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

Ukraine's Broiler Meat Production, Supply, and Demand

(Thousands of Metric Tons (TMT))

	2013		2014		2015
	Market Year Begin: January 2013		Market Year Begin: January 2014		Market Year Begin: January 2015
	Official	New	Official	New	New
Production	900	899	1,000	970	1,010
Imports	63	63	20	40	30
Exports	141	141	190	170	190
Dom. Cons.	822	821	830	840	850

Note: Official = USDA Official. New = New Post. Dom. Cons. = Domestic Consumption. Not Official USDA Data. Exports of chicken paws (Ukrainian HS0207149900) to China, Vietnam, and Hong Kong are excluded from the export numbers.) Source: USDA FAS, PSD Online, Unofficial USDA Estimates

Ukraine's Poultry Situation

PRODUCTION

In 2014 poultry production in Ukraine is expected to increase by 8 percent due to new production facilities that came on line in 2013 and in the first half of 2014. The bulk of this additional growth in production will be exported, although domestic demand is expected to grow marginally as well. The 2014 production level will fall below the forecast figure due to the ongoing political turmoil in Ukraine as well as production and distribution problems in the eastern regions. The production estimate for 2015 also decreased as major producers are expected to moderately expand production by raising production efficiencies.

CONSUMPTION

Substantial currency devaluations in early 2014 will have a limited impact on poultry consumption. Poultry meat remains the most affordable animal protein and consequently is also the most favored by local consumers. Overall meat consumption is expected to decline due to comparatively higher beef and pork prices. Major poultry producers anticipate strong consumer demand in the domestic market and are preparing accordingly.

IMPORTS

Poultry imports in 2014 will likely be at an all-time low by the end of the calendar year and are expected to further decrease in 2015. Export complications that could arise due to the ongoing conflict could foreseeably drive down import estimates lower. Imported frozen poultry will remain price-sensitive for the "further processing" market niche while domestically produced chilled product will be positioned in higher market segments. New export markets in the EU led to an innovative production model whereby premium parts and whole birds were exported, while inexpensive cuts and offal were imported. U.S. market share grew from 10 to 19 percent primarily for chicken leg quarters (HS 02071420) imports.

Ukraine did not fully implement the DCFTA with the EU despite the political crisis and formation of a new government that welcomed such an Agreement. A possible trade ban by the Russian Federation imposed on both Ukrainian and EU exports will further delay the

Ukraine's Poultry Imports from January-May (Tons)

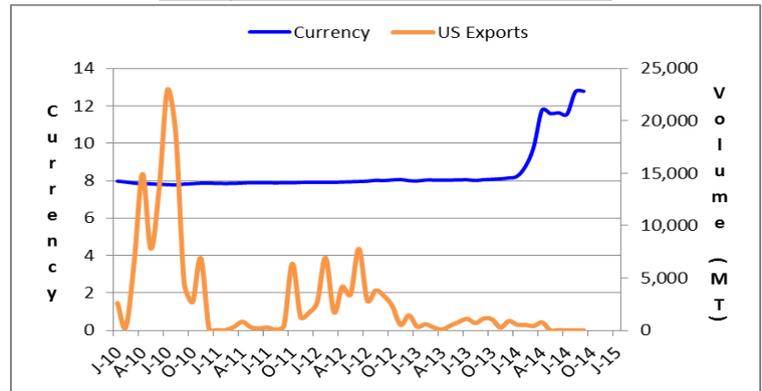
	Quantity			% Share			% Change
	2012	2013	2014	2012	2013	2014	13/14
World	38,420	23,725	15,747	100.00	100.00	100.00	-33.63
Germany	8,580	13,184	6,773	22.33	55.57	43.01	-48.62
US	14,113	2,356	3,066	36.73	9.93	19.47	30.14
Poland	2,971	1,170	1,697	7.73	4.93	10.78	44.99
Hungary	4,327	3,399	1,309	11.26	14.33	8.31	-61.49
Netherlands	2,544	669	1,026	6.62	2.82	6.52	53.24
Others	5,886	2,947	1,877	15.32	12.42	11.92	-36.31

Note: % Change = Percentage Change from 2013 to 2014. Poultry is defined as HS 020711, 020712, 020713, 020714, and 160232. Source: Global Trade Atlas/USDA FAS

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ratification of the FTA agreement in the Ukrainian Parliament. In order to support the Ukrainian economy and to avoid Russia's sanctions, the EU provided Ukrainian producers a six-month unilateral market access grace period on the terms agreed upon in the FTA agreement. Given the political situation in the country, it is difficult to speculate as to whether or not EU exporters will be offering further market access in late 2014 and beyond. If opened, the impact importers will have under the TRQ for European poultry products will not be as significant given the Ukrainian industry remains highly competitive. Currency devaluation so far has had limited to negative influence on Ukraine's poultry imports. An increase in poultry production is expected to continue in the near future leaving little space for imports irrespective of whether or not EU producers receive TRQ in November.

Ukrainian Hryvnia (UAH) against US Dollar (USD) with US Poultry Meat Exports (Metric Tons (MT))



Note: The average September 2014 currency exchange for 1 USD = 12.7845 UAH. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/Oanda FX Trade.

EXPORTS

Poultry meat exports are expected to grow significantly in 2014 and 2015. Ukrainian's producers will remain bullish on foreign markets which will continue to be their main source of growth. The Russian market remains closed to Ukrainian poultry meat exports since February 2014. Iraq became a major export destination for Ukraine's poultry meat, with Former Soviet Union (FSU) countries responsible for the remaining 1/3 of the market. In 2014, the European Union granted market access to two major Ukrainian exporters. Shipments from both eligible exporters are expected to continue until the fulfilment of the Tariff Rate Quota (TRQ) in November 2014. In order to continue exports beyond 2014, the Deep and Comprehensive Free Trade Agreement (DCFTA) needs to be fully implemented by Ukraine and EU Member States. This year, the domestic industry will concentrate on developing new export markets and have set their sights on ambitiously expanding these from 40 to 50 by 2017. Source: USDA FAS Gain Report UP1426.

Ukraine's Poultry Exports from January-May (Tons)

	Quantity			% Share			% Change
	2012	2013	2014	2012	2013	2014	13/14
World	21,260	51,648	57,603	100.00	100.00	100.00	11.53
Russia	5,442	15,579	2,879	25.60	30.16	5.00	-81.52
Moldova	2,937	3,133	4,852	13.82	6.07	8.42	54.86
Iraq	164	4,678	18,697	77.00	9.06	32.46	299.71
Uzbekistan	1,078	3,177	7,415	5.07	6.15	12.87	133.38
Georgia	3,841	1,650	3,438	1.79	3.19	5.97	108.37
Others	8,769	22,055	17,692	41.20	42.70	30.70	-19.78

Note: % Change = Percentage Change from 2013 to 2014. Poultry is defined as HS 020711, 020712, 020713, 020714, and 160232. Exports of chicken paws (Ukrainian HS0207149900) to China, Vietnam, and Hong Kong are excluded. Source: Global Trade Atlas/USDA FAS

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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	90	0	6,006	1,144
Frozen	0	0	39	40
Dried	73	0	742	159
Total	163	0	6,787	1,343

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	25	94	5,238	5,776
Frozen	8	0	1,398	1,244
Dried	0	0	210	51
Total	33	94	6,846	7,071

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	3,750	2,250	153,586	98,496
Large	13,030	8,430	344,417	239,374
Medium	0	0	19,242	22,275
Ungraded	35,304	15,608	848,115	314,682
Misc	0	0	26,120	0
Total	52,084	26,288	1,391,480	674,827

/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 11, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,515	1,731	3,246
Last Week	1,697	1,901	3,598
Same week yr ago	1,196	1,455	2,651
To-date/2014*	60,585	63,343	123,928
To-date/2013*	62,133	61,245	123,378

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	420	0	420
Last Week	490	0	490
Same week yr ago	226	0	226
To-date/2014*	15,704	0	15,704
To-date/2013*	14,216	0	14,216

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,935	1,731	3,666
Last Week	2,187	1,901	4,088
Same week yr ago	1,422	1,455	2,877
To-date/2014*	76,289	63,343	139,632
To-date/2013*	76,349	61,245	137,594

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

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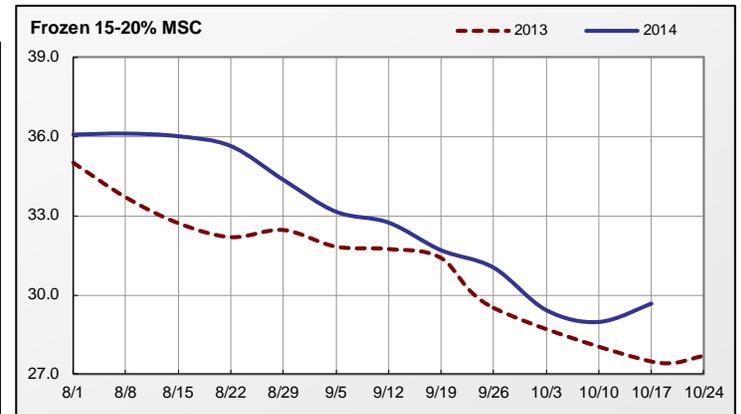
*Note: Year to-date totals reflect comparable time periods.

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 on all fat contents are steady to mostly weak. Demand into domestic and export channels is light to moderate at best. Supplies are moderate to heavy. Additional MSC and frames are available and slow to clear, while production and movement of finished goods is typical of the season. Industry continues to monitor the spot marketplace as contract negotiations for 2015 are in full swing. Market activity is slow to moderate. Supplies of raw materials are moderate to heavy. Frames prices are steady to weak with trading levels between 9-12 cents FOB, mostly 10-12 cents FOB.

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

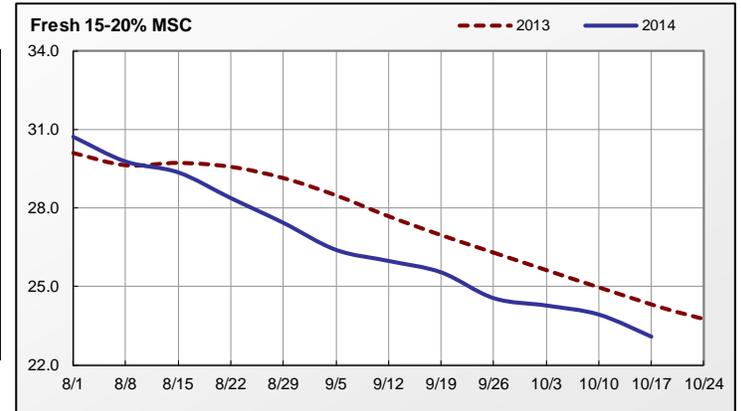
Fat Content	Frozen			Fresh		
	17-Oct-14	Last Week	Last Year	17-Oct-14	Last Week	Last Year
15% or Less						
Price Range	-	-	-	27.00 - 28.00	30.00	28.00-29.00
Wtd Avg Price	-	-	-	27.67	30.00	28.67
Volume Traded	-	-	-	122	102	122
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	28.00 - 34.00	26.50 - 33.00	25.50-31.00	19.00 - 26.00	21.00 - 27.00	20.00-28.00
Wtd Avg Price	29.68	28.98	27.48	23.09	23.94	24.32
Volume Traded	1,868	2,155	2,246	2,530	3,142	2,774
Volume Exported	1,668	2,075	1,926	775	1,061	449
20% or More						
Price Range	-	-	-	21.00	22.00	-
Wtd Avg Price	-	-	-	21.00	22.00	-
Volume Traded	-	-	-	82	82	-
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
15% or Less						
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	-	-	-	-	-	-
15-20%						
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
20% or More						
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)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 17 OCTOBER 2014.

The market on bulk parts is steady. Offerings and demand light to moderate. Tom breast meat steady to weak and white meat items steady. Demand is mixed. Offerings are light to moderate. The thigh meat market is steady. Demand and offerings light to moderate. Mechanically separated turkey market is steady to barely steady. Demand is light. Offerings light to moderate. Market activity is slow. For domestic: fresh tom full-cut wings 76 cents, fresh tom necks 75 cents, fresh tails 55 cents, ground thigh trim 70 cents, fresh scapula 213 cents and fresh wing meat 133-138 cents delivered. For export: fresh tom drums 101 cents and fresh scapula 212 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)
FRIDAY, OCTOBER 17, 2014						
DRUMSTICKS, TOMS		W	125.00	360	125.00	360
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		T	56.00	40	56.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	28.00	27	28.00	27
THURSDAY, OCTOBER 16, 2014						
DRUMSTICKS, TOMS		W	125.00	360		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		T	56.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	28.00	27		
WEDNESDAY, OCTOBER 15, 2014						
DRUMSTICKS, TOMS	125.00		125.00	360		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		T	56.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	28.00		28.00	27		
TUESDAY, OCTOBER 14, 2014						
DRUMSTICKS, TOMS		W	127.00	120		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	56.00		56.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						

No Trading Reported Due to the Observance of Columbus Day on October 13, 2014.

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.