CONAGRA FOODS INC /DE/
Form DEF 14A
August 08, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section 240.14a-12

ConAgra Foods, Inc.

(Name of Registrant as Specified In Its Charter)

[NOT APPLICABLE]

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
[Not Applicable]

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
[Not Applicable]

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Notice of 2014 Annual Meeting of Stockholders

and

Proxy Statement

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ConAgra Foods, Inc.

One ConAgra Drive

Omaha, NE 68102-5001

Phone: (402) 240-4000

August 8, 2014

Dear Fellow Stockholder:

It is my pleasure to invite you to join us for the ConAgra Foods Annual Meeting of Stockholders, which will be held on Friday, September 19, 2014, in Omaha, Nebraska. The meeting will start at 8:30 a.m., Central Daylight Time at the Joslyn Art Museum, 2200 Dodge Street, Omaha, Nebraska 68102.

The Annual Meeting will include a report on our business, discussion and voting on the matters described in the Notice of 2014 Annual Meeting of Stockholders and Proxy Statement, and a question-and-answer session.

Whether or not you plan to join us in person, please be sure to vote your shares by proxy. Vote on the Internet or by telephone according to the instructions you find in the following pages. Or, if you received a paper copy of the materials, mark, sign and date the enclosed Proxy Card and return it in the postage-paid envelope. Your prompt response is appreciated.

Thank you for your continued investment in ConAgra Foods.

Sincerely,

Gary M. Rodkin

Chief Executive Officer

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Notice of 2014 Annual Meeting of Stockholders

Date:	Friday, September 19, 2014
Time:	8:30 a.m. Central Daylight Time (Registration will begin at 7:30 a.m. CDT)
Place:	The Witherspoon Concert Hall of the Joslyn Art Museum 2200 Dodge Street, Omaha, Nebraska 68102
Items of Business:	At the meeting, stockholders will: vote on the election of directors for the ensuing year; vote on the approval of the ConAgra Foods, Inc. 2014 Stock Plan; vote on the approval of the ConAgra Foods, Inc. 2014 Executive Incentive Plan; vote on the ratification of the appointment of our independent auditor for fiscal 2015; vote on the approval, on a non-binding advisory basis, of our named executive officer compensation; vote on one stockholder proposal described in the attached Proxy Statement, if properly presented; and transact any other business properly brought before the meeting.
Who May Vote:	Stockholders of record as of the close of business on July 28, 2014 are eligible to vote at the annual meeting and at any postponements or adjournments thereof.
Audiocast:	If you cannot attend the meeting in person, you may join a live audiocast on the Internet by visiting *http://investor.conagrafoods.com* at 8:30 a.m. CDT, on September 19, 2014.
Notice of Internet Availability of Proxy Materials:	We are pleased again this year to provide access to our proxy materials in a fast and efficient manner via the Internet. We believe this approach expedites your receipt of our materials, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting**. Our Proxy Statement and Annual Report to stockholders for the fiscal year ended May 25, 2014 are available electronically at *http://investor.conagrafoods.com*. If you receive a Notice of Internet Availability of Proxy Materials by mail, you will not receive a paper copy of our proxy materials unless you specifically request a copy. You may request a paper copy by following the instructions on**

	the Notice of Internet Availability of Proxy Materials.
Date of Distribution:	On August 8, 2014, we began mailing our Notice of Internet Availability of Proxy Materials (the Notice) and posted our proxy materials on the website referenced in the Notice. For stockholders who previously elected to receive a paper copy of the proxy materials, we began mailing our Proxy Statement, our Fiscal 2014 Annual Report and the Proxy Card on August 8, 2014.

August 8, 2014

Omaha, Nebraska

Colleen Batcheler

Corporate Secretary

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PROXY STATEMENT SUMMARY

We have included this Proxy Statement summary to assist as you review the proposals to be acted upon. The following information is only a summary, and you should read the entire Proxy Statement before voting.

Voting Items:		Board Recommendation	Page
Item #1	**Election of 12 directors**	FOR all nominees	2
Item #2	**Approval of the ConAgra Foods, Inc. 2014 Stock Plan**	FOR	60
Item #3	**Approval of the ConAgra Foods, Inc. 2014 Executive Incentive Plan**	FOR	71
Item #4	**Ratification of the appointment of our independent auditor for fiscal 2014**	FOR	76
Item #5	**Advisory Approval of Named Executive Officer Compensation**	FOR	77
Item #6	**Stockholder Proposal: Bylaw Change in Regard to Vote-Counting**	AGAINST	78

Transact any other business that properly comes before the meeting

FISCAL 2014 HIGHLIGHTS AND EXECUTIVE COMPENSATION

Fiscal 2014 was a combination of progress and challenges for ConAgra Foods. In the second half of fiscal 2013, we completed the acquisition of Ralcorp Holdings, Inc. and became the largest private brand food company in North America. As fiscal 2014 began, management was focused on the integration of the Ralcorp business, significant de-leveraging, and the delivery of organic growth. As fiscal 2014 unfolded, the company experienced challenges in each business segment that negatively impacted results. Beginning in the first quarter of the year, certain categories within our Consumer Foods portfolio began underperforming due to challenging industry conditions and competitive dynamics. Our Lamb Weston potato products business, the largest part of our Commercial Foods segment, faced the challenge of a significant customer transition and suboptimal potato crop. In addition, as the year progressed, it took us longer than originally expected to integrate the Ralcorp business and achieve targeted levels of profitability in our Private Brands segment.

Overall, our financial performance in fiscal 2014 was below expectations. We fell short of our earnings per share (or EPS) goal for the year. However, we performed well against certain key performance metrics that are important for long-term growth. We achieved operating cash flows in excess of $1.5 billion and repaid over $600 million of debt. We also remained on track for delivering our Ralcorp synergy commitments and maintained our quarterly dividend at a rate of $0.25 per share. From a longer-term perspective, the three-year period ending with fiscal 2014 was a transformational period for our company. During this period, we introduced our Recipe for Growth and deployed our resources to complete acquisitions and achieve organic growth. We became the largest private brand food company in North America. However, a challenging external environment for consumers and retail and foodservice customers led to mixed profit performance.

On the first trading day of fiscal 2012, the closing market price of our common stock was $25.43 per share. On the last trading day of fiscal 2014, the closing market price of our common stock was $31.61 per share.

These fiscal 2014 and fiscal 2012 to 2014 performance results impacted the compensation paid to the executive officers discussed in this Proxy Statement:

- The 2014 management incentive plan, our annual, cash-based incentive plan, funded and paid out significantly below targeted levels, due to the company s failure to achieve its fiscal 2014 earnings and net sales targets.

- Formulaically, the three-year performance goals in the fiscal 2012 to 2014 cycle of the long-term, stock-based performance share plan were exceeded, and above-target payouts were authorized, driven in large part by the company s acquisition of Ralcorp during the cycle. However, due to disappointing fiscal 2014 performance, actual awards were reduced on a discretionary basis.

- None of the named executive officers discussed in this Proxy Statement received a salary increase for fiscal 2015.

The Human Resources Committee of our Board of Directors believes that these actions appropriately reflect its pay-for-performance philosophy. It has applied this philosophy in prior years, and we have received strong stockholder support for our say-on-pay voting item (Item #5 in this Proxy Statement). As a result, the Human Resources Committee intends to continue focusing on compensating executives based on actual performance results and aligning management s interests with those of our stockholders.

For more complete information on these topics, please review our Annual Report on Form 10-K for the fiscal year ended May 25, 2014 and this Proxy Statement.

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Proxy Statement

ConAgra Foods, Inc.

One ConAgra Drive

Omaha, NE 68102-5001

We are furnishing this Proxy Statement to our stockholders in connection with the solicitation by our Board of Directors of proxies to be used at the 2014 Annual Meeting of Stockholders of ConAgra Foods, Inc. We mailed our Notice of Internet Availability of Proxy Materials on or about August 8, 2014. For stockholders who previously elected to receive a paper copy of our proxy materials, we mailed the Proxy Statement, our Fiscal 2014 Annual Report and a Proxy Card on or about August 8, 2014.

Stockholders of record at the close of business on July 28, 2014 are entitled to vote at the meeting and at any postponements or adjournments. On July 28, 2014, there were 424,472,505 voting shares of our common stock issued and outstanding. Each share of common stock is entitled to one vote.

Your vote is very important. For this reason, the Board of Directors is requesting that you vote your shares in advance of the meeting by proxy.

If you hold shares of ConAgra Foods common stock in your own name (also known as of record ownership), you can come to the meeting and vote your shares in person, or you can vote your shares by proxy in one of the following manners:

- By completing, signing, dating and returning (in the postage-paid envelope provided) the Proxy Card enclosed with paper copies of our proxy materials;
- By visiting the Internet at *www.proxyvote.com* and following the instructions; or
- By calling 1-800-690-6903 on a touch-tone telephone and following the recorded instructions.

Internet and telephone voting is available through 11:59 p.m. Eastern Time on Tuesday, September 16, 2014 for shares held in the ConAgra Foods Retirement Income Savings Plan or the ConAgra Foods Employee Stock Purchase Plan and through 11:59 p.m. Eastern Time on Thursday, September 18, 2014 for all other shares.

If a broker, bank or other nominee holds your stock (also known as street name ownership), it will send you a voting instruction form. You may vote by completing, signing, dating and returning the form according to the instructions provided by your broker, bank or other nominee. If you wish to attend the meeting and vote in person, you must obtain a legal proxy, executed in your favor, from the broker, bank or nominee.

See Additional Information at the end of this Proxy Statement for more voting information.

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Voting Item #1 Election of Directors

ConAgra Foods business is managed under the direction of our Board of Directors, which is currently comprised of 12 members. For the 2014 Annual Meeting, all 12 members have been re-nominated by the Board for election to hold office until the 2015 Annual Meeting and until their successors have been elected and qualified. Each nominee is a current member of the Board. Eleven nominees were elected by stockholders at the 2013 Annual Meeting, and one nominee was appointed to the Board of Directors effective as of October 15, 2013, based on a recommendation by a non-employee director. In case any nominee becomes unavailable for election to the Board of Directors for any reason not presently known or contemplated, the proxy holders will have discretionary authority in that instance to vote the proxies for a substitute.

The Board s Nominating, Governance and Public Affairs Committee recommended, and the Board determined, that each individual identified below be re-nominated for election. We refer to this Committee as the N/G/PA Committee throughout this Proxy Statement.

A short biography and key experiences, qualifications and skills considered by the N/G/PA Committee for each nominee are noted below. The N/G/PA Committee also considered whether the slate of nominees, taken as a whole, has the skills and qualifications that the Board considers essential and desirable.

Director Nominee	Business Experience, Other Directorships and Qualifications
MOGENS C. BAY Age 65 Chairman & CEO, Valmont Industries, Inc. Director Since December 12, 1996 **Independent**	Mr. Bay has served as Chairman of the Board and Chief Executive Officer of Valmont Industries, Inc. (products for water management and infrastructure) since January 1997, and President and Chief Executive Officer of Valmont from 1993 through 1996. He has served as a director of Peter Kiewit Sons , Inc. (construction and mining company) since 1999. *Summary of experience, qualifications and skills considered in re-nominating Mr. Bay:* *Broad Leadership Experience*: Broad leadership capabilities and insights from service as Chief Executive Officer and Chairman of Valmont *Operations Acumen and Agricultural Background*: Vast knowledge of U.S. and global operations and manufacturing, including agricultural based operations *International Experience*: Extensive involvement in global operations and manufacturing *Corporate Governance Experience*: Broad understanding of governance issues facing public companies from his board service to other public companies

THOMAS K. BROWN Age 58	Mr. Brown served as Group Vice President, Global Purchasing with Ford Motor Company (global automotive manufacturer) from 2008 until his retirement on August 1, 2013. Mr. Brown served in various leadership capacities in global purchasing since joining Ford in 1999. Prior to joining Ford, he served in leadership positions at United Technologies Corporation (global technology company); at QMS, Inc. (SAP consulting services); and at Digital Equipment Corporation (computer systems vendor). He has served as a director of Tower International, Inc. (a metal component manufacturing company) since April 2014 and of 3M Corporation (a global innovation company) since August 2013.
Retired Group VP, Global Purchasing, Ford Motor Company	*Summary of experience, qualifications and skills considered in re-nominating Mr. Brown:* *Broad Leadership Experience*: Broad leadership capabilities and insights from his experience in leadership roles at Ford Motor Company and other companies
Director Since October 15, 2013	*International Experience*: Extensive involvement in global purchasing
Independent	*Corporate Governance Experience*: Understanding of governance issues facing public companies from his board service to other public companies

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Director Nominee	Business Experience, Other Directorships and Qualifications
STEPHEN G. BUTLER Age 66 Retired Chairman & CEO, KPMG LLP Director Since May 16, 2003 **Independent**	Mr. Butler served as the Chairman and Chief Executive Officer of KPMG LLP (national public accounting firm) from 1996 until his retirement in June 2002, and Chairman of KPMG International from 1999 until his retirement in 2002. He has served as a director of Ford Motor Company (global automotive manufacturer) since 2004 and served as a director of Cooper Industries plc (electric lighting and wiring company) from 2002 until 2012. *Summary of experience, qualifications and skills considered in re-nominating Mr. Butler:* *Broad Leadership Experience*: Strong leadership capabilities and insights from service as Chairman and Chief Executive Officer of KPMG *Financial Acumen*: Expertise in accounting and finance based on a 34-year career with KPMG *International Experience*: From leadership of a global organization, including service as Chairman of KPMG International *Corporate Governance Experience*: Broad understanding of governance issues facing public companies from his board service to other public companies
STEVEN F. GOLDSTONE Age 68 Manager, Silver Spring Group Director Since December 11, 2003	Mr. Goldstone has served as non-executive Chairman of the ConAgra Foods Board since October 1, 2005. He has been a manager of Silver Spring Group (private investment firm) since 2000. From 1999 until his retirement in 2000, Mr. Goldstone served as Chairman of Nabisco Group Holdings (food company). He also previously served as Chairman and Chief Executive Officer of RJR Nabisco, Inc. (consumer products company). He has served as a director of Greenhill & Co., Inc. (financial advisory services) since 2004. Mr. Goldstone also served as a director of Merck & Co., Inc. (pharmaceutical company) from 2006 until 2012 and American Standard Companies (former manufacturer of air conditioning systems and bath and kitchen products) from 2002 until 2008. *Summary of experience, qualifications and skills considered in re-nominating Mr. Goldstone:* *Broad Leadership Experience*: Strong leadership capabilities and insights from his broad range of management experiences, including prior service as Chairman and Chief Executive Officer of RJR Nabisco

Independent

Consumer Packaged Goods Experience: Understanding of strategic and marketplace challenges for consumer products companies from his tenure with RJR Nabisco and Nabisco Group Holdings

Corporate Governance and M&A Experience: Broad understanding of legal and governance issues facing public companies and deep transactional experience from his board service to other public companies and earlier career in law

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Director Nominee	Business Experience, Other Directorships and Qualifications
JOIE A. GREGOR Age 64 Managing Director, Warburg Pincus Director Since February 6, 2009 **Independent**	Ms. Gregor is a Managing Director with Warburg Pincus (private equity firm). Prior to that she served as the Vice Chairman of Heidrick & Struggles International, Inc. (executive search firm) from 2002 until 2007. From 1993 until 2006, she served in a number of senior leadership roles with that firm, including President, North America, managing partner of the firm s Global Board of Directors Practice and managing partner of the New York office. From 2007 to 2008, Ms. Gregor served as assistant to the President for Presidential Personnel under President George W. Bush. From 2009 to 2012, she served as a senior advisor to Notch Partners (human capital consulting services) and, from 2012 to 2014, served as an advisory to G100 Network (peer learning community of senior leaders of global companies). *Summary of experience, qualifications and skills considered in re-nominating Ms. Gregor:* *Broad Leadership Experience*: Strong leadership capabilities, including from her service to Heidrick & Struggles *Public Policy Experience*: Strong public policy and government experience from her service as assistant to the President for Presidential Personnel under President George W. Bush *Growth Creator*: Proven ability to create new channels for services based on expertise in aligning leadership teams to drive operating results *Human Capital Experience*: Strong human capital expertise, and significant experience in the assessment and recruitment of corporate executives, public company directors, and senior officials across a wide range of industries and government
RAJIVE JOHRI Age 64 Retired President & Director, First National Bank of Omaha	Mr. Johri served as President and Director of First National Bank of Omaha (FNBO, a banking institution), from 2006 until his retirement in 2009. From September 2005 to June 2006, he served as President of First National Credit Cards Center for FNBO. Prior to that, he served as an Executive Vice President for J.P. Morgan Chase Bank (banking institution) from 1999 until 2004. Mr. Johri served as a director of Charter Communications, Inc. (cable and pay television services) from 2006 to 2009. *Summary of experience, qualifications and skills considered in re-nominating Mr. Johri:* *Broad Leadership Experience*: Strong leadership capabilities and insights, including through his service as President of FNBO

Director Since	
January 1, 2009	*Financial Acumen and Risk & Compliance Oversight Experience*: Significant expertise in finance, accounting and risk and compliance oversight from his service to banking organizations, including risk assessment and risk management experience
Independent	
	International Experience: Substantial international business and management experience from prior service to banking institutions with responsibility over various geographic regions
	Corporate Governance: Broad understanding of governance issues facing public companies from his board service to other public companies

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Director Nominee	Business Experience, Other Directorships and Qualifications
W.G. JURGENSEN Age 63 Retired CEO & Director, Nationwide Financial Insurance Services, Inc. Director Since August 2, 2002 **Independent**	Mr. Jurgensen served as Chief Executive Officer and a director of Nationwide Financial Insurance Services, Inc. (insurance company) from 2000 until his retirement in 2009. He also served as Chief Executive Officer and a director of several other companies within the Nationwide enterprise, which is comprised of Nationwide Financial, Nationwide Mutual, Nationwide Mutual Fire and all of their respective subsidiaries and affiliates. Mr. Jurgensen served as a director of The Scotts Miracle-Gro Company (agricultural chemicals company) from 2009 until 2013, and as a director of American International Group, Inc. (insurance company) since 2013. *Summary of experience, qualifications and skills considered in re-nominating Mr. Jurgensen:* *Broad Leadership Experience*: Strong leadership capabilities and insights, including from his service as Chief Executive Officer of several Nationwide companies *Financial Acumen and Risk & Compliance Oversight Experience*: Significant expertise in finance, accounting and risk and compliance oversight from his service to insurance companies, including risk assessment and risk management experience *Corporate Governance*: Broad understanding of governance issues facing public companies from his board service to other public companies
RICHARD H. LENNY Age 62 Former Chairman, President and Chief Executive Officer of The Hershey Company Director Since March 17, 2009	Mr. Lenny served as Chairman, President and Chief Executive Officer of The Hershey Company (confectionery and snack products company) from 2001 through 2007. Prior to joining Hershey, Mr. Lenny was group vice president of Kraft Foods, Inc. (food company) and President, Nabisco Biscuit Company (food company), following Kraft s acquisition of Nabisco in 2000. He served as an operating partner with Friedman, Fleischer & Lowe (private equity firm) from 2011 until August of 2014. Mr. Lenny has served as a director of McDonald s Corporation (retail eating establishments) since 2005 and Discover Financial Services (direct banking and payment services) since 2009. Since 2013, he has served as non-executive chairman of Information Resources, Inc. (market research firm). Mr. Lenny also served as a director of The Hershey Company from 2001 until 2007 and Sunoco, Inc. (petroleum refinery) from 2002 until 2006. *Summary of experience, qualifications and skills considered in re-nominating Mr. Lenny:* *Broad Leadership Experience*: Strong leadership capabilities and insights, particularly with major consumer brands, from role as Chief Executive Officer for The Hershey Company and board member of consumer products companies

Independent	*Consumer Packaged Goods Experience*: Deep knowledge of strategy and business development, finance, marketing and consumer insights, supply chain management and sustainability and other social responsibility matters pertinent to a global consumer products food company
	Corporate Governance: Broad understanding of governance issues facing public companies from his board service to other public companies

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Director Nominee	Business Experience, Other Directorships and Qualifications
RUTH ANN MARSHALL Age 60 Retired President of the Americas, MasterCard International Director Since May 23, 2007 **Independent**	Ms. Marshall was President of the Americas, MasterCard International (payments industry) from October 1999 until her retirement in June 2006. She has been a director of Global Payments Inc. (currency validation systems manufacturer) since 2006 and Regions Financial Corp. (banking industry) since 2011. Ms. Marshall also served as a director of American Standard Companies (former manufacturer of air conditioning systems and bath and kitchen products) from 2003 until 2008. *Summary of experience, qualifications and skills considered in re-nominating Ms. Marshall:* *Broad Leadership Experience:* Strong leadership capabilities and insights from her service to MasterCard International, a large consumer brand company, including marketing, account management and customer service *International Experience and Growth Creator:* Significant domestic and international experience in growing the MasterCard business, including through new product development *Corporate Governance:* Broad understanding of governance issues facing public companies from her board service to other public companies
GARY M. RODKIN Age 62 CEO & President, ConAgra Foods, Inc. Director Since October 1, 2005	Mr. Rodkin has been our Chief Executive Officer and a member of our Board since October 1, 2005. Previously, he was Chairman and Chief Executive Officer of PepsiCo Beverages and Foods North America (food and beverage company) from February 2003 to June 2005. He also served as President and Chief Executive Officer of PepsiCo Beverages and Foods North America in 2002, and President and Chief Executive Officer of Pepsi-Cola North America from 1999 to 2002. Mr. Rodkin has served as a director of Avon Products, Inc. (beauty and related products company) since 2007. He is also Chair of the Board of Boys Town (charitable organization) and Chair of the Omaha Chamber of Commerce s Prosper Omaha economic development campaign. He is past Chairman of the Grocery Manufacturers of America (trade association). *Summary of experience, qualifications and skills considered in re-nominating Mr. Rodkin:* *Broad Leadership Experience:* As our Chief Executive Officer, Mr. Rodkin has a deep understanding and commitment to our success, and thoroughly understands and impacts our day-to-day operations, financial success, strategies and growth opportunities, and the development of our leaders

Consumer Packaged Goods Experience and Growth Creator: Strong leadership capabilities and insights from service to other food companies with an extensive career focused on and committed to building leading consumer brands in the food industry

Corporate Governance: Broad understanding of governance issues facing public companies from his board service to another public company

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Director Nominee	Business Experience, Other Directorships and Qualifications
ANDREW J. SCHINDLER Age 70 Retired Chairman & CEO, R.J. Reynolds Tobacco Holdings, Inc. Director Since May 23, 2007 **Independent**	Mr. Schindler served as Chairman of Reynolds American Inc. (tobacco products company) from July 2004 until his retirement in December 2005 and as Chairman and Chief Executive Officer of R. J. Reynolds Tobacco Holdings, Inc. (tobacco products company) from 1999 to 2004. Mr. Schindler achieved the rank of captain in the U.S. Army, where he held command and staff positions in the United States and in Vietnam. Since 2006, he has served as a director of Krispy Kreme Doughnuts Inc. (retail food establishments) and Hanesbrands, Inc. (consumer products company). Mr. Schindler also served as a director of Arvin Meritor, Inc. (motor vehicle parts company) from 2004 until 2008, Reynolds American Inc. from 2004 until 2005 and Pike Electric Corporation (energy solutions company) from 2006 until 2007. *Summary of experience, qualifications and skills considered in re-nominating Mr. Schindler:* *Broad Leadership Experience:* Extensive management and leadership experience through his service to R. J. Reynolds and in military roles, including as a Captain in the U.S. Army *Consumer Packaged Goods Experience:* Strong people leadership, risk-management, brand marketing, operations, strategic change, and personnel development experience and skills pertinent to a consumer goods company *Corporate Governance:* Broad understanding of governance issues facing public companies from his board service to other public companies
KENNETH E. STINSON Age 71 Chairman Emeritus, Peter Kiewit Sons , Inc. Director Since December 12, 1996	Mr. Stinson is Chairman Emeritus of the Board of Peter Kiewit Sons , Inc. (construction and mining company) and served as Chairman from 1998 to 2012. He served as Chief Executive Officer of Peter Kiewit Sons , Inc. from 1998 until 2004. Mr. Stinson has served as a director of Valmont Industries, Inc. since 1996, and a director of McCarthy Group, L.L.C. (private equity firm) since 2008. He was a director of Kiewit Investment Fund LLP from 2004 until 2012. *Summary of experience, qualifications and skills considered in re-nominating Mr. Stinson:* *Broad Leadership Experience*: Extensive management and leadership experience through service as Chairman and Chief Executive Officer to Peter Kiewit Sons , Inc. *International Experience*: Management responsibility over a global infrastructure business

Independent

Corporate Governance: Broad understanding of governance issues facing public companies from his board service to other public companies, including as Chairman of Peter Kiewit Sons , Inc. for 14 years

The Board of Directors recommends a vote FOR each of the listed nominees.

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Corporate Governance

The Board of Directors is committed to performing its responsibilities in a manner consistent with sound governance practices. It routinely reviews its processes to ensure they support informed, competent and independent oversight on behalf of our stockholders. Our Corporate Governance Principles provide a summary of these practices, and are available on our website at http://investor.conagrafoods.com through the Corporate Governance link. For your convenience, we have detailed here a variety of practices that may be of interest.

Annual Election of Directors: To promote greater accountability to stockholders, all of our directors stand for election annually.

Majority Voting in Uncontested Director Elections: To be elected in an uncontested election, a director nominee must receive the affirmative vote of a majority of the votes cast in the election. If an incumbent nominee is not elected, he or she is required to promptly tender a resignation to the Board of Directors. The Board will act on the tendered resignation and publicly disclose its decision within 90 days after certification of the election results.

> 90% Director Independence: The Board has determined that 11 of our 12 Board members directors Bay, Brown, Butler, Goldstone, Gregor, Johri, Jurgensen, Lenny, Marshall, Schindler and Stinson have no material relationship with ConAgra Foods and are independent within the meaning of our independence standards.

In making its independence determinations for our Board candidates, the Board applied the listing standards of the New York Stock Exchange, or NYSE, and the categorical independence standards contained in our Corporate Governance Principles. The Board considers even immaterial relationships in its decision-making process to ensure a complete view of each director s independence. This year, the Board considered that Mr. Bay is the Chief Executive Officer of Valmont Industries, Inc. One of our subsidiaries was a customer for immaterial levels of environmental engineering services during fiscal 2014 from an affiliate of Valmont on an arms-length basis and in the ordinary course of business. Another subsidiary purchased irrigation equipment during fiscal 2014 from an affiliate of Valmont on an arms-length basis and in the ordinary course of business. The Board also reviewed our commercial relationships with companies on whose boards our Board members served during fiscal 2014 (i.e., American International Group, Inc., Ford Motor Company, McDonald s Corporation and Valmont Industries, Inc.). The relationships with these companies involved ConAgra Foods purchase or sale of products and services in the ordinary course of business on arms-length terms in amounts and under other circumstances that did not affect the relevant directors independence under our Corporate Governance Principles or under applicable law and NYSE listing standards. Applying the NYSE listing standards and our Corporate Governance Principles, the Board determined that there are no transactions, relationships or arrangements that would impair the independence or judgment of any of our non-employee directors.

In addition to satisfying our independence standards, each member of the Audit / Finance Committee must satisfy an additional SEC independence requirement that provides that the member may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from us or any of our subsidiaries other than his or her director s compensation and may not be an affiliated person of ConAgra Foods. Each member of the Audit / Finance Committee satisfies this additional independence requirement.

Similarly, the SEC and NYSE have adopted rules relating to the independence of members of the Human Resources Committee, or HR Committee. These rules require consideration of the source of HR Committee member compensation, including any consulting, advisory or other compensatory fees paid to the HR Committee member, and HR Committee member affiliation with us, any of our subsidiaries or any affiliates of our subsidiaries. Each member of the HR Committee satisfies these additional independence requirements.

Board Leadership Structure: Our Board of Directors believes that independent Board leadership is a critical component of our governance structure. Our Corporate Governance Principles require us to have either an independent Chairman of the Board or a lead independent director if the positions of Chairman and CEO are held by the same person. Since 2005,

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our Chairman and CEO roles have been separate. With separate Chairman and CEO roles, our CEO can focus his time and energy on setting the strategic direction for the company, overseeing daily operations, engaging with external constituents, developing our leaders and promoting employee engagement at all levels of the organization. Meanwhile, our independent Chairman leads the Board in the performance of its duties by establishing agendas and ensuring appropriate meeting content, engaging with the CEO and senior leadership team between Board meetings on business developments, and providing overall guidance to our CEO as to the Board s views and perspectives, particularly on the strategic direction of the company.

Annual Advisory Vote on Executive Compensation: Consistent with our stockholders preference as indicated at our 2011 Annual Meeting, our stockholders are given an opportunity to vote, on a non-binding advisory basis, to approve the compensation of our named executive officers on an annual basis.

Board s Role in Risk Oversight: Our senior leadership is responsible for identifying, assessing and managing our exposure to risk. A component of this work is performed through a management-led, Board-appointed Risk Oversight Committee, chaired by our Senior Vice President and Treasurer. Our Board of Directors and its committees play an active role in overseeing management s activities and ensuring management s plans are balanced from a risk/reward perspective. The Board and its committees perform this oversight through the following mechanisms:

Board Discussion: Each fiscal year, a Board meeting is set aside for a discussion of our strategic plan and the longer-term risks and opportunities we face. At other times of the year, our Board receives reports from significant business units and functions. These presentations include a discussion of the business, regulatory, operational and other risks associated with planned strategies and tactics, as well as succession planning matters. The Board also receives an annual report on enterprise risk management from our Senior Vice President and Treasurer.

Audit / Finance Committee Oversight: Our Audit / Finance Committee provides oversight for management s handling of our financial risks. The Committee s Charter requires it to review our processes for assessing and controlling derivative and treasury risk and oversee our risks related to capital structure, including borrowing, liquidity and allocation of capital. The Audit / Finance Committee also oversees our management of financial risk through, among other things, reviewing our significant accounting policies and the activities of management s Risk Oversight Committee, maintaining direct oversight of our Internal Audit function, holding regular executive sessions with our independent auditors, our Chief Financial Officer and Controller, and our head of Internal Audit, and receiving regular legal and regulatory updates. Our Senior Vice President and Treasurer provides an enterprise risk management report to the Audit / Finance Committee on a semi-annual basis. The Chair of the Audit / Finance Committee reports to the full Board on its activities.

Human Resources Committee Oversight: The HR Committee reviews the company s leadership development activities to ensure appropriate succession planning occurs, and also reviews the relationship between the company s compensation programs and risk. The Chair of the HR Committee reports to the full Board on its activities.

Nominating, Governance and Public Affairs Committee Oversight: The N/G/PA Committee assists the Board in managing risks associated with Board organization, membership and structure. It also assists management in the oversight of reputational risks for the company and key public affairs matters, and reviews the company s policies and programs related to corporate citizenship, social responsibility, political giving and public policy issues. The Chair of the N/G/PA Committee reports to the full Board on its activities.

Because issues related to risk oversight often overlap, certain issues may be addressed at both the Committee and full Board level.

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Executive Sessions: The Board of Directors meets on a regularly-scheduled basis and holds an executive session without management present at every regularly-scheduled meeting. The Board holds five regularly-scheduled meetings per year. The Chairman of the Board presides at all Board meetings, including executive sessions.

Attendance: During fiscal 2014, the Board met 8 times (five regular meetings and three special meetings) and acted by unanimous written consent three times. All members attended at least 75% of the total number of meetings of the Board and committees on which he or she served in fiscal 2014. Our Board members are encouraged to attend the annual stockholders meeting. All nominees who were serving at the time of the 2013 Annual Meeting of Stockholders attended that meeting.

Stock Ownership Guidelines for Directors and Senior Leadership: Directors and senior leaders across the company are subject to stock ownership guidelines.

- All non-employee directors are expected to acquire and hold shares of ConAgra Foods common stock during their tenure with a value of at least $450,000. Directors are expected to acquire these shares within five years following their first election to the Board or September 25, 2014, whichever is later. Current ownership levels for our non-employee Board members are detailed in the section of this Proxy Statement entitled Non-Employee Director Compensation Director Stock Ownership Requirements .

- Each senior leader across the company is subject to stock ownership guidelines equal to a multiple of the leader s salary. Our Chief Executive Officer, Gary Rodkin, has a stock ownership requirement of six times his salary, and our other named executive officers have stock ownership requirements of four times their salaries. See the section of this Proxy Statement entitled Compensation Discussion and Analysis - Committee s Views on Executive Stock Ownership for a summary of the current stockholdings of our named executive officers.

Anti-Pledging/Hedging Policy: Our directors and executive officers, including our named executive officers, are prohibited from pledging their ConAgra Foods stock or hedging their ownership of ConAgra Foods stock, including trading in publicly-traded options, puts, calls, or other derivative instruments related to ConAgra Foods stock or debt.

Clawback Policy: We have a Clawback Policy that requires excess amounts paid to any of our senior officers under our incentive compensation programs to be recovered in the event of a material restatement of our financial statements for fiscal 2013 or later fiscal years, resulting from the fraudulent, dishonest or reckless actions of the senior officer.

Commitment to Investing in Our People, Sustainable Business Practices and Corporate Citizenship: We believe that we have an obligation to invest in our employees, be a good steward of the environment, give back to the communities we serve and drive economic gain for stakeholders. In fact, investing in our people and corporate citizenship are two of the five objectives in the strategic road map we announced in fiscal 2012, which we call our Recipe for Growth (described in more detail in the Compensation Discussion and Analysis section of this Proxy Statement). We have established clear corporate citizenship goals, and favor transparency with stakeholders on our corporate responsibility progress. A few examples of our many corporate responsibility and people achievements in recent years include the following:

- During fiscal 2014, for the third time, ConAgra Foods was listed on the Dow Jones Sustainability Index, or DJSI, for North America, one of the world s most recognizable sustainability indices.

- Our internal awards program intended to drive and reward innovative approaches to sustainability continued to deliver environmental and bottom line benefits. The 85 applicants in fiscal 2014 collectively reduced greenhouse gas emissions by more than 9,500 metric tons, reduced landfill waste by 10,500 tons, optimized and improved packaging, while using 7.8 million pounds less material, and conserved more than 820 million gallons of water while also delivering more than $30 million in savings.

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We continued to make strides in our employee safety performance during fiscal 2014, with 27 facilities logging no recordable injuries.

ConAgra Foods employees volunteered more than 6,200 hours during our month of service in April 2014. With more than 2,300 employees taking part, we packed 1.1 million meals in the Kids Against Hunger events alone spanning 8 different ConAgra Foods facilities. More than 113,000 pounds of food was packed and/or sorted at food banks and pantries nationwide. For the entire fiscal 2014, employees volunteered almost 12,000 hours in communities where we live and work.

Since 2010, we have engaged our consumers in our philanthropic focus area ending child hunger. Through our *Child Hunger Ends Here* campaign, we have donated the monetary equivalent of 13.1 million meals* to Feeding America, a nationwide network of food banks, and a partner of the ConAgra Foods Foundation. Since 1998, we have also donated over 355 million pounds of food to the Feeding America network. For more information, see www.childhungerendshere.com.

As of April 2014, almost 2,100 employees had lost a combined total of over 10,200 pounds on the Choose to Lose with ConAgra Foods program, an employee weight-loss program that emphasizes reduced-calorie eating and portion control, featuring products from 20 different ConAgra Foods brands.

We are proud of our focus on our people and on corporate citizenship, and we routinely discuss these matters with the Board s N/G/PA Committee. We also publish an annual Citizenship Report. A copy of our 2013 Citizenship Report is available on our website at www.conagrafoodscitizenship.com. Our 2014 Citizenship Report is expected to be available by September 30, 2014.

Political Contributions and Lobbying Expenditure Oversight: The N/G/PA Committee receives reports on the modest political activities of the company. Our political expenditures are limited and we focus on matters that we believe will create or preserve stockholder value.

Corporate Governance Materials Available on Our Website: To learn more about our governance practices, you can review any of the following listed documents at http://investor.conagrafoods.com through the Corporate Governance link:

Corporate Governance Principles	Audit / Finance Committee Charter
Corporate Responsibility Report	Human Resources Committee Charter
Code of Conduct, our commitment to our longstanding standards for ethical business practices	Nominating, Governance and Public Affairs Committee Charter
Code of Ethics for Senior Corporate Officers	Procedures for bringing concerns or complaints to the attention of the Audit / Finance Committee

From time to time these documents are updated, and we promptly post amended documents to our website. The information on our website is not, and will not be deemed to be, a part of this Proxy Statement or incorporated into any of our other filings with the SEC. The documents are also available in print to any stockholder who requests them from the Corporate Secretary.

Interested parties may communicate with our Board of Directors, our non-management directors as a group or the Chairman by writing to: ConAgra Foods Board of Directors, c/o Corporate Secretary, ConAgra Foods, Inc., Box 2000, One ConAgra Drive, Omaha, Nebraska 68102. Communications are compiled by the Corporate Secretary and forwarded to the addressee(s) on at least a bi-weekly basis. The Corporate Secretary routinely filters communications that are solicitations, consumer complaints, unrelated to ConAgra Foods or ConAgra Foods business or determined to pose a possible security risk to the addressee.

* Based on the dollar-to-meals conversion ratios provided by Feeding America for each program year through the end of fiscal 2013 (e.g., $1=7 meals for fiscal 2010).

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Board Committees

Our Board of Directors has established various committees to assist in its responsibilities. Currently, our Board of Directors has four standing committees: the Audit / Finance Committee, the Executive Committee, the HR Committee and the N/G/PA Committee. All members of the Audit / Finance Committee, HR Committee and N/G/PA Committee are independent under the applicable rules of the SEC and NYSE, as well as our independence standards.

Committee	Members	Fiscal 2014 Meetings
Audit / Finance Committee	Thomas K. Brown Stephen G. Butler, ***Chair*** Rajive Johri Richard H. Lenny Andrew J. Schindler	11
Human Resources Committee (the HR Committee)	Steven F. Goldstone Joie A. Gregor W.G. Jurgensen Ruth Ann Marshall Kenneth E. Stinson, ***Chair***	7
Nominating, Governance and Public Affairs Committee (the N/G/PA Committee)	Mogens C. Bay, ***Chair*** Joie A. Gregor Rajive Johri W.G. Jurgensen Richard H. Lenny Ruth Ann Marshall Andrew Schindler	3

The Executive Committee generally has the authority to act on behalf of the Board of Directors between meetings. Its membership consists of Directors Butler, Goldstone, Rodkin and Stinson. Mr. Goldstone chairs the Executive Committee. The Executive Committee did not meet during fiscal 2014.

Audit / Finance Committee. The Audit / Finance Committee has the following responsibilities:

- Oversee the integrity of the company s financial statements and review annual and quarterly SEC filings and earnings releases
- Receive reports on critical accounting policies of the company, significant changes in the company s selection or application of accounting principles and the company s internal control processes
- Retain the independent auditor and review the qualifications, independence and performance of the independent auditor and internal audit department and pre-approve audit and non-audit services performed by the independent auditor
- Receive reports on the activities of management s Risk Oversight Committee, enterprise risk management and processes for financial risks, including management s assessment and control of derivative and treasury risks
- Review the company s compliance with legal and regulatory requirements

Review the company s strategies and plans related to capital structure, including borrowing, liquidity and allocation of capital

Audit Committee Financial Expert. The Board has determined that Directors Butler, Johri, Lenny and Schindler are qualified as audit committee financial experts within the meaning of SEC regulations, and that Mr. Brown is financially literate within the meaning of NYSE rules.

Related-Party Transactions. The Audit / Finance Committee has adopted a written policy regarding the review, approval and ratification of related-party transactions. Under the policy, all related-party transactions must be pre-approved by the Audit / Finance Committee unless circumstances make pre-approval impracticable. In the latter case, management is allowed to enter into the transaction, but the transaction remains subject to ratification by the Audit / Finance Committee at its next regular, in-person meeting. In determining whether to approve or ratify a related-party transaction, the Audit / Finance Committee will take into account, among other factors it deems appropriate, whether the transaction is fair and reasonable to the company and the extent of the related-party s interest in the transaction. No director is permitted to participate in any approval of a related-party transaction for which he or she is involved. On at least an annual basis, the Audit / Finance Committee reviews and assesses ongoing related-party transactions to determine whether the relationships remain appropriate. All related-party transactions are disclosed to the full Board of Directors.

Human Resources Committee. The HR Committee has the following responsibilities:

Review, evaluate and approve compensation plans and programs for the company s directors, executive officers and senior employees

Annually review and approve corporate goals and objectives relevant to CEO compensation and, together with the other independent directors, at least annually evaluate the CEO s performance in light of these goals and objectives

Review directly or with the full Board, succession plans for all senior positions

Review and discuss with the full Board whether the company s compensation programs for employees generally are designed in a manner that does not incent employees to take inappropriate or excessive risk and whether any compensation policies or practices are reasonably likely to have a material adverse effect on the company

Retain and terminate consultants or outside advisors for the HR Committee, and approve any such consultant s or advisor s fees and other terms of engagement, including determinations regarding any conflicts of interest with such consultants or advisors

The HR Committee has retained authority over the consideration and determination of executive and director compensation, subject only to the further involvement of the other independent directors with respect to the approval of the overall compensation for non-employee directors and any base salary change for the CEO. Additional information on the HR Committee s processes for determining executive compensation and the role of the HR Committee s compensation consultant can be found in the Compensation Discussion and Analysis section of this Proxy Statement.

Compensation Committee Interlocks and Insider Participation. During fiscal 2014, none of the current or former executive officers of ConAgra Foods or any of its current employees served on the compensation committee (or equivalent), or the board of directors, of another entity whose executive officer(s) served on the HR Committee or the Board of ConAgra Foods.

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Nominating, Governance and Public Affairs Committee. The N/G/PA Committee has the following responsibilities:

- Identify qualified candidates for membership on the Board
- Propose to the Board a slate of directors for election by the stockholders at each annual meeting
- Propose to the Board candidates to fill vacancies on the Board
- Consider and make recommendations to the Board concerning the size and functions of the Board and the various Board committees
- Consider and make recommendations to the Board concerning corporate governance policies
- Assess the independence of Board members
- Advise management on internal and external factors and relationships affecting our image and reputation, including those related to corporate citizenship and public policy issues significant to the company

Director Nomination Process. The N/G/PA Committee considers Board candidates suggested by Board members, management and stockholders. The N/G/PA Committee may also retain a third-party search firm to identify candidates. A stockholder who wishes to recommend a prospective nominee for Board membership must notify our Corporate Secretary in writing at least 120 days before the annual stockholders meeting and include whatever supporting material the stockholder considers appropriate. The N/G/PA Committee will also consider nominations by a stockholder according to the provisions of our bylaws relating to stockholder nominations as described under Additional Information Stockholder Proposals to be Included in our 2015 Proxy Statement and Additional Information Other Stockholder Proposals to be Presented at our 2015 Annual Meeting at the end of this Proxy Statement.

The N/G/PA Committee makes an initial determination as to whether to conduct a full evaluation of a candidate once he or she has come to its attention. This initial determination is based on whether additional Board members are necessary or desirable. It is also based on whether, based on the information provided or otherwise available to the N/G/PA Committee, the prospective nominee is likely to satisfy the evaluation factors described below. If the N/G/PA Committee determines that additional consideration is warranted, it may request a third-party search firm or other third party to gather additional information about the prospective nominee. The N/G/PA Committee may also elect to interview a candidate.

The N/G/PA Committee evaluates each prospective nominee against the standards and qualifications set out in our Corporate Governance Principles, including, but not limited to: (1) background, including demonstrated high standards of ethics and integrity, the ability to have sufficient time to effectively carry out the duties of a director, and the ability to represent all stockholders and not a particular interest group; (2) Board skill needs, taking into account the experience of current Board members and the candidate s ability to work toward business goals with other Board members, (3) the candidate s qualifications as independent and thus ability to serve on various committees of the Board; (4) diversity, including the extent to which the candidate reflects the composition of our constituencies; and (5) business experience, which should reflect a broad experience at the policy-making level in business, government or education. With respect to Board diversity, as part of our evaluation and to further our commitment to diversity, the N/G/PA Committee assesses whether our Board, collectively, represents diverse views, backgrounds, and experiences that will enhance the Board s and our effectiveness. The N/G/PA Committee seeks directors who have qualities to achieve the ultimate goal of a well-rounded, diverse Board as a whole.

After completing its evaluation process, the N/G/PA Committee makes a recommendation to the full Board as to who should be nominated, and the Board determines the nominees after considering the N/G/PA Committee s recommendations. The evaluation process for nominees recommended by stockholders does not differ.

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Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis explains the company s senior executive compensation philosophies and programs. The focus of the analysis is on the company s executive officers who are listed in the Summary Compensation Table of this Proxy Statement (who we refer to as the named executive officers). For fiscal 2014, our named executive officers are Gary M. Rodkin, our Chief Executive Officer and President; John F. Gehring, our Executive Vice President and Chief Financial Officer; Colleen R. Batcheler, our Executive Vice President, General Counsel and Corporate Secretary; Brian L. Keck, our former Executive Vice President and Chief Administrative Officer; and Paul T. Maass, the President of our Private Brands and Commercial Foods businesses. Mr. Keck became a special advisor to the company following the end of fiscal 2014 and retired on August 1, 2014.

Our fundamental objective is to create sustainable, profitable growth and long-term value for our shareholders. As shareholders themselves, our named executive officers are keenly focused on achieving this objective. To support this objective, we design our executive compensation programs to promote attainment of our annual and long-term business goals and discourage our executives from taking excessive risks.

The Human Resources Committee of our Board of Directors, which we refer to as the Committee throughout this Compensation Discussion and Analysis section, designs the components of our executive compensation program, approves the financial targets that must be achieved to earn awards under the program, and authorizes payouts upon achievement of those targets. This Compensation Discussion and Analysis section describes and analyzes our executive compensation program and the connection between our business performance and the compensation of the named executive officers.

Our fiscal 2014 began on May 27, 2013 and ended on May 25, 2014.

Executive Summary

Fiscal 2014 was a combination of progress and challenges for ConAgra Foods. In the second half of fiscal 2013, we completed the acquisition of Ralcorp Holdings, Inc. and became the largest private brand food company in North America. As fiscal 2014 began, management was focused on the integration of the Ralcorp business, significant de-leveraging, and the delivery of organic growth. We provided the following financial goals to our shareholders:

- Diluted earnings per share, adjusted for items impacting comparability (EPS) of $2.40, versus comparable fiscal 2013 EPS of $2.16;*

- Operating cash flow of approximately $1.6 to $1.7 billion;

- Repayment of approximately $700 million of debt, exclusive of proceeds anticipated from the then-pending Ardent Mills joint venture; and

- Continued attainment of synergies from the Ralcorp transaction, with a goal of reaching pre-tax savings of $300 million annually by the end of fiscal 2017.

*Fiscal 2013 reported (GAAP) EPS from continuing operations was $1.85. A reconciliation for Regulation G purposes is included in Appendix A to this Proxy Statement.

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We expected to achieve these results in a manner consistent with our Recipe for Growth. Our Recipe for Growth is our strategic roadmap for operating our business and delivering shareholder value. It focuses on three marketplace growth areas and two enablers of success:

Marketplace Growth Areas	Enablers of Success
¡ ***Core / Adjacencies***: growing our core businesses and investing in faster-growing adjacent categories	¡ ***Corporate Citizenship***: continuing to do the right things for the sustainability of our business and the communities in which we live and work
¡ ***Private Brand***: achieving strong growth in our private brand business	¡ ***People***: promoting a culture of trust and empowerment among our employees to achieve high engagement on business priorities
¡ ***International***: investing in initiatives to achieve a profitable doubling of our annual revenues from our international businesses by 2017	

Our performance goals and strategic focus areas were central to the Committee s decisions in setting fiscal 2014 base salaries and incentive compensation opportunities for our named executive officers. At the start of fiscal 2014, the Committee approved the following incentive programs and performance measures:

Incentive Program	Performance Measures
Fiscal 2014 Management Incentive Plan (awards payable in cash)	Net income and net sales performance in fiscal 2014
Fiscal 2014 2016 Long-Term Incentive Plan: Performance Shares (awards payable in shares)	Three-year average earnings before interest, taxes, depreciation and amortization (EBITDA) return on capital (a measure of earnings as a percentage of invested capital); and three-year average net sales growth
Fiscal 2014 2016 Long-Term Incentive Plan: Stock Options	Stock price appreciation; options have an exercise price equal to the closing market price of our stock on the date of grant

The Committee set performance goals for the fiscal 2014 management incentive plan at levels that would return target awards if the company met the goals it provided to shareholders. The three-year goals for the fiscal 2014 to 2016 cycle of our performance share plan were also set at levels linked to our expected growth rates. Lower levels of financial performance result in below-target payouts. Similarly, above-target awards can be earned by exceeding the company s financial goals.

As fiscal 2014 unfolded, the company experienced challenges in each business segment that negatively impacted results. Beginning in the first quarter of the year, certain categories within our Consumer Foods portfolio began underperforming due to challenging industry conditions and competitive dynamics. Our Lamb Weston potato products business, the largest part of our Commercial Foods segment, dealt with a significant customer transition and suboptimal potato crop. In addition, as the year progressed, it took us longer than originally expected to integrate the Ralcorp business and achieve targeted levels of profitability in our Private Brands segment.

Overall, our financial performance in fiscal 2014 was below expectations, but we made progress in a number of areas and implemented a number of profit improving initiatives. For example, early in the fiscal year we began to refocus our merchandising tactics in the Consumer Foods business and rebalanced our marketing investments toward brands with positive momentum. Our Lamb Weston business delivered double-digit international growth for the year. Our Private

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Brands team finalized the build-out of its leadership team, creating greater focus on core product groupings. And, shortly after the end of the fiscal year, we completed the formation of Ardent Mills, which combines our former ConAgra Mills flour milling and related businesses with the Horizon Milling joint venture of Cargill, Incorporated and CHS Inc. Ardent Mills, in which the company received a 44% interest, was created to deliver greater value and innovation to customers and consumers and provide profitable growth to its owners over time. We received approximately $530 million in cash, after-tax, after the conclusion of fiscal 2014 in connection with the transaction. These initiatives are intended to help us improve performance during fiscal 2015 and beyond.

With this focus on improvement, we remained on course with respect to several key areas in fiscal 2014. We achieved operating cash flows in excess of $1.5 billion during the year, repaid over $600 million of debt, and remained on track to achieve our goal of repaying $1.5 billion of debt through fiscal year end 2015, before taking into account the use of proceeds from the Ardent Mills transactions. We also remained on target for delivering our Ralcorp synergy commitments. Other accomplishments include the following:

- Returning capital to shareholders: We maintained our dividend at the annualized rate of $1.00 per share, providing a strong payout even as we pursued our aggressive debt repayment objectives.

- Effectiveness and Efficiency: We began to implement plans in fiscal 2014 intended to increase our effectiveness and efficiency and increase costs savings over time. We expect these initiatives to deliver significant value in the fiscal years to come.

- Corporate Citizenship: We continued our focus on corporate citizenship during fiscal 2014, achieving a listing on the Dow Jones Sustainability North America Index for the third consecutive year. In addition, during fiscal 2014, our employees helped make a difference in their local communities as described earlier in this Proxy Statement under Commitment to Investing in Our People, Sustainable Business Practices and Corporate Citizenship.

From a longer-term perspective, the three-year period ending with fiscal 2014 was a transformational period for our company. During this period, we introduced our Recipe for Growth and deployed our resources to complete acquisitions and achieve organic growth. We became the largest private brand food company in North America. However, a challenging external environment for consumers and retail and foodservice customers led to mixed profit performance.

On the first trading day of fiscal 2012, the closing market price of our common stock was $25.43 per share. On the last trading day of fiscal 2014, the closing market price of our common stock was $31.61 per share.

These fiscal 2014 and fiscal 2012 to 2014 results impacted the compensation paid to the named executive officers, as business performance considerations drove the payout determinations under our fiscal 2014 management incentive plan and fiscal 2012 to 2014 cycle of our performance share plan:

- The 2014 management incentive plan, our annual, cash-based incentive plan, funded and paid out significantly below targeted levels, due to the company s failure to achieve its fiscal 2014 earnings and net sales targets. Awards to each of the named executive officers were paid out at 25% of targeted opportunity.

- Formulaically, the three-year performance goals in the fiscal 2012 to 2014 cycle of the performance share plan were exceeded, and above target payouts authorized, driven in large part by the company s acquisition of Ralcorp during the cycle. However, due to disappointing fiscal 2014 performance, and to prevent an overweighting of net sales acquired with Ralcorp, the Committee exercised negative discretion to reduce the awards to better align pay with performance. Payouts equal to target were authorized for each named executive officer.

- None of the named executive officers received a salary increase for fiscal 2015.

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In determining attainment of the performance goals in the 2014 management incentive plan and fiscal 2012 to 2014 cycle of the performance share plan, the Committee considered the impact of several events that it believes were not indicative of the comparable operating performance of the company s businesses. Some of these items created benefits for the company; some of them created incremental expense. The impact of these items has been removed from the company s results for purposes of determining plan payouts. More information can be found below under Use of Adjustments in Compensation Decisions.

The Committee believes that these actions appropriately reflect its pay-for-performance philosophy focused on compensating executives based on actual performance results and aligning management s interests with those of our shareholders.

Objectives of Our Compensation Program

Our executive compensation program is designed to encourage and reward behavior that promotes attainment of annual and long-term goals and sustainable growth in shareholder value. The Committee believes that the program must accomplish five objectives:

1. Reward performance and be strongly aligned with shareholders, to inspire and reward behavior that promotes sustainable growth in shareholder value.

2. Incent the right results for the long-term health of the business, without creating unnecessary or excessive risks to the company.

3. Remain externally competitive to aid talent attraction and retention, because the achievement of our strategic plans requires us to attract and retain talented leaders who have the skills, vision and experience to lead our company.

4. Promote internal pay equity and consistency, recognizing that individual pay will reflect differences in experience, performance, responsibilities and market considerations, but that programs should be sufficiently similar to promote decisions that better the company as a whole.

5. Promote and reward long-term commitment and longevity of career with ConAgra Foods.

The Committee s design of the compensation program with multiple objectives in mind helps mitigate the risk that employees will take unnecessary and excessive risks that threaten the long-term health and viability of the company. Late in fiscal 2014, with the assistance of Finance, Human Resources and Legal department personnel, and Frederic W. Cook & Co., Inc., the Committee s independent compensation consultant, the Committee undertook a risk review of our compensation programs for all employees. Based on the review, we believe our compensation programs encourage and reward prudent business judgment and appropriate risk-taking over the long-term.

What We Do

ü Focus employees on a balance of short- and long-term goals.

ü Consider a mix of financial and non-financial goals to prevent over-emphasis on any single metric.

ü Allow for discretionary adjustments to ultimately determine incentive plan payouts, to ensure linkage between payouts and the quality of performance.

ü Employ a greater portion of fixed pay (in other words, salaries) at less senior levels of the organization.

ü Require stock ownership for approximately 200 of our most senior employees.

ü Enable the clawback of amounts paid to any of our senior officers under our incentive plans in the event of a material restatement of our financial statements resulting from the fraudulent,

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dishonest or reckless actions of the senior officer.

ü Use a range of strong processes and controls, including Committee and Board oversight, over our compensation practices.

ü Use an independent compensation consultant, who performs no other work for the company.

ü Pay incentive compensation only after our financial results are complete and the Committee has certified our performance results

What We Don t Do

× No director or executive officer may pledge or hedge ownership of ConAgra Foods stock.

× No excessive perquisites for executives.

× No re-pricing or backdating of options.

× No future change in control agreements with excise tax gross-up protection.

We believe our compensation policies and practices are balanced, aligned with creating shareholder value, and do not create risks that are reasonably likely to have a material adverse effect on the company.

Design and Approval of Our Fiscal 2014 Program

The Committee considered a variety of factors when approving the executive compensation program and setting pay for fiscal 2014. In this process, the Committee was benefited by the advice and counsel of its independent compensation consultant, Frederic W. Cook & Co., Inc.

Of utmost importance is the input of our shareholders. The Committee s policy is to present a say-on-pay vote to our shareholders annually. Shareholder support has been strong in each of the last three years, suggesting to the Committee that a significant change to the overall design of the program for fiscal 2014 was not warranted.

Say-on-Pay Shareholder Support

2011: 86.9% 2012: 89.6% 2013: 89.9%

Given the level of shareholder support on the company s 2013 say-on-pay vote, the Committee did not make any material changes in the structure of the executive officer compensation program for fiscal 2014 that were prompted specifically by the results of such vote. The Committee and management have continued to monitor voting policy changes adopted by institutional shareholders and their advisors, and the company expects that the Committee will continue to take those voting policies into account when it considers future changes to the executive compensation program.

The Committee also considered the following company and participant focused matters:

Company matters:

- Company performance in prior years, and expectations for the future;
- The general business environment in which compensation decisions were being made;
- The anticipated degree of difficulty inherent in the targeted incentive performance metrics;

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- The level of risk-taking the program would reward; and
- Practices and developments in compensation design and governance.

Participant-focused matters:

- Individual pay histories and performance;
- The potential complexity of each program, preferring programs that were transparent to participants and shareholders and easily administered; and
- External and internal pay comparisons.

External Pay Comparisons. Although the Committee uses internal and external pay comparison data as a market check on its compensation decisions, the Committee recognizes that over-reliance on external comparisons can be of concern, and the Committee is mindful of the value and limitations of comparative data.

The Committee s first step in using external data for fiscal 2014 was the identification of an appropriate peer group. Shortly before the start of fiscal 2014, Frederic W. Cook & Co., Inc. prepared a list of potential peer companies (with an emphasis on food and beverage companies) based on the following criteria:

- operations (similar size and industry);
- talent (similar labor and customer markets); and
- investment profile (similar performance characteristics, growth orientation, similar business cycles, volatility and access to capital).

At the Committee s direction, the consultant recommended companies with annual revenues in the range of between one-third to three times our own. If a larger or smaller company was a direct competitor for business or executive talent, and similar in business nature, the consultant was permitted to include it. To further enhance the comparability of the companies included in the peer group, the consultant used regression analysis as needed to adjust the compensation data on a comparable basis to the size of the peer group in the aggregate. The Committee also asked the consultant to ensure that the peer group would be large enough to withstand unanticipated changes in our or an included company s structure or compensation programs.

With significant changes in our company and the broader packaged food industry over the past few years, the Committee approved changes to the peer group for fiscal 2014. These changes include the elimination of Sara Lee Corporation, McCormick & Company and Molson Coors and the addition of Altria Group, Dr. Pepper Snapple, Mondelez International and Tyson Foods. Accordingly, the Committee approved the following peer group for fiscal 2014:

Altria Group	Dr. Pepper Snapple	Kimberly-Clark Corporation
Campbell Soup Company	General Mills Inc.	Kraft Foods Group, Inc.
Clorox Company	H.J. Heinz Company*	

		Mondelez International, Inc.
The Coca-Cola Company	The Hershey Company	PepsiCo, Inc.
Colgate-Palmolive Company	Hormel Foods Corporation	Tyson Foods
Dean Foods Company	Kellogg Company	

* Subsequent to the approval of the peer group, H. J. Heinz Company was acquired and ceased to be a publicly-traded company. The removal of H.J. Heinz Company is the only change in the peer group approved for fiscal 2015.

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At the time of approval, the median revenue of the peer group listed above was similar to ours; all of the companies fell within a range of approximately one-quarter to three and one-half times our annual revenue, with the exception of PepsiCo. Although PepsiCo had revenues larger than three and one-half times ours, the Committee determined to keep it in the peer group due to its status as a direct competitor for business and executive talent.

The Committee used data from this peer group, together with general industry data, as a market check on its fiscal 2014 compensation decisions. As noted above, this was just one of many factors that played a role in compensation decisions.

The Committee does not maintain specific target ranges for our named executive officers salaries, annual incentive opportunities, long-term incentive opportunities, and total direct compensation levels. The Committee will continue to use peer data mindfully, as one of many tools for assessing the market competitiveness and appropriateness of executive pay opportunities.

Management s Role in the Design and Approval of our Programs. Mr. Rodkin, our CEO, played a role in several key areas of the design and approval of our fiscal 2014 executive compensation program:

1. Selecting Performance Metrics and Targeted Performance Levels. An important part of designing incentive compensation programs is the selection of plan metrics and performance targets. To help ensure that the Committee s pay for performance goals are achieved, metrics must be selected that are tied to shareholder value creation. Performance targets must be set at levels that align with investor expectations and retain management, without incenting undue risk taking. The Committee sought Mr. Rodkin s input on these matters for fiscal 2014. Mr. Rodkin provided the Committee his views on the appropriate company goals for use in our fiscal 2014 incentive plans based on his understanding of investor expectations and our operating plans. The Committee had sole authority to approve the program metrics and targets, but found Mr. Rodkin s input valuable.

2. Assessing Company Performance. Financial performance is at the core of the company s incentive programs. However, the Committee retains the discretion to modify payouts based on the manner in which business results are delivered. At the end of fiscal 2014, Mr. Rodkin offered the Committee his views of the company s performance against expectations, as further discussed below.

3. Assessing Individual Performance. With respect to individual performance, which also informed fiscal 2014 compensation decisions, the Committee relied on regular performance evaluations of the senior leadership team and focused on the outcome of strategic projects and initiatives, whether organizational goals were met, and the leadership behaviors exhibited. The full Board participated in a formal evaluation of Mr. Rodkin s performance for fiscal 2014. As a part of this process, Mr. Rodkin provided the Board with a self-assessment. For the other named executive officers, none of whom reports directly to the Board, Mr. Rodkin shared his assessment of their individual performance with the Committee. As part of this assessment, Mr. Rodkin provided his view on the level of salary and incentive compensation that the Committee should consider awarding to the individuals. Neither Mr. Rodkin nor any other named executive officer played a direct role in his or her own compensation determination for fiscal 2014.

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Key Elements of our Fiscal 2014 Executive Compensation Program

The fiscal 2014 pay packages for our named executive officers consisted of the following key components:

Type	Component
Incentive Compensation	Annual incentive opportunity (cash) Long-term incentive opportunity (equity)
Fixed Compensation	Salary, retirement benefits, health & welfare benefits

The Committee believes that using a mix of compensation types (salary, benefits, cash incentives, and equity-based incentives) and performance periods (one-year and three-year periods) promotes behavior consistent with our long-term strategic plan and minimizes the likelihood of executives having significant motivation to pursue risky and unsustainable results.

Opportunity Mix. By design, targeted incentive compensation for the named executive officers, other than our Chief Executive Officer, for fiscal 2014 was a significant percentage more than 78% of the total compensation opportunity. For our Chief Executive Officer, targeted incentive compensation for fiscal 2014 was 87% of his total compensation opportunity. The Committee s general policy is to provide the greatest percentage of the incentive opportunity in the form of long-term compensation payable in shares of our common stock. The Committee believes the emphasis on stock-based compensation is the best method of aligning management interests with those of our shareholders.

Named Executive Officer Considerations. The Committee, and in the case of our Chief Executive Officer, the independent directors, specifically considered the following when setting compensation opportunities for each of our named executive officers for fiscal 2014. Actual business performance over the relevant performance periods was the key determinant of fiscal 2014 incentive plan payouts for these individuals.

Mr. Gary M. Rodkin. Mr. Rodkin has been our Chief Executive Officer and a member of our Board of Directors since 2005. The Committee believes that within the company, Mr. Rodkin should have the highest ratio of incentive pay to salary and largest aggregate compensation opportunity. External market data supports this conclusion. For fiscal 2014, consistent with this belief, the independent directors set Mr. Rodkin s salary, annual incentive opportunity under the Management Incentive Plan and long-term incentive opportunities (comprised of performance shares and stock options) at a level higher than the comparable opportunities for the other named executive officers. The Committee took into account Mr. Rodkin s value to the company and accountability for the performance of the entire organization in determining his compensation opportunities for fiscal 2014.

Mr. John F. Gehring. Mr. Gehring has served as our Executive Vice President and Chief Financial Officer since 2009. Since he joined ConAgra Foods in 2002, Mr. Gehring has held roles with increasing responsibilities within our Finance organization, including responsibilities over key areas such as Accounting, Treasury, Risk, Investor Relations, Information Technology, Enterprise Business Services and Aviation. Mr. Gehring received a salary increase for fiscal 2014 due to the continued increase of his scope of accountability. The Committee considered the broad scope of his responsibilities, his tenure, internal equity and external market data in setting his compensation opportunities for fiscal 2014.

Ms. Colleen R. Batcheler. Ms. Batcheler has served as our Executive Vice President, General Counsel and Corporate Secretary since September 2009 and as Senior Vice President, General Counsel and Corporate Secretary since February 2008. Since she joined ConAgra Foods in June 2006, she quickly progressed through leadership roles within the Legal organization, assuming responsibility for the company s Government Affairs function during fiscal 2010. For fiscal 2014, the Committee increased Ms. Batcheler s salary and targeted long-term incentive opportunity. When setting Ms. Batcheler s compensation opportunities for fiscal 2014, the Committee considered Ms. Batcheler s growth in her role, demonstrated results as an advisor to the organization on legal matters, internal equity and external market data.

Mr. Brian L. Keck. Prior to Mr. Keck s retirement on August 1, 2014, Mr. Keck served as a non-executive special advisor to the company from May 26, 2014 until his retirement. Mr. Keck previously served as our Executive Vice President and Chief Administrative Officer since 2010, when he joined the company. During fiscal 2014, he had responsibility for our Communication & External Relations, Facilities and Real Estate functions as well as oversight of a dedicated, cross-functional Ralcorp integration team. The Committee considered Mr. Keck s contributions to the Ralcorp integration, responsibilities, market data and internal pay equity in setting his compensation opportunities and determining actual incentive payouts for fiscal 2014.

Mr. Paul T. Maass. Mr. Maass has served as our President of Private Brands and Commercial Foods since May 2013, when Mr. Maass added significantly to his responsibilities, taking over management of both the private brands and commercial foods businesses. In connection with this increased responsibility, Mr. Maass salary and long-term incentive opportunity were increased. Prior to that, Mr. Maass served as President of our Commercial Foods business since October 2010 and interim president of its Lamb Weston operation from 2010 until we hired a president of Lamb Weston, who reports to Mr. Maass, in February 2013. Since he joined ConAgra Foods in 1988 as a commodity merchandiser, Mr. Maass quickly progressed through leadership roles within our Commercial Foods businesses and assumed roles of increasing importance to the company. The Committee considered Mr. Maass significantly increased responsibilities, tenure and growth in a senior leadership role, business unit performance, internal equity, and external market data in setting his compensation opportunities for fiscal 2014.

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Below is a more detailed analysis of each element of the fiscal 2014 compensation program for our named executive officers, as well as actual fiscal 2014 payouts under the programs.

Salaries. We pay salaries to our named executive officers to provide them with a base level of fixed income for services rendered. On average, 22% of each named executive officer s, other than our Chief Executive Officer, total compensation opportunity for fiscal 2014 was provided in the form of base salary. For our Chief Executive Officer, 13% of his total compensation opportunity for fiscal 2014 was provided in the form of base salary.

Incentive Programs. Consistent with its overall compensation objectives, the Committee aligned management compensation with company performance through a mix of annual and long-term incentive opportunities for fiscal 2014. Opportunities under these programs combined to represent more than 78% of the named executive officers compensation opportunity, other than our Chief Executive Officer. For our Chief Executive Officer, targeted incentive compensation for fiscal 2014 was 87% of his total compensation opportunity. The annual incentive plan is referred to as the MIP, for Management Incentive Plan. The long-term incentive plan consists of the PSP, for the performance share plan component, and the Stock Option program.

Financial targets disclosed in this section are done so in the limited context of these incentive plans and they are not statements of management s expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Management Incentive Plan

The fiscal 2014 MIP provided a cash incentive opportunity to approximately 5,000 employees, including the named executive officers. At the start of fiscal 2014, the Committee approved company-wide net income and net sales as the underlying metrics for this plan (each adjusted as appropriate for unusual items), and set performance goals for threshold, target and maximum payout levels. The Committee designed the plan so that the method in which we delivered actual financial results during fiscal 2014 would be taken into consideration, in addition to individual performance. The Committee also set target compensation opportunities under the plan for each named executive officer, measured as a percentage of salary. Below is more detail on each of these items. Refer to our discussion below under Tax and Accounting Implications of the Committee s Compensation Decisions for a summary of the overarching diluted EPS performance goal and the framework used for the fiscal 2014 MIP to enable annual incentive awards to be potentially tax deductible under Section 162(m) of the Internal Revenue Code.

Pre-Established Financial Goals. At the start of fiscal 2014, the Committee approved net income and net sales goals under the fiscal 2014 MIP, and developed corresponding threshold, target and maximum incentive opportunities. The named executive officers were eligible to earn a payout equal to:

75% of their approved target incentive if the company achieved the target level of performance in net income; and

25% of their approved target incentive if the company achieved the target level of performance in net sales.

No portion of the incentive was guaranteed. Higher levels of financial performance were designed to result in payouts of up to 200% of targeted amounts.

The goals for the fiscal 2014 MIP applicable to the named executive officers were:

($ in millions)	Net Income (weighted at 75%)	Net Sales (weighted at 25%)
Threshold:	$880.7	$17,755.2
Target:	$1,036.1	$18,689.7
Maximum:	$1,191.5	$19,624.2

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The following table shows the ranges of authorized payments (expressed as a percentage of base salary for fiscal 2014) for the named executive officers upon achievement of the target- and maximum-level net income and net sales approved for the fiscal 2014 MIP. If threshold net income and threshold net sales were not met, no payments would be made under the fiscal 2014 MIP. Interpolation is used between result levels to determine payouts.

Named Executive Officer	Target MIP Award	Maximum MIP Award
Mr. Rodkin (1)	Up to 200% of salary	Up to 400% of salary
Mr. Gehring	Up to 100% of salary	Up to 200% of salary
Ms. Batcheler	Up to 80% of salary	Up to 160 % of salary
Mr. Keck	Up to 100% of salary	Up to 200% of salary
Mr. Maass	Up to 100% of salary	Up to 200% of salary

1. Mr. Rodkin s employment agreement leaves his MIP opportunity uncapped, but he agreed to a cap of two times target (400% of base salary) for fiscal 2014, as he has done in prior years. His agreement does not establish a guaranteed MIP payment.

Financial Results. To incent management to make decisions that have positive long-term impacts, even at the expense of shorter term results, and to prevent unusual gains and losses from having too great of an impact on plan payouts, the Committee retained discretion to exclude items impacting comparability from company-wide results and adjust actual results for specific items that occurred during the fiscal year. The specific adjustments approved by the Committee and applicable to the fiscal 2014 MIP net income and net sales metrics are detailed below under Use of Adjustments in Compensation Decisions.

After taking into account reported results and the approved adjustments, the company achieved fiscal 2014 net income of $934.8 million for MIP purposes and fiscal 2014 net sales of $17,797.3 million for MIP purposes, both of which were above threshold but below target performance. According to the pre-established goals, this performance level equated to a payout of 32% of target MIP awards, subject to the Committee s discretion to increase or decrease final payouts as described next.

Business Plan Delivery. Once the performance metrics review was complete, the Committee considered the manner in which management executed the operating plan during the year. The fiscal 2014 MIP gave the Committee discretion to increase or decrease final payouts by up to 25 points based on this assessment.

Mr. Rodkin provided his views to the Committee during this process. Mr. Rodkin communicated his belief that pay levels should be below the formula-determined payout to better align pay with performance. Mr. Rodkin emphasized the company s failure to achieve its profit commitments and the challenges incurred in integrating the Ralcorp business. The Committee and Mr. Rodkin also discussed the company s over-delivery of its operating cash flow and debt repayment targets during the year and work undertaken to provide a foundation for improvement in fiscal 2015 and beyond. Based on this assessment, the Committee authorized a 25% payout level for the MIP.

Named Executive Officer Awards. The Committee s final consideration was to determine each named executive officer s final fiscal 2014 MIP payout. This process involved an assessment of individual performance. Mr. Rodkin s input on the individual contribution of these leaders assisted the Committee in approving specific MIP payouts. In line with the company s strong pay for performance philosophy, Mr. Rodkin shared his perspective that given the overall performance of the company, payouts to each named executive officer should be limited to 25% of target. The full Board s performance evaluation of Mr. Rodkin was used in determining his payout, and the Board concluded that a payout of 25% of target was also appropriate for Mr. Rodkin.

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The Committee believes that the MIP awards paid to the named executive officers for fiscal 2014 are consistent with the level of accomplishment by the company and each named executive officer.

Named Executive Officer	Award Authorized at 25% of Target	Actual MIP Payout