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**Americans Increasingly Concerned about Food Prices, U.S. Ethanol Policy,
According to *The 2008 Hormel Hunger Survey***

Nearly six of 10 say they have had to cut back quantity or quality of food

AUSTIN, Minn., Oct. 23, 2008 – Nearly six out of 10 Americans say they have had to cut back on the quantity or quality of food they buy because of increasing prices, according to *The 2008 Hormel Hunger Survey*, conducted by Hormel Foods Corporation (NYSE: HRL).

Most Americans (67 percent) say that food prices have increased a lot since last year, and six out of 10 Americans (61 percent) say that corn-based ethanol is at least partly responsible for higher food prices.

In the survey, which is Hormel Foods' third annual study on Americans' experiences with and views on hunger, two-thirds of Americans say they are losing economic ground as inflation outstrips any increase in income. In addition, almost half (47 percent) of Americans are having more trouble paying their bills this year than last year, and more than four out of five Americans (84 percent) are concerned about rising food prices. Four out of 10 are very concerned.

"Hunger in the United States is a serious issue. We hope this research will elevate the issue and prompt discussions about how we can all work together to help feed America's families," said Jeffrey M. Ettinger, chairman, president and chief executive officer of Hormel Foods.

"It is estimated that more than 100 million people in the world have been forced into poverty and hunger because of the dramatic increase in food prices," said Benjamin Senauer, a professor of applied economics at the University of Minnesota, author and researcher. "Millions of American families' food budgets have been stretched to the limit and beyond. Food stamp enrollment is up and food banks are seeing unprecedented demand."

To help them cope with rising food costs, a majority of Americans have been forced to make adjustments in their food-buying habits. One in five (19 percent) say they have been forced to choose between buying food or gas.

More than half of the 800 adults interviewed are taking multiple steps to reduce food costs, such as using coupons, buying more generic or store brands, eating at home more often, buying less expensive cuts of meat and buying more of less expensive staples such as rice and potatoes.

Two-thirds (67 percent) also say the U.S. government should do more to solve the hunger problem in the United States by making it a higher priority and providing more funding.

Also in the survey, Americans said that ethanol is at least partly responsible for the higher food prices. Fifty-seven percent agreed with a statement that using corn to produce ethanol makes the hunger problem worse, and slightly more (58 percent) agreed we should reconsider the role of ethanol as fuel because of the impact on food prices. More than half (57 percent) believe using corn to make ethanol is a good idea, but more than half (56 percent) also say providing subsidies for producing corn to make ethanol is a bad use of tax dollars.

"Even as our country strives for energy independence, we hope our policy makers remember that our families come first," Ettinger said. "The more food we devote to making fuel, the more difficult it is going to be to feed people. Our first priority should be putting quality, affordable food on the table."

Survey findings also outlined several trends among consumers:

- Hunger is a reality for many Americans, and nearly two-thirds (65 percent) of the general public believes it is getting worse. According to the survey, 6 percent of Americans said they or someone in their immediate family has gone to bed hungry in the past month because they could not afford enough food.
- During the last year, rising food prices have caused nearly all Americans to change their shopping and eating habits. More than half (58 percent) of Americans have cut back on either the types of food they buy or the amount of food they buy because of higher food prices. And a majority of consumers have bought more store or generic brands, tried to only buy items on sale, decreased the number of meals they bought away from home, and bought in bulk when it was less expensive.
- One in seven Americans (14 percent) said that they or someone in their immediate family have received food from a food bank, shelter or other charitable organization in the past year because of lack of money for food. Among those who have not received food donations in the past year, more than one in five (21 percent) Americans say it is very or somewhat likely that rising costs or some other change in circumstance may force them to ask for food from a charitable organization in the future.
- The quantity and quality of food available through charitable organizations has also been affected by rising food prices. Among those who have received food donations, more than half (59 percent) said the amount or the quality or variety of food they received was reduced because of high food prices. While 68 percent of Americans donated food products to charitable organizations in the past year, 22 percent of them donated less than last year, citing higher food prices and less disposable income.

As part of Hormel Foods' commitment to hunger causes, the company has donated more than \$1 million to hunger-related charities in 2008.

The 2008 Hormel Hunger Survey was conducted for Hormel Foods in August 2008 by the research firm Opinion Research Corp. The survey consisted of telephone interviews with 800 randomly selected American adults. The margin of error for the total sample is +/- 3.5 percent. The study was commissioned by Hormel Foods to increase the understanding of issues surrounding hunger.

About Hormel Foods

Hormel Foods Corporation, based in Austin, Minn., is a multinational manufacturer and marketer of consumer-branded food and meat products, many of which are among the best known and trusted in the food industry. The company leverages its extensive expertise, innovation and high competencies in pork and turkey processing and marketing to bring quality, value-added brands to the global marketplace. In each of the past nine years, Hormel Foods was named one of "The 400 Best Big Companies in America" by *Forbes* magazine. The company enjoys a strong reputation among consumers, retail grocers, foodservice and industrial customers for products highly regarded for quality, taste, nutrition, convenience and value. For more information, visit www.hormelfoods.com.

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