Feeding A Hungry World

Jeff Ettinger
Chairman, President and CEO

Hormel Foods
From Meat Processor to Packaged Food Company

1891
George A. Hormel opens meat packing company in Austin, MN.

1928
Geo. A. Hormel & Co. became a public company.

1930’s:
Creation of Hormel Foundation.

1942
$100 million in sales

1976
$1 billion in sales

1993
Name of Geo. A. Hormel & Co. officially changed to Hormel Foods Corporation.

2012
Company executives rang The Closing Bell at the NYSE to commemorate the 75th anniversary of the SPAM® brand.

2012
19,800 employees
Accelerated Growth in Recent Years

Sales

EPS

10 Year CAGR: 8%

10 Year CAGR: 11%
Balanced Model

Protein
- Retail
  - Deep supply chains in pork and turkey
  - Financially conservative

Packaged foods
- Foodservice
  - Purchase everything else
  - Innovative culture
Innovation

NPD as % of Total Sales

- 2005: 12%
- 2010: 21%
- 2011: 22%
- 2012: 24%
- 2013: 26%
- 2016 EST: 30%

$3 billion by 2016
2013 Editor’s Picks

- Hormel® REV® wraps
- Herdez® bean and cheese dips
- Hormel® Natural Choice® cherrywood smoked ham deli meat and sun-dried tomato turkey deli meat
- Herdez® chile limón tortilla chips
- Farmer John® chicken sausages
- Wholly Guacamole® 100-calorie minis
- Herdez® Mexican Cooking Sauces
## Strategic Acquisitions

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Leading Brands

At least 35 products have #1 or #2 market share positions in their category

- These categories span our Grocery Products, Meat Products and Jennie-O Turkey Store segments
Philanthropy Areas of Focus

- Contribute to communities where we operate
- Education
- Hunger
A Global Look at Hunger

- World population is growing
  - Mainly in developing nations
  - "By 2050, the world’s population will be 9 billion. That’s another 2 billion mouths to feed. To do so, the amount of food we produce between 2014 and 2050 must be equal to the amount grown in the last 2,013 years."
    ForbesIndia.com, "Can a Hungry World Say No to GM Crops and Still Have Food Security?“ by Marc Van Montagu, Jan. 7, 2014

- Providing safe, affordable food is key
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- Farmers are doing more with less
- Fewer farmers to feed a growing population

In 1930s
25% US population lived on farms

Today
less than 2% live on farms
Responsible Growing

Pine Hill - Clear Lake, Wis.
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Technology is a benefit
- Agricultural biotechnology adds desirable traits from nature
- Does not introduce anything unnatural or use chemicals
- Uses fewer pesticides, less water and keeps production costs down
- Allows for more plentiful food
"Our products may contain genetically modified (GM) ingredients. The use of such ingredients has been confirmed as safe by the U.S. Food & Drug Administration, the American Medical Association and the World Health Organization. This safe and effective method of food production is helping to feed the hungry and malnourished throughout the world.

Please see hormelfoods.com for more information."
Hormel Foods Hunger Relief

• Donated $6.5 million to hunger relief efforts during fiscal year 2013
• Annual supporter of Feeding America (since 1979)
• Plant Community Hunger Donations Program
• Since 2008, donated more than 6.8 million cans of Spammy® shelf-stable poultry product
Project Spammy®

• Fortified poultry spread
  • Shelf-stable
  • Three year shelf-life
  • Mixes easily into traditional diets

• Employee engagement trips
  • Six trips in 2012 and 2013
  • Four scheduled in 2014
Spammy® Video

[Map of Central America with a mark indicating Spammy location]

[Group photo of people smiling]

[Young children standing in a row, some covering their faces]

[Group photo of people standing together]
Spammy® Research

Hormel Foods received a 2011 USDA McGovern-Dole Micronutrient Pilot Program grant to conduct initiate a 20-week school feeding program to prove the product’s effectiveness.

A 20-week school feeding program included 167 children

Five days per week children in the treatment group received fortified Spammy and children in the control group received an unfortified version.
Study Methodology
Spammy® Research Results

- More than 80% of the children consumed at least 75% of the meals
- 44% reduction in absence due to illness
- Significant increase in hemoglobin in both groups
- Vitamins D and $B_{12}$ increased in treatment group
- Both groups showed gains in cognitive development
Working Together

- Farmers, retailers, manufacturers and legislators need to work together
- Fighting global hunger through:
  - Technology
  - Food safety efforts
  - Science-based consumer insights
  - Philanthropic efforts
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