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Russia's Broiler Meat Production, Supply, and Demand (Thousand Metric Tons (TMT) and Kilograms (KG))

	2012		2013		2014	
	Official	New	Official	Post	Official	Post
Production	2,830	2,830	3,050	3,010	3,300	3,100
Imports	560	560	540	530	530	530
Exports	69	25	60	30	65	40
Dom. Cons.	3,321	3,365	3,530	3,510	3,765	3,590

Note: Official = USDA Official. New = New Post. Dom. Cons. = Domestic Consumption. Source: USDA FAS, PSD Online, Unofficial USDA Estimates

Russia

According to sources, Russia plans to increase poultry meat production to more than 6 million metric tons (MMT) per year by 2020. Forecasts for domestic poultry meat production in 2014 have been revised downward to 3.1 MMT from the previous forecast (3.3 MMT), 3% higher than 2013 production. Forecasts for 2013 production were reduced 40,000 MT to 3.01 MMT, up 6.3% from 2012 levels. This is the slowest annual production growth rate since 1999. About 71% of Russia's total production in 2013 came from 20 large poultry producing regions (68% in 2012).

The slowdown is attributed to a number of reasons such as reduced inventory numbers of live birds at the end of 2013 and the start of 2014, which is likely to constrain production growth. Russian producers have nearly saturated the domestic market by supplying more than 85% of consumption needs (2013) and in order to further drive growth will have to look to export markets. Consequently, the Russian government has been discussing a possible future system of quotas to limit production of poultry meat and eggs to avoid an oversupply situation to the disapproval of industry.

Thirdly, industry has fewer means to improve production efficiencies as it has been shifting to more modern agricultural enterprises over the past 20 years with the help of investments estimated at about \$300 million RUB (\$9 billion USD). About 91% of broilers and more than 80% of total birds including layers are located at agricultural establishments. Lastly, the combination of high feed prices during much of 2013 combined with continued low poultry prices (as a result of abundant supplies), sharply impacted profitability of poultry establishments and also increased their indebtedness. Delayed government support payments exacerbated this situation. As a result, poultry production profitability decreased to 3.5% compared with 17.2% in 2012 simultaneously decreasing the sectors investment attractiveness. It is estimated that unprofitable establishments rose to 44% in 2013 from 22% in 2012.

Domestic poultry meat consumption forecasts for 2014 are revised 5% lower from the previous forecast (3.765 MMT) to be 3.59 MMT due to the following influences: decreased production forecasts, predicted stable imports, minimal population growth expectations, and invariable shifts in consumer protein preferences. Prices for beef and pork, although considerably higher, have remained largely steady vis-à-vis poultry prices.

Russian poultry meat exports are projected to increase in 2014 to a level of 40,000 MT as producers increasingly look to foreign markets to spur continued production increases. More than likely these markets will include Kazakhstan and other Customs Union Member States, as well as some Asian and African markets. Poultry meat exports in 2013 are estimated at 30,000 MT.

At present, trade issues continue on pork between the US and Russia in regard to refrigeration and ractopamine; however February 24, 2014 Russia lifted restrictions on US turkey shipments declaring at least 2 companies as eligible after various inspections in December 2013. Poultry meat imports are expected to be unchanged in 2014 from 2013 at 530,000 MT or half the levels 10 years ago. Imports of poultry meat from non-CIS countries are controlled by a Tariff Rate Quota, the

20 Largest Poultry Producing Regions (TMT), Live Weight

	2012	2013	% Change	% Total
Belgorod Oblast	728.5	759.5	4.3	14.8
Leningrad Oblast	257.4	284.1	10.4	5.5
Chelyabinsk Oblast	240.6	283.6	17.9	5.5
Krasnodar Krai	254.3	280.0	10.1	5.5
Stavropol Krai	197.0	222.8	13.1	4.4
Moscow Oblast	192.0	194.8	1.5	3.8
Tatar Republic	164.4	180.7	9.9	3.5
Lipetsk Oblast	125.6	140.0	11.5	2.7
Penza Oblast	113.3	133.3	17.7	2.6
Sverdlovsk Oblast	125.9	131.6	4.5	2.6
Voronezh Oblast	126.6	127.2	0.5	2.5
Bryansk Oblast	102.7	117.5	14.5	2.3
Tambov Oblast	106.8	117.2	9.7	2.3
Rostov Oblast	165.7	112.7	-32.0	2.2
Mordovia Republic	64.4	95.2	47.9	1.9
Mari El Republic	64.4	93.5	45.3	1.8
Altay Krai	88.5	89.6	1.3	1.8
Kursk Oblast	39.9	88.1	120.9	1.7
Novosibirsk Oblast	82.4	85.7	4.0	1.7
Republic of Bashkortostan	72.9	83.7	14.8	1.6
Total - Establishments	3,314.0	3,621.0	-	70.7
Total - Regional	4,864.0	5,122.0	5.3	100.0

Note: % Change = Percentage change from 2012 to 2013. % Total = Percentage of total production. Source: USDA FAS/Rosstat

volumes for which remain unchanged in 2014. However with the crisis in Ukraine, devaluation of the Ruble (RUB), deteriorating economy, currency shifts in emerging markets, and increased production Russia is becoming less of an importer and more of an exporter. The US is Russia's largest supplier of poultry meat followed by Belarus, Brazil, and Ukraine. In 2013, imports from Ukraine increased 30% to nearly 40,000 MT, the largest import increase among all of Russia's suppliers. Based on US data, Russia is the second largest market for US broiler meat behind Mexico. Russia is reportedly surveying various US companies regarding any interest in importing to the Customs Union. Source: USDA FAS Gain Report RS1414/News Wires

Russian Poultry Meat Exports, Including Sub-Products (MT) & Top Markets

Outside CU Member States			From CU Member States				
	2011	2012	2013	2011	2012	2013	
Vietnam	6,424	2,650	1,421	Belarus	498	188	451
Liberia	-	54	1,519	Kaz.	18,406	25,538	26,171
Ghana	-	-	1,877	Total	18,904	25,726	26,622
Thailand	-	325	2,447				
HK	11,128	10,741	14,683				
World	19,102	15,751	24,819				

Russian Broiler Meat Imports (MT) & Top Suppliers

Outside CU Member States			From CU Member States				
	2011	2012	2013	2011	2012	2013	
Hungary	917	1,895	4,823	Kaz.	10	1,419	1,195
Finland	3,251	5,092	4,915	Belarus	74,138	103,924	104,992
Arg.	4,745	14,026	8,161	Total	74,148	105,343	106,187
Neth.	1,342	10,013	8,791				
Belgium	3,795	7,601	9,076				
Poland	2,806	4,555	9,220				
France	23,430	32,107	16,053				
Ukraine	5,171	30,440	39,284				
Brazil	64,446	61,847	47,771				
US	239,306	262,882	263,244				
World	389,989	456,610	424,771				

Note: Data excludes Belarus. Data also includes items under HS0207, as well as some products which are not reported in the PSD table (e.g. chicken paws). CU = Customs Union. HK = Hong Kong. Kaz. = Kazakhstan. Arg. = Argentina. Neth. = Netherlands. Source: USDA FAS/Customs Committee of Russia/Customs Union Statistics

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

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	45	48	804	289
Frozen	0	0	0	0
Dried	36	0	158	16
Total	81	48	962	305

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	14	273	964	2,083
Frozen	22	14	367	301
Dried	0	0	46	0
Total	36	287	1,377	2,384

INSPECTED SHELL EGGS

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

	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Jumbo	0	0	0	0
Extra Large	1,500	2,670	20,928	12,110
Large	42,850	5,100	95,820	17,810
Medium	0	840	1,752	6,453
Ungraded	25,368	1,500	100,772	11,069
Misc	720	0	5,160	0
Total	70,438	10,110	224,432	47,442

/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 Mar 08, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,268	1,344	2,612
Last Week	1,511	1,494	3,005
Same week yr ago	1,434	1,309	2,743
To-date/2014*	15,019	14,348	29,367
To-date/2013*	15,459	14,093	29,552

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	280	0	280
Last Week	95	0	95
Same week yr ago	418	0	418
To-date/2014*	3,214	0	3,214
To-date/2013*	3,053	0	3,053

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,548	1,344	2,892
Last Week	1,606	1,494	3,100
Same week yr ago	1,852	1,309	3,161
To-date/2014*	18,233	14,348	32,581
To-date/2013*	18,512	14,093	32,605

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

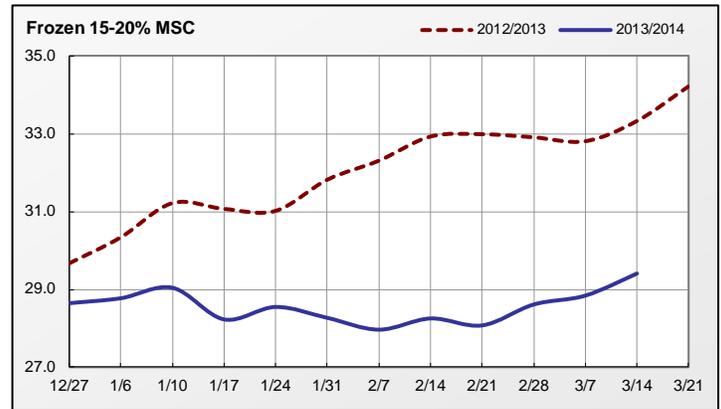
*Note: Year to-date totals reflect comparable time periods.

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 instances firm on all fat contents. Demand into domestic and export channels is light to instances good. Supplies are light to moderate. Schedules are normal. The spot marketplace has slowed some going into Lent, however trading levels continue to be within the same price range. Industry is monitoring the marketplace, managing trucking challenges, and planning future preparations for the summer season. Market activity is slow to moderate. Supplies of raw materials are mixed. Frame prices are mostly steady with trading levels between 10-14 cents FOB, mostly 11-12 cents FOB.

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

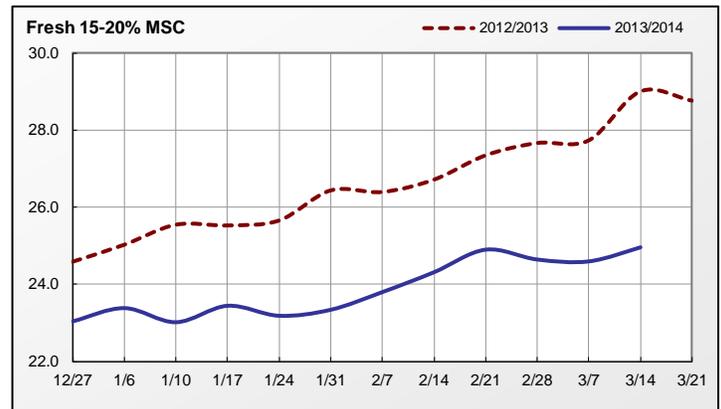
Fat Content	Frozen			Fresh		
	14-Mar-14	Last Week	Last Year	14-Mar-14	Last Week	Last Year
15% or Less						
Price Range	-	31.00	-	27.00 - 28.00	27.00 - 28.00	27.00-29.00
Wtd Avg Price	-	31.00	-	27.75	27.67	28.00
Volume Traded	-	40	-	163	184	82
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	27.00 - 31.00	27.00 - 31.00	31.00-35.00	22.00 - 27.00	21.50 - 27.00	24.50-31.00
Wtd Avg Price	29.41	28.84	32.91	24.96	24.60	27.67
Volume Traded	2,070	1,080	1,265	2,600	3,774	3,896
Volume Exported	1,910	1,080	1,265	234	1,061	449
20% or More						
Price Range	-	-	-	22.50	22.00 - 22.50	22.00
Wtd Avg Price	-	-	-	22.50	22.25	22.00
Volume Traded	-	-	-	82	163	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Feb 2014	Jan 2014	Feb 2013	Feb 2014	Jan 2014	Feb 2013
15% or Less						
Wtd Avg Price	-	31.50	30.00	27.79	27.58	26.43
Volume Traded	-	80	40	796	775	714
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	28.27	28.53	32.59	24.45	23.27	26.70
Volume Traded	5,540	7,528	5,957	13,345	19,565	17,289
Volume Exported	5,320	6,178	5,357	816	3,060	2,815
20% or More						
Wtd Avg Price	-	-	-	22.32	22.18	22.00
Volume Traded	-	-	-	449	449	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 14 MARCH 2014.

The market on bulk parts steady. Demand and offerings light to moderate. White meat and white trims market steady to firm. Demand moderate. Offerings light instances moderate. The market on thigh meat was steady to firm. Demand light to moderate. Offerings light. Mechanically separated turkey steady. Demand and offerings light to moderate. Trading for parts was slow to moderate. For domestic: fresh tom full-cut wings 64 cents, fresh tom necks 65-66 cents, fresh tails 56 cents, fresh breast trim 150 cents, fresh scapula 147 cents, body chopping skins 35 cents, frozen tails 59-64 delivered.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, MARCH 14, 2014						
DRUMSTICKS, TOMS		M	91.00	160	91.00	160
WINGS FULL-CUT - TOMS		F	64.00	120		
WINGS, V-TYPE, TOM	65.00		65.00	120	65.00	228
TAILS		T	57.00	40	57.00	40
MECHANICALLY SEPARATED 2/		F	45.00	54		
THIGH MEAT - FROZEN		R	165.00	40	162.50	80
THURSDAY, MARCH 13, 2014						
DRUMSTICKS, TOMS		M	91.00	160		
WINGS FULL-CUT - TOMS		F	64.00	120		
WINGS, V-TYPE, TOM		M	65.00	108		
TAILS		T	57.00	40		
MECHANICALLY SEPARATED 2/		F	45.00	54		
THIGH MEAT - FROZEN	165.00		165.00	40		
WEDNESDAY, MARCH 12, 2014						
DRUMSTICKS, TOMS		M	91.00	160		
WINGS FULL-CUT - TOMS		F	64.00	120		
WINGS, V-TYPE, TOM		M	65.00	108		
TAILS		T	57.00	40		
MECHANICALLY SEPARATED 2/		F	45.00	54		
THIGH MEAT - FROZEN	160.00		160.00	40		
TUESDAY, MARCH 11, 2014						
DRUMSTICKS, TOMS		M	91.00	160		
WINGS FULL-CUT - TOMS		F	64.00	120		
WINGS, V-TYPE, TOM		M	65.00	108		
TAILS	57.00		57.00	40		
MECHANICALLY SEPARATED 2/		F	45.00	54		
THIGH MEAT - FROZEN						
MONDAY, MARCH 10, 2014						
DRUMSTICKS, TOMS	91.00		91.00	160		
WINGS FULL-CUT - TOMS		F	64.00	120		
WINGS, V-TYPE, TOM	65.00		65.00	108		
TAILS		M	54.00	108		
MECHANICALLY SEPARATED 2/		F	45.00	54		
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.