



# SMART TECH, SMARTER SUPPLY

## CHICKEN MARKETING SUMMIT

July 28-30, 2025

DeSoto Savannah  
Savannah, Georgia

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# Balancing innovation with consumer demand for chicken

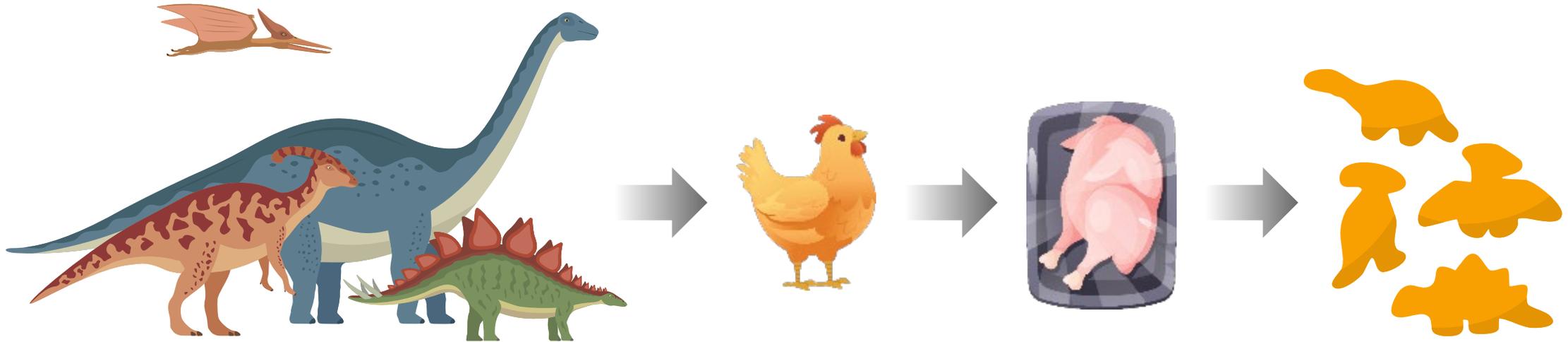
Brian Earnest | Lead Economist, Animal Protein

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The DeSoto Savannah, GA  
Wednesday, July 30, 2025 8:30A



# Evolution has come full circle



# Key thoughts



The U.S. animal protein industry seeks to optimize efficiency while considering consumer preferences

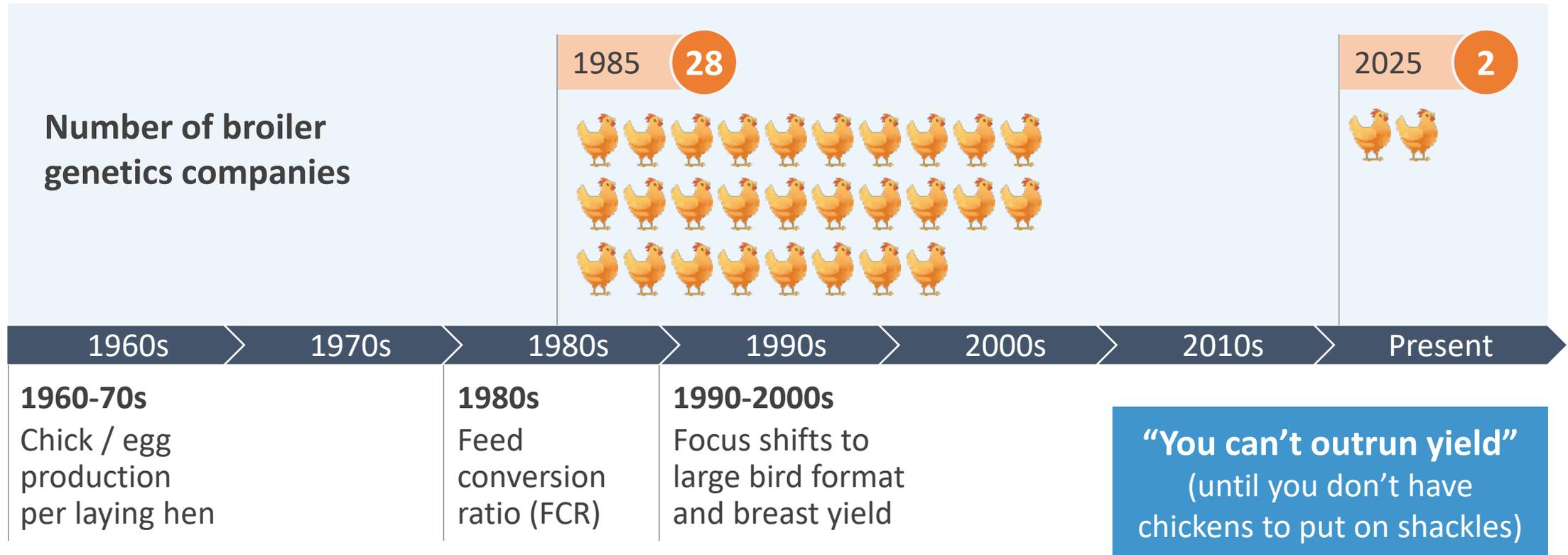


Throughout the last two decades this has brought more chicken to the table in new formats

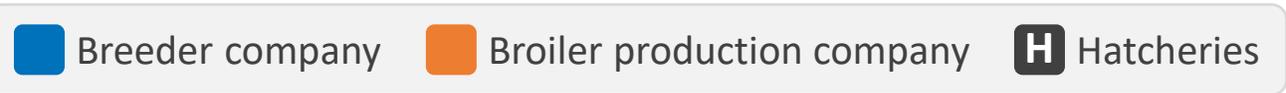
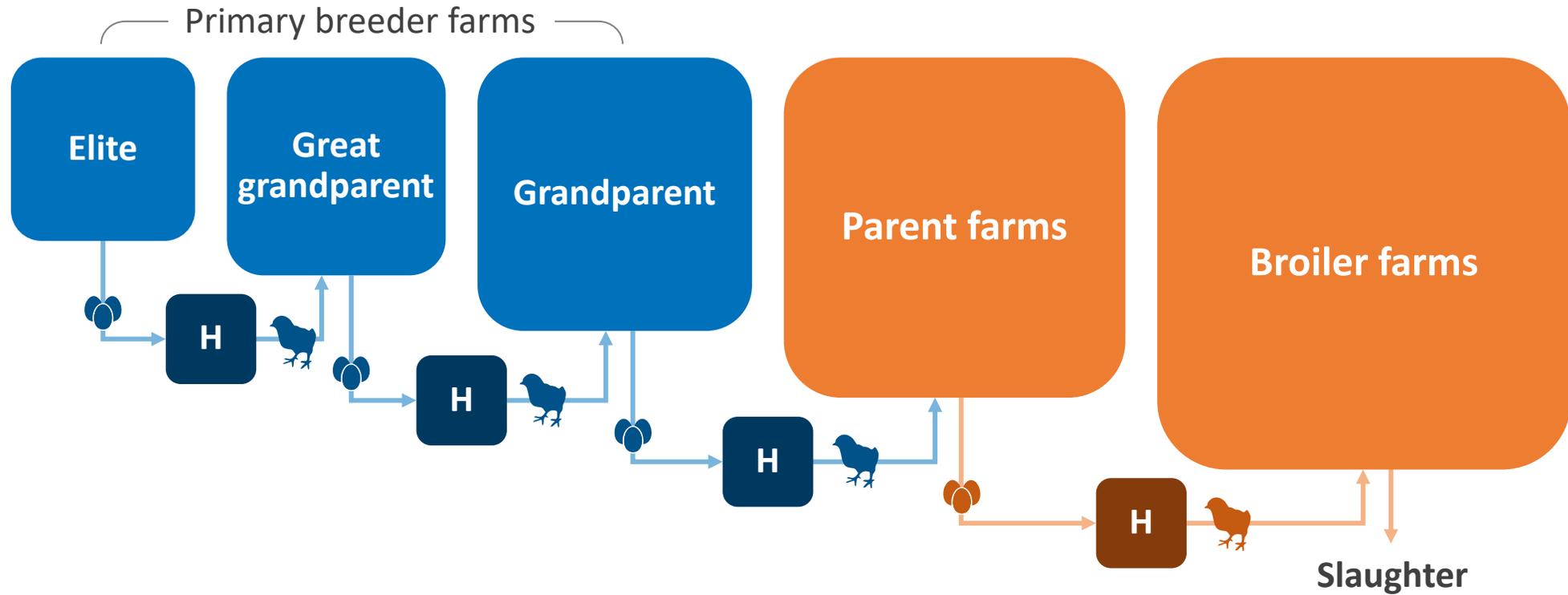


Challenges abound, but the outlook is a balance of “more of the same” while embracing innovation

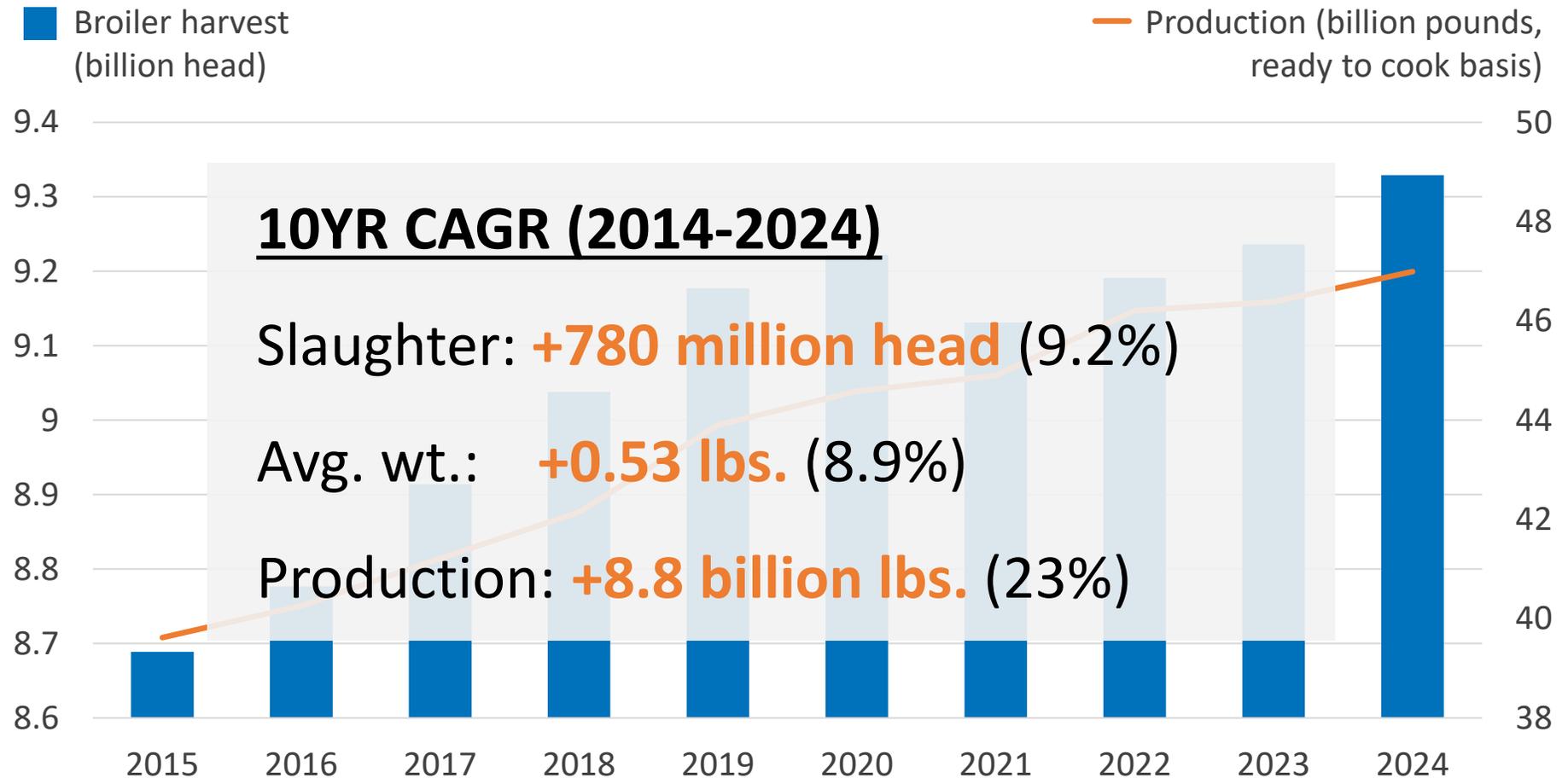
# How breeder focus has changed over time



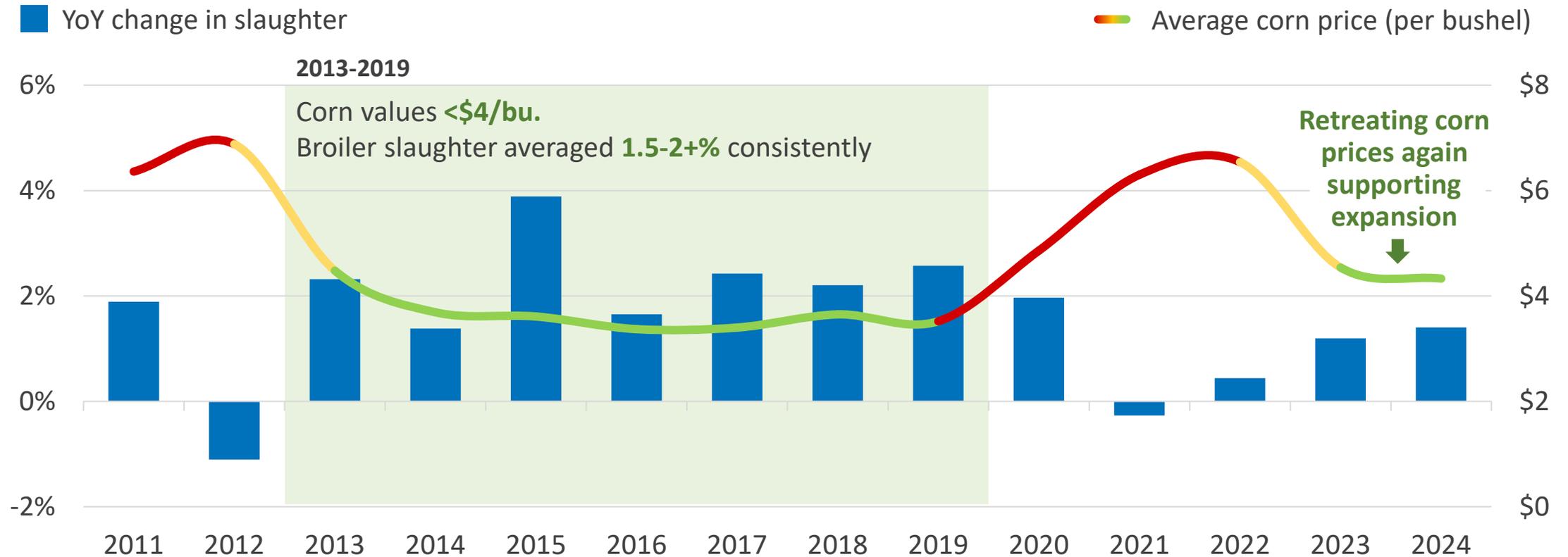
# Breeder and broiler production farms



# Efficiency gains in broiler production growth

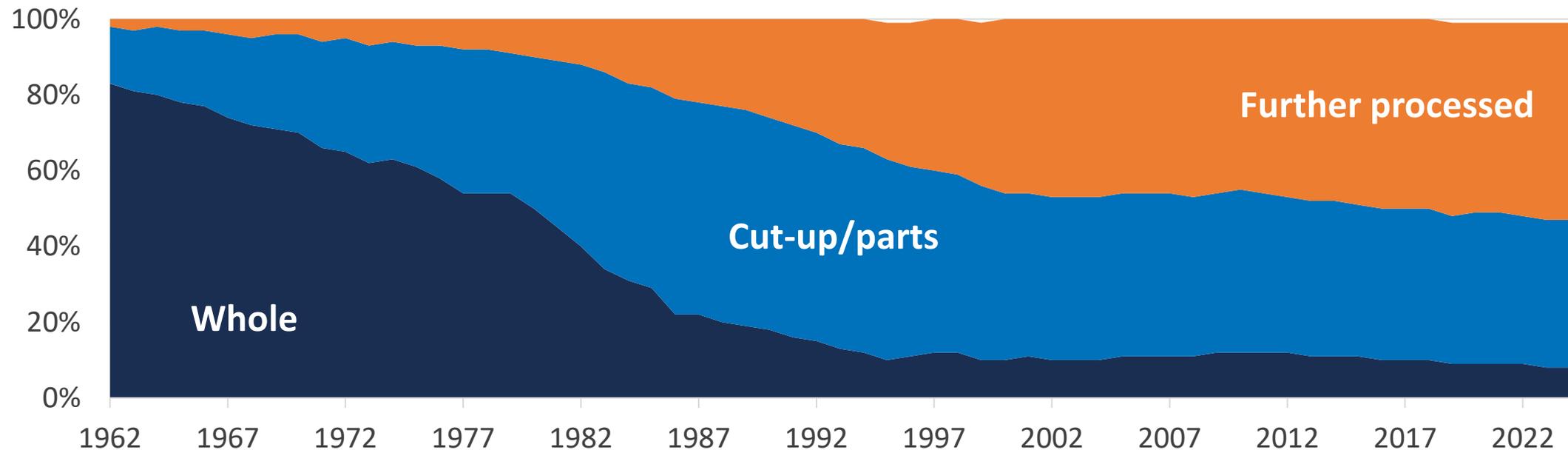


# ...and enhanced by low corn prices

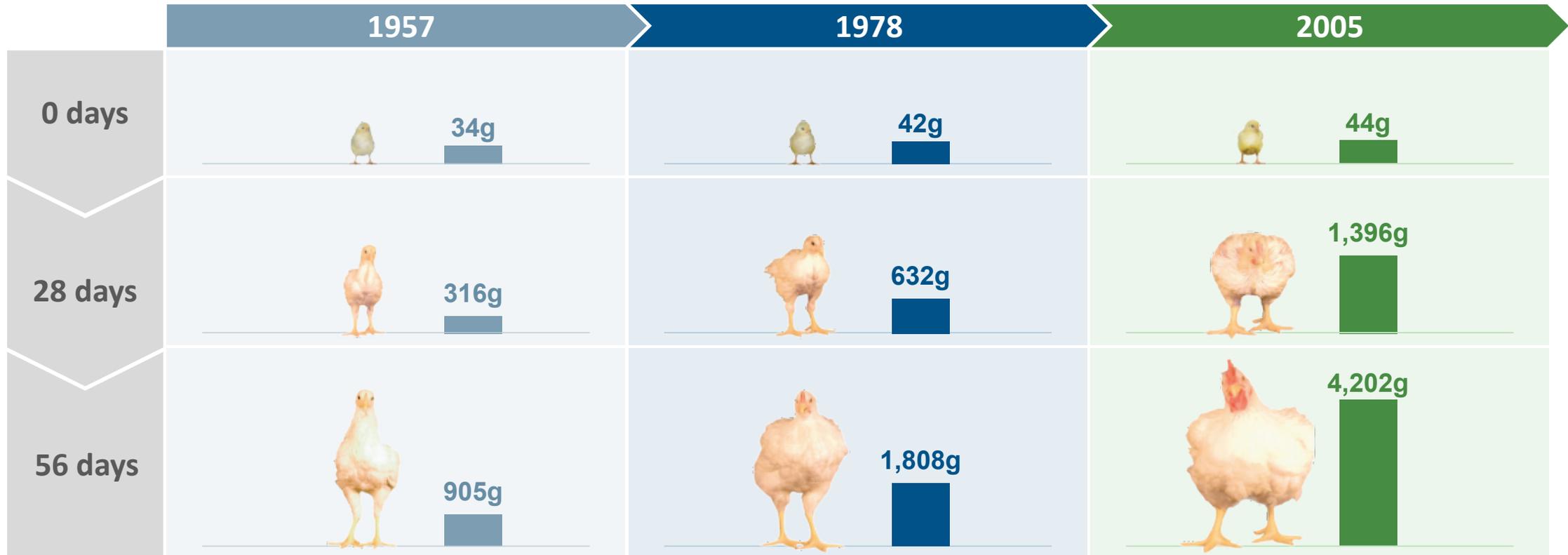


# U.S. marketing channels have shifted to further processed

Marketing of U.S. chicken by category

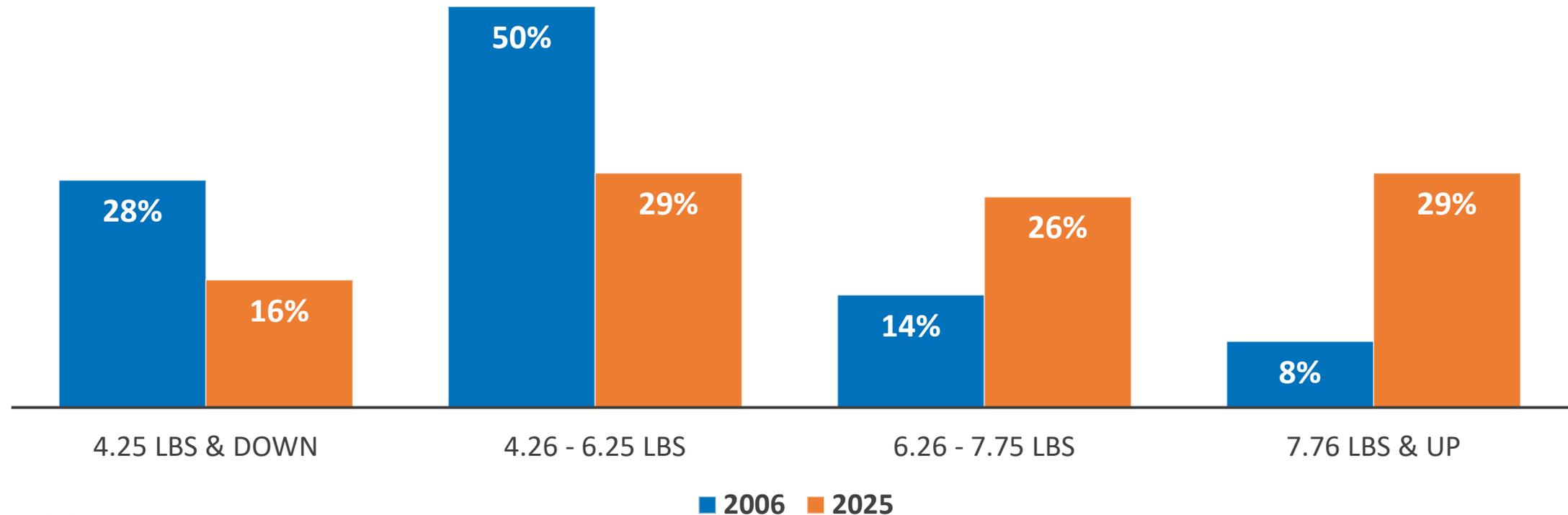


# Chickens are bigger today



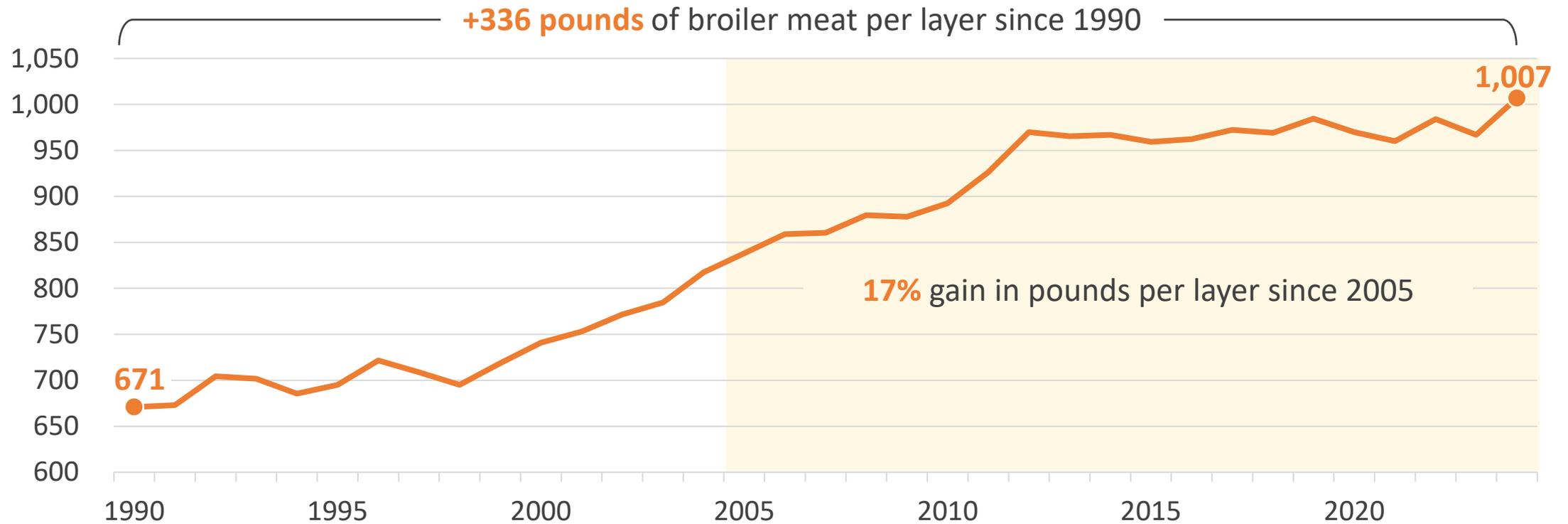
# The mix has flowed to larger birds

Broiler harvest by weight category



# Genetics have carried incredible efficiency

Broiler pounds produced per layer, liveweight



# But at what cost?

## AGWEEK

BUSINESS

### Don't count chickens before they hatch: Tyson bet on wrong rooster

The unexpected decline in hatching hit Tyson in January, after it introduced the type of rooster that is now being fired, King said. The problem is half the reason why the company's chicken supplies are tight, he said.

May 12, 2021 at 2:36 PM

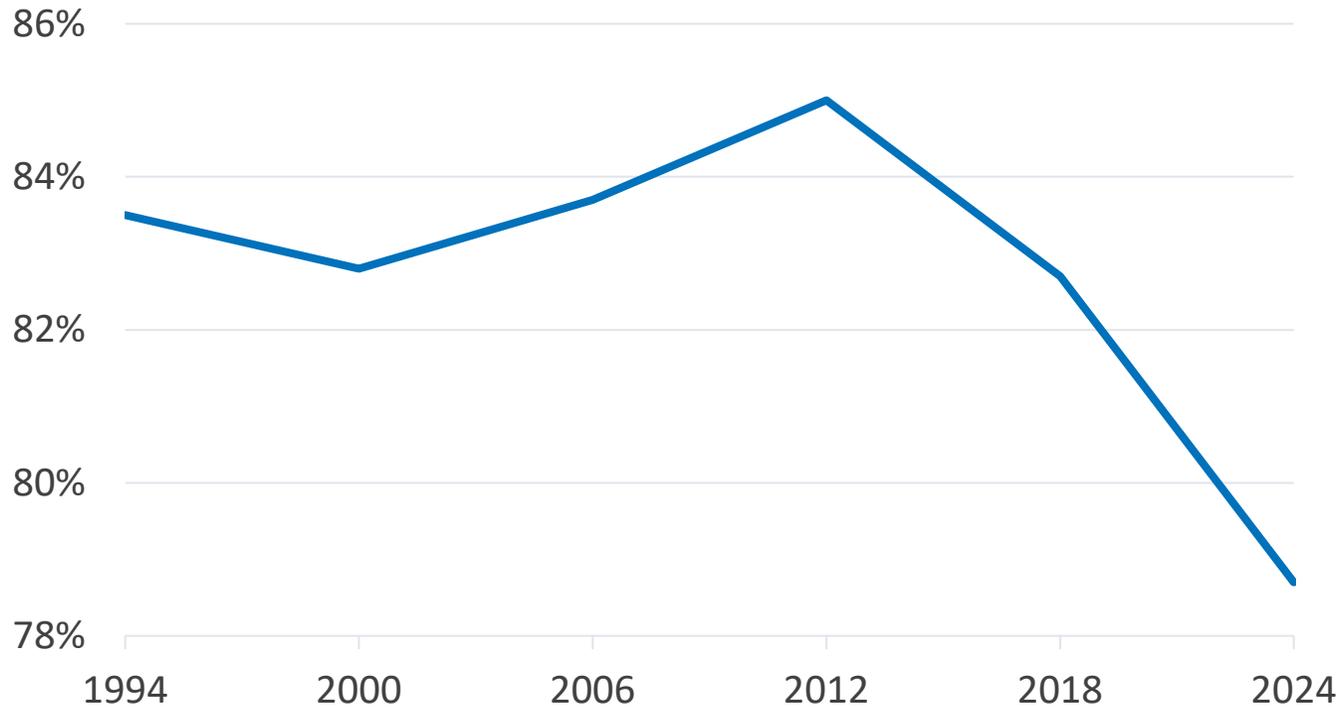
**“We’re changing out a male that quite frankly we made a bad decision on...”**

**Donnie King**  
**President and CEO, Tyson Foods**

Earnings call in 2021

# Growth challenged by weaker hatch

Hatchability (percent)



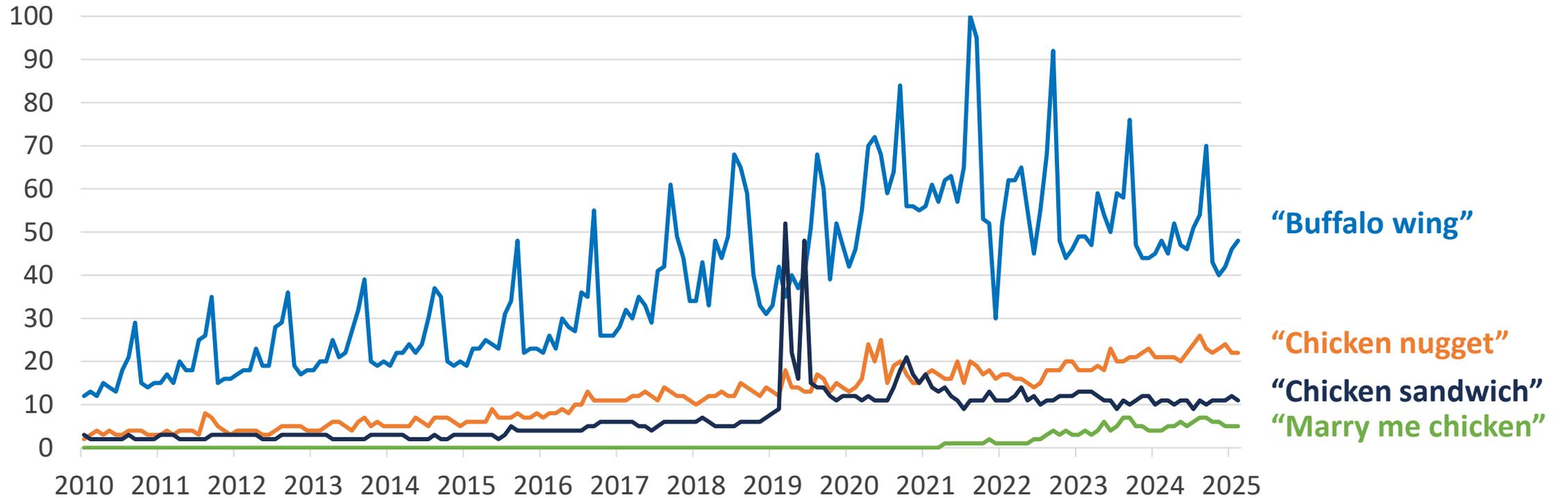
- Leading breeders focus on **40+ genetic traits**
- Hatchability remains important, but there was a trade off that favored **yield, feed efficiency (FCR), and growth** in the 2010s, as value add gained popularity



**Consumer interest in “value add /  
further processed” elevated, yet fading**

# Growth in Google searches: nuggs and “marry me”

Interest over time



**But what  
is next?**

And how do  
we get there?



# Consumption of chicken to grow 6% by 2030

US per capita pounds consumed



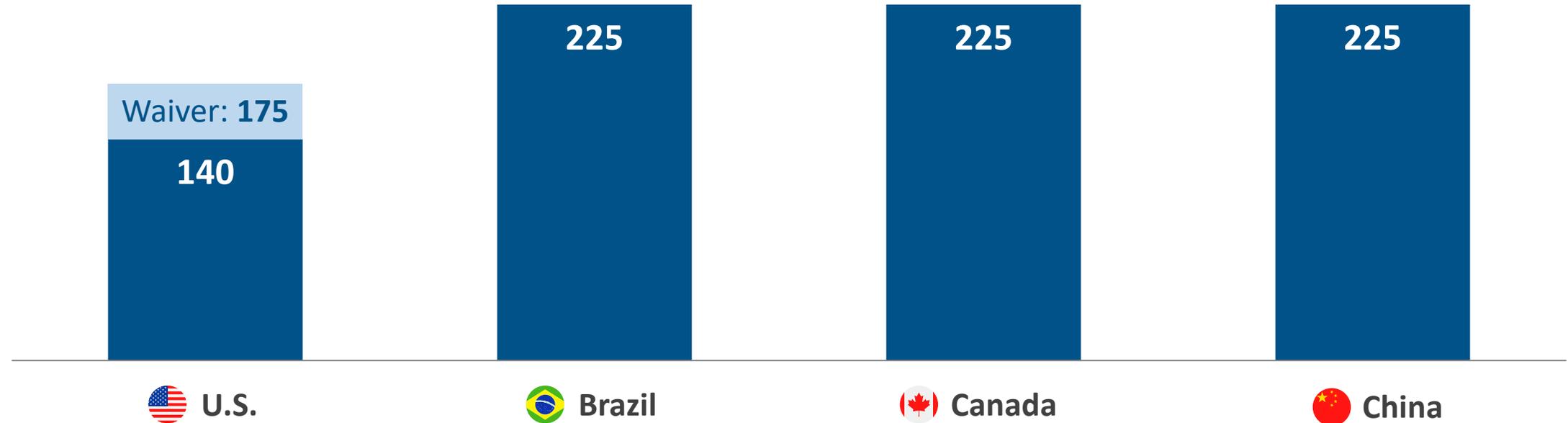
# What is a processing plant's #1 goal?



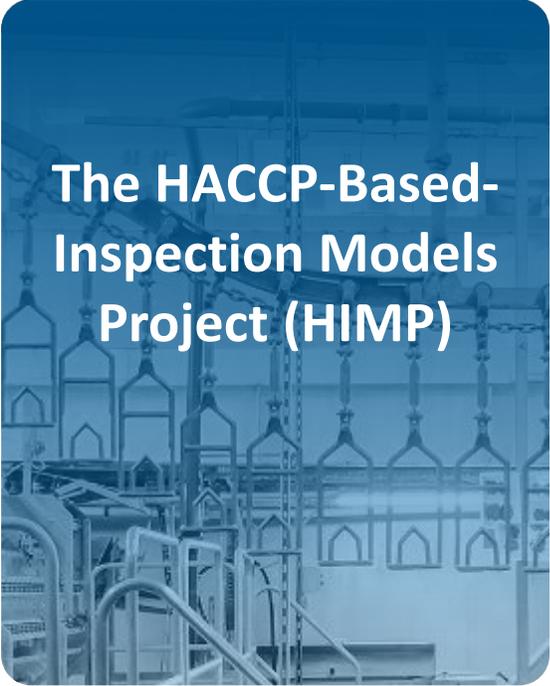
Worker safety 

# US line speeds are not competitive with top global producers

Number of birds processed per minute



# Some background on line speeds

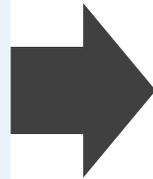


## The HACCP-Based- Inspection Models Project (HIMP)

- Part of the modernization of poultry slaughter inspection
- Initiated in 1998 as a pilot program
- Engaged 44 broiler facilities that received line speed waivers
- Waivers were extended March 17, 2025
- Present regulations restrict evisceration line speed to 140 bpm, but the waiver permits plants to operate at speeds up to 175 bpm

## 2016-2021

An era of significant build out of “greenfield plants” adding primary processing capacity



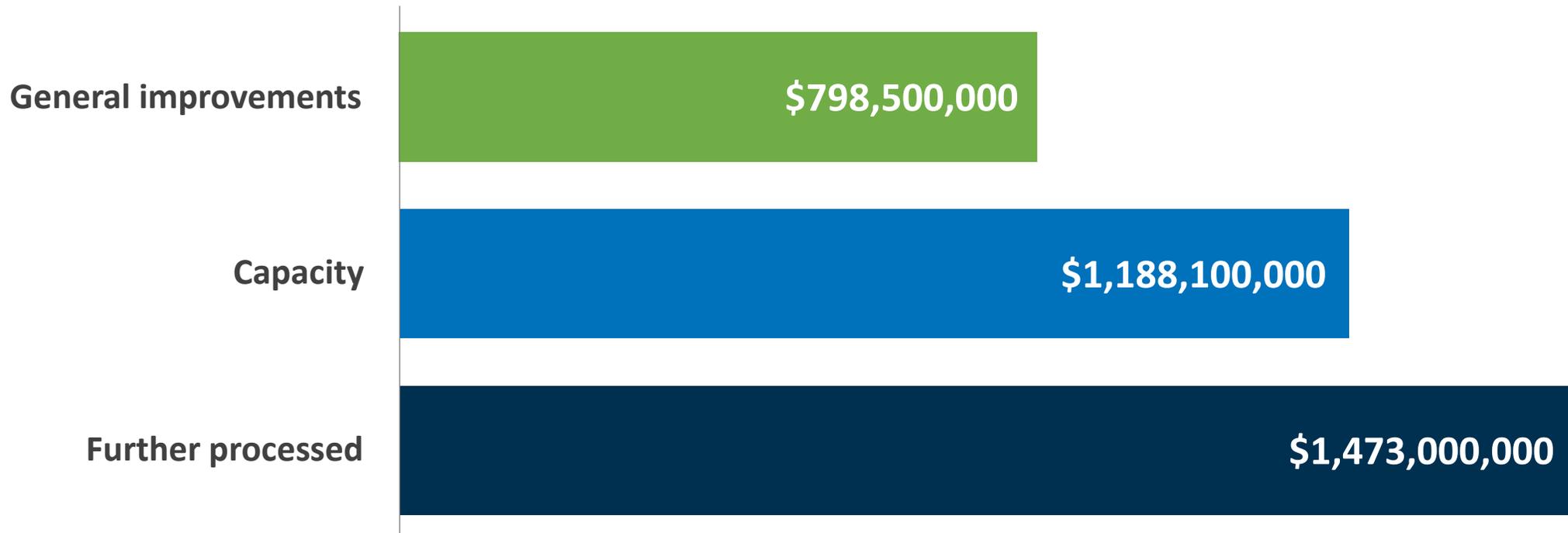
## Now

- Higher capital cost
- Elevated interest rates
- Tight labor supply
- NIMBY (not in my backyard)

**...are shifting focus**

# Dollars are being spent in plant enhancements

Plant expenditure announcements since 2020



# Where have the broiler dollars been spent?

Plant expenditure announcements since 2020



Planned expansion announcements:

**\$2.66B**

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Plant expenditure announcements since 2020

Planned expansion announcements: **\$2.66B**



Likely only accounts for  
**50-60%** of total investment

# Final thoughts



Genetics, technology, and consumer preference have all played a vital role in the current state of chicken



US broiler industry expansion has occurred at three primary levels: debone, further processed, automation



Challenges abound, but innovation, and a solid working relationship between vendors and marketers remains vital

## Brian Earnest

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