



INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture

Agricultural Marketing Service

Livestock, Poultry and Grain Market News

Canada

Canada's broiler meat production for 2014 is estimated to be 1,078,000 metric tons (MT), a 2.5% increase over 2013. For 2015 broiler meat production in Canada is forecast to grow 2% to 1,100,000 MT.

Per capita broiler meat consumption in Canada for 2014 is estimated to be 30.2 kilo grams (kg), slightly above 2013's 30.1 kg. Even though 2015 per capita broiler meat consumption is forecast to increase slightly to 30.4 kg, it will still be below the 2007 peak of 31.7 kg. The Canadian broiler meat market is affected primarily by population increases due to the market's maturity.

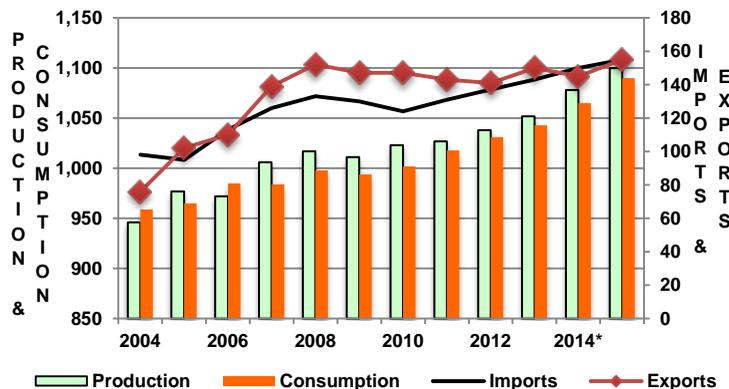
However, due partly to Canada's 39% growth in population from 1980 to 2010 the country's total domestic chicken consumption has almost doubled in the past 30 years. Canadian consumers have been shifting towards chicken due to an increase in health awareness and chicken is perceived to be leaner and healthier than other meats. Also, the proliferation of fast foods focusing on offering a variety of chicken meals has helped increase consumption.

In the past, due to the supply management system, chicken meat prices had usually been higher than pork and beef cuts because they are not under supply management schemes. However, over the past year and into 2015 red meat prices are likely to exceed poultry prices making a chicken more attractive price-wise as well.

Under Canada's supply management system chicken producers receive a fixed price for their live birds. The price is determined every 8-week production cycle based on production costs. Since Ontario is Canada's largest chicken producing province its live bird prices are the basis for calculation of prices in other provinces. Production volume decisions are also made before every 8-week production cycle. The national volume is allocated to each of the 10 producing provinces and further on down to the individual producers.

Canadian broiler meat imports for 2014 are estimated to increase 5% to 150,000 MT and are forecast to grow 3% in 2015. Imports are controlled under the supply management system and subject to a tariff rate quota. Market conditions in the United States (U.S.) also can impact import decisions. A large price differential between lower U.S. prices and the higher Canadian broiler meat prices can lead importers to bring in more product from the U.S., especially under programs that provide customs duty exemptions, such as IREP (imports for re-export program) or DRP (duties relief program).

Canada 2004-2015 Total Broiler Meat Import & Export Production & Consumption Estimate Comparisons (1,000 Metric Tons)



*2014 Estimate **2015 Forecast

Source: USDA, Foreign Agricultural Service Official USDA PSD Online Estimates

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GM

Canada imports most of their broiler meat from the U.S. The U.S. market share in 2014 is close to 90% followed by Brazil and Thailand. Some Canadian importers are reluctant to import the lower cost Brazilian chicken because it cannot be re-exported to the U.S. The U.S. does not permit Brazilian chicken imports.

Canada's broiler meat exports for 2014 are estimated at 145,000 MT, a 3% drop from 2013. However, Canada's broiler meat exports in 2015 are forecast to rebound and increase 7%. Exports generally fall into 2 broad categories with the majority representing the "re-export" side of the IREP and DRP programs, while the rest reflect "genuine" exports. "Genuine" exports are mostly made of dark meat cuts since the Canadian domestic market currently shows a stronger preference for white meat.

The U.S. is the number 1 destination for Canada's broiler meat exports with Taiwan a distant second. However, over the last several years Taiwan has over taken the Philippines as it increasingly bought more broiler meat increasing its market share while volumes to the Philippines generally stayed steady.

Sources: USDA/FAS GAIN Report CA14078; Foreign Agricultural Service Official USDA PSD Online Estimates

Canada: Broiler Meat Imports

(Quantity in metric tons, product weight)

	2011	2012	2013	2013	2014	%change 2014/13
World	130,726	137,338	143,489	63,720	68,643	7.7%
U.S.	105,994	116,138	119,001	56,682	61,733	8.9%
Brazil	15,345	11,456	13,864	4,805	3,853	-19.8%
Thailand	2,071	2,759	3,859	2,102	2,889	37.4%

Import Market Shares

U.S.	81%	85%	83%	89%	90%
Brazil	12%	08%	10%	08%	06%
Thailand	02%	02%	03%	03%	04%

Source: Global Trade Atlas

Canada: Broiler Meat Exports

(Quantity in metric tons, product weight)

	2011	2012	2013	2013	2014	%change 2014/13
World	143,423	141,046	150,119	76,651	67,994	-11.3%
U.S.	55,241	58,057	61,529	30,238	30,418	0.6%
Taiwan	13,952	19,169	23,827	12,371	14,751	19.2%
Philippines	21,194	18,333	21,282	10,898	6,388	-41.4%
Cuba	1,218	6,427	6,299	3,649	1,750	-52.0%
Hong Kong	12,267	11,023	6,221	3,150	3,504	11.2%
Gabon	3,574	2,870	4,615	2,919	1,558	-46.6%
Benin	1,463	4,744	4,116	1,696	1,511	-10.9%
All Other	34,514	20,423	22,230	13,426	9,625	-28.3%

Export Market Shares

U.S.	39%	41%	41%	39%	45%
Taiwan	10%	14%	16%	16%	22%
Philippines	15%	13%	14%	14%	09%
Hong Kong	01%	05%	04%	05%	03%
Cuba	09%	08%	04%	04%	05%
Benin	02%	02%	02%	04%	02%
South Africa	01%	03%	03%	02%	02%

Source: Global trade Atlas

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

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

Type	Year-To-Date*			
	2014	2013 /1	2014 /2	2013
Liquid	191	90	6,521	2,220
Frozen	0	0	39	40
Dried	40	0	1,138	159
Total	231	90	7,698	2,419

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

Type	Year-To-Date*			
	2014	2013 /1	2014 /2	2013
Liquid	3	28	5,871	6,169
Frozen	22	22	1,478	1,321
Dried	0	0	241	51
Total	25	50	7,590	7,541

INSPECTED SHELL EGGS

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

	Year-To-Date*			
	2014	2013 /1	2014 /2	2013
Jumbo	0	0	0	0
Extra Large	3,030	8,280	191,916	171,396
Large	18,350	15,350	452,271	321,104
Medium	0	800	23,251	26,925
Ungraded	23,306	20,370	1,128,605	503,648
Misc	720	0	28,042	3,720
Total	45,406	44,800	1,824,085	1,026,093

/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 Dec 06, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,429	1,758	3,187
Last Week	702	874	1,576
Same week yr ago	1,746	1,501	3,247
To-date/2014*	68,962	76,245	145,207
To-date/2013*	71,362	72,707	144,069

U.S. Fowl Slaughtered in Canada

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	449	0	449
Last Week	60	0	60
Same week yr ago	103	0	103
To-date/2014*	17,659	0	17,659
To-date/2013*	16,153	0	16,153

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	1,878	1,758	3,636
Last Week	762	874	1,636
Same week yr ago	1,849	1,501	3,350
To-date/2014*	86,621	76,245	162,866
To-date/2013*	87,515	72,707	160,222

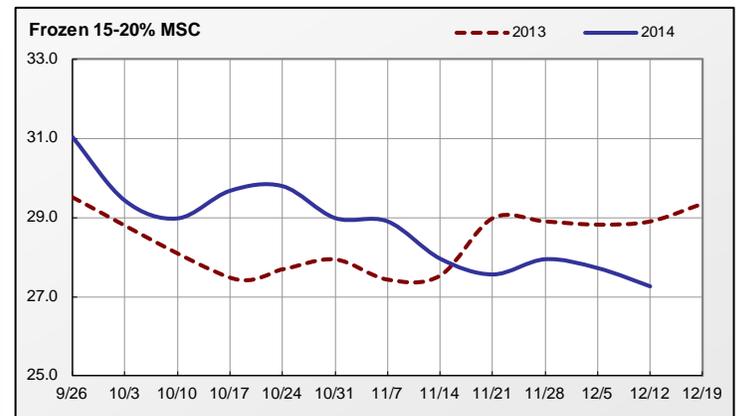
*Note: Year to-date totals reflect comparable time periods.

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.)

Prices of MSC are trending steady to weak on all fat contents. Demand into domestic and export channels is light to moderate. Supplies are moderate to heavy for current needs. Mixed seasonal activity on the marketplace with spot MSC and frames available and clearing slowly. Contract negotiations for 2015 persist with buyers and sellers taking aggressive positions; confirmations at similar to lower levels in addition to formula based pricing. Market activity is slow to moderate. Raw material supplies are moderate to heavy. Frame prices are steady to weak with trading levels between 10-12 cents FOB.

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

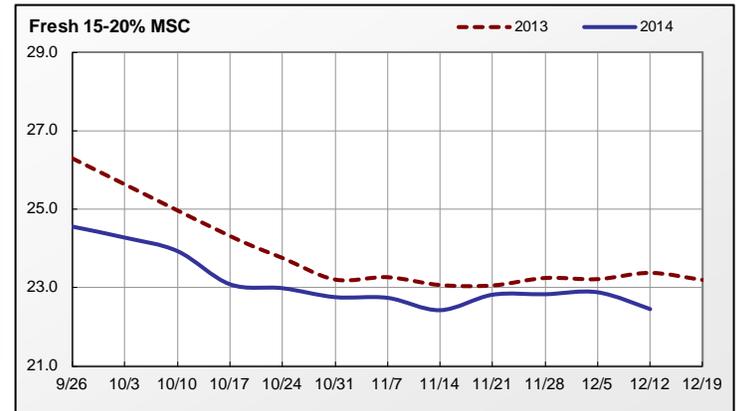
Fat Content	Frozen			Fresh		
	12-Dec-14	Last Week	Last Year	12-Dec-14	Last Week	Last Year
15% or Less						
Price Range	-	28.00	32.00	25.00 - 27.00	25.00 - 27.00	27.00-28.00
Wtd Avg Price	-	28.00	32.00	26.20	26.50	27.75
Volume Traded	-	200	40	204	163	163
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	25.00 - 30.00	25.50 - 30.00	27.00-31.00	21.00 - 25.00	21.00 - 26.00	20.00-26.00
Wtd Avg Price	27.26	27.72	28.90	22.46	22.89	23.38
Volume Traded	1,866	1,615	1,622	3,223	2,938	2,509
Volume Exported	1,546	1,535	1,542	1,306	1,142	816
20% or More						
Price Range	-	-	-	22.00	20.00	22.00
Wtd Avg Price	-	-	-	22.00	20.00	22.00
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Nov 2014	Oct 2014	Nov 2013	Nov 2014	Oct 2014	Nov 2013
15% or Less						
Wtd Avg Price	28.00	28.00	32.50	26.74	27.65	27.53
Volume Traded	162	108	80	469	469	734
Volume Exported	162	108	-	-	-	-
15-20%						
Wtd Avg Price	28.15	29.33	28.01	22.70	23.47	23.17
Volume Traded	6,732	9,129	10,769	11,574	13,056	14,982
Volume Exported	6,372	8,529	9,449	3,386	3,264	2,489
20% or More						
Wtd Avg Price	-	-	-	21.00	21.63	22.00
Volume Traded	-	-	-	245	326	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/lpsmarketnews)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 12 DECEMBER 2014.

The market for hen bulk parts steady with hen two joints firm. Tom bulk parts was steady to barely steady. Demand light for tom parts and moderate for hen parts. Offerings light to moderate. White meat and white trim was steady to weak. Demand light. Offerings light to heavy. Thigh meat market was steady to barely steady. Demand light. Offerings light to moderate. Trading slow for all parts and meats. For domestic: fresh full cut wings 70-74 cents, fresh tom necks 70-71 cents, fresh tails 55 cents, fresh wing meat 133-135 cents, frozen livers for pet food 28 cents, fresh scapula 213-219 cents, mature hen thigh meat 159 cents, grade A breast non basted 20-22 lbs. 222 cents and 12-16 lbs. 221 cents delivered. For export: frozen destrapped tenders 292 cents delivered to port.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, DECEMBER 12, 2014						
DRUMSTICKS, TOMS		R	90.17	240	91.35	672
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	55.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
THURSDAY, DECEMBER 11, 2014						
DRUMSTICKS, TOMS	90.00-91.00		90.17	240		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	55.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
WEDNESDAY, DECEMBER 10, 2014						
DRUMSTICKS, TOMS	90.00		90.00	378		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	55.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
TUESDAY, DECEMBER 09, 2014						
DRUMSTICKS, TOMS	106.00		106.00	54		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	55.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	27.00	54		
		T	160.00	40		
MONDAY, DECEMBER 08, 2014						
DRUMSTICKS, TOMS		F	93.00	216		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	55.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	27.00	54		
		T	160.00	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.