

INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture

Agricultural Marketing Service

Livestock, Poultry and Grain Market News

China

China is the world's second largest poultry producer. It is forecast that China's 2015 broiler meat production will increase slightly above previous estimates of 13 million tons as producers capitalize on the ban on United States (U.S.) imports due high pathogenic avian influenza (HPAI). However, China continues to experience periodic avian influenza (AI) resulting in production disruptions.

As of March 25, 2015 there were 4 H5N1 AI human cases reported and more than 40 H7N9 AI cases for 2015 in China. Some areas in China lost up to \$1.6 billion in 2014 due to AI. To minimize chances of AI spreading to humans the Chinese government is trying to end live bird slaughtering at wet markets by encouraging farmers to send their chickens to slaughter houses. Demand for live birds may also decline over time due to China's urbanization and the younger generation's preference for processed chicken sold at fast food outlets and fresh/frozen broiler meat products sold in supermarkets.

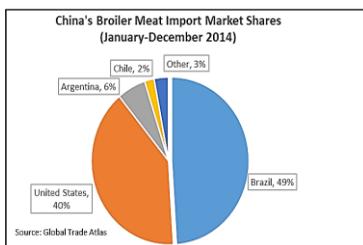
Broiler meat consumption in China has been sluggish over the last several years despite annual GDP growth of 6-7 percent. Demand has been hampered by continued AI outbreaks and resulting publicity. Currently, demand is being influenced by a slower economy and decreasing corporate gift sales due to anti-corruption policies. China's estimated 2015 per capita broiler meat consumption is slightly above 9 kilograms (kg), down from 10 kg in 2014. Estimated total broiler meat consumption for 2015 is 12,775,000 metric tons (MT), 6% below 2011's 13,543, 000 MT peak but 29% above 2004. Even though the availability of lower cost pork as a substitute meat is also restraining poultry demand, forecasts are the poultry market will likely rebound from the end of 3rd quarter 2015 due to anticipation of the pork supply tightening then.

China is forecast to export 460,000 MT of broiler meat in 2015, 5% above 2014 and up 91% since 2004. The primary destinations for China's broiler meat exports are Japan, Hong Kong and Malaysia.

China's total broiler meat imports for 2015 are forecast to be 235, 000 MT, 2% below 2014 but up 35% since 2004. In 2014 China imported broiler meat primarily from Brazil, United States (U.S.), Argentina and Chile. China is expected to approve 8 new Brazilian poultry facilities in 2015 resulting in 36 total approved plants.

U.S. broiler meat exports to China in 2014 dropped 10% from 2013, but are up 621% since 2004. Effective January 9, 2015 all poultry products are ineligible for export to China due to HPAI found in the U.S. In response, the U.S. is seeking exemption for heat-treated poultry products. U.S. total January-February 2015 broiler meat exports to China are down 84% while total broiler meat, turkey meat, other poultry meat and egg products are 68% lower than 2014.

Sources: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service; Rabobank Poultry Quarterly Q1 2015 – March 2014; Thursday, March 26, 2015 Promed; USDA/FAS GAIN Reports CH156002, 15007; USDA, Food Safety Inspection Service; USDA, Foreign Agricultural Service Official USDA PSD Online Estimates



Source: USDA/FAS GAIN Report 15007

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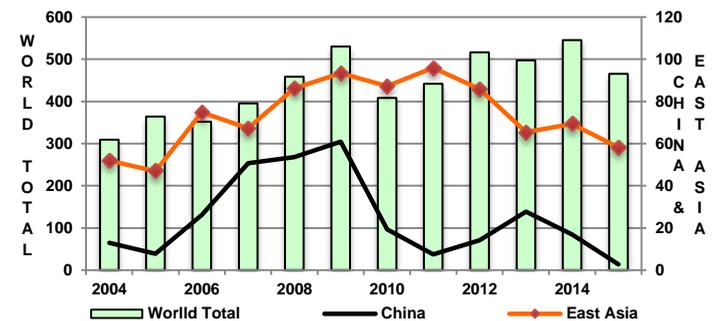
U.S. Poultry Meat & Egg Product Exports to China
January-February Total Comparisons
(Metric Tons)

	2011	2012	2013	2014	2015	%*
Other Poultry Meat	4,602	7,966	30,774	13,999	7,979	-43
Broiler Meat	7,398	14,190	27,787	16,897	2,729	-84
Turkey Meat	6,318	3,013	8,177	3,742	332	-91
Egg Products	65	3	22	2	6	+252
Grand Total**	18,383	25,172	66,760	34,640	11,045	-68

*2015 as Percent of 2014; **May Total due to Rounding

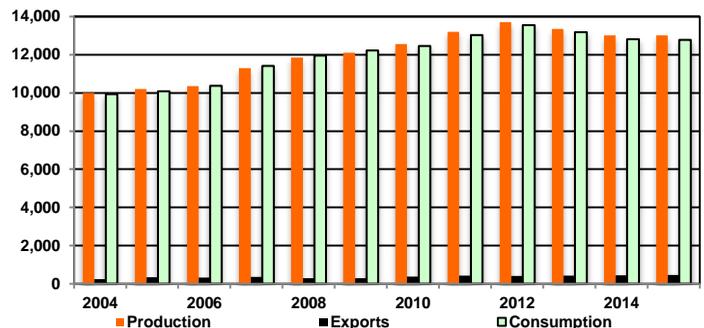
Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

U.S. Broiler Meat Exports
China, East Asia & World January-February Total Comparisons
(Thousand Metric Tons)



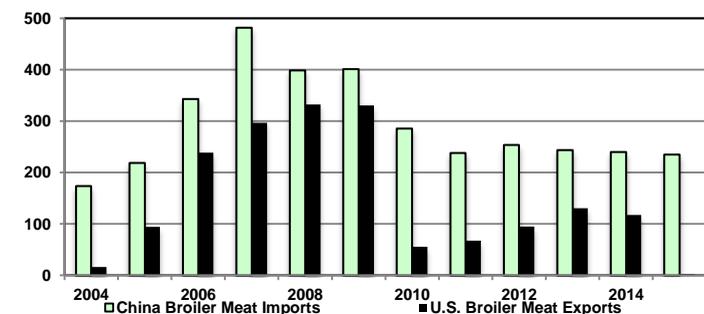
Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

China Estimated Total Production
Consumption & Export Comparisons
(1,000 Metric Tons)



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

China 2004-2015* Total Estimated Broiler Meat Imports
& U.S. Broiler Meat Exports to China Comparisons
(1,000 Metric Tons)



*2015 Total China Broiler Meat Imports are forecast

Sources: USDA, Foreign Agricultural Service Official USDA PSD Online Estimates; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

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

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

Type	Year-To-Date*			
	2015	2014 /1	2015 /2	2014
Liquid	0	144	96	1,569
Frozen	0	0	0	39
Dried	38	0	458	158
Total	38	144	554	1,766

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

Type	Year-To-Date*			
	2015	2014 /1	2015 /2	2014
Liquid	227	182	1,565	1,648
Frozen	5	5	452	410
Dried	0	0	0	46
Total	232	187	2,017	2,104

INSPECTED SHELL EGGS

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

	Year-To-Date*			
	2015	2014 /1	2015 /2	2014
Jumbo	0	0	0	0
Extra Large	780	1,590	21,990	29,958
Large	10,000	540	98,647	70,680
Medium	0	930	60	3,432
Ungraded	18,060	18,408	183,390	145,910
Misc	0	720	1,020	8,040
Total	28,840	22,188	305,107	258,020

/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 Mar 28, 2015 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,325	1,466	2,791
Last Week	1,464	1,582	3,046
Same week yr ago	1,272	1,460	2,732
To-date/2015*	18,306	19,247	37,553
To-date/2014*	17,938	17,503	35,441

U.S. Fowl Slaughtered in Canada

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	377	0	377
Last Week	632	0	632
Same week yr ago	635	0	635
To-date/2015*	4,939	10	4,949
To-date/2014*	4,154	0	4,154

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	1,702	1,466	3,168
Last Week	2,096	1,582	3,678
Same week yr ago	1,907	1,460	3,367
To-date/2015*	23,245	19,257	42,502
To-date/2014*	22,092	17,503	39,595

*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 mixed, though mostly steady on all fat contents. Demand into domestic and export channels is light to good. Supplies are light to moderate. Schedules are normal to instances reduced for the holiday. The spot marketplace is in good shape going into the holiday weekend with typical complications, slight reductions in production, and price spreads. Industry is closely watching the marketplace to see where it settles in the next few weeks after weeks of volatility. Market activity is slow to active, mostly moderate. Raw material supplies are light to moderate. Prices of frames are steady with trading levels between 12-14 cents FOB.

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

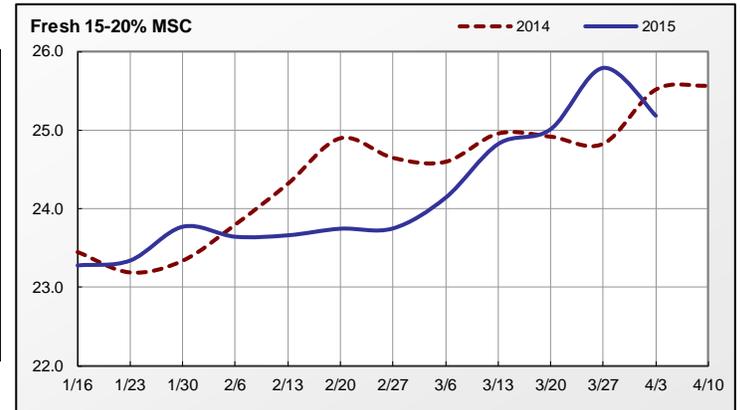
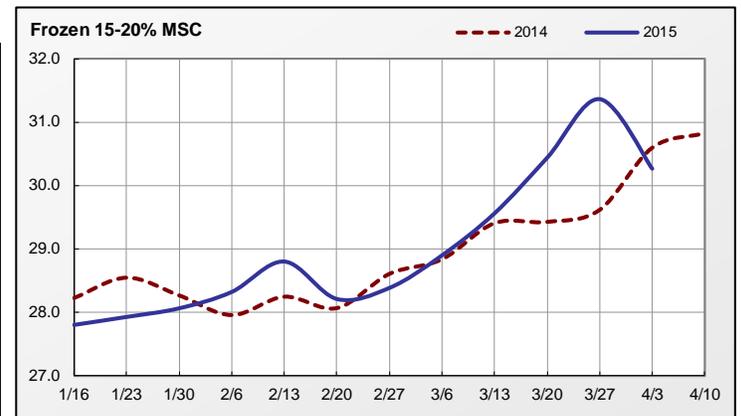
Fat Content	Frozen			Fresh		
	3-Apr-15	Last Week	Last Year	3-Apr-15	Last Week	Last Year
15% or Less						
Price Range	-	-	31.00	28.00	28.00	27.00-28.00
Wtd Avg Price	-	-	31.00	28.00	28.00	27.50
Volume Traded	-	-	40	163	184	163
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	28.00 - 33.00	30.00 - 35.00	28.00-33.00	22.00 - 29.00	23.00 - 32.00	24.00-28.00
Wtd Avg Price	30.27	31.37	30.60	25.19	25.80	25.52
Volume Traded	1,052	1,013	1,805	2,836	3,101	3,356
Volume Exported	1,012	1,013	1,365	204	979	530
20% or More						
Price Range	-	-	-	25.00	25.00	22.00-22.50
Wtd Avg Price	-	-	-	25.00	25.00	22.25
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Mar 2015	Feb 2015	Mar 2014	Mar 2015	Feb 2015	Mar 2014
15% or Less						
Wtd Avg Price	-	-	31.00	27.35	27.00	27.76
Volume Traded	-	-	80	530	388	673
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	30.02	28.45	29.37	24.97	23.70	24.81
Volume Traded	4,981	5,717	5,930	11,852	11,622	11,854
Volume Exported	4,781	4,737	5,690	2,570	1,510	1,703
20% or More						
Wtd Avg Price	-	-	-	24.25	24.00	22.36
Volume Traded	-	-	-	326	245	449
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 03 APRIL 2015.

The market on bulk parts was a mixed steady. Demand and offerings was light to moderate. White meat and white trims steady except frozen breast trim steady to weak. Demand and offerings light to moderate. Thigh meat market was steady. Demand and offerings was light to moderate. Mechanically separated turkey market was steady. Demand and offerings light to moderate. Trading slow to moderate. For domestic: machine defatted tom gizzards 88 cents, frozen tails 51-55 cents, fresh scapula 217-228 cents, fresh full cut wings 61 cents, grade A breast non basted 12-14 lbs. 221 cents, 14-16 lbs. 221 cents and fresh mechanically separated turkey for pet food 24-25 cents delivered. For export: fresh tom drums 62 cents delivered to Border.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, APRIL 03, 2015						
DRUMSTICKS, TOMS	63.00		63.00	40	63.00	120
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	64.00	120		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	138.00	40	138.00	40
THURSDAY, APRIL 02, 2015						
DRUMSTICKS, TOMS	63.00		63.00	80		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	64.00	120		
TAILS		R	52.00	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	138.00	40		
WEDNESDAY, APRIL 01, 2015						
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	64.00	120		
TAILS		R	52.00	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	138.00		138.00	40		
TUESDAY, MARCH 31, 2015						
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	64.00	120		
TAILS		R	52.00	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
MONDAY, MARCH 30, 2015						
DRUMSTICKS, TOMS		M	64.00	80		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	64.00	120		
TAILS		R	52.00	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	130.00	54		

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.