

Chicken Fax

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

The November 2018 year-to-date (YTD) fresh supply reached 1,316.6 Mkg, representing an increase of 55.8 Mkg (+4.4%), while total supplies increased by 58.2 Mkg (+4.5%). Imports saw a decrease of 2.6 Mkg (-1.7%), while exports declined 11.4 Mkg (-7.7%).

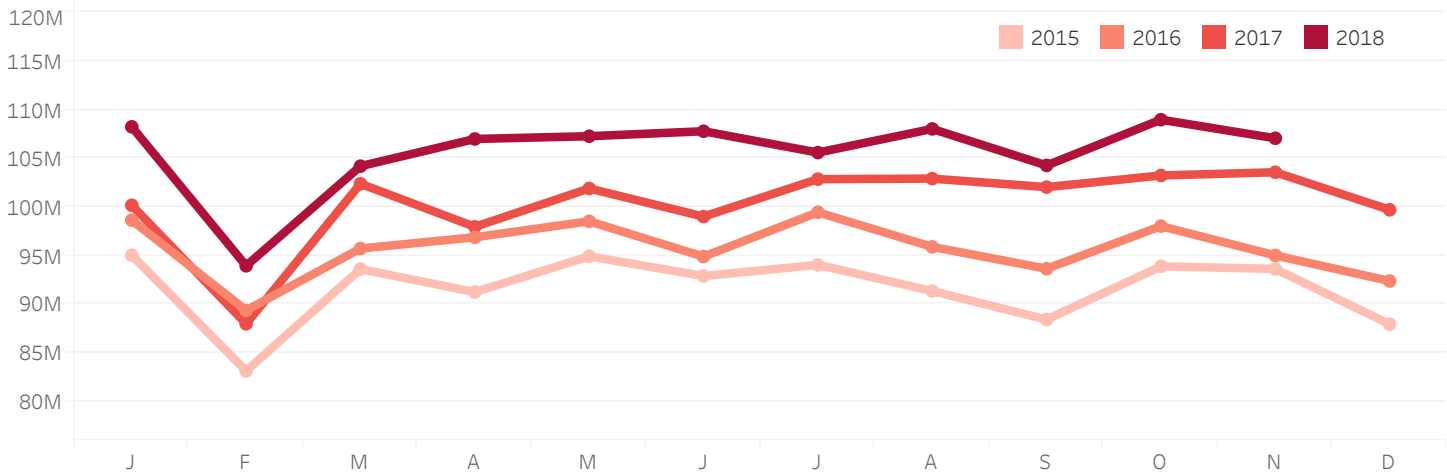
	Supply and Disappearance		Change	
	Jan. - Nov.			
	2017	2018		
Opening Stocks	42.0M	44.5M	2.5M	5.9%
Production	1,104.1M	1,162.5M	58.4M	5.3%
Imports	156.7M	154.1M	-2.6M	-1.7%
Fresh Supply	1,260.8M	1,316.6M	55.8M	4.4%
Total Supply	1,302.8M	1,361.0M	58.2M	4.5%
Exports	147.8M	136.5M	-11.4M	-7.7%
Closing Stocks	41.7M	49.5M	7.8M	18.6%
Domestic Disappearance	1,113.2M	1,175.1M	61.9M	5.6%

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)



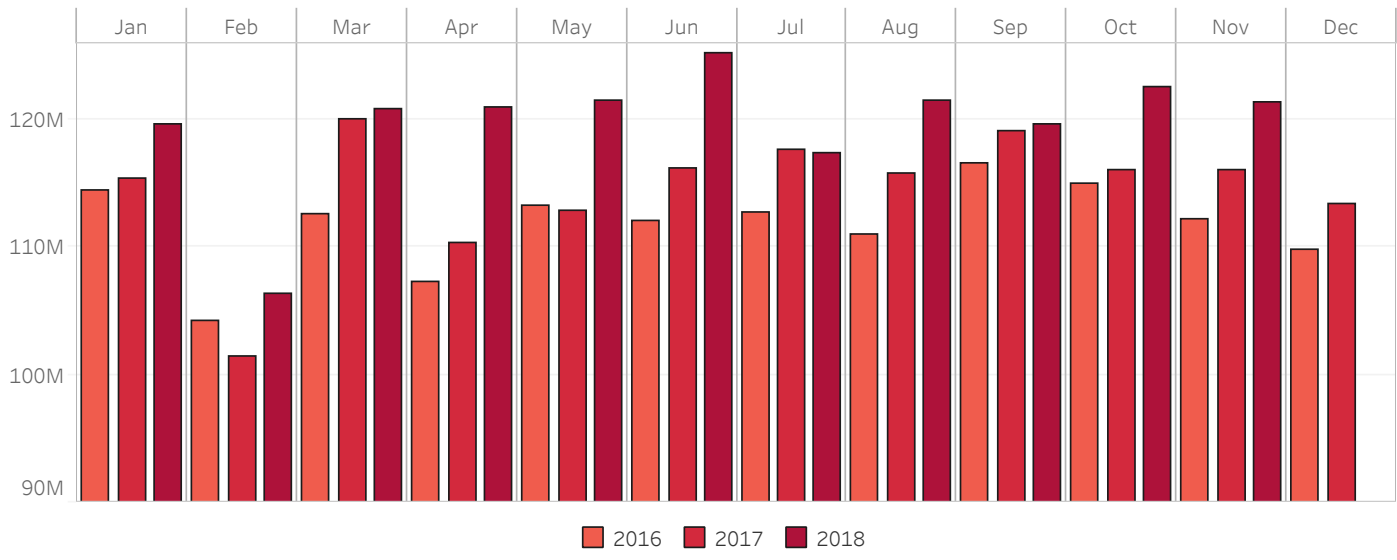
	Production Jan. - Oct. Mkg		Change	
	2017	2018		
BC	157.7M	171.3M	13.6M	8.6%
AB	105.6M	112.3M	6.7M	6.4%
SK	41.5M	42.2M	0.8M	1.8%
MB	46.2M	47.3M	1.1M	2.3%
ON	367.6M	391.8M	24.2M	6.6%
QC	301.2M	308.4M	7.2M	2.4%
NB	29.9M	31.0M	1.1M	3.5%
NS	37.4M	39.0M	1.7M	4.5%
PEI	3.9M	4.1M	0.2M	4.2%
NFLD	13.3M	15.1M	1.9M	14.1%
Canada	1,104.1M	1,162.5M	58.4M	5.3%

YTD production as of November 2018 was up 58.4 Mkg (+5.3%) over the same time last year. The strongest increases came from Newfoundland (+14.1%), British Columbia (+8.6%), Ontario (+6.6%), and Alberta (+6.4%).

	Monthly Production Mkg			
	2017		2018	
	October	November	October	November
BC	15.3M	14.7M	16.3M	15.1M
AB	9.9M	10.0M	10.7M	10.2M
SK	3.9M	3.7M	3.9M	3.9M
MB	4.4M	4.2M	4.2M	4.3M
ON	35.2M	35.4M	36.2M	37.0M
QC	27.0M	28.7M	29.4M	28.3M
NB	2.5M	3.0M	3.0M	2.8M
NS	3.5M	3.4M	3.6M	3.7M
PEI	0.3M	0.4M	0.5M	0.3M
NFLD	1.2M	0.3M	1.3M	1.4M
Canada	103.2M	103.6M	109.0M	107.1M

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

Fresh Chicken Supply (Mkg)



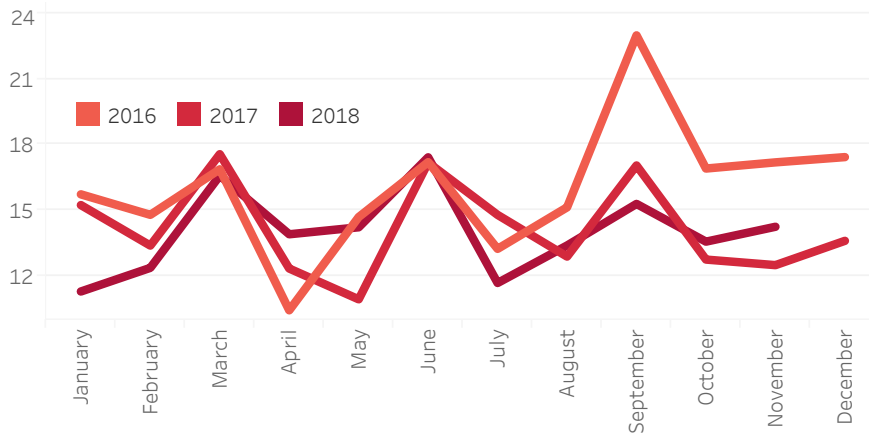
The Domestic Disappearance for November 2018 was 1,175.1 Mkg, marking an increase of 61.9 Mkg (+5.6%) over last year.

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	121.5M
June	116.2M	125.2M
July	117.7M	117.3M
August	115.8M	121.4M
September	119.1M	119.6M
October	116.0M	122.6M
November	116.1M	121.3M
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	109.7M
June	103.8M	110.7M
July	103.6M	108.1M
August	103.5M	111.8M
September	107.6M	108.8M
October	99.8M	111.2M
November	104.5M	107.8M
December	99.4M	

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

Total Chicken Imports (Mkg)



Chicken imports as of November 2018 YTD saw a decline of 2.6 Mkg (-1.7%) over last year. The majority of the volume decline came from parts bone-in, which fell 7.5 Mkg (-18.3%), followed by the other category, which fell 3.4 Mkg (-66.7%). The carcass category also fell a significant 92.1%, which translates into 1.1 Mkg. Conversely, imports under the parts boneless category increased 8.2 Mkg (+10.3%), in addition to the further processed category, which increased 1.1 Mkg (+3.7%).

	Jan. - Nov. Kg		Change	
	2017	2018		
Live	0.0M	0.0M	0.0M	
Carcass	1.2M	0.1M	-1.1M	-92.1%
Parts, Bone-in	40.8M	33.3M	-7.5M	-18.3%
Parts, Boneless	80.1M	88.4M	8.2M	10.3%
Other	5.0M	1.7M	-3.4M	-66.7%
Further Processed	29.5M	30.6M	1.1M	3.7%
Total	156.7M	154.1M	-2.6M	-1.7%

	2017		2018	
	October	November	October	November
Live	0.0M	0.0M	0.0M	0.0M
Carcass	0.1M	0.0M	0.0M	0.0M
Parts, Bone-in	2.7M	3.3M	2.8M	2.9M
Parts, Boneless	6.9M	6.4M	7.6M	8.5M
Other	0.4M	0.4M	0.2M	0.1M
Further Processed	2.6M	2.3M	3.0M	2.7M
Total	12.8M	12.5M	13.6M	14.3M

Source: Agriculture and Agri-Food Canada

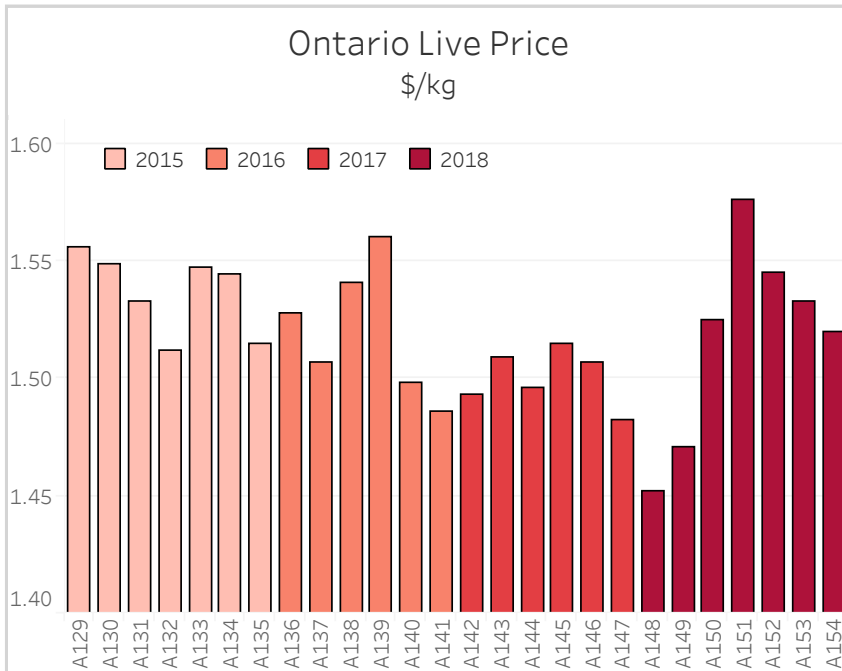
* Chicken imports are reported on eviscerated equivalent basis

Chicken Products Exported

Jan. - Nov. Kg	
2017	2018
147.8M	136.5M

Source: Agriculture and Agri-Food Canada

Section 2 - Chicken Prices



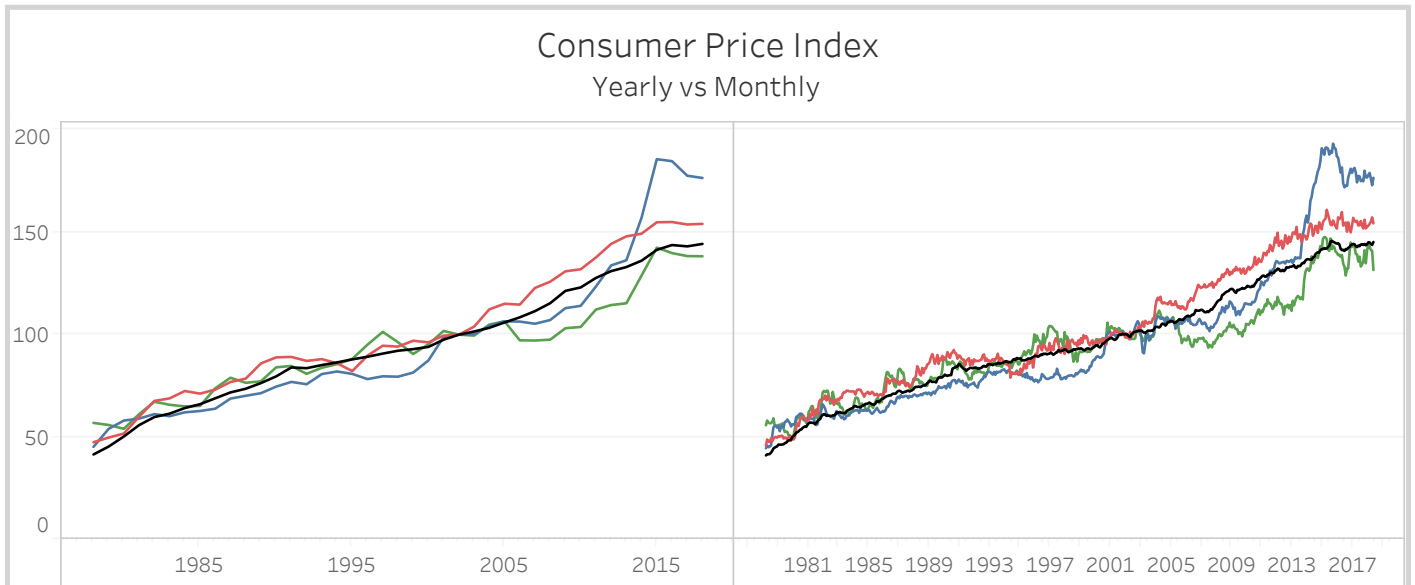
The consumer price index (CPI) for chicken as of November 2018 was 154.4, signifying an increase of 1.0 over last year. Meanwhile, the CPI for beef sat at 176.7, down 0.9 over last year, and pork sat at 131.6, down 4.2 over last year.



Commodity

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

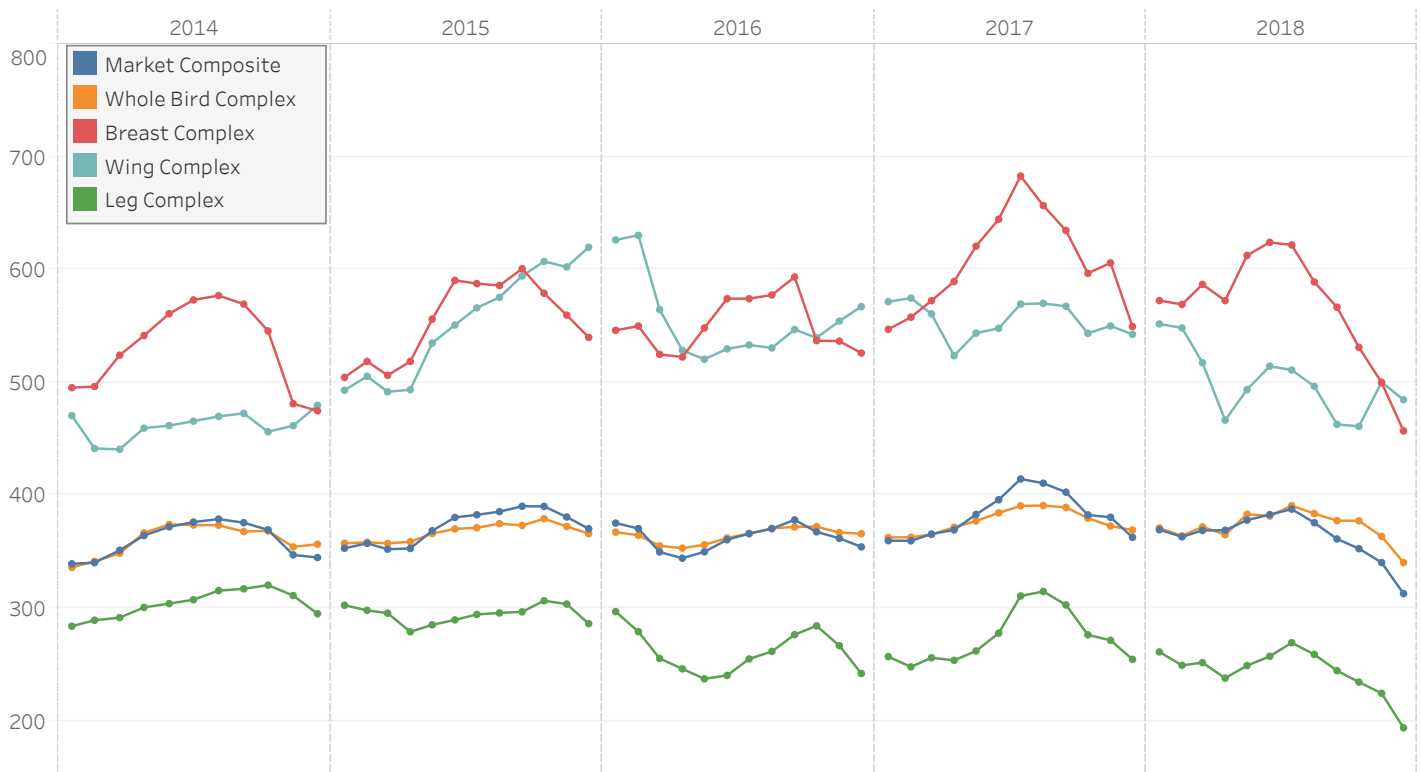
Location
All



Canadian Wholesale Chicken Prices ¢/kg

	2017				2018			
	September	October	November	December	September	October	November	December
Market Composite	402.8	382.6	380.6	362.8	361.4	352.7	340.4	312.9
Whole Bird Complex	389.3	379.8	372.8	369.3	377.6	377.4	363.6	340.5
Breast Complex	634.7	596.8	606.0	549.5	566.7	531.1	499.9	457.1
Wing Complex	567.6	543.6	550.1	542.7	462.9	461.1	500.2	484.7
Leg Complex	302.9	276.4	271.5	254.6	244.6	234.5	224.6	194.0

The market composite for December 2018 averaged \$3.13/kg, down \$0.50 from last year. Prices in the breast complex have experienced the greatest decline since last year, at a price of \$4.57/kg, the complex fell \$0.92. Meanwhile, the leg complex experienced the second largest drop, falling \$0.61 to a price of \$1.94/kg. The wing complex fell \$0.58 to \$4.85/kg, while the whole bird complex fell \$0.29 to \$3.41/kg.



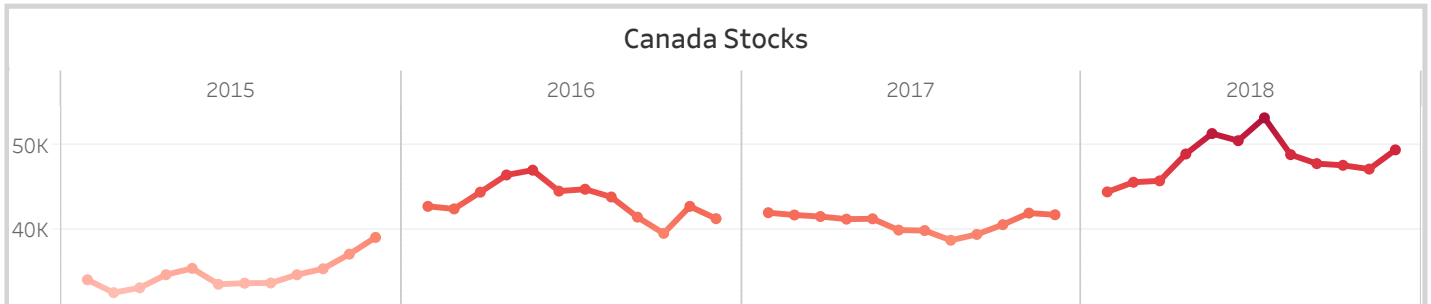
Source: EMI Express Markets Inc.

* 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

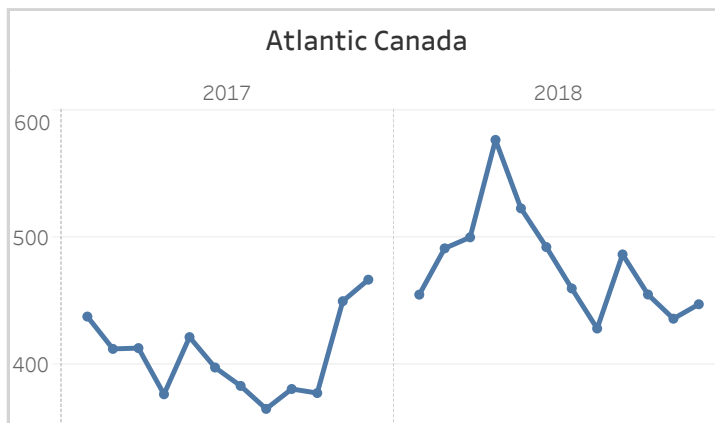
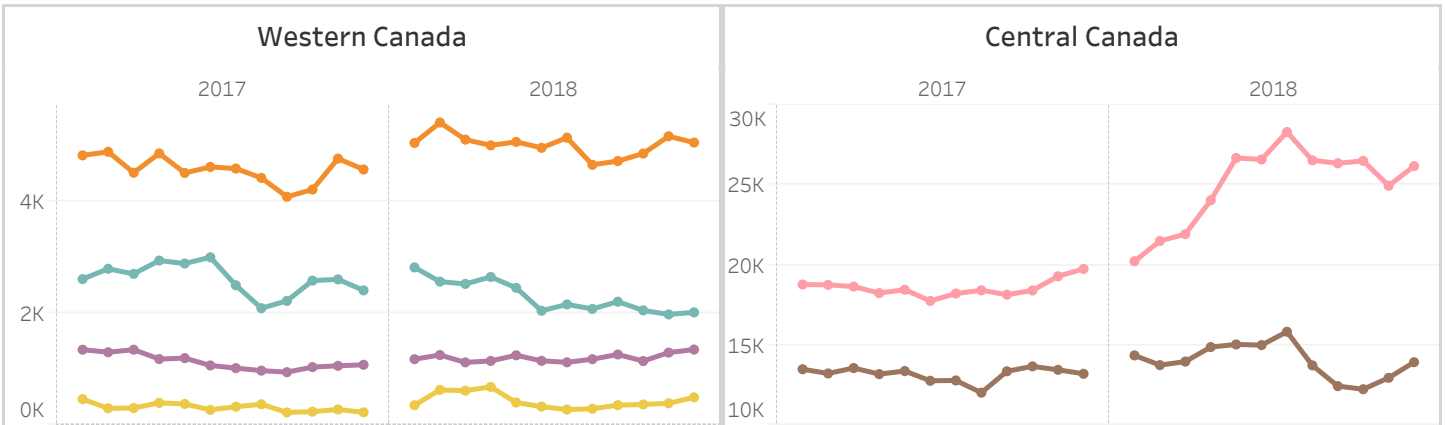
by Province
'000 Kg

	2017		2018	
	November	December	November	December
BC	4,776	4,581	5,176	5,063
AB	2,612	2,415	1,984	2,020
SK	280	229	391	498
MB	1,062	1,081	1,299	1,354
ON	19,297	19,753	24,952	26,175
QC	13,450	13,206	12,951	13,928
Atlantic	450	467	437	448



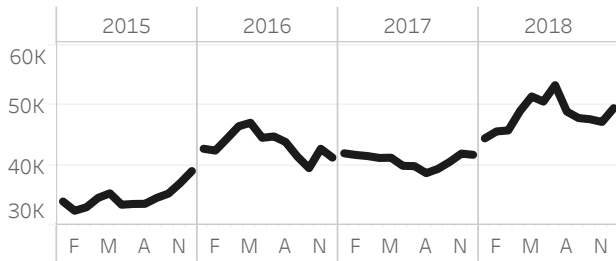
Stocks by Province
Canada Stocks

■ BC
 ■ AB
 ■ SK
 ■ MB
 ■ ON
 ■ QC



Source: Agriculture and Agri-Food Canada

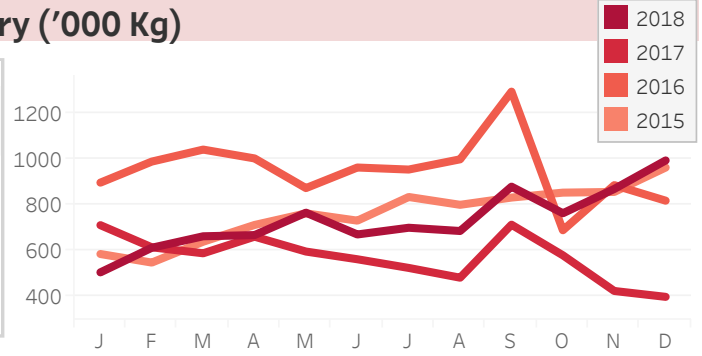
Total Chicken Storage Stocks ('000 Kg)



Storage stock level for December 2018 were 49.5 Mkg, representing an increase of 7.8 Mkg (+18.6%) over December 2017. From a provincial perspective, the largest percentage increases year-over-year were in Saskatchewan (+117.2%), Ontario (+32.5%), and Manitoba (+25.3%). As for stock categories, the largest percentage increase was in the whole category at +148.4%, yet volume-wise that only accounted for a 0.6 Mkg increase. The cut-up category experienced the second largest percentage increase of +30.7%, which translated into a noteworthy +5.3 Mkg over last year. The further processed category also saw a sizeable 2.5 Mkg (+12.1%) increase.

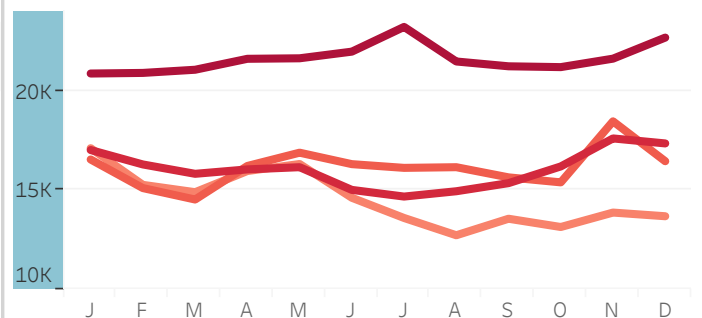
Whole Category ('000 Kg)

	2017		2018	
	November	December	November	December
< 2 kg	278	246	467	567
> 2 kg	147	154	402	426



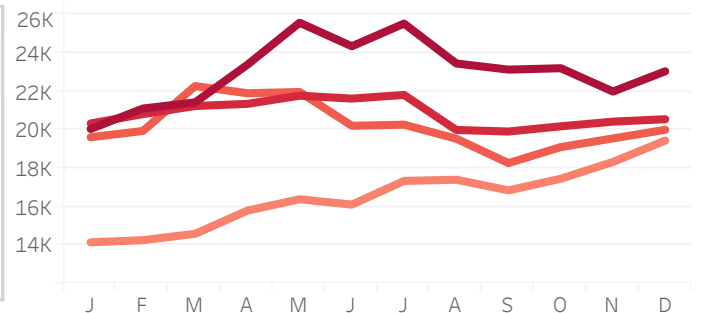
Cut-up Category ('000 Kg)

	2017		2018	
	November	December	November	December
Legs	3,911	3,471	3,946	4,638
Breasts	6,670	7,346	6,886	6,836
Wings	4,337	3,737	4,086	4,100
Other	2,691	2,803	6,712	7,117



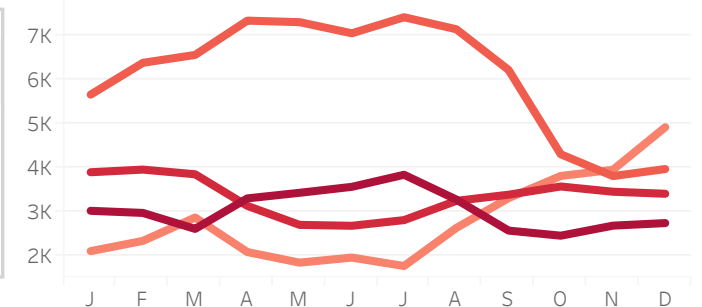
Further Processed Category ('000 Kg)

	2017		2018	
	November	December	November	December
Breasts	2,621	2,701	2,795	2,721
Other	17,815	17,862	19,209	20,337



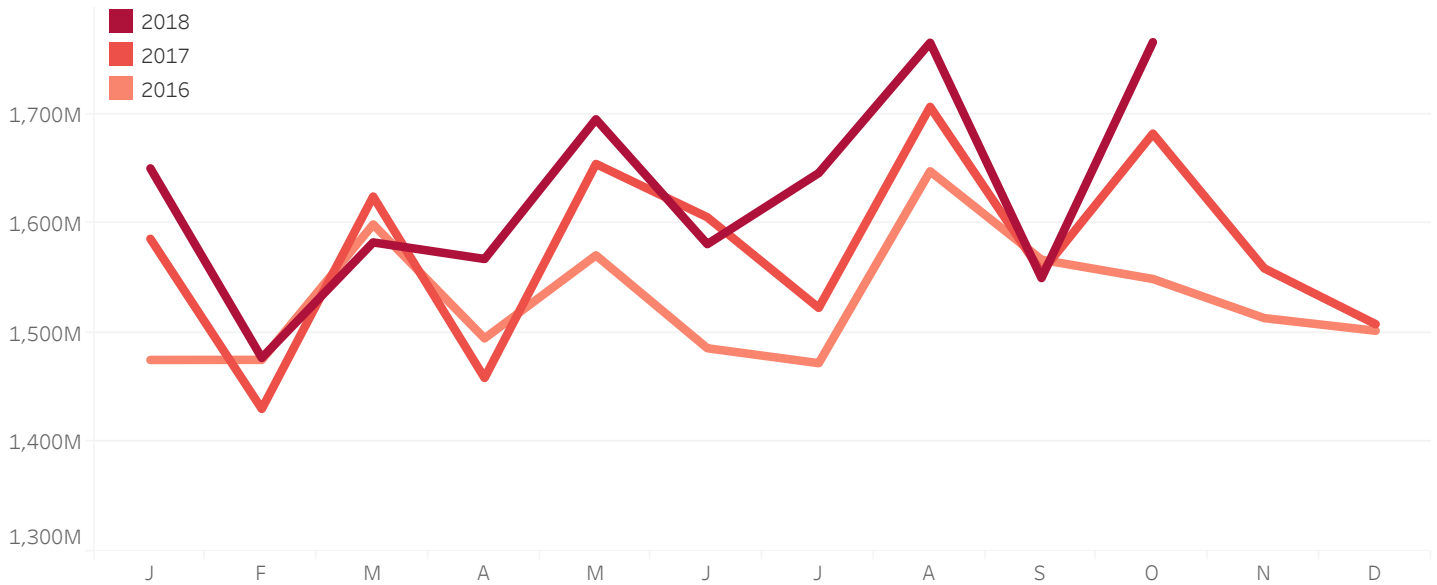
Miscellaneous Category ('000 Kg)

	2017		2018	
	November	December	November	December
Miscellaneous	3,456.5	3,410.3	2,685.5	2,743.7



Section 4 - American Chicken Market

National Chicken Slaughter (Mkg)



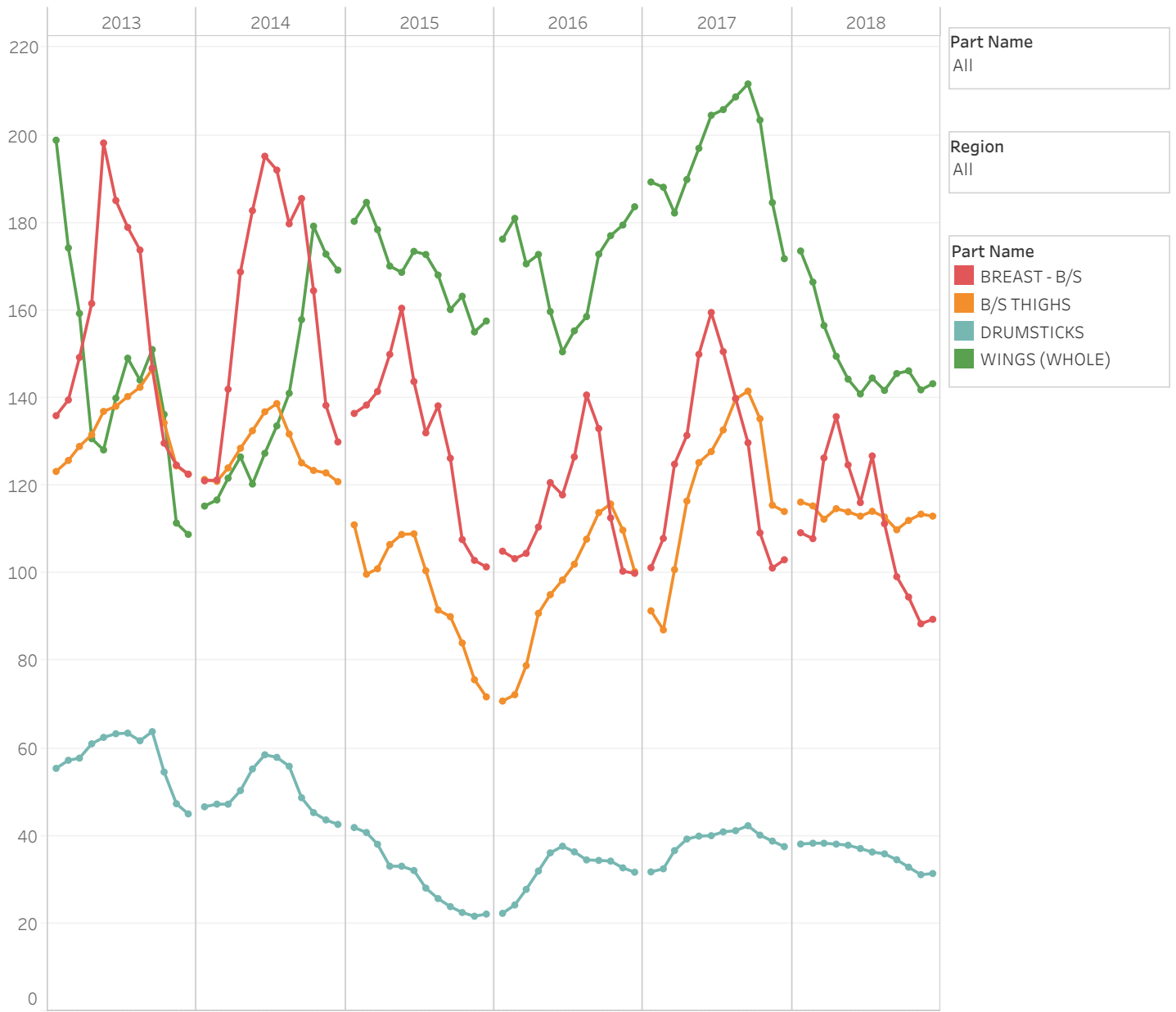
National Chicken Slaughter (Mkg)

	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	1,646.3M
August	1,706.9M	1,765.5M
September	1,555.8M	1,550.3M
October	1,682.4M	1,766.0M
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

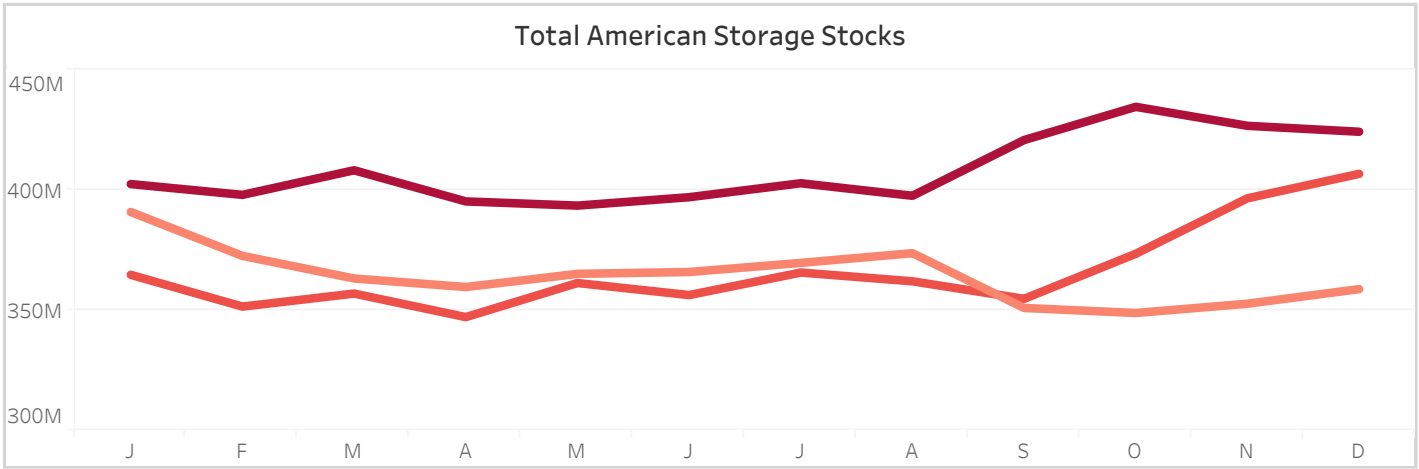
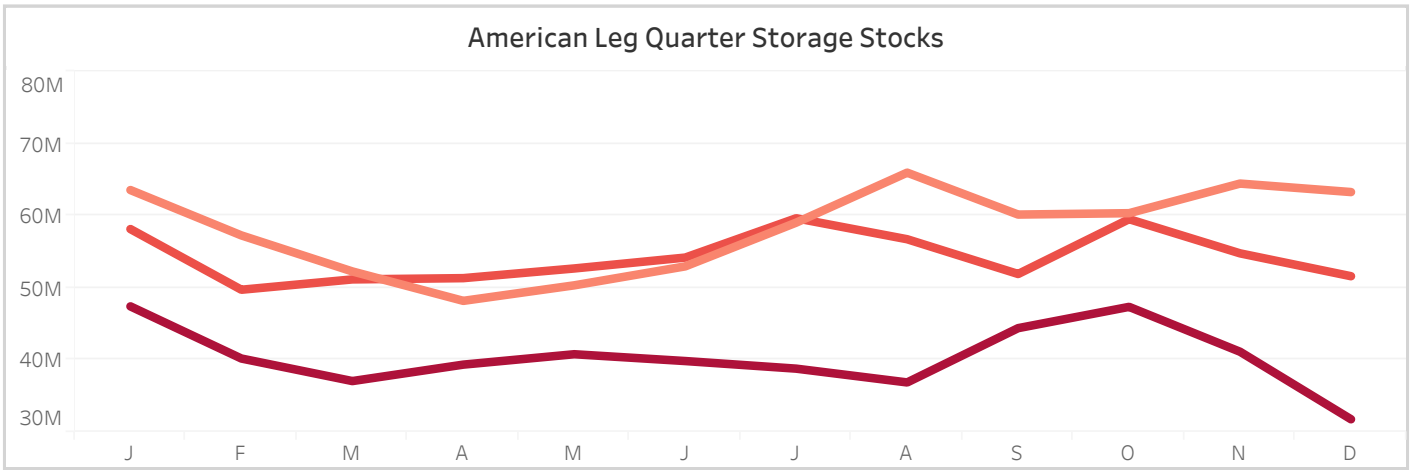
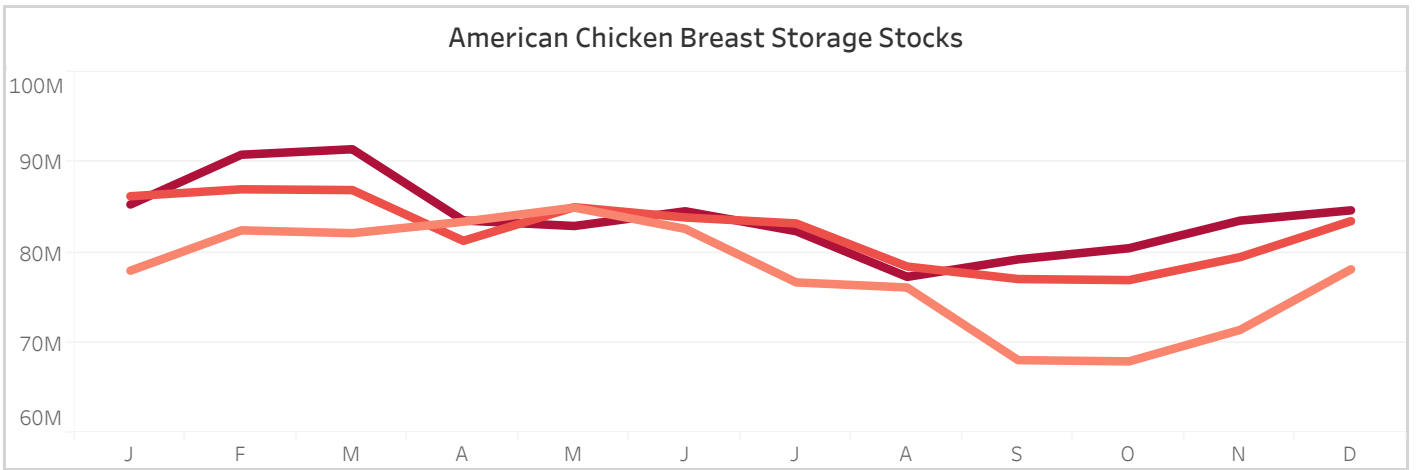
US wholesale prices for December 2018 were down in every cut. The most significant year-over-year percentage drop was in the wing category, which fell \$0.29/lb (-16.6%), followed by drumsticks which were down \$0.06/lb (-16.3%). Boneless breast prices were down a noteworthy \$0.14/lb (-13.2%). The least significant drop was in boneless thighs, down \$0.01/lb (-0.9%) over last year.

American Chicken Storage Stocks

Mkg

	2017			2018		
	October	November	December	October	November	December
Breast	76.9M	79.5M	83.5M	80.5M	83.5M	84.7M
Leg	59.5M	54.8M	51.6M	47.4M	41.1M	31.8M
Total Stocks	373.5M	396.5M	406.7M	434.5M	426.7M	424.2M

2016 2017 2018



Source: United States Department of Agriculture



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