CONTACT US

For more information on Alltech, or if you have comments on the 2016 Alltech Global Feed Survey, please contact us via e-mail at info@alltech.com with the subject line "2016 Alltech Global Feed Survey" or via mail at the address below.

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GLOBAL FEED SURVEY 2016

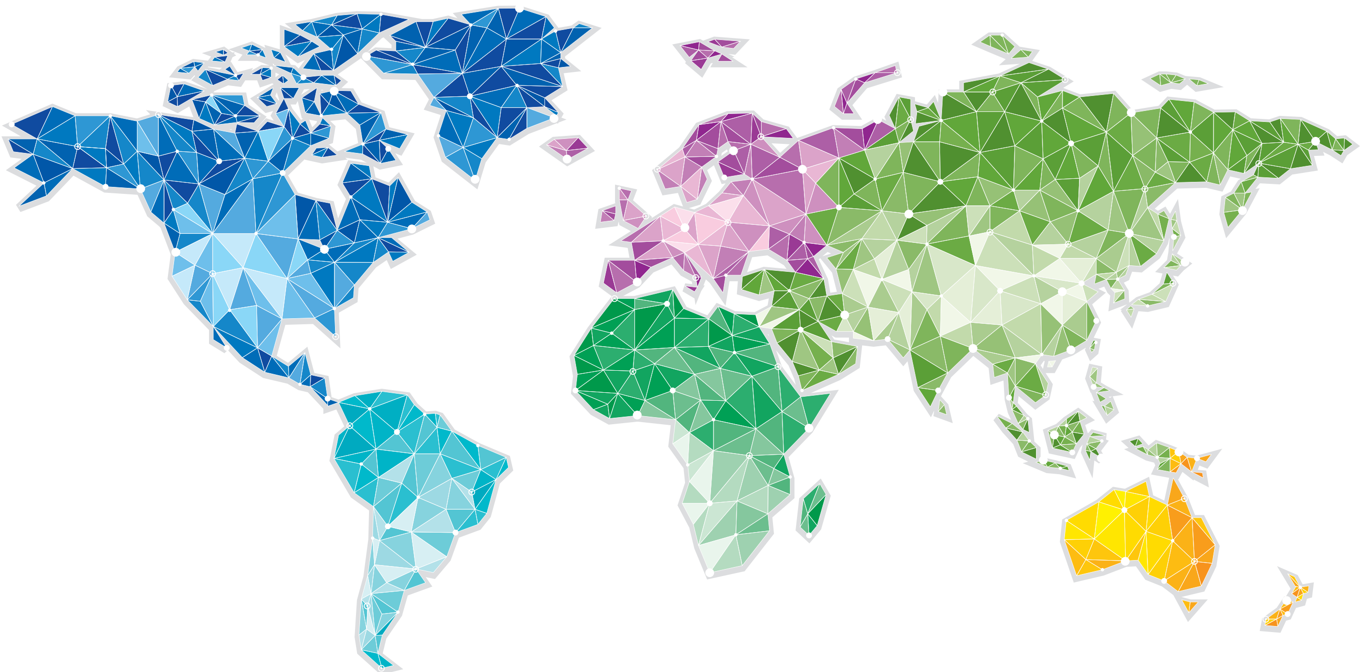
EXECUTIVE SUMMARY

This year marks the fifth anniversary of Alltech's Global Feed Survey. Each year, data is collected, analyzed and researched. This is a considerable task in an industry that has varying regulations across countries and regions. The survey assesses the compound feed production from 131 countries through information obtained in partnership with local feed associations and Alltech's sales team, who visit more than 32,000 feed mills annually. Much of the trends we have seen in the last five years have continued: Total tonnage is increasing, poultry is on the rise and China is maintaining its number one spot (though it has seen a decline for the third year in a row).

Since the survey's inception, we have seen an overall growth in the feed industry by 14 percent. The five-year trends showed growth predominantly coming from the pig, poultry and aqua feed sectors and intensification of production in the African, Middle Eastern, Latin American and European regions. The 2016 survey confirmed poultry feed once again has the leading market share and is growing faster than any other species, with 47 percent of total global feed manufactured specifically for broilers, egg layers, turkeys, duck and other fowl.

To add a little more insight to the survey, we asked our respondents to identify the primary feed type for cereal and protein used in each country. Overwhelmingly, but perhaps not surprisingly, corn and soybean meal dominated the responses, with 76 percent responding that corn is their primary cereal and 96 percent that soybean meal is their primary protein.

As global disposable income increases, consumers have developed a palate for animal protein, and over the past five years the feed industry has delivered. What will the next five years look like for the feed industry? Based on the trends we have illustrated so far, we can certainly make some predictions. Poultry and pig production will presumably continue to rise, for example. As it is anticipated that the global population will reach 9 billion people by 2050, it will be interesting to see what players, companies, countries and regions continue to dominate the feed industry scene, which ones will rise as new players, and which ones will fall behind or leave the playing field altogether.



COUNTRY TOTALS (IN MILLION METRIC TONS)

1	China	179.93
2	USA	173.73
3	Brazil	68.70
4	India	31.54
5	Mexico	31.11
6	Spain	29.38
7	Russia	29.09
8	Germany	23.86
9	Japan	23.38
10	France	21.20
11	Canada	20.35
12	Korea	18.95
13	Turkey	18.22
14	Thailand	17.92
15	Indonesia	17.33
16	Argentina	15.50
17	Vietnam	14.75
18	Italy	14.15
19	Netherlands	14.01
20	UK	15.59
21	Philippines	12.78
22	South Africa	11.66
23	Poland	9.68
24	Iran	9.15
25	Australia	8.59
26	Taiwan	7.30
27	Colombia	6.78
28	Pakistan	6.50
29	Belarus	6.45
30	Belgium	6.70
31	Egypt	6.00
32	Chile	5.89
33	Saudi Arabia	5.20
34	Ukraine	5.18
35	Venezuela	4.88
36	Peru	4.68
37	Malaysia	4.35
38	Greece & Cyprus	4.13
39	Hungary	3.95
40	Nigeria	3.80
41	Denmark	3.75
42	Ireland	3.70
43	Algeria	3.50
44	Bangladesh	3.42
45	Norway	3.36
46	Portugal	2.98
47	Serbia	2.89
48	Morocco	2.80
49	Czech Rep	2.63
50	Romania	2.53
51	Ecuador	2.50
52	Sweden	2.10
53	Tunisia	1.90
54	Israel	2.50
55	Bolivia	1.48
56	Austria	1.58
57	Switzerland	1.54
58	Uruguay	1.42
59	Finland	1.39
60	Paraguay	1.38
61	Dominican Republic	1.29
62	Uzbekistan	1.21
63	Guatemala	1.10
64	Jordan	1.10
65	Libya	1.00
66	Myanmar	1.00
67	Moldova	1.00
68	New Zealand	0.90
69	Bulgaria	0.95
70	Costa Rica	0.94
71	Honduras	0.92
72	Mauritius	0.85
73	Sri Lanka	0.84
74	UAE	0.83
75	Panama	0.83
76	Cuba	0.81
77	Kazakhstan	0.76
78	Iraq	0.75
79	Nepal	0.75
80	Turkish Cyp	0.75
81	Kenya	0.70
82	Slovakia	0.70
83	El Salvador	0.69
84	Croatia	0.65
85	Oman	0.62
86	Yemen	0.60
87	Lebanon	0.60
88	Bosnia	0.60
89	Sudan	0.50
90	Cameroon	0.50
91	Albania	0.50
92	Uganda	0.47
93	Slovenia	0.46
94	Nicaragua	0.45
95	Lithuania	0.43
96	Zimbabwe	0.42
97	Tanzania	0.35
98	Turkmenistan	0.35
99	Zambia	0.34
100	Latvia	0.33
101	Jamaica	0.32
102	Senegal	0.30
103	Ghana	0.30
104	Puerto Rico	0.29
105	Azerbaijan	0.28
106	Kuwait	0.27
107	Cote D'Ivoire	0.27
108	Georgia	0.26
109	Armenia	0.25
110	Namibia	0.25
111	Estonia	0.23
112	Kyrgyzstan	0.20
113	Mozambique	0.18
114	Macedonia	0.17
115	Tajikistan	0.15
116	Botswana	0.14
117	Bahrain	0.14
118	Trinidad & Tobago	0.10
119	Kosovo	0.10
120	Haiti	0.09
121	Iceland	0.09
122	Luxembourg	0.09
123	Singapore	0.09
124	Malta	0.08
125	Caribbean	0.04
126	Barbados	0.04
127	Mongolia	0.04
128	Guyana	0.03
129	Suriname	0.01
130	Bahamas	0.01
131	Seychelles	0.004

2016 ALLTECH **GLOBAL** FEED

NUMBER OF **FEED MILLS** GLOBALLY

(ESTIMATE)

32,341

TOTAL GLOBAL **TONNAGE (MILLION)**

995.6

REGIONAL HIGHLIGHTS

As a region, Europe saw the most growth, up 10.5 million metric tons over last year, with the largest contributions coming from Russia, Turkey, Belarus and Poland.

Down two percent from last year, China still holds the title of leading feed producer in Alltech's annual Feed Survey with 179.93 million tons manufactured throughout the country's 8,550 feed mills. However, this is third year the world's leader has reported a consolidation of its feed tonnage production into a smaller number of feed mills.

The number of feed mills in the United States and Brazil, the second and the third largest markets, also declined. The U.S. produced 173.73 million tons from 6,012 feed mills (6,718 mills in 2014) and Brazil manufactured 68.7 million metric tons from 1,556 feed mills (1,698 mills in 2014).

Europe and Russia's 5,545 feed mills augmented their production by 4.5 percent in 2015 compared to the previous year. The Middle East tonnage fell 7 percent with 21.44 tons from the region's 719 mills. Africa, North America and Latin America were up 4, 2 and 3 percent respectively. The Asia-Pacific region's growth was relatively flat at 0.4 percent.

AVERAGE TONNAGE PER REGION

Region	Total Number Feed Mills	Total Tonnage	Average Regional Growth
Africa	1,210	36.13	4%
Asia	14,349	350.41	0.4%
Europe	5,545	240.63	4.5%
Latin America	4,006	152.28	2.6%
Middle East	719	22.05	-7%
North America	6,512	194.08	2.3%
Total	32,341	995.57	

SURVEY RESULTS

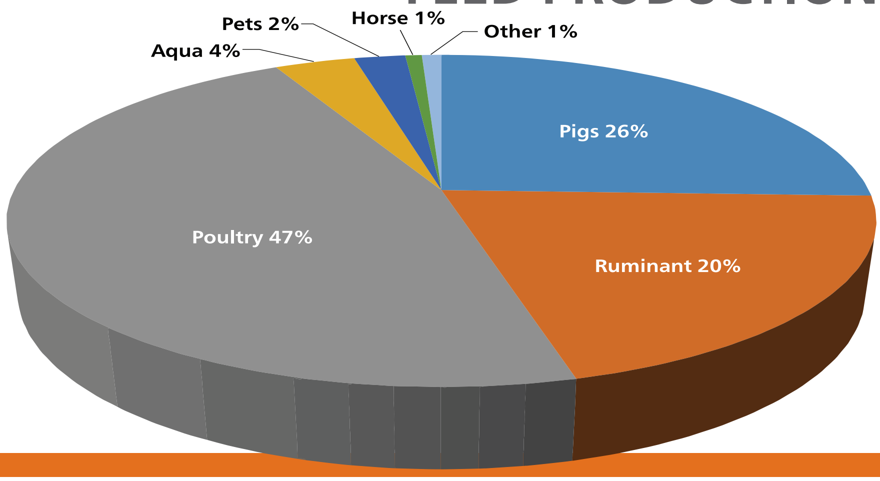
TOTAL FEED BY SPECIES (MIL. METRIC TONS)

PIGS	253.53	AQUA	35.47
RUMINANT	201.30	PETS	22.59
POULTRY	463.69	HORSE	8.22

TOTAL 10 IN-DEPTH RESULTS

Country	Total Mil Tons	Pig	Dairy	Beef	Calf	Layer	Broiler	Turkey	Aqua	Pets	Equine
China	179.93	75.50	4.90	2.00	0.01	28.00	49.00	0.00	17.30	0.42	0.01
USA	173.73	25.67	20.82	22.61	0.08	24.69	59.92	7.02	1.00	8.45	3.00
Brazil	68.70	15.70	5.30	2.73	0.01	5.50	30.90	1.50	0.94	2.43	0.60
India	31.54		8.26		0.08	9.34	11.60	0.00	1.16	0.38	0.01
Mexico	31.11	4.96	4.80	3.51	0.24	4.05	11.44	0.05	0.23	0.90	0.30
Spain	29.38	15.24	2.65	3.53	0.13	1.79	3.04	0.38	0.13	0.35	0.19
Russia	29.09	9.60	2.70	0.40		4.20	10.45	0.74	0.04	0.59	
Germany	23.87	9.66	6.91	0.00	0.16	2.15	2.74	1.40	0.02	0.53	0.11
Japan	23.38	5.63	3.15	4.44	0.00	6.20	3.81	0.00	0.30	0.31	0.00
France	21.20	5.09	3.50	1.50	0.43	1.80	3.50	1.14	0.10	1.25	0.25

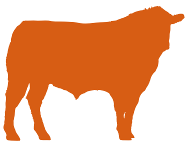
FEED PRODUCTION BY SPECIES



Some interesting highlights include a 6% increase in poultry feed production as it continues to surge ahead. While ruminant is also showing a 3% increase, pig feed production is down 2%.

2016 ALLTECH **GLOBAL** FEED

SPECIES BREAKDOWN (MILLION METRIC TONS)



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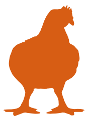
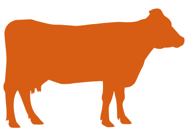
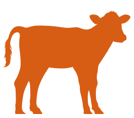


BROILER: 295



DAIRY: 117

LAYER: 142



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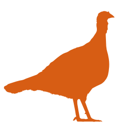
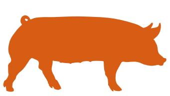
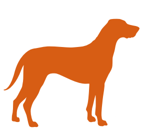


TURKEY:16

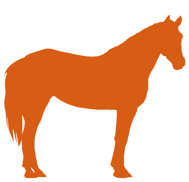


PIG: 254

AQUA: 35



PET: 23



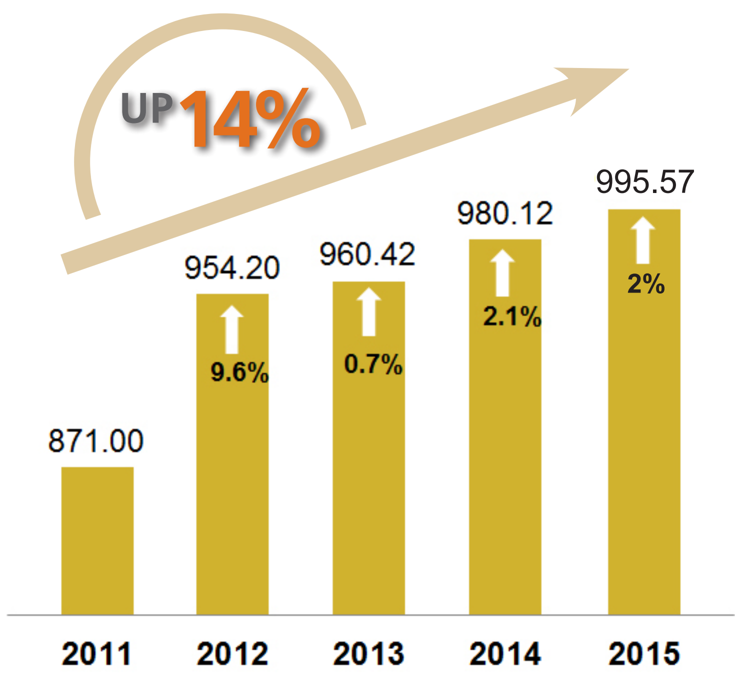
HORSE: 8

SPECIES TOTALS BY REGION

Region	Layers	Broilers	Turkey	Pigs	Beef
Africa	8.28	12.52	0.2	2.31	3.03
Asia Pacific	60.34	98.10	0.12	118.24	13.57
Europe	25.06	53.33	6.04	70.17	16.03
Latin America	17.29	61.07	1.91	28.13	10.71
Middle East	5.74	6.47	0.19	0.007	2.08
North America	25.69	63.12	7.54	34.67	23.98

Region	Dairy	Calf	Aqua	Pets	Horses
Africa	5.53	0.08	0.55	0.35	0.26
Asia Pacific	23.72	0.77	26.13	2.09	0.45
Europe	39.93	3.43	3.17	5.95	1.43
Latin America	16.54	0.28	3.52	5.30	2.41
Middle East	6.20	0.22	0.34	0	0.17
North America	24.87	0.08	1.76	8.91	3.5

GLOBAL TONNAGE PER YEAR



SURVEY RESULTS

FEED COSTS AVERAGES BY REGION

(PER TON) **AVERAGE PRICE FINISHER DIET 2015**

AFRICA

PIG	LAYER	BROILER
$312.70	$440.09	$487.99

NORTH AMERICA

PIG	LAYER	BROILER
$191.38	$223.31	246.82

ASIA PACIFIC

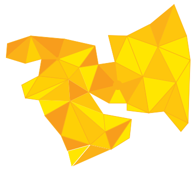
PIG	LAYER	BROILER
$430.15	$417.47	$461.60

EUROPE

PIG	LAYER	BROILER
$290.75	$347.53	$422.04

LATIN AMERICA

PIG	LAYER	BROILER
$389.70	$433.20	$483.13



MIDDLE EAST

PIG	LAYER	BROILER
$ —	$408.60	$466.60

GLOBAL AVERAGE PRICE/BILLION TONS FEED: **PIG** $323.93 **LAYER** $396.80 **BROILER** $453.04

ABOUT **ALLTECH**

Founded in 1980 by Irish entrepreneur and scientist Dr. Pearse Lyons, Alltech improves the health and performance of people, animals and plants through nutrition and scientific innovation, particularly yeast-based technology, nutrigenomics and algae. With nearly 100 manufacturing sites globally, Alltech is the leading producer and processor of yeast and organic trace minerals, and its flagship algae production facility in Kentucky is one of only two of its kind in the world.

The company's guiding ACE principle seeks to develop solutions that are safe for the Animal, Consumer and the Environment and is actively supported by more than 4,700 team members worldwide.

Alltech is the only privately-held company among the top five animal health companies in the world. This is a source of competitive advantage, which allows Alltech to adapt quickly to emerging customer needs and to stay focused on advanced innovation and long-term objectives. Headquartered just outside of Lexington, Kentucky, USA, Alltech has a strong presence in all regions of the world.