

**94<sup>TH</sup>** AG  
ANNUAL OUTLOOK  
FORUM

# AMERICAN AGRICULTURE SPREADING PROSPERITY & ADVANCING SOCIAL PROGRESS

February 22-23, 2018 | Crystal Gateway Marriott Hotel, Arlington, VA



# THREE PRIORITIES FOR SUSTAINABLE PROSPERITY



Feed a  
**Growing,  
Hungry World**



Maintain a Strong  
**Rural America**



Do BOTH in the  
**Most Sustainable**  
Way Possible

# FEEDING A GROWING, HUNGRY WORLD

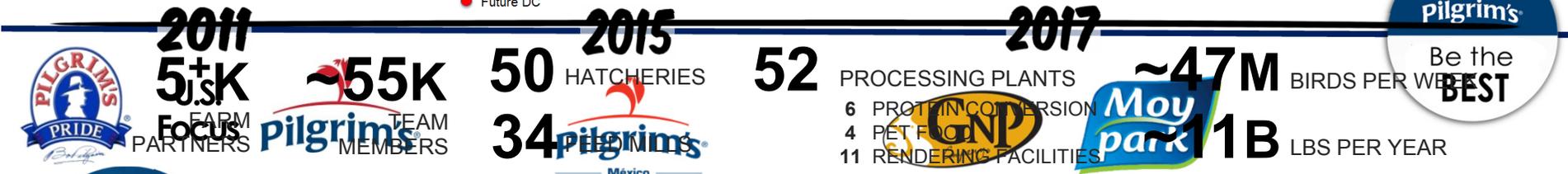
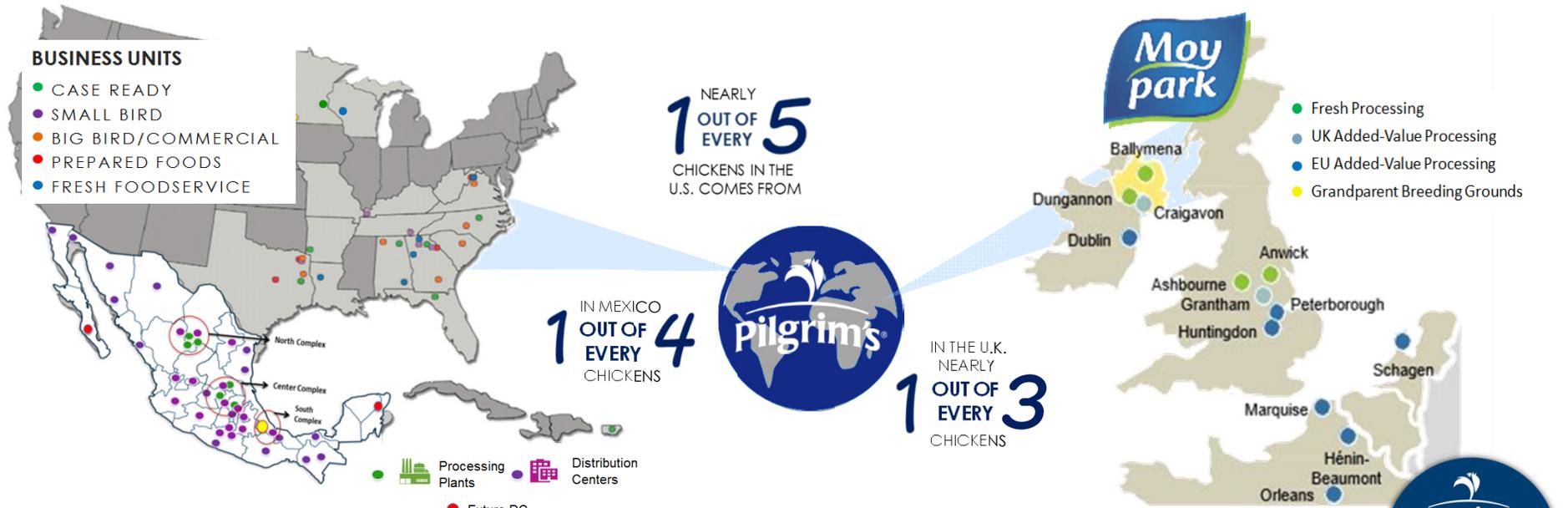
Priority  
**#1**



BY 2050  
**9.7B**  
To Feed  
**70%**  
More Food

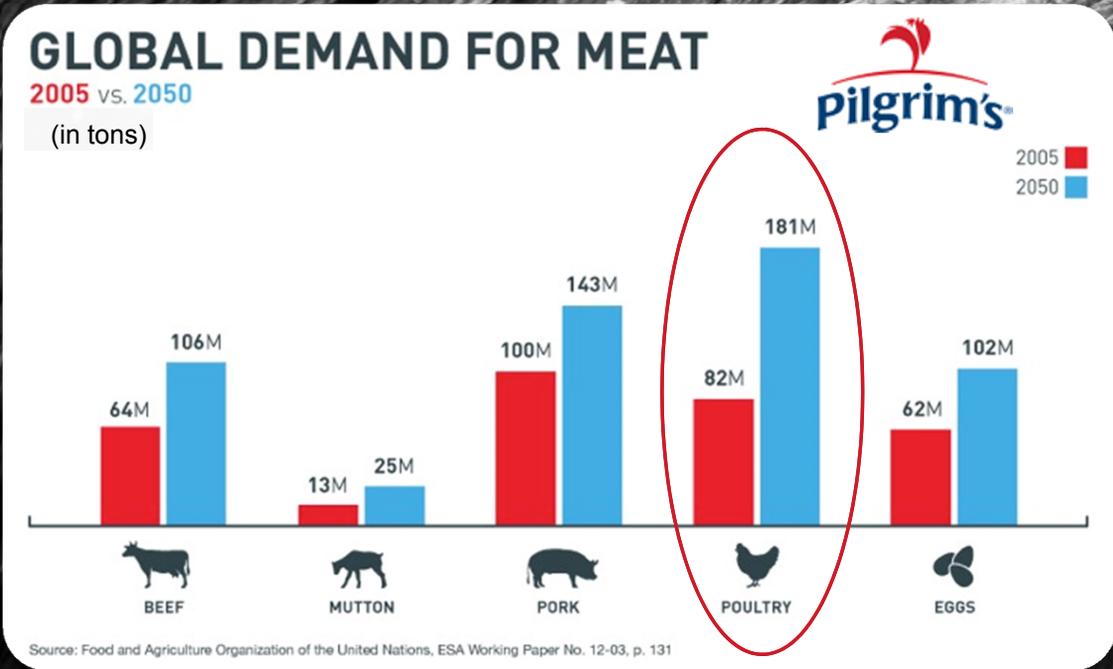


# OUR PATH TO BECOMING WORLD'S LARGEST CHICKEN COMPANY



# OUR CHALLENGE

By 2050, we will need 120% more poultry.



# WHAT DO CONSUMERS WANT?

A mobile agricultural marketplace in China:

*Fresh,  
Locally-Sourced,  
Completely  
Transparent,  
Convenient and  
Readily Available.*



# BALANCING PERCEPTION & PRODUCTION REALITIES



FOOD, INC.

PERCEPTION

VS

With 2.2 billion more mouths to feed by 2050, experts estimate **food production must grow by 70%.**

REALITY



# WHAT ARE THE ISSUES SURROUNDING FOOD SECURITY?

Prosperous  
Farmers

Safety &  
Affordability

Scarcity

Nutrition

Climate Change



Accessibility



Food Waste



Changing Tastes



Transparency



Population  
Growth & Shifts



**FOOD  
SECURITY  
AND SUPPLY**



# MAINTAIN A STRONG RURAL AMERICA

Priority  
#2



## Hospital deserts in rural America



### The Opiate Crisis in Rural America

Carol A. Cunningham, M.D., FAAEM, FACEP  
State Medical Director  
Ohio Department of Public Safety, Division of EMS  
Associate Professor of Emergency Medicine  
Akron General Medical Center and  
Northeast Ohio Medical University



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# RURAL AMERICA IS THE NEW 'INNER CITY'

Small counties fare worst by key measures of socioeconomic well-being

By JANET ADAMY AND PAUL OVERBERG

At the corner where East North Street meets North Cherry Street in the small Ohio town of Kenton, the Immaculate Conception Church keeps a handwritten record of major ceremonies. Over the last decade, according to these sacramental registries, the church has held twice as many funerals as baptisms.

In tiny communities like Kenton, an unprecedented shift is under way. Federal and other data show that in 2013, in the majority of sparsely populated U.S. counties, more people died than were born—the first time that's happened since the dawn of universal birth registration in the 1930s.

For more than a century, rural towns sus-

efforts of churches and community groups, provided a viable social safety net in lean times.

Starting in the 1980s, the nation's basket cases were its urban areas—where a toxic stew of crime, drugs and suburban flight conspired to make large cities the slowest-growing and most troubled places.

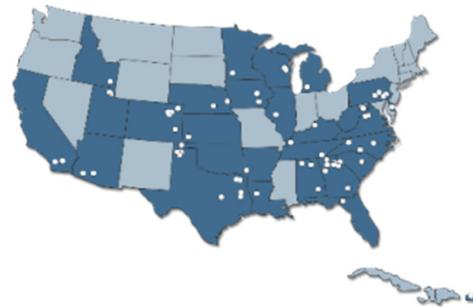
Today, however, a Wall Street Journal analysis shows that by many key measures of socioeconomic well-being, those charts have flipped. In terms of poverty, college attainment, teenage births, divorce, death rates from heart disease and cancer, reliance on federal disability insurance and male labor-force participation, rural counties now rank the worst among the four major U.S. popula-

From the front page of The Wall Street Journal, Saturday/Sunday, May 27 – 28, 2017.

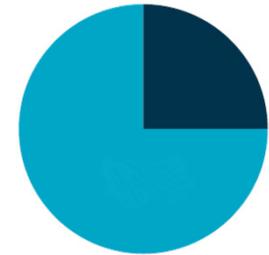
<http://farmpolicynews.illinois.edu/2017/05/wall-street-journal-looks-rural-america-new-inner-city/>

# MODERN FOOD & AGRICULTURE SECTORS MATTER

More Than **1/5<sup>th</sup>**  
of U.S. Economy



**25%**  
of American Jobs  
Directly/Indirectly Tied  
to U.S. Food & Ag



**43M+**  
JOBS



**~\$2T**  
In Total Wages



**\$146B**  
In Exports



**Total Economic Impact: ~\$6.8 Trillion**

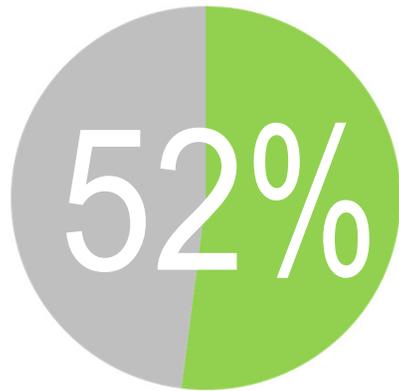


SOURCES: The Feeding the Economy food and agriculture industries economy study. [www.feedingtheeconomy.com](http://www.feedingtheeconomy.com)

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# MODERN AGRICULTURE IS MISUNDERSTOOD

PERCEPTION



Believe U.S. Farms  
are run/owned by large  
corporations.

VS.



97% family owned

88% small family farms

Mid- to large-scale farmers:

- 9% of all farms
- Manage 46% of the land
- Responsible for 66% of production



90% family owned

3/4 farms worldwide  
< 1 city block

REALITY



SOURCES:  
FAO's State of Food and Agriculture 2014: Innovation in Family Farming, 2017 Truth About Food Report, www.cgiar.org; USDA

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WORLDWIDE IN

**2017**

We Paid Our  
FAMILY FARM  
PARTNERS  
**~\$900M**

Our FAMILY FARM  
PARTNERS  
Raised **~2.1B**  
CHICKENS

We Partnered With  
**5K+**  
FARMERS



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# WE ALSO SUPPORT AG BY SUPPORTING...



Future Farmers  
of America



Land Grant Universities  
& U.S. Egg & Poultry



Trade & Foreign  
Ag Programs



# DOING THIS IN THE MOST SUSTAINABLE WAY POSSIBLE

Priority  
#3



# 2050 TRENDS ILLUSTRATE THE REAL CHALLENGE



**3B** in Middle Class Growth



HOW CAN WE FEED  
9 BILLION

- Requiring **MORE** Protein
- Currently Consuming **1.5x** Planet's Available Resources

SOURCE: [FAO Report: The Future of Food and Agriculture: Trends and Challenges, Feb. 22, 2017](#)

# MEAT PROTEIN CONSUMPTION WILL RISE RAPIDLY

## USDA Long-Term Agricultural Projections: Global Meat Consumption & Trade

*Growth in global meat consumption is projected to continue. Poultry consumption rises fastest, with a projected annual growth rate of 1.8 percent, while beef and pork each grow at a 0.9 percent rate.*

ERS/USDA | Published on: Jan 9, 2018



# SUSTAINABILITY DEFINED

Responsibly meeting the needs of the present while **improving the ability of future generations** to responsibly meet their own needs...



# OUR TOP 5 SUSTAINABILITY PRIORITIES & HOLISTIC APPROACH

Address improvements in **social**, **environmental** and **economic** issues.



**PRODUCT INTEGRITY**

Product quality, impacts on society, consumer health and safety; marketing and communications and supplier ethical business practices.



**TEAM MEMBER HEALTH & SAFETY**

Occupational health and safety.



**ANIMAL WELFARE**

Animal breeding and genetics, livestock husbandry, transportation, handling and slaughter.



**WATER**

Water use, water quality and emissions.



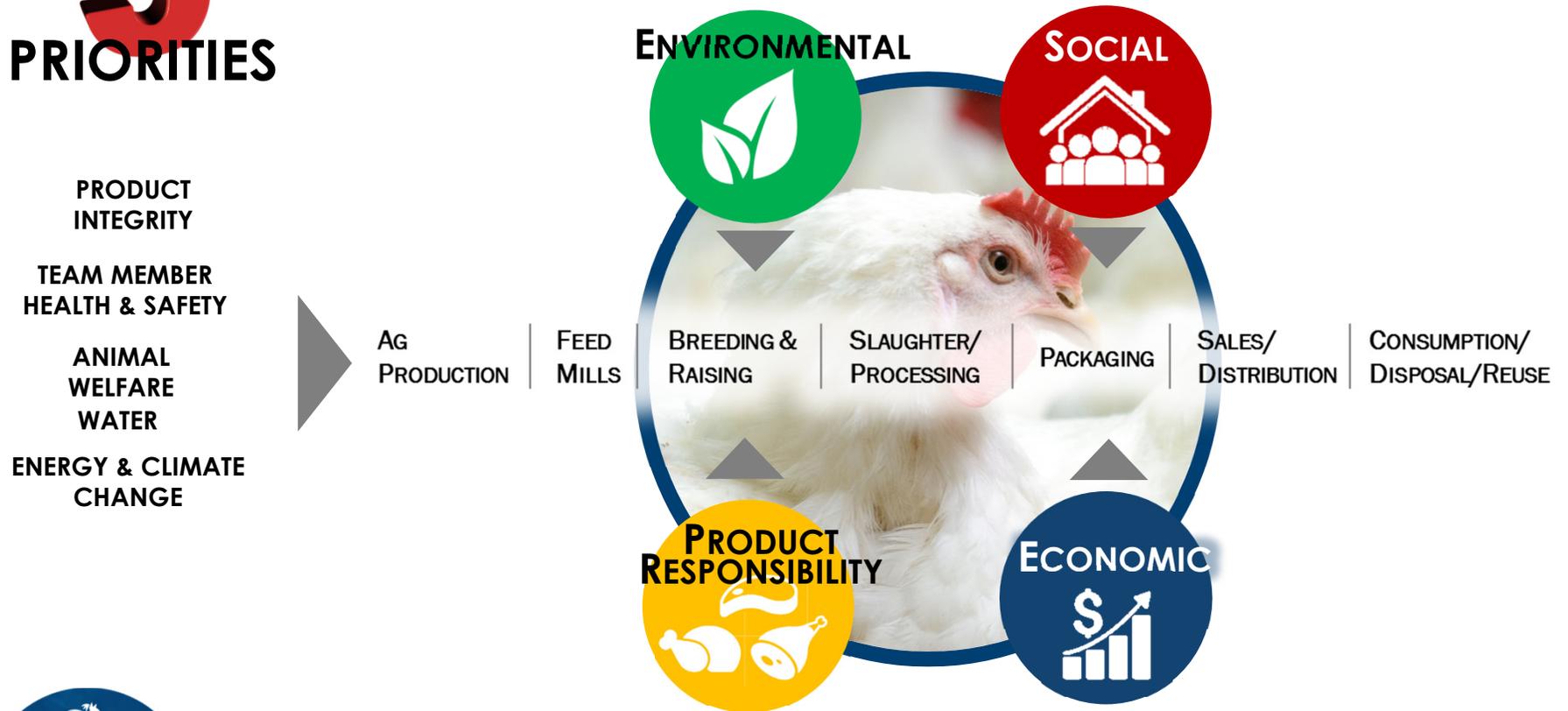
**ENERGY & CLIMATE CHANGE**

Energy use and emissions.



# 5 PRIORITIES

## DRIVE EFFICIENCY & EXCELLENCE ACROSS OUR SUPPLY CHAIN



SOURCES: 2016 Think Sustainability - The Millennials View, Deloitte The 2016 Deloitte Millennial Survey, CSR and RME in Business Schools and Students Predisposition

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# EFFICIENCY IS KEY TO SUSTAINABILITY

No Matter What the  
Food Production  
System is...



Do  
*more*  
with  
*less*



# AND NO ONE DOES “MORE WITH LESS” BETTER

## Poultry – efficiency matters



### Chicken – improvement evolution

	1925	1945	1965	1985	2005	2045*
Conversion – kg feed/kg live	4.7	4.0	2.4	2.0	1.7	1.6
Mortality %	18%	10%	6%	5%	4%	3%
Age (days)	112	84	63	49	42	40
Live commercial weight - kg	1.0	1.4	1.6	1.9	2.4	3.2

\*projected

No animal protein has been more efficient over time, but new consumer demands abound.



Consumers now demand increased transparency:

- Products with perceived health benefits (**natural, organic, NAE, GMO-free**)
- Animal welfare (**slow growing birds, humane certification**)
- Fresh & local claims

# WE ARE AT A CROSSROADS

ARE WE ON THE  
ROAD TO RUIN?

OR THE PATH TO  
PROSPERITY?



# PROSPERITY



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## WHAT HAS EXPERIENCE TAUGHT ME?

'If the rate of **change** on the outside exceeds the rate of **change** on the inside, the end is near.'

— Jack Welch



# WHAT IS PILGRIM'S IMPERATIVE?

Connecting  
**PEOPLE** to a  
**PURPOSE**  
& their  
**PASSIONS**



Creating a  
**MORE**  
**SUSTAINABLE**  
food system  
and better  
future for more  
people.



# THE PILGRIM'S PHILOSOPHY: EMBRACE CHANGE

**TIME FOR CHANGE**

1

**DISTINGUISH**  
what our  
Customers **WANT**  
from what they  
**NEED** (there is a  
difference!)

2

**LISTEN** to  
**CONSUMERS**  
rather than tell them  
**THEY ARE**  
**WRONG** or  
**MISINFORMED**

3

**CELEBRATE** the  
**DIVERSITY** of  
Agriculture and  
the **MANY**  
**OFFERINGS** we  
can provide

4

**PARTNER** with **KEY**  
**CUSTOMERS &**  
**GOVERNMENT &**  
**REGULATORY**  
**AGENCIES** to  
create and drive new  
market **VALUE**



# WHAT IS AGRICULTURE'S IMPERATIVE?

Connecting  
**PEOPLE** to a  
**PURPOSE**  
& their  
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Creating a  
**MORE**  
**SUSTAINABLE**  
food system  
and better  
future for more  
people.



thank you!

