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Stephen Powers:

Okay, let's get started. So for the next session, I'm very happy to welcome Hormel foods to the conference. Thank you guys for being here with us today. We have Jim Snee, chairman, president and chief executive officer, as well as Swen Neufeldt, group vice president and president Hormel Foods International. Yep, according to the slide.

Stephen Powers:

Let's start relatively high level, and I guess a question for Jim. Hormel as a company has obviously been in business for a long time, 130 years, a number of very identifiable, very iconic brands: Spam, Skippy recently acquired Planters. You play in multiple channels, retail, food service, domestic international, and you've spoken about the past... about the company being sort of uncommon in all those regards. I guess, in that context, what has driven the long term again, a hundred plus years, long term success of the company?

James Snee:

Yeah. Well, Steve, thanks for having us. It's great to be here. You know, the term uncommon is one that we use a lot at Hormel foods. And the way we think about it is there's several different areas that make us uncommon. The first areas are our culture, you know? And so when you think of us as 131 year old company, that's pretty uncommon. We have a unique ownership structure that 48% of our common shares are held by the Hormel foundation. Again, pretty uncommon. And we're located in Austin, Minnesota, which is a town of 25,000 people and it's uncommon to have an almost 12 billion dollar company in that size town.

James Snee:

You know, we also talk about our brands. We have over 40 brands that are number one, or number two in the categories in which they compete. The team that we've been able to assemble also incredibly uncommon, also incredibly experienced, on average we have about 25 years of experience with our management team, not in the industry, but with the company. So again, we're not dealing with a strategy of the day or this constant shift in how the company's operating because there is consistency. And we've been very fortunate to have that. And then of course the financial strength, when we think about 83 consecutive years of profit sharing, so giving back to our team members, and then 56 consecutive years of increasing our dividend. And so, you add all those things up and that's why we refer to ourselves as a pretty uncommon company.

Stephen Powers:

Great. On the topic of ESG, there's been some recent commitments, I guess... Maybe you can elaborate on where you're focusing your efforts and why you're prioritizing what you are prioritizing.

James Snee:

Yeah, sure. So again, if we go back in our history we've always been an incredibly responsible company. Whether it's doing the right thing by thinking about how we can reduce packaging, how we can reduce food miles traveled, how we take care of our team members, but now as we've seen ESG evolve and we've spent a lot of time thinking about how we can be even more specific. We know what a big issue this is to society and to investors and it's very important to us. Some of the areas that we're focusing on is we want to be able to match a hundred percent of our energy needs with renewable sourcing. We want to we want to really get bigger and deeper in regenerative agriculture and we've got a great business, great company, Applegate, that really is leading that charge for us, really finding ways to make a difference in how we make improvements in soil quality.

James Snee:

And then the other thing is from a social perspective, again, we've always been very responsible to our communities and our team members, but two years ago, we started a program it was called Inspired Pathways. And it was a program that we are allowing our... The students of our employees to go to community college for free. And when we think about the difference that will make in the lives of those students, it's pretty amazing. And I know programs like that have spread since that time, but we feel like we really led the charge in that regard. And so we're proud of that and we're now starting to really benefit from it as well.

James Snee:

We've actually got a number of students who are completing their two year program and now are applying for internships with our company. So obviously there's a benefit for us as well. And then through all of this we get some great recognition in terms of being one of the most admired companies, one of the most responsible companies from very reputable publications. So we understand how important it is and I feel like we've got pretty well defined targets and a clear pathway for where we want to go.

Stephen Powers:

That's great. I'm sure that helps not only with consumers, but with you're standing with retailers and...

James Snee:

Absolutely.

Stephen Powers:

...etcetera. So I mean 131 years, but lots of evolution over that time, accelerated evolution of late, right up to the planter's acquisition as a case in point. Maybe just speak to the... How you view that evolution as progress, and then where you see the business going from here.

James Snee:

Sure. So when we think about our history kind of where we are today and where we're going, we break it into really, almost like three chapters, if you will. And if you go back to the early days, the founding of our company, it was a very meat centric company largely based on pork and lots of commodities. The second chapter was one that was still... still had a meat bias, but more protein focus for our company. And that really allowed us to move from more commodity to value added type products. But most

recently we say our current chapter and where we're going from here is our evolution into a global branded food company. So thinking about some of the great brands that we've both built and acquired, you mentioned Spam and Planters and Skippy peanut butter, Jennie-O Turkey Store.

James Snee:

I mean, we've got some incredibly iconic and recognizable brands in the portfolio, but also just making sure that we keep it focused on the brands because that's what resonates with the consumer. And then the global peace that we talk about, and Swen's here today with me, is still a bit more aspirational for us but we've made great progress on the global front, but we know that there's a lot more to do, a lot more opportunities. So that's how we think about it. There's a time... Meat centric. We became protein centric, and now we're a global branded food company. That's how we define ourselves, how we talk about ourselves.

Stephen Powers:

Great. And Swen I... We will talk about international operations in a second. Before I do, I do want to just address the current operating environment, which has been, I guess, not surprisingly very topical this week. You've recently announced earnings a couple weeks ago, strong top, strong bottom line growth. I think a lot of companies have reported still strong top and bottom line growth up until the current moment. There's obviously a lot of their... Like concern about the horizon and recessionary environment, how business trends hold up. Maybe just in that context, just give us an update as to what you're seeing, how that plays into your current guidance and then your views on the current operating environment, whether it's sourcing raw materials and packaging or pricing, because those are all... I'm sure you can anticipate a lot of the questions you probably have received a bunch this morning. So let me just update us on what you're seeing.

James Snee:

Yeah, I know we have, but it's still great to talk about it. As you said, I mean, we had a very, very strong second quarter of our... For fiscal 2022, very strong top line, bottom line results. We saw growth in a number of our businesses, very strong consumer demand, which has allowed us to reaffirm our sales guidance for the full year.

James Snee:

Now we did narrow the range for our full year EPS guidance and you know I don't think that's different from, from a lot of companies. It's a mix of tailwinds and headwinds. On the tailwinds side, I mean clearly continued strong demand from consumers. We've had a number of strategic pricing actions that we've taken across our entire portfolio. We are seeing significant improvement in our supply chain performance.

James Snee:

And so that gives us a lot of optimism as we continue throughout the year. But as you mentioned, there still is quite a bit of inflation out there. We still have a number of upstream and downstream disruptions. There are times when we're counting on packaging materials to show up and they don't and our operations have to pivot and adjust. But I think as we think about the business, we've benefited from the balance model that we've built across the entire organization. When we think about how we compete in retail and food service and deli and international, that's really given us just what we've intended to do is balance as one business over performs offset perhaps another. But it's a difficult

operating environment, but with the brands we've built and the management team that we've got, we've, we've got a lot of confidence for the remainder of fiscal 2022.

Stephen Powers:

Great.

Stephen Powers:

Further on a theme of growth, the 2022 path forward six strategic priorities within that for the company, maybe just elaborate on those priorities and how you're using that, I guess, framework for lack of a better word to focus efforts for growth from here.

James Snee:

Yeah, absolutely. I mean, that's really one of the things that we've had is, we've had very clear strategic priorities for our team members, but also for the investments that we're making in the business. And so the first strategic priority is our ability to continue to expand and accelerate our food service business. That's an area that we believe we have a distinctive competency, a real competitive advantage as we go to market in the food service channel. So we want to continue to be able to accelerate growth there. Now we've talked a bit already about the brands that we have in our portfolio. So making sure that we can not only protect those brands, but grow those brands because when we think about a brand like SPAM, it's iconic. Everybody knows SPAM, but what they may not know is that we're just having our eighth consecutive year of record sales.

James Snee:

And so clearly there's demand from the consumer in that regard. And we want to make sure that we're supporting that. We've spent a lot of time and effort in the entertaining and snacking space. We had a great portfolio that got even better with the addition of the Planter's brand. And so we've been able to spend a lot of time and effort thinking about, again, the consumer, how we compete, and how we align our resources to make sure that we're capitalizing on the great portfolio that we've built. Then we've got a joint venture with a company out of Mexico, Herdez, that's allowed us to really capitalize on global flavors, authentic Mexican. But also thinking about not just global flavors, but how do we lean into some of the food forward spaces? You know, we talked about Applegate already, but those brands and those companies that really are making a difference in operating slightly differently than we have in the past.

James Snee:

We've spent a lot of time and effort thinking about how we transform our company, not just doing things the same old way. It was about five years ago where we made some significant investments in that digital and eCommerce space, really built out our infrastructure and our platforms, which set us up really, really well to capitalize on the eCommerce wave that we saw during COVID. And we've seen our sales through eCommerce channels just absolutely explode. And then, thinking about how we make our supply chain more efficient, about four or five years ago, we started an initiative called One Supply Chain where we really had one leader oversee our entire supply chain. Again, making sure that it allows us to take advantage of operational efficiencies, finding synergies throughout our network. And it set us up again really well for what happened in the pandemic, so that we had one view from the top of the organization in terms of what we needed to get done.

James Snee:

And then the last strategic priority is really our desire to become bigger on the global stage. And we've made some, some investments, we've seen some great organic growth, and we see a lot of opportunity for us for that to continue to become a bigger part of our business and our portfolio

Stephen Powers:

Is the stance of the company against the recessionary backdrop to double down on some of the strategic investments you just spoke to, or how do you balance that against the preservation of the bottom line results as we go forward?

James Snee:

I think that the beauty of Hormel foods is we have the financial wherewithal to make the investments that we want to make. And so whether it's capacity investments to expand certain categories, increases in advertising to support brands, we're able to do that and all with an eye towards the future and growth opportunities. And it's paid off for us as we've seen that strong top and bottom line growth.

Stephen Powers:

Great. All right, Swen I told you, we get to you. So obviously a large part of the company's business is based in the US, but there clearly are international operations. Those are important, and they perform well financially. Maybe just level set us on some of the key international markets for your business. And then really what the go-to-market strategy is for that international segment.

Swen Neufeldt:

When you think about international for Hormel, we have had a very nice track record of growth. And I think what we're seeing here of late is an acceleration, and an acceleration off a more meaningful base. So when you think about our business, we really split into three key pillars. We call our multinational, which is an end-to-end operation, our cross border customers, so exports, and then our partnerships.

Swen Neufeldt:

Where we have seen a tremendous amount of growth is on that multinational piece of business. So China is a great example. We've been operating there for 25 years and now have built a really nice balanced business in China that's accelerating well. We recently invested in Brazil with Sorachi, an M&A merger acquisition that we made there. That's really starting to take hold and grow nicely. And then our last multinational investment in the most recent is in Indonesia, where we have a vision of building a more meaningful business.

Swen Neufeldt:

The second part is cross-border. That's where we've been for many, many years. Think ubiquitous brands like SPAM, Skippy, the Hormel brand, and now most recently P.

Swen Neufeldt:

Planters. And then the third pillar is our partnerships. So we have a joint venture with San Miguel Corporation in the Philippines, Purefoods-Hormel. We have a great longstanding relationship in Korea with CJ Corp on licensing SPAM to that group, and then Danish Crown in Europe. So those are really the three key pillars that are driving our business.

Stephen Powers:

And can we talk about the growth plans against each of those three pillars and against the international business overall? Where are you prioritizing your investments in order to hit the growth objectives you have over the next 3, 4, 5 years?

Swen Neufeldt:

So we really are thinking about our business in the context of, how do we operate a 1, 2, 3 billion-dollar business over the next years? And it really comes down to investing in our brands, our people, and our assets. So we have these iconic brands that... With SPAM we've been exporting for many, many years, Skippy that we acquired and have had some great success growing, penetrating into new categories, new areas, think of the Hormel brand. And again, now Planters and Sorachi. So really making sure that we're creating healthy brands that consumers are voting for with their dollars. The people really building out the organization. As you think about that multinational model, where we're operating in-country with an end-to-end solution, we need to make sure that we've got the right team. A great example of that is what we've been able to achieve in China, where our management team has an average tenure with Hormel of 14 years.

Swen Neufeldt:

And we just have a really great team in making sure that as we build Brazil, as we build Indonesia, that we have the same success with instilling the Hormel culture and really finding great talent and having the right talent across the board. And then our assets, we built Jiaxing in China a few years ago. And that was just a fantastic investment. We're about to finish up an Asia Pacific R&D center in Jiaxing as well that will support, not only China, but the rest of our endeavors in Asia. And then we've been making investments in Brazil and Sorachi and just making sure that we've got the right healthy brands, the right team, and the right assets to support accelerated growth.

Stephen Powers:

On China, the operating environment of late has clearly been more challenging. I guess, walk us through your adaptations to those challenges and perhaps what long-term learnings you can extract from the experience to set yourself up for success in the future.

Swen Neufeldt:

Well, let's start with a proof point of that, the resilience of a balanced model. Our business in China has been able to weather some very challenging environments here of late and still demonstrate success. And the resilience of the team itself, they're just emerging from an 80-day lockdown in Shanghai. And during that time they were still delivering results. It really speaks to, again, the balanced model that we have with retail, with food service, with eCommerce, the brands that we have in China. With SPAM, again, with Skippy, with Hormel and our ability to both penetrate and innovate in different consumer need states that might be food away from home, food at home, food on the go.

Swen Neufeldt:

So our key learnings, and I think the things that team has done is we took a lot of the learnings out of the early COVID playbook and were able to apply them in the food service spaces. A lot of our operator partners were shut down. Our retail business at the same time was able to offset a lot of those and then having that powerful eCommerce platform, bringing those together, has I think if anything increased our focus and actually made us better as we come out of this operating environment.

Stephen Powers:

You've mentioned also Brazil, Indonesia as well. Do experiences in China lend themselves for duplication in other markets

Stephen Powers:

Markets as you move forward in those markets?

Swen Neufeldt:

Sure, China is, of course, very different than Brazil. Very different than Indonesia. But we have had 25 years of learning how to build this balanced model in a very dynamic and emerging market. And what we've been able to do is be much more purposeful about translating those learnings into, say for example, Brazil. And we had... We bought into a refrigerated retail business, and now that team is building a food service division to find the balance between food at home and away from home, having a much broader distribution platform with different temperature states. Frozen, which is critical in a market where distribution can be more challenging. And really instilling the Hormel culture in that organization as well, which that team has embraced incredibly well. So, we've applied those learnings into Brazil, and now, as we look at Indonesia, knowing in China we built our distribution platform, and in an emerging market, that is so critical.

Swen Neufeldt:

As we entered Indonesia, we really looked for approaching the market a little differently, finding a fantastic partner with deep, local understanding and a great distribution platform. And we're very fortunate to have that with GarudaFood, really one of the CPG leaders in Indonesia, and that allows our team to focus on the things that they're great at, which is branding, innovation, consumer understanding, consumer intelligence, marketing, and then leveraging our partners' best-in-class distribution platform.

Swen Neufeldt:

So we've really, over those 25 years, learned a lot of lessons in China, have built a great business there, and now we're leveraging those learnings as we keep building our multinational pillar.

Stephen Powers:

Great. Some of your most recognizable brands have come up a lot already just in, I mentioned, Spam, Skippy, Planters. What is the opportunity to expand those brands further in existing markets in new countries? And to what extent is that core to the objectives of the business?

Swen Neufeldt:

Absolutely, our brands are our lifeblood. So when you think about Spam, we started producing Spam in China just a few years ago. We've launched innovative flavors in the market that are localized, and now we're launching Spam singles with fantastic success based off of consumer insights.

Swen Neufeldt:

Finding new channels. We've recently, in the last two years, introduced a Spam branded musubi in Family Mart in Japan. 16,000 doors, and it's an incredibly, fast-growing business. So finding a new channel, even for a 90-year-old brand.

Swen Neufeldt:

When you think about Skippy, we are the number one global peanut butter, and we've been able to leverage our multinational structure innovating in China around snacking for Skippy, around condiments and sauces, leverage our partnerships through Sam Miguel corporation and Pure Foods Hormel to really drive much deeper distribution, grow our share in Mexico to a leading share, and take a number one share in a number of countries throughout Europe. So, have been able to do that with Skippy.

Swen Neufeldt:

The Hormel brand. We don't talk about it as much, but it is a powerhouse brand in the food service space globally.

Swen Neufeldt:

Asia Pacific, our leading brand in China.

Swen Neufeldt:

And then, most recently, Planters. We're excited what we're going to be able to do with the Planters brand by leveraging that playbook that we've learned around innovation, geographic distribution, depth of distribution into those different markets, and exploring new channels. So, we've got some great brands, and we've really been able to leverage them.

James Snee:

Steve, I would add, as we think about acquisitions, when we're looking at evaluating them, we always have an eye towards the international business, as well. And so, it's a little bit of a dated example, but when we made the acquisition of Skippy peanut butter, knowing that there was a significant presence outside the United States and knowing that we had a very capable team in China that could handle it, was a very important part of the decision-making process.

James Snee:

Planters also has a presence outside the U.S., probably not as big, but again, knowing that we've built this infrastructure in many parts of the world, we believe there's opportunities to expand. So that is a key part of our acquisition assessment and process.

Stephen Powers:

To what extent would you prioritize acquisitions specific to overseas market? So, international acquisition versus a domestic acquisition that could be scaled?

James Snee:

Yeah, I wouldn't say it's a matter of priority. It's just, we know. As I went through the strategic priorities, knowing that becoming more global is important to us, that we are very intentional and very targeted at international acquisitions. So the ones that give us a benefit domestically and globally, those are wonderful, but as Swen has laid out and described a pretty specific strategic roadmap, working in those countries to identify additional opportunities, again, gives us the direction on where we want to go.

Stephen Powers:

Are there additional geographies that you're maybe not in that you would be targeting in the future?

Swen Neufeldt:

Our focus really is on Asia Pacific and on Brazil. Those areas where we can bring scale, which can really accelerate one of our existing strategies and markets. That's really our primary focus.

Stephen Powers:

We talked about the recessionary environment. I guess, maybe given the history of your brands and your portfolio, just maybe, what does history tell you about the way that your categories react to recessionary environments? How your portfolio and brands persevere through that. And to the extent that we do go into recession at some point of some magnitude, how your scenario modeling, preparing, and what investors should expect.

James Snee:

Yeah, it's a great question. One of the things that we look at is, of course, the consumer and the bifurcation of consumers out there. And when you think about the value consumer, our portfolio of grocery products is so well-positioned in a recessionary environment. When your consumers, who are looking for convenient, affordable protein and meals, to our lineup of Spam, of Dinty Moore beef stew, Merry Kitchen corned beef hash, even Skippy peanut butter fits squarely in their wheelhouse in terms of where they're spending their dollars.

James Snee:

On the other side of it, we still have some higher-end consumers. And when we think about our portfolio with things like Charcuterie with the Columbus brand that we acquired, our gatherings, party trays, as more and more consumers are getting together and desire to get together post-COVID, that fits in their wheelhouse.

James Snee:

And then we still have a whole host of consumers who are dying to eat out. Right? They've been locked up, and although we're getting further and further away from that, there's still that pent-up demand. So we've got an incredible food service portfolio that's meeting operators' needs. Operators who are struggling to find labor, and we're helping them with those labor challenges. So, whether it's the value consumer in the center of the store or some of the higher-end consumers with items like Columbus and party trays, and then a portfolio for food service or away from home, we are well-positioned for many different types of economic conditions, and the portfolio and company, I think, have demonstrated that over time.

Stephen Powers:

Great. In tougher times, do the demands placed on you, the asks to you from retail partners, change at all? And how do you lead into those relationships to help, not only your own portfolio through the recession, but maybe help your retail partners as well? And I guess that could take many different forms, right? One is amplified service levels and sharing of insights. And I guess the topic that investors are concerned about is and ask on the part of the retailers for promotions, or no more price increases, even if the costs warrant them. So how do you think about relationship with retailers in tougher times?

James Snee:

Yeah, I think our relationship with our retailers, whether tougher times, good times, COVID times, has just been a real focus on partnership and how do we help each other. Right? And so, when we think about pre-COVID, certainly we wanted to make sure that we were very efficient in the way we're promoting our products to drive volume, to drive business, to support the categories where we compete. And all the while being very mindful of the consumer so that we continue to bring them back to our categories. And so, that part hasn't changed.

James Snee:

I think the partnership was different during COVID, when it was based more on service levels and disruption, and having that really good communication: honest, open, direct, transparent. So we knew what we could produce, what they could expect. And then I think, again, as we come out the other side as fill rates get better, the discussions will pivot back to more of that partnership and thinking about how we are going to be able to drive growth for both the retailer, the customer, ourselves. And again, making sure that we recognize that we have a responsibility to help them manage the categories where we compete, especially with

James Snee:

... so many brands that have number one or number two positions and then again, ultimately making sure that we're taking care of the consumer. We've got so many beloved brands that consumers want to eat, they want to serve in their homes, they want to go out and get it at restaurants. That doesn't matter if it's inflationary times, tough economic times, good economic times. We don't take that responsibility lightly, but we look forward to a time where we get back into this partnership mode on a more full time basis.

Stephen Powers:

Yes, okay. I asked Swen about lessons learned through the most recent disruptions in China, and how that could be applied to China and other markets. What about retrospectively on the last couple of years through the pandemic? What lessons has the company learned, whether domestically or internationally, and how does that potentially make the company better prepared and stronger as we go into a different period of volatility?

James Snee:

There's obviously a number of lessons. As we think about back in the 2020 March and April when we saw the retail business take off and, essentially the food service channel collapse, both thinking about, "okay, how do we become more agile and more flexible over time?", to say "how can we have production lines that are able to meet both retail and food service demand, so that we don't have them set up uniquely to any one given channel?". I think that's a very important takeaway for us.

James Snee:

And then, the other part that we've learned, is we've learned a lot about our ourselves, in terms of how we manage the business, how important our brand [inaudible], again, through tough times and good times.

James Snee:

And then, as we look to the future and understanding that "hey, there might be a shortage of labor over time", making sure that we're aggressive in pursuing automation so that we can find ways to continue to meet the needs of customers and consumers, that we've got the right capacity and we're not as dependent on labor over the long term.

James Snee:

It's still a critical part of what we do with over 20,000 team members around the globe, but just finding those opportunities where, again, if there's an opportunity to automate a difficult process, make us more efficient, working with our manufacturing partners for things that maybe aren't even invented yet, that's where we've got to be headed.

James Snee:

So, I think learning that out of COVID, that said, we need to be more aggressive in how we pursue automation was a key takeaway.

Swen Neufeldt:

Yeah. I'd probably build too on that, from an international standpoint. And I'll use China as an example, again.

Swen Neufeldt:

The power of having access to multiple channels, as you think about this last OMICRON outbreak in China, how quickly consumption was moving and then the agility of the teams to provide, if it's retail products for food security programs in Shanghai or if it's food service products to community organizers so that they could have a guaranteed delivery of food, but just the team's agility in being able to address multiple channels E-com as well.

Swen Neufeldt:

And then the second thing really goes back to Jim's comment earlier about our uncommon culture, the level of the power of having our employees be as engaged and passionate about the company as they are, really demonstrated itself. As we think about the lockdown, the level of communication that our team that was locked down had in China, or even in our facilities, where people volunteered during lockdown for closed loop production. That level of engagement and that uncommon culture was a really, really powerful tool and really demonstrates how critical it is for us to build that, maintain it and then build it in our other emergent businesses, as we think outside the United States.

Stephen Powers:

Great. We've got a couple minutes left, so I'm going to close on a question I've been asking most management teams at the conference and we're going into unpredictable, uncertain times after having just coming... Come out of unpredictable, uncertain times.

Stephen Powers:

When we hopefully reconvene here again next year... What would success look like to you guys a year from now?

James Snee:

Yeah, I talked earlier about the consistency that we have in the organization and one of the things that we talk about a lot internally is our formula for success. And so, what is it that we do that we have to continue to do to be a successful organization. And it may look different at different times, but our ability to build strong brands. Just having that brand equity and making sure that we never neglect that is going to be incredibly, incredibly important. Innovation is a lifeblood of our organization back to our founder, George Hormel, who said "innovate don't imitate", we've got a great track record of innovation. And, as our supply chains recover, fill rates improve. You're going to hear a lot about companies who are back on the innovation path and we know how important that is.

James Snee:

And then, we talk a lot about acquisitions, making sure that we're being thoughtful, disciplined, strategic in our acquisitions. Then once we have them, make sure that they're properly integrated and running effectively and doing what they thought they could do.

James Snee:

And obviously, with the acquisition of planters, the biggest acquisition we've ever made to really support and amplify that entertaining and snacking pillar for us is going to be really, really important. We're off to a great start that's doing what we thought it would do, but we know that it can help us in so many more ways in terms of building scale and the convenience store channel and traditional entertaining and snacking.

James Snee:

And then, the other thing you've heard us say a lot today is the balance. The balance that we have across our organization, whether it's balance in our channels, balance in our inputs. We just want to make sure that we never become too reliant or too dependent on any one part of our business.

James Snee:

And being able to do those things in a very agile way, whether it's brand building, innovation, acquisitions, or focusing on that balance, that's what success has looked like for us in the past and it'll continue to be the thing that we look to to make sure our company is successful going forward.

Stephen Powers:

It's a great place to leave it. We're just at the end of time. Thank you, Jim. Thank you Swen. Thank you, Hormel and thanks everybody for joining us.

James Snee:

Appreciate it.

Swen Neufeldt:

Thanks Steve.

James Snee:

Appreciate your time.