

2021

CHICKEN MARKETING SUMMIT®

July 18-20, 2021

Omni Amelia Island Resort
Fernandina Beach, Florida

Charting post-pandemic SUCCESS

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Chicken Marketing Summit

WINNING THE GREAT RE-AWAKENING

July 19, 2021





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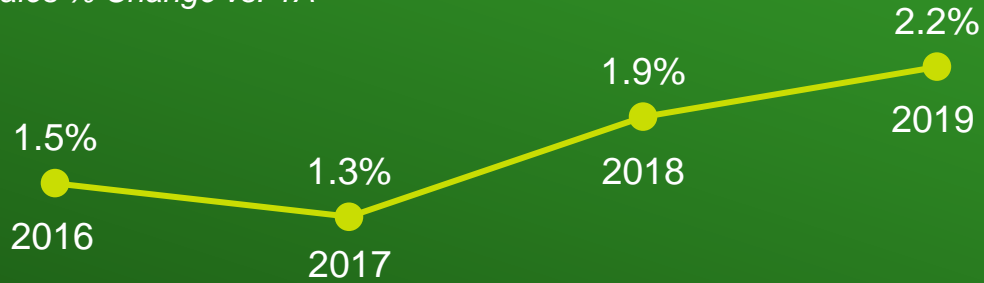




IN 2019, THE U.S. CPG INDUSTRY WAS CHUGGING ALONG

\$845.8B +2.2% vs. YA

\$ Sales % Change vs. YA

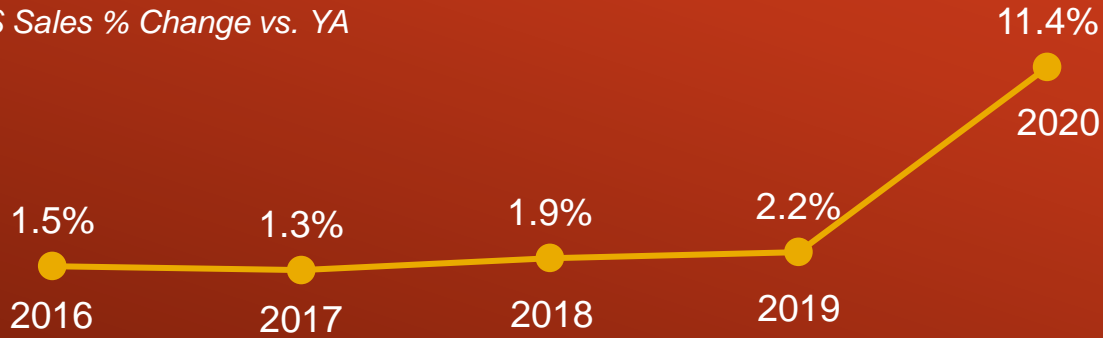




THEN... 2020 HAPPENED

\$944.1B +11.4% vs. YA

\$ Sales % Change vs. YA



Four Themes, Accelerated During 2020, Expect to Have Long-Lasting Impact

Confident Cooking



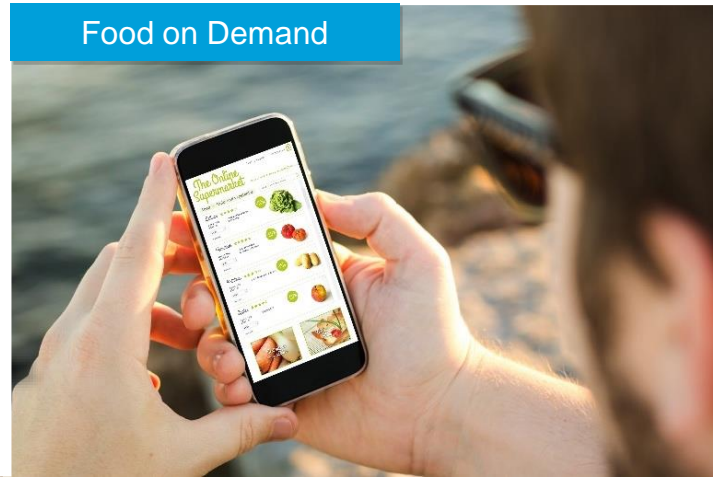
Premiumization



Innovation Gold Mines



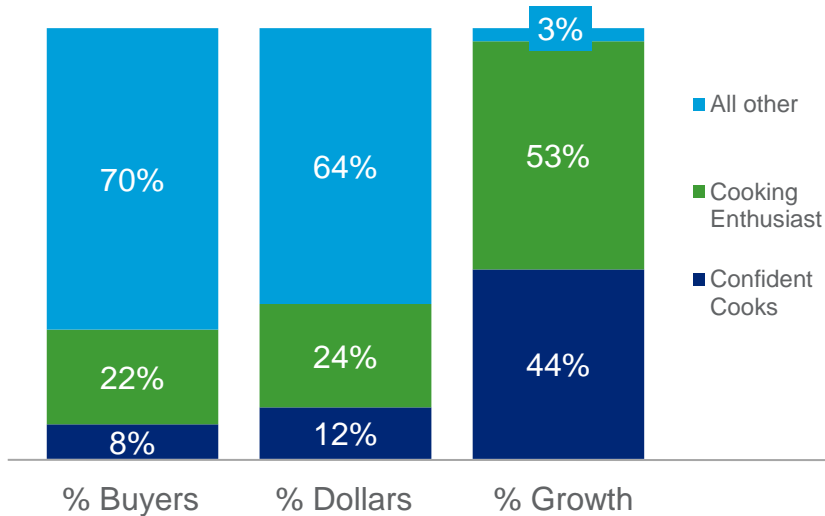
Food on Demand



Meet the Confident Cook



Though Only **12%** of the Dollars,
Confident Cooks Represent 44%
 of Gains in Meat / Seafood, **Cooking
 Enthusiasts Represent 53%**,
 More Than Double Their Size



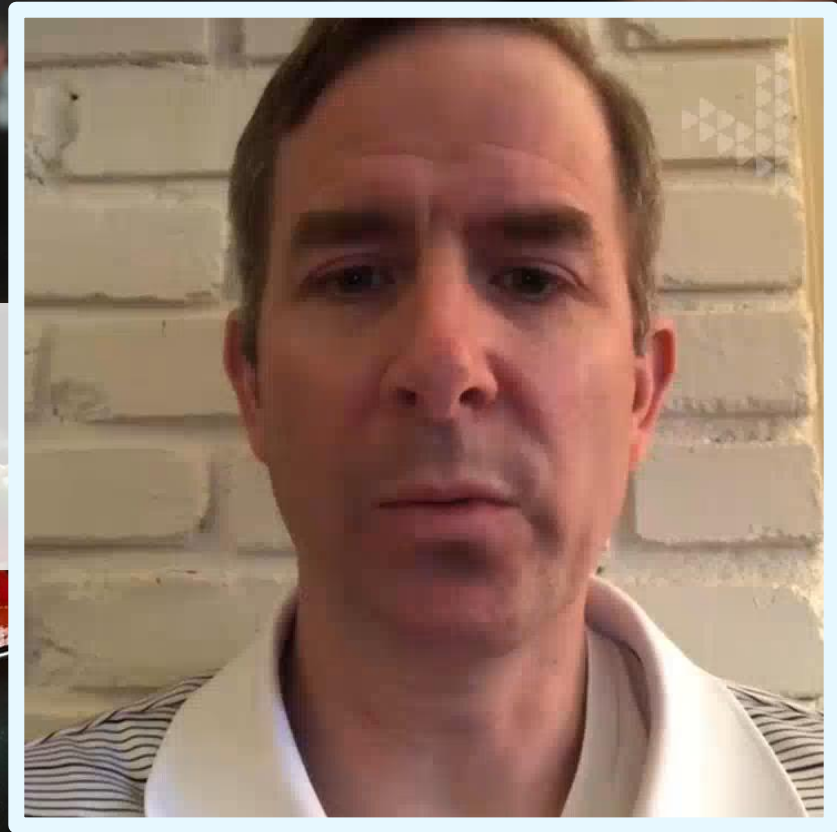
Meet the Confident Cooks...

Affluent
Older Children
Asian
African American
Hispanic
5+ Member HHs
45-64
Young Boomers /
Gen X





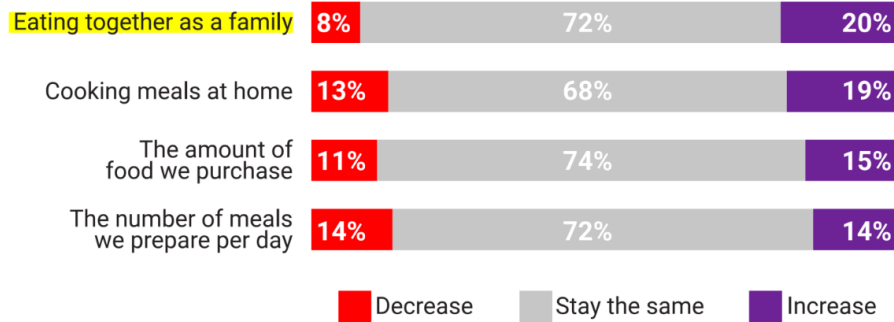
COVID-19 Has Brought
Out Creativity Many
Didn't Know They Had!



Post-COVID-19, 92% Will Continue to Eat at Home... and Chicken is On the Table



POST-COVID MEALS AT HOME



91% plan to eat the same amount or more chicken at home; 30% plan to eat more chicken at home: higher for Millennials, Gen X

1/3 of Millennials + Gen X will use more chicken because they discovered recipes during COVID-19 that became favorites

Less than 10% of sample said they will eat less chicken at home, due to less time at home

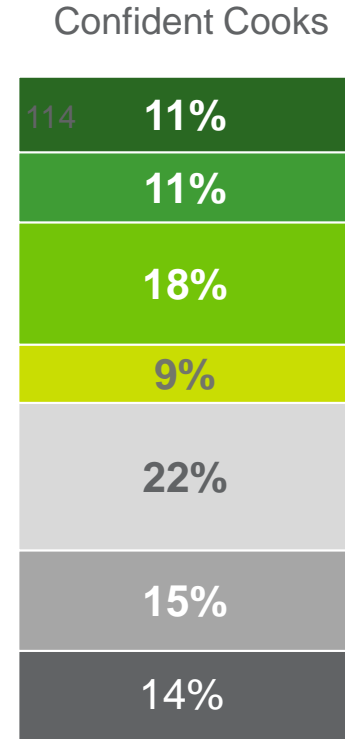
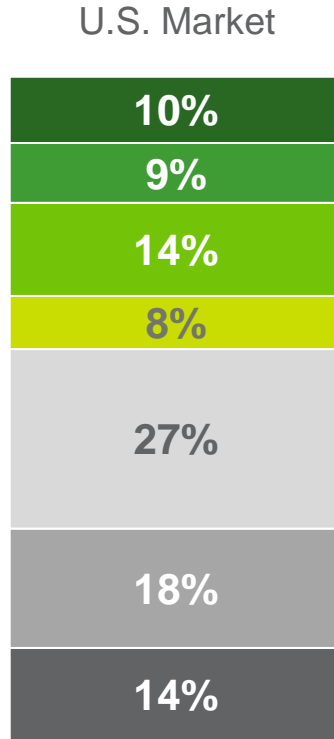
“Once you start cooking you start to realize the benefits it can bring your life. You will save money, you will eat better, and you will protect the planet.”

*Chef
Joel Gamoran*



Confident Cooks Are Focused on Sustainability and Health

NaturaLink Segment



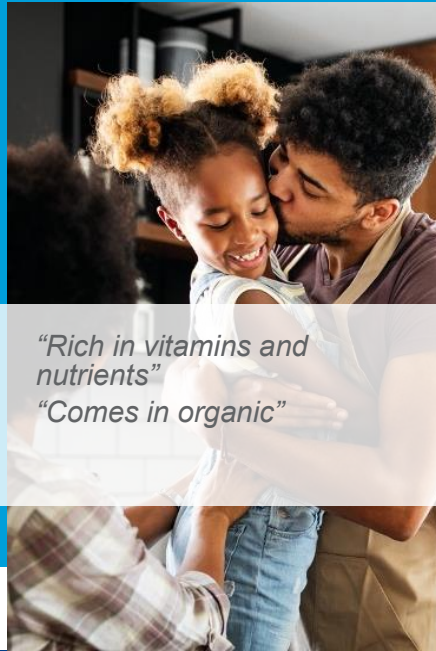
Taking Back the Health Halo: Nutrition Motivated Consumption During Pandemic

Gen X



"It's nutritious"
"Healthier than other proteins"
"Rich in vitamins & nutrients"
"Comes in organic"

Millennials



"Rich in vitamins and nutrients"
"Comes in organic"

Baby Boomers



"It's nutritious"
"It's a lean protein"
"Healthier than other proteins"

Top Reason for Those Planning to Eat More or Same Post-Pandemic:

It's Healthier Than Other Protein – 42%

(vs. 26% in 2017, 2019 surveys)

More Chicken: Taste, Value, Nutrition, Easy to Freeze and Prepare Made Chicken a Popular Choice During COVID-19

Gen X

43%



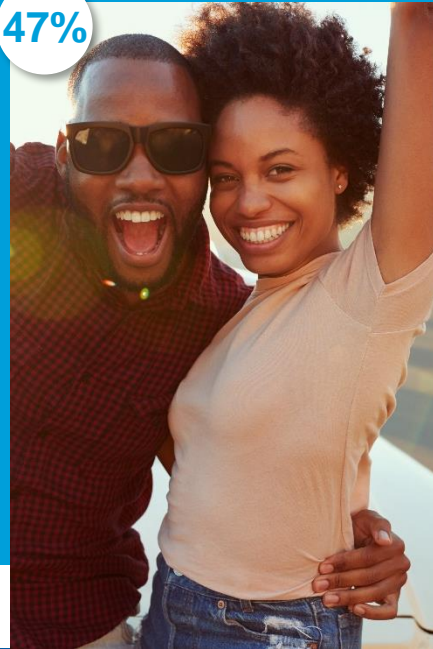
Millennials

48%



Younger Millennials + Gen Z

47%



37% Said They Have Eaten More Fresh Chicken Than Pre-COVID-19

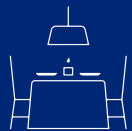
2021: 96% eat chicken more than once a month

2019: 86% in the past 2 weeks

Opportunities to Inspire: Recipes From Restaurants, Grocery Stores

*Cooks Anticipate More Experimentation in the Next 6-12 Months,
Including Ethnic Flavors and Barbeque*

During the Pandemic, Cooks Looked for Inspiration in Many Places:



20%
Restaurants



35%
Social Media



37%
Recipe Websites



17%
Grocery Store

Familiarity and Comfort Food Ruled During the Pandemic

33%
marinated &
grilled dishes

32%
cooked just
chicken, not
as ingredient

*also popular
were
sandwiches,
pasta and
casseroles*



38% Will Grill More

Cuts of Meat Prepared More or Started Using Since the Start of the Pandemic

52%

Skinless Breasts
(less for Confident Cooks)

39%

Tenders

38%

Thighs

37%

Whole Chicken

35%

Drumsticks

34%

Wings

whole chicken skinless breast, wings, leg quarters and thighs remain popular for grilling, recipes

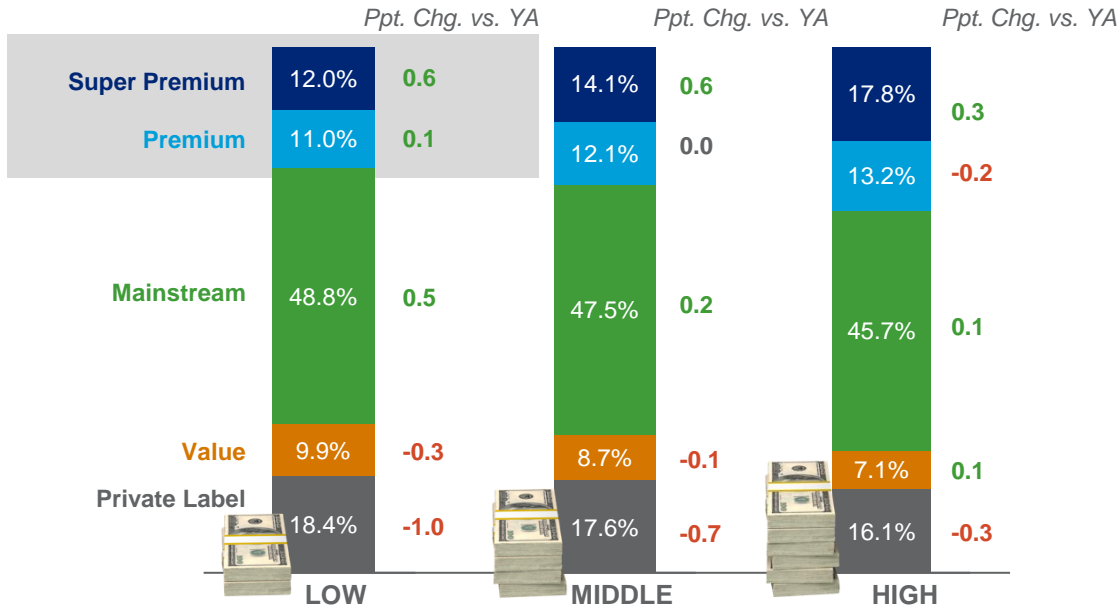


Going Premium



The Shift to More Premium Brands Is Occurring Even Among Low-Income Households

CPG Price Tier Growth by Income Cohort; Based on 6.5M Regular Grocery Shoppers; Dollar Share in Largest Grocery Channel Categories¹



1. Based on 40 largest edible & nonedible categories. Price tier defined as avg price per volume vs. subcategory. Super Premium = >+50% above subcategory average, Premium = +25% to +50%, Mainstream = -25% to +25%, Value = <-25%. Private Label includes all price tiers under retailer private brands. 2. IRI Shopper Survey 5/31/20 among 1,300 Primary Grocery shoppers.

Low Household Income Is Not a Barrier to Indulgent Purchases

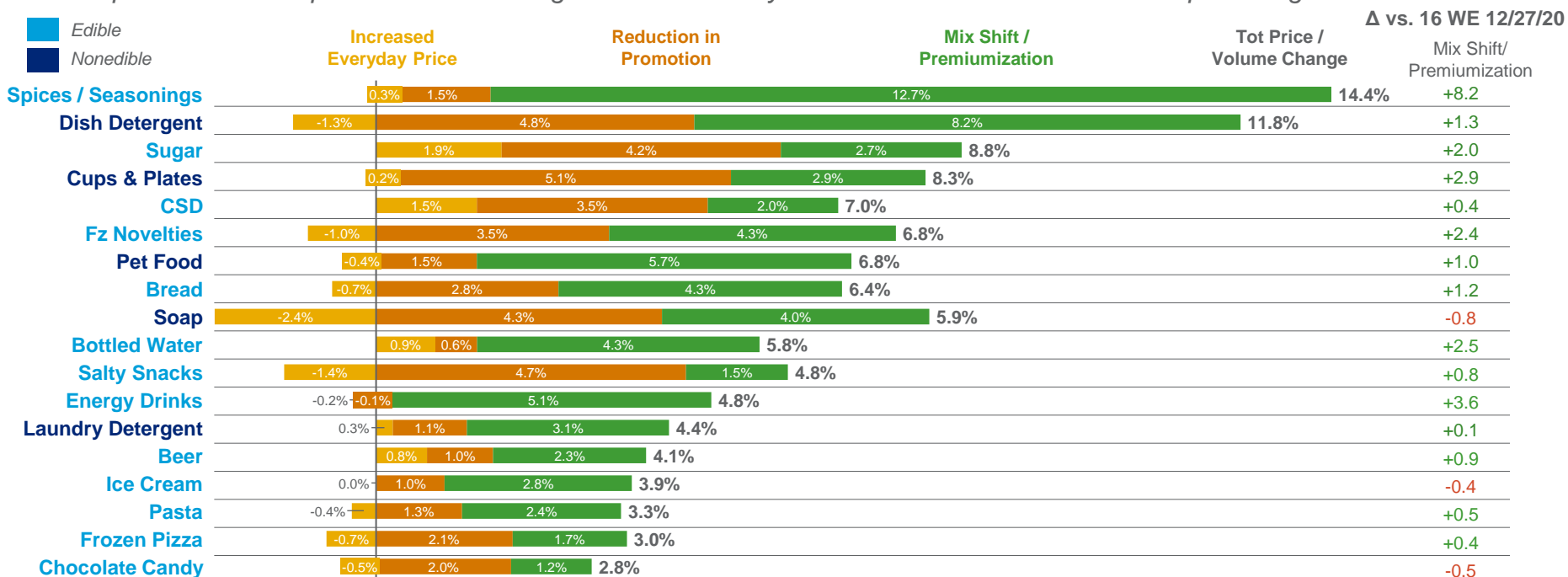


Low-Income Households Report Making Small Indulgence Purchases at a Similar Rate as Other Households²



Premiumization Continues in 2021

Decomposition of Price per Volume % Change vs. YA / Grocery Channel / 12 WE 3/21/21 – Example Categories



To learn more about premiumization, read [The Premium Opportunity](#) report. Note: Everyday price at item level. Promotions includes promotion frequency and depth (driven by frequency). Mix shift refers to difference in product mix vs. YA, driven by shifts to more premium brands (positive effect) countering shift to larger pack sizes (negative effect).


Many Premium Meat Cuts Outperformed Total Meat or Protein Averages

Selected Examples




Brands That Differentiate Through Premium Ingredients, Unique Flavors and Dietary Alternatives Are Winning

Premium Brand Pricing and Share Growth – Select Examples




Premium Ingredients
Basil, Cherry Tomatoes, Asiago, Cremini Mushrooms



\$6.15 **152**
 Price/Unit Index to Category Avg

L52 Share: 1.7%
+0.3 ppt chg. vs. pre-COVID-19




Unique Flavors
BBQ Chicken, Sicilian, Four Cheese, Margherita

BBQ CHICKEN **SICILIAN**
 RECIPE RECIPE

\$6.45 **159**
 Price/Unit Index to Category Avg

L52 Share: 3.7%
+0.2 ppt chg. vs. pre-COVID-19



Dietary Alternatives
Dairy Free, Soy Free, Gluten Free, Meatless

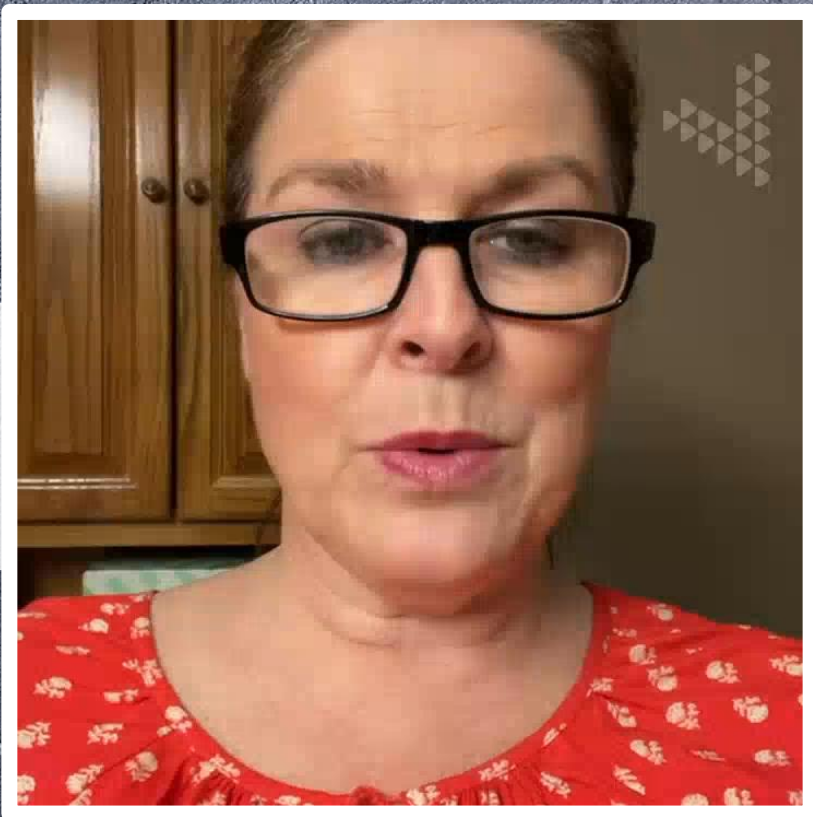
DAIRY, SOY & GLUTEN FREE · GOOD SOURCE OF FIBER · PLANT BASED

\$7.46 **184**
 Price/Unit Index to Category Avg

L52 Share: 0.8%
+0.3 ppt chg. vs. pre-COVID-19



Winners home in on granular consumer data to understand emerging trends, articulated and unarticulated, to capture pricing opportunities (e.g., limited time offers, seasonal products).

A top-down view of a dark, textured surface. In the upper left, two glasses of red wine are visible. To the right, a metal fork is partially visible. In the lower right, a roasted chicken is cooking on a grill. The scene is lit with dramatic, low-key lighting, creating strong highlights and deep shadows.

Premium Enhances Consumer Experiences During COVID-19



**Foodservice
Has Developed
Premium Chicken.
*Is it Retail's Turn?***



Innovation Gold Mines



Going Forward, We'll See a Massive Shift of Millions of Meal Occasions

3-4X

increase in four years

20-25%

WFH beyond 2021

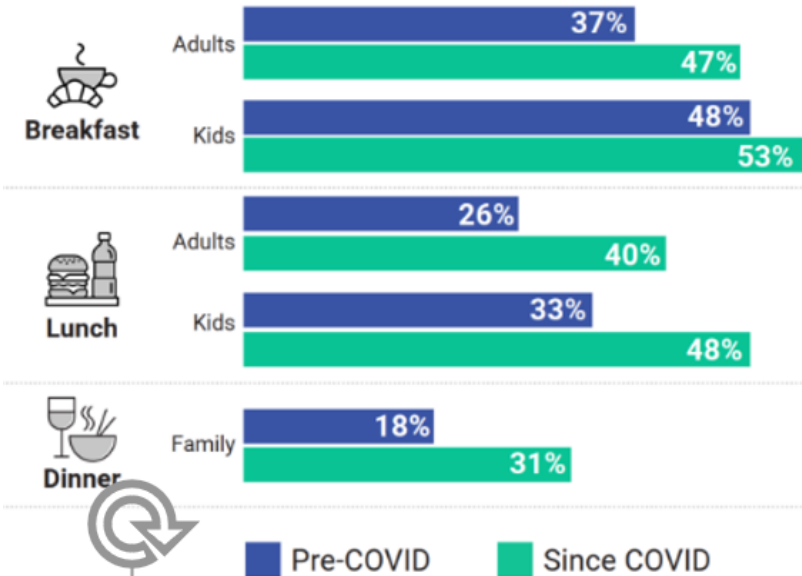
155MM

in the workforce

33MM Lunch and Breakfast Occasions At Home

Eating At Home Is Sticking Around

% OF MEALS EATEN AT HOME **EVERY DAY**



During the Pandemic:
70% did 50%+ of meal prep at home

After the Pandemic
(next 6 months):
80% anticipate 50%+ of meal prep
52% “definitely will” do more takeout and delivery + 37% “probably will”



New Occasions for Innovation and Engagement



More Planning + More Prep time = Engagement Opportunity

New Platforms for Innovation: Appliances Create Large Addressable Markets

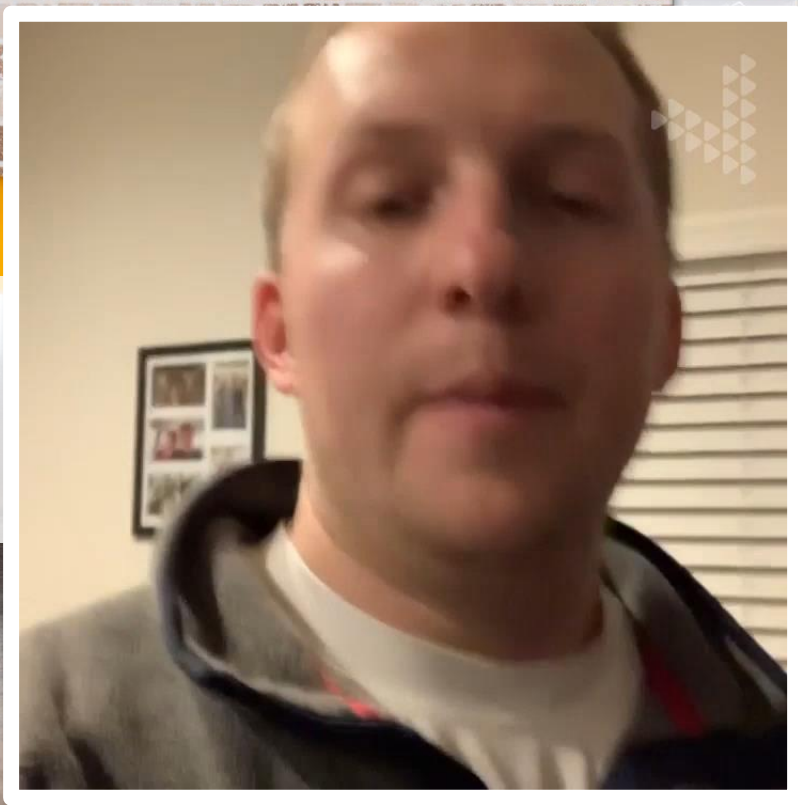
Sales Have Taken Off in the U.S. and Globally



Source: "Global Air Fryer Market By Product, By Distribution Channel, By Region, Industry Analysis and Forecast, 2020 - 2026" - https://www.reportlinker.com/p05975410/?utm_source=GNW; IRI Integrated Fresh Gortons Market Advantage Change vs. YA Calendar Year 2020, MULO; * <https://www.nytimes.com/2017/12/17/business/instant-pot.html>; ** <https://www.cnn.com/2019/03/04/investing/instant-pot-pyrex>



COVID-19 Has Motivated Consumers to Prepare Meals in Ways They Haven't in the Past



New Platforms for Innovation: Shoppable Recipes

Price & Coupons Don't Spur Trial Like They Once Did

Consumers Identify Key Influencers of New Product Trial:

80% Previous Usage / Trust in Brand

42% Recipes

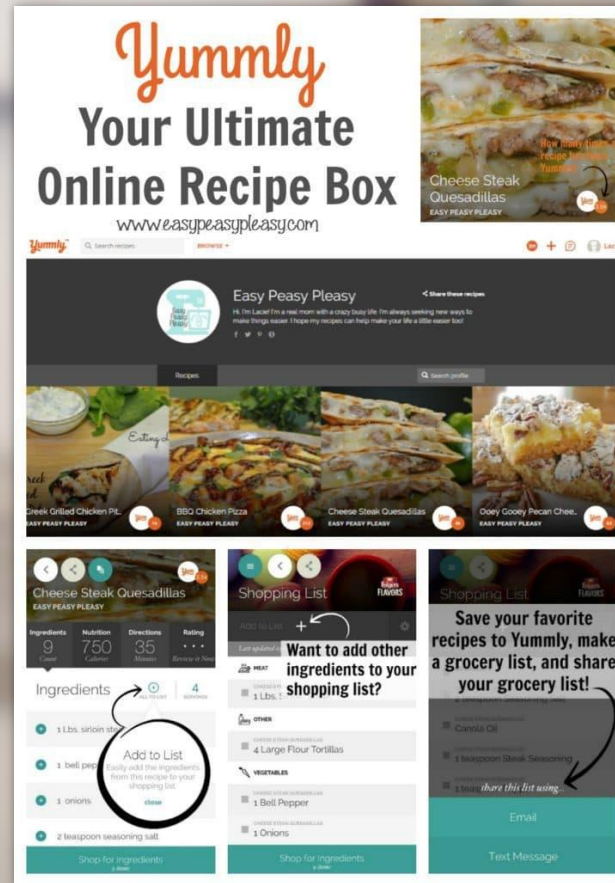
New product trial driven by coupons from home and newspaper circulars is declining significantly.

Use Coupons From Home:

47% in 2021 vs. **55%** in 2019

Use Newspaper Circulars:

25% in 2021 vs. **34%** in 2019



Food on Demand



E-Commerce Has Also Made Massive Impact – Opening Fresh Opportunities

Shopper Demand for Online Groceries Has Fast-Forwarded into 2025, Especially for Perishables

16% of households use online as their primary way to buy groceries throughout the Pandemic

81% of online grocery shoppers expect to do this *more* or *about the same* even after vaccinated or restrictions lifted

\$9B 2020 Fresh Foods eCommerce Sales

87% Fresh Foods 2020 eCommerce sales growth, 10 points higher than center and frozen foods/beverages



Innovate or Lose.

Foodservice Is Changing to Capture At-Home Occasions

100%
(Index to 2018)

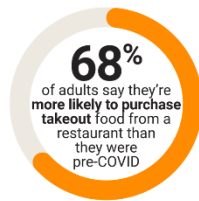
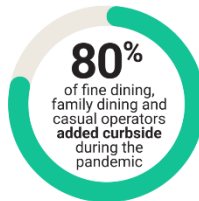
Growth Year on Year in Revenues of Overall Food Delivery Market



Dining Out Behaviors Now Include Multichannel Ordering, Delivery / Takeout, Seeking “Healthier Options”



Hit positive sales growth in 2020, greatly aided by their drive-thru ops



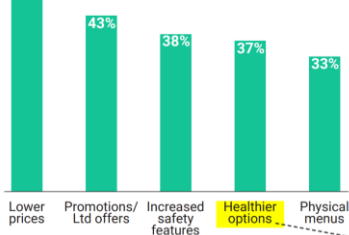
Achieved one of the strongest years in its history, with 21% \$ growth

Source: Technomic.com

Source: National Restaurant Association

Diners will be looking for lower prices, special deals, healthy options and more

Restaurant Desires



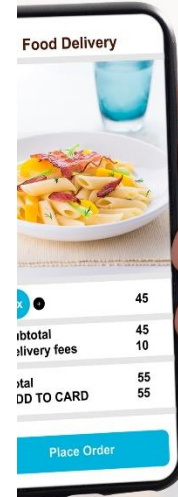
HEALTHY DESIRES

- 48% High protein
- 43% Low sugar/sugar-free
- 41% Low calorie
- 41% Locally grown
- 40% Low sodium
- 39% Organic

“I added at least 15 restaurant apps to my phone...”

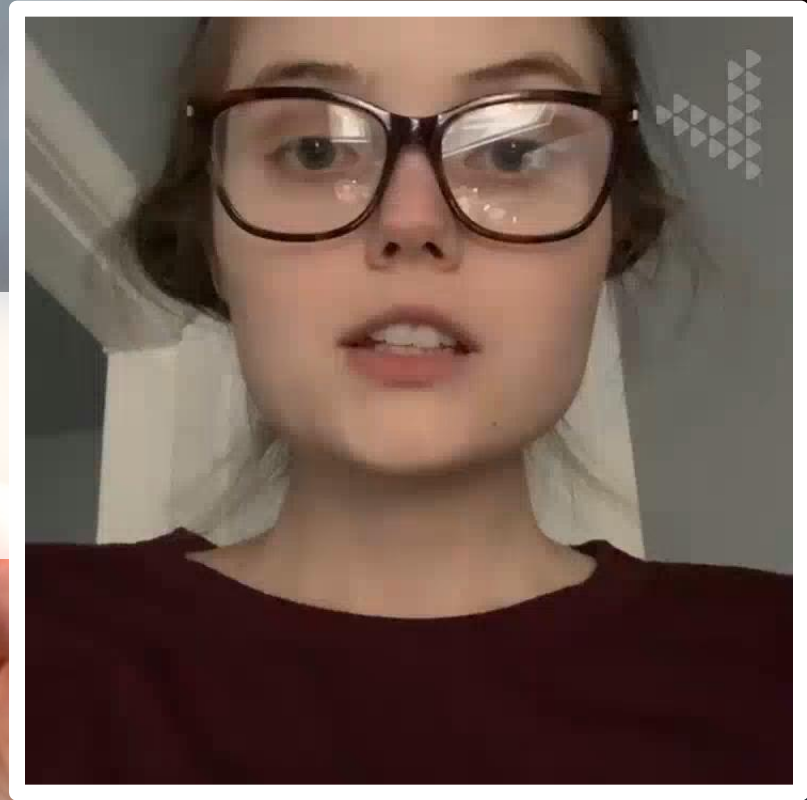
Purchases via technology accounted for 25% of all 2020 restaurant purchases.

Expect brand-owned technology channels to grow – especially as it gives restaurants sole ownership of customers first-party data.





COVID-19 Has Driven an Open Mindset to Online Ordering and Delivery



Keys to Growth



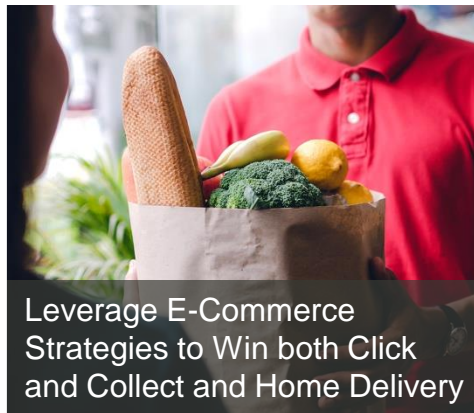
Meaty Ideas to Drive 2021 and Beyond



Win with the Confident Cook



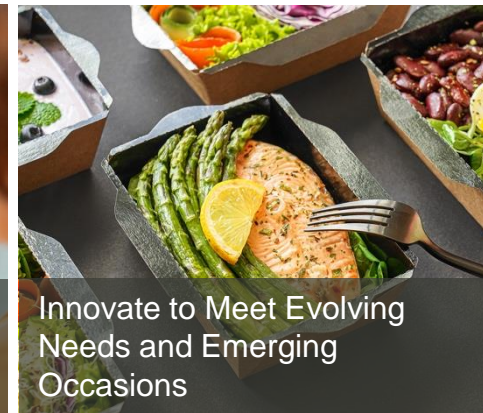
Continue to Focus on Premium Cuts to Bring Restaurant Quality Home



Leverage E-Commerce Strategies to Win both Click and Collect and Home Delivery



Expand Social Media presence with key influencers to win Millennial and Gen Z Shoppers



Innovate to Meet Evolving Needs and Emerging Occasions

Thank You!

Contact Us For More Information

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QUESTIONS & ANSWERS

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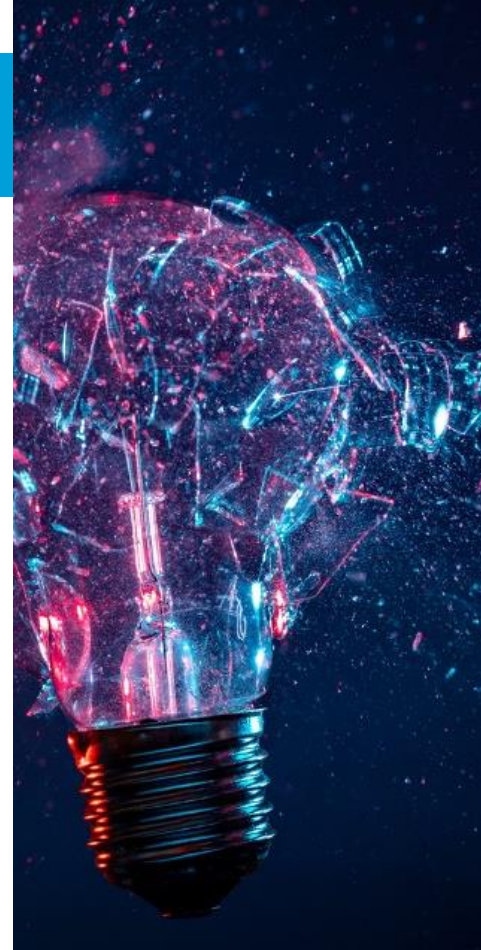
C-Suite Conversation Series on COVID-19-Related Topics

10 conversations recorded to date!



Industry-Leading Client Engagement and Thought Leadership, Reshaping How Our Client Executives Perceive Us

40 reports published to date!





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