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Agricultural Outlook Forum
U.S. Department of Agriculture

Presented: February 23-24, 2012

Meat & Poultry Outlook
Tyson Foods, Inc

Donnie Smith



Tyson Foods, Inc.
Making Great Food. Making A Difference.

Meat & Poultry Outlook

Tyson Foods, Inc.

February 24, 2012

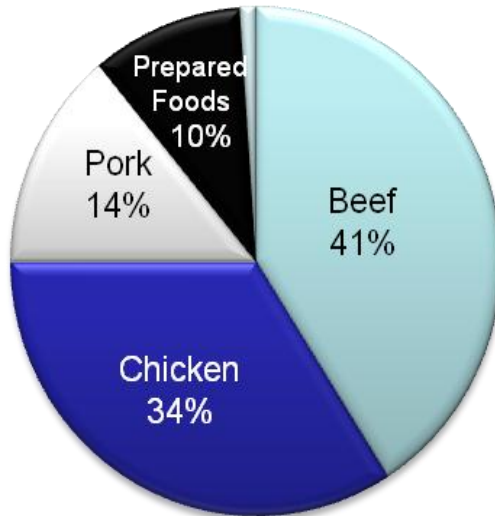


Company Overview

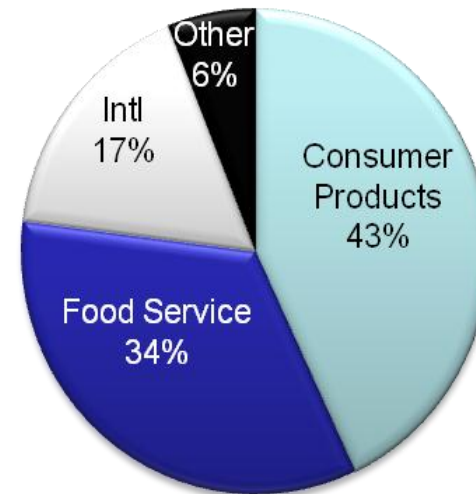


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Sales by Segment
FY2011
Other 1%



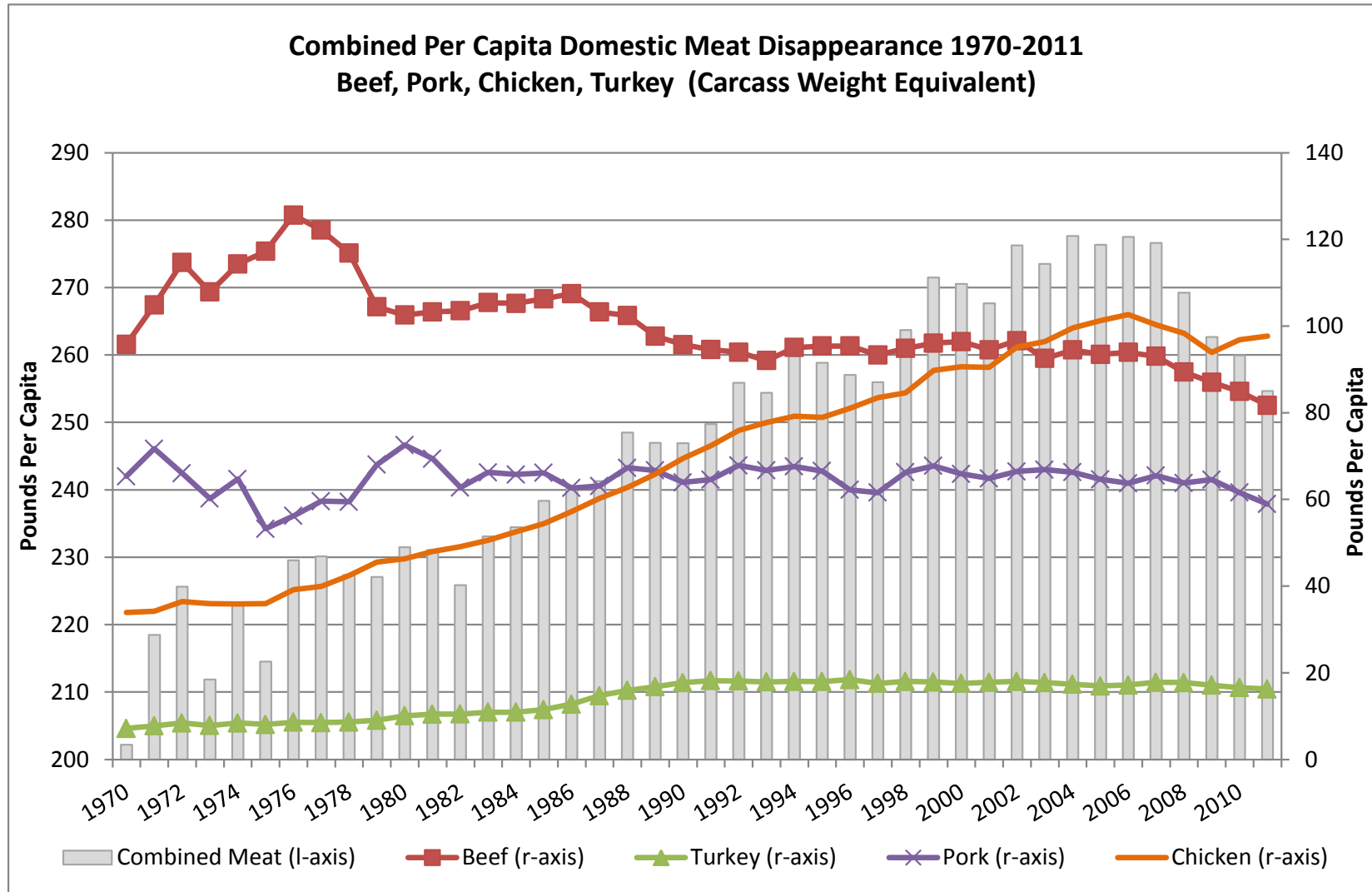
Sales by Distribution Channel
FY2011



Per Capita Consumption



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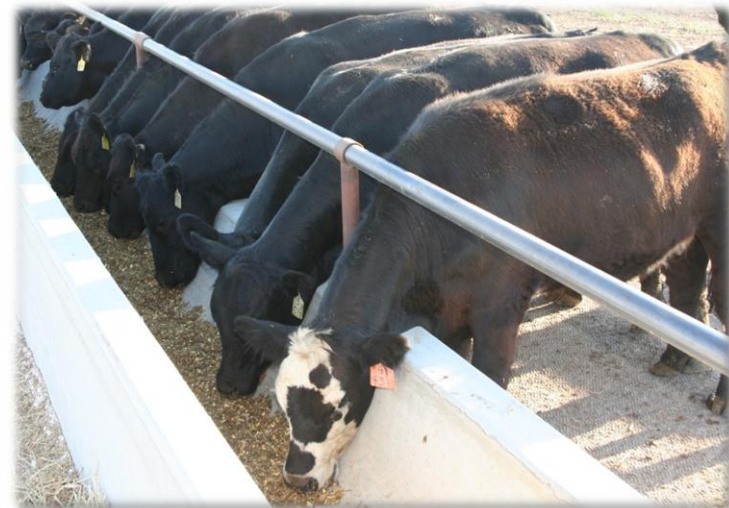


Paradigm Shift

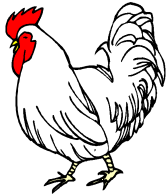


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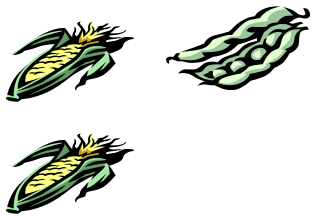
- Old: Demand driven
- New: Producer profitability
- Increase in exports



Protein Production Drivers

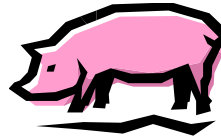


Contract grower



Feed conversion
1.92 : 1

3.7 bushels of corn
to produce 100 lbs. of
boneless skinless meat



Independent producer



Feed conversion
3.5 : 1

Approx. 8 bushels of corn
to produce 100 lbs. of
boneless skinless meat



Independent feedlot



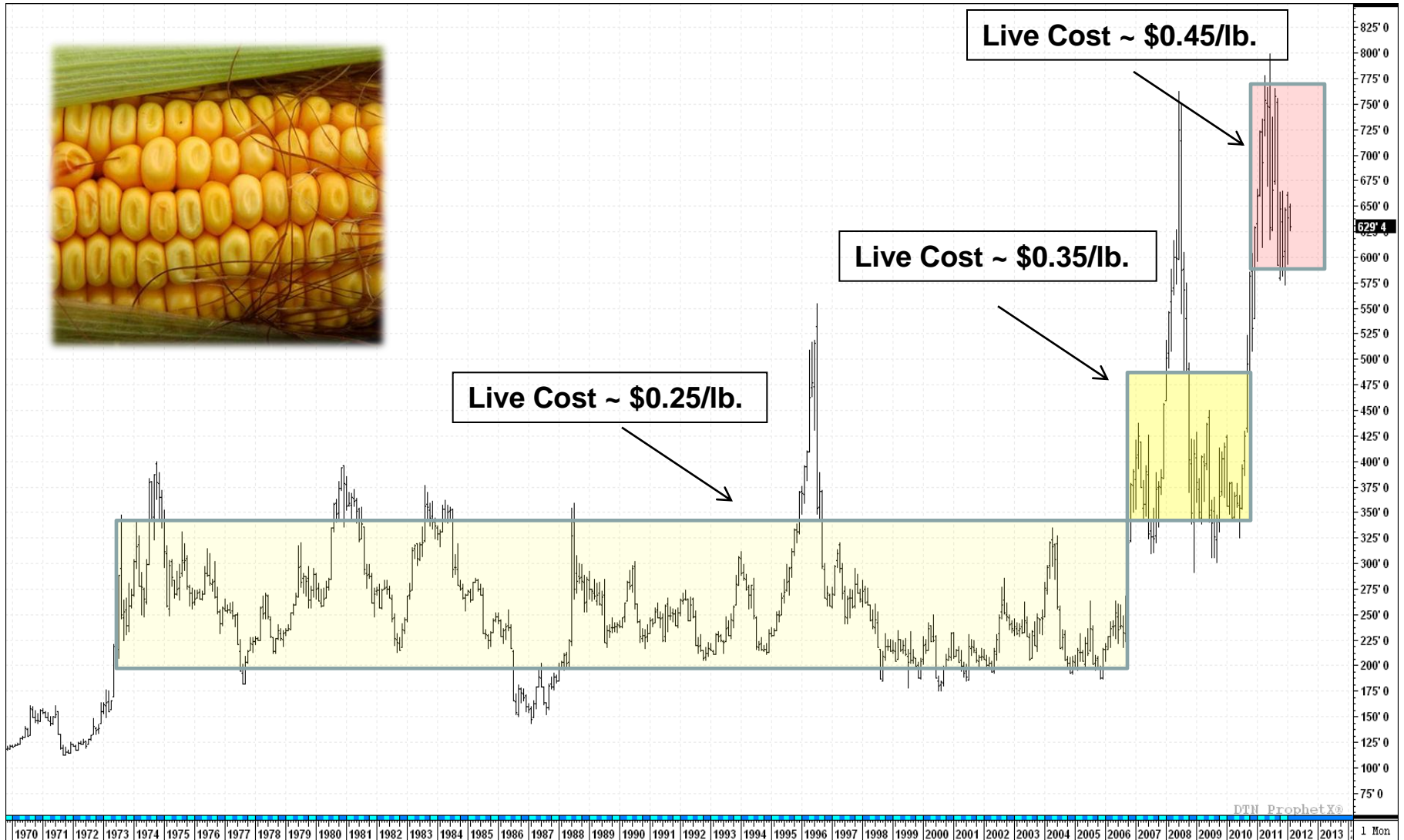
Feed conversion
7-9 : 1

Yearling (750 lbs.) → fed
beef (300 lbs.) 11 bushels
corn to produce 100 lbs. of
boneless fed beef

Corn Futures/Chicken Live Cost



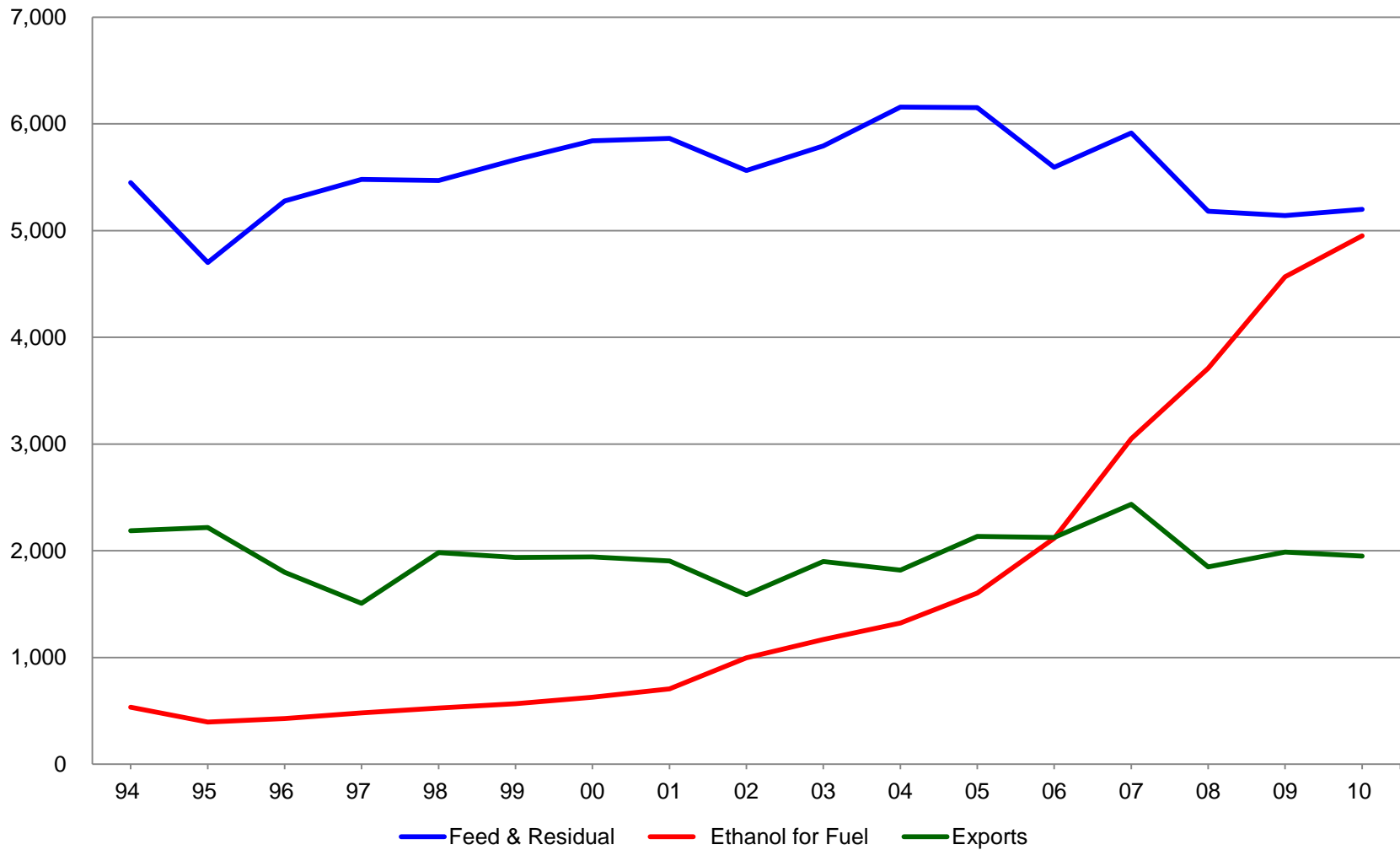
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U.S. Corn Usage



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Source: USDA

- Gas: Most expensive January ever

■ 2012:	\$3.37
2011:	\$3.10
2010:	\$2.71



- Diesel: 57% increase since 2007

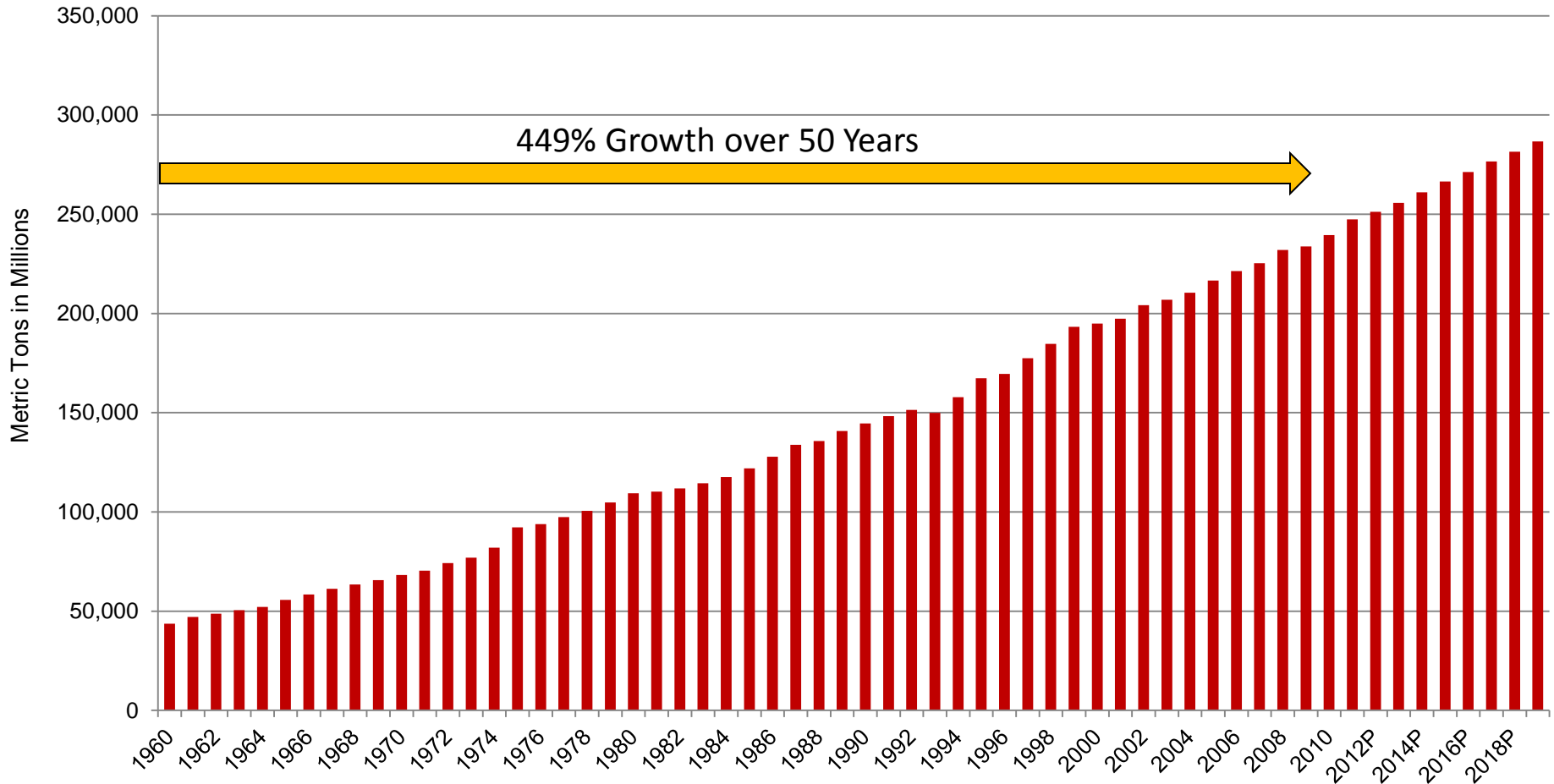
- Prices increasing faster than inflation
- Consumption declined slightly
- Demand has increased



Global Protein Consumption



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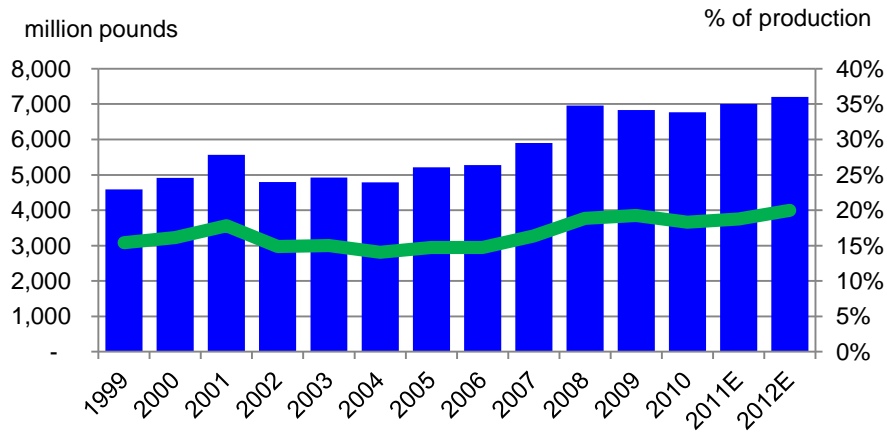
Source: USDA FAS and OECD. Includes Beef/Veal, Pork, Broilers, and Turkey

Protein Exports a Major Factor

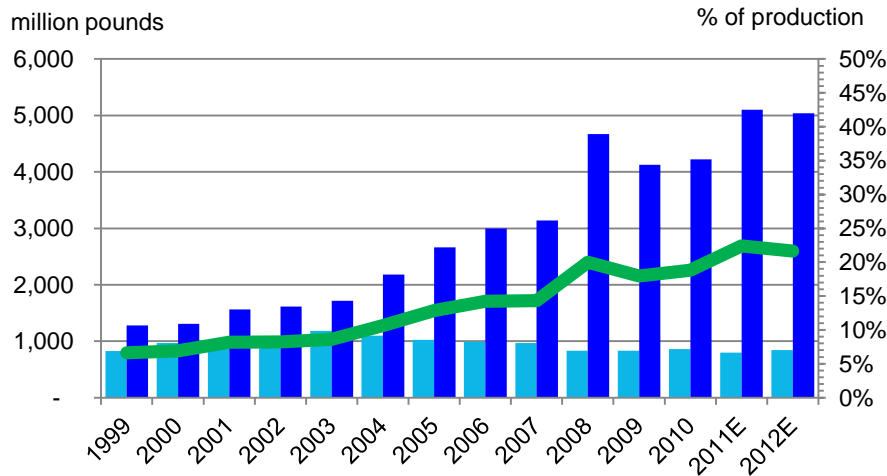


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Chicken

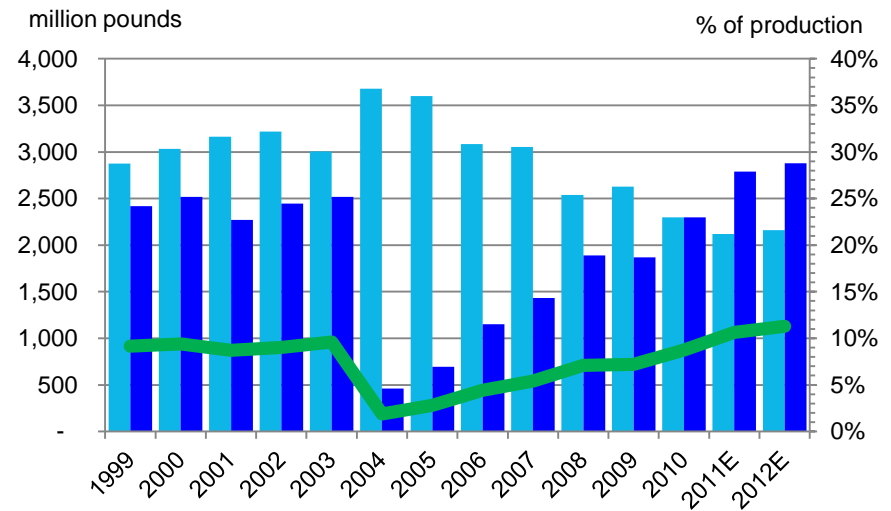


Pork



Imports Exports Exports % of Production

Beef



Source: USDA and Robert A. Brown, Inc.
January 30, 2012
2011 and 2012 are RAB forecasts

INTERNATIONAL LOCATIONS





- 70% more food needed
- 9 billion people by 2050
- U.S.: less than 10% on food
- 'Agricultural illiteracy'

- 22 million agriculture jobs
- AgCareers.com: 40,000 jobs posted
- Outdated stereotypes



Regulatory Agencies - Issues



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- FSIS
- GIPSA
- FDA
- EPA
- DOT
- OFCCP
- Trade
- EEOC
- ICE
- OSHA
- USTR
- Ethanol



Purpose Statement



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