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

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

<table>
<thead>
<tr>
<th></th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>F11</td>
<td>2.75</td>
<td>2.65</td>
<td>2.41</td>
<td>2.25</td>
<td>2.40</td>
<td>2.48</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.55</td>
<td>2.67</td>
<td>2.67</td>
</tr>
<tr>
<td>F12</td>
<td>2.16</td>
<td>2.58</td>
<td>2.32</td>
<td>2.09</td>
<td>2.08</td>
<td>2.00</td>
<td>1.92</td>
<td>1.84</td>
<td>1.82</td>
<td>2.06</td>
<td>2.26</td>
<td>2.28</td>
</tr>
<tr>
<td>F13</td>
<td>2.11</td>
<td>2.05</td>
<td>1.95</td>
<td>1.68</td>
<td>1.60</td>
<td>1.56</td>
<td>1.55</td>
<td>1.55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Frozen Thigh Meat

<table>
<thead>
<tr>
<th></th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>F11 1.34</td>
<td>1.32</td>
<td>1.32</td>
<td>1.32</td>
<td>1.32</td>
<td>1.33</td>
<td>1.35</td>
<td>1.35</td>
<td>1.35</td>
<td>1.35</td>
<td>1.35</td>
<td>1.35</td>
<td>1.40</td>
</tr>
<tr>
<td>F12 1.24</td>
<td>1.47</td>
<td>1.47</td>
<td>1.47</td>
<td>1.47</td>
<td>1.42</td>
<td>1.31</td>
<td>0.90</td>
<td>0.88</td>
<td>1.03</td>
<td>1.12</td>
<td>1.25</td>
<td></td>
</tr>
<tr>
<td>F13</td>
<td>1.41</td>
<td>1.42</td>
<td>1.39</td>
<td>1.28</td>
<td>1.18</td>
<td>1.16</td>
<td>1.10</td>
<td>1.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cold Storage Stocks

Whole Birds

MM Lbs

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cold Storage Stocks

Parts and Other

MM Lbs

0 50 100 150 200 250 300

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

2011 2012 2013

Cold Storage Stocks

Parts and Other

MM Lbs

0 50 100 150 200 250 300

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

2011 2012 2013
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>27</td>
<td>27.5</td>
<td>28</td>
<td>28.5</td>
<td>29</td>
<td>29.5</td>
<td>30</td>
<td>30.5</td>
<td>31</td>
<td>31.5</td>
<td>32</td>
<td>32.5</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
<td>27.5</td>
<td>28</td>
<td>28.5</td>
<td>29</td>
<td>29.5</td>
<td>30</td>
<td>30.5</td>
<td>31</td>
<td>31.5</td>
<td>32</td>
<td>32.5</td>
</tr>
<tr>
<td>2013</td>
<td>27</td>
<td>27.5</td>
<td>28</td>
<td>28.5</td>
<td>29</td>
<td>29.5</td>
<td>30</td>
<td>30.5</td>
<td>31</td>
<td>31.5</td>
<td>32</td>
<td>32.5</td>
</tr>
</tbody>
</table>
Poults Placed (U.B.)

% Inc/Dec Yr over Yr

2011 2012 2013
Corn Market

Long Term Nearby Corn Futures

- C2013K
- LA: 200' 4
- H: 700' 2
- L: 698' 4
- X: 708' 7
- NC: 2' 0
- MOV[Cgc,60]= 554' 7
- MOV[Cgc,120]= 425' 1
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

- JOTS, 35%
- Cargill, 20%
- Private Label, 9%
- Butterball, 7%
- Foster Farms, 4%
- Perdue, 3%
- Private Label, 9%
- Other, 21%

Perdue, 3%
Butterball, 7%

Do we win the marketplace?
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.
As JENNIE-O® brand awareness has grown, so has intent to purchase. This key sales-driving measurement is up from 26% to 53%.
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

Weekly Bacon Volume Trends

ACN 12 Wks
Ending 4/28/13
ACV Distribution +15
Dollar Volume +55%
Dollar Share +3
Breakfast Results

Bacon
- LBs: 142 Index vs YAGO

Fresh Breakfast Sausage
- Fastest start of any new product
Promotional Periods

Breakfast
January – March, September - October

Grilling
April– August

Oven Ready
September– December
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

Jennie-O® Social Presence

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

Wholly Guacamole® Packaging

200,000+ opt-in community members

Wholly Guacamole® Blogging Network

1.9 million packages

500,000+ unique visitors/month
New Product Launches

- **Launched: 2011**
  - Fresh Turkey Breakfast Sausage (Chubs)

- **Launched: 2011**
  - Grab + Go Turkey Pot Roast

- **Launched: 2012**
  - FESTIVE Seasoned Turkey Chubs

- **Launched: 2012**
  - Jalapeno Jack Turkey Burgers

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

- **Launched: 2012**
  - Turkey Meatloaf (Deli Prepared Foods)

- **Launched: 2013**
  - Turkey Breast Steaks

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

- **Launched: 2013**
  - Maple Turkey Bacon

- **Launched: 2013**
  - Turkey Meatballs (Fully Cooked, Refrigerated)
Foodservice

This burger means business.
Historical Look – Net Sales Growth

Consistent 12% Annual Growth
Balanced Sales Mix

- Independent Distribution
- K-12 Schools
- National Accounts
- Correctional
- Military/Other 6%
- National 13%
- Schools 20%
- GPO 26%
- Independent 25%
- Correctional 10%
- Mgmt/GPO Accounts
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
“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

<table>
<thead>
<tr>
<th>Brand</th>
<th>% ACV Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE LABEL</td>
<td>82.0%</td>
</tr>
<tr>
<td>Jennie-O Turkey Store</td>
<td>51.1%</td>
</tr>
<tr>
<td>Sara Lee</td>
<td>47.6%</td>
</tr>
<tr>
<td>Butterball</td>
<td>35.4%</td>
</tr>
<tr>
<td>Eckrich</td>
<td>23.6%</td>
</tr>
<tr>
<td>Boar’s Head</td>
<td>20.5%</td>
</tr>
<tr>
<td>Carolina Turkey</td>
<td>10.1%</td>
</tr>
<tr>
<td>Dietz &amp; Watson</td>
<td>9.8%</td>
</tr>
<tr>
<td>Healthy Ones</td>
<td>7.3%</td>
</tr>
<tr>
<td>Perdue</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: Perishables Group 13 w/e 2/23/13, Companies with an ACV of >5%, not including unbranded.
Whole Bird Business
Effective Cost Reductions

- **Product**
  - Yield performance, sizing, packaging

- **Plant**
  - Process flow, product handling, and automation

- **Farms**
  - Natural selection, feed profile, and farm improvements (natural gas)

Cost Reduction $\$$_
Value Adding the Hen Mix

GP/CWT

OR Whole Bird  Smkd Whl Bird  Split Breast  Hen Whole Tky
Tactics to Reach Consumers
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

- 2001: 5,876
- 2002: 5,580
- 2003: 5,436
- 2004: 5,317
- 2005: 5,240
- 2006: 5,241
- 2007: 5,233
- 2008: 5,193
- 2009: 4,948
- 2010: 4,930
- 2011: 5,001
- 2012: 4,852
- 2013: 4,775
Cost Neutral

**Labor Cost / lb**

- Evis/Bone
- VA

**Overhead Cost / lb**

- Evis/Bone
- VA
Recordable Accident Rate

![Recordable Accident Rate Chart]

- **Recordable Rate**
- **Years**: 2002 to 2013 YTD
# Sustainability Goals

## WATER USAGE Gal/lb

**FY 2013 1st Quarter**

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

- Video review of loading
- Audits at unloading
- Extensive training
- Industry best practices
- Tell our story
How We Win in the Marketplace...