Malaysia has been dealing with issues in the last year including: poultry slaughterhouses not being registered or licensed, chronic fly infestations, requests to monitor antibiotic use, chicken colored with yellow food dye and sold as kampong, and chicken shortages with subsequent high prices. In March 2014, the government of Malaysia (GOM) was urging all state governments to enforce the Poultry Farming Enactment to ensure all poultry slaughterhouses were licensed, registered, and meeting halal principles. Errant slaughterhouses are subject to fines and possible closure.

Peninsular Malaysia with the remainder in East Malaysia. Backyard and free-range poultry production has significantly declined and commercial production is insignificant. Much of Malaysia’s feed inputs and genetic stock are imported from Argentina, US, and other countries. Commercially bred broilers comprise 67%, layers 25%, and breeders 8% of total birds in production. In December 2014, Malaysia was exploring setting up an animal feed plant in either Pahang or Sabah states in order to reduce dependency on imports of feed.

Poultry meat is a stable protein in the Malaysian diet in light of higher priced beef and a very extensive Muslim population (60%). At over 40 kilograms per year, Malaysia’s per capita consumption is among the highest in the world and can’t grow much higher. Consumption in 2014 is expected to increase to 1.43 MMT from 1.4 MMT in 2013. Wet markets are still an important distribution channel with about 40% of poultry meat marketed this way to consumers. However the GOM has indicated these outlets will need to be closed in future for hygienic reasons. The GOM also loosely enforces price controls with only seasonal price increases not permanent.

Malaysia is largely self-sufficient in poultry meat production with broiler meat comprising the majority of total production and consumption. Broiler meat production is expected to grow at a rate of 2% to reach 1.44 million metric tons (MMT) in 2014. According to sources, poultry meat production is projected to rise 13.4% to 1.5 MMT by 2017-2018 with the help of investments. Egg production is projected to increase 3% in 2014 (679,803 MT) from 2013 (659,664 MT). Malaysia has the capacity to grow production even further, however rising production costs attributed to a reduction in fuel subsidies, the depreciation of the Malaysian Ringgit, and the implementation of minimum wages in 2013 limit growth. About 90% of production occurs on 3,200 farms in

Malaysia’s Poultry Meat Supply and Distribution in Metric Tons

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>1,374,500</td>
<td>1,408,862</td>
<td>1,437,039</td>
</tr>
<tr>
<td>Imports</td>
<td>52,595</td>
<td>53,600</td>
<td>54,000</td>
</tr>
<tr>
<td>Exports</td>
<td>32,497</td>
<td>31,400</td>
<td>32,000</td>
</tr>
<tr>
<td>Dom. Cons.</td>
<td>1,394,598</td>
<td>1,431,062</td>
<td>1,459,039</td>
</tr>
</tbody>
</table>

Note: Dom. Cons. = Domestic Consumption. Source: USDA FAS Gain Report MY4005

Malaysia’s Poultry Meat Supply and Distribution in Metric Tons

- Production: 1,374,500 MT in 2012, 1,408,862 MT in 2013, 1,437,039 MT in 2014
- Imports: 52,595 MT in 2012, 53,600 MT in 2013, 54,000 MT in 2014
- Exports: 32,497 MT in 2012, 31,400 MT in 2013, 32,000 MT in 2014
- Domestic Consumption: 1,394,598 MT in 2012, 1,431,062 MT in 2013, 1,459,039 MT in 2014

Source: USDA FAS Gain Report MY4005

- Malaysia is largely self-sufficient in poultry meat production with broiler meat comprising the majority of total production and consumption.
- Broiler meat production is expected to grow at a rate of 2% to reach 1.44 million metric tons (MMT) in 2014.
- According to sources, poultry meat production is projected to rise 13.4% to 1.5 MMT by 2017-2018 with the help of investments.
- Egg production is projected to increase 3% in 2014 (679,803 MT) from 2013 (659,664 MT).
- Malaysia's per capita consumption is among the highest in the world and can’t grow much higher. Consumption in 2014 is expected to increase to 1.43 MMT from 1.4 MMT in 2013.
- Wet markets are still an important distribution channel with about 40% of poultry meat marketed this way to consumers. However the GOM has indicated these outlets will need to be closed in future for hygienic reasons.
- The GOM also loosely enforces price controls with only seasonal price increases not permanent.

US Hatching Egg Exports (HS0407110000) to Malaysia in Dozens

- In 2013, US Hatching Egg Exports to Malaysia were 15,194 dozen.
- In 2014, US Hatching Egg Exports to Malaysia were 28,121 dozen.
- Note: Data is January-December except 2013* and 2014*, which is January-February. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

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Number of US Broiler Chick Exports to Malaysia (HS0105110020)

- In 2013, Number of US Broiler Chick Exports to Malaysia was 1,394,598.
- In 2014, Number of US Broiler Chick Exports to Malaysia was 1,431,062.
- Note: Neth. = Netherlands. Source: USDA FAS Gain Report MY4005

Imports are controlled and limited as all poultry meat must come from plants inspected and approved by Malaysia’s veterinary officials and halal certifying body. In addition, any plants wishing to supply Malaysia must agree to dedicate its facilities to full time halal slaughter and processing. No US plants are certified to export poultry meat to Malaysia. The size of the market and the market stipulations would not cause US plants to shift their entire production operations to halal for the small quantity of sales that would go to Malaysia; however it might be worthwhile for a small chicken or turkey processing plant to consider it. Malaysia is predominantly supplied poultry meat by China followed by Thailand, Denmark, and the Netherlands. Brazil recently announced plans to market to Malaysia. In contrast, Malaysia does export some processed poultry products and some live broilers to Singapore and countries in the Middle East.

Notes and Sources:
- Source: USDA FAS Gain Report MY4005/News Wires
- Website: http://www.ams.usda.gov/lpsmarketnewspage
- Email: PYMNDSM@ams.usda.gov
- Phone: 515.284.4471
- Fax: 515.284.4468
- Website: http://www.ams.usda.gov/lpsmarketnewspage

LA
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.)

Prices for all fat contents of MSC are trending steady to firm. Demand into domestic and export channels is moderate to instances good, especially good demand out front. Supplies are light to moderate. Schedules are normal. The complex is in good shape and product is clearing well. Demand and movement for out front is especially good. Producers are testing prices, however prices are holding at present. With the official start of baseball season this week, industry continues to closely monitor the marketplace, manage current challenges, and make future preparations. Market activity is moderate. Raw material supplies are light to moderate. Frame price are steady to firm with trading levels between 12

The graphic shows the weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds) for the years 2013 and 2014. It also includes monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds) for the years April 2013 and April 2014.

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

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

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 04 APRIL 2014.

The market on bulk parts was steady, with full cut wings firm. Demand light to moderate. Offerings light. White meat and white trims market steady to firm. Demand moderate to good. Offerings light and held with confidence. The market on thigh meat is steady to firm. Demand light to moderate. Offerings light.

For domestic:
- Fresh tom full-cut wings 69 cents, fresh wing meat 103-106 cents, fresh scapula 159-167 cents, frozen tails 58-59 cents, frozen hearts 40 cents, fresh mechanically separated turkey 37 cents for pet food, frozen body chopping skins 39 cents and plant grade breast non basted 18-22 lbs. 150 cents delivered.
- For export: fresh tom drums 86 cents, fresh tom drums 88 cents and fresh thigh meat 169 cents delivered to port or Border.

EXPORT TRADING

<table>
<thead>
<tr>
<th>PRICE</th>
<th>L.S.T.</th>
<th>WTD AVG</th>
<th>VOLUME</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.00</td>
<td>W</td>
<td>54</td>
<td>93.00</td>
</tr>
<tr>
<td>68.00</td>
<td>W</td>
<td>108</td>
<td>68.00</td>
</tr>
<tr>
<td>65.00</td>
<td>W</td>
<td>216</td>
<td>65.25</td>
</tr>
<tr>
<td>64.00</td>
<td>T</td>
<td>110</td>
<td>64.00</td>
</tr>
<tr>
<td>48.00</td>
<td>W</td>
<td>80</td>
<td>48.00</td>
</tr>
<tr>
<td>162.00</td>
<td>T</td>
<td>216</td>
<td>162.00</td>
</tr>
</tbody>
</table>

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.