



Changing Demographics and the Implications to Poultry Export Competitiveness



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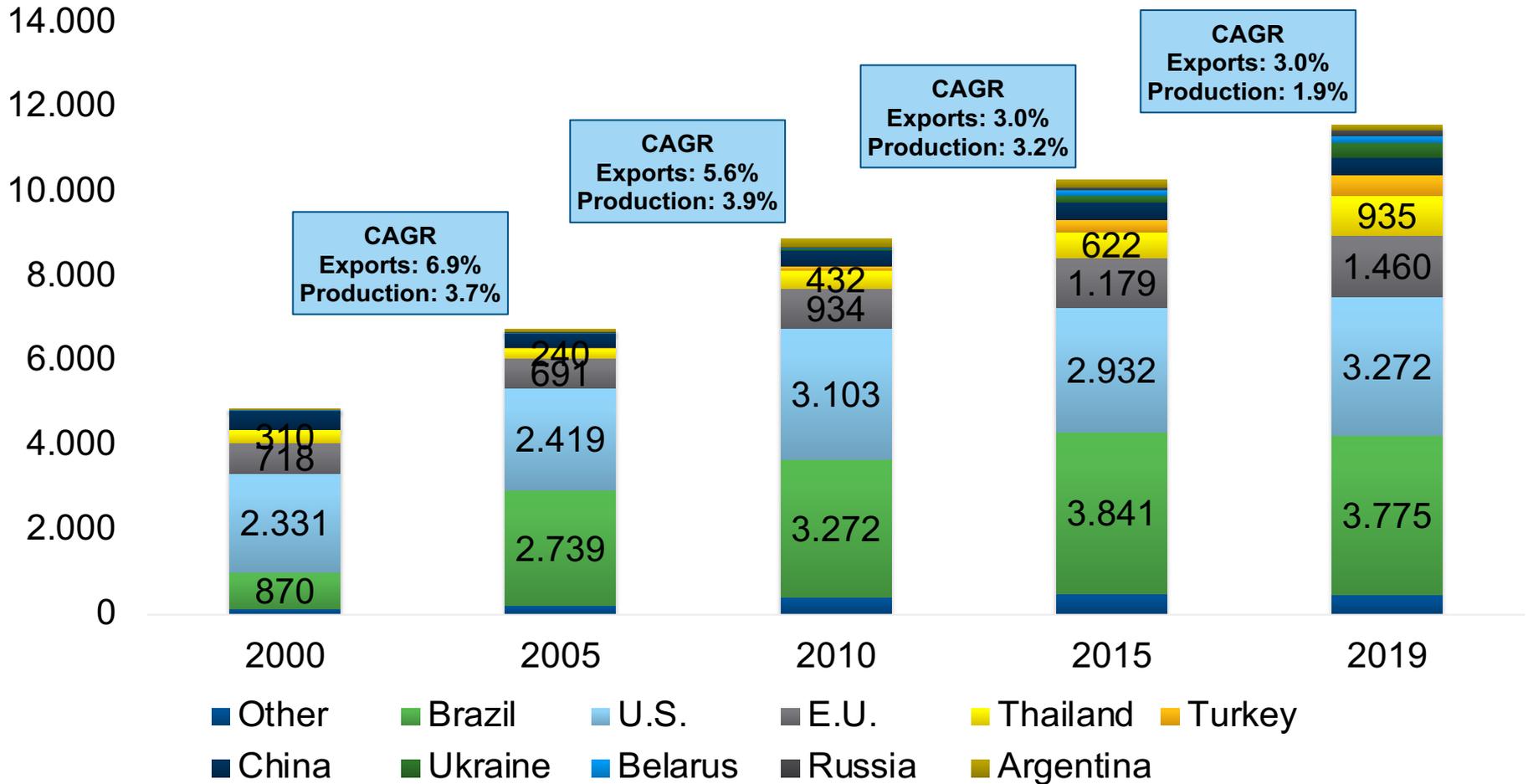
Proud Member of the Farm Credit System 

Chicken Demand in the U.S. is Shifting



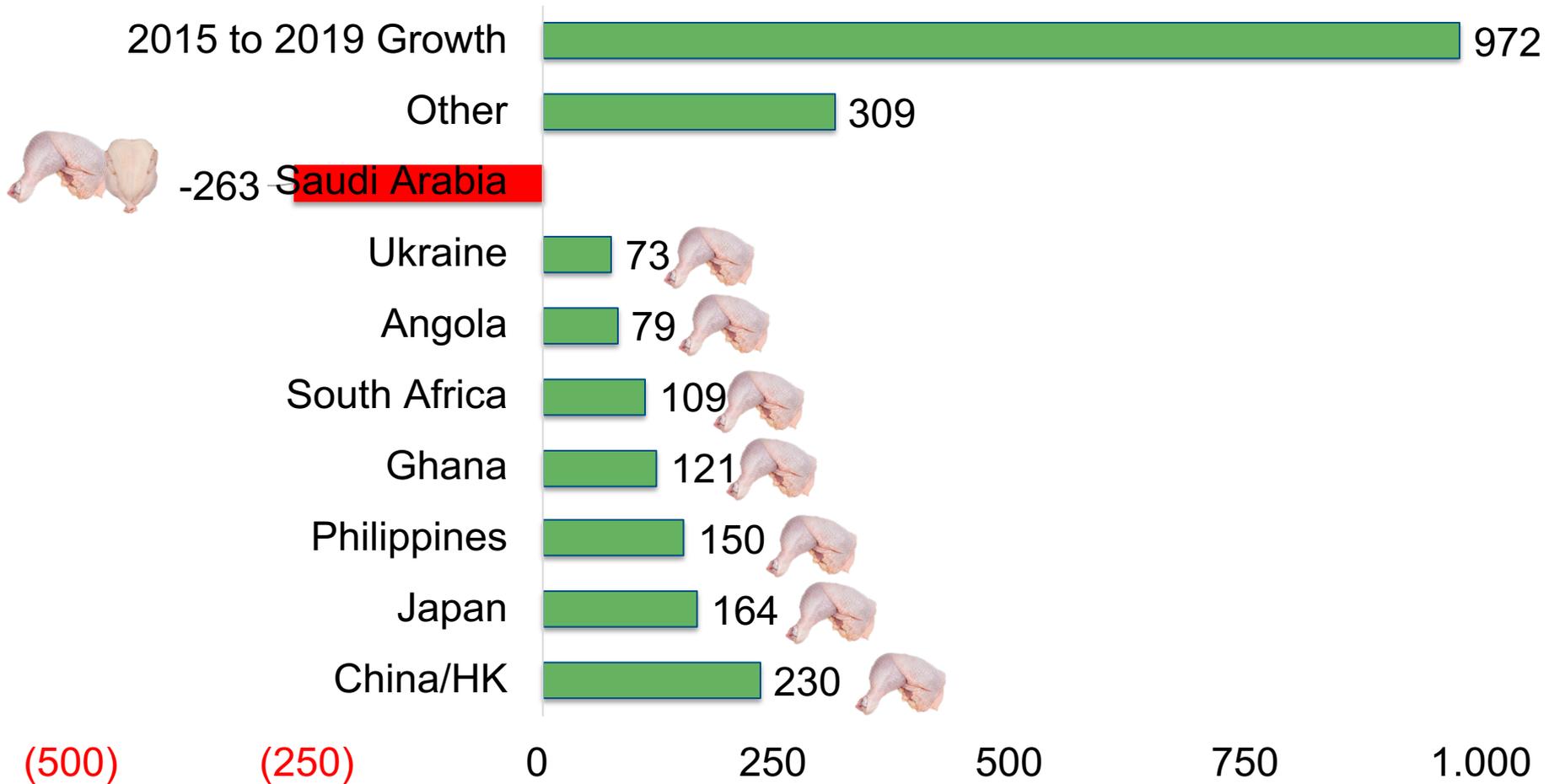
The Global Chicken Consumer is Increasingly Reliant on Imports

Global Chicken Exports (000s MT)



The Growing Trade for Chicken is to Dark Meat Markets

Growth in Chicken Trade Since 2015 (000s MT)



For the U.S., the Story Begins in the Meat Case



Breast

Tenders

Thighs



Millennials



Baby
Boomers



Browning
of America

SHIFTING U.S. CONSUMER PREFERENCE TOWARD DARK MEAT

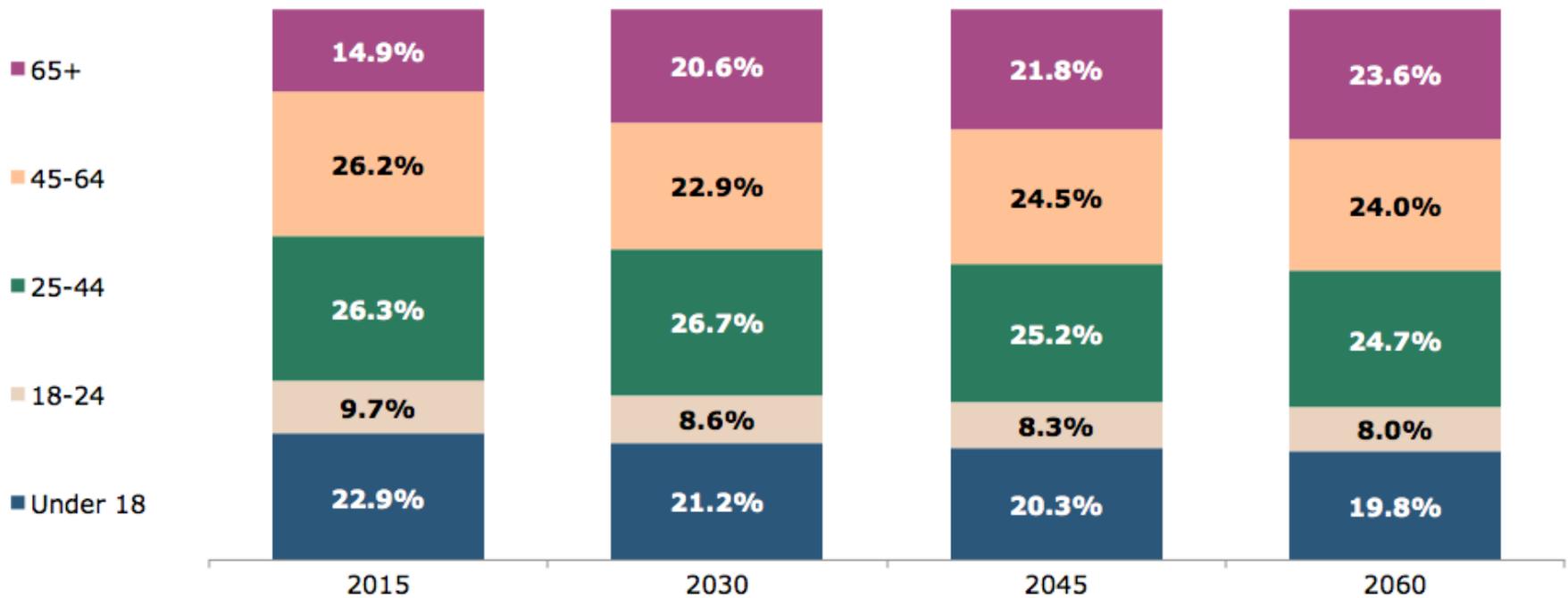
The Aging U.S. Population Will Drive a Shift Toward Chicken



US Population Projections, by Age Group

share of total population, by bracket

2015-2060



MarketingCharts.com | Data Source: U.S. Census Bureau

Chicken Will Likely Grow It's Position as the #1 Consumed U.S. Animal Protein



Meat Products Purchased for Home Consumption in the Last Year

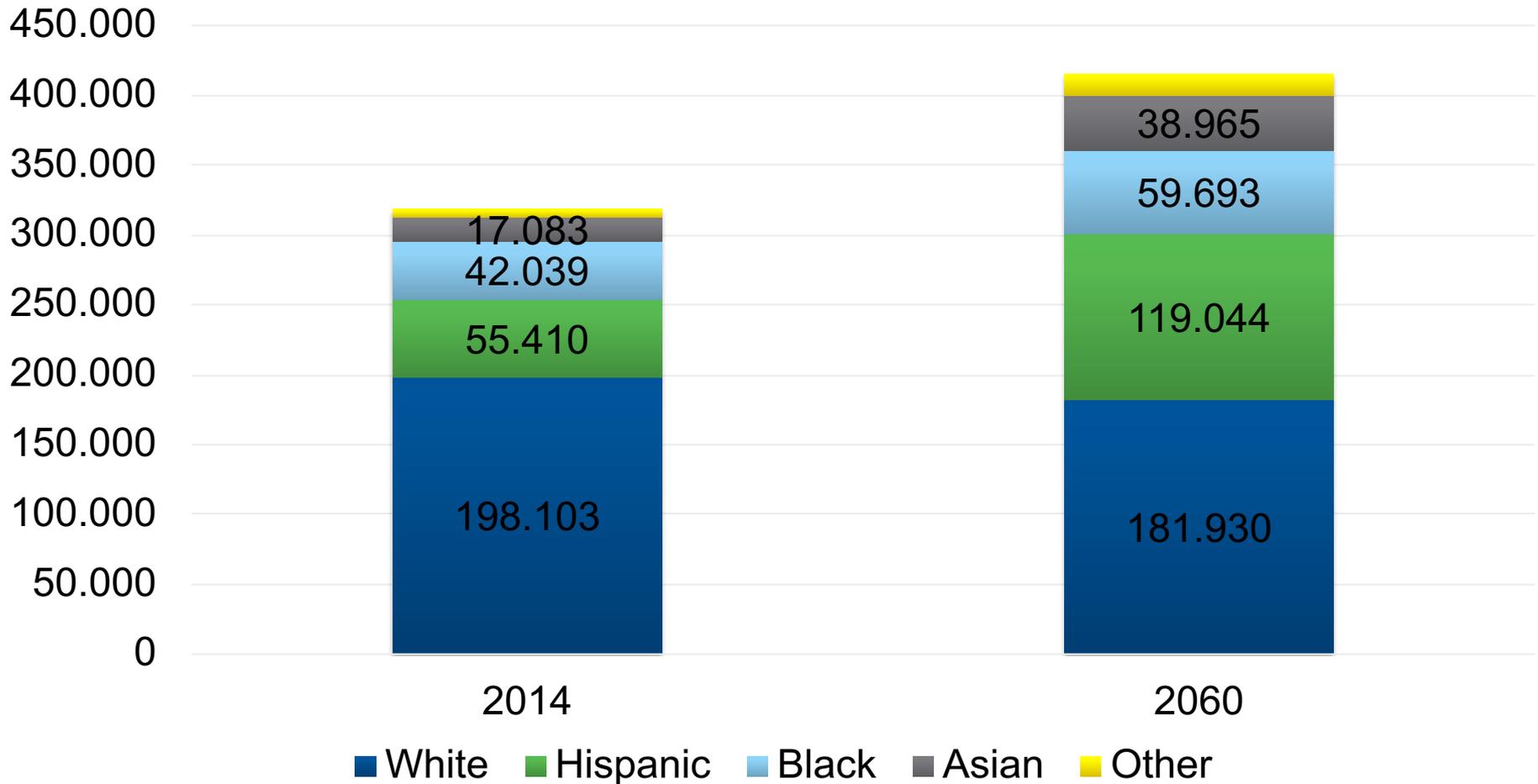
	Young Millennials (N=69)	Older Millennials (N=71)	Generation X (N=70)	Baby Boomers (N=80)	Total (N=290)
Chicken	97.1%	95.8%	95.7%	97.5%	96.6%
Beef	78.3%	87.3%	88.6%	96.3%	87.9%
Pork	59.4%	67.6%	81.4%	80.0%	72.4%
Other Meat	34.8%	49.3%	51.4%	55.0%	47.9%

**Significant at the 0.05 level

*Significant at the 0.10 level

The U.S. Population Will Grow Driven by Increased Hispanic and Asian Populations

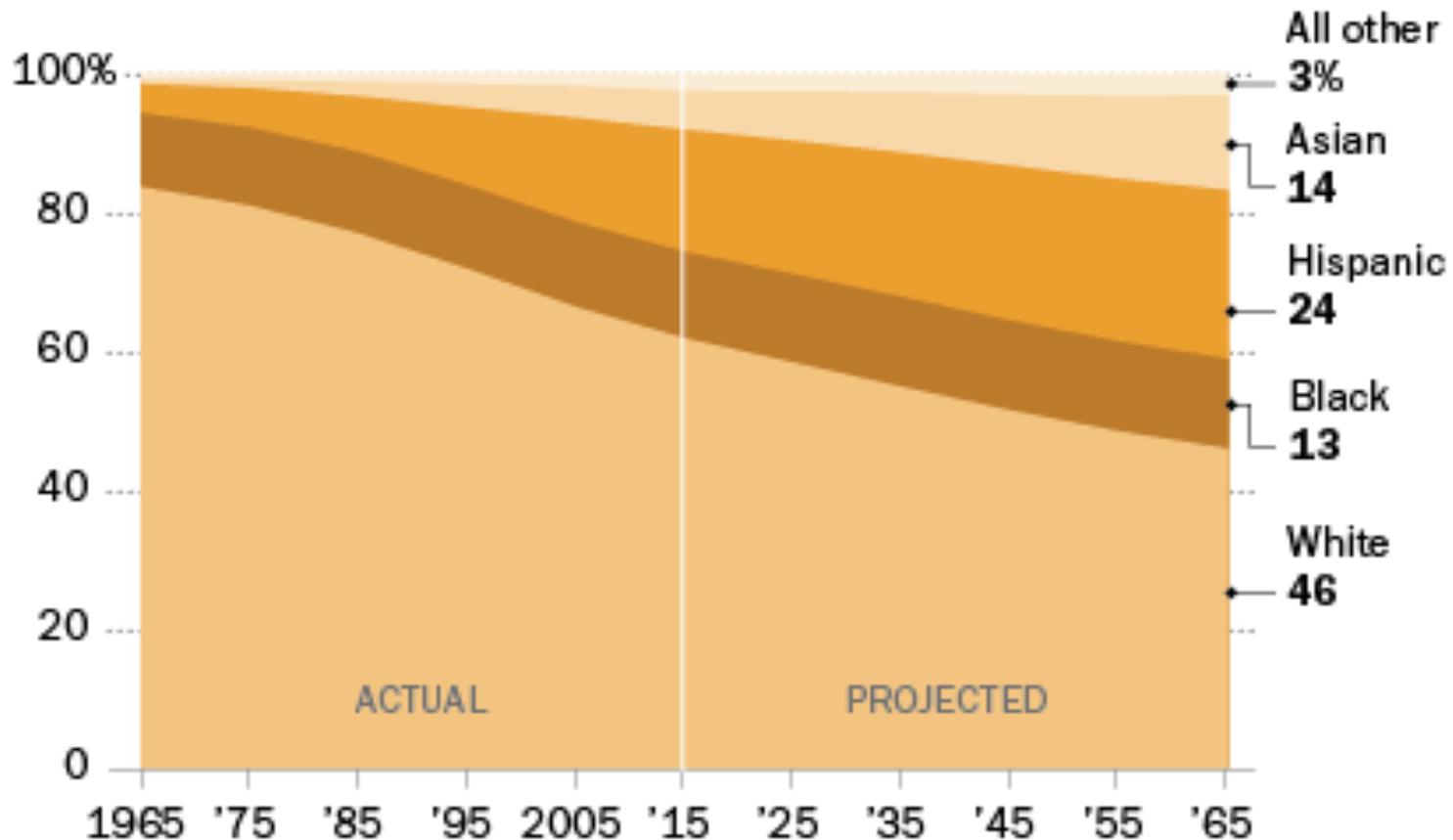
U.S. Population (000s)



The “New” Face of America is a Dark Meat Consuming One

The changing face of America, 1965–2065

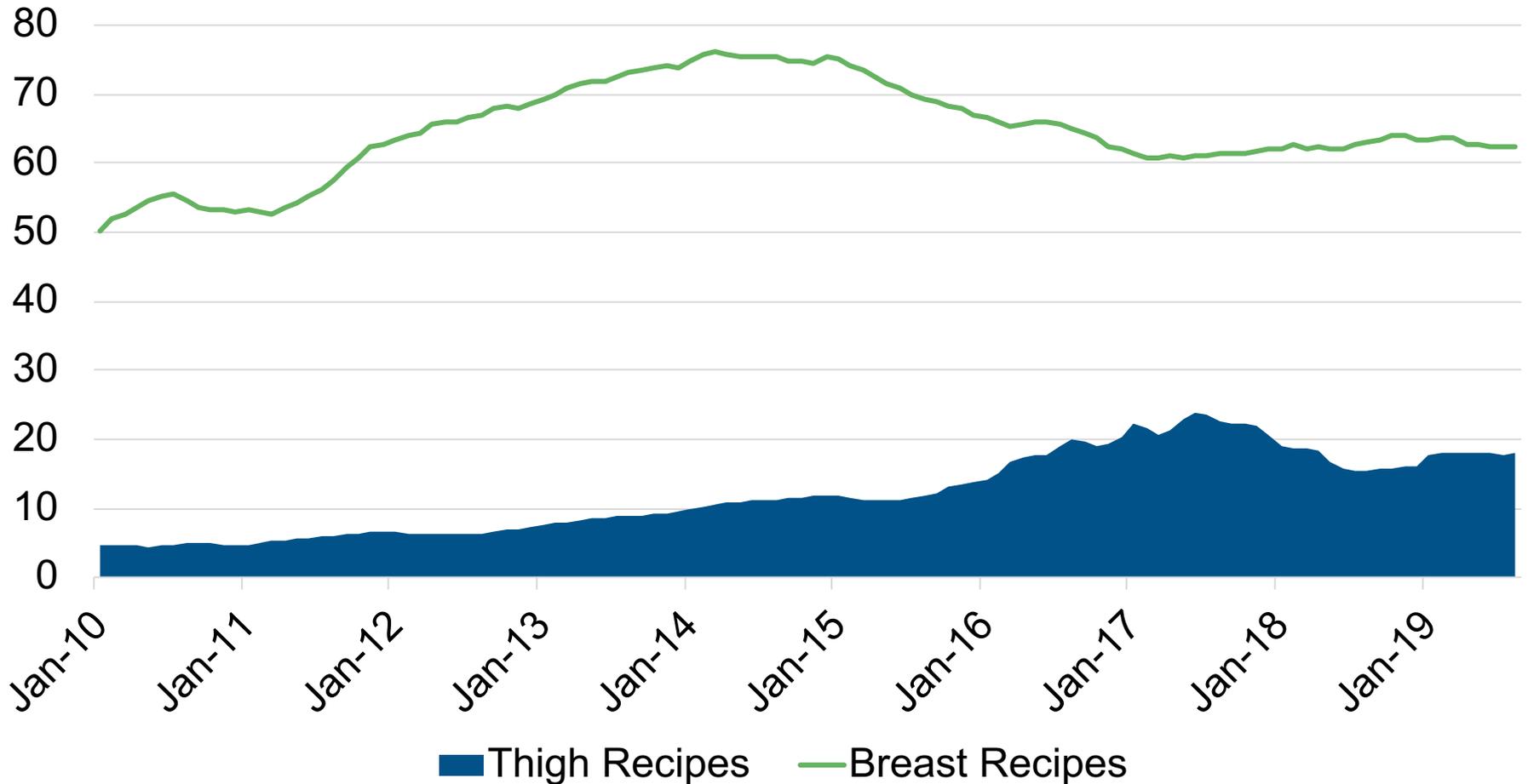
% of the total population



U.S. Consumers are Shifting Their At-Home Cooking Habits Towards Dark Meat



Google Search Activity



Dark Meat is Finding Its Way on to Restaurant Menus



Automation is Helping U.S. Chicken Companies Serve the Growing Retail and Foodservice Demand



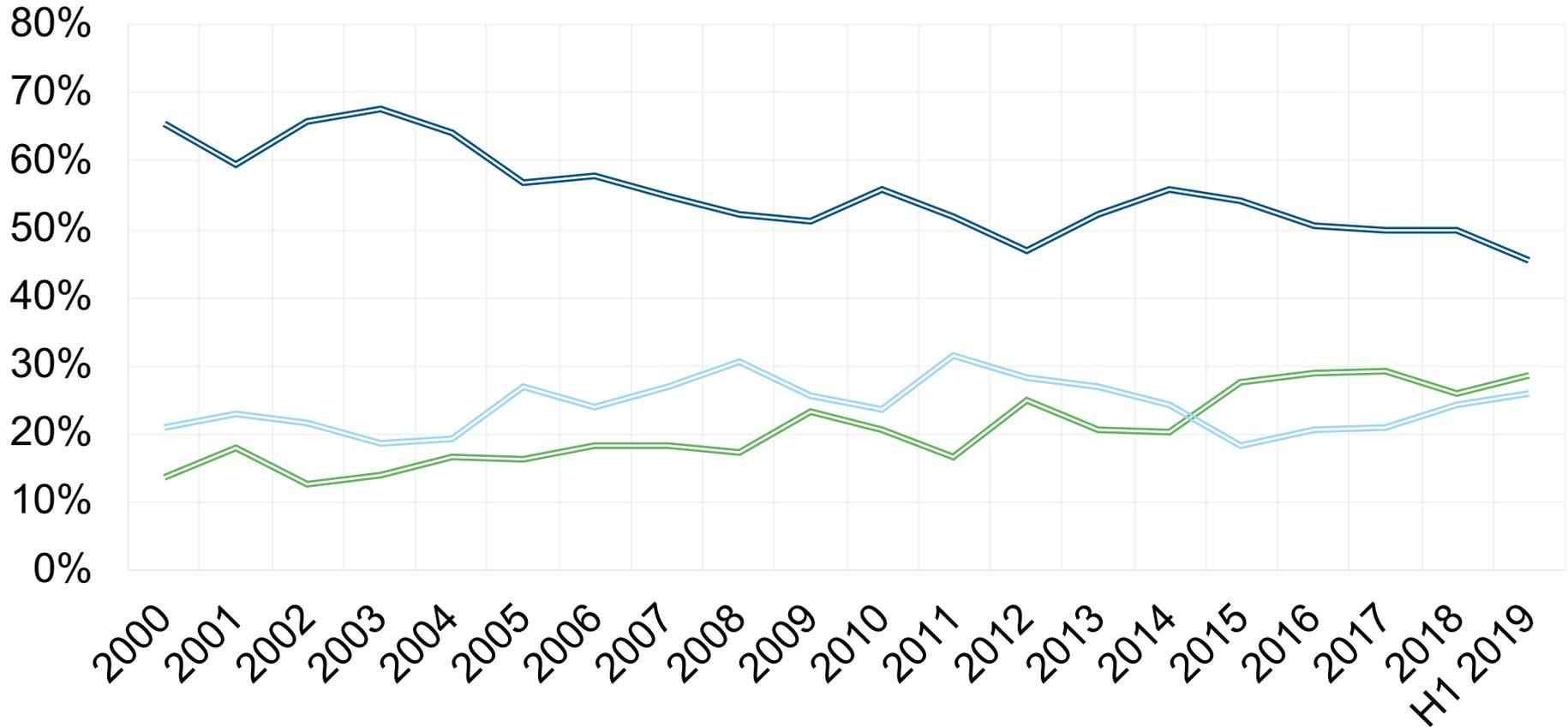
unit. This machine is a total game changer when it comes to whole leg deboning technology. Scrape tests are showing an average improvement of 33 grams per whole leg compared to our current process and we fully expect to have staff headcount reduction by 100 once the new machines are installed.

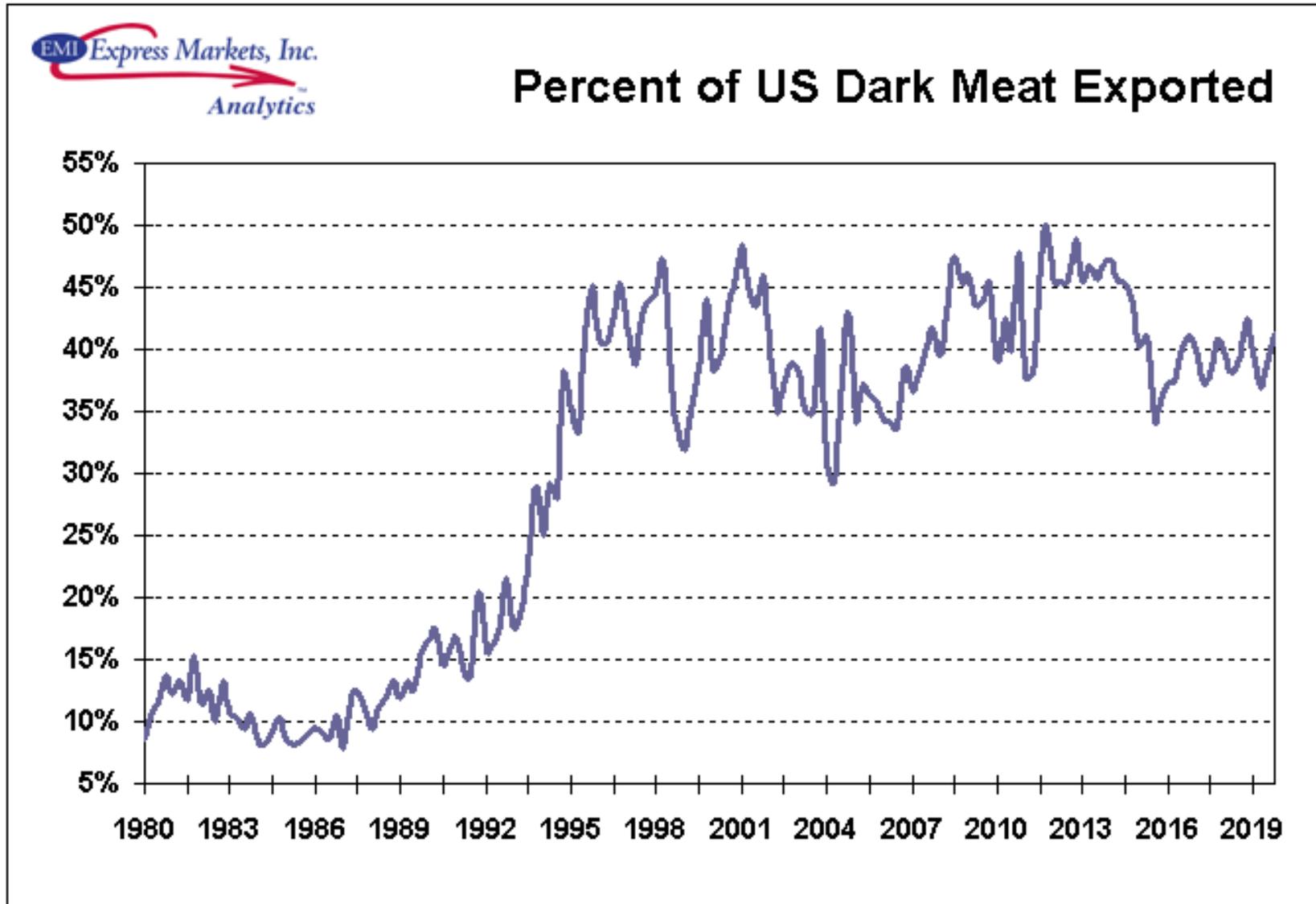
	 Food Processing Machinery Breast Deboner	 Poultry Processing Systems ULTIMATE Leg Deboner	 POULTRY Front Half Deboner	 Poultry Processing Solutions Rapid Breast Deboner
Labor Savings	45%	50%	50%	33 FTE's
Speed	70 front halves per minute	100 legs per minute	115 birds per minute	117 birds per minute



U.S. CHICKEN VALUE MIX

— B/S Breast — Whole Wing — Whole Legs





Quantifying the Economic Incentives for U.S. Chicken Producers

Soybean Crush Margin



Hog Crush Margin



Ethanol Crush Margin

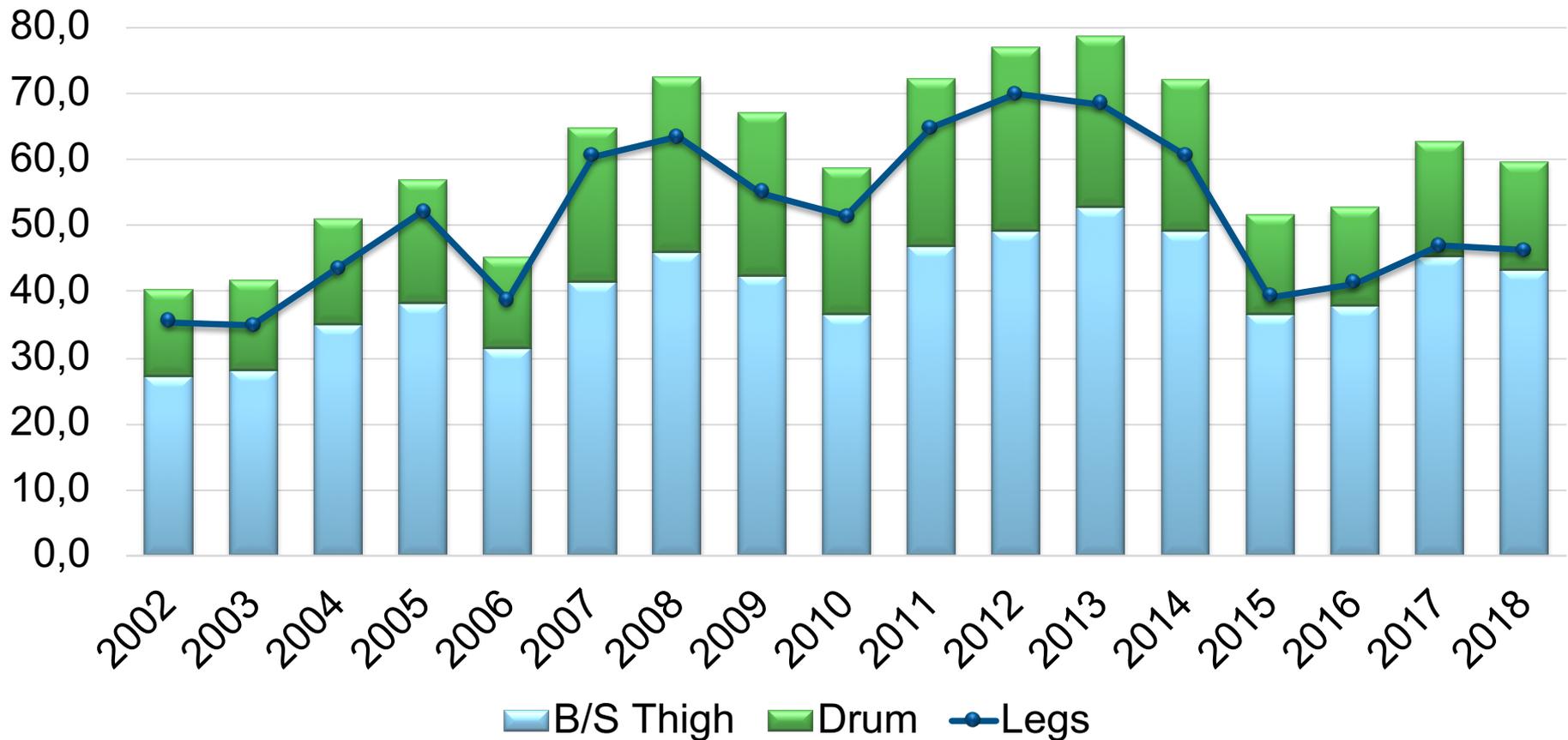


Chicken Leg Crush Margin

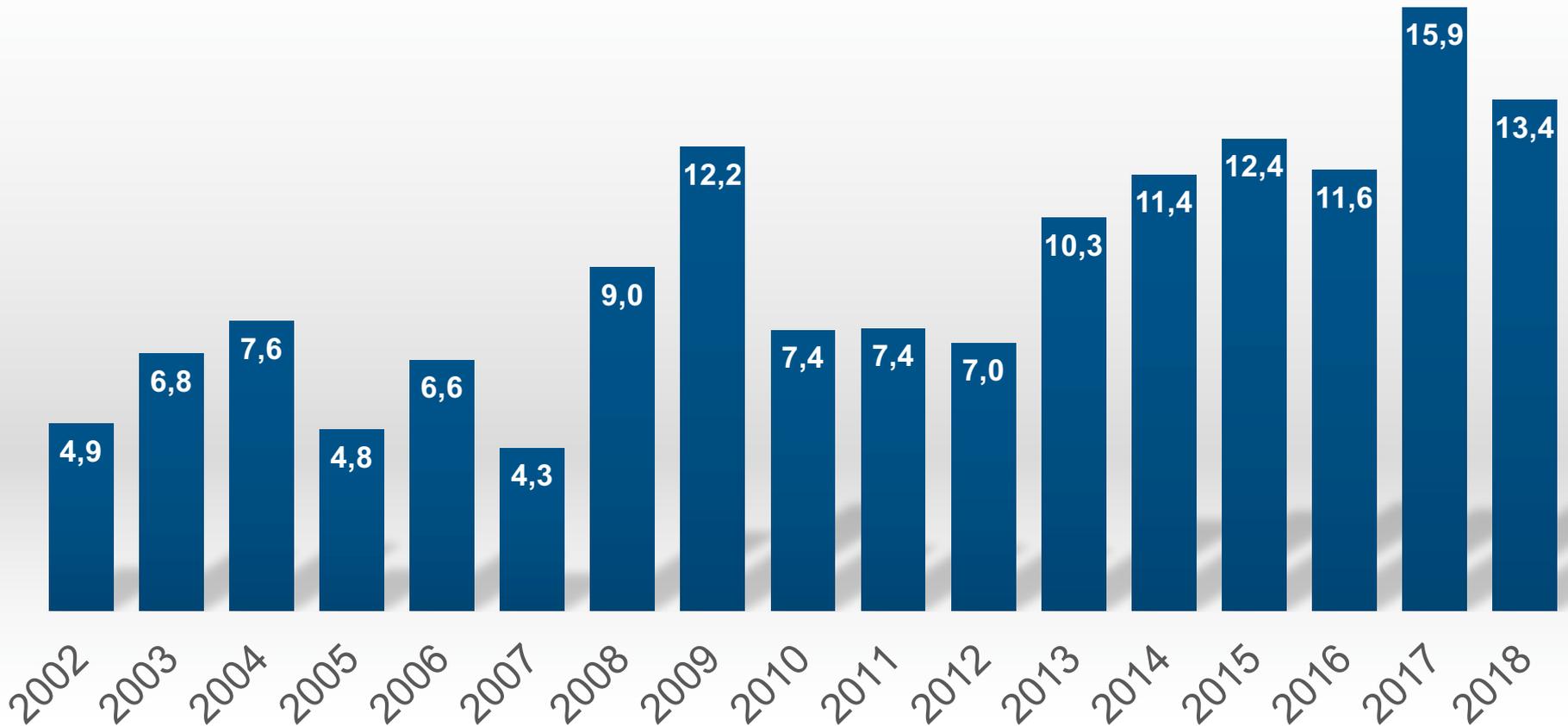


Today, Chicken Thighs Are Nearly As Valuable as the Entire Chicken Leg

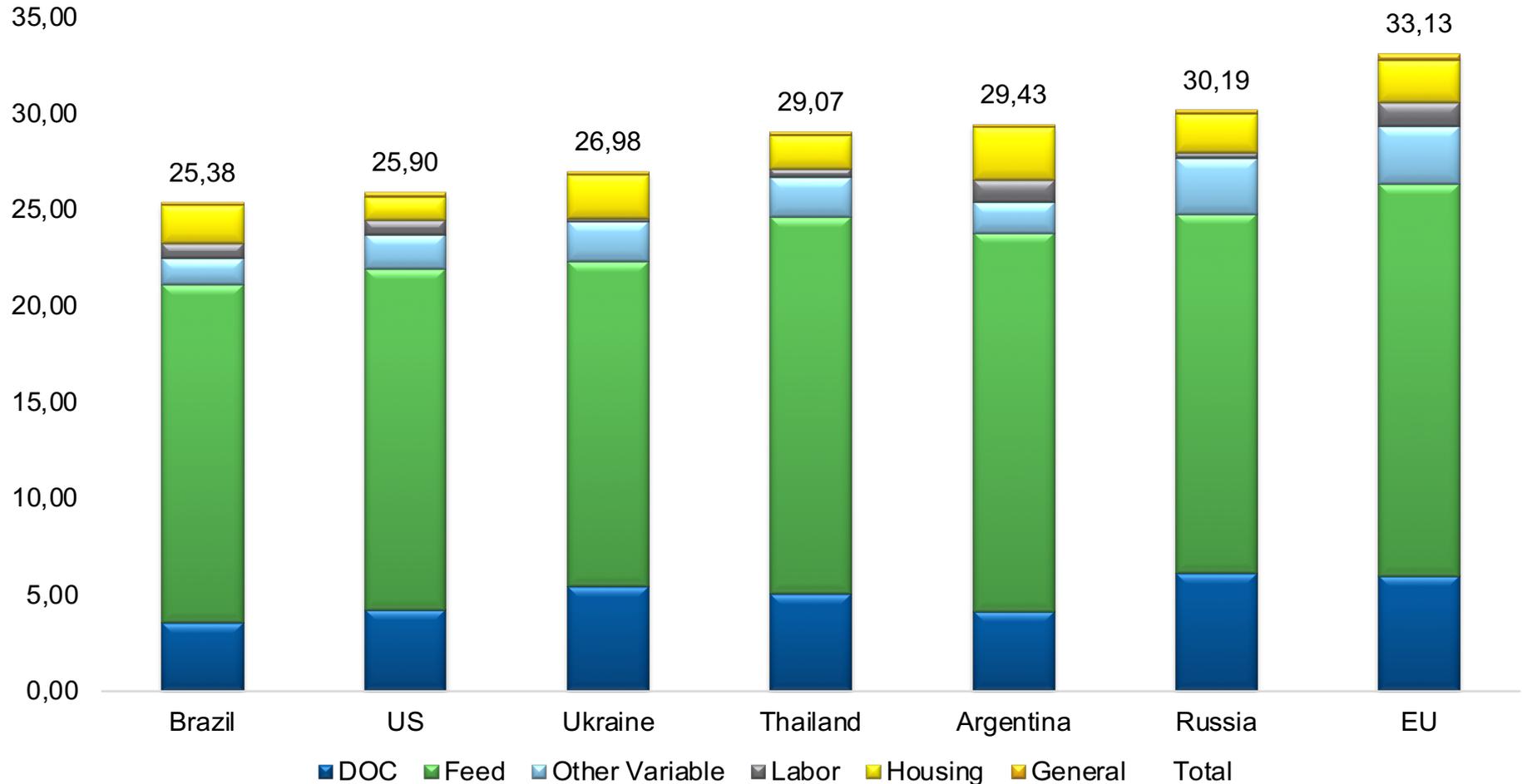
U.S. Chicken Dark Meat Component Values (cents/lb)



U.S. Chicken Leg Crush (cents/lb)



Global Broiler Live Production Cost (US cents/lb)







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