



Wholegraining America: Consumer Trends, Perceptions and Understanding of Whole Grains

*Whole Grains on Every Plate Conference
October 18, 2012*

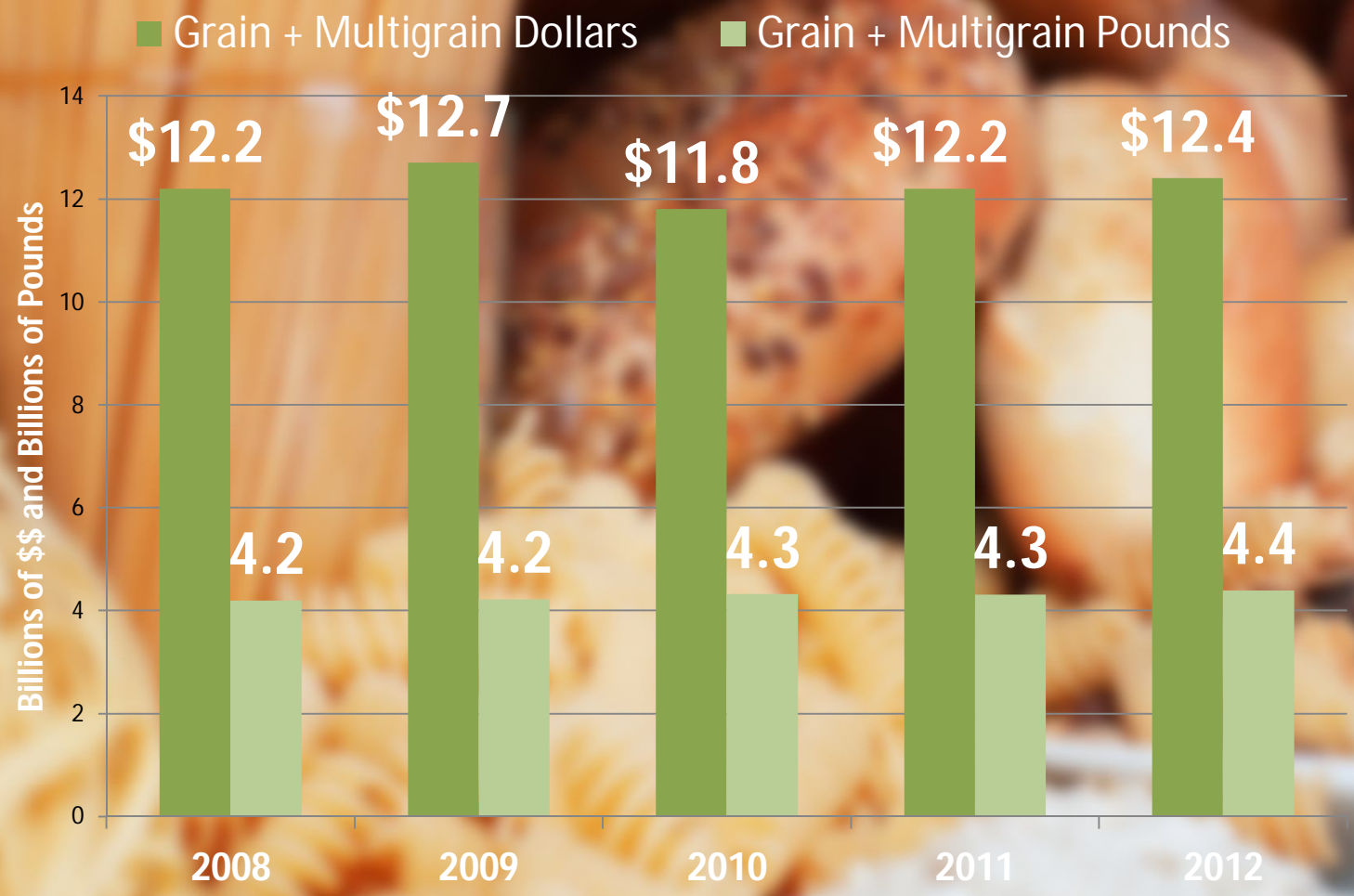
Today's topics...

1. Growing Whole Grain Share in Declining Categories
2. Attracting White Bread Consumers
3. Messaging Whole Grains and Getting Visibility on Packages



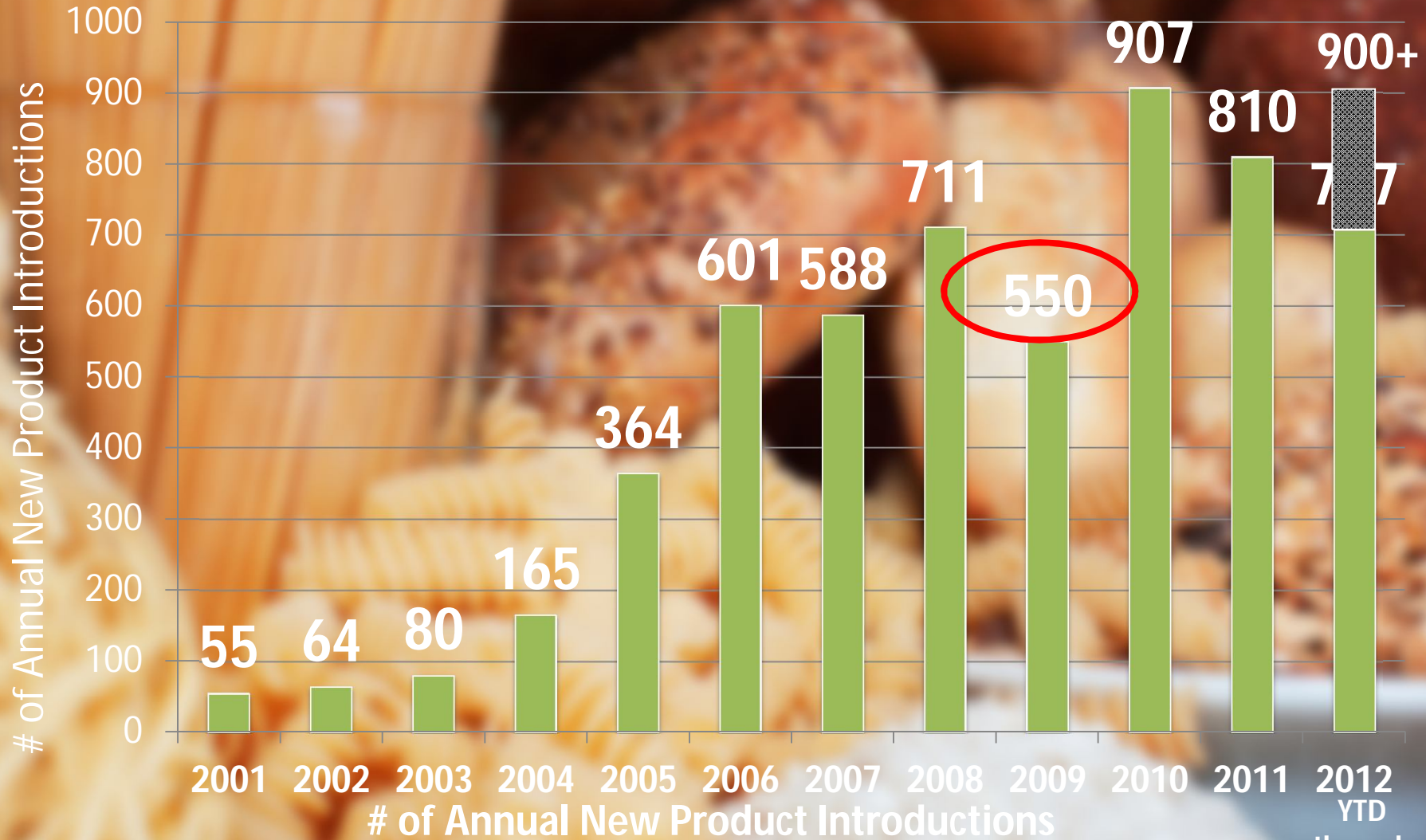
Whole Grain Sales Stall from 2008 to 2012

Total U.S. Whole Grains/ Multigrain Sales - Billions f/d/mx



Source: A.C. Nielsen Healthy Package Claims Report, total U.S., 52 weeks ending September, Food/ Drug/ Mass Merchandiser excluding Walmart.

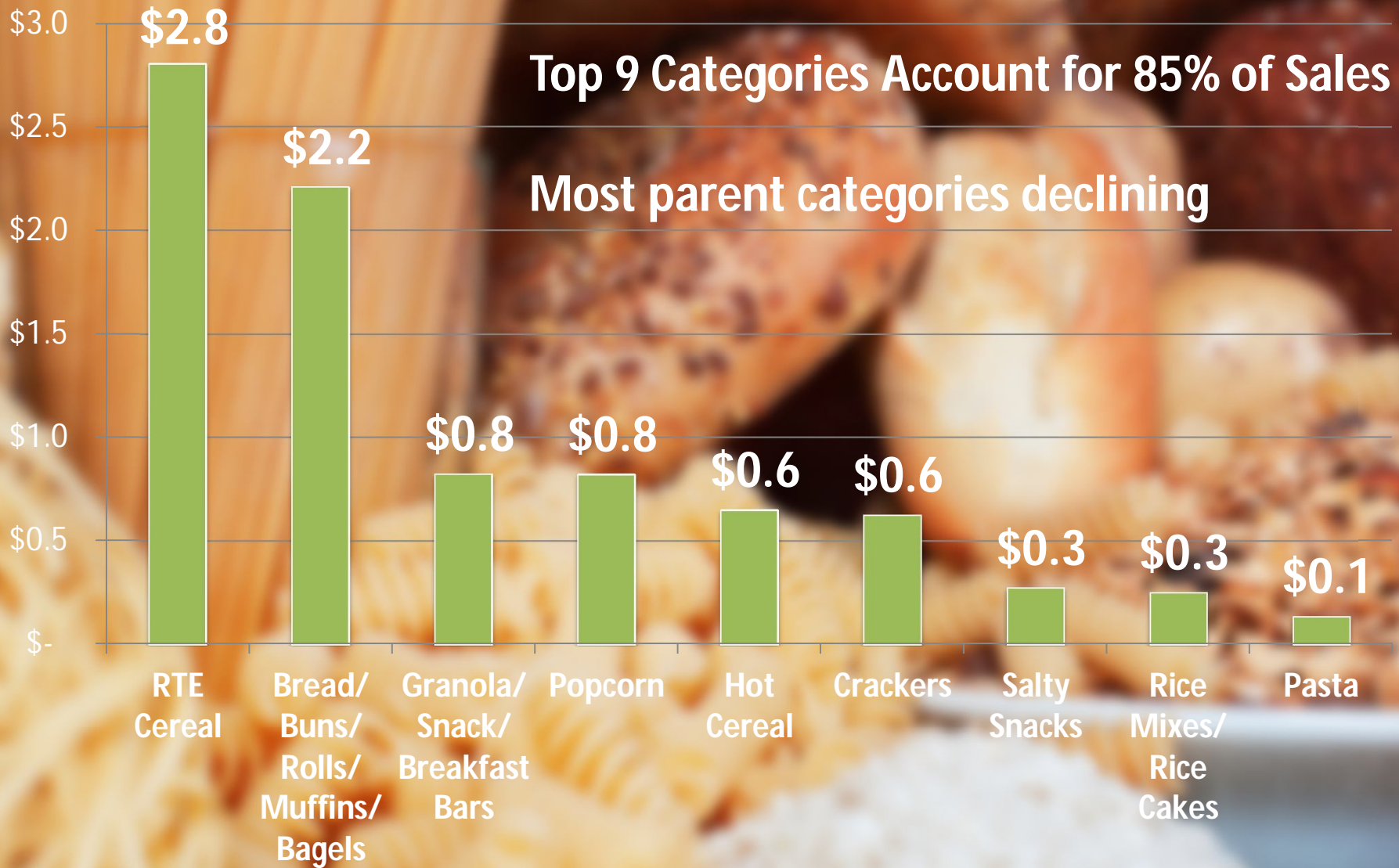
Weak economy slows whole grain new product introductions in 2009. 2012 Looking good



Source: Mintel International. Global New Products Database (GNPD). Total U.S. Food and Drink New Product Introductions with "Whole Grain" claim

4

Top Whole Grain Categories 2012 (\$ Sales Billions)



Source: A.C. Nielsen Healthy Package Claims Report, total U.S., 52 weeks ending September, Whole grains only. Does not include Multigrain claims Food/ Drug/ Mass Merchandiser excluding Walmart.

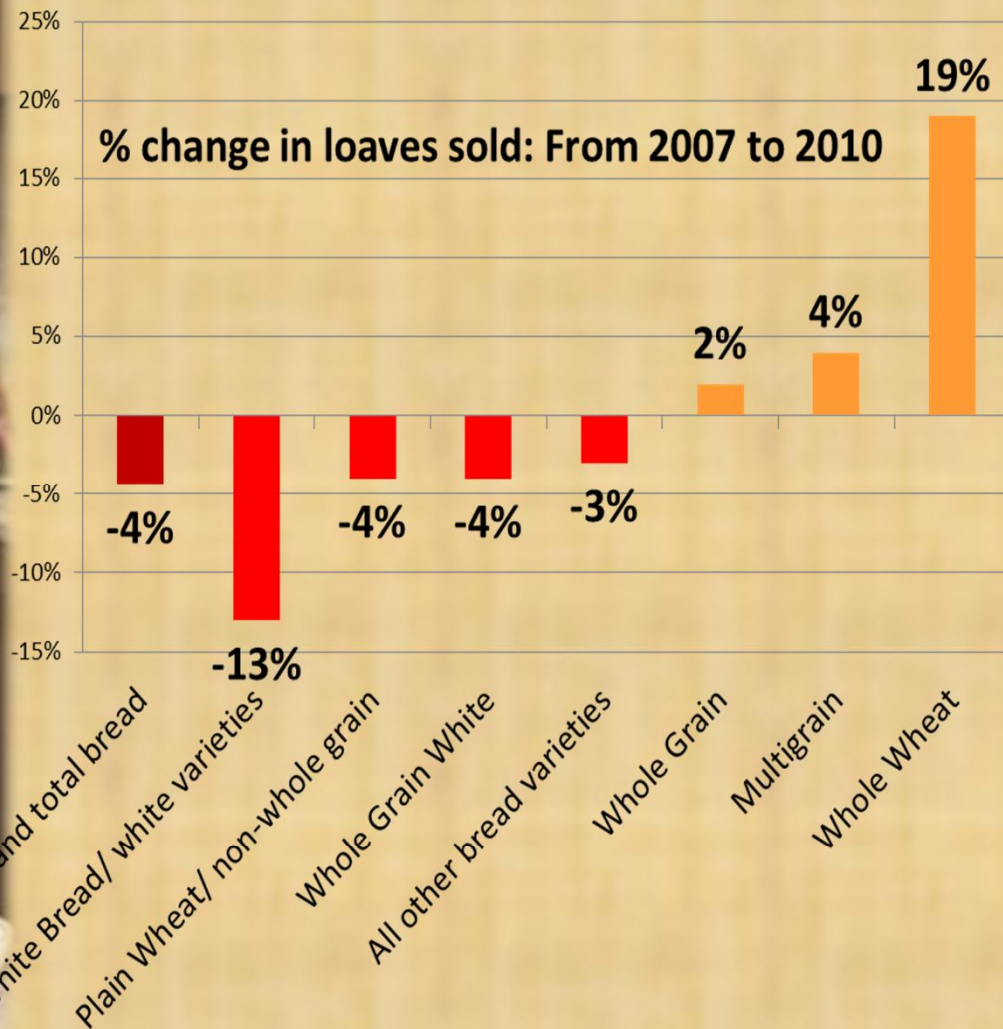
Thoughts on Future Growth

1. Forecast: Headwinds in the decade ahead

- Dietary Guidelines pressure to reduce grain consumption
- Pressures to reduce portion sizes
- “Beige foods” lose favor
- Population shifts favor colorful, lower starch foods

2. Strategy: Build whole grain share in declining categories

The Swing From White to Whole Wheat Building Share in a Declining Category



Source: SymphonyIRI, Total U.S. Sales, All Outlets, based on Consumer Panel

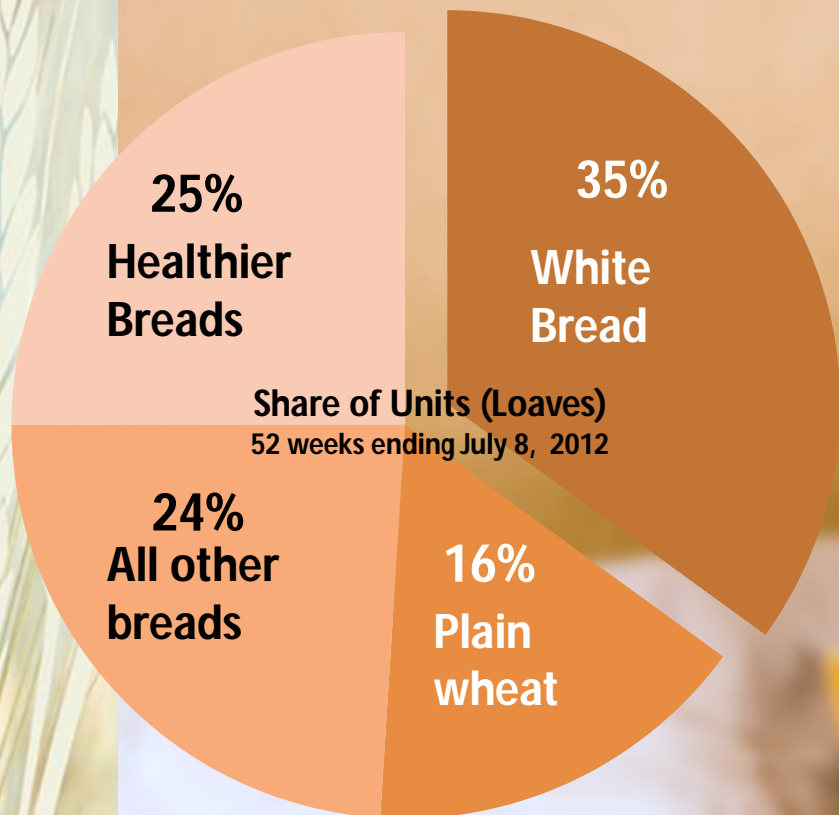
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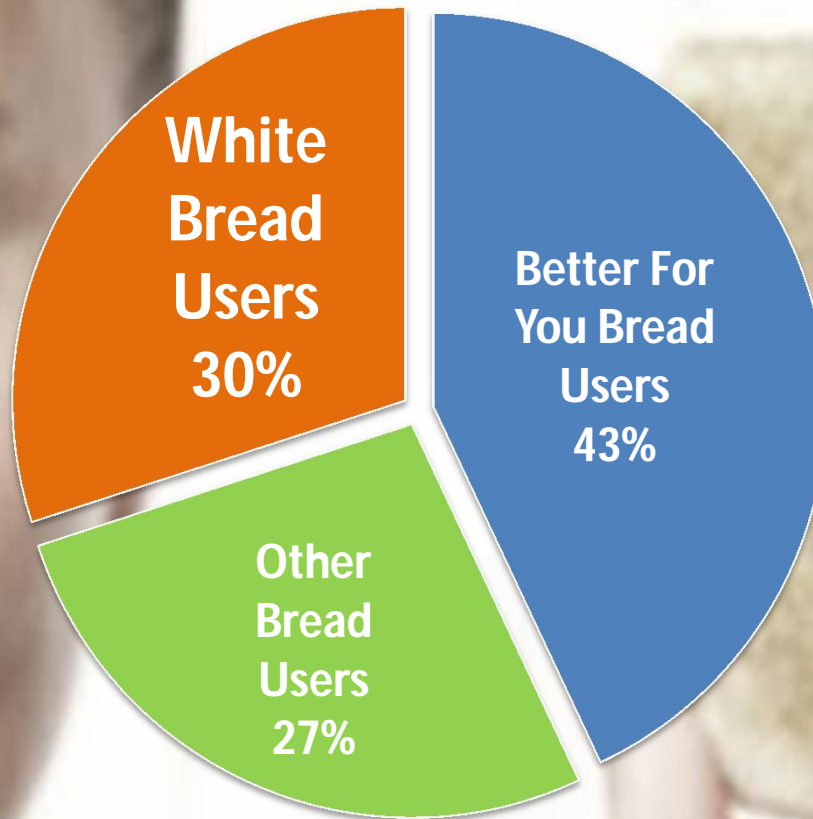
1 in 3 loaves of bread are still white bread

Note: Healthier Breads are Whole Wheat, Whole Grain White, Whole Grain and Multigrain combined



Source: Symphony IRI Total U.S. retail sales, unit sales, grocery, drug, mass merchandiser, excluding Walmart, 52 weeks ending July 8, 2012

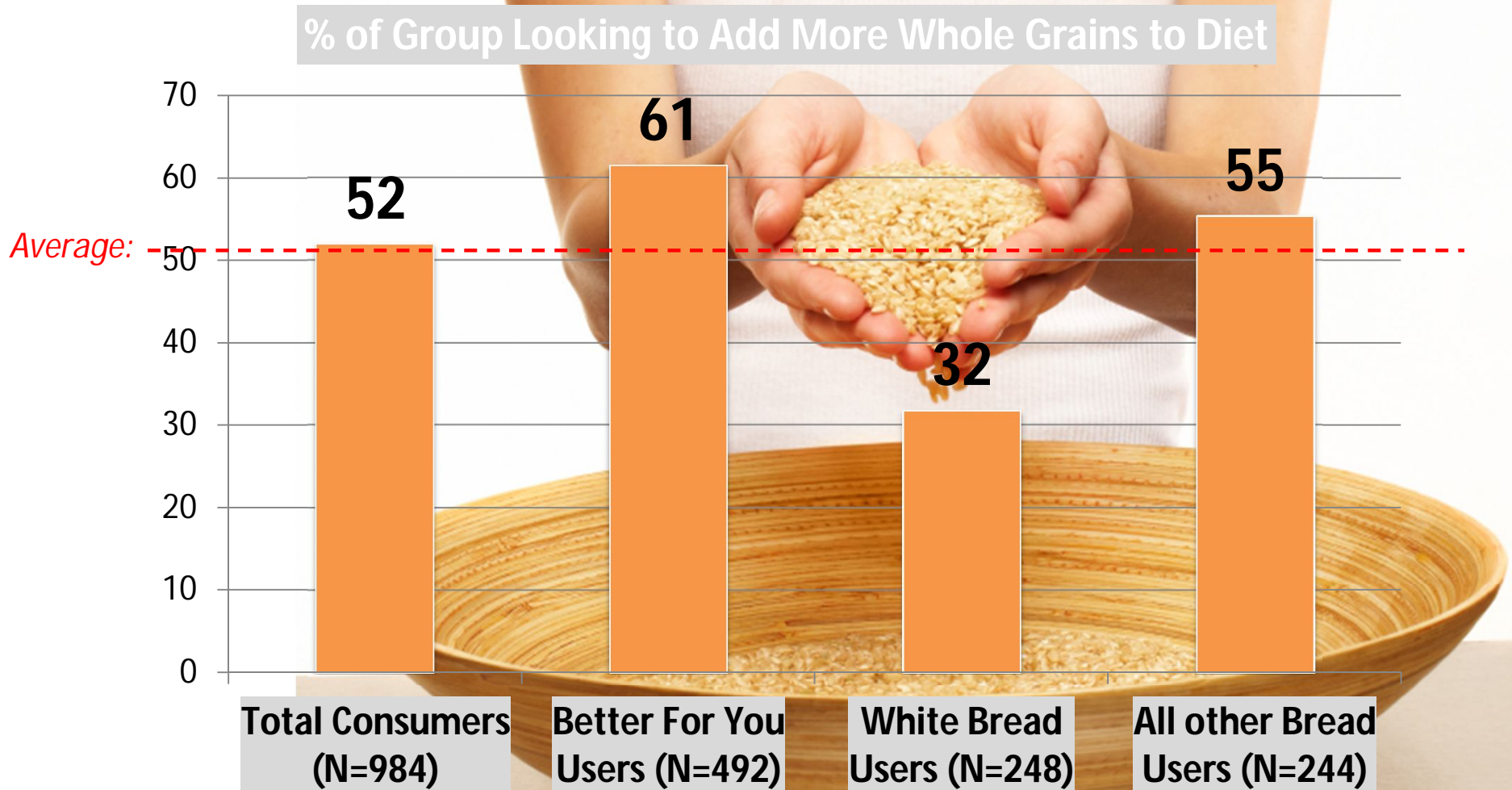
3 in 10 Are White Bread Consumers



How might we appeal to the white bread consumer?

Source: ConAgra Mills proprietary research April 2012, n=3,414 adults age 18-70, Primary grocery shoppers, 80/20 mix females/ males, Total U.S.

52% Consumers Say “Looking to Add More Whole Grains to Diet” - But White Bread Consumers Lack Interest



Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S.

Whole Grain versus Whole Wheat Bread

Whole Grain Bread Perceptions

- ✓ Grainier
- ✓ More Premium
- ✓ Denser
- ✓ More Fiber
- ✓ Crustier

Whole Wheat Bread Perceptions

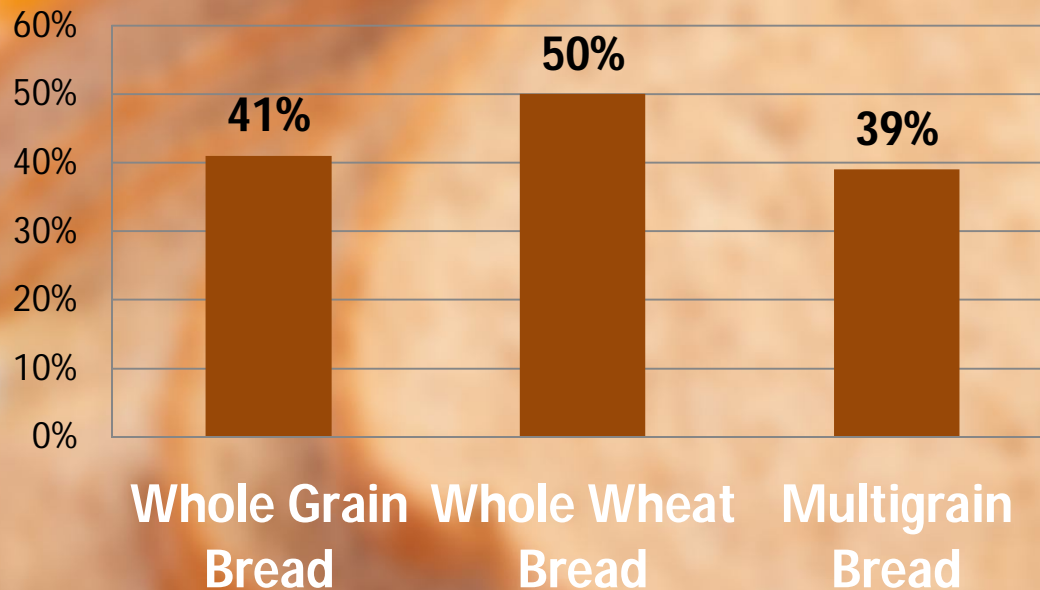
- ✓ Softer
- ✓ Milder
- ✓ Tastier

White Bread Users Have Similar Perceptions as Non-White Bread Users

Source: ConAgra Mills proprietary research, February 2012, n= 3,414 Adults, age 18-70, primary grocery shoppers, 80/20 females, males

White Bread Consumers More Interested in Whole Wheat Bread

White Bread Consumer Purchase Interest in Breads (Definitely/ Probably Would Buy)



✓ Significantly more interest in Whole Wheat Bread

✓ Whole Grain Consumers have equally high interest in all three breads

Source: ConAgra Mills proprietary research, February 2012, n= 3,414 Adults, age 18-70, primary grocery shoppers, 80/20 females, males. White Bread Consumers are average of White Bread Traditionals, White Bread Neutralists, and Budget Buyers

Perceived Benefits of Adding Whole Grains to Diet

Consumers Get it

- ✓ Adds Fiber
- ✓ Fills you up
- ✓ Aids digestion

But Consumers Want to Hear

- ✓ Helps with weight management
- ✓ Helps boost energy

And Not Hear About...

- ✓ Disease Control

White Bread Users Have Similar Perceptions as Non-White Bread Users

Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S.

Thoughts on Product and Messaging

- ✓ Design products to be mild, non grainy for white bread consumers.
- ✓ Don't premium price. Be affordable for white bread consumers
- ✓ Message to weight management. Not disease control.
- ✓ Introduce low levels of whole grains. Gradually increase inclusion level.

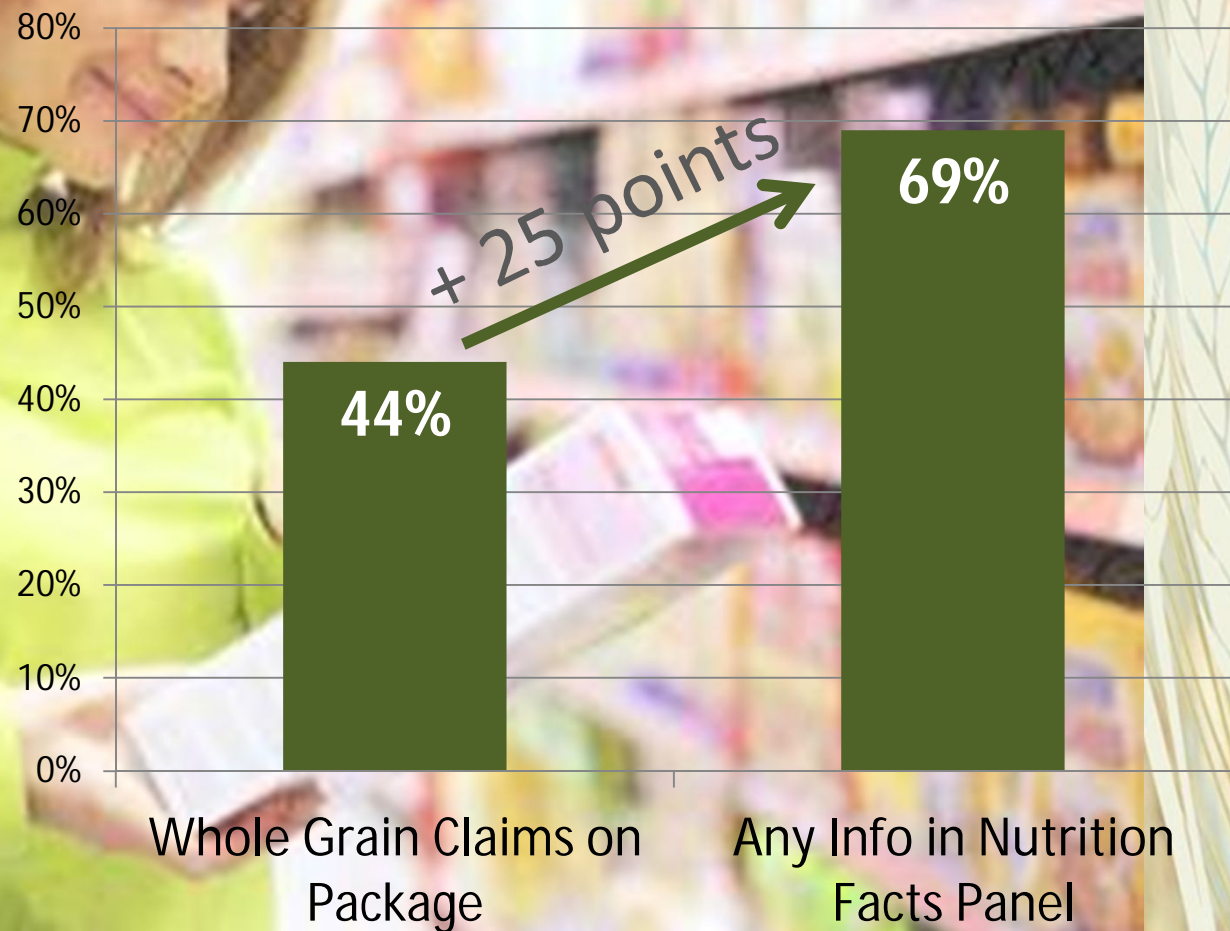
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Believability of Whole Grain Claims

How Believable is the Information?
(% Always/ Most of Time)



Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S.

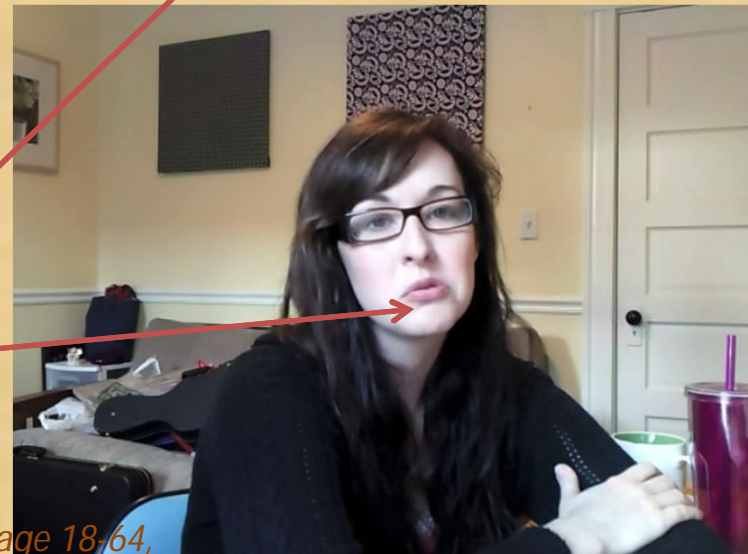
Facial Coding Captures Emotions

Whole Grain Claims on Packages Cause Skepticism



Picture shown

Reactions Video

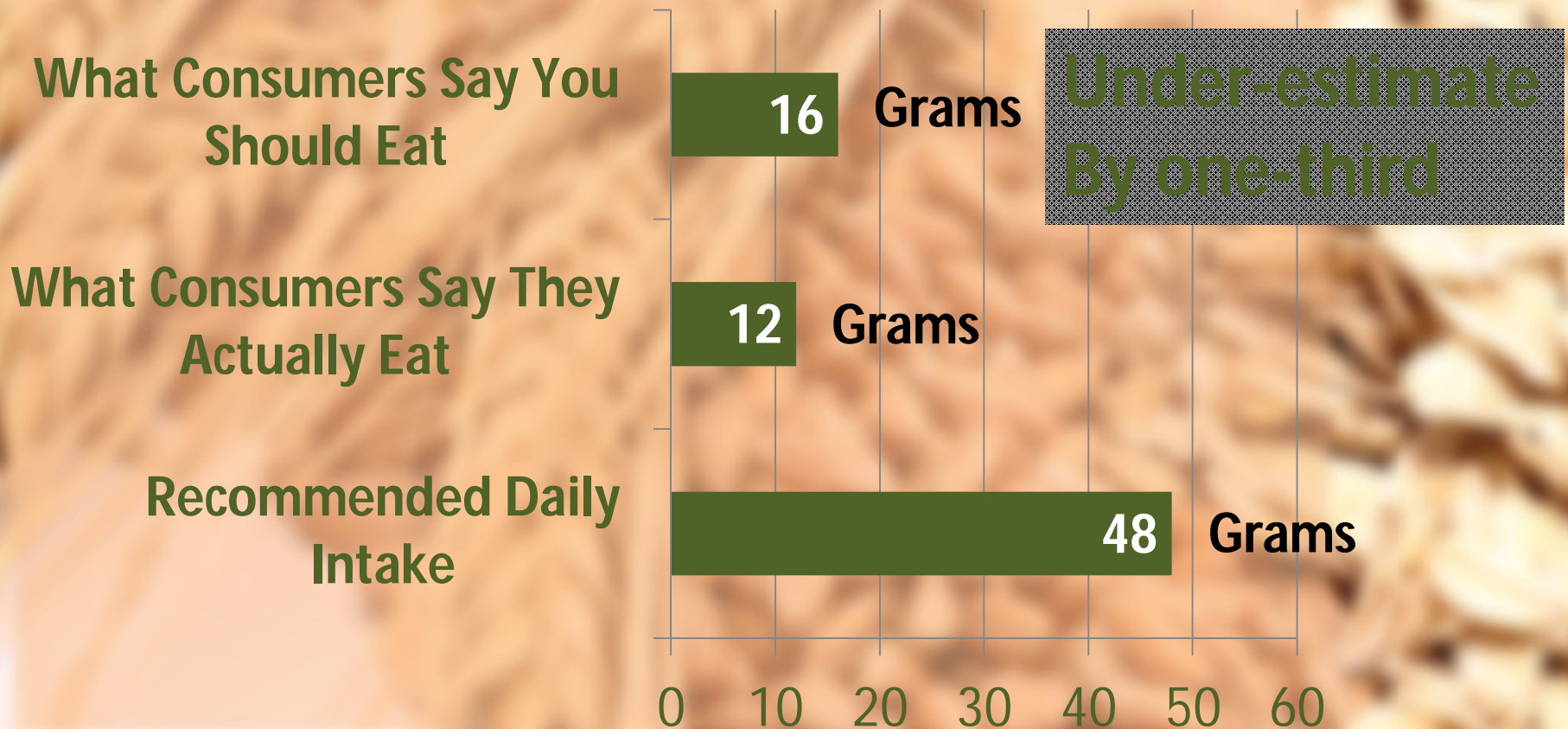


Skepticism, concern,
dislike, and
disappointment

Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S. And Consumer Vidnography March 2012

Consumers Need Guidance on Whole Grain Goal

Recommended Daily Intake of Whole Grains (Grams)

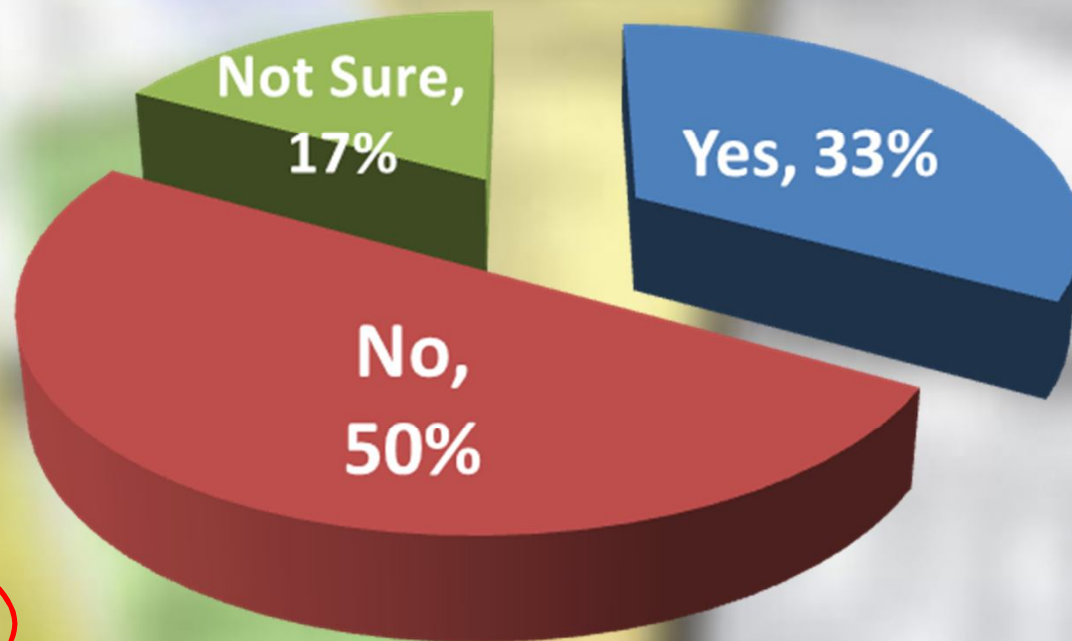


Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S.

Reactions to Whole Grain Stamp – Not very aware but like and trust the information



Seen Whole Grain Stamp on Packages?



All consumer segments same awareness

Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S.

Put Whole Grain Stamp Next to Nutrition Facts

Trusted Information but
trouble finding

Trusted Information and
know where to look



Source: ConAgra Mills proprietary research April 2012, n=984 adults age 18-64, Primary grocery shoppers, 60/40 mix females/ males, Total U.S.

Final Thoughts

1. Increase share of whole grains in declining categories
2. Stronger commitment to converting white bread to whole grain
3. Products with mild flavor to broaden appeal
4. Message to weight management to broaden appeal
5. Whole Grain Stamp needs consistent placement on package. Put near Nutrition Facts Panel.

