



American Perceptions of Lamb

CHEF NEIL DOHERTY
SR. DIRECTOR, CULINARY DEVELOPMENT
SYSCO CORPORATION

Sysco

Who is Sysco?



Sysco Corporation

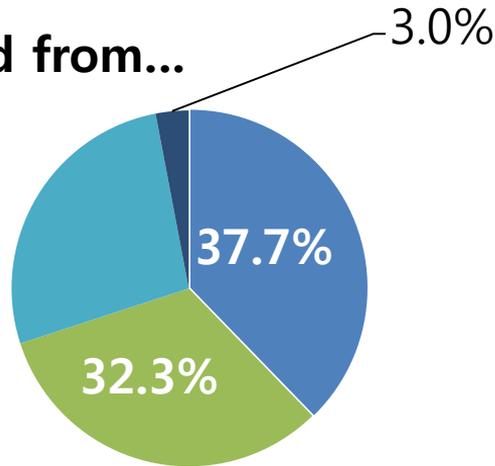
- Sysco is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home.
- Our family of products also includes equipment and supplies for the foodservice and hospitality 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

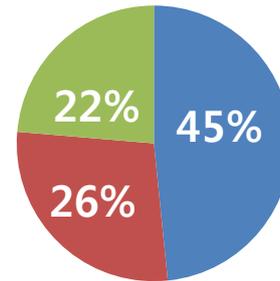
Lamb sourced from...

- Australia
- Domestic
- NZ
- Other



Aussie cuts...

- Legs
- Shanks & Racks
- Loins



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



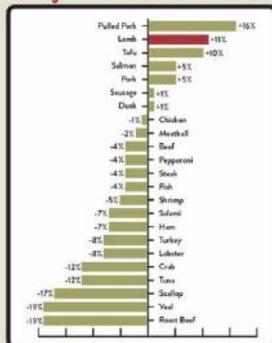
Who's Eating Lamb?

Fine Dining

Approachable – Lamb Beyond Fine Dining

A quantitative research study by DataSential MenuTrends™ revealed that lamb is being menued more and more in restaurants beyond fine dining. Based on data from 4,800 restaurants including national chains, regional chains and independent restaurants, the study reports that lamb has been on a steady rise in use among U.S. chains and independents with an increasing menu penetration of 11 percent compared to 4 years ago.™ The study notes that lamb entrée penetration has shown growth in contrast to many of the top menued proteins which have shown declines in recent years.

Top Entrée Proteins: 4-Year Penetration Trend



Penetration % Change: 2016 vs. 2012
Source: DataSential Menu Trends™



Percentage Growth of
Lamb Menued in
Restaurants



Percentage Growth of
Lamb Menued in
Non-Ethnic Restaurants



TRENDS *Ewe* SHOULD KNOW

* APPROACHABLE *

Lamb Beyond Fine Dining

LEG OF LAMB



MENU APPLICATIONS:

- * Grilled American Lamb Sidel
- * Hearty Lamb Kabobs
- * Hearty Shepherd's Pie
- * Irish Stew
- * Lamb Stir Fry
- * Rotisserie Lamb Pinisi

SHOULDER



MENU APPLICATIONS:

- * Barbecued American Lamb Sandwich
- * Indian Lamb Curry
- * Lamb Empanadas
- * Moroccan Lamb Legier
- * Pappardelle with Shredded Lamb
- * Pulled Lamb Tacos

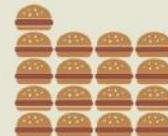
GROUND LAMB



MENU APPLICATIONS:

- * Lamb Burgers
- * Grilled Lamb Keffe
- * Meatballs
- * Marguez Flatbread
- * Mousakou
- * Samosas

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



According to FreshLook data, retail sales of ground lamb increased 52 percent in 2016 versus 2015. Lamb burgers are found on more and more menus – up 17 percent in 2016 versus 2015.

FOR MORE INFORMATION ON AMERICAN LAMB VISIT
www.americanlamb.com

Fine dining

★ L A M B ★ on Fine Dining Menus

Lamb is a quintessential ingredient on fine dining menus. That's because chefs love the flavor of lamb and its versatility. Here are some insights into how lamb is being menued. *Baaa Appetite.*



Percentage of fine dining menus that feature lamb.

Ratio of menus that list domestic lamb versus imported lamb. Luckily, lamb are raised in every state.



112%

Increase in non-center of the plate entrée lamb dishes in the last ten years. While Rack of Lamb and traditional center of the plate entrées top the list of fine dining menus, lamb is being used more and more in pizzas, salads, sandwiches, burgers and pastas.

Increase in use of lamb in appetizers and small plates in last ten years. From lamb sliders to lamb lollipops to spicy lamb ribs.

+173%

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015



7 out of 10
Steakhouses, French and Mediterranean Restaurants feature lamb on the menu.

Locally Sourced Meats & Seafood. A survey conducted by the National Restaurant Association shows the top trend identified by chefs in recent years is locally sourced meats and seafood.

#1 Trend



TRENDS *we* SHOULD KNOW

What's On The Menu?



According to a recent menu report from Datassential MenuTrends™, lamb entrées showed the strongest menu growth in 2014 when compared to other top entrée proteins in fine dining. More than 60 percent of fine dining restaurants offer lamb on their entrée menus, as lamb continues to be synonymous with upscale dining and offers an alternative to more common proteins.

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/lodging fine dining operators perceive domestic lamb more positively than imported lamb on a large variety of attributes. According to a study by Technomic Inc, here are the top ten attributes chefs/food and beverage directors associate with domestic lamb:

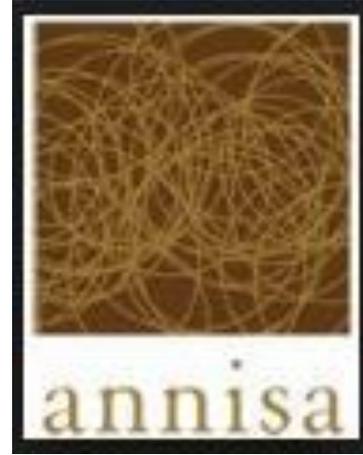
1. Is fresher
2. Has a larger rib eye
3. Customers prefer
4. Has a higher meat-to-bone ratio
5. Sustainably raised
6. Humanely raised
7. Has tender texture
8. Offers consistent quality
9. A fair value for the money
10. Is always available



Top Sauces and Spices Paired with Lamb in Fine Dining Restaurants.

Sources: Datassential MenuTrends™ 2016; National Restaurant Association; Technomic Inc. Lamb Protein Assessment 2016

Fine dining



Who's Eating Lamb?

Fast/Family Casual



Fast/Family Casual

CAVA
Mezze Grill

SKWR
KABOBLINE

TEXAS de BRAZIL
CHURRASCARIA
Brazilian Steakhouse

kapnos
taverna

MAGGIANO'S LITTLE ITALY®





★10 REASONS★ 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 wherever you are. Adapted to a range of climates, sheep graze American rangelands, from pastoral grasslands to high alpine meadows.

3. Good Stewardship

Shepherds across the country share a commitment to quality and conservation. Sheep improve pasture 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 graze weeds 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 raising lambs.

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 pasture, 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.



TO FIND A LAMB SUPPLIER IN YOUR AREA VISIT
www.americanlamb.com/lamb-locator

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 pasture 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.

TREND OF TOP PROTEINS AT US CHAINS & INDEPENDENTS:

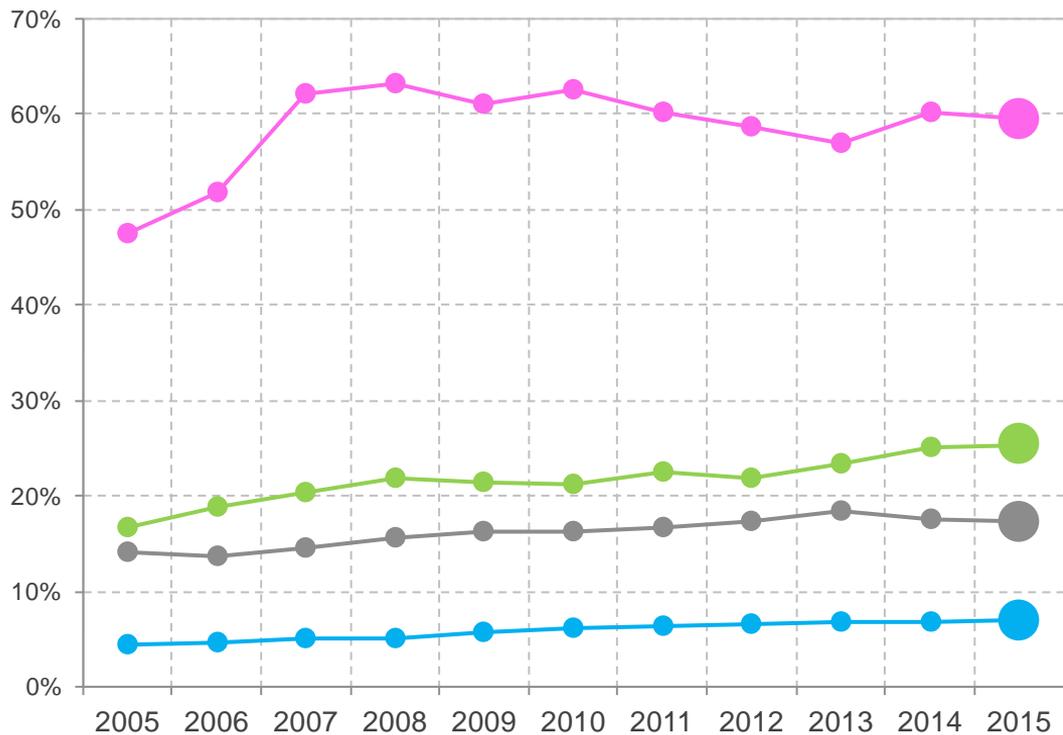
Penetration and Time Trend

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.

	2015 PENETRATION	GROWTH RATE	
		1 st Year	4 th Year
Pulled Pork	18.8%	+5%	+21%
Tofu	18.0%	+2%	+19%
Lamb	20.0%	+1%	+8%
Duck	15.1%	+1%	+6%
Pork	61.0%	+2%	+6%
Salmon	40.9%	+3%	+2%
Sausage	59.9%	+1%	+2%
Meatball	33.4%	+0%	+1%
Chicken	96.2%	+0%	-1%
Beef	83.2%	-1%	-3%
Fish	49.7%	+0%	-4%
Steak	74.3%	+0%	-4%
Ham	53.1%	-1%	-5%
Shrimp	66.0%	+0%	-5%
Pepperoni	27.7%	-1%	-5%
Salami	25.8%	-1%	-5%
Lobster	22.9%	-0%	-5%
Turkey	45.7%	-1%	-6%
Tuna	39.0%	+0%	-10%
Pork Chop	16.7%	-2%	-10%
Crab	35.8%	-1%	-10%
Scallop	29.9%	-2%	-11%
Clam	23.4%	-3%	-11%
Roast Beef	23.5%	-3%	-17%

MENU PENETRATION: across appetizers, entrées, sides, % of restaurants that menu...

Lamb tracking slow but steady growth



Fine Dine: 59.5%

+26%

Penetration

10-Year
% Change

Casual: 25.4%

+51%

Midscale: 17.3%

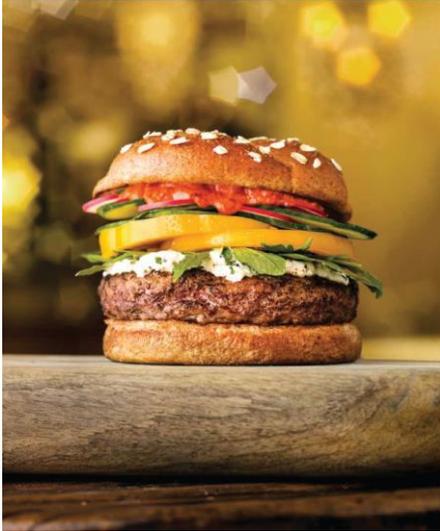
+23%

QSR/FC: 7.0%

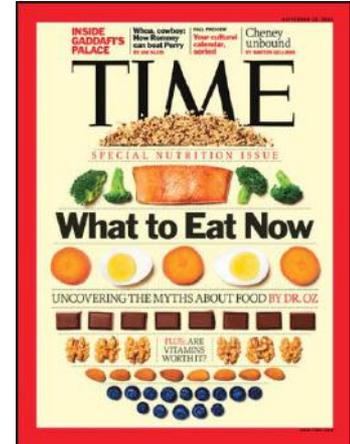
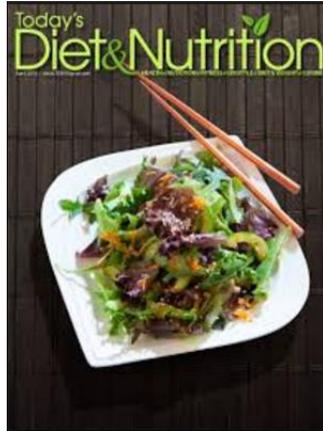
+56%

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

NATURALLY FRESH



Sysco believes the best food is made from the highest quality ingredients available – now more than ever, so do customers. Trend data shows that customers across all age groups, from boomers to millennials, are increasingly seeking fresh and healthy dining experiences, right down to the indulgent burger. Though seemingly an unlikely candidate, burgers are actually the perfect canvas for showcasing fresh ingredients across meats, cheeses, toppings, breads and produce.



Freshness is the New Standard

Building a burger with fresh ingredients means operators can charge a premium, as consumers are willing to pay more for freshly prepared food, including house-made pickles and condiments. From produce to beef and lean natural proteins, Sysco has countless fresh product options to refresh your menu today.

One of the top 2016 NRA food trends is a shift towards fresh, natural and minimally processed food

Source: What's Hot 2016 Culinary Forecast, National Restaurant Association

88% of consumers are willing to pay premium prices for healthier food options

Source: Consumers Want Healthy Foods — And Will Pay More For Them, Forbes

Consumers consider "fresh" the most valued quality distinction marker when it comes to food

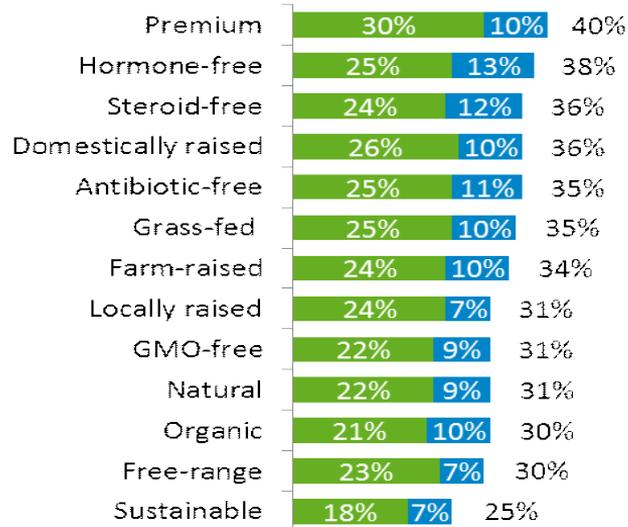
Source: Restaurant Patrons Seek Fresh, Healthy and Sustainable Options, Forbes



Keeping it natural

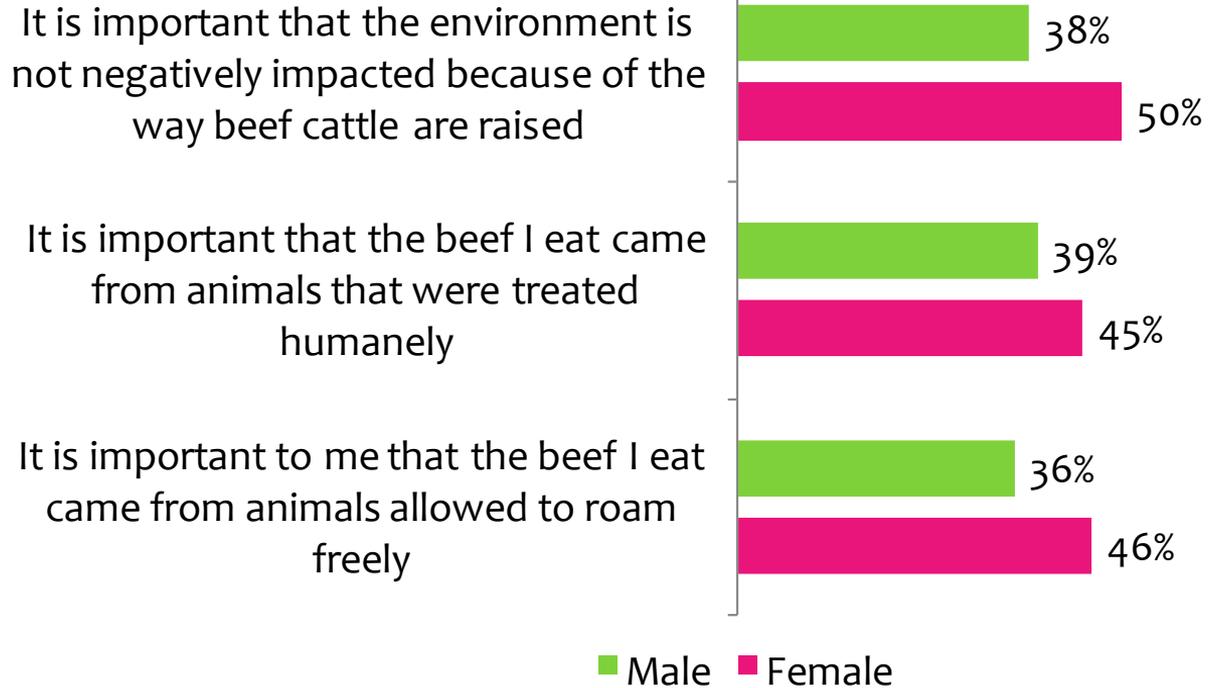
Consumers increasingly consider social responsibility in their purchasing decision. For beef, food safety, animal welfare and environmental concerns are top of mind for many, especially women.

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



■ Slightly more (≤5% price increase) ■ Significantly more (>5% price increase)

Keeping it green



Keeping it clean

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



FLAVOR & THE MENU

Flavor Trends, Strategies and Solutions for Menu Development

TOP 10 TRENDS CURRENT ISSUE FEATURES RECIPES ABOUT SUBSCRIBE

SEARCH

FOLLOW: [Facebook icon] [Twitter icon]

TOP 10 TRENDS

4

GOOD VIBRATIONS

"Feel-good" takes the mantle from "better-for-you" in appealing to customers



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.

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.



Sysco

Thank you

