

A Year of

Data-Driven Innovation at Ardent Mills



Ardent Mills' Innovation Strategy is Powered by Purpose

Our team has a finger on the pulse of how (and why) consumers make the purchase decisions they make – and how those decisions can, in turn, benefit your business. In Part 2 of our series, we'll give you team a glimpse of how evolving consumer behaviors drove Ardent Mills' innovation strategy in 2023 and how they'll continue to drive innovation at Ardent Mills in 2024 (and beyond).

With Purpose-Powered Innovation,⁴⁷ there is nothing we can't achieve.

Consumers continue to show increased interest in sustainably grown and harvested ingredients.

Ingredients with sustainability and regenerative agriculture claims appeal to consumers because of their interest in foods that are both better-for-you and better-for-the-environment.

47%

of consumers agree that "[they] seek foods that are not only 'good' for [them] but also 'good' for the planet and the food supply system"⁴⁷

47%

of consumers agree that "[they] seek foods that are grown and processed with fair treatment of all workers in the supply chain"⁴⁸

41%

of consumers agree that "[they] prioritize foods that are offered by brands/companies with stated goals and commitments around reducing environmental impact, treating workers fairly and giving back to the community"⁴⁹

Regenerative agriculture is a prominent environmental, social and governance (ESG) claim among consumers.

What is regenerative agriculture?

Regenerative agriculture is an approach to farming that helps protect and improve the land for future use and create a more sustainable future for crop production by focusing on improving soil health and conserving water.⁵⁰

To help our customers capture environmentally conscious consumers, Ardent Mills has continued to expand our regenerative agriculture program to further invest in farming practices that support responsible production and consumption.⁵¹

348,281

acres enrolled in our regenerative agriculture program in 2023⁵³

2,500,000

acres proposed to be enrolled in our regenerative agriculture program by 2030⁵⁴

Consumer interest in products with these claims is a result of consumers feeling empowered about their impact on the planet.

87%

of consumers agree that "the United States food supply overall will face challenges in the future due to factors like a growing population and/or climate changes"⁵⁵

53%

of consumers agree that "[they] feel [their] choices can actually make a positive impact on the health of the planet"⁵⁶

These feelings can leave consumers motivated to make purchase choices that align with their values.

49%

of consumers report that "foods grown using sustainable or regenerative agriculture practices" are important to their dietary/eating goals and priorities⁵⁷

19%

of consumers actively incorporate sustainably grown food in their daily diets

5%

of consumers actively incorporate food grown with regenerative agriculture practices in their daily diets

+35%

projected participation growth in 2024⁵⁸

+56%

projected participation growth in 2024⁵⁹

Growth in sales for sustainable and regenerative agriculture products reflects consumer commitment to these values.

+4% CAGR

New food and beverage product launches with an "Ethical + Environment" positioning between 2018-2023 (YTD)⁶⁰

+48% CAGR

New food and beverage product launches with a "Regenerative Agriculture" positioning between 2018-2023 (YTD)⁶¹

Figures shown below indicate the percentage segments of consumers that see a positive impact on their consideration when labeled with an "Ethically Sourced" claim.

46%

of consumers in grocery⁶²

40%

of consumers in restaurant foods⁶³

Across the board, consumers are increasingly interested in buying products with ingredients with sustainability-related claims across many different categories.

Figures shown indicate the percentage of consumers' positive purchase or eating intent for different food categories that include ingredients with a regenerative agriculture claim.

77%

Favorite Food⁶⁴

76%

Bread (Retail Store)⁶⁵

76%

Pasta Dish (Restaurant)⁶⁶

75%

Bread (In-Store Bakery)⁶⁷

73%

Pizza (Restaurant)⁶⁸

73%

Packaged Flour (Retail Store)⁶⁹

71%

Cookies (Retail Store)⁷⁰

66%

Snack/Energy Bars (Retail Store)⁷¹

65%

Frozen Pizza (Retail Store)⁷²

Consumers are also open to paying more for products with ingredients with sustainability-related claims.

43%

of consumers are willing to pay more for grain-based foods with the characteristic "Sustainably Grown"⁷³

40%

of consumers are willing to pay more for grain-based foods with the characteristic "Ethically Sourced"⁷⁵

33%

of consumers are willing to pay more for grain-based foods with the characteristic "Grown with Regenerative Agriculture Practices"⁷⁶

Consumers want to be more informed about the impact of their food choices on the planet.

57% of consumers agree "[they] wish there was more information available to consumers for how to make a positive impact on the health of the planet when it comes to [their] food choices"⁷⁷

Preferred sources of information about the impact of food choices on the planet include the following:

30%

Food Manufacturers⁷⁸

29%

Agricultural Companies/Farmers⁷⁹

29%

Non-Profit Organizations⁸⁰

23%

Specialty Formed Expert Board from Across the Food Landscape⁸¹

Convenience and quality reigned in retail and foodservice, further guiding Ardent Mills' innovation strategy.

+10%

increase in food-away-from-home spending in 2021 compared to pre-pandemic, and only expected to rise for 2023⁸²

64%

of consumers say that prep time is the most significant barrier to cooking a nutritious meal⁸³

In retail and foodservice, consumers are looking for products that make it more convenient to source their meals.

64% of consumers say that prep time is the most significant barrier to cooking a nutritious meal⁸⁴

72%

of consumers agree that "foods that are convenient make [their] life easier"⁸⁵

52%

of consumers agree that "[they] seek foods that offer convenience – [that is,] give [them] a head start, make [their] life easier, provide a solution – but will not compromise on quality or taste. [They are] looking for both quality and convenience together"⁸⁶

57%

of consumers claim that they "wish there were more/better options that offered the combination of convenience and quality together"⁸⁷

Supply chain issues and ingredient shortages over the last few years have made it more difficult to ensure consumers have access to some foods.

49%

of food industry leaders have had to halt production of specific items in the last two years⁸⁸

60%

of food industry leaders said they have changed the recipes or formulations for at least six products in the last two years⁸⁹

Reformulating products is a form of innovation that can help you avoid production interruptions from supply challenges.

For example, egg production in the U.S. has experienced an average 7.5% drop in domestic egg supply each month since 2022⁹⁰ and resulted in a surge of as much as 70% year-over-year.⁹¹ Replacing eggs with an ingredient like Ardent Mills Egg Replace allows you to lessen the impact of supply chain fluctuations.

Egg Replace by Ardent Mills

Egg Replace is a smart egg alternative that can be used to replace up to 100% of eggs and can lower ingredient costs while helping to maintain taste, functionality and performance.

Food safety plays a prominent role in the convenience consumers want — and the issue is at a recent high level of concern among consumers and industry stakeholders.

73%

of consumers report that "foods that give you peace of mind about their safety" are important to their dietary/eating goals and priorities⁹³

53%

of consumers rate "food safety innovation" as a top 3 positive impact factor "when considering your interest in buying and eating grain-based foods (e.g., bread, pasta, pizza crusts, cookies etc.)"⁹⁴

52%

of consumers report being "interested in products that offer solutions to ensure food safety (e.g., information shared with you about growing practices, manufacturing/preparation practices, storage practices, packaging innovation, etc.)"⁹⁵

#2 Food safety is the #2 most important attribute for grain/flour/pulse suppliers when it comes to being considered a market leader⁹⁶

Ardent Mills can help reduce flour-related risks.

From frozen pizzas to cookie dough, even with best practices in place, there are scenarios where a consumer might mishandle and/or poorly prepare raw or undercooked flour-based products. Ardent Mills' food safety product solutions SafeGuard[®] and BakeSafer[™] treatments can help.

SafeGuard[®] Treatment & Delivery System

SafeGuard[™] Treatment has up to a five-log validated pathogen reduction process that creates a safe heat treated flour that can be used for ready-to-eat applications.⁹⁷

BakeSafer[™] Treatments

BakeSafer[™] Treatments are value-added, refined wheat flour safety treatments for ready-to-bake and ready-to-cook products that can reduce the risk of pathogens in flour by a minimum of 90% (without heat)⁹⁸

Ardent Mills Puts You at the Center of Innovation.

As you've seen, we have our eye on you consumer trends to help keep you informed of what your customers are expecting. One thing is certain: Consumers don't want to compromise on taste, quality or nutrition. The good news? With the depth and breadth of the Ardent Mills product portfolio, they won't have to. Couple that with our Ardent Mills Innovation Centers (AMIC), built to help you navigate marketplace opportunities, stay ahead of trends with innovative food solutions and drive innovation and growth, and you've got a winning combination for 2024 — and beyond.

Get in touch with an Ardent Mills Rep today! Call (888) 680-0013

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⁴⁷⁻⁴⁹ Ardent Mills Proprietary Research, 2023. ⁵⁰ "Regenerative Agriculture," Ardent Mills, Accessed January 18, 2024, <https://www.ardentmills.com/help/regenerative-agriculture/>. ⁵¹ https://www.foodsafety.gov/ohqs/food-safety-issues-cpg-company-concern-reformulation-june-2022/26274371_51. ⁵² Hourly, Intention & Impact - Ardent Mills Fiscal Year 2023 Environmental, Social and Governance Report. ⁵³ Ardent Mills, 2023, <https://www.ardentmills.com/media/620326/ardent-mills-fy2023-esg-report.pdf>. ⁵⁴ Hourly, Intention & Impact - Ardent Mills Fiscal Year 2023 Environmental, Social and Governance Report. ⁵⁵ Ardent Mills Proprietary Research, 2023. ⁵⁶ Ardent Mills Proprietary Research, 2023. ⁵⁷ Ardent Mills Proprietary Research, 2023. ⁵⁸ Ardent Mills Proprietary Research, 2023. ⁵⁹ Ardent Mills Proprietary Research, 2023. ⁶⁰ Ardent Mills Proprietary Research, 2023. ⁶¹ Ardent Mills Proprietary Research, 2023. ⁶² Ardent Mills Proprietary Research, 2023. ⁶³ Ardent Mills Proprietary Research, 2023. ⁶⁴ Ardent Mills Proprietary Research, 2023. ⁶⁵ Ardent Mills Proprietary Research, 2023. ⁶⁶ Ardent Mills Proprietary Research, 2023. ⁶⁷ Ardent Mills Proprietary Research, 2023. ⁶⁸ Ardent Mills Proprietary Research, 2023. ⁶⁹ Ardent Mills Proprietary Research, 2023. ⁷⁰ Ardent Mills Proprietary Research, 2023. ⁷¹ Ardent Mills Proprietary Research, 2023. ⁷² Ardent Mills Proprietary Research, 2023. ⁷³ Ardent Mills Proprietary Research, 2023. ⁷⁴ Ardent Mills Proprietary Research, 2023. ⁷⁵ Ardent Mills Proprietary Research, 2023. ⁷⁶ Ardent Mills Proprietary Research, 2023. ⁷⁷ Ardent Mills Proprietary Research, 2023. ⁷⁸ Ardent Mills Proprietary Research, 2023. ⁷⁹ Ardent Mills Proprietary Research, 2023. ⁸⁰ Ardent Mills Proprietary Research, 2023. ⁸¹ Ardent Mills Proprietary Research, 2023. ⁸² Ardent Mills Proprietary Research, 2023. ⁸³ Ardent Mills Proprietary Research, 2023. ⁸⁴ Ardent Mills Proprietary Research, 2023. ⁸⁵ Ardent Mills Proprietary Research, 2023. ⁸⁶ Ardent Mills Proprietary Research, 2023. ⁸⁷ Ardent Mills Proprietary Research, 2023. ⁸⁸ Ardent Mills Proprietary Research, 2023. ⁸⁹ Ardent Mills Proprietary Research, 2023. ⁹⁰ Ardent Mills Proprietary Research, 2023. ⁹¹ Ardent Mills Proprietary Research, 2023. ⁹² Ardent Mills Proprietary Research, 2023. ⁹³ Ardent Mills Proprietary Research, 2023. ⁹⁴ Ardent Mills Proprietary Research, 2023. ⁹⁵ Ardent Mills Proprietary Research, 2023. ⁹⁶ Ardent Mills Proprietary Research, 2023. ⁹⁷ SafeGuard[®] Treatment & Delivery System, Ardent Mills, Accessed January 18, 2024, <https://www.ardentmills.com/products/food-safety-product-solutions/safeguard-treatment-delivery-system/>. ⁹⁸ BakeSafer[™] Treatments for Flour Products, Ardent Mills, Accessed January 18, 2024, <https://www.ardentmills.com/products/food-safety-product-solutions/bakesafer-flour-treatment/>.