

# Tyson Foods

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## First Quarter 2026 Earnings Conference Call

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### **CORPORATE PARTICIPANTS**

**Donnie King**--*President and Chief Executive Officer*

**Curt Calaway**--*Chief Financial Officer*

**Devin Cole**--*Chief Operating Officer*

**Kristina Lambert**--*Chief Growth Officer*

**Jon Kathol**--*Vice President, Investor Relations*

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## **PRESENTATION**

### **Operator**

Good morning, and welcome to the Tyson Foods First Quarter 2026 Earnings Conference Call. [Operator Instructions] Please note, this event is being recorded.

I would now like to turn the conference over to Jon Kathol, VP, Investor Relations. Please go ahead.

### **Jon Kathol**

Good morning, and welcome to Tyson Foods' first quarter fiscal 2026 earnings conference call. On today's call, Tyson's President and Chief Executive Officer, Donnie King; Chief Financial Officer, Curt Calaway; and Chief Operating Officer, Devin Cole, will provide prepared remarks. Following the prepared remarks, we will have a Q&A session with the participants who will be joined by our Chief Growth Officer, Kristina Lambert. We have also provided a supplemental presentation, which may be referenced on today's call and is available on the Tyson's Investor Relations website and via the link in our webcast.

During today's call, we will make forward-looking statements regarding our expectations for the future. These forward-looking statements made during this call are provided pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all comments reflecting our expectations, assumptions or beliefs about future events or performance that do not relate solely to historical periods. These forward-looking statements are subject to risks, uncertainties and assumptions, which may cause actual results to differ materially from our current projections.

Please refer to our forward-looking statement disclaimers on Slide 2 as well as our SEC filings for additional information concerning risk factors that could cause our actual results to differ materially from our projections. We assume no obligation to update any forward-looking statements. Today's segment results are presented on a segment operating income level and will be discussed on an adjusted basis. The primary difference between segment operating income and the method used in previous quarters is that we will no longer allocate corporate expenses and amortization down to the segment level. Donnie and Curt will share more thoughts on the change in their prepared remarks.

We have recast previously reported quarterly results for the previous three fiscal years to reflect the new format. The segment change has no impact on consolidated historical U.S. GAAP financial results. The recast financial information is accessible through the Events and Presentations section of the company's Investor Relations website at [ir.tyson.com](http://ir.tyson.com). Please note that the references to earnings per share, segment operating income, operating income and operating margin in our remarks are on an adjusted basis for our fiscal periods, unless otherwise noted. For reconciliations of these non-GAAP measures to their corresponding GAAP measures, please refer to our earnings press release.

Now I will turn the call over to Donnie.

### **Donnie King**

Thank you, Jon, and thanks to everyone joining us today. Before walking you through our first quarter results, I want to remind everyone of what we're building at Tyson, a diversified protein-centric company positioned to capture growing demand for high-quality protein. We're driving operational excellence, investing in our branded portfolio and innovation to capture market

share and deploying our capital strategically to strengthen our competitive position. Our Q1 results with sales increasing to more than \$14 billion, demonstrate our initiatives and our strategy are clearly working. We're driving operational excellence daily, and the team is energized for what's ahead.

As Jon mentioned, we've made an important change to our segment reporting measure from adjusted operating income to segment operating income as this will allow you, the investor, to see the results in the same manner that I utilize to judge the effectiveness of our business decisions and accountability for the choices we make. This empowers our business leaders to pursue volume growth and enhance their decision-making based on a more direct view of the impacts of those decisions without corporate expenses and amortization, which are more fixed in nature. Of course, we will continue to focus on reducing the spend and maximizing efficiencies in our corporate functions.

On the businesses, Prepared Foods took another step forward this quarter with sales increasing in volume, channel mix and pass-through pricing. Segment operating income increased to \$338 million. Importantly, our products are winning in the marketplace during a clearly dynamic consumer backdrop. Our Prepared Foods business is capturing more market share by volume and dollars, driven by increased brand investments and targeted MAP spending that is showing favorable returns. Our production facilities continue to make performance improvements through operational efficiencies.

The Chicken segment delivered another strong quarter with \$459 million in segment operating income, a margin of 10.9% in a less favorable operating environment. These positive sales and earnings gains were fueled by more efficient marketing and promotional expenses. Results are becoming increasingly more sustainable and predictable with plenty of untapped potential in the areas we can control within the business.

Chicken is an affordable, high-quality protein and our value-added offerings position us uniquely to serve both retail and foodservice customers. In the first quarter, we announced a strategic decision in our Beef business to close our Lexington, Nebraska facility and scale back operations at our Amarillo, Texas plant to a single shift. These changes were implemented in January. And as a result, our first quarter results do not reflect the impact of these operational adjustments.

We recognize the impact on people's lives, and we did not make them lightly. At the same time, we made this necessary choice to rightsize our beef operations with a smaller and more efficient footprint, higher capacity utilization and stronger alignment with the long-term outlook for the U.S. cattle herd. These decisions position us to improve our overall beef capacity utilization and to compete more effectively in the beef business, both now and in the future.

Continuing to absorb losses like we have been seeing for the past two years is simply unacceptable. Looking forward, we expect cattle supplies to remain tight throughout 2026 and 2027. During this period, chicken is likely to continue to benefit most from the changing consumer preferences, both at retail and in foodservice, and we're obviously well positioned to win.

Once again, our Pork segment performed well in a stable operating environment. We continue to increase yield and revenue by developing more value-added products. All parts of the pork value chain from hog supply, pork production through retail and foodservice customers are in

relative balance, allowing for more predictable and stable operating margins. Finally, our international segment continued its momentum and had another good quarter.

Now let me share with you why we are very well positioned relative to what's occurring in the food industry. A recent development beneficial for Tyson Foods was the release of the new U.S. dietary guidelines. As you are aware, health care costs are rising and it is important to have viable solutions to combat the challenge of obesity and inadequate nutrition. These updated guidelines and recommendations represent a historic validation of our core mission, providing high-quality essential protein to millions.

By advocating for increased animal protein consumption as a leading pillar of a healthy lifestyle, the administration has underscored what we have always known. Animal protein is the foundational building block of a nutritious diet. As a producer of one 1 of every 5 pounds of chicken, beef and pork in the United States, Tyson is uniquely positioned as the leader in this real protein space. And as the demand for protein continues to increase, Tyson will be there to meet this demand.

These policy recommendations underscore how public health priorities and consumer demand for high-quality protein are moving in the same direction. And even in a dynamic economic environment, protein remains essential in the grocery cart with consumers continuing to favor chicken, beef and pork. The updated guidelines also recommend limiting artificial flavors, petroleum-based dyes and artificial preservatives.

At Tyson, we have been ahead of this curve and have already proactively removed petroleum-based synthetic dyes and other ingredients, including high-fructose corn syrup across our U.S. branded portfolio. By simplifying our labels and using the same ingredients you can find in your pantry, we are providing consumers what they are looking for, protein. It's real food that tastes good and is good for you, and we're confident that this commitment to quality will continue to drive superior value for our customers and our shareholders.

Let me now tell you about how we are winning in the market. According to Nielsen data, total category food and beverage retail volume declined 1.8%, with dollars up 0.9% over 13 weeks ending in December. In contrast, our retail branded products, which include our national and regional brands, grew by 2.5% in volume and 3.6% in dollars, significantly outperforming the broader sector. This retail growth was broad-based, highlighted by strong volume performances across several national and regional brands and categories.

A few examples include: Tyson national and regional branded fresh chicken, up 10.7%; Hillshire Farm lunch meats increased by 10.4%; Hillshire Snacking grew by 12.5% and Aidells Sausage went up 7.2%. In addition to the volume growth, all four grew dollars and share. We are also performing well in foodservice with share gains and volume growth of 27 basis points. Our ongoing investments in innovation, wider distribution and effective targeted marketing are driving growth and keeping us competitive, providing substantial opportunities for further progress.

As more shoppers turn to the perimeter of the store, we are meeting their demand for fresh, high-quality options. This is why it matters. Demand for Tyson Foods products continues to grow, and we are well positioned to capture this momentum. While some companies face challenges in generating demand, our share gains demonstrate both our strength and our expectation for further growth, an essential driver of our ongoing and future success. Our focus

on protein-centric offerings combined with disciplined capital allocation enables us to accelerate expansion, optimize operations and reinforce our supply chain and marketing capabilities.

As a 90-year-old American company, we provide durability, trust and strategic continuity across cycles. These strengths allow us to deliver lasting value to our customers, consumers, team members and shareholders. Looking ahead, the opportunities before us are more promising than ever, and I'm very confident in our portfolio and in our strategy.

With that, I'll turn it over to Devin to take you through the segments in more detail.

### **Devin Cole**

Thank you, Donnie, and good morning. In the first quarter, our team made tangible progress toward our strategic objectives, and we remain committed to delivering best-in-class performance and holding ourselves accountable to our customers and consumers' expectations.

Now let's review our segment performance. Prepared Foods delivered a strong quarter with sales up 8.1% versus last year. Growth was driven by volume, channel mix and pass-through pricing. Segment operating income was 338 million, up 16 million versus prior year, reflecting continued progress on our multiyear plan to enhance profitability in this business, and we see more ahead.

Our fill rates in Prepared Foods remained solid, but with room to improve, reflecting the improved S&OP process and unlocking efficiencies in our plants and distribution systems. Our retail businesses outpaced the category in volume, dollars and units, leading to share growth in all three measures. This has enabled us to better serve our strategic customers with greater consistency and reliability. The progress we achieved in the quarter was expected and has laid the groundwork for an exciting 2026.

Growth in Prepared Foods is important to us as it grows our customers' business, expands the reach of our brands and utilizes a sizable portion of our raw material availability. We see significant opportunities ahead to drive growth and improve profits. Our conviction in this multiyear opportunity to expand profitability in Prepared Foods remains strong.

Our Chicken segment delivered a strong first quarter, in line with the prior year with a significantly more challenging operating backdrop, demonstrating the resilience of our business model and disciplined execution. Demand for chicken remains strong. Our diversified pricing strategies and product mix kept average selling prices steady, offsetting declines in commodity prices and disruptions from the temporary government shutdown.

The efforts helped us overcome market volatility and achieved 3.6% year-over-year sales growth driven entirely by volume and strong consumer demand for chicken. This marks our fifth consecutive quarter of year-over-year volume and net sales gains, underscoring sustained demand for chicken and continued momentum of our strategic customer partnerships.

While the retail channel saw strong growth across fresh and value-added products, resulting in growth across nearly all retail sub-channels, we also saw strength in our foodservice business, led by solid results with QSR and distribution customers as consumers increasingly opt for value-oriented protein choices.

Segment operating income for the Chicken segment reached 459 million, driven by improvements in live performance along with strong volume expansion and continued

operational excellence. These factors enabled the Chicken segment to deliver consistent operating income, further validating our confidence in the long-term durability and resilience of our business model.

In our Beef segment, we remain focused on the factors within our control as we navigate a challenging and dynamic market environment. Beef sales increased, reflecting continued healthy consumer demand. As Donnie mentioned in his remarks, we announced changes to rightsize our Beef business. These moves were completed after the close of our first quarter.

Both moves are in response to the ongoing challenges of a tighter U.S. cattle supply, and we believe these moves align us to compete more effectively this year and over the long term with a smaller production footprint and a higher capacity utilization. We expect to benefit in coming quarters from the effect of the actions taken.

Segment operating income declined compared to the prior year as higher cattle costs more than offset higher cut-out values and continued high consumer demand. While navigating the headwinds, we remain committed to the elements we can control, like optimizing our operational footprint as well as seeking out alternatives to improve our long-term results.

In Pork, segment operating income margin increased 220 basis points to 6.7%, fueled by network optimization and operational efficiencies. Hog supplies were adequate during the quarter and projections for an ample supply appear favorable for the upcoming year. The accessibility of pork raw material for our Prepared Foods division is a key part of our end-to-end pork strategy. We have made substantial progress in utilizing raw materials like pork bellies to supply our branded bacon and to supply lunchmeat and trimming to supply sausage. We will continue to push for higher utilization as it will improve access, quality and landed cost for our raw materials.

Overall, I am encouraged by the incremental steps we have taken in the first quarter, and I'm confident that we have room to grow and improve across the operational and controllable aspects of our business in 2026 and beyond. We are focusing on our strategic customers and consumers while delivering value to our shareholders. With protein remaining a clear winner in the mind of consumers, the diversity of our portfolio enables us to make investments by partnering with our strategic customers to drive category expansion.

With that, I will turn it over to Curt to walk through our financial results and outlook in more detail.

### **Curt Calaway**

Thanks, Devin. As mentioned earlier, our first quarter results reflect a change in financial metrics as we are now referring to segment operating income, which excludes corporate expenses and amortization at the segment level. For comparative purposes, all historical results and comparisons presented have been updated to reflect this change.

As Donnie mentioned, the reason for this important change is to report results in the same manner that our decision-maker utilizes to assess business performance and allocate resources. We believe this provides investors with an increased level of transparency, and it enables them to better compare our results to other food producers.

For the first quarter, total company sales grew 6.2% to \$14.3 billion compared to prior year, led by beef with solid contributions from Prepared Foods, chicken and pork, reflecting the healthy

demand environment for protein. For comparative purposes, the sales increase was calculated excluding the effect of a \$150 million legal contingency reserve that was recognized in the quarter.

First quarter segment operating income was \$811 million, down 12% compared to prior year, driven primarily by the decline in our Beef segment, partially offset by growth in our other businesses. Additionally, corporate expenses and amortization were lower by \$20 million or 7.7% as compared to the same period last year.

Adjusted earnings per share for the quarter were \$0.97, down 15% compared to last year, some of which was driven by a higher tax rate. Our multi-protein, multichannel portfolio, combined with our team's focus on operational execution in a dynamic macro environment performed well compared to the overall food industry during the quarter.

Turning to our financial position. Our approach to capital allocation remains disciplined, deliberate and forward-looking, and we have a strong balance sheet. We are focused on maintaining financial strength, investing in the business and returning cash to shareholders. Free cash flow is critical to us, and I am pleased with how cash trended in Q1.

First quarter operating cash flow was \$942 million, and capital expenditures were \$252 million, resulting in free cash flow of just under \$700 million, well ahead of dividends for the quarter, which were \$177 million. We ended the quarter with 4.5 billion in liquidity and net leverage declined to 2.0x, an improvement of 0.01 turn since year-end.

If you step back and look at our balance sheet and leverage over the last few years, we've made immense progress strengthening our foundation. In fact, we have reduced gross debt by \$1.4 billion over just the last 12 months. With leverage continuing to decline and cash flows remaining strong, we continued share repurchases of \$47 million during the quarter, and we returned \$224 million to shareholders through a combination of dividends and repurchases.

Our balance sheet remains healthy as we prioritize financial strength, our investment-grade credit rating and cash management to drive long-term shareholder value. Let's take a moment to review our outlook for 2026. As a reminder, our accounting cycle results in a 53-week year in fiscal 2026 as compared to a 52-week year in 2025. The 2026 outlook is based on a comparative 52-week year. We still anticipate full year sales to be up 2% to 4% year-over-year. We expect the range for total company adjusted operating income to be between \$2.1 billion to \$2.3 billion.

We anticipate interest expense of approximately \$370 million and a tax rate of around 25%. We remain disciplined in managing cash with CapEx expected to be \$700 million to \$1 billion and free cash flow in the range of \$1.1 billion to \$1.7 billion. The improved outlook in free cash flow is mostly associated with expected improvements in working capital compared to our prior outlook.

Now to provide more color on our segment outlook. Based on the continuation of a tight cattle supply, we expect segment operating income in beef to be a loss of \$500 million to \$250 million. The beef outlook does not include costs related to facility closures. We anticipate segment operating income for pork to be \$250 million to \$300 million based on an adequate supply of hogs, continued productivity and operational improvements and robust consumer demand for pork.

We anticipate our segment operating income for chicken to be \$1.65 billion to \$1.9 billion. We believe chicken will be a preferred protein in the upcoming year. We also expect our operational execution and performance to continue to perform at a high level. In Prepared Foods, we expect segment operating income to be \$1.25 billion to \$1.35 billion. We expect a continuation of improved performance this year because of ongoing operational discipline and strategic investments in our categories.

Our international segment performed well last year by managing controllable costs, maximizing efficiencies and lowering conversion costs. We expect a continuation of these metrics in 2026 and segment operating income in International to be \$150 million to \$200 million. Corporate expenses and amortization are anticipated to be \$950 million to \$975 million.

These results align with total company adjusted operating income range of \$2.1 billion to \$2.3 billion. Overall, I'm pleased with the first quarter's performance and confident that 2026 will be another strong year for our company. That covers our segment performance, financial highlights and outlook for 2026.

Now I will turn the call over to Donnie.

### **Donnie King**

Thanks, Curt. In the first quarter, our team successfully navigated a dynamic and challenging market landscape. These achievements are a direct result of our collective dedication, and we look forward to building on this momentum as we move further into 2026. I want to extend my deepest gratitude to every team member at Tyson Foods. It is your passion, dedication and unwavering commitment to our purpose that makes me most excited about our future.

Together, we have the unique responsibility and privilege to feed the world like family by providing high-quality protein that not only tastes good, but is nutritious, affordable and convenient. Our purpose is about more than providing food. By providing protein, we have the ability to support good health. This shared purpose is what drives us forward and is the foundation of the future we are building together. With that, I'll turn things back over to Jon as we begin the Q&A session.

## **QUESTION AND ANSWER**

### **Operator**

[Operator Instructions] The first question comes from Ben Theurer with Barclays. Please go ahead.

### **Ben Theurer**

Yeah, good morning. And thank you very much for taking my question. Donnie, Devin and Curt, congrats on a good first quarter. First question, I'd like to kick it off. Obviously, the change in some of that segment reporting versus adjusted reporting. Maybe if you could explain us a little bit more the rationale behind that and like the management incentives on a per business level?

And if there is any relationship from that into what the free cash flow change is? You've briefly mentioned working capital, so maybe there is something connected here. So I would like to understand the rationale behind how to manage the business and what's ultimately then driving that free cash flow revision. That would be my question. Thank you very much.

### **Donnie King**

Thanks for the question, Ben. And good morning. Great question. And so let me start with the change was very intentional. It was on purpose. And let me back up a little bit and give you some of the rationale for why I wanted it changed. And so let's start with -- if you go back a number of quarters ago, we talked about the fact that we were going to turn over every rock in this organization to be the best-in-class in terms of food companies. And we've been doing those things. There are a lot of proof points relative to that.

One of the issues that we've had is -- and particularly over the last couple of years as it relates to beef is volume. So very simply, this -- I needed the organization to grow this business, to grow volume in this business, grow it in our branded and value-added, increase household penetration with consumers. And in order to do that, I kept bumping up against the fact that people would say things like this corporate overhead structure is, I'm uncompetitive in the marketplace on all these different things.

And so here's the math very simply behind that and why we did this is, this is how we run the business. But before we make the first sale every week, before we turn on the first machine at Tyson Foods every week, we're sitting with something on the order of \$1 billion of amortization and corporate expenses.

Now corporate expenses make up about 80% of that, amortization about 20%. It is largely fixed in nature. And so therefore, we start every week with about \$20 million of fixed cost before we sell the first pound, produce the first pound. And so very simply, I wanted to move that barrier to our organization in terms of trying to sell and grow our business and particularly in light of the fact that there is less beef production at the same time.

We're employing an ROIC mentality. But it has energized our organization. And in fact, if you look at where we are at this point, we're down 8%, and we're just announcing it to you. But it gave me visibility that I needed. It gave those business leaders across the organization and functional leaders to be able to see where -- through an activity-based process where we could manage our business better.

And very simply, it was a matter of looking at things and saying, does the shareholder want to pay for this? Does a customer want to pay for this? Are they willing to pay for it? Is the consumer willing to pay for this? So all of those type things will add into this decision. Now just changing from AOI to segment operating income doesn't change anything.

But what we did was exposed what those corporate expenses are. And at the same time, we worked on some of those that are embedded in the cost structure in businesses as well, but it was to simplify how we look at the business and be a catalyst for us growing the business. Curt, let me see if you want to add anything to that, too?

### **Curt Calaway**

Yes. Thanks, Donnie. And Ben, great question. I think about the change today as more of the journey where we've been in the last couple of years. We intentionally moved away from a return on sales percentage of a business a couple of years ago and really focused on dollar contribution of each of our businesses. And we did that in certainly how we talk, but also how we provide guidance to you. While not as apparent, but Donnie mentioned it, we've, over the last couple of years, also had a very renewed internal metric and focus on return on invested capital.

And today's change, as we're sharing with you, and we've changed internally this past quarter as well, is very intentional in setting us up to be very focused from a growth standpoint and a clarity standpoint. Hopefully, that gives you a little bit of intel. But I think the other part of your question was around improved free cash flow and perhaps whether that was included in or changed as we think about the relative segments.

So let me maybe just back up a second and talk about guidance overall and what changed and what didn't change. And let me just start with clarifying what did not change. So we did not change total company adjusted operating income, which was still \$2.1 billion to \$2.3 billion. Sales growth still positive, up 2% to 4%. And then CapEx stayed constant at \$700 million to \$1 billion and then adjusted tax rate still at approximately 25%. None of those changed.

As you pointed out, we did change free cash flow and actually improved it now to a range of \$1.1 billion to \$1.7 billion. And you're right, the working capital performance is a driver of that better than we had previously included in our prior forecast for free cash flow. That also aided in reducing interest expense. Interest expense now on a net basis at \$370 million, partially from that improved free cash flow, partially from capital structure efficiencies that we put in place.

But the other changes you highlighted certainly was a new type of guidance at the segment operating income level. Prepared Foods, \$1.25 billion to \$1.35 billion, still a range of \$100 million. Chicken, \$1.65 billion to \$1.9 billion, still a range of about \$250 million. International, \$150 million to \$200 million, still a range of \$50 million. Pork, we did narrow the range to \$250 million to \$300 million, really following a good Q1 performance, but also the seasonally usually a little bit better Q1 for us.

And Beef, losses of \$500 million to \$250 million, so widened the range a little bit. Certainly, in light of a very dynamic beef environment, we widened that loss range a little bit. And then new corporate expenses and amortization, a range of \$950 million to \$750 million. But I just finish with Q1 was very much in line with our expectations. And from a total outlook, still a range of adjusted operating income of \$2.1 billion to \$2.3 billion.

### **Ben Theurer**

Okay. Perfect. And then a quick follow-up on Prepared Foods. You've flagged a very strong pricing increase over last year with essentially flattish volumes. But it seems the profit margin is still somewhat under pressure. Can you help us understand where you are in the journey of price increases of some of the food -- of the input cost inflation that you've been facing, particularly from beef that goes into Prepared Foods? So how much more price increases do you need to push through? And like what magnitude would that be to get to a more stable profit margin versus last year?

### **Donnie King**

Sure. I'll take that one. And let me start with Ben, our multiyear strategy is working. Our business is growing, which will create long-term value for the company. Our net sales were up about 8%. So let me touch on that here. The 8% increase was not pure price. The increase reflected a combination of channel mix and formula-based pass-through pricing. A large portion of the foodservice business is formula priced. And as raw materials go up, finished goods pricing follows, and there is, of course, a lag with that. So the current state, as you think about commodities, and we talked about this last quarter, our commodity cost in this quarter is up \$100 million.

But I would tell you that pricing is catching up, which is you're seeing it in sales price. Beef and pork trim remains elevated and other inputs are stabilizing. So it's predominantly a foodservice driving. But I would -- I have to point out this in terms of growth in our Prepared Foods business. We are -- we grew market share. We grew volume, dollars and unit share. And this is the fifth consecutive quarter of sequential improvement. But the pricing is not pure pricing. It's our pricing, particularly in foodservice catching up with those increase in raw materials.

**Ben Theurer**

Got it. Thank you very much. I'll pass it on.

**Donnie King**

Thank you.

**Operator**

And the next question comes from Leah Jordan with Goldman Sachs. Please go ahead.

**Leah Jordan**

Thank you. Good morning, and great job on a nice quarter. I understand protein demand is really elevated right now, which is helpful for you. But what's really great to see is your branded portfolio across prepared and fresh continue to take share.

Just what do you think you're doing differently to position your brands today? Why do you think they're resonating in the current environment, especially when the consumer backdrop has been mixed? And maybe how much do you think innovation has been a driving factor as well?

**Donnie King**

Sure. Leah, good morning and thank you for the question. Let me start out with the punch line. Thank you for recognizing that. But there's a number of things. Let's start with protein. Protein is a superstar in the story. The execution of the businesses, which -- yes, you can think about it in terms of the traditional labor yield spend, those kind of things.

But in terms of using tools in the market that we have available to us that we haven't had before, we see a number of things. For example, we're expanding our core distribution with our customers, our strategic customers that we talk about across all segments. We're doing that with them.

We're accelerating innovation, and we continue to invest in MAP. And so those are the levers that we're using. So I would give you this statistic, which I'm very proud of from an organizational perspective, acknowledging that there's still plenty to do.

Tyson was the only food company in consumer staples growing volume and dollar share in the most recent report. The only other one was P&G, which is not in the food space. So I'm very proud of that. Our machine is working, but it's largely execution from one end of the supply chain to the other. And let me pass it on to Kristina Lambert and let her add a little more finer points to this.

**Kristina Lambert**

Yes. Thanks, Donnie. I think you started out earlier really well talking about our commitment to growing the volume within our businesses. And what you're seeing across our brands is that continued effort to increase household penetration, focusing on younger consumers, meeting

their needs in unique ways, whether it be renovation of our existing core items or innovating into new spaces to meet those unmet consumer needs.

Donnie also talked about the expanded distribution. We've been able to gain increased distribution across our Tyson, Jimmy Dean, Hillshire Farm, Ball Park, all driven by that commitment with our strategic customers and our intent to grow our business and their business at the same time.

With the new dietary guidelines emphasizing protein, we're really excited about the opportunity for having 3 of the top 10 brands within the Food segment for the U.S., so Tyson, Jimmy Dean and Hillshire Farms. We are outpacing most of the channels and those strategic customers, again, in retail and foodservice.

Our portfolio will allow us to meet continued needs as we go on this journey to provide food that tastes good. It's made with ingredients that consumers can find in their own pantries. It will be nutritious, affordable and convenient, and those are our commitments. We're really excited about the opportunity for Tyson Foods.

### **Leah Jordan**

Thank you. That's very helpful. And then just switching over to Beef, given the wider guidance range there. Just more color on the trends you're seeing in that segment. Any puts and takes on the potential impact from your recent capacity closures as we think about the next few quarters? I think I heard in the prepared remarks that it wasn't reflected fully in the updated guide. And just how are you thinking about capacity for the overall industry as we go forward? Thank you.

### **Devin Cole**

Yes. Good morning. This is Devin. We continue to be in a very dynamic and volatile situation with the Beef segment, has been mentioned. In the quarter, there are really four key drivers that affect the results in this business. We certainly have cattle costs, which we've talked a good bit about historically and continue to be a challenge just due to the general cattle availability.

But also, we have cut out, we have the drop credit and the manufacturing cost structure. There's really a balance for us between all of those factors. And in this quarter, we did experience, as I mentioned, the higher cattle costs. We also had additional freight impact as we worked to fill the production needs within the regional supply deficits that we saw.

And certainly, from quarter-to-quarter, we can and we'll have differences in basis derivatives that we use to risk manage the business. What I'm proud of this team, despite some very difficult circumstances is that we are performing well with the metrics we can control. We had heavier weights that did negatively affect cutout values due to body compositions, but they also help us with our volume.

Overall, the volume was slightly down. It was down 7.3% in the quarter despite these heavier weights. So there's pluses and minuses with those factors as well. But really, all of these weighed into our decision to make changes to the production footprint.

We just recently completed these, so that would not be anything that would be in the Q1 reporting relative to what we expect to see moving forward. I think if you think about the future of this, it's important to point out that the data that we see indicates an ultimate smaller herd as it does rebuild, which has been historically true for the last several cycles.

And the strategic steps we've taken have put us in the best possible position to maximize capacity utilization. And it allows us to increase our efficiencies, reduce our costs and capture value from improved yields. And really, as in all of the businesses, as we've talked about, our objective is to be the most efficient and best performing company.

And so we're not only focused on the operational excellence, but continue to work with strategic customers and supply partners to make sure we're optimizing the mix and find innovative ways to add value and convenience for consumers.

**Donnie King**

I think as well, just one clarification in the question. As Devin had pointed out, right, the announcement of that was obviously in Q1. The activities didn't occur until our second quarter. The comments in the prepared remarks also referenced that our outlook would not include the cost associated with all that closure, obviously, because that is adjusted out as we did in Q1 as well.

**Leah Jordan**

Thank you. That's very helpful.

**Operator**

And the next question comes from Tom Palmer with JPMorgan. Please go ahead.

**Tom Palmer**

Good morning. Thanks for the question. Donnie, I was curious your updated views of the chicken industry. Your tone in recent quarters, I think, has been very constructive about supply growth being limited. Though in today's prepared remarks, you also referenced a weaker chicken environment in the quarter, and the annual outlook was reiterated. So maybe just an update on kind of how you're seeing the market environment? Thanks.

**Donnie King**

Sure, and thanks for the question. Let me start with -- begin with the end here and just tell you that, once again, we think that 2026 will be similar to what we saw in 2025. And so that's what we have modeled. But in terms of supply, from an industry perspective, USDA projects a 1% growth in production, we think is very manageable.

You saw some recent egg sets increases, and we think that's also manageable. But the other part of that equation, the demand side of that, demand continues to be strong and our supply at Tyson, we're in very good balance. I think the industry is in very good balance based on publicly available data. So we're very excited about that.

But for Tyson, we think it's a constructive environment. But our confidence in last quarter, this quarter is based on the execution that we have in this business. For example, we did experience some commodity softness in the quarter. And in fact, we talked a little bit earlier -- about in 2025, you saw some record recipe prices. And

I would expect, and we've seen that it's possible there will be some market normalization throughout '26 and there is. You saw mid-December prices move down on some of the commodities, and they're back up more recently. I just call this typical seasonality. I'm not concerned about that.

I think I would also point out, and we have in the past that at Tyson that we are not tied directly to commodity markets. And so that's also another point that you should be aware of. So we feel very good about it, and it's based on our execution. And every one of our -- from hatch livability, customer relationships, but the secret sauce, if you will, around the Tyson model is that we continue to grow volume, and we continue to be aligned with strategic customers.

And the execution with those customers in quality, service, consistency, those type of things is paying huge dividends. And it's what we've been working on now for some time. You see the evidence of that in our volume being up 3.8%. And in fact, our volume in Q1 for poultry is an all-time record in terms of volume. But we saw it in places where we told you we wanted to see it.

For example, our branded fresh business is up 9% and our branded frozen is up 12.2%. So a very nice job. The other part of that, and it gets back to your question, our net sales were up 3.6%. That's largely mix, but our actual pricing remained flat versus the prior year. And so I'll stop or take a pause right there and see if you have a follow-up to that.

**Tom Palmer**

Thanks. That was really helpful color. Maybe just pivot a little bit. On the -- now that we're seeing the corporate amortization for the first time, I guess, guidance would imply it's down at least 4% year-over-year, I think. What's driving that decrease?

**Curt Calaway**

Your question is on amortization down year-over-year, Tom?

**Tom Palmer**

Sorry, the corporate plus amortization line, kind of the newly introduced line, I think guidance implies it's down at least 4% year-over-year?

**Curt Calaway**

Yes. Yes. I think acknowledging that in the first quarter, right, we were down \$20 million on a year-over-year basis. That really is driven by our focus from an overhead cost that we disclosed in the 10-Q as well that team member costs were down about \$13 million versus the prior quarter. There will be a little bit of reduction as well in amortization on a year-over-year basis, but the largest contributor to that would just be team member-related costs.

**Tom Palmer**

Okay. I'll leave it at that. Thank you.

**Curt Calaway**

Thank you.

**Operator**

And the next question comes from Alexia Howard with Bernstein. Please go ahead.

**Alexia Howard**

Good morning. Can I ask about an update on heifer retention and any signals that you're seeing out in the marketplace about how that's playing out? I think last quarter, you talked about how in certain regions, we start to be seeing some heifer retention in the beginnings of the resolution of a beef cycle. Is that still the case? And are you seeing it expanding?

**Devin Cole**

Yes. The USDA did release their annual report on Friday. And I think a few points to note in there, it is the smallest herd since 1951, but maybe more important to today's world, it's 9% lower than it was in 2019. So cattle availability continues to be the issue for the industry. However, I would say that we do continue to see some signs -- early signs of a rebuild, replacement heifers in that report and did increase 1%.

And there's some regionality in that, not a surprise, similar to what we've been seeing. I think as we get through the winter months and into the spring, that will become more clear if that stays on course. But also, I would tell you, beef cow slaughter was down 17.7% in 2025. So that's well below the historical average. And heifers on feed also down 3.1% from the prior year.

So again, there are some bright spots in there as we begin to see these early signs of herd rebuild. But bear in mind, too, as that happens, those cattle will become -- will be taken out of the supply chain, and we'll go through a period here where we will have less availability in the short term as we build back this herd. I think the summary for all of those data points for us is that cattle are going to remain extremely tight for the foreseeable future, and we are in these early stages.

I think coming out the other side, as I mentioned, this herd will be smaller than historical numbers post cycle, which would be indicative of recent times whenever we've gone through rebuild cycles, they do come out with a lower overall number. As a result, feedlots are having to hold cattle longer. Certainly, with stable grain inputs, they're maximizing their weight, which is helpful from a volume standpoint. To a point, as I mentioned earlier, we do have some body composition issues as they become certainly really large.

But I think in all of this, the point to is demand remains very robust. USDA indicates that their forecast in 2026 will be very similar to what consumption was in 2022. So no changes throughout all of this. But to me, really, what it does is it emphasizes why we've made the decisions to make the changes in our harvest footprint and really setting ourselves up for future based on the data that we can see today.

**Alexia Howard**

Thank you. And then as a follow-up, have you quantified how much the net savings are from the beef plant closure and the shift reduction? Just trying to figure out how that affects the profitability of that segment going forward?

**Devin Cole**

Yes. I think I'd just point you to the guidance that we have for the year, and we have baked into that everything that we are able to quantify today. It is early. We just recently completed this transition into our new footprint. And we do intend to not only increase our capacity utilization, but continue with all of the operational benchmarks and improvements that we see. And ultimately, we intend to run a best-in-class operation, but I don't have any other specific numbers to give you.

**Alexia Howard**

Thank you. I'll pass it on.

**Operator**

And the next question comes from Pooran Sharma with Stephens. Please go ahead.

**Pooran Sharma**

Good morning, and thanks for the question. Congrats on the results here. Just wanted to maybe start off with beef here. And just trying to get a little bit more color around guidance and cadence really. I think midpoint of \$375 million signifies some sort of kind of improvement from here. You've kind of spelled it out a little bit saying you're going to get some benefits from the facility closure. But I was wondering if you could help us kind of think about the margin aspect. I think beef packer margins are trending slightly worse right now than they were in 4Q?

And I was just wondering if you guys are seeing the same thing. And then in terms of the cadence, do you expect kind of just sequential improvements from here? Do you expect like a step-up improvement next quarter because of the facility costs and then kind of normal seasonality? Or how should we think about cadence overall?

### **Curt Calaway**

This is Curt. I'll start and Devin may have something to add here. I would certainly remind you, as you kind of highlighted, there is always generally a little bit of seasonality in the beef business with our second quarter usually having challenges not to make the least of which would be weather related. But a range as we've widened it out, \$50 million at a loss of \$500 million to a loss of \$250 million, I think acknowledging a Q2 -- our Q2 challenge and perhaps what would seasonally be a little bit better in the back half of the year as you get into grilling season, but certainly, animal availability is going to be a key determinant to that. And I'll let Devin add anything else he wants.

### **Devin Cole**

Yes. No, I think that's really it. I mean, you can certainly see our results in Q1, and it's -- many of those issues that I mentioned previously were the drivers in that as we had regional disparity and had to move some cattle around. Q2, as Curt mentioned, will always have its fair share of challenges. But again, this is really why we've done what we've done to put ourselves not only in the back half of the year, but looking out beyond that to be in the best possible position for success with the cattle that are available to us. So again, we don't guide quarterly, but certainly, you can put those building blocks together.

### **Pooran Sharma**

Absolutely. I appreciate the color. And maybe just for the follow-up, I wanted to ask about Prepared Foods. I think in the past, you've noted that there's a little bit more seasonality in the first half of the year. But we've had some challenges with input costs in the past few quarters. So I was just wondering if as we look out into this business, do you expect to see a more evening pace throughout the year? Or how should we think about seasonality in Prepared Foods?

### **Donnie King**

Thanks. Pooran. You're correct. Last year, we pointed to a more balanced front half, back half, and that was really driven by the building effect of our operational execution inside the walls of the plant that were really giving us some benefit that kind of tilted the axis a bit, if you will. I think on balance, we said that, that would probably start to revert back to a bit more normalized level.

I think the only other data point you kind of alluded to it was we did make the comment a quarter ago that some of the run-up in raw material costs didn't fully get flushed through the P&L in Q4. We still carried some of that in inventory that was the inventory we sold out or COGS, if you will, at the beginning part of the quarter, which may alter a little bit, a little closer to 50-50. But it's a mix of those, right? I would say, generally, it's a little bit more front half loaded, but we did again carry some higher inventory into this Q1.

**Pooran Sharma**

Thank you.

**Operator**

And the next question comes from Peter Galbo with Bank of America. Please go ahead.

**Peter Galbo**

Hi, good morning, guys. Thanks for the questions. Curt, maybe just a housekeeping to go back to Ben Theurer's initial question. So understanding, right, no change at the consolidated sales or operating income line. I think you talked about maybe some flex within pork and beef, but the range is remaining relatively unchanged. So like should we be viewing this as ex the accounting changes were announced today, none of the segment dollar ranges really would have changed aside from maybe a little bit of tweaking at the top and bottom end, just so that we're comparing kind of an apples-to-apples basis?

**Curt Calaway**

Yes, that's reasonable. I think as we said, 2.1 to 2.3 in total doesn't change. And hopefully, my clarity around free cash flow and the reasons why helped understand the additional components to that. But overall, right, our message is Q1 performed in line with our expectation. And on the full year, we see it similar as we did in November. So I think you're -- it's a reasonable push, a reasonable thesis you have.

And I should have added earlier, but hopefully, it's helpful if you haven't seen it yet. We did also file an 8-K this morning with the recast historicals for '23, '24 and '25 by quarter, by segment. So you can see each of those changes, and it's available on our IR website as well. Hopefully, that gives you some really good clarity and ability to update models as well.

**Donnie King**

Yes. Maybe I'd add one thing to that, Peter, and it's this, it's the obvious. But as we separated the corporate expense and amortization, we obviously intend to manage that more closely than we have in the past. So you should expect greater efficiency and greater leverage against that what we have termed largely a fixed -- being fixed in nature.

The other piece of that is you should see us growing volume across all the businesses in all the right places in order to fill capacities. So the outcome of this will be more volume, greater capacity utilization, which results in a better cost structure overall in terms of the controllable or plant cost, for example.

**Peter Galbo**

Got it. Okay. Thank you, guys, for that. That's very clear. As a follow-up, if I could just ask kind of on chicken. A lot of that -- again, a lot of that accounting change, I think kind of footed out of that segment, both from a corporate and an amortization standpoint. But historically, there's been a fair amount of seasonality in the chicken business, particularly into the second quarter. Just -- does anything change regarding that? Is it more accentuated now because there's other costs that have moved out or just any kind of nuance we should think about in chicken as it relates to 2Q specifically? Thanks very much?

**Donnie King**

Sure. Thank you for the question. And it's -- I would tell you across all businesses, I mean, we're off to a good start in Q2 and very much in line with our guidance and our internal expectations.

So I'll start with that. You'll see normal seasonality, which I referenced earlier as being typical. I think you'll continue to see that. I don't know -- I can't tell you at this point what breast meat prices, for example, will do.

What I can tell you is we are -- as I said earlier, we are not immune, but we're less influenced by commodity markets. And that's essentially the biggest part of that is because of our strategic customer relationships. And at the same time, it's the makeup of our portfolio, particularly those things in the Tyson brand. That obviously gives us an advantage. It gives us more consistency. And frankly, as a company across all businesses, the highs and lows of markets, whether it be inputs or finished goods in commodity market. We're looking for consistency and that provides a much more stable operating environment.

**Peter Galbo**

Okay. Thanks very much, guys.

**Donnie King**

Thank you.

**Operator**

And the next question comes from Heather Jones with Heather Jones Research. Please go ahead.

**Heather Jones**

Good morning. Thanks for the question. First one is going to be on chicken and your outlook for the year roughly similar with fiscal '25. And as we come into the year for the broader industry, we're seeing fresh pricing down fairly significantly versus last year. So I'm just wondering if you could give us a sense of how much of your confidence in the full year is related to either thinking that supply and demand is going to be more balanced for the full year than initial indications would indicate versus how much is Tyson specific? Like, you've got this really amazing breed that's kicked in. You're operating at a better level than you have in many years. And so just wondering if you could just help us parse out the factors that are driving your full year view?

**Donnie King**

Well, I mean, I mentioned earlier, Heather, and thanks for the question is our confidence in our Chicken business, not only for this quarter, but for the year and after is in our execution from one end of the supply chain to the other. So let's start with that. The other thing in terms of supply, we do not anticipate any kind of supply runaway. We think the 1% increase is manageable. And I'd be so bold as to tell you, I think it will be necessary in order to meet the chicken demand in '26 and beyond. So really important.

Another factor here is USDA recently reported economic research service reported a document that says by 2030, 50% of animal protein consumption will come from chicken. And so there will be some pluses and minus across the broader sector, but chicken is a great place to be and there's never been a better time to be in protein. And so we see the supply demand fundamentals is good and we like our execution and we like our strategic customers' alignment and relationships, and we like being and having the number one brand in chicken, Tyson.

**Heather Jones**

Okay. Thank you for that. And then my follow-up was on beef. And so just for the quarter, just trying to do an apples-to-apples comparison as far as how it's reported, your all's relative performance to some industry benchmarks that I've developed, and monitor were meaningfully

weaker than they have been in recent quarters. And I think one of the reasons that benchmarks were so much better is you just had a really strong downdraft in cattle prices for much of the quarter. And so I was wondering would it be an issue of you all for bought more of your cattle or for sold? Just trying to understand that just so have a -- how to set for projections going forward in Q2 through Q4? Thank you.

**Devin Cole**

Yes, Heather, sorry, I really can't, I guess, comment on your benchmarks directly. I'm just not familiar with what you're talking about, but I can kind of reiterate the issues that drove the performance in the quarter. Curt certainly had higher cattle cost, the freight impacts I've mentioned a couple of times as we really work to make sure that we got cattle moved around to fill production needs, but also meet our customers' demand.

And I think to your point, as far as I'd be willing to go is that we do have differences quarter-to-quarter in basis and derivatives. We're not speculators and depending on circumstances, depending on commitments, depending on things that are going on in the external market, we do use different metrics to risk manage the business. So really, that's probably about as much as I can say to be helpful.

**Heather Jones**

Okay. Thank you so much.

**Operator**

The next question comes from Saumya Jain with UBS. Please go ahead.

**Saumya Jain**

Hi, good morning and congrats on the quarter. With recent initiatives to reformulate products and remove certain additives, how do you balance these quality improvements with cost and consumer pricing sensitivity? And have you seen any measurable consumer response yet?

**Kristina Lambert**

Hi, thank you for the question. We're really proud of the product reformulations that we've been bringing into the market. And frankly, we've been doing for many decades as the consumer evolves and what they want and expect for their products at all. And as far as balancing with the costing, I mean, that's what we do every day to evaluate, can we make a better product and still having it -- be at an affordable and convenient offering for the consumer.

So I wouldn't say that we have had any negative impact. And if anything, a positive impact we will continue to see as packaging gets updated because some of these changes we've reformulated ahead of some of the packaging evolutions and that's something you can do if you're -- just in absence of some ingredients. So consumers should continue to see these products improve in the marketplace. And I think we'll continue to see demand grow as consumers watch for opportunities to improve their nutrition in their diet.

**Saumya Jain**

Great. Thank you. And you've highlighted a jump in retail branded volume sales, and we've seen peers of yours engage in M&A to grow certain brand sales. Is M&A something you guys would consider as well, or could you provide more color on the capital allocation strategy going ahead?

**Donnie King**

Yes, thanks. Our capital allocation priorities, I think I said this morning in the prepared remarks are the same, very disciplined, deliberate and forward-looking on maintaining our financial strength, investing in the business and returning cash to shareholders. What we're looking for going forward is certainly from a financial strength standpoint, we like where we're at. We have optionality and flexibility.

We can continue to build on our strong balance sheet and improve our financial strength. We're looking for opportunities to invest in the businesses, and we see organic growth opportunities to continue to meet our consumers' increasing desire for protein. We returned cash to shareholders about \$224 million in Q1 through dividends and share repurchases and we delivered nearly \$900 million last year. With respect to M&A, I think we've demonstrated a very disciplined approach as we look at inorganic opportunities in the past. And we seek to balance growth, consumer trends and ultimately, returns for our shareholders.

**Saumya Jain**

Great. Thank you.

**Operator**

And the next question comes from Michael Lavery with Piper Sandler. Please go ahead.

**Michael Lavery**

Thank you. Good morning. I just wanted to unpack the top line maybe a little bit. You talked about how the corporate costs being separated helps set up better volume incentives or visibility. And you also had a great strong 1Q start to the year, but didn't do anything to change the guidance. Is this the volume lift you expect more coming further down the road or is there a pricing offset with it or how do we think about just kind of where your head is on the top line?

**Donnie King**

Sure. I think the best way for me to explain that is probably because you're looking at it in totality, I think is that, remember chicken, prepared, International and pork are growing. We saw a reduction in volume as it relates to beef. And the quantum of beef is very large. So I think that is probably the math that is a bit confusing. But to be very clear, we're growing the other businesses, particularly behind the brands, not only at retail, but in foodservice as well.

Those brands are healthy. And we're in the protein business. And so the gains that we're seeing in volume and share is based on strong protein demand and disciplined execution. And it's -- there are a number of notable wins across the enterprise from Jimmy Dean sausage, Hillshire Farm lunchmeat was up 10.4%, bacon, ball park hot dog, Hillshire Farm snacking was up 12.5%. I talked earlier about fresh and frozen chicken across retail and foodservice being up. It was up 9% branded in fresh -- 9% branded fresh and up 12.2% in frozen. So we continue to gain share there and grow the business. So hopefully, that answers your question.

**Michael Lavery**

Yes, that's helpful. And just a follow-up on the plant closure. I think the cost savings rationale and approach to that is all very clear. But did you expect any impact on market dynamics from it? I realize, obviously, it wouldn't change consumer demand. And if you increase capacity utilization with the same throughput, it wouldn't seem to impact supply realistically. But I know there can be regional or local components to the market that may be impacted, and I know it's just a couple of weeks in, but is it progressing like you expected? And what are you seeing there?

**Curt Calaway**

I'll start with that. Look, I think our message was clear, and we're positioning our footprint for the long term relative to what we see cattle availability at. I don't have any additional comments relative to how we expected the market to react.

**Michael Lavery**

Okay. Thanks so much.

**Operator**

The next question comes from Andrew Strelzik with BMO. Please go ahead.

**Andrew Strelzik**

Hey, good morning. Thanks for taking the questions. First one, back on the beef topic. Can you share with us what you're seeing in terms of screwworm in Mexico and maybe some of the signposts or milestones to watch for the border to potentially reopen there?

**Devin Cole**

Yes. Thanks for the question. I mean other than what we see is publicly released relative to some of the incidents that have continued to occur in Mexico, very close to the border, but thankfully, at this point, not across the border. I don't really have anything else to add. I think just some of the cold temperatures that you've seen, unseasonably cold temperatures that you've seen in Texas certainly benefit or maybe help prevent some of the movement of that particular insect around. But it was something we'll watch as we get into the spring, but we don't really have anything that would give us any insight as to when the government would open the border.

**Andrew Strelzik**

Okay. And if we go back over the last several years, Tyson has obviously benefited from significant internal improvements, cost improvements. You've talked now about wanting to continue to work some of the corporate costs lower. I guess across your business, when you look at where you are today, where are you versus where you want to be in terms of your operations broadly? And where do you still see meaningful opportunities to realize internal improvements?

**Donnie King**

Sure. Let me take that, and then anyone else can add to that. But very simply, it's across every facet of every business and function, including corporate. And we're simply challenging, challenging everything we're doing. We're obviously utilizing more technology today to help us be more efficient. And all that is paying off. We talked early on about investing in those things. And so we're seeing the benefit of a number of those things. There's a lot more to come relative to that, but we continue to assess everything about our business.

Now that being said, I would tell you that we have a great business that is running very, very well. We have the big challenge right now as it relates to beef, and we're looking at that and looking for solutions beyond what we can control. But nevertheless, we are controlling what we can. But even with as good as the business is running, there's still ample opportunity to improve capacity utilization to grow this business, to be more targeted as it relates to math and promotional spend and just everywhere we spend \$1, just being better at it and making sure that dollar is working for us.

And this is the whole concept that I think Curt mentioned earlier, this ROIC mentality is what we're using. And so we have a good business. It hasn't been this good in a long time, but there's still a great deal that can be done that's within our control. I would not even come close to telling you we've peaked in terms of performance.

**Andrew Strelzik**

Great. Thank you very much.

**Donnie King**

Thank you.

**Conclusion**

**Operator**

This concludes our question-and-answer session. I would like to turn the conference back over to Donnie King for any closing remarks.

**Donnie King**

Thank you for your time and continued interest in Tyson Foods. We look forward to sharing our progress with you next quarter.

**Operator**

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.