



Saudi Arabia

Broiler meat production is expected to reach 640,000 MT IN 2013; unofficial projections for broiler meat production in 2014 are set at 670,000 MT. The increase in local production is mostly due to ongoing expansion in broiler production operations by the three largest Saudi poultry producers.

Saudi Arabia: Broiler Meat in 000 metric tons

	2007	2008	2009	2010	2011	2012	2013
Production	490	427	476	426	509	590	640
Imports	470	510	605	681	789	799	807
Exports	10	10	10	10	35	30	10
Consumption	950	927	1,071	1,097	1,263	1,359	1,437

Source: Source: Foreign Agricultural Service, Official USDA Estimates

Production costs for local broiler farmers are very high due to heavy dependence on imported feed ingredients, poultry equipment and medicine, and the high costs of temperature control for the extreme hot weather year-around throughout the Kingdom. To compensate, the Saudi government (SAG) has been providing various subsidies to poultry producers, including interest free loans, rebates on costs of selected poultry equipment, as well as import subsidies for animal feed. The SAG provides import subsidies for 31 animal feeds, ranging from \$49.33 to \$202.13 MT, based on the energy and protein contents of each feed ingredient. Production costs for locally produced broilers currently range between 6 SAR (\$1.60) and 7 SAR (\$1.87) per kg average dressed weight. It is estimated that the value of various subsidies offered to domestic broiler producers to be around 2 SAR (\$0.53) per kg.

The growing cycle for broilers in the Kingdom varies between 28 to 35 days, with an average bird weight gain of 50 grams per day. The average live weight for broilers when marketed is about 1,350 grams, while the average ready to cook broiler carcasses weight when marketed is 1 kg. The feed conversion ratio (FCR) is between 1.55 kg to 1.79 kg.

Almost all poultry production in Saudi Arabia is broiler meat, with the exception of about 1,000 MT of quail meat. Currently, most spent chickens are killed and mechanically buried. Recently the Ministry of Agriculture has given options to poultry growers to slaughter spent chickens for further processing, but stipulated that slaughtering of the spent chickens must be scheduled on different days from when broilers are slaughtered.

Broiler meat consumption is expected to continue to increase, mostly due to relatively lower prices of poultry meat compared to other sources of animal protein. It is also perceived to be healthier compared to red meat. Saudis prefer domestically grown fresh broiler meat; more than 80% of locally grown broiler meat is sold chilled. All imported broiler meat is frozen and consumed mostly by the expatriates community and institutional customers.

The forecast for imports is 760,000 MT in 2013; unofficial forecasts are for 730,000 MT in 2014. The declining volumes are due to the anticipated increase in the local broiler meat production and reduced demand by catering companies as a result of a much smaller number of Umra and Hajj pilgrims anticipated this year. The Saudi government has significantly reduced the number of visas it issues to pilgrims to perform Hajj this year to help avoid overcrowding at Makkah Grand Mosque, which has been undergoing huge expansion work.

Brazil has been the dominant broiler meat supplier to Saudi Arabia for the past two decades, followed by France, the U.S. and Argentina.

The U.S. poultry meat market share in the huge Saudi imported broiler meat market has been very small because of the difficulties that U.S. poultry meat exporters face meeting SAG's requirement that imported poultry meat must come from poultry fed on vegetable only protein.

Saudi Arabia Broiler Meat Imports in metric tons

Calendar Year: 2011 – 2012

	2011	2012
Brazil	622,643	628,627
France	148,385	147,677
United States	4,829	11,865
Argentina	7,686	9,008
Other	1,958	2,216
Reporting Total	785,501	799,393

Source: Global Trade Atlas

The available trade data for 2013 indicates that Saudi Arabia broiler meat imports increased by about 18% to 378,694 MT during the period January-May 2013, compared to 310,426 MT imported in the same period in 2012. However, post expects that poultry meat imports for the entire 2013 to only total 760,000 MT, compared to the official estimate of 807,000 MT. The expected decline in the total broiler meat import in 2013 will be mostly due to increased local broiler production and reduced consumption due to a smaller number of Hajj pilgrims.

Major Saudi broiler meat importers indicated that the surge in the broiler meat imports for January-May of 2013 was to compensate for the huge decline in broiler meat stock levels at the end of 2012 and beginning of 2013 because of a sharp drop in domestic broiler meat production in 2012 that reduced supplies and sharply increased retail prices. Unofficial post estimates lowered production to 450,000MT in 2012 and 569,000 MT in 2013, sharply lower than official estimates. The increased imports have boosted stock levels at domestic cold stores and helped sharply reduce retail prices of imported broiler meat. Nowadays, broiler meat stocks are so high that major supermarket chains offer regular discounts that range between 15 to 27 percent for cardboard boxes containing ten chickens.

Saudi Arabia's turkey meat imports are very small. In 2012, Saudi turkey imports totaled 1,817 MT, compared to 2,416 MT imported in 2011. Most of the imported turkey meat is used to process value added turkey products such as salami, bologna, smoked turkey breast, and honey roasted turkey. The rest is imported for distribution to upper class supermarkets for sale during Thanksgiving, Christmas and New Year holidays.

Saudi poultry exports are mostly fresh/chilled and destined to the five GCC countries (UAE, Qatar, Bahrain, Kuwait and Oman). In October 2012, the SAG banned exports of domestically produced broiler meat following an acute shortage of broiler meat in the local market that increased retail prices for up to 40%. In December 2012, the government announced a conditional lifting of the export ban. The SAG stipulated that domestic broiler meat producers interested in exporting domestically produced broiler meat pay back \$533 per MT for various government subsidies they receive to produce the chicken. The refund requirement has reportedly reduced the profit margins of Saudi broiler meat exporters but has not caused them to discontinue exporting.

Source: USDA FAS GAIN Report SA1310

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

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

Type	Year-To-Date*			2012
	2013	2012 /1	2013 /2	
Liquid	96	49	3,214	1,455
Frozen	0	0	40	0
Dried	0	0	246	277
Total	96	49	3,500	1,732

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

Type	Year-To-Date*			2012
	2013	2012 /1	2013 /2	
Liquid	67	27	8,760	10,610
Frozen	11	11	1,284	1,064
Dried	0	50	50	50
Total	78	88	10,094	11,724

INSPECTED SHELL EGGS

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

	Year-To-Date*			2012
	2013	2012 /1	2013 /2	
Jumbo	0	0	0	0
Extra Large	24,750	1,500	140,437	88,302
Large	7,750	2,330	279,821	176,746
Medium	0	750	23,804	26,985
Ungraded	10,476	22,830	352,337	211,244
Misc	0	0	0	1,620
Total	42,976	27,410	796,399	504,897

/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 Oct 26, 2013 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,284	1,417	2,701
Last Week	1,460	1,568	3,028
Same week yr ago	919	1,367	2,286
To-date/2013*	64,877	64,229	129,106
To-date/2012*	64,819	69,454	134,273

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	246	0	246
Last Week	457	0	457
Same week yr ago	140	0	140
To-date/2013*	14,919	0	14,919
To-date/2012*	11,248	36	11,284

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,530	1,417	2,947
Last Week	1,917	1,568	3,485
Same week yr ago	1,059	1,367	2,426
To-date/2013*	79,796	64,229	144,025
To-date/2012*	76,067	69,490	145,557

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

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

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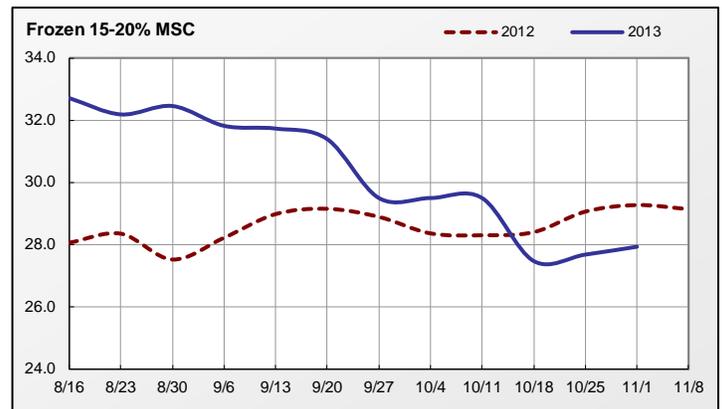
*Note: Year to-date totals reflect comparable time periods.

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 weak on all fat contents. Demand is light to moderate at best; Mexico light. Supplies are moderate to mostly heavy. Schedules are normal. The spot marketplace remains a challenge to producers in light of excess MSC and frames combined with little buyer interest. Sales of finished goods are average and typical of the season. All sides feel the pressure on the markets, especially producers, and maintain a close eye on the spot marketplace looking for direction. Regarding 2014 contracts, negotiations persist with little to no progress to report as neither buyer nor seller have made any indications or efforts towards bridging the existing price disparity to conclude a deal. 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)

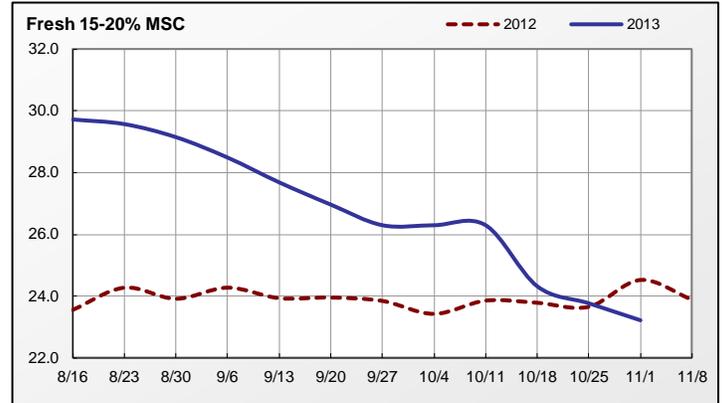
Fat Content	Frozen			Fresh		
	1-Nov-13	Last Week	Last Year	1-Nov-13	Last Week	Last Year
15% or Less						
Price Range		33.00	30.00	27.00 - 28.00	27.00 - 28.00	24.00-26.00
Wtd Avg Price		33.00	30.00	27.40	27.67	25.33
Volume Traded	-	40	40	102	122	184
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	24.00 - 31.00	25.00 - 32.00	27.00-31.00	18.50 - 28.00	18.50 - 28.00	20.00-26.00
Wtd Avg Price	27.94	27.69	28.41	23.21	23.76	23.78
Volume Traded	3,035	2,844	2,009	3,329	3,519	3,958
Volume Exported	2,595	2,804	1,489	653	694	530
20% or More						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	41	82	41
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	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/lpsmarketnews)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 01 NOVEMBER 2013.

The market on white meat and trims is mostly steady. Demand moderate. Offerings light to moderate. The market on tom necks and tails is steady to firm for the very light offerings. The market on the balance of tom bulk parts is steady. Demand light to good, mostly moderate with some finding less aggressive tom drum buyer interest. Offerings of fresh tom drums light, tom wings light to moderate, tom necks and tails very light. The market on thigh meat is steady to firm. Demand moderate to good with some buyers purchasing hen thigh meat instead of tom. Offerings very light. The market on mechanically separated turkey (MST) is steady. Demand light to moderate. Offerings of MST light to instances moderate with increased fresh offerings reported, Trading light to moderate.

EXPORT TRADING

	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
FRIDAY, NOVEMBER 01, 2013						
DRUMSTICKS, TOMS	106.00-108.0		107.33	162	107.33	162
WINGS FULL-CUT - TOMS		W	66.00	54	66.00	54
WINGS, V-TYPE, TOM	77.00		77.00	108	70.25	390
TAILS		W	62.00	40	62.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	140.00-148.0		144.12	134	144.12	134
THURSDAY, OCTOBER 31, 2013						
DRUMSTICKS, TOMS		R	107.00	40		
WINGS FULL-CUT - TOMS		W	66.00	54		
WINGS, V-TYPE, TOM	64.50		64.50	120		
TAILS		W	62.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	138.00	40		
WEDNESDAY, OCTOBER 30, 2013						
DRUMSTICKS, TOMS		R	107.00	40		
WINGS FULL-CUT - TOMS	66.00		66.00	54		
WINGS, V-TYPE, TOM		T	70.00	162		
TAILS	62.00		62.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	138.00	40		
TUESDAY, OCTOBER 29, 2013						
DRUMSTICKS, TOMS		R	107.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	70.00		70.00	162		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	138.00	40		
MONDAY, OCTOBER 28, 2013						
DRUMSTICKS, TOMS		R	107.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	138.00	40		

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.