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Agricultural Outlook Forum

Presented: February 17, 2006

ASIAN FEED DEMAND

Paul Aho
Poultry Industry Consultant
Poultry Perspective

The Outlook for Asian Feed Demand

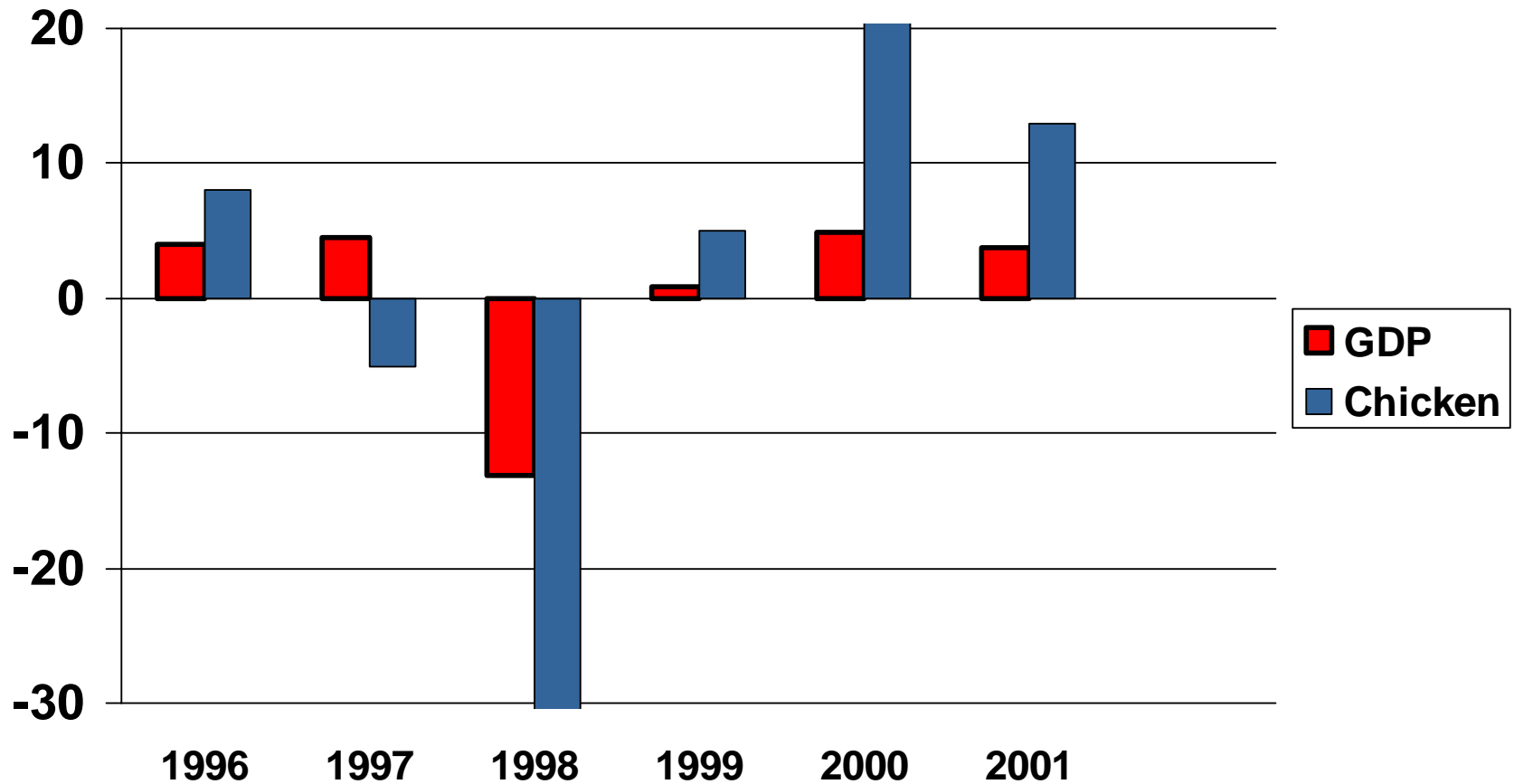
Dr. Paul Aho

USDA Agricultural Outlook Forum

February 17, 2006

Washington, D.C.

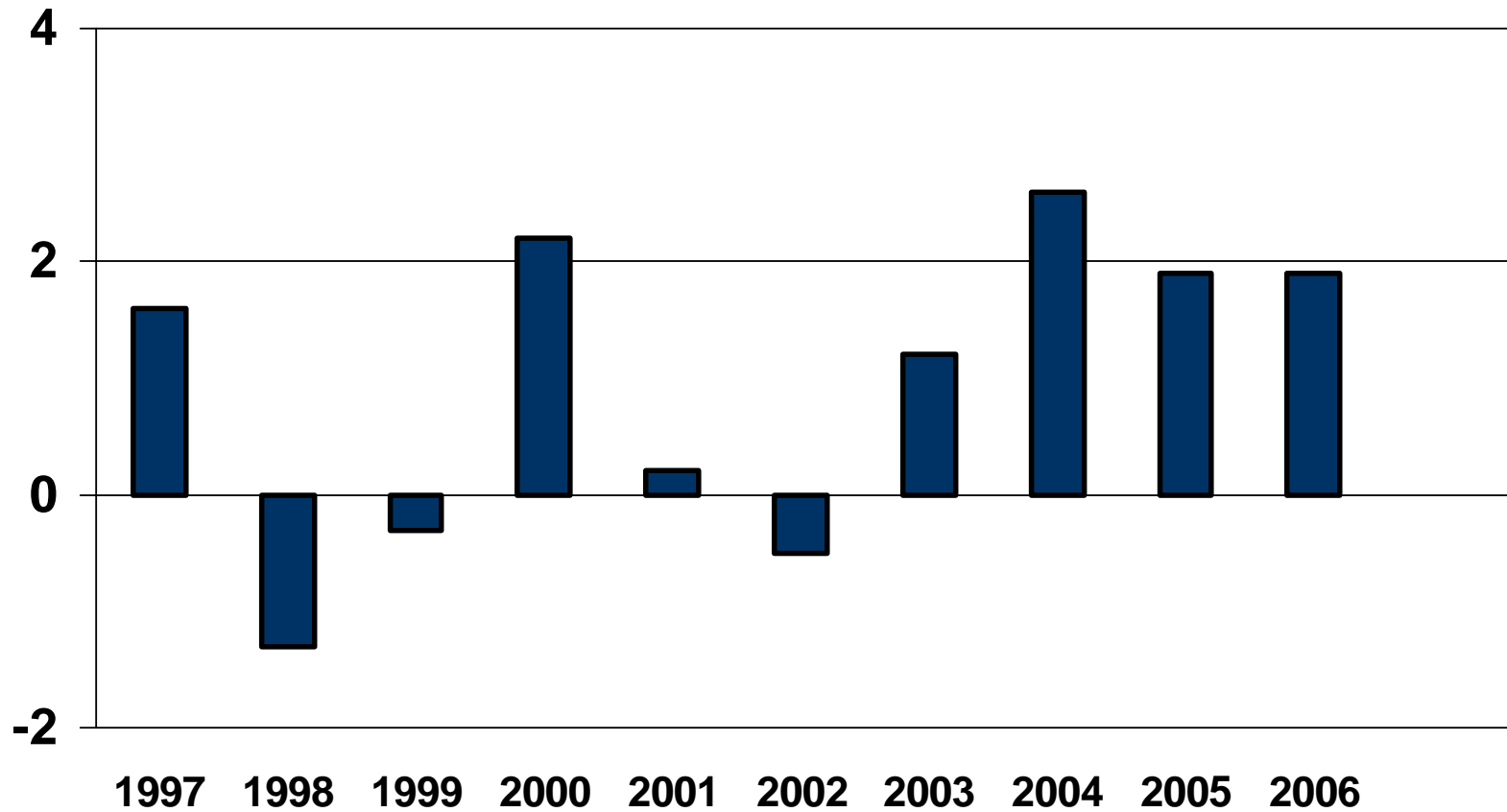
Indonesia GDP/Chicken Growth –FAO



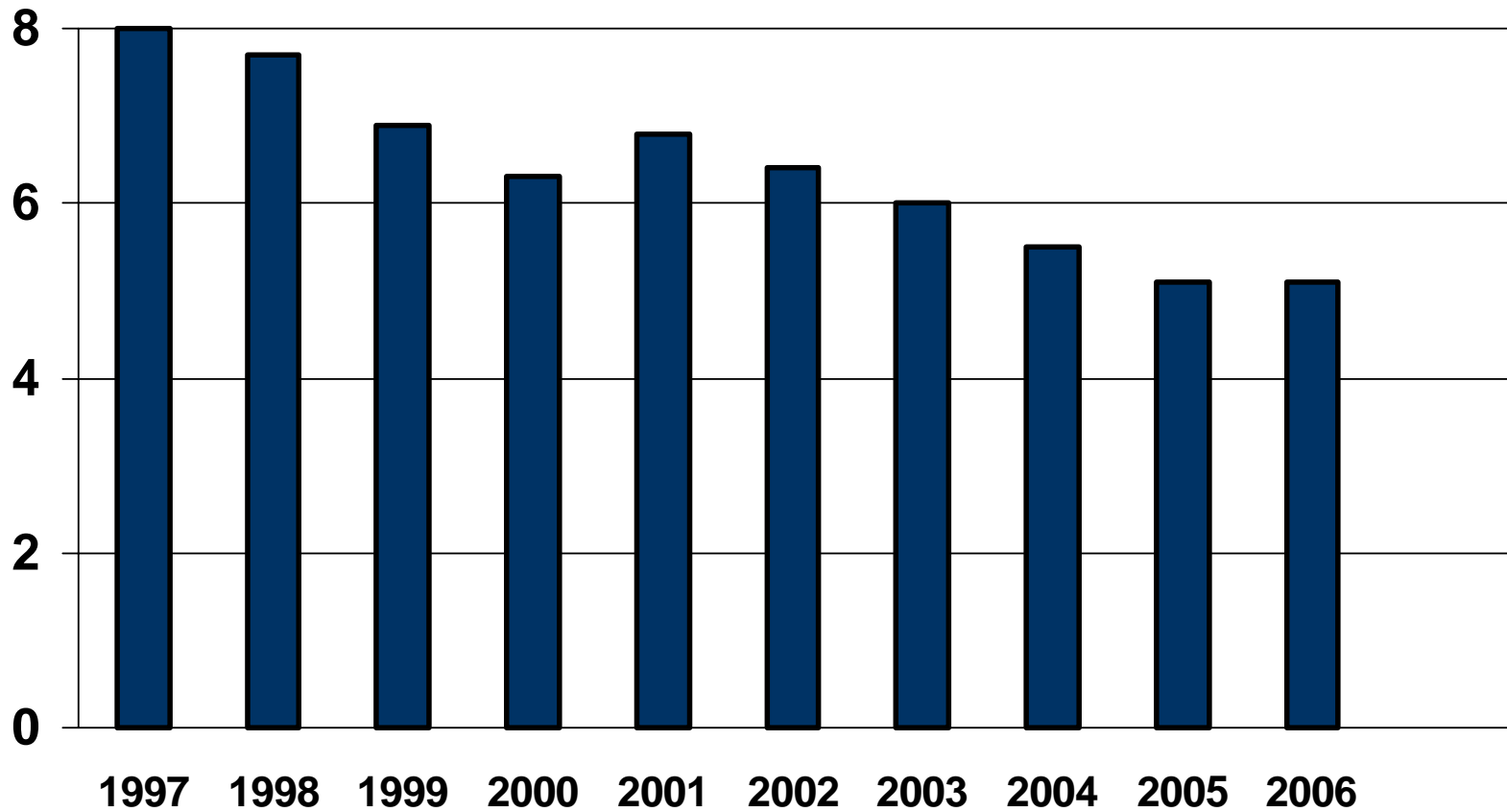
Economic Growth In Asia –Flying Geese

	60's	70's	80's	90's	00's	10's
Japan	12.3	5.4	4.0	2.2	2.0	1.0
Tigers	5.9	9.9	7.8	6.7	4.0	2.0
China		5.6	8.6	10.1	9.0	5.0
ASEAN			5.2	7.0	6.0	4.0

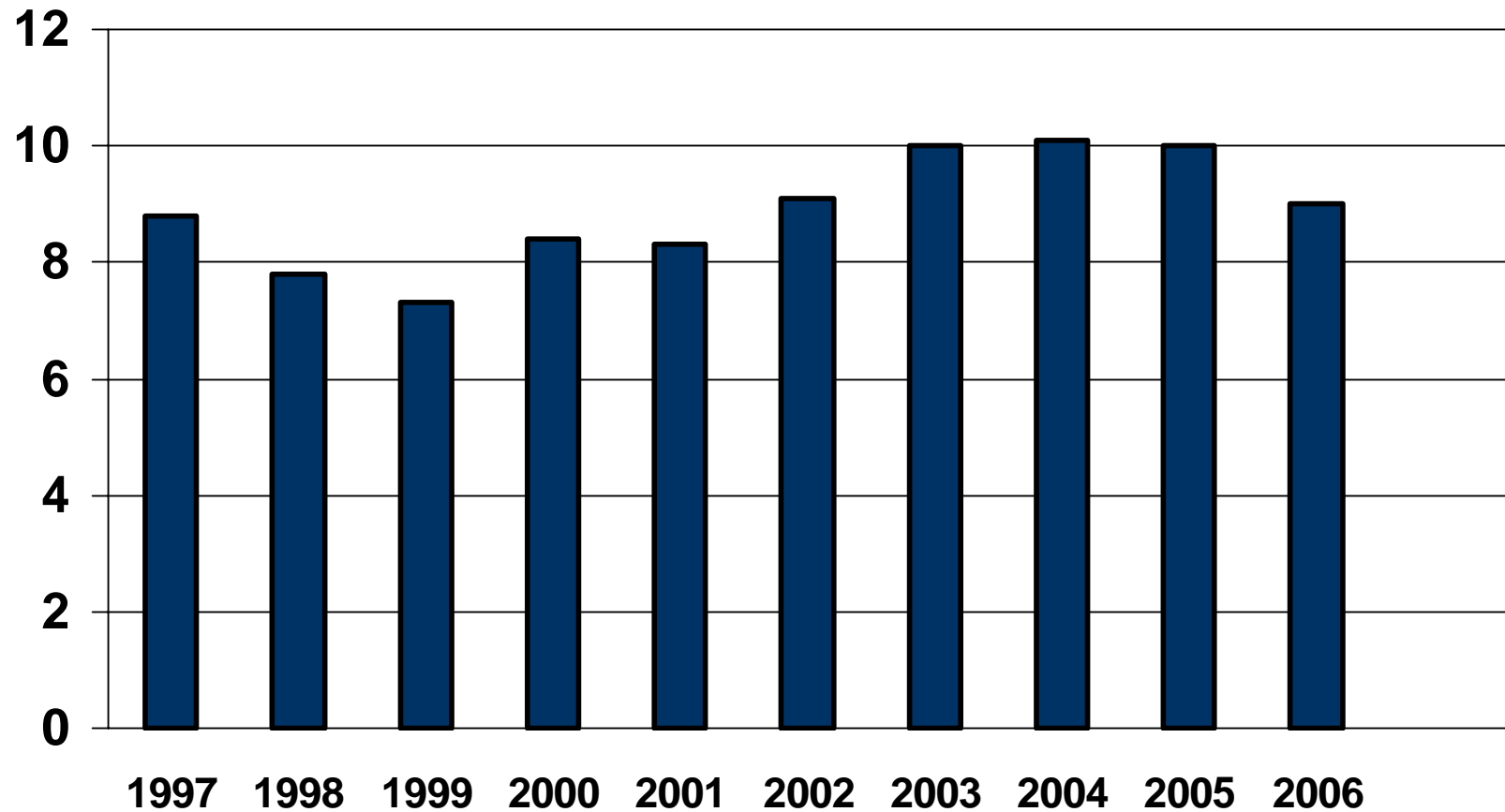
Japan GDP Growth



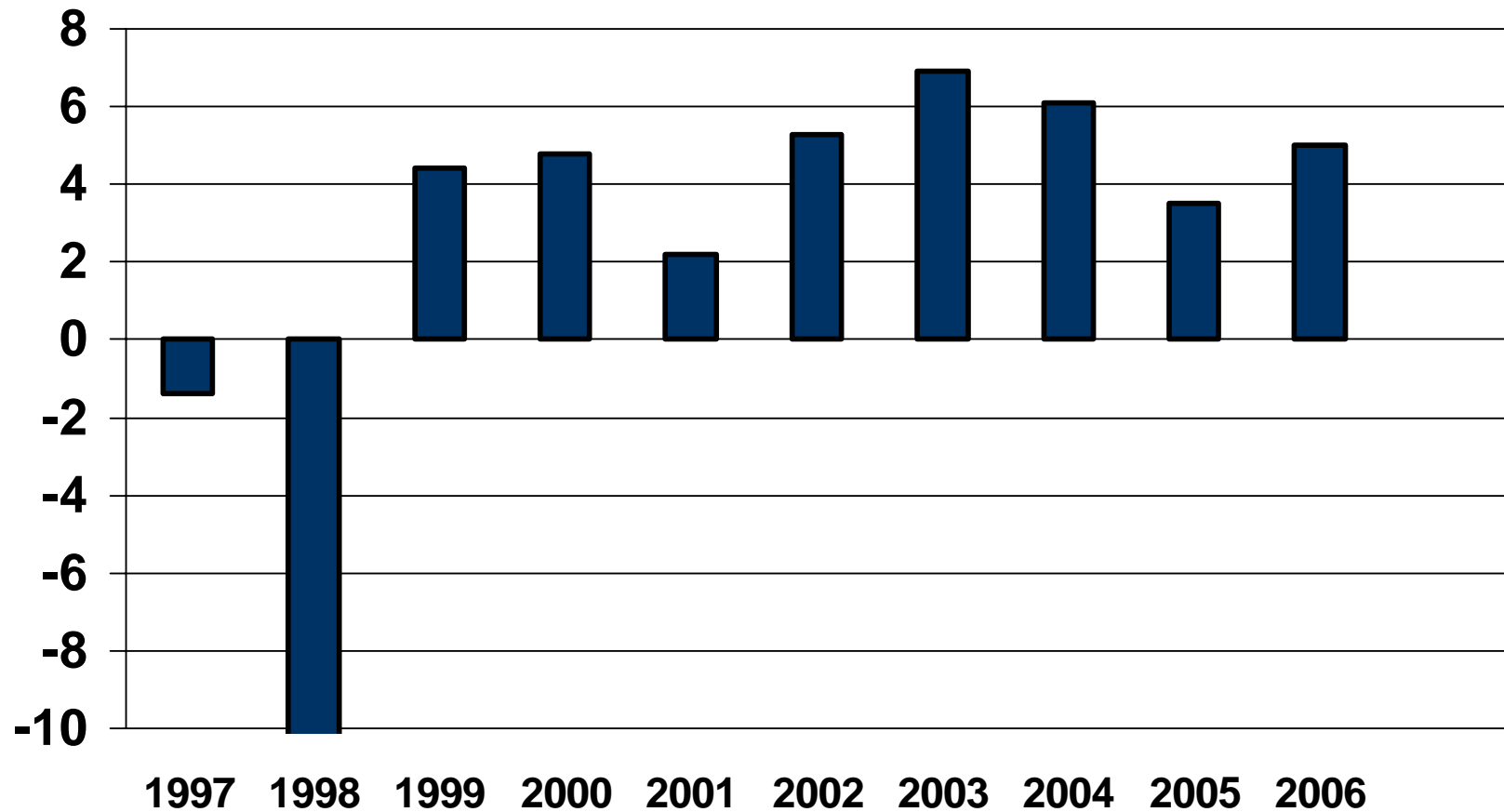
Taiwan GDP Growth



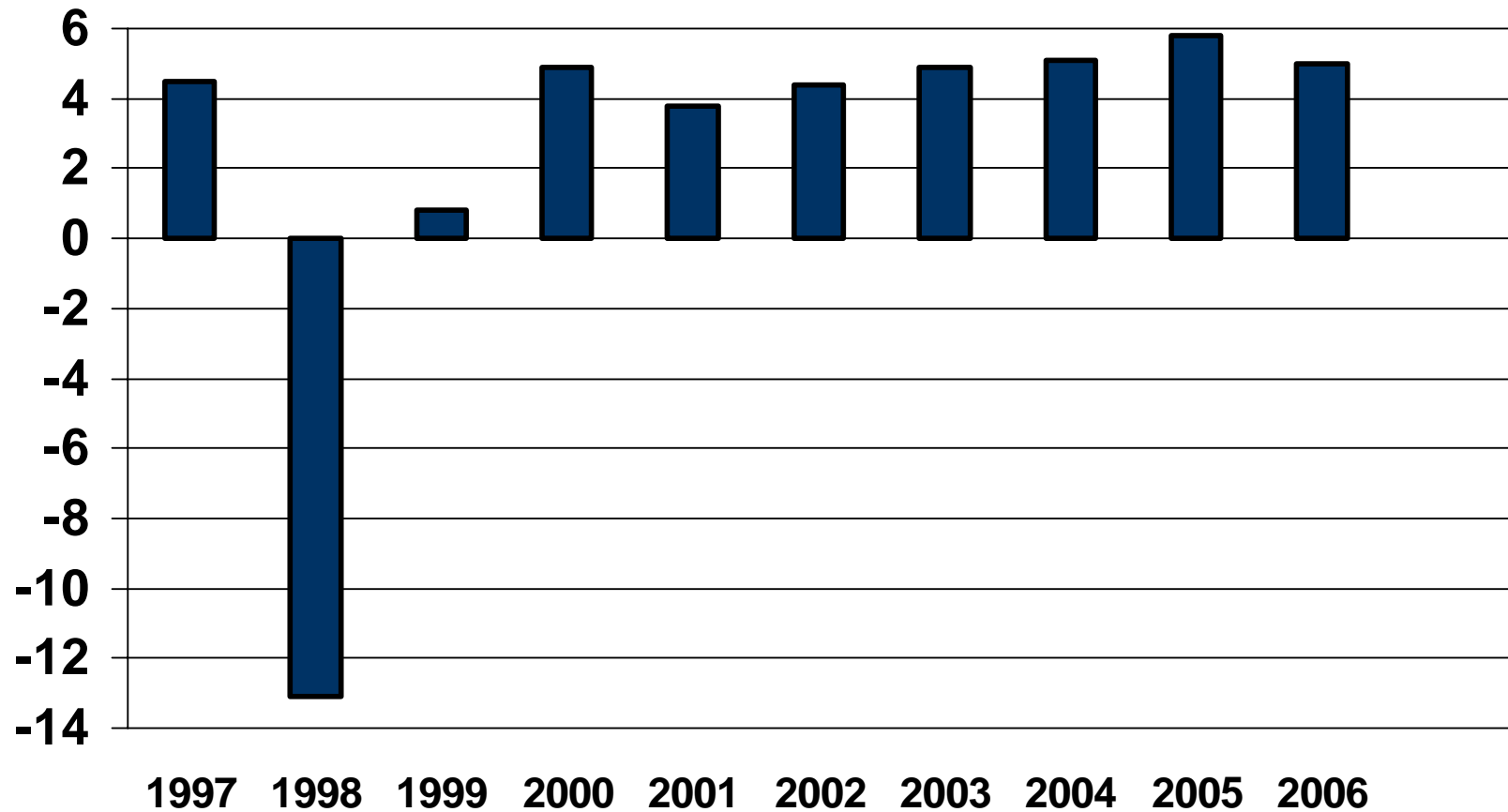
China GDP Growth



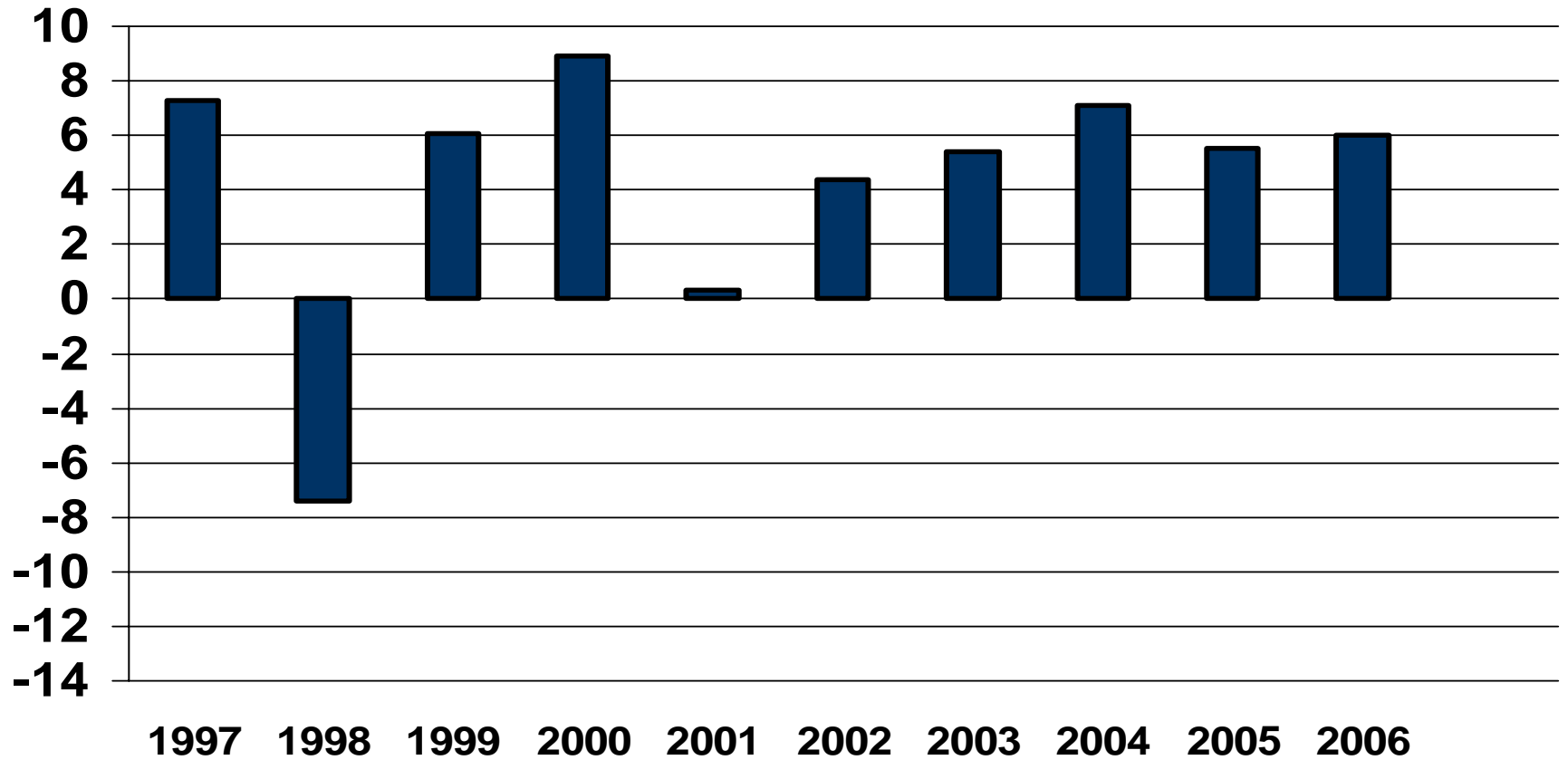
Thailand GDP Growth



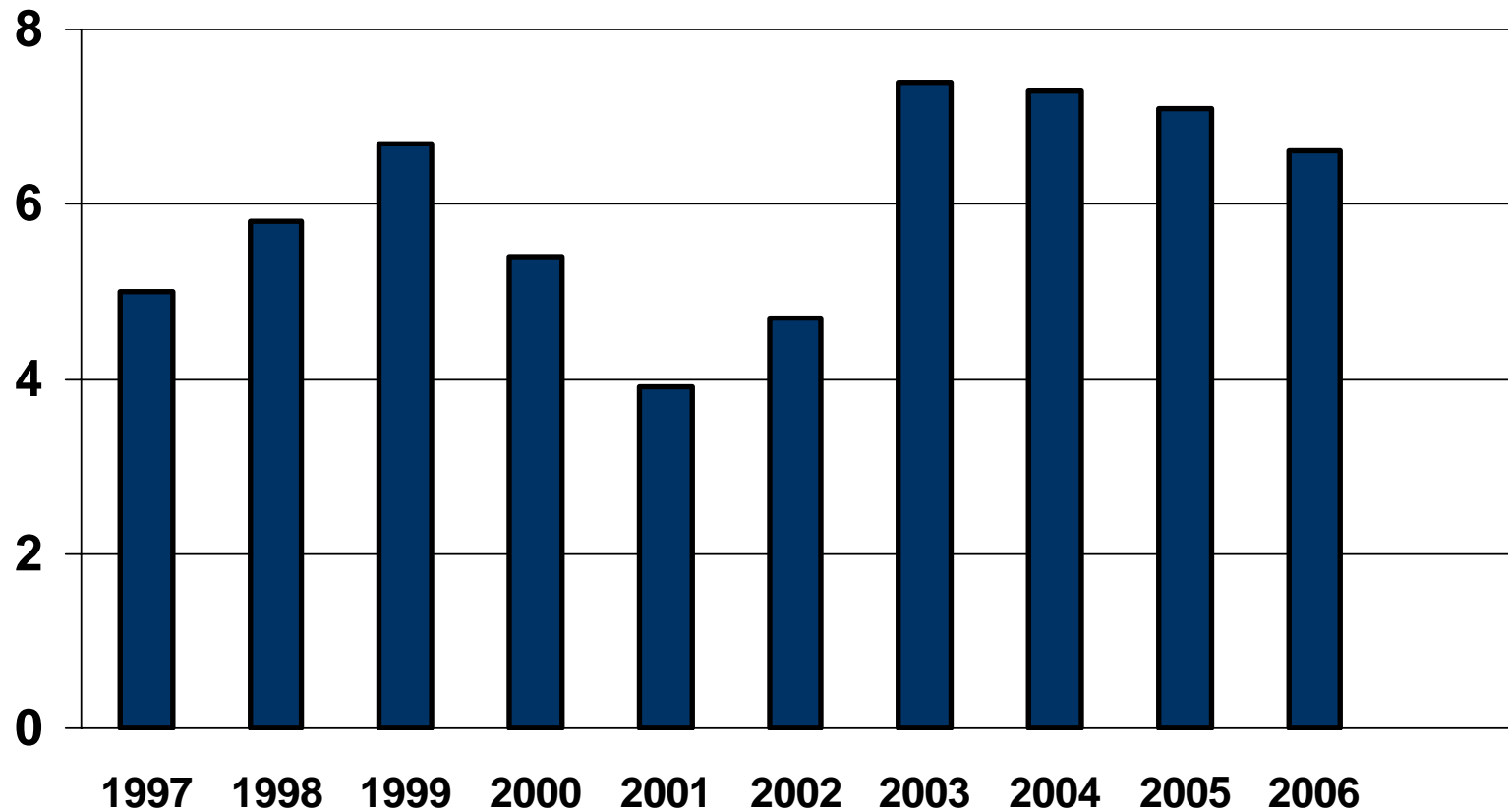
Indonesia GDP Growth



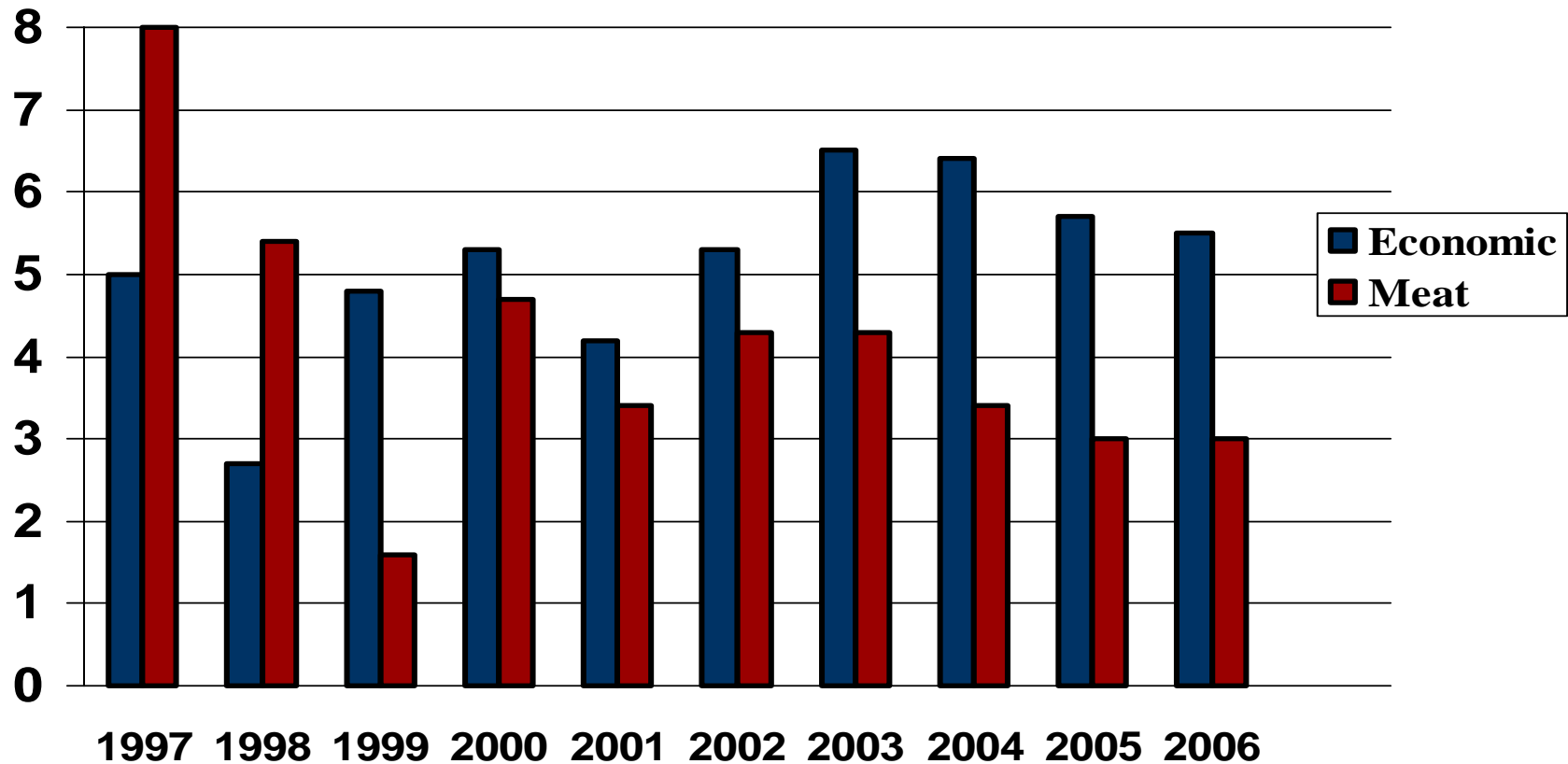
Malaysia GDP Growth



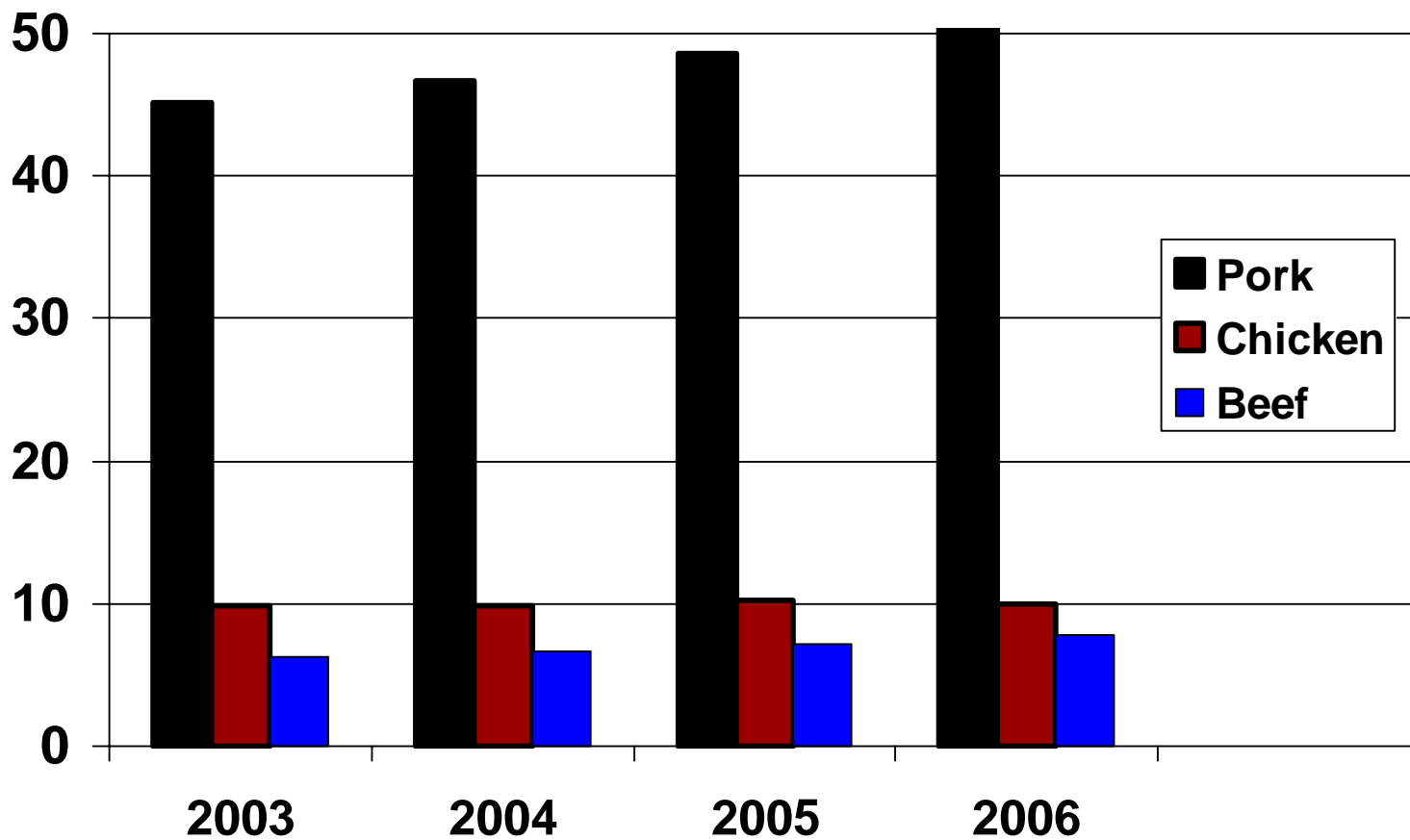
India GDP Growth



Asia Economic Growth & Meat Growth



Pork, Chicken and Beef in China - MMT



Chicken Production in MMT – FAO to 2004

	<u>1984</u>	<u>2004</u>	<u>2024</u>
Asia	6	21	42
United States	6	16	24
World	26	68	120
Asia % of World	23%	31%	35%

Bird Flu

- All bets are off with a human pandemic
- Worst will be past by 2007
- May become endemic in some poor Asian Countries
- Always the potential to disrupt trade, production and consumption

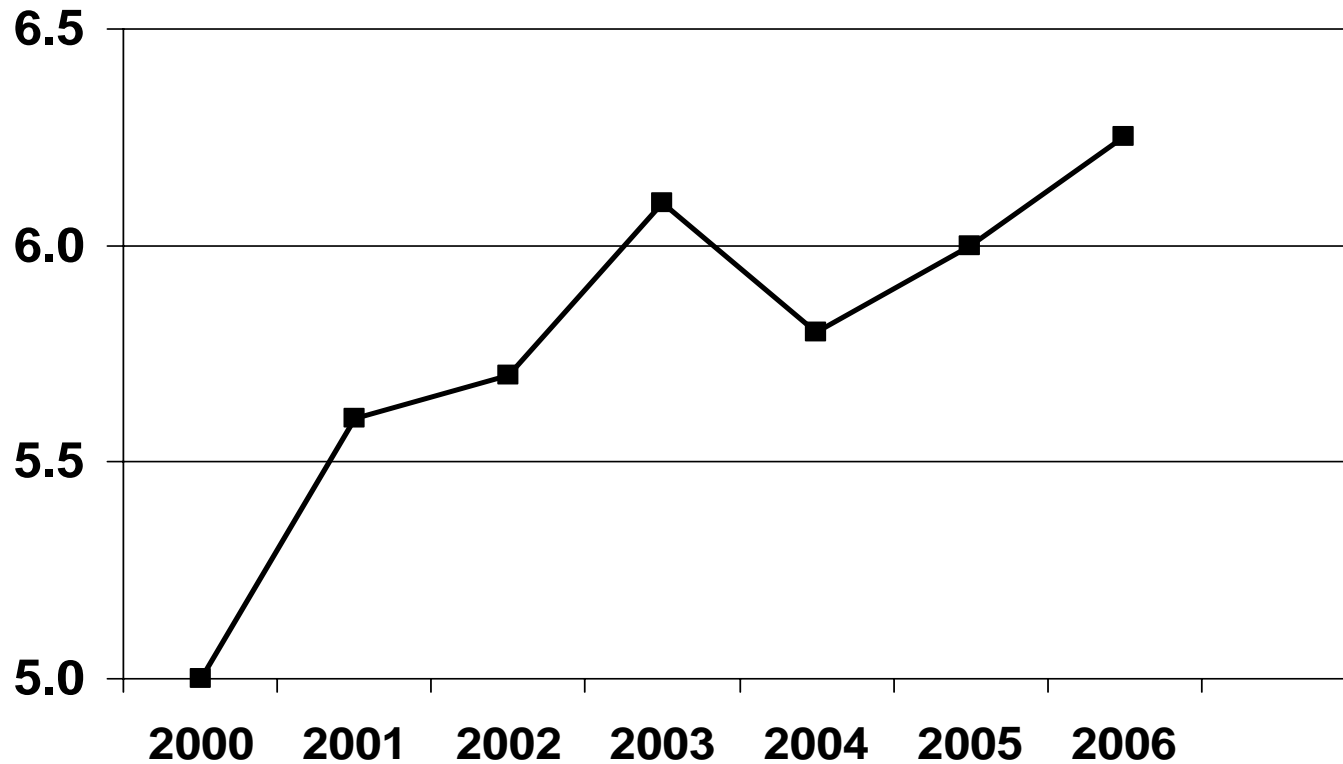
World Use & Chicken Use of Feedstuffs MMT

	World Use (USDA)	Chicken Use	%
Coarse Grains	970	160	16
Oilmeals	212	54	25
Wheat	621	40	6

Percentage Increase in Chicken Meat Production - FAO



World Chicken Trade – MMT -FAO



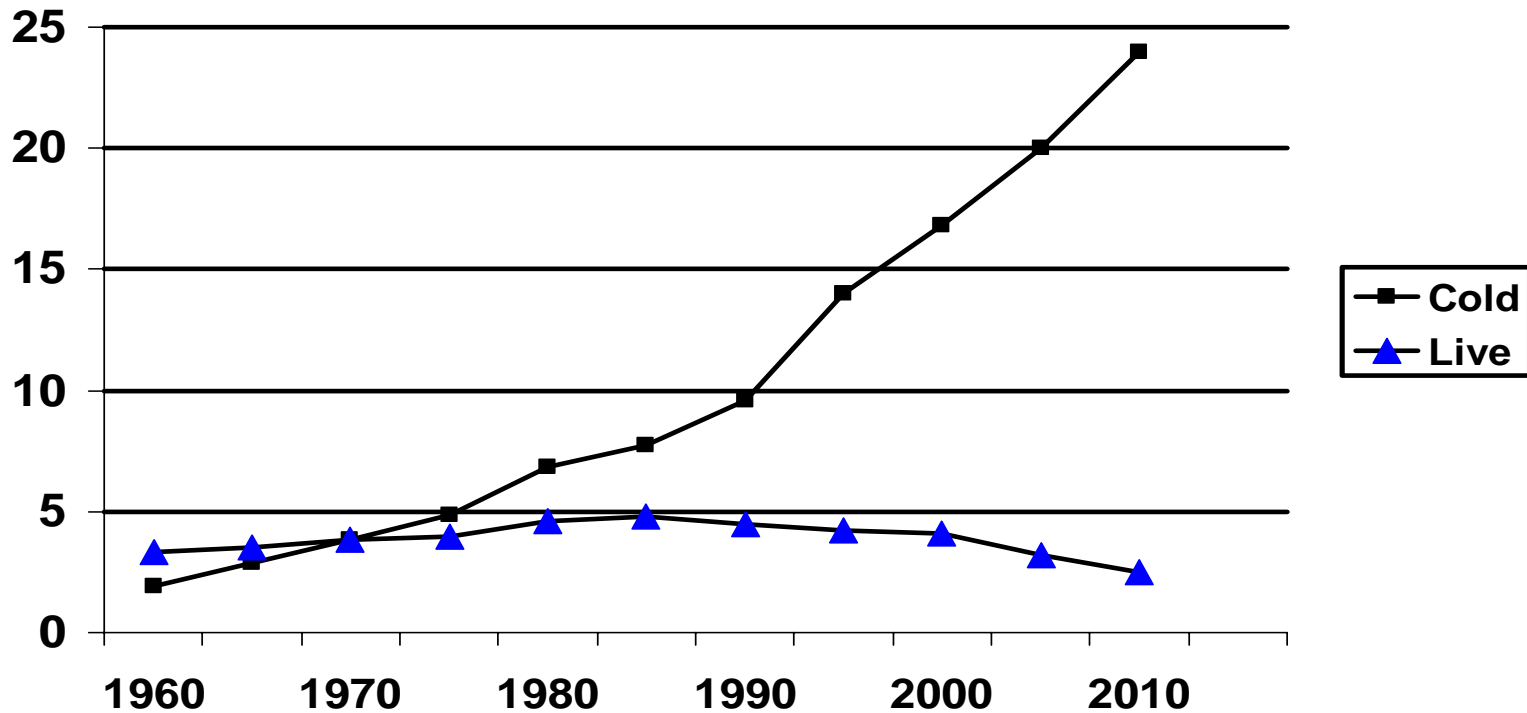
The Live Market

- **The poorest half the world's Population**
- **No Refrigerator at home**
- **\$20 billion in world retail sales**
- **Potential Danger of Spreading Flu**

The Future of Live Markets

- Radical change is recommended
- Separate ages, species
- 40 Million small farms in Asia
- Located in areas least able to afford change

Cold Chain & Live Market Consumption Per Capita - Lbs

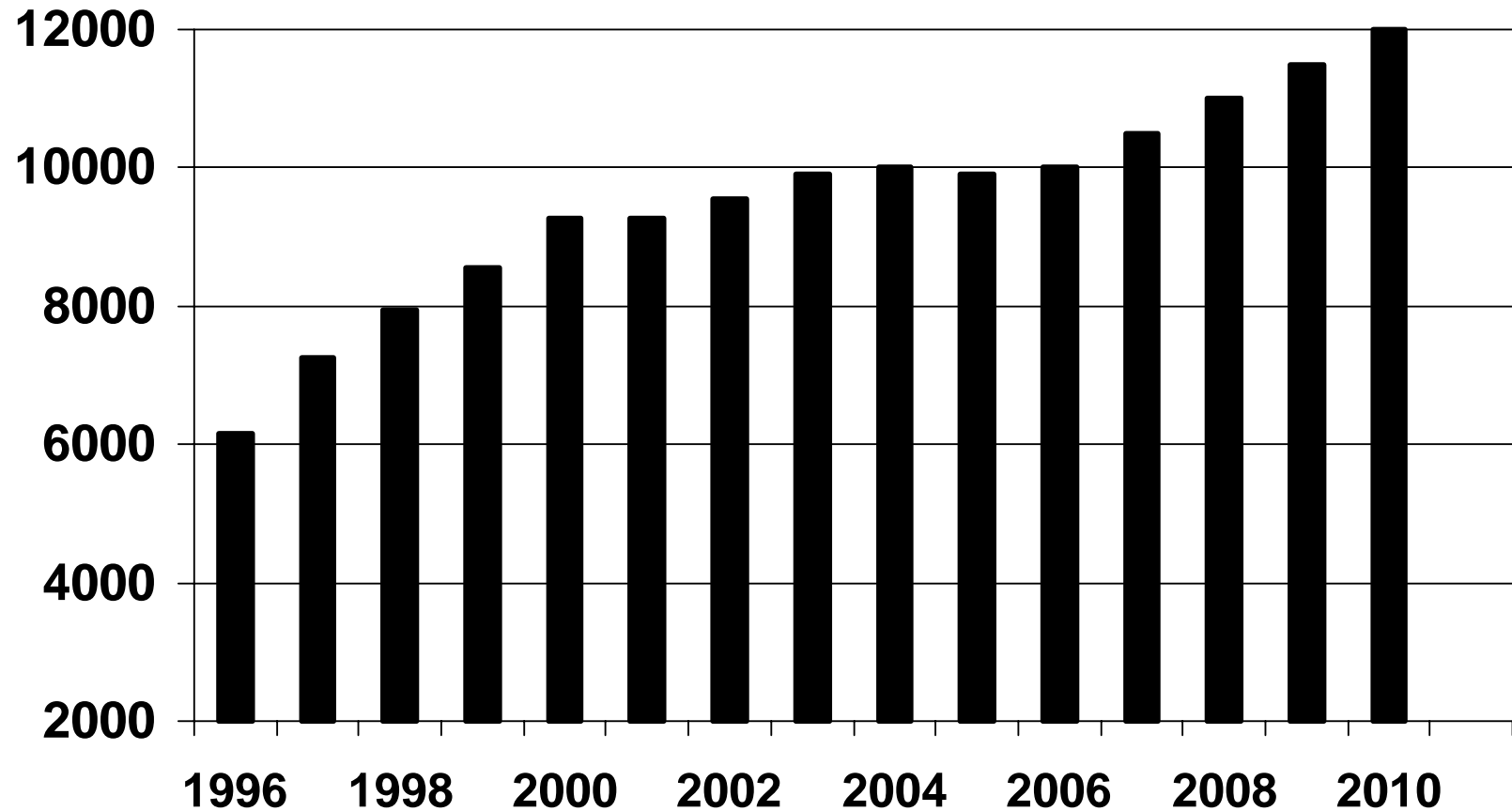


Asia Chicken

- **Growth will resume and accelerate**
- **No growth in Japan**
- **Imports increase as well**
- **Exports concentrate on cooked chicken**

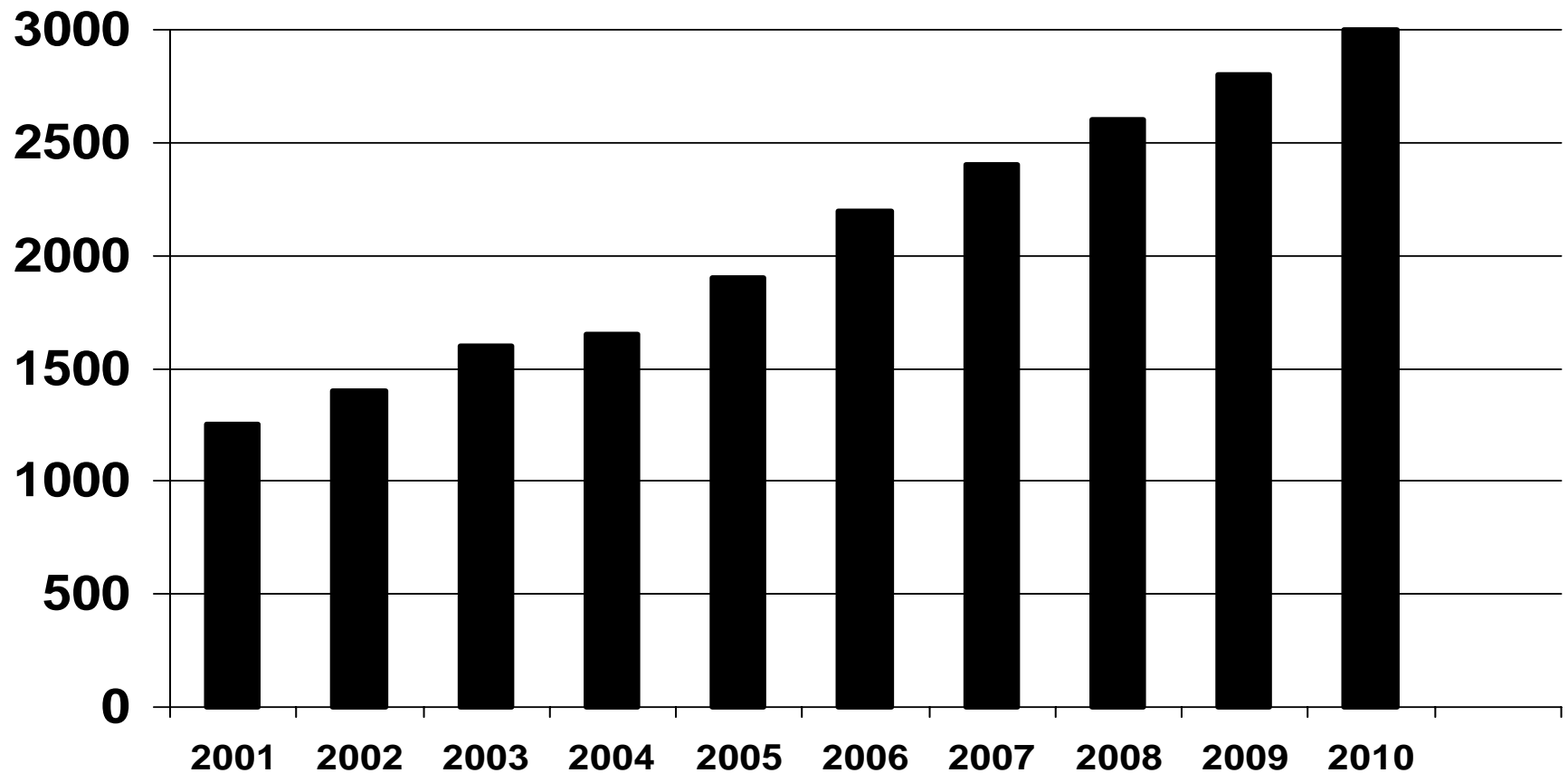
Chicken Production in China

Ready-to-Cook Thousands of Metric Tons



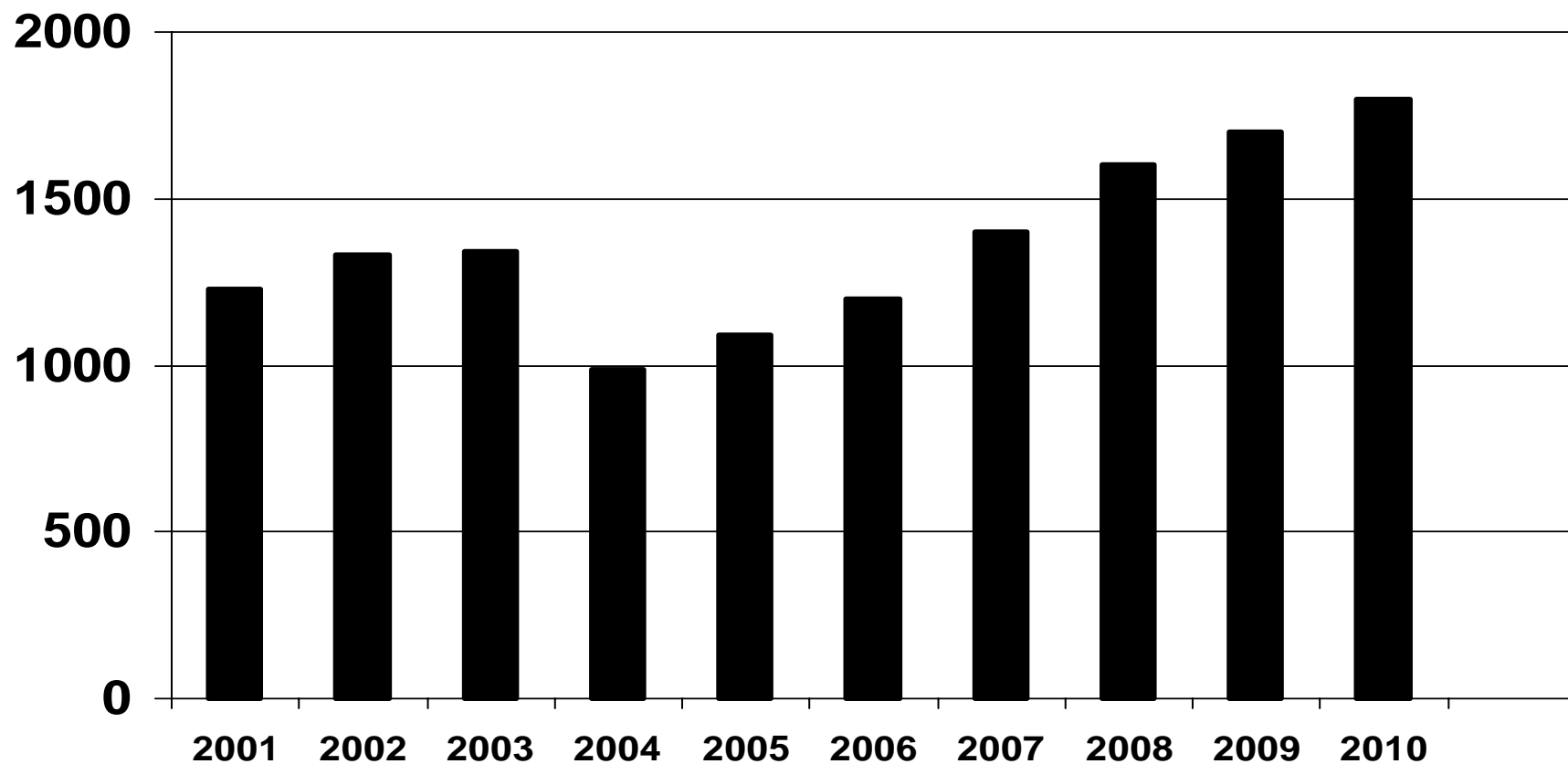
Chicken Production in India

RTC Equivalent Thousands of Metric Tons

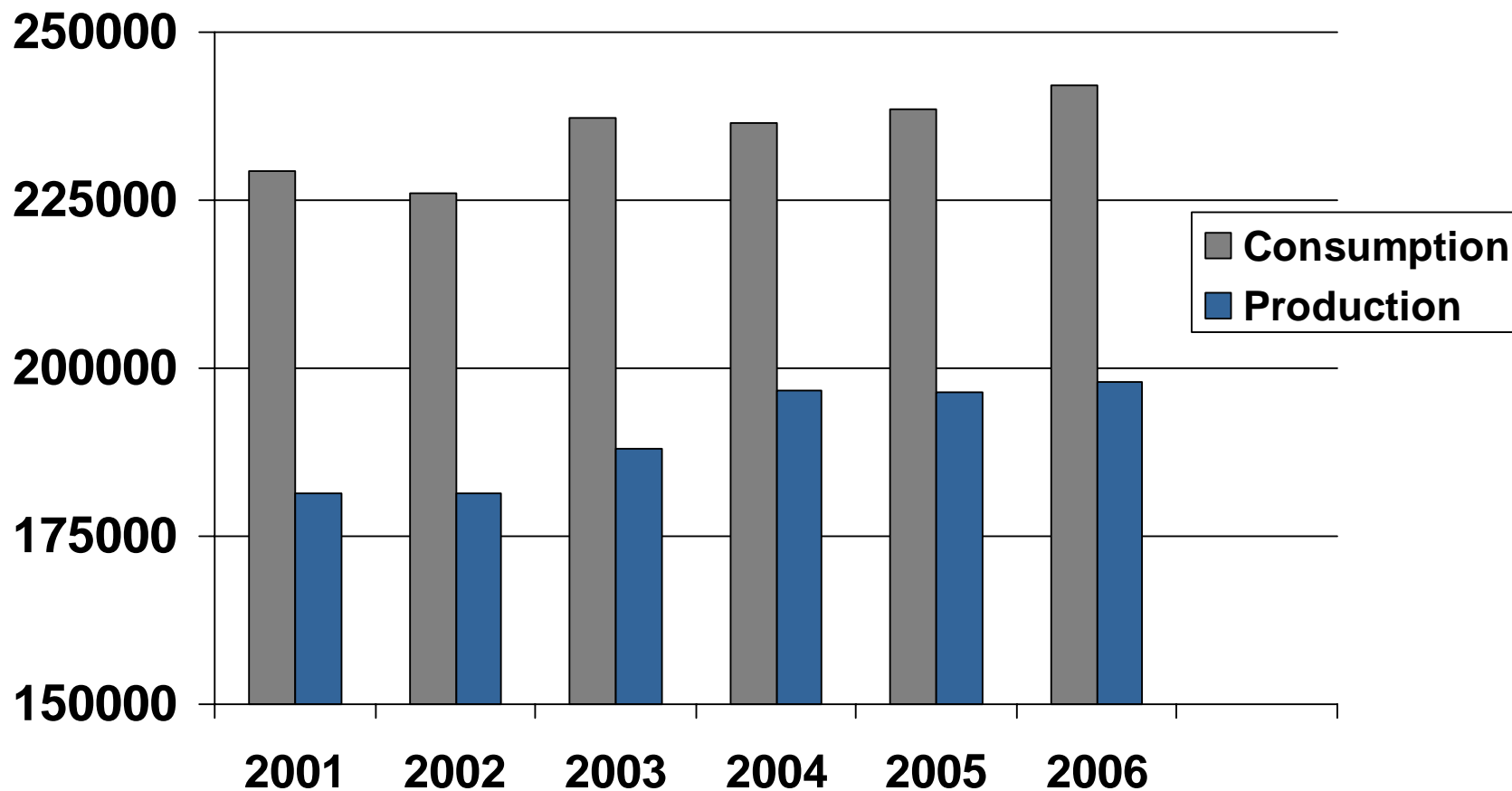


Chicken Production in Thailand

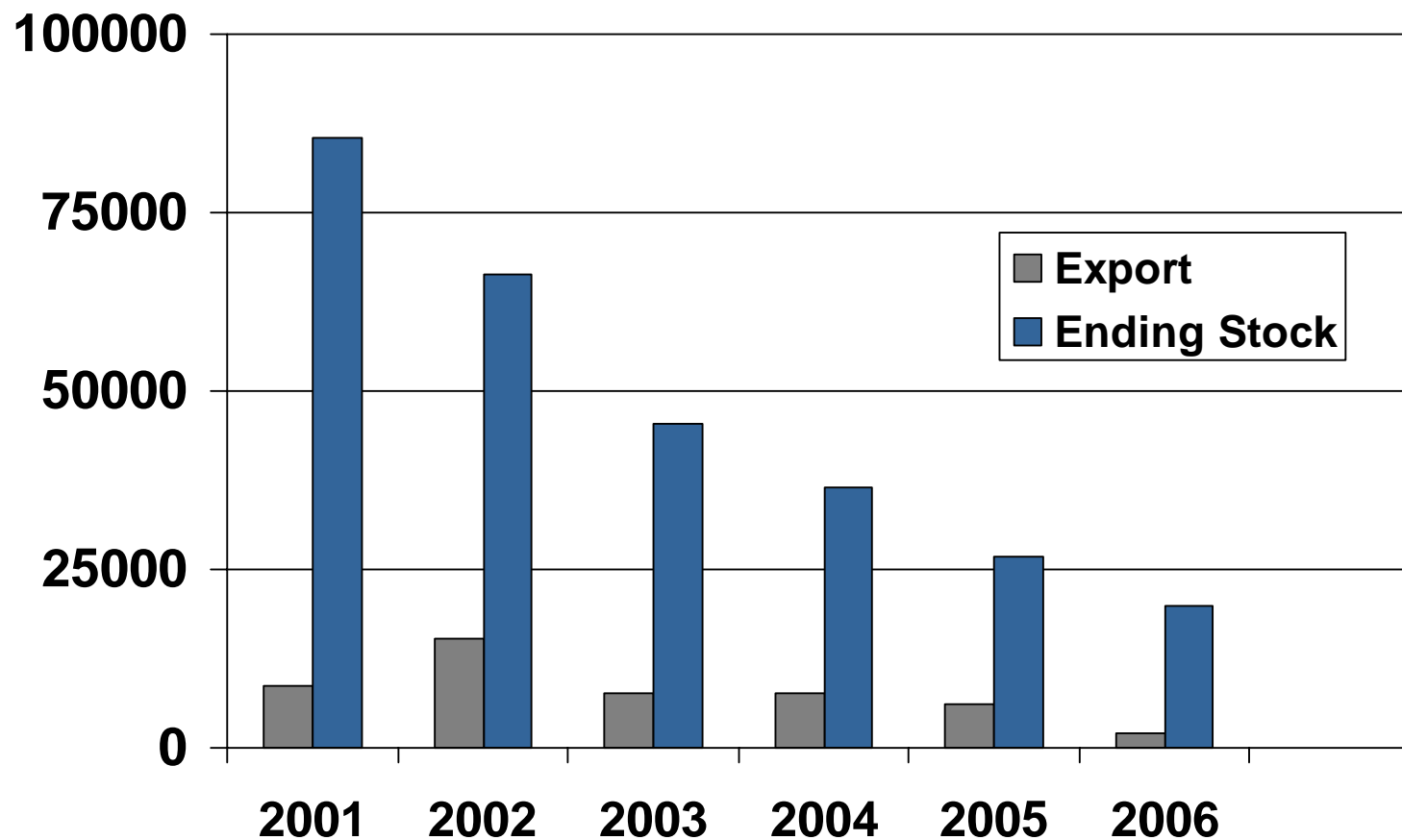
RTC Thousands of Metric Tons



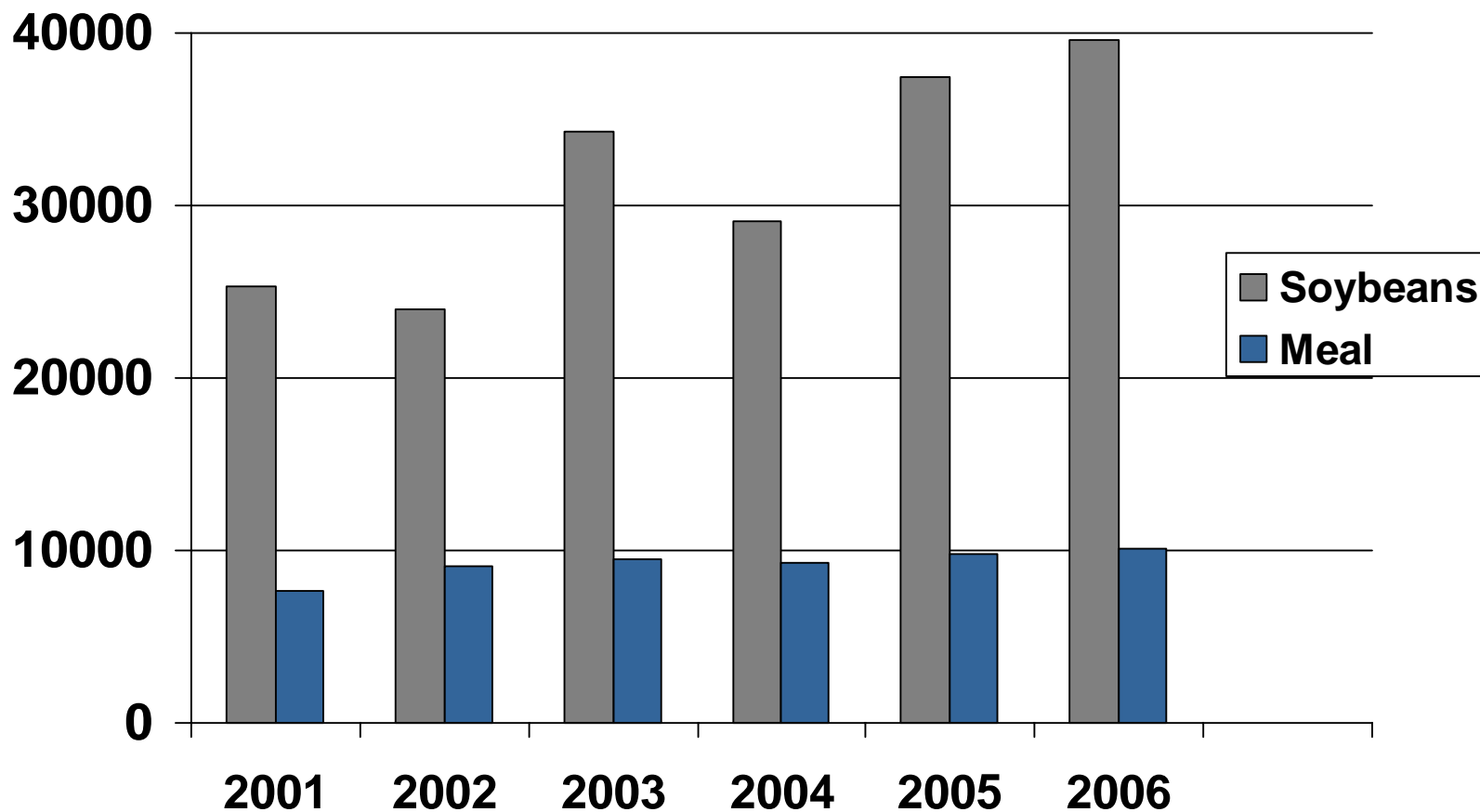
Asia Consumption & Production of Coarse Grains – TMT



China Export and Ending Stock of Coarse Grains – TMT



Asia Imports of Soybeans and Soybean Meal – TMT



Conclusion

- **Bird Flu - under control in 2007**
- **Economic Growth continues to be robust**
- **Feed Demand accelerates with the solution of bird flu**
- **Imports of feedstuffs will increase substantially**
- **The US will export a lot more corn to Asia**