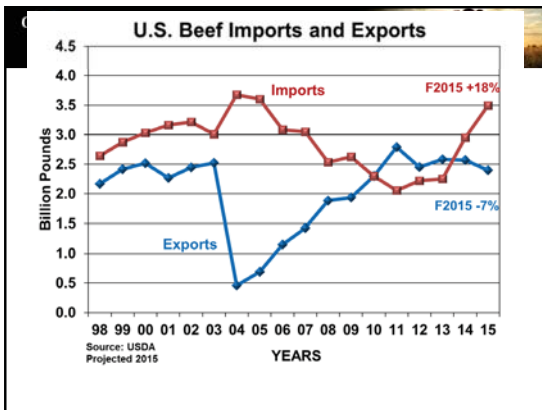


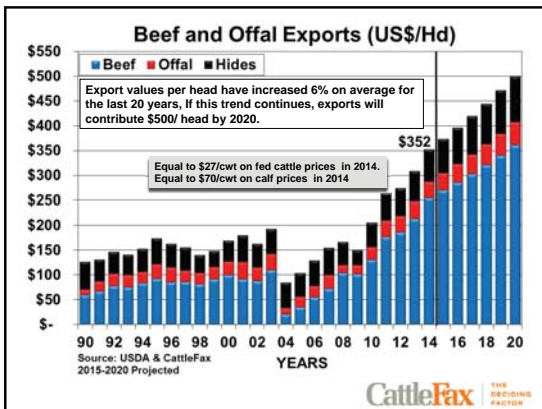
GLOBAL MARKET LANDSCAPE

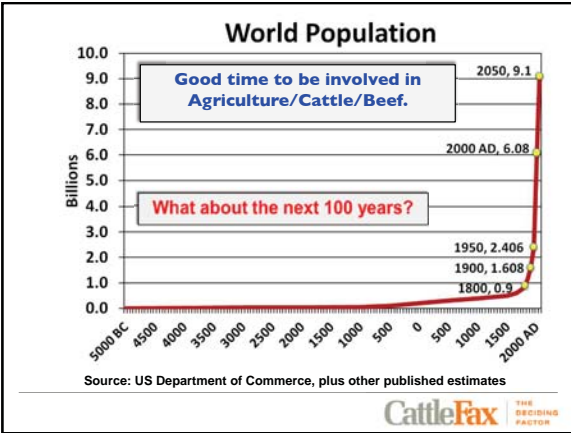
Duane Lenz

General Manager - CattleFax
 Centennial, Colorado








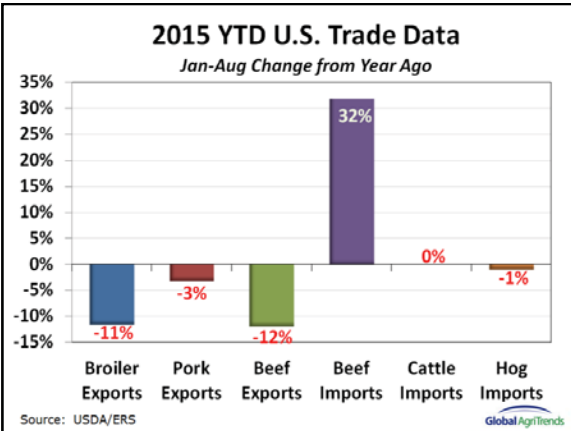


Global Demographics

- The global middle class is beginning a major wave of growth; **2 billion (2012)** to **4.9 billion (2030)**
- David Rohde, Reuters
- Asia's middle class spent **\$4.8 billion** in 2010; by 2030 they will spend **\$32.6 billion** (+580%)
- OECD, Kiplinger



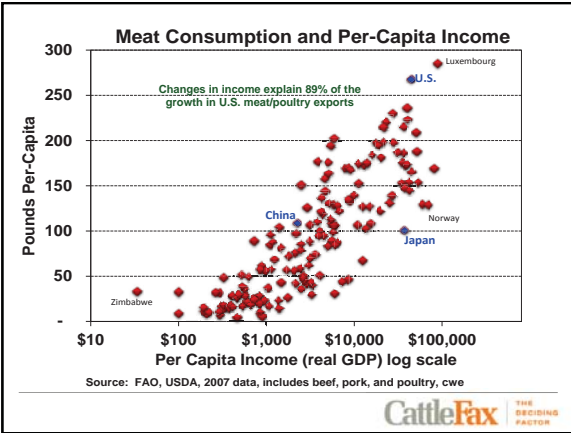
CattleFax THE DECIDING FACTOR



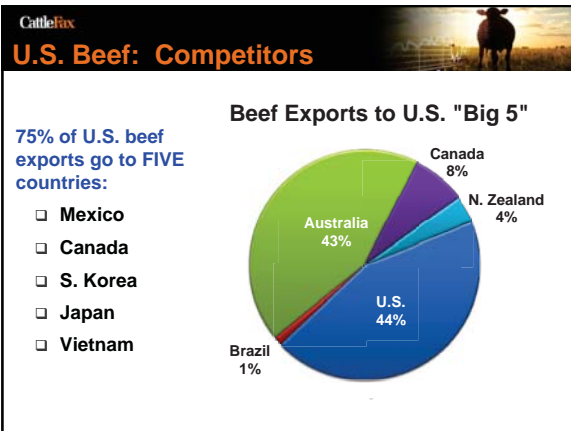


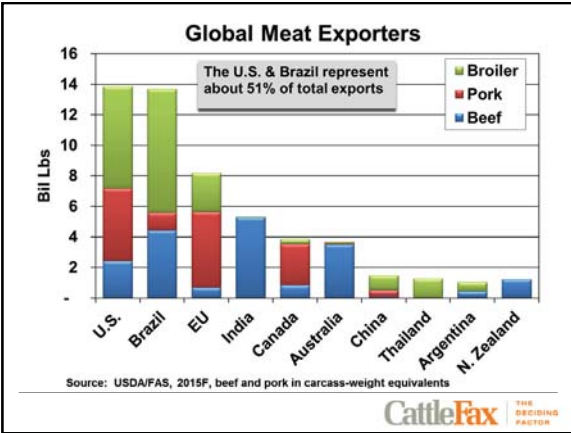


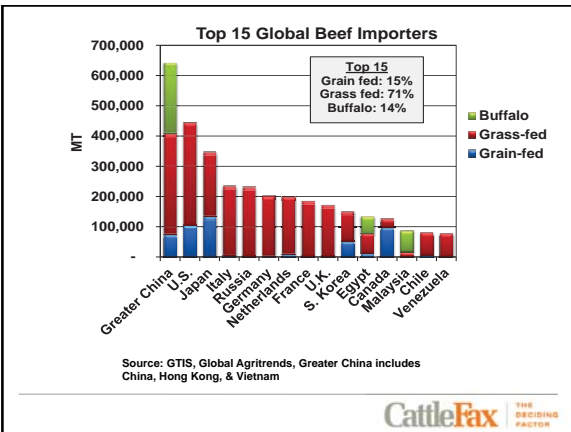


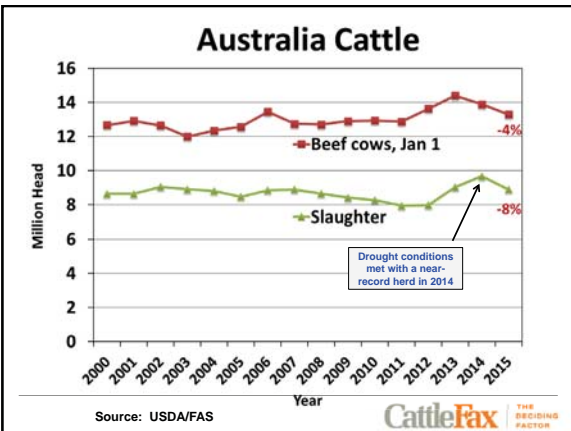


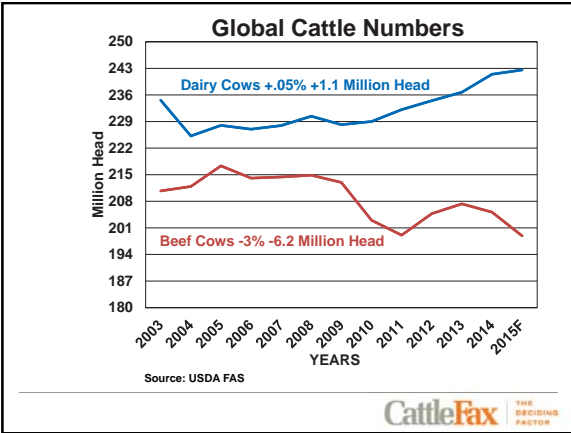


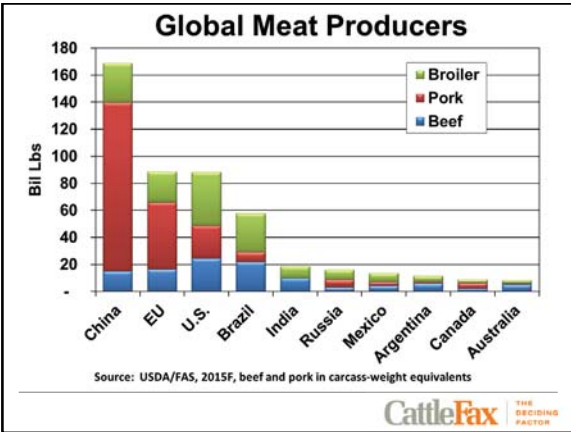


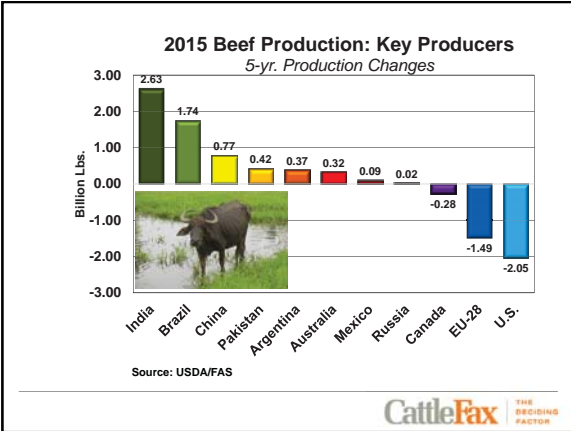


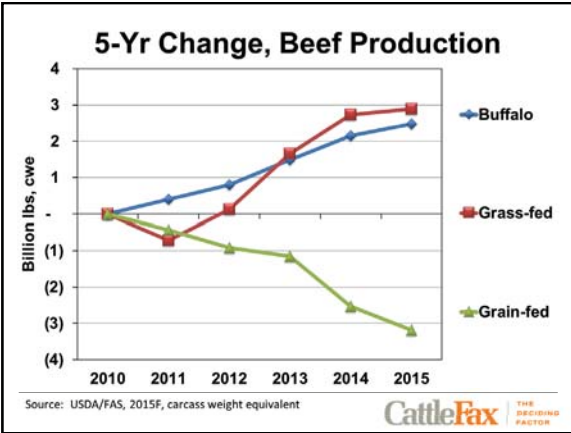


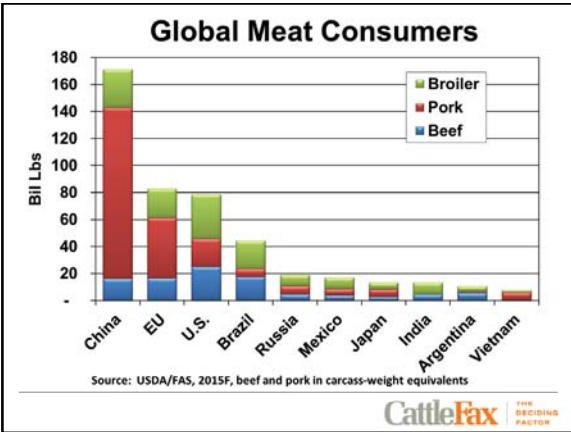


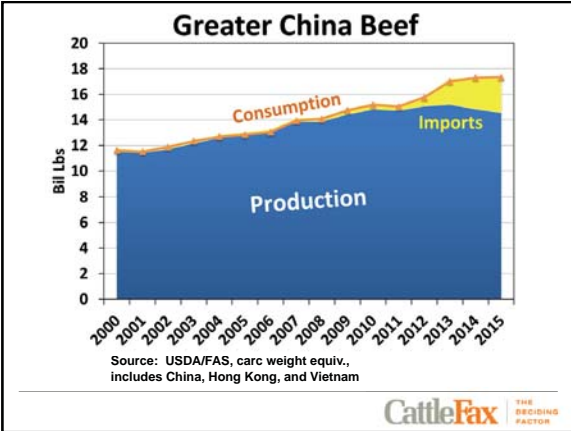














China Potential

- 1.3 billion people
 - 600 million – peasant farmers
- Per-capita income (annual):
 - 2000: \$1,000
 - 2012: \$3,350
 - 2020 (f): \$6,050
 - Top 15% of population: \$5,000+ (150 million)
- Pork: 83#/capita (US: 60#/cap)
- Middle class 2012: 300 mil but 640 mil by 2022

Tightening Global Beef Supplies

- The world basically stopped producing additional beef in 2007 and the result has been rapid appreciation in beef prices
- From 2012 to 2013 Chinese demand sucked up an additional 700,000 metric tons (carcass weight equivalent) further straining tight supplies; Chinese (+ Hong Kong + Vietnam) imports will top 1 mmt in 2014
- The U.S. cowherd has entered an expansion phase which will tighten supplies here over the next 2-3 years
- Brazil and India are the only other producers actively expanding production





In Summary:

Global Beef

- Tightening global supplies
- Increasing global demand
- Price inflation



U.S. Beef

- Exports lower near term due to strong dollar
- Long term exports higher to Asia
- Global opportunities are great (billions vs millions)

GLOBAL potential for U.S. beef is VERY GOOD
