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United States Department of Agriculture

USDA's
93rd
Annual

Agricultural Outlook Forum

A New Horizon: The Future of Agriculture

February 23-24, 2017 • Crystal Gateway Marriott Hotel, Arlington, Virginia

Presentation from the USDA Agricultural Outlook Forum 2017

United States Department of Agriculture
93rd Annual Agricultural Outlook Forum
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GENERAL MILLS

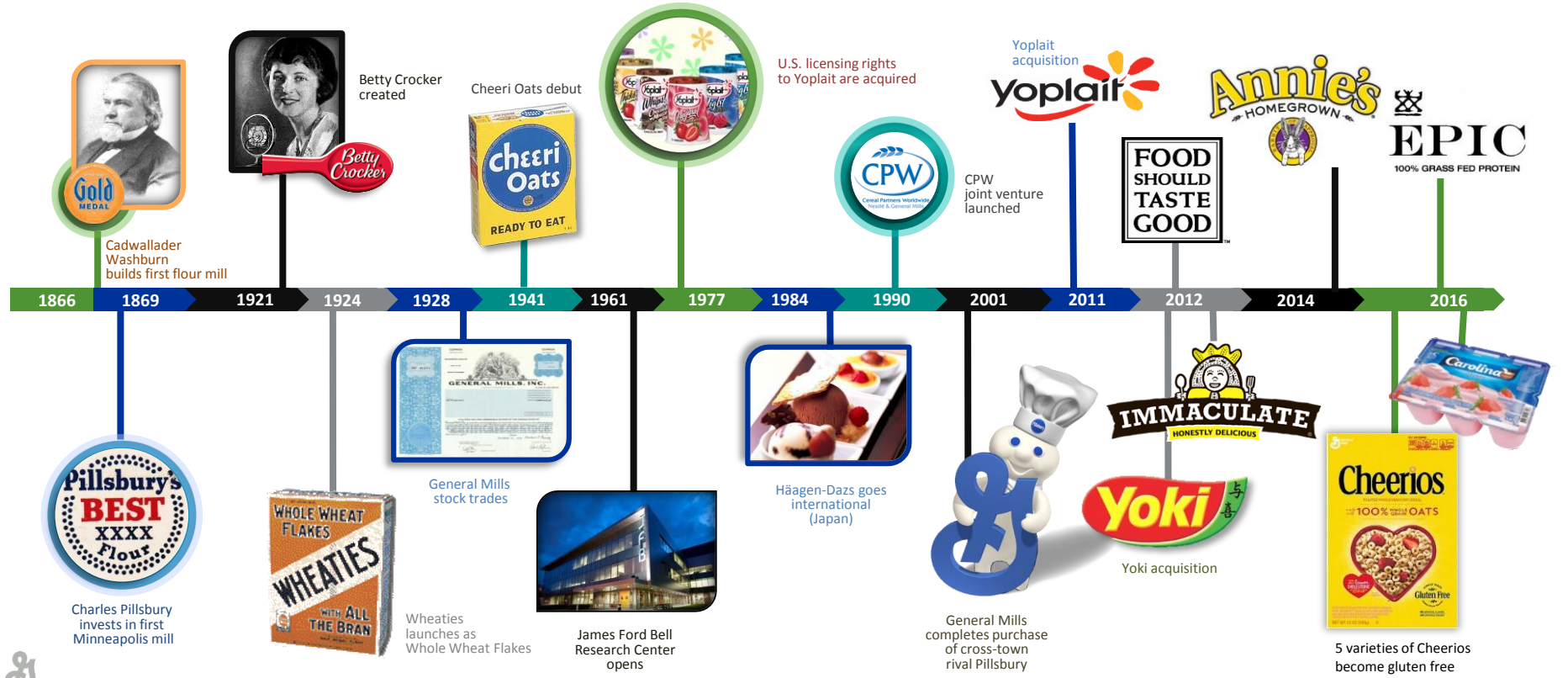
Growing Consumer Demand for Organic

Katrina Heinze
February 23, 2017

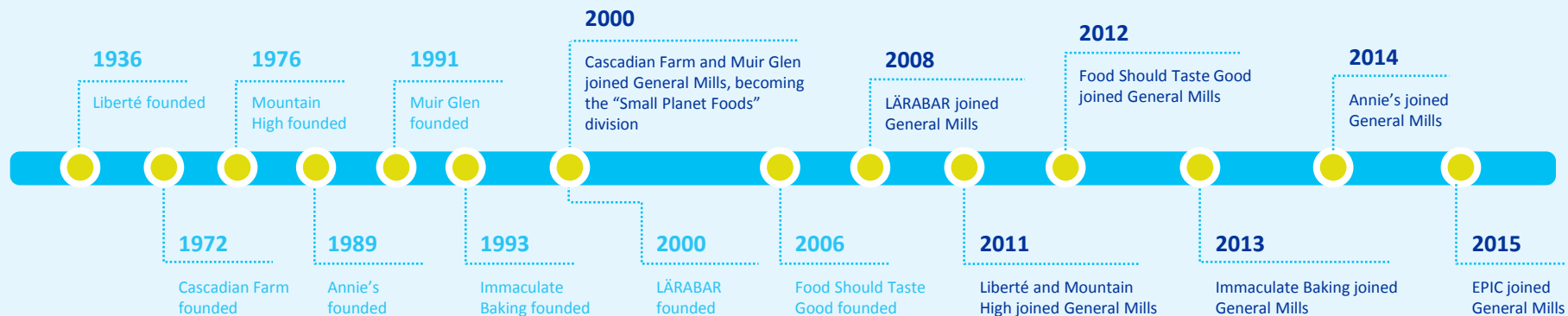
Our Brands



Our Legacy: 150 Years of Making Food People Love

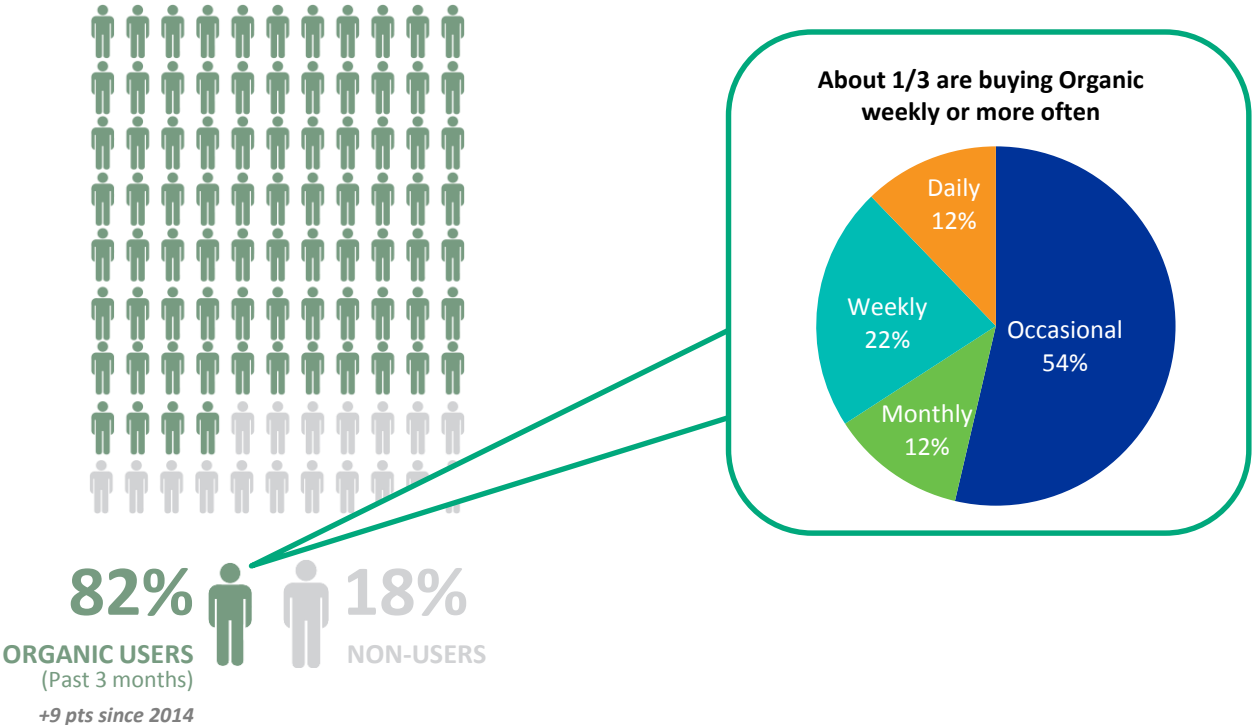


General Mills Organic Portfolio



#3 in Organic Food
A doubling of the sourced acres

More than 80% of U.S. Consumers have purchased an Organic food item within the last 3 months



Leading edge consumers are deeply engaged in their food decisions but most simply are not all that engaged



Many More Considerations

- Who made it? • Who owns the company that made it? • Where is it from? • How was it produced? • Did they treat their workers fairly?
- Can I reuse or recycle the packaging?
 - What's the environmental impact of its production and transportation?
- Does it have harmful or unnatural ingredients?
- Is it nutritious? How so?
 - Will it do the job?
 - Is it worth the price?
 - Will my family like it?

The average consumer spends



Deciding whether to grab a food item at shelf

Greater Investment



Passionate Voice



70% → 3%

say they read food labels "often" or "always"

actually read the label when observed

Consumers are reverting to NATURE as their guide because it makes intuitive sense

Products that are closer to nature are seen as being...



Healthier for Me



Better for the World



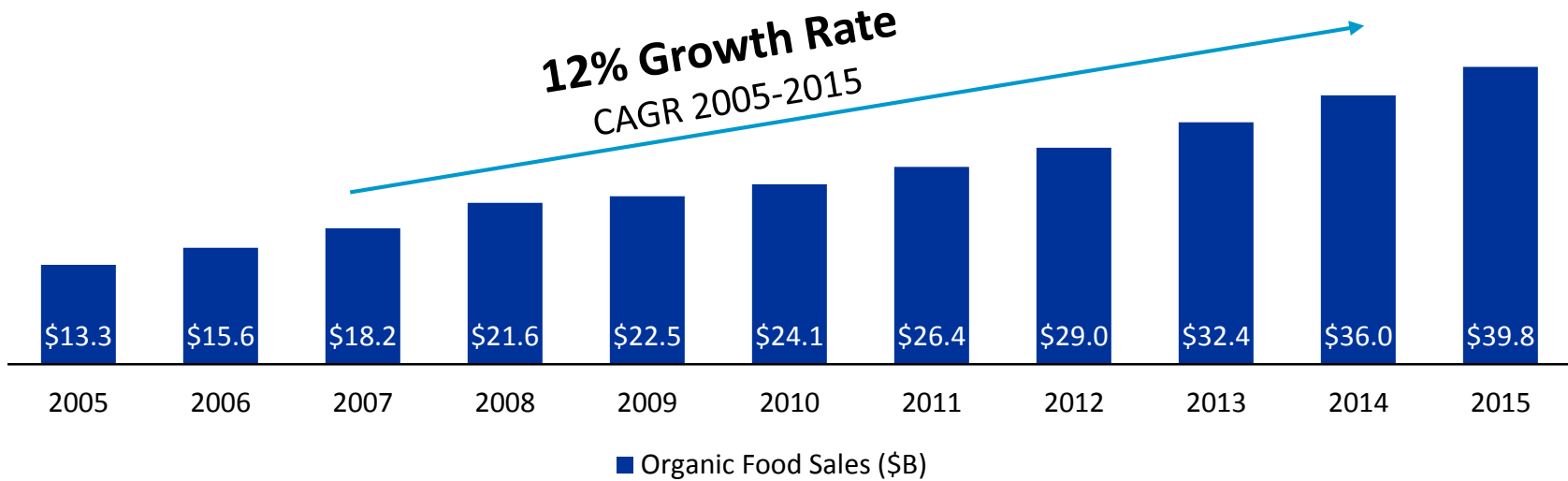
More Trustworthy



They look for shortcuts to “natural” reassurance at shelf.



The power of this shortcut is reflected in the growth rate of Organic food sales over the past decade



#1

Reason consumers give for choosing Organic food:

"To Avoid Pesticides & Chemicals"

Treat the
WORLD
with CARE.

A photograph of a calm river or stream flowing through a lush green landscape. The water is clear and reflects the surrounding trees and sky. The banks are covered in tall grasses and dense foliage.

**HEALTHY
WATERSHEDS**

A photograph of a bright sun shining through a blue sky with scattered white clouds. The sun is positioned in the upper left quadrant, creating a strong lens flare effect. The foreground shows the tops of tall, golden-brown grasses.

**STABLE
CLIMATE**

A photograph of a river or stream winding through a dense forest. The water is dark and reflects the surrounding greenery. The banks are lined with tall grasses and various trees, creating a rich, natural environment.

**STRONG
ECOSYSTEMS**

Trust is Foundational to Organic Growth



Confident Farmer Growth

A large center pivot irrigation system is shown in a field during a golden sunset. The sun is low on the horizon, casting a warm glow over the scene. The metal structure of the irrigation system, with its large wheels, stretches across the frame.

RESEARCH

A wide-angle shot of a lush green agricultural field with rows of crops stretching towards a distant treeline under a blue sky with light clouds.

**STRATEGIC SOURCING
PARTNERS**

A row of five small green seedlings is planted in stacks of gold coins. The stacks of coins increase in height from left to right, symbolizing growth and investment. The background is a soft, blurred green.

MARKET CONFIDENCE



We serve the **WORLD** by making
FOOD people **LOVE**



**HEALTHY
WATERSHEDS**



**STABLE
CLIMATE**



**STRONG
ECOSYSTEMS**



Treat the
WORLD
with **CARE.**