American Perceptions of Lamb

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SYSCO CORPORATION
Who is Sysco?
Sysco Corporation

- Sysco is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home.

- Our family of products also includes equipment and supplies for the foodservice and hospitality industries.

- We operate 196 distribution facilities, serving approximately 425,000 customers in North America, as well as joint ventures with Pacific Star in Mexico and Mayca in Costa Rica.

- In addition, we have recently acquired Brakes Group, a leading European foodservice distributor in the United Kingdom, France and Sweden with additional operations in Ireland, Spain, Belgium and Luxembourg.

- For Fiscal Year 2015 that ended June 27, 2015, we generated sales of more than $48 billion.
Sysco Lamb Offering

- Sold 10.2 million pounds domestic & imported lamb (4,628 tonnes) in 2015

Lamb sourced from...
- Australia
- Domestic
- NZ
- Other

37.7%
32.3%
26%
22%
3.0%

Aussie cuts...
- Legs
- Shanks & loins
- Racks

45%
Sysco works with

• **Australian Companies**
  – Foodcomm International/Thomas Foods International
  – The Lamb Company
  – Pilot Trading
  – Domestic Lamb Companies

• **Australian Brands**
  – Fletcher
  – Thomas Foods International
  – Country Fresh Meats
  – Midfield Commodities
  – Opal Valley
  – Pilot Brands
  – Sysco Butcher Block & Sysco Imperial (Fresh Australian)
  – Wagstaff
Who’s Eating Lamb?

Fine Dining

Approachable –
Lamb Beyond
Fine Dining

Top Entree Proteins:
4-Year Penetration Trend

Percentage Growth of Lamb Marketed in Fine-Choice Restaurants

6%

Percentage Growth of Lamb Marketed in Fine-Choice Restaurants

18%

Lamb is an essential protein in a number of ethnic cuisines, with highest menu penetration in Asian, African and Mediterranean restaurants.

MENU APPLICATIONS:
- Lamb Burgers
- Grilled Lamb Kebabs
- Meatballs
- Moroccan Lamb Tagine
- Pappardelle with Woodland Lamb
- Pulled Lamb Tacos

According to FreshLook data, retail sales of lamb rosined 32 percent in 2016 versus 2015. Lamb burgers are sold in casual and fine dining – up 17 percent in 2016 versus 2015.

For more information on American Lamb Visit www.americallamb.com
Lamb is a quintessential ingredient on fine dining menus. That's because chefs love the flavor of lamb and its versatility. There are some insights into how lamb is being used. Bon Appetit.

64% of fine dining menus feature lamb.

112% increase in use of lamb in appetizers and small plates in the last five years.

7 out of 10 steakhouses, French and Mediterranean restaurants feature lamb on the menu.

What’s on the Menu?

What Lamb Cuts are on the Menu?

- Rack of Lamb 31.3%
- Lamb Chop 28.7%
- Sausage/Merguez 9.4%
- Shank 9.4%
- Loin 8.8%
- Leg 5.2%
- Shoulder 4.7%
- Burger 4.5%

Lamb Chefs Want

- Restaurant and hotel chefs say fine dining operations serve more lamb than they serve other proteins.
- Some of the top lamb cut attributes are freshness, quality, and taste.
- More than 60% of fine dining restaurants offer lamb on their menus.
- Lamb continues to be synonymous with fine dining and offers an alternative to more common proteins.

#1 Trend

Locally sourced meats & seafood. A survey conducted by the National Restaurant Association shows the top trend is locally sourced meats and seafood.

Trends We Should Know

Tend and Spice paired with Lamb is Fine Dining Restaurants.
Fine dining
Who’s Eating Lamb?
Fast/Family Casual
Fast/Family Casual

- CAVA Mezze Grill
- SKWR Kabobline
- Texas de Brazil Churrascaria Brazilian Steakhouse
- Maggiano’s Little Italy
10 Reasons Why We Should Menu American Lamb

1. Supporting the Nation’s Shepherds
When you menu local lamb, you’re supporting the nation’s shepherds and their families. The vast majority of U.S. sheep operations are family-owned and run.

2. Available Locally and Year-Round
Family farmers and ranchers raise sheep in nearly every state in the U.S., making fresh, local lamb available whenever you are. Adapted to a range of climates, sheep graze American rangelands, from pastured grasslands to high-altitude meadows.

3. Good Stewardship
Shepherds across the country share a commitment to quality and conservation. Sheep improve pastures and rangeland by cycling vital nutrients back through the soil, minimizing erosion and encouraging native plant growth. Sheep that are grazed on a variety of nutrient-dense grasses, legumes and forage will produce succulent, tender meat.

Many wineries are using sheep to grow vines in the vineyards.

4. Generations of Care
Good care, a clean environment, balanced nutrition and health management are all part of raising healthy sheep. For many shepherds, sheep husbandry has been passed on through generations of farming families.

5. Fresher
Fifty percent of the lamb consumed in the United States is imported from Australia and New Zealand. American Lamb is up to 10,000 miles fresher.

6. Flavorful
The distinctive flavor of American Lamb is a result of natural pastures, superior genetics and an exceptional diet.

7. Better Value
On the bone, American Lamb yields more meat than imported lamb. Forty percent of lamb eaters prefer American Lamb, rating it high for flavor, quality and tenderness.

8. Natural
No artificial growth hormones are used in lamb production in the United States.

9. Safe
All American Lamb is either USDA inspected for wholesomeness and quality or inspected by state systems equal to the federal government standards. The USDA has set five quality grades for lamb. More than 90 percent of American Lamb will grade USDA Choice or Prime.

10. Customer Demand
Your customers care about where their food comes from so call out fresh, homegrown local lamb on your menu.

From Pasture To Plate

Raising Lamb is a Family Affair.
More than 80,000 family farmers raise lamb across every state in the U.S.

Healthy Pasture
Sheep recycle vital nutrients back into the soil, improving the quality of the pastures and rangeland, while minimizing erosion and encouraging native plant growth.

Healthy Herds
Sheep graze on high-quality natural grasses and forage resulting in succulent, tender American Lamb.

To find a Lamb Supplier in your area visit
www.americannlamb.com/lamb-locator
Penetration and Time Trend

Over the past four years, only pulled pork and tofu have out-paced the growth of lamb with lamb having a higher penetration than both.
Lamb tracking slow but steady growth

Penetration 10-Year % Change

Fine Dine: 59.5% +26%
Casual: 25.4% +51%
Midscale: 17.3% +23%
QSR/FC: 7.0% +56%

MENU PENETRATION: % of us chain & independent restaurants that offer lamb
Familiar formats
Keeping it healthy
Keeping it healthy

- **HEALTHY 1.0**: Weight Management
  - 1980’s to early 2000’s
  - Low-fat
  - Low-calorie
  - Low-carb

- **HEALTHY 2.0**: Feel Good
  - Early 2000’s and beyond
  - Local
  - Natural
  - Organic

- **HEALTHY 3.0**: Functional
  - Early 2010’s and beyond
  - Protein
  - Antioxidants
  - Superfoods
Keeping it natural
Consumers increasingly consider social responsibility in their purchasing decision. For beef, food safety, animal welfare and environmental concerns are top of mind for many, especially women.

I would be more likely to purchase and I am willing to pay ______ for beef that is...

- **Premium**: 30% Slightly more (≤5% price increase), 10% Significantly more (>5% price increase), 40%
- **Hormone-free**: 25% Slightly more (≤5% price increase), 13% Significantly more (>5% price increase), 38%
- **Steroid-free**: 24% Slightly more (≤5% price increase), 12% Significantly more (>5% price increase), 36%
- **Domestically raised**: 26% Slightly more (≤5% price increase), 10% Significantly more (>5% price increase), 35%
- **Antibiotic-free**: 25% Slightly more (≤5% price increase), 11% Significantly more (>5% price increase), 35%
- **Grass-fed**: 25% Slightly more (≤5% price increase), 10% Significantly more (>5% price increase), 35%
- **Farm-raised**: 24% Slightly more (≤5% price increase), 10% Significantly more (>5% price increase), 34%
- **Locally raised**: 24% Slightly more (≤5% price increase), 7% Significantly more (>5% price increase), 31%
- **GMO-free**: 22% Slightly more (≤5% price increase), 9% Significantly more (>5% price increase), 31%
- **Natural**: 22% Slightly more (≤5% price increase), 9% Significantly more (>5% price increase), 31%
- **Organic**: 21% Slightly more (≤5% price increase), 10% Significantly more (>5% price increase), 30%
- **Free-range**: 23% Slightly more (≤5% price increase), 7% Significantly more (>5% price increase), 30%
- **Sustainable**: 18% Slightly more (≤5% price increase), 7% Significantly more (>5% price increase), 25%
Keeping it green

It is important that the environment is not negatively impacted because of the way beef cattle are raised

- Male: 38%
- Female: 50%

It is important that the beef I eat came from animals that were treated humanely

- Male: 39%
- Female: 45%

It is important to me that the beef I eat came from animals allowed to roam freely

- Male: 36%
- Female: 46%
Keeping it clean

FEEL-GOOD CUISINE is the next iteration of better-for-you. Consumers are now responding to menus that make them feel good about the choices they make – both in body and mind.

What’s HOT
2015 CULINARY FORECAST

TOP 10 FOOD TRENDS
1. Locally sourced meat and seafood
2. Locally grown produce
3. Environmental sustainability
4. Healthful kids’ meals
5. Natural ingredients/minimally processed food
6. New cuts of meat
7. Hyper-local sourcing
8. Sustainable seafood
9. Food waste reduction/management
10. Farm/estate branded items

GOOD VIBRATIONS

“Feel good” takes the Nordic from “better-for-you” in appealing to customers
Keeping me engaged

Sysco is dedicated to supplying the freshest locally sourced products available. This not only helps meet a growing consumer demand to “eat close to home,” it also helps small businesses get the recognition they deserve for the quality and care that goes into perfecting their craft.
Thank you