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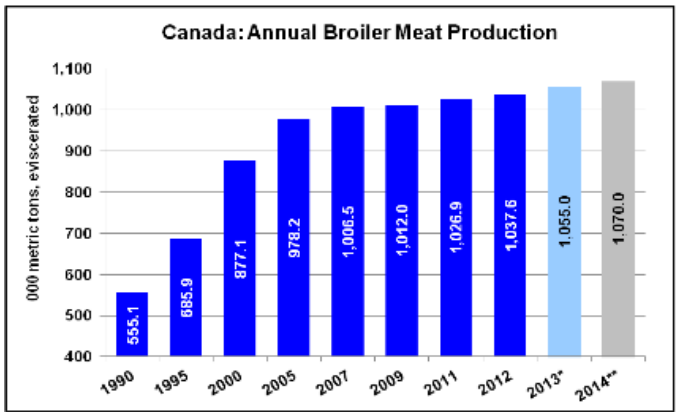
Canada

Canada's poultry farmers are under a supply management system. Under the supply management system Canada's poultry farmers are able to pass production costs on to processing plants. However, poultry processors' ability to pass on input costs to their customers is limited causing them to be more vulnerable to market conditions. Because of the supply management system, poultry prices have been consistently higher than pork and a number of beef cuts. Pork and beef are not under supply management programs.

In response to better than anticipated broiler meat demand in 2013, broiler meat production estimates have been increased from 1,045,000 metric tons (MT) to 1,055,000 MT. The new 2013 broiler meat production estimates are 1.7% higher than 2012. Forecasts are for Canadian broiler meat production to increase 1.4% in 2014 to 1,070,000 MT due in part to an expected current short supply of red meat resulting in strong red meat prices.



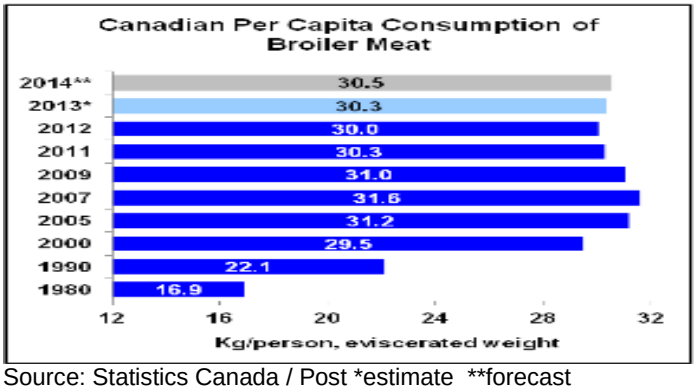
Source: Statistics Canada/Post *estimate **forecast

Broiler meat production for the decade beginning in 2000 averaged 1.6% growth rate and any future growth in broiler meat production will primarily be influenced by population growth and the ethnic composition of Canada's immigrants. Currently, African and Asian newcomers have a stronger preference for chicken meat than other red meats.

During the past 30 years domestic chicken consumption in Canada has almost doubled due in part to the country's population growth and an increase in consumer preference for it. Canada's population has grown from 24.5 million in 1980 to 34 million in 2010. Canadian per capita broiler meat consumption was 16.9 kilo grams (kg) in 1980 and peaked in 2007 at 31.6 kg per person. In 2014 Canadian per capita broiler meat consumption is forecast to be 30.5 kg per person, up from 2013's estimate of 30.3 kg per person.

Consumers in Canada prefer white meat (breast and wings) to dark meat (legs). However, as the ethnic mix changes in the general population and for economic reasons leg quarters, which are the least expensive chicken cut in groceries, have been slowly becoming more popular causing a sustained upward trend in retail prices the past few years.

Under the supply management system, broiler meat imports are controlled and subject to a tariff rate quota, which is a function of the production level. For 2014, imports are projected at 145,000 MT, up 5,000 MT from 2013 estimated level.



Source: Statistics Canada / Post *estimate **forecast

The United States (U.S.) is Canada's largest supplier of broiler meat followed by Brazil. Despite Brazil having lower costing chicken, some Canadian importers are reluctant to import Brazilian chicken because it cannot be re-exported to the U.S. Market conditions in the U.S. play a significant role in import decisions. A large price differential between lower U.S. broiler meat prices and higher Canadian ones create a strong incentive for Canadian importers to bring in more U.S. broiler meat, especially under programs that provide a customs duty exemption like IREP (imports for re-export program).

Canada Broiler Meat Imports
Market Shares by Country
(By Volume)

	2010	2011	2012	January-June 2012	January-June 2013
U.S.	86%	89%	87%	88%	89%
Brazil	12%	9%	10%	9%	7%
Thailand	2%	2%	3%	2%	4%

Source: Global Trade Atlas

Canada controls imports of chicken under a tariff rate quota (TRQ). The TRQ is equal to 7.5% of the previous year's domestic chicken production as reported by Statistics Canada. For 2013 the global chicken TRQ is 77,800 MT based on 2012 production. The global chicken TRQ for 2014 is forecast to increase to 79,100 MT based on estimated 2013 production.

Canada Broiler Meat Exports
Market Shares By Country
(By Volume)

	2010	2011	2012	January-June 2012	January-June 2013
U.S.	37%	39%	41%	40%	41%
Taiwan	7%	10%	14%	17%	17%
Philippines	16%	15%	13%	10%	15%
Hong Kong	8%	9%	8%	12%	4%
Cuba	0%	1%	5%	5%	5%
Benin	1%	1%	3%	2%	2%
South Africa	11%	10%	3%	2%	3%

Source; Global Trade Atlas

A majority of Canada's broiler meat exports are "re-exports" under IREP. Exports are required under the IREP program since original imports under the program are prohibited from entering the domestic market. The rest of the broiler meat exports are "genuine" exports consisting mostly of dark meat cuts.

Source: USDA/FAS GAIN Report CA13040

Email: DESM.LPGMN@ams.usda.gov TEL 515.284.4471 FAX 515.284.4468 website: http://www.ams.usda.gov/lpsmarketnewspage
GM

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Nov 02, 2013 Year-To-Date*

Type	2013	2012 /1	2013 /2	2012
Liquid	144	97	3,358	1,552
Frozen	0	0	40	0
Dried	0	0	246	277
Total	144	97	3,644	1,829

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Nov 02, 2013 Year-To-Date*

Type	2013	2012 /1	2013 /2	2012
Liquid	59	64	8,819	10,674
Frozen	5	11	1,294	1,075
Dried	0	0	50	50
Total	64	75	10,163	11,799

INSPECTED SHELL EGGS

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)

Week Ending Nov 02, 2013 Year-To-Date*

	2013	2012 /1	2013 /2	2012
Jumbo	0	0	0	0
Extra Large	5,200	4,110	146,387	92,412
Large	7,000	5,000	286,821	181,746
Medium	750	150	24,554	27,135
Ungraded	31,596	9,000	383,933	220,244
Misc	1,560	0	1,560	1,620
Total	46,106	18,260	843,255	523,157

/1 Comparable Week, to-date figures may not total due to rounding.
/2 Includes revisions to previous week(s)
*Note: Year to-date totals reflect comparable time periods.
Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

Week Ending Nov 02, 2013 (Preliminary)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,201	1,625	2,826
Last Week	1,284	1,417	2,701
Same week yr ago	892	1,368	2,260
To-date/2013*	66,078	65,854	131,932
To-date/2012*	65,711	70,822	136,533

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	51	0	51
Last Week	246	0	246
Same week yr ago	312	0	312
To-date/2013*	14,971	0	14,971
To-date/2012*	11,560	36	11,596

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl Slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,252	1,625	2,877
Last Week	1,530	1,417	2,947
Same week yr ago	1,204	1,368	2,572
To-date/2013*	81,049	65,854	146,903
To-date/2012*	77,271	70,858	148,129

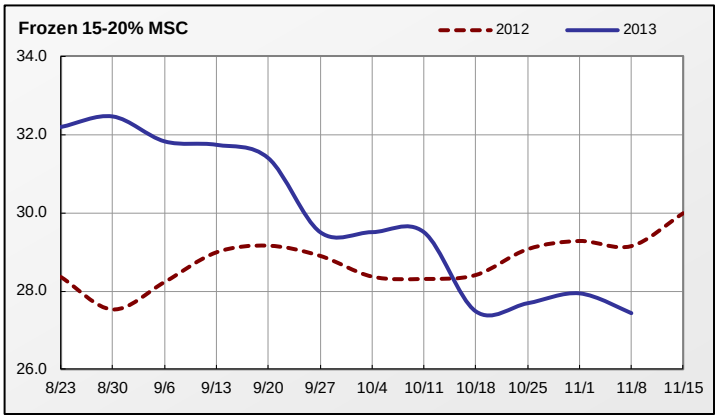
*Note: Year to-date totals reflect comparable time periods.

NATIONAL MECHANICALLY SEPARATED CHICKEN (F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

MSC prices are trending steady to weak on all fat contents. Demand is light to moderate at best. Supplies are moderate to heavy. Schedules are normal. Sales of finished goods are noted as average and typical of the season. Dealers maintain a close eye on the spot marketplace looking for some direction on 2014 contract negotiations. Market activity is slow to moderate. Raw material supplies are moderate to mostly heavy. Frame prices are trending steady to mostly weak with trading levels between 10-12.5 cents FOB.

Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

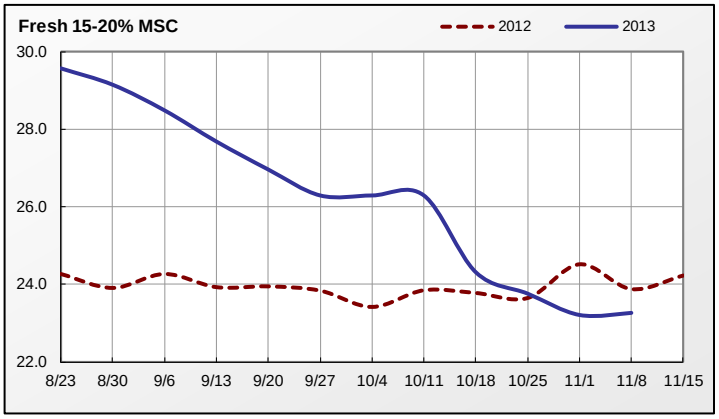
	Frozen			Fresh		
Fat Content	8-Nov-13	Last Week	Last Year	8-Nov-13	Last Week	Last Year
15% or Less						
Price Range	-	-	-	27.00 - 28.00	27.00 - 28.00	24.00-26.00
Wtd Avg Price			-	27.56	27.40	25.50
Volume Traded	-	-	-	184	102	163
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	24.00 - 31.00	24.00 - 31.00	27.00-32.00	20.00 - 28.00	18.50 - 28.00	20.00-26.00
Wtd Avg Price	27.43	27.94	29.07	23.27	23.21	23.65
Volume Traded	2,261	3,035	1,885	2,988	3,329	3,774
Volume Exported	2,141	2,595	1,645	571	653	449
20% or More						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	82	41	41
Volume Exported	-	-	-	-	-	-



Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

	Frozen			Fresh		
Fat Content	Oct 2013	Sep 2013	Oct 2012	Oct 2013	Sep 2013	Oct 2012
15% or Less						
Wtd Avg Price	33.00	33.00	31.00	28.17	30.59	25.16
Volume Traded	40	40	80	245	551	632
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	27.60	30.93	28.54	24.01	27.38	23.66
Volume Traded	5,090	7,602	7,585	6,294	13,991	15,891
Volume Exported	4,730	6,202	5,985	1,142	3,223	1,510
20% or More						
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	82	286	245
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



Source: USDA AMS Livestock, Poultry & Grain Market News (www.ams.usda.gov/lpsmarketnewspage)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 08 NOVEMBER 2013.

The market on bulk parts is mostly steady. Demand and offerings light to moderate. The market on white meat and trims steady. Demand and offerings light to moderate. Thigh meat market steady. Demand moderate to good. Offerings light. Mechanically separated turkey market is steady. Demand and offerings light to moderate. Trading for parts was slow to moderate. For domestic: fresh mechanically separated turkey 19 cent pet food, frozen tails 58-59 cents, fresh scapula 138.75 cents, frozen hen breast meat 182 cents, fresh tom full-cut wings 68, fresh tom necks 69, frozen Grade A non-basted bone-in breasts 10-12 lbs. 145, 14-16 lbs. 150, 16-20 lbs. 160, plant grade basted bone-in breasts 16-18 lbs. 150 cents delivered. For export: fresh tom drums 100 cents delivered port.

EXPORT TRADING

FRIDAY, NOVEMBER 08, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	108.00		108.00	120	108.00	120
WINGS FULL-CUT - TOMS	71.00		71.00	120	68.13	282
WINGS, V-TYPE, TOM	65.00		65.00	108	63.17	972
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	144.12	134		

THURSDAY, NOVEMBER 07, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	107.33	162
WINGS FULL-CUT - TOMS		W	66.00	162
WINGS, V-TYPE, TOM	62.00-64.50		62.94	864
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	144.12	134

WEDNESDAY, NOVEMBER 06, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	107.33	162
WINGS FULL-CUT - TOMS	63.00-68.00		66.00	162
WINGS, V-TYPE, TOM		F	77.00	108
TAILS		W	62.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	144.12	134

TUESDAY, NOVEMBER 05, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	107.33	162
WINGS FULL-CUT - TOMS		W	66.00	54
WINGS, V-TYPE, TOM		F	77.00	108
TAILS		W	62.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	144.12	134

MONDAY, NOVEMBER 04, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	107.33	162
WINGS FULL-CUT - TOMS		W	66.00	54
WINGS, V-TYPE, TOM		F	77.00	108
TAILS		W	62.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	144.12	134

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):
M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY
2/ 15-20% fat with skin added.