HOW SCIENTIFIC ADVANCES ARE BEING USED TO MEET CONSUMERS' NEEDS AND ENSURE PUBLIC HEALTH

Kendra Waldbusser
Global Head of Food Safety & Quality Assurance
GLOBAL CHICKEN COMPANY

BUSINESS UNITS
- Case Ready
- Small Bird
- Big Bird/Commercial
- Prepared Foods
- Fresh Foodservice

1 NEARLY OUT OF EVERY 5
CHICKENS IN THE U.S. COMES FROM

1 OUT OF EVERY 4
IN MEXICO

1 OUT OF EVERY 3
IN THE U.K.
NEARLY

5+K FARM
PARTNERS

~55K TEAM
MEMBERS

50 HATCHERIES

34 FEED MILLS

52 PROCESSING PLANTS

4 PET FOOD

11 RENDERING FACILITIES

~47M BIRDS PER WEEK

~11B LBS PER YEAR

Moypark

Fresh Processing
UK Added-Value Processing
EU Added-Value Processing
Grandparent Breeding Grounds
US - ABF/NAE IS QUICKLY GROWING IN BOTH RETAIL AND FS

<table>
<thead>
<tr>
<th>Retail Fresh Meat</th>
<th>2015</th>
<th>2016</th>
<th>Growth %</th>
<th>Growth $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>$33.2B</td>
<td>$31.9B</td>
<td>-4.0%</td>
<td>-$1.3B</td>
</tr>
<tr>
<td>Natural</td>
<td>$1.9B</td>
<td>$2.0B</td>
<td>4.4%</td>
<td>$84.3M</td>
</tr>
<tr>
<td>Organic</td>
<td>$419.5M</td>
<td>$474.7M</td>
<td>13.1%</td>
<td>$54.9M</td>
</tr>
<tr>
<td>ABF</td>
<td>$836.2M</td>
<td>$926.5M</td>
<td>10.8%</td>
<td>$90.3M</td>
</tr>
<tr>
<td>Veg fed</td>
<td>$722.8M</td>
<td>$819.7M</td>
<td>13.4%</td>
<td>$96.9M</td>
</tr>
<tr>
<td>Grass fed</td>
<td>$248.7M</td>
<td>$288.2M</td>
<td>15.9%</td>
<td>$39.5M</td>
</tr>
<tr>
<td>Free range/veg fed</td>
<td>$21.6M</td>
<td>$40.3M</td>
<td>86.5%</td>
<td>$18.7M</td>
</tr>
</tbody>
</table>

ABF sales grew almost 11% from 2015-2016, outpacing conventional and natural growth in the fresh market.

2018 will be worth over $1.1B

<table>
<thead>
<tr>
<th>Food Service Menu Appearance</th>
<th>2017</th>
<th>4 Year Trend</th>
<th>10 Year Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antibiotic</td>
<td>15.6%</td>
<td>74%</td>
<td>192%</td>
</tr>
<tr>
<td>Hormone</td>
<td>15.6%</td>
<td>74%</td>
<td>191%</td>
</tr>
<tr>
<td>Organic</td>
<td>5.1%</td>
<td>29%</td>
<td>180%</td>
</tr>
<tr>
<td>All natural</td>
<td>4.2%</td>
<td>42%</td>
<td>415%</td>
</tr>
<tr>
<td>Natural chicken</td>
<td>3.3%</td>
<td>44%</td>
<td>365%</td>
</tr>
</tbody>
</table>

Long term trends show authentic attributes becoming increasingly mainstream in food service with antibiotic use leading the way.
US BROILER SUPPLY – NAE PRODUCTION VS. SOLD

Volume RWA/NAE Produced vs. Sold RWA/NAE

Source: EMI
GLOBAL CHICKEN CONSUMER TRENDS

% U.S. TIER SHARE
- 5% ORGANIC
- 8% ANTIBIOTIC-FREE
- 87% STANDARD

% UK TIER SHARE
- 1% ORGANIC
- 3% FREE RANGE
- 11% HIGHER WELFARE
- 82% STANDARD/VALUE
HOW IS PILGRIM’S RESPONDING TO CONSUMER TRENDS?
RESPONSIBLE USE IS NOT SIMPLY A REDUCTION IN USAGE

REPLACE
Review and replace antibiotics used where effective alternatives are available.

REDUCE
Reduce the number of birds receiving treatment, through systems based on risk assessments.

REFINE
Continue to refine existing strategies, using data collection.
**MEASURES IN PLACE TO PREVENT USE OF THE HIGHEST PRIORITY CRITICALLY IMPORTANT ANTIBIOTICS**

**CONTROL**
All antibiotics are only used when deemed absolutely necessary and administered under veterinary supervision.

**ANALYSIS**
After the antibiotics have been administered.

**FOOD SAFETY**
All meat withdrawal periods are strictly adhered to.

**EVIDENCE**
Full, written, case notes, including justification for the decision.
ANTIBIOTIC STEWARDSHIP PILLARS

DEDICATED RESEARCH & ANALYSIS

CULTURE, EDUCATION & COMMUNICATION

FARMING FOR THE FUTURE

NUTRITION

ALTERNATIVE STRATEGIES

MEASUREMENT & COMPLIANCE

VETERINARY SUPPORT
THANKS FOR THE OPPORTUNITY TO SHARE

“As little as possible as much as necessary”

Contact info:

kendra.waldbusser@pilgrims.com  970-506-7816