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Canada's National Shell Egg and Egg Product Supply Management

In Canada, the broiler hatching egg, chicken, egg and turkey industries operate under national supply management systems. The Farm Products Marketing Agencies Act of 1972 founded the National Farm Products Council (NFPC) and national marketing agencies. National boards were established for shell eggs, turkey, broiler hatching eggs, and chicken. Egg farmers were the first among poultry producers to develop a supply management system.

National Marketing Agencies and Year Formed

Canadian Egg Marketing Agency (CEMA)	1972
Canadian Turkey Marketing Agency (CTMA)	1973
Chicken Farmers of Canada (CFC)	1978
Canadian Broiler Hatching Egg Marketing Agency (CBHEMA)	1986

CEMA establishes an annual quota and quotas are bought or sold through the provincial boards. Quotas can be willed or passed on. Commodity prices are set based on cost of production figures to give farmers a fair return. Producers pay a uniform fee (a levy) on each dozen eggs marketed in interprovincial or export trade and the funds are used to finance the agency's administration and marketing expense. Penalties in the form of liquidated damages assessment (LDA) can be imposed on a provincial marketing board if the province exceeds its quota allocation.

Levy on Shell Eggs, per dozen, by Province, in Canadian Dollars

Province	Aug 1/04-Dec 24/04	Dec 26/04-Dec 31/05
Ontario	\$0.3102	\$0.3502
Quebec	\$0.2610	\$0.3010
Nova Scotia	\$0.2700	\$0.3300
New Brunswick	\$0.2800	\$0.3200
Manitoba	\$0.2700	\$0.3100
British Columbia	\$0.3019	\$0.3435
Prince Edward Island	\$0.2600	\$0.3200
Saskatchewan	\$0.2750	\$0.3150
Alberta	\$0.2800	\$0.3400
Newfoundland and Labrador	\$0.2775	\$0.3175
Northwest Territories	\$0.3000	\$0.3400

Source: Canada Gazette

CEMA uses a portion of its levies to finance the movement of surplus table eggs to the industrial products market. The fees are also used to promote the product to consumers. Imports are controlled with tariff rate quotas (TRQs). Within quota imports are assessed a low or zero import duty and imports in excess of the quota are assessed a very high tariff.

For table eggs, within access tariff is zero, however over access the tariff is 163.5% but not less than 79.9 cents per dozen.

Under NAFTA, Canada provides an import access level for eggs and egg products of 2.988% of the previous year's domestic egg production as determined by Agriculture and Agri-Food Canada. This amount is

split among shell eggs (1.647%), frozen, liquid and further processed eggs (0.714%) and powdered eggs (0.627%). Under WTO, the TRQ level for global imports of eggs and egg products for 2005 is 21,370,000 dozen (egg equivalent). When the WTO access level exceeds the NAFTA commitment, the excess is allocated to the breaking egg segment.

The Minister may authorize the importation of eggs and egg products in excess of the quotas when needed to meet Canadian market needs. In February 2004, Canada had an outbreak of avian influenza in British Columbia's Fraser Valley. About 17 million birds were culled. The Government of Canada announced a temporary fast track supplementary import policy for primary chicken processors and egg graders to allow for additional supply.

Global Import Permits - Annual Comparisons**

	2004	chg	2003**	chg	2002	chg
Shell Egg	8,492,507	-	8,523,193	2%	8,341,423	4%
Egg Product	2,027,076	37%	2,035,398	2%	2,003,813	-1%
Egg Powder	368,287	-	368,535	-5%	388,397	35%
*Breaking	7,878,435	37%	5,754,450	-5%	6,049,649	-9%

Supplemental Import Permits by Year

Shell Egg	1,230,255	465%	217,800	73%	126,192	-85%
Egg Product	1,939,628	266%	556,078	-3%	573,200	-80%
Egg Powder	-	-	-	-	-	-
*Breaking	6,794,901	169%	2,524,398	-49%	4,995,815	-40%

*Shell Eggs Breaking

****Correction to 2003**

Source: International Trade Canada/Export and Import Permits Bureau

Shell Egg Quotas, in dozens, for Dec 26, 2004-Dec 31, 2005

Province	Federal	Processing
Ontario	202,767,127	17,408,462
Quebec	96,572,975	2,486,923
Nova Scotia	19,956,499	
New Brunswick	11,245,730	
*Manitoba	58,144,208	9,947,692
British Columbia	66,013,460	2,486,923
Prince Edward Island	3,302,595	
Saskatchewan	24,362,395	4,973,846
Alberta	46,698,047	621,731
Newfoundland and Labrador	8,837,156	
Northwest Territories	2,882,493	

*Manitoba also had 12,434,615 dozens for export
Source: Canada Gazette

Sources: Ministry of Agriculture and Food, Canadian Egg Marketing Agency, Canada Gazette, Canada Border Services Agency, news wires

Inspected Egg Products-U.S. & Canada Export/Import Trade and U.S./Canadian Live Poultry Slaughtered Under Inspection for week ending December 25, 2004, will be released when the information becomes available.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN	PRICES		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
FAT CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
FAT CONTENT				
15% OR LESS				
RANGE	-	19.00	81,600	-
WTD AVERAGE		19.00		
15-20%				
RANGE	13.75-18.00	13.00-18.00	2,638,800	2,006,400
WTD AVERAGE	16.39	14.27		
20% OR MORE				
RANGE	-	14.00	81,600	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN	PRICES		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
FAT CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
FAT CONTENT				
15% OR LESS				
RANGE	18.50	18.75-22.00	568,000	208,000
WTD AVERAGE	18.50	20.56		
15-20%				
RANGE	16.00-22.00	14.00-20.00	2,445,000	1,365,000
WTD AVERAGE	19.73	17.48		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 30 DECEMBER 2004.

Pre-holiday market activity was limited to spot loads and less than truck lot volumes for domestic delivery. Buyers and sellers were watching for further developments after the first of the year. Supplies generally balanced and held at steady to instances barely steady prices. Export activity was moderate on fresh tom drums at 38 to 40 cents for January shipment, otherwise light. Fresh thigh meat moved to the border at 89 cents and fresh mechanically separated turkey at 18 cents.

FRIDAY, DECEMBER 31, 2004

NO EXPORT TRADING REPORTED DUE TO NEW YEARS DAY HOLIDAY

THURSDAY, DECEMBER 30, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	39.00		39.00	40	39.00	40
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/						

WEDNESDAY, DECEMBER 29, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	39.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	18.00	40
THIGH MEAT - FROZEN		R	84.00	40

TUESDAY, DECEMBER 28, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	39.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	18.00	40
THIGH MEAT - FROZEN		R	84.00	40

MONDAY, DECEMBER 27, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	39.00	40
WINGS FULL-CUT - TOMS		M	47.00	26
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	18.00	40
THIGH MEAT - FROZEN		R	84.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.