

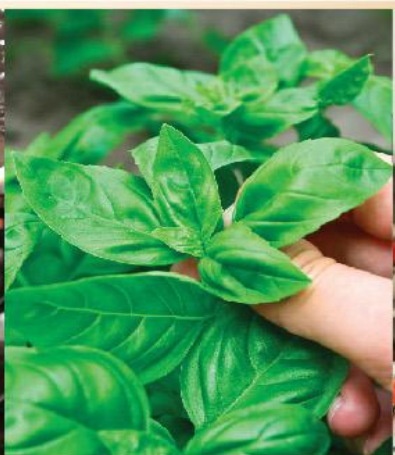
McCormick Brings Passion to Flavor™



Passion for Flavor



Power of People



Taste You Trust



Inspiring Healthy Choices



Delivering High Performance



Agenda

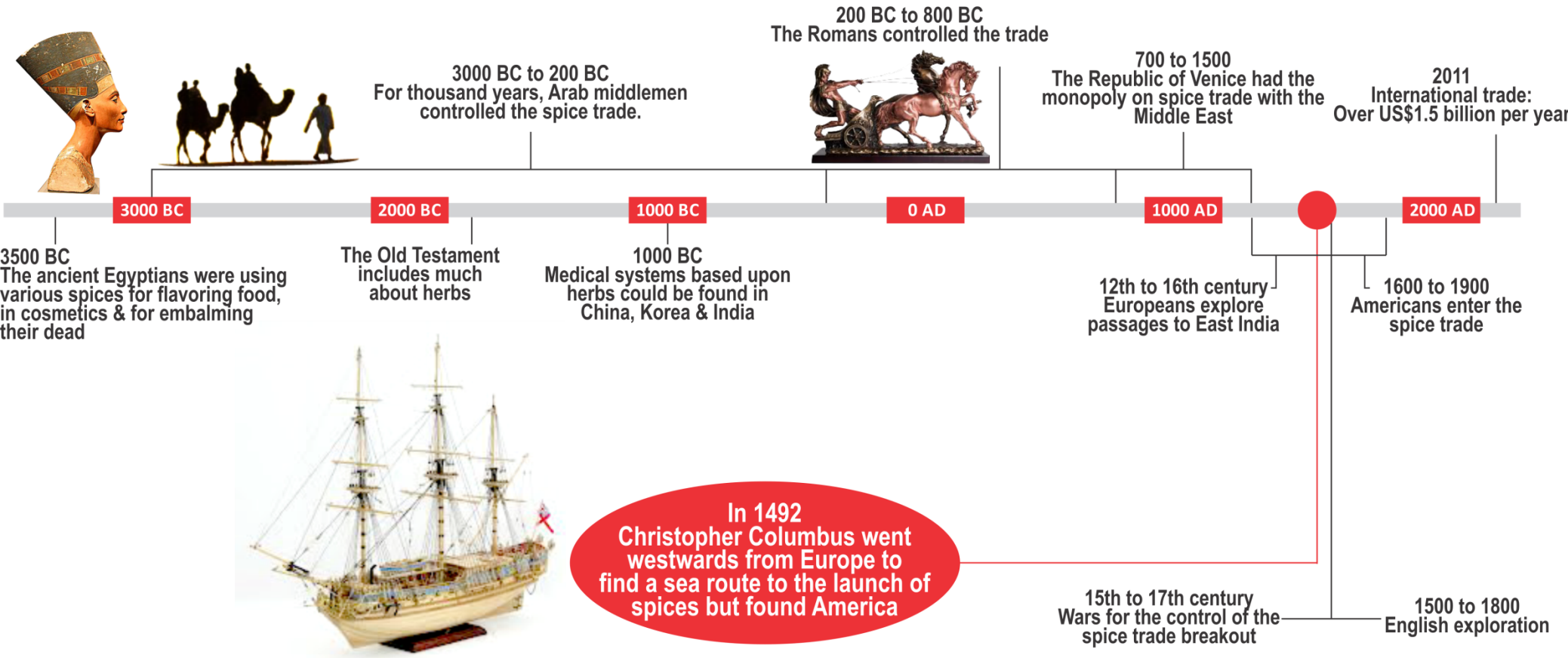
- **Spice Evolution**
- **India Becoming Global Hub for Value Added Spices**
- **Different form of Value Addition –**
 - ✓ **Quality**
 - ✓ **Safety**
 - ✓ **Sourcing**
 - ✓ **Health**
 - ✓ **Packaging**
 - ✓ **Supply Chain**
- **Value Addition in Spices across the world**



Spice Evolution

Time Line

Spices were the most valuable items of trade in ancient & medieval times, they were rare & precious products, used for medicine & perfume, incense & flavoring and played a big role throughout human history.



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Spice Was Valued More Precious Than Gold!!!

- ❑ Spice was valued more precious than gold, was used as a currency and was regarded as unattainable luxury.
- ❑ Spices have been the inspiration for trade, exploration, war, and poetry since the beginning of civilization.
- ❑ That ground pepper you shake on your salad was once worth its weight in gold.
- ❑ The nutmeg you grate onto holiday eggnog once fuelled a war that gained Long Island for England.



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India becoming global hub of processed, value-added spices

Equipment is being replaced by modern machinery, and the industry is moving towards value-added products. India is becoming a global hub for processed, value-added spices. The industry is expected to grow significantly in the coming years. The demand for spices is increasing globally, and India is well-positioned to meet this demand. The industry is also becoming more competitive, with many new players entering the market. The industry is expected to continue to grow and become a major player in the global spice market.

Trends

Consumers pay attention to Aroma, Health, Flavor, Packaging & Innovation rather than price

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McCormick uses its Passion for FlavorTM and Power of PeopleTM to Inspire Healthy Choices and Deliver High Performance, but most importantly, to provide the Taste You TrustTM



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McCormick pursuing Passion for Flavor for the last 125 years

- ❑ **Founded in 1889 by Willoughby McCormick.**
- ❑ **Headquartered in Maryland.**
- ❑ **Sell products in over 125 countries and territories.**
- ❑ **\$4.1 billion in sales.**
- ❑ **More than 10,000 employees.**
- ❑ **Manufacture products in 24 countries, supplying customers from 50 locations.**
- ❑ **Brands with established reputation for consistent, high-quality, safe, and wholesome food products.**



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We are in existence for 125 years because we believe

“Make the Best Someone Will Buy It!”

Willoughby McCormick (1889)

“Our global sourcing program gives us a competitive strength in the area of food safety that is recognized throughout the industry.”

**Alan Wilson
Chairman, President and CEO
McCormick & Company Incorporated**

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Different Form of Value Addition -



Healthy Living



Safety

Health

Supply Chain

Sour



Quality

Packaging



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1. Quality

McCormick's Global Commitment to Quality Leadership Reducing Risk to You and Your Customer

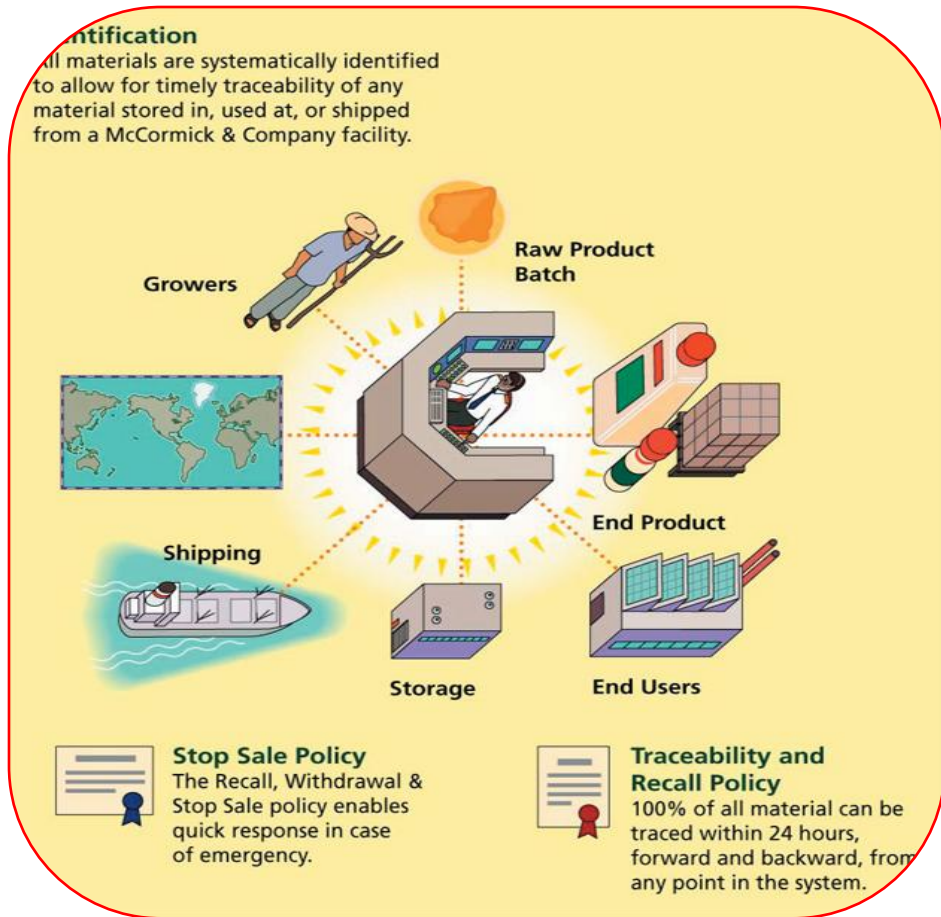
- **Strict sterilization and sanitation practices, food safety facility design, GMP's and Environmental Monitoring Program**
- **Proprietary steam sterilization technology**
- **Sustained significant capital investment in plant and facilities**



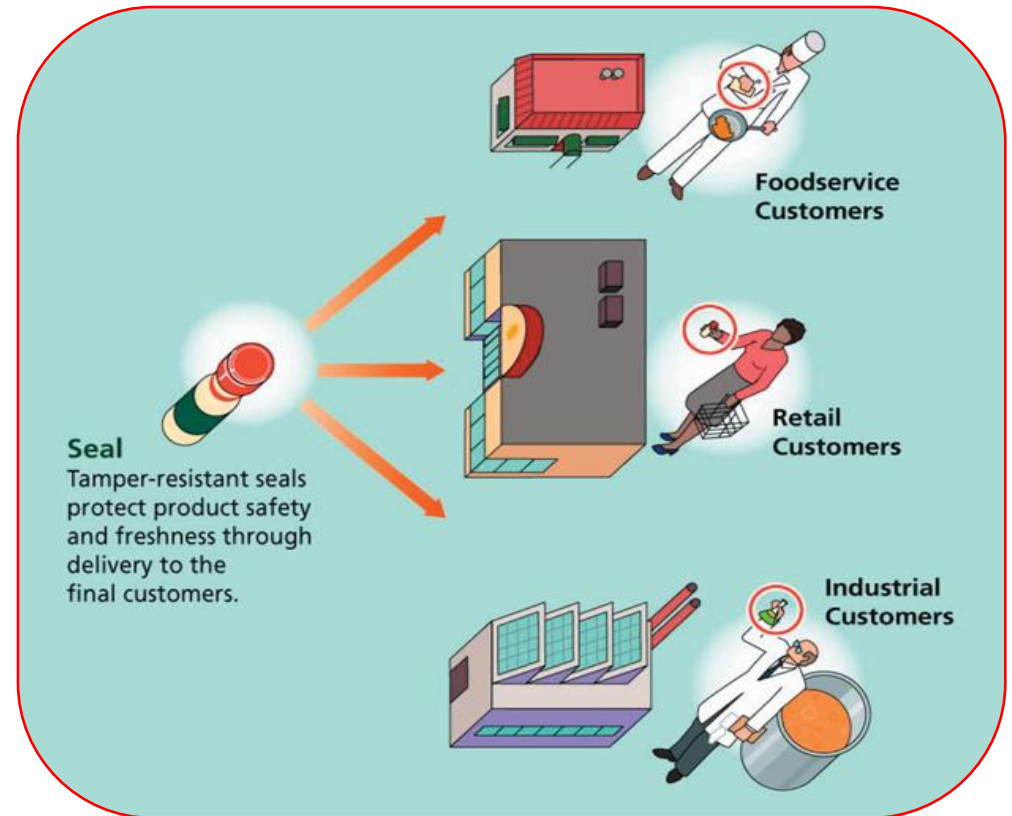
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Safe & Secure from Field to Shelf



Tracking




Final Product

- ⑩ In-Process & Final Pack
- ⑩ Recall & Traceability

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Treatment Method Comparison

Method	Effectiveness	Benefits	Drawbacks
Steam	Pathogen free (i.e. kills salmonella and E. coli), kills yeast and mold and reduces bacterial load	No residue, accepted globally, flavor not impacted by the process	Slight color loss in some herbs
EtO	Pathogen free, kills yeast and mold and reduces bacterial load	Effective method, terminal process, flavor not impacted by the process	EtO banned in most countries, ECH residue, worker exposure danger
 Irradiation	Pathogen free, kills yeast and mold and reduces bacterial load	Effective method, approved in the US, terminal process, flavor not impacted by the process	Needs to carry the food irradiation symbol, negative consumer perception.
Sample & Release	FDA approved sampling protocol	100% natural, product is not changed in any way, flavor not impacted by the process	No active effort to treat, adequacy of this method depends upon how uniformly the protocol is applied

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- ❑ **Rigid Quality Standards**



- ❑ **Commitment to Continuous Improvement**

- ❑ **Proprietary Technology**



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2. Safety

Key Quality and Food Safety - Risk Management Practices

- ❑ **Material Risk Assessment**
- ❑ **Supplier Quality Expectation Manual**
- ❑ **Global Economic Adulteration Monitoring Program**
- ❑ **Prevention Based Microbiological Program**



McCormick's Global Commitment to Food Safety



As the largest spice manufacturer in the world with \$4.1B in sales and 50 locations in 24 countries, we require the highest standards in food safety and quality.



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3. Sourcing Spice and Herb Sources

McCormick's successful sourcing of products from around the world has enabled us to achieve the optimum quality from year to year given localized variations due to weather and economic / political instabilities.

Successfully sourcing from multiple locations facilitates securing the quantity and quality of material at the optimum price.



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- Spain**
- › Anise
 - › Paprika
 - › Rosemary
 - › Saffron
 - › Thyme

- France**
- › Basil
 - › Chervil
 - › Fennel Seed
 - › Rosemary
 - › Savory
 - › Tarragon
 - › Thyme

- Netherlands**
- › Caraway Seed
 - › Chervil
 - › Poppy Seed

- Albania**
- › Oregano
 - › Rosemary
 - › Sage
 - › Savory

- Poland**
- › Poppy Seed
 - › Thyme

- Romania**
- › Coriander

- Turkey**
- › Anise
 - › Bay Leaves
 - › Cumin Seed
 - › Fennel Seed
 - › Oregano
 - › Poppy Seed
 - › Sage

- Pakistan**
- › Cumin Seed
 - › Dill Seed
 - › Red Pepper

- China**
- › Celery Seed
 - › Chives
 - › Cinnamon/Cassia
 - › Coriander
 - › Cumin Seed
 - › Fennel Seed
 - › Garlic
 - › Ginger
 - › Onion
 - › Oregano
 - › Parsley
 - › Red Pepper
 - › Shallots
 - › Star Anise
 - › Szechwan Pepper
 - › Turmeric
 - › White Pepper

- Canada**
- › Caraway
 - › Coriander
 - › Mustard

- U.S.A**
- › Mint
 - › Onion
 - › Parsley
 - › Garlic

- Mexico**
- › Allspice
 - › Ancho Chile
 - › Oregano
 - › Vanilla beans

- Guatemala/Honduras**
- › Allspice

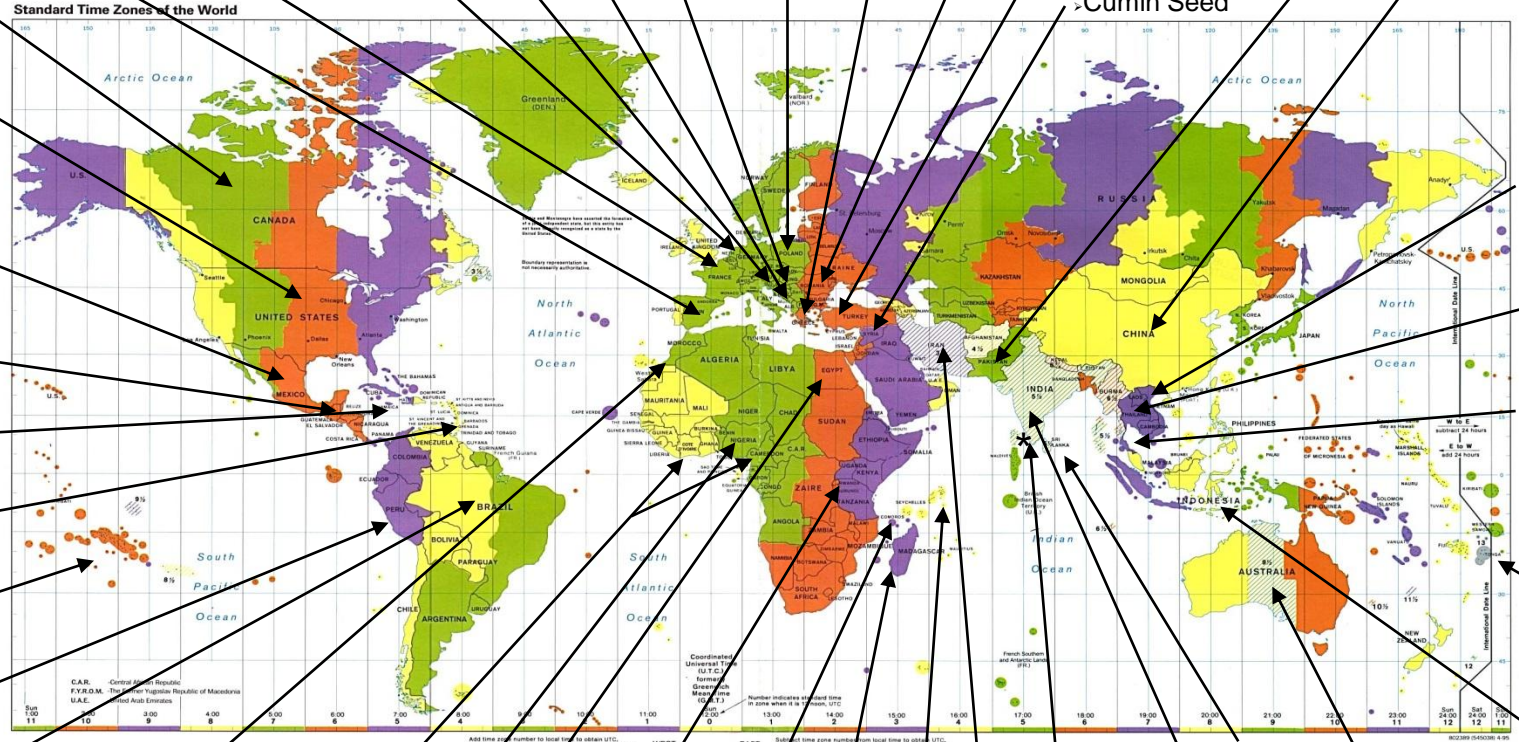
- Jamaica**
- › Allspice
 - › Kola Nuts

- West Indies (Granada)**
- › Mace
 - › Nutmeg

- Tahiti**
- › Vanilla beans

- Peru**
- › Paprika
 - › Turmeric

- Brazil**
- › Arrowroot
 - › Cloves
 - › Black Pepper
 - › White Pepper
 - › Paprika



- Morocco**
- › Coriander
 - › Fenugreek
 - › Oregano
 - › Parsley
 - › Rosemary
 - › Saffron
 - › Thyme

- Ivory Coast & Cameroon**
- › Kola Nuts

- Nigeria**
- › Ginger

- Egypt**
- › Anise
 - › Basil
 - › Caraway
 - › Coriander
 - › Dill weed
 - › Fennel seed
 - › Marjoram
 - › Mint flakes

- Uganda**
- › Vanilla beans

- Comoros**
- › Vanilla Beans
 - › Cloves

- Madagascar**
- › Cloves
 - › Vanilla Beans

- Seychelles**
- › Cinnamon

- Greece**
- › Oregano

- Iran**
- › Cumin

- *Malabar (S. India)**
- › Black Pepper
 - › Turmeric
 - › Cumin
 - › Ginger
 - › Celery Seed
 - › White pepper

- Syria**
- › Cumin Seed

- Sri Lanka**
- › Cinnamon

- India**
- › Cardamom
 - › Celery Seed
 - › Cumin Seed
 - › Dill Seed
 - › Fennel Seed
 - › Fenugreek
 - › Mace
 - › Nutmeg
 - › Red Pepper
 - › Vanilla Beans

- Australia**
- › Poppy Seed

- Thailand**
- › Lemongrass
 - › Turmeric

- Malaysia**
- › Cloves (Pedang)
 - › Black Pepper (Sarawak)
 - › White Pepper (Sarawak)

- Tonga**
- › Vanilla beans

- Indonesia**
- › Cinnamon
 - › Cloves
 - › Mace
 - › Nutmeg
 - › Vanilla Beans (Bali, Java)
 - › Black pepper (Lampung)
 - › White Pepper (Muntok)

Global Sourcing Sustainability – ‘Spice’



S

Strong ties to suppliers

P

Promote best practices throughout entire supply chain

I

Increased incomes to spice producers by supplying better value raw materials

C

Corporate commitment to support community social needs

E

Environmental stewardship and protection



10 Questions to Ask Your Spice Supplier

- 1** Where do you get your spices?
- 2** What programs assure Good Agricultural Practices and Good Manufacturing Practices in the growing regions?
- 3** How are new origins evaluated?
- 4** What programs are in place to assure ground spices are not adulterated?
- 5** How are the spices sterilized?
- 6** Is the efficacy of the sterilizer validated?
- 7** What post processing controls are in place to prevent microbial cross contamination of raw, untreated and sterilized spices?
- 8** What third party food safety and quality certifications or audits does the spice manufacturer have?
- 9** What product and environmental sampling and microbiological testing programs are in place?
- 10** What programs are in place to verify the accuracy and reliability of microbiological, chemical and physical tests?

4. Health

Health Benefits of Spices

Spices as an Antidote to Spoilage

Spice Mixture enhance the Food Preservation

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5. Packaging

- Natural Deteriorative Characteristics of Spice & Spice Products
 - Loss of Aroma & Flavor
 - Bleaching of Color
 - Loss of Free Flowing Nature
 - Microbial Spoilage
 - Insect Infestation



Hence to take care of above problems packaging plays an important role to maintain the quality & safety of spices.

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Packaging Material Requirement for Spices & Spice products

Should have protection against physical, chemical & microbial contamination. Should be impermeable to moisture & oxygen.

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6. Supply Chain Control Principles

- ❑ The most effective and efficient method to assure the absence of economic adulterants and contaminants is through control of the supply chain back to source.
- ❑ We deploy a positive control based, Quality Assurance approach to prevent adulteration of our agricultural raw material base.
- ❑ Our strategic control of the supply chain is based on a three-pronged approach:
 - ✓ Vendor alliances
 - ✓ Source material control
 - ✓ Control of manufacturing process
- ❑ These form the cornerstone of the management of the supply chain from field to plant and assure adulterant-free material.

Importance of Value Addition in Spices

Importance

India's estimated production of spices is 1.59 million tonnes in 2012 and by 2016 it will be 2.0 million tonnes. The growth in the spice industry is primarily due to increasing demand for value-added spices.

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Global Spice Market

Going Bold

U.S.A

Steady Growth

The packaged spice and herb market globally is a \$10.5 billion market, growing at a steady pace of 3.1% over the next five years. The category is expected to grow by another \$1 billion by the year 2017. The U.S. market is a \$3.5 billion market, growing at a steady pace of 3.1% over the next five years. The category is expected to grow by another \$1 billion by the year 2017.

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Spice Value Addition - USA



Data Analytics Technical Innovation Centre Packaging Manufacturing/ Processing Food Science Institute Merchandising

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Spice Value Addition - China



Product Specs Merchandising Manufacturing/Processing

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Spice Value Addition - India



Pouches & Boxes

Manufacturing/Processing

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Indian Market a change from pyramid to sparkling diamond



India...

- Growing at an average annual rate of 7.6% for the past five years.
- A young population, 54% of Indians under 25 years of age.
- A fifth of Urban Indian Shoppers now shop regularly at Modern Trade. (as per Neilson's report)



India – Let's Spice it Up!

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