



The Philip Morris Family of Companies



Philip Morris is an agriculture-based
consumer products company.

Philip Morris Management Corp.
P.O. Box 26603
Richmond, VA 23261
Phone: 804.274.2692
Fax: 804.274.2841
www.philipmorris.com

*The Philip Morris
Family of Companies.*

Bringing your harvest home.



Welcome to the Philip Morris Agricultural Initiative.

A partnership of interests between the world's most productive farmers and the largest ag-based consumer products company in America is essential. Why? Because we need your quality agricultural products as ingredients in each of our popular consumer brands. And you need us to help grow national and global demand for your harvest. That's why we're launching **Shared Solutions**SM, the Philip Morris Agricultural Initiative designed to work with U.S. farmers and ranchers on issues important to both of us. Read on, and see how we're connected.

American farmers supply Philip Morris with quality agricultural products.

Quality in, quality out.

Every box of cereal, can of beer and package of cheese marketed by the operating companies of Philip Morris starts its journey somewhere on a farm. Maybe yours. United States farmers and ranchers provide us with more than \$5 billion worth of agricultural products each year. No other farmers in the world have the proven ability to harvest the large, consistently high quality supplies of the commodities we need year after year. At Philip Morris, we appreciate the work you do.

The Philip Morris family of companies spends about \$2 billion on **dairy** products every year, making dairy producers and their cooperatives together the companies' largest supplier of food ingredients.

Every year, more than \$400 million worth of **pork** and **beef** meet the nation's demand for *Oscar Mayer* hot dogs, cold cuts and bacon, as well as other Philip Morris brands.

American producers sell more than \$400 million worth of **poultry** and **eggs** to meet the production needs of various brands, including *Louis Rich* and *Kraft*.

High quality U.S. **grains** – to the tune of more than \$500 million – become cereals, pasta and beer from the Philip Morris family of companies. Growers of wheat, barley, hops, corn, oats and other grains are the valued suppliers.

U.S. **tobacco** is the finest quality anywhere. Philip Morris U.S.A. and Philip Morris International purchase more than \$1 billion worth of tobacco from American growers yearly.

The Philip Morris family of companies also buys more than \$400 million worth of fruit, nuts, vegetables and sugar.

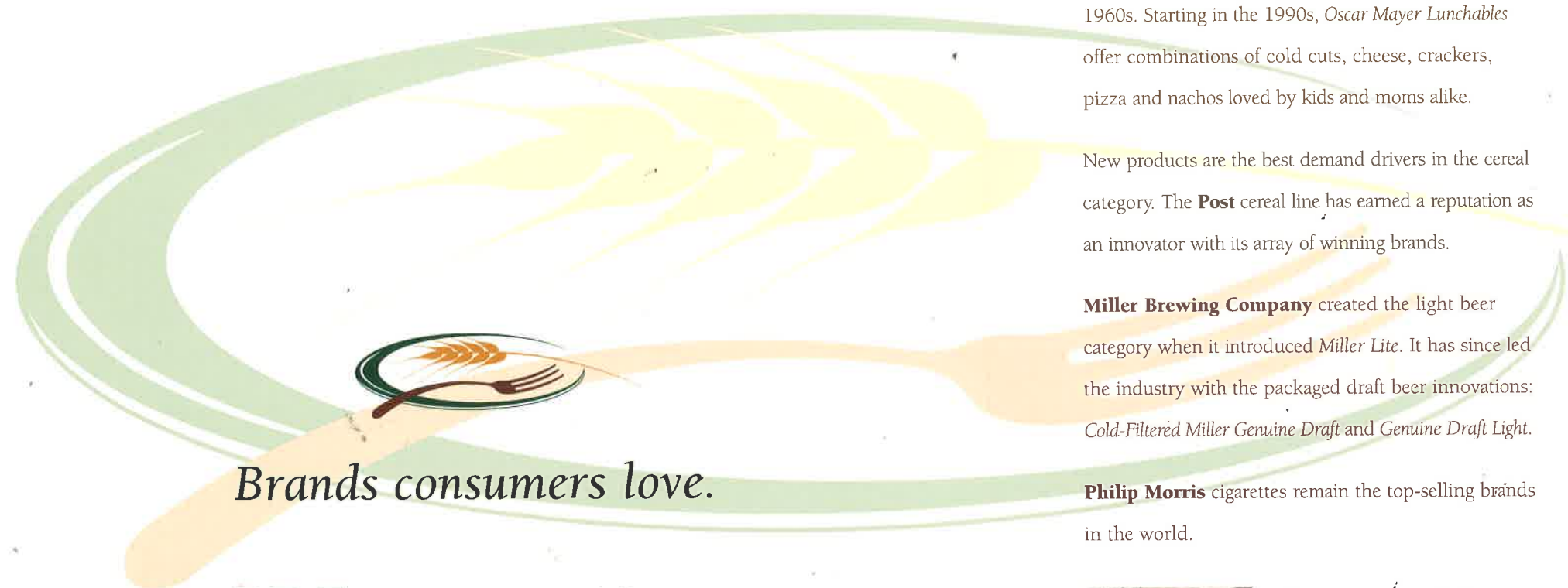


JAY POOLE
Vice President of
External Affairs,
Philip Morris
Management Corp.,
from a family farm
in Virginia

“Having grown up on a farm, I’ve seen the supply chain from beginning to end. In essence, we’re all part of one industry catering to a world of consumers.”



In turn,
Philip Morris
builds demand for
your products.



Brands consumers love.

What does it take to create a household name? Great investments in consumer research and marketing, for one thing. Innovative product development. And an ambitious vision. Take the Kraft Cheese Division, for instance, which aims to make cheese a part of every snack, meal or eating occasion. All of these investments are focused on one goal: Providing consumers with quality, convenient and good-tasting choices. Consumer delight is the ultimate success.

Kraft Foods invests more than any other company to build demand for dairy products. Product innovations such as *Kraft Natural Cheese* in resealable packages, *Breakstone's Four-Pack Cottage Cheese* and *Tombstone Stuffed Crust Pizza* have helped keep cheese the primary driver of dairy industry growth.

Oscar Mayer's "I Wish I Was an Oscar Mayer Wiener" jingle has created a bond with consumers since the 1960s. Starting in the 1990s, *Oscar Mayer Lunchables* offer combinations of cold cuts, cheese, crackers, pizza and nachos loved by kids and moms alike.

New products are the best demand drivers in the cereal category. The **Post** cereal line has earned a reputation as an innovator with its array of winning brands.

Miller Brewing Company created the light beer category when it introduced *Miller Lite*. It has since led the industry with the packaged draft beer innovations: *Cold-Filtered Miller Genuine Draft* and *Genuine Draft Light*.

Philip Morris cigarettes remain the top-selling brands in the world.



MARCIA GLENN
Vice President,
Strategy & e-Procurement,
Kraft Foods, from a family
farm in Manitoba

"Managing risk for Kraft Foods is like managing risk on my family's farm. The numbers are larger, but the principles are the same."



We share strategic interests with American farmers.



Finding shared solutions.

By some estimates, world population will grow to more than 10 billion people by the year 2040. The number of middle-class families is growing worldwide, also. Satisfying the world population's increasing appetite for consumer products will be challenging! To meet the challenge, all of us involved in agriculture and the production of consumer products must work together to make sure the resources and tools we need are available now and in the future. That means finding issues we have in common, and exploring **Shared Solutions**.

Ask any farmer or rancher. Almost all agree there's a real need to improve consumers' understanding of agriculture and food production. With less than 2 percent of Americans now living on farms, each new generation grows further removed from the realities of today's production agriculture. Yet, as voters, policy makers, teachers and media representatives, people make decisions daily that impact our nation's ability to provide consumer products to the world.

Educating people about our business is clearly a shared issue. As a first step, in cooperation with the American Farm Bureau Federation, we conducted one of the most comprehensive farmer-consumer research studies ever undertaken. Its mission was to identify gaps that might exist between consumers' and farmers' opinions about how food should be produced. We learned that while consumers are very satisfied with their food supply, they have some concerns about modern farming practices. Let's seek **Shared Solutions** to these identified "gaps" and establish sound farm policies that enable agriculture to continue to satisfy the appetite of the growing world of consumers.

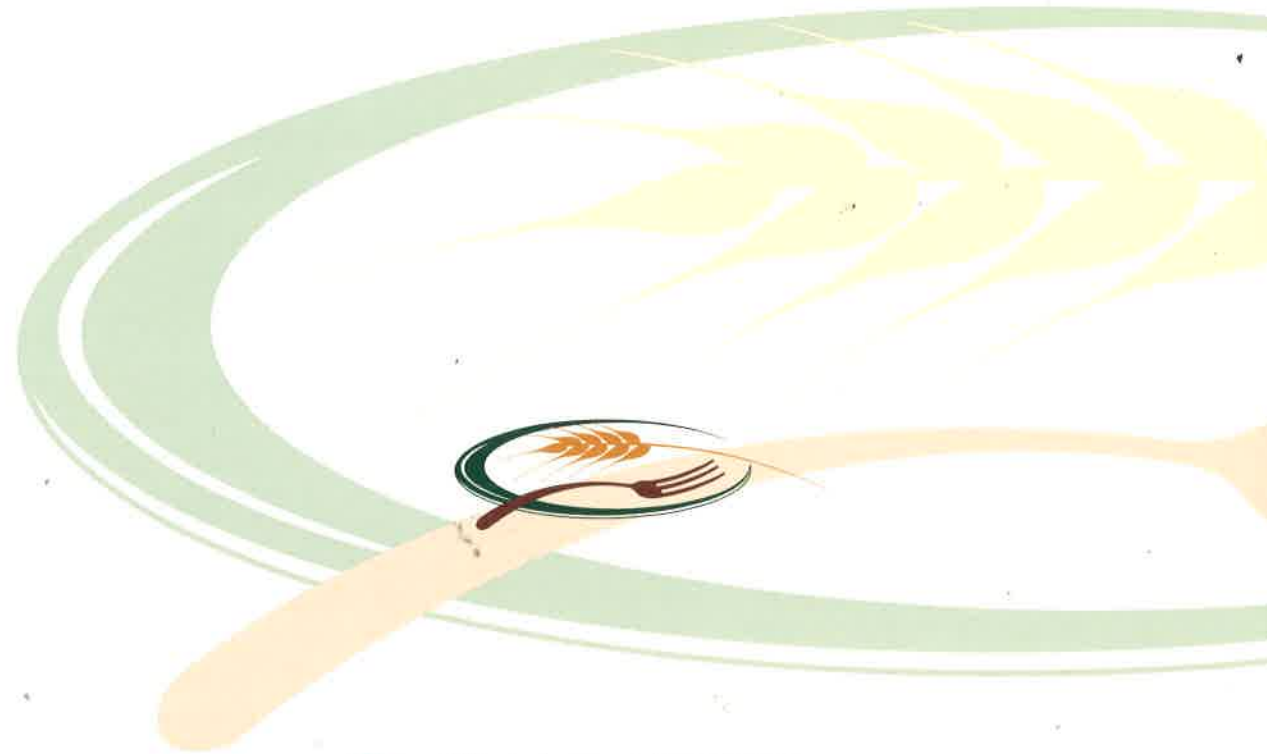


BRUCE GINN
Director of Commodities,
Oscar Mayer Foods,
from a family farm
in Texas

"Sometimes we get caught up in our own aspect of the chain, and we forget that we all need to work together to deliver products to the consumer."



Let's share ideas.



If you'd like to hear more about the issues and interests we share, call Jay Poole, Vice President of External Affairs, at (804) 274-2692, Russell Laird, Director of Agricultural Relations, at (202) 637-1562, or Katherine Trent, Manager of Agricultural Relations, at (804) 274-3329. Let's put our heads together on issues that matter to both of us. That's what the **Shared Solutions** program is all about.

Shared Solutions™ is a service mark of Philip Morris Management Corporation.

BREYERS ALL NATURAL YOGURT

KRAFT PASTA SALAD

JELLO

MAXWELL HOUSE

LOUIS RICH

Cracker Barrel

Post BAKERY MADE SINCE 1875

Kool-Aid

Miller

KRAFT SHAKEN BAKE

BULLSEYE

Jack's PIZZA

"It's the Creamiest!" **KRAFT** **Velveeta** MELT & CHEESE

Lunchables

KRAFT **Macaroni & Cheese**

Oscar Mayer

CAPRISUN 100% NATURAL JUICE

Miracle Whip

TOMBSTONE

Reduced Fat 2% Milk Singles

Stove Top

PHILADELPHIA CREAM CHEESE

Good Seasons

Oscar Mayer **FREE** NO FAT

KRAFT **Cheez Whiz**

BULLSEYE

THICK 'N SPICY **KRAFT** BARBECUE SAUCE

Minute

What is most important to answer the question: "How important are issues of greatest concern to you?" (Please rank the issues from 1 to 5, with 1 being the most important and 5 being the least important.)

Consumer understanding of agriculture _____ Price risk management _____
 Building demand for agricultural products _____ Expanding markets _____
 Environmental questions _____

How did you find the information presented in this survey?
 Very helpful _____ Not helpful _____

Would you like to continue to receive information about this program?
 Yes _____ No _____

How interested are you in working with the Philip Morris family of companies on your issues of greatest concern?
 Very interested _____ Somewhat interested _____ Not at all interested _____

What is your greatest concern?
 Very interested _____ Somewhat interested _____ Not at all interested _____

Kool-Aid **Post** **Cracker Barrel** **LOUIS RICH**

ZIP: _____

E-mail: _____

What are your commodities?
 Small Large Pork Other _____

Jack's PIZZA **KRAFT** **SHAKEN BAKE** **Miller**

_____ acres _____ number of animals

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