BUILDING ON TRADITION



Glenn Leitch

President, Jennie-O Turkey Store

Group Vice President, Hormel Foods

Agenda

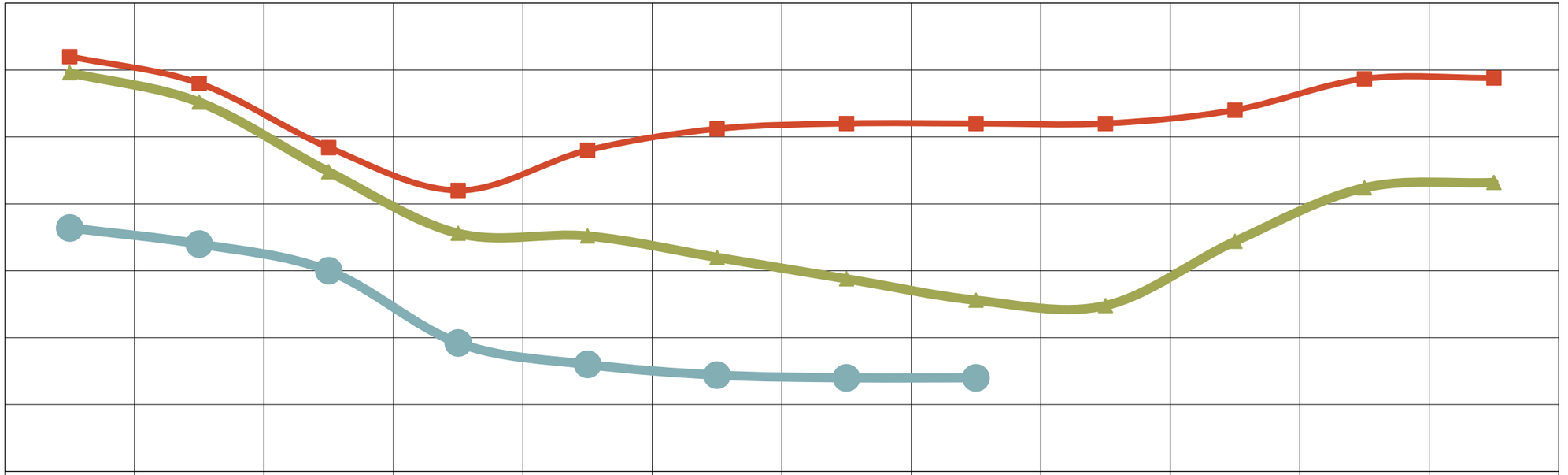
- Industry status
- Our fundamental goals
- How we win
- Our supply chain metrics
- Summary

2013 Turkey Industry Ranking - Top 10

Rank	Company	2011 Pounds	2012 Pounds	2012 % Change	2013 Pounds	2013 % Change
1	Butterball, LLC	1,300.0	1,300.0		1,300.0	
2	**Jennie-O Turkey Store**	**1,290.0**	**1,275.0**	**-1.2%**	**1,250.0**	**-2.0%**
3	Cargill Value Added Meats	1,095.0	1,095.0		1,071.0	-2.2%
4	Farbest Foods, Inc.	360.0	385.0	6.9%	406.0	5.5%
5	Hillshire Brands Company (formerly Sara Lee)	340.0	358.0	5.3%	410.0	14.5%
6	Kraft Foods, Inc. / Oscar Mayer	280.0	280.0		280.0	
7	Foster Farms	274.2	274.0	-0.1%	281.4	2.7%
8	Perdue Farms Incorporated	259.0	271.0	4.6%		
9	House of Raeford Farms, Inc.	259.0	253.0	-2.3%	249.0	-1.6%
10	Virginia Poultry Growers Cooperative, Inc.	245.0	251.0	2.4%	240.0	

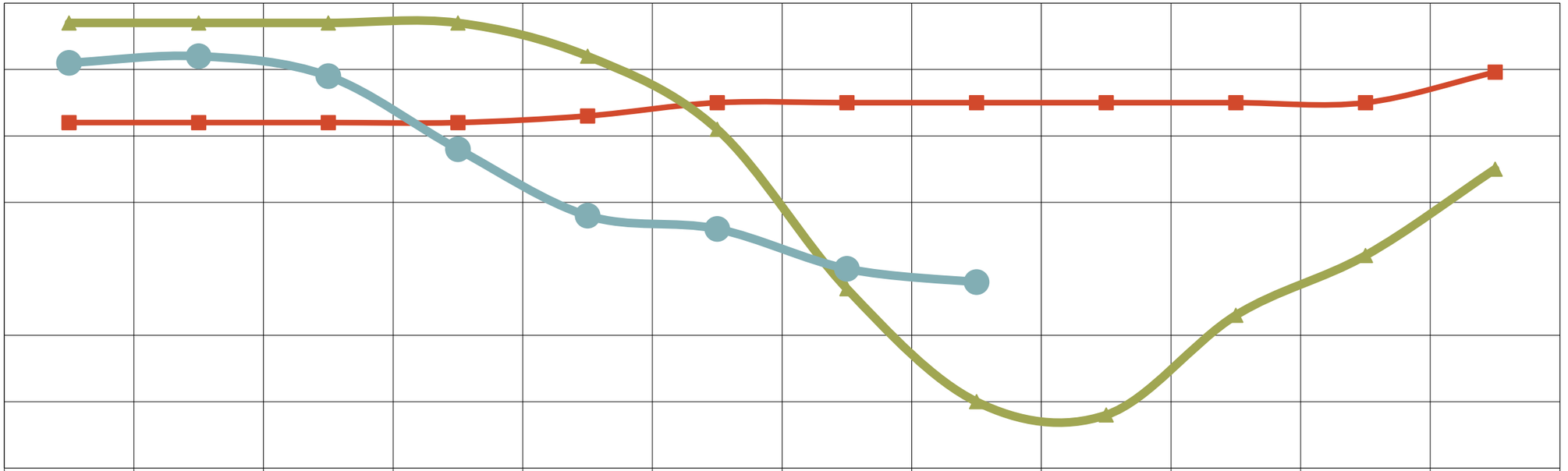
Watt PoultryUSA Survey, 2013 ***TOTAL LIVE POUNDS (in millions)***

Fresh Breast Meat



	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
F11 2.52	2.75	2.65	2.41	2.25	2.40	2.48	2.50	2.50	2.50	2.55	2.67	2.67
F12 2.16	2.69	2.58	2.32	2.09	2.08	2.00	1.92	1.84	1.82	2.06	2.26	2.28
F13	2.11	2.05	1.95	1.68	1.60	1.56	1.55	1.55				

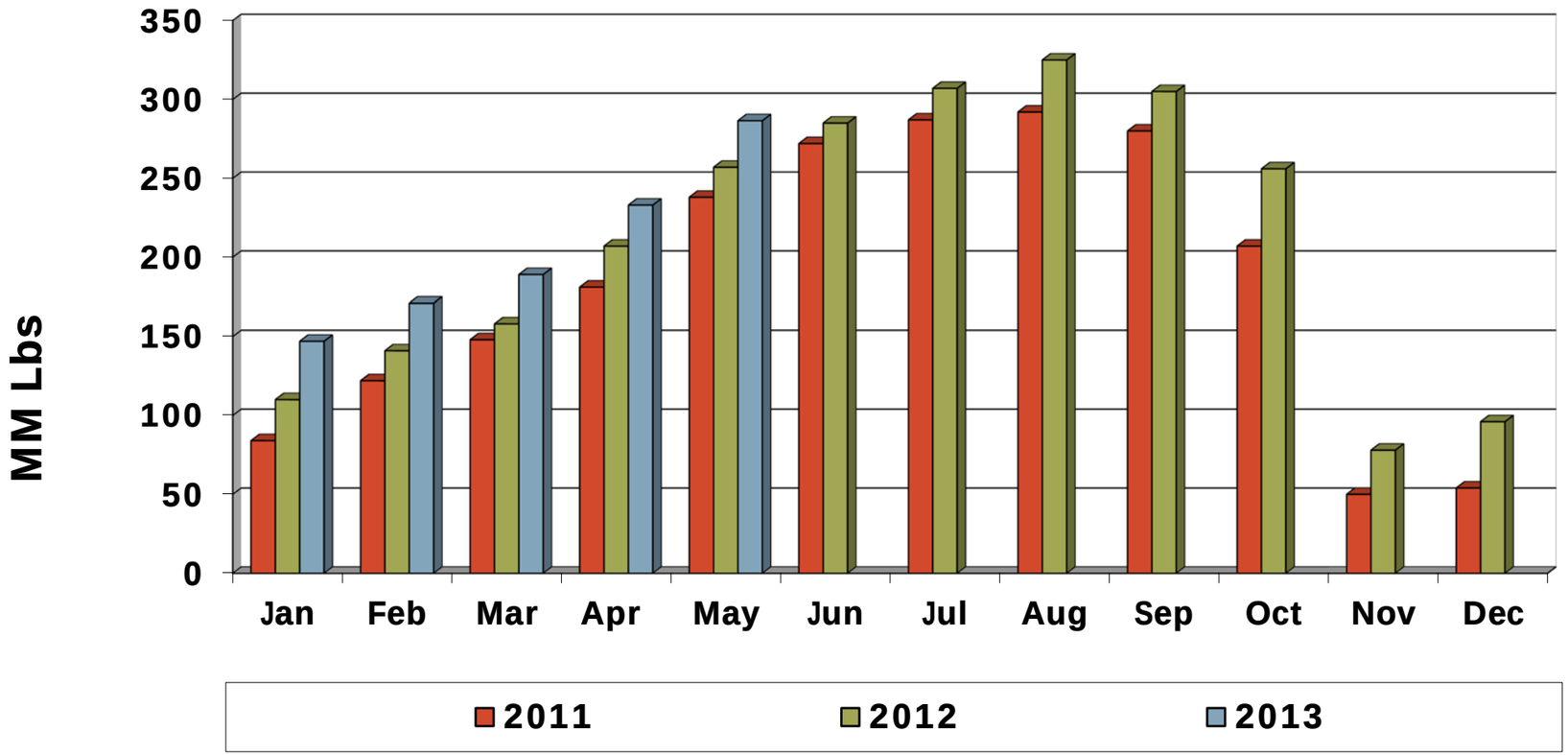
Frozen Thigh Meat



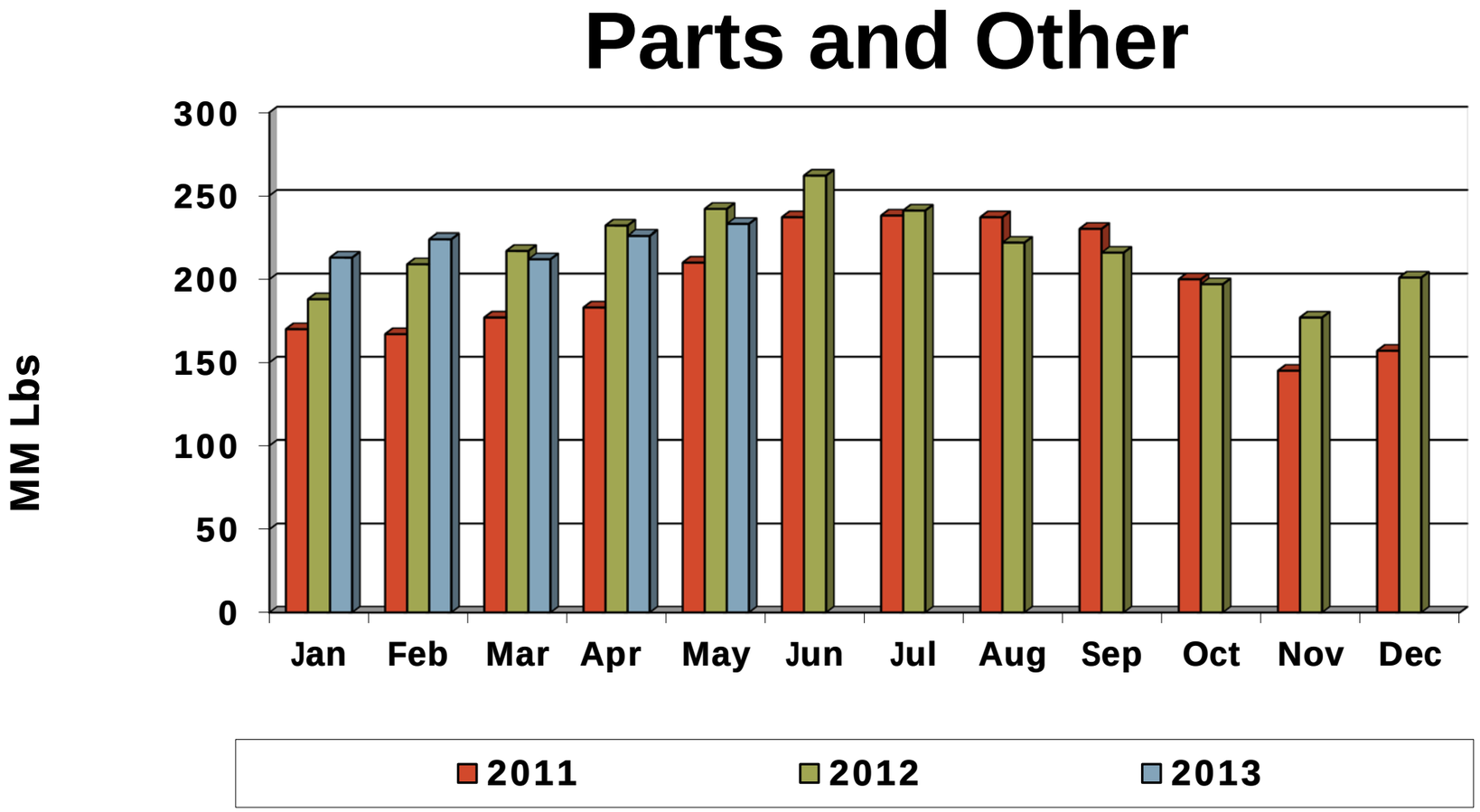
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
F11 1.34	1.32	1.32	1.32	1.32	1.33	1.35	1.35	1.35	1.35	1.35	1.35	1.40
F12 1.24	1.47	1.47	1.47	1.47	1.42	1.31	1.07	0.90	0.88	1.03	1.12	1.25
F13	1.41	1.42	1.39	1.28	1.18	1.16	1.10	1.08				

Cold Storage Stocks

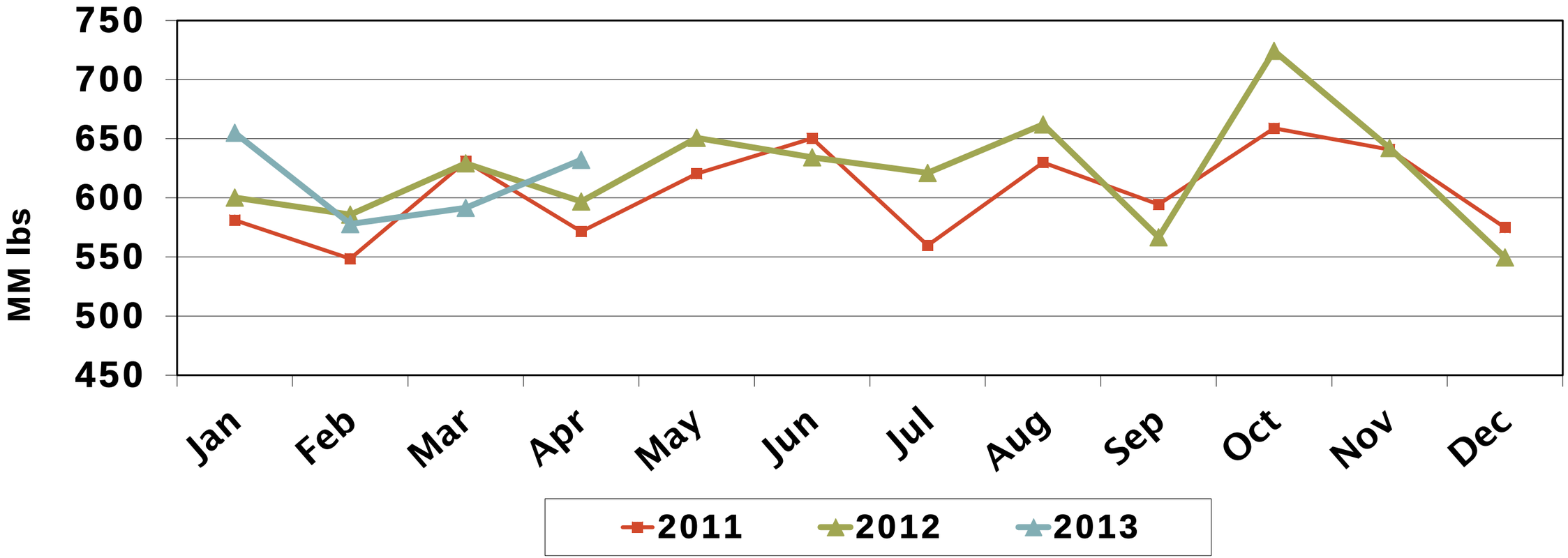
Whole Birds



Cold Storage Stocks



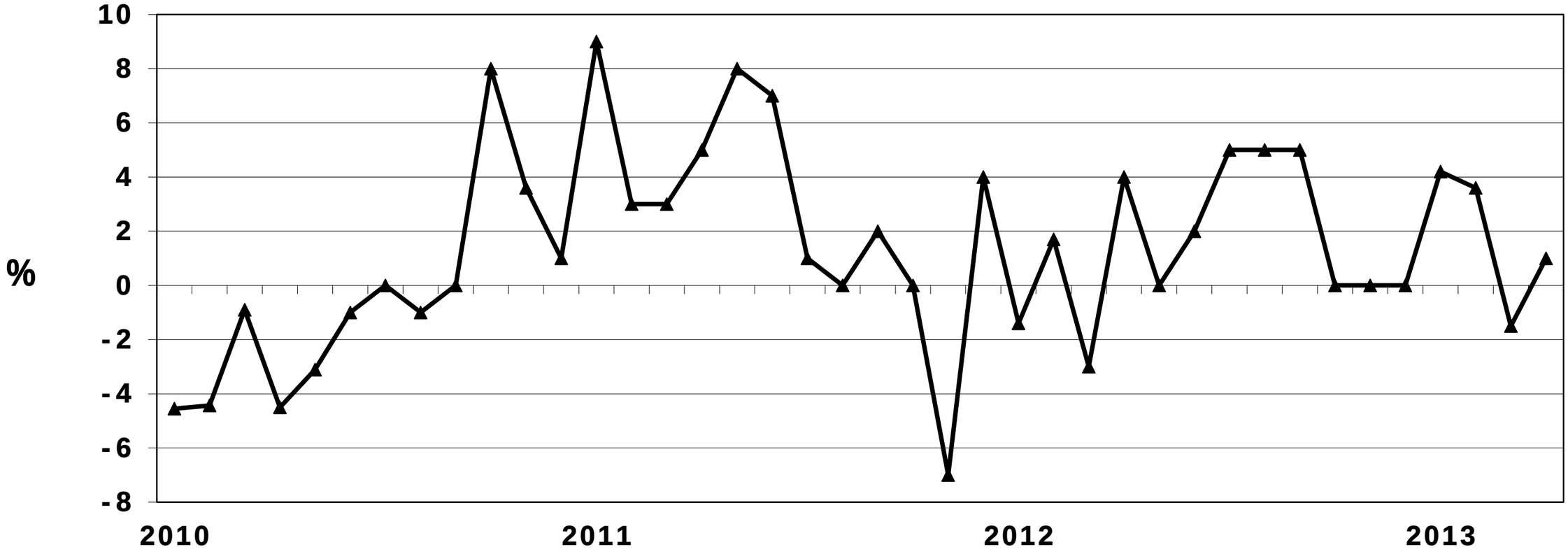
Total Live Weight Slaughter Pounds



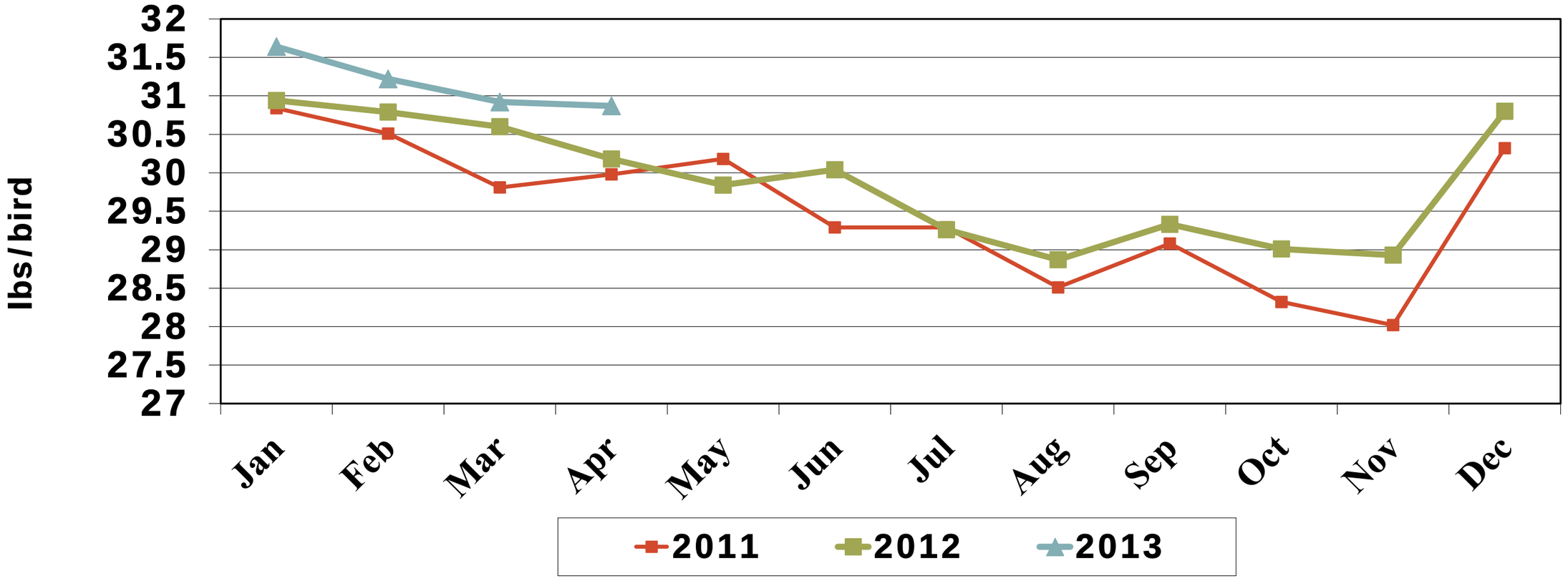
2013 live weight slaughter +2%

Monthly % Change in Slaughter Pounds

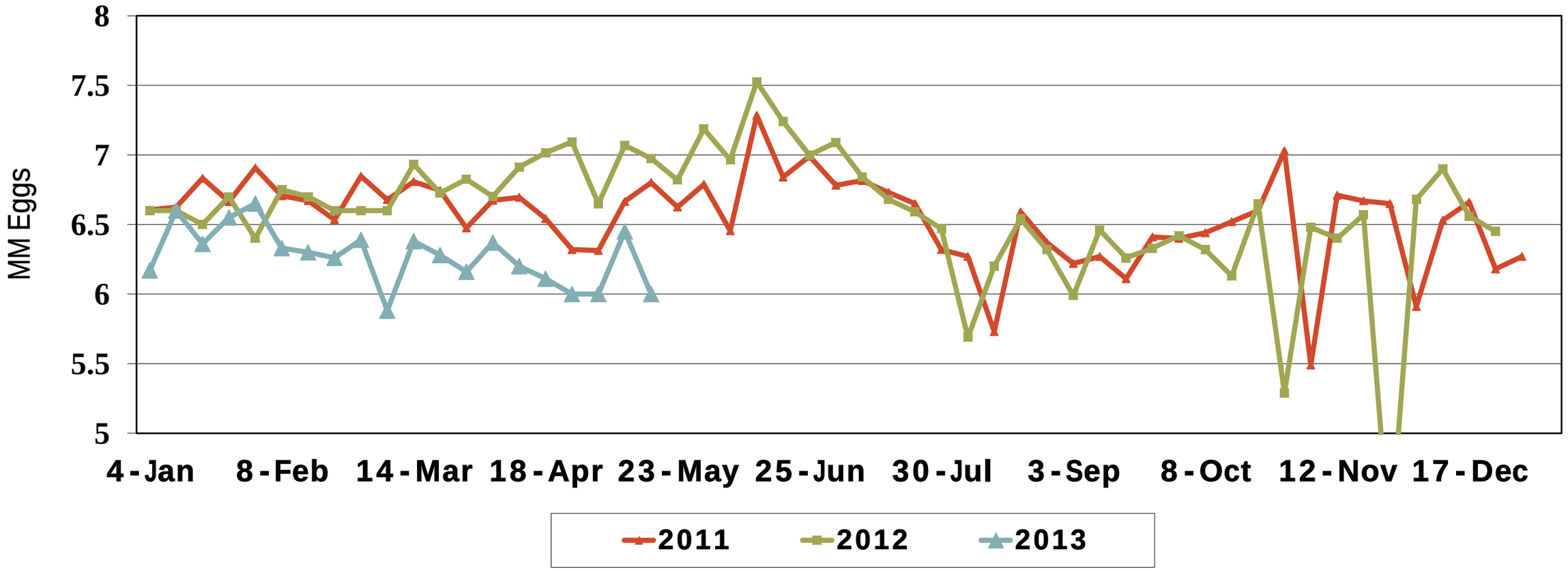
(Measured year-over-year with comparable number of kill days.)



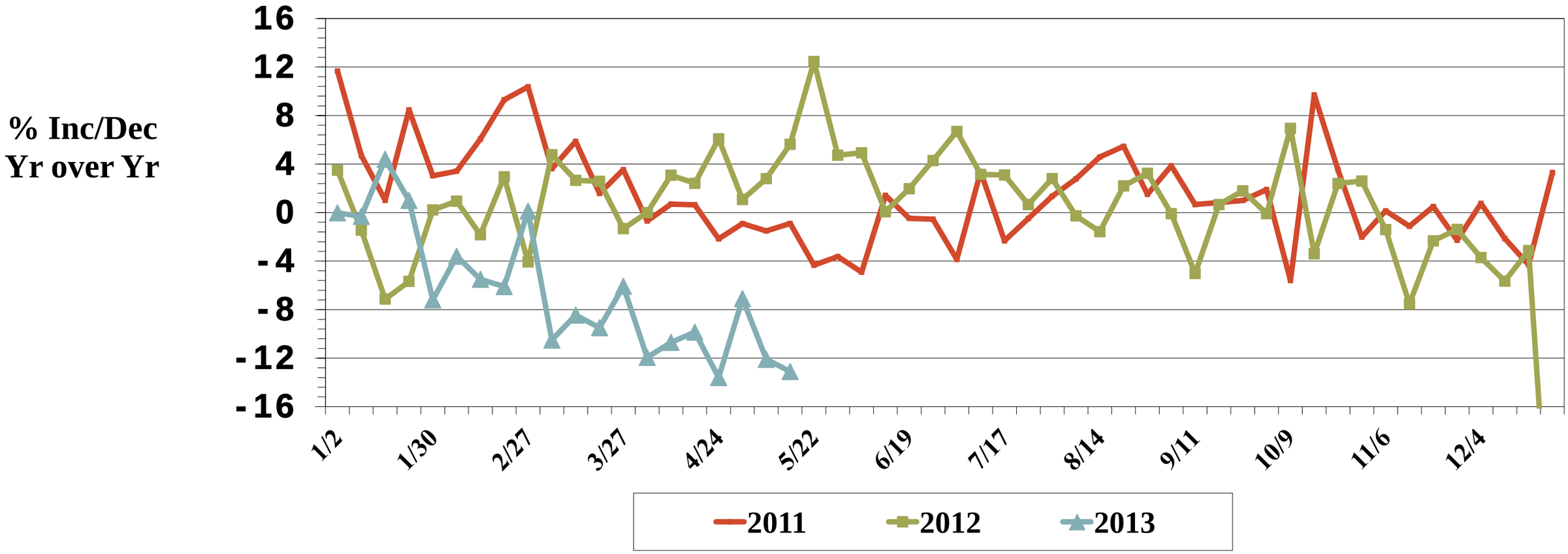
Average Live Weight Per Head



Weekly Egg Sets

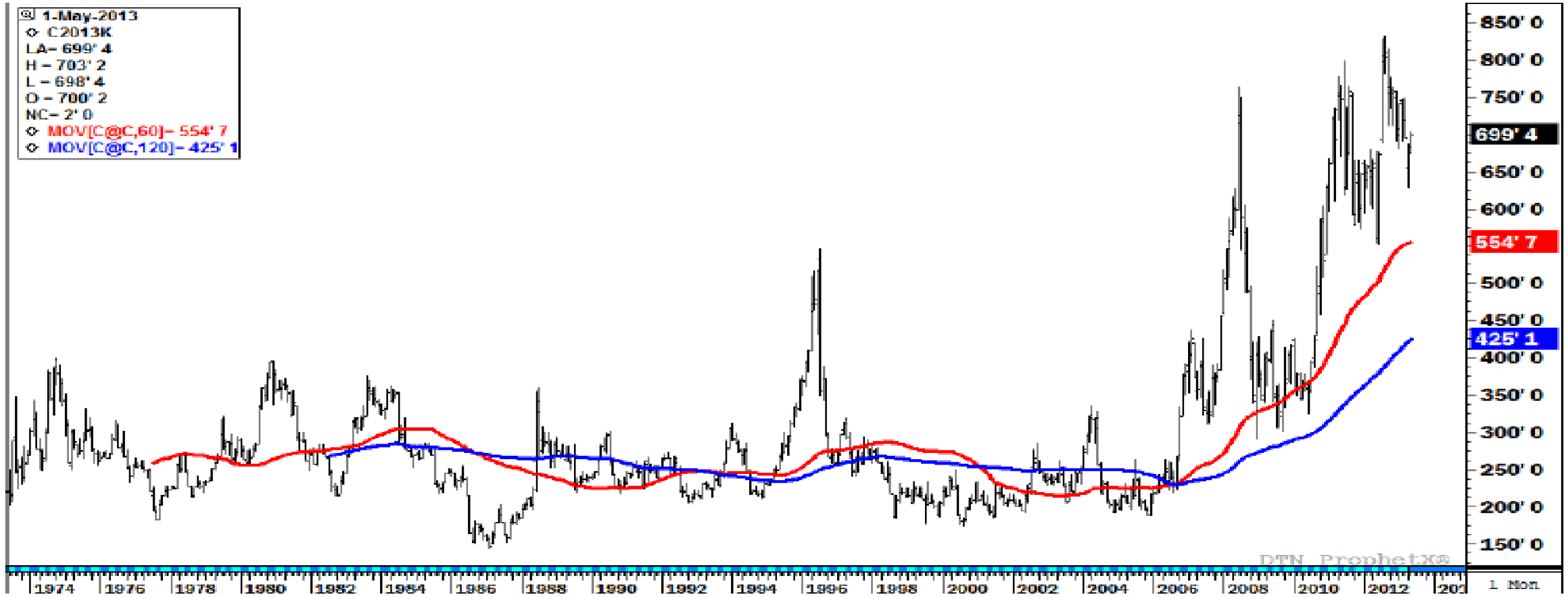


Poults Placed (U.B.)



Corn Market

Long Term Nearby Corn Futures



At the end of the day, grain markets will not define us. We will be defined by…

- Maintaining the level of Food Safety at a standard that leads the industry.
- Developing People Safety and Animal Care practices such that we watch out for each other and the animals in our care every day.
- Managing our total supply chain to gain efficiencies and continuous improvement in cost and process control.
- Protecting and growing our brands, developing deeper relationships with our customer partners and consumers, and creating products that make a difference in people's lives.

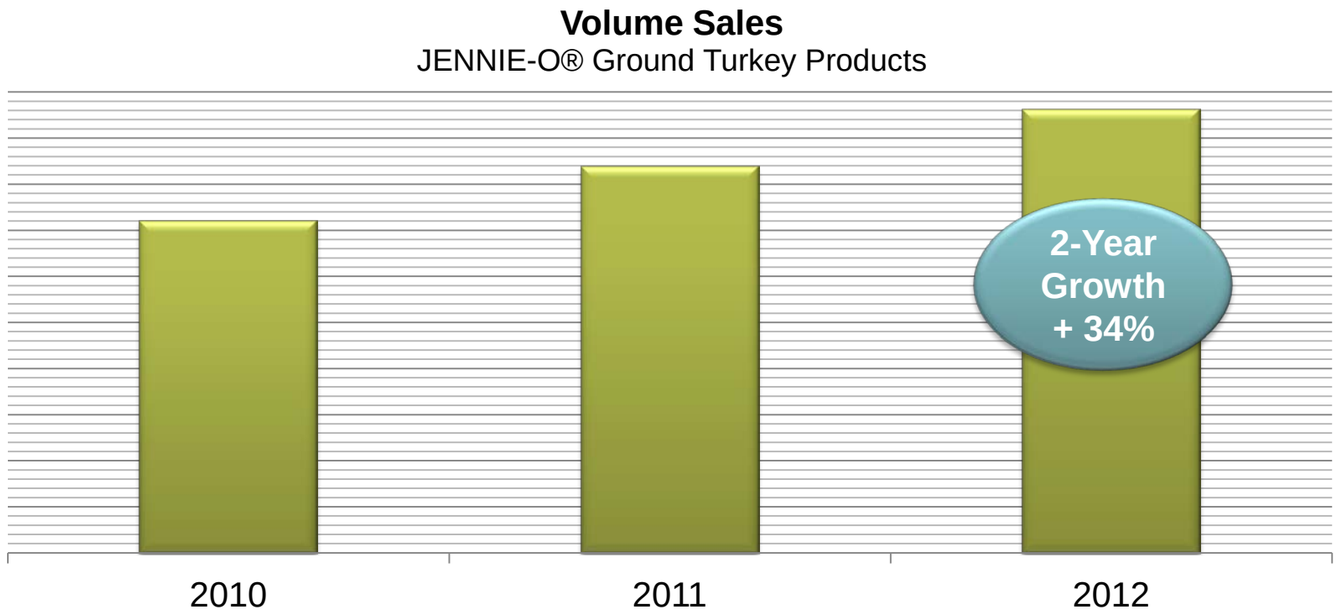


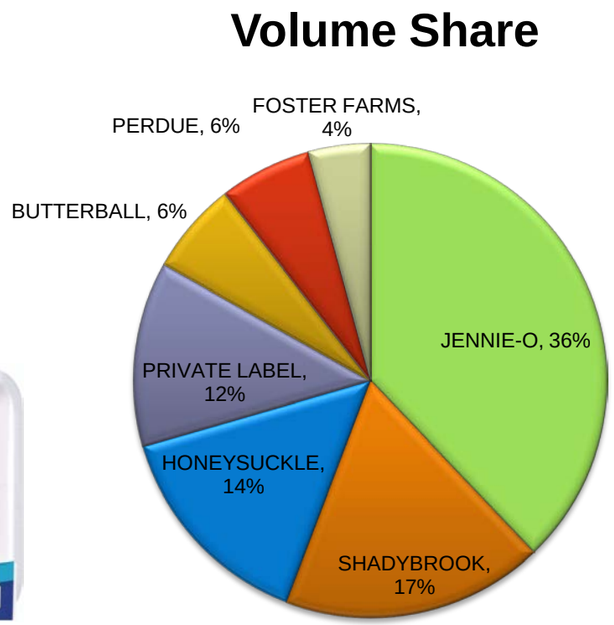
How We Win in the Marketplace



Ground Turkey Category Leadership

JENNIE-O® has grown 34% since 2010, and now has 36% market share.





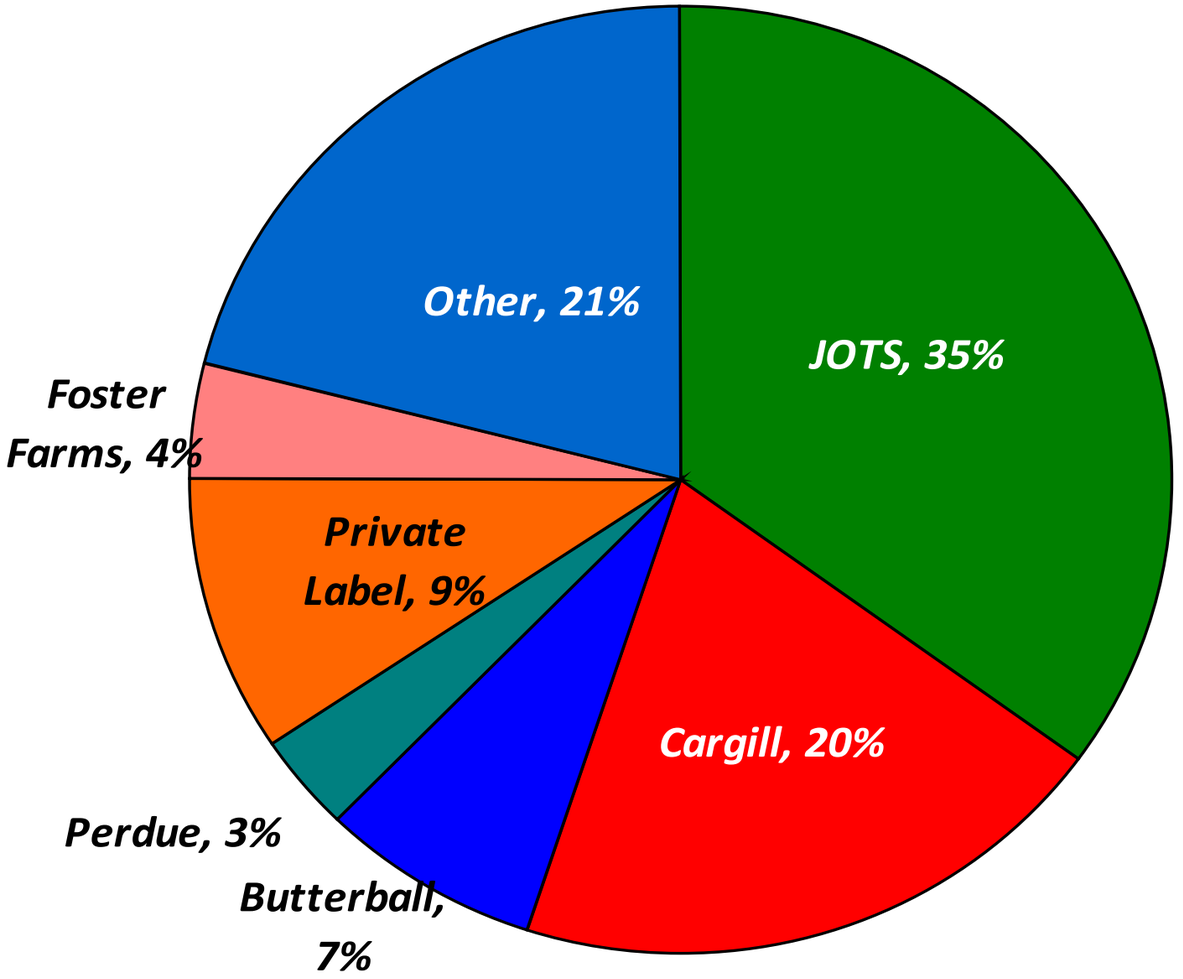




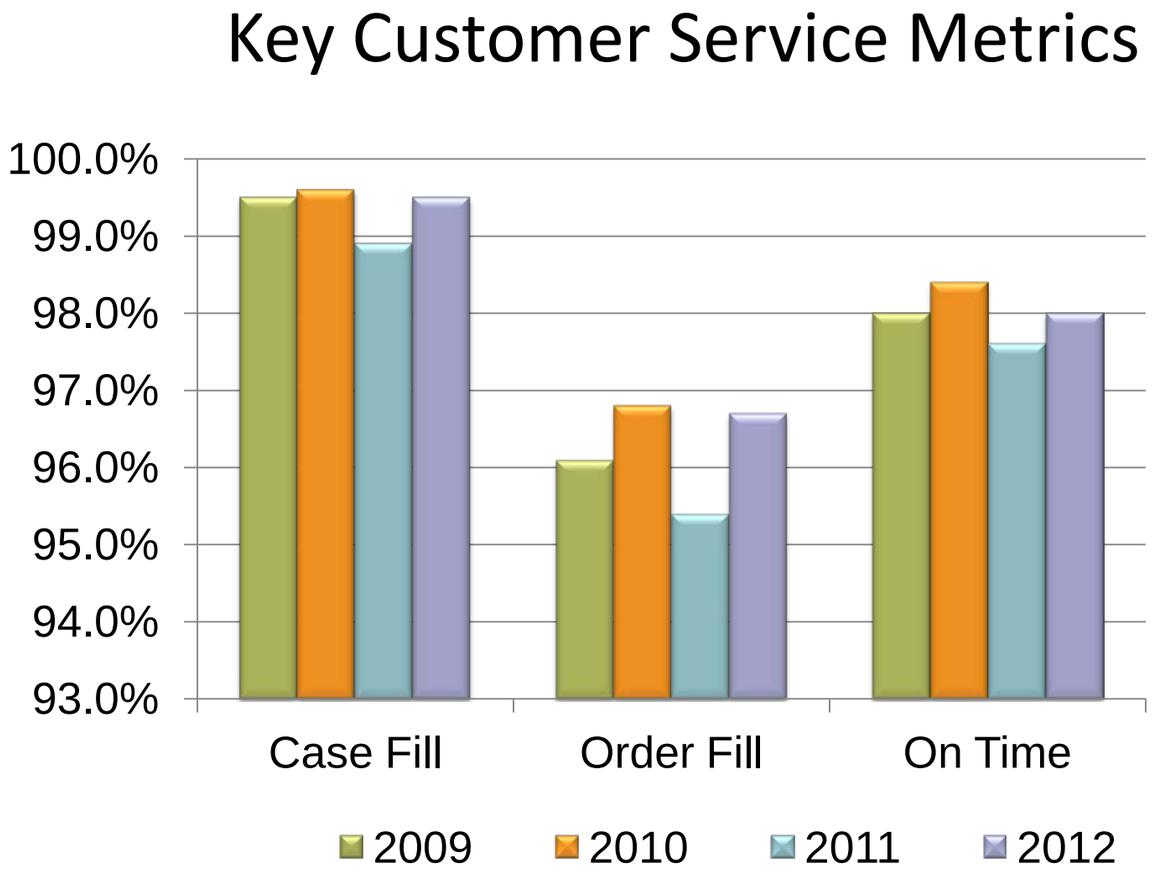
Source: AC Nielsen, 104 w/e 11-10-12

Do we win the marketplace?

Total Brand Shares of
Fresh, Frozen & Processed
Turkey Categories

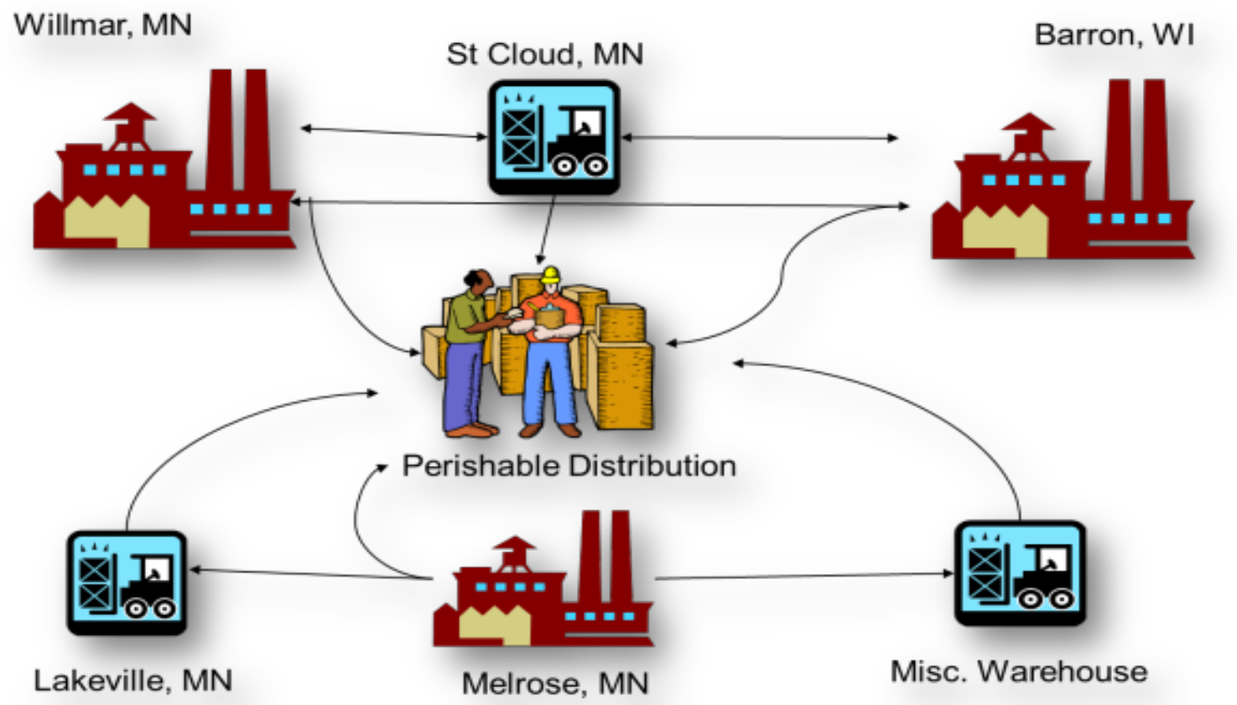


Customer Service



From 2009 to 2012,
Jennie-O Turkey Store's Customer Retention Rate for Fresh Tray Pack customers
is 98%.

Logistics
“The Fresh Super Highway”



Jennie-O’s fresh distribution system remains as a core competency of the company.

Innovation

Package



Shelf Life



Convenience





Non-traditional Channels



New Ideas



Merchandising



Brand Building

JENNIE-O® uses a multi-prong approach to reaching consumers - from social media to public relations, from grassroots level sampling to national prime time television.

LIKES on Facebook page.

225,000 +

Annual visitors to jennieo.com

1 MILLION



Consumer impressions from public relations

300 MILLION

Estimated viewers of the 2012 WORLD SERIES®

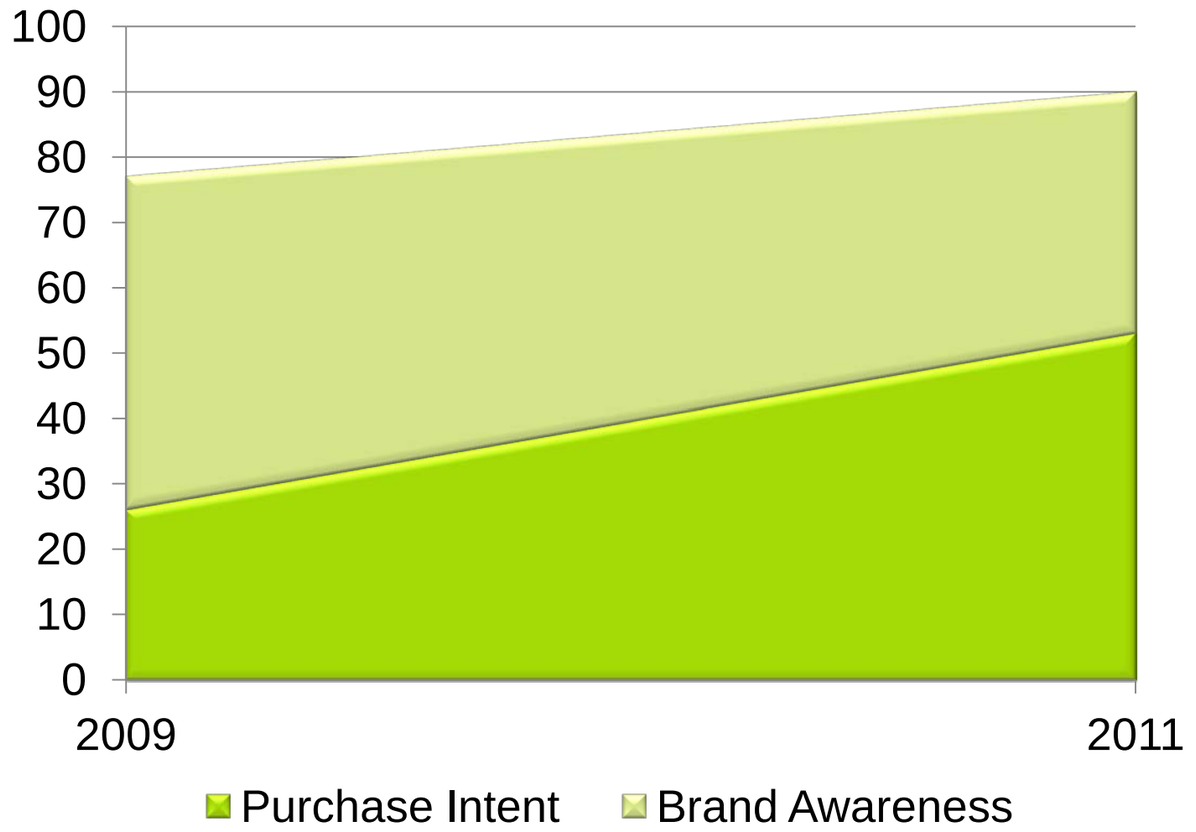
200 MILLION

Viewers during a season of THE BIGGEST LOSER®

63 MILLION

Purchase Intent

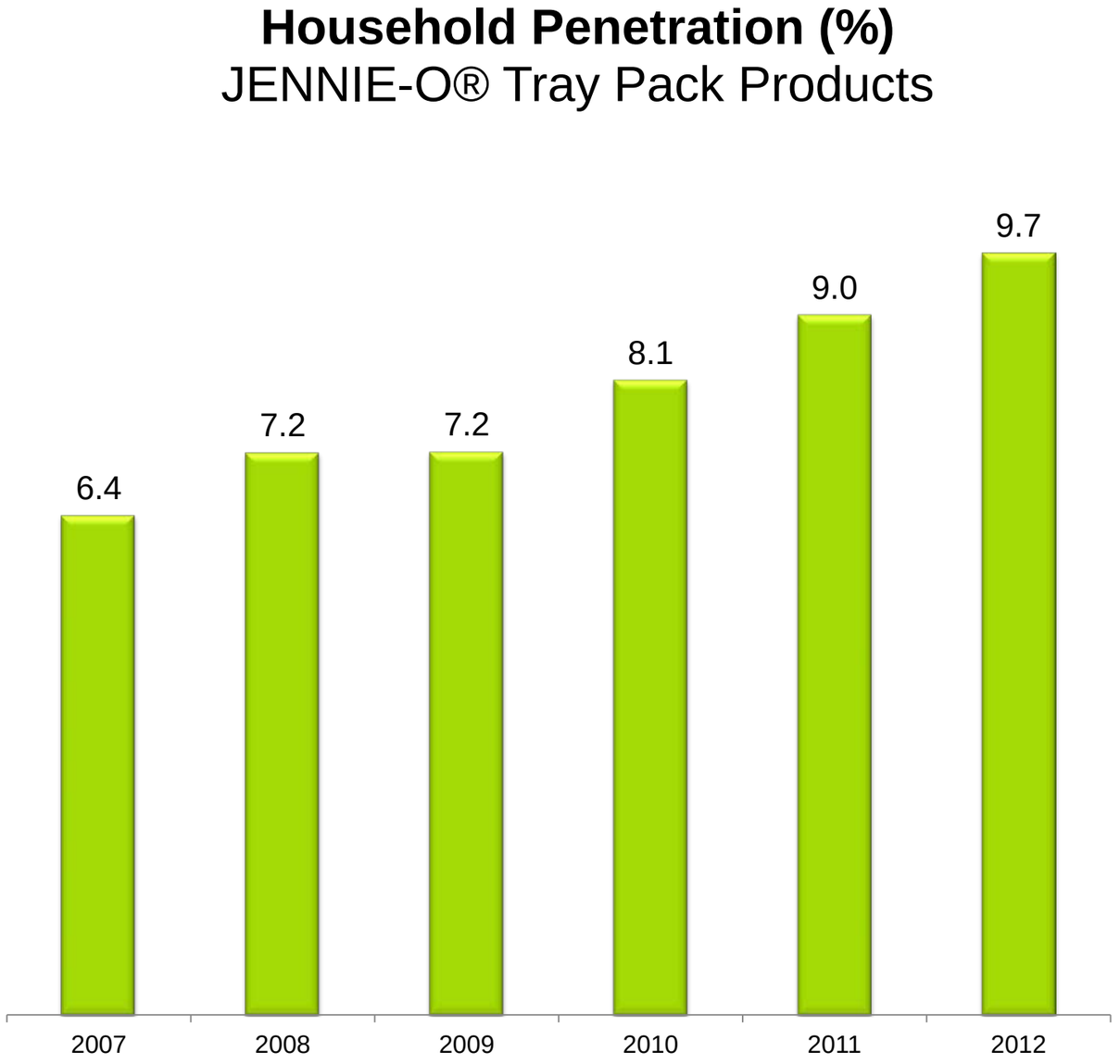
Total Purchase Intent
JENNIE-O® Brand



As JENNIE-O® brand awareness has grown, so has intent to purchase. This key **sales-driving** measurement is up from 26% to 53%.

Category Leadership

Jennie-O Turkey Store has grown brand and category consumption by driving tray pack new household penetration 51% since 2007.



Source: AC Nielsen, 52 w/e 11-10-12

Food Safety Brand Communication

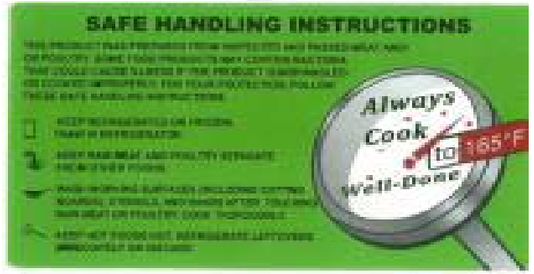
Striving for the safest cooking possible, Jennie-O communicates food safety to our consumers in a variety of ways – including messages on our websites, packaging and TV commercials.







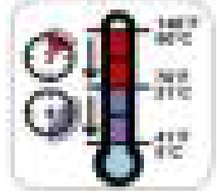










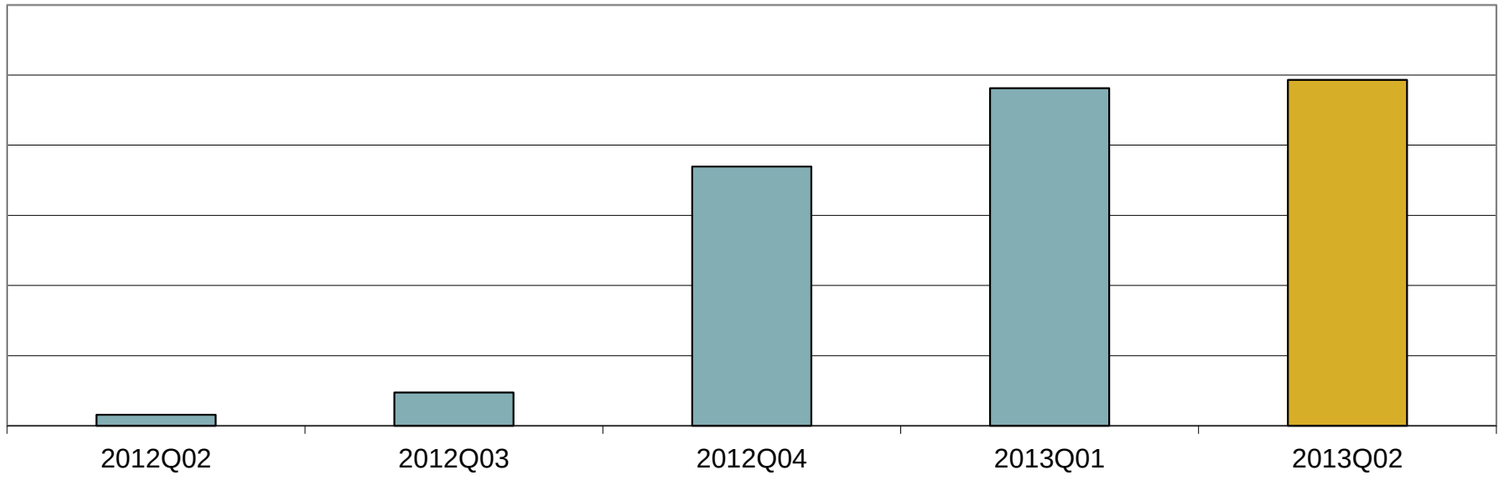






Key Growth Drivers – Fresh Breakfast Chubs

- Projected to generate millions of pounds of new volume in FY 2013
- Benefitting from extended shelf life and solid momentum for turkey based breakfast meats
- Over 40 customers now purchasing regularly

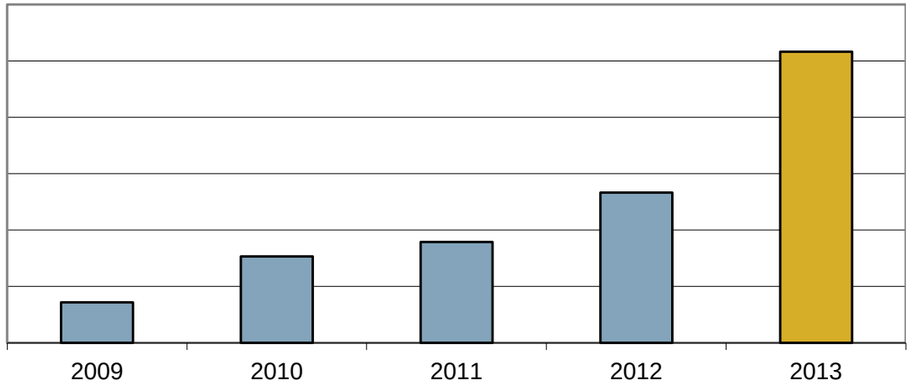




Key Growth Drivers – Fresh Ground Chubs

An Ownable Position:

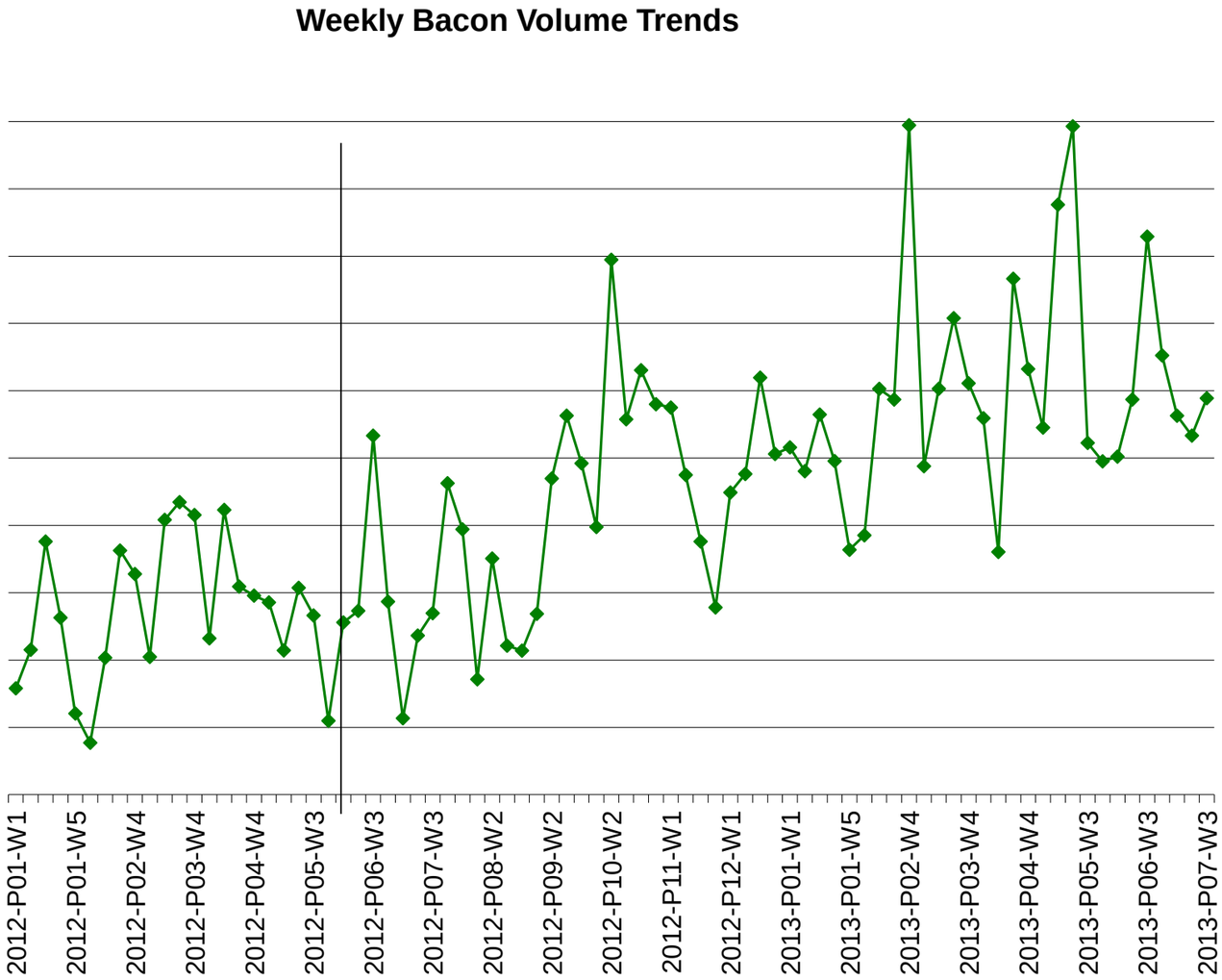
- Shelf life has improved.
- Sales rates continue to grow.
- Ground beef pricing inflation continues.
- Dinner chubs increase the total turkey grind category.







Key Growth Drivers – Turkey Bacon



ACN 12 Wks Ending 4/28/13

ACV Distribution +15
Dollar Volume +55%
Dollar Share +3




ZIP-PAK
Jennie-O
TURKEY STORE
Improved Taste!
Resealable Package
Turkey Bacon
60% Less Fat
PER SERVING
Jennie-O
TURKEY STORE
Turkey Breakfast Sausage Links
Lean
Jennie-O
TURKEY STORE
Turkey Breakfast Sausage
Lean

Breakfast Results





Bacon

- LBs: 142 Index vs YAGO

Fresh Breakfast Sausage

- Fastest start of any new product

Promotional Periods

Breakfast
January – March, September - October

WHOLLY GUACAMOLE AMERICA'S #1 BRAND

HI-CHI'S

THE NEW BIGGEST LOSER CHALLENGE AMERICA

RECIPE REHAB

Grilling
April– August

WHOLLY GUACAMOLE AMERICA'S #1 BRAND

Hormel Chili

HI-CHI'S

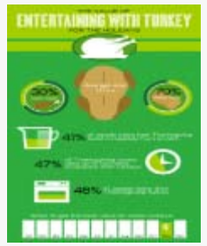
iGrill®

RECIPE REHAB

Oven Ready
September– December

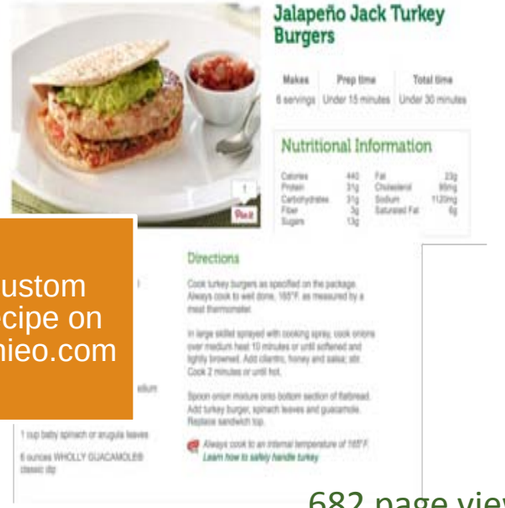


epsilon



Mom Central
engaging moms

JENNIE-O® and WHOLLY GUACAMOLE® Joint Promotion



Custom Recipe on jennieo.com

682 page views
(0.12% of all page views)

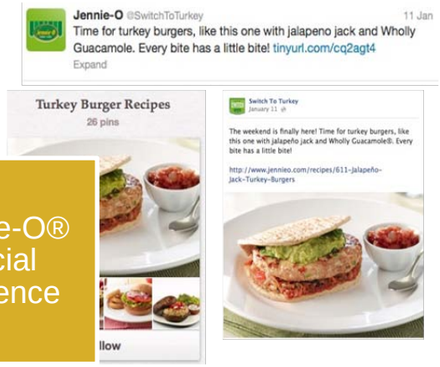


All*You Magazine Ad and Coupon

1.5 M circulation, 3.6 M impressions
Coupon Redemption Forecast = 10.5K



All*You Newsletter



Jennie-O® Social Presence

350,000 opt-in subscribers
19.3% click thru rate



Wholly Guacamole® Packaging



Wholly Guacamole® Blogging Network

500,000+ unique visitors/month

200,000+ opt-in community members

1.9 million packages

New Product Launches



Launched : 2011
Fresh Turkey Breakfast Sausage (Chubs)



Launched : 2012
FESTIVE Seasoned Turkey Chubs



Launched : 2012
Jalapeno Jack Turkey Burgers



Launched : 2013
8oz Turkey Franks



Launched : 2013
Turkey Breast Steaks



Launched : 2013
Maple Turkey Bacon

Launched : 2011
Grab + Go Turkey Pot Roast



Launched : 2012
Turkey Meatloaf
(Deli Prepared Foods)



Re-Launched : 2012
Turkey Bacon
(12oz. + 5oz.)



Launched : 2013
Turkey Breakfast Sausage
(Fully Cooked, Refrigerated)



Launched : 2013
Turkey Meatballs
(Fully Cooked, Refrigerated)



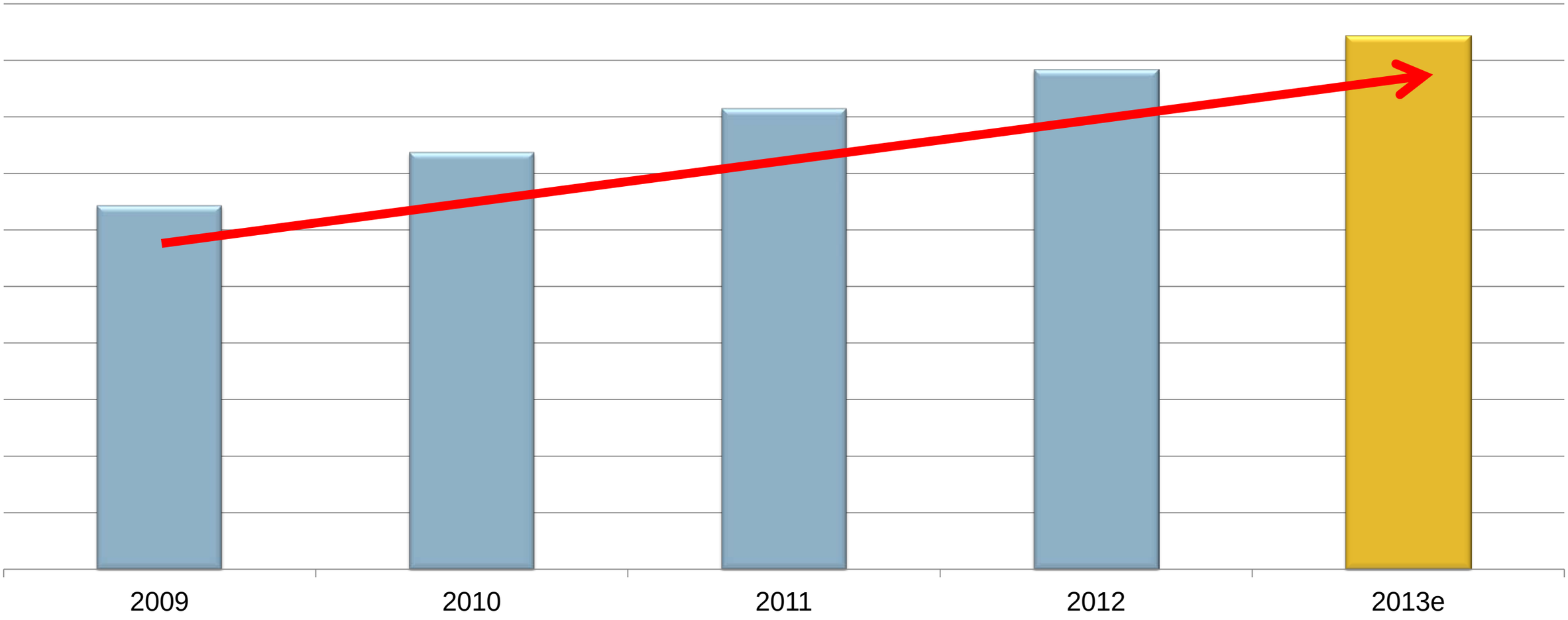
Foodservice







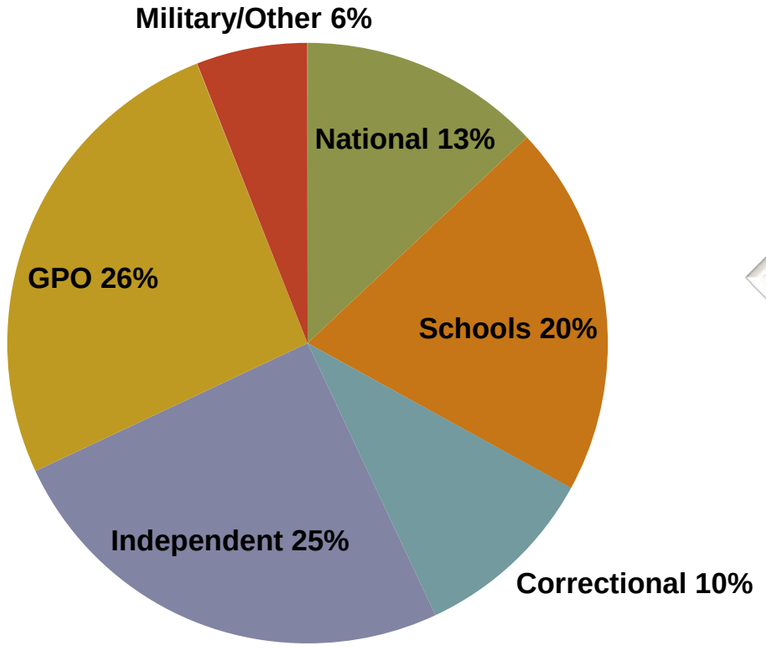
Historical Look – Net Sales Growth



Consistent 12% Annual Growth

Balanced Sales Mix

Independent Distribution



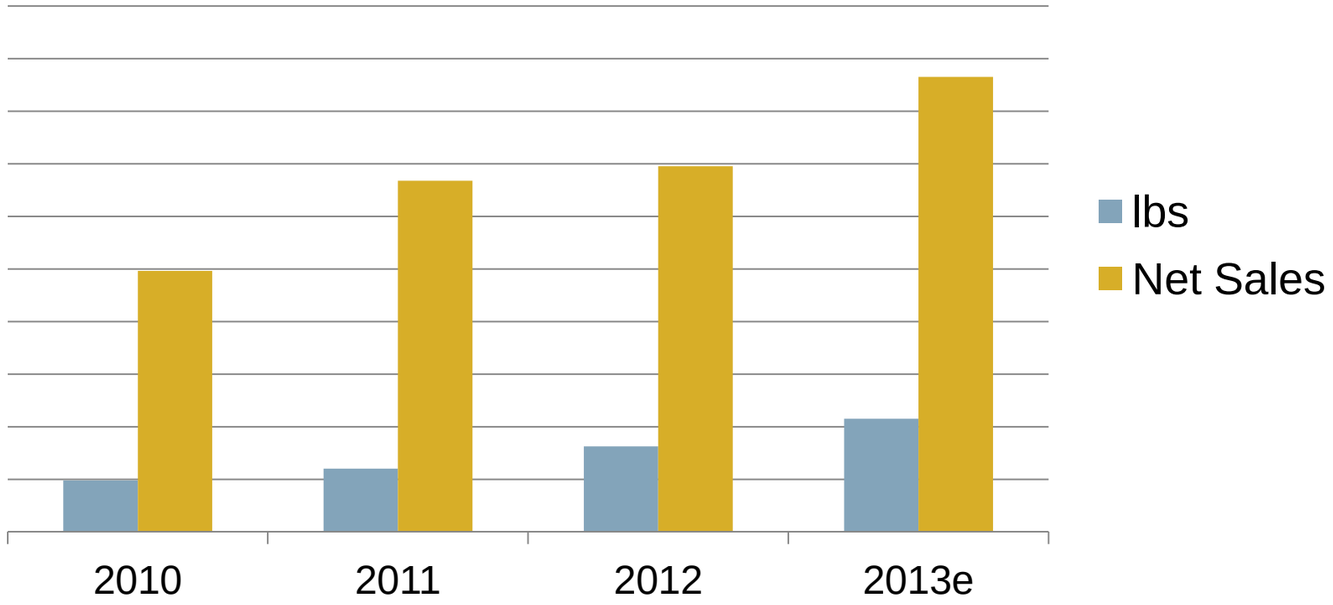
Mgmt/GPO Accounts

K-12 Schools

National Accounts

Correctional

Turkey Bacon





- Leverage JENNIE-O® Brand Retail strength and marketing dollars
- Capitalizing on breakfast growth in Food Service
- “Crispy” expertise

A Sample of 2013 Customer Successes

- Major sandwich chain volume up 58%



- Sit down breakfast new bacon item



- Regional chain all natural burger



- Major K-12 L’atitudes contract

- 3 all natural products at a specialty retailer









MAKE THE SWITCH
Jennie-O

Signature roasted

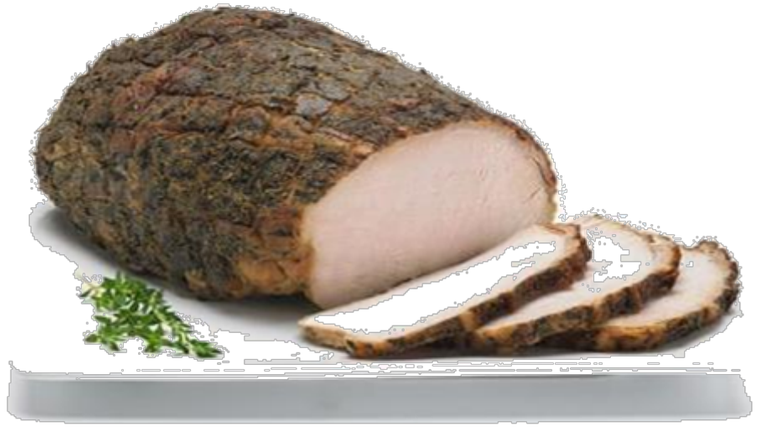




“Store Baked” Program

- Part of a 3-Tiered program
  - Easy (raw roasts)
  - Easier (brown to finish)
  - Easiest (FC premium roasts)
- Benefits
  - Unique to each retailer and customer
  - Can be sold in any deli (even those with exclusive brand agreements)
  - Minimal labor at deli
  - Differentiates from Meat Department

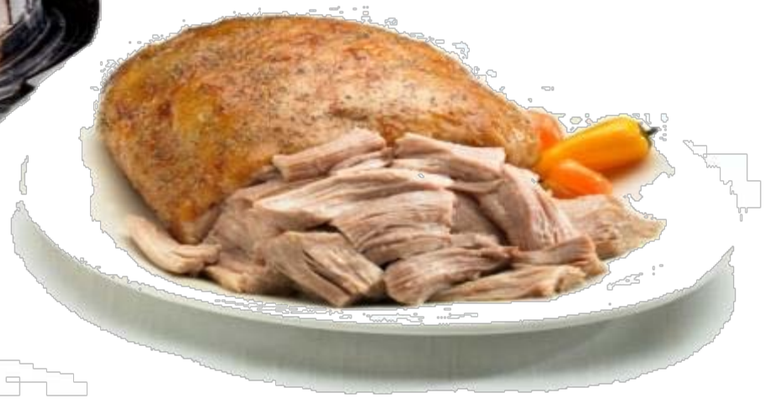




Rotisserie Hot Entrées

- Split breasts
- Turkey pot roast

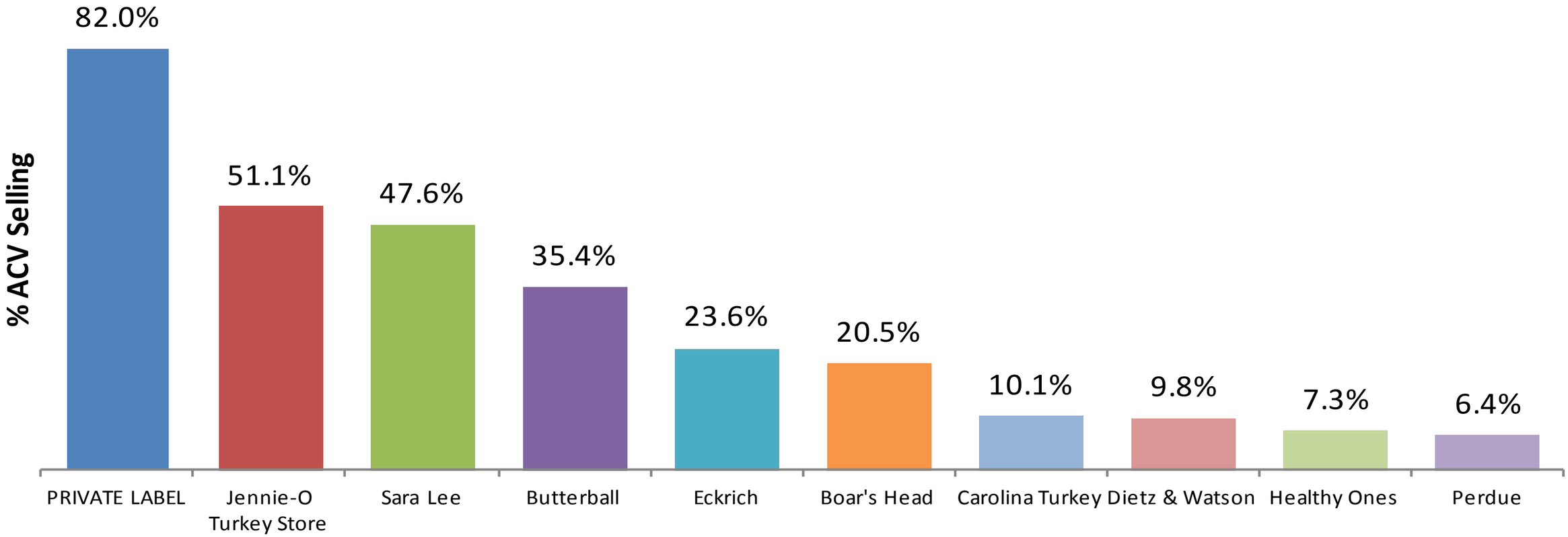








Deli Brand Distribution-Total US
Deli Bulk Total Turkey ACV



Source: Perishables Group 13 w/e 2/23/13, Companies with an ACV of >5%, not including unbranded.

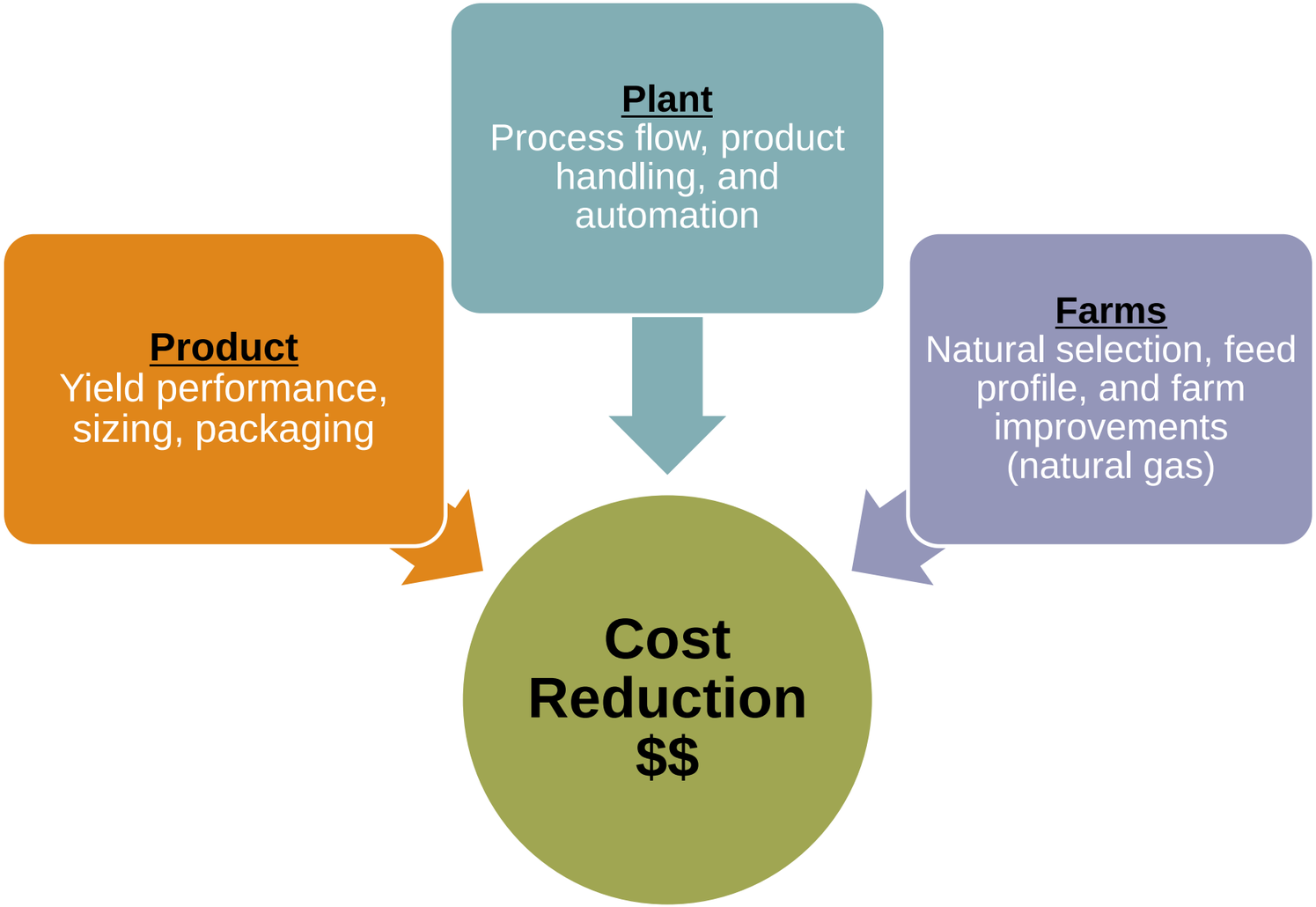
Whole Bird Business



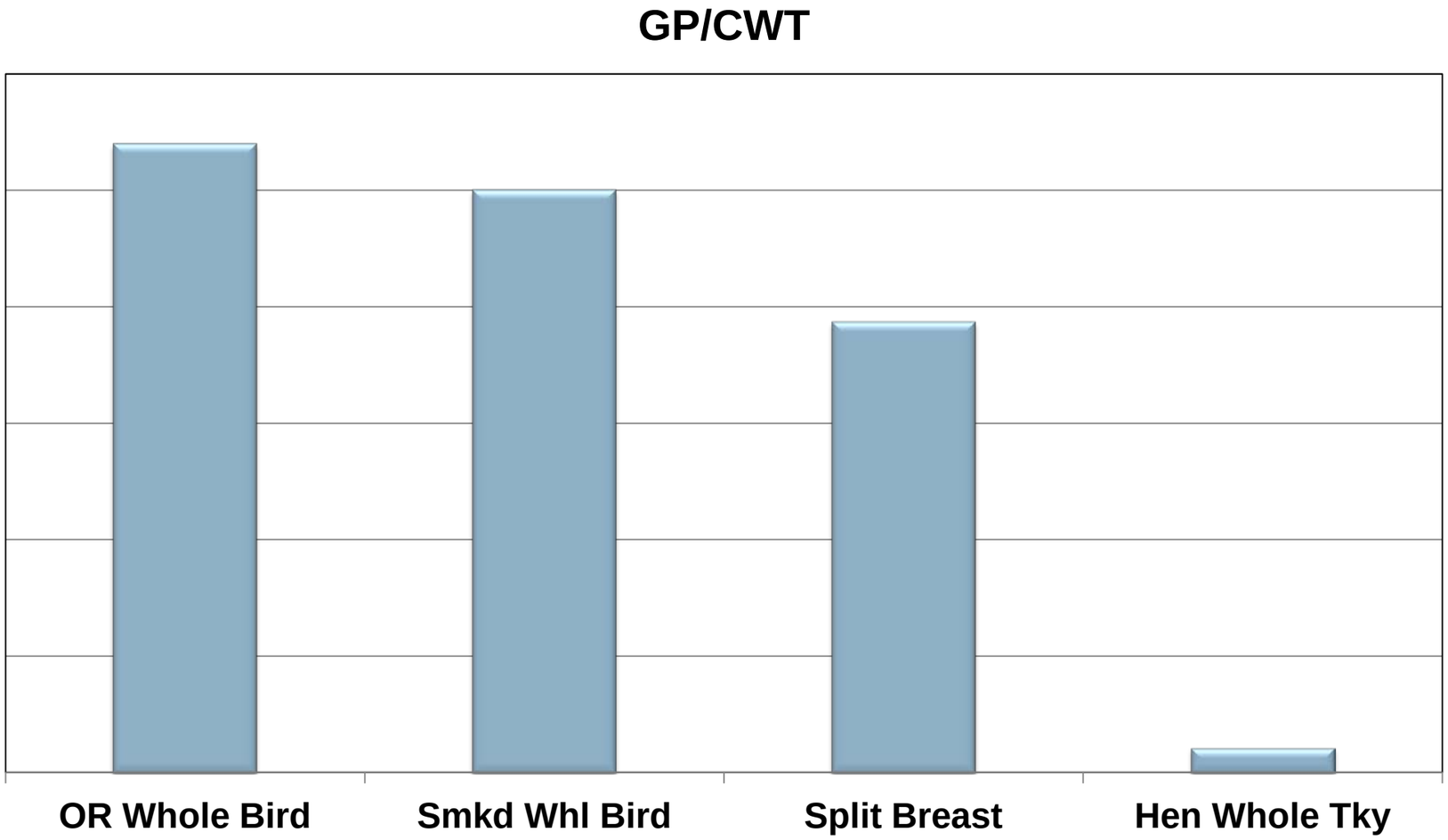




Effective Cost Reductions



Value Adding the Hen Mix





Tactics to Reach Consumers

Banner Ad & Coupons
$3 off OVEN READY™

Direct integration with retailer websites





shopkick



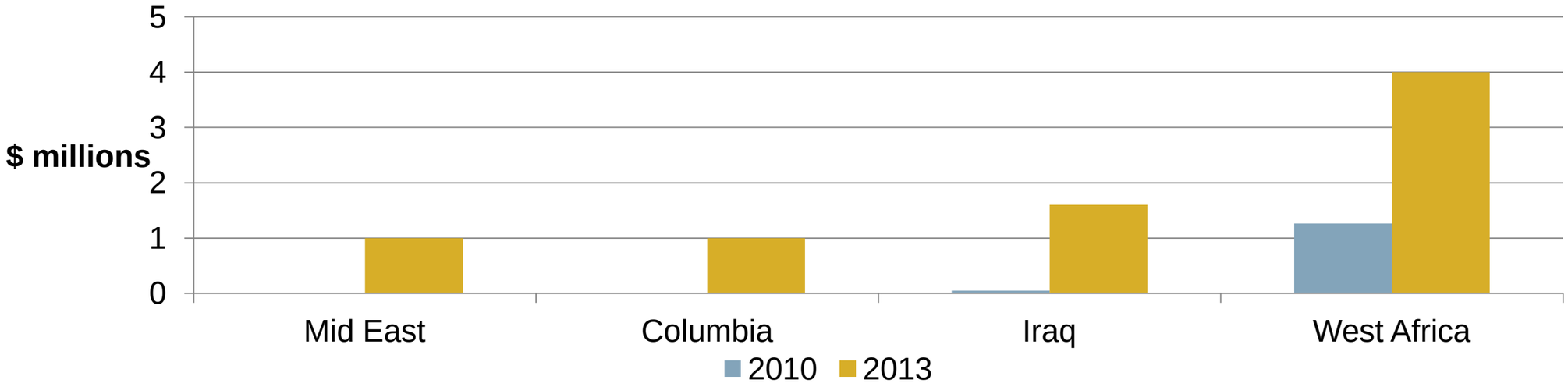
Text to Win Promotion with Country Crock®





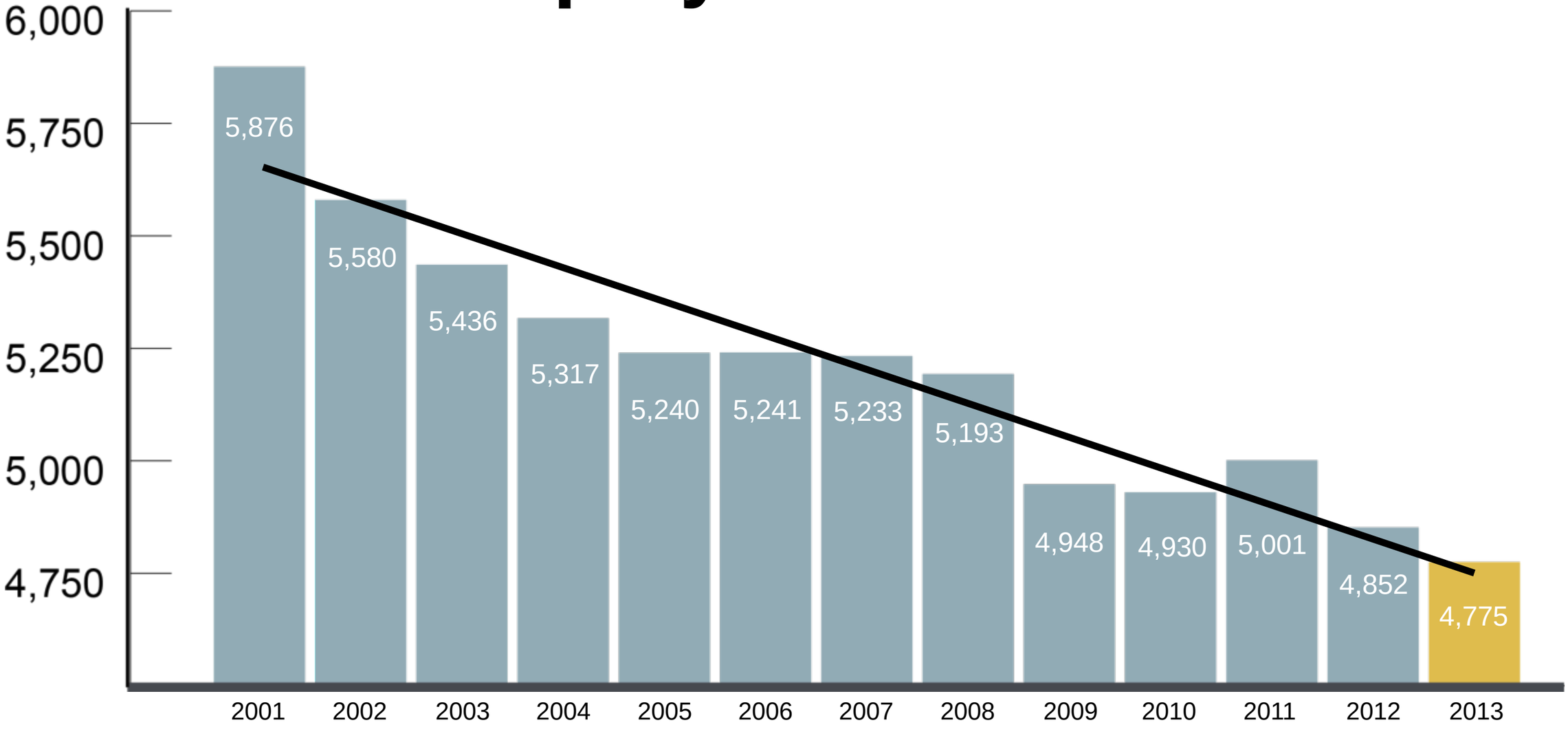
Growing New Export Markets:

Mexico, Canada, and China/HK still lead the way, but….

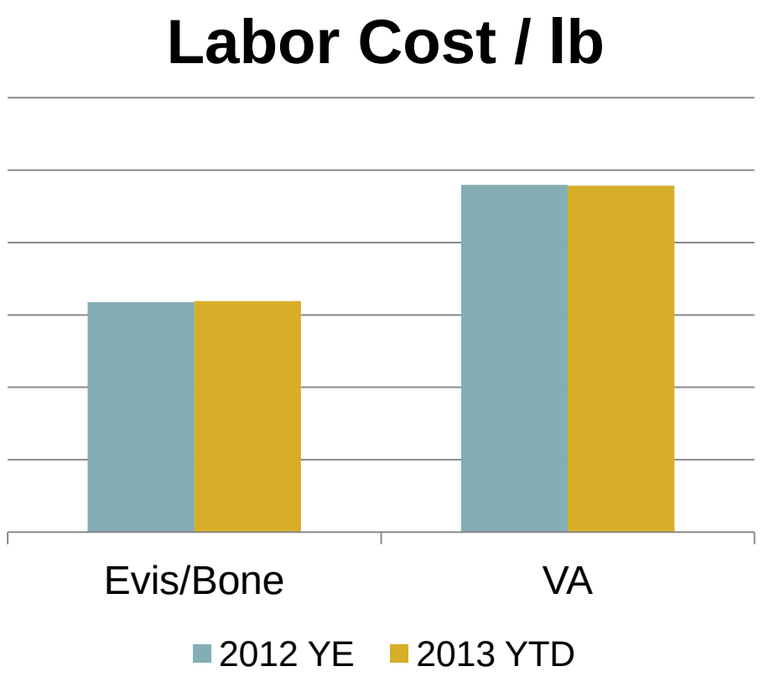


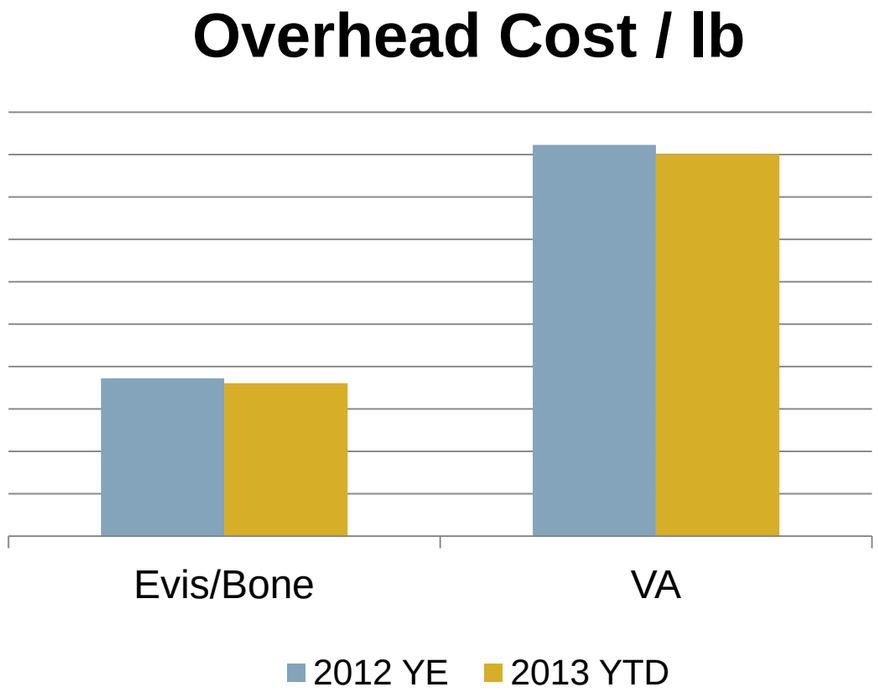
- Reduces pressure on domestic price/supply relationship
- Focuses on improving by-product values, sometimes extraordinarily so
- Improves long term turkey production growth opportunities

Employee Count

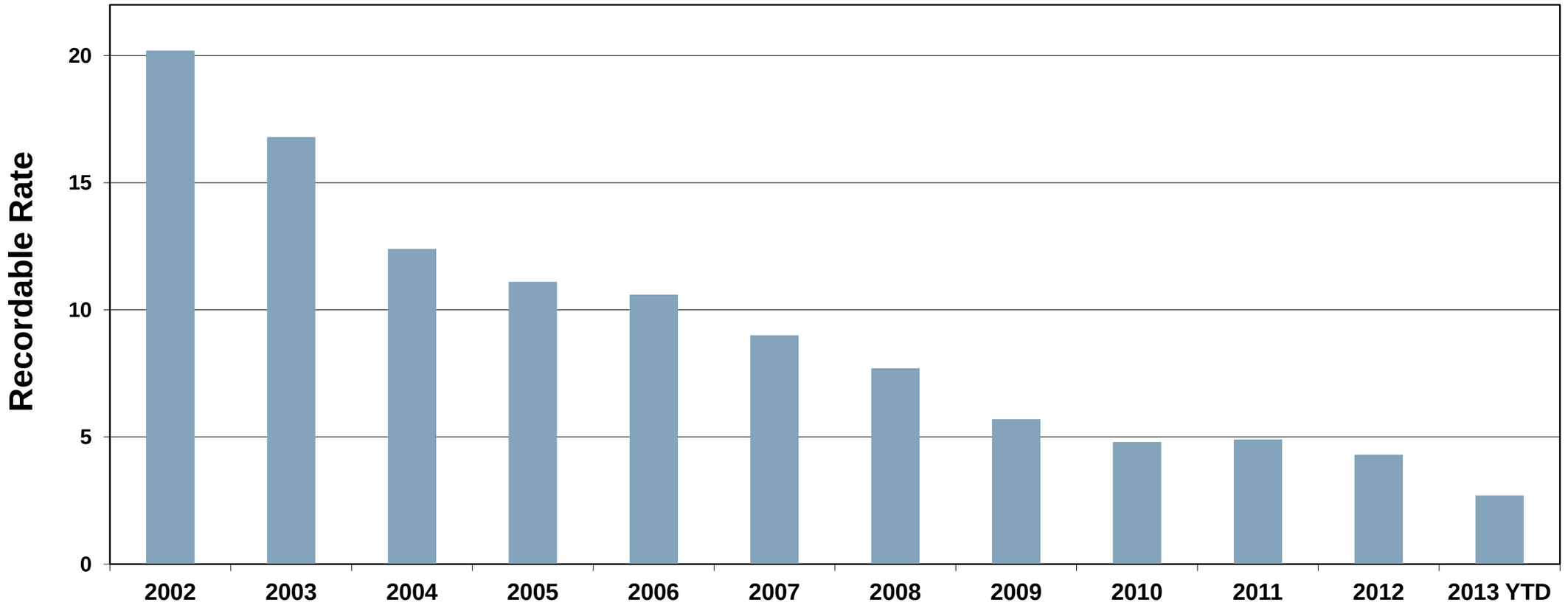


Cost Neutral





Recordable Accident Rate



Sustainability Goals

WATER USAGE Gal/lb

FY 2013 1st Quarter

	2006	2007	2008	2009	2010	2011	2012	2013	% Change
Benson Ave.	0.62	0.51	0.5	0.45	0.39	0.35	0.36	0.36	0
WCT	1.34	1.15	0.95	0.78	0.69	0.73	0.73	0.66	10
Melrose	1.17	1.15	1.12	1.15	1.09	1.11	1.06	0.97	8
WAP	0.94	0.91	0.91	0.82	0.81	0.79	0.73	0.71	3
Montevideo	1.2	1.02	0.92	0.86	0.82	0.71	0.71	0.63	11
Barron	0.98	0.97	0.93	0.95	0.9	0.9	0.92	0.91	1
Faribault	0.85	0.8	0.71	0.81	0.75	0.74	0.81	0.81	0
Total J-OTS	0.99	0.95	0.9	0.89	0.85	0.84	0.83	0.81	2

Animal Care

- Video review of loading
- Audits at unloading
- Extensive training
- Industry best practices

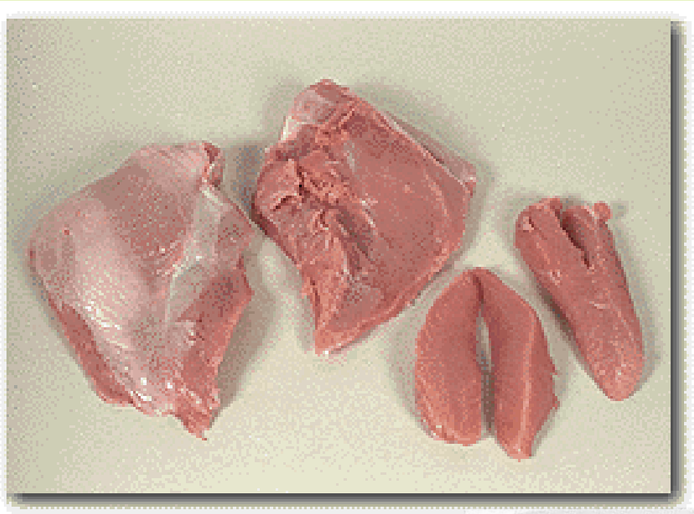
- Tell our story







How We Win in the Marketplace…







MAKE THE SWITCH
Jennie·O