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# INTERNATIONAL EGG AND POULTRY REVIEW

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U.S. Department of Agriculture | Agricultural Marketing Service | Livestock, Poultry and Seed Programs | Market News

## Livestock & Poultry: World Markets & Trade

For 2014, global poultry production continues to hit new records surging 18% in just 5 years. But perhaps more importantly, the rate of growth is expected to rise for the first time in 4 years on declining costs and price competiveness vis-à-vis other meat proteins. Global exports have now expanded by over 25% in the past 5 years, with more than 80% of that growth attributed to Middle Eastern and Sub-Saharan African demand. Non-traditional exporters such as Turkey and Ukraine have a logistical and competitive advantage in those markets vis-à-vis traditional exporters, Brazil and the United States.

### Broiler Production & Exports

US production is forecast to increase 3% to a record 17.5 million metric tons (MMT) on lower input costs and greater domestic demand after prolonged supply discipline to maintain margins. Exports are forecast at a record 3.4 MMT with greater exportable supplies and growing demand from Mexico, Iraq and Sub-Saharan Africa.

In Brazil, production is forecast up slightly to a record 13.0 MMT as a result of ample feed supplies. However, domestic consumption is constrained by the high level of consumer debt and competition from beef and pork. Exports remain at a record 3.6 MMT with the weaker Real. Demand from the Middle East has been expanding because Brazilian exporters can supply Halal-certified whole birds unlike other traditional competitors.

Production in India is forecast to rise 6% to 3.6 MMT fueled by escalating demand for animal protein and a rising preference for processed poultry products, an indication of changing tastes and preferences. The US and Brazil continue to seek access to this closed and potentially lucrative market.

In Russia, production has been expanding rapidly to a record 3.3 MMT based on government support to improve genetics, construct new enterprises and modernize existing ones. Government sales of low priced feed grains should reduce costs and help stimulate production. Imports are forecast to decline slightly to 530,000 MT with greater production and falling prices. Exports are up 8% to 65,000 MT driven by stronger demand from Kazakhstan.

China's production is forecast up slightly to a record 13.7 MMT due to new government subsidies for breeding stock purchases. Although Avian Influenza (AI) reemerged in Hebei and Guangzhou provinces during the summer, consumption is increasing gradually along with confidence in domestic poultry. Exports, primarily to Japan, are expected to remain flat at 415,000 MT. China continues to seek eligibility to export processed poultry products to the US.

Production in the EU is forecast to expand to a record 9.9MMT as a result of greater domestic demand for lower cost supplies of animal protein and reduced feed costs. Exports remain flat at 1.1 MMT. The recent suspension of export refunds for poultry meat is expected to diminish competiveness.

Thailand's production is forecast to rise by 8% to a record 1.6 MMT due to greater demand and lower feed costs. Despite the recent exit of a major producer and processer (Saha Farm Group), and subsequent price increase, consumption is not expected to be constrained. Exports are up 7% to 580,000 MT on higher demand from Japan and the European Union.

Production in Turkey is forecast up 3% to a record 1.8 MMT and exports are forecast to jump over 20% to 440,000 MT on growing demand from Iraq and other Middle East markets. As a result of a logistical advantage and the ability to supply Halal-certified whole birds, exports have more than quadrupled over the past 5 years.

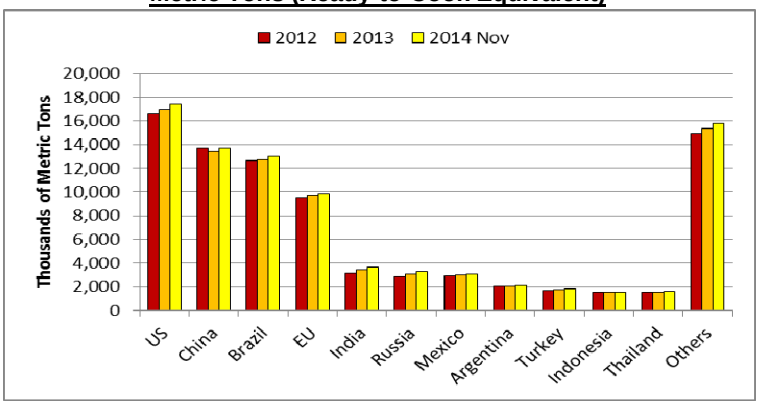
Mexico's production is slightly higher at about 3.0 MMT. Continued sector consolidation and improved efficiencies, along with declining feed prices are expected to help offset biosecurity costs related to AI. Imports, mostly from the US, are forecast to expand to 690,000 MT.

In Argentina, production is projected up slightly at a record 2.1 MMT. Lower feed prices and growth in domestic demand will support the expansion. Exports are forecast up 10% to 355,000 MT with greater demand from Venezuela, South Africa and Chile.

### Broiler Imports

Saudi Arabia's imports are forecast to expand to a record 825,000 MT on growing demand for ready-to-cook and processed poultry products, reflecting changes in tastes, preferences and demographics. Yet in Iraq, imports are forecast up 7% to a record 700,000MT with a greater share of the market captured by Turkey at the expense of Brazil and the US.

**Broiler Meat Production in Selected Countries in Thousands of Metric Tons (Ready-to-Cook Equivalent)**




*Note: Chicken paws are excluded.*

**Broiler Meat Exports in Selected Countries in Thousands of Metric Tons (Ready-to-Cook Equivalent)**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 Nov |
|---|---|---|---|---|---|---|
| Brazil | 3,222 | 3,272 | 3,443 | 3,508 | 3,580 | 3,625 |
| US | 3,093 | 3,067 | 3,161 | 3,300 | 3,354 | 3,425 |
| EU | 765 | 934 | 1,044 | 1,094 | 1,095 | 1,105 |
| Thailand | 379 | 432 | 467 | 538 | 540 | 580 |
| China | 291 | 379 | 423 | 411 | 415 | 415 |
| Turkey | 86 | 110 | 206 | 285 | 365 | 440 |
| Argentina | 178 | 214 | 224 | 291 | 323 | 355 |
| Canada | 147 | 147 | 143 | 140 | 150 | 155 |
| Ukraine | 18 | 32 | 43 | 76 | 120 | 170 |
| Belarus | 21 | 38 | 74 | 105 | 100 | 115 |
| Chile | 87 | 79 | 90 | 93 | 91 | 91 |
| Others | 146 | 173 | 219 | 242 | 260 | 289 |
| ***Total*** | ***8,433*** | ***8,877*** | ***9,537*** | ***10,083*** | ***10,393*** | ***10,765*** |

**Broiler Meat Imports in Selected Countries in Thousands of Metric Tons (Ready-to-Cook Equivalent)**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 Nov |
|---|---|---|---|---|---|---|
| Japan | 645 | 789 | 895 | 877 | 860 | 855 |
| Saudi Arabia | 605 | 681 | 788 | 799 | 810 | 825 |
| Mexico | 492 | 549 | 578 | 616 | 675 | 690 |
| EU | 726 | 687 | 734 | 729 | 670 | 670 |
| Iraq | 397 | 522 | 598 | 612 | 655 | 700 |
| Russia | 929 | 656 | 463 | 560 | 540 | 530 |
| South Africa | 206 | 240 | 325 | 371 | 355 | 340 |
| Angola | 161 | 239 | 287 | 301 | 340 | 375 |
| Venezuela | 181 | 237 | 234 | 198 | 300 | 300 |
| China | 401 | 286 | 238 | 254 | 260 | 270 |
| US | 45 | 48 | 49 | 51 | 52 | 51 |
| Others | 2,561 | 2,911 | 3,100 | 3,261 | 3,189 | 3,251 |
| ***Total*** | ***7,349*** | ***7,845*** | ***8,289*** | ***8,629*** | ***8,706*** | ***8,857*** |

*Note: Chicken paws are excluded. Source: USDA FAS, Livestock & Poultry: World Markets & Trade, November 2013*

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

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

Week Ending Nov 09, 2013 Year-To-Date*

| Type | 2013 | 2012 /1 | 2013 /2 | 2012 |
|---|---|---|---|---|
| Liquid | 96 | 3 | 3,648 | 1,555 |
| Frozen | 0 | 0 | 40 | 0 |
| Dried | 0 | 0 | 246 | 277 |
| Total | 96 | 3 | 3,934 | 1,832 |

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

Week Ending Nov 09, 2013 Year-To-Date*

| Type | 2013 | 2012 /1 | 2013 /2 | 2012 |
|---|---|---|---|---|
| Liquid | 34 | 64 | 7,271 | 10,738 |
| Frozen | 4 | 27 | 1,298 | 1,102 |
| Dried | 0 | 0 | 50 | 50 |
| Total | 38 | 91 | 8,619 | 11,890 |

## INSPECTED SHELL EGGS

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

Week Ending Nov 09, 2013 Year-To-Date*

| | 2013 | 2012 /1 | 2013 /2 | 2012 |
|---|---|---|---|---|
| Jumbo | 0 | 0 | 0 | 0 |
| Extra Large | 3,030 | 3,030 | 129,167 | 95,442 |
| Large | 19,250 | 2,400 | 306,071 | 184,146 |
| Medium | 750 | 800 | 25,334 | 27,935 |
| Ungraded | 27,780 | 16,590 | 416,753 | 236,834 |
| Misc | 2,160 | 0 | 3,720 | 1,620 |
| Total | 52,970 | 22,820 | 881,045 | 545,977 |

/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 09, 2013 (Preliminary)

**U.S. Fowl Slaughtered Domestically**

| | Light Hens | Heavy Hens | Total Hens |
|---|---|---|---|
| | ----------Thousands---------- | | |
| Head | 822 | 1,574 | 2,396 |
| Last Week | 1,201 | 1,625 | 2,826 |
| Same week yr ago | 1,181 | 1,406 | 2,587 |
| To-date/2013* | 66,900 | 67,428 | 134,328 |
| To-date/2012* | 66,892 | 72,228 | 139,120 |

**U.S. Fowl Slaughtered in Canada**

| | Light Hens | Heavy Hens | Total Hens |
|---|---|---|---|
| | ----------Thousands---------- | | |
| Head | 439 | 0 | 439 |
| Last Week | 51 | 0 | 51 |
| Same week yr ago | 187 | 0 | 187 |
| To-date/2013* | 15,410 | 0 | 15,410 |
| To-date/2012* | 11,747 | 36 | 11,783 |

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 | 1,261 | 1,574 | 2,835 |
| Last Week | 1,252 | 1,625 | 2,877 |
| Same week yr ago | 1,368 | 1,406 | 2,774 |
| To-date/2013* | 82,310 | 67,428 | 149,738 |
| To-date/2012* | 78,639 | 72,264 | 150,903 |

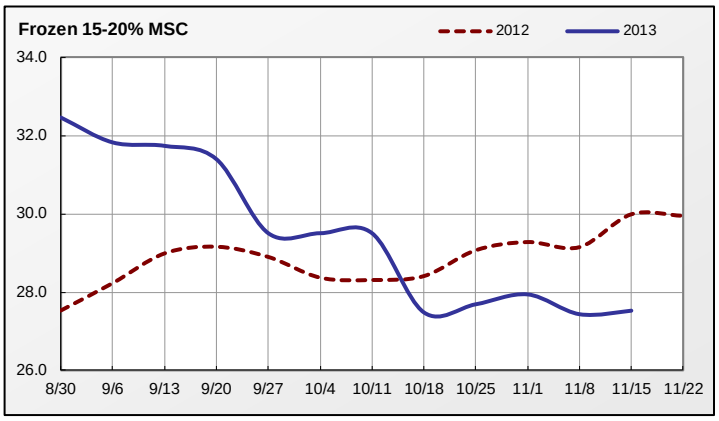
*Note: Year to-date totals reflect comparable time periods.

## 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 steady to weak on all fat contents. Demand is light to moderate and slightly better this week than it has been in recent weeks into both domestic and export channels. Supplies are moderate to heavy. Schedules are normal. Despite more interest and activity this week on the spot marketplace, sales of finished goods remain average or typical of the season. Industry maintains a close eye on the spot marketplace and anticipates the usual slow down around the Thanksgiving holiday. Contract negotiations for 2014 persist, however some deals have been finalized recently at price levels under those from 2013. Market activity is slow to mostly moderate. Raw material supplies are moderate to heavy. Frame prices are steady to weak with trading levels between 11-14 cents FOB, mostly 11-13 cents FOB.

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

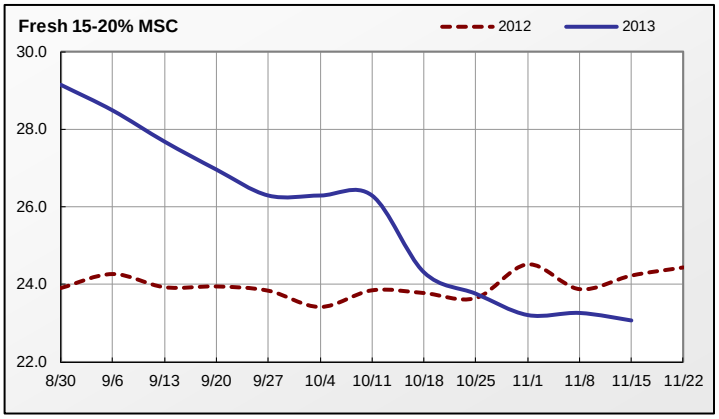
| | Frozen | | | Fresh | | |
|---|---|---|---|---|---|---|
| Fat Content | 15-Nov-13 | Last Week | Last Year | 15-Nov-13 | Last Week | Last Year |
| **15% or Less** | | | | | | |
| Price Range | 33.00 | - | - | 27.00 - 28.00 | 27.00 - 28.00 | 24.00-26.00 |
| Wtd Avg Price | 33.00 | | - | 27.50 | 27.56 | 25.20 |
| Volume Traded | 40 | - | - | 82 | 184 | 204 |
| Volume Exported | - | - | - | - | - | - |
| **15-20%** | | | | | | |
| Price Range | 25.50 - 31.00 | 24.00 - 31.00 | 28.00-31.00 | 20.00 - 28.00 | 20.00 - 28.00 | 20.00-27.00 |
| Wtd Avg Price | 27.53 | 27.43 | 29.28 | 23.07 | 23.27 | 24.52 |
| Volume Traded | 2,541 | 2,261 | 1,375 | 3,666 | 2,988 | 3,958 |
| Volume Exported | 2,381 | 2,141 | 1,375 | 530 | 571 | 490 |
| **20% or More** | | | | | | |
| Price Range | - | - | - | 22.00 | 22.00 | 22.00 |
| Wtd Avg Price | - | - | - | 22.00 | 22.00 | 22.00 |
| Volume Traded | - | - | - | 41 | 82 | 82 |
| 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 15 NOVEMBER 2013.

The market on bulk parts was steady. Demand was light. Offerings light to moderate. The market on tom breast meat and white trim was steady. Demand light. Offerings moderate. Thigh meat market was steady. Demand light to moderate. Offerings light. Mechanically separated turkey market steady. Demand moderate. Offerings light. For domestic: fresh wing meat 96, fresh tom full-cut wings 68-69, fresh tom necks 69-73 cents, fresh breast trim 143 cents, hearts 34 cents, fresh chopping skins 33 cents, fresh scapula 139-141, frozen grade A breast non basted 10-14 lbs. 145 cents and 14-16 lbs. 150 cents delivered. For export: fresh tom drums 97-98 cents and hand defatted tom gizzards 110 cents delivered port or Border.

**EXPORT TRADING**

| FRIDAY, NOVEMBER 15, 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 | 108 | 108.00 | 108 |
| WINGS FULL-CUT - TOMS | | T | 70.00 | 54 | 70.00 | 54 |
| WINGS, V-TYPE, TOM | | R | 65.50 | 180 | 65.50 | 180 |
| TAILS | | | | | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | | R | 150.50 | 240 | 150.50 | 240 |

| THURSDAY, NOVEMBER 14, 2013 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | F | 108.00 | 120 |
| WINGS FULL-CUT - TOMS | | T | 70.00 | 54 |
| WINGS, V-TYPE, TOM | 65.50 | | 65.50 | 180 |
| TAILS | | | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | 150.00-153.00 | | 150.50 | 240 |

| WEDNESDAY, NOVEMBER 13, 2013 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | F | 108.00 | 120 |
| WINGS FULL-CUT - TOMS | | T | 70.00 | 54 |
| WINGS, V-TYPE, TOM | | F | 65.00 | 108 |
| TAILS | | | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | | | | |

| TUESDAY, NOVEMBER 12, 2013 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | F | 108.00 | 120 |
| WINGS FULL-CUT - TOMS | 70.00 | | 70.00 | 54 |
| WINGS, V-TYPE, TOM | | F | 65.00 | 108 |
| TAILS | | | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | | | | |

| MONDAY, NOVEMBER 11, 2013 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | | | |
| WINGS FULL-CUT - TOMS | | No trading reported due to Veteran's Day Holiday | | |
| WINGS, V-TYPE, TOM | | | | |
| TAILS | | | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | | | | |

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.