

Tyson 4Q Benefits From Higher Chicken Prices

SPRINGDALE, Ark. (AP) — Tyson Foods net income jumped 91 percent in its fiscal fourth quarter, benefiting from higher chicken prices.

The country's biggest meat company's earnings results easily topped Wall Street's forecast, and it provided a fiscal 2013 revenue outlook above analysts' estimates. Shares climbed in premarket trading.

For the three months ended Sept. 29, Tyson Foods earned \$185 million, or 51 cents per share. That's up from \$97 million, or 26 cents per share, in the prior-year period.

Taking out an impairment charge, earnings were 55 cents per share.

Analysts, on average, forecast earnings of 46 cents per share, according to FactSet.

Tyson Foods' stock rose 57 cents, or 3.4 percent, to \$17.45 before the market open.

Revenue dipped to \$8.37 billion from \$8.4 billion. Wall Street predicted higher revenue of \$8.48 billion.

Chicken volume dipped 3.5 percent in the quarter, but sales rose due to higher prices. The company also boosted beef prices, but the increases could not offset a 12.5 percent drop in volume. Port sales slipped despite a 5 percent volume increase. Prepared foods sales and volume were basically flat.

For the full year, Tyson Foods Inc. earned \$583 million, or \$1.58 per share. That compares with \$750 million, or \$1.97 per share, in the previous year.

Adjusted earnings were \$1.91 per share.

Annual revenue increased 3 percent to \$33.28 billion from \$32.27 billion.

Going forward, Tyson Foods cautioned that the severe drought conditions that plagued the U.S. earlier this year lowered grain supplies, which will lead to increased costs for cattle and hog producers and higher grain costs.

Tyson cited government forecasts that overall domestic protein production is expected to drop 2 percent in the new fiscal years. Still, the company said Monday that it foresees fiscal 2013 revenue rising to about \$35 billion, mostly due to price hikes reflecting decreased supply.

Analysts, on average, predict full-year revenue of \$34.64 billion, with estimates ranging from \$34.07 billion to \$35.65 billion.

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