

# Chicken Fax

Editor : Kyle Deslauriers

August 2018



**Chicken Farmers  
of Canada**  
**Les Producteurs de  
poulet du Canada**

## Volume 26, Issue 5

**Section 1 - Production, Supply and  
Disappearance**

**Section 2 - Chicken Prices**

**Section 3 - Storage Stocks**

**Section 4 - American Chicken Market**

The fresh supply for June year-to-date (YTD) was 715 Mkg, an increase of 5.8%, or 38.9 Mkg over last year. In turn, total supply for the same time frame was 759.5 Mkg, up 41.4 Mkg, or 5.8% over last year. Most of the increase in supplies came from domestic production, which experienced a 6.7% increase over last year.

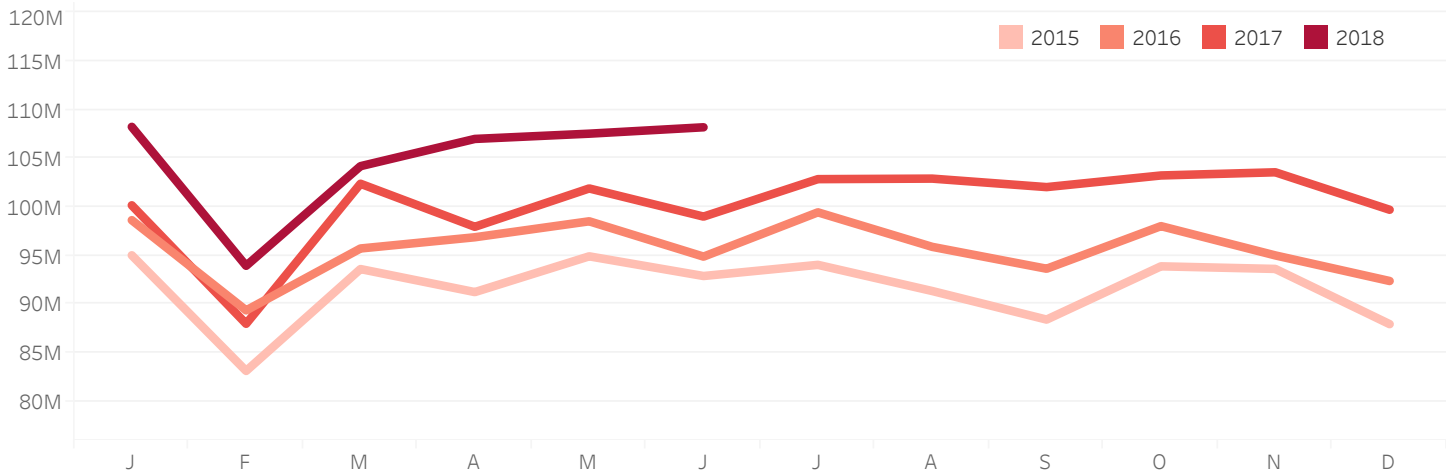
	Supply and Disappearance		Change	
	Jan. - Jun.			
	2017	2018		
Opening Stocks	42.0M	44.5M	2.5M	5.9%
Production	589.4M	629.2M	39.7M	6.7%
Imports	86.7M	85.8M	-0.8M	-1.0%
Fresh Supply	676.1M	715.0M	38.9M	5.8%
Total Supply	718.1M	759.5M	41.4M	5.8%
Exports	84.1M	79.2M	-4.9M	-5.8%
Closing Stocks	39.8M	52.2M	12.4M	31.1%
Domestic Disappearance	594.2M	628.0M	33.8M	5.7%

Source: Chicken Farmers of Canada, Agriculture and Agri-Food Canada, USDA

Note: The commentary provided is the view of CFC staff only. Reproduction of any section's commentary is permitted provided it is published in its entirety and proper credit is given.

## Section 1 - Production, Supply and Disappearance

### Canadian Chicken Production (Mkg) Production de poulet au Canada (Mkg)



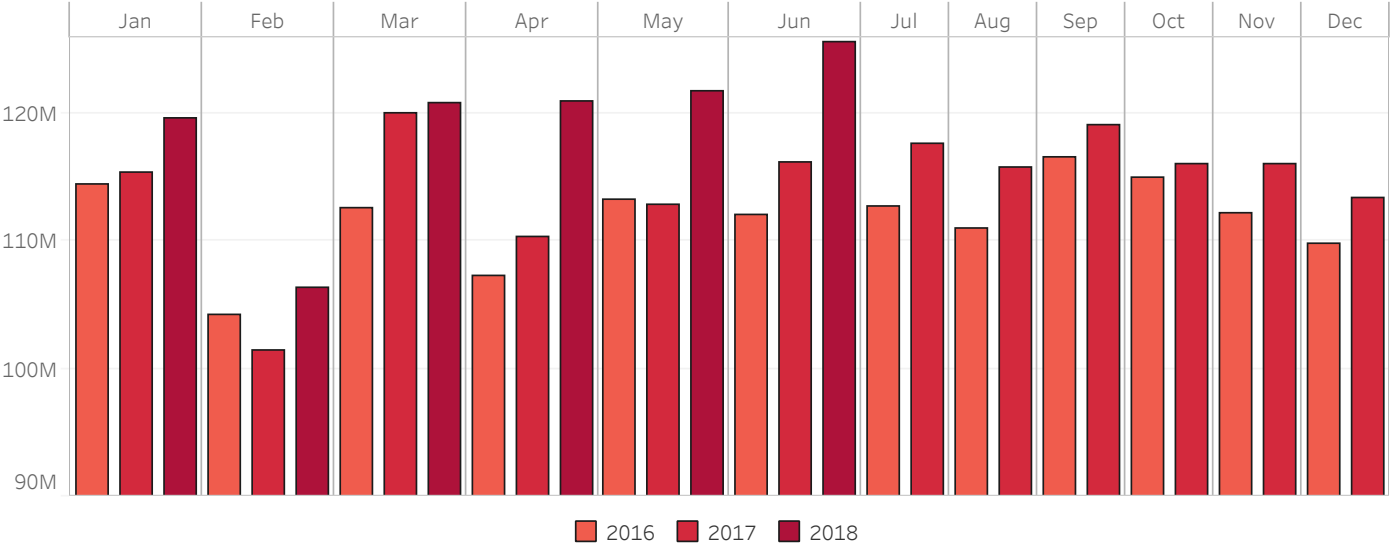
	Production Jan. - Jun. Mkg		Change	
	2017	2018		
BC	83.6M	92.3M	8.6M	10.3%
AB	56.3M	60.3M	4.0M	7.1%
SK	22.6M	23.3M	0.6M	2.9%
MB	24.6M	25.7M	1.1M	4.5%
ON	194.0M	211.3M	17.3M	8.9%
QC	162.3M	167.1M	4.8M	3.0%
NB	16.0M	17.2M	1.2M	7.6%
NS	20.2M	21.4M	1.2M	5.7%
PEI	2.0M	2.1M	0.1M	4.6%
NFLD	7.7M	8.5M	0.7M	9.7%
<b>Canada</b>	<b>589.4M</b>	<b>629.2M</b>	<b>39.7M</b>	<b>6.7%</b>

Total YTD chicken production saw an increase of 39.7 Mkg (6.7%) over last year, bringing the volume to 629.2 Mkg as of June 2018. Volume increases have been noted in every province, although the greatest year-over-year percentage growth was in British Columbia (10.3%), Ontario (8.9%), and Newfoundland (9.7%).

	Monthly Production Mkg			
	2017		2018	
	May	June	May	June
BC	14.7M	14.3M	16.1M	16.0M
AB	9.6M	9.4M	10.3M	10.3M
SK	3.8M	3.8M	4.0M	4.0M
MB	4.3M	4.3M	4.4M	4.5M
ON	34.4M	33.1M	35.3M	35.4M
QC	27.7M	26.2M	28.6M	29.1M
NB	2.4M	2.9M	3.2M	3.2M
NS	3.3M	3.4M	3.7M	3.9M
PEI	0.4M	0.4M	0.4M	0.3M
NFLD	1.4M	1.3M	1.5M	1.5M
<b>Canada</b>	<b>101.9M</b>	<b>99.0M</b>	<b>107.6M</b>	<b>108.2M</b>

Source: Chicken Farmers of Canada, Agriculture and Agri-Food Canada

### Fresh Chicken Supply (Mkg)



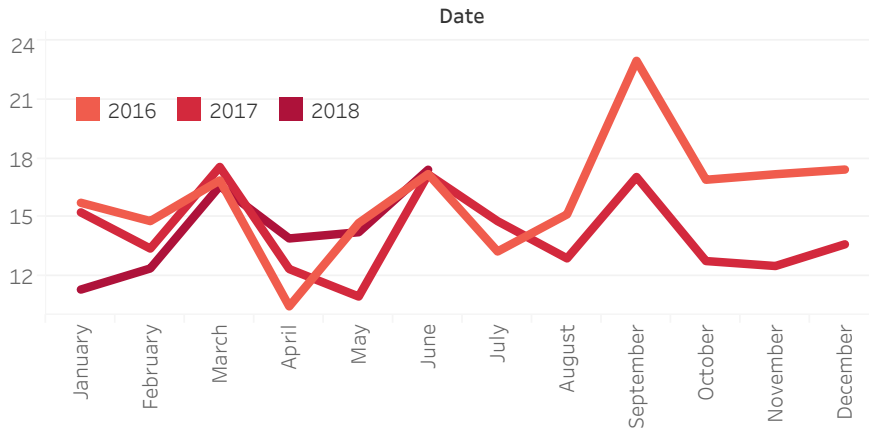
YTD Domestic Disappearance was 628 Mkg, an increase of 33.8 Mkg (5.7%) over last year. The increase in domestic consumption can be attributed to a higher level of production, and a lower amount of exports—indicating that chicken products are staying in Canada to be consumed. Import levels are also down, showing that domestic supplies are sufficient in meeting demand.

Fresh Chicken Supply Mkg		
	2017	2018
January	115.4M	119.6M
February	101.4M	106.3M
March	120.0M	120.8M
April	110.3M	120.9M
May	112.9M	121.8M
June	116.2M	125.6M
July	117.7M	
August	115.8M	
September	119.1M	
October	116.0M	
November	116.1M	
December	113.3M	

Domestic Disappearance Mkg		
	2017	2018
January	100.4M	103.1M
February	88.5M	94.6M
March	108.0M	104.7M
April	91.6M	104.5M
May	101.8M	109.9M
June	103.8M	111.1M
July	103.6M	
August	103.5M	
September	107.6M	
October	99.8M	
November	104.4M	
December	99.4M	

Source: Chicken Farmers of Canada, Agriculture and Agri-Food Canada

## Total Chicken Imports (Mkg)



As was the case in May, June 2018 chicken imports were down in every category, with the exception of Parts (Boneless), and Further Processed, which each respectively saw increases of 5.3 Mkg (12.1%), and 1.1 Mkg (6.7%). Parts (Bone-in) experienced the largest volume drop, down 4.8 Mkg (20.4%) over last year. Additionally, a notable drop of 2.3 Mkg (71%) was seen in the Other category. While the Carcass category was down 64.2%, the volume drop itself of 0.1 Mkg was quite small in comparison to the other drops that we have noted.

	Jan. - Jun. Kg		Change	
	2017	2018		
Live	0.0M	0.0M	0.0M	
Carcass	0.2M	0.1M	-0.1M	-64.2%
Parts, Bone-in	23.4M	18.6M	-4.8M	-20.4%
Parts, Boneless	43.4M	48.7M	5.3M	12.1%
Other	3.2M	0.9M	-2.3M	-71.0%
Further Processed	16.4M	17.5M	1.1M	6.7%
<b>Total</b>	<b>86.7M</b>	<b>85.8M</b>	<b>-0.8M</b>	<b>-1.0%</b>

	2017		2018	
	May	June	May	June
Live	0.0M	0.0M	0.0M	0.0M
Carcass	0.0M	0.0M	0.0M	0.0M
Parts, Bone-in	3.2M	4.5M	3.0M	4.0M
Parts, Boneless	5.0M	9.3M	8.5M	9.5M
Other	0.3M	0.5M	0.1M	0.1M
Further Processed	2.3M	2.8M	2.7M	3.8M
<b>Total</b>	<b>10.9M</b>	<b>17.2M</b>	<b>14.2M</b>	<b>17.4M</b>

Source: Agriculture and Agri-Food Canada

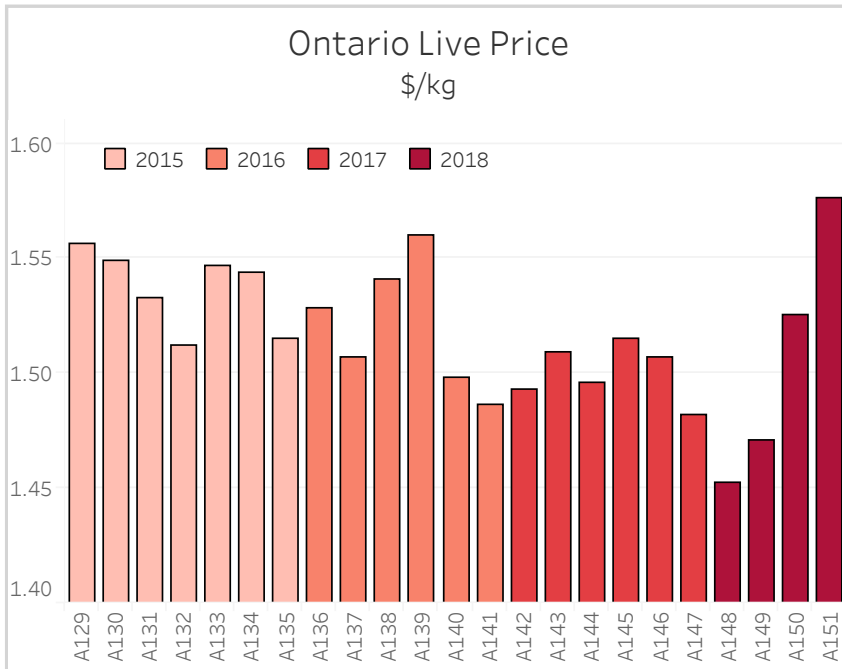
\* Chicken imports are reported on eviscerated equivalent basis

## Chicken Products Exported

Jan. - Jun. Kg	
2017	2018
84.1M	79.2M

Source: Agriculture and Agri-Food Canada

## Section 2 - Chicken Prices



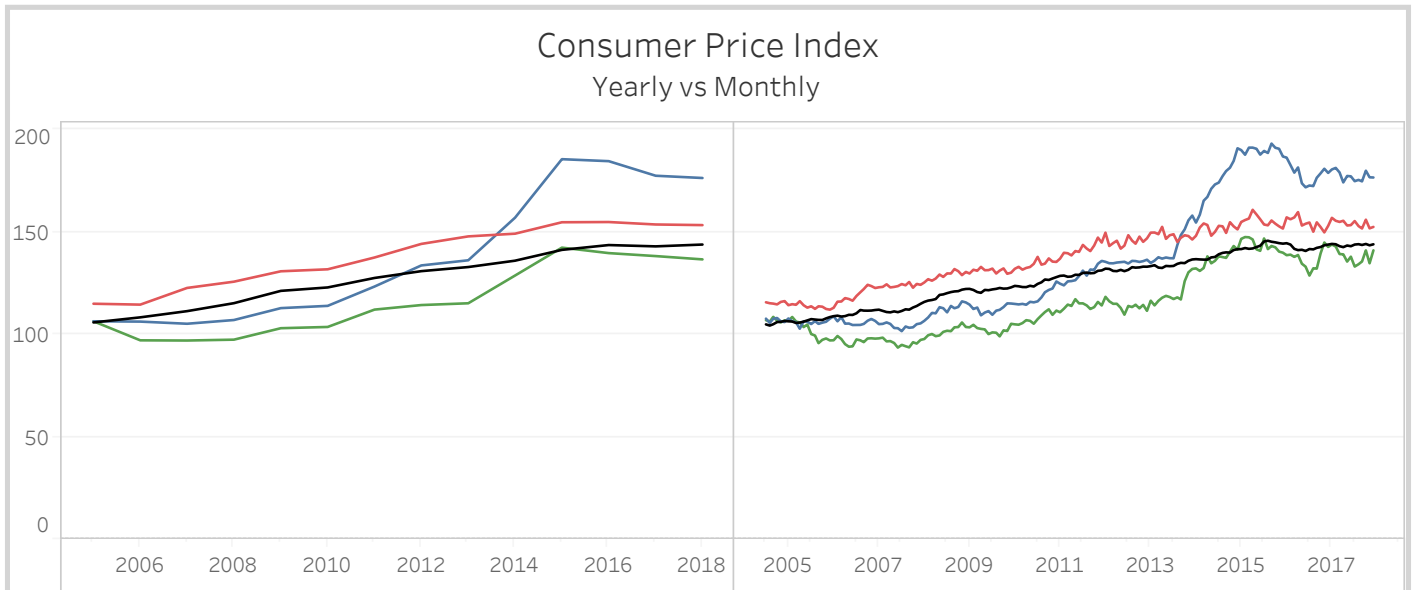
The Ontario live price has seen back-to-back gains since period A-148, which started in January 2018. A price of \$1.576 was set for the period A-151.

The CPI for chicken as of June 2018 was 152.7, down 0.3% from the same time last year. Declines in the CPI were also felt in competing meats. Beef was down 1.3%, bringing the CPI to 176.8. Pork was down 1.2% from last year, bringing the CPI to 141.2.



- Commodity**
- Food
  - Fresh or frozen chicken
  - Fresh or frozen beef
  - Fresh or frozen pork

**Location**  
All



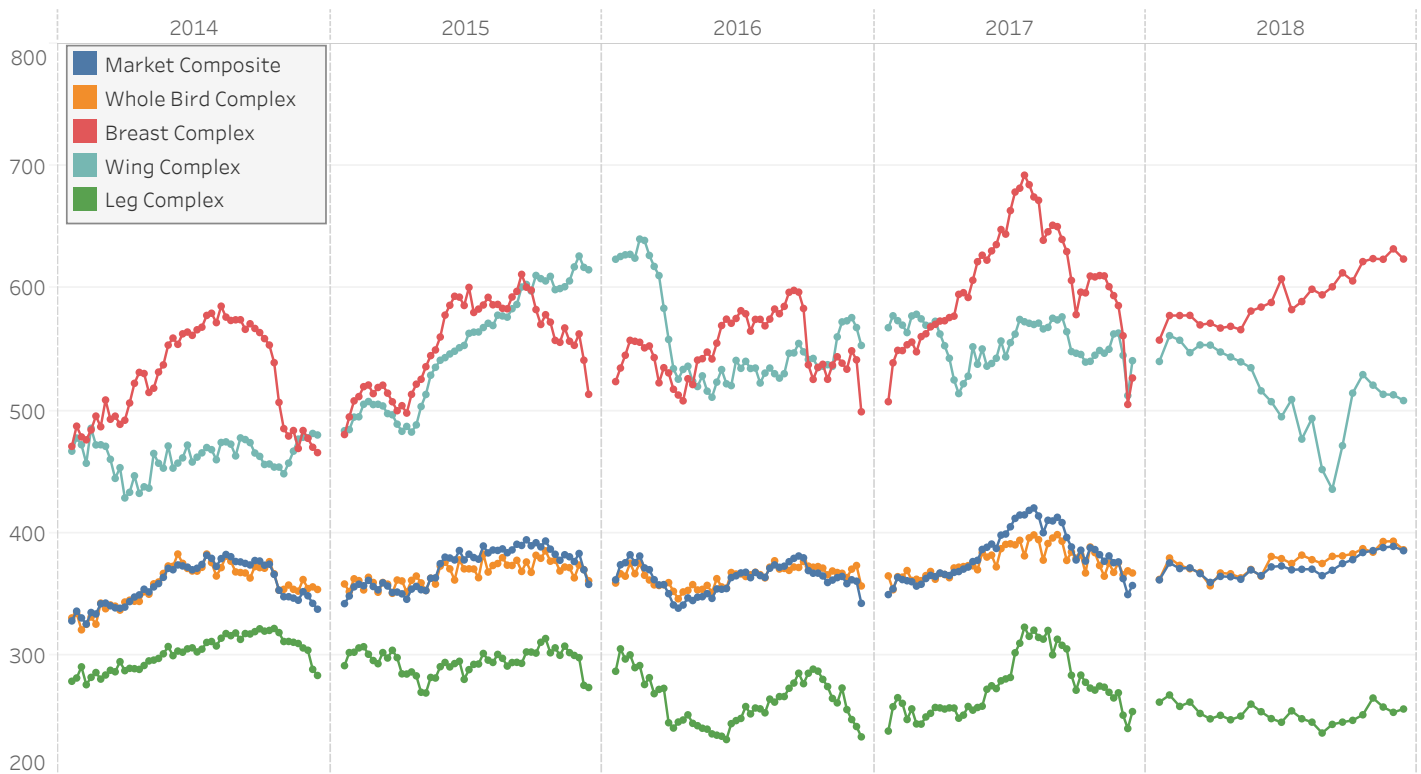
Source: Statistics Canada

### Canadian Wholesale Chicken Prices

¢/kg

	2017				2018			
	March	April	May	June	March	April	May	June
<b>Market Composite</b>	365.7	368.8	382.3	393.9	367.3	369.7	376.6	387.0
<b>Whole Bird Complex</b>	365.9	370.5	376.8	383.0	369.7	377.8	383.0	389.2
<b>Breast Complex</b>	571.5	587.6	619.7	639.8	580.2	594.8	610.5	626.2
<b>Wing Complex</b>	564.6	526.5	544.3	545.6	524.7	485.3	487.8	513.9
<b>Leg Complex</b>	255.7	254.2	260.7	276.8	253.0	245.8	246.7	258.0

The market composite continued its rise into the summer month of June, at a price of \$3.87/kg. Still the highest priced, the breast complex at \$6.26/kg was up \$0.16 from last month, although down \$0.14 from last year. The wing complex bottomed out on May 6 at a price of \$4.36/kg, although quickly saw a rebound in June where the complex averaged \$5.14/kg. Meanwhile, the June 2018 whole bird complex was up \$0.06 over last year, and the leg complex was down \$0.19.



Source: EMI Express Markets Inc.

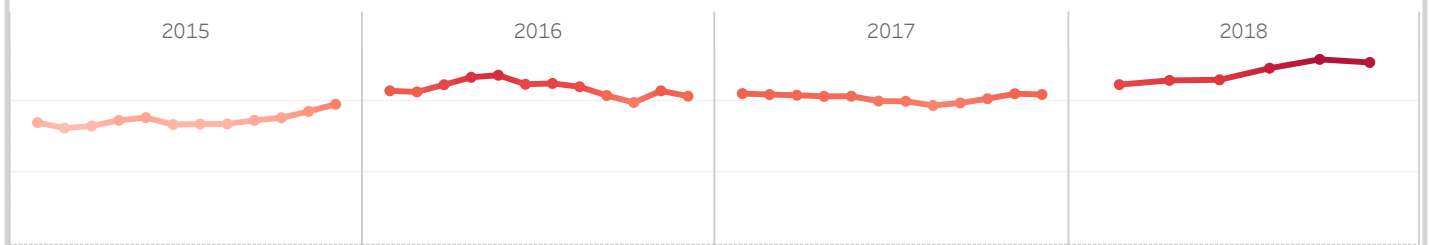
\* The Market Composite price is the simple average of 5 sub-composites, which are the weighted average of individual products, further weighted by each product's percentage make-up of WOG

# Section 3 - Storage Stocks

## by Province '000 Kg

	2017		2018	
	May	June	May	June
BC	4,518	4,626	5,076	4,969
AB	2,895	3,007	2,459	2,049
SK	379	273	404	331
MB	1,200	1,069	1,251	1,151
ON	18,457	17,756	26,684	26,592
QC	13,376	12,768	15,037	14,997
Atlantic	422	398	523	493

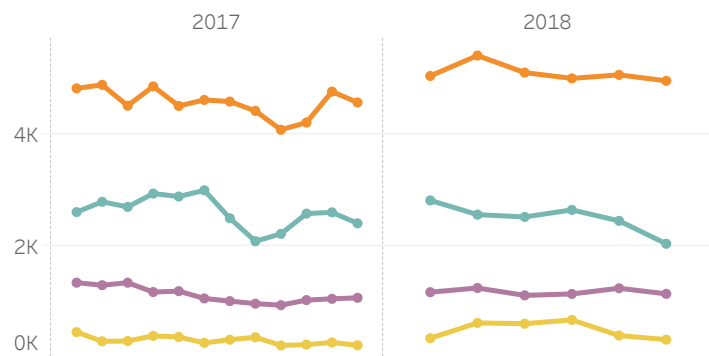
## Canada Stocks



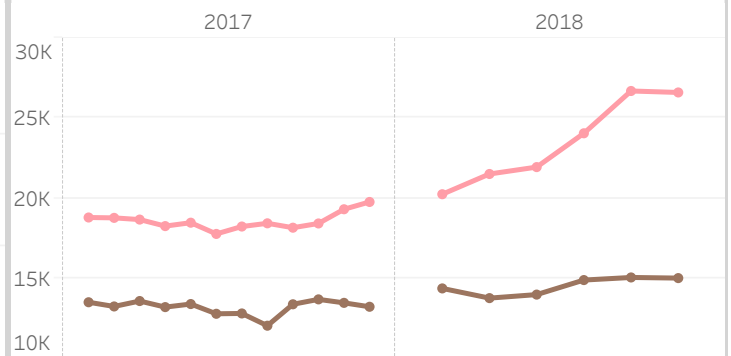
Stocks by Province  
Canada Stocks

■ BC 
 ■ AB 
 ■ SK 
 ■ MB 
 ■ ON 
 ■ QC

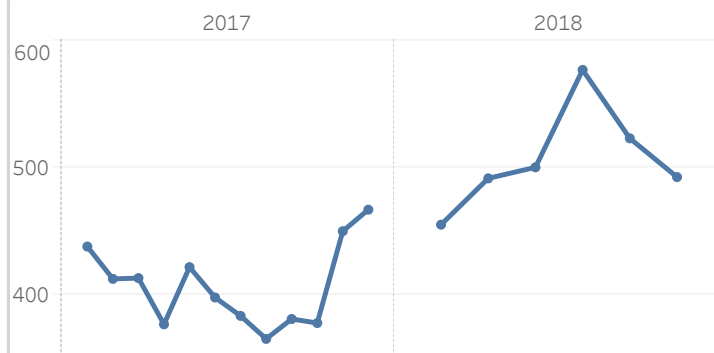
### Western Canada



### Central Canada

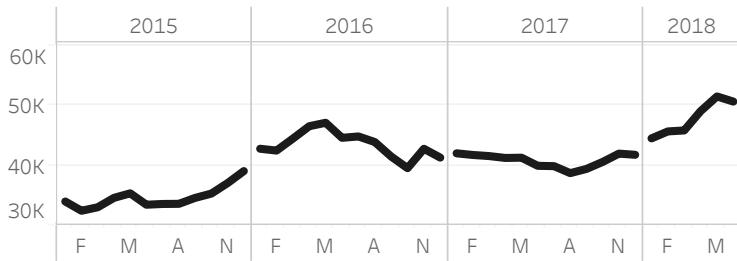


### Atlantic Canada



Source: Agriculture and Agri-Food Canada

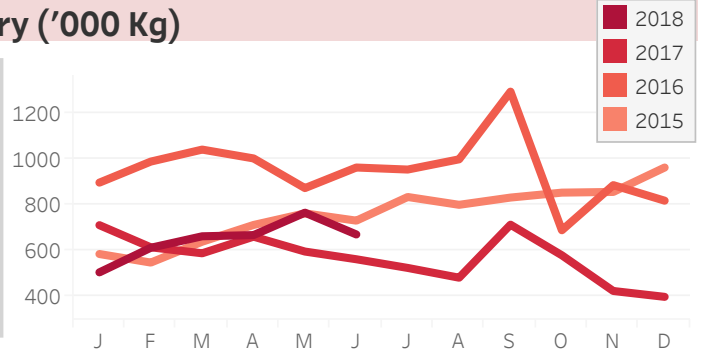
### Total Chicken Storage Stocks ('000 Kg)



Storage stocks were growing for the better half of 2018, although they experienced their first decline in June 2018. The total volume for June 2018 was 50.6 Mkg, a decline of 0.8 Mkg over May 2018. Declines came from the Further Processed category, which fell 1.2 Mkg, and the Whole category, which fell 0.1 Mkg.

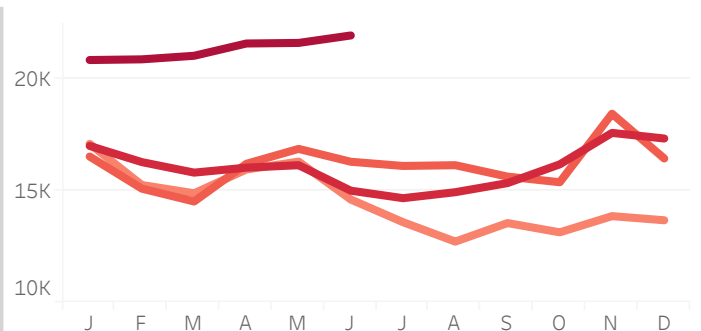
### Whole Category ('000 Kg)

	2017		2018	
	May	June	May	June
< 2 kg	408	377	366	321
> 2 kg	189	187	400	351



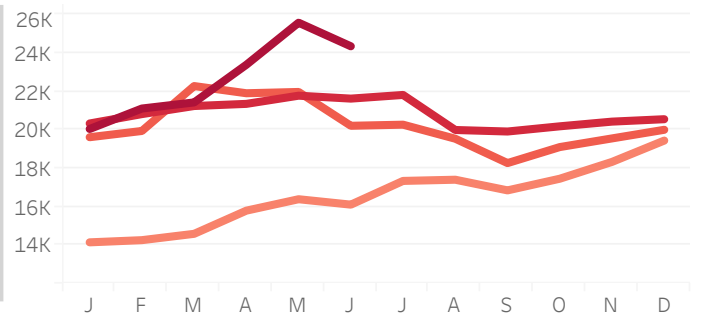
### Cut-up Category ('000 Kg)

	2017		2018	
	May	June	May	June
Legs	4,011	3,175	4,592	4,058
Breasts	5,467	4,978	6,562	7,072
Wings	3,807	3,971	4,610	4,641
Other	2,874	2,891	5,882	6,211



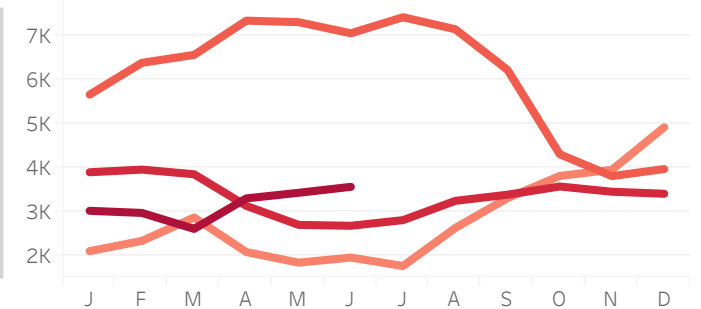
### Further Processed Category ('000 Kg)

	2017		2018	
	May	June	May	June
Breasts	2,524	2,491	2,759	2,355
Other	19,264	19,144	22,830	22,006



### Miscellaneous Category ('000 Kg)

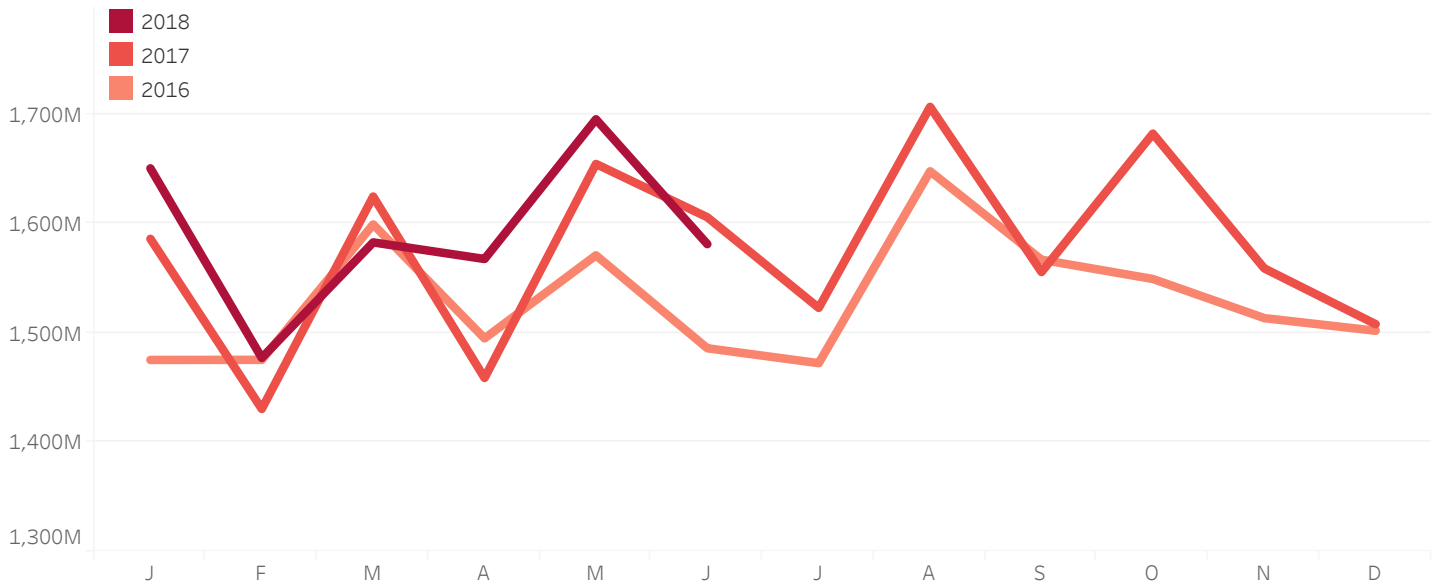
	2017		2018	
	May	June	May	June
Miscellaneous	2,703.0	2,682.2	3,432.4	3,567.9





## Section 4 - American Chicken Market

### National Chicken Slaughter (Mkg)



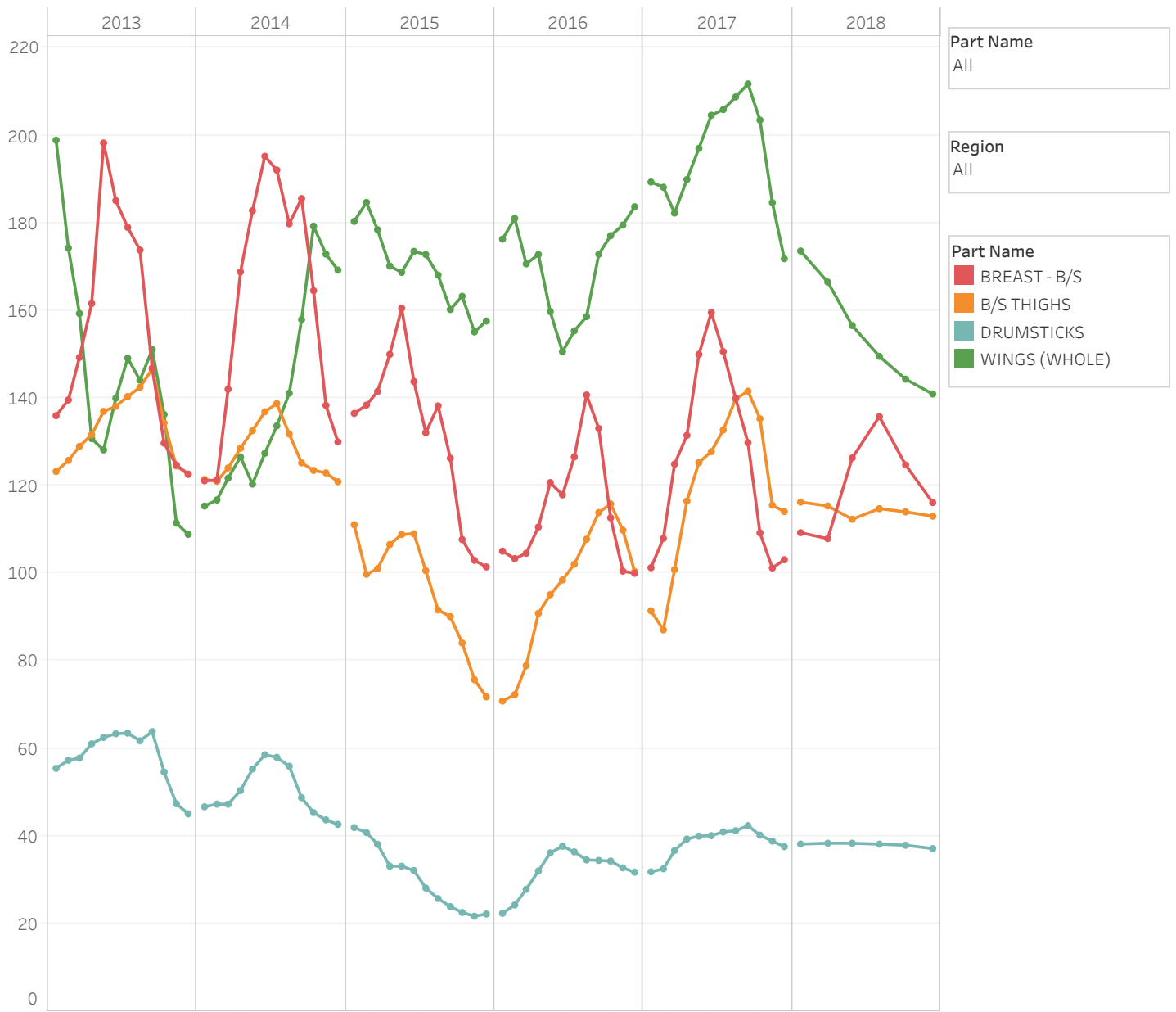
### National Chicken Slaughter (Mkg)

	2017	2018
January	1,586.2M	1,650.6M
February	1,430.6M	1,477.2M
March	1,624.9M	1,582.9M
April	1,458.9M	1,567.7M
May	1,654.7M	1,695.5M
June	1,605.9M	1,581.3M
July	1,523.0M	
August	1,706.9M	
September	1,555.8M	
October	1,682.4M	
November	1,559.1M	
December	1,508.1M	

Source: United States Department of Agriculture

# USDA - Wholesale prices

Weighted Average - Cents per pound



Source: United States Department of Agriculture

In the United States, the wing wholesale has been on the decline since September 2017. In June, the wholesale wing price averaged \$1.41/lb. The overall B/S breast price for June 2018 was \$1.16/lb, down \$0.43/lb from last year. In the Southern U.S., there was a gap of \$0.31/lb between the wing and B/S breast price for June 2018, while in the North-East that gap tightened at \$0.19/lb.

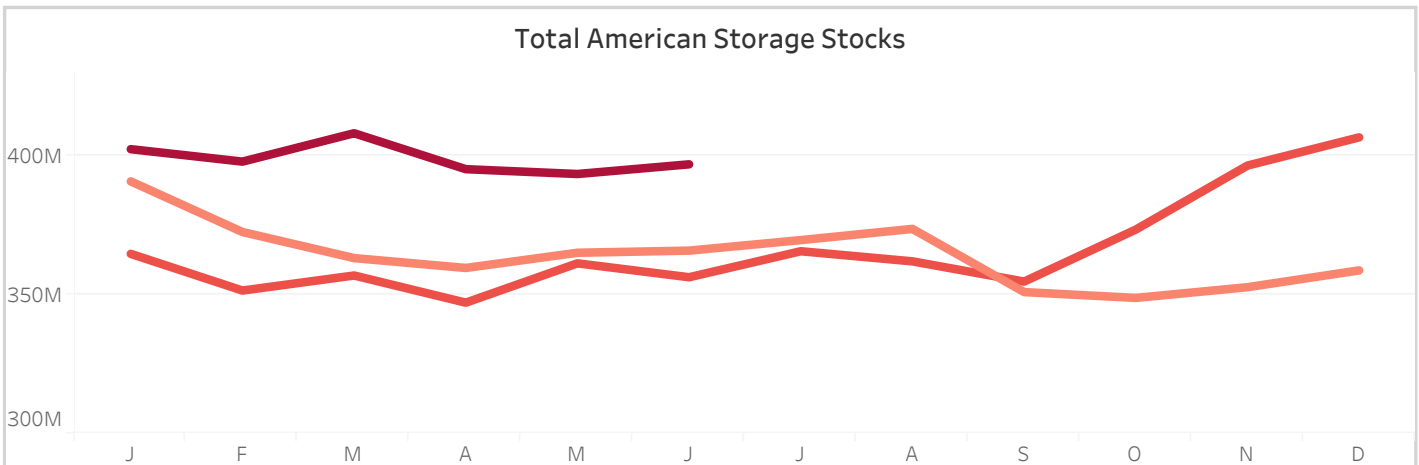
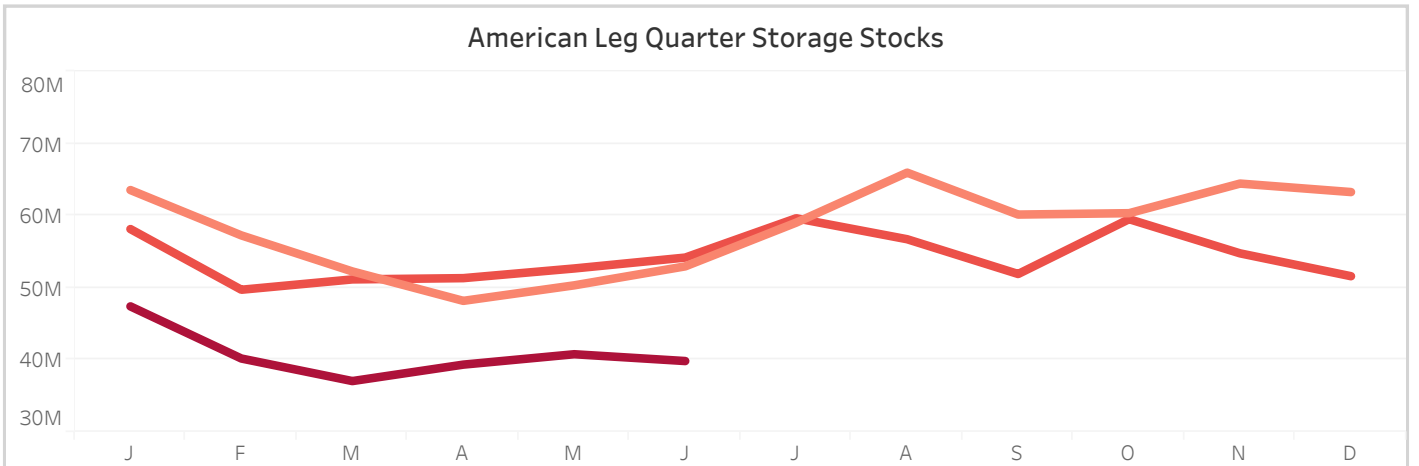
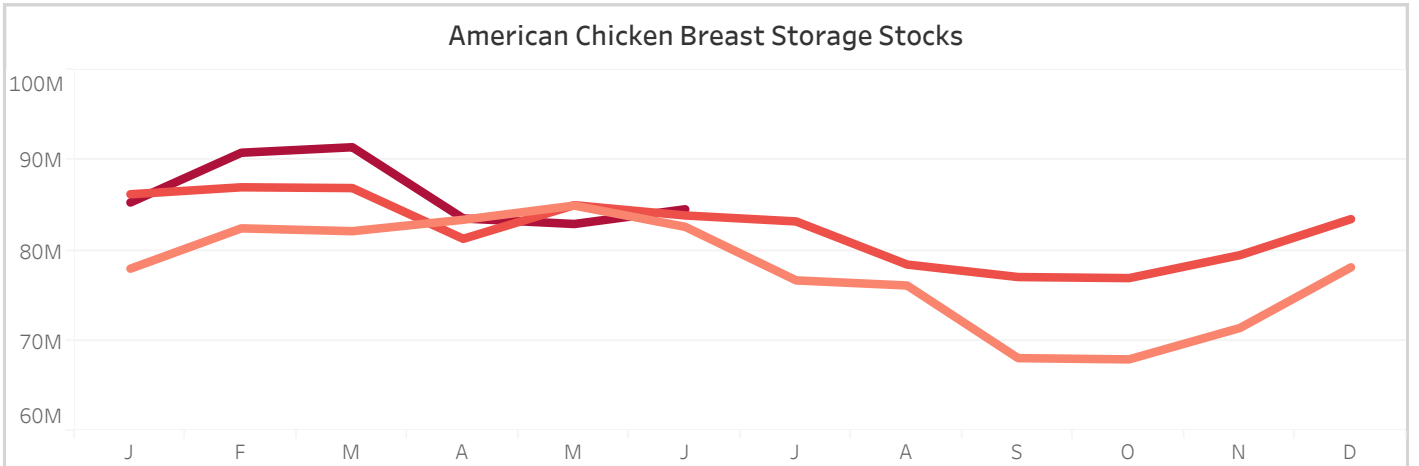
The June B/S thigh price came in at \$1.13/lb, down \$0.15/lb from last year. Meanwhile, the drumstick price has been relatively flat at \$0.37/lb, down \$0.03/lb from last year.

### American Chicken Storage Stocks

Mkg

	2017			2018		
	April	May	June	April	May	June
<b>Breast</b>	81.3M	85.0M	83.9M	83.5M	82.9M	84.6M
<b>Leg</b>	51.3M	52.7M	54.2M	39.4M	40.8M	39.9M
<b>Total Stocks</b>	347.1M	361.3M	356.3M	395.2M	393.5M	397.0M

2016 2017 2018



Source: United States Department of Agriculture

## **Chicken Farmers of Canada**

350 Sparks Street  
Suite 1007  
Ottawa, Ontario  
K1R 7S8

Tel. : (613) 241-2800  
Fax : (613) 241-5999  
Email : [cfc@chicken.ca](mailto:cfc@chicken.ca)

[www.chicken.ca](http://www.chicken.ca)