



Where is the road to the future leading the U.S. beef industry?



What does the “road to the future” look like for the seedstock segment?



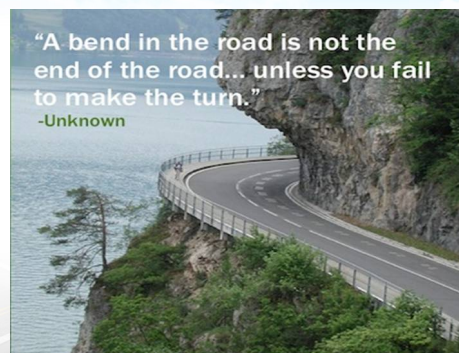
Do you have a fast car, or are you a fast driver?



"Strait roads are for fast cars, turns are for fast drivers!"

Colin McRae

Successfully Navigating Bends in the Road



"A bend in the road is not the end of the road... unless you fail to make the turn."

-Unknown

## Don't Miss the Turns

"IBM was more dominant than any company will ever be in technology, and yet they missed a few key turns in the road. That makes you wake up every day thinking, 'Hmm, let's try to make sure today's not the day we miss the turn in the road.'"

• Bill Gates



## Learn from those who did miss the turn!



## What are some of the curves in the road the beef industry has to navigate?

1. Changing consumer preferences
2. Global demand opportunities
3. Competitive threats
4. Production and management technologies
5. Resource management decisions



## Changing Consumer Preferences

- 28% of households in the United States comprise just one person
- One pot meals are up 22%
- More than half of Americans (57%) eat a burger at least once per week
- By 2060, one in three residents in the U.S. will be Hispanic and the Asian population will double
- Annual eatings per capita of snack food at main meals is forecast to grow by 12% by 2024
- A recent study indicated consumers will willing to pay \$3.07 per pound more for steak labeled natural and no growth hormones



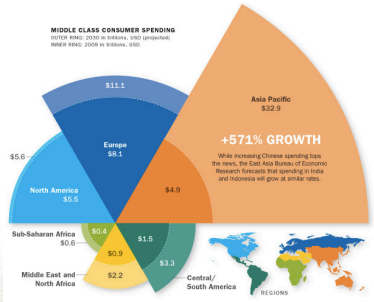
Changing Consumer Preferences

Millennials (born 1982 – 2000) represent 26% of the U.S. population and represent \$1 trillion of discretionary purchases



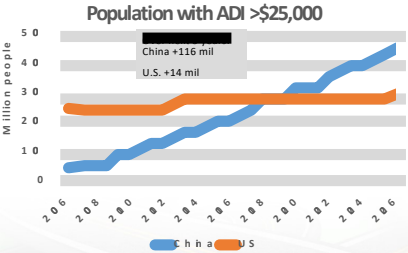
- 44% have posted a photo of food or drinks
- 76% say they like to cook
- 89% want to get better at it
- 50% would buy more beef if they knew more about the different cuts
- 54% would rather go to a food festival than a music festival

Global Demand Opportunities



- We're adding 78 million people per year to the globe
- Global middle-class spending should rise from \$21 trillion today to \$51 trillion in 2030
- Over the next five years, China will add 116 million people to its middle class while the United States will add 14 million people

Global Demand Opportunities



Source: Euromonitor, disposable income >\$25,000 per capita

- China has a population of 1.3 billion
- The wealthiest 10% represent 130 million – more than the entire population of Japan
- China was the 4th largest beef consuming country for years. In 2016, it became the 3rd largest country and is expected to be the 2nd largest beef consuming country in 2017. (12.7 lbs. per capita)

Competitive Threats

Who are our competitors?



Are These Your competitors?



Or are These your competitors?



The latest competitive threat



"We believe there is a better way to feed the planet. Our mission is to create mass-market solutions that perfectly replace animal protein with plant protein. We are dedicated to improving human health, positively impacting climate change, conserving natural resources and respecting animal welfare. At Beyond Meat we want to make the world a better place and we're starting one delicious meat at a time."

- Overcrowded pig and poultry farms are reservoirs for global pandemics; animals raised in them are pumped full of antibiotics, spurring the rise of drug-resistant superbugs.
- "Meat is an ongoing environmental and public health catastrophe. Livestock account for 14.5 percent of greenhouse gas production..."
- In 20 years, I think people will look at growing and killing an animal as bizarre."

Management and Production Technologies



## Management and Production Technologies

- According to Midan's "Meat Matters" issues management survey:
  - 41% said they were concerned about the use of antibiotics
  - 58% were concerned that the use of growth hormones would harm humans



## Resource Management Decisions

- Land
- Cattle
- Talent
- Capital
- Water



## Resource Management Decisions



Navigating a complex future begins by asking the right questions



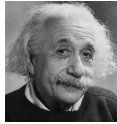
To catch up, you need to ask the **right questions**

To get ahead, you need to find the **right answers** to the **right questions**

To stay ahead, you need the **right answers** to the **right questions** at the **right time**

- Louis Patler,  
Don't Compete...Tilt the Field

## What questions should you be asking yourself?



"If I were given one hour to save the planet, I would spend 59 minutes defining the problem and one minute resolving it."  
Albert Einstein

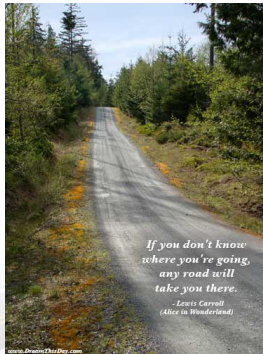


## Questions for Navigating the Future

1. What is your desired destination?
2. Have you developed your road map?
3. What is your unique value proposition?
4. Who will you choose as your traveling partners?
5. What are your most important priorities?



## 1: What is your desired destination?



*If you don't know where you're going, any road will take you there.*  
— Lewis Carroll (Alice in Wonderland)



- What markets and customers are you trying to serve?

## 2: Have you developed your road map?



### Strategy is about earning the "Right to Win"

A right to win is the ability to engage in any competitive market with a **better-than-even chance of success** – not just in the short term, but consistently"



"You earn it by making a series of **pragmatic choices** that align your **most distinctive and important capabilities** with the way you **approach your chosen customers**, and with the **discipline** to offer only the **products and services that fit.**"  
The Right To Win, Strategy + Business, Winter 2010

- How are you going to compete and win in your target market?

### 3: What is your unique value proposition?



Differentiation is about:

- Performing different activities from the competition
- Performing similar activities in a different way from the competition

- What are you doing to create and capture value?

### 4: Who will you choose as your traveling partners?



*"We move through vast fields of opportunity on a road built by our own choices, interests and talents. It is the gift of the journey and how you choose to travel that forms the essence and purpose of life."*

*Norman Pape  
Pape Ranches*

- Who do you need to partner, collaborate or coordinate with to strengthen your competitiveness and increase your joy?

### 5. What are your most important priorities?

*"When everything feels urgent and important, everything seems equal. We become active and busy, but this doesn't actually move us any closer to success. Activity is often unrelated to productivity, and busyness rarely takes care of business."*

*"People think focus means saying yes to the thing you've got to focus on. But that's not what it means at all. It means saying 'no' to the 100 other good ideas that there are. You have to pick carefully. I'm actually as proud of many of the things we haven't done as the things we have done."*

Steve Jobs



- What do you need to say "no" to?



*"Nothing is more difficult, and therefore more precious, than to be able to decide."*  
Napoleon

Focus on the important calls!

“With good judgment, little else matters. Without good judgment, nothing else matters.”

“Good leaders sort the important from the trivial. They focus on getting the important calls right.”

• Judgment, Warren Bennis, Noel Tichy

