



Setting the Table for America's Changing Appetite

Are you a locavore? That's someone who buys fresh, locally-grown food with the intention of better nutrition, taste and less environmental impact.

Do you practice huetrition? It's a term coined to encourage consumers to eat a variety of different colored fruits and vegetables.

These terms are indicative of new trends in the food industry. As America's population changes so does its appetite. As our population ages and becomes more culturally-diverse, consumers increasingly are interested in eco-friendly and healthier foods as well as bolder flavors. With the current economic downturn, value is also important to consumers whose budgets are being strained.

Food companies make it their business to meet America's changing dietary needs and wants with new products and technologies. These companies increasingly emphasize convenience foods, ethnic foods, natural foods and healthier foods. Here's how some Agri-Growth member companies are meeting the challenge.

"There is a very real and profound food renaissance taking place," contends **Dan Hernandez**, director of innovation for **Hormel Foods**, based in Austin, Minn. "When food is delivered in a perfect venue, it can be an incredible source of joy in a person's life. Our vision at Hormel is to 'elevate the

everyday.' We focus on the experience and flavor. People want great, flavorful foods even if they only have time for a 10-minute microwave lunch."

Many Tastes

According to Hernandez there are four key food categories that Hormel is focusing on: comfort foods, authentic foods, balanced foods, and global foods. Comfort foods are traditional slow cooked dishes, like pot roast, which Hormel makes available as shelf-stable complete meals in the Hormel Compleats line. Authentic foods address consumers who want real food made by real people with high ethical standards. "We've had incredible success with our Hormel Natural Choice line of deli meats, which use

high pressure processing (HPP) to eliminate preservatives and additives," says Hernandez.

Balanced foods speak to consumers' desire for a healthy balance. Turkey is considered a super food because it's a very healthy

protein and many **Jennie-O Turkey Store** products are enjoying strong growth. Hormel has also recently introduced a new line of Hormel Compleats, created for a healthy lifestyle. Global foods are growing in popularity as our population becomes more diverse and as young consumers and baby boomers cultivate a diverse network of friends and cultural experiences on the Internet and through travels. These consumers are moving away from Americanized versions of ethnic food to authentic ethnic flavors. Six months ago, Hormel introduced "Carneceria Hormel," raw pre-marinated meats, targeted to consumers looking for 100 percent authentic Mexican/Latin flavors. "We originally developed the line for the growing Hispanic population, but it has much broader appeal," Hernandez says.

Farm to Fork

Another trend is for consumers to want to know where their food comes from. "There is a growing interest among both



Mexican Flag Enchiladas made with Gold'n Plump Recipe Ready Ground Chicken. Each serving is topped with avocado, reduced-fat sour cream and tomatoes to represent the colors of the Mexican flag. You can find the recipe at www.goldnplump.com/groundchicken.



consumers and trade customers in how their chicken gets from 'the farm to the fork.' They want to understand how the animals are cared for, the impact on the environment, as well as what's going into our products," says **Lexann Pryd-Kakuk**, corporate communications manager for **Gold'n Plump**. "Company transparency is becoming an important part of the buying decision and therefore, a requirement for prospective buyers. These elements are driving a desire for fresh, local products." Gold'n Plump

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- Agri-Growth Works with Media in advance of AgNite



There are 25 delicious varieties of the Hormel Compleats microwavable meals.



MINNESOTA
AGRI-GROWTH
COUNCIL



The Minnesota Agri-Growth Council is a unique trade association whose mission is the promotion of Minnesota agriculture with elected officials, the general public, media, and the farm community. The Agri-Growth Council's 200 members represent the entire food and agriculture sector, from agribusinesses and processors to producer-based commodity organizations. The Council is based in St. Paul and has been working to promote Minnesota agriculture since 1968.

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Member IN FOCUS

Company:

Dow AgroSciences

Web site: www.dowagro.com



Dow AgroSciences

Locations: It has major research sites, manufacturing facilities and business offices all over the world.

Minnesota Locations: R&D site in Breckenridge; R&D and operations site in Olivia

History:

The company's roots in the agricultural marketplace date back to 1950. In 1989, the DowElanco joint venture was formed. In 1997, the company was renamed Dow AgroSciences when The Dow Chemical Company purchased the rest of the company. Other significant acquisitions include Mycogen Seeds, acetochlor herbicide, Cargill Hybrid Seeds, several Brazilian seed companies, the agricultural chemicals business of Rohm and Haas and several seed companies in the U.S. and Europe

Sales: \$3.8 billion in 2007

Employees: About 5,000 globally

Business Description:

Dow AgroSciences provides innovative technologies for crop protection, pest and vegetation management, seeds, traits, and agricultural biotechnology to serve the world's growing population. Its crop protection portfolio includes herbicides, insecticides, fumigants and fungicides. Dow AgroSciences offers a full range of seeds for corn, sunflowers, canola, cotton, soybeans and alfalfa. In addition, it has developed seeds specifically bred for improved nutritional quality.

Q & A with Ted McKinney, Leader, U.S. Food Chain & States Affairs

What's new with your company?

We recently received the 2008 Presidential Green Chemistry Challenge Award, for spinetoram, an innovative insect control technology for fruits and vegetables. This is the fourth time Dow AgroSciences has earned this highly coveted award from the U.S. Environmental Protection Agency. The award recognizes technical innovations that incorporate "green" chemistry principles into chemical design, manufacture and use.

We are seeing terrific success with our healthy oils platform and strong adoption of healthier oils by the food service industry.

Dow AgroSciences uses conventional breeding techniques and tools of biotechnology to produce oils that are low in saturated fat and trans fat free. Its Omega-9 canola and sunflower oils deliver outstanding performance in commercial applications, have the lowest content of saturated fat of all vegetable oils and are trans fat free.

Pending regulatory approval, Dow AgroSciences plans to introduce SmartStax™, a new insect-protection and weed control stacked trait combination in corn by the 2010 planting season. SmartStax is the industry's first-ever eight-gene stack combination in corn that will feature multiple modes of action to control both above and below ground insects as well as herbicide tolerance. SmartStax is being jointly developed and registered by Dow AgroSciences and Monsanto.

What are key industry trends?

A key trend is the need for increasing crop yields in light of the ongoing food vs. fuel discussions. Our technologies are very focused on improving yields.

There is also a need for more and different healthier oils. Our research continues to bring new healthier oil products to market.

Biotechnology is being adopted around the world and its adoption is necessary to help feed a growing world population.

What are your legislative priorities?

We hope that water quality management programs and best management practices are adopted based on sound science and with input from production agriculture stakeholders.



Research Scientists at Dow AgroSciences pollinates corn in a greenhouse at the global headquarters in Indianapolis.

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partners with local producers in Minnesota and Wisconsin to raise the chicken it markets in the Midwest. Americans eat an average of 85 pounds of chicken per year per capita.

Organic and Natural Food

Organics have been a fast growing sector with many years of double-digit growth. U.S. sales of organic food and beverages have grown from \$1 billion in 1990 to an estimated \$20 billion in 2007 and are projected to reach nearly \$23 billion in 2008. Organic food sales are anticipated to increase an average of 18 percent from 2007 to 2010, according to the 2007 Organic Trade Association Manufacturer Survey. A more recent study by The Hartman Group suggests aggregate consumer use of organics



may be plateauing.

Minnesota-based, **SunOpta Grains and Foods Group** specializes in non-GMO and certified organic food grade soybean, corn and sunflowers. It is the largest user of U.S.-origin organic soybeans in the entire country and it is among the largest makers of soy milk in the U.S. "About 80 percent of our soy products are certi-

fied organic and include the USDA heart healthy claim," says **Kate Leavitt**, director International Sales & Marketing. "Our soy milk is a high protein dairy alternative that is grown by Minnesota farmers, processed and packaged in Alexandria, Minn., and distributed nationwide." The soy milk comes in many flavors including green tea for the Asian population and juice blends for youth.

SunOpta's Dakota Gourmet Snacks provide healthy, natural and organic snacks in one ounce packages to schools, food banks and healthcare facilities. Products include roasted sunflower, corn and soy nuts. Flavors range from honey to chile limon.

"We were one of the pioneers in high oleic sunflower varieties, which have a healthier fatty-acid profile and extended shelf life allowing sunflower nuts to go into products like granola bars. Sunflower is an excellent nut alternative because it's cheaper and is slightly lower in calories while being a very healthy protein source and high in folate and other nutrients," says Leavitt. In addition, the Dakota Gourmet products are produced in a non-peanut processing facility, providing reduced allergen risk for consumers, an ever increasing area of concern. SunOpta is also the largest U.S. producer of edamame, a sweet soybean snack, that is growing in popularity and contains 10 grams of soy protein per serving.

Sparboe Farms, Litchfield, Minn., is the fifth largest egg producer in the U.S. It offers



Sun Opta makes organic soy milk products for private labels.

a wide variety of egg products including certified organic eggs, Omega plus eggs, cage-free brown plus omega-3 eggs, all of which have had double digit growth the last several years.

Healthier Oils

Mounting medical evidence and growing public concern is driving the foodservice industry to eliminate bad fat from foods. Consumers are interested in healthier oils and reducing trans fat in their diets.

CHS Inc. has offered a special contract program to producers and elevators for low linolenic trait soybeans for the past three years. These specialty trait beans typically contain less than three percent linolenic acid, compared to the eight percent found in traditional beans. The reduced acid level reduces the need for partial hydrogenation

during the refining process, resulting in lower trans fat levels. Farmers receive a 60-cent per bushel premium. "Demand for low linolenic

soybean oil is growing, but at a slower pace than expected. Higher vegetable oil prices and reduced food service demand have slowed demand for all oils. However, the demand for healthier oils continues to grow," explains **Dave Mack**, CHS national account manager for refined oils.

Omega-9 Oils, developed by **Dow AgroSciences** and derived from its NEXERA™ canola and sunflower seeds, represent the "next generation" of food industry oils. That's because they have zero trans fat, the lowest amount of saturated fat among oils, and are uniquely high (>70 percent) in heart-healthy monounsaturated (omega-9) fat. Omega-9 Oils have doubled production capacity to more than a billion pounds, and plan to more than double again to 2.5 billion pounds by 2012, making them readily available to meet the growing demand of the foodservice industry.



Grant program will boost state's livestock industry

The Minnesota Department of Agriculture (MDA) is now accepting applications for the Livestock Investment Grant Program, a new program to help support the state's livestock industry. Livestock producers can apply for the funding to help offset the costs of improving or expanding their operations.

Qualifying producers would be reimbursed ten percent of the first \$500,000 of investment, with a minimum investment of \$4,000. Qualifying expenditures include the purchase, construction, or improvement of buildings or facilities for the production of livestock, and the purchase of fencing as well as feeding and waste management equipment. Improvements made since Jan. 1, 2008, are eligible for consideration. MDA Commissioner **Gene Hugoson** says the livestock investment grants will give the state's

livestock producers a boost to help them compete in the global marketplace.

"Many livestock producers have considered making investments in their operations and this grant program will provide incentive for them to proceed," said Hugoson. "Minnesota is in the top ten states in livestock production and to remain competitive we need to ensure farmers are able to make investments that will help them not only maintain, but also enhance their operations."

Qualified grant applications will be awarded competitively through an evaluation committee. The grant will not pay for the cost of purchasing livestock or the cost of debt refinancing. Applications must be postmarked by Sept. 15, 2008.

For more information visit www.mda.state.mn.us/livestockinvestmentgrant.



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UPCOMING EVENTS

September

2 AgNite Gala Event
19.... Board Meeting

October

30 ... Annual Meeting

Save the Date Annual Meeting

Thursday, October 30, 2008
St. Paul RiverCentre

Watch for more details and a registration form to be included in next month's newsletter.

GOP National Convention Unique Opportunity for Media Coverage

With the 2008 GOP National Convention just weeks away, Agri-Growth is working to provide media with background information, expert resources and other food/agriculture industry insights to help support news coverage before, during and after the Convention. "The media draw for a National Political Convention is only exceeded by the Olympics," notes **Leslie Shuler**, Agri-Growth's communications director. "We have a unique opportunity to showcase our food and agriculture industry to the nation and the world."

To that end Agri-Growth is working closely with the public affairs firm of **Himle Horner** to coordinate the media strategy for its AgNite Gala to be held Tuesday, Sept. 2. Target audiences have been receiving Agri-Growth's weekly AgNite Countdown newsletter via e-mail to keep the buzz going. "In June, we distributed a press kit that highlighted how this area of the country is situated — geographically and politically — at the center of some of the most important and difficult issues facing the nation — food, agriculture, energy and even foreign policy," says Shuler. "Minnesota, Iowa and Wisconsin are all considered potential "swing" states in the presidential elec-



Minnesota Agri-Growth Council

PRESENTS



AgNite

A Celebration of America's Food and Agriculture Industry

DURING THE

2008 REPUBLICAN NATIONAL CONVENTION
SEPTEMBER 2, 8 P.M. - 2 A.M.

tion and have as many electoral votes (combined) as Florida."

The press kit, which is also available on the AgNite web site (www.agrigrowth.org/agnite), includes a list of story topics concerning the agricultural economy, energy and environment, food safety and supply, innovative farm operations, changing dietary trends, global trade and the politics of the Midwest region. It notes that news media will have the opportunity to connect with some of Minnesota's and the world's largest and most successful food and agriculture organizations, from commodity associations to Fortune 500 food companies. In addition, interesting photo and video footage of dairy farms, producers and interviews with business leaders and

farmers are available, often within 45 minutes of the Twin Cities.

Shuler and the Himle Horner team are contacting targeted media to assist with story development.

Early coverage has appeared in the Pioneer Press, Feedstuffs, Red River Farm Network, Twin Cities Business magazine, Roll Call and National Journal.