

News Release

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NEW ARTICLE EXPLORES SLOW ROAD BACK FOR U.S. LIVESTOCK INDUSTRY

The recent recession has wounded the livestock industry. The latest issue of *The Main Street Economist* explores the industry's recent performance and prospects for a rebound.

In the article "The Slow Road Back for the U.S. Livestock Industry," Federal Reserve Bank of Kansas City - Omaha Branch economists Brian Briggeman and Jason Henderson note that falling demand and rising feed costs since 2007 have battered U.S. producers of cattle, hogs, poultry and dairy products, forcing them to trim herds. They note, however, that renewed prosperity in the livestock industry hinges on a rebound in protein demand. While the U.S. economy appears to be recovering, the authors found that domestic protein consumption typically stays sluggish following a recession.

With weak domestic demand likely, the authors look to foreign consumers as one of the more likely drivers of growth. As stronger economic growth emerges in developing countries, foreign consumers will enjoy some of the fastest-rising disposable incomes in the world – with per capita meat consumption to match.

While foreign markets may help livestock producers post profits, Briggeman and Henderson note that competing in global markets can be a challenge for U.S. livestock producers. To penetrate these global markets, they suggest that products must target global consumer tastes.

The complete article is available at:

<http://www.kansascityfed.org/regionalaffairs/mainstreet/mainstmain.htm>.

The Tenth Federal Reserve District encompasses Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

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