

Economic Outlook

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AMS Annual Industry Conference

Egg, Fish, Poultry, and Red Meat Breakout Sessions

Doubletree Hotel by Hilton – Crystal City

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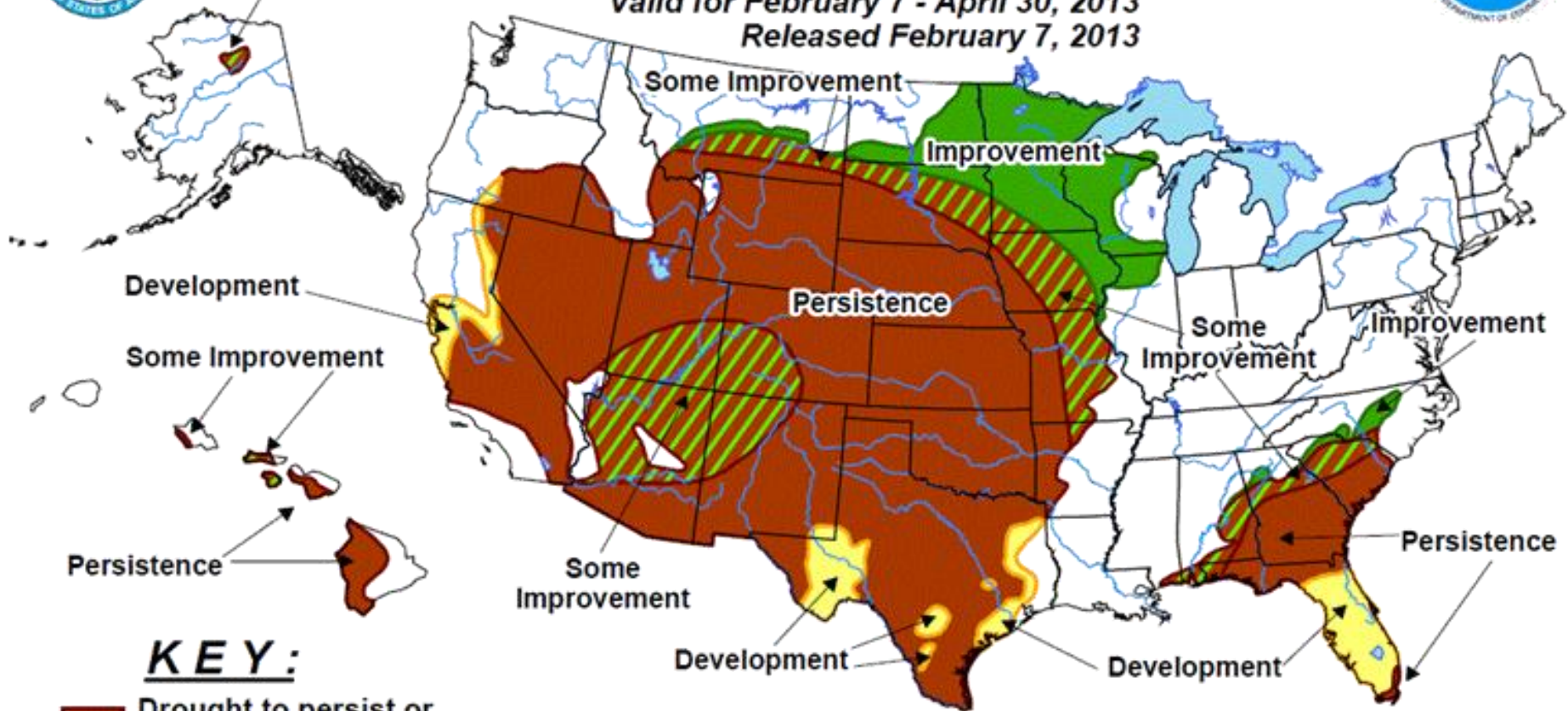
Some Improvement

U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for February 7 - April 30, 2013

Released February 7, 2013



Development

Some Improvement

Some Improvement

Improvement

Persistence

Some Improvement

Improvement

Persistence





Some Improvement


Development

Development

Persistence

KEY:

-  Drought to persist or intensify
-  Drought ongoing, some improvement
-  Drought likely to improve, impacts ease
-  Drought development likely

No Drought Posted/Predicted 

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Short-term events – such as individual storms – cannot be accurately forecast more than a few days in advance. Use caution for applications – such as crops – that can be affected by such events. "Ongoing" drought areas are approximated from the Drought Monitor (D1 to D4 intensity). For weekly drought updates, see the latest U.S. Drought Monitor. NOTE: the green improvement areas imply at least a 1-category improvement in the Drought Monitor intensity levels, but do not necessarily imply drought elimination.

2013 Livestock/Poultry Situation

- Higher feed prices for most of year
 - Corn –
 - \$6.75-\$7.65/bu in 2012/13
 - \$6.22/bu in 2011/2012
 - Soybean meal –
 - \$430-\$460/ton in 2012/13
 - \$394/ton in 2011/2012
- Feed prices are expected to moderate moving into 2013/14 crop year

Cattle/Beef Industry

- Supply
 - 80% of pasture in Great Plains poor/very poor
 - Altered production patterns/herd size/makeup
 - Prevented Rebuilding of Herd
 - Beef production down 3% in 2013
- Demand
 - Exports above 2003 levels
 - Per capita consumption 56.1 lbs (↓2%)
- Price Trends
 - Retail Choice beef \$5.11/lb (↑2%)



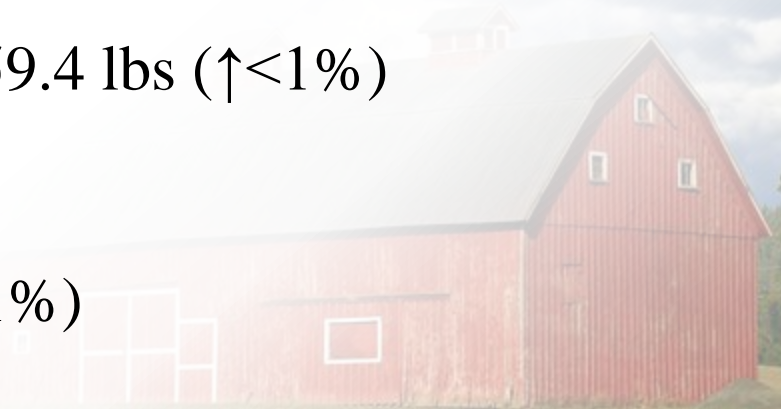
Broiler Industry

- Supply
 - RTC production up less than 1%
 - Continued increase in live weights
- Demand
 - Per capita consumption 80.9 lbs (↑0.6%)
 - Exports almost even with 2012
- Price Trends
 - Whole bird prices 95 cents/lb (↑10%)
 - Composite price \$1.93/lb (↑2%) retail



Swine/Pork Industry

- Supply
 - More consistent with vertical integration ($\uparrow 0.7\%$)
 - Feed prices drove losses in 2012
- Demand
 - Beef prices are a wild card
 - Per capita consumption 59.4 lbs ($\uparrow < 1\%$)
- Price Trends
 - Retail pork \$3.46/lb ($\downarrow < 1\%$)



Turkey Industry

- Supply
 - RTC production up 1%
 - Continued increase in live weights
- Demand
 - Per capita consumption 16.3 lbs (↑2%)
 - Exports up 3% (record high)
- Price Trends
 - Whole bird \$1.04/ lb (↓2%) wholesale
 - Whole bird \$1.59/lb (↓2%) retail



Sheep/Lamb Industry

- Supply
 - Long term inventory decline
 - Production down 5%, imports up 7%
 - Drought led to \$10 million Bonus Buy
- Demand
 - Competition from Imports
 - Per capita consumption 0.9 lbs (↑12%)
- Price Trends
 - Retail lamb prices ↓3%



Egg Industry

- Supply
 - Table egg production up 1%
 - Eggs broken up 1%
- Demand
 - Per capita consumption 251 eggs (↑1%)
 - Exports down 9%
- Price Trends
 - Grade A large \$1.16/doz (↓1%) wholesale
 - Grade A large \$1.93/doz (↑5%) retail

Farm-Raised Catfish Industry

- Supply
 - Declining production capacity
 - Vulnerable to increased feed costs
- Demand
 - Competition from imports
- Price Trends
 - Largely dependent on imports



Questions?

