

2012 THE "BORLAUG DIALOGUE"

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Kendall Powell

Introduction by:

Ambassador Kenneth M. Quinn

President - World Food Prize Foundation

So our next speaker is a very distinguished business leader, Ken Powell. He's CEO of General Mills, chairman and chief executive officer of General Mills, which is the world's sixth largest food company and markets leading brands such as Cheerios, Häagen-Dazs, Pillsbury, Betty Crocker, Green Giant and more.

Ken Powell joined General Mills in 1979, went through a variety of positions in the company, spent more of a third of his career overseas, and in 1990 helped launch Cereal Partners Worldwide, CPW, the company's joint venture with Nestlé. I didn't realize that when we had Peter Brabeck here yesterday - could have made the connection then.

In 1996 he returned to the U.S. to become president of Yoplait USA and was named president of General Mills Big G Division in 1997, then returned to Switzerland in 1999 to become chief executive officer of CPW, helping grow the joint venture into what is now a \$2 billion global cereal business marketing in more than 130 countries around the world. In 2006 he was elected president and chief operating officer of General Mills' overall global operating responsibility.

General Mills is regularly listed among the world's leading businesses. In 2011 it was once again named to *Fortune* magazine's annual list of "100 Best Companies to Work For" and in 2010 was named *Working Mothers* magazine's "100 Best Companies" Hall of Fame of *Working Mothers* magazine, and in the *Financial Times* listing of UK's "50 Best Workplaces."

But of special importance to me is that he and General Mills have been a wonderful sponsor of the World Food Prize. We have their products available out here for you to enjoy in between our meals.

So at this time it's my great privilege and pleasure to welcome Kendall Powell, the CEO and chairman of General Mills.

PLENARY ADDRESS

Kendall Powell

Chairman & CEO, General Mills

Good morning, good morning to one and all. Thank you, Ambassador Quinn, for that very kind introduction. It is a pleasure to be here in Des Moines today, an honor to be with all of you, all of you leaders who carry on so well the work of Norman Borlaug.

Because of his ties to the University of Minnesota, we in Minnesota like to claim Norman Borlaug as our own. Now, and I know, Ambassador, that that picture with that particular jacket makes you wince a little bit – I apologize for that. But he was very definitely – though he’s big enough for all of us – he embraced the world, and during his career he made an enormous and a lasting impact on the issue of global food security.

He once said, “You can’t build a peaceful world on empty stomachs,” and on that I’m sure that all of us can agree.

General Mills is very proud to follow in his footsteps, playing a role in strengthening communities and improving food security here in the U.S. and around the world, particularly in Africa.

And as a food company, we come to this work quite naturally with a legacy of community support and engagement that stretches back more than a century. We also come to this work with humility. We know we don’t have all the answers; in fact, we know we just have a few. But we truly are hungry to help. We’re hungry to help the entrepreneur in Tanzania who is trying to package her products and access new markets. We’re hungry to help the food scientists in Zambia searching for solutions to retain food flavor and to optimize nutrients. And we’re hungry to help the farmer in Malawi who, by selling her crop, will generate the money needed to support her family and pay for her children to go to school. And through Partners in Food Solutions, a nonprofit that we have created, we’re helping others, and we’re learning ourselves.

And the magic of this is that something so beneficial to us can be so powerful in improving food security across the continent of Africa. And I hope that you’ll find our story inspirational, and more importantly I hope you find it useful.

But first let me give you a little background on General Mills. We trace our roots to 1866 when our founder, Cadwallader Washburn, built his first flour mill on the banks of the Mississippi River in Minneapolis. And milling was literally an explosive business in those days, and in 1878 Washburn’s Mill, which at the time was the largest in the world, exploded. And amid the devastation, his entire investment having literally gone up in smoke, Washburn immediately began outlining the plans for a new and a larger mill.

But he also believed strongly that he had a responsibility to the community in the aftermath of what happened. He had a responsibility to the families of the 18 workers who were killed in that explosion, to the orphan children, to the employees who would work in his new mill, to the community, and even to his competitors.

So he built an orphanage that survives to this day in a form in Minneapolis, the Washburn Center for Children. And he invested in technology to filter flour dust from the air, which made mills from across the country and around the world dramatically safer. And then in an extraordinary gesture, he shared that safety technology with all of his competitors.

Washburn's values remain strong at General Mills today. Generation after generation has continued to innovate and to help others. More than 60 years ago our food scientists developed a high-protein powder that fed those suffering from malnourishment in more than 125 countries, and we did that for decades.

Our Pillsbury organization, working with NASA, developed the Hazard Analysis and Critical Control Points Process more than 30 years ago. Today HACCP is the gold standard for product safety in food processing around the world.

A founding supporter of Feeding America here in the U.S., General Mills today also is working with the Global FoodBanking Network to find innovative ways to provide food around the world. We're currently in nearly a half dozen countries with more to come.

So throughout our history we've done a couple of things. We've innovated, and we've shared – and that spirit is the core at what we're doing in Africa. So you might ask, okay, so what's in it for General Mills? Well, we're involved because we strongly think that it's the right thing for us to do. It is the right thing for all of us. But I think the real answer and the more powerful answer is that we're in Africa because we have the expertise that African food processors need. And the fact is, there are only a handful of companies in the world who have this level of expertise; and we feel, if we don't step up, who will?

My own journey began in 2007 when I attended a discussion on hunger and food security at the World Economic Forum. Listening to experts detail the challenges in Africa, it was difficult at first to see how General Mills based in Minneapolis could play a meaningful role. But as I listened, I thought that we might be able to find a way.

So I returned to General Mills motivated to try; and I was inspired when I got back, as usual, by our employees. I quickly found out that they already were reaching out to Africa. They were packing meals for children developed by General Mills food scientists in an initiative called "One Million Meals for Malawi." Thousands of our employees participated, husbands, wives, kids – they filled every available volunteer slot that we had. And so it was really an amazing thing to see, and it was clear that our employees, many, many, many of them, were already hungry to help in this area.

However, like many others before us, we soon realized that sending food from the U.S. is neither efficient nor sustainable. So we launched our next project – the African Women and Children's Hunger Project, which was a three-year, \$5 million effort centered on finding ways to help inside of Africa. Partnering with organizations such as Land O'Lakes and established NGOs like CARE and World Vision, we built grain storage system, we dug community wells and irrigation systems. So we were having an impact, but we still believed and we still thought that we could do more.

Our next idea was simple, but we think it was quite inspired. What if we could tap our expertise to work with small and mid-sized local African food processors to help them produce safer and more nutritious foods, thereby expanding markets for local farmers? Wouldn't that boost farm income and increase the supply of affordable and nutritious food? And wouldn't that strengthen food security and fuel local economies. And this in a nutshell is the idea behind Partners in Food Solutions, and it features three aspects that we think are fairly unique.

First, the name – Partners in Food Solutions. That name also describes our business model. We undertake what we call “extreme partnering,” and we've recruited world-class companies to help, including our Minneapolis neighbor, Cargill, and Dutch-based DSM, bilateral and multilateral agencies like USAID and the World Food Program, international NGOs, such as TechnoServe and social investors like Root Capital. Each provides different expertise, but together we accomplish far more than each of us could do alone.

Second, we've embraced virtual technology to build relationships, share ideas and solve problems. We communicate and we collaborate electronically and also engage our African partners directly on the ground.

For example, in partnerships with USAID and PEPFAR, our partner, TechnoServe, is hiring and managing small, in-country teams to identify promising companies and develop and implement projects that our volunteers work on back at home in Minneapolis or Cargill or at DSM. General Mills food scientists and engineers may be 8,000 miles away, but they collaborate with these food technologists, professors, processors and mill operators in Africa as if they were standing together with them.

Finally, some may see our work in Africa as philanthropy, but it's much more than that. It is about creating shared value, and for our African partners it is about unlocking opportunity – business opportunity through knowledge sharing. And I think that's a powerful point – our efforts are helping African businesses grow and reach their potential.

According to the Harvard Business Review, Africa's economy grew 5.7% in the last decade and expected to grow 5.5% this year, which, by the way, is more than twice the rate anticipated in Brazil for the year. The African Continent is ripe with opportunity, and clearly every food company in the world will one day be in Africa because Africa is and will be so important to feeding the world.

But that is not our focus today. We're there because we can help African processors, farmers and communities. We're there because, through Partners in Food Solutions, we also can help our employees fully live their values. James Blair is one such employee. James works for General Mills in Europe, but he traveled to Sierra Leone last year to help one of our partners, Project Peanut Butter, as it prepared for UNICEF audit of operations. James was impressed with the Project Peanut Butter factory, which makes a therapeutic food that is saving the lives of malnourished children. With his expertise, James was able to identify quality and safety issues that were very quickly addressed. He also found ways to improve efficiency including one change that increased the plant's output by nearly 10%.

James is a Scotsman, and he's quick to laugh. He worked hard to help improve this small factory in this far-away, war-torn country because he truly was hungry to help. It was only on

his return, sitting at Heathrow Airport on his way home to Edinburgh that tears began. He said “there are many sad and tragic sites to be seen in Sierra Leone, but projects like these are the start of a better future.” A 17-year veteran of the food industry and a father of two, James was thankful to be able to tap his expertise. As a result, his loyalty to our company is very strong. “I can’t think of a better employer,” he says. “General Mills is where I want to be.”

And this is the benefit Partners in Food Solution gives us, and there are many, many examples. Scott Chandler, a General Mills finance director in Singapore, is coordinating several projects, including one in Zambia that helps a honey producer develop a plan for growth. Jessica Schwartz, a packaging expert in Minneapolis, helps a fortified flour producer in Kenya redesign its branding. PFS work ranges from product formulation to packaging, from plant design to quality improvement. More than 500 General Mills, Cargill and DSM employees are participating – and these employees grow with this work. They gain leadership skills. They value that they work for companies that care enough about the world to set all of this in motion. And they tell us that this is some of the most meaningful work of their careers.

It’s also having a big impact on our client companies. At Nyirefami, a small company in Tanzania that mills flour, Partners in Food Solutions, volunteers, provided the expertise needed to install a quality control lab and to improve washing and predrying operations. With our assistance, Nyirefami capacity has risen fivefold, paving the way for Nyirefami to buy more grain from local farmers and to earn the highest level of food certification available in Tanzania.

Omar Iomio, a distributor for Nyirefami told us, “Partners in Food Solutions is not just helping a company. You are helping Tanzania, the farmers, employees and people like me who sell the products and those who eat the food.”

I had the pleasure of visiting some of our Partners in Food Solutions clients in Kenya, Zambia and Malawi earlier this year. I’ve also seen the impact we’re having on the lives of farmers who thrive as the food processors grow.

Veronica Banda is a farmer in the eastern province of Zambia. She sells her cotton to Cargill and her corn to COMACO. Her farm is somewhere between three and four acres. Her client COMACO is a nonprofit that markets food to consumers while striving to save wild animals and ecosystem. Veronica works hard. Farming is not easy. She also cares for children, including several who have lost their parents to HIV.

Today her income is rising because COMACO’s revenues are rising. Today Veronica can not only feed her children, she’s also sending them to school. She is an amazing woman, and I wish I could introduce you to her. She stands as one of the 40,000 smallholder farmers who are already benefiting from the success of COMACO.

Veronica’s story is one that I will never forget, because the improvement in her life and the lives of her children is what Partners in Food Solutions is about. It’s a powerful idea, and it’s playing out with more and more small companies. Already PFS is working with 40 food processors on more than 125 projects in Kenya, Zambia, Tanzania and Malawi. And as our reach grows, our impact grows, and we know we could accelerate our impact with more partners.

So it gives me great pleasure today to announce that Partners in Food Solutions is deepening its partnership with USAID with a new \$15 million co-investment. This public-private partnership implemented by TechnoServe and part of the U.S. Government's Feed the Future and Global Health Initiative will help improve African food security. Partners in Food Solutions will provide more than \$8 million of the funding in resources to this endeavor, leveraging almost \$7 million in funding from USAID. This commitment will utilize more than 50,000 hours of volunteer expertise from our employees and enable us to work with more than 250 processors and millers throughout eastern and southern Africa.

These kinds of innovative partnerships under the leadership of USAID administrator Dr. Raj Shah deserve our collective thanks and appreciation.

Broadly, this new support from USAID will move us closer to our goal of helping more than 500 Africa-based food processors. Hundreds of thousands of farmers will benefit, and thousands of tons of healthier, local food will reach millions of African consumers.

So our vision at Partners in Food Solution is big, and the journey clearly is long. This is not easy work, but there is tremendous potential. And I believe the role that we at General Mills now are playing is exactly the role that we can play best.

Now, I know that many of the people in this room have similar stories, and many of you in business are engaged in similar ways, and you're doing great things. Some of you, particularly some of you working in business organizations, may be asking as I did only a few years ago - "So what can I do and what difference can I make?"

And I'll just say two things to you. First, do what you can do. Find a way to engage and take the time and go on the journey to figure out exactly what it is that you do best. And if you put those two together, I promise you that you will make a tremendous difference.

So, ladies and gentlemen, I would like to thank all of you very much for your attention this morning. Thank you very much.