

The Broiler Industry Yesterday, Today and Tomorrow

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U.S. Broiler Production

Avg. % Change

1950 – 59	12.1%
1960 – 69	5.2%
1970 – 79	4.0%
1980 – 89	4.6%
1990 – 99	5.5%
2000-2005	2.9%

1940 to Current

	<u>Age/days</u>	<u>Weight</u>	<u>F/Gain</u>	<u>Cal./Lb.</u> <u>Meat</u>
1940	85	3.00	4.00	
1950	70	3.25	3.00	
1960	63	3.50	2.50	
1970	56	3.75	2.25	
1980*	51	3.84	2.08	2998
1990**	48.8	4.39	1.91	2940***
2000**	48.9	5.16	1.99	2848***
2005**	49.5	5.68	1.97	2744***

*Agrimetrics Best 8

**Agri Stats Average Industry Performance

***Adj. 5.00 Lbs. Wt.

Growth of Industry 1960-2005

	1960	2005 (est.)
Production (Billion lbs. RTC)	4.335	35.156
# of birds (Billion)	1.795	8.875

RTC production has increased 8 times

Number of broilers has increased almost 5 times

Factors in Production Increase

	1960-2005	2000-2005
More birds	76%	50%
Average heavier weight per bird	24%	50%

Big birds more predominant in recent years

The Year 2000*

	<u>Prediction</u>	<u>Actual</u>	<u>(Adj.)</u>
Avg. Wt.	4.00	5.16	4.00
% Liveability	98.0	95.35	
Feed Conv'n	1.65	1.99	1.82
Wt. Gain/Day	10.81	10.56	
% Hatch	80.0	82.83	
Egg/hen	150	154.0	
Calories/lb. Meat	24.16	2,848	2,610*
BPMH (thru chiller)	250-300	195	
% Yield (arrival wt.)	81.0	76.92	
Age/days	37	48.9	

Adj: 4.00 Lb Wt.

**Comments Delivered at 1986 International Poultry Trade Show in Atlanta by TRS*

Opportunities*

1. Labor for Catching & Processing
2. Poultry Housing: Broiler & Breeder
3. Poultry Health
4. Live Performance Efficiency
5. Product Convenience & Value
6. Asset Management

**Comments Delivered at 1986 International Trade Show in Atlanta by TRS.*

Labor for Catching & Processing

Birds Per Man Hour

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>1/2 2005</u>
BPMH (thru chiller)	80	175	195	225

Poultry Housing: Broiler and Breeder

Poultry Health

Live Performance Efficiency

Average Industry Performance

		<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>1/2 2005</u>
Avg. Wt.		4.39	4.68	5.16	5.68
% Liveability		94.81	95.24	95.35	94.75
Feed Conversion		1.91	1.91	1.99	1.97
Wt. Gain/Day		0.0899	0.0966	0.1056	0.1148
% Hatch		84.01	83.10	82.83	84.19
Eggs/Hen		156	154	154	155
Calories/Lb. meat		2940	2863	2848	2744
BPMH (thru chiller)		80	175	195	225
% Yield		76.59	75.65	76.92	78.93
Age Days		48.83	48.45	48.86	49.48

Source: 1990 to 2005 Agri Stats Annual Reports

Product Convenience & Value

% Industry Processed Lbs.

<u>Type of Plant</u>	<u>1995</u>	<u>2000</u>	<u>1/2 2005</u>
Whole Bird/Parts	27.5%	10.8%	10.1%
Fast Food	16.9	23.7	22.1
Debone	16.7	32.9	40.9
Tray Pack	38.9	32.5	26.8

Source: 1995 to 2005 Agri Stats Annual Reports

Major Market Channels

Market Outlets	1987	1993	1999	2003
Retail grocery stores ^{1/}	49.6	35.3	45.3	42.1
Restaurants	27.6	24.7	22.2	26.1
[of which are fast food]	[22.1]	[14.4]	[14.5]	[17.0]
Export or shipments	5.4	7.9	17.7	17.8
Further processors	5.7	7.5	^{2/}	^{2/}
Institutions	1.3	6.4	1.5	1.2
Government	1.7	1.0	1.5	0.9
Brokers and traders	^{3/}	^{3/}	^{2/}	^{2/}
Pet Food/Renderers, Other	<u>8.7</u>	<u>17.2</u>	<u>11.8</u>	<u>11.9</u>
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

1/ Includes club stores and “Other”

2/ Redistributed to other categories

3/ Included in category below

Bank of America's Annual Margin Per Pound (Cents/Lb.)

	Pre-Tax	Interest Cost/Lb
1983-1987 5-Yr. Avg.	4.15	0.63
1988-1992 5-Yr.-Avg.	2.52	0.59
1993-1997 5-Yr. Avg.	1.86	0.66
1998-2002 5-Yr. Avg.	1.17	0.66
2003-2005 3-Yr. Avg. (2005 includes 7 months)	7.18	0.42

Source: Bank of America