

2014

Alltech[®]

GLOBAL FEED SURVEY SUMMARY

EXECUTIVE SUMMARY

In late 2011, Alltech began to leverage its global presence to address the fact that global feed production statistics have traditionally been difficult to quantify. Each year, we strive to obtain a more accurate estimate of the world's feed tonnage and trends. This report outlines the third annual assessment that can serve as an industry resource for the coming year. For 2013, Alltech assessed the compound feed production of 130 countries.

The findings from 2013 reveal a one percent increase in the feed industry with a global feed tonnage of 963 million metric tons, up from 954 million metric tons last year. This modest increase was likely influenced by droughts in more than 30 countries worldwide in 2012, which, in turn, drove up the price of raw feed materials. The highest average cost of feed was experienced in Asia,

averaging around \$524 per ton for pig finisher diets and around \$480-\$550 for chicken finisher diets. The final months of 2013 saw a significant drop in feed prices in Asia, a trend which could continue into 2014 and result in a year of recovery and perhaps even growth ahead.

Where possible, information was gathered in partnership with local feed associations and, when that wasn't possible, it was done utilizing information collected by the more than 600 members of Alltech's global salesforce, who visit more than 28,200 feed mills annually. When reviewing the data, there are two considerations to bear in mind. First, numbers for less developed countries may be less accurate, but given their size, this will have little numerical influence on the overall dataset. Second, the definition of feed, feed mill and species varies from country to country.

DETAILED ANALYSIS

Among the 130 countries reviewed, China was once again the leading producer of feed with 189 million metric tons manufactured in the estimate of more than 9,500 feed mills. The United States and Brazil ranked second and third respectively, with 169 million metric tons from 5,236 feed mills and 67 million metric tons from 1,237 feed mills. There was an observed decline in the number of feed mills in China, likely driven by government policy, which favors a smaller number of larger feedmills to facilitate traceability and improvements in quality, and the continued demand by urban consumers for further processed proteins from larger farms.

In terms of percent growth over 2012 figures, Africa was again found to be the fastest growing area. Countries in this region such as South Africa, Cote d'Ivoire, Senegal, Mauritius and Namibia all saw significant production increases, boosting Africa's combined tonnage 7 percent to just short of 31 million metric tons in 2013. Asia, of the six regions surveyed, is once again the leading overall region in terms of production of animal feed, with 348 million metric tons or more than one-third of global feed, but did not grow in 2013. The Middle East is estimated to have the largest feed mills by average metric tons per year. Globally, feedmills produced an average of 34,140 metric tons.



FEED INDUSTRY WORTH (ESTIMATE)

\$500 BILLION

The survey found that the total value of the feed industry exceeds \$500 billion, which is higher than the previous estimate of \$350 billion.

COUNTRY TOTALS (IN MILLION TONS)

1	China	189.13	34	Egypt	5.32	67	Honduras	0.91	100	Armenia	0.25
2	USA	168.68	35	Saudi Arabia	4.63	68	Costa Rica	0.91	101	Cote d'Ivoire	0.25
3	Brazil	66.99	36	Venezuela	4.61	69	Kazakhstan	0.90	102	Zambia	0.24
4	Mexico	29.12	37	Malaysia	4.48	70	Kenya	0.89	103	Senegal	0.24
5	Spain	28.90	38	Peru	4.33	71	Bulgaria	0.87	104	Estonia	0.23
6	India	26.42	39	Hungary	4.17	72	Albania	0.85	105	Kuwait	0.23
7	Russia	24.51	40	Algeria	4.00	73	Dubai	0.85	106	Georgia	0.22
8	Japan	24.17	41	Denmark	4.00	74	Croatia	0.80	107	Turkish Cyp	0.20
9	Germany	23.08	42	Romania	3.54	75	Myanmar	0.80	108	Kyrgyzstan	0.20
10	France	20.98	43	Israel	3.50	76	UAE	0.80	109	Mauritius	0.18
11	Canada	20.35	44	Serbia	3.39	77	Panama	0.79	110	Bahrain	0.15
12	Korea	18.94	45	Portugal	3.23	78	Cuba	0.77	111	Latvia	0.15
13	Thailand	16.00	46	Norway	3.20	79	Iraq	0.75	112	Ghana	0.12
14	Indonesia	15.10	47	Greece&Cyp	3.03	80	Slovakia	0.70	113	Turkmenistan	0.10
15	Italy	14.27	48	Bangladesh	2.90	81	Sri Lanka	0.62	114	Haiti	0.10
16	Turkey	13.85	49	Morocco	2.70	82	El Salvador	0.60	115	Trinidad&Tob	0.09
17	Netherlands	13.00	50	Czech Rep	2.30	83	Lebanon	0.60	116	Iceland	0.09
18	Philippines	12.38	51	Ecuador	2.25	84	Cameroon	0.60	117	Malta	0.08
19	Vietnam	12.03	52	Nigeria	2.10	85	Nepal	0.53	118	Kosovo	0.08
20	Iran	11.70	53	Bosnia	1.96	86	Sudan	0.50	119	Namibia	0.08
21	South Africa	11.16	54	Sweden	1.90	87	Paraguay	0.46	120	Singapore	0.06
22	Argentina	11.00	55	Tunisia	1.70	88	Oman	0.46	121	Botswana	0.06
23	UK	10.99	56	Bolivia	1.56	89	Lithuania	0.45	122	Zimbabwe	0.04
24	Australia	9.84	57	Austria	1.46	90	Slovenia	0.41	123	Caribbean	0.04
25	Poland	8.10	58	Uruguay	1.42	91	Nicaragua	0.41	124	Barbados	0.04
26	Pakistan	7.00	59	Finland	1.40	92	Uzbekistan	0.40	125	Mozambique	0.03
27	Taiwan	6.94	60	Switzerland	1.67	93	Uganda	0.38	126	Guyana	0.03
28	Ireland	6.89	61	Jordan	1.30	94	Macedonia	0.35	127	Mongolia	0.03
29	Belarus	6.30	62	Guatemala	1.22	95	Tanzania	0.31	128	Seychelles	0.02
30	Chile	6.15	63	Dom Rep	1.19	96	Jamaica	0.31	129	Suriname	0.01
31	Belgium	6.13	64	Libya	1.06	97	Luxembourg	0.30	130	Bahamas	0.01
32	Colombia	6.00	65	Moldova	1.00	98	Puerto Rico	0.29			
33	Ukraine	5.74	66	New Zealand	0.95	99	Azerbaijan	0.28			

SPECIES AND REGION HIGHLIGHTS

Looking at global livestock species, poultry held its position as industry leader with a 46 percent share of the feed market at 444 million metric tons, which was an almost 6 percent growth over the prior year. However, it was aquaculture that saw the largest percentage of growth in 2013, with a 17 percent increase, up to 34 million metric tons. The Food and Agriculture Organization of the United Nations (FAO) trends suggest that the total global consumption of farmed fish and shellfish now exceeds beef on a weight basis.

Growth in figures for pig feed was close behind, with an estimated 11 percent increase over 2012, moving to 243 million metric tons globally. The pet food sector was also up slightly in 2013, and represents

20.7 million metric tons and equine feed tonnage once again increased 14 percent to 12.4 million metric tons. The ruminant feed market, comprising dairy, beef and small ruminants, decreased in tonnage demand between late 2012 and December 2013. These animal sectors have the most alternative feed materials with which to supplement when grain prices rise, including grazing and forages.

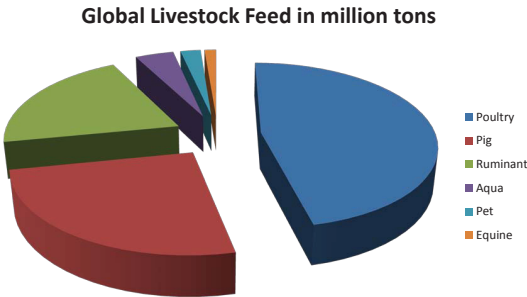
The December 2013 assessment identified a total of more than 28,000 feed mills globally, with Asia and North America being home to over half of them. About sixty percent of all feed produced is pelleted, and this is even more prevalent in Europe.



TOTAL FEED BY SPECIES (MILLION METRIC TONS)

POULTRY	444 MILLION	PIG	243 MILLION	PET	21 MILLION
RUMINANT	196 MILLION	AQUA	40 MILLION	EQUINE	12 MILLION

2013	
Number of Feed Mills Globally (estimate)	Total Global Tonnage
28,200	962.78 mil tons



AVERAGE TONNAGE PER REGION

Region	Total No Feedmills	Total Tonnage	Avg Tonnage per Region
Africa	806	30,966,000	61,637
Asia	13,266	348,000,000	80,276
Europe	4,886	226,900,000	59,611
Latin America	3,126	142,000,000	50,694
Middle East	380	26,030,000	176,189
North America	5,736	189,000,000	36,456
Total	28,200	962,780,000	34,140

SPECIES BREAKDOWN (MILLION METRIC TONS)

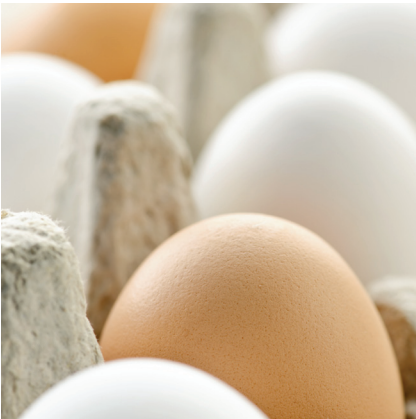
Pig	Ruminant				Poultry				Aqua	Pets	Horse
	Dairy	Beef	Calf	Other	Layers	Broilers	Turkeys	Other			
242.8	110.9	72.5	3.1	9.0	144	272	15	13.8	40.4	20.7	12.4
	Total Ruminant 195.6				Total Poultry 444.4						

SPECIES TOTALS BY REGION

Region	Pig	Rum	Poultry	Aqua	Pets	Horse	Other
Africa	0.4	10.7	17	0.2	0.4	0.1	0.1
Asia	113	38	162	31	2	1	0
Europe	70	67	81	3.8	5	2.8	2.4
N America	32	48	92	2	8	7	0
Middle East	0.1	10	16	0.2	0	0.3	0
Latin America	27	22	77	3	5	2	1

TOP 10 IN-DEPTH RESULTS

Country	Total Mil Tons	Pig	Dairy	Beef	Calf	Lay	Broil	Turkey	Aqua	Pets	Horse
China	189	73	6	2	0	31	50	0	23	0.2	0
USA	169	24	20	23	0	23	57	7	1	8	6
Brazil	67	16	5	3	0	5	33	1	1	2	1
Mexico	29	5	4	3	0.6	4	10	0	0	1	1
Spain	29	13	3	3	0.3	2	3	0.5	1.5	0.5	0.2
India	26	0	6	0	0	9	10	0	1	0	0
Russia	25	9	2	0	0	4	9	0.3	0	0	0
Japan	24	6	3	4	0	6	4	0	0	0.6	0
Germany	23	9	6	0	0	2	3	0	0	1	1
France	21	6	3	1	0.4	2	3	1	0	1	0.3



ABOUT ALLTECH

Founded in 1980 by Dr. Pearse Lyons, Alltech improves the health and performance of people, animals and plants through natural nutrition and scientific innovation. With more than 3,000 employees in 128 countries, the company has developed a strong regional presence in Europe, North America, Latin America, the Middle East, Africa and Asia.

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CONTACT US

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