Who's Our Consumer and What Will They Want in 20 Years?

Brad Morgan
Performance Food Group

One Company – One Mission

BRAND TRUST

Microsoft
Disney
GM

McDonald's
Coca-Cola
Nike

i'm lovin' it
**Umbrella Brands and Strategic Brands**

- RIDGECREST.
- WEST CREEK.
- Silver.
- *Ascend*
- *Empires*
- *Village*
- *Coles*
- *Brilliance*
- *Cains*
- *First*
- *Precision*
- *First*
- *Cains*

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**Meat Lovers**

- True meat lovers have a passion for food, and they know what cuts to buy and how to prepare fresh meat.
- Quality is foundational for this segment. They search the meat case for cuts with high flavor and marbling and will open their wallets to pay for the best.
- Represent one-third of all dollars spent in the fresh red meat category. (Beef >6x/month)
- Tenderloins, Porterhouses and Ribeyes.
- Primarily females age 45-64 who are either retired or have higher household incomes.

Source: Cargill Proprietary Red Meat Consumer Study 2015

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**The Diet**

**TODAY**

- Poultry: 60 lbs.
- Pork: 25 lbs.
- Beef: 14 lbs.

**DEVELOPED COUNTRIES**

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**The Diet**

**2050**

- Poultry: 80 lbs.
- Pork: 25 lbs.
- Beef: 21 lbs.

**DEVELOPED COUNTRIES**

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**BIF 2016 General Session I**

June 15, 2016
EXHIBIT 2 | U.S. Millennials View Themselves More Positively Than Non-Millennials Do

Source: BCG analysis.
Note: Size of word indicates frequency of response.
Leading QSR-Plus chains growing fast

These leading QSR-Plus chains collectively grew sales 9.2% in 2014, vs. 3.8% for the restaurant industry as a whole.

I would like restaurants to offer, % who agree and agree completely

- A wider variety of BEEF ENTRÉES: 42%
- BEET ENTRÉES with new/unique flavors: 42%
- A wider variety of BEEF SANDWICHES: 37%
- More ethically inspired BEEF DISHES: 37%
- A wider variety of PORK ENTRÉES: 33%
- A wider variety of PORK SANDWICHES: 29%

Spotlight on BURGERS

Consumption frequency (once a week+)

- 57%

Fastest growing burgers on menus (not a variance change)

- FS Burgers
- 100% increase

Importance of burger customization

- 63%
- How important is it that restaurants offer...

I would like restaurants to offer...
Agriculture has Always Been Keen on “EDUCATING” Consumers Instead of CONNECTING With Them

Consumers increasingly want to know...

...“Where's the beef come from, and how was it produced?”

KEEP CALM AND TELL YOUR Story

Distributors are juggling many challenges

Our company has initiatives related to...
The Consumer Value Driver Plate

-globally, they control $20 trillion in annual consumer spending power.
- $7 trillion is contributed by women in the U.S. in consumer and business spending.
- Women handle the bulk of purchasing decisions for everyday items like groceries and clothing.
- In fact, 50 percent of products marketed to men are actually purchased by women.
- Selling to Millennial moms poses new, unique challenges not seen by generations past.
Food preferences change at a glacial rate compared with preferences for other types of products and services like phones, computers or entertainment choices. So the odds are high that the consumer of 2050 will be eating many of the same foods we enjoy today.

The change in our diet will not be so much in what we eat and drink, but who will provide our foods and beverages. And we will most likely follow those marketers that make our lives easier or our food costs lower!"
— Harry Balzer

The odds are high that the consumer of 2050 will be eating many of the same foods we enjoy today.
### Forecasting is Difficult, Especially If It’s About the Future

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### Transformational companies muscle in

*UBER EATS*