Outlook for U.S. Broilers in 2005 and 2006

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AAEA Livestock Outlook

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Key Factors in 2005 and 2006

- Feed prices are below 2004
  - Corn in 2005 at about $1.90/bushel compared with $2.47 in 2004, 2006 corn in mid-$1.80's
  - Soybean meal at around $185/short ton compared with $237 in 2004, soymeal in 2006 about $10 lower
- Disease issues influence livestock and poultry markets
  - BSE still affecting livestock and indirectly poultry
  - Avian Influenza continues to disrupt international poultry markets

Key Factors Continued…

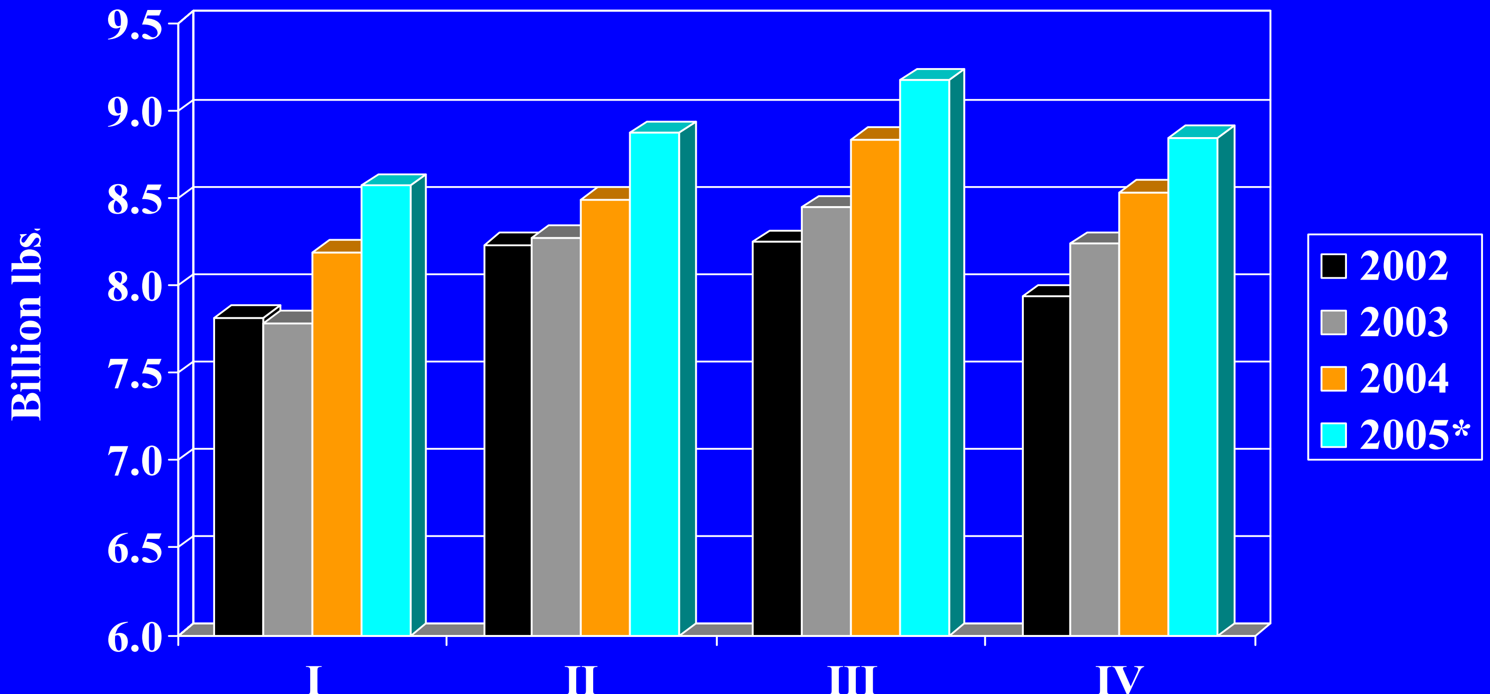
- GDP growth rates strong in 2005 and 2006
  - U.S. GDP expected at 3-4 percent
  - World GDP, less U.S., slightly below 3 percent
  - Asia growth at 5-7 percent, Latin America about 4 percent, transition economies (E. Europe, FSU, and Russia) at 4-5 percent
- Weaker U.S. dollar supports meat exports
- High energy costs are a wild card

Key Factors Continued…

- Red Meat Production Higher in 2005 and 2006
  - Pork production up 1-2 percent each year, and
  - Beef production gains 2-3 percent

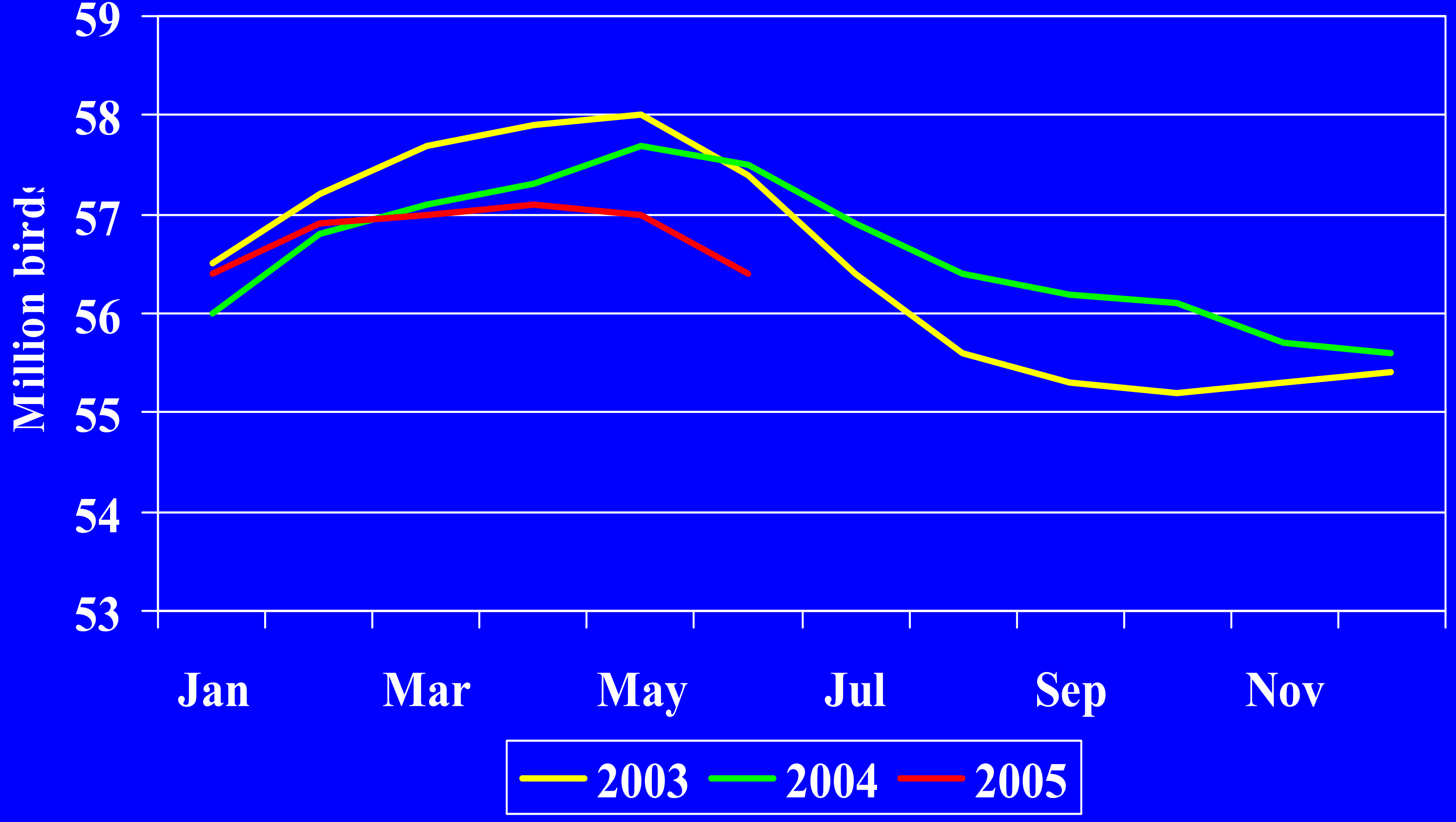
- Red Meat Prices Remain High
  - Retail beef prices remain near 2004 record $4.07 per pound in 2005, drop some in 2006
  - Pork retail prices record high in 2005, with slight fall off in 2006

Broiler Production Expands About 4 Percent in 2005 to 35.5 Billion Pounds

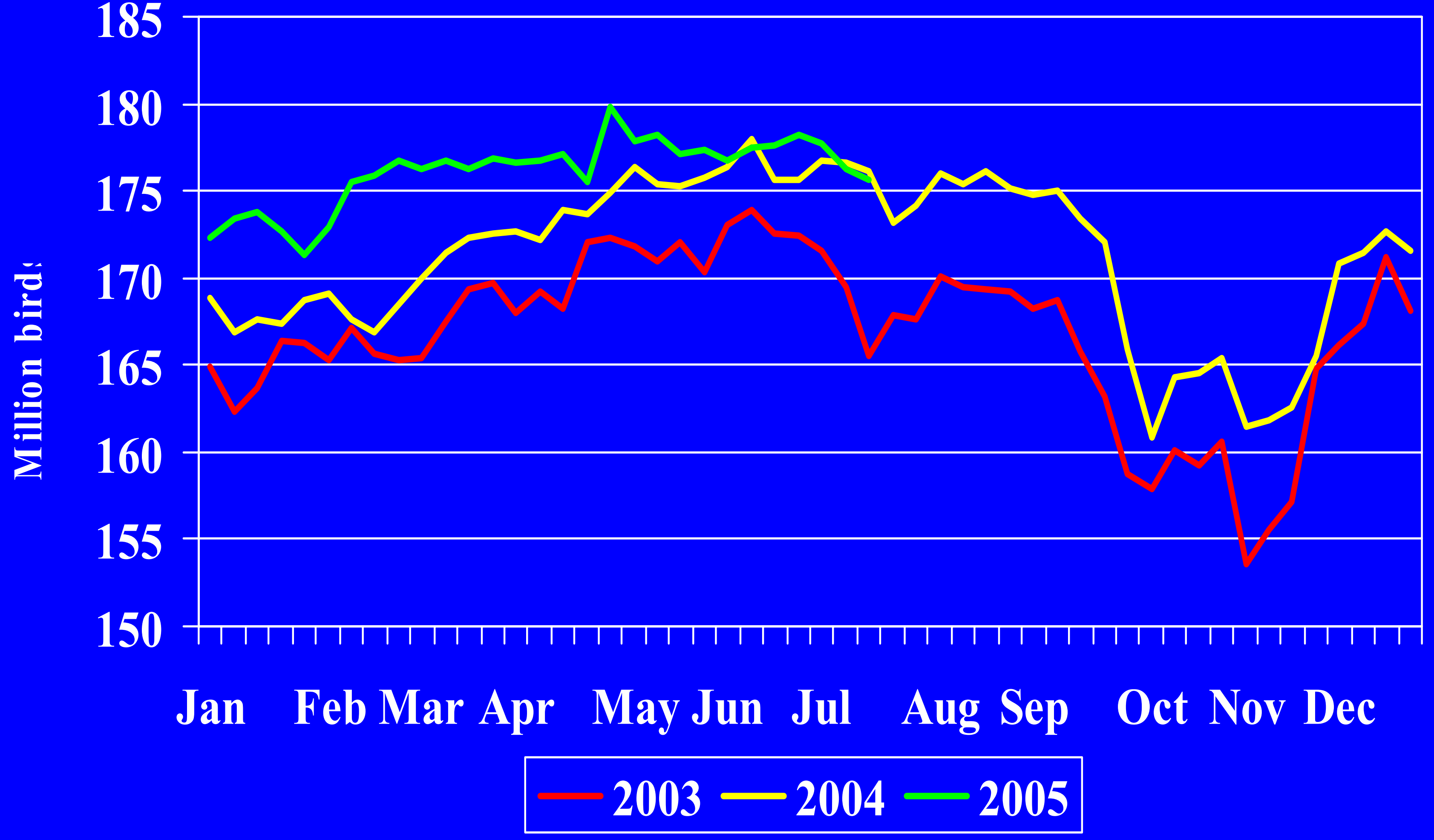


* Forecast

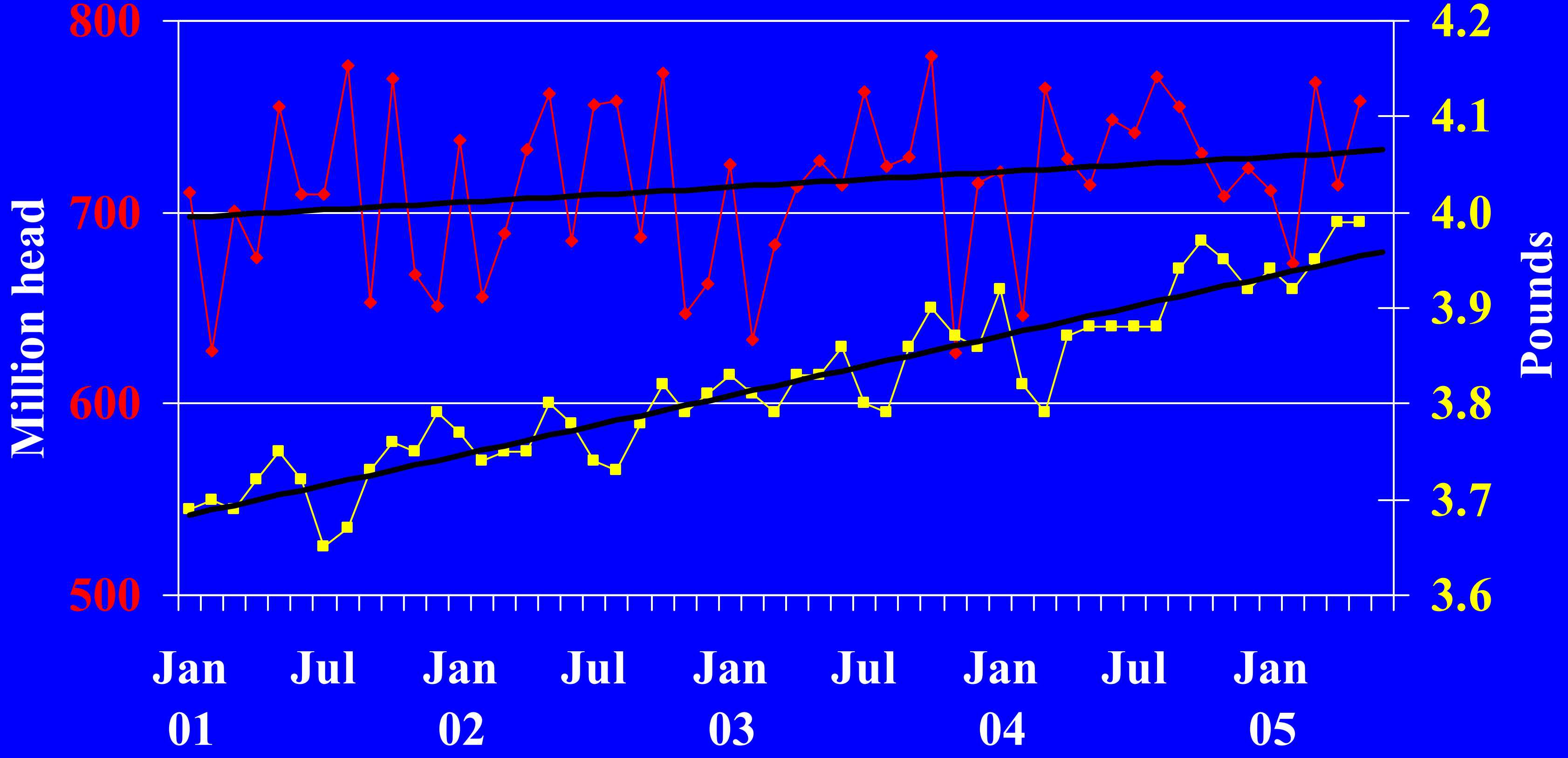
Broiler Laying Flock
Monthly Average



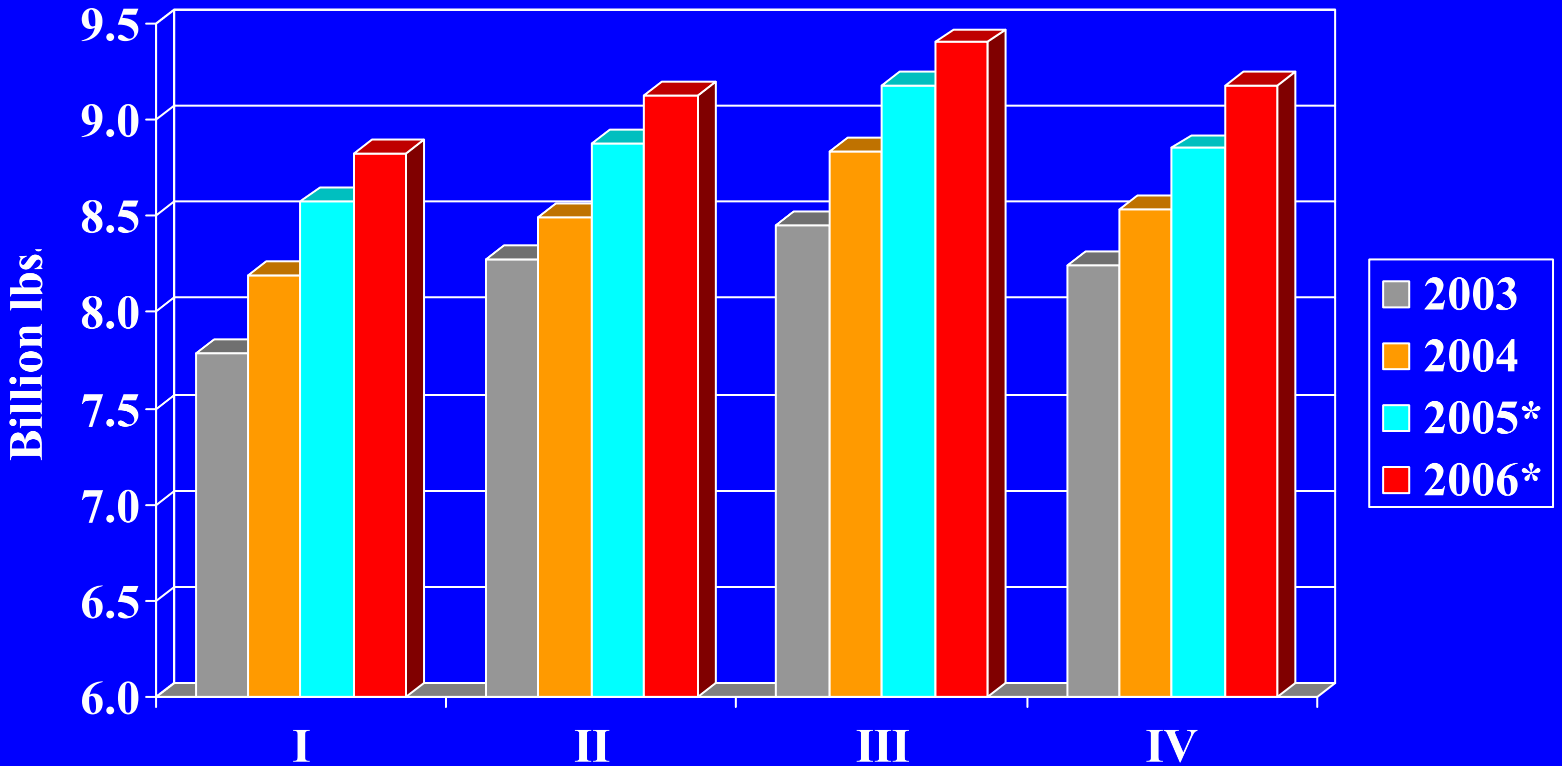
Chicks Placed For Grow Out
19 Selected States



RTC Meat Yield Per Bird Growing Faster than Number of Broilers Slaughtered



Broilers Increase 3 Percent in 2006 to 36.5 Billion Pounds

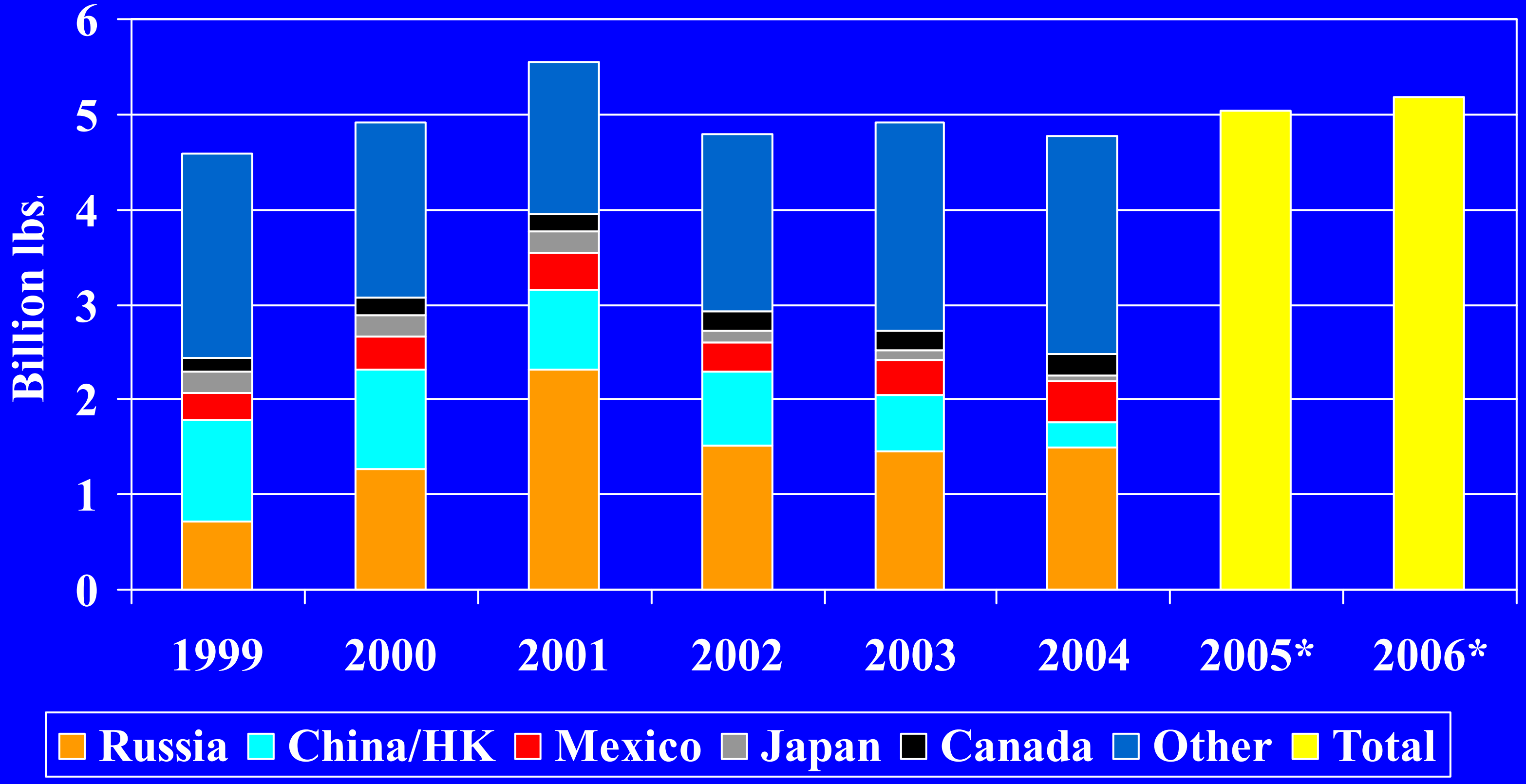


* Forecast

Broiler Exports Rebounding

- Avian Influenza
  - Bans lifted on U.S., except some N.E. States
  - Export competitors China and Thailand still out of the fresh broiler market
- New Quota Regime For Russia Trade
- Brazil Expanding Global Exports
  - Became largest exporter in 2004
  - Expected to be largest in 2005

Broiler Exports Gain in 2005 and 2006 After AI Disruptions of 2004



* Forecast

Expanding Smaller Markets

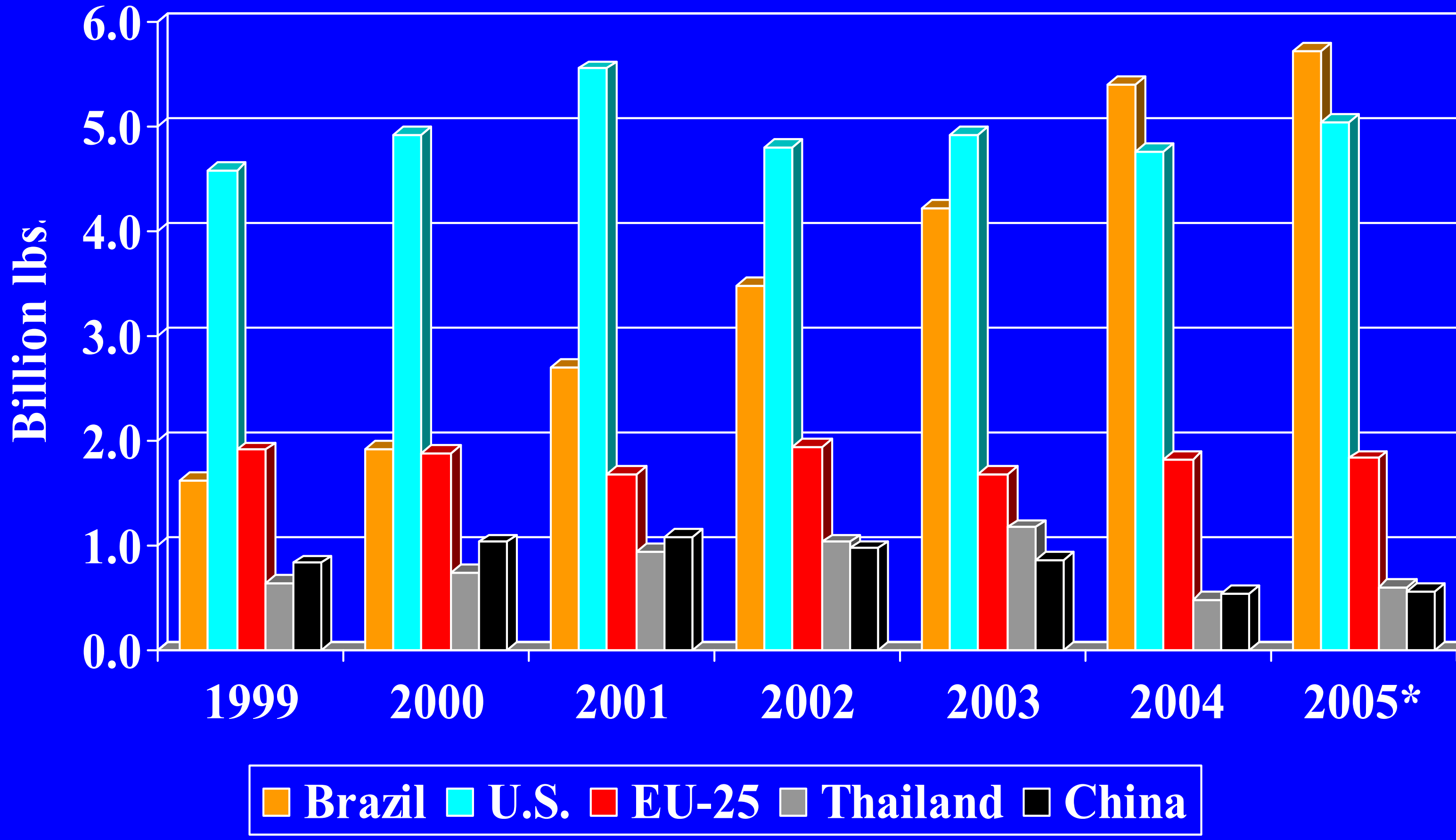
Million Lbs.

Country	2002	2003	2004	Jan-May 2004	Jan-May 2005
CIS, x Russia	189	257	471	112	147
E. Europe	110	128	173	49	81
Baltics	102	134	157	67	92
Caribbean	287	332	303	114	186
Cuba	115	148	132	45	110

Russia's Poultry Quota Regime

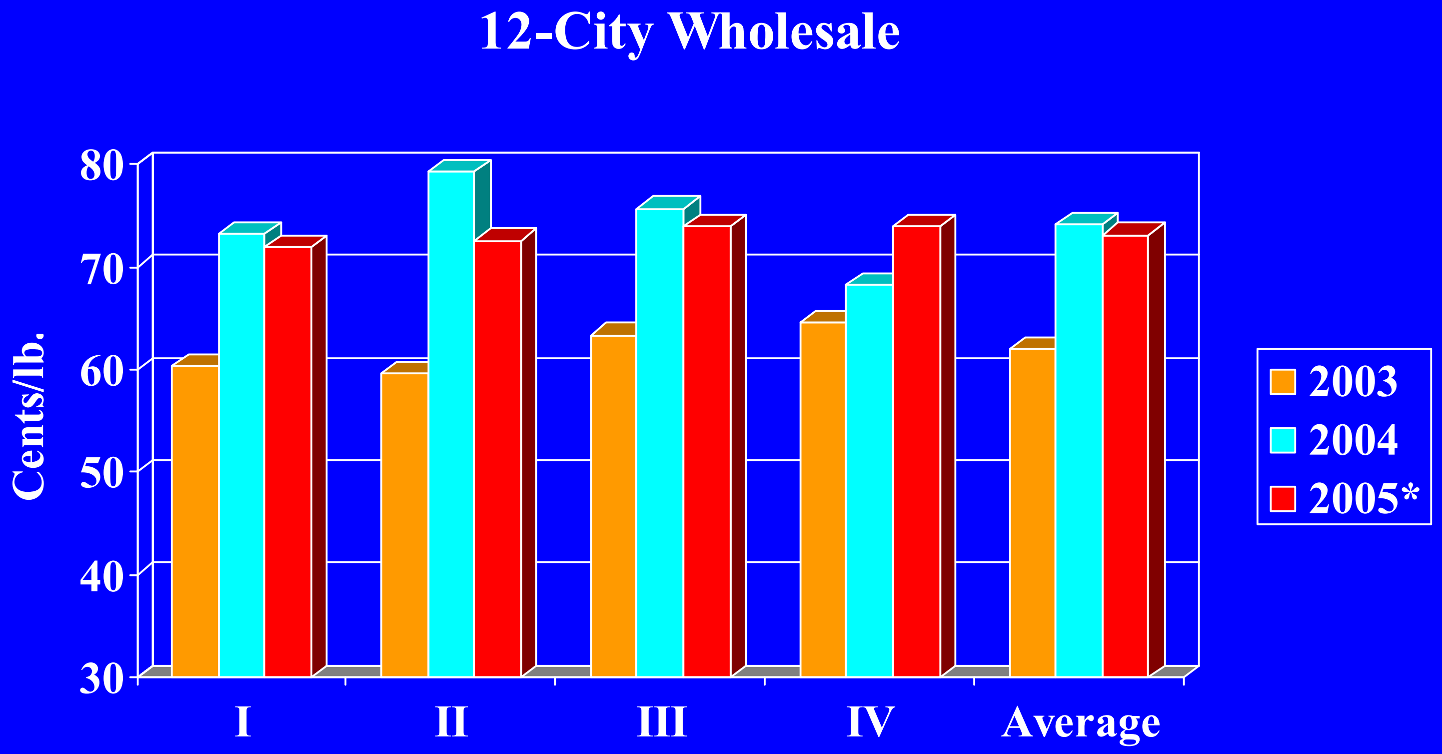
- Annual quota for 2005 raised to 1.09 million tons, up from 1.05 million in 2004
- Quota for 2006 is 1.131 million tons, rising to 1.252 million in 2009
- U.S. share set at 74.4 percent of quota annually (811,000 tons or 1.79 billion pounds in 2005)
- Quota includes broilers, as well as turkey and mature chicken

Brazil Broiler Exports On the Rise



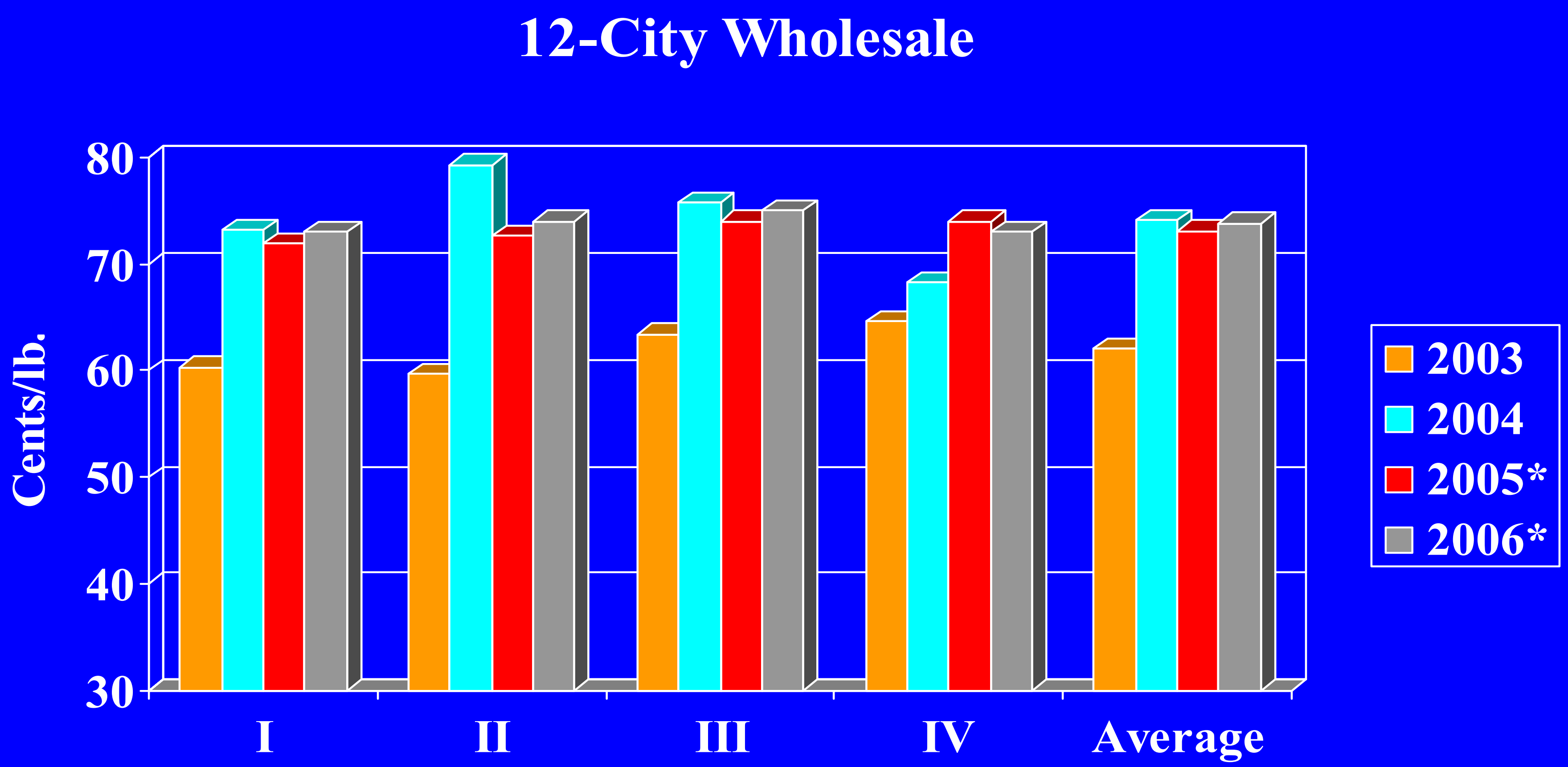
* Forecast

Broiler Prices Expected to be Slightly Lower in 2005 at 73 Cents



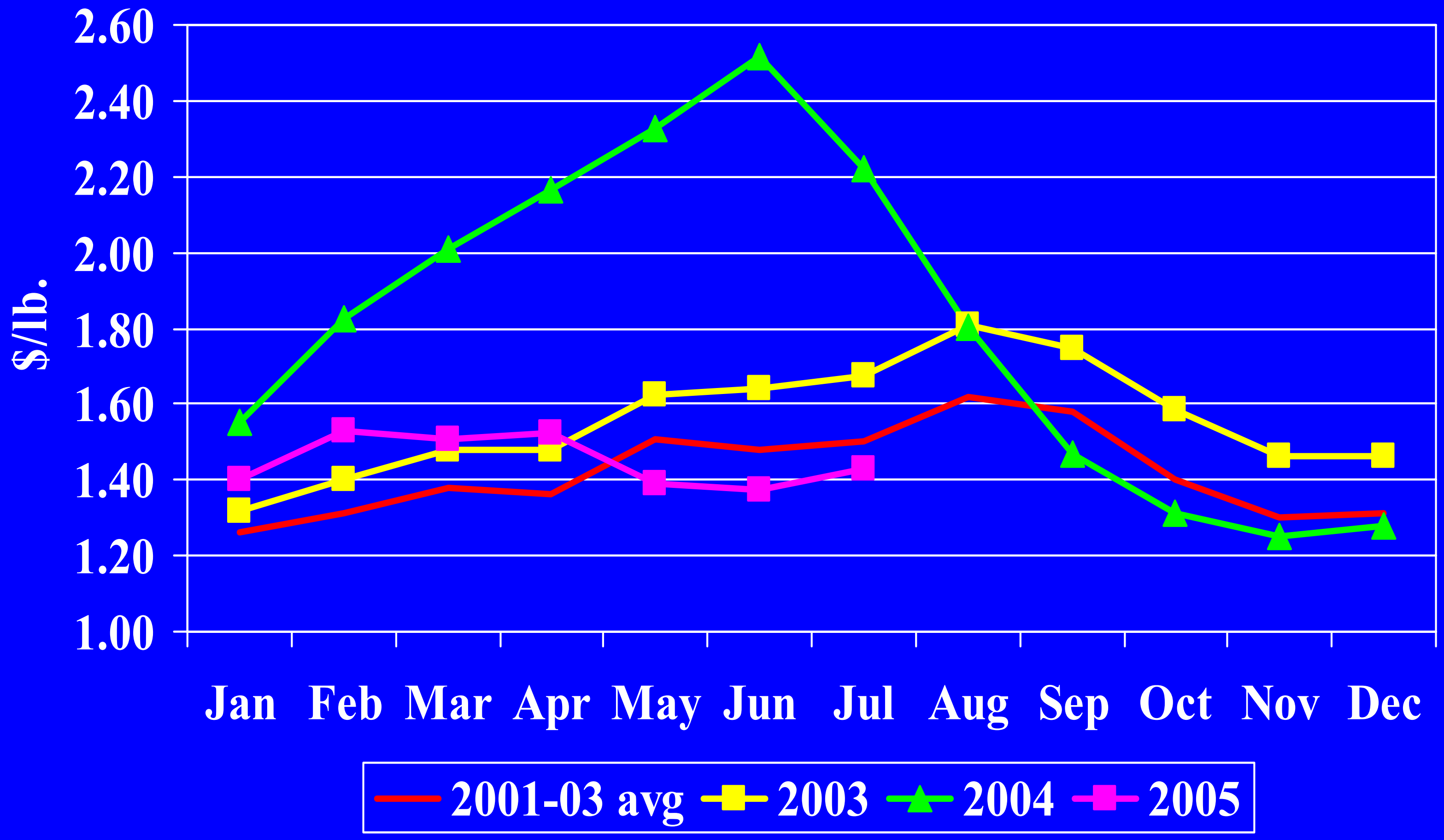
* Forecast

Broiler Prices Expected to Inch Up in 2006 to About 74 Cents

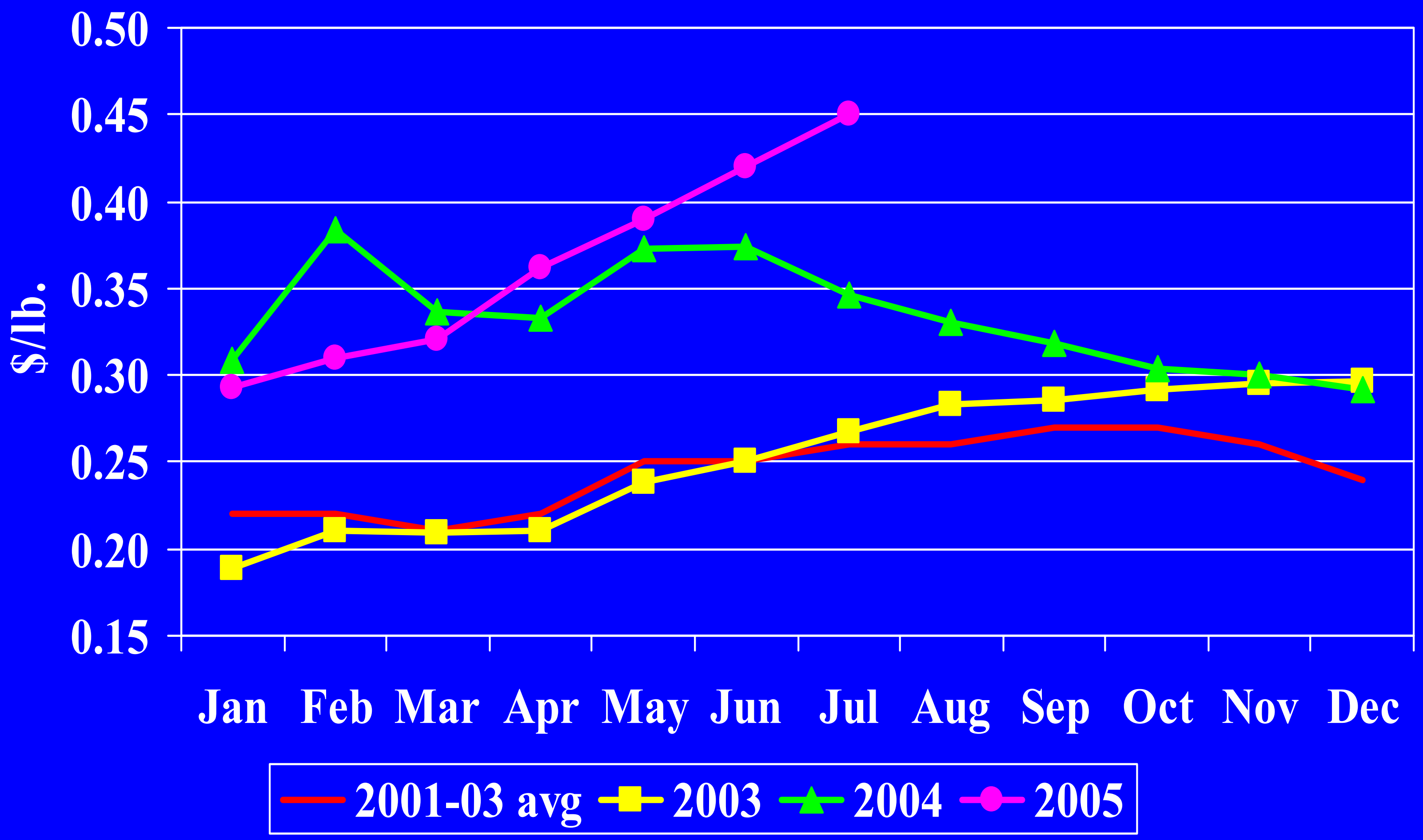


* Forecast

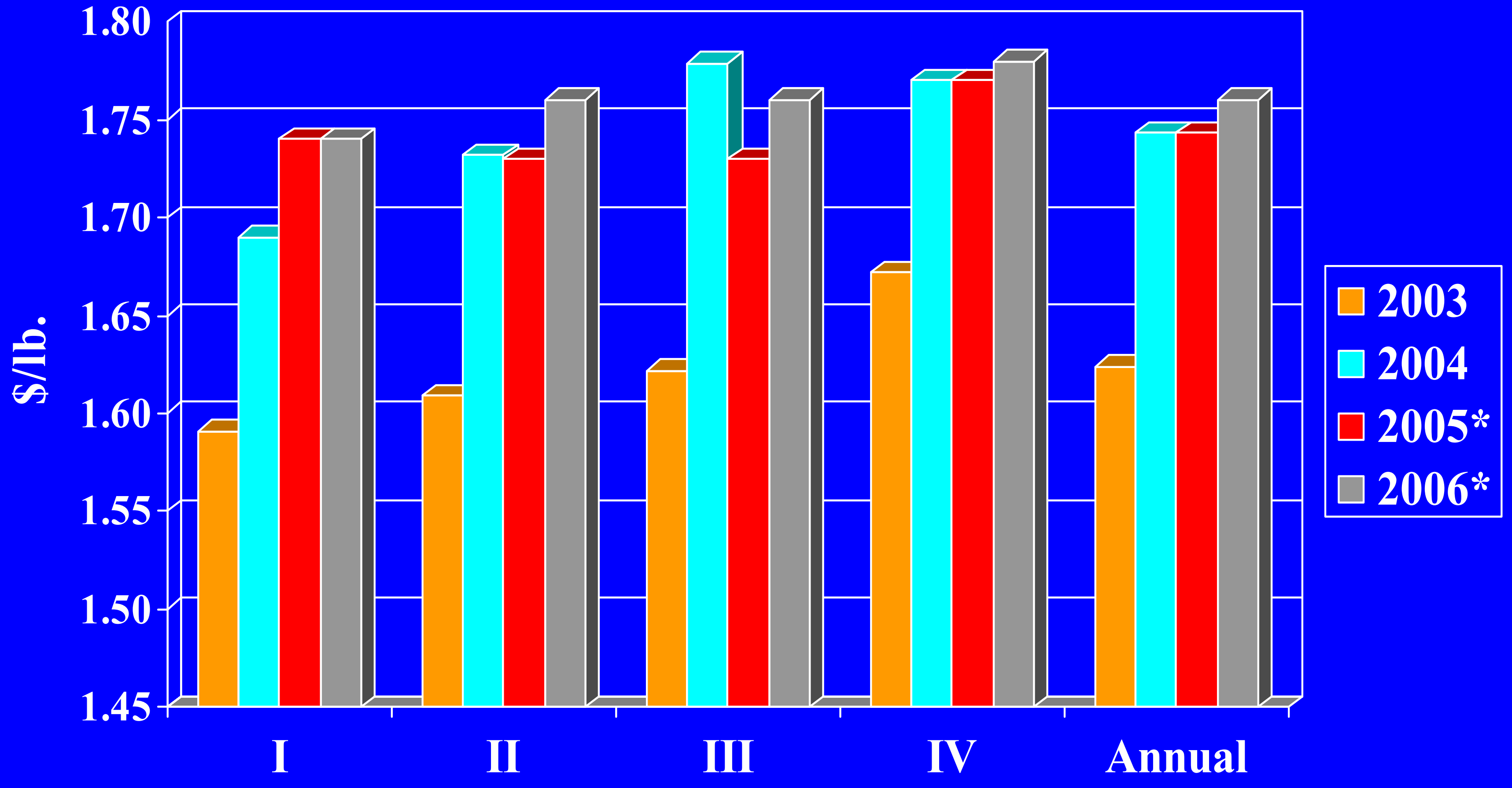
N.E. Boneless Skinless Breast Prices Below 3 Year Average



Northeast Leg Quarter Prices Climbing Above Year Ago

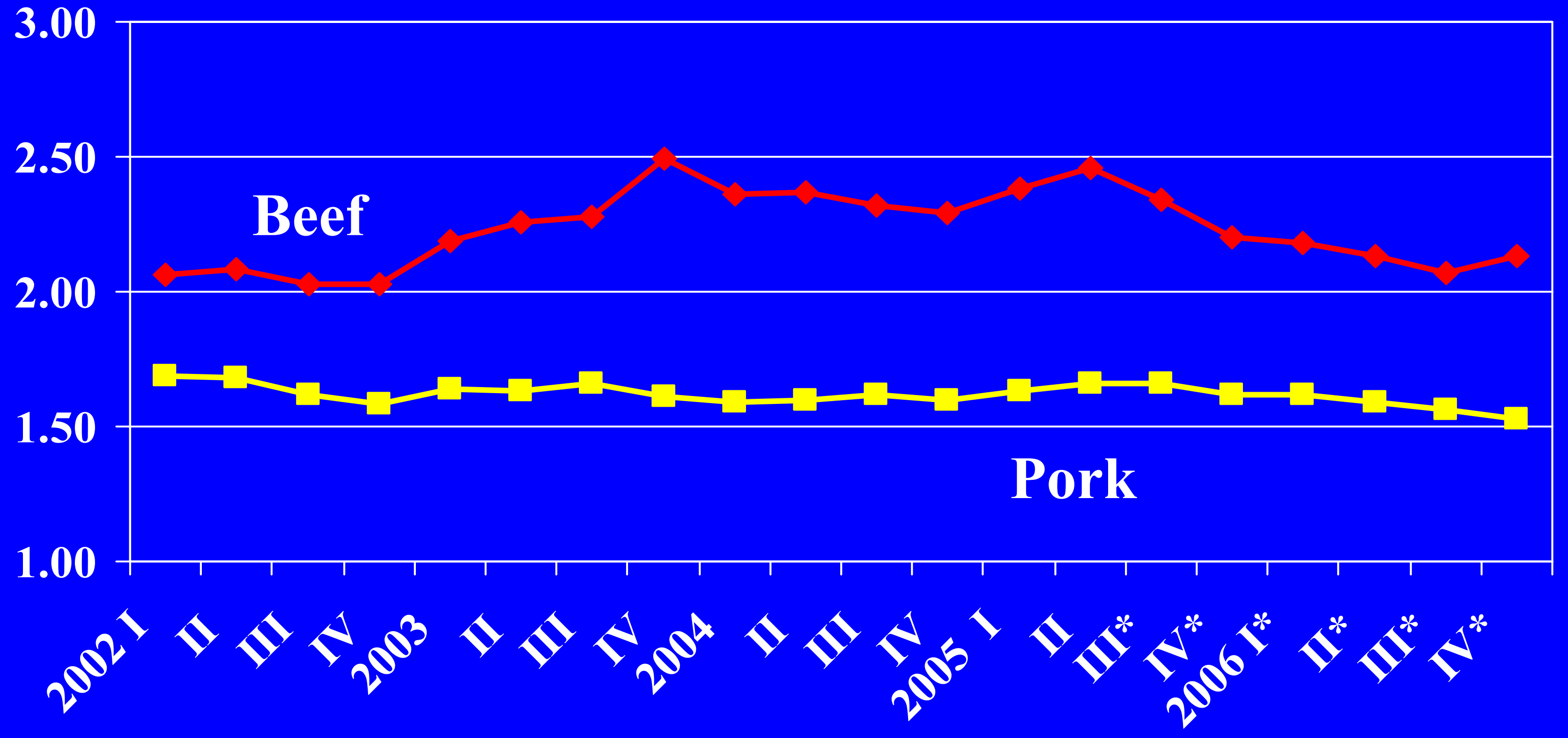


Broiler Retail Prices Steady in 2005, Record $1.76 per Pound in 2006



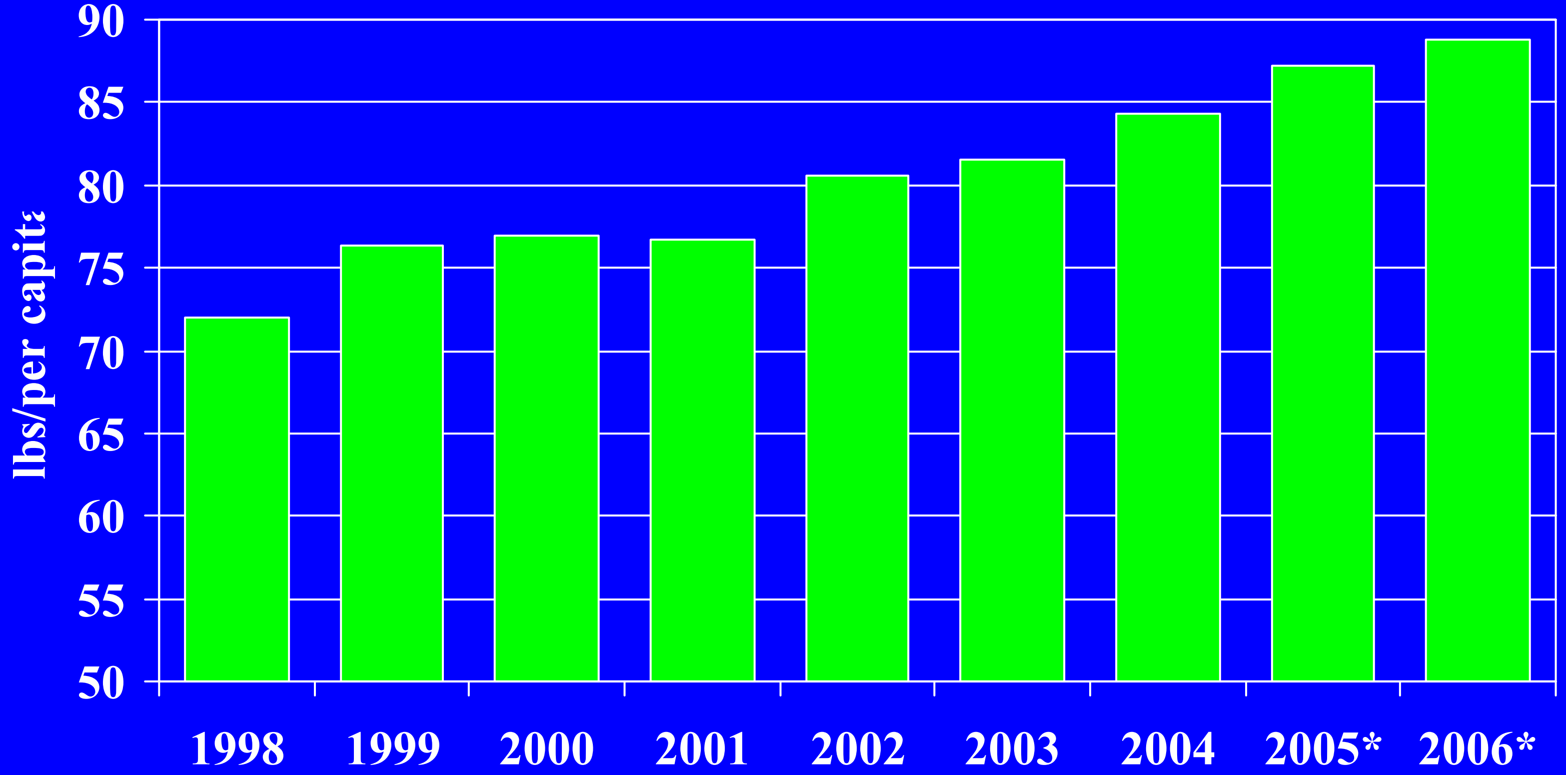
* Forecast

Broiler Price Ratio to Beef and Pork



* Estimated

Broiler Consumption Expected at 87-89 Pounds Per Capita in 2005 and 2006



* Forecast

Additional information about the outlook for 2004 is available on the following websites:

- World Agricultural Supply and Demand Estimates
  - www.usda.gov/agency/oce/waob/index.htm
- Livestock, Dairy, and Poultry Situation and Outlook
  - www.ers.usda.gov/publications/ldp/
- Livestock and Poultry: World Markets and Trade
  - www.fas.usda.gov/dlp/dlp.html