COMING THROUGH COVID: LONG-TERM DEVELOPMENTS IN THE FOOD MARKETPLACE

NATIVE AMERICAN AGRICULTURE FUND

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GUEST SPEAKER

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AGENDA

- Long-term changes in the food system sparked by COVID-19
- New market data resources available through NAAF

1 LONG TERM CHANGES

PERMANENT CHANGES IN CONSUMER APPROACH TO FOOD

- Eating healthy is more important
- Environmental health is more important
- Online shopping will continue to grow
- Home-cooked meals will continue
- Snacks continue to replace meal occasions
- Consumers’ approach to “brands” is evolving
- Meat consumption is rising, but shoppers want “ethical and sustainable” options
- People losing trust in the industrial food system

HIGH COST OF CHEAP FOOD

Number of hogs euthanized due to COVID-19 impacts still unknown

6/1/2021

Timeline of Smithfield Foods' 2020 meatpacking plant CO

How COVID-19 tore through Smithfield' meatpacking plant in 17 days

'alls Argus Leader

COVID-19 deaths go uninvestigated as OSHA takes a hands-off approach to meatpacking plants

OSHA has not inspected 26 out of the 65 meatpackin found at least one worker died of COVID-19.

By Kyle Bagenstose, Sky Chadde and Rachel Axo

The Washington Post

Democracy Dies in Darkness

More than 200 meat plant workers in the U.S. have died of covid- Federal regulators just issued two modest fines.

Colonial hack exposed government's light-touch oversight of pipeline cybersecurity

The TSA is reversing its hands-off approach to overseeing pipeline

Kindy

FOOD & BEVERAGE

Big North American meat plants halt operations after cyberattack

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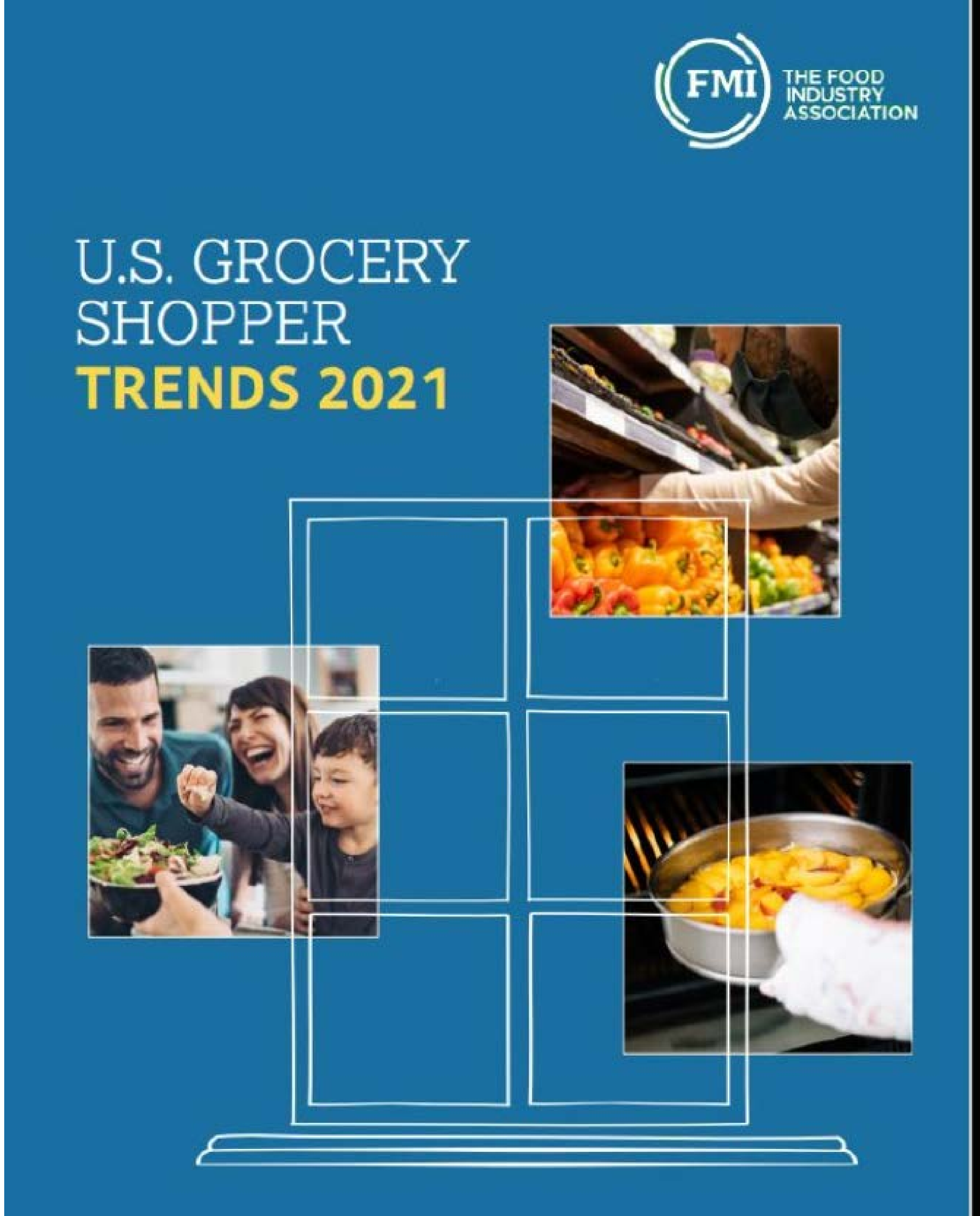
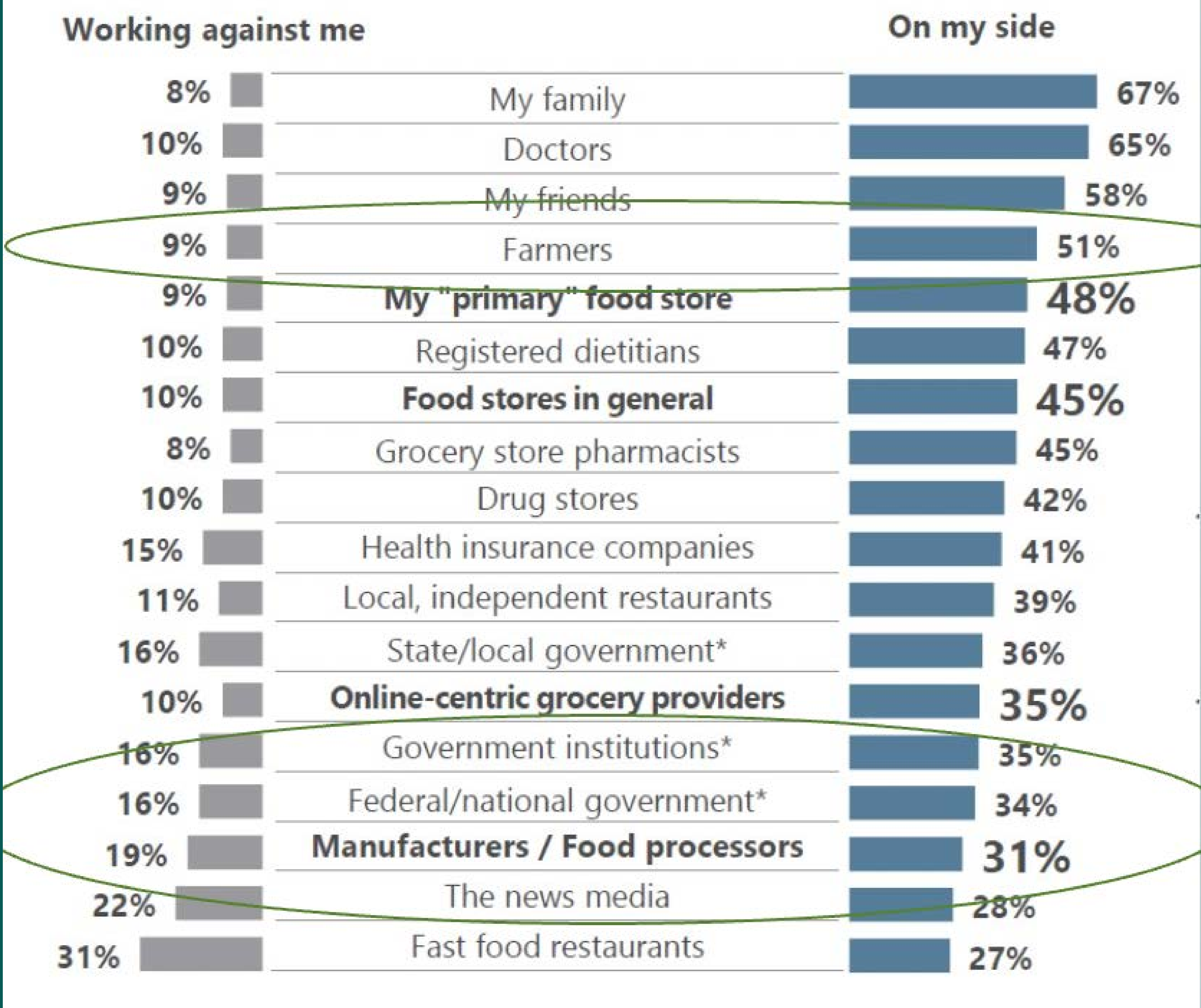
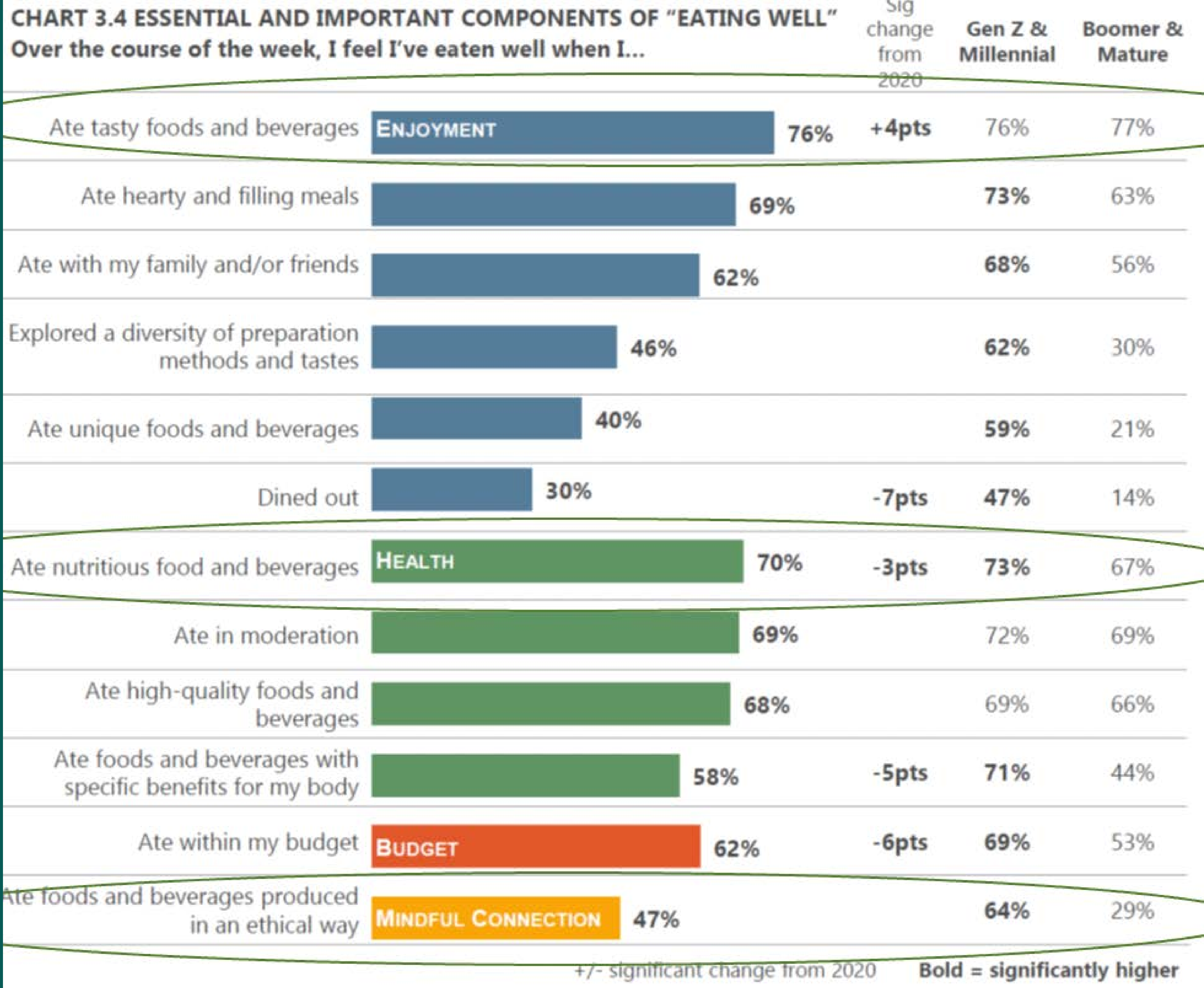

FMI
THE FOOD INDUSTRY ASSOCIATION
U.S. GROCERY SHOPPER
TRENDS 2021

WHO DO YOU TRUST WITH YOUR HEALTH?



ELEMENTS OF EATING WELL



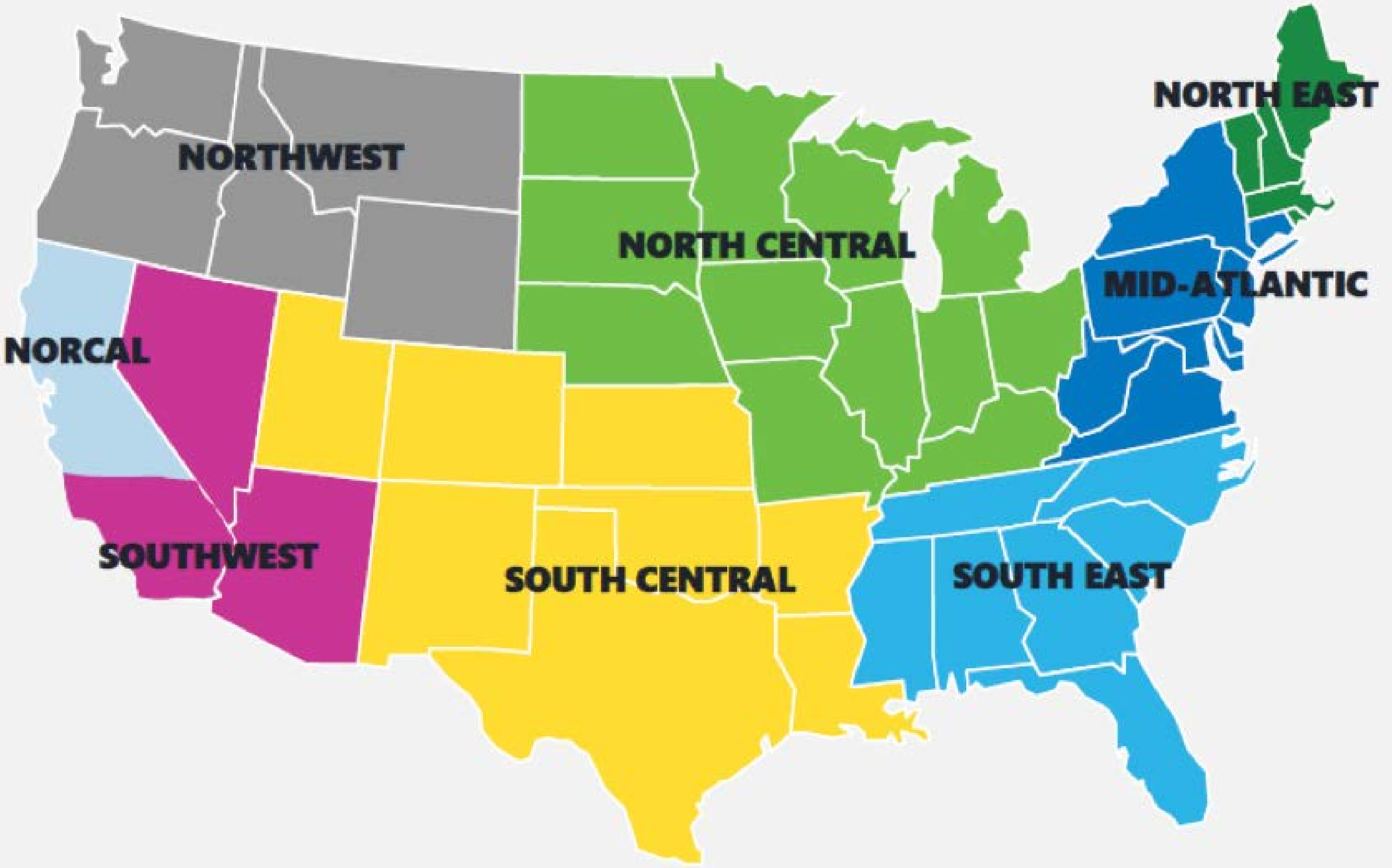
SPINS® DATA PORTAL:
A NEW RESOURCE AVAILABLE THROUGH NAAF

WHAT IS SPINS?

- A national retail food data mining service that focuses on the health & wellness (natural) channel as well as conventional.
- SPINS tracks the performance of individual categories and brands in the retail environment.
- Information can help Tribal food projects determine brand positioning, current sales landscape and other information.
- Let’s take a look….

NATURAL ENHANCED CHANNEL

EXAMPLE RETAILERS



CONVENTIONAL CHANNEL

EXAMPLE RETAILERS

Publix. Kroger Walgreens TARGET

Walmart Wegmans Albertsons Sam's Club

- Powered by IRi
- 8 Standard Regions for the Conventional Channel
- Available as both MULO Regions and Food Regions

CATEGORIES

- Body Care
- Frozen
- Refrigerated
- Grocery
- Herbs and Homeopathic
- Pet
- Produce
- Vitamins & Supplements

MEASURES

- Brands
- Time Frame
- Dollars
- Units
- Changes in Dollars & Units
- Average Shelf Price
- Total Points of Distribution
- Regional Penetration
- ...& More

Let's use jerky as an example...

CATEGORY PROFILER: SALES OF JERKY& MEAT SNACKS YTD

1. Small penetration in Natural
2. Natural products less than 3%
3. $1.6 billion in total sale

Product Group Dynamics
Dollars

Jerky	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	$ Sales	$ Sales	$ Sales	$ Sales
Natural Products	2 37.9M	1 4.6M	25.8M	7.5M
Specialty and Wellness Products	143.3M	3.3M	35.1M	104.9M
Conventional Products	1.4B	3.2M	815.4M	605.9M
Total Universe	3 **1.6B**	**11.2M**	**876.3M**	**718.2M**

1. Higher penetration in Natural
2. Natural products a higher %
3. Smaller category

Product Group Dynamics
Dollars

Meat Snacks	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	$ Sales	$ Sales	$ Sales	$ Sales
Natural Products	2 55.1M	1 14.9M	33.6M	6.6M
Specialty and Wellness Products	189.9M	3.1M	130.5M	56.3M
Conventional Products	959.0M	1.3M	424.2M	533.5M
Total Universe	3 **1.2B**	**19.3M**	**588.3M**	**596.4M**

CATEGORY PROFILER: SALES CHANGE OF JERKY& MEAT SNACKS YTD

1. Natural Products declining
2. YTD Sales growing

Product Group Dynamics
Absolute Dollar Change

Jerky	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	$ +/- Chg	$ +/- Chg	$ +/- Chg	$ +/- Chg
Natural Products	1 -4.2M	-841.4K	-2.6M	-729.0K
Specialty and Wellness Products	29.3M	283.4K	-2.2M	31.2M
Conventional Products	281.3M	280.8K	155.8M	125.2M
Total Universe	2 **306.4M**	**-277.2K**	**151.0M**	**155.6M**

1. The highest Natural product growth is in conventional
2. Natural Products growing
3. Meat snacks growing, too

Product Group Dynamics
Absolute Dollar Change

Meat Snacks	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	$ +/- Chg	$ +/- Chg	$ +/- Chg	$ +/- Chg
Natural Products	2 11.9M	1.5M	1 8.7M	1.7M
Specialty and Wellness Products	33.4M	264.0K	19.3M	13.8M
Conventional Products	147.1M	319.5K	71.0M	75.7M
Total Universe	3 **192.4M**	**2.1M**	**99.0M**	**91.2M**

CATEGORY PROFILER: % SALES CHANGE YTD

Jerky

Product Group Dynamics
Dollar % Change

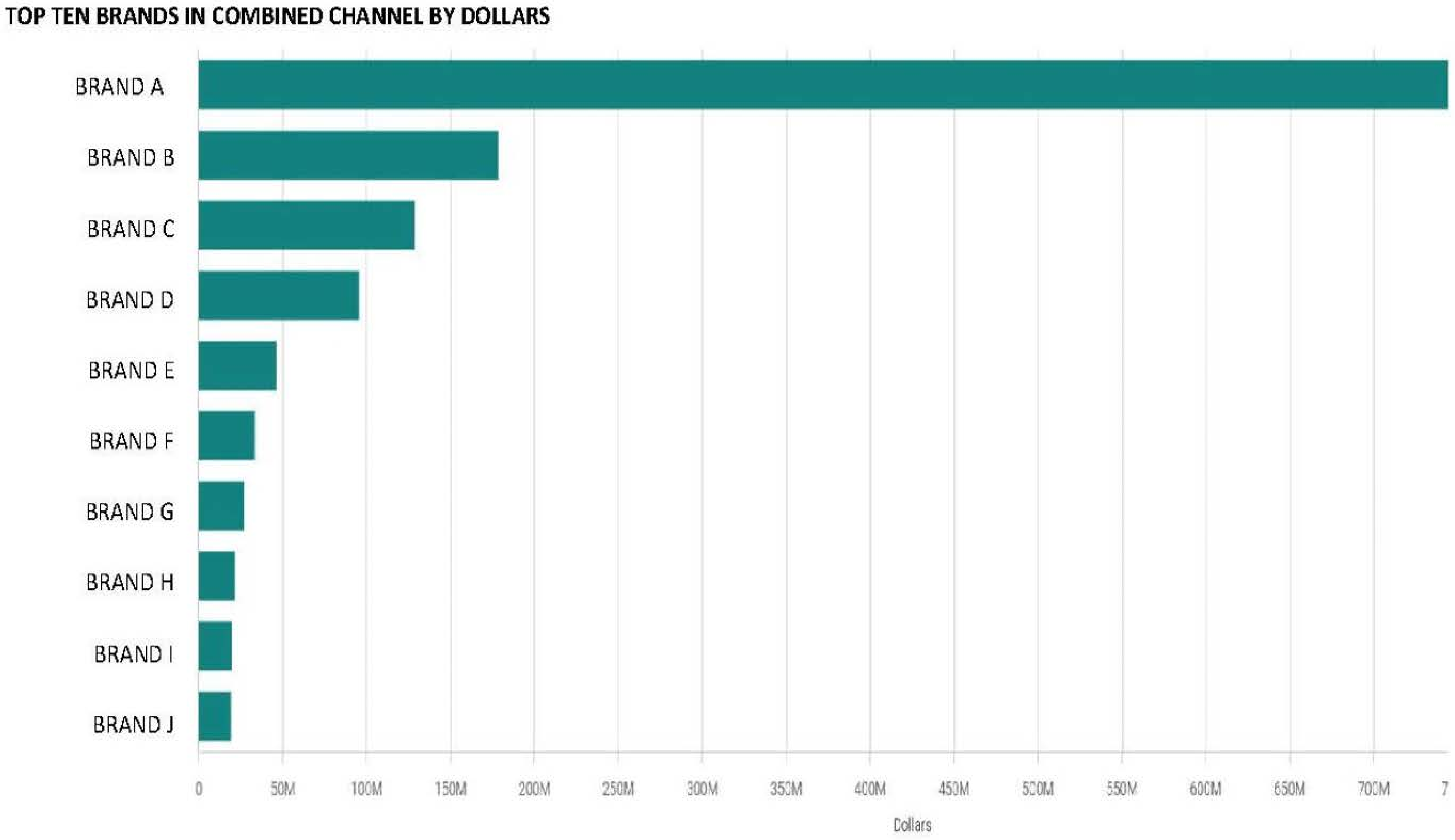
	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	% Chg	% Chg	% Chg	% Chg
Natural Products	-9.9%	-15.4%	-9.2%	-8.9%
Specialty and Wellness Products	25.7%	9.3%	-5.8%	42.3%
Conventional Products	24.6%	9.6%	23.6%	26.0%
Total Universe	**23.6%**	**-2.4%**	**20.8%**	**27.7%**

Meat Snacks

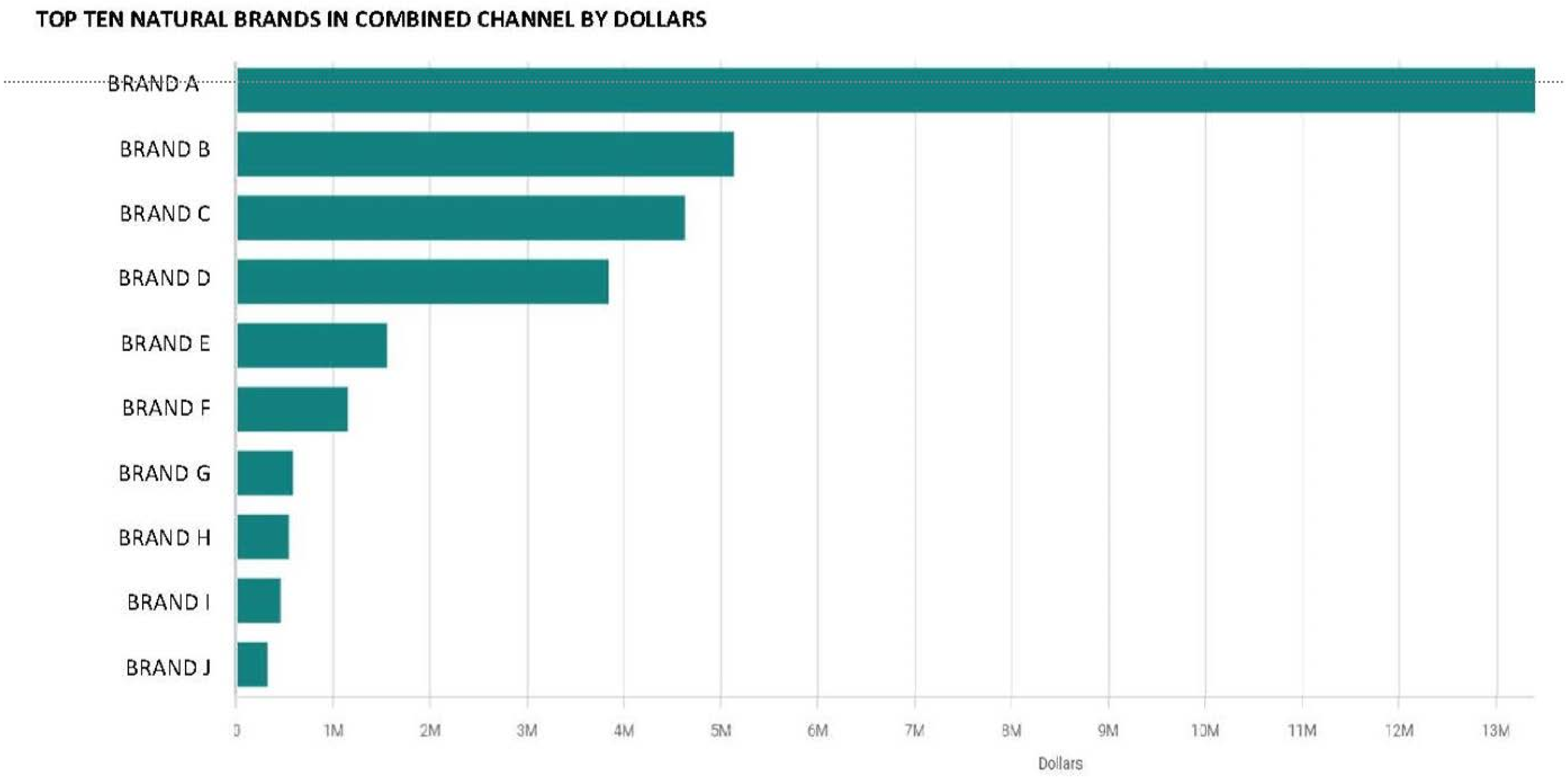
Product Group Dynamics
Dollar % Change

	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	% Chg	% Chg	% Chg	% Chg
Natural Products	27.5%	11.2%	35.2%	33.6%
Specialty and Wellness Products	21.3%	9.3%	17.4%	32.5%
Conventional Products	18.1%	34.2%	20.1%	16.5%
Total Universe	**19.0%**	**12.1%**	**20.2%**	**18.1%**

JERKY CATEGORY PROFILER



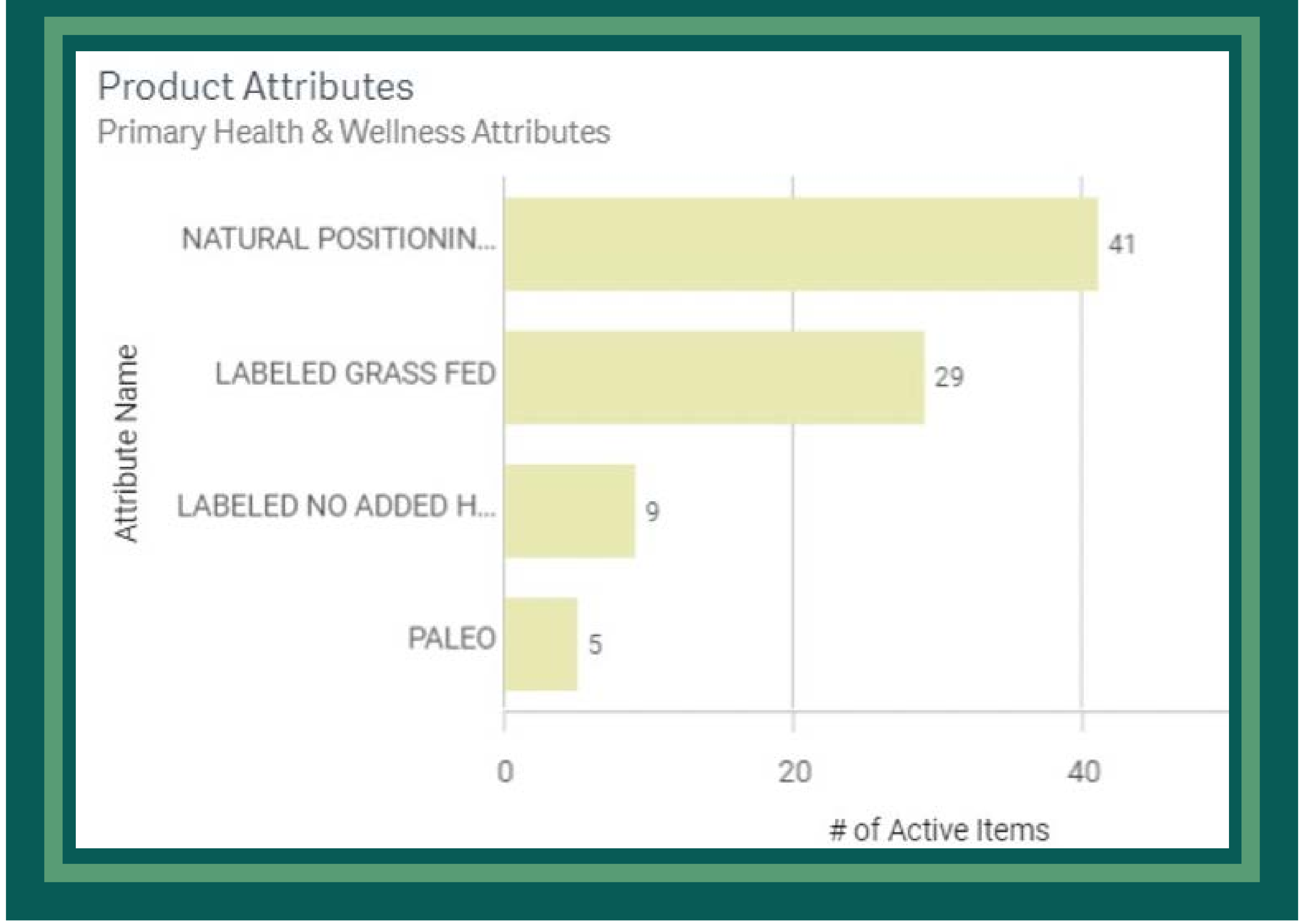
JERKY CATEGORY PROFILER CONT.

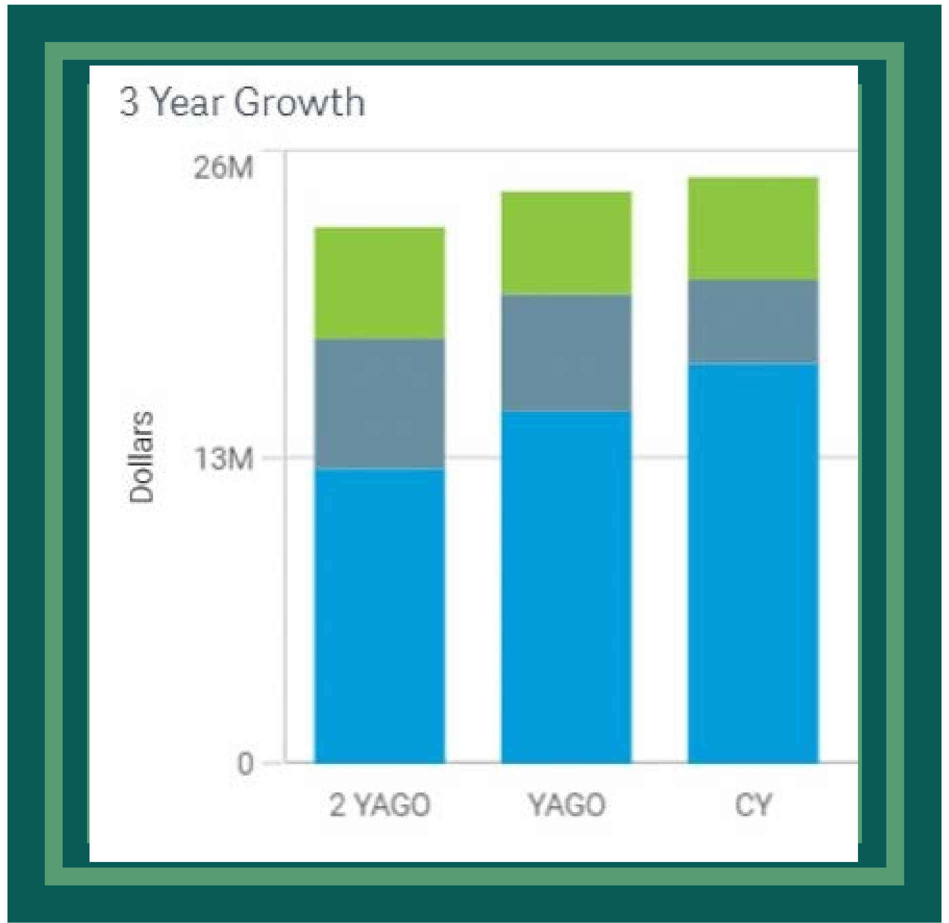


BRAND PROFILE – BRAND A NATURAL JERKY

- 41 SKUS
- $16.6 million sales YTD
- 3.9% growth, 2yr. CAGR*
- Distributed in 77.3% of natural stores surveyed
- Distributed in 48.3% of conventional stores surveyed

*CAGR = Compound Annual Growth Rate

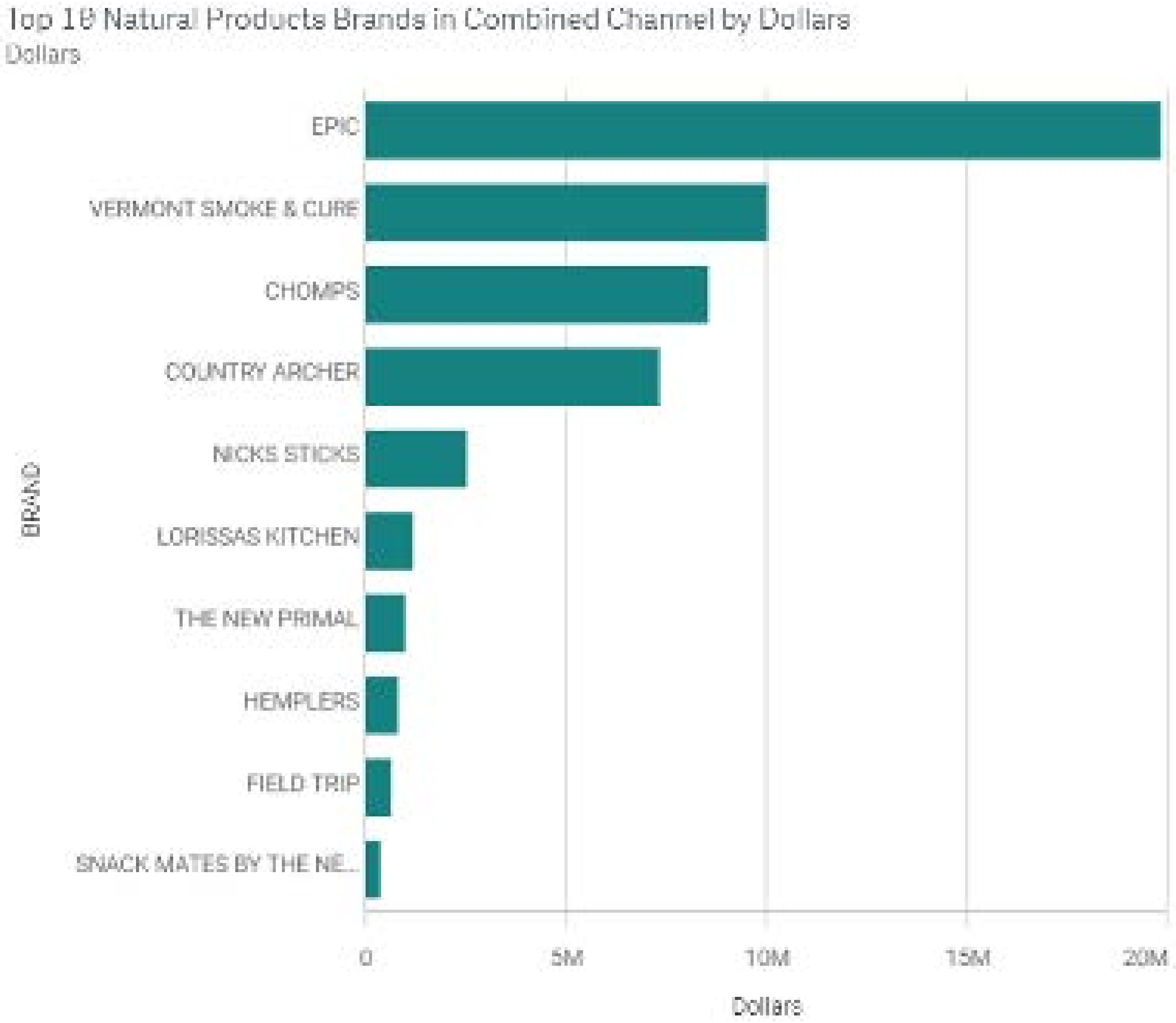




BRAND PROFILE – BRAND A CONT.

GEOGRAPHY	Dollars	Units	Dol Shr, Category	Unit Shr, Category	TDP	Dollars, Promo	Dollars, % Promo	% of Stores Selling	# of Stores Selling	Dollars per Store Selling
U.S. Convenience	$2,267,583.31	320,429.5	0.2	0.1	16.0	$212,316.74	9.4%	7.1%	10,563	$214.68
U.S. Food	$7,370,720.13	1,195,107.2	1.5	1.1	195.9	$2,674,717.00	36.3%	42.1%	13,729	$536.86
U.S. Multi-Outlet	$11,385,746.28	1,845,761.5	0.8	0.5	133.5	$3,348,357.29	29.4%	23.5%	25,834	$440.72
U.S. Natural Channel	$2,915,153.35	452,624.7	8.5	4.2	463.7	$784,337.33	26.9%	64.6%	1,255	$2,322.32
TOTAL	*$23,939,203.07*	*$3,813,922.78*				*$7,019,728.36*				
Southwest Natural	$1,085,196.24	165,966.4	15.4	8.2	696.9	$263,669.11	24.3%	90.6%	267	$4,065.99
Phoenix/Tucson MULO	$165,771.31	22,611.2	1.5	1.0	248.7	$71,694.41	43.2%	43.7%	182	$909.80
Phoenix/Tucson Food	$249,439.47	38,888.2	1.0	0.7	177.7	$93,498.27	37.5%	43.1%	438	$569.46

MEAT SNACK CATEGORY PROFILER



Product Group Dynamics
Dollars

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Total Universe	**1.2B**	**19.1M**	**588.3M**	**596.4M**

MEAT SNACK CATEGORY PROFILER CONT.

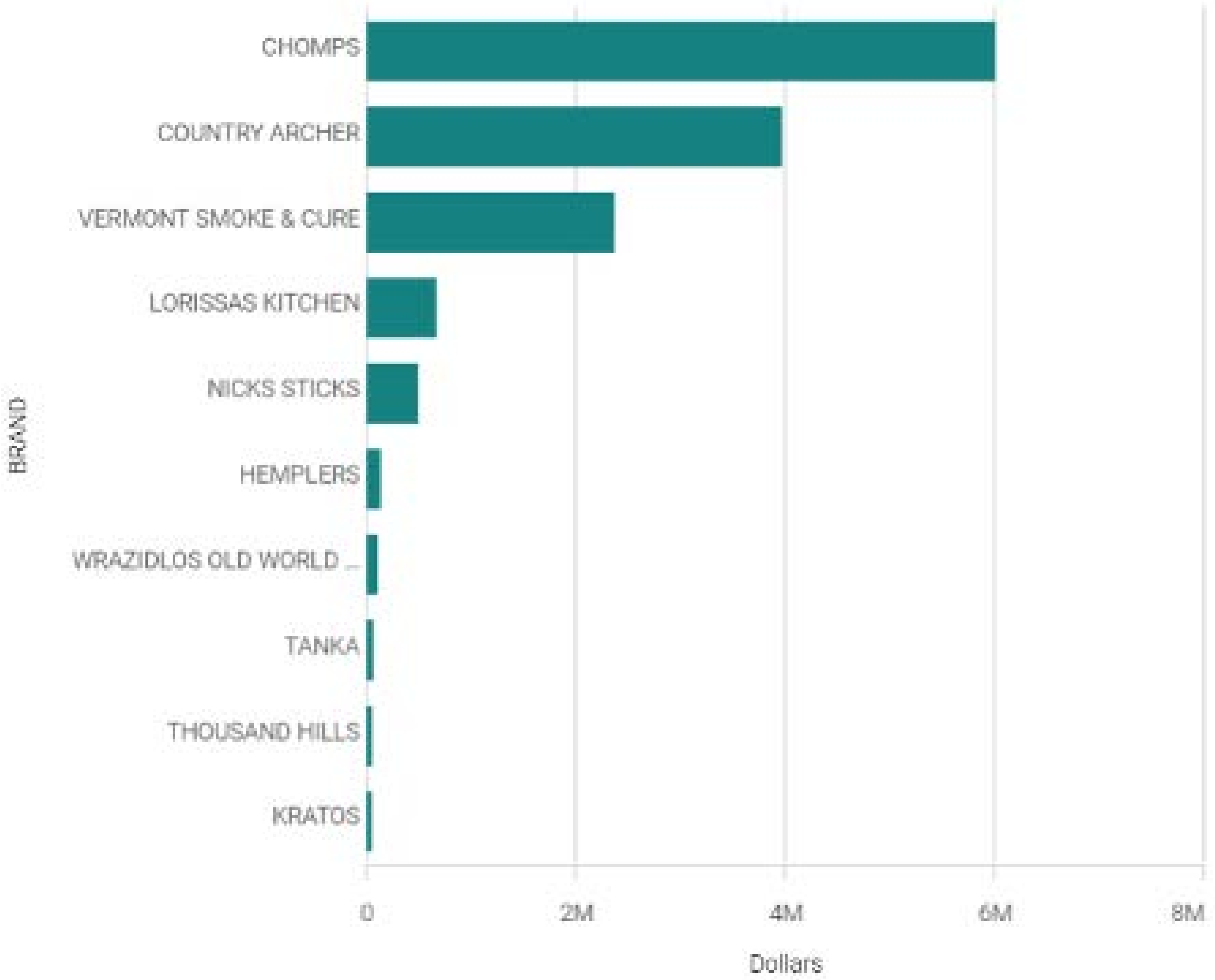
COMPETITIVE COMPARISON

GEOGRAPHY	DESCRIPTION	Dollars, +/- Chg, Yago	Dollars, % Chg, Yago	Units, +/- Chg, Yago	Units, % Chg, Yago
TOTAL US - MULO	EPIC	-$894,887.62	-9.0%	-357,194.3	-11.2%
TOTAL US - MULO	TANKA	-$12,403.66	-31.2%	-5,972.0	-52.0%
TOTAL US - NATURAL ENHANCED CHANNEL	EPIC	$119,535.81	2.3%	116,969.2	5.6%
TOTAL US - NATURAL ENHANCED CHANNEL	TANKA	$61,420.12	43.1%	17,240.7	44.5%

Product Group Dynamics
Absolute Dollar Change

	Combined Channel	Natural Enhanced Channel	Multi-Outlet Channel	Convenience Channel
	$ +/- Chg	$ +/- Chg	$ +/- Chg	$ +/- Chg
Natural Products	11.9M	1.5M	8.7M	1.7M
Specialty and Wellness Products	33.3M	224.1K	19.3M	13.8M
Conventional Products	147.0M	382.8K	71.0M	75.7M
Total Universe	**192.3M**	**2.0M**	**99.0M**	**91.2M**

Top 10 Natural Products Brands in Combined Channel by Absolute Dollar Change
Absolute Dollars



NAAF RESOURCES

- Quarterly Market Updates
- Email reports
- Webinars
- Market Research
- Funding for Feasibility and Business Development

THANK YOU!

ANY QUESTIONS?

CONTACT INFORMATION

Quarterly Webinars

- Next webinar: December 9, 2021

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