

Feed Costs: Longer Term

Chad Hart

Center for Agricultural and Rural Development

Iowa State University

E-mail: chart@iastate.edu

July 7, 2008

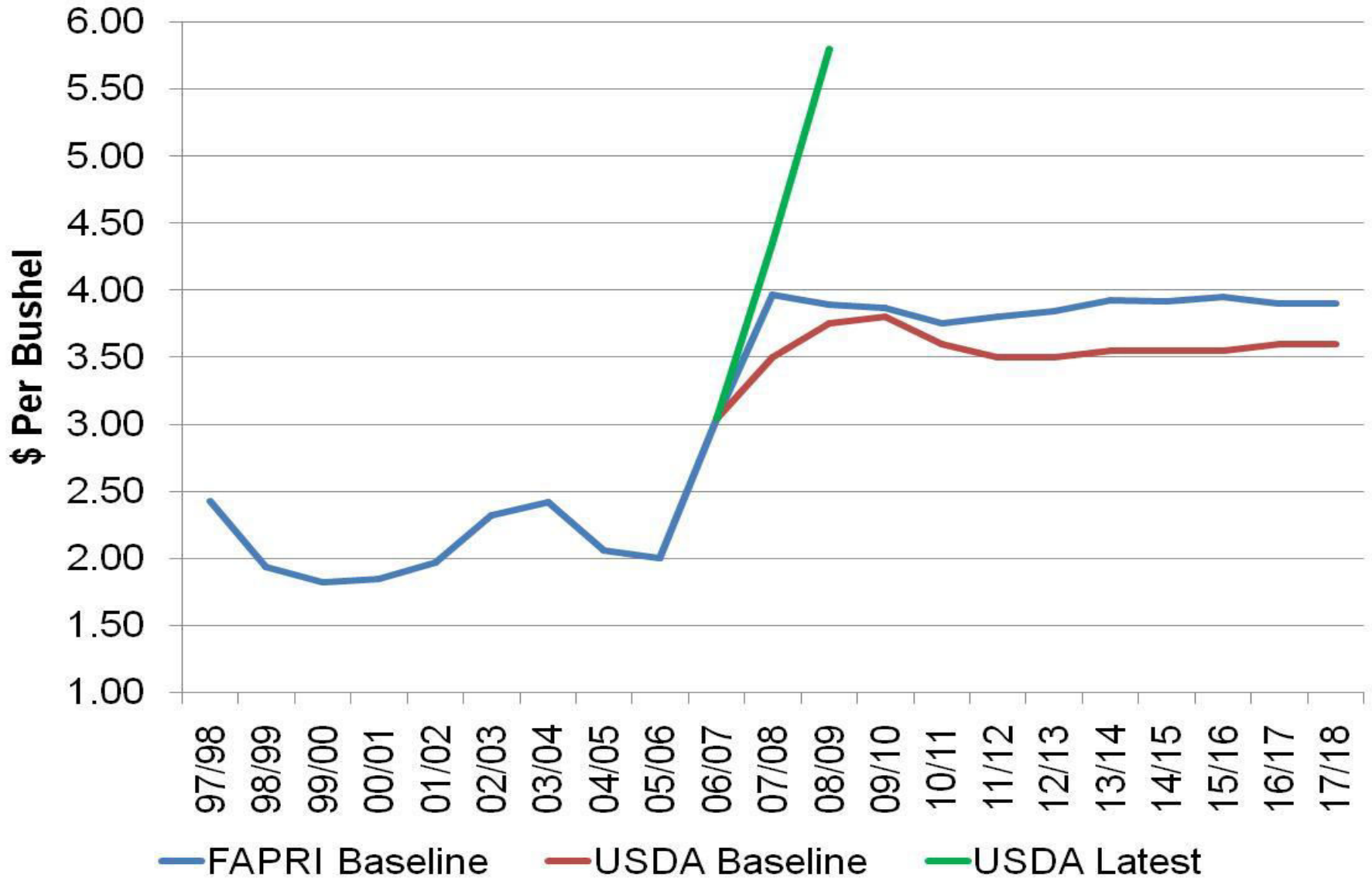
New Dimensions in Livestock Risk Conference

Iowa Farm Bureau

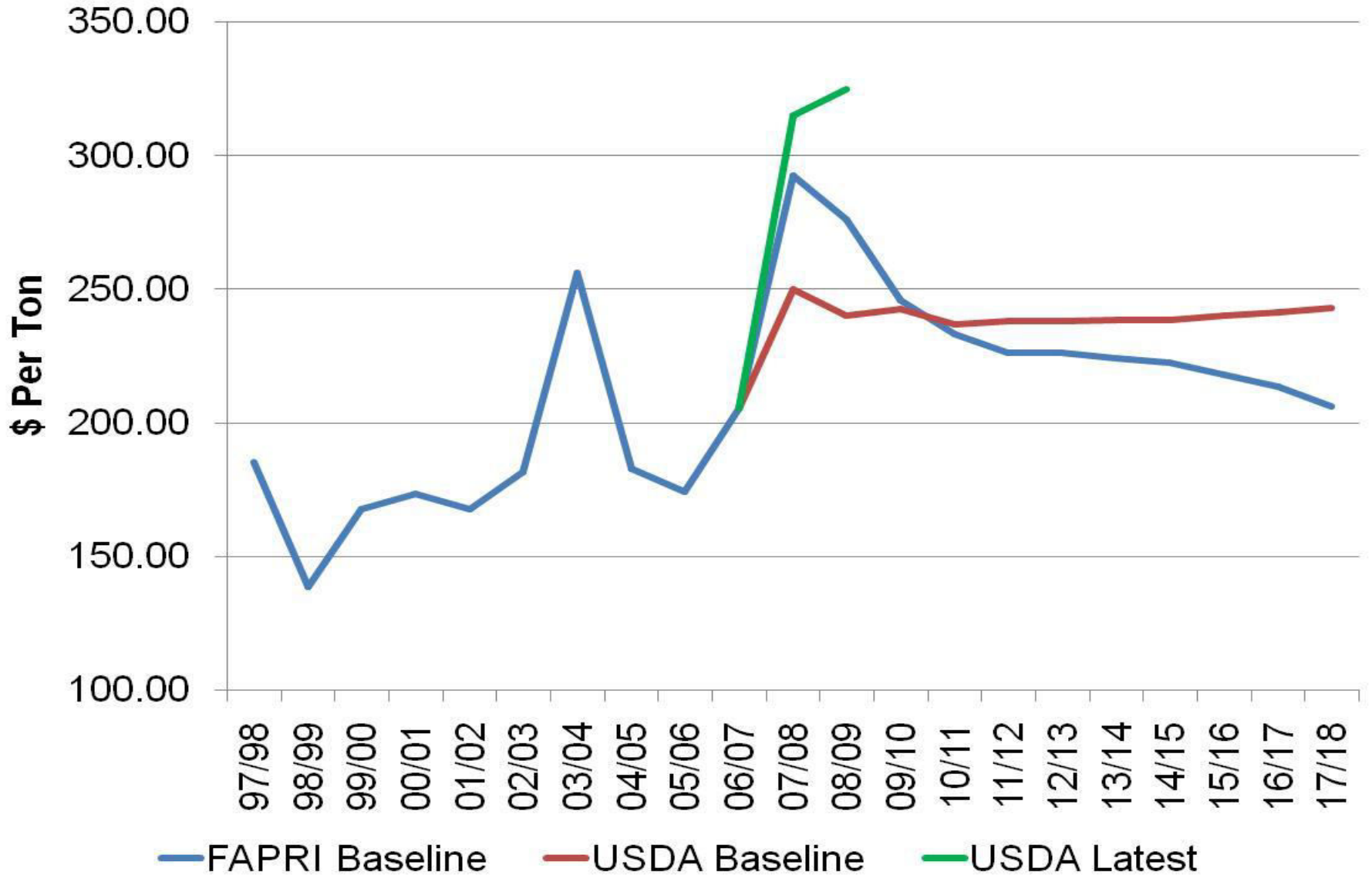
Ames, Iowa



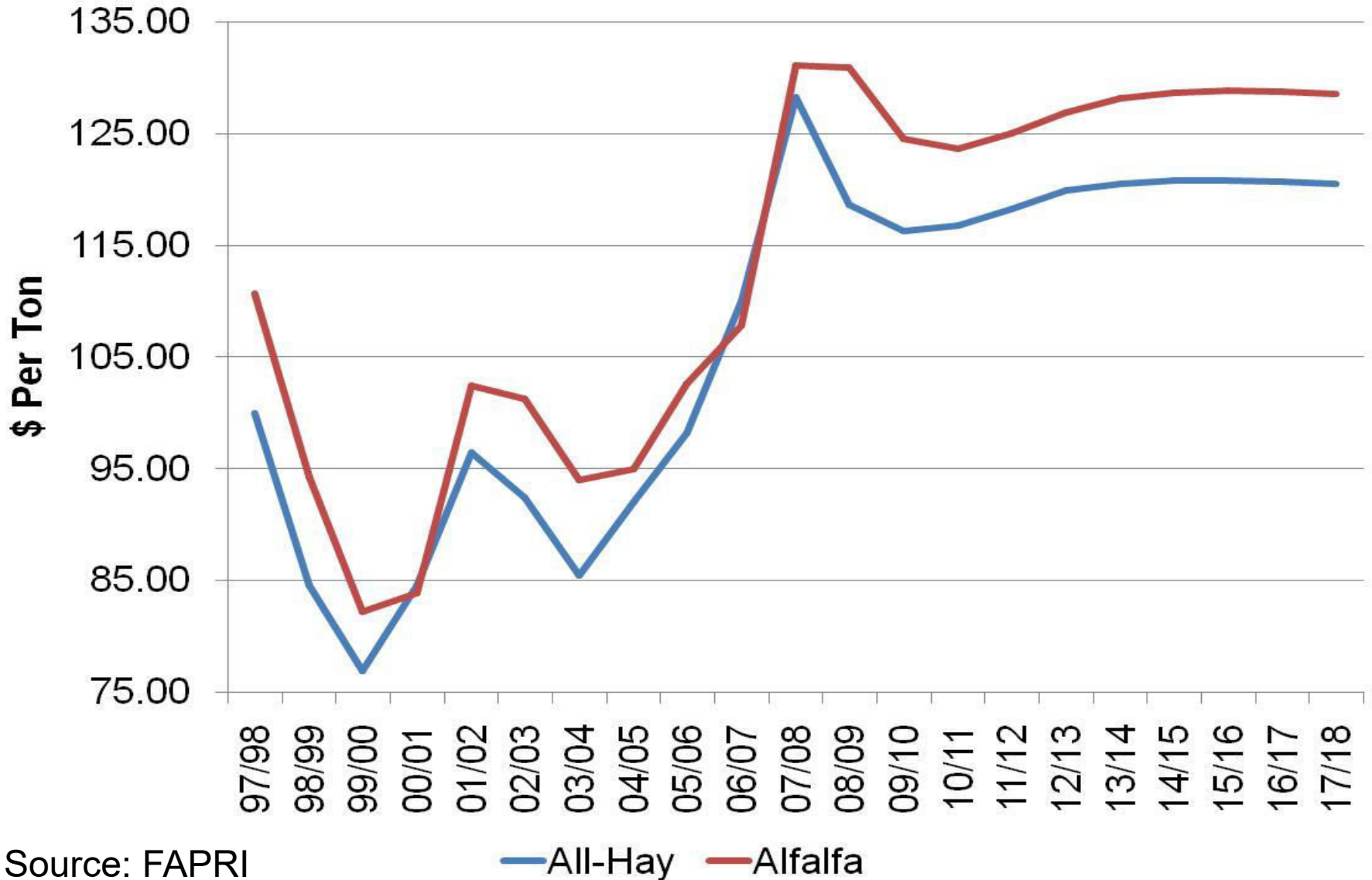
Corn Price Projections



Soybean Meal Price Projections



Hay Price Projections



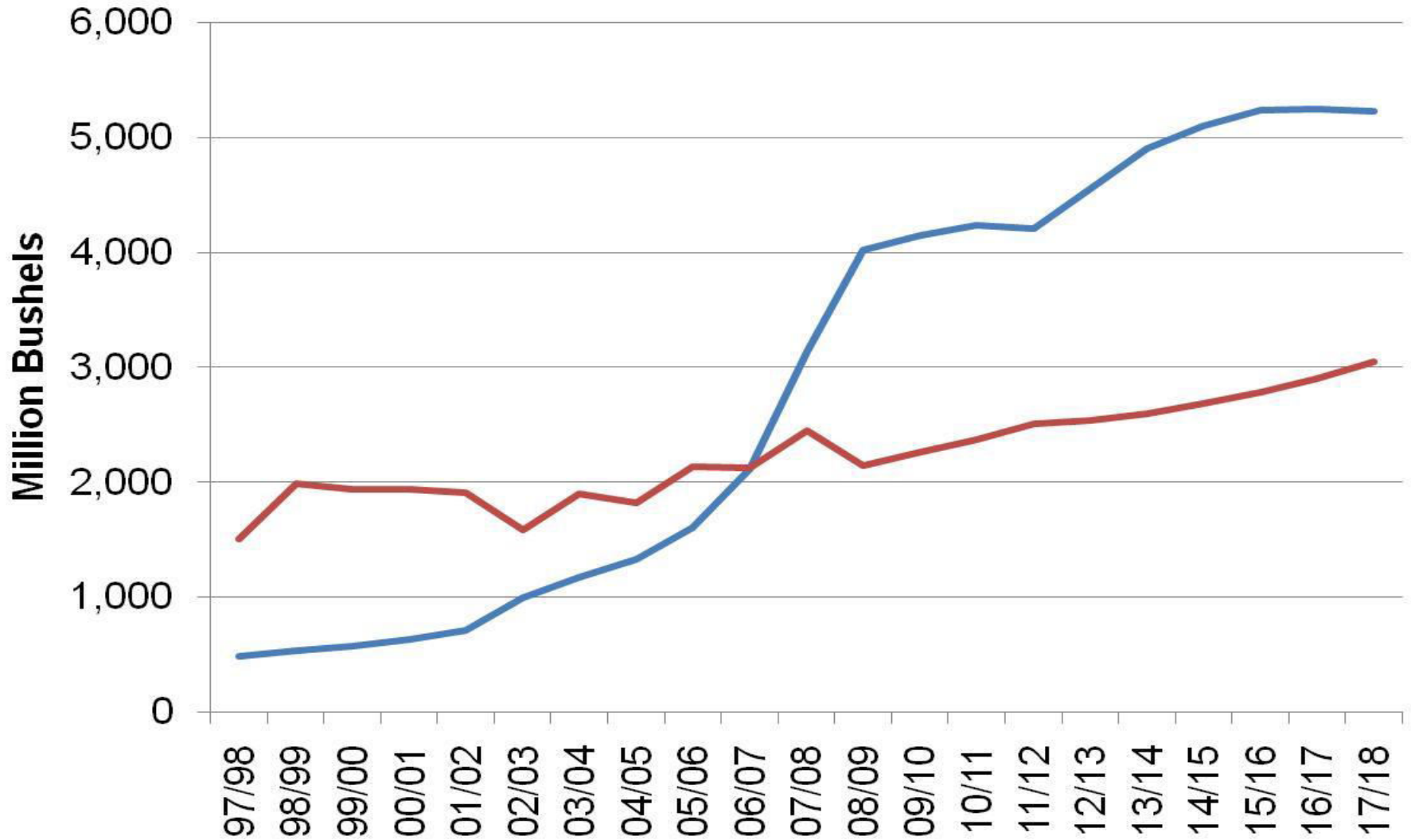
Source: FAPRI

Crude Oil Prices



Source: U.S. Department of Energy

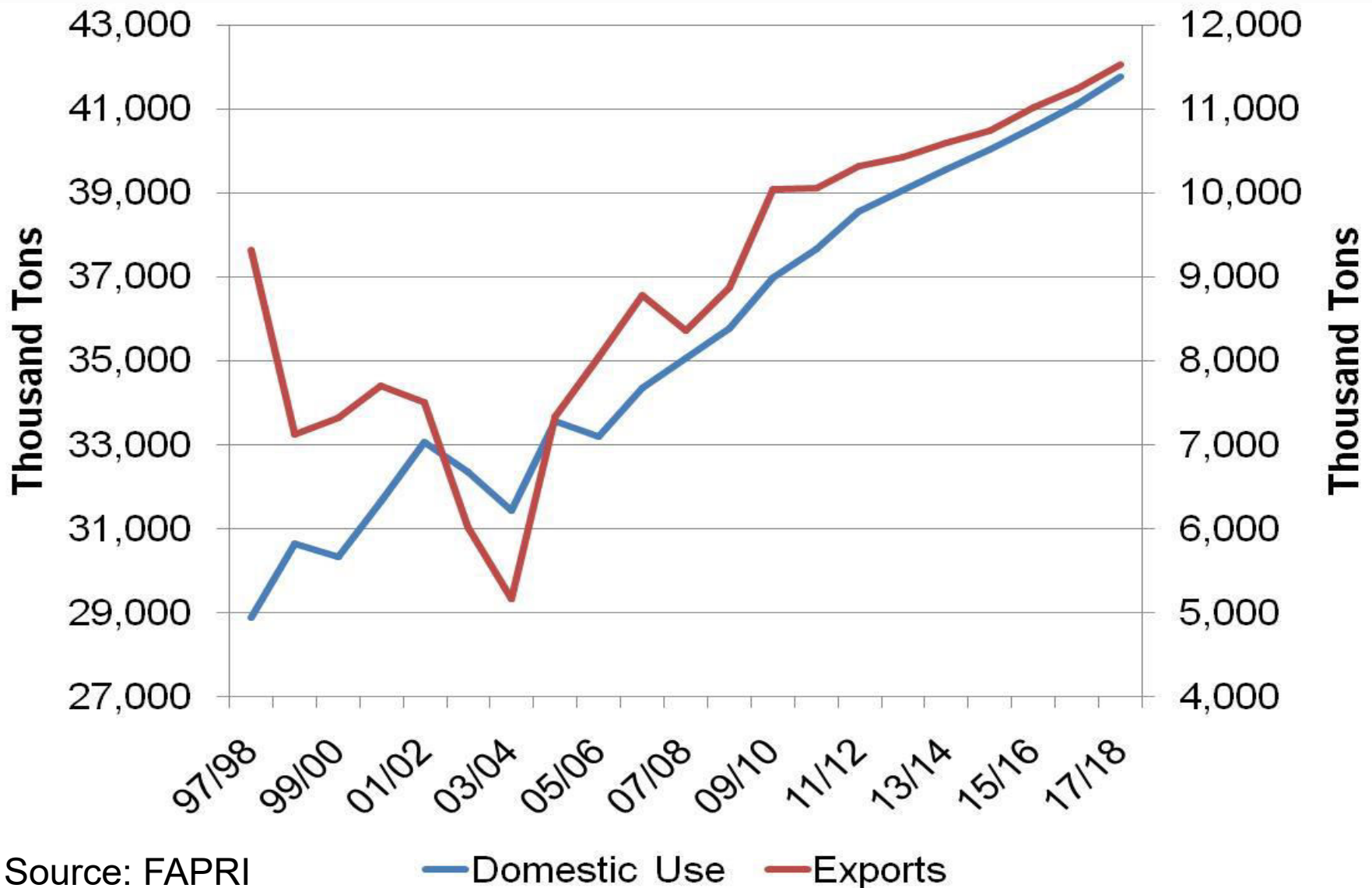
Growing Corn Utilization



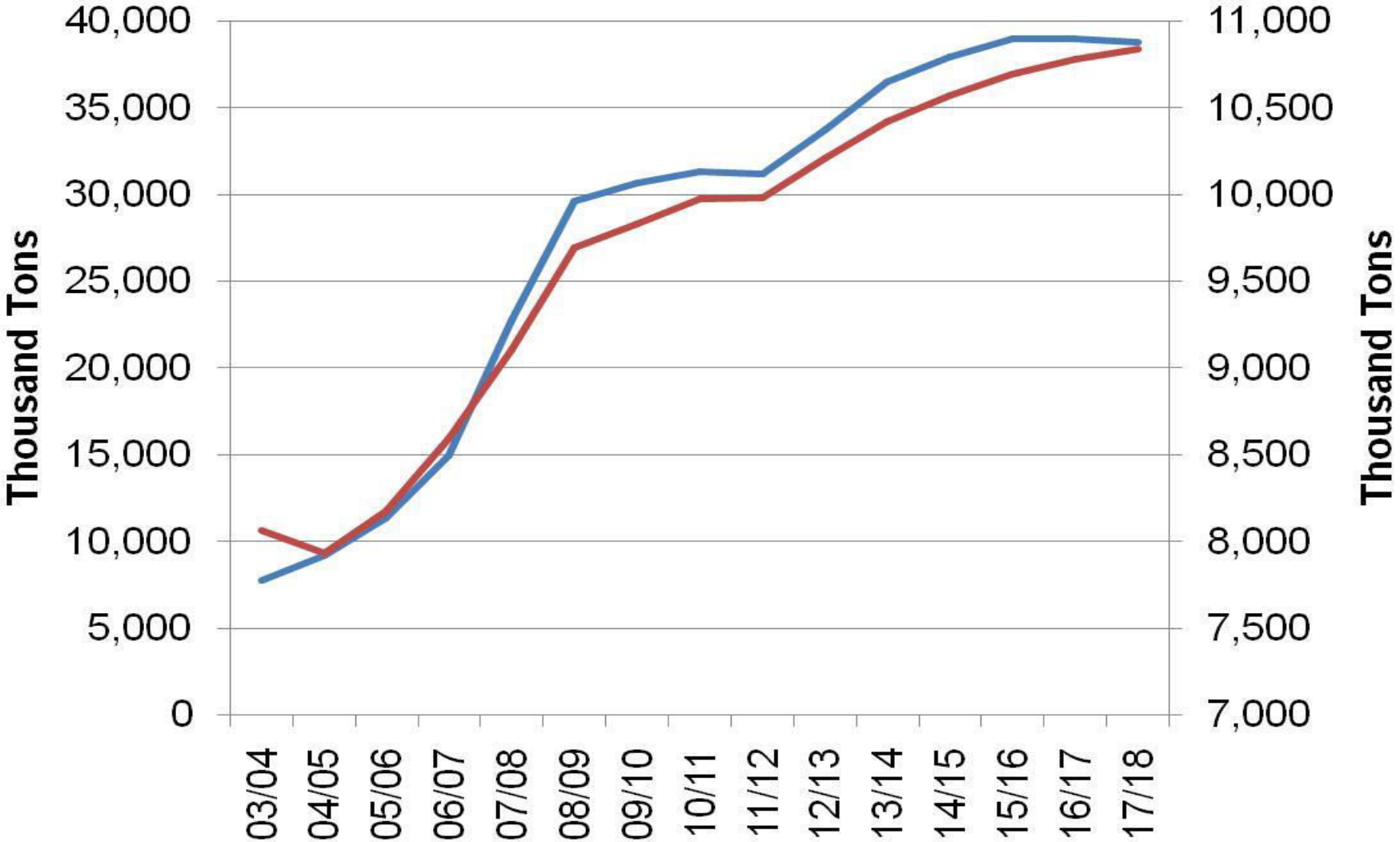
Source: FAPRI

— Ethanol — Exports

And Soy Meal Utilization



Ethanol Co-Products

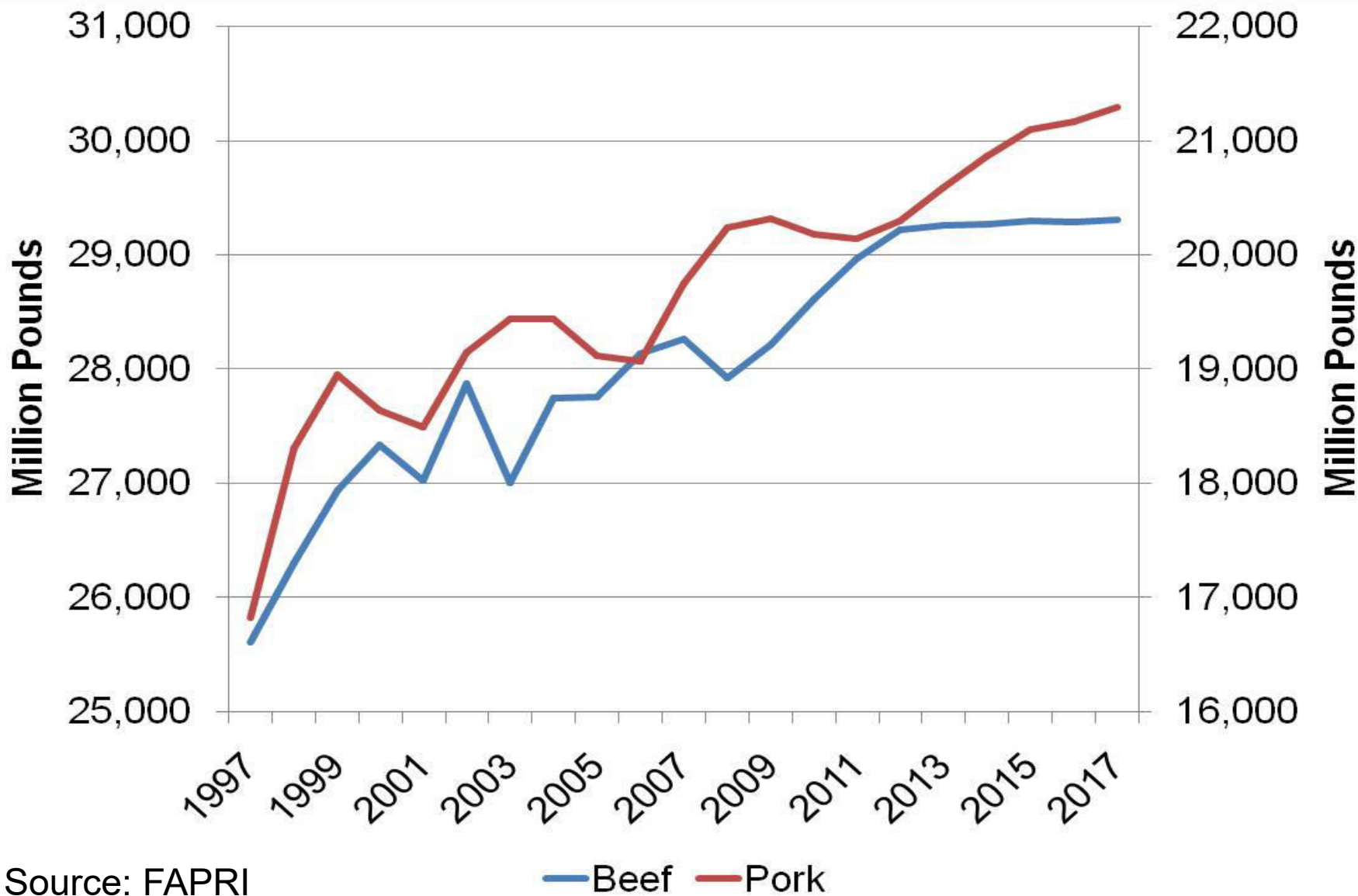


Source: FAPRI

— Distillers Grains

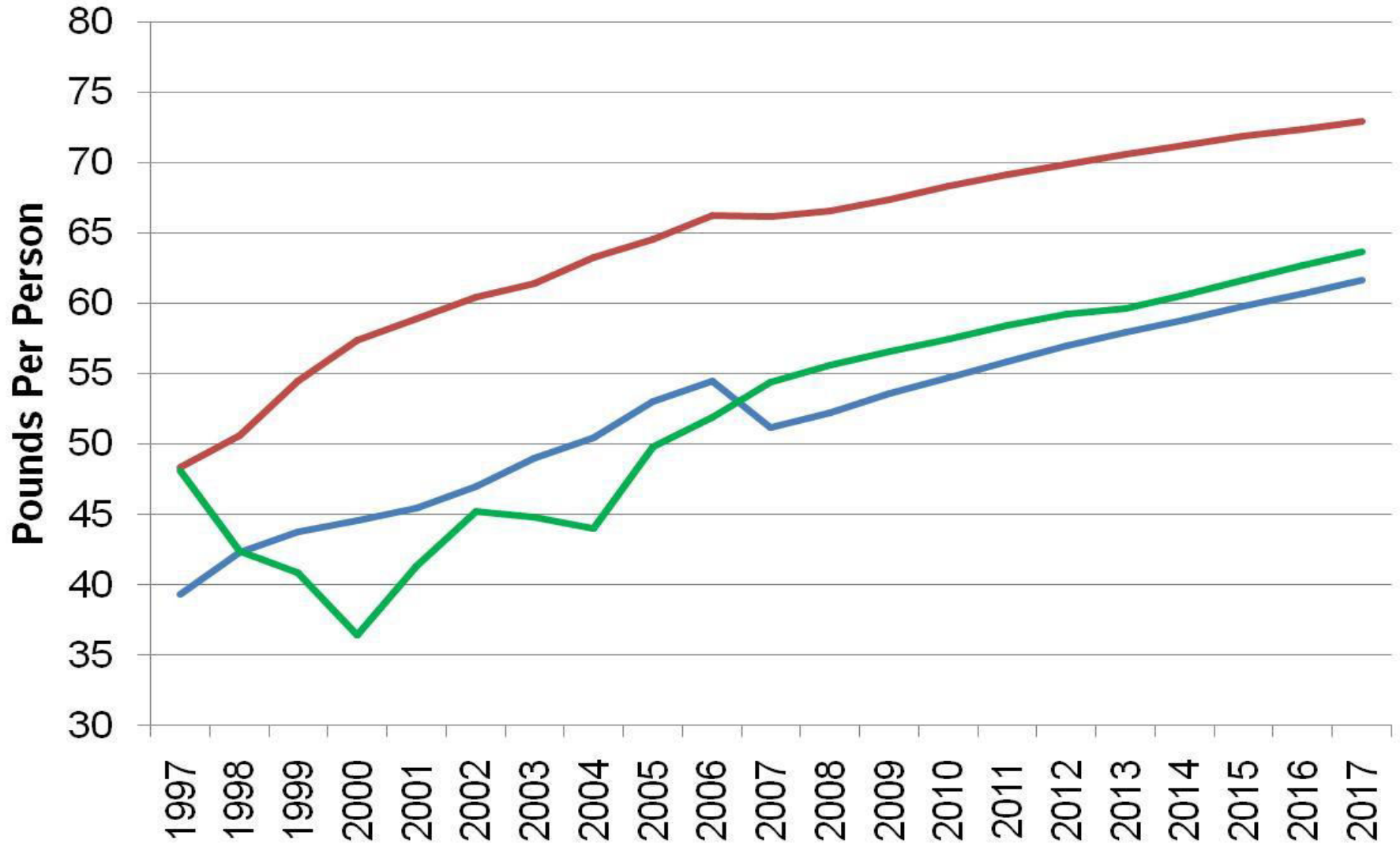
— Corn Gluten Feed

U.S. Meat Demand



Source: FAPRI

World Meat Demand



Source: FAPRI

— China — Mexico — Russia

Summary Thoughts

- Higher feed prices are projected to stay

- Number of reasons why:
 1. Strong demand from a variety of sectors
 2. Growing population
 3. Higher incomes (especially in developing countries)

Thanks for your time!