



Global Business Opportunities & Feeding 9 Billion People



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Executive Director, 2 Sisters Food Group

one¹⁷
THE **Alltech** IDEAS CONFERENCE



Highest Quality for Every Meal Occasion



Our History

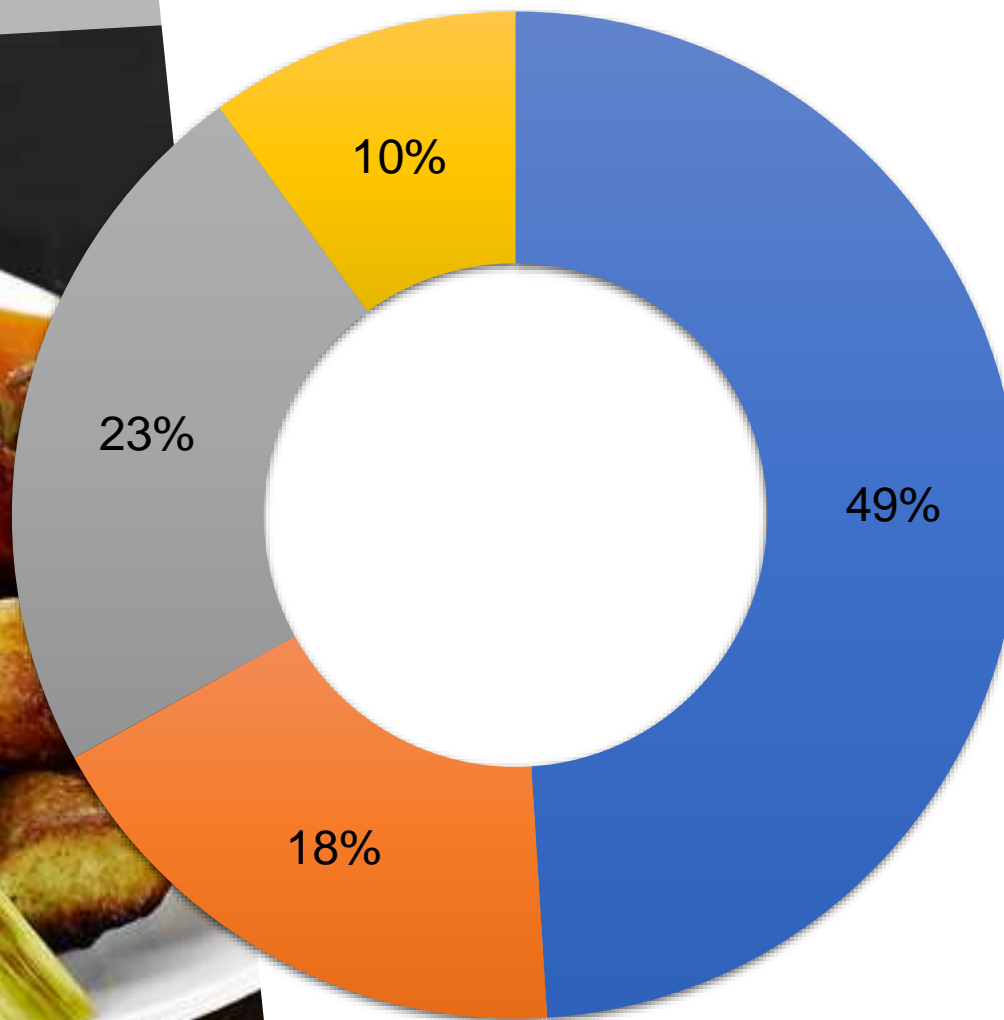
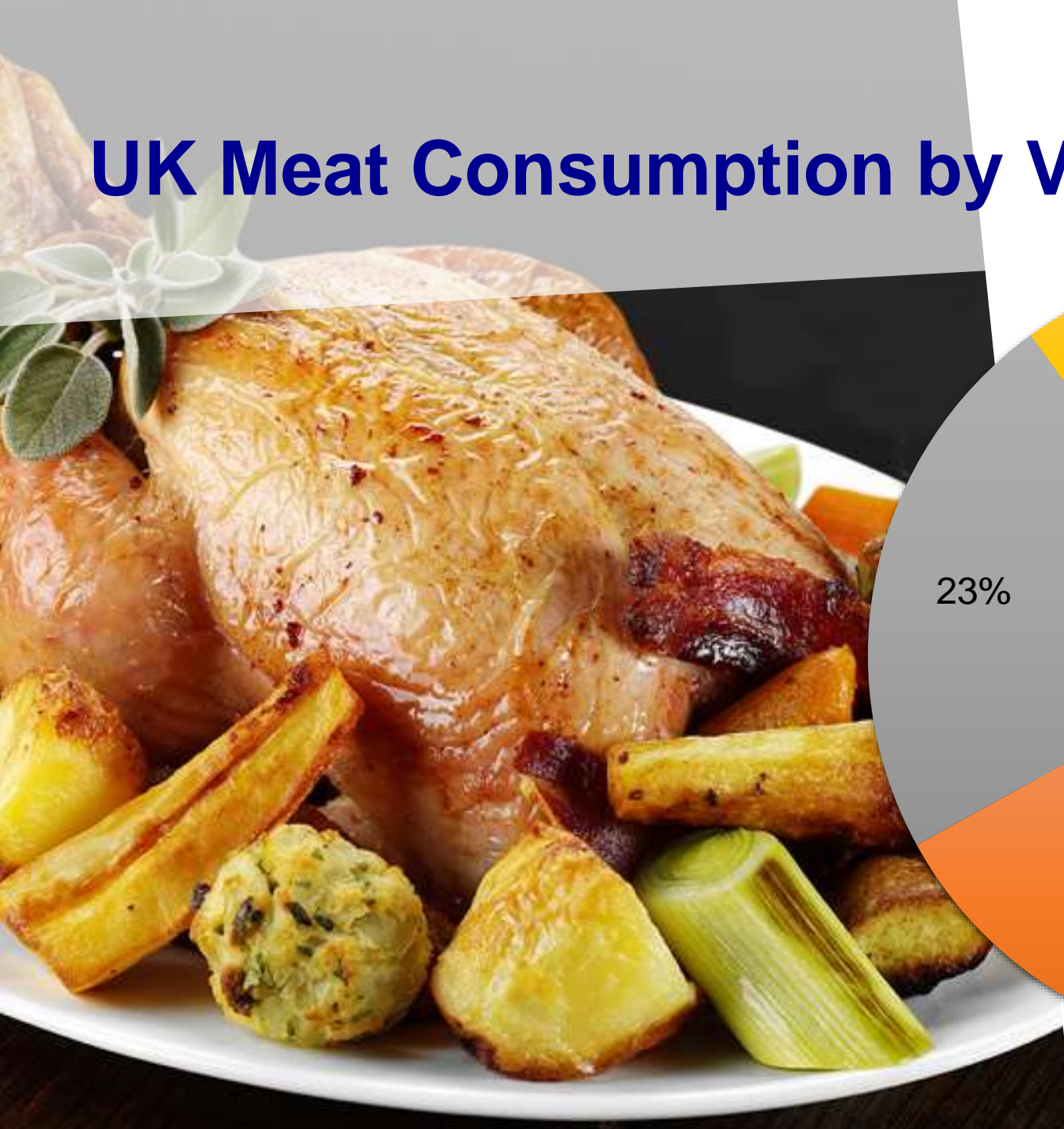
- 2 Sisters established by Ranjit Singh Boparan in 1993
- Following the acquisition of Northern Foods plc and Brookes Avana in 2011 and VION's Poultry and Red Meat Business in 2013, a leading diversified food manufacturer, focused in the UK with operations in Ireland and Europe
- Food for every meal occasion: leading positions in Poultry & Added Value, Red Meat, Meal Solutions, Bakery & Food to Go, Biscuits and Frozen categories
 - Sales over £3bn (including annualised sales from VION acquisition)
 - c23,000 employees; 42 manufacturing sites
 - Exceptional long standing customer relationships
 - Efficient flexible operations, with well invested assets
 - Robust financial track record and funding in place
 - Strong management team, proven track record of acquiring and integrating businesses

Our Customers

Long standing relationships with key customers, with a number of them extending for over 30 years.



UK Meat Consumption by Volume %



- Poultry
- Pork
- Beef
- Lamb

UK Broiler Chicken Sales Values: 2015

- Value at retail: £4.35bn
- Value at farm gate: approx. £1.8bn
- Value of imports: £1.2bn
- Value of exports: £275m



UK Industry Figures

- 900m birds slaughtered annually
- 5% of birds reared outdoors (free-range organic)
- 90% of production under Red Tractor Assurance Scheme



Current Global Poultry Production

- 1985 – 23m tonnes
- 2015 – 113m tonnes
- 2022 – 129m tonnes





More people, more burgers:

With population levels booming and 3 billion people trying to enter middle-class, meat demand is skyrocketing.

Global Industry Statistics



- 70% of global growth will be in Asia
- Who's going to produce world meat demand?
- Future meat production growth
- A fast changing global meat industry?

8 Largest Countries (millions) Today v. 2050

2008	
1. China	1,324
2. India	1,149
3. USA	305
4. Indonesia	240
5. Brazil	195
6. Pakistan	173
7. Nigeria	148
8. Bangladesh	147

2050	
1. India	1,755
2. China	1,437
3. USA	438
4. Indonesia	343
5. Pakistan	295
6. Nigeria	282
7. Brazil	260
8. Bangladesh	215

Source: Population Reference Bureau. 2008 World Population Data Sheet, based on U.N. Population Office and U.S. Census Bureau analyses.

An aerial view of a city skyline at dusk, featuring numerous skyscrapers and illuminated buildings. A semi-transparent white banner is overlaid across the middle of the image, containing text. The background shows a dense urban landscape with various architectural styles and a prominent tower with a spherical top in the distance.

China's Great Urban Shift:

300 million + into cities

188 cities bigger than Chicago

CHINA

400M BROUGHT
OUT OF POVERTY



The background of the image shows several credit cards stacked together. On the left, a UnionPay card is visible with its logo and Chinese characters. On the right, a Visa card is visible with its logo. The cards are slightly out of focus, creating a sense of depth. The overall color palette is warm, with browns and oranges.

This has resulted in an overall economy that is shifting from an

export market

to a

**consumption
market**




Food is the New Oil:

The ability to grow food is fast becoming a new form of geological leverage and countries are scrambling to secure their own parochial interests at the expense of the common good.



South Africa, China and Korea are buying land from Ethiopia and Sudan.

A globe is shown with several flags on sticks. The most prominent flag is the Chinese flag (red with five yellow stars). Other visible flags include the South Korean flag (white with a red and blue Taegeukgi symbol) and the Japanese flag (white with a red sun). The globe is set against a light-colored, textured background.

China tried to buy 5M hectares in the Philippines
A Korean company bought 6.5M hectares in Madagascar

Photo: seedmagazine.com



Land Grabbing World-wide: Most Wanted Areas

83 M hectares of land sold over the last 10 years
to foreign private and state investors

What needs to happen?

- Go beyond focusing on the symptoms of the deteriorating food situation and instead attack the underlying causes
- Produce higher crop yields with less water and conserve fertile soils – otherwise many agricultural areas will become unviable
- Accelerate a shift to smaller families and stabilize the world population

What are the challenges facing poultry?

- 42% growth (1999 – 2009)
- North America has highest consumption @ 49.2 kg per annum
- Production of poultry meat to grow by 29%, and eggs 16.5% over 10 years

Grow More with Less...

1940: 1 farmer produces enough food for 19 people.



2015: 1 farmer produces enough food for 170 people.



We've been improving efficiency for years.







No. of Eggs to 72 Weeks: 1976 vs. 2016



1976
230 eggs
FCR 3.0



2016
330 eggs
FCR 2.1

Broilers: No. of Days to 2 kg Live Weight 1976 vs. 2016

1976

70 days

FCR 2.6

2016

29 days

FCR 1.5



Broilers Progress: 1972 – 2016



1972

1996

2016

Genetics 2050?



vs.





Who has benefited?

Income spent on food

1976 – 25%

2016 – 10%

Minutes to earn a dozen eggs

1976 – 14 minutes

2016 – 7 minutes

Minutes to earn a chicken

1976 – 43 minutes

2016 – 19 minutes



Regulation



EUROPEAN UNION

- Recognized antibiotic-resistance poses serious public health threat
- Banned use of non-therapeutic antibiotics (specifically used in human medicine) in animal feed



USA

- Studies show high levels of fluoroquinolones in poultry led to drug resistance in humans
- 2005: FDA prohibit the use of fluoroquinolones in animal husbandry

Food Safety is a Given

As a supplier of staple diet foods, it is of paramount importance that the food we provide is:

SAFE

NUTRITIOUS

TASTY

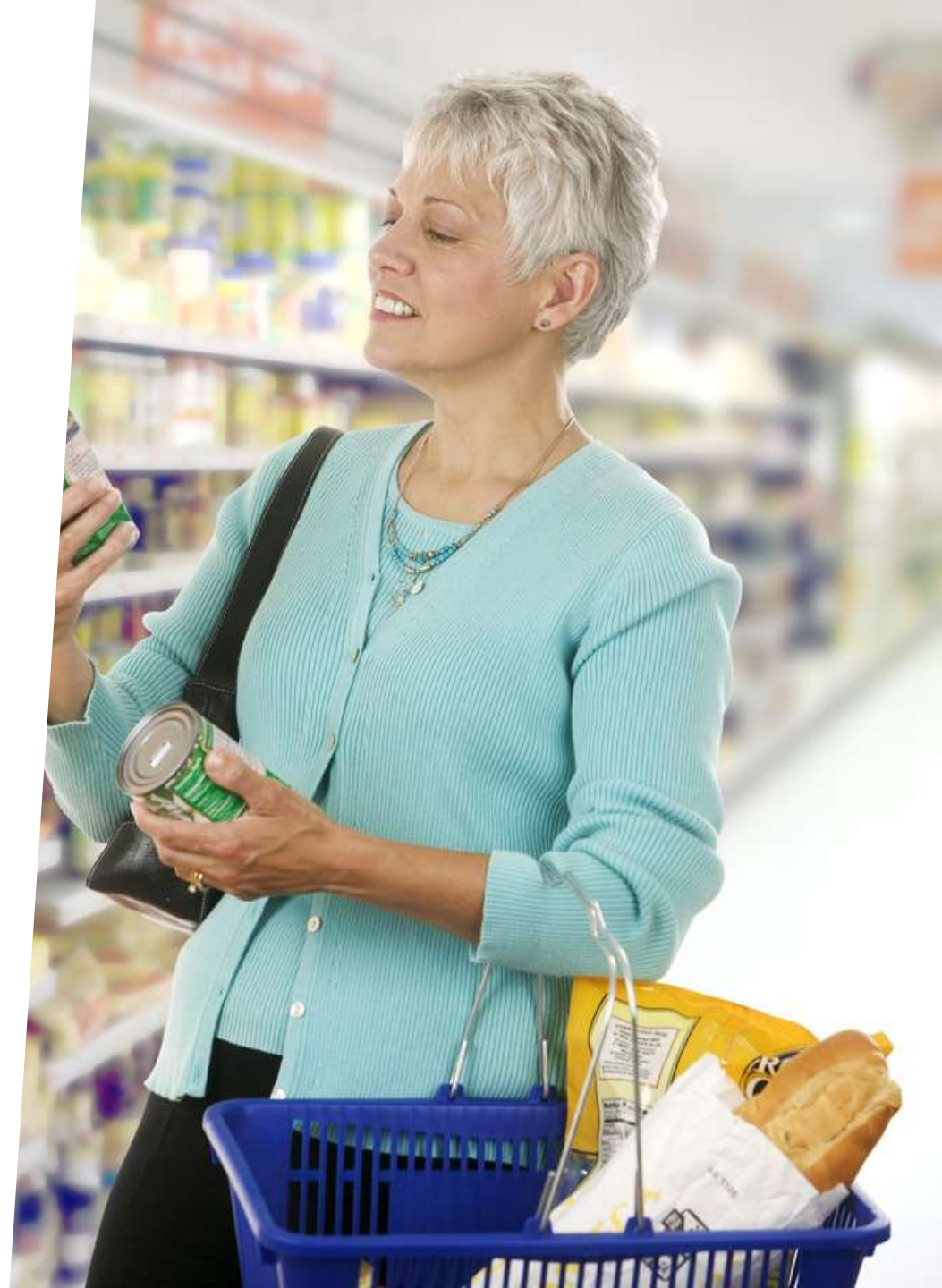
SUCCULENT

VALUE FOR MONEY

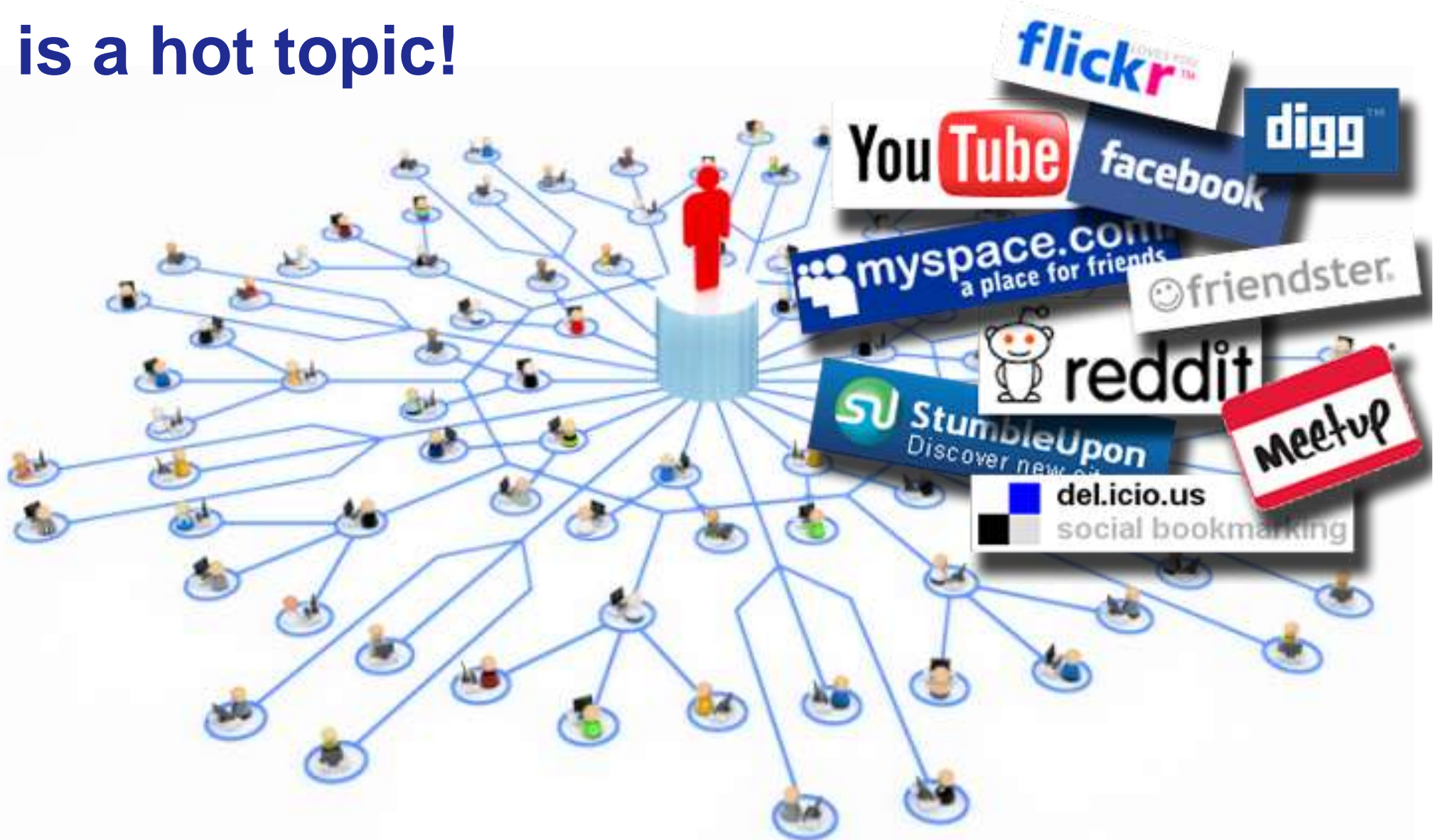


The Importance of Brands

- Consumer loyalty
- Consistent quality
- Price maker rather than price taker
- More control of your own destiny



Food is a hot topic!



Horsemeat contamination shocked many consumers...

The Telegraph

Home News World Sport Finance Comment Blogs Culture Travel Life Women
Women Men Motoring Health Property Gardening Food History Relationships
Recipes Wine Wine Shop Healthy Eating Restaurants Pubs Food and Drink Picture C

HOME > FOOD AND DRINK > FOOD AND DRINK NEWS

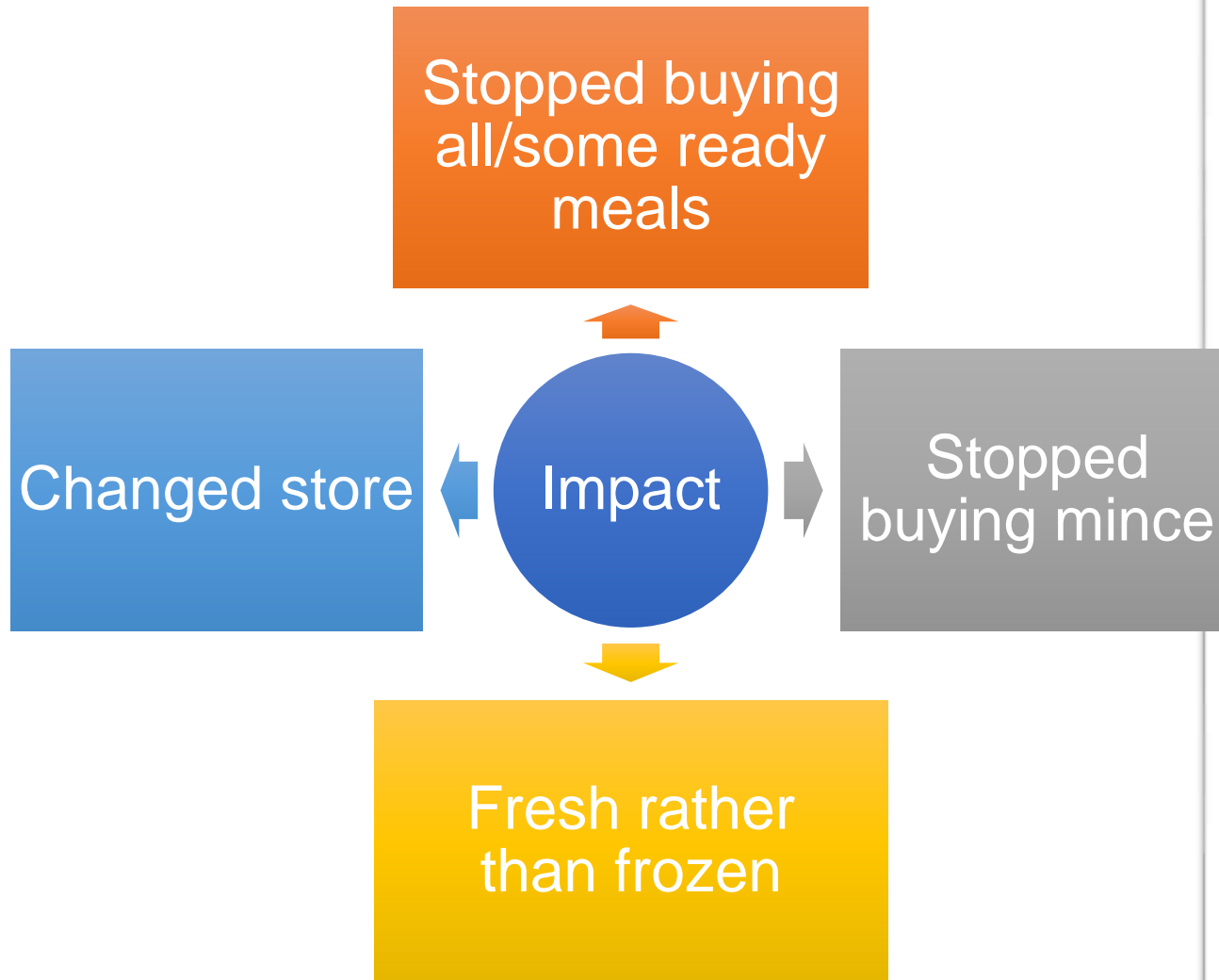
Findus beef lasagne ready meal was up to 100 per cent horse meat

als sold as beef products by some of Britain's biggest supermarkets contained per cent horse meat, the Food Standards Agency has said.

The Telegraph

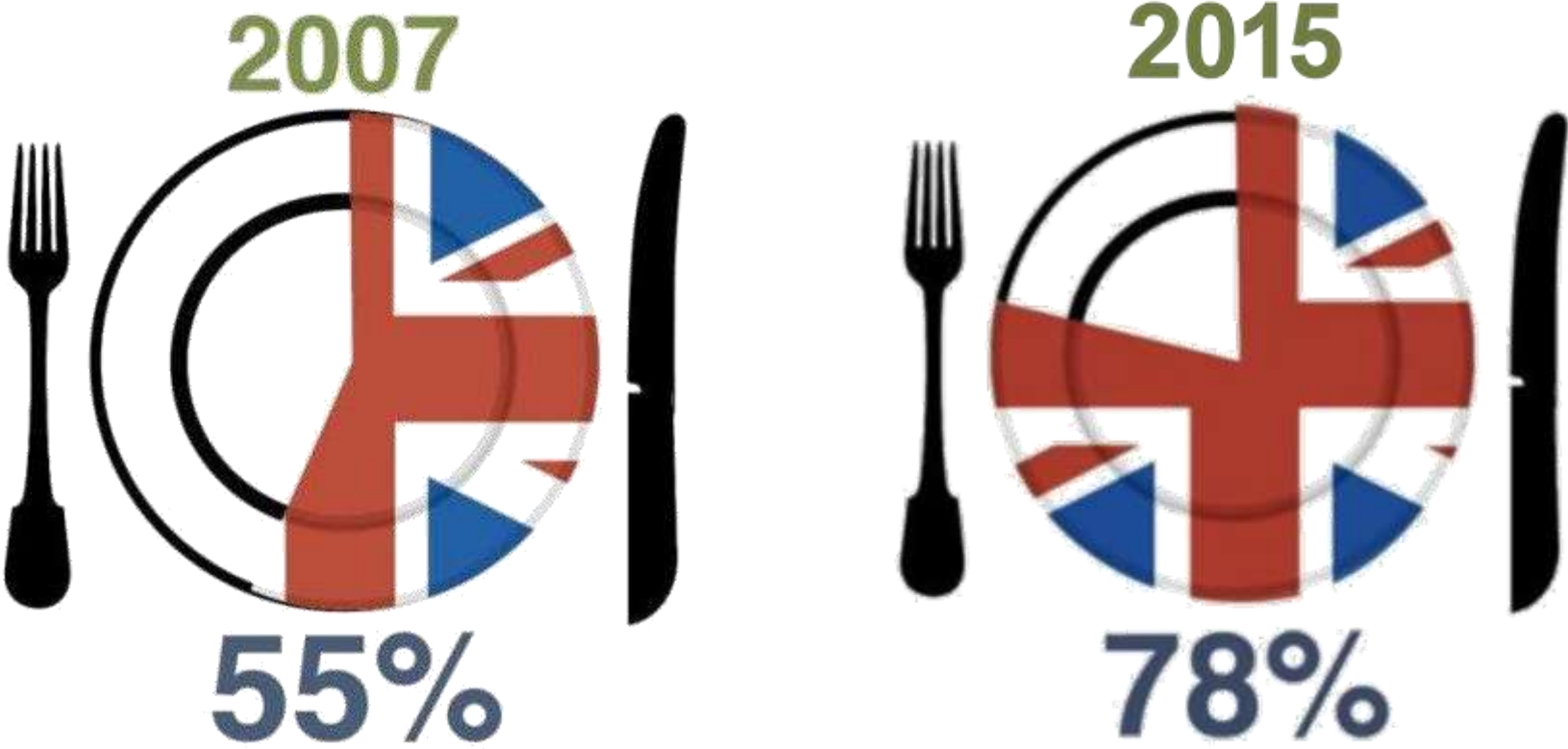


...and impacted shopper behaviour for many



Appetite for British food has grown considerably

% claim they would **buy British** if available



TRUST THE TRACTOR



Now more than ever it's important to know the food you are buying comes from a trusted source.

All products that carry the Red Tractor mark meet responsible production standards and are traceable back to independently inspected farms.

It's the easiest way to be sure of the food you're buying.

Five Freedoms

1. Freedom from thirst, hunger and malnutrition
2. Freedom from discomfort
3. Freedom from pain, injury or disease
4. Freedom from fear and distress
5. Freedom to display most normal patterns of behaviour



Welfare being used as a marketing tool



Communicate the Brand Values with your Consumers & Customers



ASSURED FOOD STANDARDS

RED TRACTOR WEEK

16TH - 22ND SEPTEMBER

Join in the celebrations, find out how to become a Red Tractor Recruit, or enter our Facebook and Instagram competitions to be in with a chance of winning fantastic prizes.

Don't forget to look out for the logo!

1 2 3 4



ALEX JAMES
BRAND AMBASSADOR

WIN 100 TICKETS
CLICK HERE

THE BIG FESTIVAL

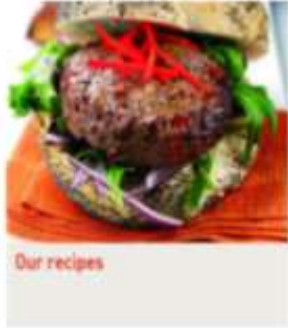
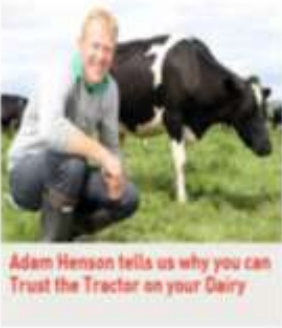


simple Pleasures



ASSURED FOOD STANDARDS BEEF

www.tubeeef.co.uk



TRACEABLE: FARMS **RESPONSIBLE FOOD** **INDEPENDENTLY INSPECTED**

TRUST THE TRACTOR





Microsoft



An agricultural brand that:

- People recognize
- Has core values
- Endures
- Stands out

Our industry needs to learn how to brand

£1.10 / L

Full of sugar

Rots teeth

Contributes to diabetes

Contributes to obesity

Zero nutritional value

Rusts nails



VS.



£0.52 / L

Full of calcium

Full of protein

Nature's ideal food

Excellent nutritional value

Capable of being enhanced

The Real Thing?

The "Real" Real Thing.

Innovation Changes Fortunes



Retailer Values



(Aus): “Helping Australia grow”
Responsible sourcing and sustainability
Meat and fish
Sustainable production
Supply chain



(USA): Sustainability: Improving today to protect tomorrow
Wild caught fish – revert to fisheries
Simply Truth Range – essential foods made healthier
Reducing our impact on the environment



(UK): Improve health
Trading responsibly
Reducing our impact on the environment



WOOLWORTHS

(SA): Sustainable Farming
Animal welfare
Efficient crop growth
Fishing for the future
Good food journey – healthy and organic options

Is food the new medicine?



Farmer or Pharmacist?

Improving the health and performance of people, animals and plants through natural nutrition and scientific innovation.



What if you could make claims on:

- Cancer
- Alzheimer's
- Antibiotic-free
- Brain, cardiac health

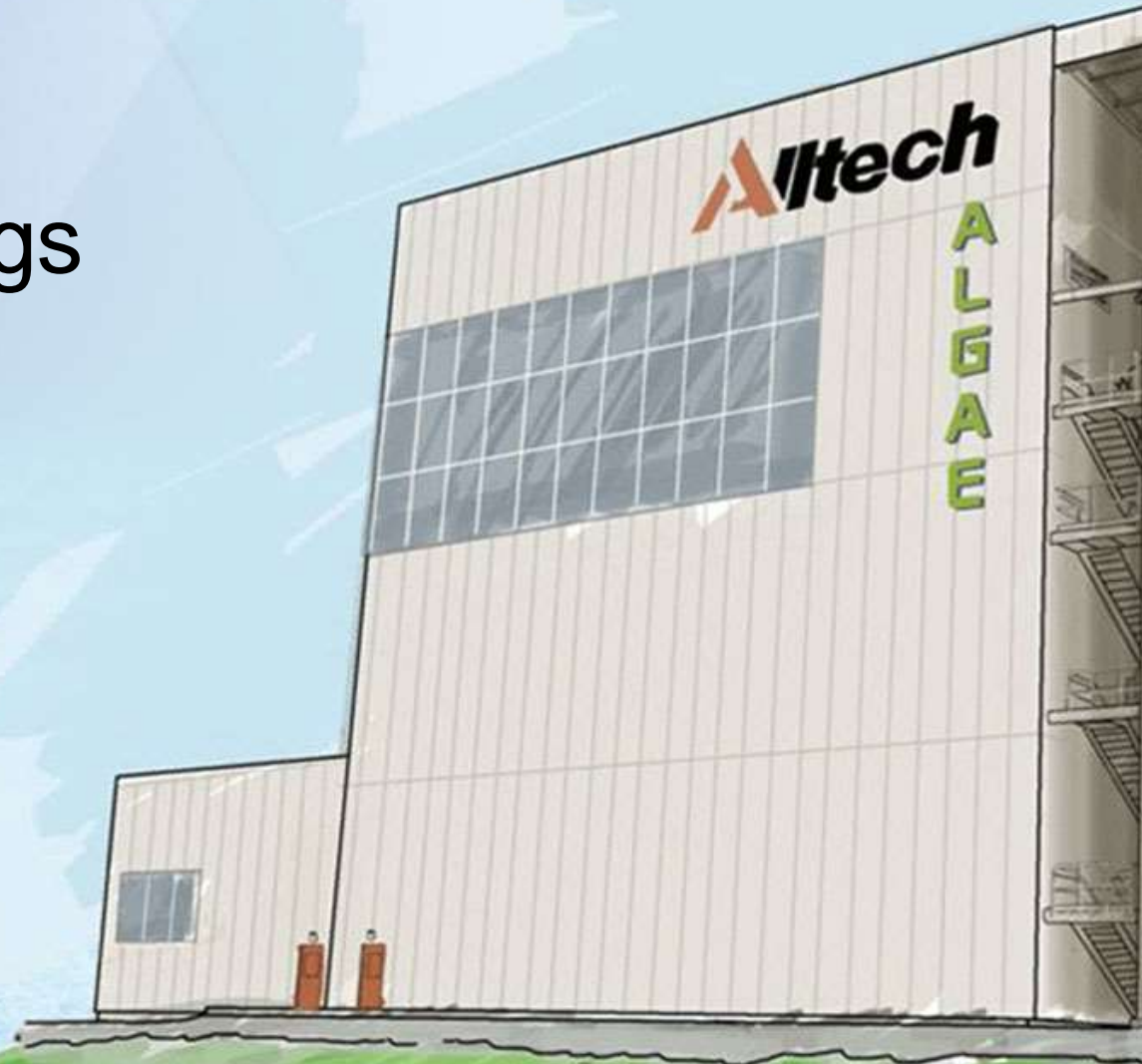


**By making a simple change
in the animal's diet.**

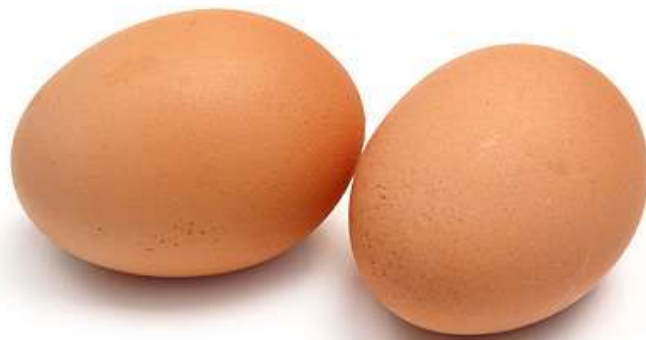


The answer?

- Enriching meat, milk and eggs from farm to fork
- High in DHA



**Through a couple of eggs a day
or a glass of milk.**



DHA Enrichment

- What we see in eggs, can we replicate in chicken?
- Ultimate prescription food as the new medicine!



A glimpse into the future...

- Much routine work replaced by robotics/automation.
- Total supply chain transparency. (Everything measured).
- Precision farming. Total traceability. On farm Informatics.
- End of cheap food.
- Farm labourers with PhDs (+100k salaries).
- Cost of land. Food factories?



Thank you!