

AN INDUSTRY FIRST

Feed Ingredient Monthly FORECASTER

Expert Analysis...

- ✓ Production Outlook
- ✓ Price Forecast
- ✓ Key Factors

- Concise
- Timely
- Insightful
- Reliable

Poultry Byproduct

Production Outlook
The increase in poultry production will result in an increase of poultry byproduct supplies in the coming months. The most dramatic increase will occur during August as production is anticipated to climb nearly 13,000 tons above last year's level followed by an 8,000-ton year over year improvement for September. During the fourth quarter of this year, production is expected to run about 6% above last year. November's production increase will be the most dramatic in the fourth quarter.

Price Outlook
The protein markets have turned bearish during the last half of July and this will cause poultry byproduct prices to average notably lower in August. Even though there are export sales on the books for August, sellers will find it too difficult to overcome lower world soybean meal prices. In order to capture enough demand, prices are going to have to tumble nearly \$100 per ton. Prices during the second half of the month are apt to be lower than the first couple of weeks as sellers reluctantly move prices lower. This may help maintain the relative value just below last year and the 3-year average. This weak price trend will continue in September.

Longer Term
Higher supplies of poultry byproduct combined with lower protein prices are going to put downward pressure on prices through most of the fourth quarter. The only risk for a turnaround in this price trend is a poorer than expected soybean harvest. The relative value is also likely to be well below the 3-year average as the lack of ruminant meal exports push most animal proteins below traditional relationships to soybean meal.

Supply History and Forecast

Price History and Forecast

Relative Price Graphs

Canola Meal

Supply Outlook
Canadian production for 04-05 is expected to be similar to this year's 1.52 million MT. For the 04-05 feed year US production will remain essentially unchanged, but Canadian imports may be down 200,000 since US soybean meal supplies are anticipated to improve.

Price Outlook
August prices will likely fall nearby \$50 per ton as protein supply uncertainty has abated. Prices for September will remain close to those in August but are likely to move lower. In order to keep meal production flowing the relative value to soybean meal could remain below 60% during August and September.

With the prospects of a good Canadian crop, combined with a large US soybean harvest weather permitting, prices will move even lower in the fourth quarter. If realized, the larger canola meal production may cause the relative value of canola meal to soybean meal to remain below the 3-year average, as sellers are likely to try to generate more demand to move product.

Linseed Meal

Supply Outlook
US flaxseed acreage this crop year is up and should increase linseed meal production by more than 20,000 tons. Imports from Canada are also likely to creep up slightly by about 8,000 tons.

Price Outlook
Like all other protein meals, linseed meal should move substantially lower during August and take another dip in September as new crop flaxseed harvest gets underway. The relative value of linseed meal to soybean meal should move closer to the 3-year average than it was during June and July as the domestic crush was larger than most years for that time period. Later on in the fourth quarter, the relative value will likely come very close to matching the 3-year average as the protein markets settle and will not be as volatile as a year ago.

Analysis and Forecasts for Each Ingredient

Two Publications

Animal Byproducts

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The “*Feed Ingredient Forecaster*” was developed based on the great interest exhibited from customers like you. Those that want greater insight in price direction, timing of price changes, and their magnitude will find this ideally suited for them. This is the first publication of its kind ever offered to the animal feed industry with such bold and in-depth information focused specifically on animal and grain byproduct markets.

The “*Feed Ingredient Forecaster*” is a valuable tool for:

- Managing inventory levels that could save thousands of dollars
- Identifying significant cost saving buying opportunities
- Determining selling opportunities that maximize revenues
- Developing effective budgets leading to greater profits
- Hedging successfully in volatile markets to reduce price risk

The analytical nature of this publication is based on the vast data and information resources available within Informa Economics. Additionally, our elite team of economists, researchers and statisticians at Informa makes us one of the most respected commodity consulting firms in the world. Drawing from these resources in various fields of agriculture be it crop production, animal or grain processing, agricultural policy, and daily contact with key market players, enable us to bring perspective and insight like few others. We focus on critical factors impacting feed ingredient byproduct markets and provide you unique insight on how these markets will behave.

The standard annual subscription for either the grain based byproduct **or** the animal byproduct “*Feed Ingredient Forecaster*” translates to only \$150 per month. That’s only \$1,800 for an annual subscription to one of the most insightful reports ever offered. We think you should not miss this outstanding opportunity to gain insight into these key ingredient markets. Please fill out the form below so you can begin receiving our monthly forecaster.

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