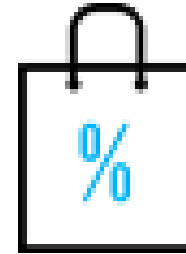
1/2

of all trips
include a Clean
Label product



15%

of all dollars are
spent on Clean
Label products



24%

of Clean Label
products are
purchased on deal



vs YA



vs YA



Conventional

WHAT IS CLEAN LABEL?

It is troublesome to outright define Clean Label. However, **understanding the variety of macro issues consumers are using to personalize their criteria**, and helping the **consumer to organize the myriad of product attributes associated to each issue** is key.



Conventional	Free From	Clean	Simple	Sustainable
	Art. Colors Art. Flavors Art. Preservatives Art. Sweeteners Hormones Antibiotics	Industry "No, No" Ingredient Lists	Recognizable ingredients Less than 10 ingredients	Non-GMO USDA Organic Sustainable Fair Trade Humane

Source: Nielsen Product Insider, powered by Label Insight

CLEAN LABEL TRADITIONAL TRENDS

F&B Sales
Growth vs YA

-1.2%

+0.6%

+2.1%

+0.7%

+7.2%

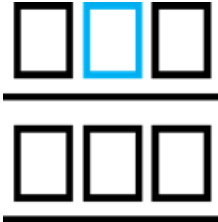
CONVENTIONAL

NO ARTIFICIALS

CLEAN

SIMPLE <10

SUSTAINABLE



% of Meat Products

30%

26%

25%

18%

1%

CONSUMERS WANT TO MAKE INFORMED BUYING DECISIONS TO IMPROVE WELLNESS



THE WHY BEHIND THE BUY - WELLNESS

of consumers believe ingredients are an important **consideration** in the products they buy





98%

of consumers review the ingredient declaration to **ensure** the product meets their dietary **needs**.

75%

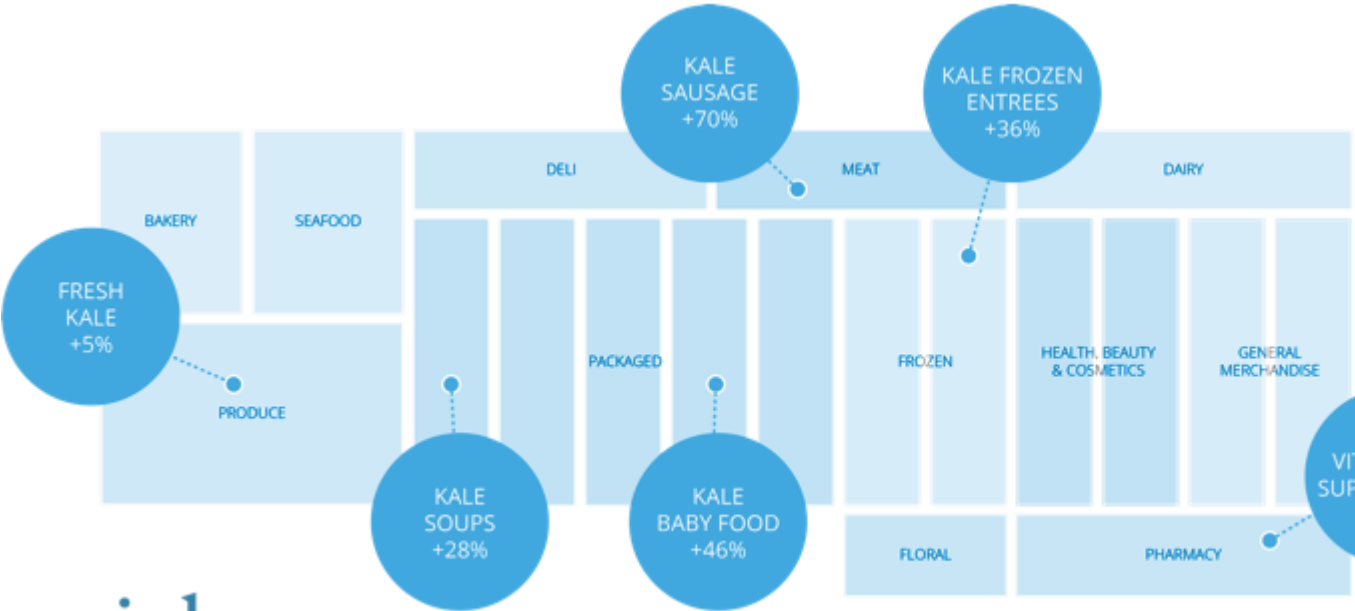
GROWTH OF SUPERFOOD INGREDIENTS ACROSS THE STORE



 SUPERFOOD CATEGORY	 % GROWTH # OF ITEMS	 \$% CHANGE VS. YEAR AGO	 % OF CATEGORIES ACROSS THE STORE WITH INGREDIENT
CHIA SEEDS	8.7%	14.7%	23%
KALE	6.0%	9.3%	19%
QUINOA	4.6%	15.6%	26%
BLUEBERRIES	2.0%	-0.7%	30%
STRAWBERRIES	0.2%	5.4%	31%

Source: Nielsen Product Insider, powered by Label Insight

STOREWIDE KALE TRENDS



Nielsen Product Insider, powered by Label Insight, combines Nielsen’s leading purchase data set from HomeScan with Label Insight High Order Attributes to reveal strategic marketplace insights driven by consumer behavior.

Products containing Kale ingredients **grew sales by 13%** year over year across the store.



KALE INGREDIENTS: DOLLAR GROWTH VS YEAR AGO

Source: Nielsen Product Insider, powered by Label Insight

KALE IN MEAT



Raley's™
organic
KALE BALSAMIC
Chicken Sausage

100%
natural*

GF
gluten free

no casing - fully cooked
made from chicken raised with
no antibiotics or hormones**

*MINIMALLY PROCESSED, NO ARTIFICIAL INGREDIENTS AND
NO PRESERVATIVES. **FEDERAL REGULATIONS PROHIBIT
THE USE OF HORMONES IN POULTRY.

KEEP REFRIGERATED OR FROZEN
NET WT 12 OZ (340g)

USDA ORGANIC

INSPECTED U.S. DEPARTMENT OF AGRICULTURE P-5338



Healthy Choice

POWER BOWLS

Italian Chicken Sausage & Peppers

Italian Chicken Sausage with Vegetables served on top of Brown & Red Rice, Red Quinoa and Black Barley with an Arrabbiata Sauce topped with Parmesan Cheese

MADE WITH ALL NATURAL* CHICKEN RAISED WITHOUT ANTIBIOTICS

HILD

NET WT 9.25 OZ (262g)

KEEP FROZEN; MUST BE COOKED THOROUGHLY

*NO ARTIFICIAL INGREDIENTS, MINIMALLY PROCESSED.

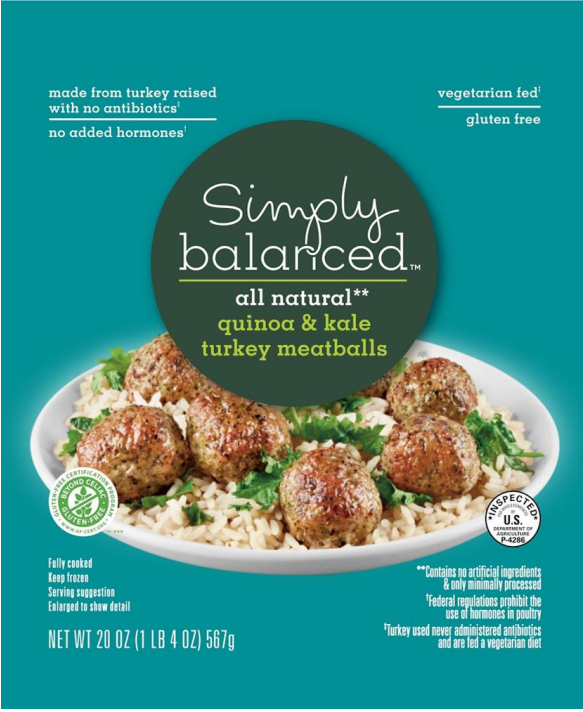
NEW

SERVING BOWL MADE FROM PLANT-BASED FIBER

INSPECTED U.S. DEPARTMENT OF AGRICULTURE P-4296

PER MEAL

290	2.5g	600mg	6g
Calories	Total Fat	Sodium	Total Fiber
170kcal	125kcal	250kcal	100kcal



made from turkey raised with no antibiotics¹
no added hormones²

vegetarian fed³
gluten free

Simply balanced™
all natural**
quinoa & kale
turkey meatballs

Fully cooked
Keep frozen
Serving suggestion
Enlarged to show detail

NET WT 20 OZ (1 LB 4 OZ) 567g

***Contains no artificial ingredients & only minimally processed
¹Federal regulations prohibit the use of hormones in poultry
²Turkey used never administered antibiotics and are fed a vegetarian diet

INSPECTED U.S. DEPARTMENT OF AGRICULTURE P-4296

BEYOND KALE

✓ **MADE WITH REAL INGREDIENTS YOU CAN PRONOUNCE**

✓ **MADE WITH REAL GRILLED SIRLOIN BEEF**

✓ **MADE WITH ROASTED SWEET POTATOES FOR EXTRA FLAVOR**

SMARTMADE™

ROSEMARY GRILLED BEEF & VEGETABLES
Grilled sirloin beef seasoned with rosemary served with roasted sweet potatoes, onions and Brussels sprouts.

KEEP FROZEN • SEE COOKING INSTRUCTIONS
COOK THOROUGHLY

U.S. INSPECTED AND PASSED BY DEPARTMENT OF AGRICULTURE

✓ **MADE WITH REAL INGREDIENTS YOU CAN PRONOUNCE**

✓ **MADE WITH REAL GRILLED WHITE MEAT CHICKEN**

✓ **MADE WITH ROASTED CORN & RED PEPPERS FOR EXTRA FLAVOR**

SMARTMADE™

MEXICAN-STYLE CHICKEN BOWL
Grilled white meat chicken with black beans and roasted vegetables over brown rice lightly tossed in a green chili lime sauce and topped with Monterey jack cheese.

250 calories | 5g fat | 6g fiber | 21g protein

KEEP FROZEN • SEE COOKING INSTRUCTIONS
COOK THOROUGHLY

NET WT. 9 OZ (255 g)

INSPECTED U.S. DEPARTMENT OF AGRICULTURE

BILINSKI'S™
FROM THE GROUND UP

ORGANIC

All of our chickens are free range and raised without antibiotics.

PINEAPPLE WITH ANCIENT GRAINS GINGER & GREEN ONIONS

CHICKEN MEATBALLS
GLUTEN-FREE & FULLY COOKED

15 MEATBALLS | 100% NATURAL**

USDA ORGANIC

NO GMO INGREDIENTS
participating organic program equivalent

global standard Step 3
BIOLOGICAL PRODUCT ACCEPT

Minimally processed with no artificial ingredients. No nitrites or nitrates except for those naturally occurring in sea salt.

Keep Frozen
NET WT 12 OZ (340g)

BILINSKI'S™
FROM THE GROUND UP

ORGANIC

Our chickens are free range and raised without antibiotics.

POTATO WITH ANCIENT GRAINS LENTILS & MAPLE

CHICKEN PATTIES
FULLY COOKED

8 PATTIES | 100% NATURAL**

USDA ORGANIC

NO GMO INGREDIENTS
participating organic program equivalent

global standard Step 3
BIOLOGICAL PRODUCT ACCEPT

2 OZ (340g)

ANCIENT GRAINS IN MEAT BASED FROZEN MEALS

Health Benefits

- Nutrient Rich
- Improving Digestion
- Boosting Immunity
- Heart Health
- Reduce Inflammation

of frozen meals contain a source of ancient grains

25%



#1
Quinoa



#2
Barley



#3
Oats



#4
Rye



#5
Millet

PROTEIN & NUTRITIONAL WELLNESS

12%

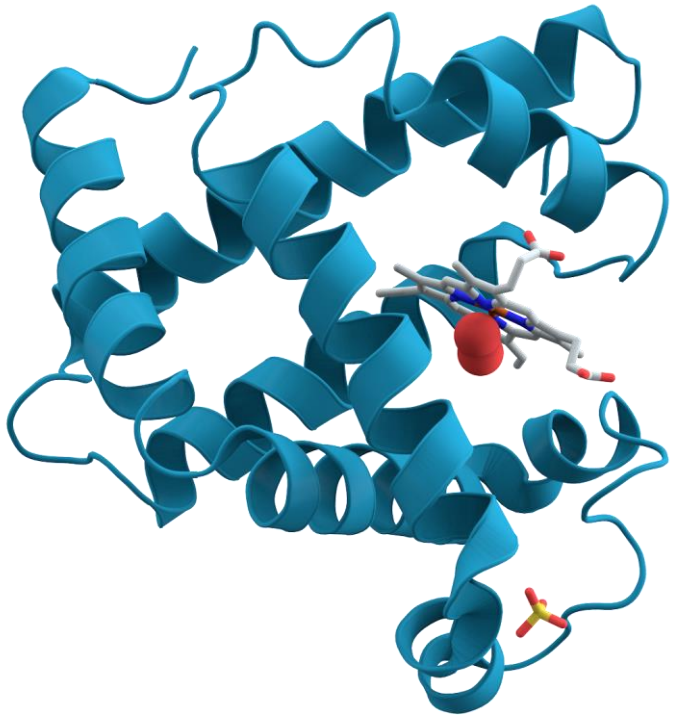
EXCELLENT SOURCE
OF PROTEIN

6%

COMPARATIVE
PROTEIN CLAIM

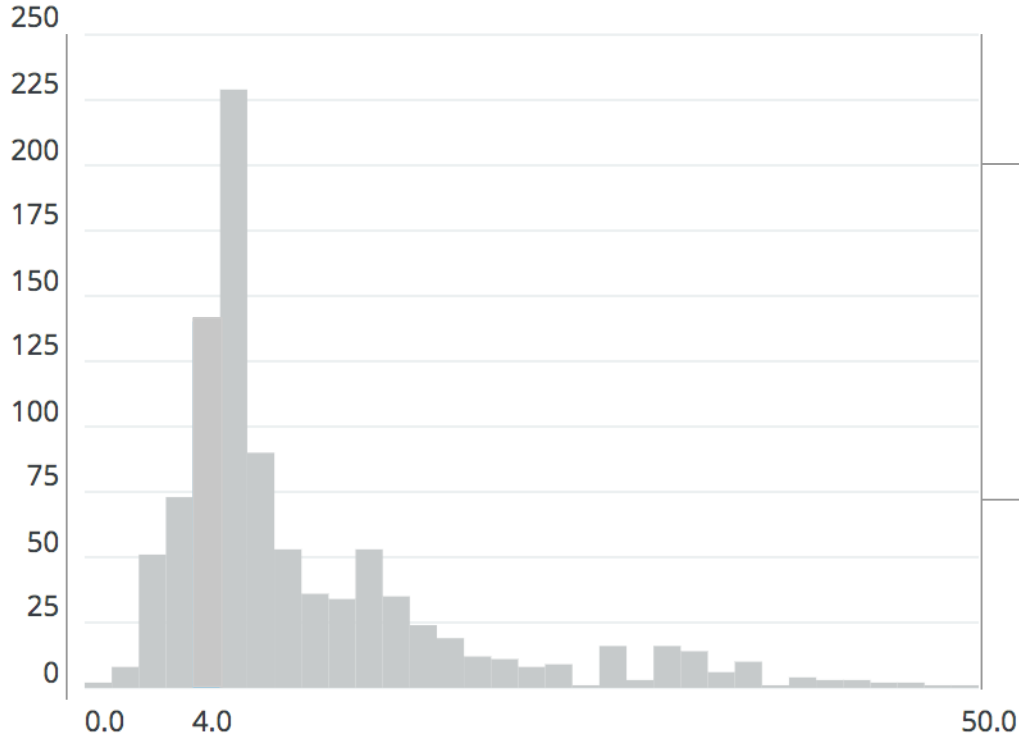
4%

GOOD SOURCE
OF PROTEIN



PROTEIN & NUTRITIONAL WELLNESS

Protein per RACC in Bacon, Sausages & Ribs



➤ **6.8%**

of products qualify for FDA's
Good Source of Protein
without a Disclosure Filter
vs. **02%** making the claim

➤ **6.2%**

of products qualify for FDA's
Excellent Source of Protein
without a Disclosure Filter
vs. **01%** making the claim



PATH TO PURCHASE

PURPOSE

BUILT

ATTRIBUTES

EMPOWER

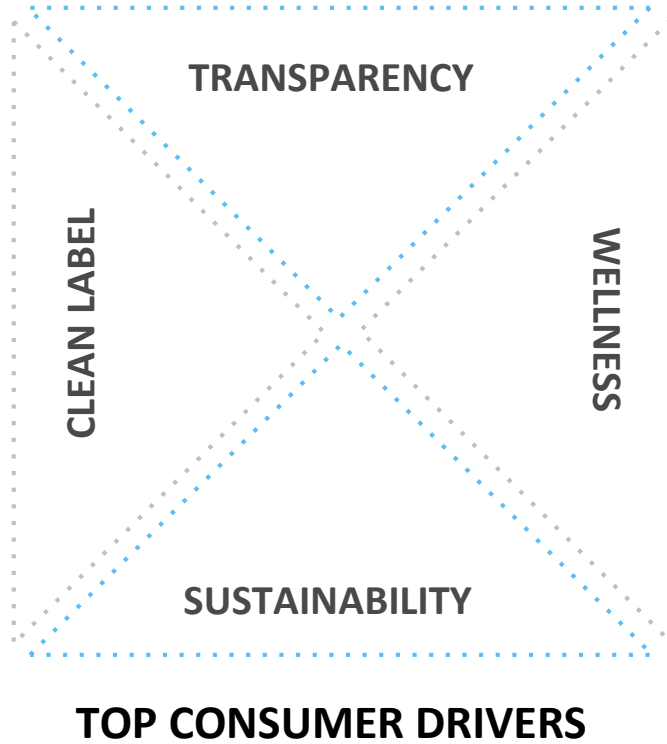
CUSTOMERS

- G** Non-GMO
- O** Organic
- GF** Gluten Free
- K** Kosher
- S** No Added Sugar
- V** Vegan
- N** Nutrient Dense
- M** Minimally Processed



SHELF TAGS
DELIVER
PRODUCT
TRANSPARENCY
IN STORES





- **Minimizing Disruption**
- **Selling a Compelling Benefit**
- **Maximizing Awareness**
- **Evolving Social Norms**



Questions?



L A B E L I N S I G H T

Brooke K. Bright

Sr. Data Strategy Manager, Label Insight

BBright@labelinsight.com