ConAgra, Inc.



Report
on
Fiscal
1991
Second
Quarter

2

Financial Highlights

Fiscal 1991 Second Quarter — Record Sales and Earnings (September - November 1990)

		Increase from last year
Net sales	$ 5.33 billion	+38.1%
Income before income taxes	$152.4 million	+52.6%*
Net income	$ 88.3 million	+38.0%*
Earnings per share	$ .60	+15.4%*

Fiscal 1991 First Half — Record Sales and Earnings (June - November 1990)

		Increase from last year
Net sales	$ 9.82 billion	+24.8%
Income before income taxes	$249.1 million	+43.9%*
Net income	$146.2 million	+30.8%*
Earnings per share	$ 1.06	+17.8%*

** Excluding a gain from nonrecurring items in last year's first quarter as described in the comments on financial statements.*

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On the front cover: Microbiologist Diane West in the microbiology lab at ConAgra's new Product Development Laboratory

We are pleased to report that ConAgra's sales and earnings for the second quarter and first half of fiscal year 1991 were the highest for any quarter or half in our company's history.

ConAgra's second quarter was highlighted by good earnings balance, aggressive activity in new consumer products and excellent progress bringing the Beatrice businesses on board. In fact, the Beatrice businesses added to second quarter earnings per share, as well as making a substantial contribution to sales and net income. The second quarter also was marked by successful financing actions which helped reduce future interest expense and supported ConAgra's commitment to a conservative balance sheet. (See related news items in this report.)

During the second quarter and first half, ConAgra's largest industry segment, Prepared Foods, registered a major increase in operating profit.

The Beatrice businesses -- Hunt-Wesson, Swift-Eckrich and Beatrice Cheese -- were the key source of the Prepared Foods profit increase. ConAgra acquired Beatrice Company on August 14; Beatrice operations were included in ConAgra's results for two weeks of fiscal 1991's first quarter and all of the second quarter. Beatrice earnings to date have been ahead of plan.

ConAgra's consumer frozen food business achieved exceptional double-digit unit volume growth in fiscal 1991's second quarter and first half. Successful new products and brands such as Healthy Choice and Kid Cuisine and established Banquet, Morton and Patio brands supported the surge. Over 50 new products were introduced during the second quarter. They included additions to the national Healthy Choice and Kid Cuisine lines and new frozen and shelf-stable lines in test markets. Despite heavy marketing spending, earnings were up significantly in the second quarter and well ahead in the first half.

The fresh red meat business, principally fresh beef, pork and lamb products, achieved good operating profit growth in the second quarter and first half spurred by first quarter beef gains, second quarter pork improvement and better lamb results in both periods. Earnings declined in the chicken products business as excessive industry supply pushed selling prices and margins below last year's strong level. Turkey products results improved, but also were constrained by industry supply increases.

Other businesses contributing to the Prepared Foods second quarter and first half earnings gains included the frozen potato products joint venture, dairy and food oils, seafood and branded processed meats. The Armour processed meats business should benefit in the future as part of a new company, Armour Swift-Eckrich, formed in the second quarter. (See related news item in this report.)

In ConAgra's Agri-Products industry segment, operating profit was up meaningfully in fiscal 1991's second quarter and slightly ahead in the first half. Specialty retailing operating profit was up in both periods. Fertilizer results improved in the second quarter, while first half operating profit was flat. In the crop protection chemicals business, operating profit grew moderately in the second quarter and declined in the first half.

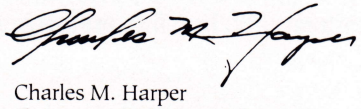
In ConAgra's Trading & Processing industry segment, operating profit declined in the second quarter and first half. Flour milling earnings grew in both periods. Specialty grain processing results were satisfactory, although below last year's strong levels. Grain merchandising operating profit was about even in the second quarter and ahead through the first half. The segment's first half earnings were hurt by disappointing first quarter results in the dry edible bean business.

The Beatrice businesses were the principal source of the sales increase in the second quarter and first half of fiscal 1991; higher costs and expenses were associated with the sales increase. The Beatrice acquisition also was the main reason for increases in preferred dividends, weighted average shares outstanding and the effective tax rate.

For the full fiscal year 1991, we continue to expect ConAgra's 11th straight year of record earnings per share.

On behalf of our board of directors, I extend best wishes to our stockholders, employees and friends for health and happiness in the New Year. As we close this report, the outcome in the Persian Gulf remains highly uncertain. Please join 75,000 ConAgrans in expressing heartfelt gratitude and our hope for peace to the men and women of the Armed Forces who serve America nobly and well.

Sincerely,



Charles M. Harper
Chairman and Chief Executive Officer

December 28, 1990

ConAgra, Inc. and Subsidiaries
Consolidated Statements of Earnings

In thousands except per share amounts

	CONSOLIDATED	
	13 Weeks Ended	
	November 25, 1990	November 26, 1989
Net sales	**$5,328,323**	**$3,857,140**
Costs and expenses		
Cost of goods sold	4,605,018	3,444,972
Selling, administrative and general expenses	491,130	273,371
Interest expense, net	86,767	43,193
	5,182,915	3,761,536
Income before equity in earnings of unconsolidated subsidiaries and income taxes	145,408	95,604
Equity in earnings of unconsolidated subsidiaries	7,022	4,314
Income before income taxes	152,430	99,918
Income taxes	64,179	35,973
Net income	**88,251**	**63,945**
Less preferred dividends	6,052	147
Net income available for common stock	$ 82,199	$ 63,798
Earnings per common and common equivalent share	**$ .60**	**$ .52**
Weighted average number of common and common equivalent shares outstanding	136,997	122,652
Cash dividends declared per share of common stock	$ .173	$ .150
Free cash flow	$ 125,106	$ 76,908
Market price per share of common stock		
High	$ 36.63	$ 27.83
Low	$ 29.50	$ 21.33
Last	$ 33.63	$ 25.83

BASIC FOOD COMPANIES		FINANCE COMPANIES	
13 Weeks Ended		13 Weeks Ended	
November 25, 1990	November 26, 1989	November 25, 1990	November 26, 1989
$5,287,113	**$3,809,970**	**$41,210**	**$47,170**
4,605,018	3,444,972	–	–
458,248	238,514	32,882	34,857
81,981	35,974	4,786	7,219
5,145,247	3,719,460	37,668	42,076
141,866	90,510	3,542	5,094
7,022	4,234	–	80
148,888	94,744	3,542	5,174
62,390	33,604	1,789	2,369
86,498	**61,140**	**1,753**	**2,805**
6,052	147	–	–
$ 80,446	$ 60,993	$ 1,753	$ 2,805

Comments on Financial Statements:

**Fiscal 1990 first half results include a first quarter pretax gain of $6 million from nonrecurring items shown as a bracketed deduction from costs and expenses. The net gain after tax was $2,143,000 or two cents per share. On an operating basis excluding the nonrecurring items, fiscal 1990 first half results were income before income taxes $173,122,000, net income $111,787,000 and earnings per share $ .90.

Statements of Earnings:

Free cash flow is net income plus depreciation and amortization minus dividends.

Fiscal 1990 sales and expenses have been reclassified to conform to full-year classification. Income results were not affected.

Balance Sheets:

Other assets include brands, trademarks and goodwill of $2,720,901,000 and $247,405,000 at November 25, 1990 and November 26, 1989, respectively.

Other noncurrent liabilities consist principally of estimated liabilities of Beatrice Company for post-retirement health care, pensions, income taxes and various litigation, environmental and other matters.

Consolidated Statements of Earnings

In thousands except per share amounts

	CONSOLIDATED	
	26 Weeks Ended	
	November 25, 1990	November 26, 1989
Net sales	**$9,815,696**	**$7,863,149**
Costs and expenses		
Cost of goods sold	8,637,904	7,050,489
Selling, administrative and general expenses	809,203	560,000
Interest expense, net	131,973	86,140
Nonrecurring items, net	–	(6,030)
	9,579,080	7,690,599
Income before equity in earnings of unconsolidated subsidiaries and income taxes	236,616	172,550
Equity in earnings (loss) of unconsolidated subsidiaries	12,439	6,602
Income before income taxes	249,055	179,152
Income taxes	102,819	65,222
Net income	**146,236**	**113,930**
Less preferred dividends	6,862	1,157
Net income available for common stock	$ 139,374	$ 112,773
Earnings per common and common equivalent share**		
Net income	**$ 1.06**	**$ .92**
Net income less nonrecurring items	**$ 1.06**	**$ .90**
Weighted average number of common and common equivalent shares outstanding	131,916	122,396
Cash dividends declared per share of common stock	$ .323	$ .278
Free cash flow	$ 199,812	$ 140,665
Market price per share of common stock		
High	$ 36.63	$ 27.83
Low	$ 29.50	$ 21.17
Last	$ 33.63	$ 25.83

BASIC FOOD COMPANIES		FINANCE COMPANIES	
26 Weeks Ended		26 Weeks Ended	
November 25, 1990	November 26, 1989	November 25, 1990	November 26, 1989
$9,732,772	**$7,770,134**	**$82,924**	**$93,015**
8,637,904	7,050,489	–	–
742,878	488,673	66,325	71,327
122,464	72,810	9,509	13,330
–	(6,030)	–	–
9,503,246	7,605,942	75,834	84,657
229,526	164,192	7,090	8,358
12,510	6,438	(71)	164
242,036	170,630	7,019	8,522
99,250	61,482	3,569	3,740
142,786	**109,148**	**3,450**	**4,782**
6,862	1,157	–	–
$ 135,924	$ 107,991	$ 3,450	$ 4,782

See comments on financial statements.

Consolidated Balance Sheets

Dollars in thousands

	CONSOLIDATED	
	November 25, 1990	November 26, 1989
ASSETS		
Current assets		
Cash and cash equivalents	$ 85,595	$ 160,476
Receivables, net	1,494,536	1,577,303
Margin deposits and segregated funds	270,708	207,446
Inventory		
Hedged commodities	789,819	753,109
Other	1,812,224	1,221,754
Total inventory	2,602,043	1,974,863
Prepaid expense	121,072	83,683
Total current assets	**4,573,954**	**4,003,771**
Property, plant and equipment, net	1,820,783	1,012,673
Other assets	3,169,746	386,324
Total assets	**$ 9,564,483**	**$ 5,402,768**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes payable		
Hedged commodities	$ 586,783	$ 498,736
Other	995,209	1,075,572
Payable to customers, clearing associations, etc.	382,822	402,971
Accounts payable and accrued liabilities	2,325,967	1,732,022
Total current liabilities	**4,290,781**	**3,709,301**
Long-term debt	2,005,550	587,030
Deferred income taxes	–	95,426
Other noncurrent liabilities	1,347,785	–
Stockholders' equity		
Preferred	356,184	3,467
Common	1,564,183	1,007,544
Total liabilities and stockholders' equity	**$ 9,564,483**	**$ 5,402,768**
Book value per common share	$ 11.61	$ 8.28

BASIC FOOD COMPANIES		FINANCE COMPANIES	
November 25, 1990	November 26, 1989	November 25,1990	November 26, 1989
$ 32,480	$ 69,288	$ 53,115	$ 91,188
1,233,213	1,254,990	261,323	322,313
–	–	270,708	207,446
789,819	753,109	–	–
1,633,032	1,080,667	179,192	141,087
2,422,851	1,833,776	179,192	141,087
115,690	72,952	5,382	10,731
3,804,234	**3,231,006**	**769,720**	**772,765**
1,816,589	1,007,721	4,194	4,952
3,146,739	354,075	23,007	32,249
$8,767,562	**$4,592,802**	**$ 796,921**	**$ 809,966**
$ 586,783	$ 498,736	$ –	$ –
750,992	840,626	244,217	234,946
–	–	382,822	402,971
2,275,450	1,672,382	50,517	59,640
3,613,225	**3,011,744**	**677,556**	**697,557**
1,975,550	557,030	30,000	30,000
–	95,426	–	–
1,347,785	–	–	–
356,184	3,467	–	–
1,474,818	925,135	89,365	82,409
$8,767,562	**$4,592,802**	**$ 796,921**	**$ 809,966**

See comments on financial statements.

Consolidated Statements of Cash Flows

Dollars in thousands

Increase (Decrease) in Cash and Cash Equivalents	CONSOLIDATED 26 weeks ended November 25,1990	November 26, 1989
Cash flows from operating activities		
Net income	$ 146,236	$ 113,930
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	102,105	61,593
Provision for losses on accounts receivable	15,003	11,696
Writedown of property, plant and equipment in connection with realignment of processed meats operations	–	13,634
Undistributed (earnings) loss of unconsolidated subsidiaries	(12,439)	(6,602)
Issuance of common stock in connection with the management incentive plans	8,502	7,241
Other noncash items, net	25,616	–
Change in assets and liabilities before effects from business acquisitions	(1,321,855)	(1,175,542)
Net cash flows from operating activities	**(1,036,832)**	**(974,050)**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	5,843	4,658
Additions to property, plant and equipment	(105,484)	(108,237)
(Increase)decrease in investment in unconsolidated subsidiaries	(3,793)	(8,434)
Change in equity of Finance Companies	–	–
Increase in trademarks	(100)	(20)
Payment for business acquisitions*	(628,092)	(17,708)
Other items	201	(815)
Net cash flows from investing activities	**(731,425)**	**(130,556)**
Cash flows from financing activities		
Net short term borrowings	1,166,575	1,131,190
Proceeds from issuance of long-term debt	654,048	71,417
Proceeds from sale of accounts receivable	397,423	–
Proceeds from exercise of employee stock options	6,338	3,173
Redemption of SIPCO preferred stock	–	(28,201)
Cash dividends paid	(40,065)	(33,202)
Repayment of long-term debt	(416,747)	(222,761)
Treasury stock purchases	(2,004)	(38,663)
Other items	(32,238)	1,691
Net cash flows from financing activities	**1,733,330**	**884,644**
Net increase(decrease) in cash and cash equivalents	**(34,927)**	**(219,962)**
Cash and cash equivalents at beginning of year	120,522	380,438
Cash and cash equivalents at end of period	**$ 85,595**	**$ 160,476**

*The value of common and preferred stock issued in the acquisition of Beatrice Company on August 14, 1990, was $709,778,000. In addition, long-term debt and other noncurrent liabilities assumed were $2,464,134,000. Long-term debt and preferred stock assumed in business acquisitions during the 26 weeks ended November 26, 1989, were $211,360,000.

BASIC FOOD COMPANIES 26 weeks ended		FINANCE COMPANIES 26 weeks ended	
November 25,1990	November 26, 1989	November 25,1990	November 26, 1989
$ 142,786	$ 109,148	$ 3,450	$ 4,782
99,616	59,346	2,489	2,247
13,886	10,909	1,117	787
–	13,634	–	–
(12,510)	(6,438)	71	(164)
8,502	7,241	–	–
25,616	–	–	–
(1,237,064)	(1,249,766)	(84,791)	74,224
(959,168)	**(1,055,926)**	**(77,664)**	**81,876**
5,362	3,325	481	1,333
(104,248)	(106,734)	(1,236)	(1,503)
(6,715)	(8,756)	2,922	322
447	542	(447)	(542)
(100)	(20)	–	–
(628,092)	(17,708)	–	–
(3,135)	2,577	3,336	(3,392)
(736,481)	**(126,774)**	**5,056**	**(3,782)**
1,119,814	1,192,194	46,761	(61,004)
654,048	71,417	–	–
397,423	–	–	–
6,338	3,173	–	–
–	(28,201)	–	–
(40,065)	(33,202)	–	–
(416,747)	(222,761)	–	–
(2,004)	(38,663)	–	–
(32,238)	1,691	–	–
1,686,569	**945,648**	**46,761**	**(61,004)**
(9,080)	**(237,052)**	**(25,847)**	**17,090**
41,560	306,340	78,962	74,098
$ 32,480	**$ 69,288**	**$ 53,115**	**$ 91,188**

See comments on financial statements.

Compare these numbers: 60 new products introduced by ConAgra Frozen Foods (CFF) in fiscal 1989...more than 170 in 1990...more than 300 forecast in fiscal 1991.

How does a company increase its new consumer products fivefold in three years?

In ConAgra Frozen Foods' case, a big part of the answer is ConAgra's new, state-of-the-art product development laboratory (PDL). The PDL enables ConAgra food product marketers to be food industry leaders, bringing quickly to market foods consumers are asking for.

ConAgra constructed the PDL on ConAgra's Omaha riverfront campus so that more of ConAgra's product development resources would be under one roof. "Prior to the PDL, ConAgra Frozen Foods had a small, overcrowded lab in St. Louis and part of a lab in Scottsdale, Ariz. We had to travel 1500 miles or more to meet with food technologists in Scottsdale. We also had to travel to our processing plants to test-run products. The travel process made creating products inefficient and difficult," says Dave Scherpf, senior vice president of research and development for CFF.

"Today, being located across the street from the headquarters of CFF, several other ConAgra food companies and ConAgra corporate headquarters, we have day-to-day interplay with the people needed to launch or restage a product," says Dave. "Housed at the lab are the CFF and Armour Food product development teams and ConAgra Foodservice Cos. headquarters and product development teams. The daily exchange of ideas among these teams provides an environment conducive to growing our businesses internally."

The PDL's 146,000-square-foot space bustles with creative product development know-how: marketing and product development people offer product ideas; food technologists create products; packaging people develop packaging; home economists test products; chemists, microbiologists and sensory technicians ensure food quality; and ConAgra top management help review products.

About 50,000 square feet of the PDL space is pilot plants, which are small replicas of ConAgra food processing facilities. The pilot plants allow food technologists to test-run products without disturbing production at ConAgra processing plants.

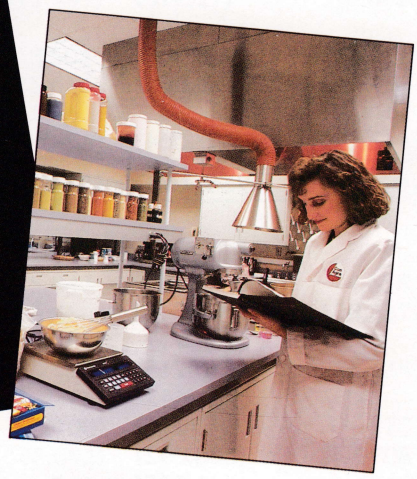
The Product Development Process



Step One:
Search for product ideas.

Product Development Process

"The product development process starts with a product idea. Ideas come from lots of different places. The Healthy Choice idea was sparked by a turkey chili recipe created by Josie Harper, wife of chairman and CEO Mike Harper," says Jim Seiple, vice president of Nutritional Foods for CFF. "Our marketing people do all kinds of research, asking kids, teenagers and adults what kinds of products they want. Our food technologists also come up with ideas. We're all consumers, so we're constantly thinking about what flavors we should go after and how we can best extend product lines."



Step Two:
Create product.

"The second step in the product development process is creating prototype products in a lab called the 'benchtop area.' At our fingertips are dicing and chopping equipment, scales, hundreds of spices and flavorings, and mixers that are small replicas of the mixers used in our

plants," says Sallie Rosenthal, CFF product development director. "These tools help us to efficiently create products.

"We take an idea and build a recipe from scratch, reformulate a product formulation or build on a cookbook recipe," says Sallie. "For example, when we created a new Banquet Mexican enchilada dinner, we wanted a mainstream enchilada flavor that would appeal to as many people as possible.

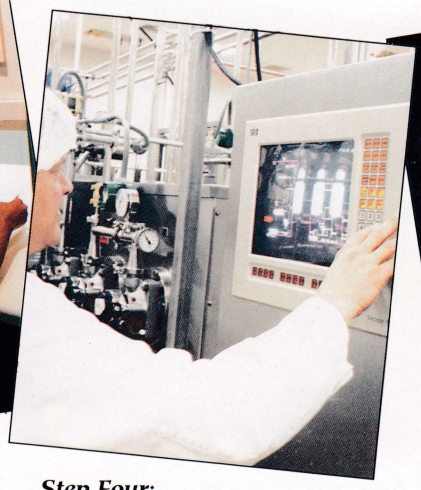


Step Three:
Critique product through sensory evaluation.

So we reviewed many cookbooks, gathering regional enchilada recipes. We combined several recipes, adding cayenne, red pepper and other spices to come up with the best flavor that met our objective. We developed several variations or prototypes of the product.

"Our third step in the product development process is having sensory evaluation panelists critique the prototypes. Sensory evaluation is conducted in the PDL's Consumer Center," says Sallie.

"With sensory evaluation, we are the consumer's advocate," says Pat Quarles, Consumer Center director. "Traditionally, sensory evaluation is involved in developing a product and is part of the research and development (R&D) department. Our approach is unique: R&D develops the prototypes, and sensory evaluation tests the prototypes, giving quantifiable information on which prototype would be the best for further consumer

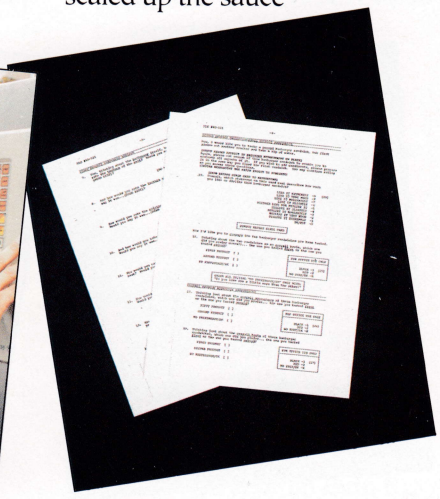


Step Four:
Test-run product at pilot plant.

testing. Since we don't take part in the product's development, we deliver unbiased, objective views on the product.

"Our trained sensory panelists detect subtle differences in foods' taste, texture and appearance, offering directional information on how R&D and marketing can improve a product," says Pat. "In addition, the Consumer Center coordinates about 90 product samplings a month. At a sampling, products are critiqued by people representing marketing, quality assurance, engineering and other areas involved in the product production process."

"Feedback from sensory evaluation testings and product cuttings allows us to improve a product. Our fourth step in the product development process is to ready the product for the pilot plant," says Sallie. "We recently reformulated a Kid Cuisine cheese ravioli sauce to meet kids' preference for a sweeter-tasting, less spicy sauce. We scaled up the sauce



Step Five:
Conduct consumer product guidance tests, in-home consumer tests.

quantity from a two-pound batch to a 500-pound batch for a pilot plant test run.

"At the pilot plant, we cooked the sauce in sauce cookers that are replicas of plant sauce cookers. The pilot plant allows us to determine the optimum cooking process before the sauce recipe goes to the processing plant," says Sallie.

"Because the pilot plants are approved by the United States Department of Agriculture, we can ship product directly to consumer test markets for product guidance

testing, which is the fifth step in the product development process," says Jeff Dean, vice president of CFF marketing services. "We search the nation, targeting consumers who purchase products similar to the product we're testing.

"Consumers who respond to our call might critique products in a quiet area at a shopping mall. Consumer respondents taste-test products across the country to account for regional taste preferences," says Jeff. "We also have respondents take the product home to test under normal consumption circumstances. The home respondent critiques the meal in a diary, which we collect a week later. The information gathered from these tests tells us if the product is a probable winner or if we have to go back to the benchtop to improve the product."

"At the PDL, we also design product packaging and create nutritional labeling and heating instructions. The sixth step in the product development process is manufacturing the product at one of our processing plants," says Jim. "For the seventh step, we distribute the product to regional test markets where we measure consumer awareness and buying patterns of the product. If the product isn't received well in the test markets, then we'll continue to refine the product. If all goes well in the test markets, then our final step is rolling out the product to supermarkets across the country."

"Just because a product is on the national market, that doesn't mean it can't be improved," says Pat. "Our food packages list an 800 phone number so consumers can call the Consumer Center regarding a product. This allows us to respond quickly to consumers. We receive an average of 1500 consumer calls a month."

ConAgra Who?

"Five years ago, we were 'ConAgra Who?' We had to beat the bushes looking for suppliers who could help us build new products," says Dave. "Today, the physical presence of the PDL with its first-class blend of advanced technology and a comfortable work environment says 'ConAgra is committed to product development and knows what it's doing.'

"Now, many key food industry representatives knock on our door, offering ideas and ingredients that help us make better products. And we've had many international visitors from Russia, Ireland, Japan and other countries," says Dave.

"The PDL tools are only as good as the people who operate them. The PDL has been a strong recruiting tool, attracting some of the nation's top food product development people," says Tony Rebello, president of ConAgra Foodservice Cos.

"Our mission at the PDL is to work with people who can take technology and create foods people like to eat," says Jim. "I think our track record of new products shows we've been true to that mission."



Step Six:
Manufacture product.



Step Seven:
Distribute product to supermarkets in regional test markets.



Step Eight:
Roll out product nationally to supermarkets.



ConAgra's Healthy Choice products are leaders in providing complete and easy-to-understand nutrition information to consumers.

Do you know the difference between nutrition sense and nonsense? Find out by taking the following quiz. A score of 8 to 10 correct answers means you're "fortified" with important nutrition information. Less than 5 right answers? Go to the end of the supermarket check-out lane!

1. The description "lite" or "light" on a product means:

a. light in color
b. light in calories
c. light in taste
d. any of the above

2. You bought a bottle of vanilla extract. There's no list of ingredients on the label. Why not?

a. Such a list is not required on food labels. It's optional.
b. A list of ingredients is not required for vanilla extract because it is a flavoring.
c. Vanilla extract is covered by a "standard of identity." This standard requires certain ingredients be used in common foods.
d. This brand of vanilla must be a local brand. Therefore, there are no labeling requirements.

3. Lean meat and poultry products:

a. contain no more than 10 percent fat by weight
b. contain no more than 5 percent fat by weight
c. are 98 percent fat free by weight
d. contain no more than 20 percent fat by weight

4. Which type of fat is higher in calories?

a. monounsaturated
b. saturated
c. polyunsaturated
d. all are the same

5. To reduce your saturated fat intake, you should choose a margarine with which one of the following ingredients listed first?

a. liquid vegetable oil
b. partially hydrogenated vegetable oil
c. hydrogenated vegetable oil
d. palm oil

6. The average American consumes approximately how many pounds of food additives a year?

a. 60 pounds
b. 100 pounds
c. 160 pounds
d. 200 pounds

7. Which of the following are food additives?

a. vitamin C
b. MSG
c. aspartame
d. all of the above

8. How many teaspoons of sugar are in most 12-ounce cans of carbonated soft drink?

a. 3 teaspoons
b. 10 teaspoons
c. 15 teaspoons
d. 18 teaspoons

9. Low-sodium salad dressing:

a. contains very little sodium
b. contains at least 25 percent less sodium than the original product
c. contains no more than 140 milligrams of sodium per serving
d. contains no more than 140 milligrams of sodium per bottle

10. When a food is labeled "no cholesterol" or "cholesterol free," it may also be:

a. low in fat
b. high in saturated fat
c. fat free
d. all of the above

1. The answer is "d."

When "lite" or "light" appears on a product, these terms may describe anything from less fat, salt, sodium or breading, to light in calories, color or taste.

2. The answer is "c."

Vanilla extract is one of about 50 food products that need not provide full ingredients listings. This is because the ingredients in some "standard of identity" foods do not require listing. Many manufacturers, however, voluntarily list these ingredients. *Optional* ingredients added to FDA standard of identity products must be listed on the label. USDA standard of identity foods must list all ingredients.

3. The answer is "a."

The term "lean" may be used only for meat and poultry products that have no more than 10 percent fat by weight. Exceptions are ground beef and hamburger. If they are labeled "lean" or "extra lean," they must have no more than 22.5 percent fat by weight. For "lean" meat products, poultry products, ground beef and hamburger, the percentage of fat must appear on the label. It's important to read both the fat and lean content.

4. The answer is "d."

All fats contain 9 calories per gram. Regular margarine and butter contain the same number of calories per serving. However, margarine has no cholesterol and is usually lower in saturated fat.

5. The answer is "a."

Liquid vegetable oil is mainly an unsaturated fat. On the average, vegetable oils range from 6 percent to 15 percent saturated. Exceptions are the tropical oils -- such as palm, palm kernel and coconut oils -- which are high in saturated fat, ranging from 51 percent to 92 per cent saturated.

6. The answer is "c."

Americans consume about 160 pounds of additives per year. This includes more than 140 pounds of sweeteners, 15 pounds of salt and 5-10 pounds of other additives.

7. The answer is "d."

Vitamin C, which occurs naturally in such foods as strawberries, oranges and broccoli, is added to beverages for fortification. Vitamin C also is used to prevent browning of fruits and vegetables. MSG (monosodium glutamate) acts as a flavor enhancer. Aspartame (brand name NutraSweet) an artificial sweetener.

8. The answer is "b."

A 12-ounce can of carbonated soft drink usually contains the equivalent of 9 to 10 teaspoons of sugar.

9. The answer is "c."

A low-sodium product must contain no more than 140 milligrams of sodium per serving. The FDA and USDA also allow a special use of the "low-sodium" label for such products as low-sodium frozen dinners with several components. A product such as this may contain an average of 140 milligrams or less of sodium per component. The sodium content of each individual component may be more or less than 140 milligrams. However, nutrition analysis is determined for the dinner as a whole. Therefore, the sodium in all components is added together and divided by the number of components. Using this guideline, a "low-sodium" frozen dinner with four components (e.g., meat, vegetable, starch and dessert) must contain no more than 560 milligrams of sodium. The dinner as a whole is con sidered "one serving" and the package will read "one serving." But each of the four components contains an average of 140 milligrams of sodium or less. For example, each four-component Healthy Choice dinner contains 560 milligrams or less of sodium and is labeled "low sodium."

10. The answer is "d."

A food so labeled may have no fat or be high or low in fat. Peanut butter, for example, is labeled "no cholesterol" but is high in fat and calories.

Letter of Intent for Beef, Malt, Wool Investment in Australia

ConAgra has a letter of intent with Foster's Brewing Group (formerly Elders IXL) to acquire certain assets of Elders Brewing Materials and Elders International Wool Division and a 50-percent interest in Elders Meat Division.

Elders Meat is a major Australian beef processor. Elders Brewing Materials manufactures malt for brewers in Australia and international markets. Elders International Wool trades and processes wool in Australia and New Zealand and is a leading exporter of Australian wool. Combined sales of the three businesses are approximately U.S. $1 billion.

Subject to a definitive agreement, government review, and approval by the boards of ConAgra and Foster's. ConAgra expects to conclude the transaction in the near future.

ConAgra People Recognized for Results

Several publications have honored ConAgra people in the past few weeks for results achieved during calendar 1990:

Food Business magazine named ConAgra's managers the "1990 Management Team of the Year."

Advertising Age named ConAgra CEO Mike Harper the "Adman of the Year," *The Delaney Report*, an international marketing newsletter, named him the "Marketing Executive of the Year," and *Financial World* magazine named him "CEO of the Year" in the food processing industry.

The Beatrice acquisition and the success of new products like Healthy Choice and Kid Cuisine were cited as some of the reasons for ConAgra's selection for these honors.

Healthy Choice and Kid Cuisine Honored

In its December 17, 1990 issue, *Fortune* magazine named Healthy Choice one of 13 "Products of the Year." Healthy Choice was the only food product recognized.

Kid Cuisine won the American Marketing Association's prestigious Edison Award as one of the best new products of 1990.

Haefner, Walter Lead Industry Groups

Two ConAgra executives have been chosen to lead important trade associations in 1991:

George Haefner, president and chief operating officer of ConAgra Poultry Company, was elected chairman of the National Broiler Council.

Mike Walter, president of ConAgra Specialty Grain Products Company, was elected chairman of the American Oat Association.

Bousquette, Tokarz Join ConAgra's Board

Kevin Bousquette and Michael Tokarz have joined ConAgra's board. Both are executives with Kohlberg Kravis Roberts and Co. (KKR). Before joining KKR, Bousquette was an investment banker with Morgan Stanley and Co. Incorporated and an attorney with Latham & Watkins. Tokarz served with Continental Illinois National Bank and Trust Co. of Chicago as vice president and manager of East Coast operating units.

Crosson, Lochmann Join Office of President

ConAgra named two executives to the Office of the President: Al Crosson, president and chief operating officer of Hunt-Wesson, Inc., and Lee Lochmann, president and chief operating officer of Armour Swift-Eckrich.

Crosson had been president of Hunt-Wesson since 1986, and Lochmann was named president of Swift-Eckrich in 1984. Both gentlemen joined ConAgra with the August 1990 acquisition of Beatrice Company.

Armour Swift-Eckrich Formed; Three Presidents Named

The management teams of Armour Food Company and Swift-Eckrich have elected to form a company called Armour Swift-Eckrich to capitalize on the strengths of their businesses. Presidents for three independent operating companies within Armour Swift-Eckrich have been named:

Dennis Des Lauriers was named president of Butterball Foods. He was previously senior vice president and general manager of poultry and international for Swift-Eckrich.

John Likovich was named president of Armour Food Company. He had been executive vice president of Armour.

Gregg Ostrander was named president of Swift-Eckrich Prepared Foods. He was previ-

ously senior vice president of marketing for Swift-Eckrich.

Corporate Officers Named

Several corporate officer appointments were announced recently:

Tom Peters to senior vice president, control and reporting (from vice president and controller).

Red Thomas to senior vice president of finance and corporate secretary (from vice president of finance and corporate secretary).

Jerry Vernon to senior vice president, human resources (from vice president, human resources).

Dick Gady to vice president, public affairs and chief economist (from vice president, economic research).

Dwight Goslee to vice president and controller (from vice president and controller for ConAgra International).

Frank Giitter to vice president, internal audit (from director of internal audit).

Ray Hartman to vice president of tax and administration for Beatrice Corporation (from vice president of tax for Beatrice).

Jim O'Donnell to vice president, corporate treasurer (from corporate treasurer).

Lynn Phares to vice president, public relations and community affairs (from vice president, public relations).

Jim Mortensen to vice president, industrial relations (from director, industrial relations).

Janet Richardson to vice president, corporate facilities and services (from director of facilities management).

Stock Offering Supports Balance Sheet Objective

On November 29, ConAgra completed the public sale of 4.4 million shares of ConAgra common stock. After underwriting discounts and commissions and estimated expenses, the proceeds to ConAgra of $144 million will be used primarily for acquisitions such as the Elders businesses (see related news item) and also for general corporate purposes.

Using equity to finance acquisitions helps ConAgra return to its long-term balance sheet ratio objective as soon as practical.

ConAgra is temporarily exceeding its self-imposed balance sheet constraint as a result of acquiring Beatrice Company, a major strategic opportunity for the company's stockholders.

ConAgra Markets Senior Notes

During November, ConAgra successfully concluded public offerings of two long-term debt issues as part of a financing plan established in conjunction with the acquisition of Beatrice Company.

The first offering was $300 million of 9.75 percent senior notes due in 1997. Uses of the proceeds included refinancing $251 million of Beatrice's debt which had interest at about 13 percent.

The second offering was $100 million of 9.875 percent senior notes due in 2005. Proceeds were for general corporate purposes, including financing some of the cash portion of the Beatrice acquisition.

ConAgra also completed agreements to sell $400 million of accounts receivable for a period of five years. The proceeds were used to reduce debt on the company's balance sheet.

KID CUISINE OFFERS CONVENIENCE AND BALANCE

America's kids know what they like to eat. As a result, Kid Cuisine, a line of fun meals introduced nationally last March by ConAgra Frozen Foods, is one of the most successful new products of 1990.

Kid Cuisine, the first line of frozen meals made especially for kids ages 3 through 10, was developed to satisfy kids' taste preferences, as well as parents' desire for convenient, well-balanced meals.

Kid Cuisine offers complete and convenient meals featuring foods kids really like. Each of the 12 Kid Cuisine dinners includes an entree, two side dishes and a dessert, with no artificial flavors or colors. The meals can be prepared in a microwave or conventional oven.

"The profile of what kids love to eat didn't match market offerings," explained Clark Miller, product manager. "So we created a line of meals with foods that kids like, such as pizza, chicken nuggets and fried chicken, included popular fruits, vegetables or starches, and added a brownie, cookie or raisins for dessert."

A 1990 Gallup Organization survey reported the top 10 foods that children ages 3 to 11 like to eat. Nine of the 12 dinners that Kid Cuisine offers are in the top 10 listing.

Each Kid Cuisine meal contains a FunPak that includes stickers, games and puzzles featuring a friendly penguin named BJ and a polar bear named The Chef. "With the FunPaks, kids are entertained while the meal is cooking," Miller added.

Kid Cuisine carries the *Good Housekeeping* seal of approval.



Stock Price Growth

During calendar year 1990, the market price of ConAgra common stock grew from $28.50 to $37.00, an increase of 30 percent. The general stock market, as represented by the S & P 500 Index and New York Stock Exchange Composite Index, decreased about 7 percent during the year.

Common Stock Dividend

ConAgra's common stock dividend was increased 15 percent to 17 1/4 cents per share beginning with the dividend paid December 1, 1990. The next regular quarterly common stock dividend of 17 1/4 cents will be paid March 1, 1991 to stockholders of record on February 1, 1991. ConAgra has increased its cash dividend payments by at least 14 percent per year for each of the past 14 years.

Stock Listing

ConAgra's common stock is listed on the New York Stock Exchange. The ticker symbol is CAG. The company's daily trading activity, stock price and dividend information can be found in the financial section of most major newspapers, often abbreviated as "ConAg."

ConAgra, Inc.
One ConAgra Drive
Omaha, NE 68102-5001
(402) 595-4000

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