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Poultry Programs

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FAPRI 1999 World Agricultural Outlook

Pressures on Egg Supply-Management in Canada

The Food and Agricultural Policy Research Institute (FAPRI) prepares baseline projections each year for the U.S. agricultural sector and international commodity markets. Current projections for poultry indicate the United States will capture most of the projected growth in the international broiler market after 2000, due to low production costs and competitive prices.

Over the next 10 years per capita consumption is projected to increase an average of 1.4 percent annually, with the growth of world poultry production at 2.8 percent each year. About 40 percent of the total growth in production is expected to occur in the United States. China, Brazil, the EU and Mexico are also expected to experience major increases in poultry production.

Broiler trade should expand 39.8 percent from 1998 to 2008 for a total change of more than 1.3 million metric tons. China, Japan and Mexico should account for 73 percent of the import growth. U.S. poultry exports to Mexico should double following the elimination of barriers under the North American Free Trade Agreement (NAFTA). Hong Kong, Russia and South Korea would absorb the balance.

U.S. exports of broiler meat are projected to climb rapidly, rising an average 5.5 percent annually. Low production costs, high quality, and competitive prices may allow the United States to capture virtually all of the projected growth in international broiler trade.

Source: FAPRI Bulletin, Iowa State University

Czech Poultry Meat Production Expanding

Poultry meat output in the Czech Republic expanded by 16% to reach 220,000 tons live weight in 1998. Production is expected to increase again this year to 225,000 tons, according to a report in *Agra Europe*. Exports from the Republic in 1998 doubled to around 10,000 tons and are forecast to increase in 1999 towards 12,000 tons. In contrast, imports declined a little from 22,000 tons to 18,000 tons last year, but are forecast for 1999 to increase back towards the 20,000 ton mark this year. Poultry consumption in 1998 amounted to 225,000 tons live weight or around 162,000 tons eviscerated weight, equivalent to about 35.9 lbs/person, an increase of over two pounds compared to 1997. For 1999 it is anticipated that consumption will rise again to around 233,000 tons or 37.2 lbs/person.

According to the Food and Agriculture Organization of the United Nations database, FAOSTAT, Czech poultry meat exports decreased from 10,444 tons in 1993 to 4,368 tons in 1997. Imports increased from 1,810 tons in 1993 to 18,269 tons in 1997.

Source: WATTNET Homepage/Agra Europe, FAOSTAT

Increased egg consumption for the third year in a row has forced the Canadian Egg Marketing Agency (CEMA) into the unfamiliar task of managing growth. Egg consumption increased to 182.4 eggs per capita in 1998, an increase of 1.2 eggs over 1997 and a total increase of 9.6 eggs consumed by the average person since 1995. It is estimated that an additional 1 million layers will be needed in 1999 to satisfy demand. Prior to the increases of the last 3 years, CEMA had managed a stable or declining market.

CEMA's success in helping expand demand and increase egg consumption resulted in a boon for egg producers, yet has also thrown it into a political crisis that may threaten the existence of the national egg marketing system. The national flock is expanding and CEMA is facing demands to issue more production quotas.

Quebec failed in January, 1999 to remit levies for the national egg marketing system in a dispute with CEMA. Ontario has threatened to leave the system in July if Quebec does not rejoin. Ontario accounts for 40% of total egg production in Canada.

Manitoba, meanwhile, has threatened to leave CEMA unless a layer operation currently not included in the national marketing system is included.

In order to find a permanent solution, the National Farm Products Council has hired a mediator to facilitate an agreement between CEMA and the provinces.

As of the week ending May 29, 1999, the United States had exported 259,943 cases of shell eggs to Canada, compared to 173,623 a year ago, an increase of almost 50 percent.

Sources: International Egg Commission, Ontario Egg Producers, Canadian Egg Marketing Agency, Agriculture Canada

JAPANESE POWDERED EGG IMPORTS (IN TONS)

Month	Powdered			Total
	Whole Eggs	Powdered Yolks	Powdered Albumen	
1998				
January	133.7	192.2	598.4	924.3
February	234.6	220.2	698.0	1152.8
March	296.2	235.4	553.9	1085.5
1998 To-Date	664.5	647.8	1850.3	3,162.6
1999				
January	200.2	269.1	912.5	1381.8
February	201.6	251.3	566.2	1019.1
March	233.3	121.9	740.6	1095.8
1999 To-Date	635.1	642.3	2,219.3	3,496.7

Source: ALIC Monthly Statistics

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INSPECTED EGG PRODUCTS

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

Type	Week Ending June 05, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	254	473	6,339	5,940
Frozen	0	0	6	50
Dried	0	43	196	310
Total	254	516	6,541	6,300

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

Type	Week Ending June 05, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	82	45	1,999	1,718
Frozen	0	0	103	123
Dried	0	0	60	225
Total	82	45	2,162	2,066

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

	Week Ending June 05, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	50	88	410	568
Extra Large	570	1,502	12,865	16,662
Large	1,908	3,448	47,350	44,911
Medium	1,890	1,248	22,339	25,576
Ungraded	7,500	950	185,669	91,332
Misc	120	0	3,348	1,810
Total	12,038	7,236	271,981	180,859

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. June 11, 1999

CHICKEN PRICES

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				
0 pounds, this includes 0 pounds for export shipment.				

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	13.50-14.00	16.50-17.00	13.00-15.50	15.00
WTD AVERAGE	13.83	16.75	13.93	15.00
391,700 pounds, this includes 122,400 pounds for export shipment.				
15-20%				
RANGE	10.50-12.00	13.50	9.00-12.25	12.00-14.00
WTD AVERAGE	11.44	13.50	10.46	12.34
2,823,400 pounds, this includes 680,800 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	-	13.50-14.75
WTD AVERAGE				14.25
204,000 pounds, this includes 0 pounds for export shipment.				

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 05-Jun-99 PRELIMINARY

U.S. FOWL SLAUGHTERED DOMESTICALLY (000'S)

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	1,790	1,196
LAST WEEK	2,274	1,405	3,679
SAME WEEK YR AGO	2,142	1,417	3,559
TO-DATE/1999	48,216	29,454	77,670
TO-DATE/1998	46,558	27,651	74,209

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	508	0
LAST WEEK	549	13	562
SAME WEEK YR AGO	540	0	540
TO-DATE/1999	10,797	150	10,947
TO-DATE/1998	12,546	204	12,750

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	2,298	1,196
LAST WEEK	2,823	1,418	4,241
SAME WEEK YR AGO	2,682	1,417	4,099
TO-DATE/1999	59,013	29,604	88,617
TO-DATE/1998	59,104	27,855	86,959

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. June 11, 1999

CHICKEN PRICES

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	15.00-17.00	-	17.00	17.00
WTD AVERAGE	15.85		17.00	17.00
1,320,000 pounds, this includes 320,000 pounds for export shipment.				

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	13.00	15.00	-	16.00
WTD AVERAGE	13.00	15.00		16.00
400,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	12.00	14.00	10.50-14.00	12.00-14.00
WTD AVERAGE	12.00	14.00	12.06	13.11
2,723,600 pounds, this includes 0 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				
0 pounds, this includes 0 pounds for export shipment.				

* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

JUNE 11, 1999

Trade sentiment steady to instances firm on frozen thigh meat with some feeling the market may be leveling off. Tom full-cut wing undertone steady to instances weak with improved activity noted at the lower price levels. Fresh tom breast meat market about steady with some anticipating offerings to move into a better balance. Fresh tom drums: (12 loads) 20 August-early September, 23 (11 loads) mid-September - early November, basted plant grade 16-18 lb. breasts 130 cents delivered. For export: tom necks (6 containers) 15, plant grade 8-10 lb. breasts (1 container) 102.50 cents delivered.

FRIDAY, JUNE 11, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	16.00-18.00		17.03	504	16.82	1,640
WINGS FULL-CUT - TOMS	16.00-23.00		17.13	248	17.22	392
WINGS, V-TYPE, TOM	20.00-20.50		20.25	520	19.95	1,040
TAILS		R	18.50	108	18.50	108
MECHANICALLY SEPARATED 2/		R	20.29	1,333	20.29	1,333
THIGH MEAT - FROZEN	64.00-69.00		66.50	80	64.03	464

THURSDAY, JUNE 10, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	15.00-18.50		16.60	328
WINGS FULL-CUT - TOMS	16.00		16.00	104
WINGS, V-TYPE, TOM	18.25-18.75		18.50	104
TAILS	18.50		18.50	108
MECHANICALLY SEPARATED 2/	15.00-22.50		20.29	1,333
THIGH MEAT - FROZEN	65.50		65.50	80

WEDNESDAY, JUNE 09, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-18.00		16.87	600
WINGS FULL-CUT - TOMS	21.00		21.00	40
WINGS, V-TYPE, TOM	18.75-21.00		19.88	208
TAILS				
MECHANICALLY SEPARATED 2/		F	16.83	480
THIGH MEAT - FROZEN	63.00		63.00	104

TUESDAY, JUNE 08, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	16.50	208
WINGS FULL-CUT - TOMS		F	22.00	80
WINGS, V-TYPE, TOM		M	20.00	208
TAILS				
MECHANICALLY SEPARATED 2/		F	16.83	480
THIGH MEAT - FROZEN	63.00		63.00	200

MONDAY, JUNE 07, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-17.00		16.50	208
WINGS FULL-CUT - TOMS		F	22.00	80
WINGS, V-TYPE, TOM	20.00		20.00	208
TAILS				
MECHANICALLY SEPARATED 2/		F	16.83	480
THIGH MEAT - FROZEN		F	61.19	320

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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