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

Mexico's Broiler Meat Production, Supply, and Demand (Thousand Metric Tons (TMT))

	2013		2014		2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Production	3,002	3,002	3,060	3,005	-	3,015
Imports	682	682	695	695	-	725
Exports	5	5	5	5	-	5
Total Dom. Cons.	3,679	3,679	3,750	3,695	-	3,735

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

Mexico's Poultry & Egg Situation

Broilers

With continued industry consolidation, improved biosecurity measures, and numerous investments Mexico's broiler meat production is expected to reach 3.01 million metric tons (MMT) in 2015. Production estimates for 2014 were revised downward to 3.0 MMT, while 2013 estimates were unchanged. Challenges with rising production costs mostly associated with high feed costs and increased biosecurity improvements, as well as ongoing minor avian influenza outbreaks and recovery efforts in contained areas persist. Leading broiler meat production states include Jalisco, Veracruz, Durango, and Coahuila.

Broiler meat consumption in 2015 is expected to be 3.73 MMT as poultry meat continues to be the more affordable option of the animal proteins. Consumption estimates for 2014 were revised downward to 3.69 MMT, while 2013 estimates were unchanged. Per capita consumption rates are predicted to see sustained growth in 2015, albeit at a smaller rate. According to the National Poultry Union (UNA), per capita consumption is projected to be 25.5 kilograms (kg) in 2014 and 25.1 kg in 2013. Among the lower income segment of Mexico consumers continue to prefer dark meat items, while the middle and upper income segments prefer the higher value cuts and value added products.

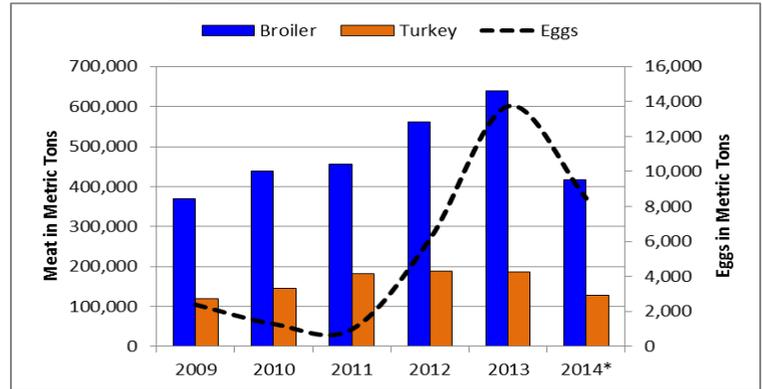
Mexico is projected to import 725,000 MT in 2015 and 695,000 MT in 2014; estimates for 2013 are unchanged. Poultry meat imports from the US accounted for 98% of total poultry meat imports in the first 5 months of 2014 with Chile and Canada supplying the remainder. Although Mexico recently announced the opening of a tariff rate quota (TRQ) for chicken, turkey, and mechanically deboned meat for all trading partners with whom Mexico does not have an existing free trade agreement (FTA), USDA FAS does not foresee Brazil becoming a major competitor for the US in the near-term. On July 31, 2014 Mexico announced a duty-free import quota of 300,000 MT of fresh, chilled, or frozen broiler, turkey meat, and MDM under HTS Codes : 0207.13.01, 0207.14.01, 0207.26.01, 0207.26.99, 0207.27.01, and 0207.27.99. Under NAFTA, US products enter duty-free and are not subject to the TRQ. Export forecasts for Mexico are expected to be unchanged with 5,000 MT in 2015 and in 2014. Mexican poultry meat exports are generally limited to processed products that have received thermal treatments due to past issues with avian influenza.

Turkey

Turkey meat production in Mexico is expected to see marginal growth in 2015 and reach 10,000 MT; estimates for 2014 were revised lower to 9,000 MT with 2013 unchanged at 10,000 MT. Production challenges and heavy competition from imports recommends little incentive to expand. About 60% of domestic turkeys are sold raw for processing with the remainder sold for manufacturing, cutting, and smoking.

Domestic consumption of whole or smoked turkeys remains seasonal, so imports of MDM turkey meat, either chilled or frozen, to prepare deli meats and related products is anticipated to continue growing.

Total US Egg and Egg Product and Broiler and Turkey Meat Exports to Mexico in Metric Tons (MT)



Note: All data is January-December except 2014*, which is January-July. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

Whole turkeys continue to be consumed on a mostly seasonal basis.

Turkey meat imports are forecast to increase slightly in 2015 to 167,000 MT. Import forecasts were revised upward for 2014 and 2013 to 166,000 MT and 164,000 MT respectively. Exports of turkey meat have been and continue to be stable with forecasts of 1,000 MT in 2015, 2014, and 2013. The US is the largest export destination of value added products under HTS 1602.31.

Mexico's Turkey Meat Production, Supply, and Demand (Thousand Metric Tons (TMT))

	2013		2014		2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Production	10	10	10	9	-	10
Imports	160	164	162	166	-	167
Exports	1	1	1	1	-	1
Total Dom. Cons.	169	173	171	174	-	176

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

Eggs

USDA FAS forecasts Mexican egg production to be 2.6 MMT in 2015. UNA believes domestic flocks have recovered from previous AI outbreaks barring no further outbreaks or reoccurrences could see increases of about 2% annually. UNA forecasts egg production to be 2,559,537 MT in 2014 and 2,509,350 MT in 2013. Yet the domestic egg industry continues to struggle with implementing appropriate biosecurity measures, especially in the way of manure management and facility access. About 80% of domestic production is sold in bulk with the remaining 20% to retail channels.

In 2015, per capita egg consumption is expected to reach 2011 levels (22.4 kg) due to stable prices and a full recovery of layer bird numbers. Since 2011 per capita egg consumption has been increasing (20.8 kg 2012, 21.7 kg 2013, 21.9 kg 2014). Brown eggs are perceived to be of better quality and higher protein content than white eggs.

USDA FAS is predicting imports of eggs and egg products to be strong in 2014 and 2015. According to UNA data, Mexico imported 45,254 MT of table eggs and 11,044 MT of egg products in 2013. As of May 2014, data shows Mexico has imported 25,099 MT of both table eggs and egg products. Egg export forecasts remain low due to supply limitations and the closure of foreign markets unless the egg and egg products are pathogen free or have received thermal treatments. Source: USDA FAS Gain Report MX4061

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	0	0	5,076	1,144
Frozen	0	0	78	40
Dried	5	0	514	159
Total	5	0	5,668	1,343

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	12	76	4,901	5,363
Frozen	5	72	987	1,071
Dried	7	46	192	51
Total	24	194	6,080	6,485

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	6,000	4,050	140,836	85,296
Large	13,050	12,843	290,462	185,838
Medium	750	780	18,492	21,825
Ungraded	6,936	13,488	706,119	227,068
Misc	0	0	26,120	0
Total	26,736	31,161	1,182,029	520,027

/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 Sep 13, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,413	1,796	3,209
Last Week	934	1,532	2,466
Same week yr ago	1,370	1,838	3,208
To-date/2014*	54,181	56,543	110,724
To-date/2013*	56,960	55,189	112,149

U.S. Fowl Slaughtered in Canada

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	531	0	531
Last Week	525	0	525
Same week yr ago	492	0	492
To-date/2014*	14,083	0	14,083
To-date/2013*			

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

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

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,944	1,796	3,740
Last Week	1,459	1,532	2,991
Same week yr ago	1,862	1,838	3,700
To-date/2014*	68,264	56,543	124,807
To-date/2013*	69,943	55,189	125,132

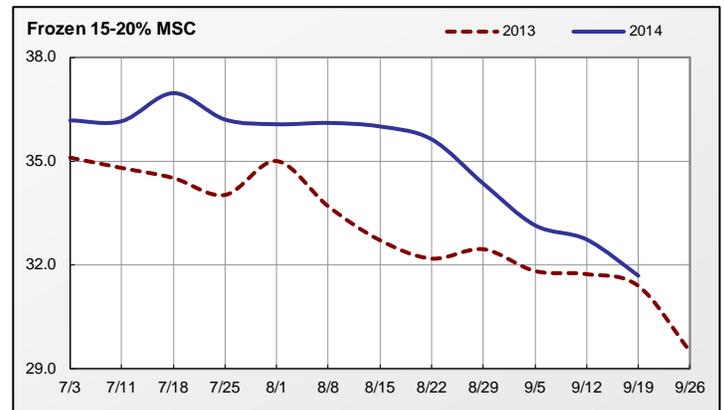
*Note: Year to-date totals reflect comparable time periods.

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 mostly weak on all fat contents. Domestic and export demand is light to moderate at best. Supplies are moderate to heavy. The marketplace is typical of the season with demand slowing, product becoming more available and clearing slowly, and prices gradually declining to offseason levels. Everyone in industry is watching the marketplace closely to see where prices settle as companies try to strategize for the impending contract season. Market activity is slow to moderate. Raw material supplies are moderate to heavy. Frame prices are steady to weak with trading levels 11-13 cents FOB, mostly 11-12 cents FOB.

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

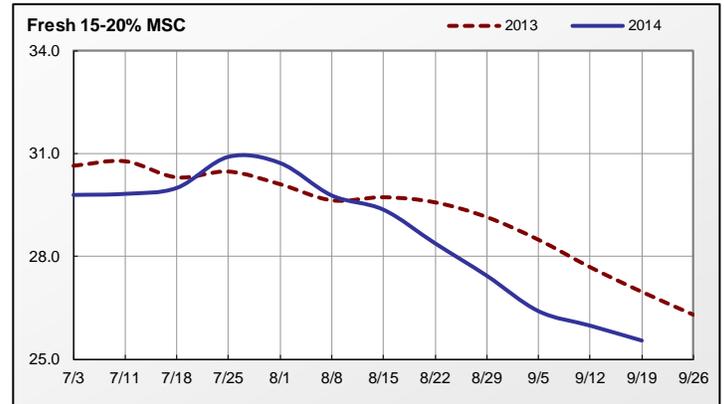
Fat Content	Frozen			Fresh		
	19-Sep-14	Last Week	Last Year	19-Sep-14	Last Week	Last Year
15% or Less						
Price Range	-	-	-	33.00	33.00	31.00-32.00
Wtd Avg Price	-	-	-	33.00	33.00	31.67
Volume Traded	-	-	-	163	163	122
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	28.50 - 35.00	29.00 - 37.00	29.00-37.00	23.00 - 29.50	23.00 - 28.00	22.00-33.00
Wtd Avg Price	31.69	32.74	31.83	25.55	25.98	28.49
Volume Traded	2,641	2,008	1,532	3,223	2,366	3,362
Volume Exported	2,401	1,648	1,012	612	571	898
20% or More						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	82	82	41
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Aug 2014	Jul 2014	Aug 2013	Aug 2014	Jul 2014	Aug 2013
15% or Less						
Wtd Avg Price	32.00	32.00	33.00	33.00	32.00	31.80
Volume Traded	80	120	80	306	285	816
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	35.69	36.37	33.04	29.31	30.22	29.62
Volume Traded	7,765	7,395	7,232	13,901	13,847	13,676
Volume Exported	7,160	6,975	6,036	2,319	2,448	1,877
20% or More						
Wtd Avg Price	-	-	-	24.11	24.75	22.00
Volume Traded	-	-	-	367	326	326
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 19 SEPTEMBER 2014.

The market on bulk parts was steady. Demand and offerings light to moderate. White meat and white trims market mixed. Demand and offerings light to moderate. Thigh meat market was steady. Demand and offerings light to moderate. Mechanically separated turkey market is steady to weak. Demand was light. Offerings are moderate to heavy. Market activity for parts is slow. For domestic: fresh full cut wings 73 cents, fresh tom necks 68 cents, fresh mechanically separated turkey 23-28 cents pet food, fresh scapula 207-215 cents, frozen grade A breast non basted 12-16 lbs. 216 cents, fresh wing meat 132-140 cents, fresh & frozen tails 55 cents, mature hen drums 90 cents, mature thigh 167 cents and body chopping skins 39 cents delivered. For export: fresh tom drums 95 cents Border.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, SEPTEMBER 19, 2014						
DRUMSTICKS, TOMS		M	105.00	40	105.00	40
WINGS FULL-CUT - TOMS	79.00		79.00	80	79.00	280
WINGS, V-TYPE, TOM	98.00		98.00	216	98.00	216
TAILS	57.00		57.00	120	57.00	120
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	174.00	40		
THURSDAY, SEPTEMBER 18, 2014						
DRUMSTICKS, TOMS		M	105.00	40		
WINGS FULL-CUT - TOMS		M	79.00	200		
WINGS, V-TYPE, TOM		F	100.00	120		
TAILS		R	56.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	174.00	40		
WEDNESDAY, SEPTEMBER 17, 2014						
DRUMSTICKS, TOMS		M	105.00	40		
WINGS FULL-CUT - TOMS		M	79.00	200		
WINGS, V-TYPE, TOM		F	100.00	120		
TAILS		R	56.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	174.00	40		
TUESDAY, SEPTEMBER 16, 2014						
DRUMSTICKS, TOMS		M	105.00	40		
WINGS FULL-CUT - TOMS		M	79.00	200		
WINGS, V-TYPE, TOM		F	100.00	120		
TAILS		R	56.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	174.00	40		
MONDAY, SEPTEMBER 15, 2014						
DRUMSTICKS, TOMS	105.00		105.00	40		
WINGS FULL-CUT - TOMS	79.00		79.00	200		
WINGS, V-TYPE, TOM		F	100.00	120		
TAILS		R	56.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	36.00	37		
		F	174.00	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.