

Chicken Fax

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September 2018

Volume 26, Issue 6

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

The year-to-date (YTD) fresh supply for July 2018 was 834.6 Mkg, an increase of 5.1%, or 40.8 Mkg over last year. An increase of 5.2%, or 43.3 Mkg was seen in total supply over last year. The greatest supply push came from production, which was up 6.5%, or 44.7 Mkg from last year. Exports were 7.6% (7.5 Mkg) lower than they were last year, and imports were down 3.9% (4.0 Mkg).

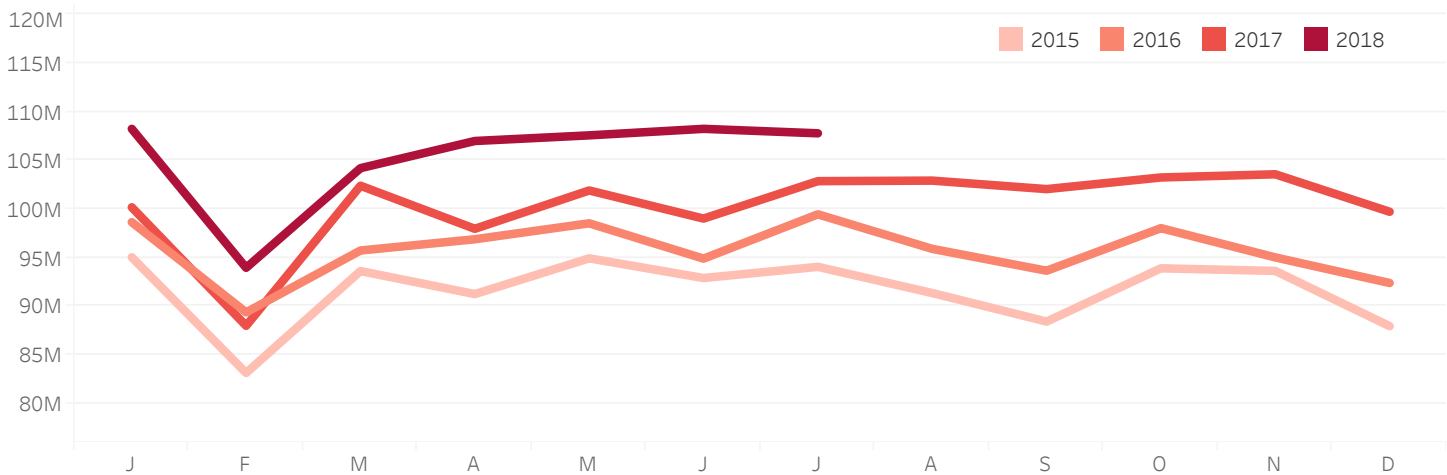
	Supply and Disappearance		Change	
	Jan. - Jul.			
	2017	2018		
Opening Stocks	42.0M	44.5M	2.5M	5.9%
Production	692.3M	737.0M	44.7M	6.5%
Imports	101.5M	97.5M	-4.0M	-3.9%
Fresh Supply	793.8M	834.6M	40.8M	5.1%
Total Supply	835.8M	879.0M	43.3M	5.2%
Exports	99.3M	91.8M	-7.5M	-7.6%
Closing Stocks	38.7M	48.9M	10.2M	26.5%
Domestic Disappearance	697.8M	738.4M	40.5M	5.8%

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

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Section 1 - Production, Supply and Disappearance

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



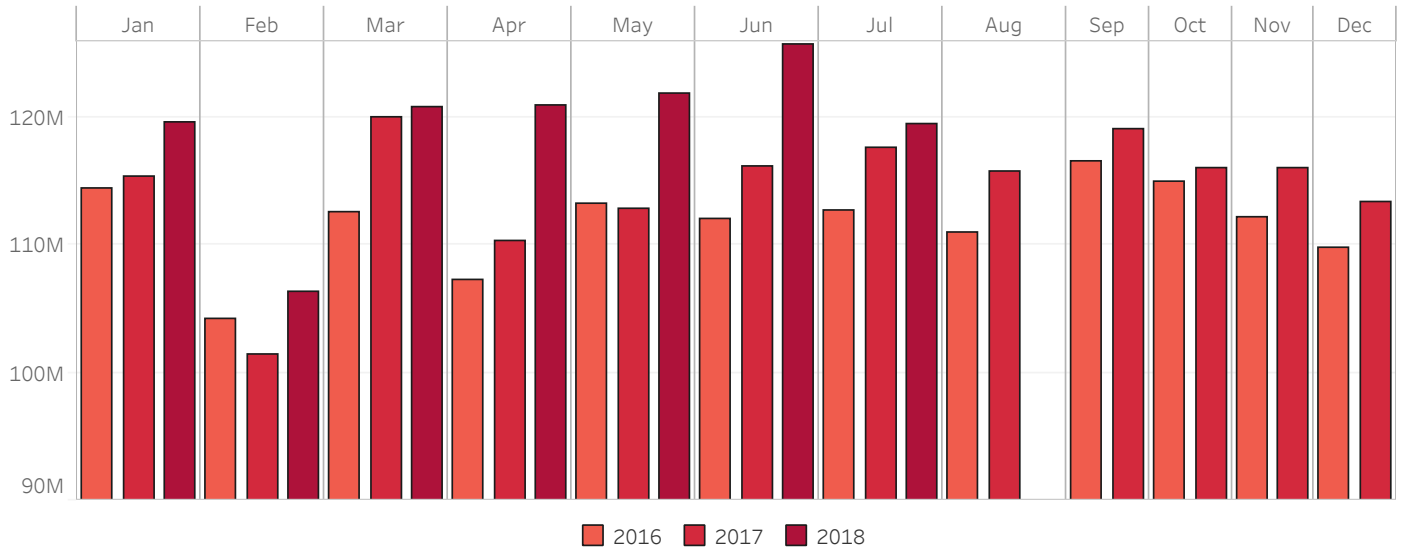
	Production Jan. - Jul. Mkg		Change	
	2017	2018		
BC	98.5M	108.4M	9.9M	10.0%
AB	65.9M	70.9M	5.1M	7.7%
SK	26.3M	27.0M	0.7M	2.7%
MB	28.9M	30.2M	1.3M	4.4%
ON	228.3M	246.9M	18.6M	8.2%
QC	190.8M	196.4M	5.6M	2.9%
NB	18.7M	19.9M	1.2M	6.6%
NS	23.4M	24.9M	1.5M	6.2%
PEI	2.4M	2.6M	0.1M	6.0%
NFLD	9.0M	9.9M	0.8M	9.0%
Canada	692.3M	737.0M	44.7M	6.5%

July YTD chicken production was up 6.5%, or 44.6 Mkg over last year. The largest year-over-year percentage growth was in British Columbia (10.0%), Ontario (8.2%), and Newfoundland & Labrador (9.0%). Meanwhile, the largest year-over-year volume increase was in Ontario (18.6 Mkg), followed by British Columbia (9.9 Mkg), then followed by Alberta (5.1 Mkg).

	Monthly Production Mkg			
	2017		2018	
	June	July	June	July
BC	14.3M	14.9M	16.0M	16.1M
AB	9.4M	9.5M	10.3M	10.6M
SK	3.8M	3.6M	4.0M	3.7M
MB	4.3M	4.3M	4.5M	4.5M
ON	33.1M	34.3M	35.4M	35.6M
QC	26.2M	28.5M	29.2M	29.2M
NB	2.9M	2.7M	3.2M	2.8M
NS	3.4M	3.2M	3.9M	3.5M
PEI	0.4M	0.4M	0.3M	0.5M
NFLD	1.3M	1.3M	1.5M	1.4M
Canada	99.0M	102.9M	108.3M	107.8M

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

Fresh Chicken Supply (Mkg)



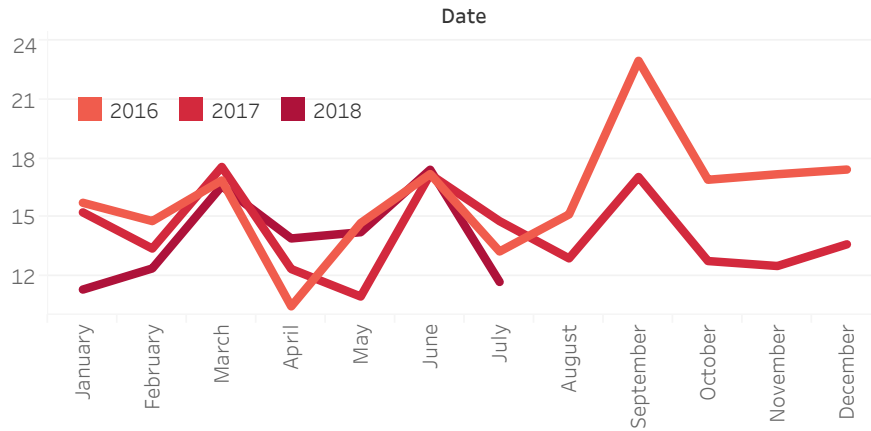
The July YTD Domestic Disappearance was 738.4 Mkg, an increase of 5.8% (40.5 Mkg) over the same period last year. Canadians continue to favour chicken, which explains why production is at an all-time-high. Lower import levels would suggest that domestic production is at a level that meets consumer demands.

	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	125.7M
July	117.7M	119.5M
August	115.8M	
September	119.1M	
October	116.0M	
November	116.1M	
December	113.3M	

	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	110.0M
June	103.8M	111.2M
July	103.6M	110.3M
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)



Chicken imports as of July YTD were 3.9% lower than the same timeframe last year. Categorically speaking, the majority of the decline has been in Bone-in Parts, which have declined 6.6 Mkg (23.8%) over last year. In addition, the Other category has declined 2.6 Mkg (70.6%), and the Carcass category is down 0.3 Mkg (83.1%). Conversely, Boneless parts have increased 5.1 Mkg (10.0%), and Further Processed has increase 0.5 Mkg (2.6%).

	Jan. - Jul. Kg		Change	
	2017	2018		
Live	0.0M	0.0M	0.0M	
Carcass	0.4M	0.1M	-0.3M	-83.1%
Parts, Bone-in	27.9M	21.2M	-6.6M	-23.8%
Parts, Boneless	50.6M	55.6M	5.1M	10.0%
Other	3.6M	1.1M	-2.6M	-70.6%
Further Processed	19.0M	19.5M	0.5M	2.6%
Total	101.5M	97.5M	-4.0M	-3.9%

	2017		2018	
	June	July	June	July
Live	0.0M	0.0M	0.0M	0.0M
Carcass	0.0M	0.2M	0.0M	0.0M
Parts, Bone-in	4.5M	4.4M	4.0M	2.6M
Parts, Boneless	9.3M	7.1M	9.5M	6.9M
Other	0.5M	0.4M	0.1M	0.1M
Further Processed	2.8M	2.6M	3.8M	2.0M
Total	17.2M	14.8M	17.4M	11.7M

Source: Agriculture and Agri-Food Canada

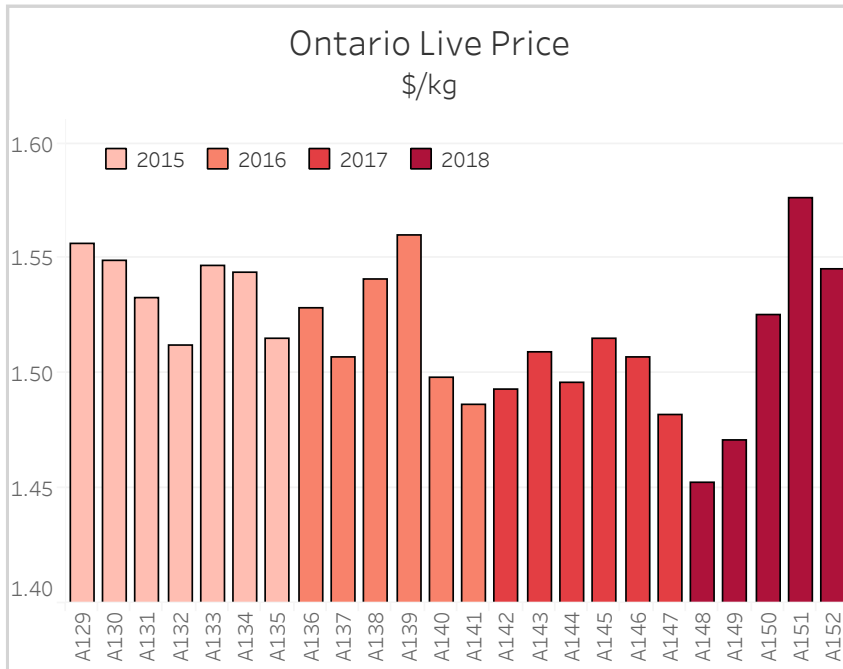
* Chicken imports are reported on eviscerated equivalent basis

Chicken Products Exported

Jan. - Jul. Kg	
2017	2018
99.3M	91.8M

Source: Agriculture and Agri-Food Canada

Section 2 - Chicken Prices

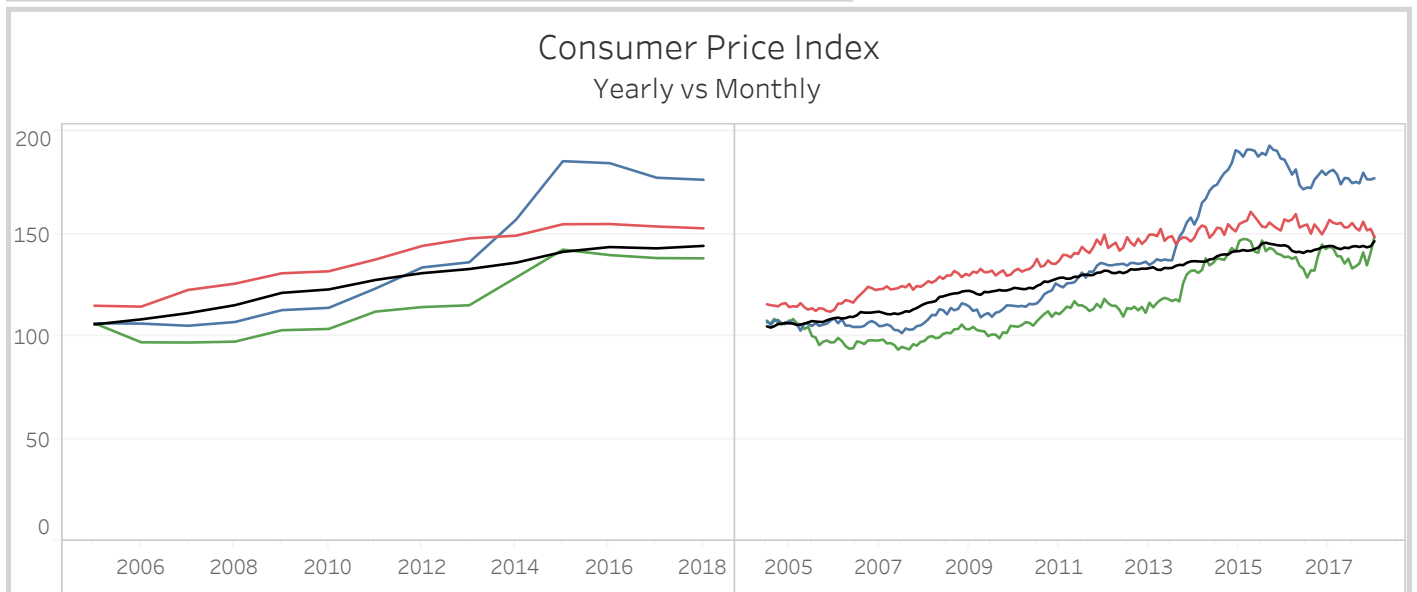


From period A-148 to A-151, the Ontario live price had consistent increases. For the first time since A-148, the period A-152 live price fell to \$1.545.



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

Location
All

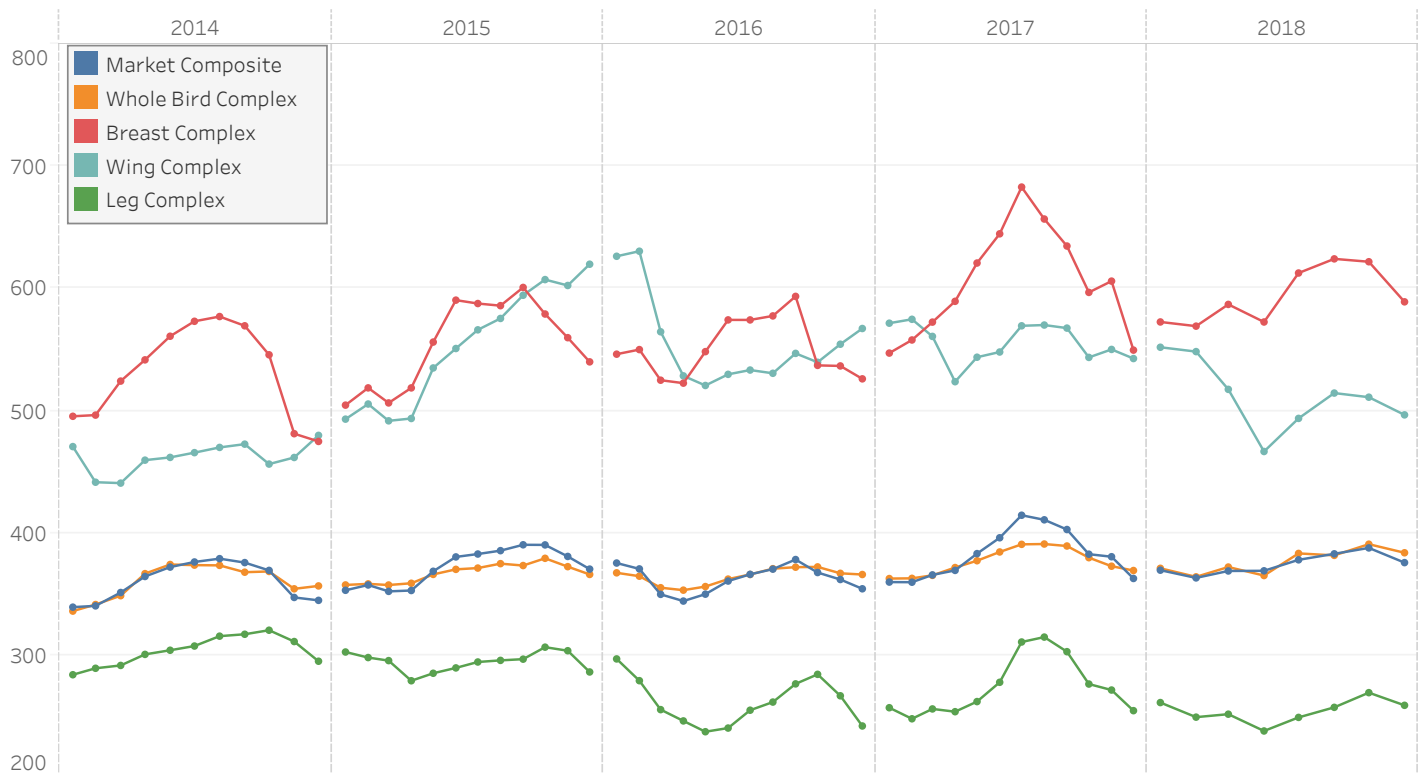


Source: Statistics Canada

Canadian Wholesale Chicken Prices ¢/kg

	2017				2018			
	May	June	July	August	May	June	July	August
Market Composite	383.1	396.0	414.5	410.7	378.0	382.9	387.8	375.7
Whole Bird Complex	377.3	384.4	390.7	390.9	383.3	381.7	390.8	383.8
Breast Complex	620.8	644.7	682.9	656.8	612.6	624.2	621.8	589.0
Wing Complex	543.7	548.0	569.4	570.1	493.7	514.4	511.0	496.6
Leg Complex	262.1	277.8	310.8	314.8	249.1	257.4	269.4	259.0

As summer came towards its end, the August 2018 market composite saw a \$0.12 drop over July 2018. This decline was felt in every complex, though the most severe would have been in the breast complex, which fell \$0.33 to \$5.89/kg. Meanwhile, the whole bird complex fell \$0.07 to \$3.84/kg, the wing complex fell \$0.14 to \$4.97/kg, and the leg complex fell \$0.10 to \$2.59/kg.



Source: EMI Express Markets Inc.

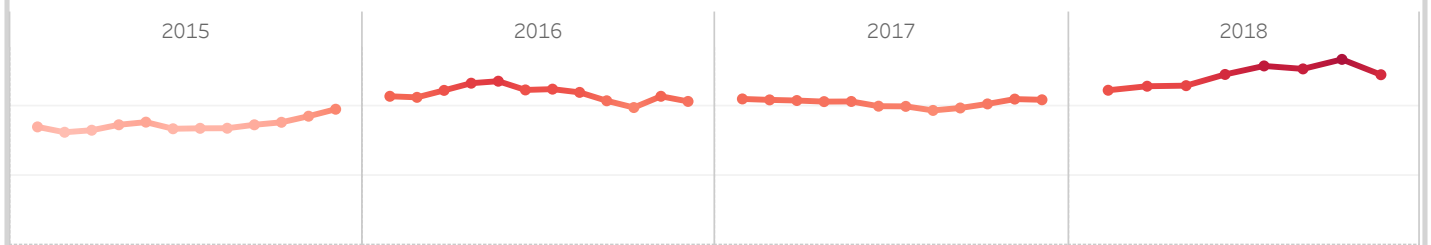
* The Market Composite price is the simple average of 5 sub-composites, which are the weighted average of individual products, further weighted by each product's percentage make-up of WOG

Section 3 - Storage Stocks

by Province '000 Kg

	2017		2018	
	June	July	June	July
BC	4,626	4,597	4,969	5,151
AB	3,007	2,506	2,049	2,162
SK	273	329	331	278
MB	1,069	1,021	1,151	1,125
ON	17,756	18,218	26,592	28,308
QC	12,768	12,788	14,997	15,831
Atlantic	398	384	493	460

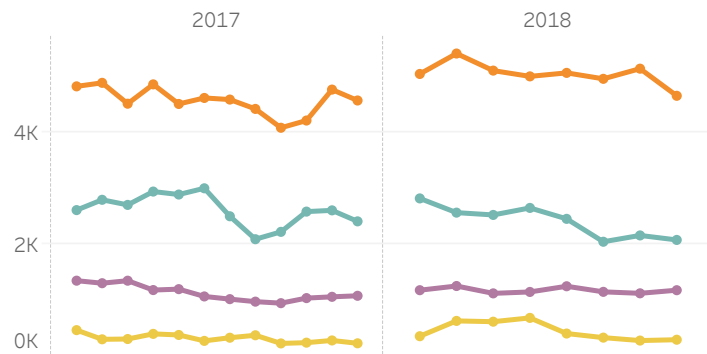
Canada Stocks



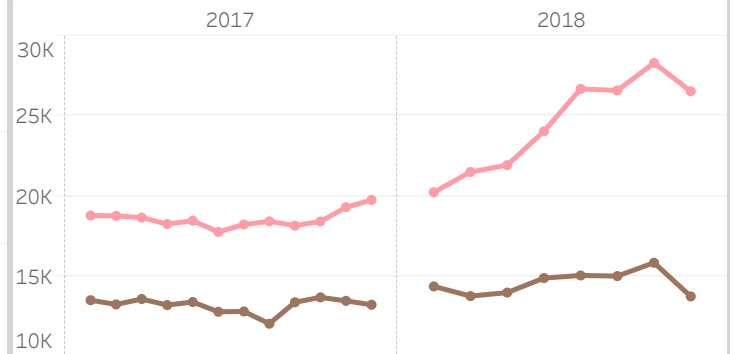
Stocks by Province
Canada Stocks

■ BC
 ■ AB
 ■ SK
 ■ MB
 ■ ON
 ■ QC

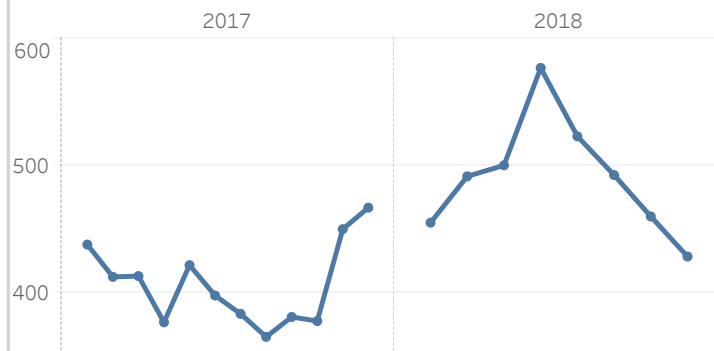
Western Canada



Central Canada

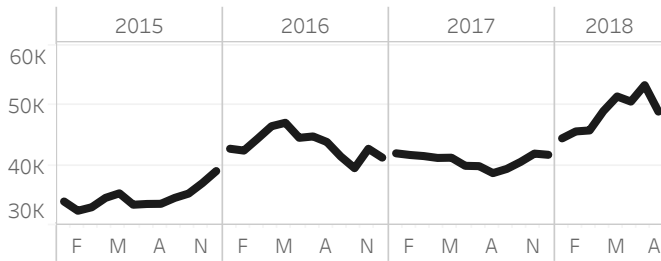


Atlantic Canada



Source: Agriculture and Agri-Food Canada

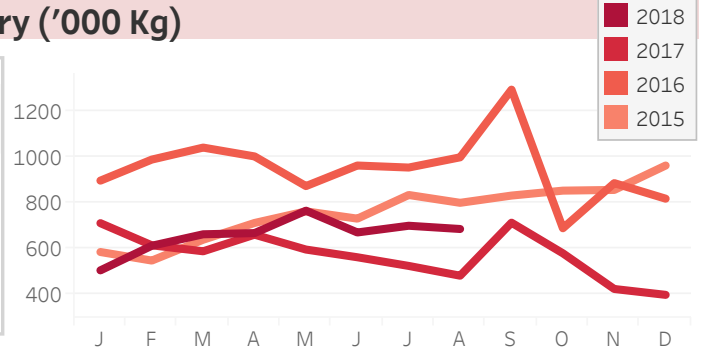
Total Chicken Storage Stocks ('000 Kg)



Storages stocks continued to see some resistance going into August 2018, where total storage stock levels sat at 48.9 Mkg, down from 53.3 Mkg seen in the prior month. The main contributors to the decline were in the Cut-up category, which fell from 23.2 Mkg in July to 21.5 Mkg in August, along with the Further Processed category, which fell from 25.5 Mkg to 23.5 Mkg. Storage stock levels in the Whole and Miscellaneous categories remained fairly flat.

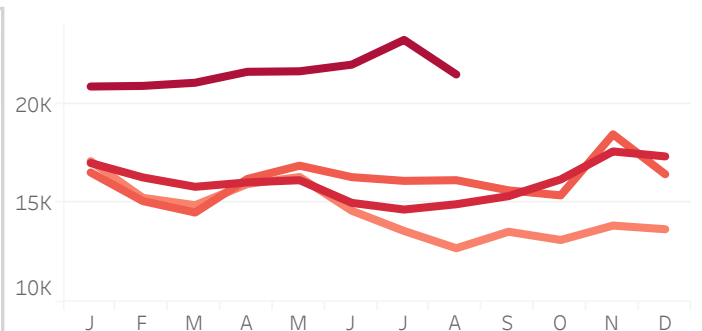
Whole Category ('000 Kg)

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



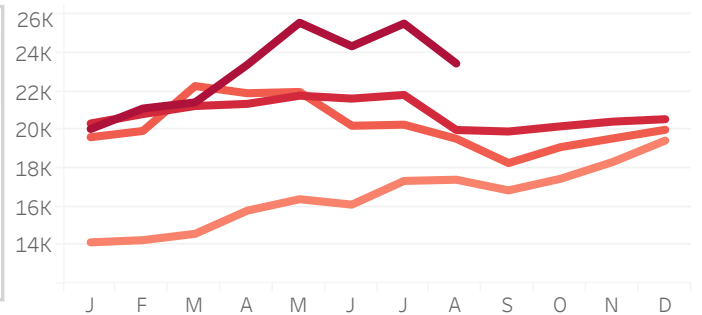
Cut-up Category ('000 Kg)

	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



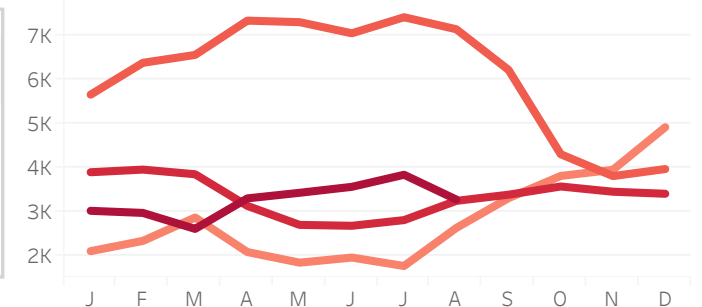
Further Processed Category ('000 Kg)

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



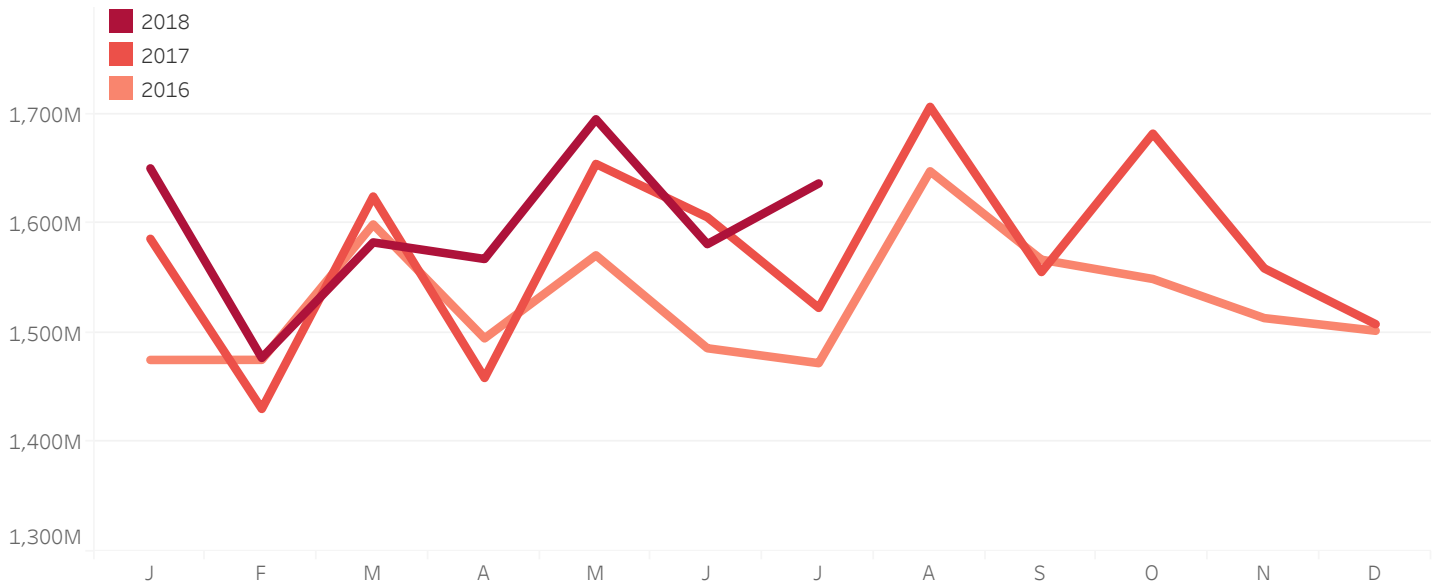
Miscellaneous Category ('000 Kg)

	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)



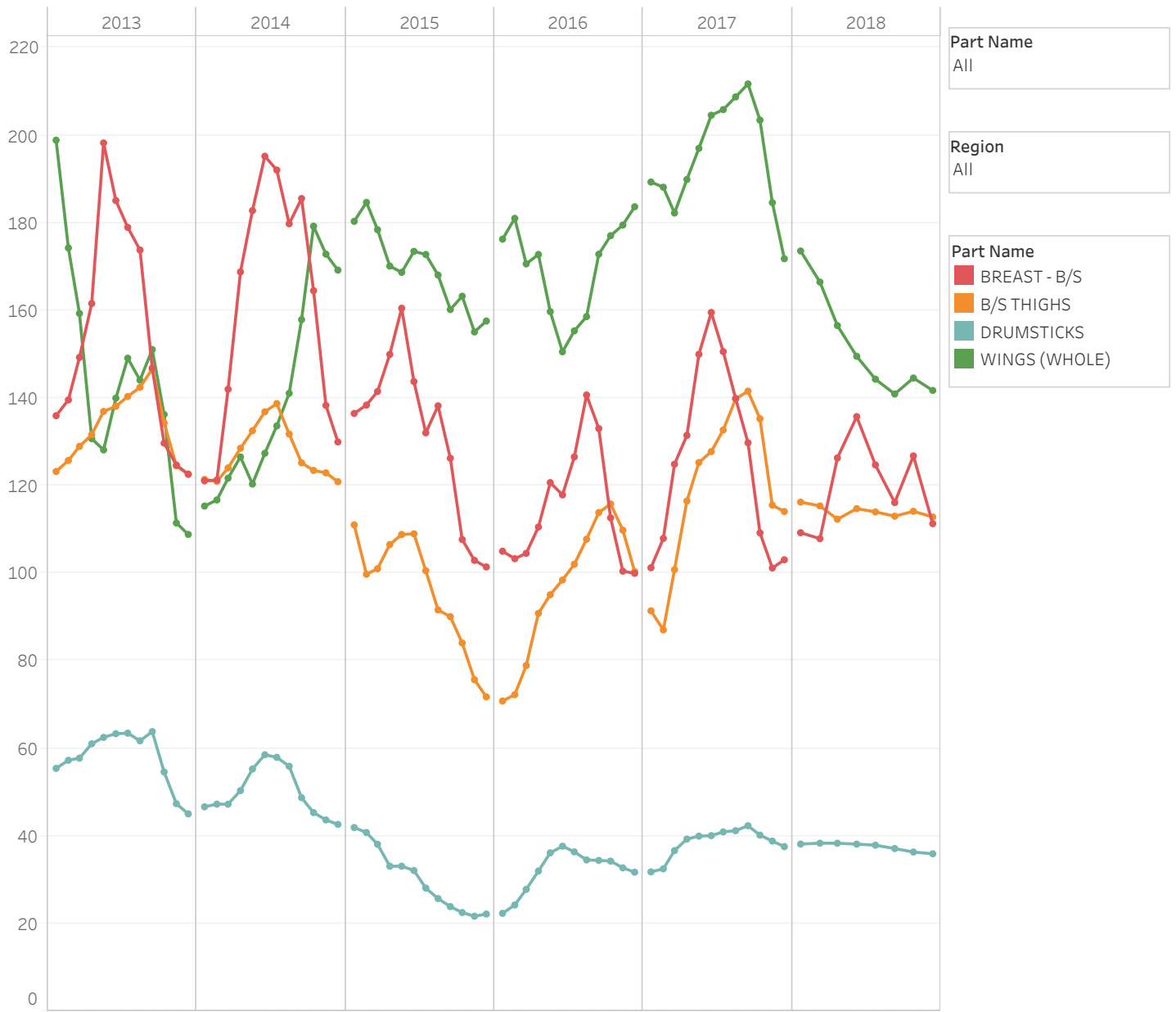
National Chicken Slaughter (Mkg)

	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	1,636.8M
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

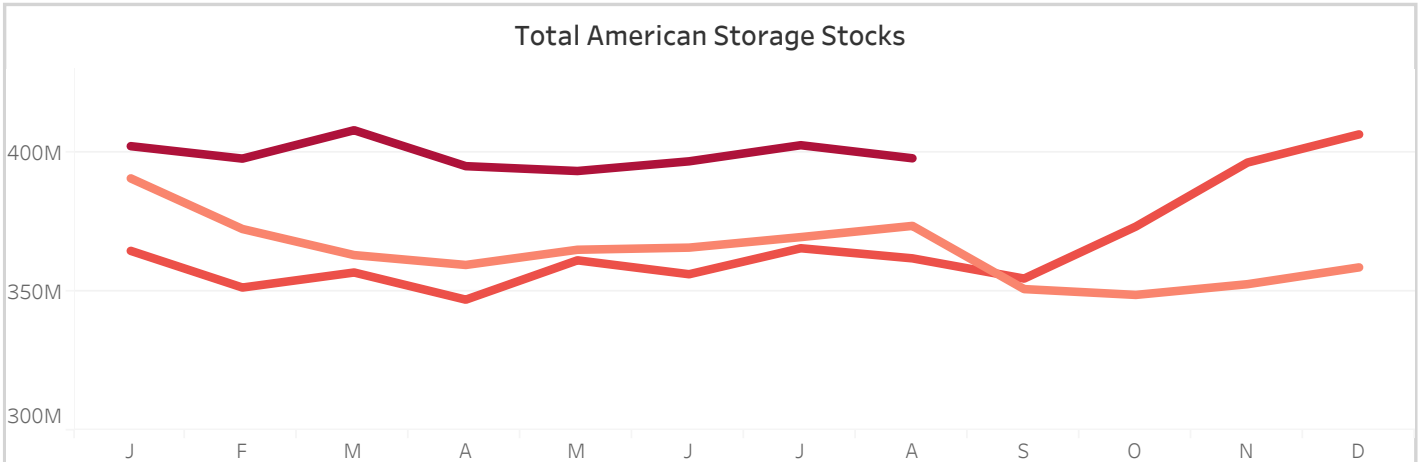
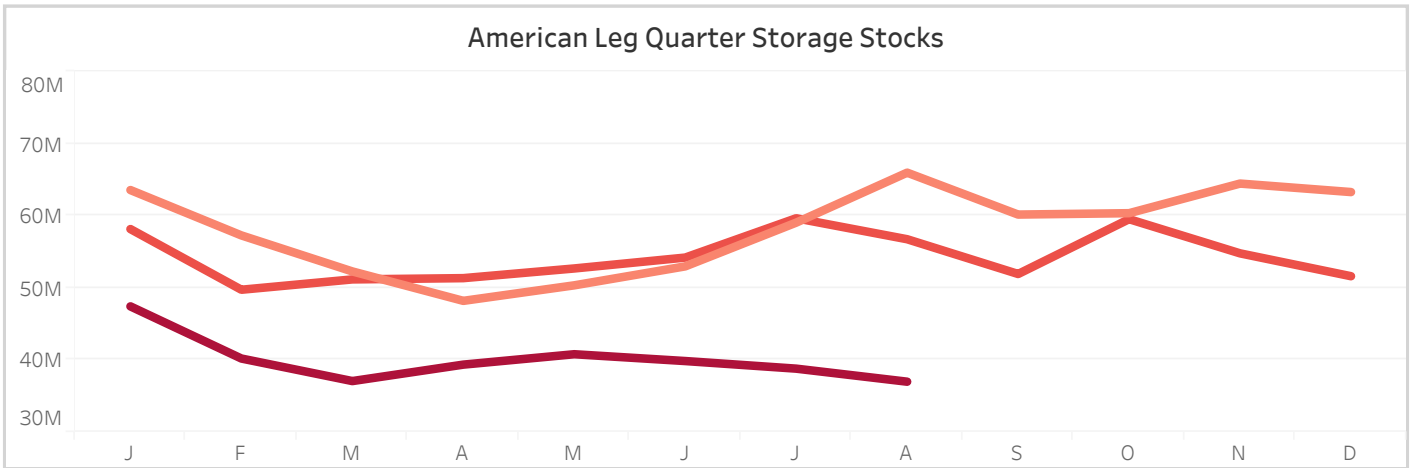
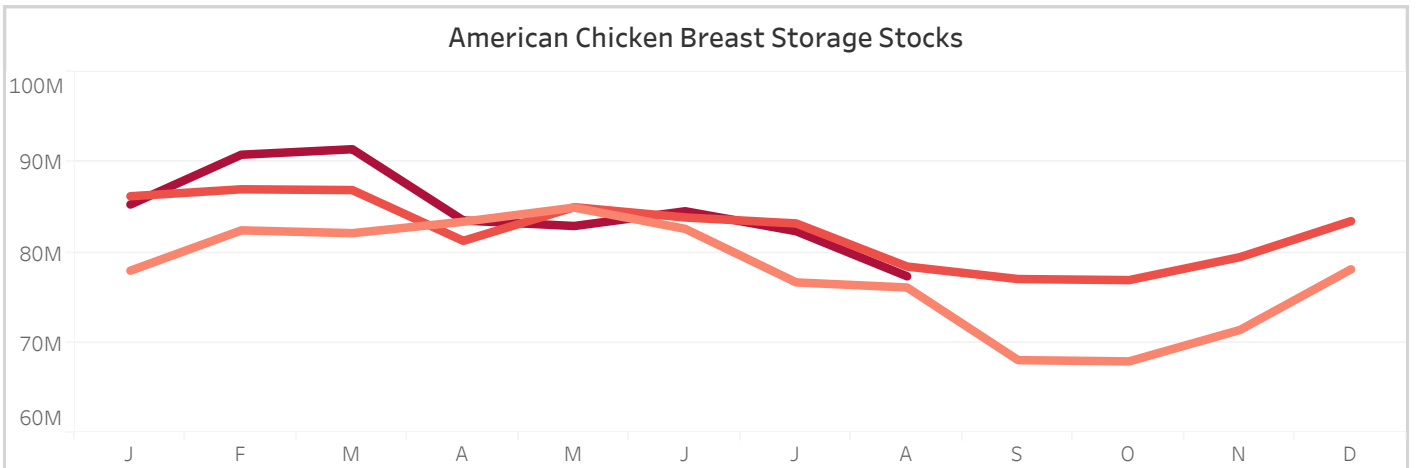
U.S. wholesale prices in August 2018 were much lower than they were a year ago. The largest decline came from the wholesale wing price, which came in at \$1.41/lb in the North-East, and \$1.42/lb in the South. Boneless breast prices were also down, at \$1.13/lb in the North-East, and \$1.10/lb in the South. While boneless thighs and drumsticks have seen declines over last year, their wholesale price has remained rather flat since December 2017.

American Chicken Storage Stocks

Mkg

	2017			2018		
	June	July	August	June	July	August
Breast	83.9M	83.2M	78.4M	84.6M	82.3M	77.3M
Leg	54.2M	59.6M	56.7M	39.9M	38.8M	37.0M
Total Stocks	356.3M	365.7M	362.0M	397.0M	402.8M	398.1M

2016 2017 2018



Source: United States Department of Agriculture



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