

Chicken Fax

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

From January to May 2018, there was a total fresh supply of 589.1 Mkg, an increase of 5.2%, or 29.1 Mkg over last year. As a result, the total supply was 633.3 Mkg, or 31.2 Mkg higher than last year. Storage stock levels closed at 50.6 Mkg, a noteworthy 10.7 Mkg, or 26.8% higher than last year.

Import levels are still lower than they were last year, with a YTD volume of 68.4 Mkg, a decrease of 1.3 Mkg (1.8%).

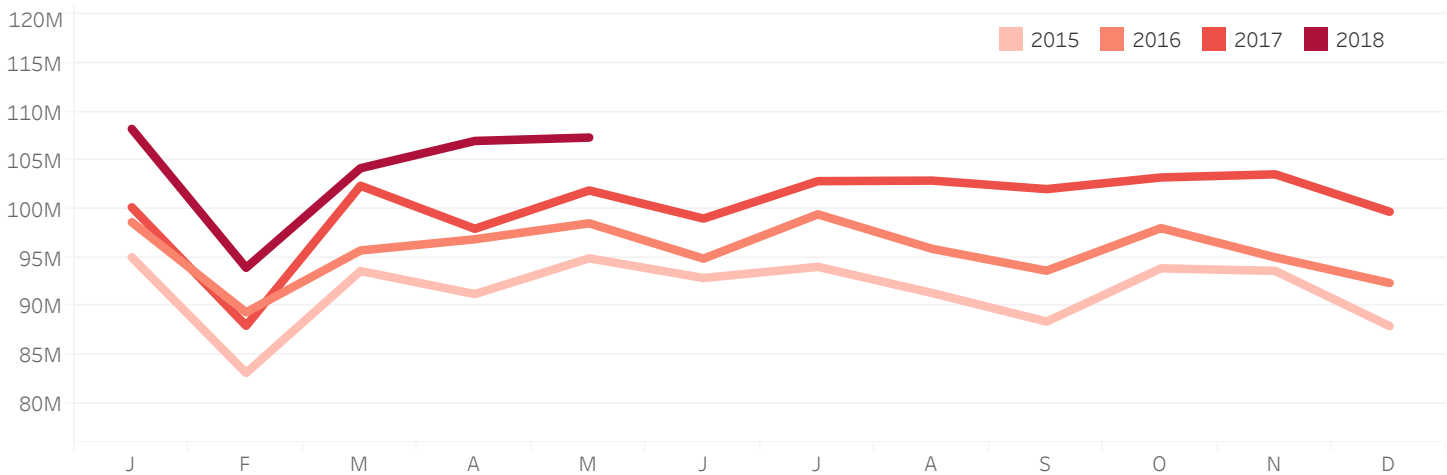
	Supply and Disappearance		Change	
	Jan. - May			
	2017	2018		
Opening Stocks	42.0M	44.1M	2.2M	5.2%
Production	490.4M	520.8M	30.3M	6.2%
Imports	69.6M	68.4M	-1.3M	-1.8%
Fresh Supply	560.1M	589.1M	29.1M	5.2%
Total Supply	602.0M	633.3M	31.2M	5.2%
Exports	71.6M	65.0M	-6.6M	-9.2%
Closing Stocks	39.9M	50.6M	10.7M	26.8%
Domestic Disappearance	490.6M	517.7M	27.1M	5.5%

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)



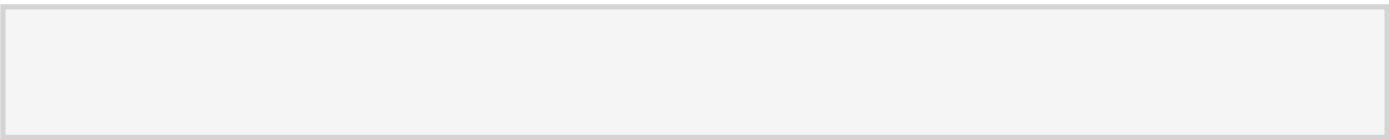
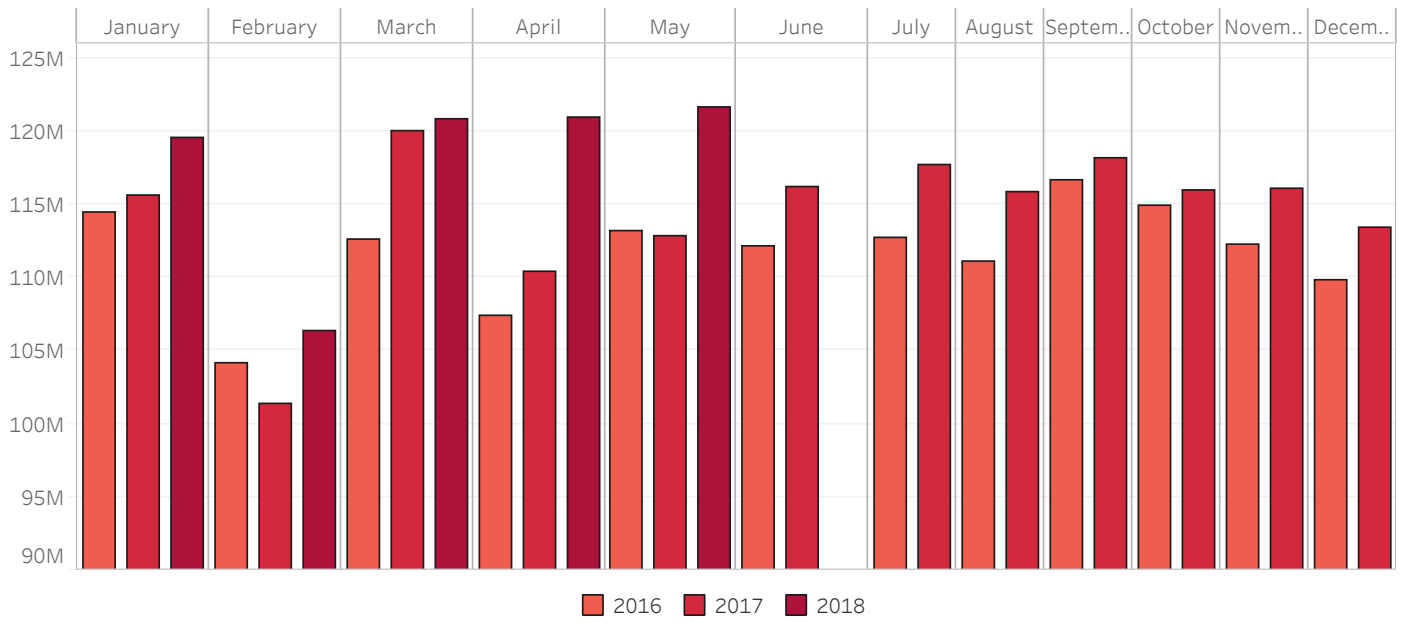
	Production Jan. - May Mkg		Change	
	2017	2018		
BC	69.3M	75.9M	6.6M	9.5%
AB	46.9M	50.0M	3.1M	6.5%
SK	18.8M	19.3M	0.5M	2.6%
MB	20.3M	21.2M	0.9M	4.4%
ON	160.9M	176.2M	15.2M	9.5%
QC	136.2M	137.9M	1.8M	1.3%
NB	13.1M	14.0M	0.9M	6.9%
NS	16.9M	17.5M	0.6M	3.6%
PEI	1.7M	1.9M	0.2M	13.4%
NFLD	6.4M	6.9M	0.5M	8.3%
Canada	490.4M	520.8M	30.3M	6.2%

Total YTD chicken production was 520.8 Mkg as of May 2018, up 30.3 Mkg, or 6.2% from last year. While Ontario and British Columbia have been pushing the largest volumes, growth in production is being seen in every province.

	Monthly Production Mkg			
	2017		2018	
	April	May	April	May
BC	14.0M	14.7M	15.7M	15.8M
AB	9.5M	9.6M	10.1M	10.2M
SK	3.8M	3.8M	3.8M	4.0M
MB	4.1M	4.3M	4.4M	4.4M
ON	31.4M	34.4M	36.8M	35.5M
QC	26.9M	27.7M	28.4M	28.5M
NB	3.1M	2.4M	2.6M	3.2M
NS	3.5M	3.3M	3.5M	3.7M
PEI	0.4M	0.4M	0.4M	0.4M
NFLD	1.3M	1.4M	1.4M	1.5M
Canada	98.0M	101.9M	107.0M	107.4M

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

Fresh Chicken Supply (Mkg)

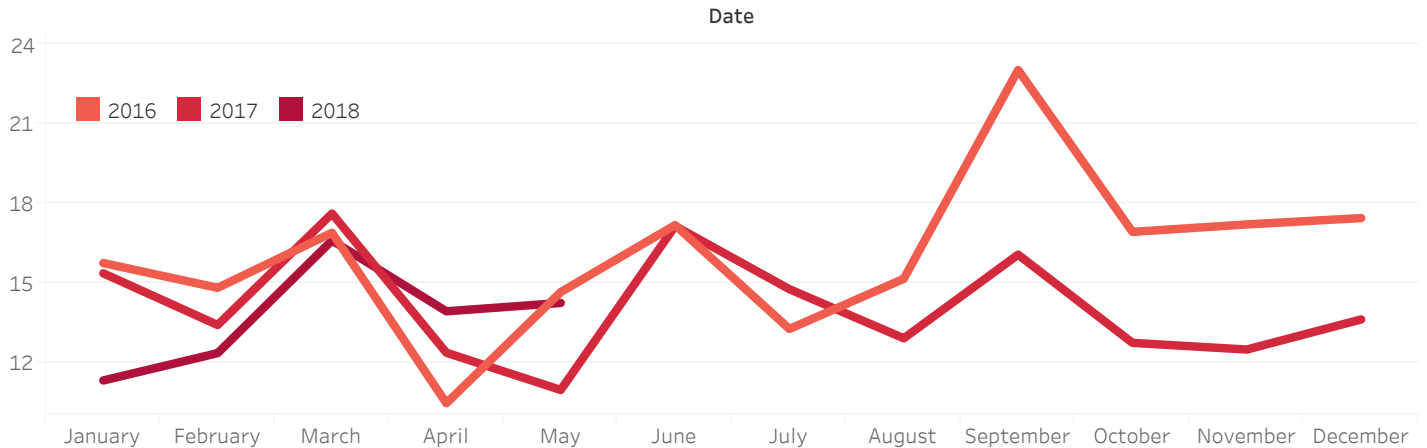


Fresh Chicken Supply Mkg		
	2017	2018
January	115.5M	119.6M
February	101.4M	106.3M
March	120.0M	120.8M
April	110.3M	120.9M
May	112.9M	121.6M
June	116.1M	
July	117.6M	
August	115.8M	
September	118.1M	
October	116.0M	
November	116.0M	
December	113.3M	

Domestic Disappearance Mkg		
	2017	2018
January	100.5M	103.4M
February	88.5M	94.0M
March	108.0M	104.9M
April	91.6M	104.6M
May	101.8M	110.9M
June	103.7M	
July	103.6M	
August	103.5M	
September	106.6M	
October	99.8M	
November	104.4M	
December	99.7M	

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

Total Chicken Imports (Mkg)



	Jan. - May Kg		Change	
	2017	2018		
Live	0.1M	0.0M	-0.1M	-100.0%
Carcass	0.1M	0.0M	-0.1M	-64.8%
Parts, Bone-in	19.0M	14.7M	-4.3M	-22.7%
Parts, Boneless	34.1M	39.1M	5.0M	14.7%
Other	2.7M	0.8M	-1.9M	-70.5%
Further Processed	13.6M	13.7M	0.2M	1.2%
Total	69.6M	68.4M	-1.3M	-1.8%

Chicken imports as of May 2018 were down in every category except for the Parts Boneless and Further Processed, which respectively saw increase of 5.0 Mkg (14.7%) and 0.2 Mkg (1.2%) over last year. Conversely, notable drops of 4.3 Mkg (22.7%) were seen in Parts Bone-in, and 1.9 Mkg (70.5%) in Other.

	2017		2018	
	April	May	April	May
Live	0.0M	0.0M	0.0M	0.0M
Carcass	0.0M	0.0M	0.0M	0.0M
Parts, Bone-in	3.2M	3.2M	3.0M	3.0M
Parts, Boneless	5.7M	5.0M	7.8M	8.4M
Other	0.7M	0.3M	0.1M	0.1M
Further Processed	2.7M	2.3M	3.1M	2.7M
Total	12.4M	10.9M	13.9M	14.2M

Source: Agriculture and Agri-Food Canada

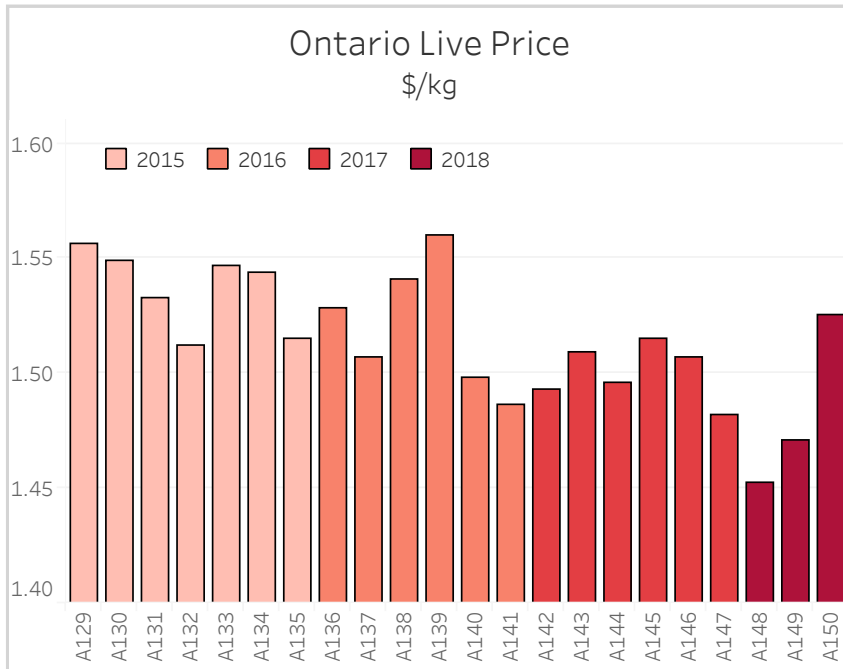
* Chicken imports are reported on eviscerated equivalent basis

Chicken Products Exported

Jan. - May Kg	
2017	2018
71.6M	65.0M

Source: Agriculture and Agri-Food Canada

Section 2 - Chicken Prices

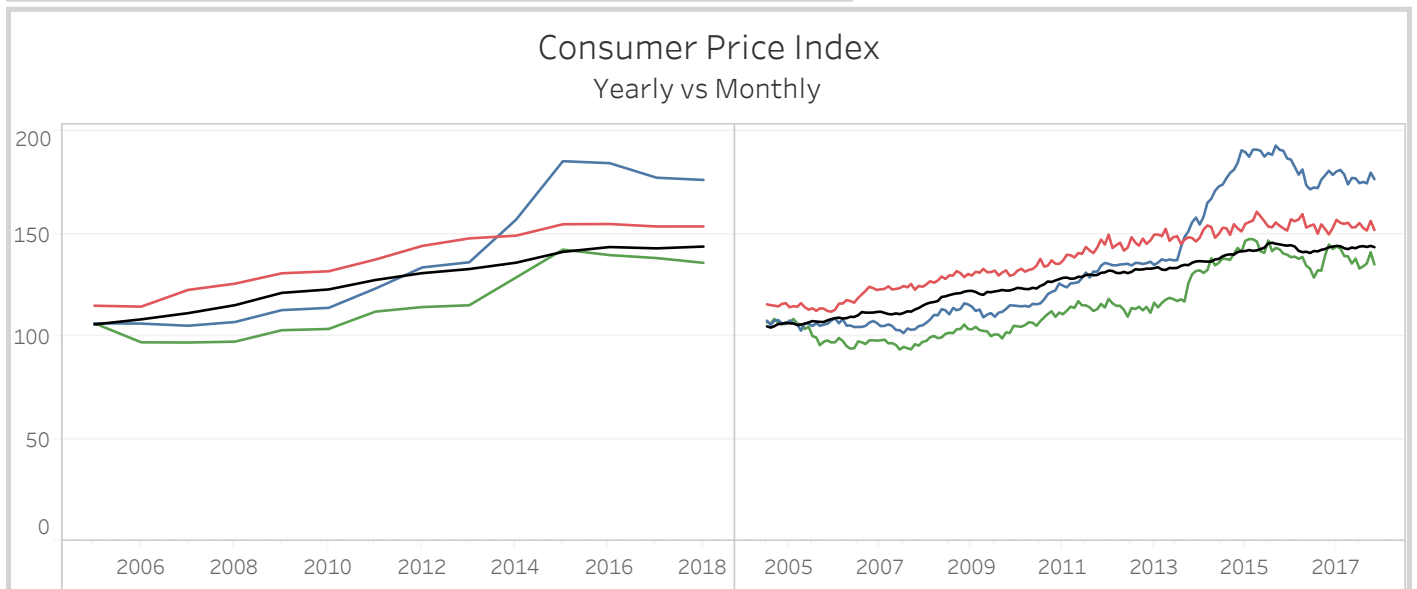


The CPI for chicken as of May 2018 was 152.2, 177.0 for beef, and 135.3 for pork. Compared to last year, the CPI for chicken was up 1.5%, beef was down 2.3%, and pork was down 6.4.



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

Location
All



Canadian Wholesale Chicken Prices

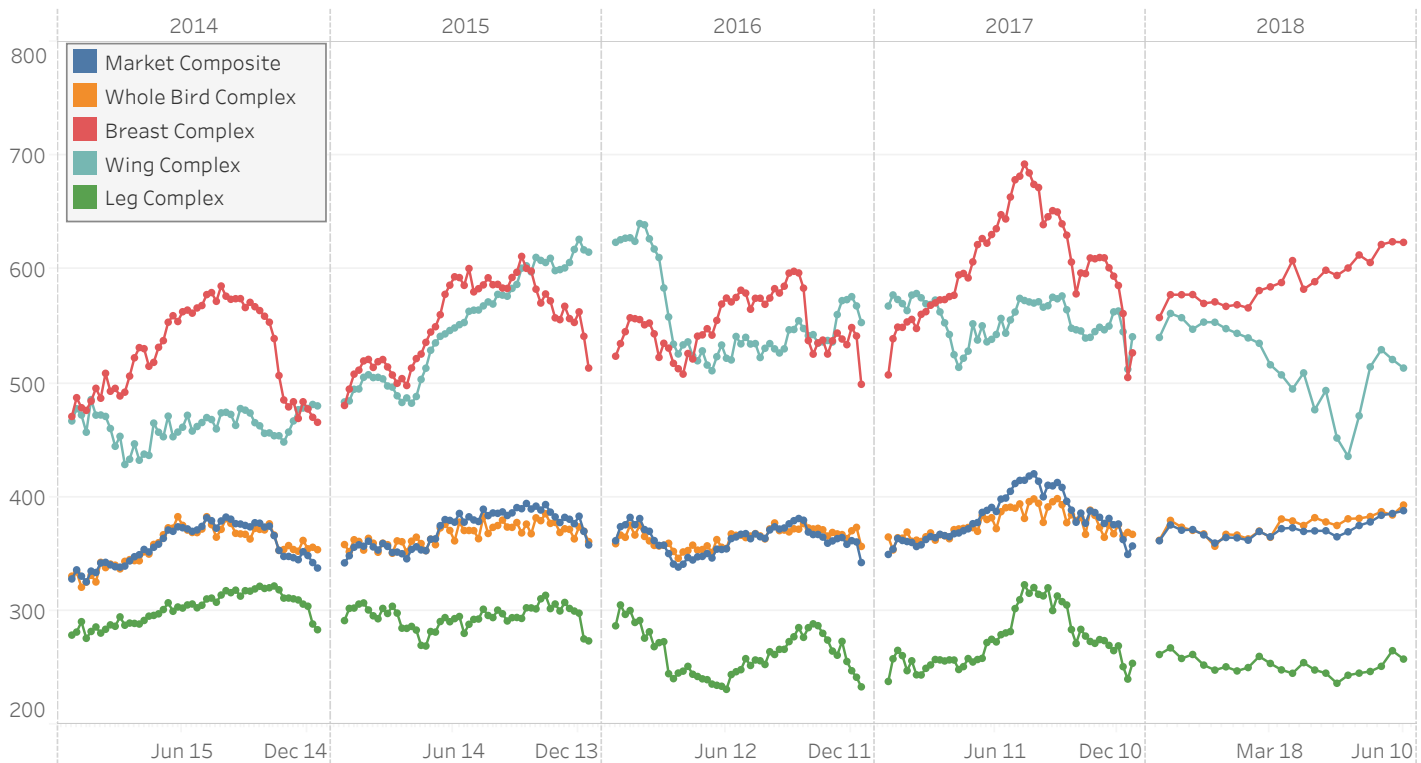
¢/kg

	2017				2018			
	February	March	April	May	February	March	April	May
Market Composite	359.3	365.7	368.8	382.3	363.7	367.3	369.7	376.6
Whole Bird Complex	362.3	365.9	370.5	376.8	364.6	369.7	377.8	383.0
Breast Complex	556.9	571.5	587.6	619.7	569.6	580.2	594.8	610.5
Wing Complex	575.3	564.6	526.5	544.3	549.8	524.7	485.3	487.8
Leg Complex	248.3	255.7	254.2	260.7	249.6	253.0	245.8	246.7

The market composite has steadily increased month-over-month, as the summer got closer. However, compared to last year, the May 2018 market composite of \$3.77/kg was down \$0.06.

The breast complex was still the highest priced complex in May, with a price of \$6.11/kg. Once again, this still marks a decrease of \$0.09 over last year. Prices in the wing complex were down a remarkable \$0.57, while the leg complex was down \$0.14.

Conversely, the whole bird complex was the only complex to experience an increase over last year, at a price of \$3.83/kg, versus \$3.77/kg in May 2017.



Source: EMI Express Markets Inc.

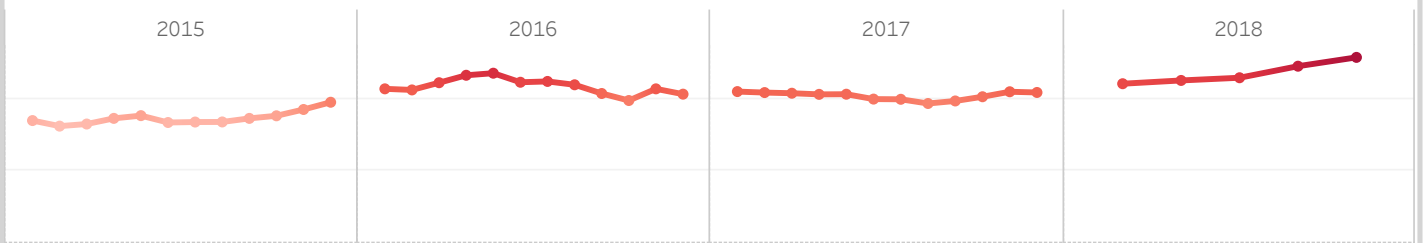
* The Market Composite price is the simple average of 5 sub-composites, which are the weighted average of individual products, further weighted by each product's percentage make-up of WOG

Section 3 - Storage Stocks

by Province '000 Kg

	2017		2018	
	April	May	April	May
BC	4,869	4,518	5,013	5,076
AB	2,949	2,895	2,655	2,459
SK	398	379	685	404
MB	1,183	1,200	1,150	1,251
ON	18,245	18,457	24,042	26,684
QC	13,185	13,376	14,874	15,037
Atlantic	377	422	577	523

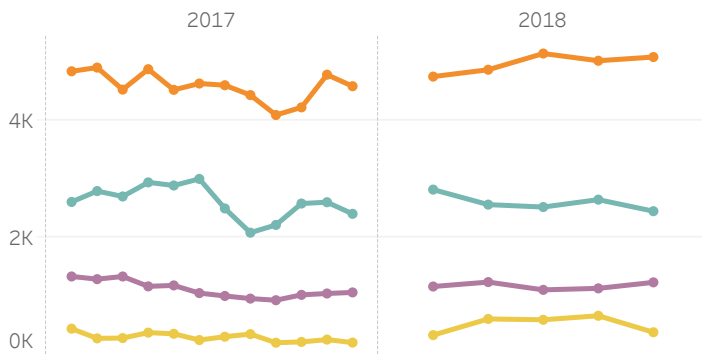
Canada Stocks



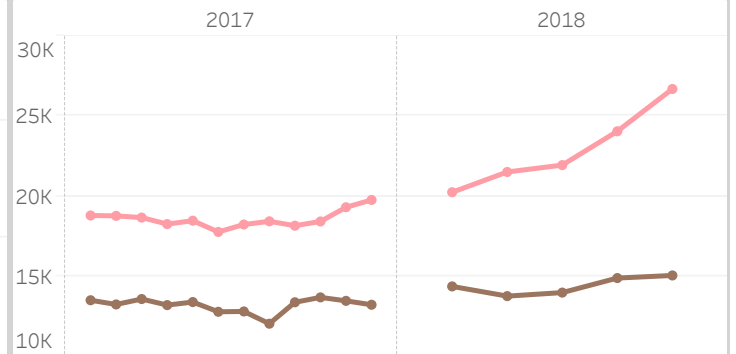
Stocks by Province
Canada Stocks

BC AB SK MB ON QC

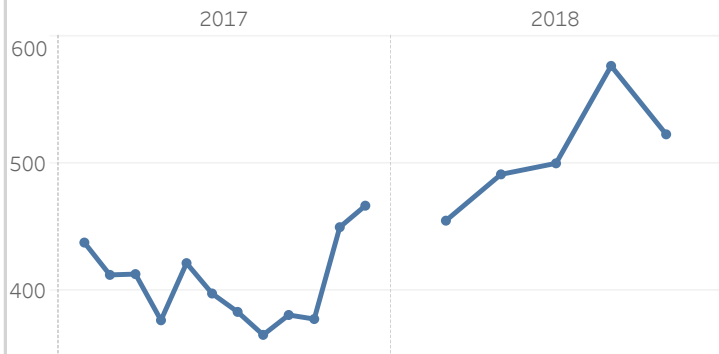
Western Canada



Central Canada

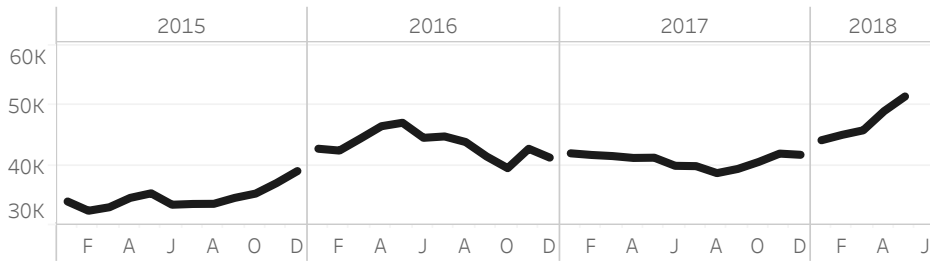


Atlantic Canada



Source: Agriculture and Agri-Food Canada

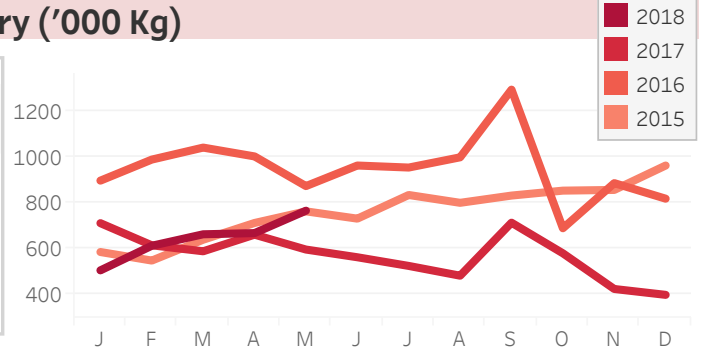
Total Chicken Storage Stocks ('000 Kg)



Storage stocks have been steadily building. In May 2018, the total volume reached 50.6 Mkg. Most of the increase was seen in the Cut-up and Further Processed categories.

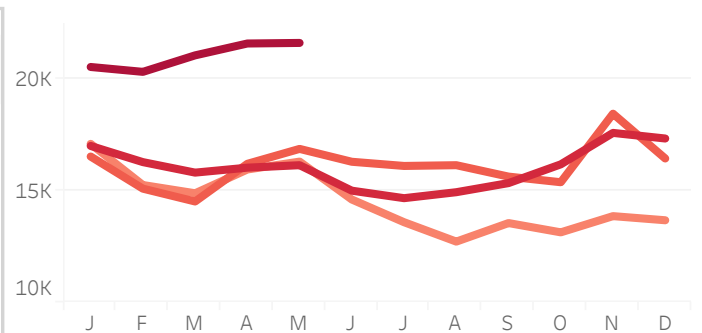
Whole Category ('000 Kg)

	2017		2018	
	April	May	April	May
< 2 kg	443	408	360	366
> 2 kg	219	189	309	400



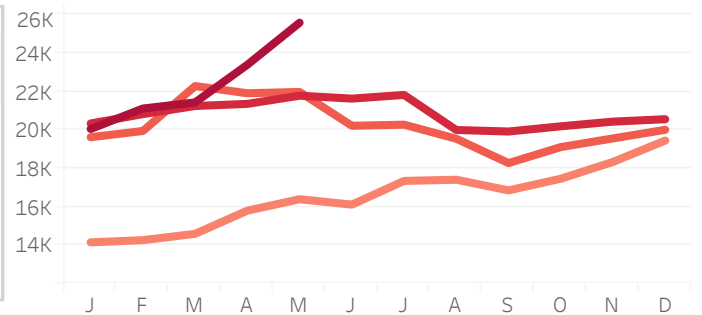
Cut-up Category ('000 Kg)

	2017		2018	
	April	May	April	May
Legs	4,106	4,011	5,194	4,592
Breasts	5,437	5,467	6,721	6,562
Wings	3,538	3,807	4,635	4,610
Other	2,968	2,874	5,072	5,882



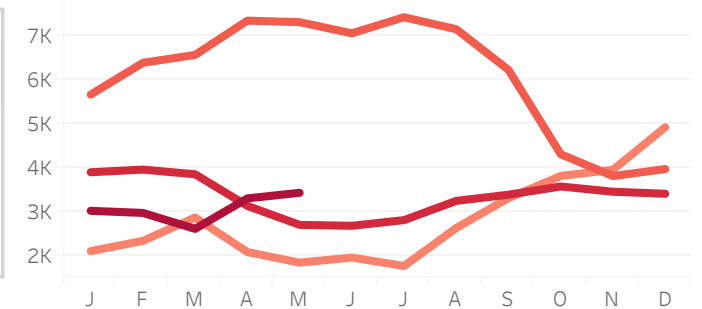
Further Processed Category ('000 Kg)

	2017		2018	
	April	May	April	May
Breasts	2,407	2,524	2,726	2,759
Other	18,955	19,264	20,673	22,830



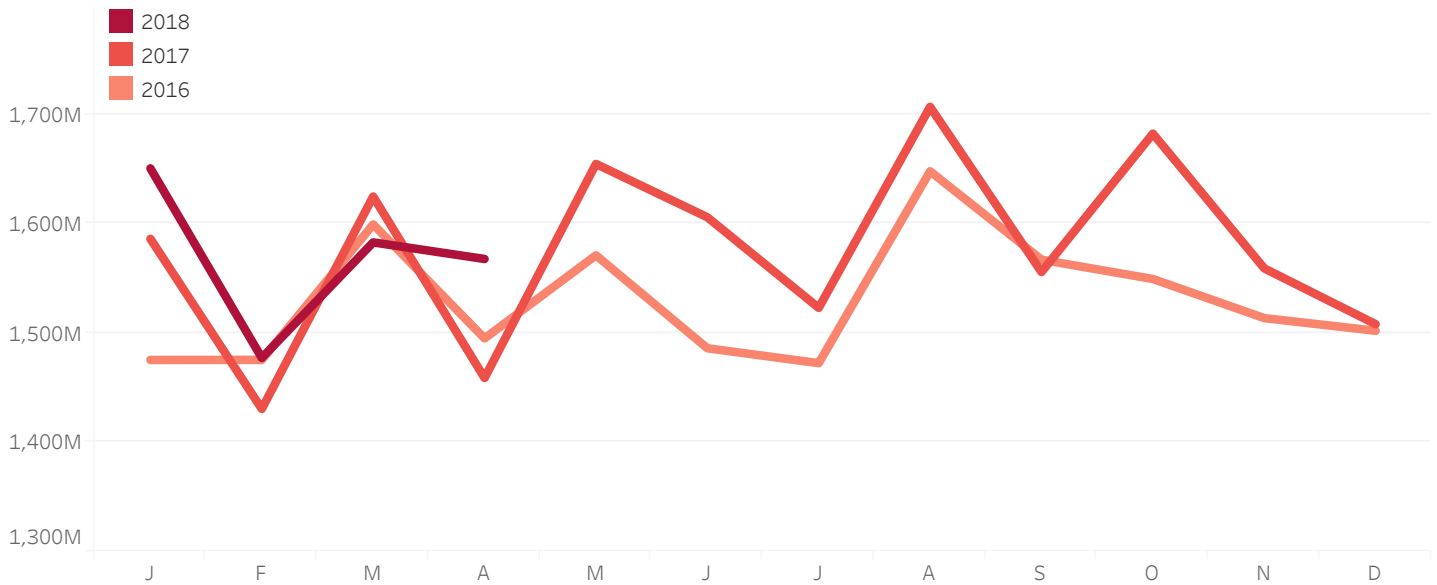
Miscellaneous Category ('000 Kg)

	2017		2018	
	April	May	April	May
Miscellaneous	3,134.6	2,703.0	3,305.4	3,432.4



Section 4 - American Chicken Market

National Chicken Slaughter (Mkg)



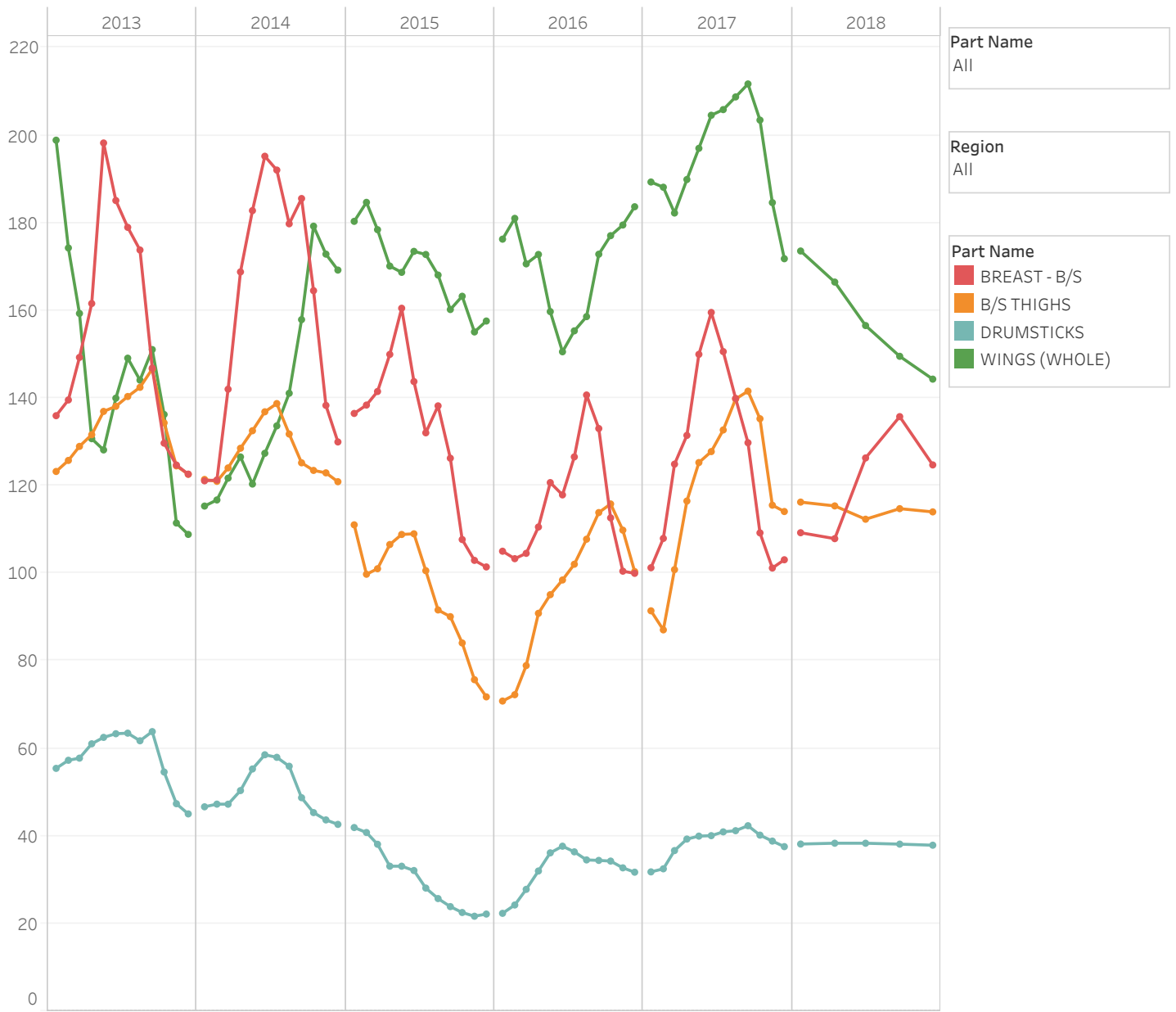
National Chicken Slaughter (Mkg)

	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	
June	1,605.9M	
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 still remained king with a wholesale price of \$1.44/lb. The Northeastern state price was lower than that of the Southern state price, at a cost of \$1.40 versus \$1.49.

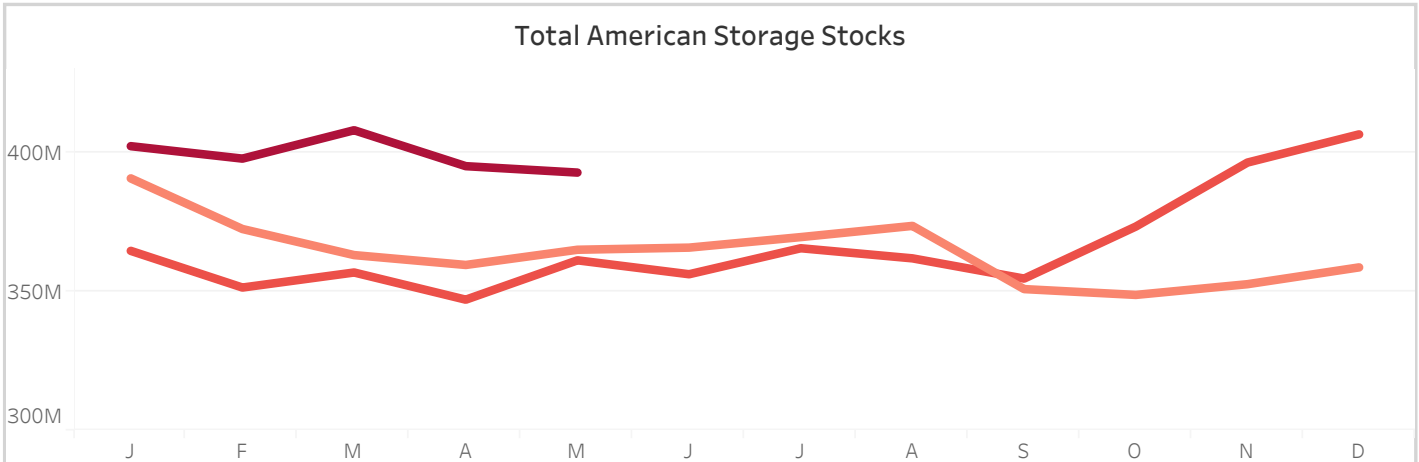
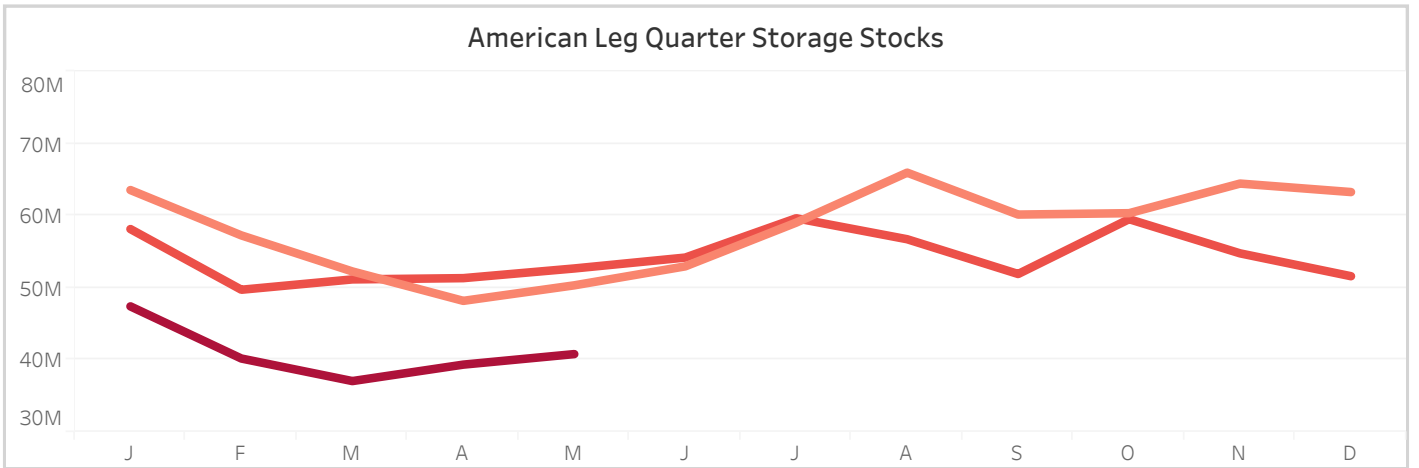
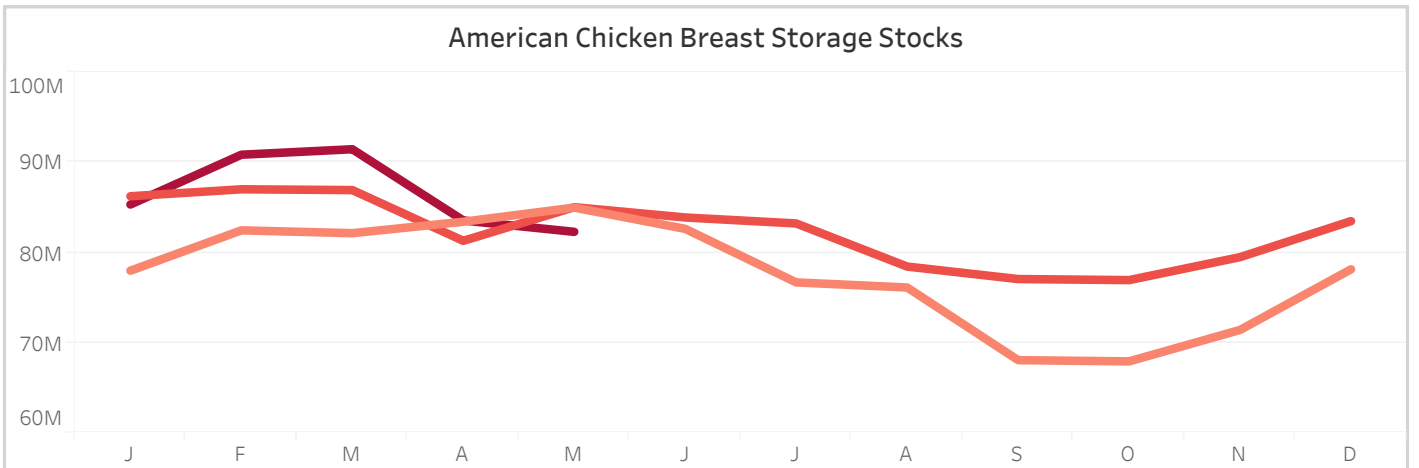
Boneless breast prices averaged \$1.25/lb in May 2018, regionally the price was higher in the Northeast than it was in the South. The same can be said for boneless thighs, which averaged \$1.14/lb. The Northeast saw a price of \$1.15/lb, while the South saw \$1.13/lb.

American Chicken Storage Stocks

Mkg

	2017			2018		
	March	April	May	March	April	May
Breast	86.9M	81.3M	85.0M	91.4M	83.5M	82.3M
Leg	51.2M	51.3M	52.7M	37.1M	39.4M	40.8M
Total Stocks	356.9M	347.1M	361.3M	408.2M	395.2M	392.9M

2016 2017 2018



Source: United States Department of Agriculture

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