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# INTERNATIONAL EGG AND POULTRY REVIEW

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

## Livestock and Poultry: World Markets and Trade

### Broiler Production

U.S. production is forecast to rise 3% to a record 17.8 MMT on increased slaughter, heavier weights and greater demand due to broiler meat's price competiveness visà-vis red meats. Despite the loss of the Russian market, U.S. exports are expected to rise 1 percent to a record 3.3 MMT as shipments are shifted towards Mexico, Sub-Saharan Africa and East Asia.

In 2013, Argentina surpassed Brazil as the primary supplier of broiler meat for South American markets and is expected to continue to grow. Production has more than doubled within a decade as a result of rising domestic and foreign demand along with ample feed supplies. Moreover, heavy investment and an increasingly vertically integrated sector have turned Argentina into the eighth largest producer in the world. Consumption has almost doubled over the past decade. Argentines are among the largest beef consumers in world; yet, for most of the past decade the competitive price differential vis-àvis beef favored broiler meat. However, broiler meat consumption appears to have reached its ceiling in 2012 as a result of market saturation and moderating beef prices. This ceiling resulted in greater exportable broiler meat supplies.

### Broiler Exports

Global exports are forecast to expand 4% to a record 10.9 million tons (MMT) as a result of gains by Brazil, the United States, Turkey, Argentina and Thailand. Imports by Russia are expected to decline as domestic production increases. Brazil and Argentina are poised to capture a greater share of the Russian market as a result of the recent ban on broiler meat shipments from EU, United States, Canada, Australia and Norway.

Argentine exports are booming due to competitive prices and global demand for cheaper sources of protein. Over two-thirds of Argentine exports are comprised of whole birds. Processors are now beginning to shift their marketing efforts toward broiler parts and further processed value-added products. Despite its relatively new presence in the market, Argentina has emerged as the world's 7th largest exporter. This robust export sector supports industry growth and healthy producer margins in the face of inflation-driven elevated production costs, especially energy and labor.

Brazil, the world's largest exporter, dominated the South American market until it shifted from Venezuela towards the Middle East. Argentina filled the void and surpassed Brazil in 2013. Two-thirds of Argentine exports remain in South America. Venezuela, the region's largest importer, represents nearly half of Argentina's shipments, followed by Chile and Peru. The remainder is shipped to over 70 countries, including markets in Sub-Saharan Africa and East Asia.

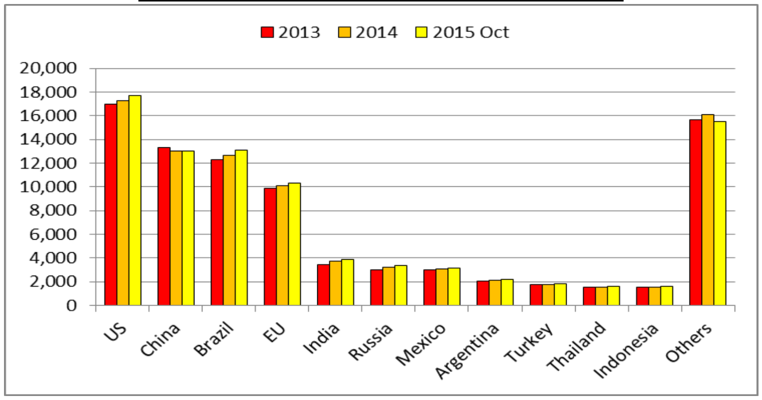
Over the past five years, growing broiler meat exporters - Argentina, China, Thailand, Turkey and Ukraine – challenged the dominance of traditional suppliers - Brazil, EU and United States. Moreover, growing exporters represent almost half of the 2 MMT rise in global trade over this period. The inroads are largely occurring in the Middle East. The Middle East, particularly Saudi Arabia, Iraq and UAE, accounts for over 25% of world broiler meat imports and is fueling global consumption. Rising incomes, economic growth, and changes in tastes and preferences support this growth.

Over the past decade, growing exporters have nearly doubled their market share and almost tripled their exports. These gains are attributable to significant and unique competitive advantages. For example, Turkey's geographic proximity to key Middle East markets lowers costs and facilitates shipping logistics. In 2006, Turkey had no market presence in Iraq. Today, after having captured market share from the United States and Brazil, it now supplies over 30% of Iraq's broiler meat, primarily supplying halal whole birds. While import demand in East Asia and other maturing markets such as the EU remains steady, the future of these exporters will lie in the new and developing markets.

### Broiler Imports

Russia is seeking alternative broiler meat suppliers due to its recent ban on certain agricultural imports from EU, United States, Canada, Australia and Norway. Imports by Russia are expected to decline as domestic production increases. Prior to the ban, the United States and EU supplied over three-quarters of Russia's broiler meat imports. Argentina and Brazil are poised to partially fill the gap in the market. Additionally, rising broiler meat consumption in South American markets and new demand from Sub-Saharan Africa and Middle East will likely bolster future growth.

**Broiler Meat Production in Selected Countries in Thousands of Metric Tons (Ready-to-Cook Equivalent)**




**Broiler Meat Exports in Selected Countries in Thousands of Metric Tons (Ready-to-Cook Equivalent)**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 Nov |
|---|---|---|---|---|---|---|
| Brazil | 3,272 | 3,443 | 3,508 | 3,482 | 3,600 | 3,825 |
| US | 3,067 | 3,165 | 3,300 | 3,332 | 3,297 | 3,341 |
| EU | 934 | 1,044 | 1,094 | 1,083 | 1,100 | 1,100 |
| Thailand | 432 | 467 | 538 | 513 | 540 | 570 |
| China | 379 | 422 | 411 | 420 | 440 | 460 |
| Turkey | 104 | 196 | 278 | 327 | 360 | 420 |
| Argentina | 214 | 224 | 291 | 324 | 340 | 375 |
| Ukraine | 23 | 43 | 76 | 141 | 170 | 190 |
| Canada | 147 | 143 | 141 | 150 | 145 | 155 |
| Belarus | 38 | 74 | 105 | 105 | 117 | 130 |
| Chile | 79 | 90 | 93 | 88 | 83 | 90 |
| Others | 206 | 254 | 278 | 277 | 286 | 272 |
| ***Total*** | ***8,895*** | ***9,565*** | ***10,113*** | ***10,242*** | ***10,478*** | ***10,928*** |

**Broiler Meat Imports in Selected Countries in Thousands of Metric Tons (Ready-to-Cook Equivalent)**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 Nov |
|---|---|---|---|---|---|---|
| Japan | 645 | 789 | 895 | 877 | 860 | 855 |
| Japan | 789 | 895 | 877 | 854 | 880 | 870 |
| Saudi Arabia | 652 | 745 | 750 | 838 | 770 | 790 |
| Iraq | 522 | 598 | 612 | 673 | 720 | 790 |
| Mexico | 549 | 578 | 616 | 682 | 705 | 740 |
| EU | 687 | 734 | 727 | 672 | 675 | 670 |
| Venezuela | 237 | 234 | 198 | 341 | 410 | 450 |
| Russia | 656 | 463 | 560 | 540 | 385 | 340 |
| South Africa | 240 | 326 | 371 | 355 | 370 | 385 |
| Angola | 239 | 287 | 301 | 321 | 325 | 350 |
| Hong Kong | 295 | 410 | 300 | 272 | 255 | 245 |
| US | 48 | 49 | 51 | 55 | 54 | 53 |
| Others | 2,891 | 2,908 | 3,174 | 3,016 | 3,001 | 2,979 |
| ***Total*** | ***7,805*** | ***8,227*** | ***8,537*** | ***8,619*** | ***8,550*** | ***8,662*** |

*Note: Chicken paws are excluded. From 2015, the following countries are excluded: Bahrain, Georgia, Iran, Jamaica, and Moldova. Source: USDA FAS, Livestock & Poultry: World Markets & Trade, November 2014*

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

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

Week Ending Nov 01, 2014 Year-To-Date*

| Type | 2014 | 2013 /1 | 2014 /2 | 2013 |
|---|---|---|---|---|
| Liquid | 0 | 144 | 6,193 | 1,432 |
| Frozen | 0 | 0 | 39 | 40 |
| Dried | 10 | 0 | 873 | 159 |
| Total | 10 | 144 | 7,105 | 1,631 |

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

Week Ending Nov 01, 2014 Year-To-Date*

| Type | 2014 | 2013 /1 | 2014 /2 | 2013 |
|---|---|---|---|---|
| Liquid | 0 | 59 | 5,468 | 5,952 |
| Frozen | 0 | 5 | 1,420 | 1,278 |
| Dried | 0 | 0 | 217 | 51 |
| Total | 0 | 64 | 7,105 | 7,281 |

## INSPECTED SHELL EGGS

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

Week Ending Nov 01, 2014 Year-To-Date*

| | 2014 | 2013 /1 | 2014 /2 | 2013 |
|---|---|---|---|---|
| Jumbo | 0 | 0 | 0 | 0 |
| Extra Large | 11,940 | 5,200 | 177,606 | 132,976 |
| Large | 12,900 | 7,000 | 383,527 | 261,124 |
| Medium | 1,200 | 750 | 20,682 | 23,775 |
| Ungraded | 47,832 | 31,596 | 992,769 | 365,994 |
| Misc | 0 | 1,560 | 27,322 | 1,560 |
| Total | 73,872 | 46,106 | 1,601,906 | 785,429 |

/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 Nov 01, 2014 (Preliminary)

**U.S. Fowl Slaughtered Domestically**

| | Light Hens | Heavy Hens | Total Hens |
|---|---|---|---|
| | -----Thousands----- | | |
| Head | 925 | 1,657 | 2,582 |
| Last Week | 1,147 | 1,684 | 2,831 |
| Same week yr ago | 1,201 | 1,625 | 2,826 |
| To-date/2014* | 63,831 | 68,525 | 132,356 |
| To-date/2013* | 66,078 | 65,855 | 131,933 |

**U.S. Fowl Slaughtered in Canada**

| | Light Hens | Heavy Hens | Total Hens |
|---|---|---|---|
| | -----Thousands----- | | |
| Head | 221 | 0 | 221 |
| Last Week | 216 | 0 | 216 |
| Same week yr ago | 51 | 0 | 51 |
| To-date/2014* | 16,482 | 0 | 16,482 |
| To-date/2013* | 14,970 | 0 | 14,970 |

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

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

| | Light Hens | Heavy Hens | Total Hens |
|---|---|---|---|
| | -----Thousands----- | | |
| Head | 1,146 | 1,657 | 2,803 |
| Last Week | 1,363 | 1,684 | 3,047 |
| Same week yr ago | 1,252 | 1,625 | 2,877 |
| To-date/2014* | 80,313 | 68,525 | 148,838 |
| To-date/2013* | 81,048 | 65,855 | 146,903 |

*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 mostly light to instances moderate. Supplies are moderate to heavy with spot MSC clearing slowly. Industry continues to keep a close eye on the spot marketplace while 2015 contract negotiations drag on with participants at odds on pricing. Market activity is slow to moderate. Supplies of raw materials are moderate to mostly heavy. Frame prices are steady to weak with trading levels 10-13.5 cents FOB, mostly 10-11 cents FOB.

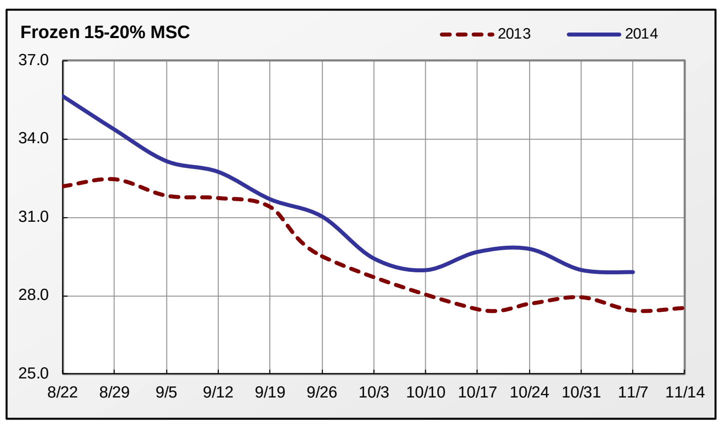
**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

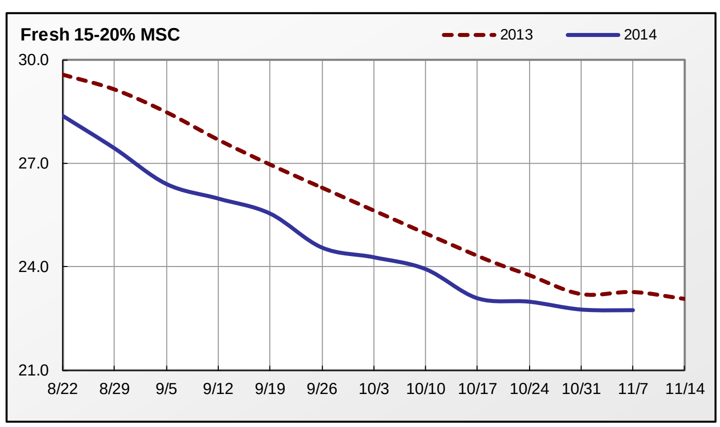
| Fat Content | Frozen | | | Fresh | | |
|---|---|---|---|---|---|---|
| | 7-Nov-14 | Last Week | Last Year | 7-Nov-14 | Last Week | Last Year |
| **15% or Less** | | | | | | |
| Price Range | 28.00 | 28.00 | - | 25.00 - 27.00 | 26.00 - 27.00 | 27.00-28.00 |
| Wtd Avg Price | 28.00 | 28.00 | - | 26.50 | 26.67 | 27.56 |
| Volume Traded | 162 | 108 | - | 163 | 122 | 184 |
| Volume Exported | 162 | 108 | - | - | - | - |
| **15-20%** | | | | | | |
| Price Range | 26.00 - 32.00 | 27.00 - 33.00 | 24.00-31.00 | 21.00 - 26.00 | 20.00 - 26.00 | 20.00-28.00 |
| Wtd Avg Price | 28.90 | 28.99 | 27.43 | 22.74 | 22.76 | 23.27 |
| Volume Traded | 2,111 | 1,859 | 2,261 | 3,024 | 2,734 | 2,988 |
| Volume Exported | 2,031 | 1,859 | 2,141 | 978 | 816 | 571 |
| **20% or More** | | | | | | |
| Price Range | - | - | - | 21.00 | 21.00 | 22.00 |
| Wtd Avg Price | - | - | - | 21.00 | 21.00 | 22.00 |
| Volume Traded | - | - | - | 82 | 41 | 82 |
| Volume Exported | - | - | - | - | - | - |

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

| Fat Content | Frozen | | | Fresh | | |
|---|---|---|---|---|---|---|
| | Oct 2014 | Sep 2014 | Oct 2013 | Oct 2014 | Sep 2014 | Oct 2013 |
| **15% or Less** | | | | | | |
| Wtd Avg Price | 28.00 | 32.00 | 33.00 | 27.65 | 32.56 | 28.17 |
| Volume Traded | 108 | 40 | 40 | 469 | 653 | 245 |
| Volume Exported | 108 | - | - | - | - | - |
| **15-20%** | | | | | | |
| Wtd Avg Price | 29.33 | 32.01 | 27.60 | 23.47 | 25.53 | 24.01 |
| Volume Traded | 9,129 | 9,665 | 5,090 | 13,056 | 11,483 | 6,294 |
| Volume Exported | 8,529 | 8,585 | 4,730 | 3,264 | 2,734 | 1,142 |
| **20% or More** | | | | | | |
| Wtd Avg Price | - | - | - | 21.63 | 22.29 | 22.00 |
| Volume Traded | - | - | - | 326 | 286 | 82 |
| 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 07 NOVEMBER 2014.

The market on bulk parts was steady. Demand and offerings was light to moderate. White meat and white trims market steady. Demand mixed. Offerings moderate. The market on thigh meat is steady. Demand and offerings light to moderate. For domestic: frozen tails 57-59 cents, fresh scapula 213-220 cents, frozen livers 27 cents, frozen machine defatted tom gizzards 93 cents and grade A breast non basted 12-16 lbs. 221 cents delivered. For export: frozen hen drums 115 cents and fries 172 cents delivered Border or port.

**EXPORT TRADING**

| FRIDAY, NOVEMBER 07, 2014 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) | WEEKLY WTD AVG PRICE | WEEKLY VOLUME (000) |
|---|---|---|---|---|---|---|
| DRUMSTICKS, TOMS | 113.00-115.00 | | 114.00 | 162 | 113.67 | 242 |
| WINGS FULL-CUT - TOMS | | | | | | |
| WINGS, V-TYPE, TOM | | | | | | |
| TAILS | | | | | | |
| MECHANICALLY SEPARATED 2/ | 27.00 | | 27.00 | 54 | 27.00 | 54 |
| THIGH MEAT - FROZEN | 171.00 | | 171.00 | 54 | 173.27 | 188 |

| THURSDAY, NOVEMBER 06, 2014 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | 113.00 | | 113.00 | 80 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | | | |
| TAILS | | | | |
| MECHANICALLY SEPARATED 2/ | | | | |
| THIGH MEAT - FROZEN | | T | 174.19 | 134 |

| WEDNESDAY, NOVEMBER 05, 2014 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | F | 114.00 | 40 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | | | |
| TAILS | | W | 59.00 | 40 |
| MECHANICALLY SEPARATED 2/ | | | | |
| THIGH MEAT - FROZEN | | T | 174.19 | 134 |

| TUESDAY, NOVEMBER 04, 2014 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | F | 114.00 | 40 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | | | |
| TAILS | | W | 59.00 | 40 |
| MECHANICALLY SEPARATED 2/ | | | | |
| THIGH MEAT - FROZEN | 171.50-176.00 | | 174.19 | 134 |

| MONDAY, NOVEMBER 03, 2014 | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|---|---|---|---|---|
| DRUMSTICKS, TOMS | | F | 114.00 | 40 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | | | |
| TAILS | | W | 59.00 | 40 |
| MECHANICALLY SEPARATED 2/ | | | | |
| 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.