

What We're Watching

No. 07 – 2023

Regenerative Agriculture (Regen Ag) is an emerging demonstration of the Sustainability principles that are being adopted across the food landscape. Interest is on the rise. And the impact on the marketplace is growing.

- ◆ Some consumers are already prioritizing Regen Ag foods. More claim they will start soon. Interest is strong across a range of foods. Notably, the interest has deep roots in personal principles that position Regen Ag for not only high impact and growth, but also for longevity.
- ◆ Food industry stakeholders have also recognized the benefits and opportunity provided by Regen Ag and are increasingly looking to incorporate ingredients and the story into their offerings.

Implications and Opportunities:

- Explore opportunities to include Regen Ag ingredients in products to meet strong consumer interest now, that is only likely to grow in the future.
- Consider Regen Ag ingredients for most types of foods – consumer interest appears to have few boundaries.
- Communicate the presence of Regen Ag ingredients to create differentiation and to align with consumer interest and loyalty.



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Regenerative Agriculture's impact and opportunity are both on a high-growth path.

Familiarity with Regenerative Agriculture has reached majority status and appears to be supported by earnest principles.

Regenerative Agriculture is growing in awareness and in participation.

59% of consumers are familiar with/have heard of Regenerative Agriculture.¹

10% of consumers claim to purposefully include Regen Ag foods in their eating choices.¹

+128% claimed plans to adopt Regen Ag in eating behaviors indicates that participation could double in 2023.¹

Consumers interested* in Regen Ag foods are motivated by concerns for both the planet and people.

+20% more likely to Strongly Agree | It is important to me to make food choices that support planetary health.¹

+19% more likely to Strongly Agree | I care about the impact my choices have on the planet's health for future generations.¹

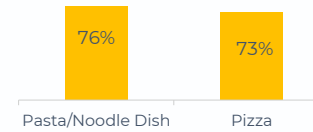
*Among consumers who report positive purchase intent overall for Regen Ag foods

Consumer interest confirms a promising role for Regen Ag in Foodservice.

83%

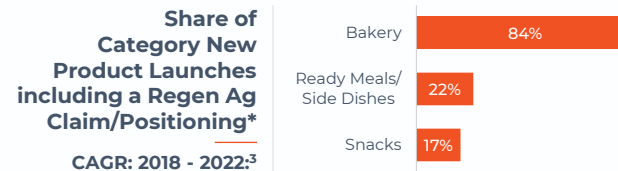
of consumers claim they definitely/probably would buy a favorite food from a restaurant because it included regenerative agriculture ingredients.¹

Where to start? About three-quarters¹ of consumers would consider these two menu items if they included Regen Ag ingredients:



Use of Regen Ag as a claim/positioning with new products is growing dynamically.

Here's where the activity to capture consumer interest is strongest:



*Result of a purposeful search of claims/references included on-pack containing "Regenerative Farming" and/or "Regenerative Agriculture"

Claimed interest in foods with Regen Ag ingredients is broad and deep and can translate into actual shopping follow-through.

Positive Purchase Intent for Foods Made with Regen Ag Ingredients¹

Products*	Positive Intent
In-Store Bakery Bread	76%
Prepackaged Bread	76%
Packaged Flour	73%
Cookies	71%
Flatbread/Naan	67%
Snack/Cereal/Energy Bar	66%
Frozen Pizza	65%

*Non-Exhaustive, Among Respective Food-Type Users

The majority (57%) of interested consumers claim they would pay a premium for foods with Regen Ag ingredients.¹

In demonstration of follow-through, consider retail sales of Prepackaged Cookies with a Sustainable Farming claim:

Q1/2 2023 vs YaG²

+17%

\$s

+4%

Units

1 - Ardent Mills Proprietary Analysis/Research; 2 - Byzzer (Nielsen, FMCG Retailers + Convenience, YTD through 07.01.23); 3- Innova Market Insights