The Food and Health Connection

Getting our facts straight to accelerate our success

Karen Basian, VP Strategy, Innovation and M&A for McCain Foods Presenting at the Canadian Agri-Food Conference February 17th–18th, 2010



Why are we here today?









In the past, we have looked at these issues in isolation





Isolated thinking can lead to unintended consequences...

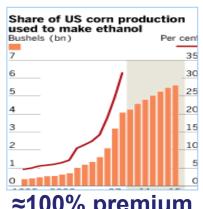
Issue: CLIMATE CHANGE

Solution: BIO FUELS

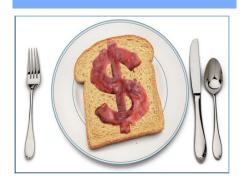
Consequence:
UNPRECEDENTED
INCREASE IN
FOOD
PRICES

Result:
THREAT TO
WORLD FOOD
SECURITY





≈100% premium for switching to non-edible production



40% increase in food costs



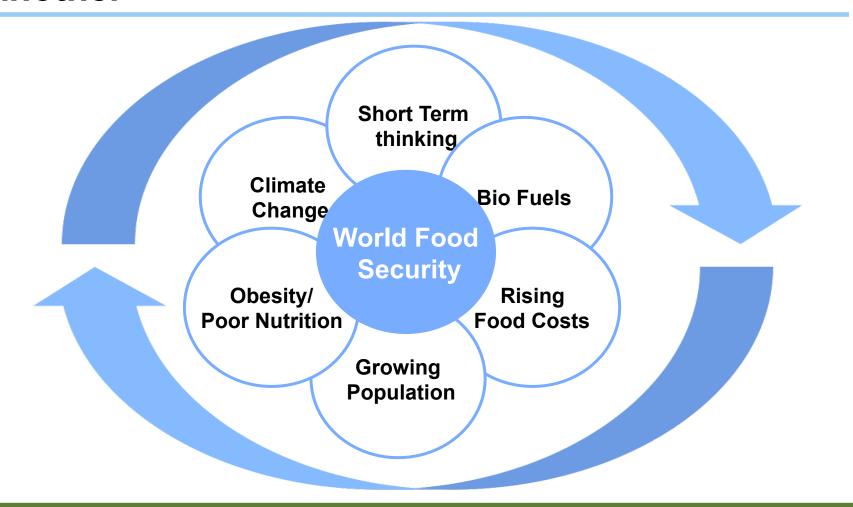


The challenge is that policy-making today is more difficult than in the past...

More Difficult to **Issues** are more stakeholders separate the complex and with more facts from interrelated varied views myths **Hear only the** Allow myth and **Oversimplify** loudest emotion to the problem stakeholders serve as fact

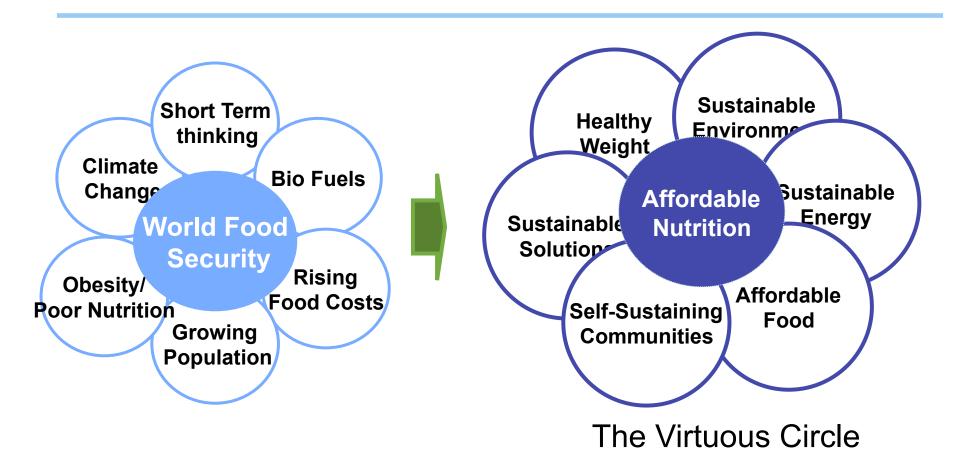


Because we end up sacrificing one agenda for another





How do you create the Virtuous Circle?





The UN took an integrated approach for addressing food security





OF THE POTATO 2008



"The potato should be a major component in strategies aimed at

providing nutritious food for the poor and hungry"

Identified potato as being key to providing sustainable and nutritious food to the world



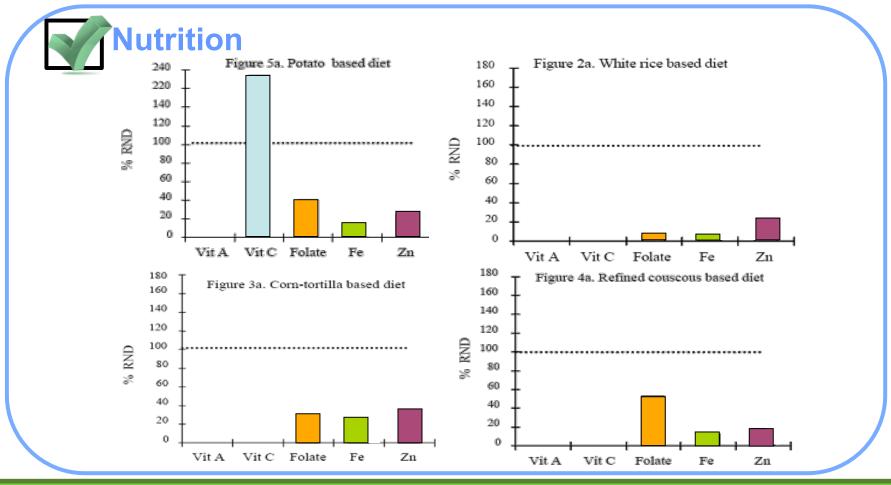
The most sustainable crop in the world



"The potato yields more nutritious food more quickly on less land and in harsher climates than any other major crop: up to 85 percent of the plant is edible human food, while for cereals the figure is 50%"



And the most nutritious



Better Vitamins A and C, plus Folate, Iron and Zinc content when compared to rice, corn tortillas, couscous



But myth and emotion have worked at odds with UN and continue to dominate the potato agenda

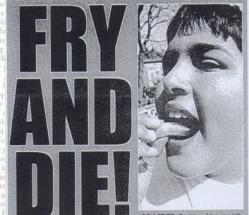
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invaded; and religion and morality were held up to ridicule. At that dark hour the Examiner spragate the argument to a religion and morality were held up to ridicule. At that dark hour the Examiner spragate the argument to a religious and the standard religious to the excellence of the argument to the scarcity of servants of the argument to the scarcity of the argument to the argument to the scarcity of the argument to the

which they had long been held. In all it would assuredly be found in the fact commence to earn their living at a very

divided by 125 streets measuring 45 miles to some of our readers to learn that there bereaved husband's life that will remain in length. The assessed annual value West's "History of Tasmania" was till the end of his earthly career. of the property for 1890 amounted to printed. Land having been secured in After twelve months spent in Hobart,

than eight gold medals and three in the office of The Launceston Examiner.



a few yards from the Brisbane in November, 1897, after a comparatively corner, and it may be interesting short illness, leaving a blank in the £132,653, and the Municipal revenue to Patterson Street by the proprietors of Mr. Button returned to Launceston in





And policy making

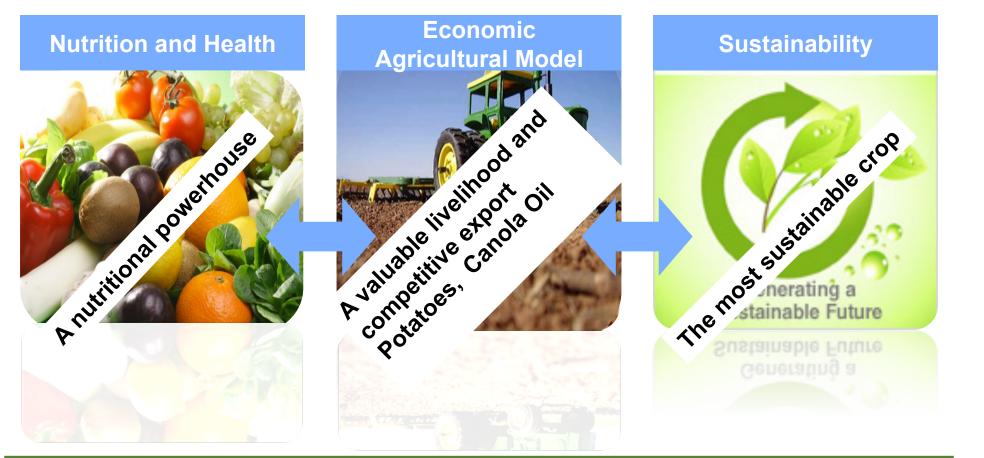


Without appreciating the economic consequences...

- Frozen fries account for over 46% of total potato consumption of over 4,970,938 MT
- 45,018 MT fewer potatoes were processed in 2009 than in 2008
 - Requiring approximately 13.5 MT less oil used (not including oil used at home or at restaurants which would be another 13-16 MT)
 - Over 5 years this represents a 225 MT decline
 - Causing our potatoes to be more expensive and uncompetitive for export



We need to get our facts straight





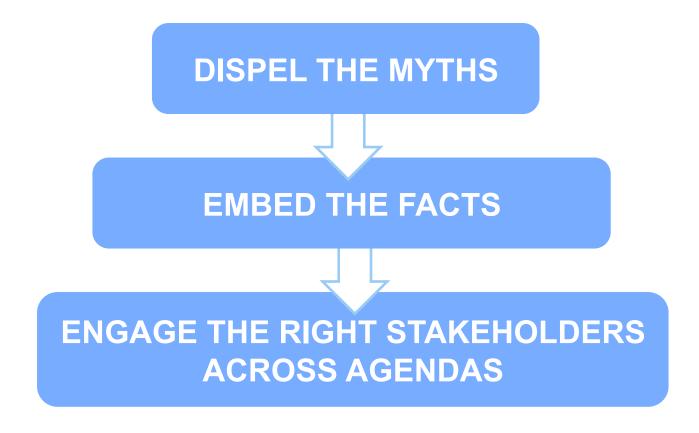
For us its starts with the consumer

88%

I want food companies to be truthful about what goes into their products. With honest information, I can make my own decisions about what to eat.



How do we do this?

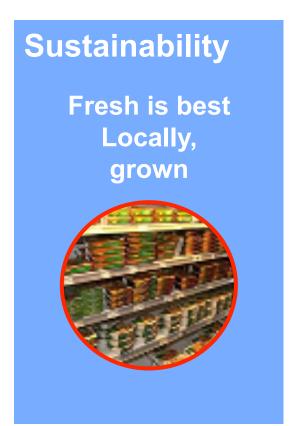




Our UK experience is an experience we can leverage









We started by understanding what the myths were...

French fries are:

- -Processed
- Not Real Food-Bad Fat









Then provided education about where real potatoes come from...











And the inherent goodness of potatoes and potato products...

- Made from only 2 ingredients:
 Potatoes and sunflower oil
- 5% fat and NO cholesterol
- No Transfats
- No sodium added
- Source of fibre, Vitamin C and potassium





While taking the steps to meet the standards









INFLUENCERS

And engage our key stakeholders





With a view to an integrated solution

It's all good

Make it easy for everyone to enjoy good food.

Build good healthy appetites in a healthier Britain

Do more good for our environment

Be a good company to work for and work with, that does good in the local community









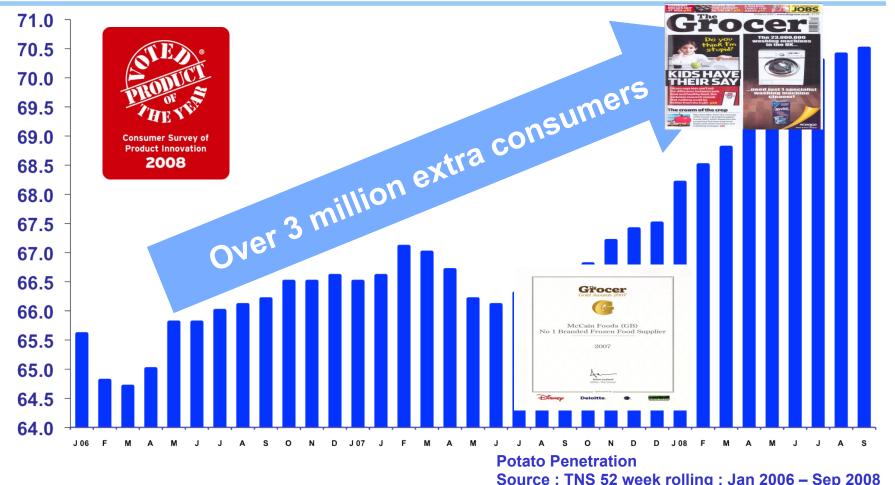








This approach delivered real results for the industry

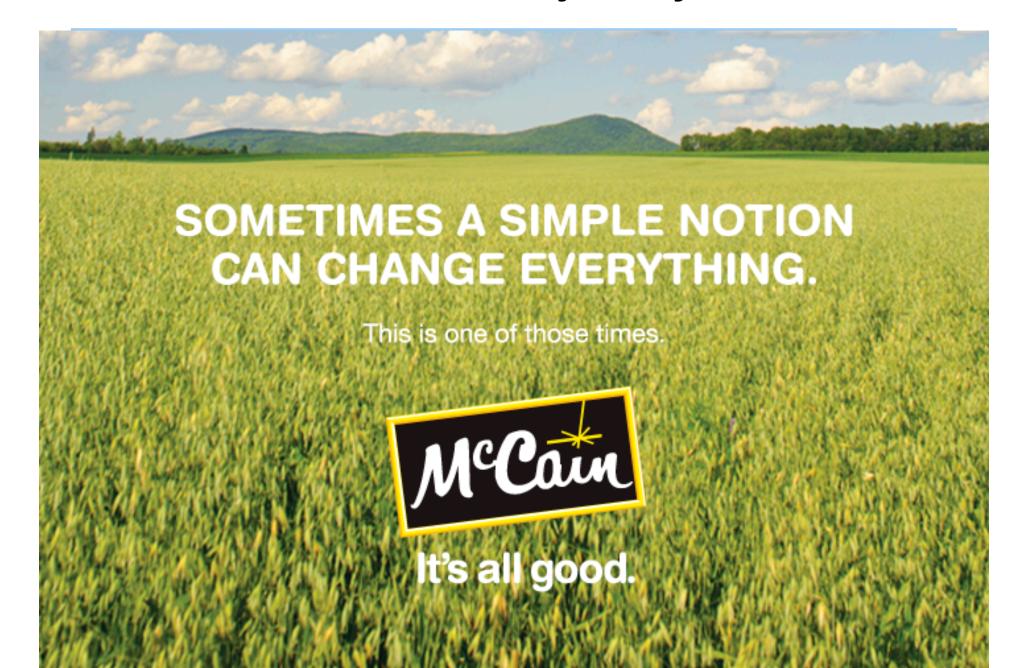


Source: TNS 52 week rolling: Jan 2006 - Sep 2008

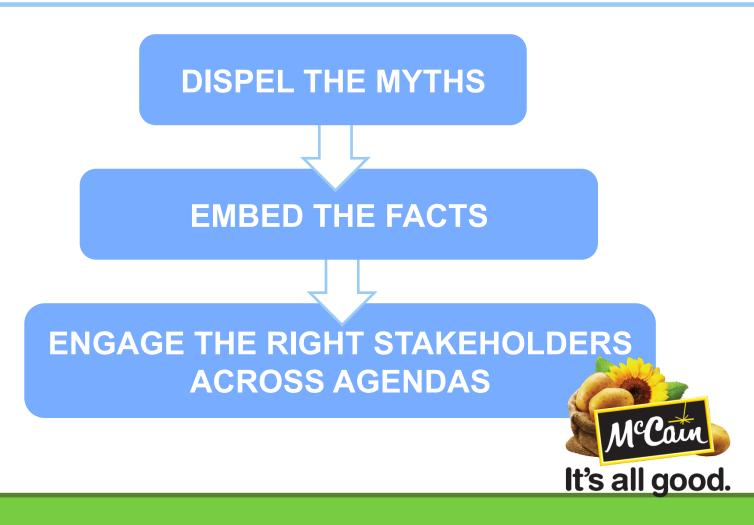
Better products for consumers and growth for the industry including farmers



We have started the same journey in Canada



But we can't do it alone





Thank you



The "New" News

French fries have a surprisingly good nutrition story to tell.

French Fries (not oven baked) are better than most people think:

> In QS		2-18 yrs	19+ yrs	nealthier oils
➤ Contri	Avg amount eaten (oz)	2.5	2.8	at them*
	Calories (%DV)	10	10	
	Fat (%DV)	14	13	
	Fiber (%DV)	19	19	
	Vitamin K (%DV)	14	12	
	Potassium (%DV)	16	15	
	Vitamin E (%DV)	10	8	

DV = Daily Value which is the amount needed per day

