



FOODSERVICE

Your Passion. Our Promise.™

Winning at Breakfast



Land O'Lakes Dairy Solutions

March 24, 2009





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Agenda

- Breakfast Trends
- Top 10 Breakfast Insights
- Flavorful Solutions
- Questions & Answers





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Breakfast Trends

- **Opportunity**
- **Menu Items/Frequency**
- **Patron Behavior**





Where People Eat Breakfast

- **Most eat breakfast at home - 76%**
- **Only 12% eat breakfast away from home**
 - 7% of away from home eating is “done on the run”
 - Includes meals carried from home, eaten in car or at work and purchased from vending machines
- **And 11% skip breakfast altogether**
- **Those who do eat breakfast away from home, eat in restaurants more on the weekend than weekdays¹**
 - Seek speed and convenience during the week²
 - More likely to purchase breakfast sandwiches, portable foods
 - Seek “atmosphere” and “connection” on weekends²



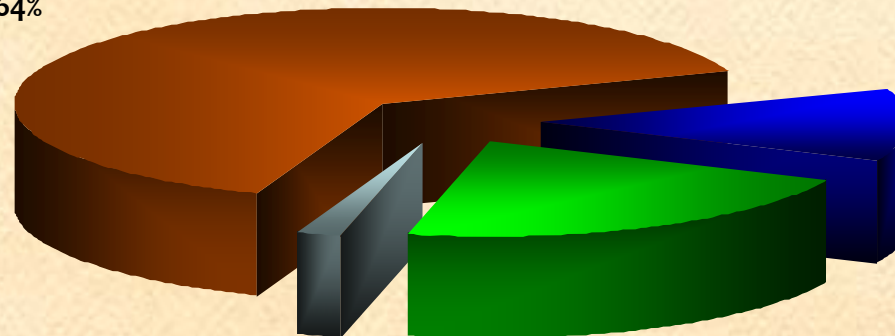
Multiple Breakfasts!

Distribution of Breakfast Meals by Number of Eating Occasions

2nd breakfast is
a beverage



One In-Home
Breakfast
64%



One Away From
Home Breakfast
12%

Not Reported
2%

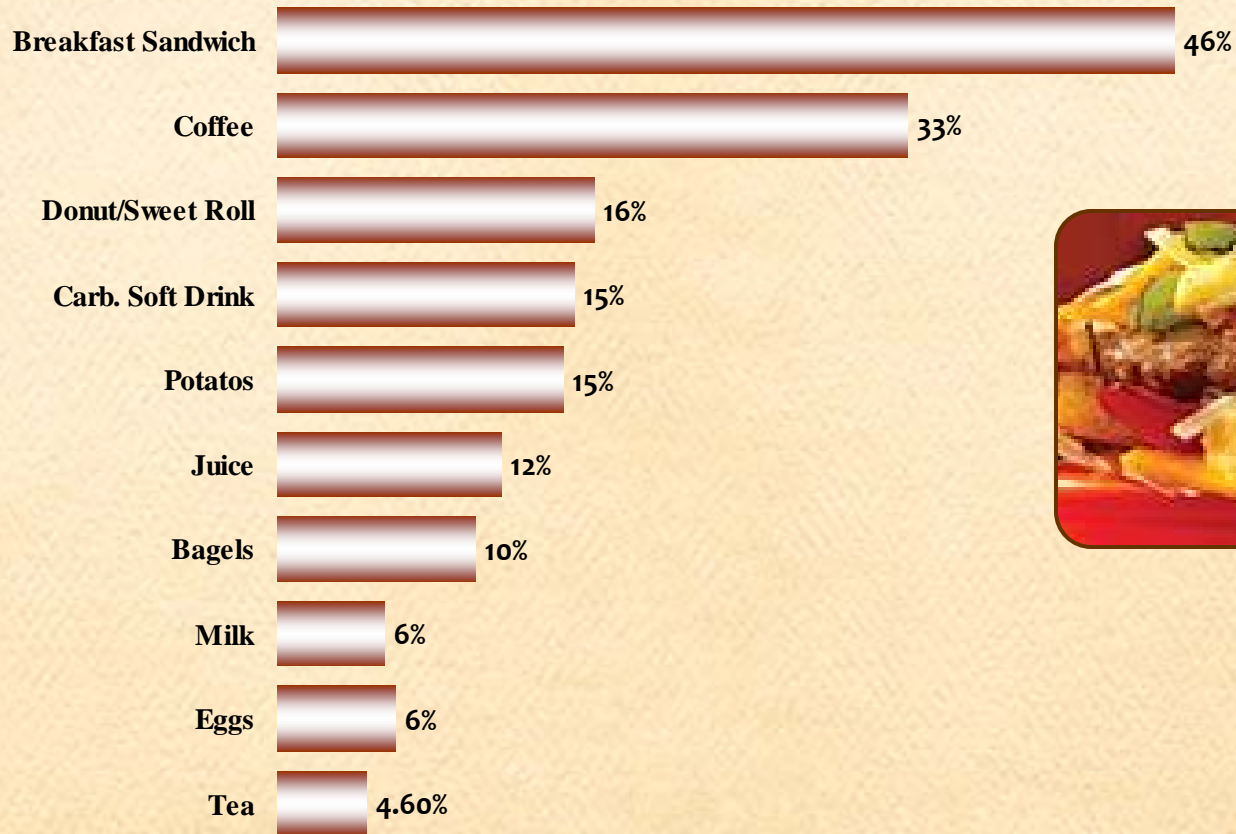
Multiple
Breakfasts
22%

- Most people have just one breakfast ... but 22% have two eating occasions in the morning - and the second one is usually a beverage.



Take-out breakfast is some kind of sandwich, followed by coffee

Percent of Take-Out Breakfasts Purchased at Restaurants that Include:



Breakfast sandwiches include traditional breakfast sandwiches, wraps, burgers and other sandwiches ordered at breakfast

Source: The NPD Group's CREST® Service



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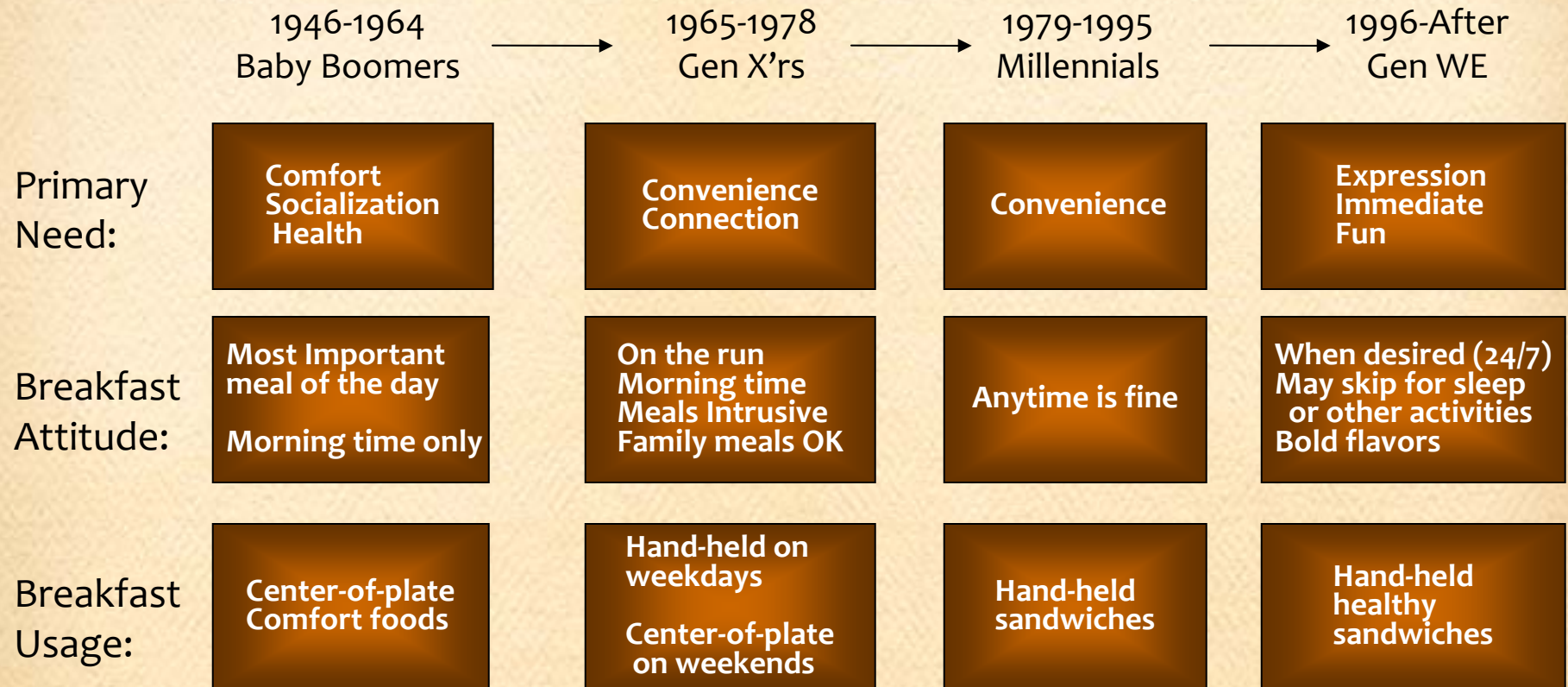
Breakfast Trends

- Patron Behavior
- Generational insights





Breakfast Needs by Generation





Overall Consumer Trends

- **Conscious consumption**
- **Desire for healthy menu offerings**
- **Bolder, more exotic and ethnic flavor profiles**
- **Breakfast means different things to different people**



Increased interest in natural and healthy foods



Winning patrons depends on understanding generational differences



Impact on the foodservice industry

- **Increased competition & blurring between segments**
 - FSRs offering QSR-style drive-thrus (Denny's)
 - Some QSRs encouraging “lingering” (creating a third place)
 - Restaurants competing with cereal and frozen food aisles, supermarket cafes, and convenience stores

- **Need to Offer More Value to Lure Customers**
 - Value = experience + thrift + taste
 - Consumers looking for more than just a hot meal

- **Differentiate and draw customers with:**
 - “Culinary superiority” – great taste, quality ingredients, unique treats, perception of fresh-made items
 - The experience – appealing atmosphere and seating, good coffee, etc.



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Top 10 Breakfast Insights

- #1 Breakfast is Back**
- #2 Coffee is Piping Hot**
- #3 Breakfast on-the-go**
- #4 Make it Healthy**
- #5 Bold Flavors are Mainstream**
- #6 Eggs are Center Stage**
- #7 Demand for Premium Ingredients**
- #8 Breakfast is a Social Event**
- #9 Breakfast is All Day**
- #10 Affordable Luxury**



Land O'Lakes is interested in helping grow your business by providing new ideas and actionable insights. Please contact your local National Account Manager for requests. If you do not know who your National Account Manager is, please contact Justin Chafe at 651-766-1758.



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2009 Flavorful Solutions™ Webcast Series

June 9 at 10:00: Customer Pleasing Appetizers and Snacks

September: The World of Sandwiches

December: Global Bold and Authentic Flavors

