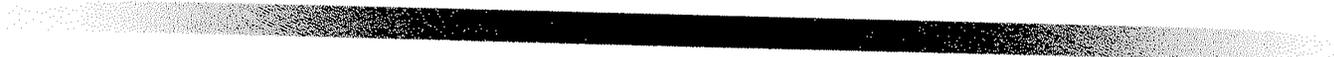


Attachment E



“Enhanced” Chicken

Consumer Research

November 2004

(SAI Project #04177)

Sorensen | **the in-store**
Associates | **research company™**

Minneapolis 888.616.0123 ~ ~ Portland 800.542.4321

Background & Objectives

- Some brands of fresh chicken are natural, and contain no preservatives or additives of any kind. Some fresh chicken brands contain an additive of salt water and sodium phosphate in their fresh chicken. On the package, this additive is sometimes described as chicken broth, which includes water, salt and sodium phosphate.
- This additive is included for several reasons. Proponents claim that consumers benefit by improved texture for white meat (although there is no noticeable benefit for dark meat). In addition, the additive also increases the weight of the chicken, which leads to a larger dollar ring.

Objectives

- Research has been requested to understand consumer awareness and attitudes about this additive. Objectives include:
 - ❖ Understand consumer unaided and aided awareness of the additive.
 - ❖ Understand consumer attitudes about the additive.
 - ❖ Understand how the additive impacts consumer purchase interest.
 - ❖ Determine what labeling needs to be included to improve consumer awareness/understanding of the additive – what specifically should the labeling say?
 - ❖ Understand the impact of the size of the labeling claim on the package.

Methodology

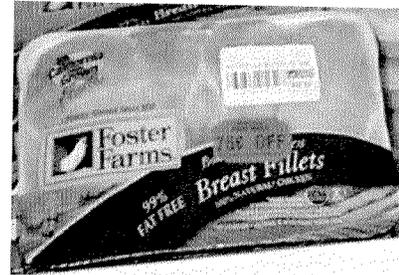
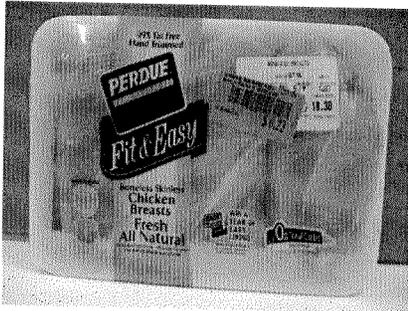
- This project was conducted as an in-store on-shelf package evaluation study. Consumer eligibility was determined based on primary shopper, past participation, security, age 25 – 70, and purchase of fresh, boneless, skinless chicken breasts three or more times in the past month from a grocery store. One-half of consumers purchased a Natural chicken brand most often, while one-half purchased an Enhanced chicken brand most often.
- On a monadic basis, awareness of both a Natural and Enhanced brand of chicken currently available within that store was assessed at the shelf, purchase interest if the chicken contained additives and reaction to learning that some chicken contained additives. Consumers also evaluated several options for wording on additive labels, as well as two different sizes for labels for additives in chicken. The interview concluded with demographic questions.
- The research was conducted among 372 consumers in Atlanta, Chicago, San Francisco, Kansas City, Dallas and Seattle on November 12 – 14, 2004.

Retailers & Brands

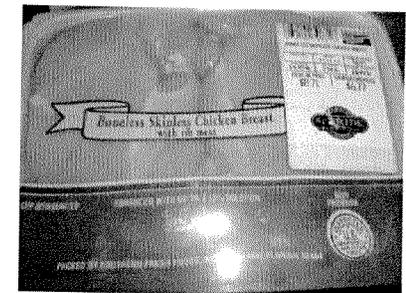
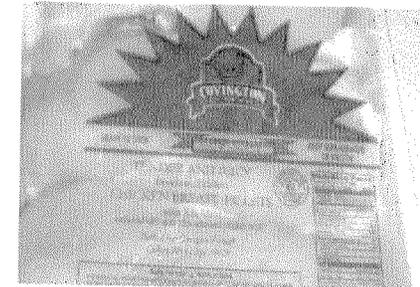
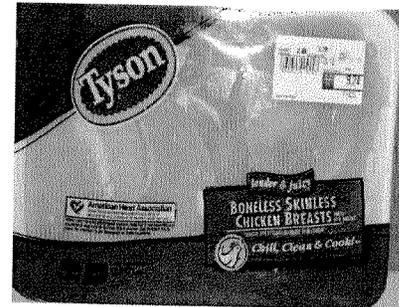
City	Store	Natural Brands	Enhanced Brands
Atlanta	Kroger #415, 12460 Crabapple Rd. (Alpharetta, GA)	Perdue Pollo Fresco Bell & Evans	Tyson
Chicago	Dominicks #1768, 215 S. Route #83 (Elmhurst, IL)	Perdue Jewell	Butcher's Cut
Dallas	Tom Thumb #3650, 14999 Preston Rd.	Sanderson Farms	Butcher's Cut Covington Farms
Kansas City	Price Chopper #106, 8700 E. 63rd Rd. St.	Gold Kist Farms Smart Chicken	Country Pride KC Pride
San Francisco	Safeway #774, 50 Solano Square (Benicia, CA)	Foster Farms	Butcher's Cut Tyson
Seattle	Safeway #1468, 4300 NE Fourth St. (Renton, WA)	Foster Farms	Butcher's Cut Tyson

Typical Product Labels

Natural Brands



Enhanced Brands



Management Summary

- Most consumers of “enhanced” chicken are not aware that it contains additives, until specifically directed to look at the label. Even after looking at the label of an enhanced chicken product, nearly 1 out of 5 “enhanced” chicken buyers don’t realize that the chicken contains additives.
- About half of the buyers of “enhanced” chicken say they feel deceived after being informed that their brand of fresh chicken contains additives.
- The following is considered the most accurate label description for chicken containing additives: “Contains up to 15% water, salt and sodium phosphates.” Consumers prefer the description to be large and easily readable.

Recommendation

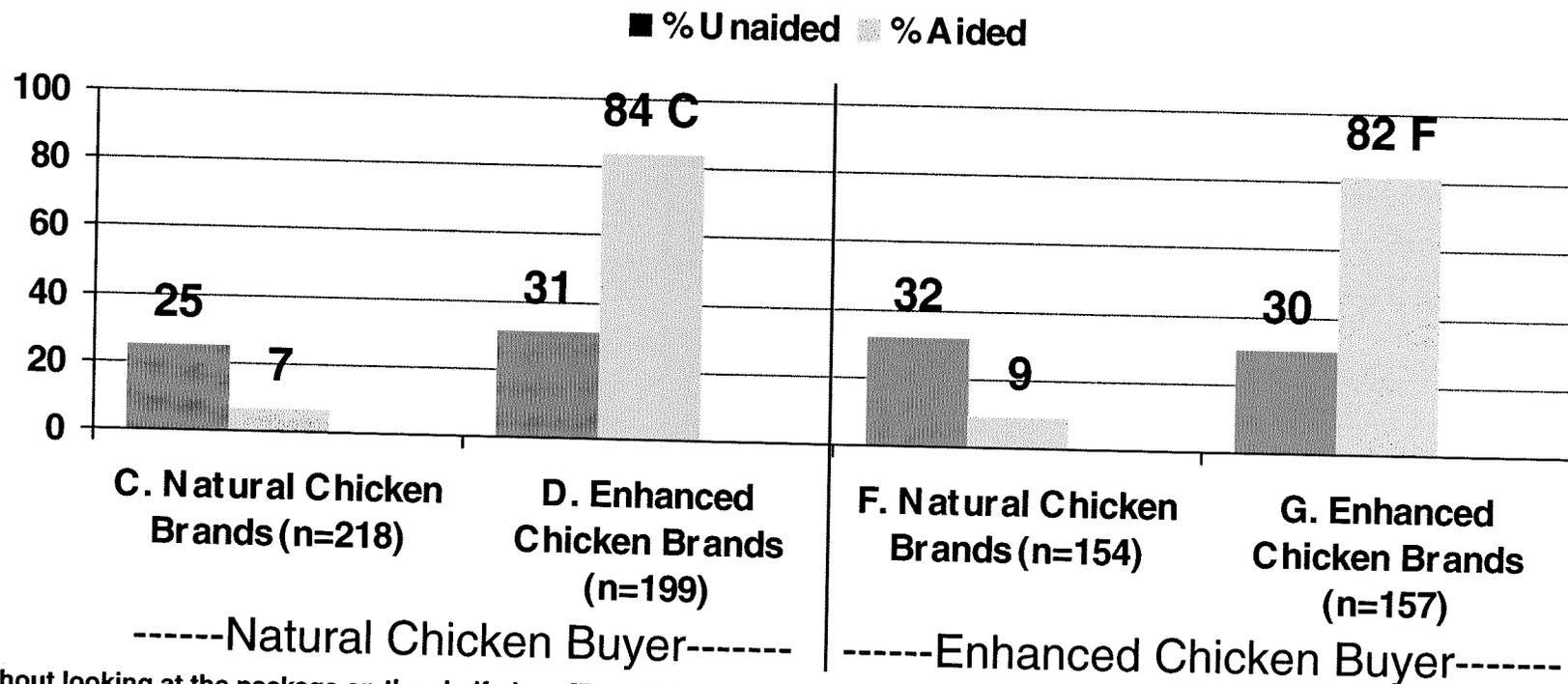
- To improve consumer awareness and understanding that fresh chicken contains additives, labeling should include the following description in large and easily readable font:
 - ❖ “Contains up to 15% water, salt and sodium phosphates.”



Detailed Findings

Awareness of Additives

- Most users of enhanced chicken are not aware that it contains additives (unaided), until specifically directed to look at the label (aided). Even after looking at the label, nearly 1 out of 5 enhanced chicken buyers don't realize that the chicken contains additives.



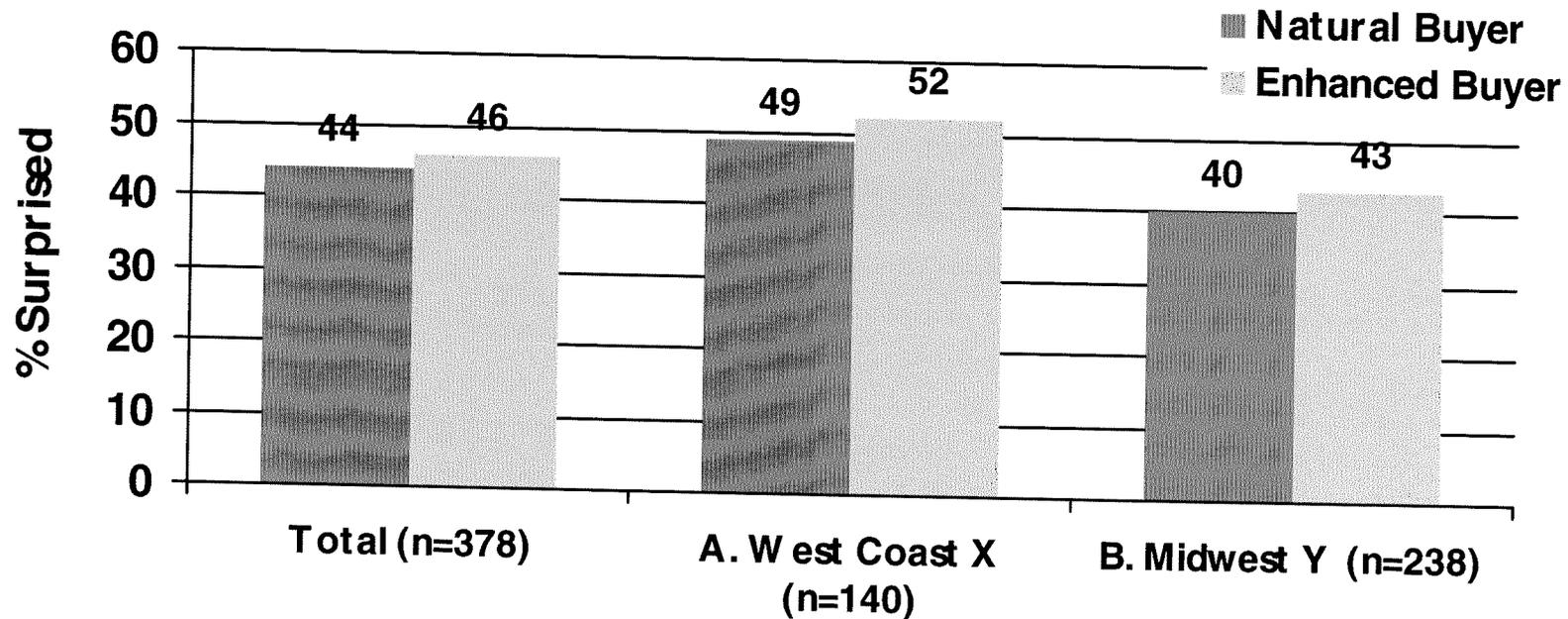
A1. Without looking at the package on the shelf, does [Brand] fresh chicken contain additives such as salt water, sodium phosphates or chicken broth?

A2. Now that you have looked at the [Brand] fresh chicken package, does it contain additives?

Statistical significance at 90%

Attitudes About Additives

- Overall, approximately 45% of consumers express surprise that some fresh chicken brands contain additives. Concern over the presence of additives appears to be directionally higher in west coast markets.



C1. Are you surprised that some chicken companies add salt, water, sodium phosphates or chicken broth to their chicken and market the product as fresh chicken?
Page 11, Enhanced Chicken Consumer Research (SAI Project #04177)

Statistical significance at 90%
Sorensen Associates | the in-store research company™

Concern About Additives

- Almost one-third of Enhanced chicken buyers indicate they care a lot that their chicken contains additives. After being informed about the additives, these consumers say they probably or definitely will not buy it again.
- More than half of Natural chicken buyers indicate they will not buy Enhanced chicken because of the additive.

	(A) Total	(B) Natural	(C) Enhanced
<i>Base</i>	378	218	158
C2. How much do you care that additives are included, and how does it affect purchase interest? (%)			
Net: I don't care/I care a little bit	54	44	69 B
I don't care, I will buy it anyway	13	10	18 B
I care a little bit, but I will probably buy it anyway	41	34	51 B
Net: I care a lot (probably will not buy)/I care a lot (definitely will not buy)	46	56 C	31
I care a lot, and probably will not buy it	29	33 C	24
I care a lot, and definitely will not buy it again	16	23 C	7

Concern About Additives - West

- The attitudes of west coast consumers towards additives is consistent with the national trend.

	(A)	(B)	(C)
	Total Sample		
	Total	Natural	Enhanced
<i>Base</i>	140	77	63
C2. How much do you care that additives are included, and how does it affect purchase interest?(%)			
NET: I don't care/ I care a little bit	54	40	71 B
I don't care, I will buy it anyway	12	9	16
I care a little bit, but I will probably buy it anyway	42	31	55 B
NET: I care a lot /I definitely care a lot	46	60 C	29
I care a lot, and probably will not buy it	29	36 C	19
I care a lot and definitely will not buy it again	17	23 C	10

Concern About Additives - Midwest

- Overall, midwestern consumers register a similar concern regarding additives compared with west coast consumers.

	(A)	(B)	(C)
	Total Sample		
	Total	Natural	Enhanced
<i>Base</i>	238	141	95
C2. How much do you care that additives are included, and how does it affect purchase interest? (%)			
NET: I don't care/ I care a little bit	55	46	67 B
I don't care, I will buy it anyway	13	10	19 B
I care a little bit, but I will probably buy it anyway	41	36	48 B
NET: I care a lot /I definitely care a lot	45	54 C	33
I care a lot, and probably will not buy it	30	30	27
I care a lot and definitely will not buy it again	16	23 C	5

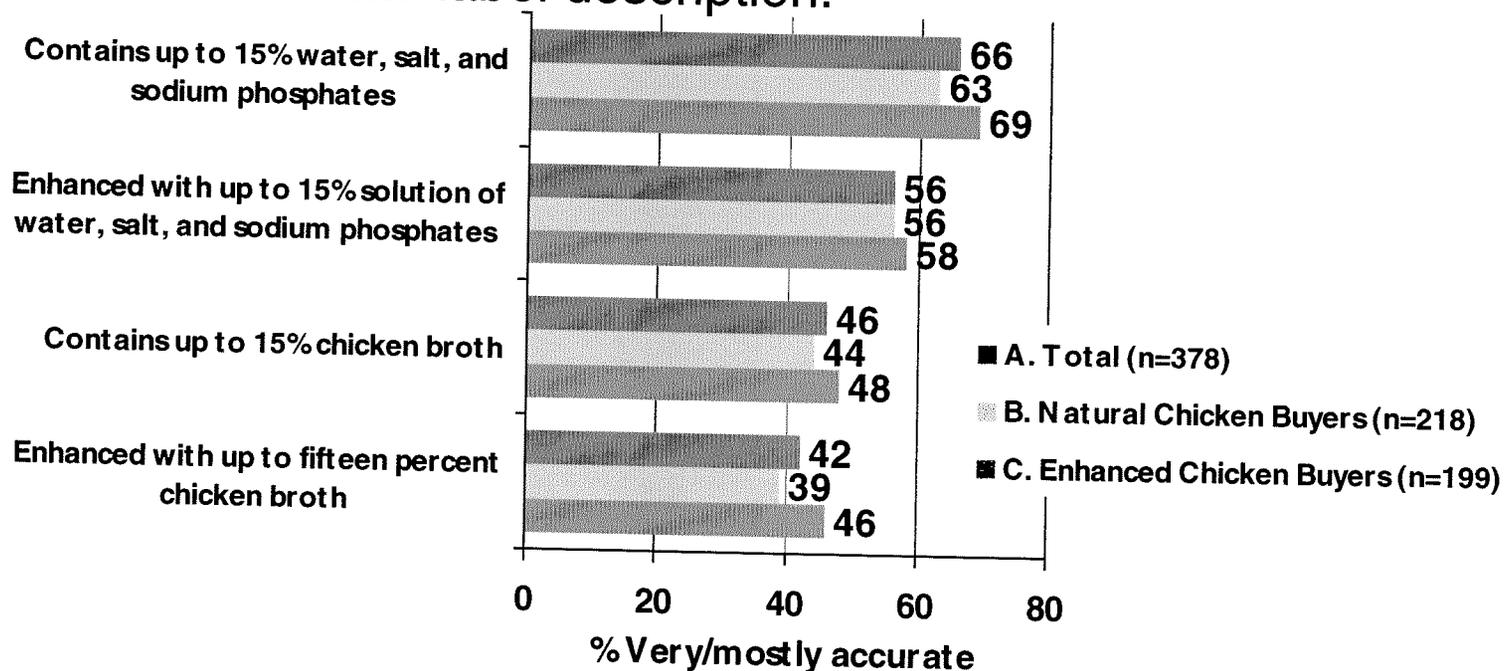
Emotional Response

- More than one-half of consumers say that they feel deceived at the disclosure that some chicken brands include additives.
- As expected, Enhanced chicken buyers are less upset about having additives in their chicken, but only slightly less so.
- Almost 10% say that they are angry upon learning how Enhanced chicken is marketed.

	(A) Total	(B) Natural Chicken Buyer	(C) Enhanced Chicken Buyer
<i>Base</i>	378	218	158
C3. How does it make you feel?(%)			
I feel deceived	55	58	50
I don't care	36	32	42 B
I feel angry	9	9	8

Accuracy of Label Statements

- The wording of the label, “Contains up to 15% water, salt, and sodium phosphates” is considered by Natural and Enhanced chicken buyers to most accurately communicate additive ingredients in chicken.
- “Enhanced with up the fifteen percent chicken broth” is considered the least accurate label description.



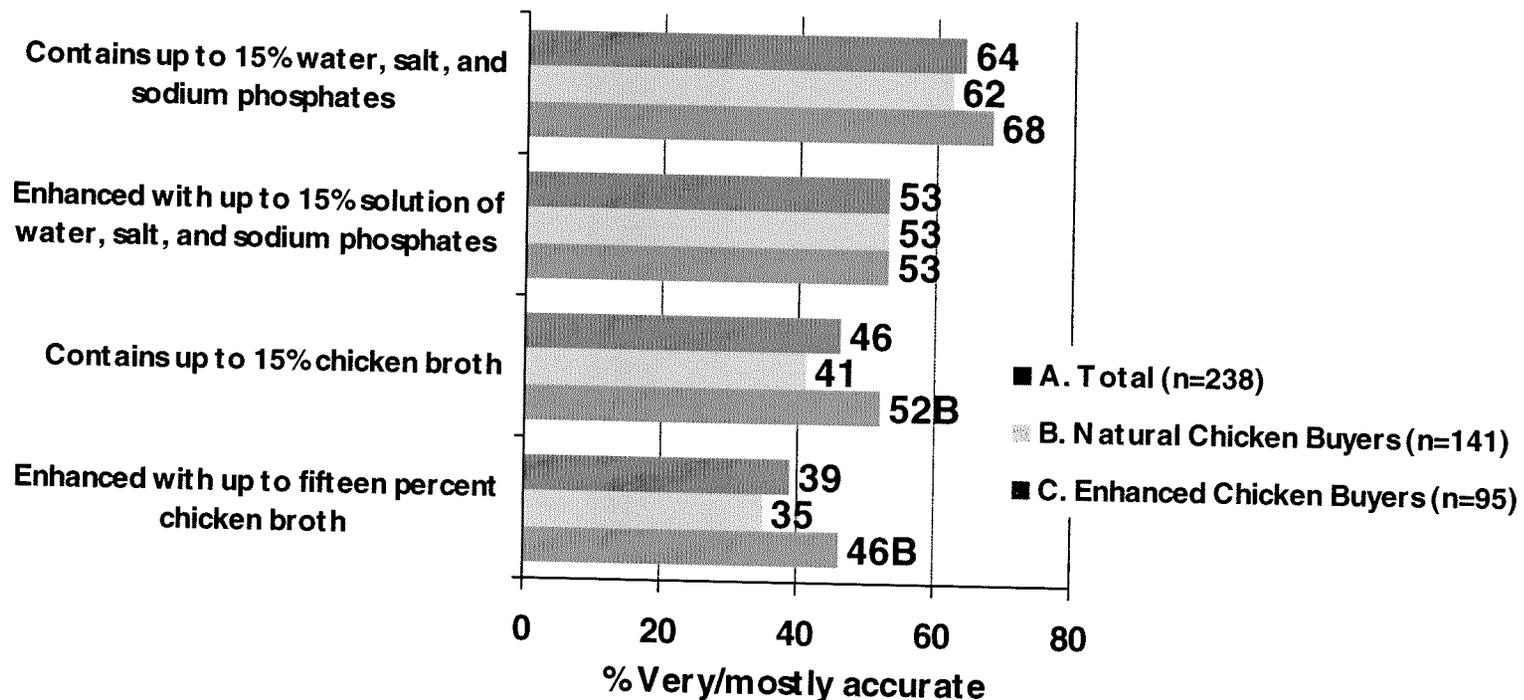
D1. Please rate each of these possible label descriptions for accuracy in labeling.

Page 16, Enhanced Chicken Consumer Research (SAI Project #04177)

Statistical significance at 90%

ACCURACY OF LABEL STATEMENTS - Midwest

- Although the ingredient label “Contains up to 15% water, salt and sodium phosphates” is considered more accurate by most midwesterners, a significant proportion of Enhanced chicken buyers consider the milder label descriptions which exclude the mention of “sodium phosphate” to be more accurate.



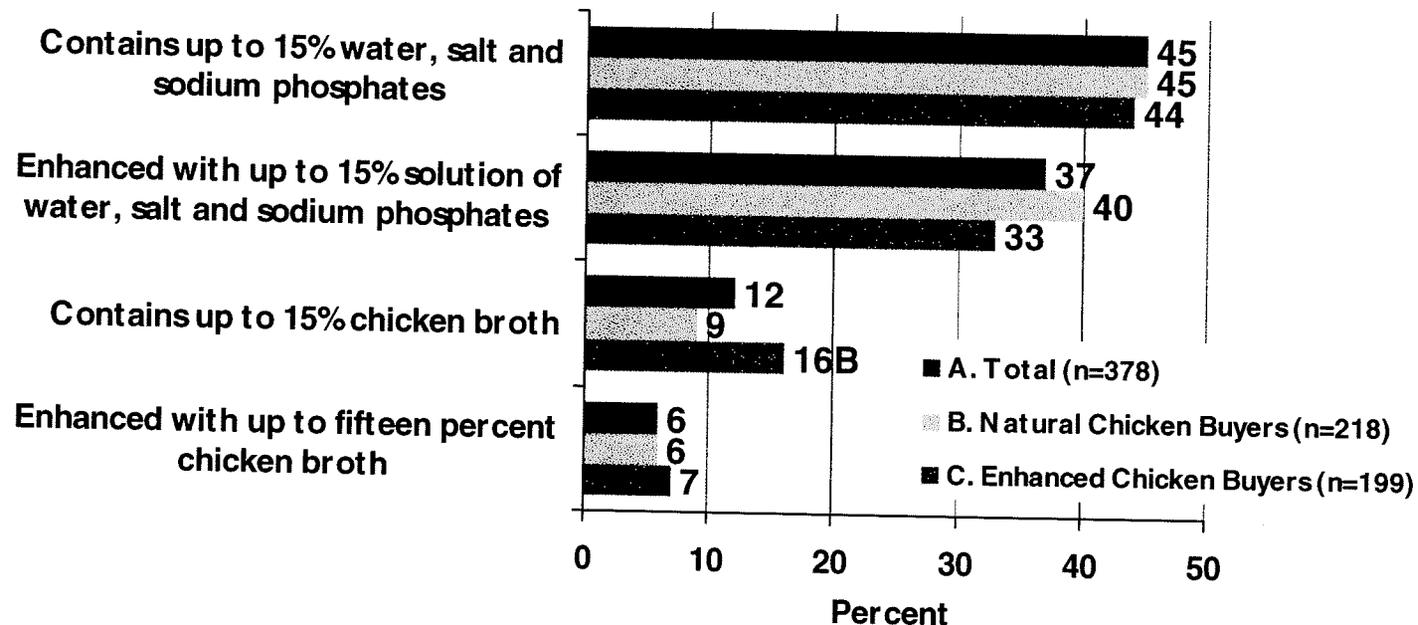
D1. Please rate each of these possible label descriptions for accuracy in labeling.

Page 17, Enhanced Chicken Consumer Research (SAI Project #04177)

Statistical significance at 90%

Most Accurate Label

- The label description, “Contains up to 15% water, salt and sodium phosphates” tends to be more highly rated for accuracy when labeling chicken with additives included.
- A significant number of Enhanced chicken buyers endorse the more moderate wording of the label “Contains up to 15% chicken broth” compared with Natural chicken buyers.



D2. Which label option do you think describes these additives most accurately?

Statistical significance at 90%

Other Label Descriptions

- Labeling that features additive ingredient statements in highly visible, large lettering is strongly preferred by all consumers.

Label A



Label B



D3. Which label do you think communicates that the chicken product contains these additives most effectively? (%)

Label A
Label B

	(A) Total	(B) Natural	(C) Enhanced
Base	378	218	158
Label A	95	95	96
Label B	5	5	4

Statistical significance at 90%

Attachment F

Fresh Chicken Study Final Report

Prepared by:



JUNE 2006

Background

- Currently, several competing brands label their chicken as “fresh” and/or “natural”, despite having added ingredients.
- In order to determine perceptions of fresh/all-natural chicken, a quantitative research study was conducted by Russell Research, a New York-based custom research firm. This report represents findings from the study.

Research Purpose & Objectives

- The purpose of this study was to evaluate consumer perceptions of fresh chicken.
- Specifically, the study objectives were to:
 - Determine consumer label-reading behavior
 - Measure effect of food label on product purchase
 - Evaluate knowledge of fresh chicken definition
 - Determine the effect of added ingredients on the purchase behavior of fresh chicken
 - Evaluate differences by key demographic segments

Methodology

- The study was conducted using an online methodology. Interviewing was conducted on Russell Research's survey website.
- A total of 1,008 interviews were conducted for the study:
 - Female – 701 interviews
 - Male – 307 interviews
- In order to qualify for study inclusion, respondents were screened to meet the following criteria:
 - Ages 25 – 54
 - Purchase fresh chicken 2 or more times per month
 - Primary household purchaser of fresh chicken
- Interviewing for the study was conducted from June 8 – June 13, 2006.
- The data was weighted to reflect the incidence of fresh chicken purchasers by age segment.

Sample

- The sample for the study was randomly drawn from Survey Sampling's SurveySpot online consumer panel. Survey Sampling is recognized as the premier sample provider in the market research industry.
- The SurveySpot panel currently has over 2.3 million panel households. The panel members are recruited using a wide range of online and offline methods, including website registrations, email invitations and RDD telephone recruiting.
- For this research study, invitations were emailed to potential respondents targeted by gender and age.
- As an incentive to participate in the study, each respondent was entered into a monthly drawing with over \$10,000 in prizes once the survey was completed.

Executive Summary

Executive Summary

Based on the study findings, the vast majority of respondents believe that fresh chicken labeled “natural” or “all natural” should not contain any added ingredients. Most agreed that fresh chicken should not include added ingredients, and a large percentage of respondents indicated they would be less likely to purchase their favorite brand if they found it included added ingredients.

- Nine out of ten respondents (91%) agreed with the statement “Fresh chicken that says it is ‘natural’ should not contain any type of added ingredients to the chicken.” and the statement “I expect that a fresh chicken product labeled ‘100% Natural’ or ‘All Natural’ would not contain any added ingredients, such as broth, phosphates or cargeenan.”. Additionally, seven out of ten strongly agreed with each of these statements.
- Nearly one-half of respondents (48%) would be unlikely to purchase their usual fresh chicken brand if they found out it contained a broth solution.
- Only one-quarter of respondents (25%) agreed that “It’s okay for the label on a brand of fresh chicken to read ‘100% Natural’ and still contain up to 15% broth solution water, salt, phosphates, and/or cargeenan.”.

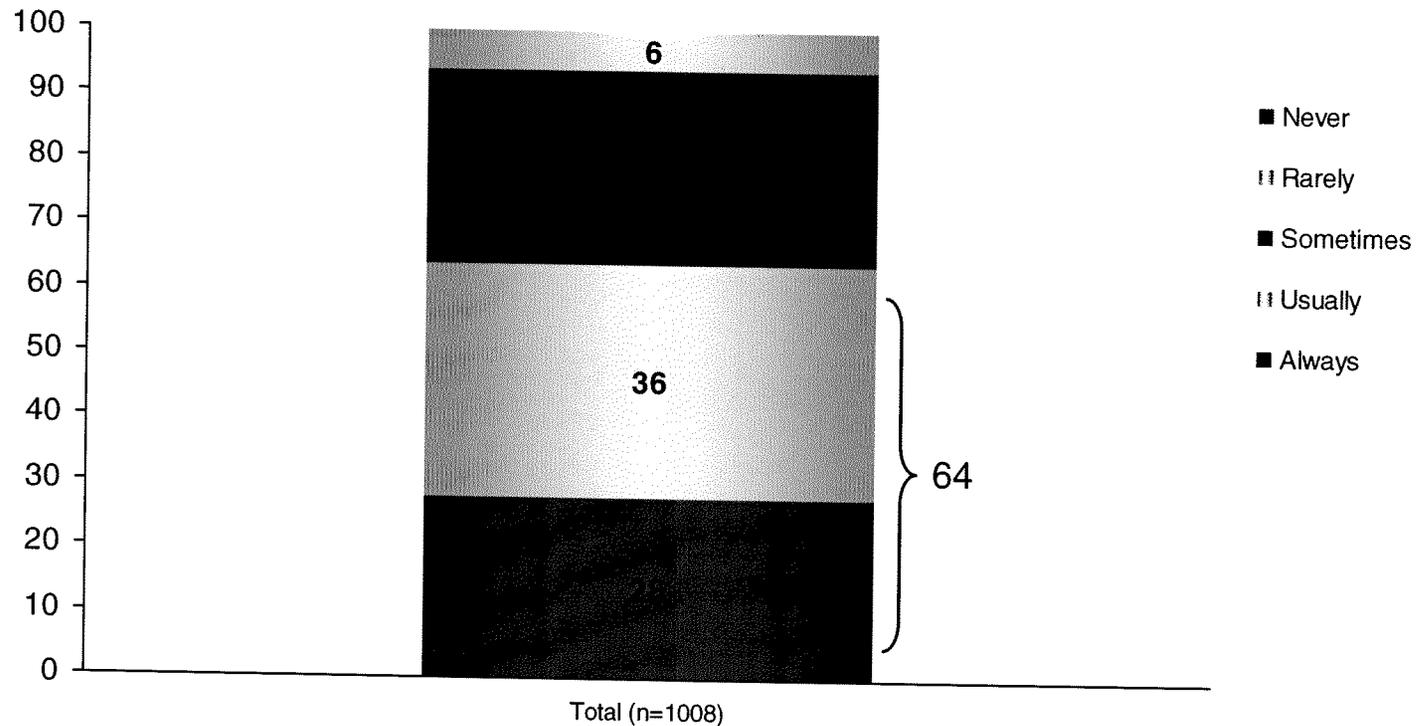
Most respondents read food labels and indicate it influences their purchase decision.

- Two-thirds of respondents (64%) always or usually read labels of food products, and nine out of ten (91%) indicated they at least somewhat influence their decision to purchase the item.
- Three out of four respondents (76%) believe that reading the label on fresh meats is important and always/usually influences their decision to purchase.

Detailed Findings

Frequency of Reading Label When Food Shopping

Two-thirds of respondents indicate they always or usually read the label on food products while shopping at the grocery store. Less than 1% of respondents said they never read the food label.



Base: Total Respondents

Q.1. When shopping for food products at your grocery store, how often do you read the label?

Frequency of Reading Label When Food Shopping (Cont'd.)

Adults between the ages of 35 – 44 are significantly less likely than 25 – 34 and 45 – 54 year olds to always or usually read the label on food while grocery shopping.

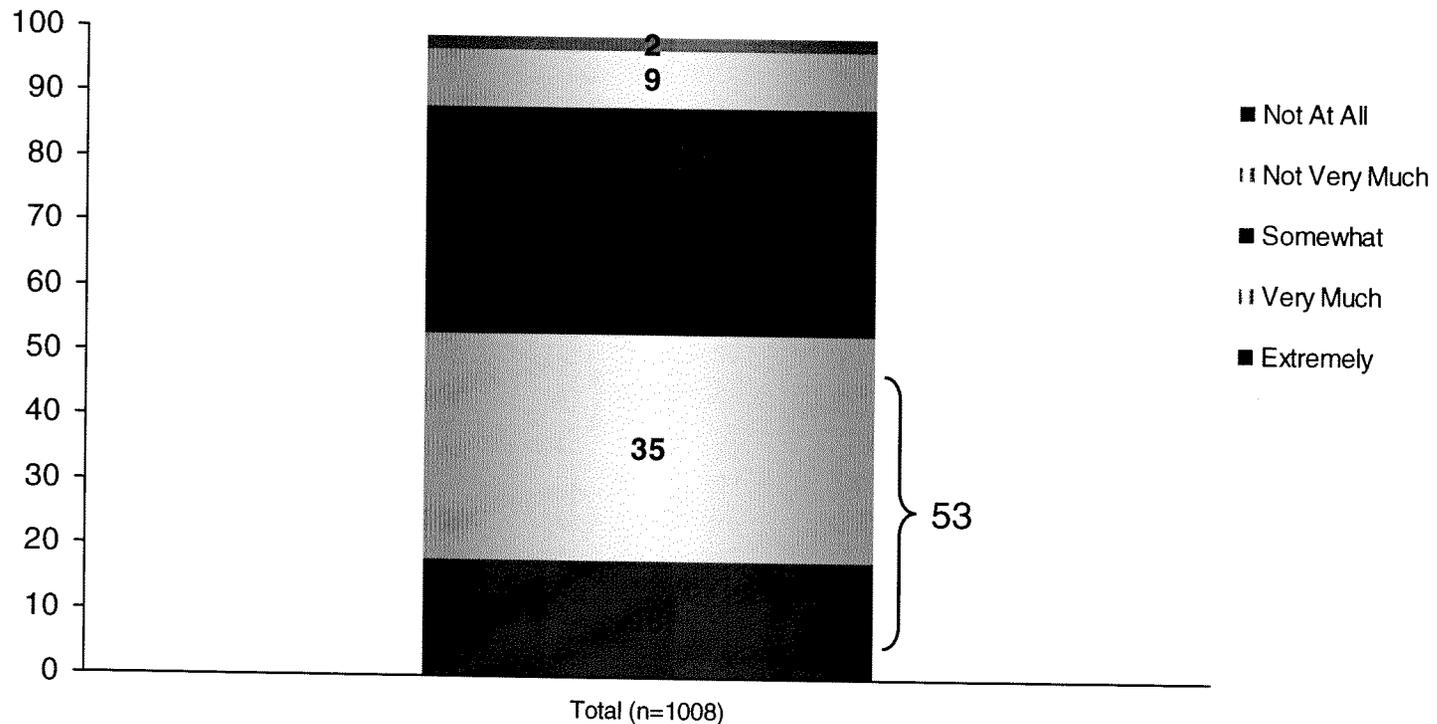
	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Always/Usually (net)</u>							
Always	28	28	27	25	32	26	30
Usually	36	36	39	32	36	35	37
Sometimes	29	30	28	34	28	32	28
<u>Rarely/Never (net)</u>							
Rarely	7	6	7	8	4	7	5
Never	0	1	5	8	4	6	5
			1	1	-	1	0

☐ = Significantly higher than designated cell at a 95% confidence level

Q.1. When shopping for food products at your grocery store, how often do you read the label?

Purchase Influence Rating for Reading the Label

One-half of respondents indicated that reading a food label influences their purchase decision extremely or very much, while an additional one-third are somewhat influenced by the food label.



Base: Total Respondents

Q.2. How much does reading the label influence your decision to purchase a food item?

Purchase Influence Rating for Reading the Label (Cont'd.)

A significantly higher percentage of 25 – 44 year olds indicated they are not influenced by the label when compared to 45 – 54 year olds. However, the percentage of respondents not influenced by food labels is low across all age groups.

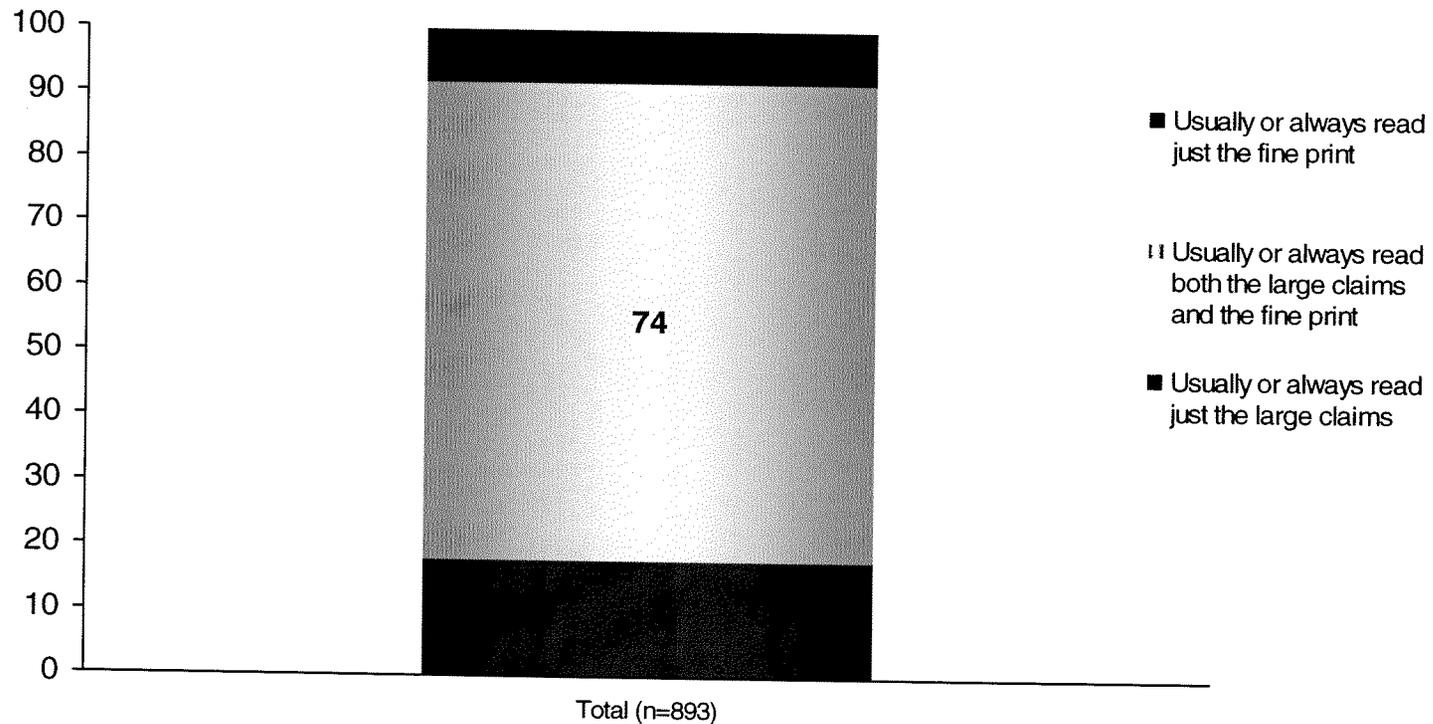
	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Extremely/Very Much (net)</u>							
Extremely	50	55	53	51	58	54	53
Very Much	16	19	20	16	19	17	20
Somewhat	34	36	33	35	39	37	33
<u>Not Very Much/Not At All (net)</u>							
Not Very Much	37	34	35	35	34	35	35
Not At All	13	11	12 ^F	14 ^F	8	12	11
	11	9	9	12	7	8	10
	2	3	4 ^F	2	1	3 ^H	1

^F = Significantly higher than designated cell at a 95% confidence level

Q.2. How much does reading the label influence your decision to purchase a food item?

Label Involvement

Among respondents who read the food label and are at least sometimes influenced by it, three-quarters read both the large claims and the fine print. One in five just read the large claims, and one in ten read just the fine print.



Base: Total Always/Usually/Sometimes Read the Label and Extremely/Very Much/Somewhat Influenced By It

Q.3. Do you typically form an impression of a product based on the large claims on the front of a package (i.e. low-fat, new flavor, etc), or do you read the fine print on the back of the package?

Label Involvement (Cont'd.)

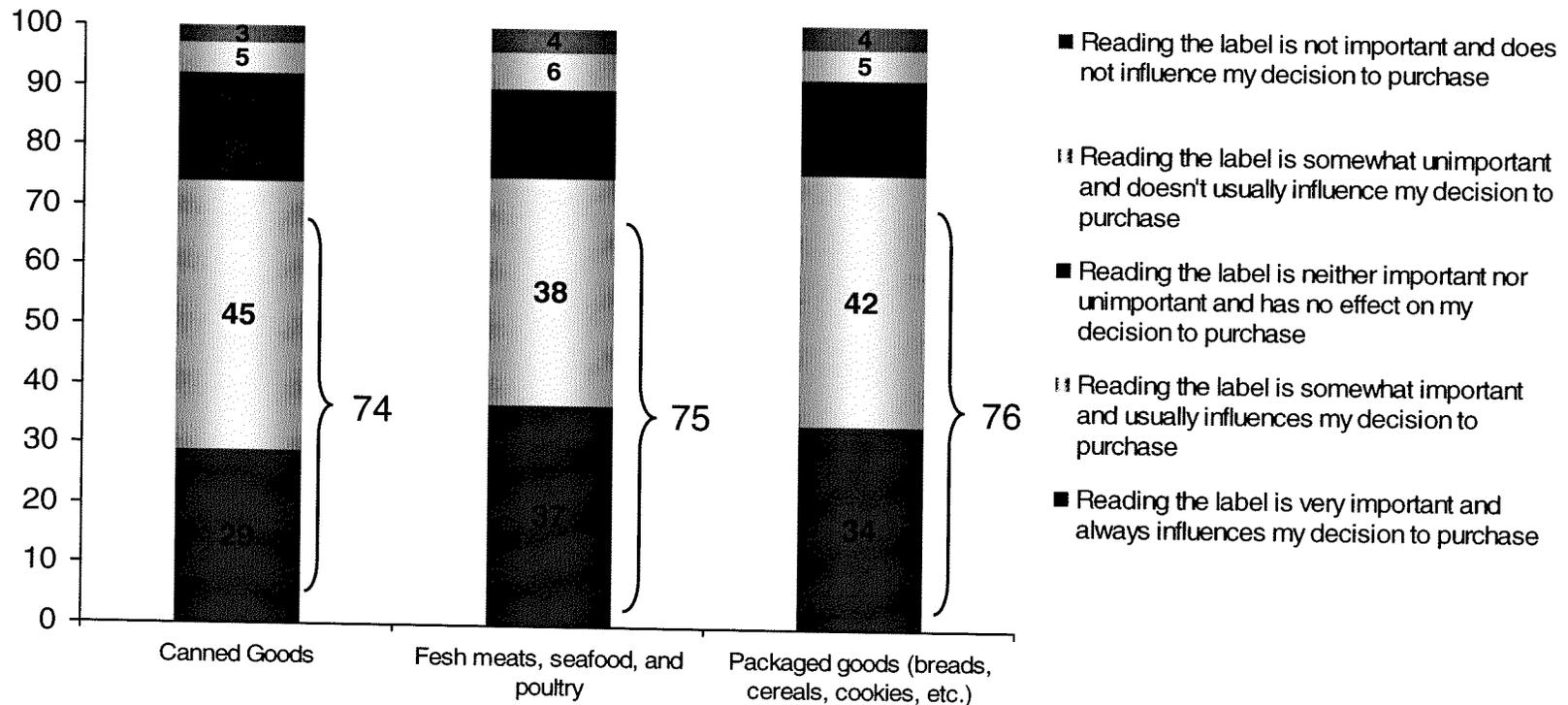
The findings for this metric were consistent across all key demographic segments.

	<u>Male</u>	<u>Female</u>	<u>25 to 34</u>	<u>35 to 44</u>	<u>45 to 54</u>	<u>Children</u>	<u>No Children</u>
	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Total Always/Usually/Sometimes Read The Label And Extremely/Very Much/Somewhat Influenced By It	(270)	(623)	(408)	(216)	(269)	(474)	(419)
	%	%	%	%	%	%	%
Usually or always read just the large claims	18	19	18	17	20	18	19
Usually or always read both the large claims and the fine print	74	74	74	76	71	74	74
Usually or always read just the fine print	8	7	7	7	9	8	7

Q.3. Do you typically form an impression of a product based on the large claims on the front of a package (i.e. low-fat, new flavor, etc), or do you read the fine print on the back of the package?

Label Reading Importance Ratings

Three out of four respondents believe it is important to read the food label on canned goods, fresh foods and/or packaged goods, and indicated it usually or always influences their purchase decision.



Base: Total Respondents (n=1008)

Q.4. Which of the following statements best describes your opinion of the product below?

Label Reading Importance Ratings – Canned Goods

Adults between the ages of 45 – 54 are significantly more likely than adults ages 25 – 44 to feel that reading the label on canned goods is very or somewhat important.

	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Very/Somewhat Important (net)</u>	<u>70</u>	<u>75</u>	<u>71</u>	<u>68</u>	<u>81</u> DE	<u>73</u>	<u>73</u>
Reading the label is very important and always influences my decision to purchase	25	30	25	27	<u>35</u> D	29	28
Reading the label is somewhat important and usually influences my decision to purchase	44	45	47	41	47	44	45
Reading the label is neither important nor unimportant and has no effect on my decision to purchase	22	17	<u>19</u> F	<u>24</u> F	11	18	19
<u>Somewhat Unimportant/Not Important (net)</u>	<u>9</u>	<u>8</u>	<u>10</u>	<u>8</u>	<u>7</u>	<u>9</u>	<u>9</u>
Reading the label is somewhat unimportant and doesn't usually influence my decision to purchase	5	5	6	6	4	6	4
Reading the label is not important and does not influence my decision to purchase	4	3	5	2	3	3	4

= Significantly higher than designated cell at a 95% confidence level

Q.4. Which of the following statements best describes your opinion of the product below?

Label Reading Importance Ratings – Fresh Meats, Seafood, and Poultry

Adults between the ages of 45 – 54 are also significantly more likely than adults ages 25 – 44 to feel that reading the label on fresh foods is very or somewhat important. Additionally, females are significantly more likely than males to believe it is very important.

	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Very/Somewhat Important (net)</u>	<u>75</u>	<u>76</u>	<u>73</u>	<u>73</u>	<u>82</u> DE	<u>75</u>	<u>77</u>
Reading the label is very important and always influences my decision to purchase	32	<u>40</u> B	34	34	<u>46</u> DE	37	38
Reading the label is somewhat important and usually influences my decision to purchase	43	36	39	40	36	38	39
Reading the label is neither important nor unimportant and has no effect on my decision to purchase	15	14	<u>16</u> F	<u>17</u> F	10	14	15
<u>Somewhat Unimportant/Not Important (net)</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>10</u>	<u>8</u>	<u>11</u>	<u>8</u>
Reading the label is somewhat unimportant and doesn't usually influence my decision to purchase	6	6	6	6	4	7	5
Reading the label is not important and does not influence my decision to purchase	5	4	5	4	4	5	4

= Significantly higher than designated cell at a 95% confidence level

Q.4. Which of the following statements best describes your opinion of the product below?

Label Reading Importance Ratings – Packaged Goods

Females are significantly more likely than males to think reading the label on packaged goods is very important and indicate it always influences their purchase decision.

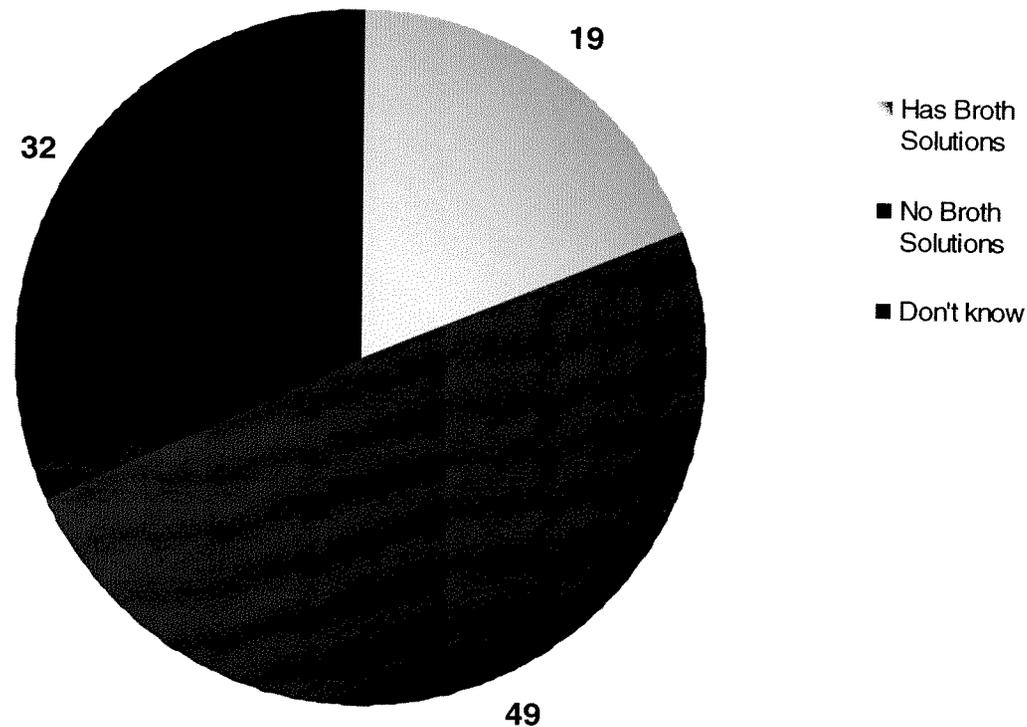
	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Very/Somewhat Important (net)</u>	<u>71</u>	<u>78</u>	<u>73</u>	<u>76</u>	<u>78</u>	<u>75</u>	<u>76</u>
Reading the label is very important and always influences my decision to purchase	28	36 B	27	34	41 D	31	37
Reading the label is somewhat important and usually influences my decision to purchase	44	41	45	42	38	44	40
Reading the label is neither important nor unimportant and has no effect on my decision to purchase	18	15	16	16	15	16	16
<u>Somewhat Unimportant/Not Important (net)</u>	<u>10</u>	<u>8</u>	11 F	<u>8</u>	<u>6</u>	<u>9</u>	<u>7</u>
Reading the label is somewhat unimportant and doesn't usually influence my decision to purchase	7	4	6 F	5	3	5	4
Reading the label is not important and does not influence my decision to purchase	4	4	5	3	4	4	3

 = Significantly higher than designated cell at a 95% confidence level

Q.4. Which of the following statements best describes your opinion of the product below?

Whether Fresh Chicken Purchased Has Broth Solutions

One-half of respondents believe fresh chicken does not include broth solutions, while one in five think it does. However, one-third of respondents were not sure.



Base: Total Respondents

Q.5. To the best of your knowledge, does the fresh chicken you typically purchase have added broth solutions containing water, salt, phosphates, and/or cargeenan?

Whether Fresh Chicken Purchased Has Broth Solutions (Cont'd.)

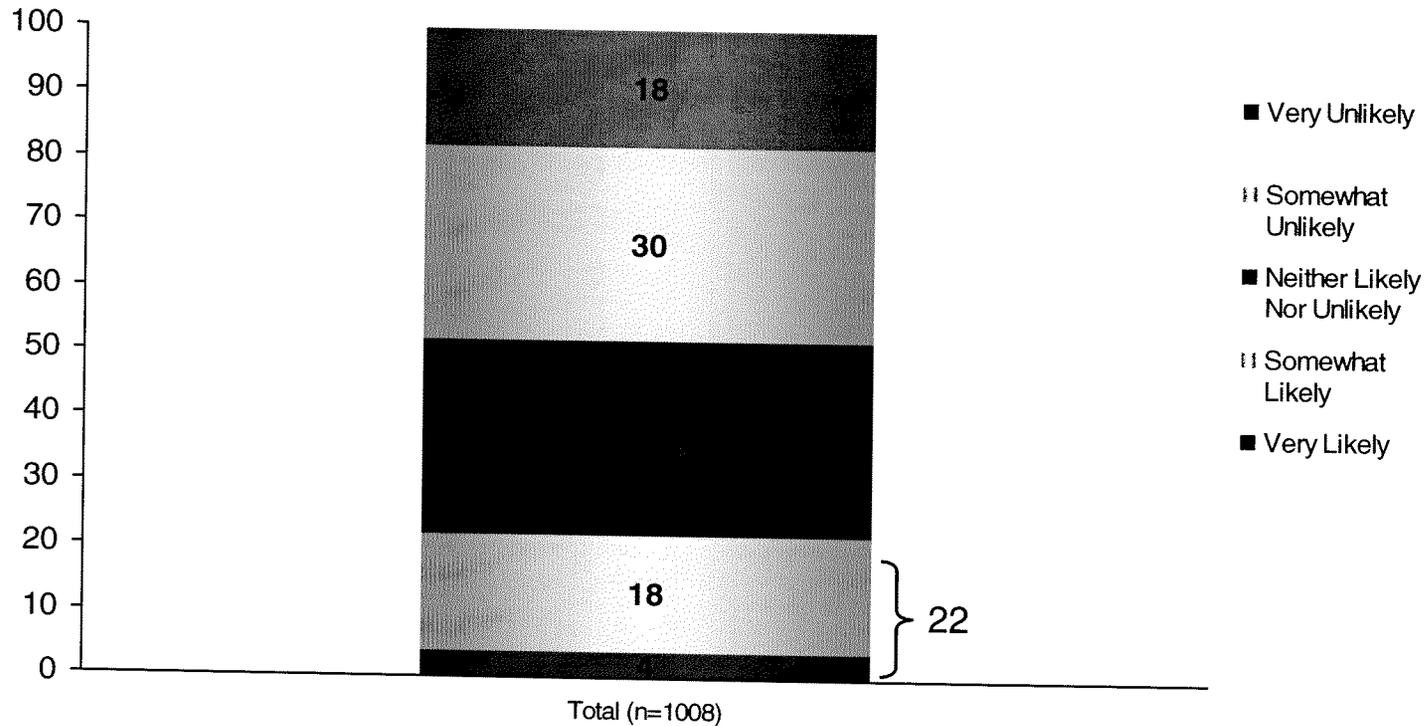
The findings for this question were consistent across demographic segments.

	<u>Male</u>	<u>Female</u>	<u>25 to 34</u>	<u>35 to 44</u>	<u>45 to 54</u>	<u>Children</u>	<u>No Children</u>
	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Total Respondents	(307)	(701)	(465)	(252)	(291)	(537)	(471)
	%	%	%	%	%	%	%
Has Broth Solutions	22	18	18	20	18	21	17
No Broth Solutions	47	50	47	47	54	47	52
Don't know	31	32	35	33	28	32	32

Q.5. To the best of your knowledge, does the fresh chicken you typically purchase have added broth solutions containing water, salt, phosphates, and/or cargeenan?

Frequency of Reading Label When Food Shopping

Nearly one-half of respondents indicated they would be unlikely to continue purchasing the brand of chicken used most often if they were to learn it contained a broth solution. Only one in five said they would be likely to continue purchasing the same brand.



Base: Total Respondents

Q.6. If you discovered that the brand of chicken you typically purchase contains a broth solution containing water, salt, phosphates, and/or cargeenan, how likely are you to continue to purchase this same brand?

Frequency of Reading Label When Food Shopping (Cont'd.)

Females, adults ages 45 – 54 and non-parents are significantly more likely to stop using the brand of chicken they typically purchase if it contained a broth solution.

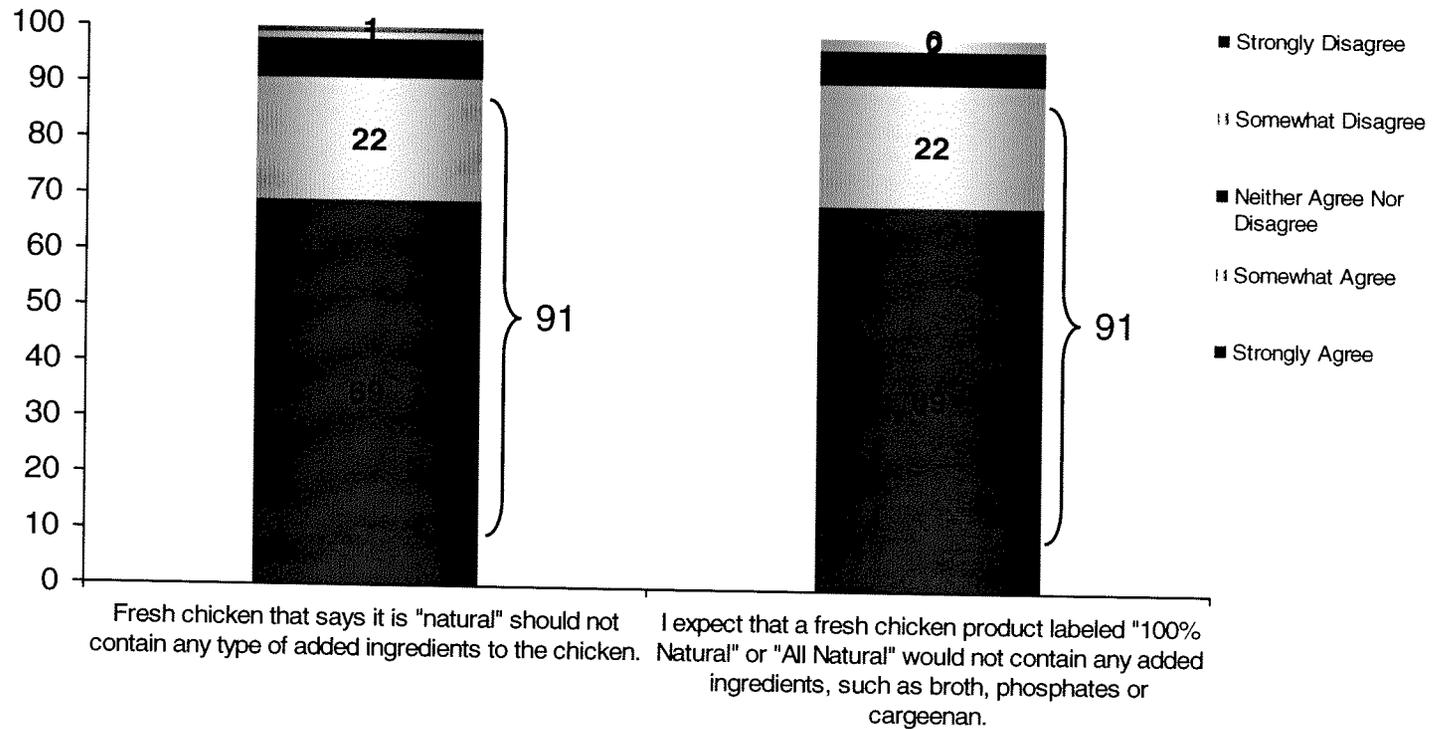
	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Very/Somewhat Likely (net)</u>							
Very Likely	26 C	20	25 F	24 F	16	25 H	19
Somewhat Likely	6	3	5	4	3	5	3
Neither Likely Nor Unlikely	20	17	19 F	20 F	13	19	16
<u>Somewhat/Very Unlikely (net)</u>							
Somewhat Unlikely	34	29	34 F	30	27	31	29
Very Unlikely	39	52 B	41	46	57 DE	44	52 G
	24	32	29	29	31	28	31
	15	20	12	17	26 DE	16	21

 = Significantly higher than designated cell at a 95% confidence level

Q.6. If you discovered that the brand of chicken you typically purchase contains a broth solution containing water, salt, phosphates, and/or cargeenan, how likely are you to continue to purchase this same brand?

Statement Agreement Ratings

Nine out of ten respondents agree that fresh chicken labeled “natural” should not contain any added ingredients.



Base: Total Respondents (n=10008)

Q.7/8. How much do you agree with the following statement?

Statement Agreement Ratings

Virtually all adults ages 45 – 54 agree that fresh chicken labeled “natural” should not contain any type of added ingredients. This is significantly higher than all other age groups included in the research. Additionally, non-parents are significantly more likely than parents to agree with this statement.

Statement

Fresh chicken that says it is “natural” should not contain any type of added ingredients to the chicken.

	<u>Male</u>	<u>Female</u>	<u>25 to 34</u>	<u>35 to 44</u>	<u>45 to 54</u>	<u>Children</u>	<u>No Children</u>
	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Total Respondents	(307)	(701)	(465)	(252)	(291)	(537)	(471)
	%	%	%	%	%	%	%
<u>Strongly/Somewhat Agree (net)</u>	<u>89</u>	<u>92</u>	<u>88</u>	<u>90</u>	<u>96</u> DE	<u>88</u>	<u>94</u> G
Strongly Agree	61	<u>72</u> B	63	66	<u>78</u> DE	67	71
Somewhat Agree	<u>28</u> C	20	<u>25</u> F	24	18	21	23
Neither Agree Nor Disagree	9	7	<u>11</u> F	7	4	8	6
<u>Somewhat/Strongly Disagree (net)</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u> F	<u>1</u>	<u>3</u> H	<u>0</u>
Somewhat Disagree	2	1	1	2	0	<u>2</u> H	0
Strongly Disagree	-	1	0	1	0	<u>1</u> H	-

= Significantly higher than designated cell at a 95% confidence level

Q.7. How much do you agree with the following statement?

Statement Agreement Ratings

Consistent with findings from the previous statement, the vast majority of adults ages 45 – 54 agree that fresh chicken labeled “100% natural” or “all-natural” should not contain any type of added ingredients, including broth, phosphates or cargeenan. This is significantly higher than all other age groups interviewed. Non-parents are significantly more likely than parents to agree with the statement.

Statement

I expect that a fresh chicken product labeled “100% Natural” or “All Natural” would not contain any added ingredients, such as broth, phosphates or cargeenan.

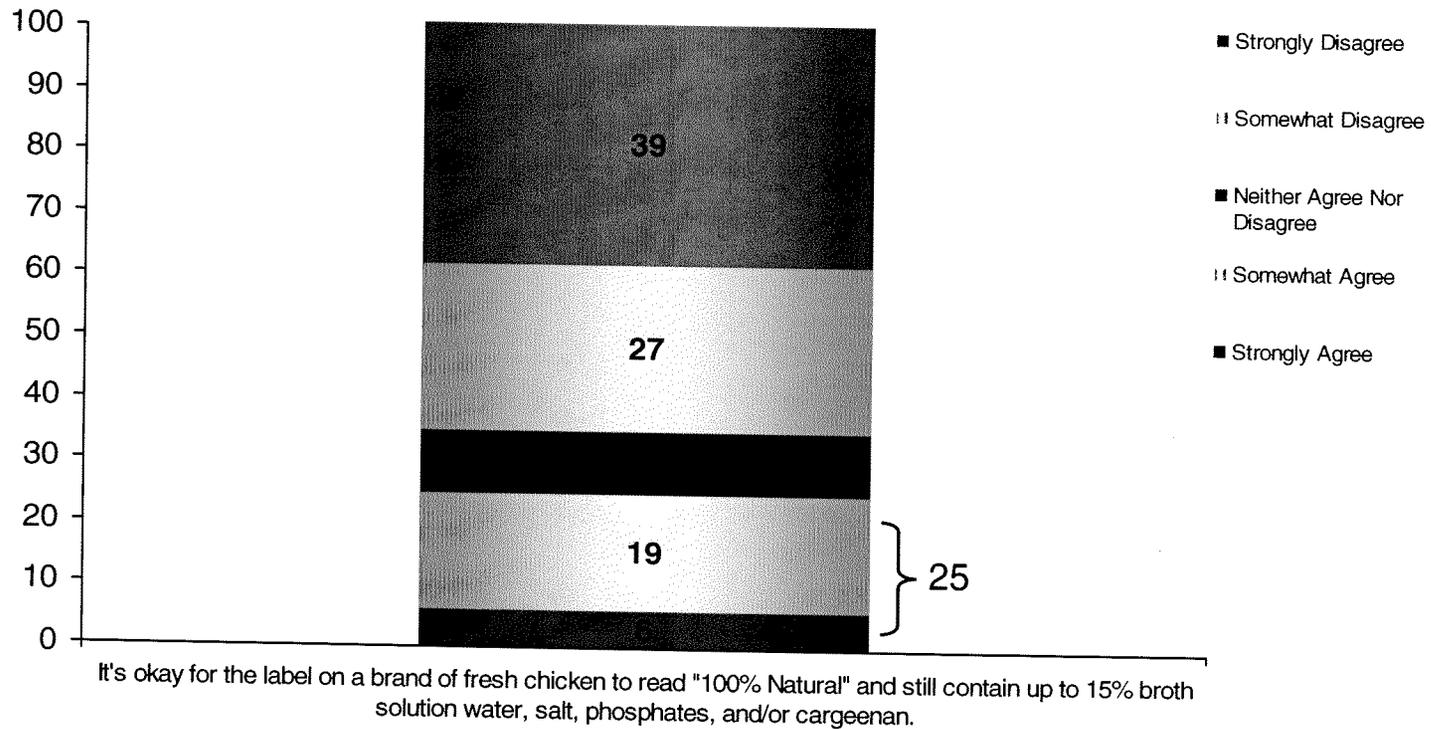
	<u>Male</u>	<u>Female</u>	<u>25 to 34</u>	<u>35 to 44</u>	<u>45 to 54</u>	<u>Children</u>	<u>No Children</u>
	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Total Respondents	(307)	(701)	(465)	(252)	(291)	(537)	(471)
	%	%	%	%	%	%	%
<u>Strongly/Somewhat Agree (net)</u>	<u>91</u>	<u>91</u>	<u>89</u>	<u>89</u>	<u>95</u> DE	<u>88</u>	<u>94</u> G
Strongly Agree	66	70	65	66	<u>77</u> DE	66	72
Somewhat Agree	24	21	24	24	18	21	22
Neither Agree Nor Disagree	6	7	<u>8</u> F	7	4	8	5
<u>Somewhat/Strongly Disagree (net)</u>	<u>3</u>	<u>3</u>	<u>3</u> F	<u>4</u> F	<u>1</u>	<u>4</u> H	<u>1</u>
Somewhat Disagree	3	2	<u>3</u> F	<u>4</u> F	0	<u>4</u> H	1
Strongly Disagree	-	1	0	0	0	1	-

= Significantly higher than designated cell at a 95% confidence level

Q.8. How much do you agree with the following statement?

Statement Agreement Rating (Based on Unbranded Label)

After reviewing the unbranded label, only one-quarter of respondents agree that it is okay for a label to read “100% Natural” and contain up to 15% broth solution water, salt, phosphates and/or cargeenan.



Base: Total Respondents (n=1008)

Q.9. Based on the label above, how much do you agree with the following statement?

Statement Agreement Ratings (Based on Label)

Parents are significantly more likely than non-parents to agree with the statement below. However, three out of five parents disagree with the statement.

Statement

It's okay for the label on a brand of fresh chicken to read "100% Natural" and still contain up to 15% broth solution water, salt, phosphates, and/or cargeenan.

	<u>Male</u>	<u>Female</u>	<u>25 to 34</u>	<u>35 to 44</u>	<u>45 to 54</u>	<u>Children</u>	<u>No Children</u>
	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Total Respondents	(307)	(701)	(465)	(252)	(291)	(537)	(471)
	%	%	%	%	%	%	%
<u>Strongly/Somewhat Agree (net)</u>	<u>27</u>	<u>24</u>	<u>26</u>	<u>28</u> F	<u>20</u>	<u>28</u> H	<u>21</u>
Strongly Agree	7	5	6	5	6	6	6
Somewhat Agree	20	18	<u>20</u> F	<u>22</u> F	14	<u>22</u> H	15
Neither Agree Nor Disagree	11	10	13	9	9	11	9
<u>Somewhat/Strongly Disagree (net)</u>	<u>61</u>	<u>67</u>	<u>62</u>	<u>63</u>	<u>71</u> DE	<u>61</u>	<u>70</u> G
Somewhat Disagree	23	28	28	25	27	26	27
Strongly Disagree	38	39	33	38	<u>45</u> D	35	<u>42</u> G

= Significantly higher than designated cell at a 95% confidence level

Q.9. How much do you agree with the following statement?

Appendix

Monthly Fresh Chicken Purchases

	<u>Total</u> (A) (1008) %	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
2	25	29	23	27 ^F	27	21	23	27
3	16	18	16	15	15	19	15	18
4	20	22	19	17	21	22	21	19
5	12	10	13	16 ^E	10	11	11	13
6	8	6	8	7	10	5	9	6
7-9	7	7	7	7	5	9 ^E	6	8
10-14	8	6	9	7	10	7	10 ^H	6
15 or more	4	3	4	3	3	5	4	3
Mean	4.9	4.5	5.1	4.8	4.9	5.2	5.2	4.6

□ = Significantly higher than designated cell at a 95% confidence level

Demographics

	<u>Total</u> (A) (1008) %	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
Gender:								
Male	30	100 ^C	-	30	30	30	20	42 ^G
Female	70	-	100 ^B	70	70	70	80 ^H	58
Age:								
25 – 29	15	14	15	46 ^{EF}	-	-	15	14
30 – 34	18	18	17	54	-	-	22 ^H	12
35 – 39	18	14	19	-	48 ^{DF}	-	24	11
40 – 44	19	23	17	-	52	-	21	17
45 – 49	15	16	15	-	-	49 ^{DE}	10	21 ^G
50 – 54	16	15	16	-	-	51	7	25
Marital Status:								
Married	55	45	59 ^B	53	57	54	69 ^H	39
Not Married (net)	45	55 ^C	41	46	43	45	31	61 ^G
Mean Household Size:								
	3.1	2.7	3.3 ^B	3.3 ^F	3.3	2.7	4.1 ^H	1.9
Presence of Children:								
Children Present (net)	53	35	61 ^B	61 ^F	65 ^F	30	100 ^H	-
No Children Present	47	65 ^C	39	39	35	70 ^{DE}	-	100 ^G
Education:								
No College (net)	24	19	26 ^B	21	22	28 ^D	26	22
College (net)	76	80 ^C	74	78 ^F	77	72	74	78

☐ = Significantly higher than designated cell at a 95% confidence level

Demographics

	<u>Total</u> (A) (1008) %	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Employment Status:</u>								
Employed (net)	69	77 C	66	68	74	66	67	72
Homemaker	16	2	23 B	23 EF	15	11	24 H	8
Student (net)	2	2	3	3	1	3	2	3
Retired	3	5	3	-	1	10 DE	1	6 G
Unemployed	7	13	5	6	8	8	4	10 G
Rather not answer	1	1	1	1	1	2	1	1
<u>Mean Income:</u>								
	58.0	61.0	56.7	54.1	60.0 D	59.9	60.3	55.5
<u>Whether of Hispanic Descent:</u>								
Hispanic	18	12	21 B	22 F	20 F	12	21 H	15
Not Hispanic	81	87 C	79	77	80	87 DE	78	84 G
Rather Not Answer	1	1	1	1	0	2	1	1
<u>Ethnicity:</u>								
Caucasian	68	76 C	64	68	66	69	66	69
African-American	17	7	21 B	11	20 D	18 D	18	15
Mixed Ethnic Background	3	3	3	3	3	3	3	3
Asian/Pacific Islander	2	4 C	1	3 F	2	1	2	2
Native American	2	3 C	1	0	2	2 D	1	2
Other	5	3	5	7 F	4	3	5	4
Rather Not Answer	4	2	5	7 E	2	4	5	4
<u>Community Development Level:</u>								
Urban	25	26	25	28	23	24	23	28
Suburban	49	51	47	48	53 F	43	50	47
Rural	26	22	28	23	23	32 DE	27	25

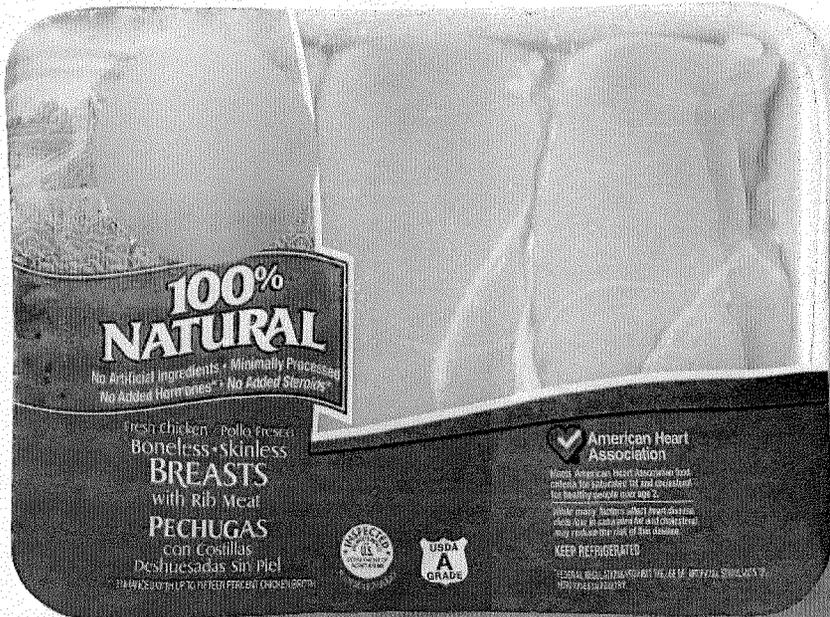
☐ = Significantly higher than designated cell at a 95% confidence level

Type of Housing Reside In

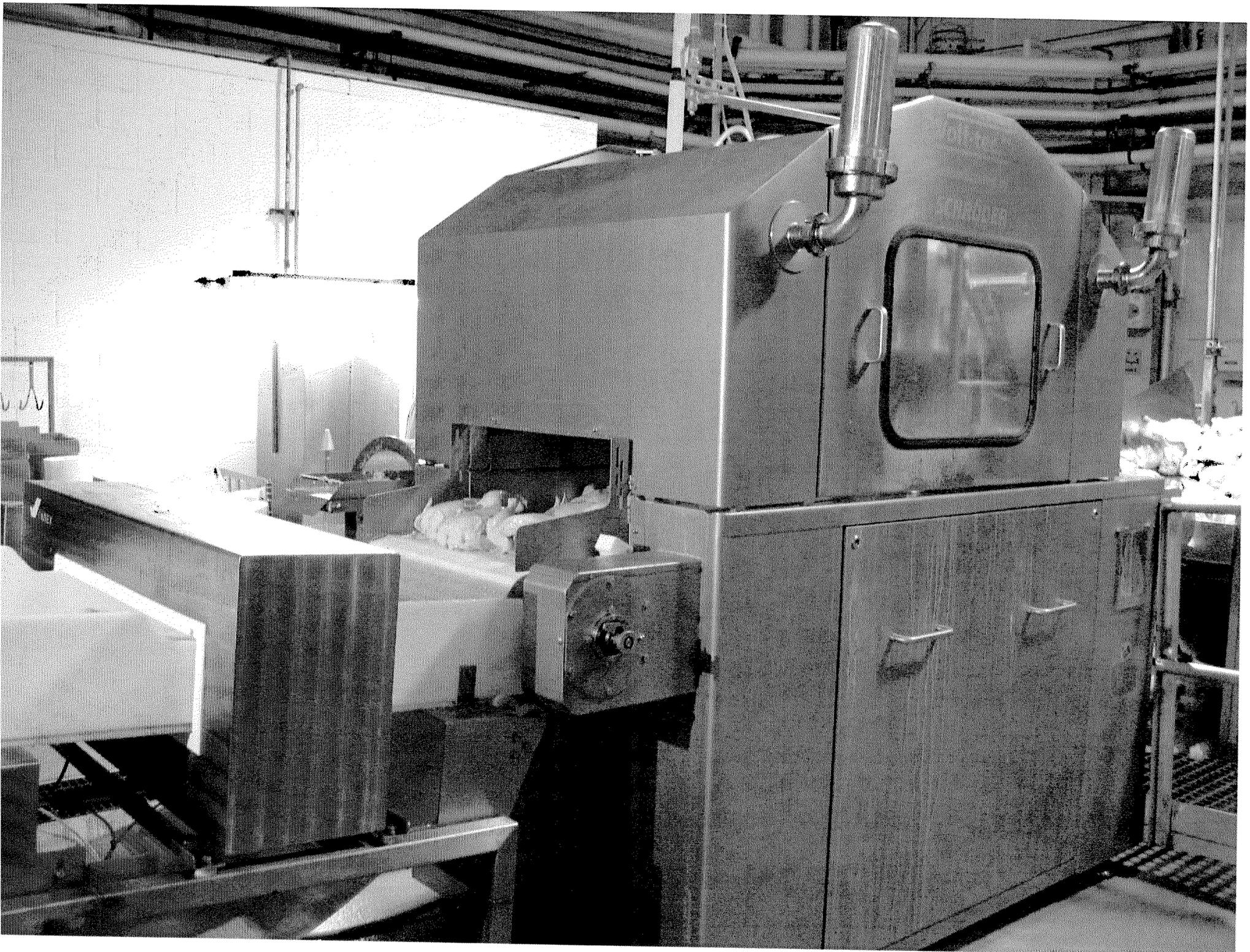
	<u>Total</u> (A) (1008) %	<u>Male</u> (B) (307) %	<u>Female</u> (C) (701) %	<u>25 to 34</u> (D) (465) %	<u>35 to 44</u> (E) (252) %	<u>45 to 54</u> (F) (291) %	<u>Children</u> (G) (537) %	<u>No Children</u> (H) (471) %
<u>Rent (net)</u>	<u>35</u>	<u>39</u>	<u>34</u>	<u>46</u> EF	<u>33</u>	<u>28</u>	<u>33</u>	<u>38</u>
I rent an apartment	21	27 C	19	27	19	19	16	27 G
I rent a house	14	12	15	19 F	14	9	17 H	11
<u>Own (net)</u>	<u>58</u>	<u>52</u>	60 B	<u>46</u>	63 D	65 D	62 H	<u>52</u>
I own a condo or a coop	4	6	3	5	4	3	1	7 G
I own a house	54	46	57 B	41	59 D	61 D	61 H	45
Other	7	9	6	9	5	8	5	9 G

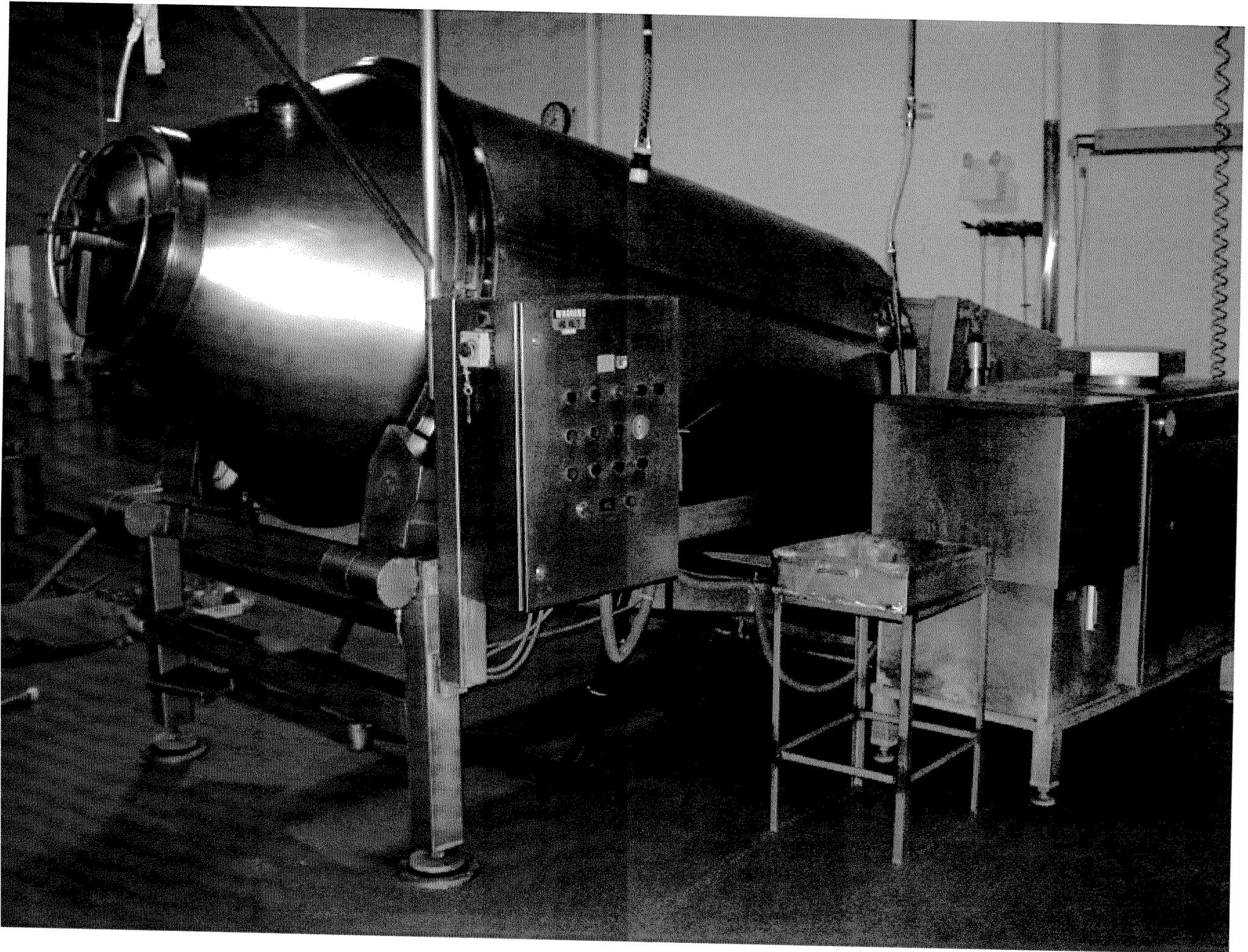
 = Significantly higher than designated cell at a 95% confidence level

Unbranded Label



Attachment G





Attachment H



A&G RESEARCH INC. 10 PARAGON DRIVE MONTVALE, NJ 07645
(201) 326-0320 FAX: (201) 307-8899 www.agresearchinc.com

**AWARENESS & INTEREST IN
NATURAL OR
100% NATURAL CHICKEN**

~ ACROSS THE REGIONS ~

A&G Research ... committed to achieving shared visions

Table 1
IMPORTANCE THAT FRESH CHICKEN BOUGHT
IS NATURAL OR 100% NATURAL

May 2007

	N Cal	S Cal	Seattle	Portland
	(A)	(B)	(C)	(D)
	(300)	(300)	(303)	(301)
	%	%	%	%
BASE: Total Respondents				
<u>Extremely/Very Important</u>	<u>60</u>	<u>61</u>	<u>56</u>	<u>57</u>
Extremely important	21	27 ^A	24	25
Very important	39	34	32	32
Somewhat important	28	29	33	32
<u>Not Very/Not At All Important</u>	<u>12</u>	<u>10</u>	<u>11</u>	<u>11</u>
Not very important	7	5	6	7
Not at all important	5	5	5	4

Letter = Significantly higher than column indicated at the 90% level of confidence.

Table 2
WHICH TYPES OF FRESH CHICKEN
SHOULD NOT BE LABELED AS NATURAL CHICKEN

May 2007

	N Cal	S Cal	Seattle	Portland
	(A)	(B)	(C)	(D)
	(300)	(300)	(303)	(301)
	%	%	%	%
BASE: Total Respondents				
Fresh chicken that is injected with carrageenan	89	87	92 ^B	90
Fresh chicken that is injected with phosphates	88	88	91	89
Fresh chicken that is injected with sea water and salt	76	78	75	73
Fresh chicken that is injected with sea salt	71	75	71	70
Fresh chicken that is injected with chicken broth	69	68	67	70
Fresh chicken that is injected with salt and water	65	67	64	64
Fresh chicken that is injected with plain water	48 ^C	44	49	52
Fresh chicken that has nothing added to it	7	5	4	4

Letter = Significantly higher than column indicated at the 90% level of confidence.

Attachment I



June 12, 2007

What's in your chicken?

Poultry gets plumped with water, salt and other additives

By Meredith Cohn
Sun reporter

Those chicken breasts and thighs for sale in the grocery meat case might not be all bird, and consumer advocates say few shoppers know it.

Processors have been injecting some fresh poultry with up to 15 percent water, salt and elements of seaweed in recent years because, they say, it makes the meat taste better and government regulators allow it.

But critics say almost a third of the chicken Americans now buy has the additives, so it costs consumers more when it's sold by the pound and pumps more unhealthy sodium into their meals.

A coalition of consumer and health groups, lawmakers and some processors are pressing the U.S. Department of Agriculture, which is rewriting rules for food labeling, to stop companies from calling meat with additives "100 percent natural." And they want to force companies to enlarge the fine print on their packaging so consumers are more likely to notice what they are buying.

"I assumed it was all chicken," said Dave Alter of Baltimore, who picked up a package at a local Safeway recently that was injected with chicken broth and other additives. "I never noticed anything on the label. ... I certainly don't want more sodium."

For the most part, processors acknowledge that the labels are confusing and are not fighting changes. But they are split on whether it's OK to say chicken is natural when it's infused with salt water, or "chicken broth" as it's sometimes called.

The processors call chicken with additives "enhanced" and have been selling such products for about four years. But some companies began labeling it natural in 2005. That's when USDA approved the companies' use of naturally derived elements for boosting flavor and moisture, said Julie Greenstein, deputy director of health promotion policy at the Center for Science in the Public Interest.

In Maryland, fresh poultry has become the biggest segment of the farm economy, worth a half-billion dollars in sales in 2005, or a third of farm sales. Growers dot the Eastern Shore, and Perdue Farms Inc., one of the nation's largest poultry companies, is based in Salisbury.

Chicken is the meat of choice in many U.S. households, and that makes the labeling issue especially pressing, Greenstein and others said. Americans ate an average of 88 pounds of chicken last year, compared with 39 pounds 30 years ago, according to industry data.

But the critics estimate that consumers are paying more than \$2 billion a year for such fresh chicken and getting salt water. The chicken also contains up to eight times the amount of salt per serving - about 370 milligrams of sodium versus 45 milligrams, in a four-ounce serving of skinless, boneless chicken breast.

Processors use USDA guidelines from 1982 that were tweaked in 2005. Those guidelines say natural food is minimally processed and contains nothing artificial or synthetic and no coloring or preservatives. Changes in food technology have muddied terms over time, and support for a modern, formal definition has picked up steam, even in the industry.

Hormel Foods Corp. petitioned USDA's Food Safety and Inspection Service in October to rewrite the label rules for sliced deli meats made from poultry and other meat. Though other meats are injected with additives, poultry and pork are enhanced most often and labeled natural. Some Hormel competitors were using sodium lactate, a known preservative, but calling the product natural.

Federal officials expect to propose some rules and solicit comments in the fall, but an agency spokesman said they aren't prepared to say what the new guidelines will include.

A big critic of the natural labels has been one of the chicken industry's own, Laurel, Miss.-based processor Sanderson Farms Inc. Lampkin Butts, president and chief operating officer, said he's hoping the USDA acts fast to clear up the confusion. It's a competition issue. If shoppers know he doesn't enhance his chicken, he'll sell more than those who do.

But he said consumers can't easily tell the difference because injected chicken looks the same. Shoppers have to inspect the packaging for small type or check the back of the package for sodium content.

"We had complained in Washington to no avail," he said. "The Hormel petition opened the book for USDA to consider their policies on what is 'natural.' ... We're hoping they can sit down and write a reasonable policy with the consumer in mind and not drag this out two or three years."

Meanwhile, companies say they plan to continue enhancing meats they sell because consumers prefer it.

Gary Mickelson, a spokesman for Springdale, Ark.-based Tyson Foods, one of the nation's largest processors, said the company agrees that USDA needs to update the definition of natural so consumers understand what they are buying. But he said consumers will accept some naturally derived elements in their chicken for better taste, and the company should still be allowed to label it natural.

The company refers to its chicken with additives such as chicken broth, sea salt and natural flavor as marinated.

"Surveys show that consumers prefer marinated chicken over conventional chicken," he said. "An increasing number tell us they want all natural chicken, yet prefer the taste and juiciness of marinated product. Marinated chicken is more forgiving for the home cook because it turns out tender and juicy."

Perdue says it also believes in allowing consumers to decide what to buy, so long as the label does not confuse them. The company has been enhancing some of its chicken since 2003, under the brand Tender & Tasty, but does not call it natural. Officials want the rules to ban others from calling similar products natural.

"We do not believe it is acceptable to label 'enhanced' fresh poultry as '100 percent natural' or 'all natural' under any circumstance," said Julie DeYoung, a Perdue spokeswoman.

Some lawmakers wrote to the USDA in May about changing the policy. Rep. Dennis Cardoza, a California Democrat who chairs the House Agriculture Committee's panel on horticulture and organic agriculture, and Rep. Charles W. "Chip" Pickering Jr., a Mississippi Republican, called on USDA to make swift changes to the natural label rules.

"Given the magnitude of this deception on consumers' food budgets and its health implications with regard to sodium, we expect USDA to use its authority to quickly put an end to these misleading labels," the letter said.

And consumers, including William Rajaram of Baltimore, do say the labels are misleading. He recently picked up a package of chicken injected with "15 percent chicken broth" and didn't notice the added sodium because he only looked at the protein and fat content.

"That sodium makes me not want it," he said. "It's unhealthy for me, but it could be devastating to someone with high blood pressure. The wording should be bigger, definitely."

meredith.cohn@baltsun.com

THE WALL STREET JOURNAL.

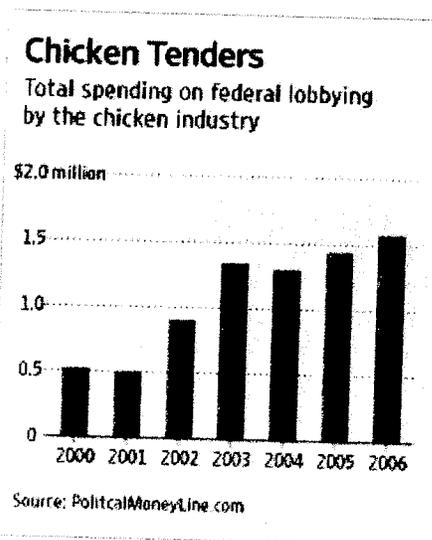
THURSDAY, MAY 17, 2007

Small Poultry Firms Push To Rein in Use of 'Natural'

By LAUREN ETTER

A coalition of poultry producers is mobilizing to push the Agriculture Department to tighten the definition of "natural," a word food companies often use on their labels to appeal to health-conscious consumers.

The coalition is made up of producers who don't typically use additives in their fresh chicken products. It wants the department, which is rewriting its 25-year-old definition of "natural," to craft a new one that excludes chicken products that contain anything other than chicken. The group, which includes **Sanderson Farms Inc.**, Foster Farms and Gold'n Plump Poultry, plans to deliver its formal request to the agency in a letter this week.



Industry giants like **Tyson Foods Inc.** and **Pilgrim's Pride Corp.** recently have started labeling their products as "100% Natural," even though they are mechanically injected or tumbled with a marinade solution that consists of sea salt, water and in some cases starchy products like carrageenan, a seaweed extract that helps chicken breasts retain moisture.

The Agriculture Department currently decides on a case-by-case basis which products can use the "natural" label. The agency is guided by a one-page general principle that says "natural" products can't contain any artificial flavor, artificial color, chemical or synthetic ingredient. It also says that the product can only be "minimally processed."

Industry practices have changed significantly since 1982, when the policy was written. For years food companies relied more on chemicals in the manufacturing process. But today, they are increasingly using sophisticated industrial processes, rather than loads of artificial additives, to make products that meet consumer ideals of healthiness and taste.

The result is a blurring of lines as an increasing number of consumers are drawn to packages labeled "natural," "fresh," "free-range" or "organic." Last year, Tyson introduced a new line of products called "100% All Natural Marinated Fresh Chicken." The chicken is either injected or tumbled with a marinade solution containing chicken broth, sea salt and "natural flavor." Pilgrim's Pride, the nation's largest chicken producer, also recently introduced a line of "natural" chicken that contains chicken broth, salt and carrageenan.

Tyson says extensive surveys show that consumers prefer the enhanced chicken over conventional chicken. Pilgrim's Pride spokesman Ray Atkinson says the ingredients used to

enhance chicken are all naturally occurring and that they don't "fundamentally alter the product."

Smaller poultry producers are crying foul. They say they have been using "natural" on their labels for years as a way to distinguish their products, which typically contain nothing but chicken. Now they contend that the big players are diluting the integrity of the "natural" label. "Seaweed occurs naturally in the ocean -- not in chickens," says Lampkin Butts, president of Sanderson Farms.

They also say big producers are misleading consumers by selling them a product that contains higher moisture content, which means more weight, without prominently declaring that on the label. The solution can account for as much as 15% of the weight of a package of Tyson's "All Natural" boneless skinless chicken breasts. The product typically costs the same per pound as its untreated chicken products.

Enhanced chicken also typically contains more sodium. A breast of untreated chicken contains less than 50 milligrams of sodium, compared with 320 milligrams of sodium in a single serving of Pilgrim's Pride's "100% Natural" split breast with ribs.

Stephen Havas, vice president of the American Medical Association, is concerned the added sodium "has potential health implications" because most consumers aren't reading labels on "natural" chicken because they expect it to be free from any additives.

The poultry coalition plans to ask the Agriculture Department to require poultry-product labels to include a more prominent description of what exactly the product contains. Currently the labels, which say something like "enhanced with up to 15% chicken broth" may not pop out to the casual shopper, even though the department requires the lettering to be no smaller than one-quarter the size of the largest letter on the label.

Robert Post, the department's director of labeling and consumer protection, says poultry processors using the injection method can advertise their product as "natural" even though injection requires a giant machine that sticks metal needles into the chicken. He says that is because, in the agency's views, the process is similar to the kind of tenderizing processes that consumers can use at home.

The coalition may face an uphill battle on Capitol Hill. Last year Tyson Foods, through its political action committee, spent \$185,000 on federal campaign contributions, while Foster Farms, spent \$8,000.

But smaller chicken producers have had success fighting the big boys before. In the late 1990s, a similar coalition succeeded in getting the Agriculture Department to forbid processors from labeling chicken as "fresh" if it had been chilled below 26 degrees Fahrenheit. The group's official slogan was "If you can bowl with it, it's not fresh" and it generated publicity by actually bowling with frozen chickens.

Write to Lauren Etter at lauren.etter@wsj.com¹