



For Immediate Release

International Production & Processing Expo

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Poultry Market Intelligence Forum

Secretary of Agriculture Sonny Perdue: Work Must Be Based on Sound Science and Not on Political Decisions

ATLANTA, Ga. – Feb. 1, 2018 – U.S. Secretary of Agriculture Sonny Perdue addressed a packed room during the Poultry Market Intelligence Forum, held during the 2018 International Production & Processing Expo. Secretary Perdue described the domestic poultry industry as a “powerhouse,” as demonstrated by the annual International Production & Processing Expo. During his address, he spoke about topics that included infrastructure, tax reform, biosecurity, regulation, trade and collaboration. Secretary Perdue commented that he liked the creativity and innovation of the poultry industry and thanked universities, research teams and APHIS, as they are partners in the process to help the poultry industry be more productive and profitable. “Work must be based on sound science and not on political decisions,” stated Secretary Perdue.

Secretary Perdue concluded by mentioning that “the goal of USDA is to be the Amazon of the federal service,” and USDA wishes to partner with the industry to address burdensome regulations.

“In 2018, the poultry industry is still going to be very strong and vibrant,” forecasted Mike Donohue, vice president at Agri Stats, during his presentation on the “Eight Trends That Drove the Chicken Industry in 2017.” Donohue reviewed the trends, which include the following areas: growth of no antibiotics ever (NAE) / antibiotic-free (ABF) / vegetable fed diets; stability in feed ingredient costs; chick cost and housing expenses; ‘slow growing chickens’ and GAP; bird size and yields; labor costs and availability; NPIS; and wing demand and value. He also remarked that the further processing industry has continued to grow, as more consumers are spending their food dollars outside of the home due to convenience. Donohue expressed that there is a phenomenal change in this business.

Dr. Paul Aho, economist, Poultry Perspectives, gave an overview of “Domestic and Global Drivers for 2018.” Aho began his overview by pronouncing that “the state of the chicken is good, and the economy is good; so there is not very much to complain about regarding the state of the industry. The whole world is growing simultaneously.” He continued by commenting that “oil countries are poultry importing countries and have plenty of money to buy chicken; and the price per barrel of oil is going up. In two

years oil has gone up 100 percent. Copper and the Dow Jones are also up by 50 percent. Can grain be far behind?”

Aho stated that China recently declared they will be putting 10 percent of ethanol in their gasoline by 2020, so this will increase grain demand worldwide. China now has a great percentage of the world corn stock. If the stock goes up, the prices will go down; and if stock goes down, the price will go up. Grain prices can also increase due to demand from the rising world economy as well as a result of drought, which is very difficult to forecast. By 2020, China is expected to consume a big part of the world grain stock, and the average farm price for corn is forecast to continue increasing.

Aho observed that chicken consumption is recovering from the recession. It declined due to lower median income and higher prices of corn; therefore, there was a decline in foodservice. The actual situation in the U.S., for the moment, reflects grain prices that are low and a rise in total meat production, which is consistent with economic growth. “The U.S. is not becoming vegetarian. As soon as people have money in their pocket, they start buying more meat. We can see where we are in the economic cycle by watching meat and poultry consumption,” expressed Aho. A four percent increase is forecasted for pork meat, and a five percent for beef for 2018.

Aho summarized by affirming that corn and soybeans are at the bottom of the cycle, commodities of all kinds are climbing, and grain prices are likely to rise as will feed prices. The economic growth in the U.S. supports chicken expansion. Turkey profitability should improve during the year, and egg industry profits will be higher.

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Photo caption:



Secretary of Agriculture Sonny Perdue addressing attendees during the Poultry Market Intelligence Forum, held at the 2018 International Production & Processing Expo.

ABOUT IPPE

The International Production & Processing Expo (IPPE) is a collaboration of three shows - International Feed Expo, International Meat Expo and the International Poultry Expo - representing the entire chain of protein production and processing. The event is sponsored by the American Feed Industry Association (AFIA), North American Meat Institute (NAMI) and U.S. Poultry & Egg Association (USPOULTRY).

ABOUT AFIA

Founded in 1909, the American Feed Industry Association (AFIA), based in Arlington, Va., is the world's largest organization devoted exclusively to representing the business, legislative and regulatory interests of the U.S. animal food industry and its suppliers. The organization's membership is comprised of more than 670 domestic and international companies that represent the total feed industry—manufacturers of commercial and integrated feed and pet food, ingredient suppliers, pharmaceutical companies, industry support and equipment manufacturers. AFIA members manufacture more than 75 percent of the feed and 70 percent of the non-grain ingredients used in the country. AFIA is also recognized as the leader on international industry developments and holds membership in the International Feed Industry Federation (IFIF).

ABOUT NAMI

The North American Meat Institute (NAMI) is the leading voice for the meat and poultry industry. Formed from the 2015 merger of the American Meat Institute (AMI) and North American Meat Association (NAMA), the Institute has a rich, century-long history and provides essential member services including legislative, regulatory, scientific, international and public affairs representation. NAMI's mission is to shape a public policy environment in which the meat and poultry industry can produce wholesome products safely, efficiently and profitably. Together, the Institute's members produce the vast majority of U.S. beef, pork, lamb and poultry and the equipment, ingredients and services needed for the highest quality products.

ABOUT USPOULTRY

U.S. Poultry & Egg Association (USPOULTRY) is the all-feather organization representing the complete spectrum of today's poultry industry, whose mission is to progressively serve member companies through research, education, communication and technical assistance. Founded in 1947, USPOULTRY is based in Tucker, Ga.