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Poultry Export Markets- Present and Future

Thierry Murad



USDA Agricultural Outlook Forum

Thierry Murad

25 February 2011

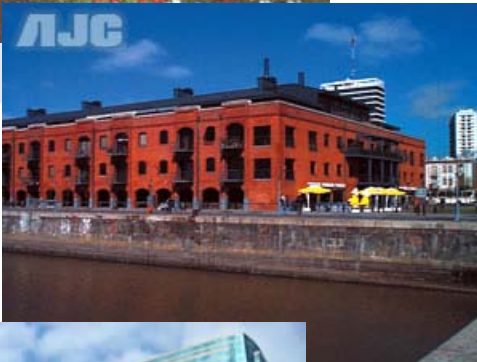
Reaching Global Markets
Fulfilling Your Needs



USDA Agricultural Outlook Forum

Poultry Export Markets: Present and Future..





- ◆ Established in 1972
- ◆ \$ 1 Billion privately held company headquartered in Atlanta, Ga.
- ◆ Seamless global office network of 12 integrated sites.
- ◆ Portfolio of business spans 6 continents & 140 countries.
- ◆ Over 825,000 metric tons transported annually (truck, rail & ocean).
- ◆ Over 25 languages spoken.
- ◆ **#1 US Poultry Exporter ***
(700 million+ lbs to over 100 countries..)

* Source: Piers

AJC Brand Family

**Golden
Phoenix**



**Garden
Maid**



- Brands Sold In More Than 60 Countries
- Diverse Products
- Year-Round Supply
- Marketing & Promotional Support
- Customized packing



Founded in 1984, USAPEEC is a non-profit, industry-sponsored trade organization dedicated to increasing exports of U.S. poultry and egg food products in all foreign markets.

USAPEEC is also a cooperator organization sanctioned by the Foreign Agricultural Service of the U.S.D.A. As a cooperator, USAPEEC administers export promotion funds allocated under the USDA's Market Access Program and Foreign Market Development program.

USAPEEC members account for more than 90 % of all poultry and egg exports, and include nearly all major U.S. poultry and egg producing and processing companies, as well as many international trading firms. Associate members include steamship lines, cold storage facilities, freight forwarders, port authorities and others whose businesses benefit from thriving poultry and egg exports.

So why's poultry such a big deal ?..

The U.S. poultry industry has 62,000 small and medium sized contract farmers that produce for the broiler and turkey industry companies.*

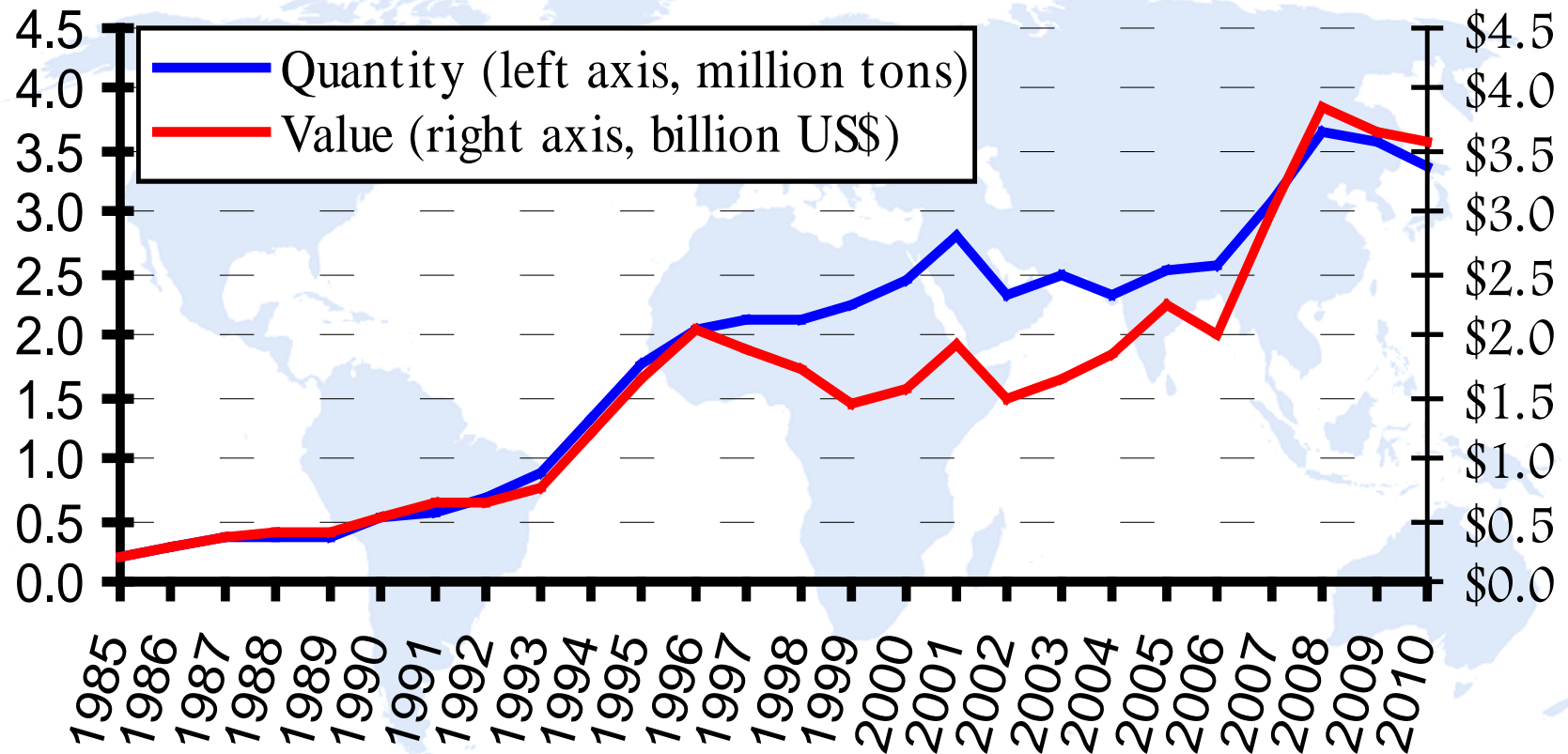
U.S. exports of poultry and eggs have created over 50,400 jobs ! *

* Source: USAPEEC

**Where we've been, where we are,
where we're going...**



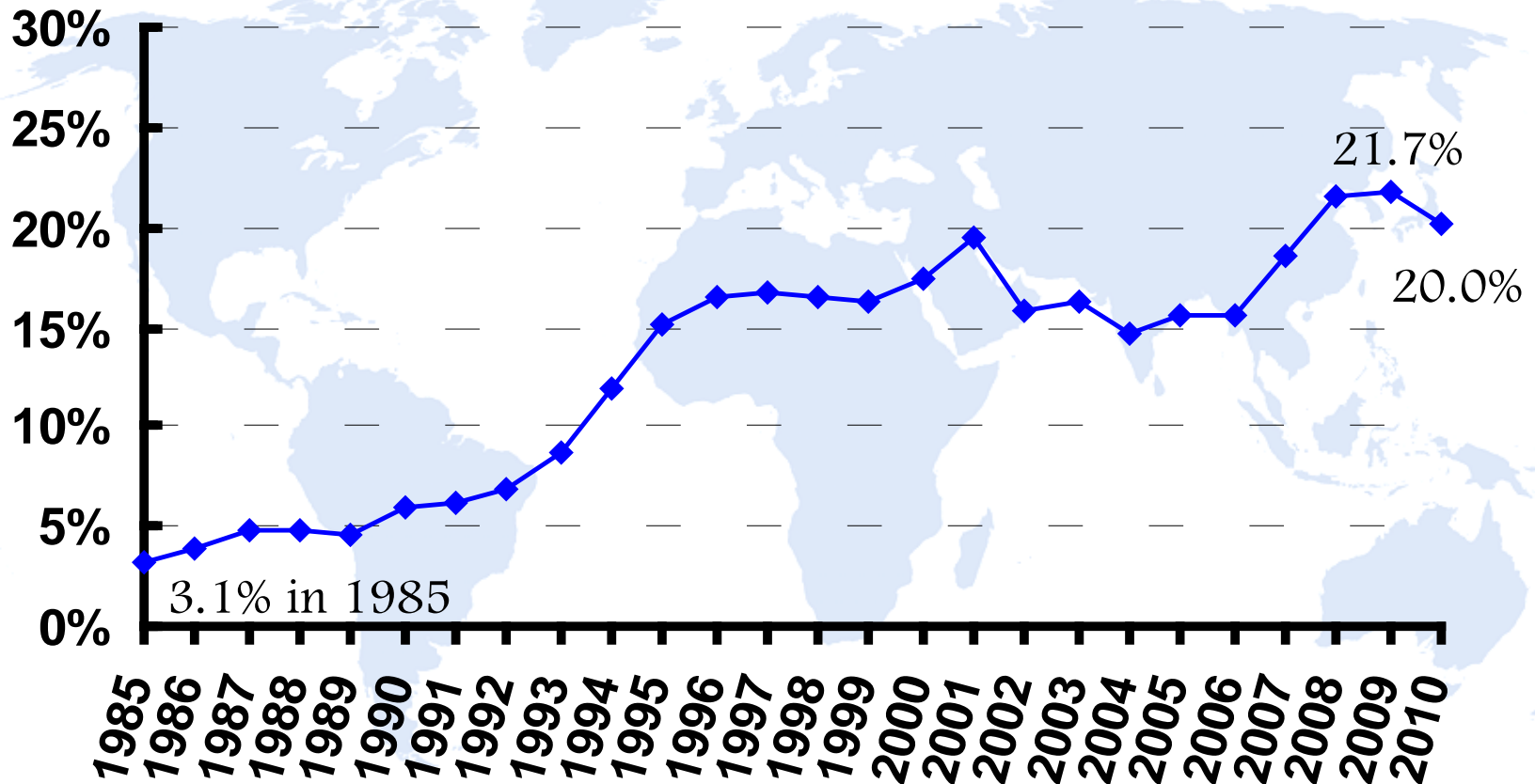
U.S. Broiler Exports Have Increased Rapidly Since 1985



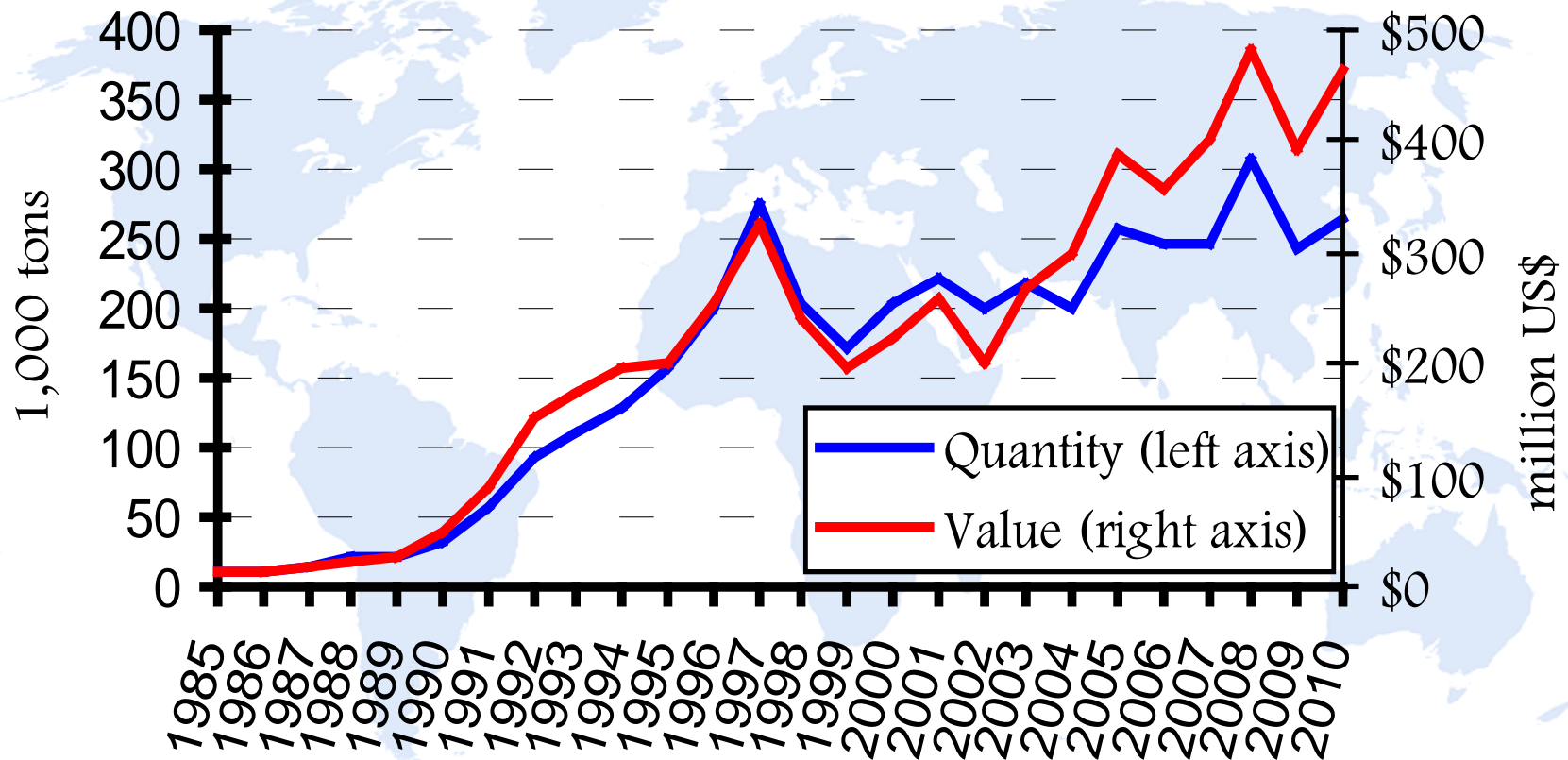
An average increase of 14.6% in volume
and 14.8% in value in 1985-2010

Source: USDA/FAS

Share of Broiler Production Exported



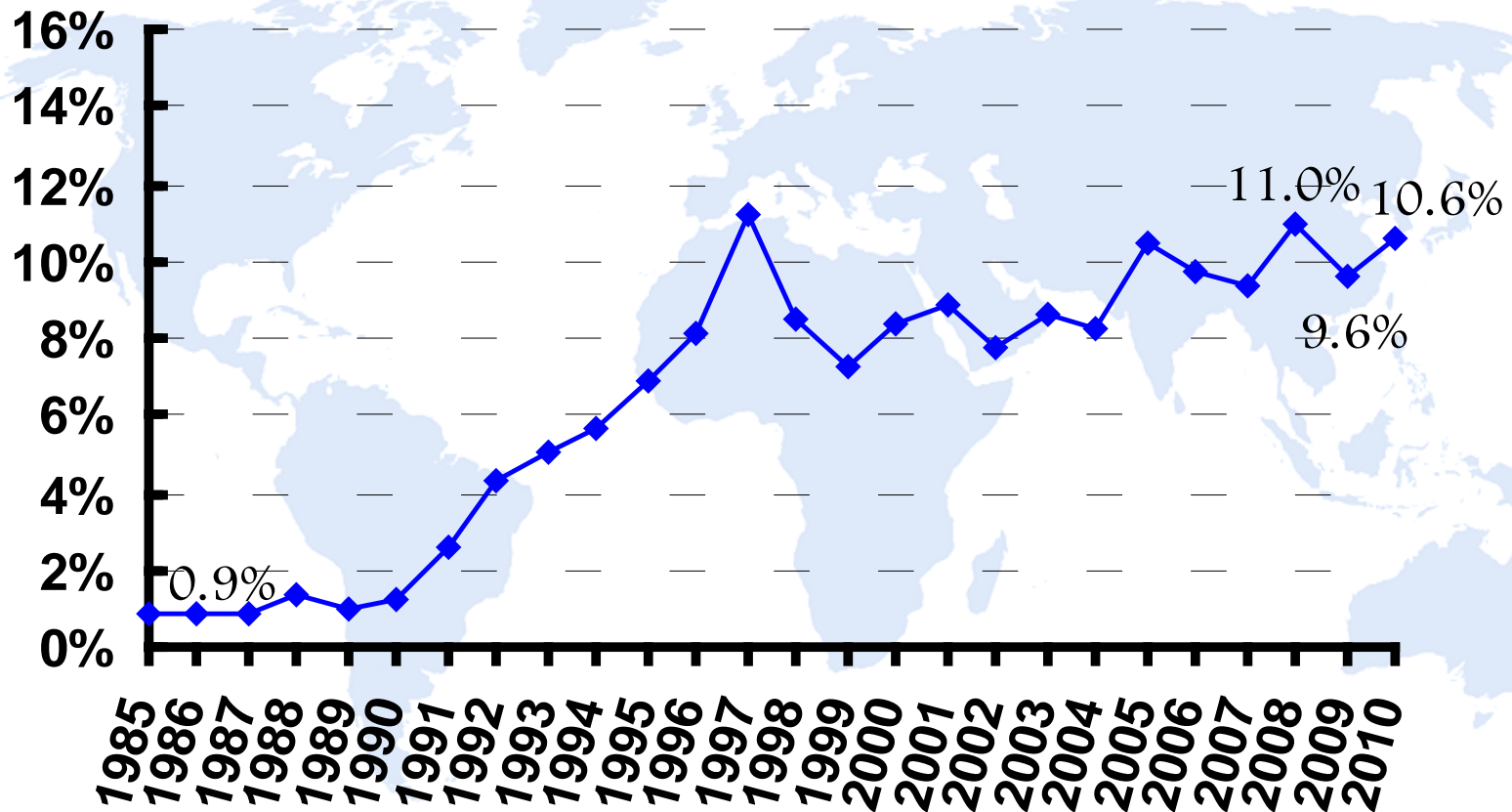
U.S. Turkey Exports Since 1985



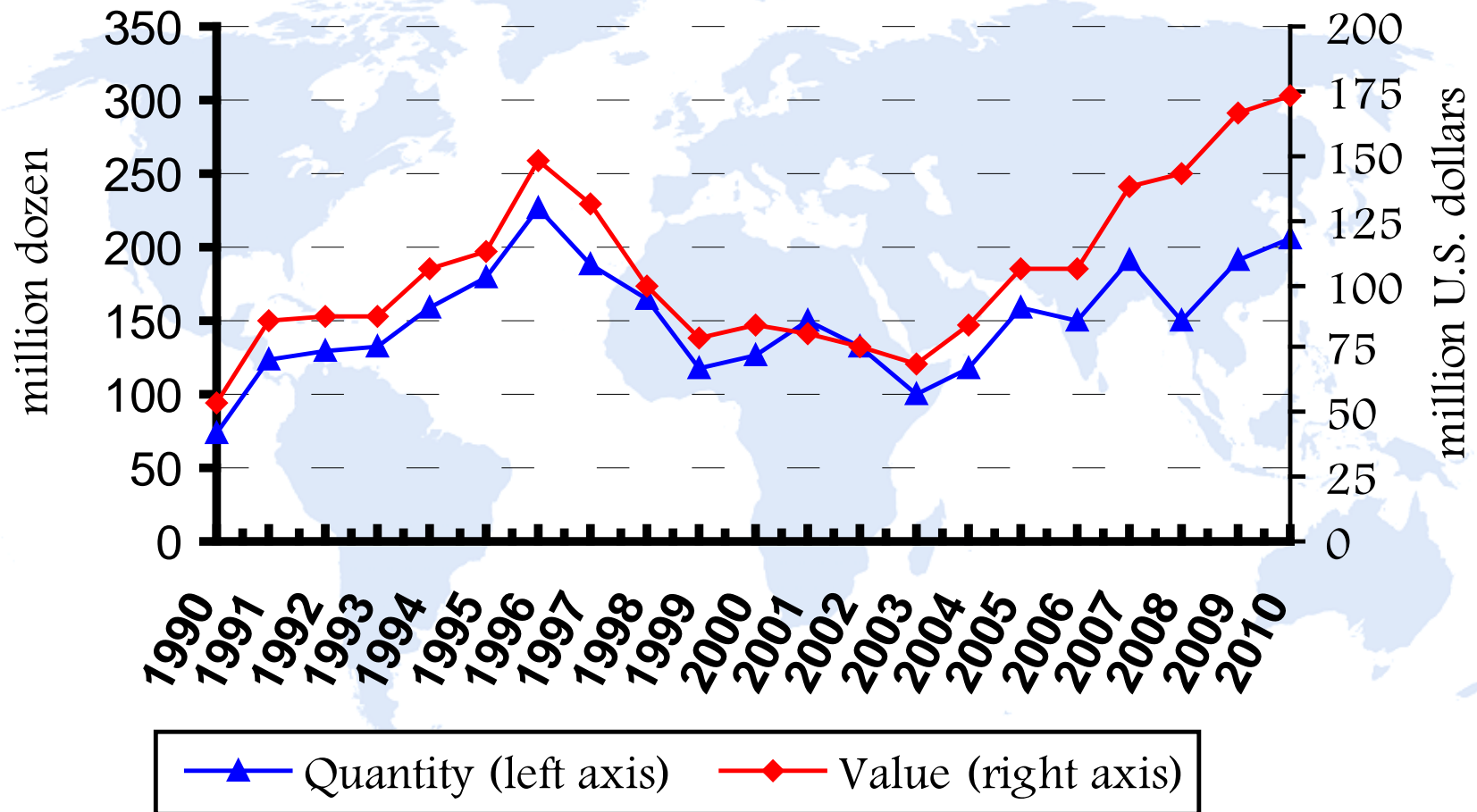
In 1985-2010, turkey exports increased at an average of 13.0% in volume and 14.7% in value.

Source: USDA/FAS

Share of Turkey Production Exported

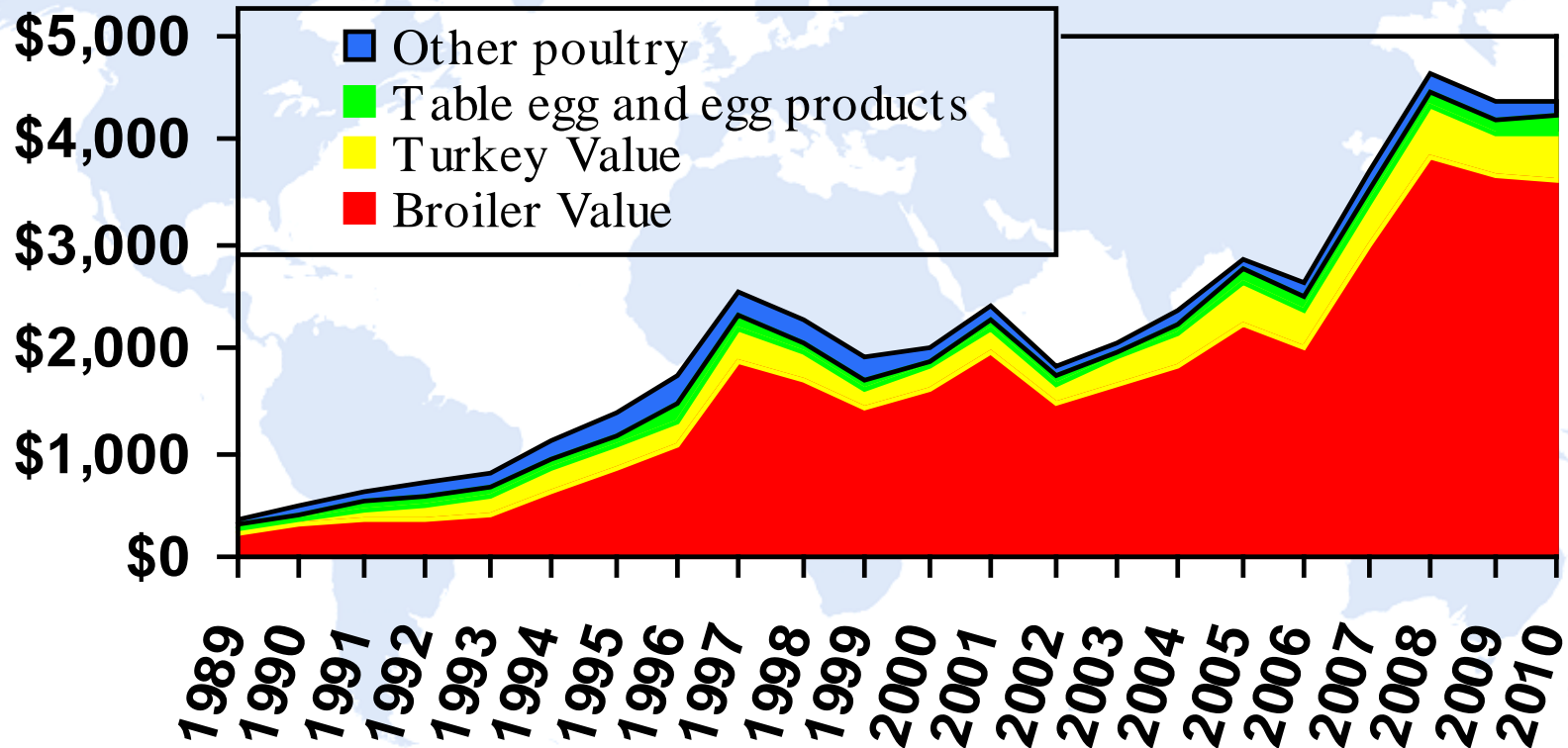


2010 Egg Exports Set New Record in Value

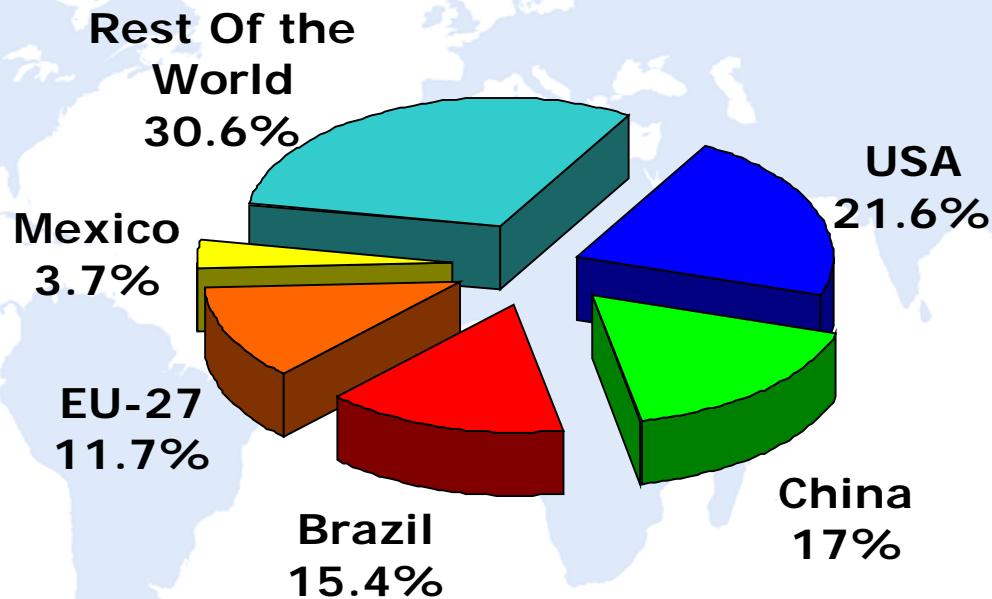


U.S. Poultry & Egg Export Value

(In million U.S. dollars)

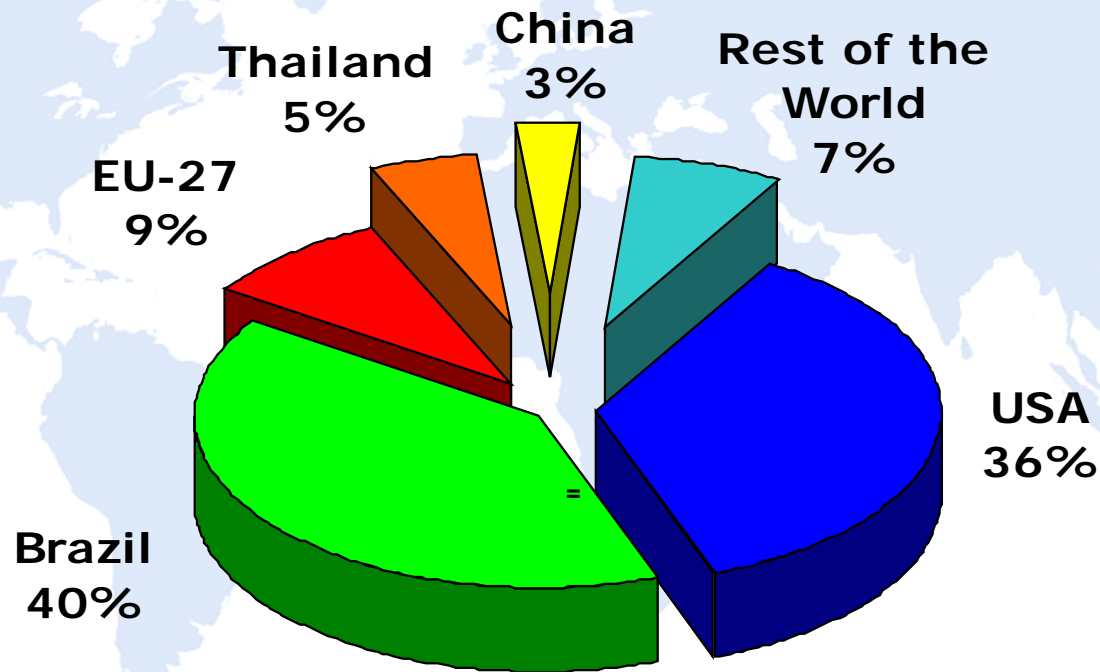


Major Poultry Production Countries/Regions (2010)



Production in the top three countries - USA, China, and Brazil accounted for 54% of world total production.

Major Poultry Exporting Nations/Regions (2010)



The USA and Brazil accounted for almost 80 percent of total global exports.

Global Economic Forecasts 2010 – 2019

*** Global Economic Growth to Rebound to 3.3 % !**

Largest Projected Growth in Developing Economies

- Asia (8%); China → 10% GDP
- South Asia (8%); India → 8.7%
- Eastern Europe/Poland/FSU & Russia: 5.2 %
- Middle East: 5%
- Africa: 5% (North Africa 5%; Sub Sahara 5.3%)

- Source: USDA & U.S. Census Bureau



Global Economic Forecasts 2010 – 2019

- ◆ **World Population growth projected 1.1 %**
(1980's-1990's: world population growth averaged 1.7 %)
- **Major Regions that will average greater than 1.1%:**
 - Africa: 2.2 % (North Africa 1.5 %; Sub Sahara 2.3 %)
 - Southeast Asia (ie Malaysia/Philippines) 1.7-1.8 %
 - India/Bangladesh/Pakistan 1.3%
 - Middle East 1.5 %
- China & India combined represents 37 % of the world's population.



Global Economic Forecasts 2010 - 2019

◆ Some Nations with Declining Populations:

- ◆ Germany
- ◆ Italy
- ◆ Spain
- ◆ Russia / Ukraine



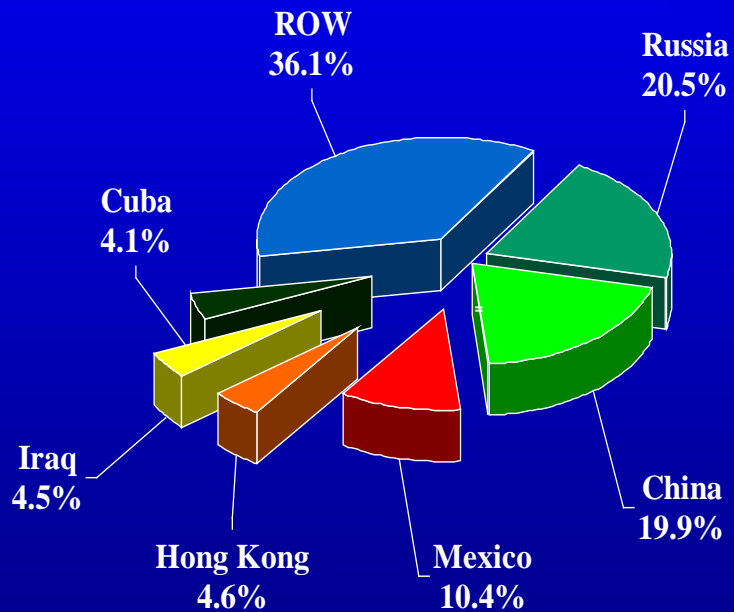


Factors Driving World Meat Demand

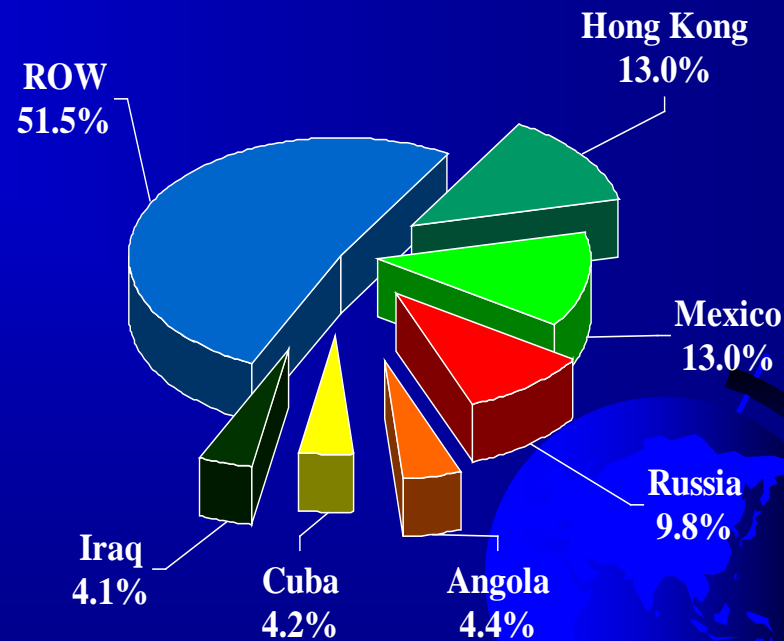
- ◆ Income Growth – Consumers diversify diets: More meat, dairy products, vegetables and processed foods
- ◆ Increased Demand for feedstuffs and higher valued food
- ◆ Urbanization
- ◆ **At a 1.1% growth rate, there will be nearly 75 Million additional mouths to feed each year!!**



Top U.S. Broiler Export Markets



2009



2010

Poultry Exports benefit everyone..

- 
- A faint, light blue world map is visible in the background of the slide, centered behind the text.
- ◆ **Poultry exports benefit both U.S. producers and consumers.**
 - ◆ **The reason: U.S. consumer preference for breast meat, coupled with foreign consumers preference for dark meat (ie leg quarters) and even chicken paws. Thanks to increased exports, U.S. consumers enjoy lower prices of breast meat.**
 - ◆ **Exports are expected to play a more important role in driving poultry production in the future as U.S. domestic consumption levels off.**

It's not that easy... obstacles to overcome:


- 
- A faint, light blue world map is visible in the background of the slide, centered behind the text.
- ◆ Market access issues.
 - ◆ Animal disease.
 - ◆ International competition; local producers.
 - ◆ Increased corn/feed costs.
 - ◆ Politics.. (we must support trade based on sound science, not political science).

The opportunities ahead look good !

- ◆ U.S. poultry and egg industry can supply quality, disease-free products to a growing world.
- ◆ Broiler meat is most competitive value in the World !
- ◆ Developing Nation Growth & Population Increases, especially in developing countries, means greater demand for broiler meat.
- ◆ Broilers are the most energy efficient protein; the most efficient converter of feed. Also, environmentally friendly production; demands less water, uses less arable land; smaller carbon footprint.



Conclusion

- 
- A faint, light blue world map is visible in the background of the slide, centered behind the text.
- ◆ Exports will play an ever more important role in driving poultry production in the future as U.S. domestic consumption levels off (this is also good news for the U.S. corn and soybean industries).
 - ◆ Despite various obstacles, poultry export volumes continue to grow; more market diversification.



Reaching Global Markets Fulfilling Your Needs



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