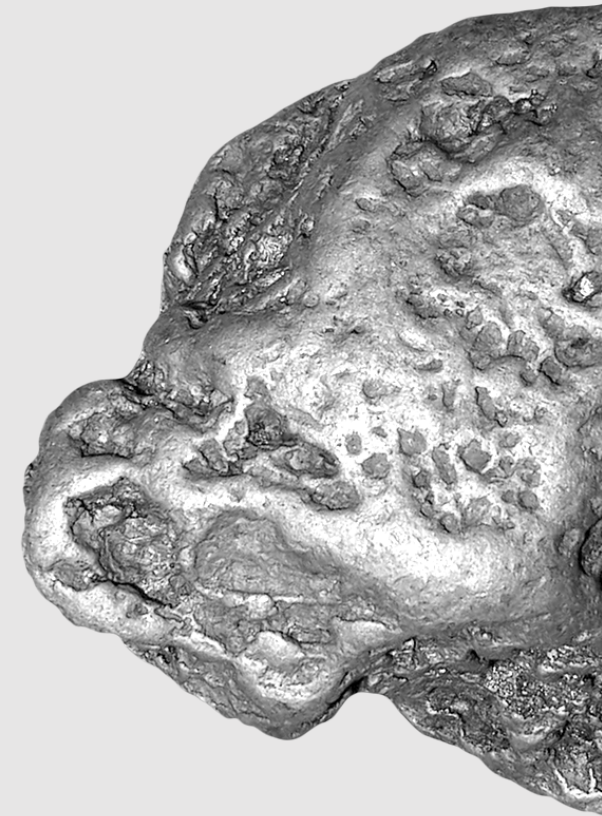




Animal Proteins Outlook 2025



January 30, 2025

Chloe Krimmel, Ryan Standard



The Jacobsen is Fastmarkets

- Provide clarity and transparency to the markets backed by methodology.
- An unbiased and trusted resource that provides reliable, independent analysis, news and pricing for the markets we serve.
- To stay ahead of trends.
- Provide benchmarks.



Global production



Global pork and beef production

2023/24 MY beef production

Market	Percent of global production	Total Production Mill Metric Tons
United States	20%	12.29
Brazil	18%	10.95
China	13%	7.53
European Union	11%	6.46
India	7%	4.47
Argentina	5%	3.28
Australia	4%	2.22
Mexico	4%	2.22
Russia	2%	1.37
Canada	2%	1.33

Prepared by Fastmarkets

Source: USDA FAS

2024/25 beef production is forecast lower by 0.79% from 2023/24 MY

2024/25 beef production forecast

- US - 11.8 mill MT (-487,000 MT)
- Brazil - 11.9 mill MT (+100,000 MT)
- China - 7.8 mill MT (+20,000 MT)
- EU - 6.5 mill MT (+100,000 MT)

2023/24 MY pork production

Market	Percent of global production	Total Production Mill Metric Tons
China	50%	57.94
European Union	18%	20.83
United States	11%	12.39
Brazil	4%	4.45
Russia	3%	4
Vietnam	3%	3.55
Canada	2%	2.11
Mexico	1%	1.56
South Korea	1%	1.44
Japan	1%	1.29

Prepared by Fastmarkets

Source: USDA FAS

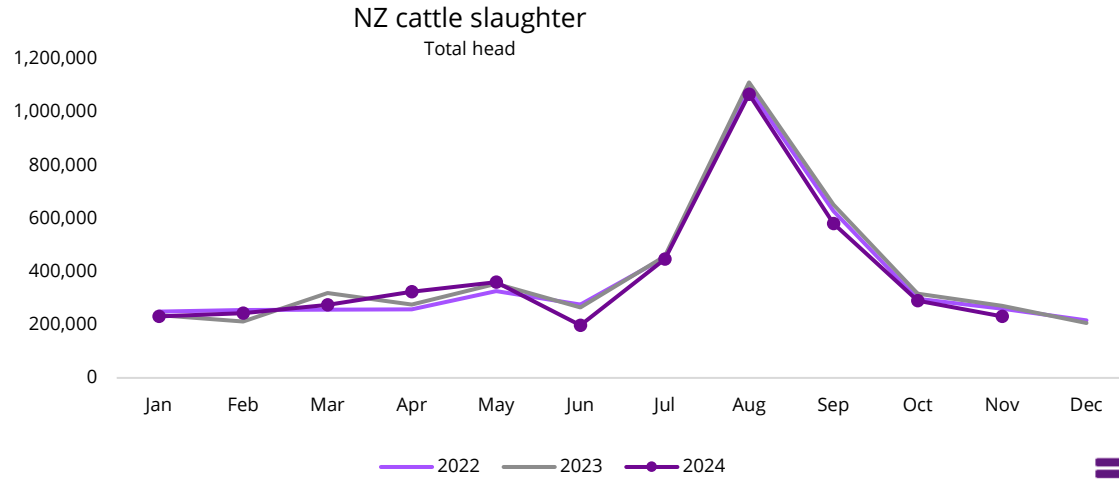
2024/25 pork production is forecast lower by 0.77% from 2023/24 MY

2024/25 pork production forecast

- China - 55.5 mill MT (-1.25 mill MT)
- EU - 20.9 mill MT (+350,000 MT)
- US - 12.9 mill MT (+500,000 MT)
- Brazil - 4.6 mill MT (+150,000 MT)



New Zealand livestock slaughter



Source: NZ Ministry for Primary Industries

NZ cattle slaughter

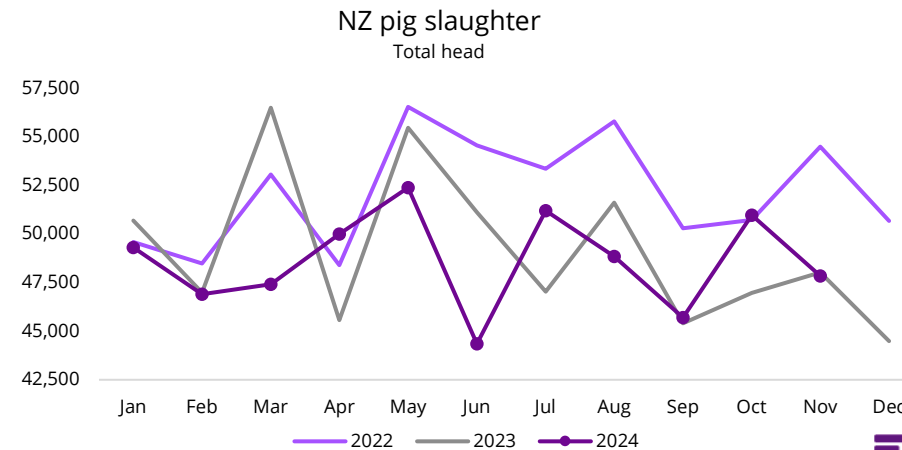
Slaughter values peak in the third quarter. No big YOY changes

NZ pig slaughter

2022 – 577,291

2023 – 547,355

2024 – 438,099



Source: NZ Ministry for Primary Industries

Global pork and beef production

Australian beef slaughter

Exceedingly strong for past two years

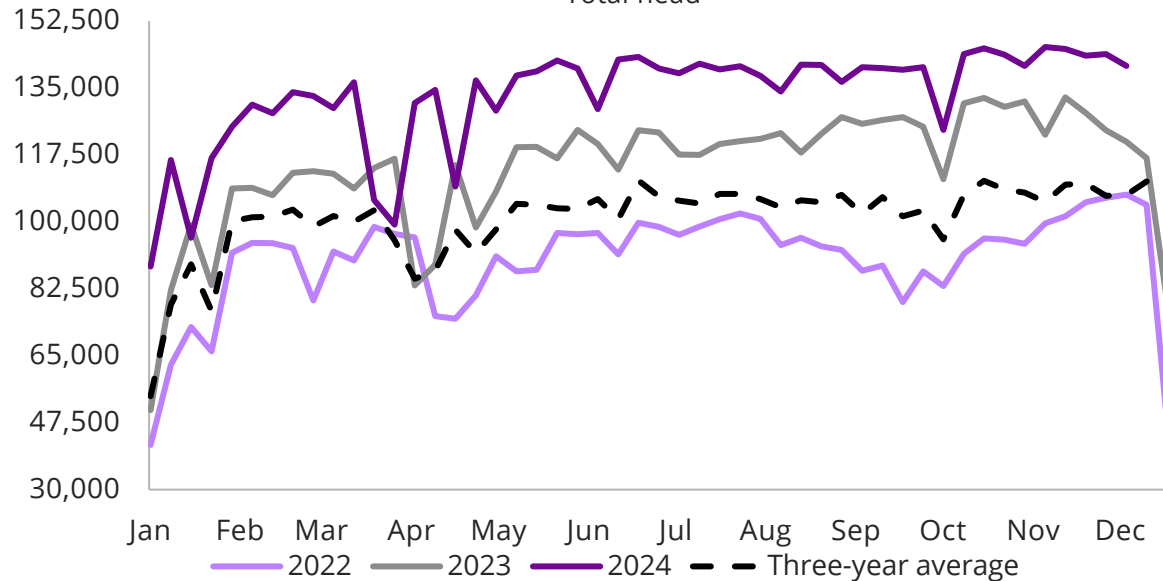
2022 - 4,023,384

2023 - 5,125,003

2024 - 5,857,366

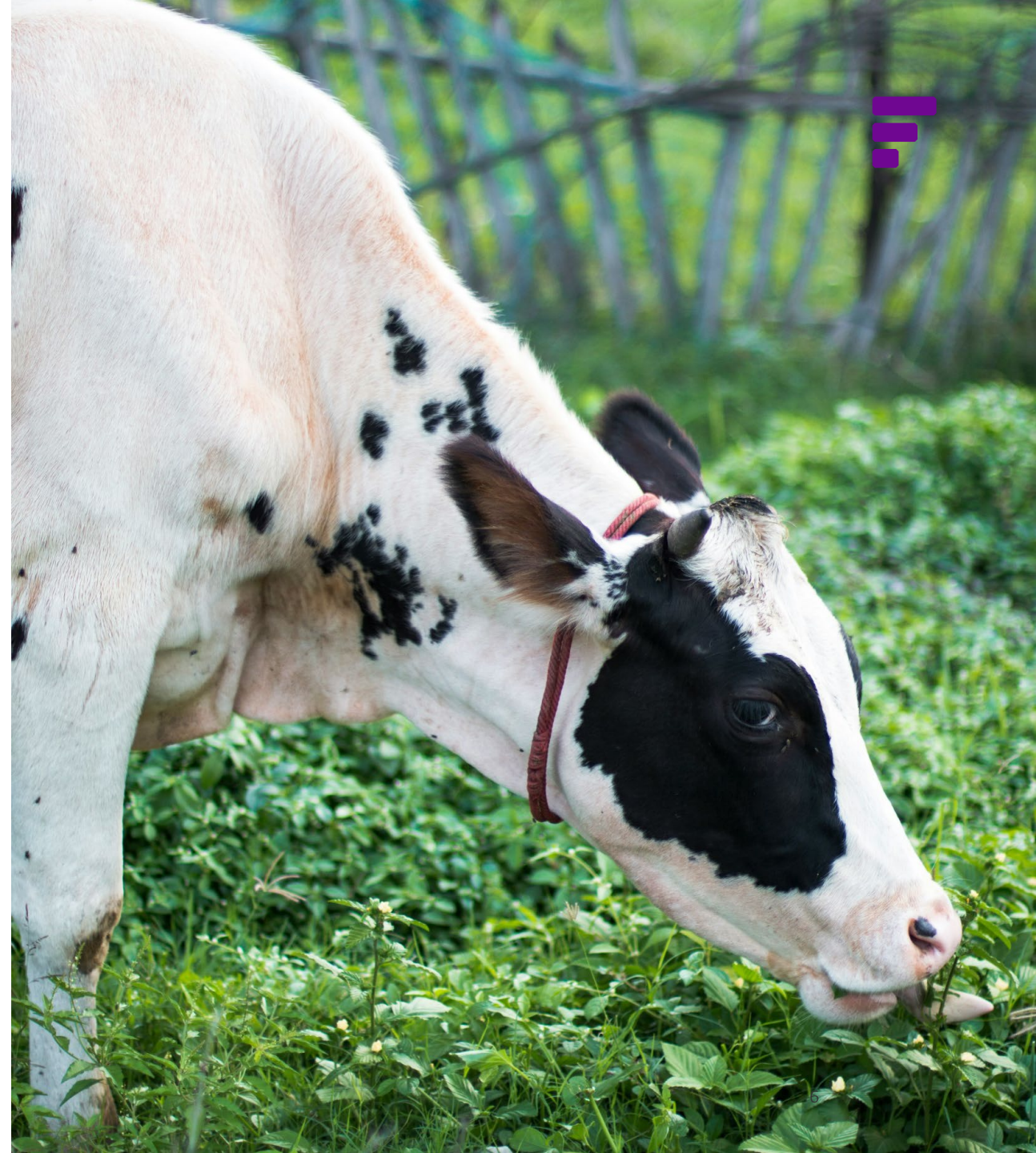
National slaughter - Australia

Total head

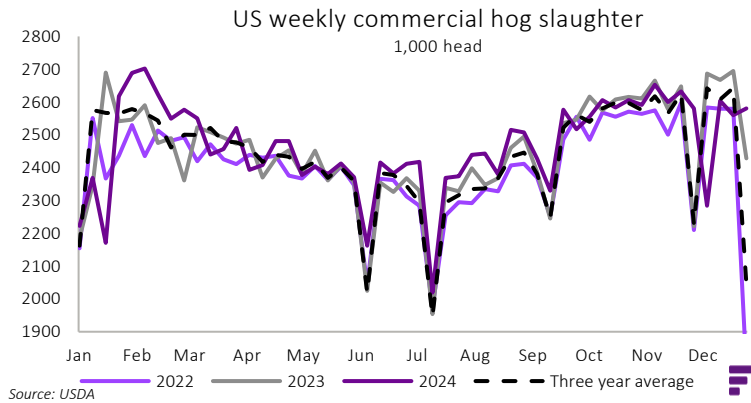


Source: Meat and Livestock Australia (MLA)

2025 | Fastmarkets | Animal Proteins

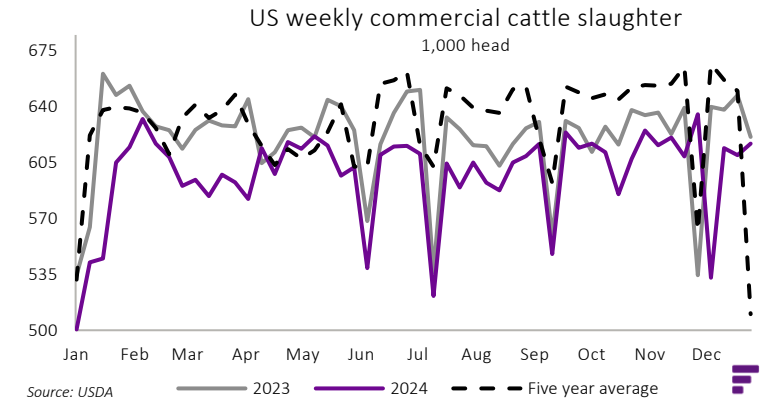


US hog and cattle slaughter, weights



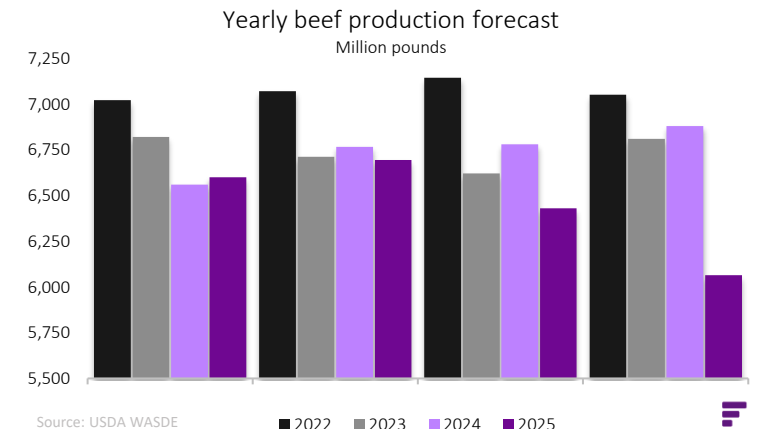
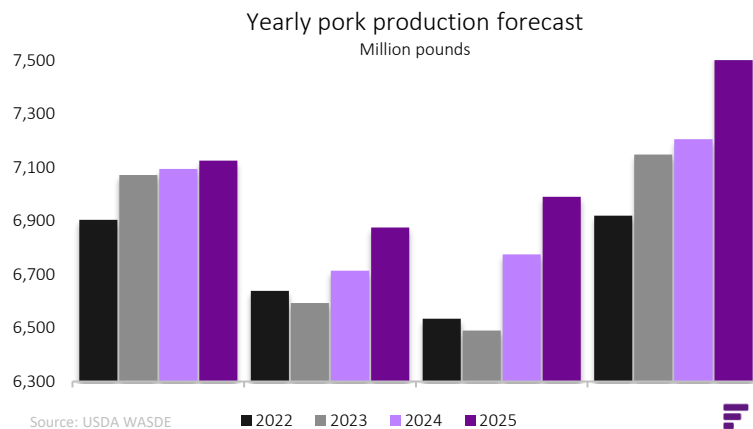
Beef production:

- Cattle head counts have continued to decline
- Lower heifer and cow slaughter in 2024
- Moving towards a herd rebuild but will be slow given:
 - costs of replacement heifers
 - production margins
- Higher cattle weights slightly offset the loss in head counts in 2024



Hog production:

- 2025 forecast above 2024 due to steady to higher pig crops
- Lower feed values have increased producer margins
- Proposition 12 has not affected the rendered side as much as first thought



Global broiler and turkey slaughter, production

2023/24 MY chicken meat production		
Market	Percent of global production	Total Production Mill Metric Tons
United States	20%	21.08
Brazil	14%	14.9
China	14%	14.8
European Union	11%	11.08
Russia	5%	4.8
Mexico	4%	3.89
Thailand	3%	3.45
Argentina	2%	2.44
Turkey	2%	2.33
Colombia	2%	1.89

Prepared by Fastmarkets

Source: USDA FAS

US broiler and turkey production

- Most sector affected in 2024 was egg layers at 76% of total birds.
- Broiler production affected was at 11% of total cases.
- Turkey production is well under 2023 due to avian flu and drops in consumer demand.

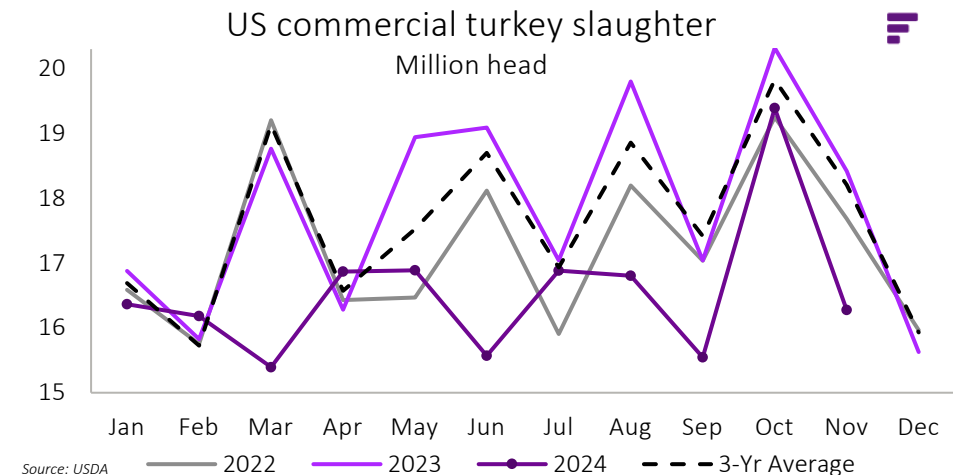
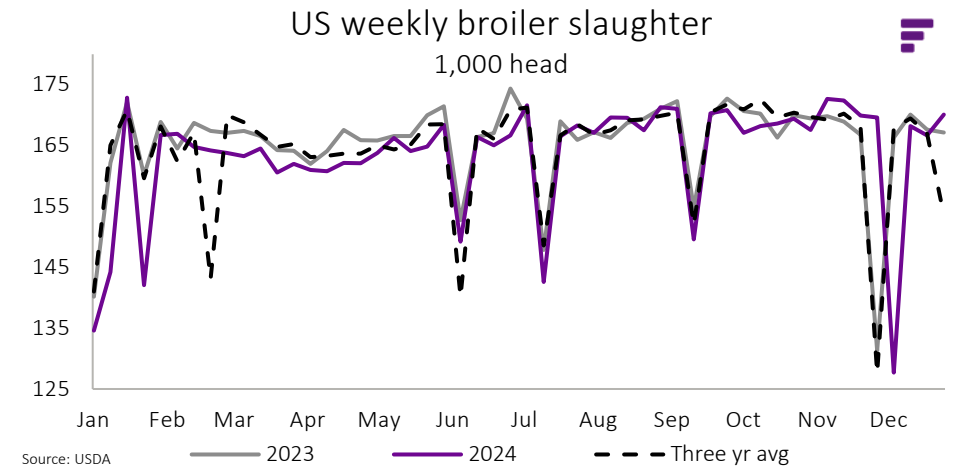
Global broiler production

- Even though Brazil has less production – more chicken meat exports vs US

- 2024/25 chicken meat production is forecast higher by 1.83%

2024/25 chicken meat production forecast

- US at 21.7 mill MT (+600,000 MT)
- Brazil at 15.1 mill MT (+200,000 MT)
- China at 15.3 mill MT (+500,000 MT)
- EU at 11.5 mill MT (+400,000 MT)

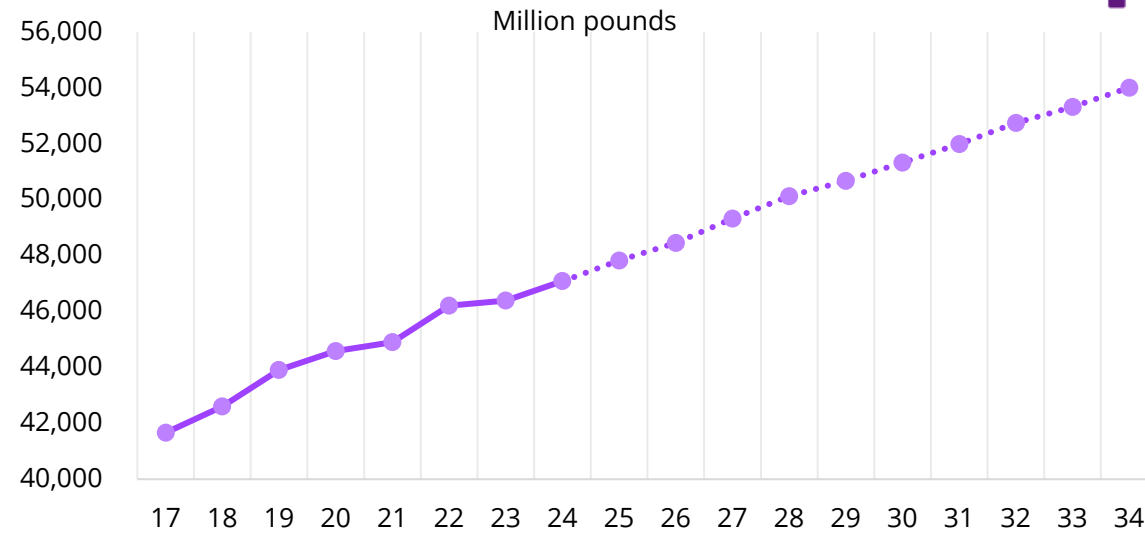


US livestock projections



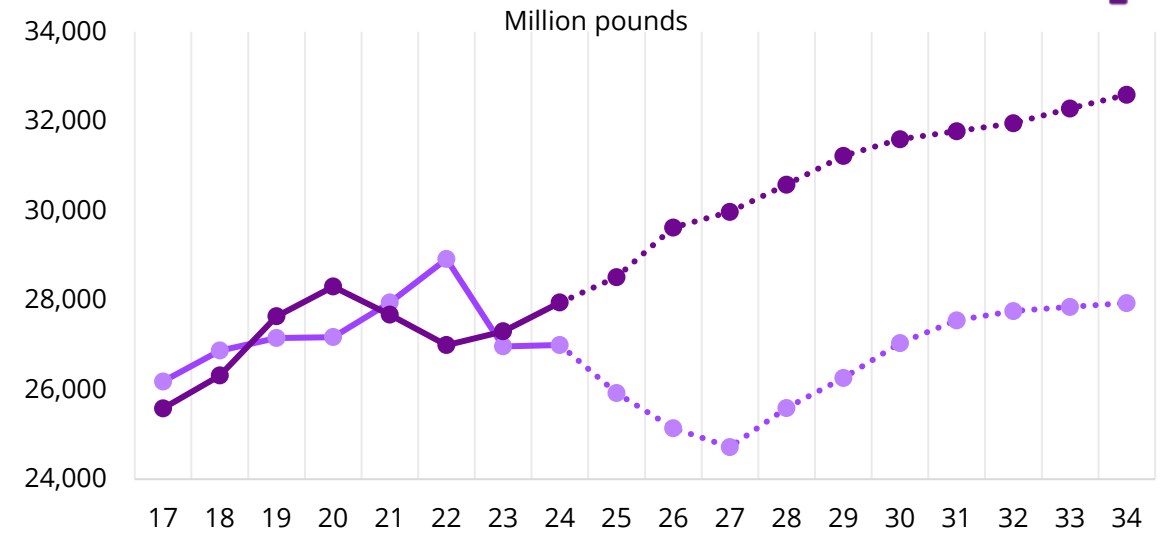
- Commercial young chickens projected higher year on year for next 10 years
- Commercial pork projected higher following the drop from 2022
- Commercial beef projected lower until a bottom in 2027
Slow herd rebuilding due to lower producer margins and longer market cycles

Commercial production annual projections chicken



Source: USDA

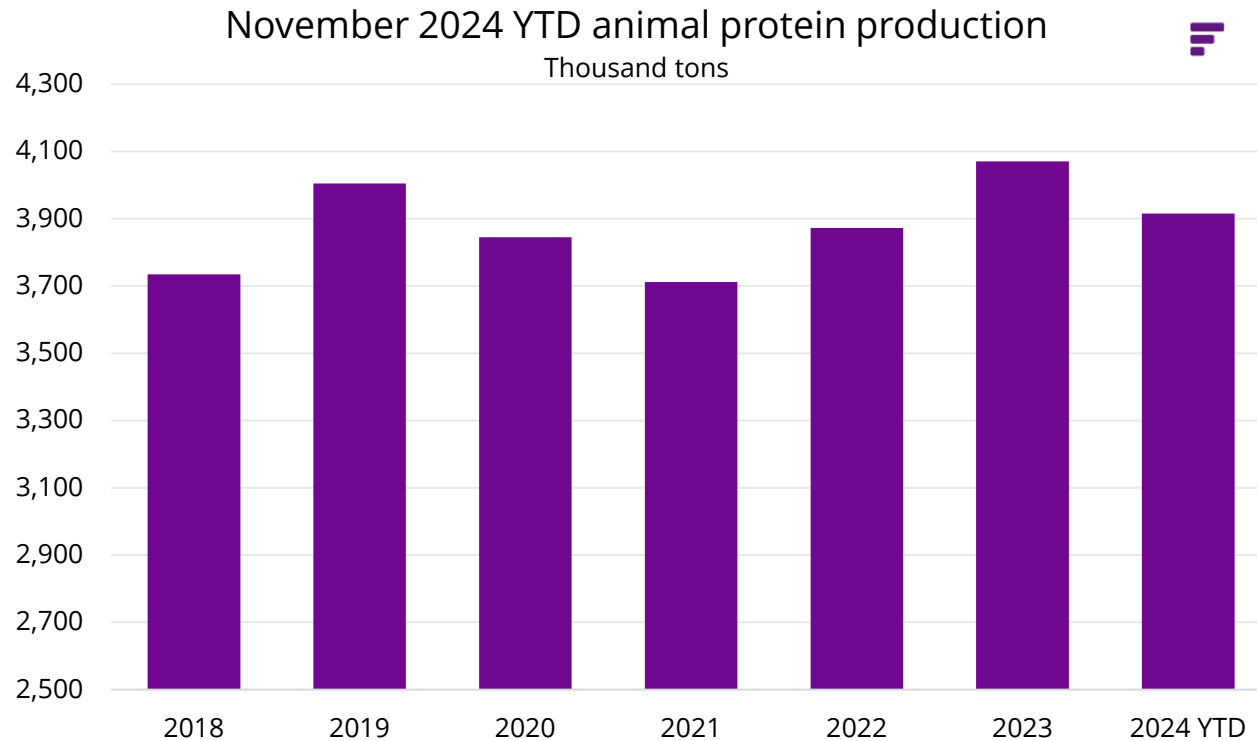
Commercial production annual projections



Source: USDA

●●● Commercial beef ●●● Commercial pork

Total US rendered animal protein production



-4%

Nov YTD is 4.6% below 2023

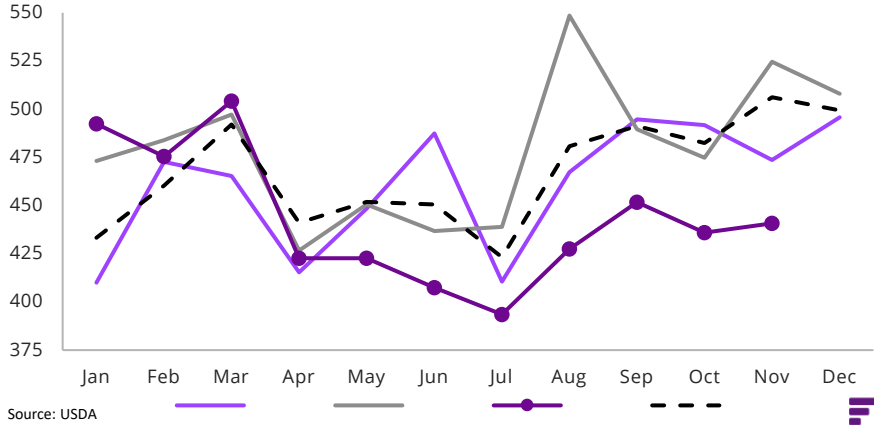
51%

Meat meal made up 51.3% of total exports in 2024

US animal protein production



US MM, MBM and DRT production
Thousand pounds



MM, MBM & DRT: November YTD – 4.87 bil lbs (2.2 MMT)

- Under 2023 by 7.07% (370.6 mil lbs / 168.1 TMT)

Feathermeal: November YTD – 950.91 mil lbs (431.3 TMT)

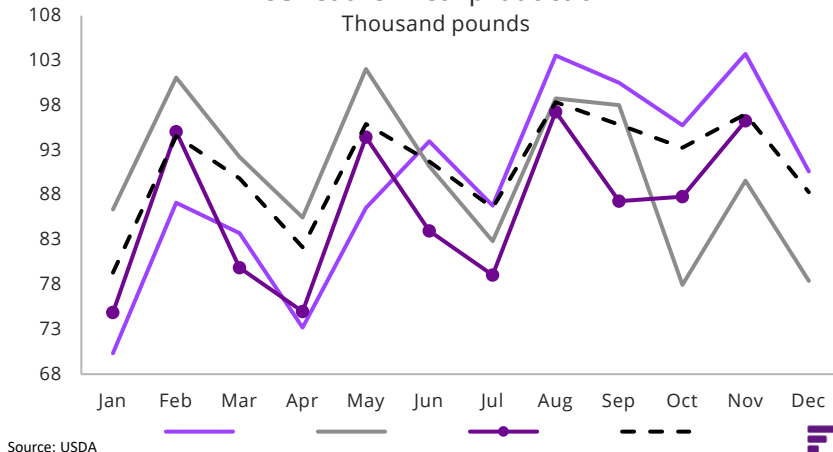
- Under 2023 by 5.43% (54.65 mil lbs/ 25 TMT)

PBPM: November YTD – 3.70 billion lbs (1.7 MMT)

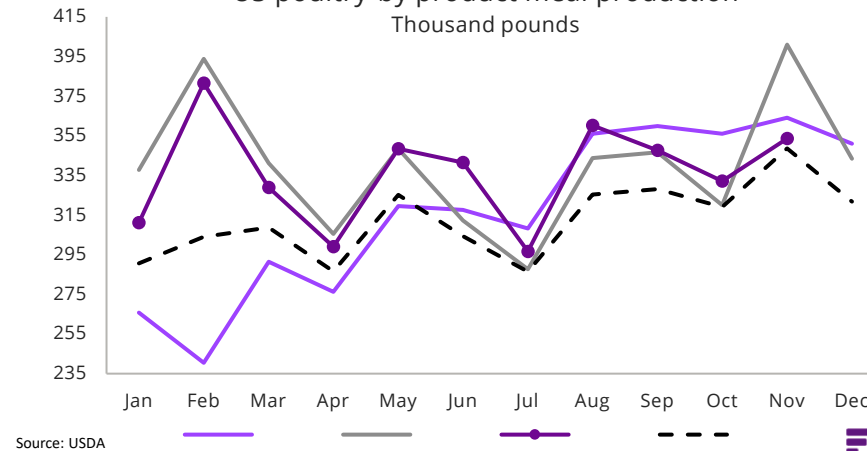
- Under 2023 by 0.99% (37.12 mil lbs / 16.8 TMT)

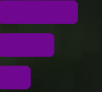


US feathermeal production
Thousand pounds



US poultry-by product meal production
Thousand pounds





Market overview



US ruminant and porcine trends

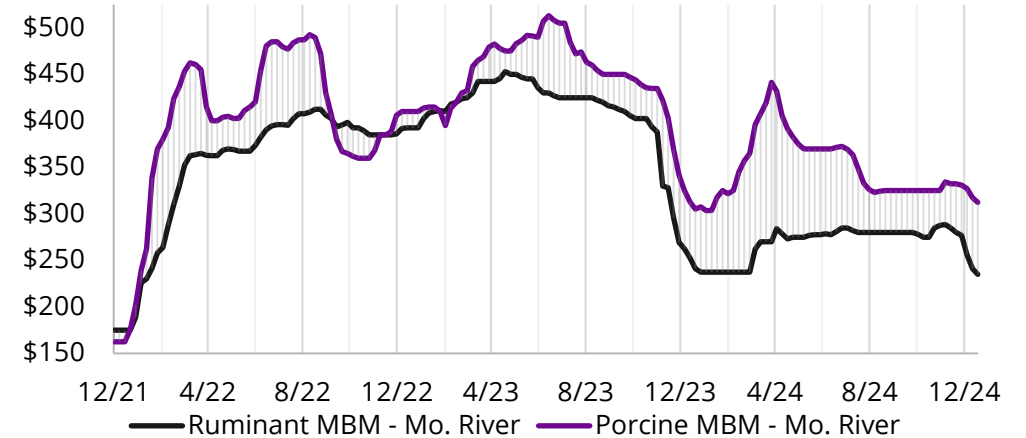
Ruminant and porcine meat and bonemeal

- High/low spread has diminished in past two years
- Diminished cattle slaughter has kept a floor under the market
- Heightened cattle weights have propped up production even on low head counts
- Poultry and turkey feed reformulations at tail end of 2024 – removing MBM to a lower cost protein supplement.
- Mixed species widening spread for ruminant to porcine
- SBM price fell sharply following harvest

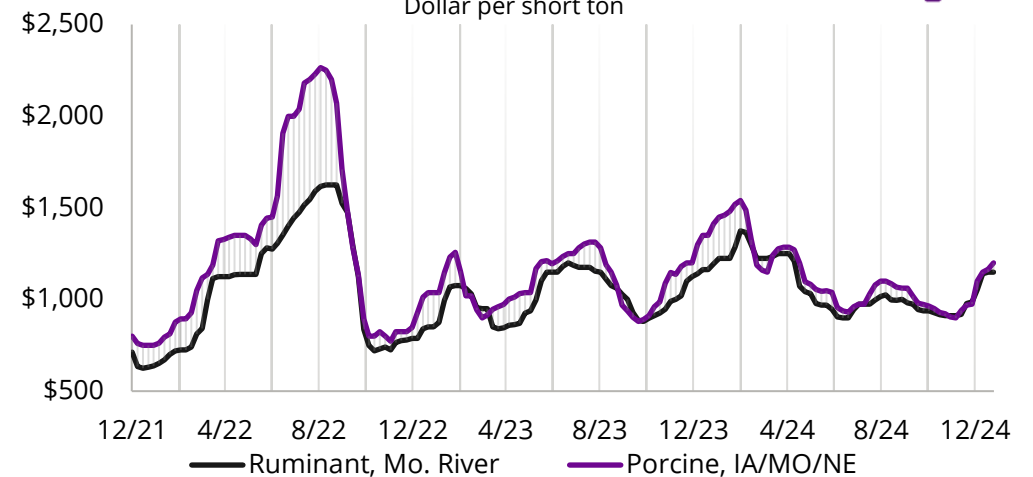
Ruminant and porcine bloodmeal

- Diminished slaughter has kept a floor under the market
- Most of 2024 was under price pressure after higher cost in January
- Values supported in December 2024 - active demand and limited inventory

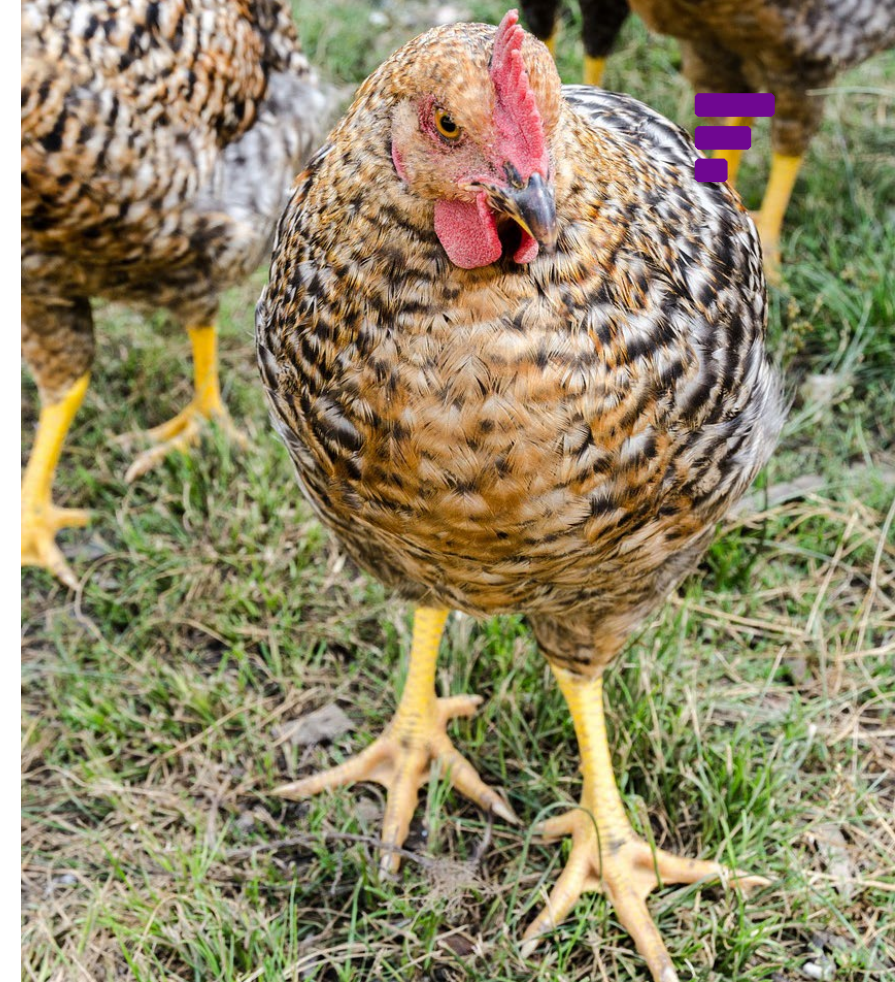
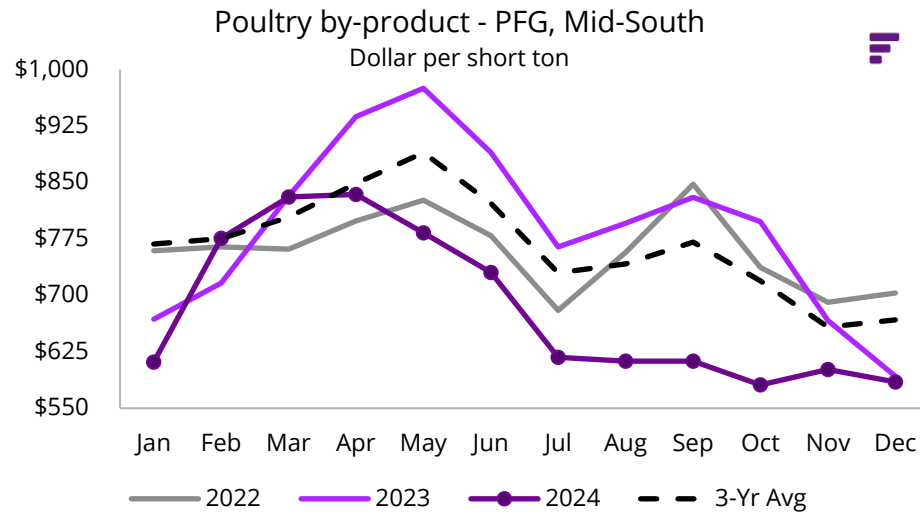
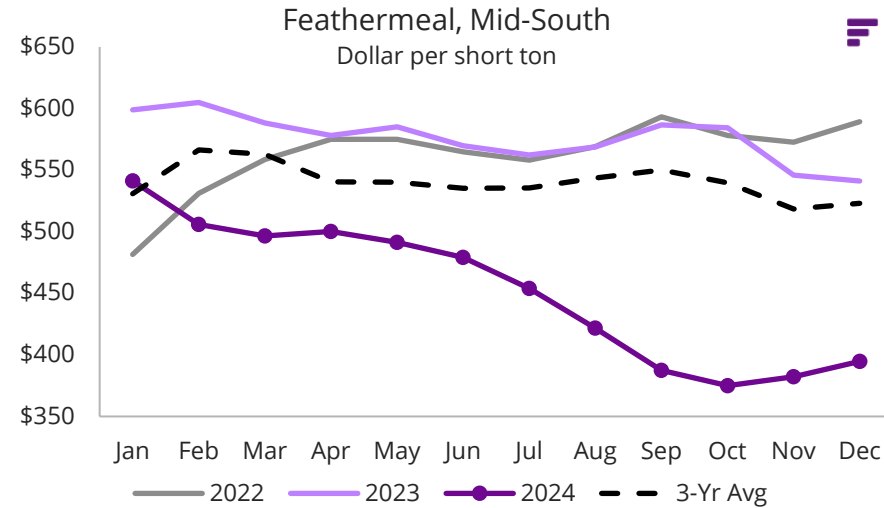
Meat and bonemeal
Dollar per short ton



Bloodmeal
Dollar per short ton



US poultry protein trends



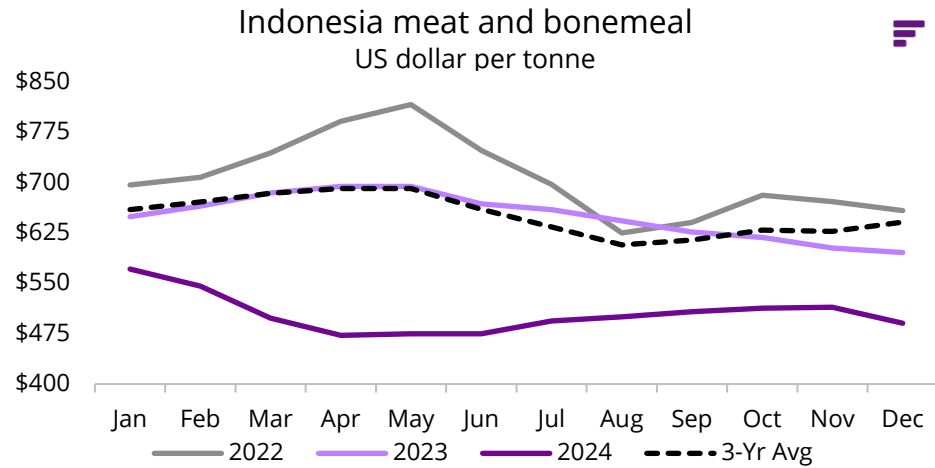
Poultry by-product meal:

- Moved under 2023 in May and continued lower. Aug – Dec SBM prices fell 16%.
- Prices expected to see pressure at the start of 2025

Feathermeal:

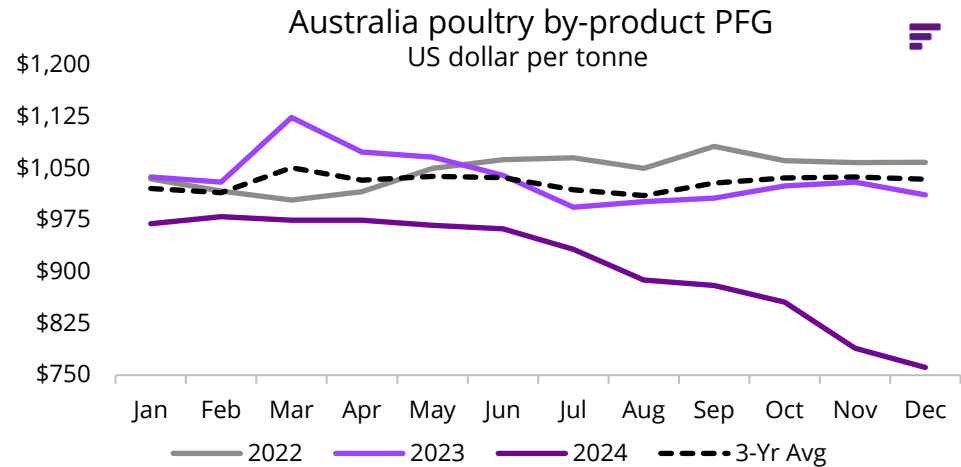
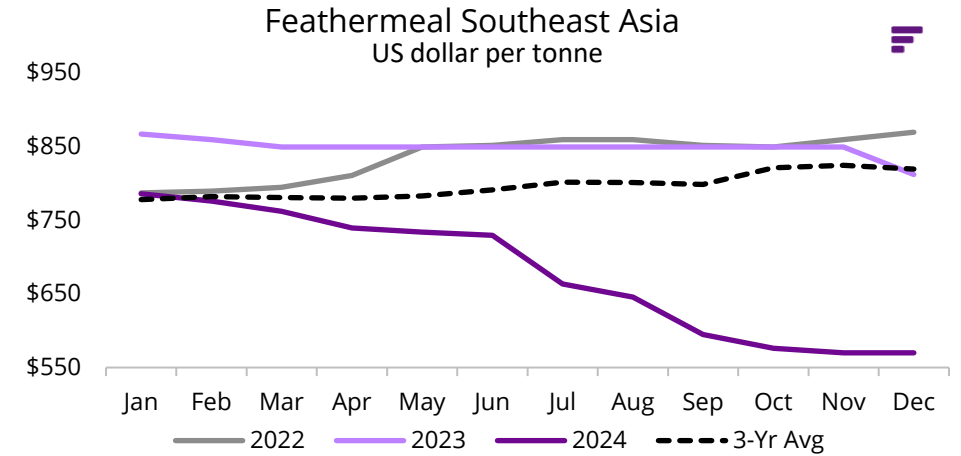
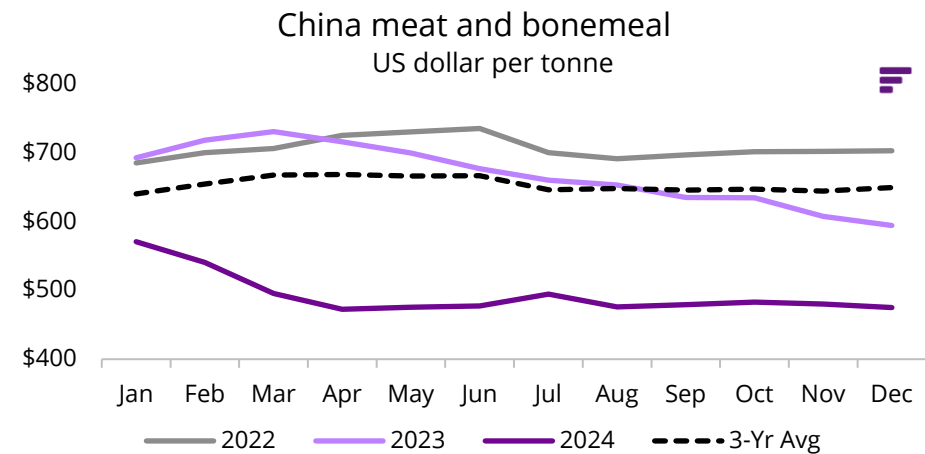
- Well below past three years due to relative price pressure from soybean meal
- Low prices were a larger incentive for increased demand on blended feed items
- Export on feathermeal increased domestic stock levels

APAC price overview



Values well under previous years :

- Price pressure in the US
- Most feed supplement trade values have been below previous years
- Increased production from both Australia and Brazil
- Relative soybean meal price pressure
- Lower priced DDGS



Australian price overview

Australian MBM and BM

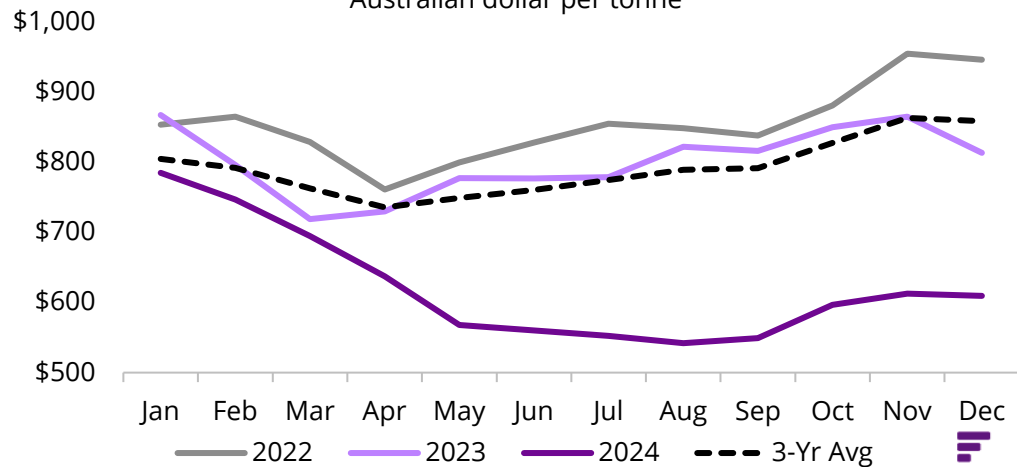
- Prices below prior year due to increased inventory – strong slaughter
- Fluctuations in demand to Indonesia and Vietnam

Australian poultry by-product pet grade

- More in line with prior years on active demand to start 2024
- Lower interest on pet food and soybean meal pressure pushed values lower

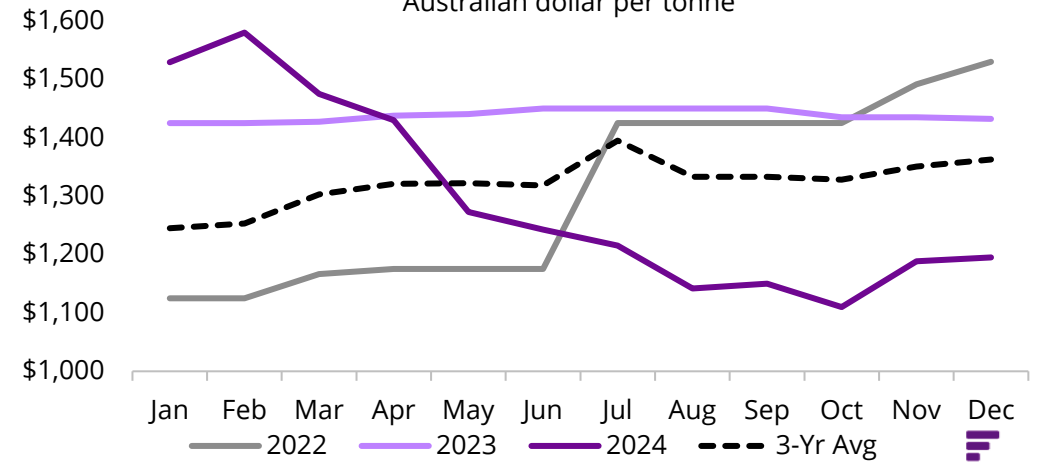
Australian meat and bonemeal, 50 pro

Australian dollar per tonne



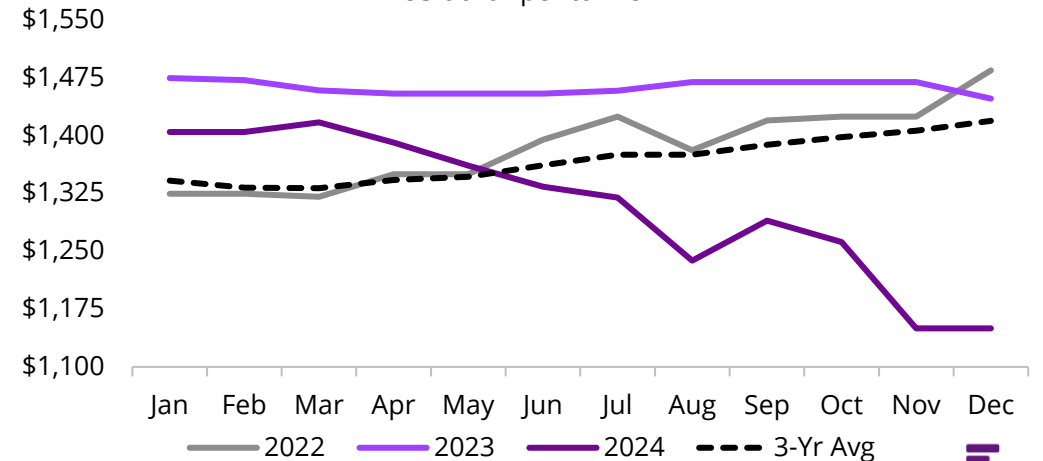
Australian bloodmeal

Australian dollar per tonne



Australia poultry by-product PFG

US dollar per tonne

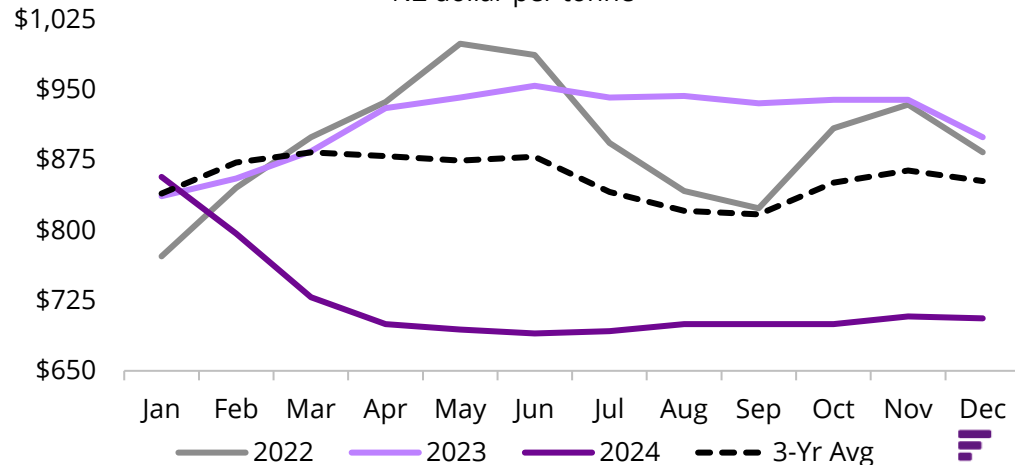


New Zealand price overview

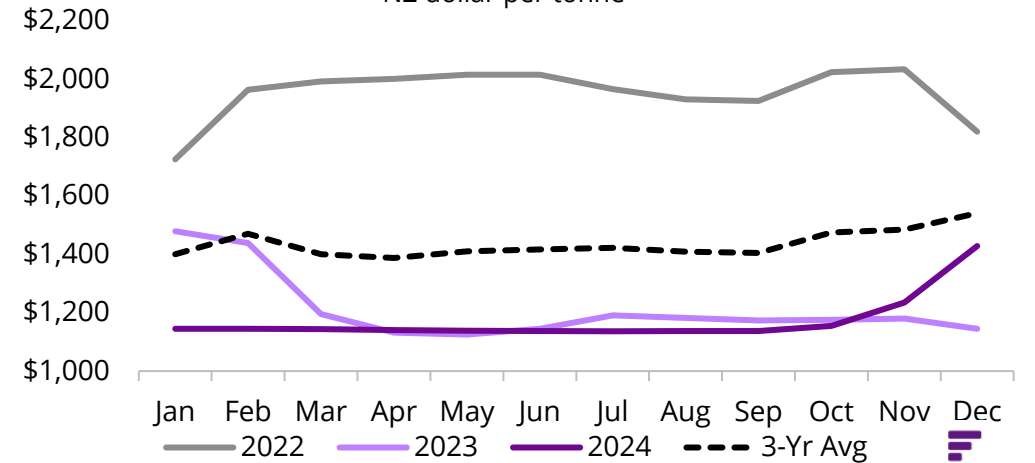
Factors affecting New Zealand values

- Relative soybean meal price pressure
- Strong global competition
- Ovine meal - not used as much in pet food in 2024 from US
 - Strong demand at tail end of 2024 out of Europe

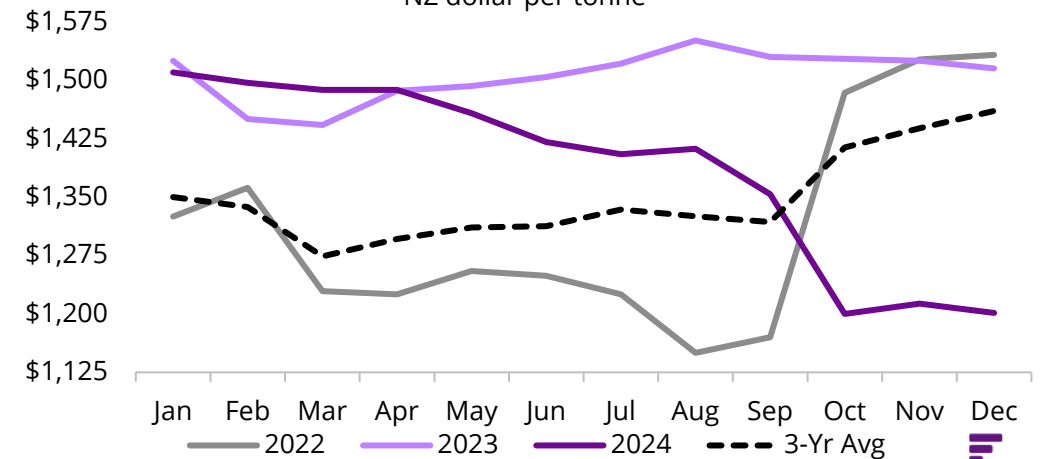
New Zealand meat and bonemeal, 50 pro
NZ dollar per tonne



New Zealand meat and bonemeal, ovine
NZ dollar per tonne



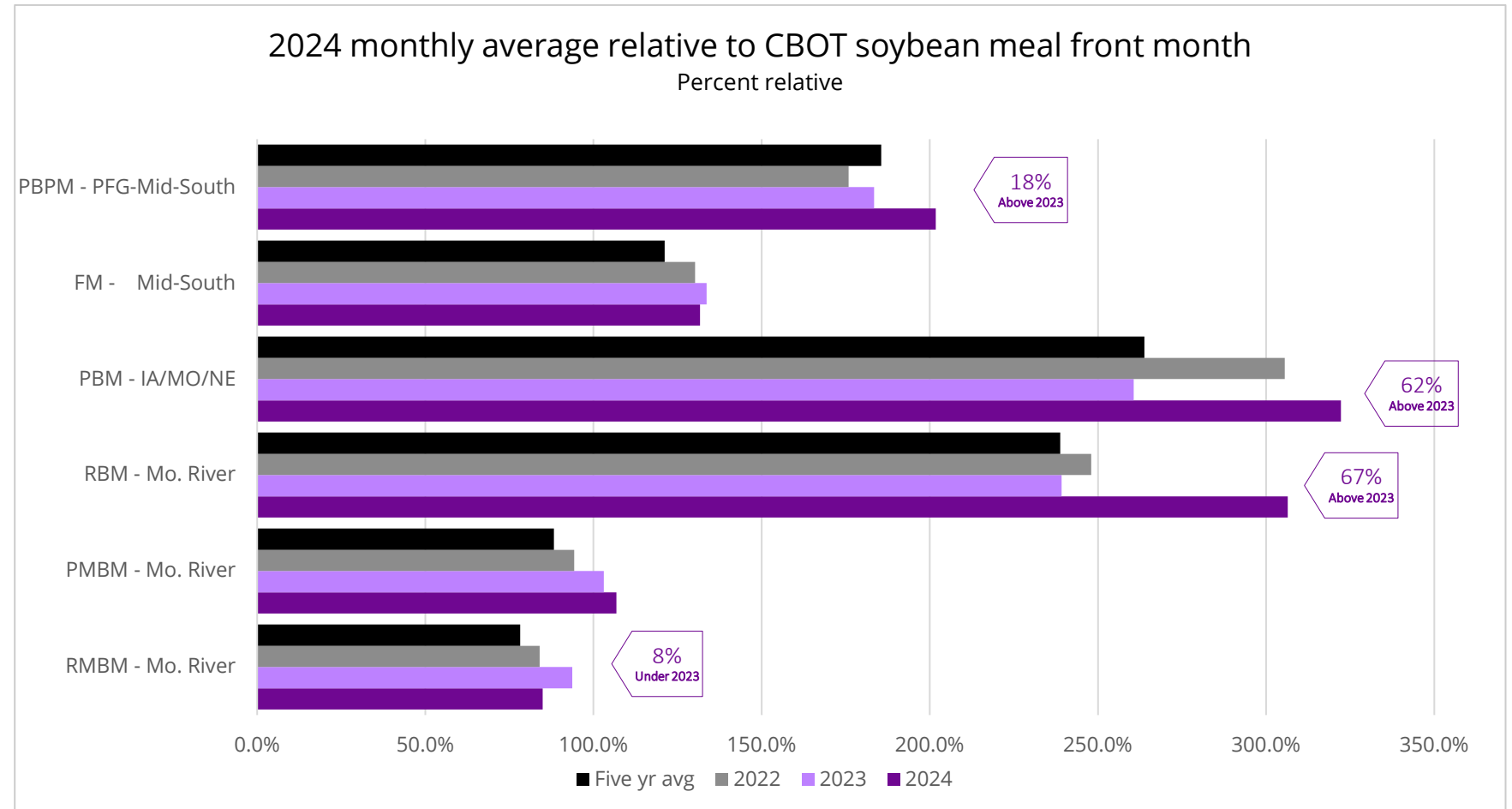
New Zealand bloodmeal
NZ dollar per tonne



Soybean meal relative to US values



- Bloodmeal relative price is higher than 2023 – thin offerings, active demand
- Ruminant MBM relative price is under 2023 – diminished user interest most of 2024
- Poultry by-product pet grade is above 2023 – active demand, have-have-not inventories
- Feathermeal is steady - increased use of blended feed due to price stability



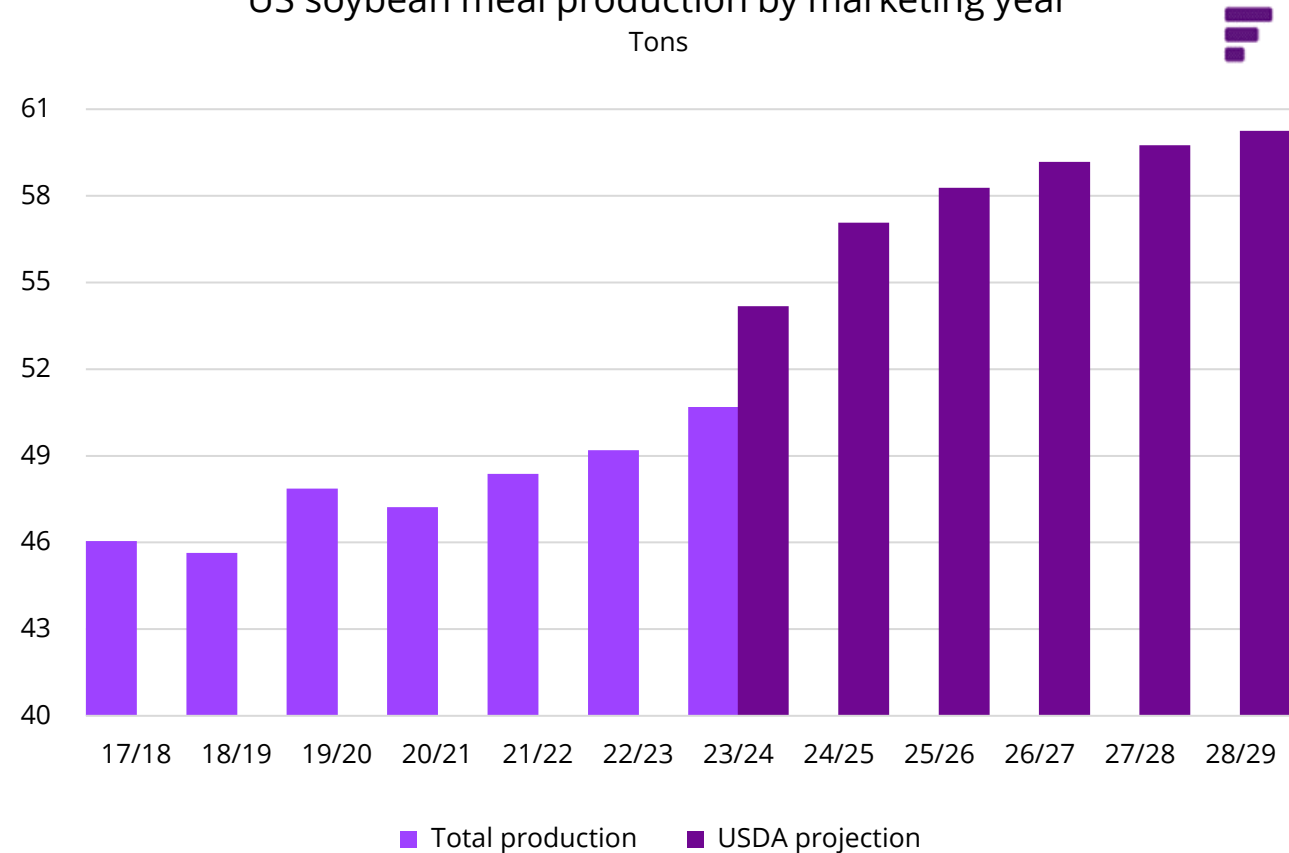
Soybean meal production forecast



- Volume for 23/24 under projection due to slowed soybean crush – low production margins
- Soybean meal production expected to move higher year-on-year for the next 5 years, minimum
- Increased soybean meal crush will continue to place pressure on animal feed and pet food items

US soybean meal production by marketing year

Tons



US export regions: IE MM and FM



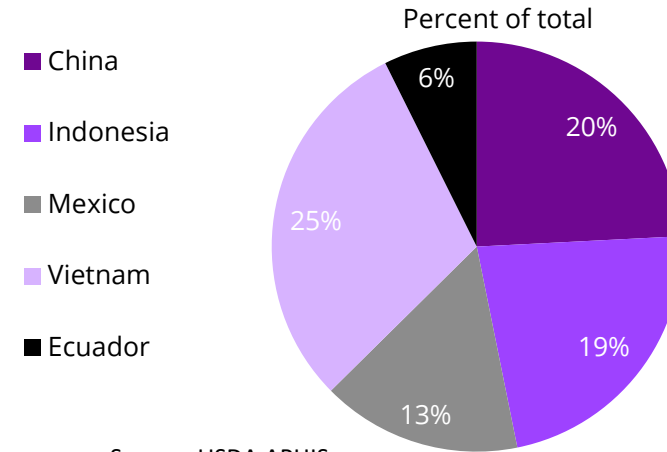
Meat meal, meat and bonemeal, and DRT: Nov 2024 YTD volume (tonnes)

China – 192,227
Indonesia – 184,890
Mexico – 127,901
Vietnam – 240,074
Ecuador – 55,807

Feathermeal: Nov 2024 YTD volume (tonnes)

Indonesia – 62,485
Vietnam – 51,909
Chile – 51,671
China – 5,814
Honduras - 1,930

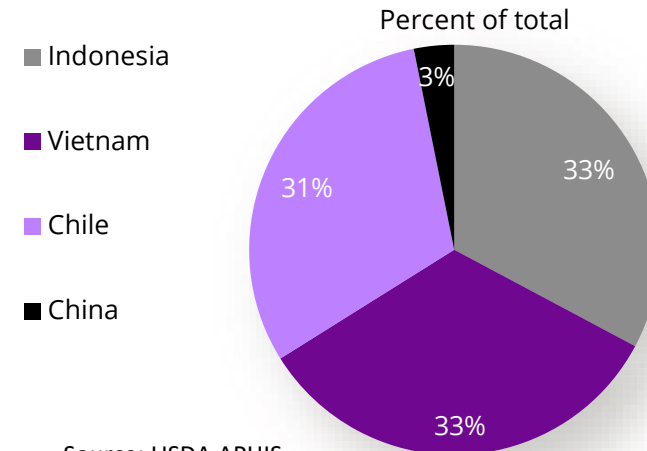
Inedible meat meal US Exports - 2024



Source: USDA APHIS



Feathermeal US exports - 2024

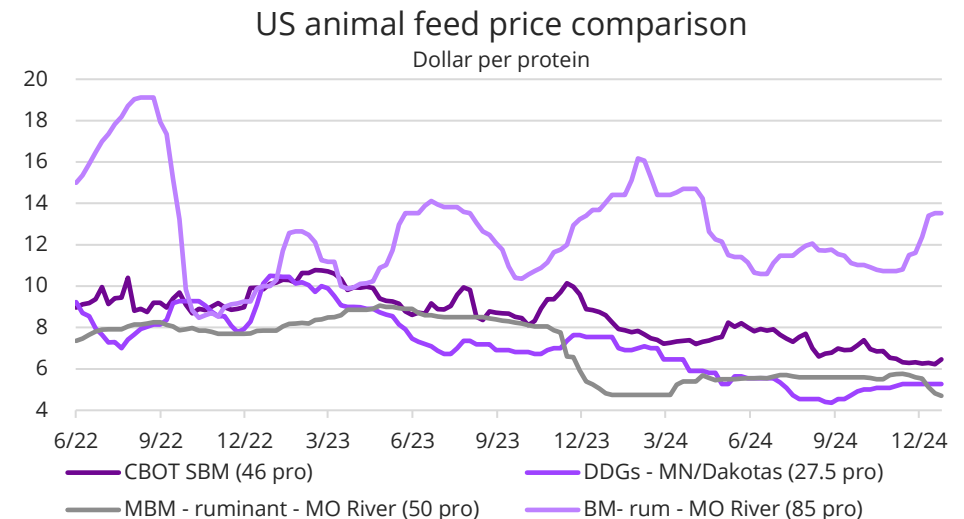
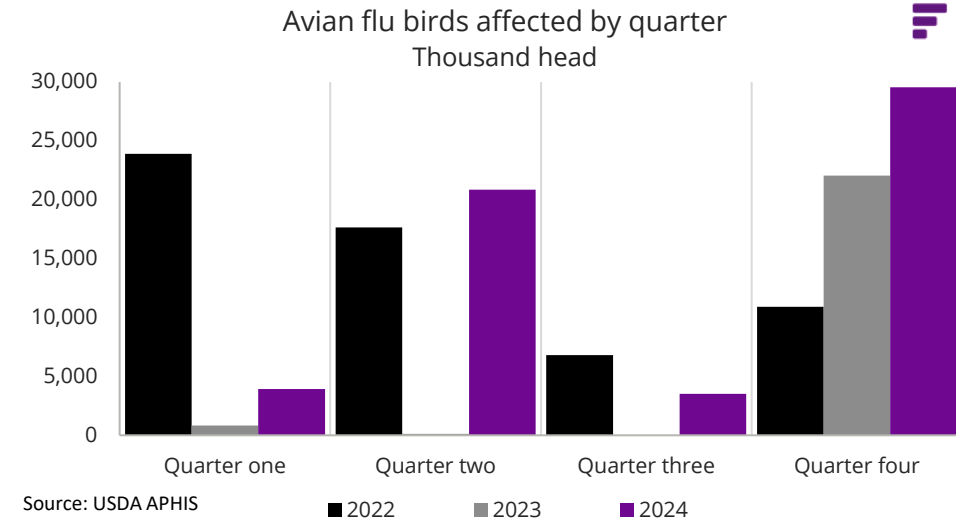


Source: USDA APHIS



What could affect prices in 2025?

- **Tariffs** and global market access
- Brazilian production and export
- Animal diseases
 - Avian flu
 - Swine flu
 - Screwworm (recent cases in Mexico, CAM)
 - APHIS partnering with USDA
- Adjustments in slaughter levels or headcounts
- **Soybean crush (what's driving the crush?)**
- Export fluctuations
- Relative feed price fluctuations
- Crop planting and harvest/weather



US and International Animal Proteins & Fats



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