

Welcome to the Argus Organic & Identity-Preserved Agriculture Forum





Nature's Path Foods

Argus Organic Food and Agriculture Forum

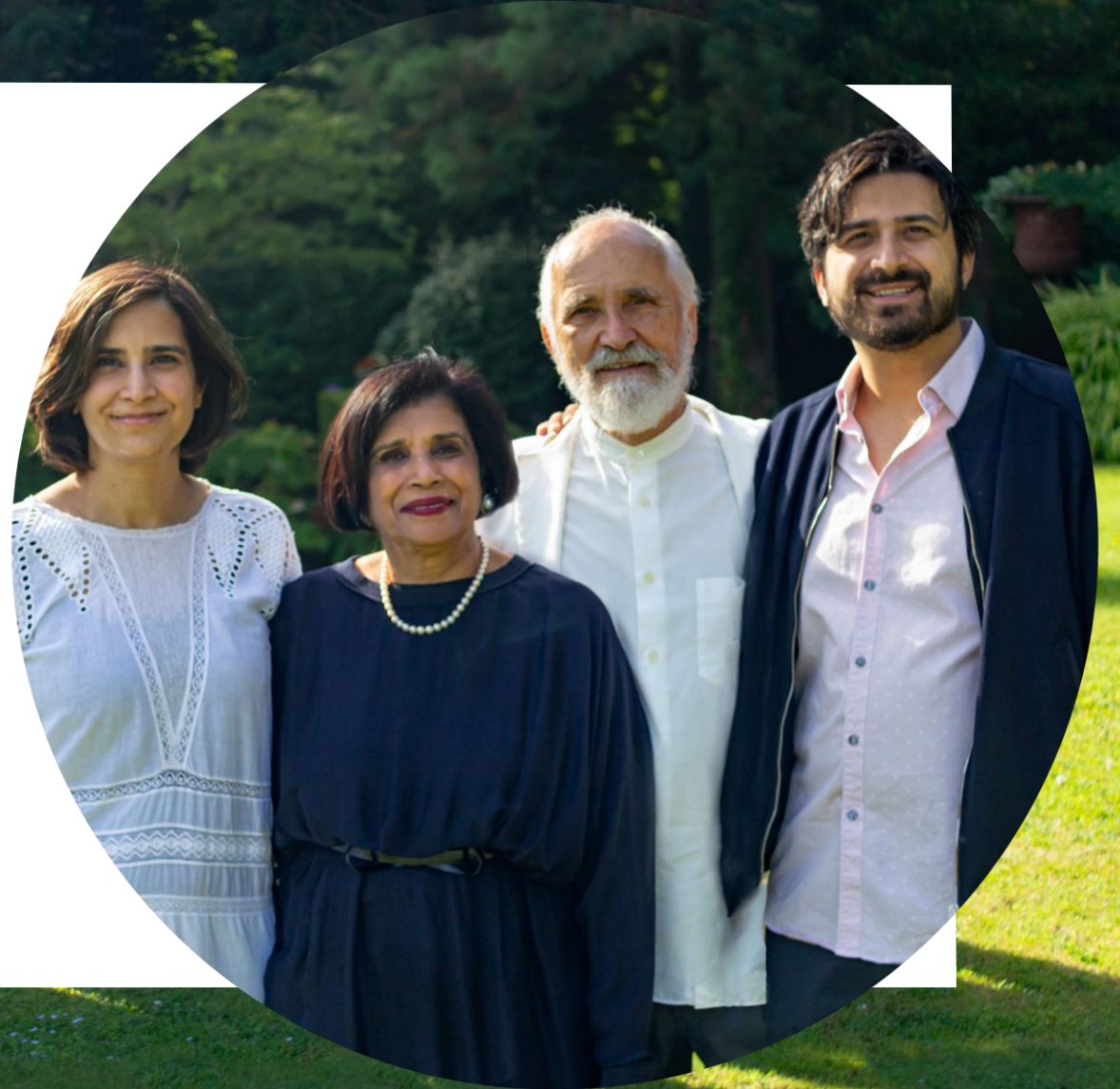
December 3rd, 2024



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**We're a family first,
then a business.**

The Stephens Family
...



Finding Solace in the Soil and Establishing an Organic Legacy



OUR PURPOSE

NATURE'S PATH[®]
ORGANIC



**“Always
leave
the soil**

**better than you
found it.”**

3 Generations leading...



1930s – 1970s



1980s



Early 1990s

and changing the way we eat.



1990s – 2000s



2010s



2020 & Beyond

OUR VISION

To be North America's most trusted name in organic food by 2030.

OUR MISSION

To transform the health of the planet through our organic food.

OUR PATHS

Perfecting the Crunch – Resourceful -
Compelled to Serve - Loving



Organic is Non-Negotiable

- Protects **Natural Resources**
- Promotes **Ecological Balance**
- Counteracts **Climate Change**
- Promotes **Biodiversity**



Beyond Organic to Regenerative Organic

- Sequestering carbon through crop rotation and conservation tillage
- Welfare of farm animals by ensuring they are grass-fed, pasture-raised, and have suitable shelter.
- Oversight for farmer and worker fairness that prohibits child labour, forced labour, and discrimination



The advertisement features a vibrant illustration of a farm landscape with rolling green hills, a red barn, a deer, and a butterfly. The sky is blue with white clouds. The text "CHOOSE A BRIGHTER FUTURE FOR YOURSELF AND THE PLANET!" is prominently displayed at the top. Three red circular callouts provide key information: "Regenerative Organic Certified® oat farmers prioritize organic practices to nurture soil health.", "These techniques absorb greenhouse gases into the soil.", and "Healthy organic soil means no harmful fertilizers or pesticides." Below the illustration, the text "REGENERATIVE ORGANIC FOR OUR FUTURE" is followed by a paragraph explaining the approach: "Nature's Path is going even further to fight climate change by advancing regenerative organic agriculture. This approach aims at sequestering **even more carbon** from the atmosphere by using farming practices that put soil first. Together, we endeavor to always leave the earth better than how we found it." A QR code is located in the bottom right corner, and social media icons for Facebook, Instagram, TikTok, and Pinterest are at the bottom left. The website "www.naturespath.com" is also listed.

Give-back Programs

- Jane Goodall Institute
- Panda's International
- Diane Fossey Gorilla Fund



NATURE'S PATH
ORGANIC



Jane
Goodall
Institute

Gardens for Good



Alton Park Community Urban Farm
Chattanooga, Tennessee



Anthony's Garden of SSJNN
Erie, Pennsylvania



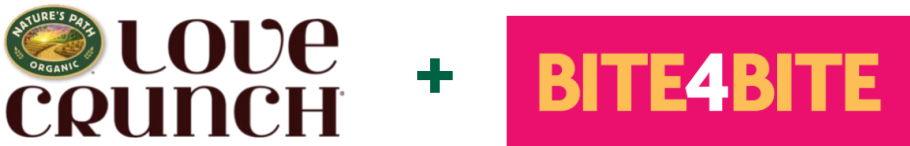
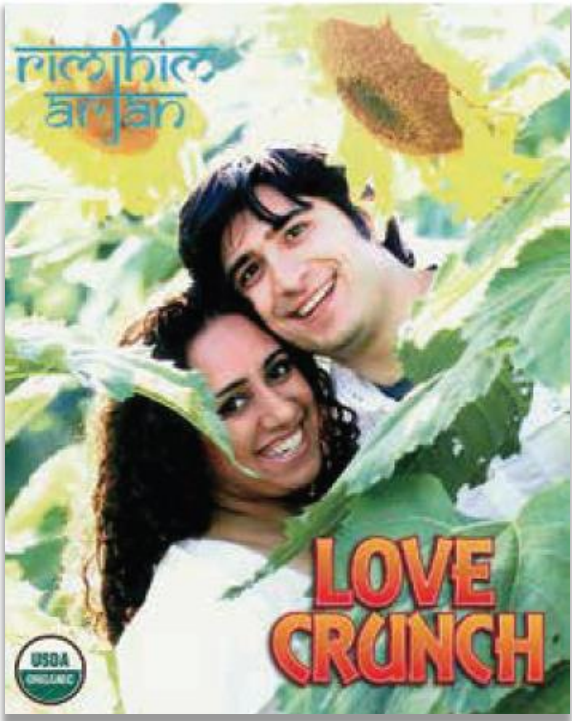
The Village Tree
Wilmington, Delaware



Growing Community Greenhouse and Garden
London, Ontario



Partners in Giving



donates \$2 million dollars (minimum) to food banks across North America.



Moreen from Malawi



Alleviating Global Poverty





We donate at least
\$2 million
 in food annually to food banks
 in North America

Thank you for choosing
 Nature's Path Organic. Scan to learn more:



Annually supports
100%
 renewable energy for our head
 office and production kitchens

Thank you for choosing
 Nature's Path Organic. Scan to learn more:



Protecting
85,000*
 acres of organic farmland and
 its farmers annually

*Numbers based on averages

Thank you for choosing
 Nature's Path Organic. Scan to learn more:



3 million*
 gallons of wastewater
 are sent to produce
 renewable energy

*Numbers based on averages

Thank you for choosing
 Nature's Path Organic. Scan to learn more:



Annually diverting
90%*
 of waste from landfills

*Numbers based on averages

Thank you for choosing
 Nature's Path Organic. Scan to learn more:



Six Core Sustainability Goals

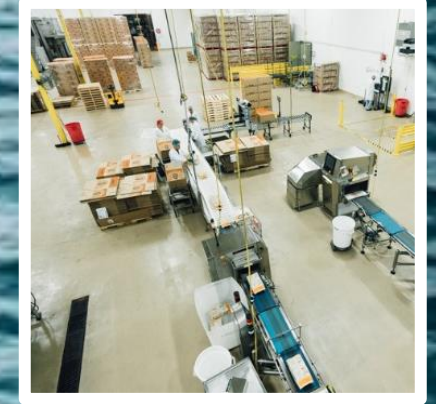
GROW ORGANIC



ADDRESSING CLIMATE CHANGE



ZERO WASTE



PRESERVE WATER



EDUCATE, INSPIRE & ENGAGE



GIVE BACK



In 2023, we diverted over

95% of waste

from landfills across all locations



90%

of our packaging materials are recyclable (by weight)

66%

less packaging than traditional cereal boxes used in our bulk bag Eco-Pacs

0

BPA found in our plastic packaging materials

Advice for All Organic Sectors

- **START WITH WHY, HAVE A PURPOSE**
- **FOCUS ON QUALITY, QUALITY, QUALITY**
- **TRIPLE BOTTOM LINE BUSINESS MODEL**



**ALWAYS LEAVE THE EARTH
BETTER THAN YOU FOUND IT.™**



Questions & Answers



Welcome to the Argus Organic & Identity-
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EVENT

**Scan the code to
access our resource
centre**





®

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A market at the bottom?

Argus Organic & Identity-Preserved Agriculture Forum

Ryan Koory

3 December 2024



Commodity Markets Intelligence

Consulting & Forecasts

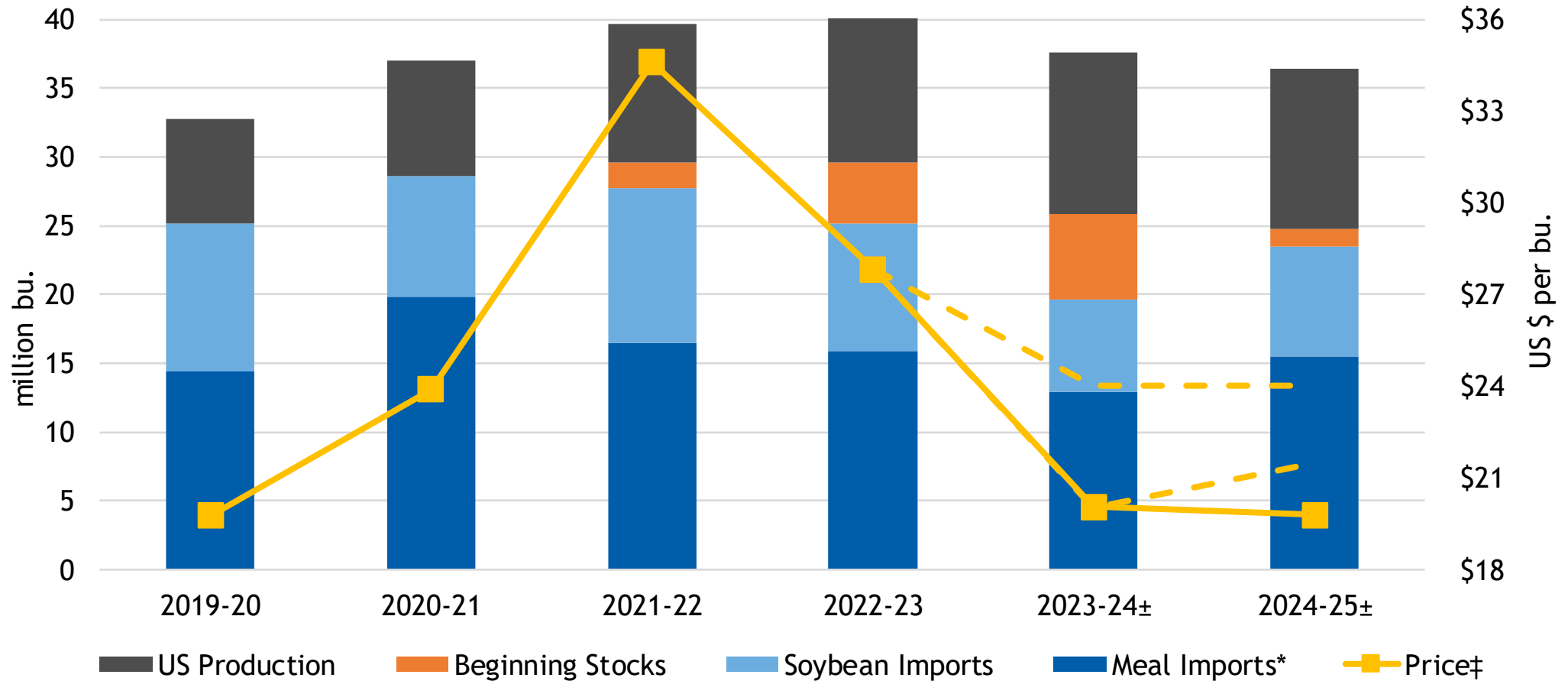
Events

illuminating the markets®

Argus Media group notices

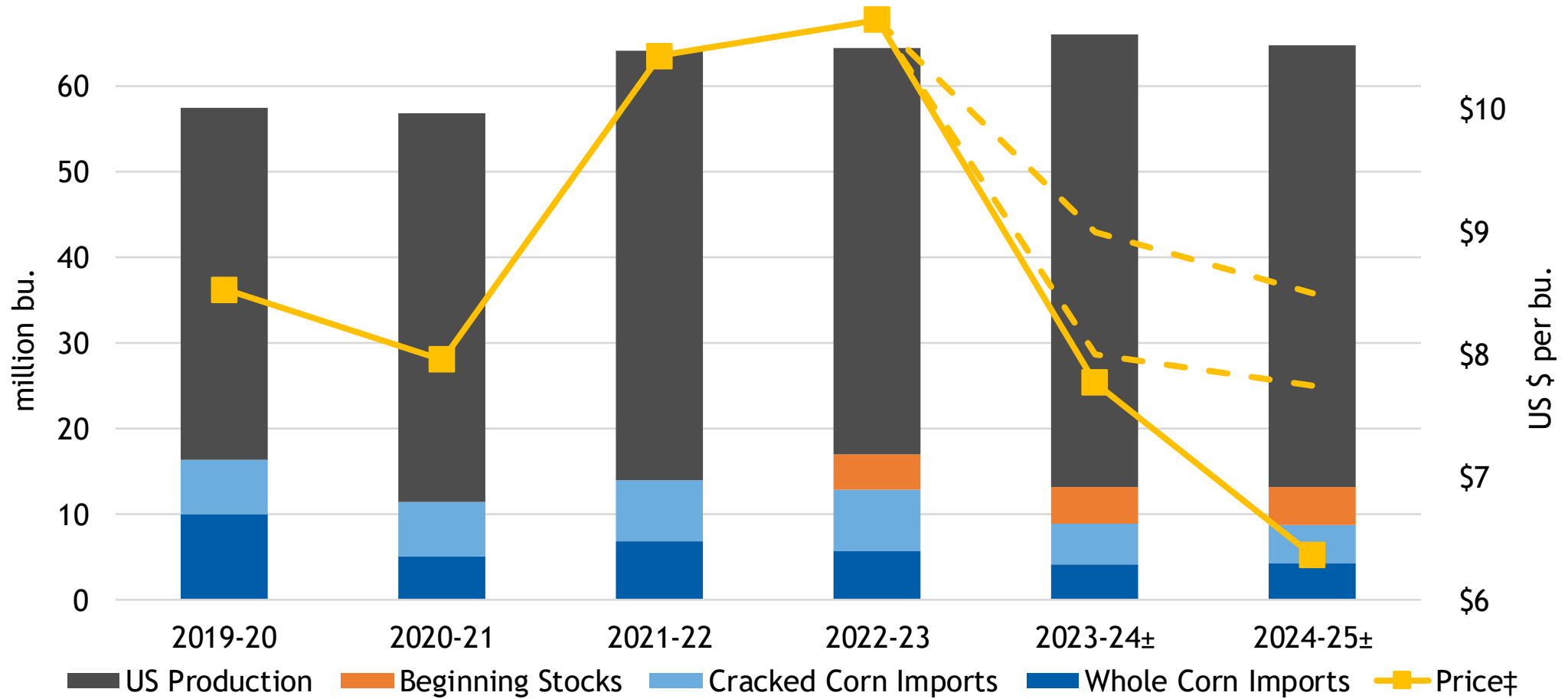
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Looking back: Organic soybeans



Source: Argus 2024, USDA GATS, ImportInfo®
 ± Argus estimated values; *Organic soybean meal converted to whole bean equivalent;
 ‡ U.S. Corn Belt delivered feed-grade organic soybean, 2024-25 Sep-Nov average

Looking back: Organic corn



Source: Argus 2024, USDA GATS, ImportInfo®
 ±Estimated values; ‡U.S. Corn Belt delivered feed-grade organic corn, 2024-25 Sep-Nov Average

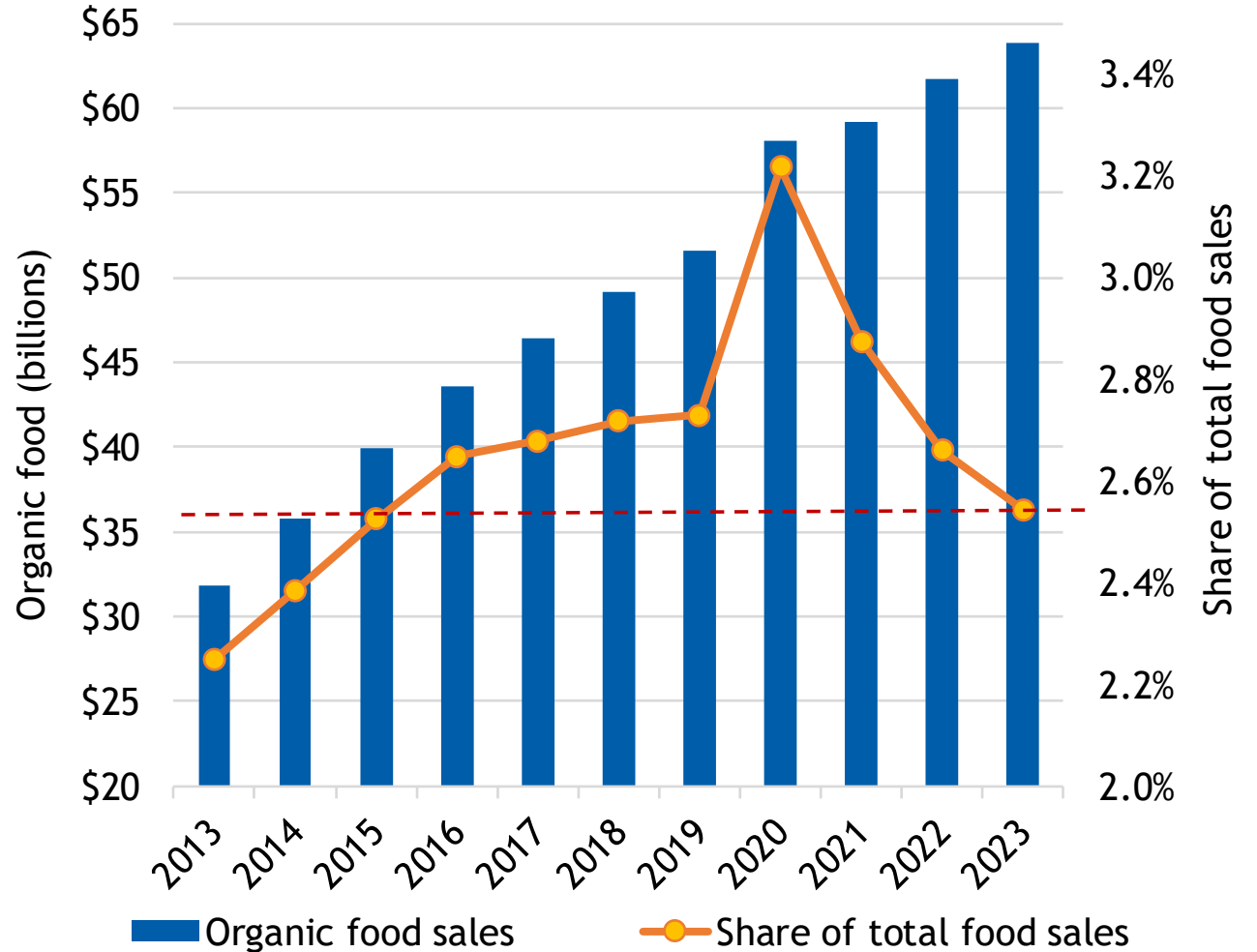
Organic demand growth needs a boost

5pc CAGR leaves organic demand behind

- National average growth 11pc
- Share of sales falls to 2015 levels (2.5pc)

	2020	2021	2022	2023	2023-22	5-Yr CAGR
Organic Sales (millions US \$)						
Milk/Cream	\$3,770	\$3,768	\$4,013	\$4,204	\$191	6%
Other Dairy	\$2,597	\$2,566	\$2,739	\$2,925	\$186	5%
Eggs	\$1,072	\$1,041	\$1,154	\$1,204	\$50	8%
Poultry	\$1,053	\$1,103	\$1,141	\$1,164	\$23	8%
Other Meat	\$715	\$710	\$771	\$877	\$106	12%
Breads & Grains	\$6,405	\$6,260	\$6,547	\$6,815	\$268	5%
Snack Food	\$3,673	\$3,846	\$4,035	\$4,160	\$125	4%
Prepared Foods	\$7,227	\$6,843	\$7,222	\$7,315	\$93	3%
Condiments	\$3,237	\$2,987	\$3,020	\$3,155	\$135	5%
Beverage	\$7,904	\$8,687	\$9,024	\$9,376	\$352	8%
F&V	\$20,439	\$21,339	\$22,006	\$22,620	\$614	6%
Total	\$58,092	\$59,150	\$61,672	\$63,815	\$2,143	5%

Source: Organic Trade Association's 2024 Organic Industry Survey



Source: Organic Trade Association 2024, USDA ERS

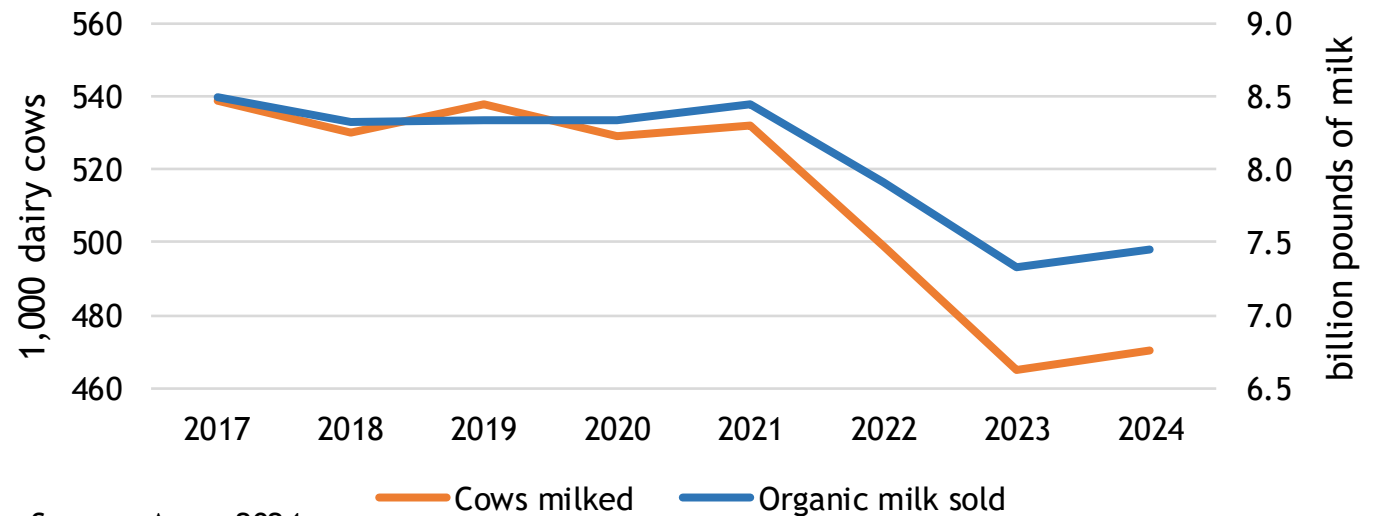


Organic dairy growth requires demand growth

- 2023 saw sales gain another 6pc y-o-y
 - Organic fluid milk sales gained \$191mn
 - Organic yogurt sales up \$164mn
- Other categories remain minimal
 - Organic cheese, ice cream largely flay
 - Organic butter, cottage cheese, sour cream sales approach COVID boom year
- After sharp retraction, organic dairy begins recovery
 - 2023 Organic fluid milk sales hit 7.3bn pounds, below 2016 levels
 - Dec 31 organic dairy cow inventories projected to be up 1pc y-o-y
 - Inventory recovery will be a multi-year process

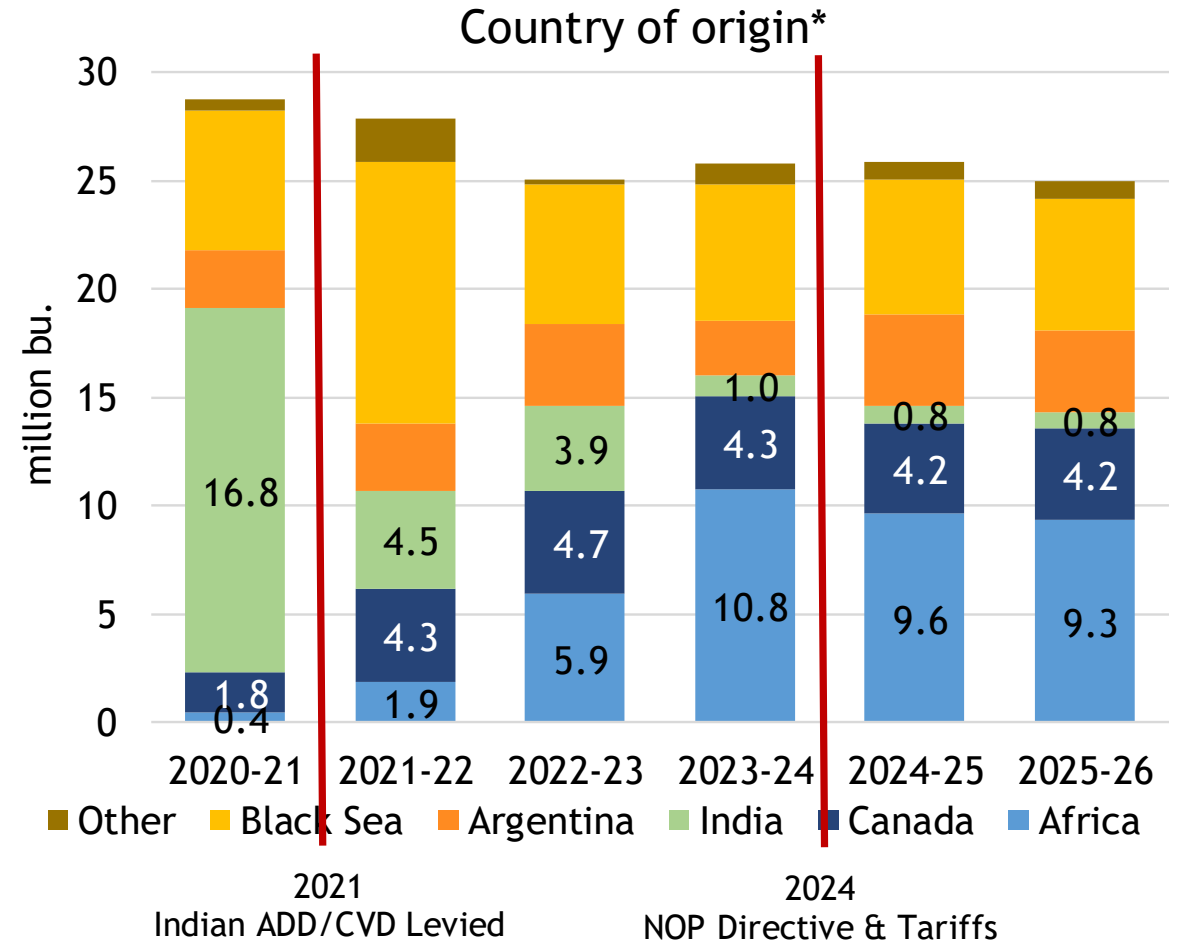
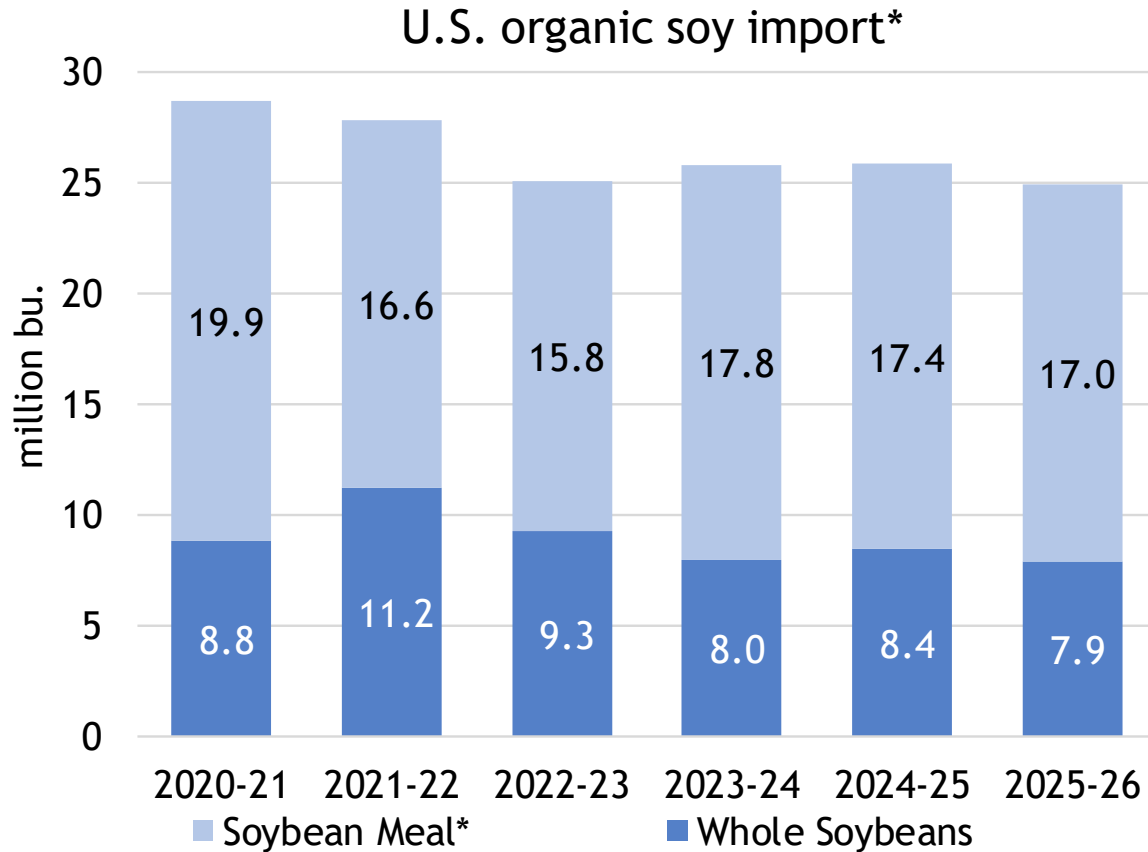
	2019	2020	2021	2022	2023	2019-2023	CAGR
Organic Dairy Sales (millions US \$)							
Milk/Cream	\$3,394	\$3,770	\$3,768	\$4,013	\$4,204	\$810	5%
Yogurt	\$1,260	\$1,310	\$1,342	\$1,506	\$1,670	\$410	7%
Cheese	\$572	\$653	\$635	\$629	\$626	\$54	2%
Butter, Cottage Cheese, and Sour Cream	\$425	\$492	\$451	\$466	\$487	\$62	3%
Ice Cream	\$119	\$142	\$138	\$138	\$142	\$23	5%
Total	\$5,770	\$6,367	\$6,334	\$6,752	\$7,129	\$1,359	5%

Source: Organic Trade Association's 2024 Organic Industry Survey



Source: Argus 2024

Is trade the next shock, again?



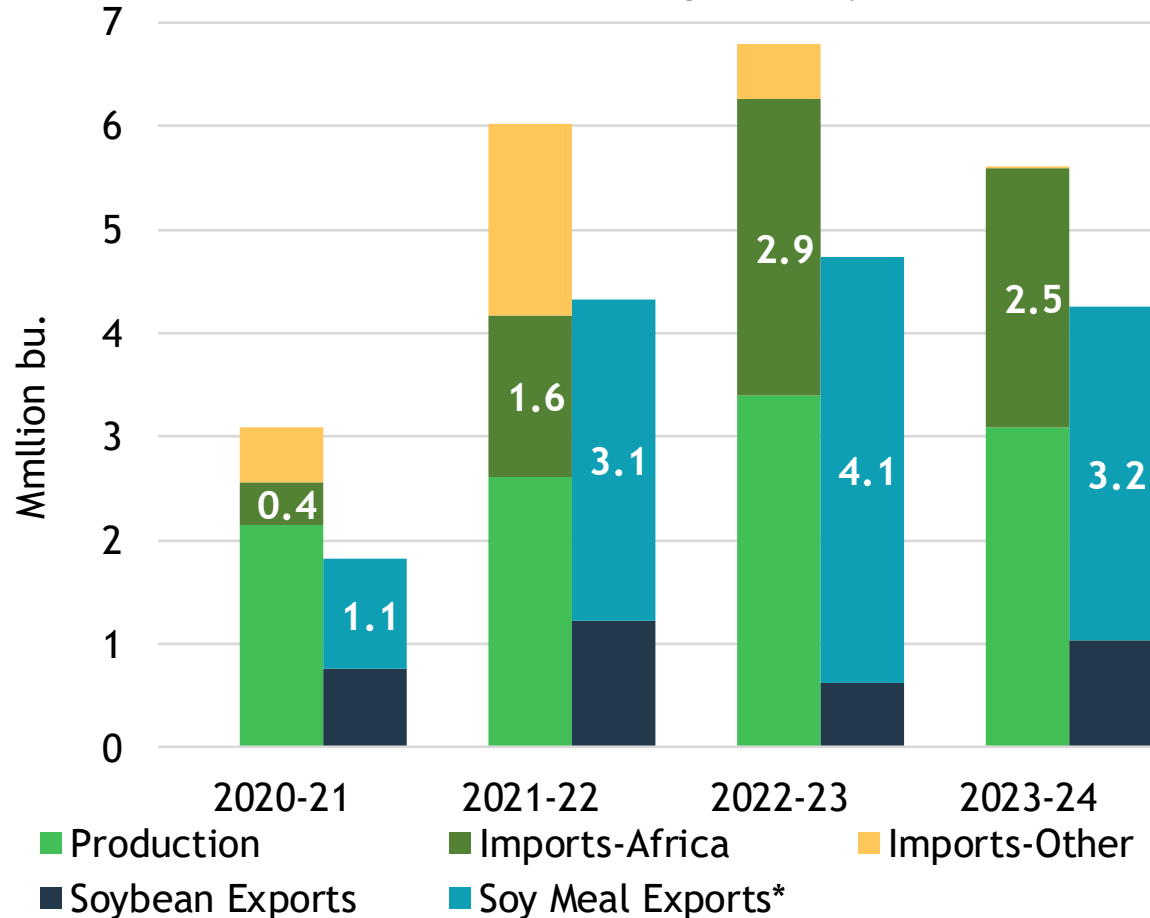
Source: Argus 2024, USDA GATS, ImportInfo®

* Includes organic soybean meal converted to whole bean equivalent



The Canada-Africa-US triangle

Canadian organic soy*



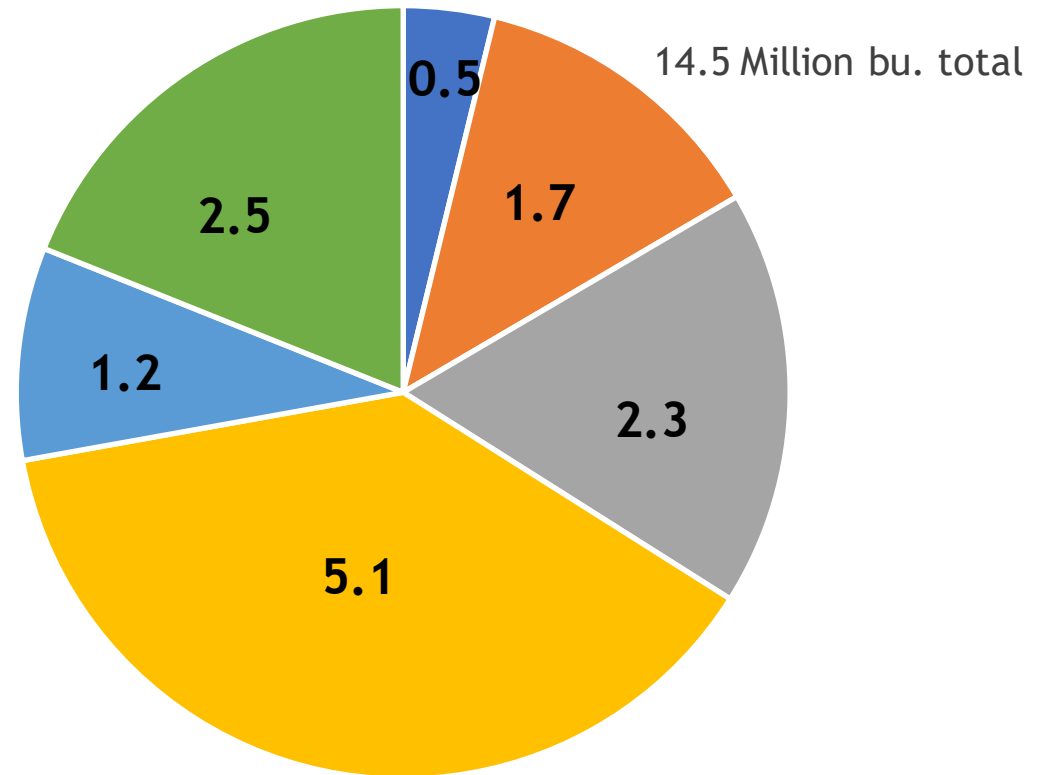
Source: Argus 2024, USDA GATS, Statistics Canada

*Includes organic soybean meal converted to whole soybean equivalent



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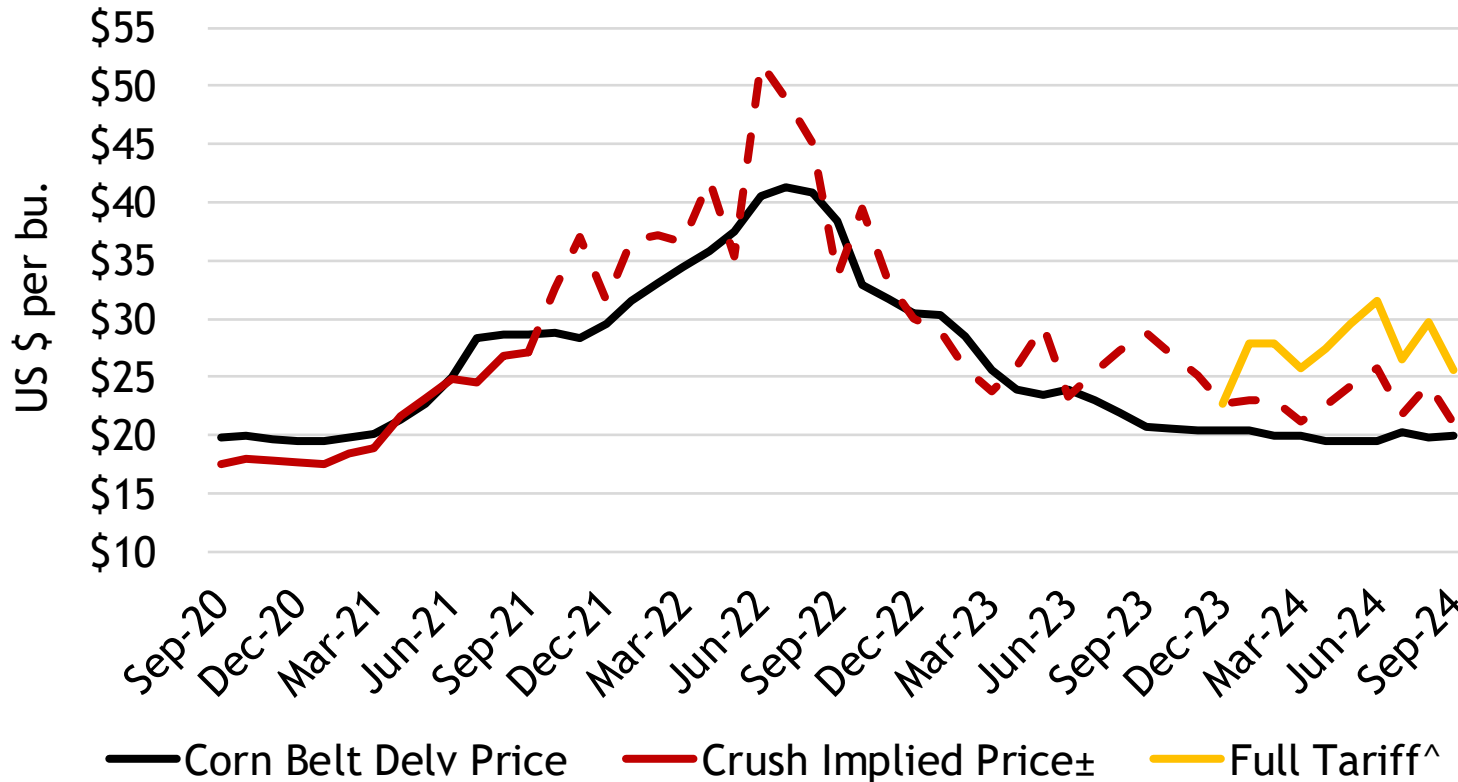
2023-24 North American imports of African organic soy * (million bu.)



■ All Others ■ Ethiopia ■ Nigeria ■ Togo ■ Benin ■ Ghana

Can organic soy rally on imports?

US organic soy remains below parity



Source: Argus 2024, USDA GATS, Statistics Canada

*Soybean meal converted to whole soybean equivalent using 1 to 0.79 ratio;

±Price calculated based on CIF Baltimore organic soybean meal, and FOB Central Illinois conventional soybean oil;

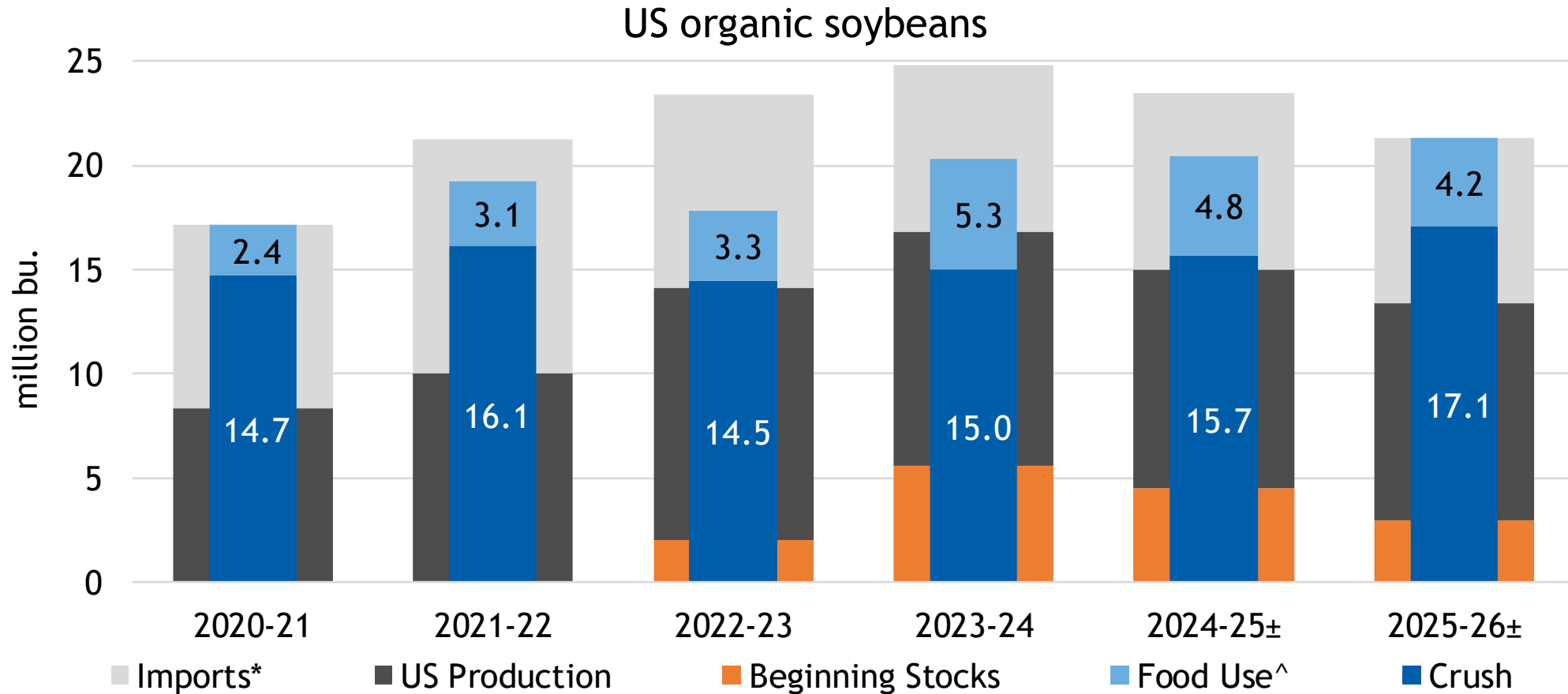
^Full 25pc increase on meal price from Canadian Tariff



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- US organic soy prices stuck below import-parity
 - Long supplies weigh on domestic markets
 - Last six months of 2023-24, US corn belt soy averaged \$19.72 per bushel delivered
 - Crush implied value averaged \$23.29
- 2025 imports do have risks
 - Trump tariffs threaten 4 million bushels of Canadian supply
 - NOP action puts 9 million bu of West African supplies under scrutiny
 - A combined 54pc of US organic soy imports
- Assume full tariff shock
 - Adds \$5 per bushel to implied crush value
 - Puts implied crush nearly \$9 per bushel over current values
- Reality is in the middle
 - Likely minimal risk from tariffs
 - Loss of imports from Africa likely to be limited
 - Imports likely to constrict, but not enough to add \$4-\$9 to US soy

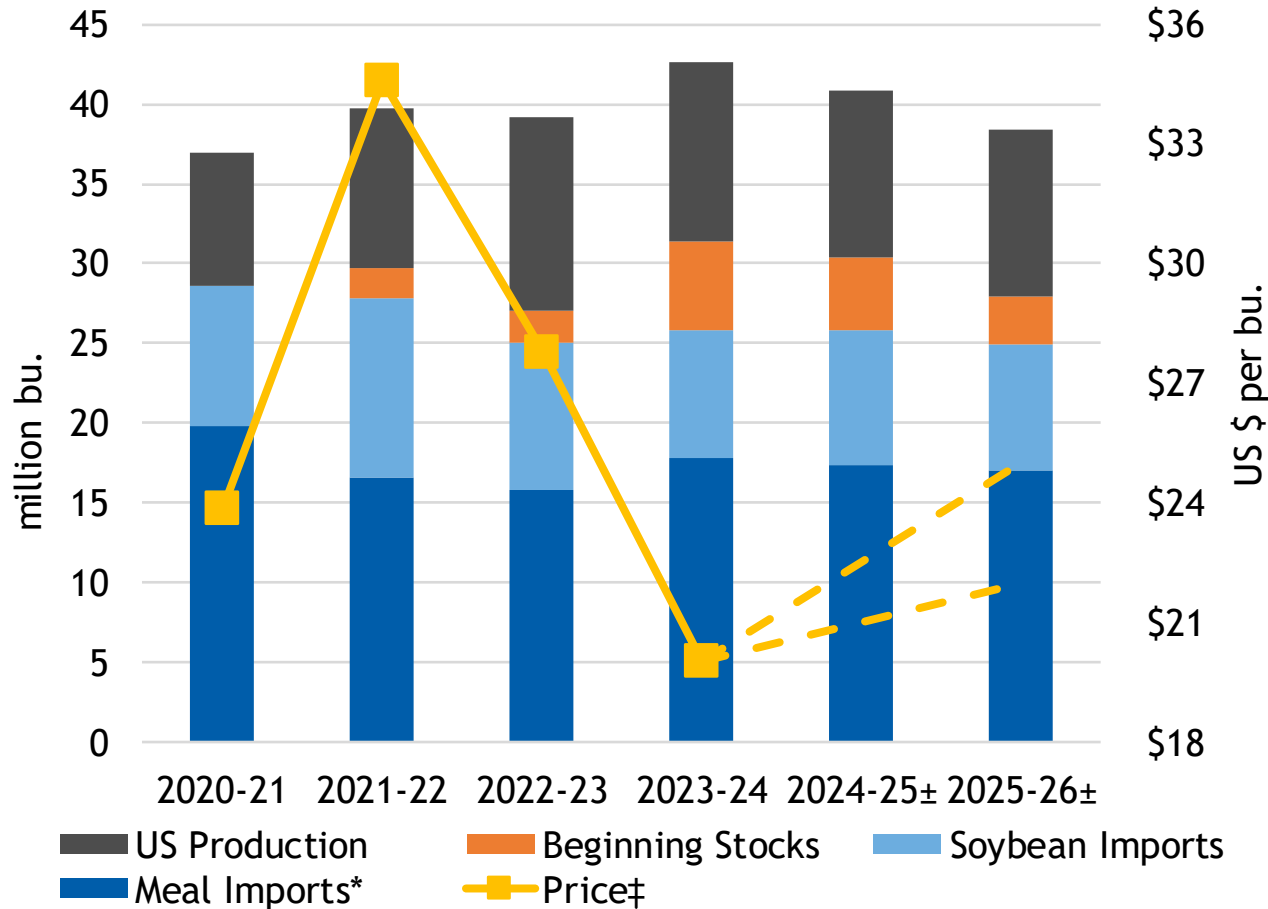
Long supplies stick around



Source: Argus 2024

±Argus estimated values; * Includes soybean meal converted to whole soybean equivalent; ^Includes food use, and other undefined non-food disappearance

Where does this take organic soy markets?



Market continues to seek reduced stocks

2024 harvest 7pc lower on 8pc acreage decline

2023-22 carry-over stocks remain elevated on strong meal imports

- 2023-24 Africa meal imports up 164pc y-o-y

2023-24 didn't hit breaks enough, again, pushing 4.5 million bushels of carry-over into 2024-25

Will 2024-25 prices be enough to tighten the market?

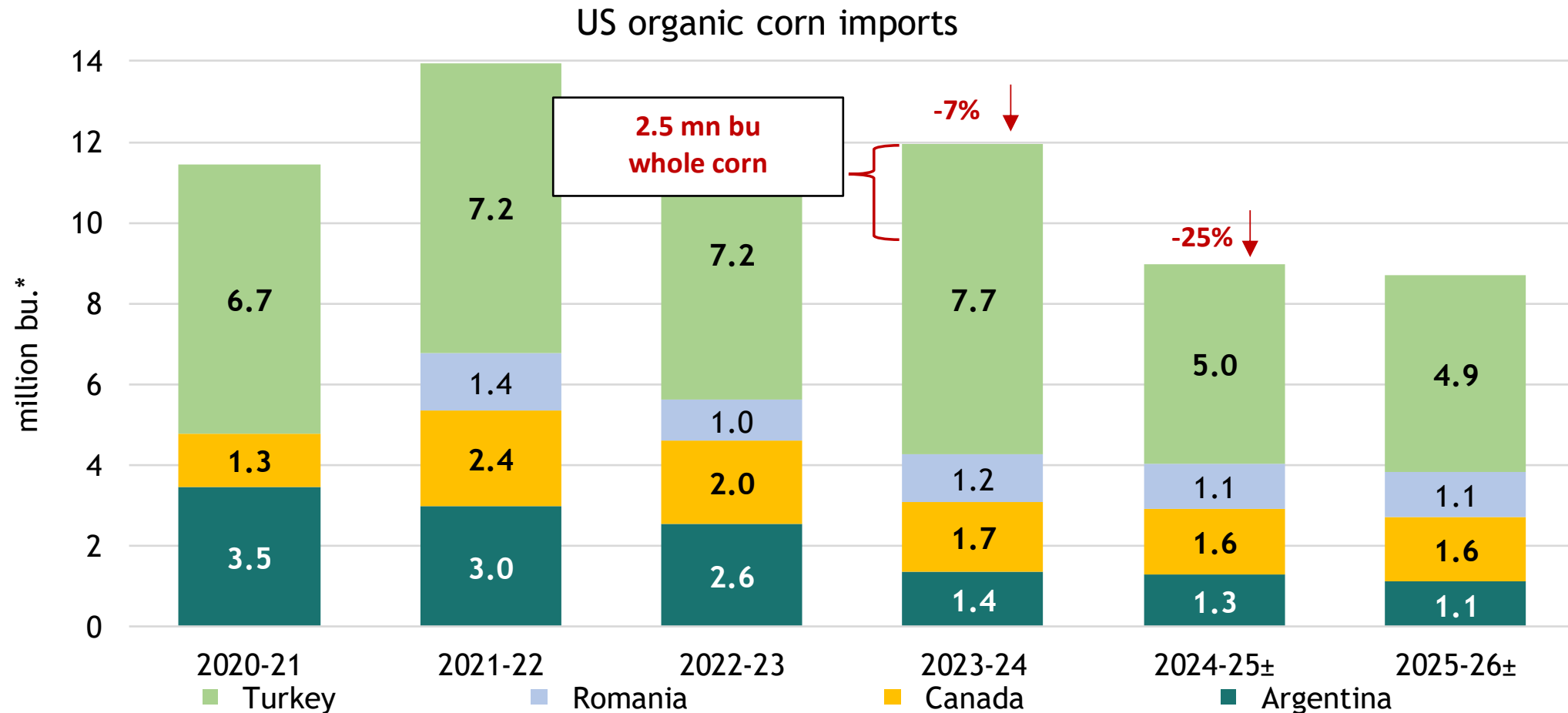
Source: Argus 2024, USDA GATS, ImportInfo®

± Argus estimated values; *Organic soybean meal converted to whole bean equivalent;

‡ U.S. Corn Belt delivered feed-grade organic soybean



Import loose steam over 2024-25

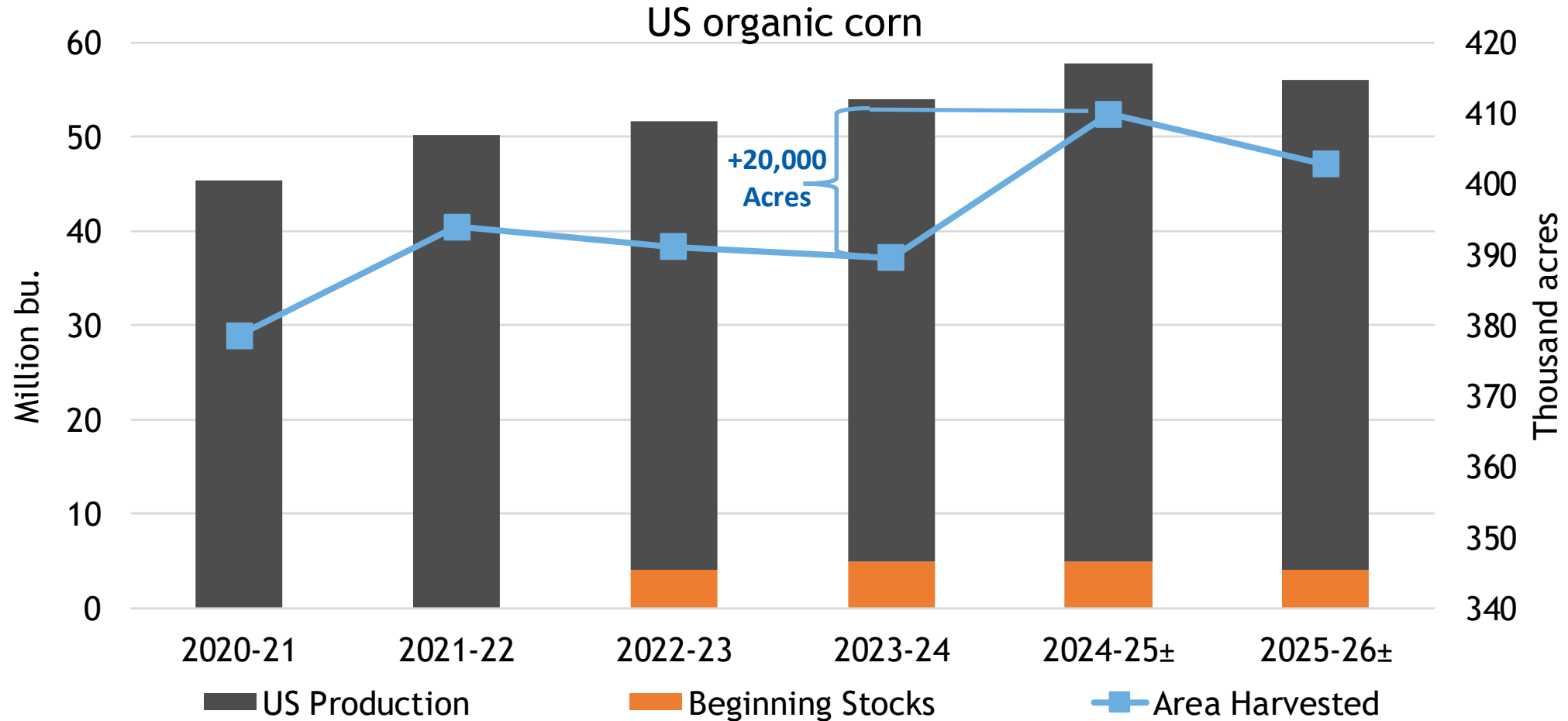


Source: Argus 2024, USDA GATS, ImportInfo®

± Estimated values; *Includes organic whole and cracked corn



Organic corn acres gain on new data



Source: Argus 2024
 ±Argus estimated values



Will it pay to grow organic corn?

- Costs are down some, but historically elevated
 - Corn up 12pc from 5-yr ave.
 - Soybeans up 19pc from 5-yr ave.
- Prices are much lower
 - Corn down 18pc from 5-yr ave.
 - Soybeans down 18pc from 5-yr ave.
- Where's the pressure on acres?
 - With 2023-24 production cost, corn needs to increase \$0.40 per bu. from August
 - Soybeans can lose \$2.60 per bu from August

US organic farm profitability

	2021-22	2022-23	2018-20 Through 2022-23	2023-24	2024-25		
					Cost trends	Prices recover	Breakeven
Prices (US \$ per-bu.)¹							
feed-grade corn	\$ 10.10	\$ 10.73	\$ 9.52	\$ 7.78	\$ 6.68	\$ 9.52	\$ 7.20
feed-grade soybeans	\$ 34.18	\$ 27.83	\$ 24.58	\$ 20.07	\$ 19.89	\$ 24.58	\$ 17.26
feed-grade wheat	\$ 9.75	\$ 8.23	\$ 8.91	\$ 8.76	\$ 6.00	\$ 8.91	\$ 12.23
Operating cost per-acre							
Organic corn	\$791	\$1,049	\$817	\$918	\$952	\$918	\$918
Organic soybeans	\$547	\$646	\$544	\$649	\$668	\$649	\$649
Organic winter wheat ²	\$424	\$705	\$507	\$482	\$492	\$482	\$482
Yields (bu per acre)							
Organic corn	127	128	121	127	127	127	127
Organic soybeans	39	38	37	38	38	38	38
Organic winter wheat	31	39	32	39	39	39	39
Farm net-revenue per-acre							
Organic corn	\$490	\$328	\$341	\$73	-\$101	\$296	\$0
Organic soybeans	\$780	\$399	\$382	\$106	\$80	\$275	\$0
Organic winter wheat	-\$117	-\$385	-\$220	-\$137	-\$256	-\$131	\$0
Total	\$1,153	\$343	\$504	\$42	-\$277	\$440	\$0

Source: Argus Media 2024, FINBIN

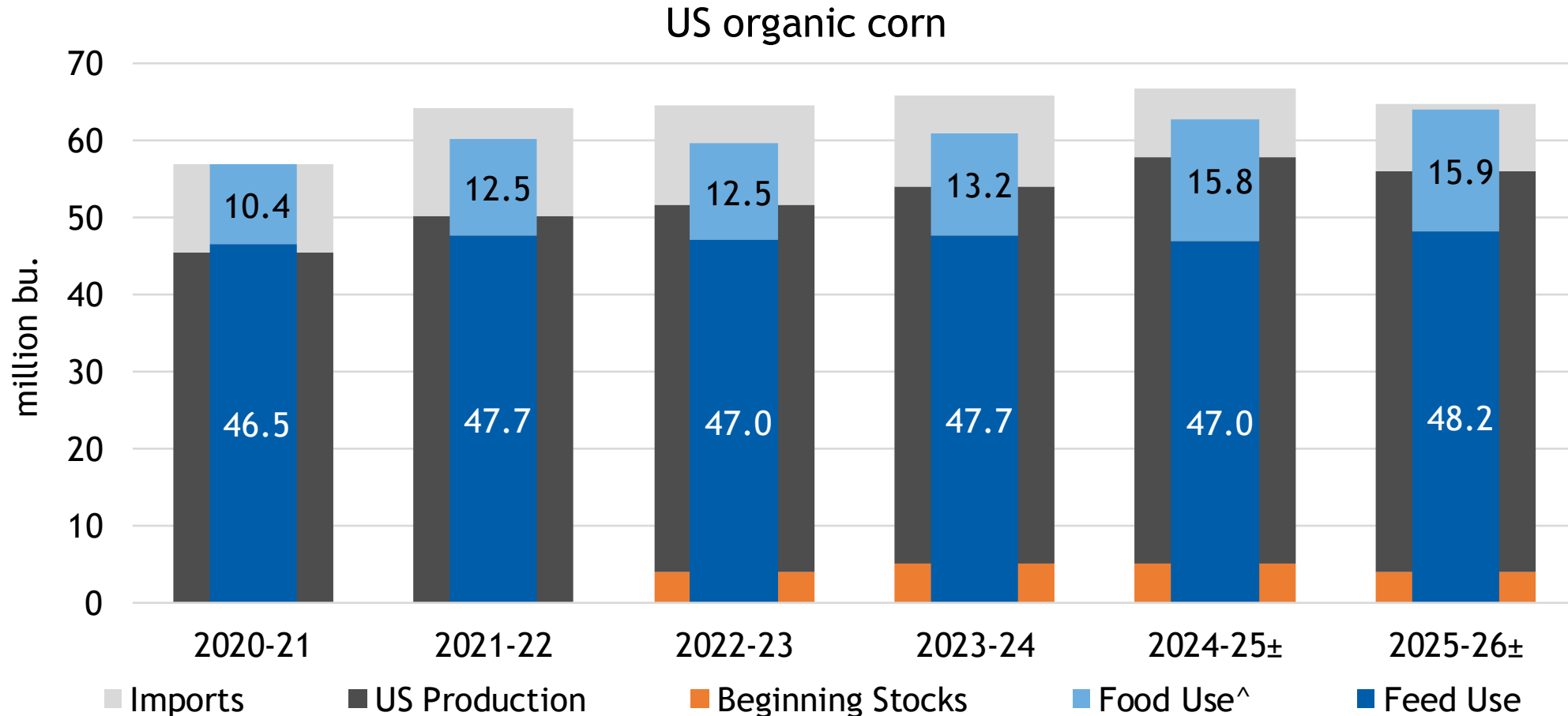
1. Sep-Aug MY average delivered to U.S. Corn Belt elevators

2. Wheat prices 2016-2022 from organic feed-grade contract data, 2023-2024 from organic SRW prices

3. Argus estimates based on FINBIN data. Wheat estimates for 2017/18 are based on trends from corn and soybeans



US supplies remain net-long

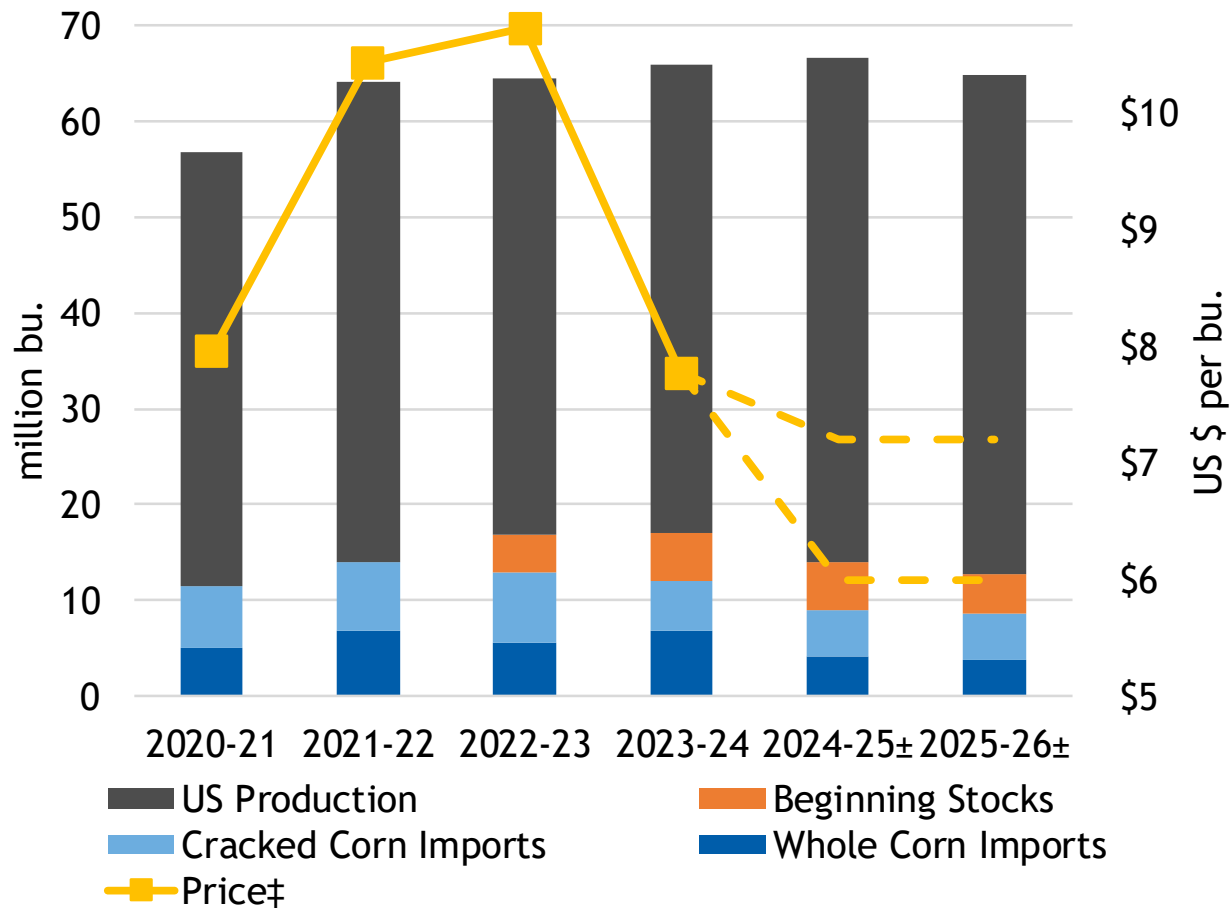


Source: Argus 2024

±Argus estimated values; ^Includes food use, and other undefined non-food disappearance



Where does this take organic corn markets?



Source: Argus 2024, USDA GATS, ImportInfo®
 ±Estimated values; ‡U.S. Corn Belt delivered feed-grade organic corn

Prices start 2024-25 below \$7 per bu.

2024-25 production higher following data changes

Imports declined only slightly in 2023-24 leavening stock levels near 4 million bu

Organic dairy demand is slowly returning

Imports matter less every year
 -(down to 17pc of supply for 2024-25)

Organic corn demand is the key



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St. Louis



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