

PRESENTATION

Speaker: Jeffrey M. Ettinger
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Introduction

Ambassador Kenneth M. Quinn

President - World Food Prize Foundation

So now I want to invite Jeff Ettinger to come up. We'll follow one dynamic CEO with another. Now, when I was growing up, I always thought Hormel meant chili and had it as a kid. But then I got to learn that Hormel also means innovation in terms of biofortification and adding elements into food. When Joe Swedberg came to my office, I got my staff there. He had a mixing bowl and he made up SPAMMY for us. We're like a focus group testing SPAMMY. And then I've been to Guatemala and seen on the ground what Hormel is doing to fight there with students who are experiencing stunting and to address it. It's so wonderful to have you with us, what your company is doing.

And there's also a great story. You're an attorney, right, a lawyer who was put in charge of Hormel, a brand, the big chili. And I mean that sounds like a recipe for something less than success, except that made it half as much fat in it, it tasted better, and most important in the bottom line, sales went up. So Jeff Ettinger, it's a pleasure to welcome you to the World Food Prize and introduce you.

Jeffrey M. Ettinger

Chairman of the Board and Chief Executive Officer, Hormel Foods

Thank you so much. So it is indeed my pleasure to represent Hormel Foods today. We're located just across the border in Southern Minnesota in a rural town of 20,000, Austin, Minnesota, where George Hormel founded the company 125 years ago in 1891. And similar to Kellogg's story, George and his son Jay had the foresight to create a public foundation. In our case, that foundation owns 48% of our company, and that's been a key element of our ability to take a long-term perspective and to always have that community in mind.

George and Jay founded the company with the principles of quality, integrity and innovation, innovation clearly in the form of new products, but also innovation in the sense of doing a better job every day in whatever element of the company that you belong in. On the philanthropy side, as is common with many food companies, we clearly are interested in the area of hunger alleviation, primarily initially here in the United States, both in terms of product donations and cash donations and more recently on a broad basis.

We're also very honored to have Dr. Elsa Murano in the crowd here today. Hey, there's Elsa. So Elsa runs the Borlaug Institute at Texas A&M University, and she's been a member of our Board of Directors for the past ten years and a great representative on areas of food safety, on food quality and many other topics.

So I mention that our company had a long legacy of being involved with food banks and being involved with relief efforts on a domestic basis. We saw this statement from Mr. Gates back in 2008 about the notion of maybe kind of taking it up a step, of turning your company's talent and innovation loose toward a cause beyond just a cash donation and beyond maybe just the volunteer hours.

And indeed, as was mentioned in the introduction, I was an attorney originally with the company. I remember from my attorney days the concept of doing pro bono work, of doing work for free, that would benefit someone in society. And, interestingly, it benefits actually the person doing the work as well. I think you get to be creative, you get to get out of your normal shell and have an opportunity to stretch yourself. And so we at the company decided to kind of embrace that spirit in terms of what we saw in the world and what role Hormel Foods might be able to play in that regard.

There's a product that many of you are familiar with called, "Plumpy'Nut" that was introduced into Africa a number of years ago. And I read the story about Plumpy'Nut about the same time as Mr. Gates' statement from Davos came out. And the story there, as I understood it, was that they were able to deliver the shelf-stable, easy-to-distribute product that you could use right in the village for relief basis, as opposed to some other complex forms of intervention. And it struck me that in a way that's kind of the story of SPAM—one of the products that Hormel is very well known for and an integral part of the World War II effort—that here's this protein item that's in this indestructible can that lasts a very long time that can go to the ends of the earth in terms of distribution.

And so our team used that as sort of a starting point but recognized that, if we wanted to address something meaningful in the area... We thought malnutrition was an area to go after, particularly among youth, and that SPAMMY, the concept of SPAM was a start, but we really wanted to tailor a unique product aimed specifically at addressing this need. What I'd like to do now is show you a video about that project, and then we'll talk about some of the partnerships that made that project a success.

VIDEO

So when we initiated the project, we turned the team loose in terms of creating the product itself. But we learned a lot in the subsequent journey about what it really takes to have a project that's going to be workable on a broad basis.

So we learned about partnerships. We understood the notion that, if we were going to donate a product into a new marketplace, that there was some significant risk of the product not getting to the proper end user. So we understood that aspect of wanting to have secure distribution, but we learned it really took a lot more than that to have the project be successful, and it made everything much richer. I want to highlight about four of our partnerships and talk to you briefly about the role each of them play in this regard.

So Caritas. Caritas is the entity within Guatemala that, yes, they handle the distribution. We actually ship through Food for the Poor, another great partner of the company in Miami, and then they get in country to Guatemala, to Caritas, and then it's Caritas' job to get it out to the users within the rural and local villages. However, that distribution comes with education; it comes with the notion of really involving the families and the institutions that are going to be involved. Caritas, for example, came up with the clever idea that, as we donated a case of product to a family within a given community, we would have them bring back each of the cans when they were done with it at the end of each month. That not only helps in terms of recyclability, and we were able to provide a little further compensation for that recycling, but also ensured that indeed the products were consumed by the end users that it was intended for – so very clever.

Caritas was also instrumental in the idea of employee engagement trips. Now, that was mentioned in the video; a number of our spokespeople talked about that, but I mean, candidly, we did not envision that initially. We thought, okay, we're going to ship the product into Guatemala, we'll have a couple people go down as sort of an advance force to make sure everything looks all right, and that might be the end of our hands-on involvement. But it was the richness of that connection with Caritas and what we got from each other that really encouraged us to kind of take that a step beyond. And indeed by now we've had 18 different mission trips, over 300 of our folks. They take their own week of vacation, they pay their own airfare, and then we cover all the other expenses while they're in the country for a week working on the project.

So we had this inspiration about, okay, we can do shelf-stable protein. We understood that fortification was going to be important, but what fortification? What should we be aiming for that would be specific to this audience in Guatemala that would be of the most help? So we worked with the organization CeSSIAM and Dr. Noel Solomons to arrive at the fact that vitamin D and vitamin B12 needed to be the focal points of the nutritional fortification of the project.

Around the same time, USAID was coming out with the notion of developing or adopting non-cereal based products for the management of nutritional deficiency. And indeed we felt that our fortified protein item, a turkey-based item, would be excellent in terms of delivering this kind of high-quality protein with the essential fats, the intrinsic vitamins and minerals, and was highly desirable for this program.

So between the work of Dr. Solomons and with that inspiration, we ended up with a prototype product. But now the notion was – okay, we think this is going to be a beneficial product. How can we prove that? But we received a real shot in the arm by being named one of the McGovern-Dole program recipients of a research grant. And indeed through this grant we were able to test the efficacy of the product, and frankly the fact that it's a food, and so we wanted the folks who were going to consume the product to enjoy the product and be able to use it on a beneficial basis. I'd like to share with you now a brief video that talks about that research methodology that was part of the McGovern-Dole program.

VIDEO

So the results of the test were very favorable, and we were pleased that in 2015, SPAMMY, our fortified poultry-based meat spread, was added to the USAID food list. This product really works very well for a variety of reasons. It's made from high-quality white and dark meat,

turkey meat. We specifically picked turkey as opposed to, we're kind of known as a pork company. But we realize in other parts of the world that, as we expand the program, pork might be problematic, and turkey was a much more acceptable protein source. We have been aiming at providing the product to children and nursing mothers. We found that it mixes very easily as an ingredient, and the element of shelf stability has been really key to the ultimate distribution.

This blending occurs in Guatemala in a couple of ways. We do a lot of institutional-based programs, so that research video you saw was within a controlled school environment; and indeed SPAMMY is provided in many areas in Guatemala in that kind of environment. But it also goes directly into homes, and so we wanted to do research to make sure that it was going to work well with the kind of dishes that they were providing at home. We've also provided a recipe kind of sharing device between the institutions and the home so that people can find different ways to enjoy the product.

And then speaking of partnerships, we've been very pleased to be partners with the World Food Prize and their interns during the summer. So for the last three years, we've had folks in the country, in Guatemala, working on elements of the project that have been very beneficial for us overall.

So going forward, our team still wants to embrace that spirit of innovation. Interestingly, since the project has started, we've made a couple of acquisitions that have gotten us into new realms that might be interesting in terms of fortification and the areas of malnutrition as well. We acquired the Skippy peanut butter brand, and so peanut-based items, again, might be beneficial there. We also acquired a sports fitness brand called "Muscle Milk," which utilizes whey protein in both a powder and ready-to-drink basis. And so we're exploring those kinds of options of well.

But one thing I can assure you going forward – the initiative will embrace the spirit of innovation that was kicked off by our founders back in 1891, and it will embrace the spirit of partnerships and how much we can learn from each other.

I want to thank you for your time this morning.