



Mark Clouse, CNBC Closing Bell
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Sara Eisen, CNBC: Campbell's Soup announcing new support for its employees amid the coronavirus outbreak. New initiatives include a \$2 per hour pay bump for hourly employees at its production facilities and distribution centers, as well as a 100 per week premium for certain front line workers. This as consumers continue to flock to grocery stores to stock up on food and essentials.

Joining us now for more in a CNBC Exclusive is Mark Clouse, Campbell Soup President and CEO, welcome back, Mark, thanks for joining us.

Tell us a little bit about some these new initiatives for your employees and why it's so important you're doing that now.

Mark Clouse, Campbell's: Sure. Great to be back on with you. The world has changed quite a bit since the last time we talked. I think the focus for us as a company right now is really around protecting our teams, and in our mind, that covers both the health and wellness, which is obviously a top priority, but also the financial side for our employees.

I think what you heard today is the complement to the health and wellness initiatives that we've already had in place, which include things like upping our sanitation focus and our personal protection equipment that are in our facilities, as well as protocols that are in place in all of our facilities where they reflect if someone comes in contact with someone with the virus, if someone has the virus, what are we doing and how are we managing through that? And if it includes a shutdown in a facility, how are we going through the cleaning efforts and reopening with the proper amount of screening to see that facility get back up?

I think today what you see now is us adding to the welfare of our teams by adding this uptick in hourly wage for our frontline workers that, quite frankly, there's been no shortage of inspirational moments from our team across the company – whether it's folks in the plants or our frontline sales and distribution efforts that are keeping food, showing up in our retailers and into our communities. I think the \$2 is a way to recognize that effort, but also help them navigate what could be some added costs in their life, including in that is our supervisors that are in sales and on the frontline with the \$100 to help navigate that as well. So, I think our efforts to try to protect our employees through both those aspects.

Sara: Talk to me Mark about the supply chain – where most of your raw materials and ingredients come from and whether you're able to access enough of them to meet demand, not to mention the trucking and the shipments with so many states in this country now shut down.

Mark: Yeah, it's you know, it's clearly, there's some challenges. I can't promise you that every flavor of every brand is going to be there each day, but what I will tell you is that the teams are doing very well and that the food supply and our supply chains are holding up in the face of what is really unprecedented demand over the last four week.

As an example, our soup business in-market consumption data is up 60%, as you might imagine, even our best efforts to ensure we're on top of ingredients and packaging is putting some strain on the system, but I'm very confident we'll continue the flow of product, that we're there to support our retailers as well as our communities.

Some of the folks that are feeling this the hardest right now are those that are utilizing food banks and hunger programs and we want to make sure that we're taking care of everybody as best we can. I would say so far, so good, and again I feel confident in our ability to continue to move forward and provide supplies as needed.



Wilfred Frost, CNBC: Mark, are you seeing a different sort of regional performance in terms of those spikes in demand you just mentioned, +60% I think you said for soups, both across different countries and different regions of the U.S. based on when they started to see cases peak?

Mark: I think demand has gone through a little bit of an evolution over these last several weeks. Initially, I think we were reacting to what you see in a natural or weather disaster where you see pantry loading and certain products in certain geographies ramping up.

I think what we've seen now as this has sustained over time as you have more people eating in home – including lunches where a lot of our products play a very important role – you're seeing the sustainment of that demand now over time, and it's not isolated to any particular part of the country and even across our entire portfolio, soup is up 60% but on the other hand, we have Goldfish that was up over 20% in the last four weeks as well, so we're seeing pretty widespread demand.

I think as people are adjusting to what they're having to deal with right now, we're finding that the products are leaving the pantry, being consumed and that the replenishment in store is really important for us to stay on top of right now.

Sara: And Mark, investors want to know if you can leverage the fact that people are coming to your brands that hadn't been for a long time, soup in particular, for the long-run. Do you see a structural shift here, where you can bring people back to the brands and this can be more than a temporary phenomenon during the crisis?

Mark: As we sit here today, obviously our top priority, and we as a company have created a simplified mission where we've set really clear priorities across the organization and are focused in three areas. The first is taking care of people, the second is making sure we produce and distribute our food as safely and quickly as we can and make sure we're fulfilling that need, and then the third area of focus is really solidifying the way we're going to operate in this new environment. That is the priority today as we focus on the things that I think matter most.

But, what I will say is as we look forward and we start to understand what the world might look like beyond this crisis or even if it's sustained over a period of time, I do think that we'll find that our products have been utilized in homes that they may not have been in the past, and I think it's been up to us to make sure that usage ideas, and that we continue to sustain on the quality of our products, but I do think they are fulfilling some very important needs now, and although not a priority, I would expect over time that this will help introduce many of our brands to a broader population.

Sara: Mark Clouse, thank you for joining us, the CEO of Campbell's Soup.

Source: <https://www.cnbc.com/video/2020/03/24/campbell-soup-ceo-on-the-impact-of-coronavirus-outbreak-on-food-supply-chain.html>

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