



U.S. Department of Agriculture	Agricultural Marketing Service	Poultry Programs	Market News and Analysis
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### Canadian Chicken Industry

Canada's broiler production in 2013 is expected to increase 0.5% compared to 2012. Imports are expected to grow by 3.7% and exports by 3.5% in 2013 compared to the previous year. Broiler meat consumption has increased over the years. The increase was partly due to the country's population growth, the pattern of Canada's immigrant population that is more likely to have dietary preference for chicken rather than beef or pork, and the perception that chicken is leaner and therefore healthier than other meats.

Canada uses a supply management system in the broiler sector and production is tightly controlled through a quota system. Decisions on production volume are taken before every 8-week production cycle, with the national volume allocated to each of the ten producing provinces, and subsequently further allocated to individual producers based on the total production quota. The industry is not vertically integrated; Canada has a multitude of independent chicken farmers supplying live birds to processing companies.

With the supply management system, chicken producers receive a fixed price for their live birds, which is determined every 8-week production cycle, based on production costs. Poultry farmers recover their cost of production from processing plants. In this way, farmers are sheltered from the impact of record high feed costs. The same cannot be said about poultry processors. Their ability to pass on high input costs to downstream customers is limited.

### Canada: Broiler Production, Supply and Demand

	'000 metric tons				
	2009	2010	2011	2012	2013
Production	1,011	1,023	1,027	1,040	1,045
Imports	130	124	131	135	140
Exports	147	147	143	145	150
Domestic Consumption	994	1,002	1,010	1,020	1,035

Source: Foreign Agricultural Service, Official USDA Estimates

Canadian imports of chicken are regulated under a tariff rate quota (TRQ), which is a function of the previous year's production level. The global quota for 2013 is projected at 78,000 MT. In 2012 the TRQ level was 77,000 MT. In recent years, Canadian poultry companies have increasingly utilized International Trade Canada's Import to Re-Export Program (IREP). Through IREP Canadian chicken processors import chicken under tariff free supplementary import permits for use in processing, provided they re-export the associated processed product. As a result, total chicken imports are about double the TRQ volume, as attributed to IREP imports.

Some Canadian importers are discouraged from importing Brazilian chicken, despite its lower cost, because it cannot be re-exported to the United States. The Canadian Food Inspection Agency (CFIA) has strict import procedures to ensure that Brazilian chicken in Canada does not enter the United States. Canadian poultry slaughter and processing establishments that import poultry meat from Brazil are not eligible to export poultry meat products to the United States.

Canada and Mexico formally joined the Trans-Pacific Partnership (TPP) trade negotiations in October 2012. The TPP is a free trade agreement under negotiation by 11 countries. The other countries in TPP are Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam and the U.S. Together these 11 countries represent a market of nearly 658 million people.

Source: USDA GAIN Report CA12034; press releases from the Office of the United States Trade Representative and Foreign Affairs and International Trade Canada

### Poultry Imports Report – Chicken, in kilograms Monthly Breakdown with Prior Year Comparison

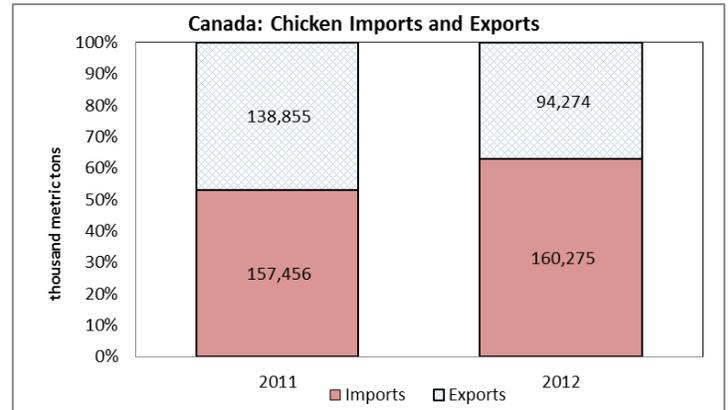
2012 - Period Ending: 2012-12-29  
2011 - Period Ending: 2011-12-31

	2012	2011	%
Whole Carcass	995,330	641,008	55.3%
Parts			
Bone in Breasts	15,120,118	24,887,050	-39.2%
Bone in Legs	502,855	732,588	-31.4%
Bone in Parts	1,686,578	2,154,892	-21.7%
Bone in Wings	31,674,844	27,393,840	15.6%
Boneless Breasts	33,749,973	32,992,752	2.3%
Boneless Parts	5,331,304	5,053,467	5.5%
<b>TOTAL Parts</b>	<b>88,065,671</b>	<b>93,214,589</b>	<b>-5.5%</b>
Others			
Bone in Others	8,584,877	5,988,859	43.3%
Boneless Others	5,342,526	4,294,518	24.4%
MSM	2,136,749	517,662	312.8%
<b>TOTAL Others</b>	<b>16,064,152</b>	<b>10,801,038</b>	<b>48.7%</b>
Further Processed (1), (2), (3)			
Chapter 16 Bone in Parts	6,913,290	6,448,089	7.2%
Chapter 16 Boneless Parts	6,732,656	7,125,588	-5.5%
Chapter 16 Others	18,353,063	17,875,713	2.7%
Chapter 19	13,508,286	12,364,513	9.3%
Chapter 21	9,643,028	8,985,410	7.3%
<b>TOTAL Further Processed</b>	<b>55,150,323</b>	<b>52,799,314</b>	<b>4.5%</b>
<b>TOTAL Chicken</b>	<b>160,275,477</b>	<b>157,455,950</b>	<b>1.8%</b>

\*MSM - Mechanically Separated Meat

(1) Chapter 16 = Preparations of Meat, (2) Chapter 19 = Stuffed Products (<20% Meat), (3) Chapter 21 = Food Preparations (<20% Meat)

Data for Chapter 16, 19 and 21 reflect the actual product net weight and not its content of poultry meat. Includes quantities imported under the import for re-export program (IREP)



Source: Canadian Food Inspection Agency, Meat and Poultry Division, as compiled by AAFC, AID, Poultry Section  
Printed: Jan 15 2013 2:07:36 PM

### CANADA: Broiler Meat Imports

	Quantity in metric tons, product weight		January-June %change		
	2010	2011	2011	2012	-12/11-
World	124,049	130,842	62,314	63,596	2.1%
US	106,251	116,210	53,644	56,005	4.4%
Brazil	15,345	11,456	7,111	5,491	-22.8%
Thailand	2,260	2,071	1,172	1,483	26.5%

Source: Global Trade Atlas

### CANADA: Broiler Meat Exports

	Quantity in metric tons, product weight		January-June %change		
	2010	2011	2011	2012	-12/11-
World	147,295	143,423	69,963	66,109	-5.5%
US	54,043	55,241	27,547	26,670	-3.2%
Philippines	23,702	21,194	9,788	7,209	-26.3%
Taiwan	10,402	13,952	8,268	10,567	27.8%
South Africa	16,227	13,680	7,649	1,670	-78.2%
Hong Kong	12,101	12,267	4,234	7,256	71.4%
Macedonia	2,466	5,420	3,017	934	-69.0%
All other	28,354	21,669	9,460	11,803	24.8%

Source: Global Trade Atlas

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

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

Type	Year-To-Date*			
	2013	2012 /1	2013 /2	2012
Liquid	48	51	48	51
Frozen	0	0	0	0
Dried	0	0	0	0
Total	48	51	48	51

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

Type	Year-To-Date*			
	2013	2012 /1	2013 /2	2012
Liquid	34	152	34	152
Frozen	5	0	5	0
Dried	0	0	0	0
Total	39	152	39	152

**INSPECTED SHELL EGGS**

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

Type	Year-To-Date*			
	2013	2012 /1	2013 /2	2012
Jumbo	0	0	0	0
Extra Large	240	2,250	240	2,250
Large	540	0	540	0
Medium	813	0	813	0
Ungraded	2,160	912	2,160	912
Misc	0	0	0	0
Total	3,753	3,162	3,753	3,162

/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 Jan 05, 2013 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,730	1,595	3,325
Last Week	1,368	1,130	2,498
Same week yr ago	1,375	1,365	2,740
To-date/2013*	1,730	1,595	3,325
To-date/2012*	1,375	1,365	2,740

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	256	0	256
Last Week	100	0	100
Same week yr ago	251	0	251
To-date/2013*	256	0	256
To-date/2012*	251	0	251

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

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,986	1,595	3,581
Last Week	1,468	1,130	2,598
Same week yr ago	1,626	1,365	2,991
To-date/2013*	1,986	1,595	3,581
To-date/2012*	1,626	1,365	2,991

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

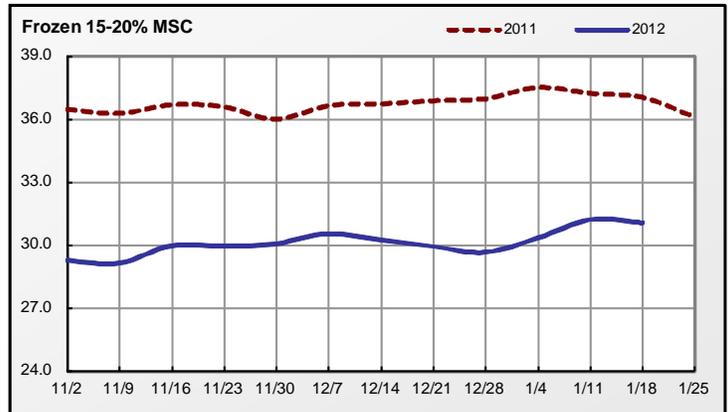
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

Prices for MSC are steady to firm on all fat contents. Supplies are light to moderate. Schedules are normal. Demand for fresh 15-20% MSC is moderate to good for both domestic and export channels with the balance of fat contents moderate. For many, new contracts have transitioned smoothly at prices similar to and slightly lower than last year's levels, as well as formula based pricing. Market activity is moderate to active. Supplies of raw materials are moderate and sought after. Frames are trading between 11-15 cents FOB.

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

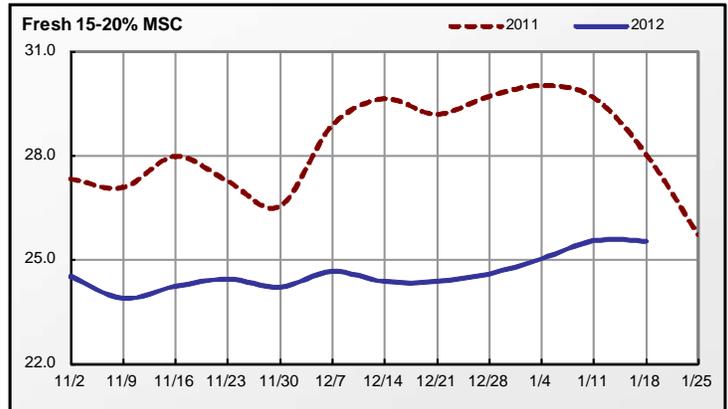
Fat Content	Frozen			Fresh		
	18-Jan-13	Last Week	Last Year	18-Jan-13	Last Week	Last Year
<b>15% or Less</b>						
Price Range		30.00	-	24.00 - 26.00	24.00 - 26.00	31.00-32.00
Wtd Avg Price		30.00	-	25.33	25.00	31.75
Volume Traded	-	40	-	184	163	163
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	30.00 - 32.00	30.00 - 32.00	36.00-38.00	23.00 - 27.75	22.50 - 27.50	20.00-35.00
Wtd Avg Price	31.07	31.22	37.04	25.53	25.55	28.05
Volume Traded	1,290	1,425	1,832	4,264	4,712	4,141
Volume Exported	1,250	1,185	1,792	775	1,061	367
<b>20% or More</b>						
Price Range	-	-	-	20.00	20.00	22.50
Wtd Avg Price	-	-	-	20.00	20.00	22.50
Volume Traded	-	-	-	41	41	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	2012	2011	2010	2012	2011	2010
<b>15% or Less</b>						
Wtd Avg Price	30.19	28.00	26.07	26.34	26.20	21.96
Volume Traded	640	80	590	7,853	7,490	10,213
Volume Exported	-	-	270	-	-	1,617
<b>15-20%</b>						
Wtd Avg Price	31.36	28.76	23.82	24.54	24.21	18.61
Volume Traded	94,239	84,242	86,375	209,299	197,033	187,000
Volume Exported	82,427	75,407	75,910	24,701	25,216	28,009
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.19	20.04	18.85
Volume Traded	-	-	-	3,510	4,529	3,834
Volume Exported	-	-	-	-	-	-

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



Source: USDA AMS Poultry Market News & Analysis ([www.ams.usda.gov/pymarketnews.htm](http://www.ams.usda.gov/pymarketnews.htm))

**NATIONAL YOUNG TURKEY PARTS**

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 18 JANUARY 2013.

The market on bulk parts was steady. Demand and offerings light to moderate. The market on tom breast meat was steady with a weak undertone. The market on the balance of white meat is steady. Demand on tom breast meat is light with the balance of white meat demand was light to moderate. Offerings of tom breast meat moderate to heavy, balance of white light to moderate. Trading was slow to moderate. For domestic: fresh tom full-cut wings 42-44, fresh tom necks 42-44 cents, fresh tails 51 cents, frozen tails 53-54 cents, fresh and frozen MST 25 cents pet food and frozen livers 25 cents delivered. For export: tom necks 44 cents, frozen scapula 109-115 cents, machine defatted tom gizzards 93 cents, frozen hen drums 54 and fresh thigh meat 140.25 cents delivered to port or border.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, JANUARY 18, 2013</b>						
DRUMSTICKS, TOMS	60.00-66.00		61.61	418	61.71	1,346
WINGS FULL-CUT - TOMS	42.00		42.00	330	43.49	1,302
WINGS, V-TYPE, TOM	92.00		92.00	162	88.40	270
TAILS	53.00		53.00	54	53.67	162
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	136.50	R	30.00 136.50	540 80	30.13 136.80	662 200
<b>THURSDAY, JANUARY 17, 2013</b>						
DRUMSTICKS, TOMS	62.00		62.00	216		
WINGS FULL-CUT - TOMS	43.00-44.00		43.75	864		
WINGS, V-TYPE, TOM		M	83.00	108		
TAILS		M	54.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	30.00 134.00		30.00 134.00	540 40		
<b>WEDNESDAY, JANUARY 16, 2013</b>						
DRUMSTICKS, TOMS	61.00		61.00	200		
WINGS FULL-CUT - TOMS		T	46.00	108		
WINGS, V-TYPE, TOM		M	83.00	108		
TAILS		M	54.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	30.00		30.00 138.50	80 80		
<b>TUESDAY, JANUARY 15, 2013</b>						
DRUMSTICKS, TOMS		M	61.95	512		
WINGS FULL-CUT - TOMS	44.00-48.00		46.00	108		
WINGS, V-TYPE, TOM		M	83.00	108		
TAILS		M	54.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	32.00 138.50	42 80		
<b>MONDAY, JANUARY 14, 2013</b>						
DRUMSTICKS, TOMS	60.00-63.00		61.95	512		
WINGS FULL-CUT - TOMS		F	42.00	270		
WINGS, V-TYPE, TOM	83.00		83.00	108		
TAILS	54.00		54.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	32.00 138.50		32.00 138.50	42 80		

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.