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Livestock, Poultry and Grain Market News

## Japan

Total domestic broiler production is projected to reach 1.34 million metric tons (MMT) in 2014, up slightly from the 1.33 MMT in 2013. Post's unofficial projection for 2015 is 1.36 MMT. In response to persistent solid market demand, relatively high market prices for domestic broiler meat may continue through 2014. Broilers comprise over 90% of Japan's domestic poultry production, with spent hens comprising most of the remainder. Very few other poultry species are produced commercially, with the exception of a limited production of quail for eggs.

### Japan's Broiler Meat Production, Supply, and Demand (Thousand Metric Tons)

	2009	2010	2011	2012	2013	2014
Production	1,283	1,295	1,251	1,325	1,329	1,335
Imports	645	789	895	877	854	865
Total Dom. Cons.	1,979	2,080	2,104	2,213	2,201	2,185

Note: Dom. Cons. = Total Domestic Consumption.

Source: Foreign Agricultural Service, Official USDA Estimates

Total consumption in the above table accounts for domestic broiler meat output (dressed whole bird, bone-in), imported broiler meat (raw meat of bone-in as well as boneless cuts mixed with a high percentage of boneless cuts), and imported prepared and processed broiler meat products (cooked boneless meat). Stocks data includes domestic poultry meat as well as imported broiler meat (accounting for roughly 70 – 75 percent of total stocks), but does not include imported prepared and processed products. Surplus poultry stocks were balanced by reduced imports of raw broiler meat; stocks carried over into 2014 were 21% lower compared to the previous year, bringing total demand and supply into balance compared to the 2012 situation.

### Monthly Ending Stock of Poultry Meat YTD Unit: Metric Ton

	2011	2012	% chg.	2013	% chg.	2014	% chg.
Jan	111,439	153,923	38%	137,059	-11%	109,646	-20%
Feb	105,321	152,515	45%	138,905	-9%	109,702	-21%
Mar	106,385	147,844	39%	137,903	-7%	100,045	-27%
Apr	105,289	147,708	40%	132,563	-10%	102,887	-22%
May	115,480	155,341	35%	138,047	-11%	109,614	-21%
Jun	127,292	152,780	20%	138,202	-10%	113,126	-18%
Jul	136,550	160,545	18%	133,665	-17%	117,782	-18%
Aug	144,085	160,705	12%	131,266	-18%		
Sep	137,994	153,832	11%	124,553	-19%		
Oct	137,925	149,564	8%	120,096	-20%		
Nov	148,184	145,932	-2%	108,073	-26%		
Dec	147,358	129,057	-12%	101,532	-21%		

Source: ALIC Monthly Statistics

Note: Figures represent poultry meat estimates including spent hens. Over 70 % is imported poultry cuts with the majority being broiler.

Japan's imports of raw broiler meat cuts rose 5% to 217.7 TMT in the first half of 2014. The increase was mainly attributed to Japan's resumed imports of raw broiler cuts from Thailand (10.0 TMT) as well as an increase from the United States (13.0 TMT); imports from Brazil remained flat (192.2 TMT). Meanwhile, prepared product imports fell first half of 2014 to 200.0 TMT, with a 10% decline from Thailand (91.2 TMT) more than offsetting a 6% increase from China (107.2 TMT). Thailand and Brazil appear likely to compete for Japanese raw broiler meat market share in the years ahead, while Russia's increasing reliance on Brazilian and possibly Thai suppliers could have significant impacts on raw broiler meat price offers in Japan in 2014 and 2015.

In light of the above, Post's unofficial projections for Japan's 2014 total broiler imports are to increase modestly to 880.0 TMT. Raw broiler cut imports are projected up by 11% from the previous year to 460 TMT, supported by solid demand from food service and ready-to-eat foods, partially replenishing stocks. Projected imports from Brazil are unchanged at 390 TMT (85% share of the total raw broiler cuts market), imports from Thailand reaching 35 TMT from nil (8% market share),

and imports from the United States up by 10% to 25 TMT (5% market share). Prepared product imports are projected down by 5% to 420 TMT, with imports from China, down by 10% to 200 TMT (48% share of the total prepared products market) and imports from Thailand unchanged from the previous year at 215 TMT (51% market share), partially supported by rebalancing of demand away from Chinese products.

Japan lifted its Highly Pathogenic Avian Influenza (HPAI) related import ban on raw poultry meat from Thailand in December 2013 and Thailand resumed commercial shipments to Japan for the first time in the past ten years in February 2014. Resumption of Thai raw broiler meat imports has triggered a partial shift within Thailand's export lineup away from prepared products towards highly portion-controlled raw broiler meat cuts. Included among those raw products are cuts marinated with sauces and flavored with seasonings for easy preparation by food service clients and ready-to-eat food businesses. Some Japanese end users prefer to use semi-processed raw broiler cuts to appeal to consumers' preference for freshness. Also, as Thailand resumes raw broiler meat exports to Japan, future competition with Brazil seems imminent and could intensify in 2014; a trade source notes that Brazil remains price competitive. Brazil's lower export offer prices from the second half of 2013 through 2014 is expected to sustain Japan's 2014 imports from Brazil at nearly same level as the previous year.

Source: USDA FAS GAIN Report JA4026

### Japan Broiler Meat Imports in tons

	China	U.S.	Thailand	Brazil	Others	Total
2013						
Jan	9	1,453	-	33,854	411	35,727
Feb	9	1,513	-	35,498	312	37,333
Mar	9	1,026	-	29,515	379	30,929
Apr	18	2,066	-	30,724	351	33,159
May	18	2,221	-	37,653	362	40,254
Jun	-	1,942	-	27,542	408	29,892
Jul	21	2,330	-	39,155	411	41,917
YTD	84	12,552	-	233,941	2,634	249,211
2014						
Jan	4	1,214	-	33,486	614	35,318
Feb	5	1,821	23	30,073	399	32,321
Mar	12	2,064	812	24,305	462	27,655
Apr	-	2,811	1,936	35,774	352	40,873
May	9	2,657	2,965	33,635	373	39,639
Jun	-	2,435	4,230	34,900	308	41,873
Jul	12	2,944	5,945	33,129	555	42,584
YTD	42	15,946	15,911	225,302	3,064	260,264

### Japan Egg Product Imports in tons

	Powdered		Liquid		Whole Egg	Total
	Egg Yolk	Albumin	Egg Yolk	Albumin		
2013						
Jan	104	262	730	303	252	1,651
Feb	102	123	763	344	207	1,540
Mar	223	248	648	483	221	1,822
Apr	231	340	1,041	410	256	2,278
May	267	222	845	512	296	2,142
Jun	135	257	678	472	226	1,768
Jul	238	305	786	477	272	2,078
YTD	1,299	1,757	5,491	3,001	1,730	13,279
2014						
Jan	186	319	993	596	308	2,401
Feb	125	278	932	603	381	2,319
Mar	229	274	964	611	308	2,387
Apr	144	279	969	465	320	2,178
May	274	276	1,071	459	230	2,310
Jun	315	284	860	596	332	2,386
Jul	355	242	1,033	506	287	2,423
YTD	1,272	1,711	5,789	3,330	1,880	13,981

Source: ALIC

**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	44	0	5,546	1,144
Frozen	0	0	39	40
Dried	35	0	589	159
Total	79	0	6,174	1,343

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	14	110	5,067	5,610
Frozen	40	87	1,387	1,202
Dried	0	0	192	51
Total	54	197	6,646	6,863

**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	3,000	3,750	148,086	93,996
Large	12,275	10,300	313,537	223,194
Medium	0	450	19,242	22,275
Ungraded	19,620	27,150	762,675	275,194
Misc	0	0	26,120	0
Total	34,895	41,650	1,270,660	614,659

/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 27, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,513	1,520	3,033
Last Week	1,679	1,648	3,327
Same week yr ago	1,282	1,562	2,844
To-date/2014*	57,373	59,711	117,084
To-date/2013*	59,722	58,305	118,027

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	248	0	248
Last Week	463	0	463
Same week yr ago	452	0	452
To-date/2014*	14,794	0	14,794
To-date/2013*	13,614	0	13,614

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,761	1,520	3,281
Last Week	2,142	1,648	3,790
Same week yr ago	1,734	1,562	3,296
To-date/2014*	72,167	59,711	131,878
To-date/2013*	73,336	58,305	131,641

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

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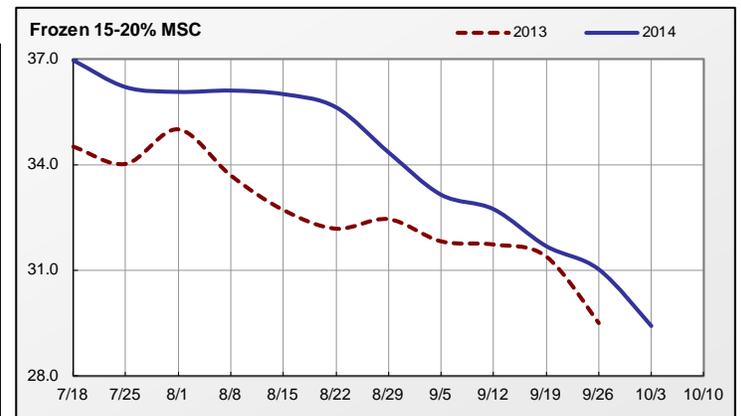
\*Note: Year to-date totals reflect comparable time periods.

**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 steady to mostly weak on all fat contents. Demand into domestic and export channels is light to moderate at best. Supplies are moderate to heavy. The marketplace is slow as producers find it more challenging to move spot product each week. Industry is closely monitoring the spot marketplace to see where prices will settle as many develop pricing strategies for 2015 contract negotiations. Market activity is slow to moderate. Raw material supplies are moderate to heavy. Frame prices are steady to weak with trading levels between 10-13 cents FOB, mostly 11-12 cents FOB.

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

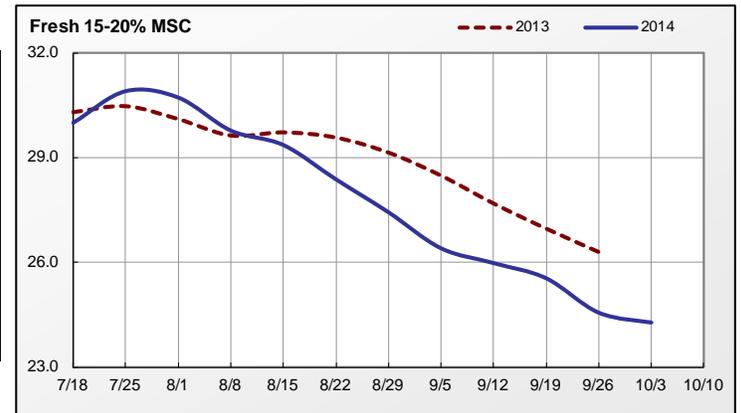
Fat Content	Frozen			Fresh		
	3-Oct-14	Last Week	Last Year	3-Oct-14	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	-	N/A	-	30.00 - 31.00	N/A
Wtd Avg Price	-	-	N/A	-	30.67	N/A
Volume Traded	-	-	N/A	-	122	N/A
Volume Exported	-	-	N/A	-	-	-
<b>15-20%</b>						
Price Range	28.00 - 34.00	28.50 - 34.00	N/A	21.00 - 28.00	22.00 - 30.00	N/A
Wtd Avg Price	29.43	31.03	N/A	24.28	24.56	N/A
Volume Traded	2,015	2,996	N/A	2,815	3,435	N/A
Volume Exported	1,895	2,636	N/A	408	857	N/A
<b>20% or More</b>						
Price Range	-	-	-	22.00	22.00	N/A
Wtd Avg Price	-	-	-	22.00	22.00	N/A
Volume Traded	-	-	-	41	82	N/A
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Sep 2014	Aug 2014	Sep 2013	Sep 2014	Aug 2014	Sep 2013
<b>15% or Less</b>						
Wtd Avg Price	32.00	32.00	33.00	32.56	33.00	30.59
Volume Traded	40	80	40	653	306	551
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	32.01	35.69	30.93	25.53	29.31	27.38
Volume Traded	9,665	7,765	7,602	11,483	13,901	13,991
Volume Exported	8,585	7,160	6,202	2,734	2,319	3,223
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.29	24.11	22.00
Volume Traded	-	-	-	286	367	286
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](http://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 03 OCTOBER 2014.

The market on bulk parts was steady, instances firm on tom drums, tom full cut wings and tom necks. Demand and offerings light to moderate. White meat and white trims market steady. Demand and offerings light to moderate. Thigh meat market was steady. Demand and offerings light to moderate. Mechanically separated turkey market is steady to barely steady. Demand was light. Offerings moderate. Market activity for parts is slow. For domestic: fresh tom full-cut wings 75, fresh tom necks 74, fresh tails 55 cents, hen & tom machine defatted gizzards 93 cents and grade A breast non basted 12-16 lbs. 216 cents delivered. For export: fresh tom drums 101 cents delivered to the Border.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, OCTOBER 03, 2014</b>						
DRUMSTICKS, TOMS		F	128.00	120		
WINGS FULL-CUT - TOMS		F	92.00	240		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	174.00		174.00	40	173.00	80
<b>THURSDAY, OCTOBER 02, 2014</b>						
DRUMSTICKS, TOMS		F	128.00	120		
WINGS FULL-CUT - TOMS		F	92.00	240		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	172.00	40		
<b>WEDNESDAY, OCTOBER 01, 2014</b>						
DRUMSTICKS, TOMS		F	128.00	120		
WINGS FULL-CUT - TOMS		F	92.00	240		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	172.00	40		
<b>TUESDAY, SEPTEMBER 30, 2014</b>						
DRUMSTICKS, TOMS		F	128.00	120		
WINGS FULL-CUT - TOMS		F	92.00	240		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	172.00		172.00	40		
<b>MONDAY, SEPTEMBER 29, 2014</b>						
DRUMSTICKS, TOMS		F	128.00	120		
WINGS FULL-CUT - TOMS		F	92.00	240		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	176.00	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.