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## Consultants: Big Food needs some big changes

By Barbara Soderlin / World-Herald staff writer 8 hrs ago

The upheaval at big food companies like ConAgra Foods comes as they lose market share to smaller firms meeting consumers' demand for "real" food, two consulting firms say in a new report.

The top 25 food companies — including those with significant Nebraska operations like ConAgra Foods, Hormel, Kellogg's and Tyson — must continue to adapt if they want to earn business from consumers who believe their purchasing decisions have a bigger impact on society than voting or community involvement, the report found.

These companies have lost 3 percentage points of market share to smaller competitors since 2012.

Selling off parts of a larger business — as ConAgra did recently with its private-label unit — to refocus resources on growth opportunities is one of several strategies big food companies are advised to take to reverse declines in their core businesses, said Chicago management consulting firm A.T. Kearney and Washington food industry consultant the Hartman Group in the report "Is Big Food in Trouble?"

Other strategies include acquiring faster-growth small players to add products in trendy categories, or starting their own venture funds to invest in startups.

ConAgra's shake-up meant some 1,000 lost jobs in Omaha, but cutting costs and taking risks are among winning strategies, the consultants said. Developing innovative products sold in new channels to customers who value transparency can help these companies persuade shoppers to stick with them.

"Consumers — led by millennials and Gen Xers — will continue to press companies and retailers for more information and accountability about how ingredients are sourced and processed, how real their food products are, and how responsive they are to consumers' desire for choice and customization," said Laurie Demeritt, chief executive officer of the Hartman Group.

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## Barbara Soderlin

Barbara covers food and farming from the field to the supermarket, including ConAgra Foods, Omaha Steaks, Hy-Vee, the beef industry and agribusiness topics.