

Chicken Fax

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

Year-to-date (YTD) fresh supply reached 952.8 Mkg for August 2018, an increase of 4.7% (43.1 Mkg) over last year. Supply levels continued their growth from production, which sat at 841.8 Mkg, up 5.9% (46.6 Mkg) from last year.

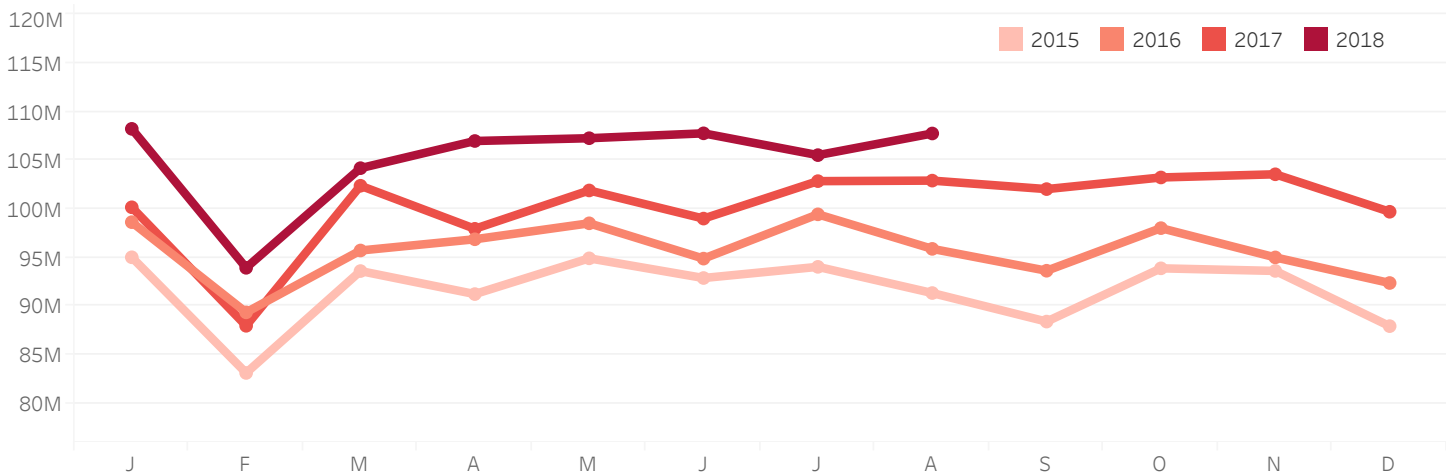
	Supply and Disappearance		Change	
	Jan. - Aug.			
	2017	2018		
Opening Stocks	42.0M	44.5M	2.5M	5.9%
Production	795.2M	841.8M	46.6M	5.9%
Imports	114.4M	110.9M	-3.4M	-3.0%
Fresh Supply	909.6M	952.8M	43.1M	4.7%
Total Supply	951.6M	997.2M	45.6M	4.8%
Exports	110.9M	102.6M	-8.3M	-7.5%
Closing Stocks	39.4M	47.8M	8.5M	21.5%
Domestic Disappearance	801.4M	846.8M	45.4M	5.7%

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)



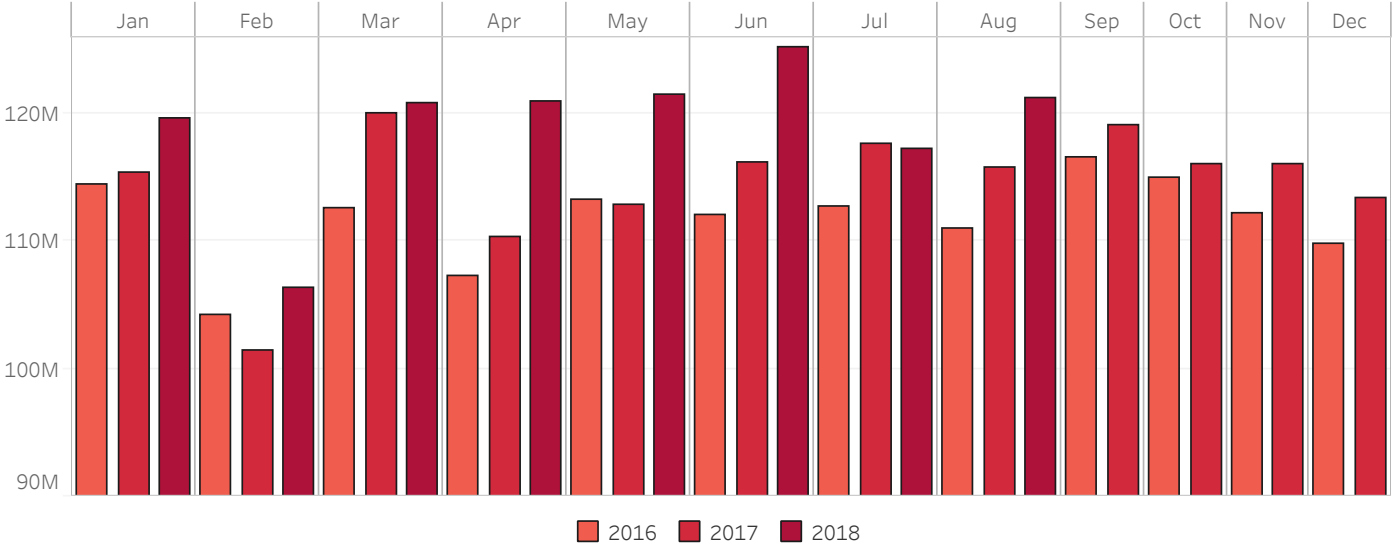
	Production Jan. - Aug. Mkg		Change	
	2017	2018		
BC	113.4M	124.2M	10.8M	9.5%
AB	75.8M	81.2M	5.5M	7.2%
SK	30.1M	30.5M	0.4M	1.2%
MB	33.2M	34.5M	1.2M	3.7%
ON	263.1M	282.9M	19.8M	7.5%
QC	217.8M	223.9M	6.0M	2.8%
NB	21.6M	22.5M	1.0M	4.4%
NS	27.0M	28.1M	1.0M	3.8%
PEI	2.7M	3.0M	0.3M	10.5%
NFLD	10.4M	11.0M	0.6M	5.8%
Canada	795.2M	841.8M	46.6M	5.9%

Production has been strong throughout 2018. As of August 2018, the largest year-over-year percentage growth was in PEI (10.5%), BC (9.5%), and Ontario (7.5%). In respects to the largest volume increases, those were seen in ON (19.8 Mkg), and BC (10.8 Mkg).

	Monthly Production Mkg			
	2017		2018	
	July	August	July	August
BC	14.9M	14.9M	15.8M	16.3M
AB	9.5M	9.9M	10.3M	10.4M
SK	3.6M	3.8M	3.8M	3.7M
MB	4.3M	4.3M	4.5M	4.3M
ON	34.3M	34.8M	35.3M	36.0M
QC	28.5M	27.0M	27.7M	28.9M
NB	2.7M	2.9M	2.8M	3.0M
NS	3.2M	3.6M	3.8M	3.3M
PEI	0.4M	0.3M	0.2M	0.5M
NFLD	1.3M	1.4M	1.3M	1.4M
Canada	102.9M	102.9M	105.5M	107.8M

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

Fresh Chicken Supply (Mkg)



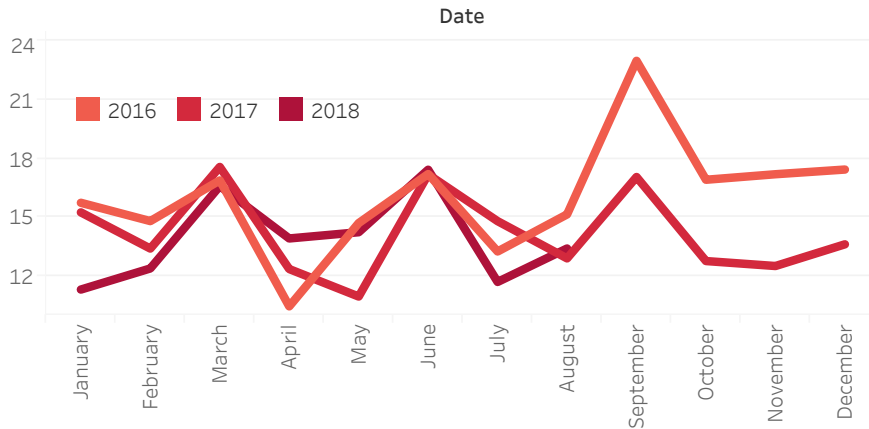
Domestic Disappearance for August YTD sat at 846.8 Mkg, up 5.7% (45.4 Mkg) from last year, although a small drop from the 5.8% year-over-year increase in July 2018.

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	117.2M
August	115.8M	121.2M
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	109.7M
June	103.8M	110.7M
July	103.6M	108.0M
August	103.5M	111.4M
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)



YTD chicken imports for August 2018 were down 3.0% (3.4 Mkg) over last year. Looking at each category, the largest volume decline came from Parts Bone-in, which fell 6.6 Mkg (21.4%), followed by the Other category, which fell 2.7 Mkg (69.2%). While it only represents a volume decline of 0.6 Mkg, the Carcass category had the largest percentage drop over last year. Conversely, some positive growth was experienced in the Parts Boneless, which grew 9.1% (5.3 Mkg), along with Further Processed, which increased 5.7% (1.2 Mkg).

	Jan. - Aug. Kg		Change	
	2017	2018		
Live	0.0M	0.0M	0.0M	
Carcass	0.7M	0.1M	-0.6M	-88.6%
Parts, Bone-in	30.9M	24.3M	-6.6M	-21.4%
Parts, Boneless	57.9M	63.2M	5.3M	9.1%
Other	3.9M	1.2M	-2.7M	-69.2%
Further Processed	21.0M	22.2M	1.2M	5.7%
Total	114.4M	110.9M	-3.4M	-3.0%

	2017		2018	
	July	August	July	August
Live	0.0M	0.0M	0.0M	0.0M
Carcass	0.2M	0.3M	0.0M	0.0M
Parts, Bone-in	4.4M	3.0M	2.6M	3.1M
Parts, Boneless	7.1M	7.3M	6.9M	7.5M
Other	0.4M	0.2M	0.1M	0.1M
Further Processed	2.6M	2.0M	2.0M	2.7M
Total	14.8M	12.9M	11.7M	13.4M

Source: Agriculture and Agri-Food Canada

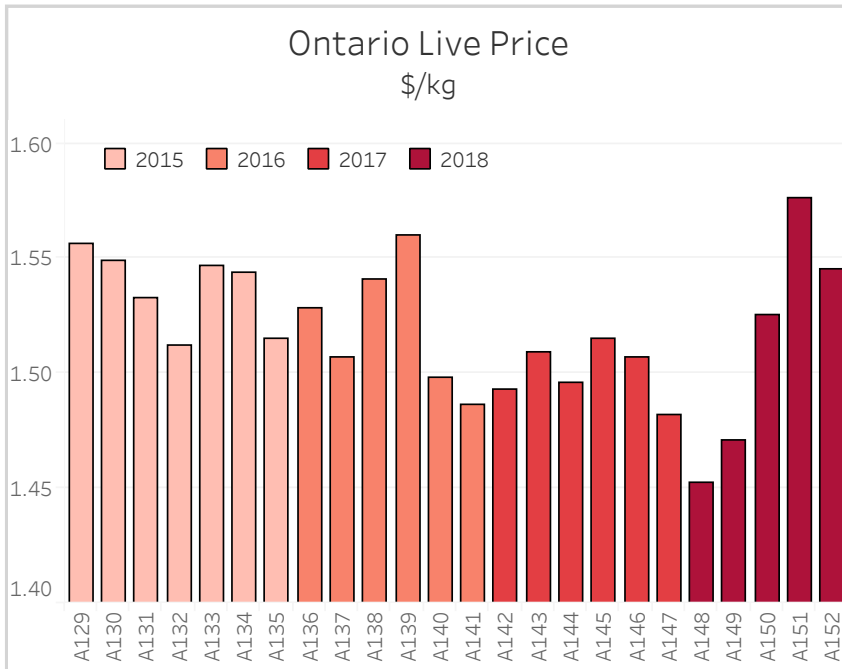
* Chicken imports are reported on eviscerated equivalent basis

Chicken Products Exported

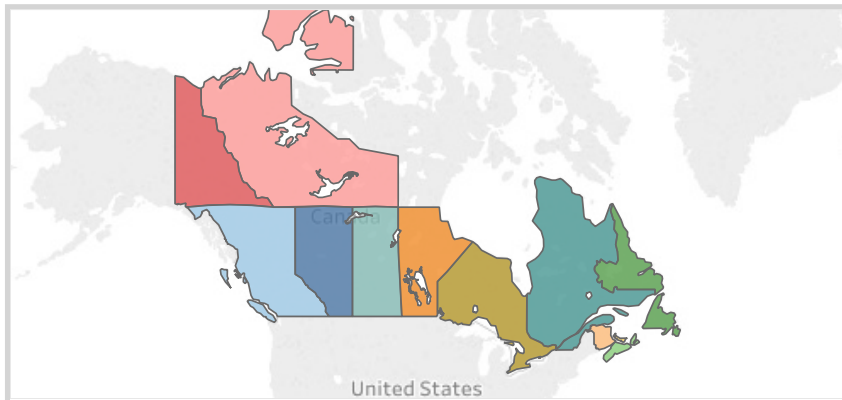
Jan. - Aug. Kg	
2017	2018
110.9M	102.6M

Source: Agriculture and Agri-Food Canada

Section 2 - Chicken Prices

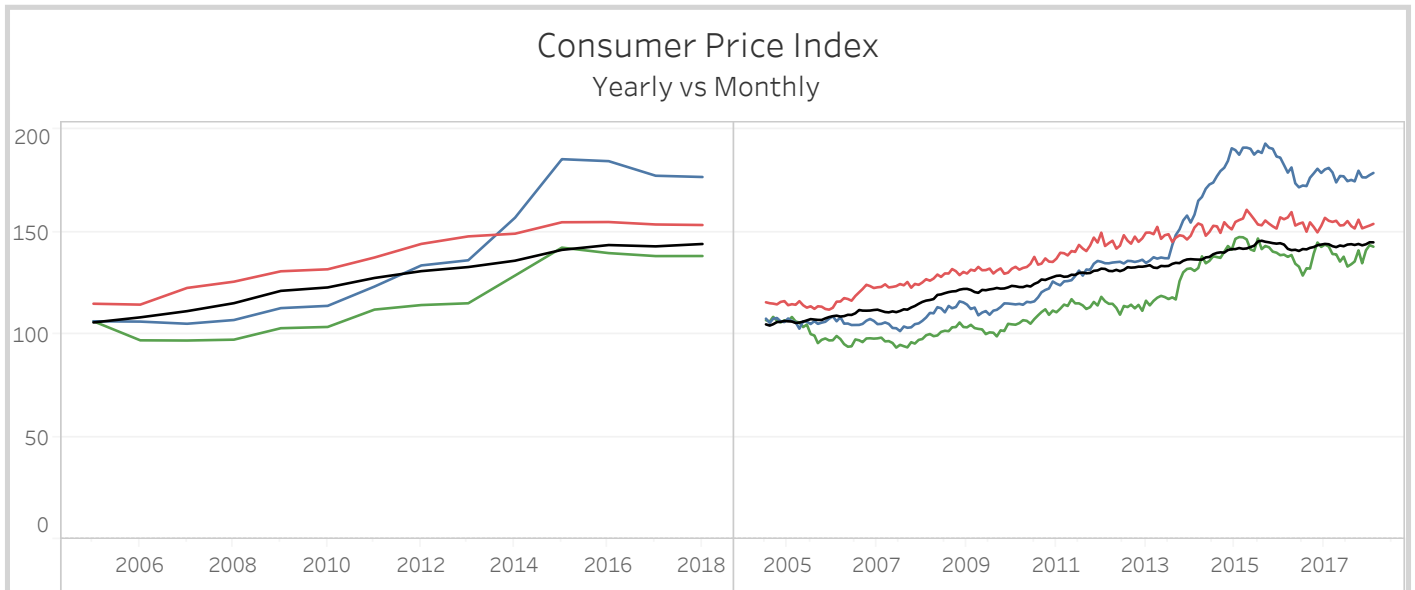


The consumer price index (CPI) for chicken as of August 2018 was 154.2, a decrease of 1.5 points (1%) over last year. In the same time frame, beef dropped from 181.5 to 179.1, and pork fell from 143.2 to 143.0. Regardless of the meat, the declining price indexes are opposite to the increasing index for Food, which was 144.2 last year, and was 145.1 in August 2018.



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

Location
All



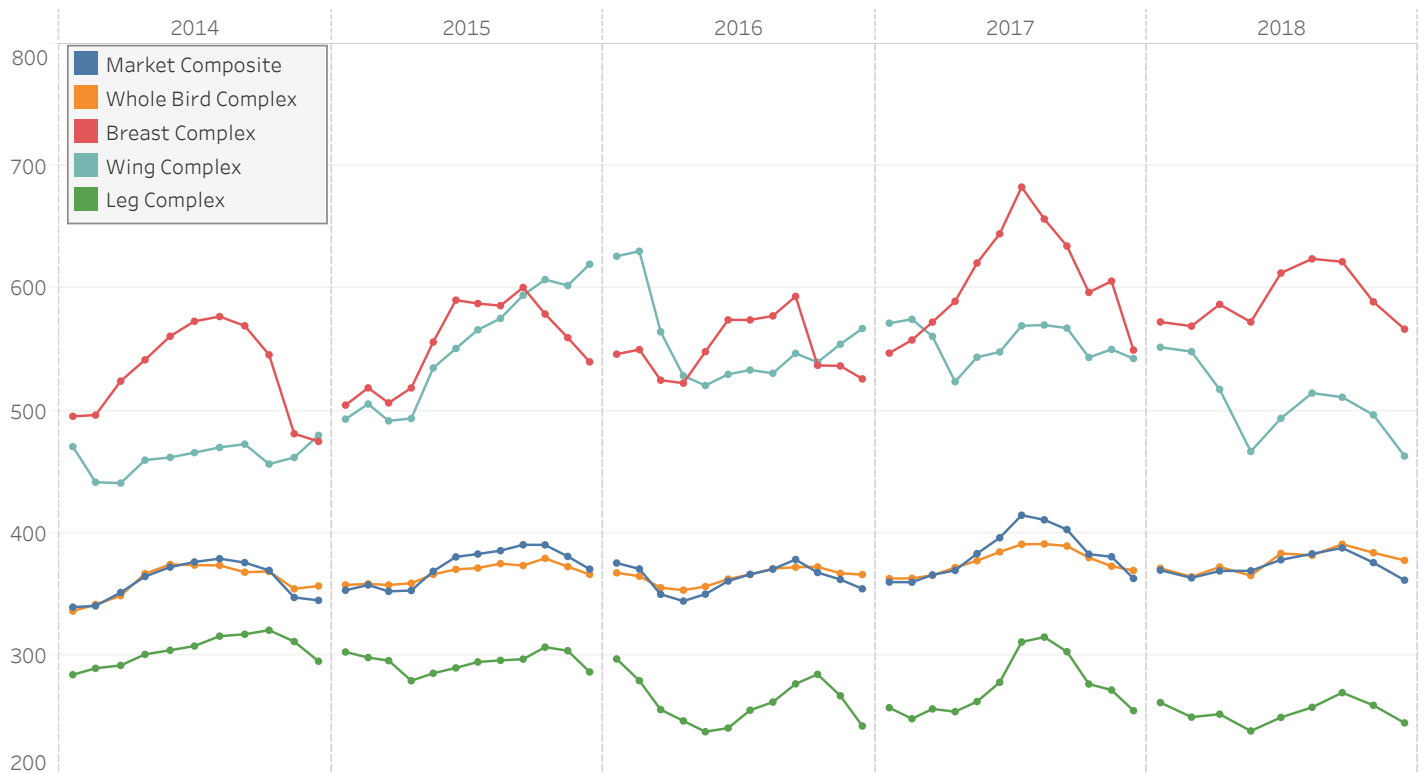
Source: Statistics Canada

Canadian Wholesale Chicken Prices

¢/kg

	2017					2018				
	May	June	July	August	September	May	June	July	August	September
Market Composite	383.1	396.0	414.5	410.7	402.8	378.0	382.9	387.8	375.7	361.4
Whole Bird Complex	377.3	384.4	390.7	390.9	389.3	383.3	381.7	390.8	383.8	377.6
Breast Complex	620.8	644.7	682.9	656.8	634.7	612.6	624.2	621.8	589.0	566.7
Wing Complex	543.7	548.0	569.4	570.1	567.6	493.7	514.4	511.0	496.6	462.9
Leg Complex	262.1	277.8	310.8	314.8	302.9	249.1	257.4	269.4	259.0	244.6

The market composite for September 2018 was \$3.61/kg, a drop of \$0.41 over last year. Every complex has seen a decline over last year, though the most significant has been in the wing complex, which fell \$1.05, from \$5.68/kg to \$4.63/kg. Another noteworthy drop was experienced in the breast complex, which fell \$0.68, from \$6.35/kg to \$5.67/kg. Meanwhile, drops of \$0.12 were seen in the whole bird complex, and \$0.58 in the leg complex.



Source: EMI Express Markets Inc.

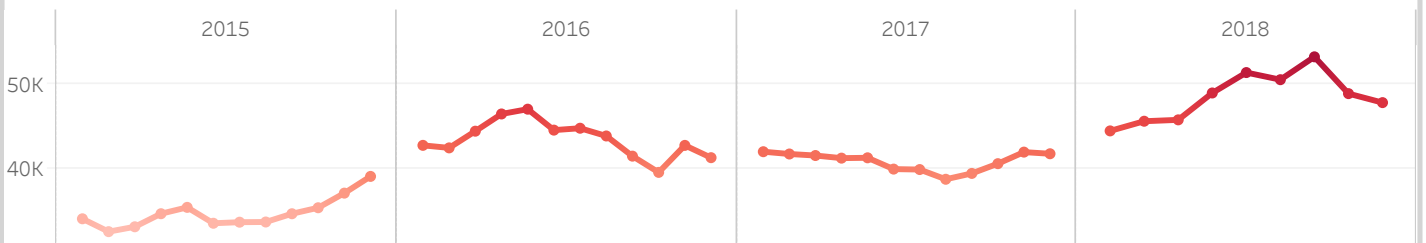
* The Market Composite price is the simple average of 5 sub-composites, which are the weighted average of individual products, further weighted by each product's percentage make-up of WOG

Section 3 - Storage Stocks

by Province '000 Kg

	2017		2018	
	August	September	August	September
BC	4,430	4,092	4,665	4,731
AB	2,094	2,226	2,082	2,212
SK	373	227	293	357
MB	976	948	1,181	1,265
ON	18,419	18,145	26,538	26,354
QC	12,023	13,361	13,728	12,435
Atlantic	366	381	429	487

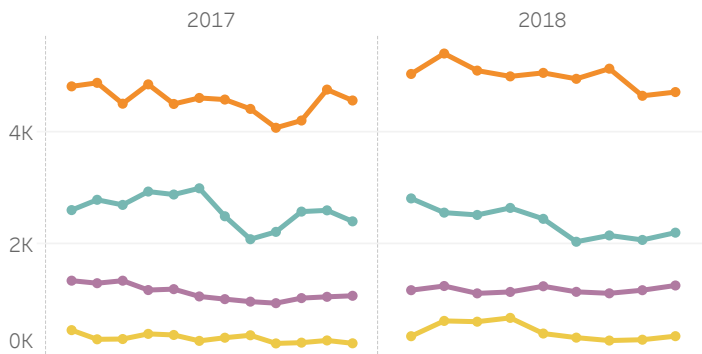
Canada Stocks



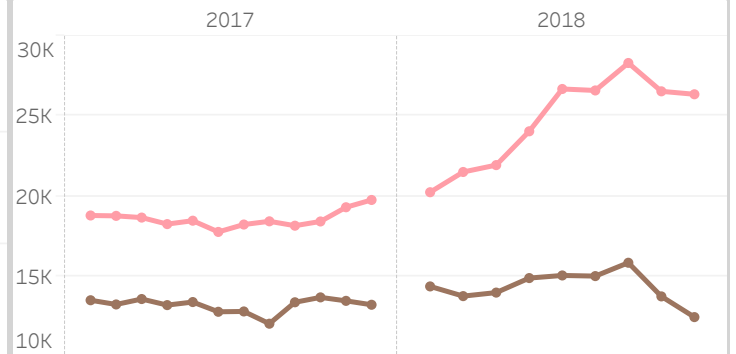
Stocks by Province
Canada Stocks

■ BC
 ■ AB
 ■ SK
 ■ MB
 ■ ON
 ■ QC

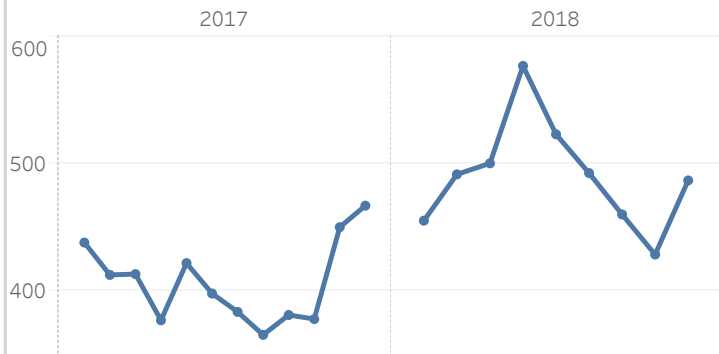
Western Canada



Central Canada

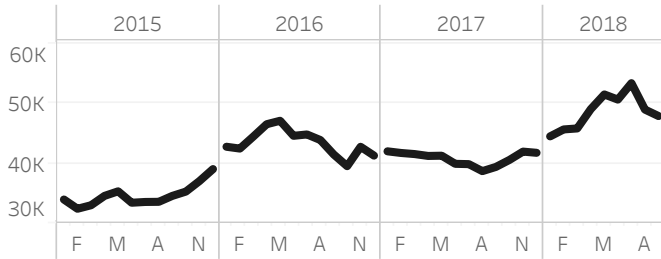


Atlantic Canada



Source: Agriculture and Agri-Food Canada

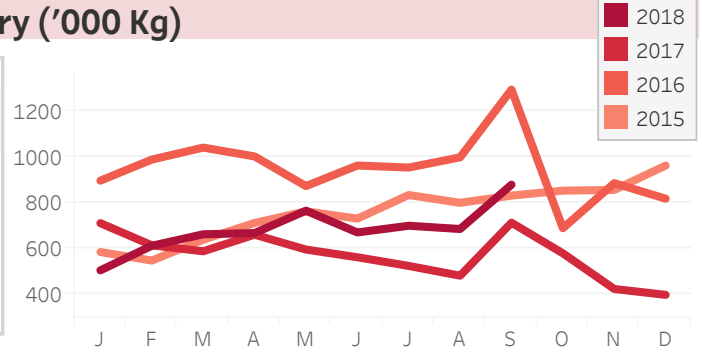
Total Chicken Storage Stocks ('000 Kg)



Storage stocks level fell for the second month in a row in September 2018, where total stock levels amounted to 47.8 Mkg. The declines in stock levels came from Ontario and Quebec, which respectively experienced drops of 0.2 Mkg and 1.3 Mkg over August 2018. At a category level, the largest decline came from the Miscellaneous category which fell 0.7 Mkg over last month. In addition, the Further Processed category fell 0.3 Mkg, and Cut-Up fell 0.2 Mkg.

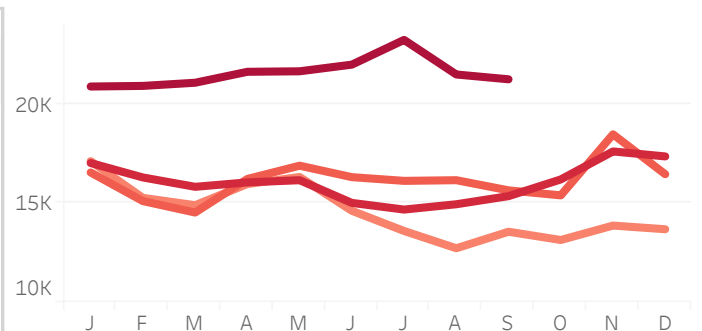
Whole Category ('000 Kg)

	2017		2018	
	August	September	August	September
< 2 kg	285	327	390	462
> 2 kg	199	387	296	417



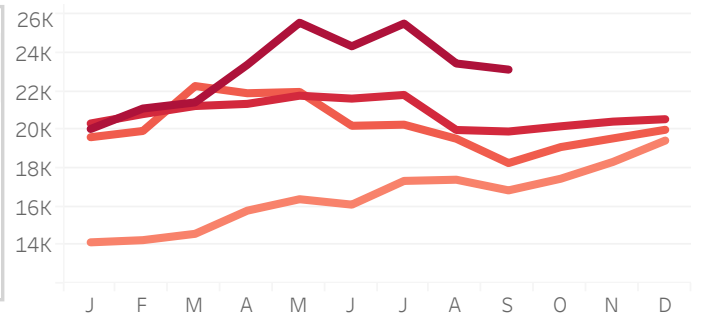
Cut-up Category ('000 Kg)

	2017		2018	
	August	September	August	September
Legs	2,865	2,998	3,180	3,696
Breasts	5,098	5,583	6,724	6,388
Wings	4,319	4,083	4,470	4,126
Other	2,666	2,692	7,113	7,033



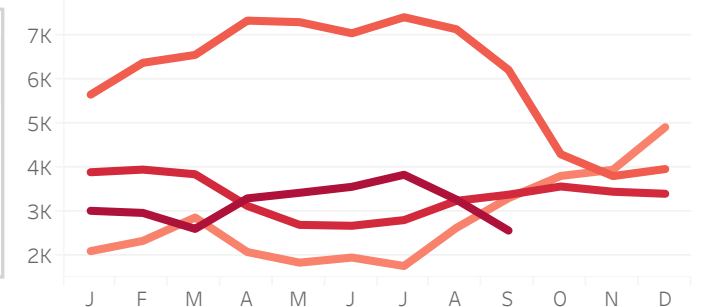
Further Processed Category ('000 Kg)

	2017		2018	
	August	September	August	September
Breasts	2,305	2,343	2,714	2,770
Other	17,696	17,579	20,749	20,375



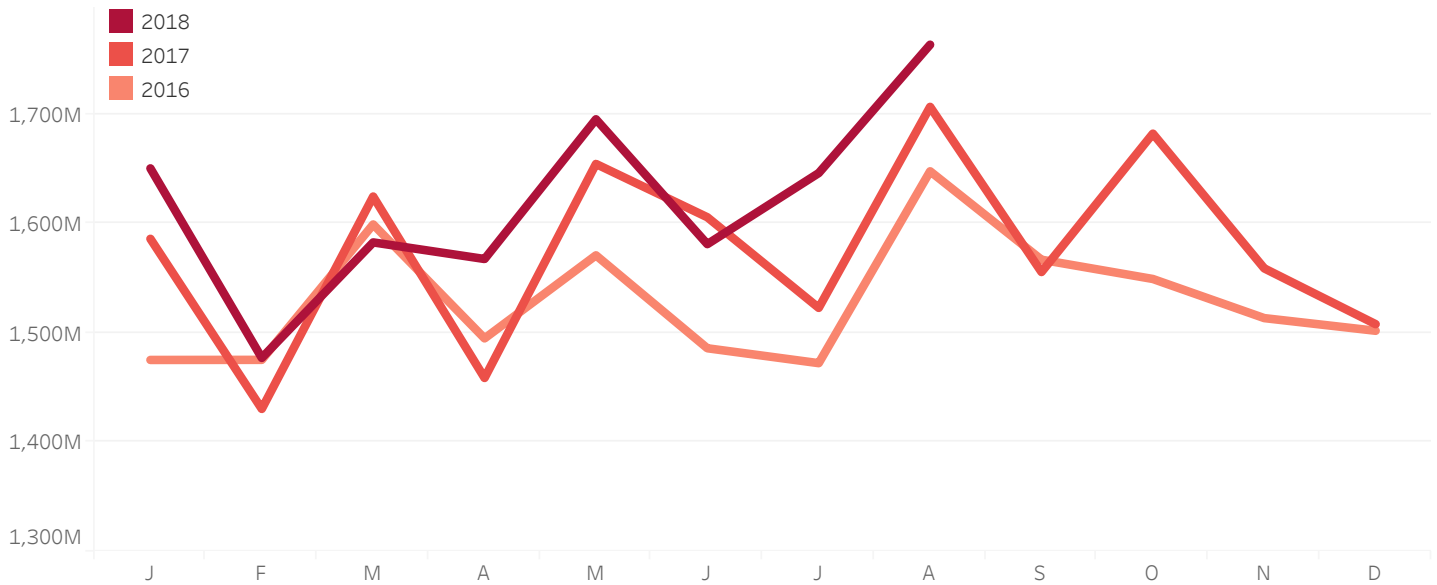
Miscellaneous Category ('000 Kg)

	2017		2018	
	August	September	August	September
Miscellaneous	3,249.0	3,389.0	3,279.4	2,573.3



Section 4 - American Chicken Market

National Chicken Slaughter (Mkg)



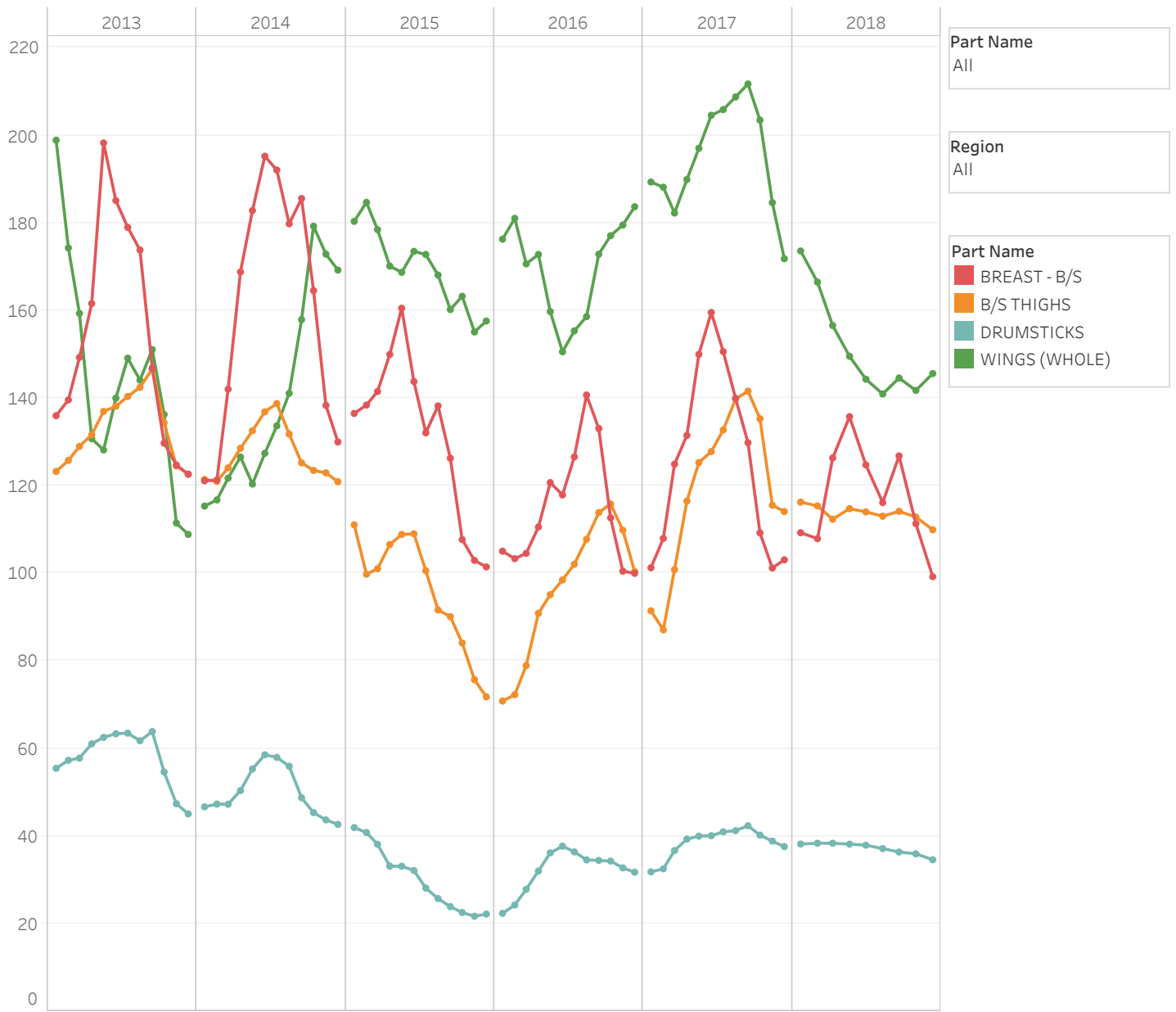
National Chicken Slaughter (Mkg)

	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	1,763.7M
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

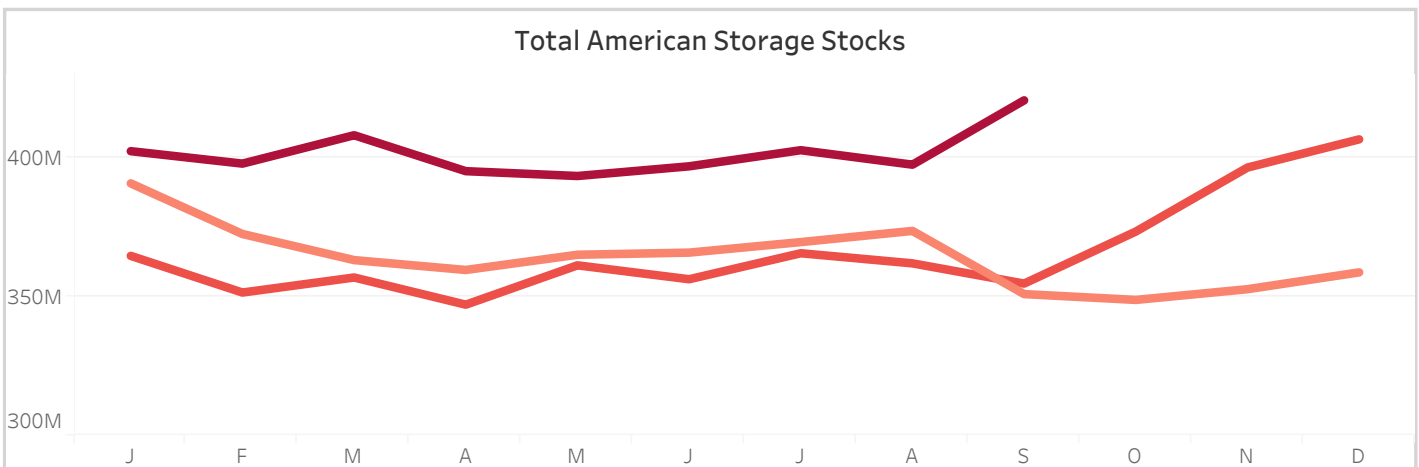
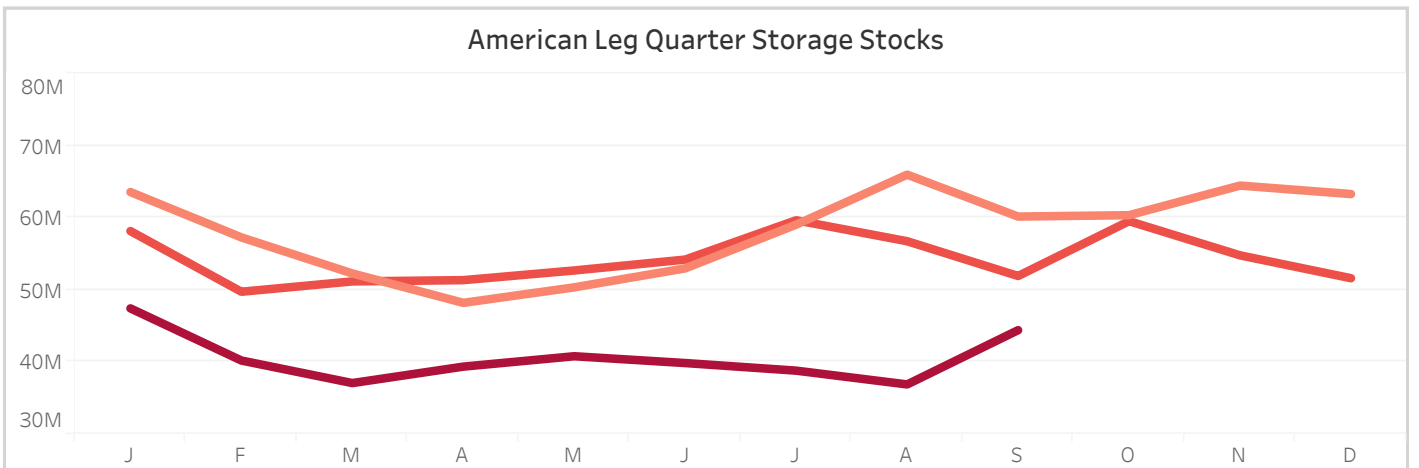
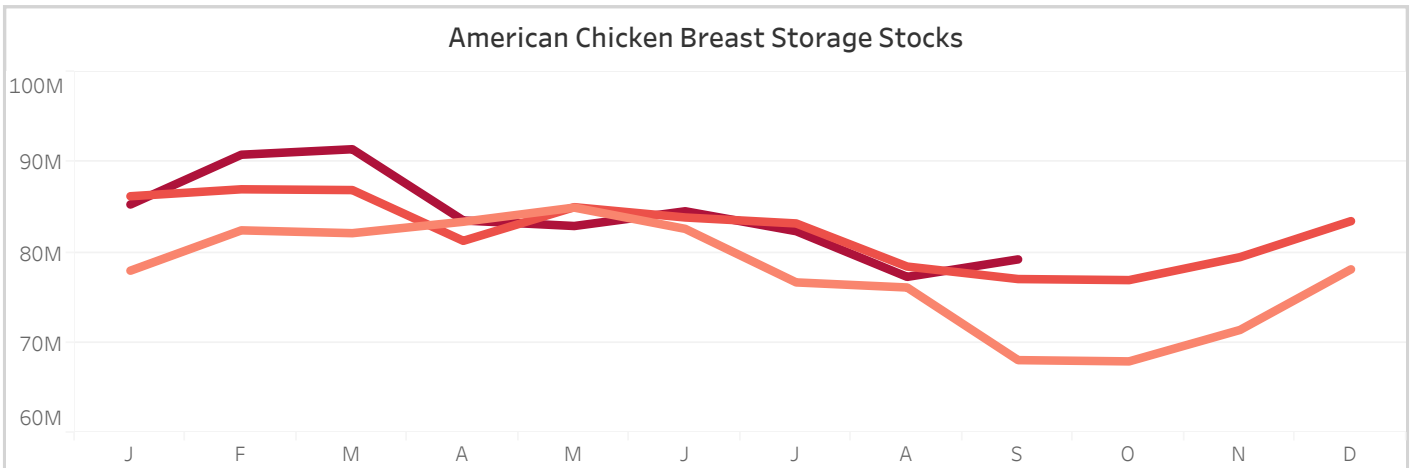
U.S. wholesale prices for September 2018 were down in every cut except for wings, which saw a \$0.04 increase on average from last month-- \$0.07 in the North-East, and \$0.01 in the Southern U.S. A notable drop of \$0.12 was seen in B/S Breasts, bringing the average price to \$0.99/lb. Most of the decline in B/S Breasts came from the North-East, which dropped 0.17, compared to the South which only experienced a \$0.07 decline. Meanwhile, small drops of \$0.03 were seen in B/S Thighs, and \$0.01 in Drumsticks.

American Chicken Storage Stocks

Mkg

	2017			2018		
	July	August	September	July	August	September
Breast	83.2M	78.4M	77.0M	82.3M	77.3M	79.2M
Leg	59.6M	56.7M	51.9M	38.8M	36.9M	44.4M
Total Stocks	365.7M	362.0M	354.7M	402.8M	397.6M	420.8M

2016 2017 2018



Source: United States Department of Agriculture



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