Chicken Fax

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Chicken Farmers of Canada
Les Producteurs de poulet du Canada

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Fresh supply volumes were 1,435.2 Mkg as of December 2018 year-to-date (YTD), which is 61.1 Mkg (+4.4%) higher than the same timeframe last year. YTD imports for December 2018 stood at 170.1 Mkg, declining 0.2 Mkg (-0.1%) from last year, while exports stood at 147.2 Mkg, falling 11.8 Mkg (-7.4%).

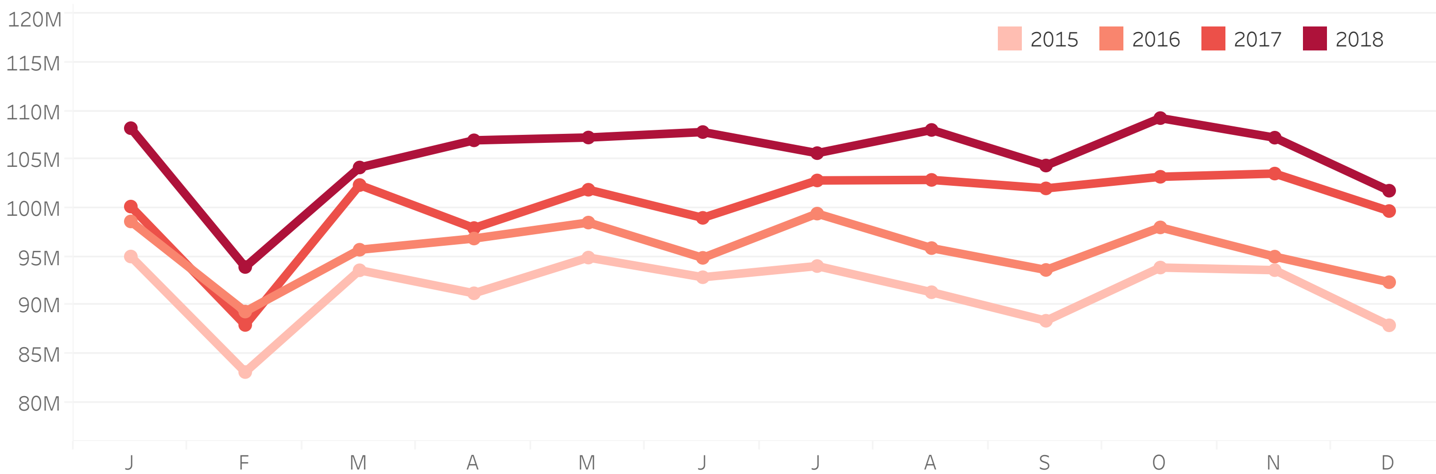
Supply and Disappearance

Jan. - Dec.
Mkg

	2017	2018	Change	
Opening Stocks	42.0M	44.5M	2.5M	5.9%
Production	1,203.8M	1,265.1M	61.3M	5.1%
Imports	170.3M	170.1M	-0.2M	-0.1%
Fresh Supply	1,374.2M	1,435.2M	61.1M	4.4%
Total Supply	1,416.1M	1,479.7M	63.5M	4.5%
Exports	159.1M	147.2M	-11.8M	-7.4%
Closing Stocks	44.5M	53.1M	8.6M	19.3%
Domestic Disappearance	1,212.6M	1,279.4M	66.8M	5.5%

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

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



Production Jan. - Dec. Mkg	2017	2018	Change	
BC	171.9M	186.1M	14.1M	8.2%
AB	115.2M	122.4M	7.2M	6.2%
SK	45.4M	46.0M	0.6M	1.3%
MB	50.2M	51.5M	1.3M	2.6%
ON	401.4M	426.4M	25.0M	6.2%
QC	328.3M	335.7M	7.5M	2.3%
NB	32.6M	33.6M	1.0M	3.2%
NS	40.8M	42.6M	1.8M	4.3%
PEI	4.2M	4.5M	0.3M	7.0%
NFLD	13.8M	16.4M	2.6M	18.5%
Canada	1,203.8M	1,265.1M	61.3M	5.1%

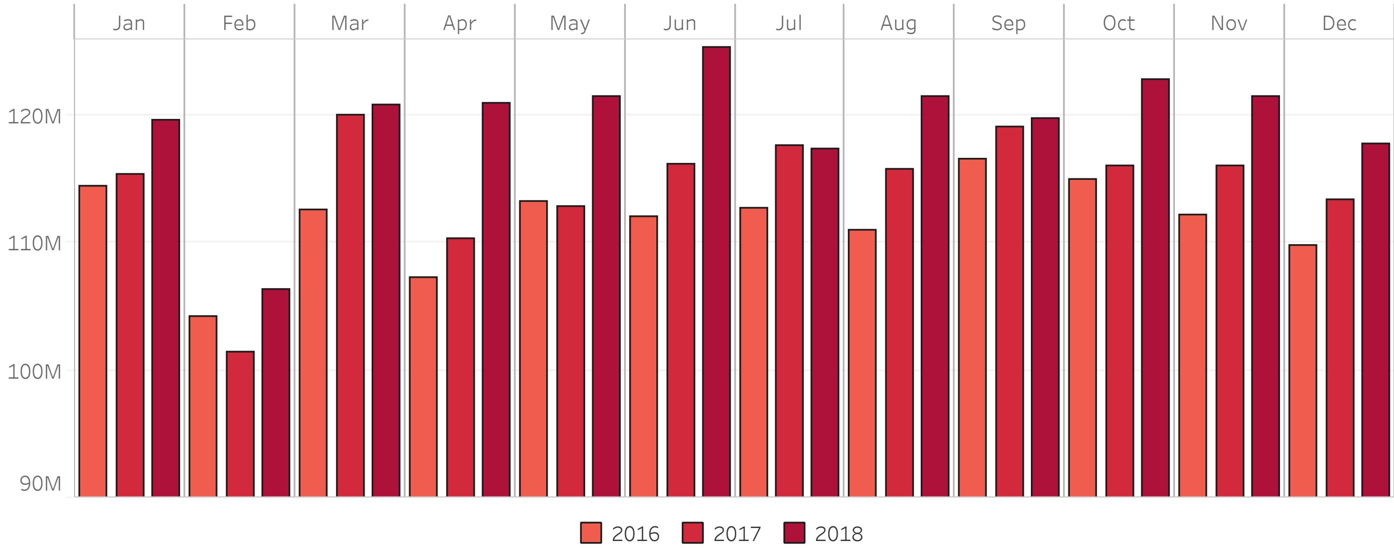
Production reached 1,265.1 Mkg in 2018, increasing 61.3 Mkg (+5.1%) over 2017. On a percentage basis, the strongest year-over-year growth was in Newfoundland with an additional 2.6 Mkg (+18.5%) of production, followed by British Columbia with +14.1 Mkg (+8.2%). Notable increases were also experienced in Prince Edward Island with an additional 0.3 Mkg (+7.0%), Alberta with +7.2 Mkg (+6.2%), and Ontario with +25.0 Mkg (+6.2%).

Monthly Production
Mkg

	2017		2018	
	November	December	November	December
BC	14.7M	14.2M	15.1M	14.6M
AB	10.0M	9.6M	10.3M	10.0M
SK	3.7M	3.9M	3.9M	3.8M
MB	4.2M	4.0M	4.3M	4.3M
ON	35.4M	33.8M	37.0M	34.3M
QC	28.7M	27.1M	28.4M	27.1M
NB	3.0M	2.6M	2.8M	2.6M
NS	3.4M	3.4M	3.7M	3.4M
PEI	0.4M	0.3M	0.3M	0.4M
NFLD	0.3M	0.6M	1.4M	1.3M
Canada	103.6M	99.7M	107.3M	101.8M

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

Fresh Chicken Supply (Mkg)



Domestic Disappearance for December 2018 YTD reached 1,279.4 Mkg, increasing 66.8 Mkg (+5.5%) over 2017.

Fresh Chicken Supply Mkg

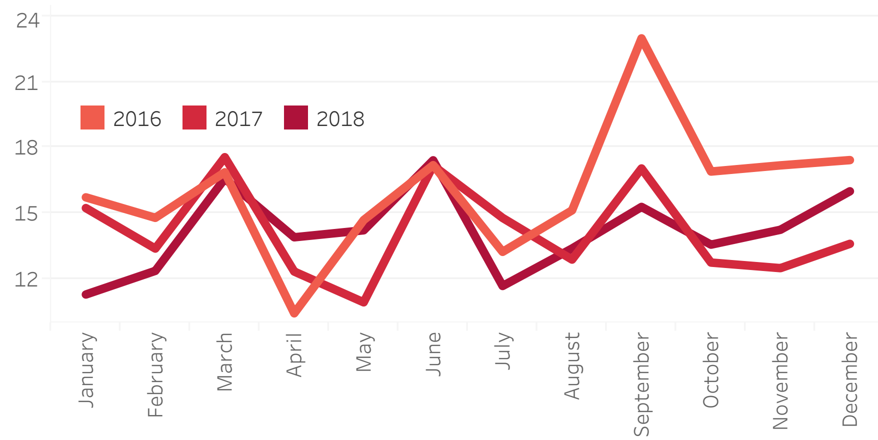
	2017	2018
January	115.4M	119.6M
February	101.4M	106.3M
March	120.0M	120.8M
April	110.3M	120.9M
May	112.9M	121.5M
June	116.2M	125.3M
July	117.7M	117.4M
August	115.8M	121.5M
September	119.1M	119.7M
October	116.0M	122.9M
November	116.1M	121.5M
December	113.3M	117.8M

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	109.7M
July	103.6M	109.0M
August	103.5M	112.1M
September	107.6M	108.0M
October	99.8M	112.4M
November	104.5M	108.4M
December	99.4M	103.2M

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

Total Chicken Imports (Mkg)



Chicken imports as of December 2018 YTD saw a decline of 0.2 Mkg (-0.1%). Most of the decline came from the bone-in parts category, which saw a drop of 6.9 Mkg (-15.9%), followed by the other category which fell 3.5 Mkg (-64.1%). The carcass category, which represents a marginal volume overall, fell 1.1 Mkg (-92.2%). Meanwhile, the parts boneless category saw an increase of 9.3 Mkg (+10.6%) in 2018, in addition to the further processed category which experienced an increase of 2.0 Mkg (+6.2%).

	Jan. - Dec. Kg 2017	Jan. - Dec. Kg 2018	Change	
Live	0.0M	0.0M	0.0M	
Carcass	1.2M	0.1M	-1.1M	-92.2%
Parts, Bone-in	43.4M	36.5M	-6.9M	-15.9%
Parts, Boneless	87.6M	96.9M	9.3M	10.6%
Other	5.5M	2.0M	-3.5M	-64.1%
Further Processed	32.7M	34.7M	2.0M	6.2%
Total	170.3M	170.1M	-0.2M	-0.1%

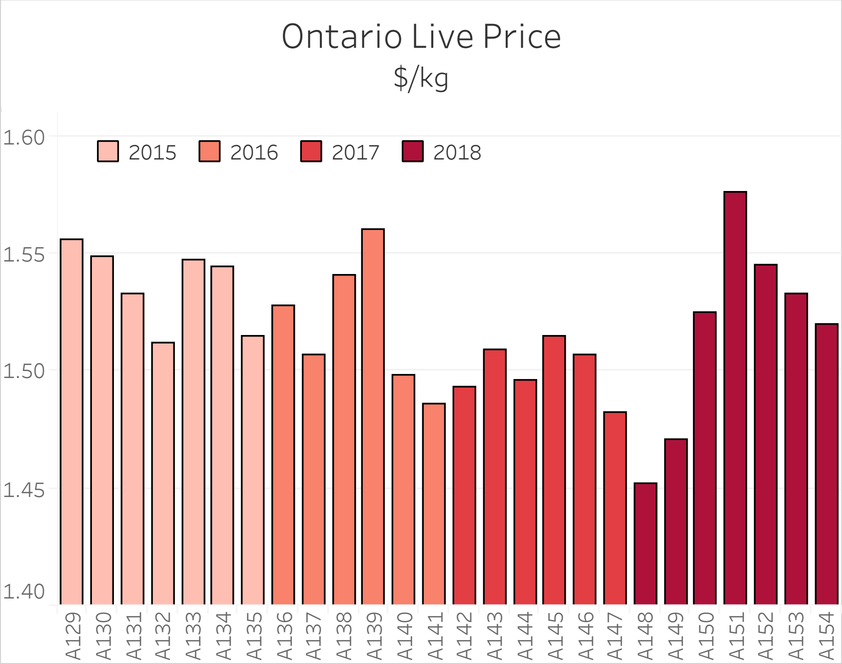
	2017		2018	
	November	December	November	December
Live	0.0M	0.0M	0.0M	0.0M
Carcass	0.0M	0.0M	0.0M	0.0M
Parts, Bone-in	3.3M	2.6M	2.9M	3.1M
Parts, Boneless	6.4M	7.5M	8.5M	8.5M
Other	0.4M	0.4M	0.1M	0.3M
Further Processed	2.3M	3.1M	2.7M	4.1M
Total	12.5M	13.6M	14.3M	16.0M

Source: Agriculture and Agri-Food Canada
* Chicken imports are reported on eviscerated equivalent basis

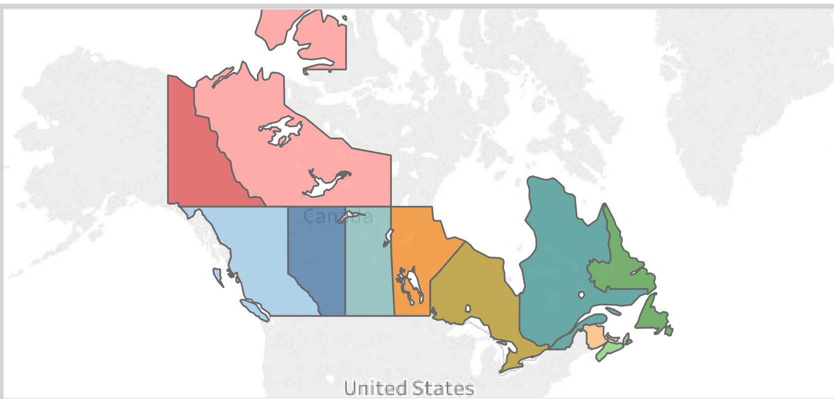
Chicken Products Exported

Jan. - Dec. Kg 2017	Jan. - Dec. Kg 2018
159.1M	147.2M

Source: Agriculture and Agri-Food Canada

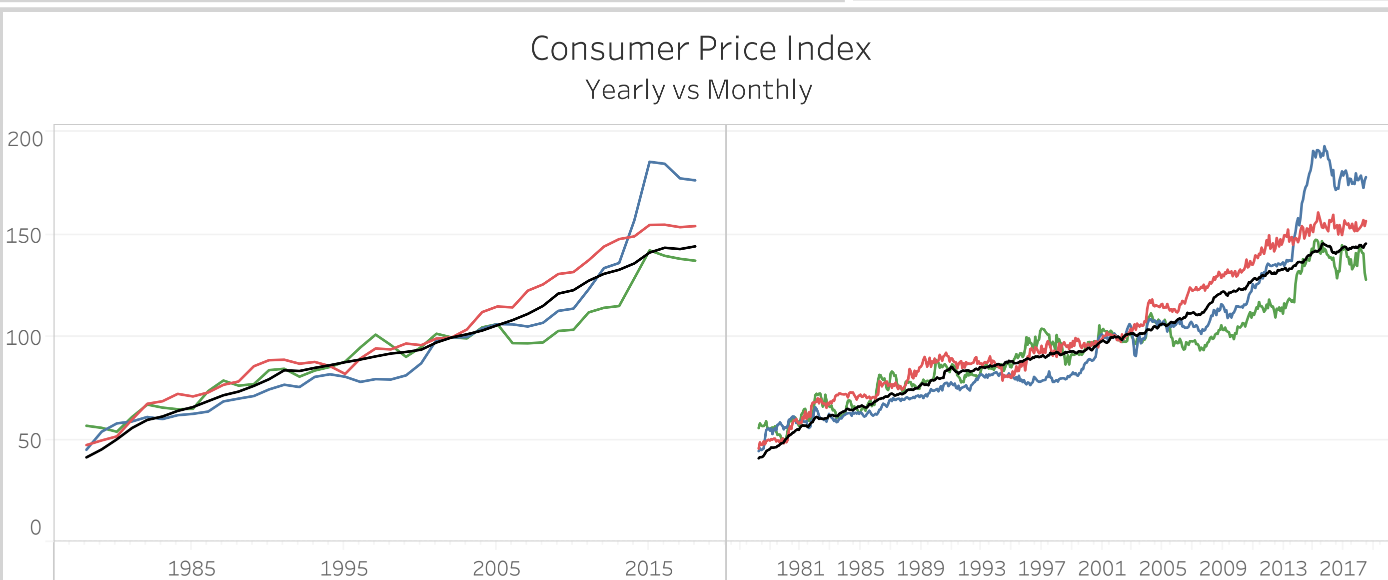


The consumer price index (CPI) for chicken as of December 2018 was 156.9, increasing 2.5 points from last month, and 3.3 points from the same time last year. The December 2018 CPI for beef stood at 178.3, increasing 0.9 points from last year, while the CPI for pork was 128.2, down 10 points from last year.



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

Location
All



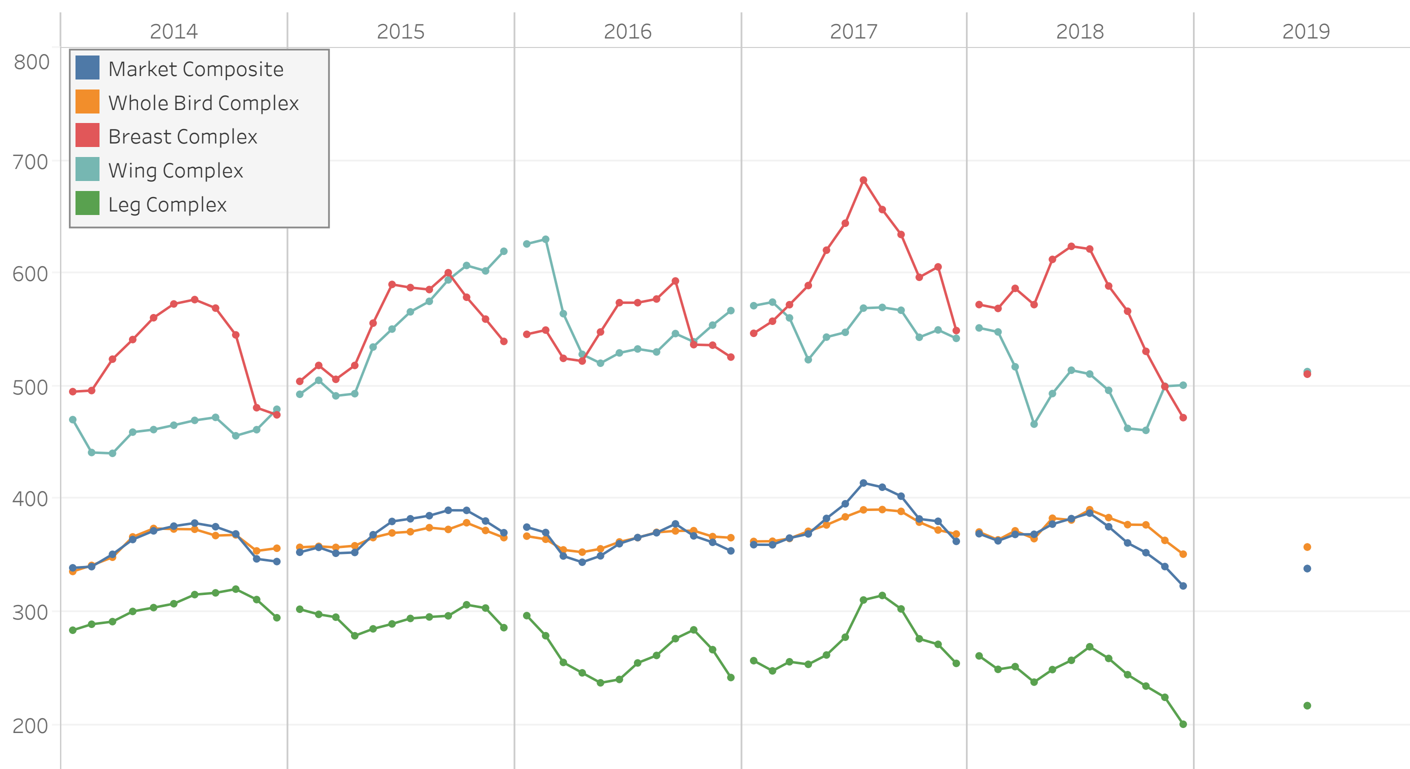
Source: Statistics Canada

Canadian Wholesale Chicken Prices

¢/kg

	2017				2018				2019
	January	October	November	December	January	October	November	December	January
Market Composite	359.8	382.6	380.6	362.8	369.5	352.7	340.4	323.2	338.7
Whole Bird Complex	362.7	379.8	372.8	369.3	371.1	377.4	363.6	351.4	357.7
Breast Complex	547.1	596.8	606.0	549.5	572.6	531.1	499.9	472.4	511.0
Wing Complex	571.6	543.6	550.1	542.7	551.9	461.1	500.2	501.1	513.1
Leg Complex	257.0	276.4	271.5	254.6	261.3	234.5	224.6	200.7	217.2

The average market composite for January 2019 was $3.39/kg, increasing $0.16 from last month, yet $0.31 lower than the same time last year. The largest month-over-month increase was in the breast complex, which at a price of $5.11/kg stood $0.39 higher than it had a month ago. Compared to last year, the January 2019 breast complex price was down $0.62. Meanwhile, on a month-to-month comparison, the leg and wing complex were respectively up $0.17 and $0.12. On a year-over-year comparison, the leg and wing complex were down $0.44 and $0.39, respectively. Lastly, the January 2019 whole bird complex was up $0.06 from last month, yet down $0.13 from January 2018.



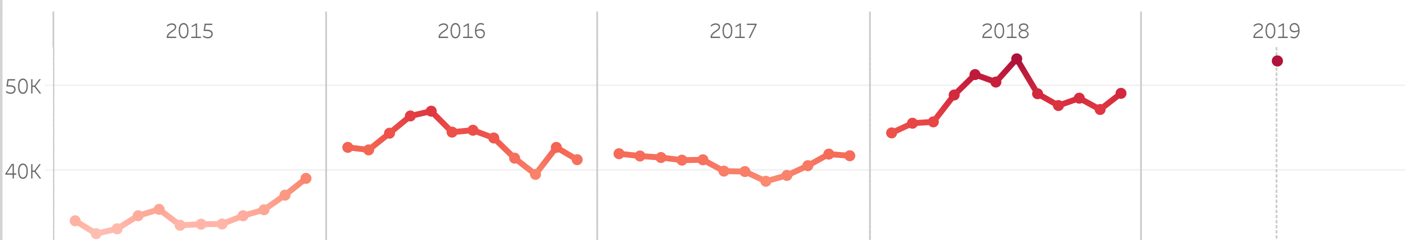
Source: EMI Express Markets Inc.

* 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

by Province
'000 Kg

	2017		2018		2019
	January	December	January	December	January
BC	4,834	4,581	5,056	4,778	5,078
AB	2,616	2,415	2,826	2,023	2,398
SK	465	229	356	498	667
MB	1,351	1,081	1,181	1,354	1,707
ON	18,782	19,753	20,236	26,175	27,200
QC	13,488	13,206	14,352	13,913	15,540
Atlantic	438	467	455	448	472

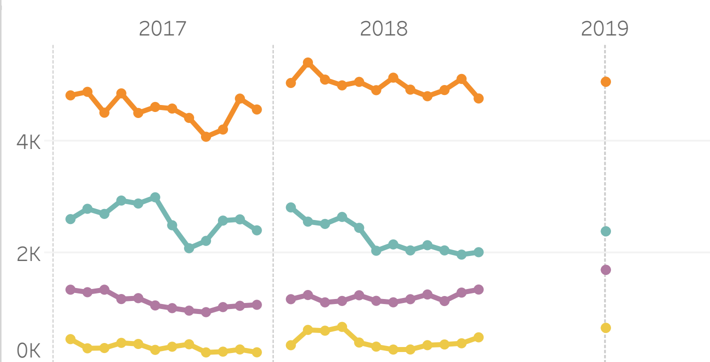
Canada Stocks



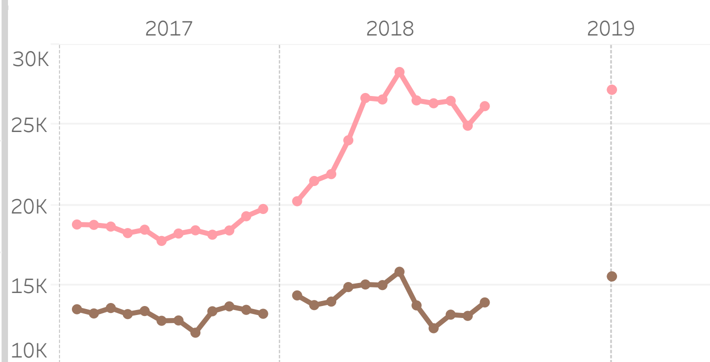
Stocks by Province
Canada Stocks

BC AB SK MB ON QC

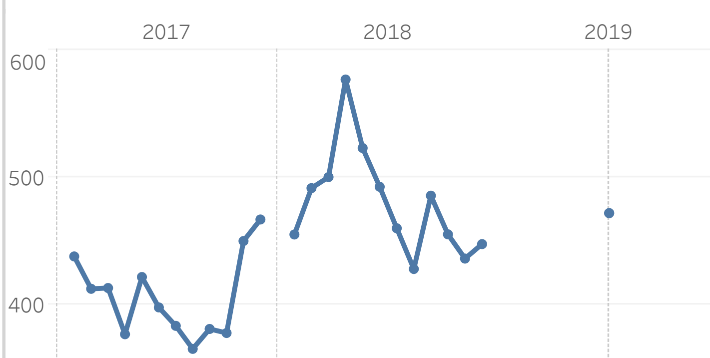
Western Canada



Central Canada



Atlantic Canada



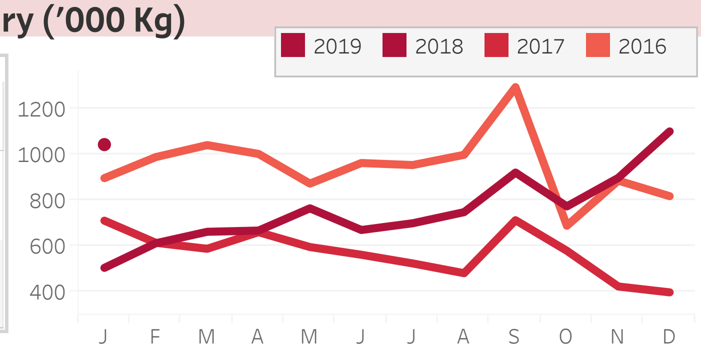
Source: Agriculture and Agri-Food Canada

Total Chicken Storage Stocks ('000 Kg)

January 2019 storage stock levels were 53.1 Mkg, up 3.9 Mkg from December 2018, and 8.6 Mkg higher than January 2018. At the provincial level on a year-over-year (YOY) basis, the largest percentage increase was in Saskatchewan which saw an additional 0.3 Mkg (+87.2%) in storage, followed by Manitoba with +0.5 Mkg (+44.5%), and Ontario with +7.0 Mkg (+34.4%). Within the storage categories, the whole category had the greatest YOY percentage increase, with an additional 0.5 Mkg (+105.9%) versus last year. Meanwhile, the cut-up category had the largest volume growth, with +5.1 Mkg (+24.2%) over last year. A noteworthy increase of 3.4 Mkg (+16.8%) was seen in the further processed category.

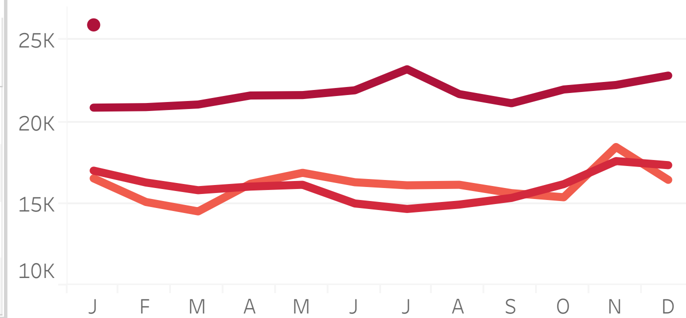
Whole Category ('000 Kg)

	2017		2018		2019
	January	December	January	December	January
< 2 kg	465	246	328	675	667
> 2 kg	247	154	178	426	376



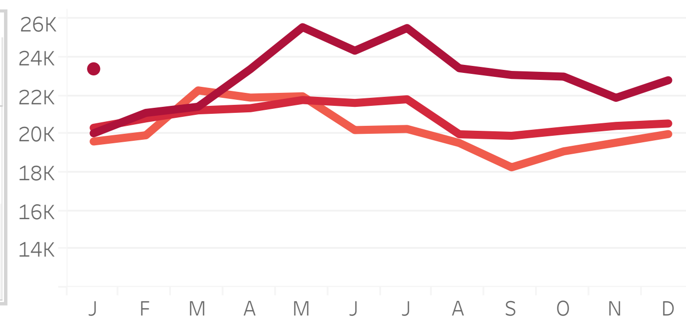
Cut-up Category ('000 Kg)

	2017		2018		2019
	January	December	January	December	January
Legs	5,459	3,471	5,985	4,599	5,896
Breasts	5,592	7,346	6,479	6,993	8,259
Wings	3,480	3,737	4,129	4,062	4,315
Other	2,492	2,803	4,288	7,187	7,472



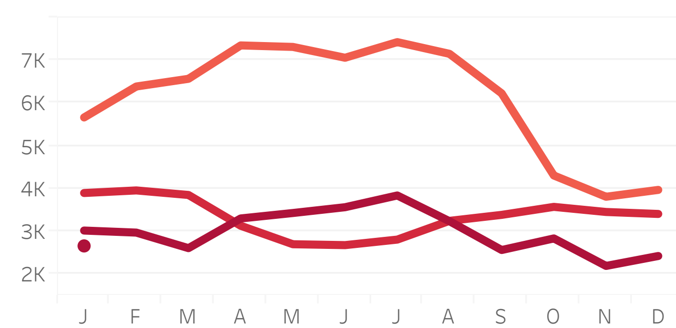
Further Processed Category ('000 Kg)

	2017		2018		2019
	January	December	January	December	January
Breasts	2,572	2,701	2,464	2,645	2,868
Other	17,767	17,862	17,590	20,175	20,545

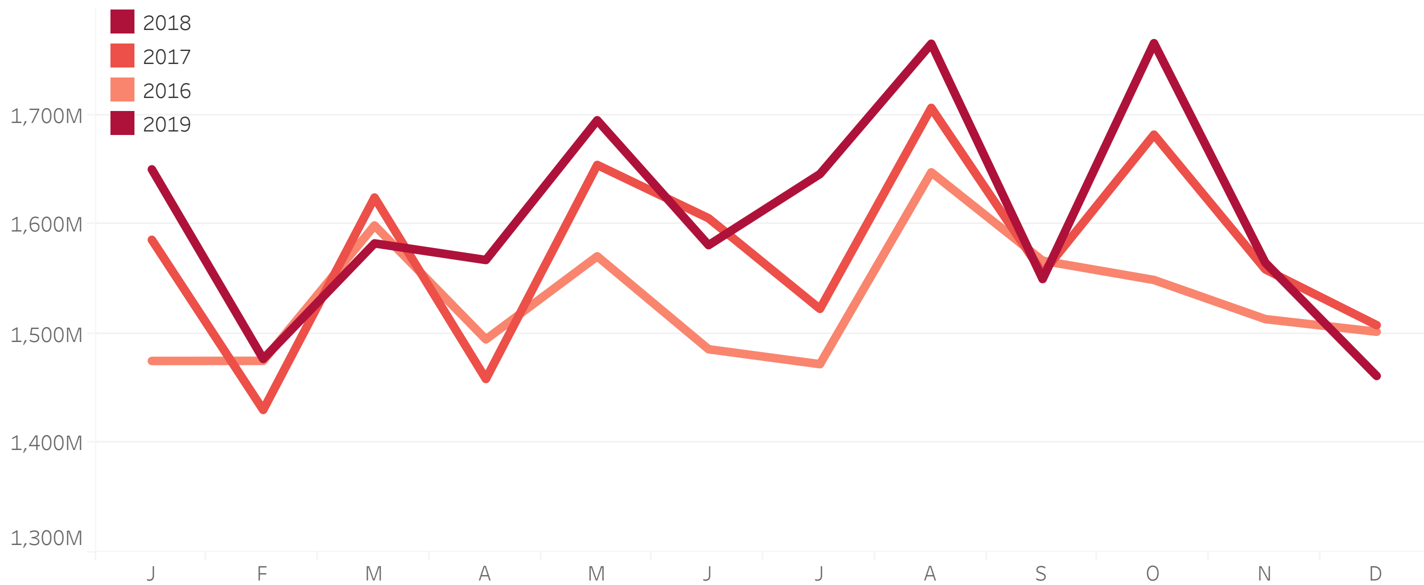


Miscellaneous Category ('000 Kg)

	2017		2018		2019
	January	December	January	December	January
Miscellaneous	3,900	3,410	3,023	2,428	2,664



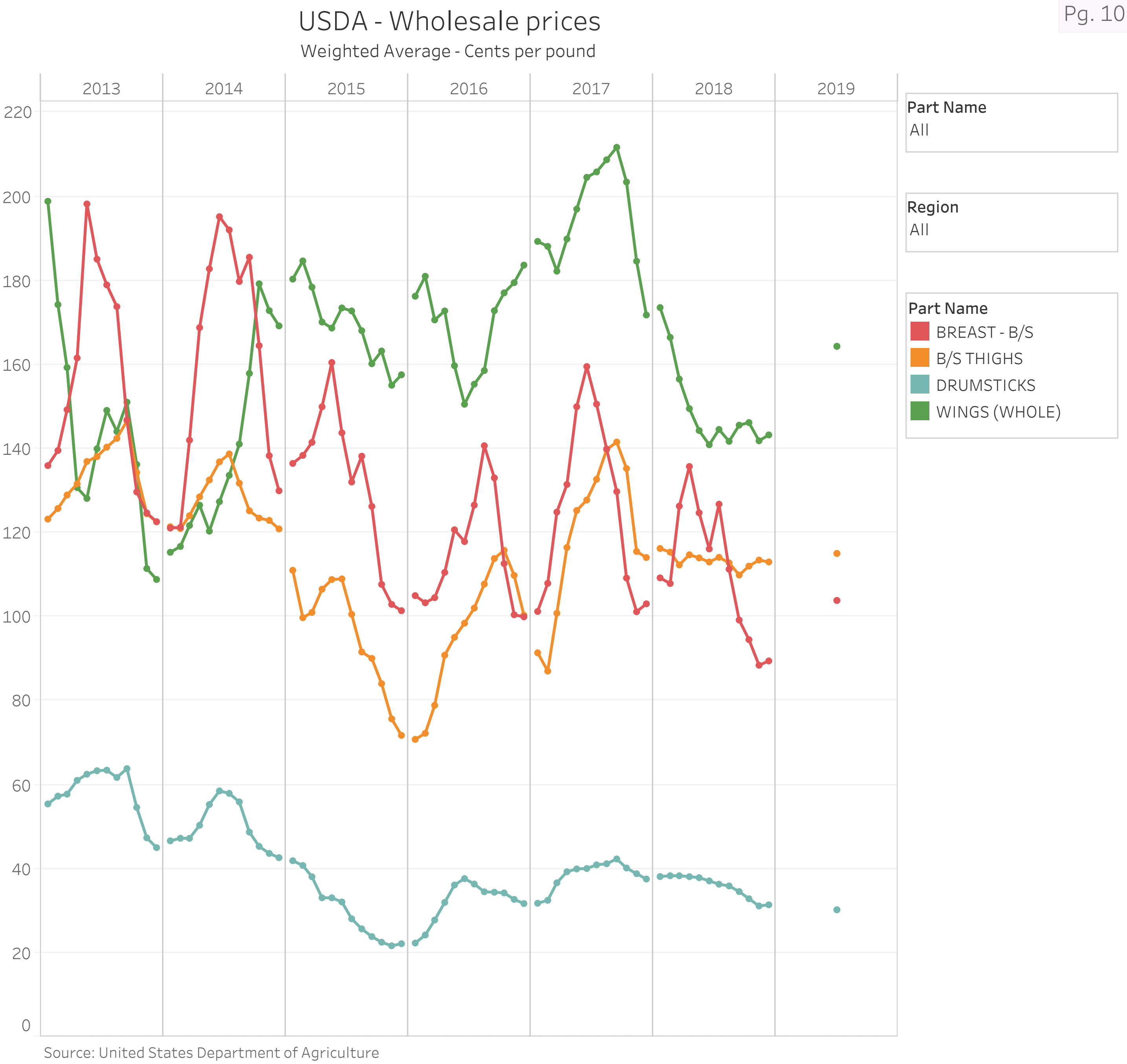
National Chicken Slaughter (Mkg)



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	1,565.2M
December	1,508.1M	1,461.6M

Source: United States Department of Agriculture



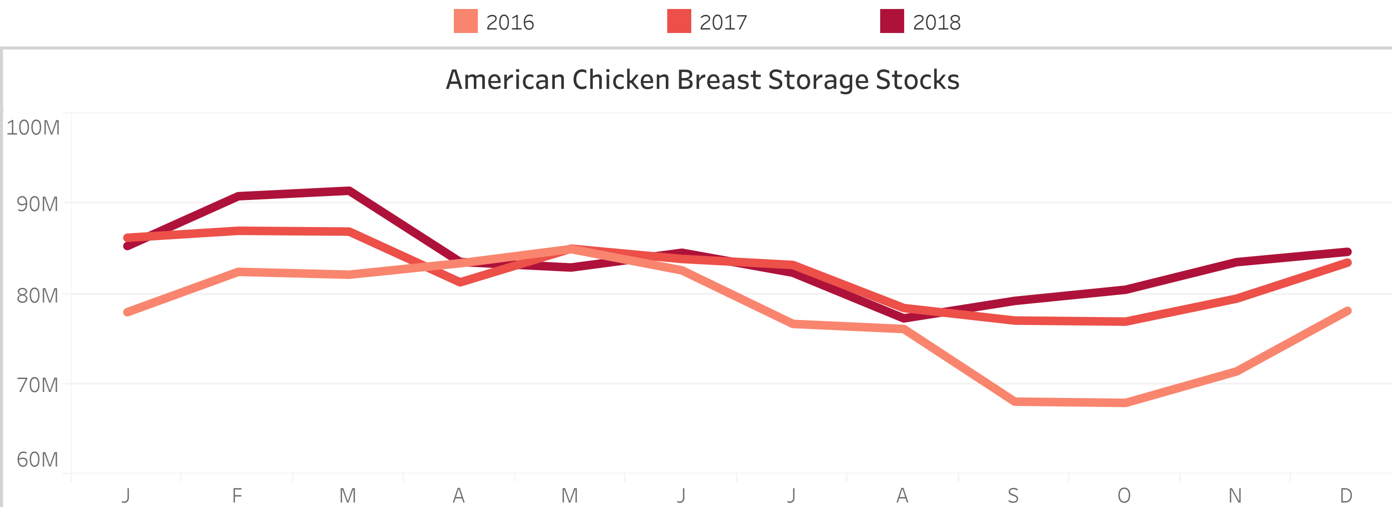
US wholesale prices for January 2019 were up over December 2018 in every cut, except for the drumstick, which fell $0.01/lb. Meanwhile, boneless thighs were up $0.02/lb, boneless breasts were up $0.14/lb, and whole wings were up $0.21/lb.

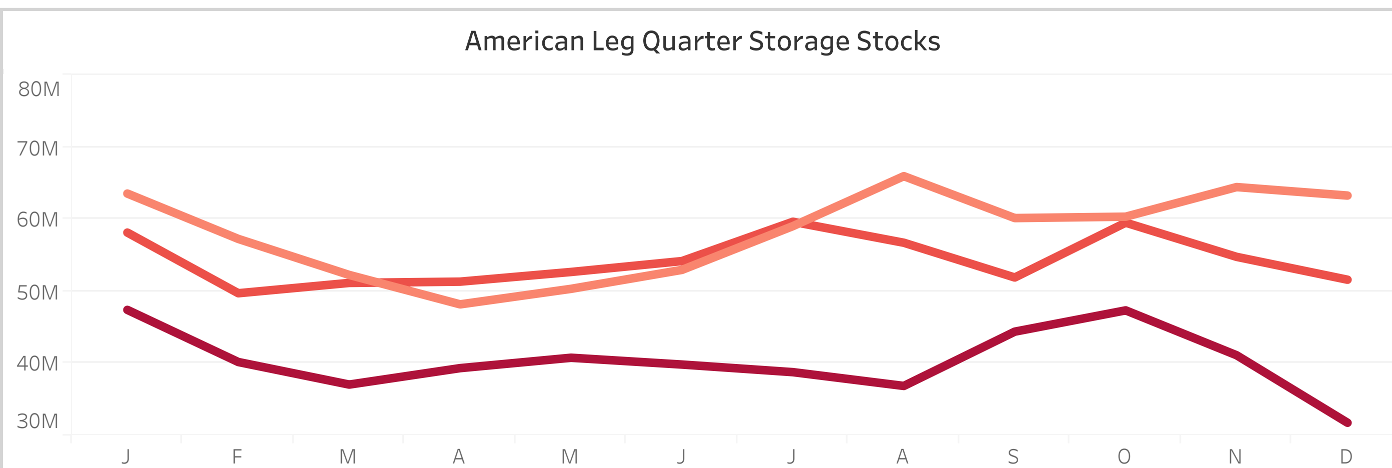
On a year-over-year comparison, every cut was down. The most significant drop was in the drumstick, down $0.08/lb (-20.7%) compared to January 2018. The whole wing price stood at $1.64/lb in January 2019, down $0.09 (-5.3%) from the same time in 2018, followed by the boneless breast which was down $0.05/lb (-4.9%). Lastly, boneless thighs were selling for $1.15/lb in January 2019, down $0.01/lb (-1.0%) from the year prior.

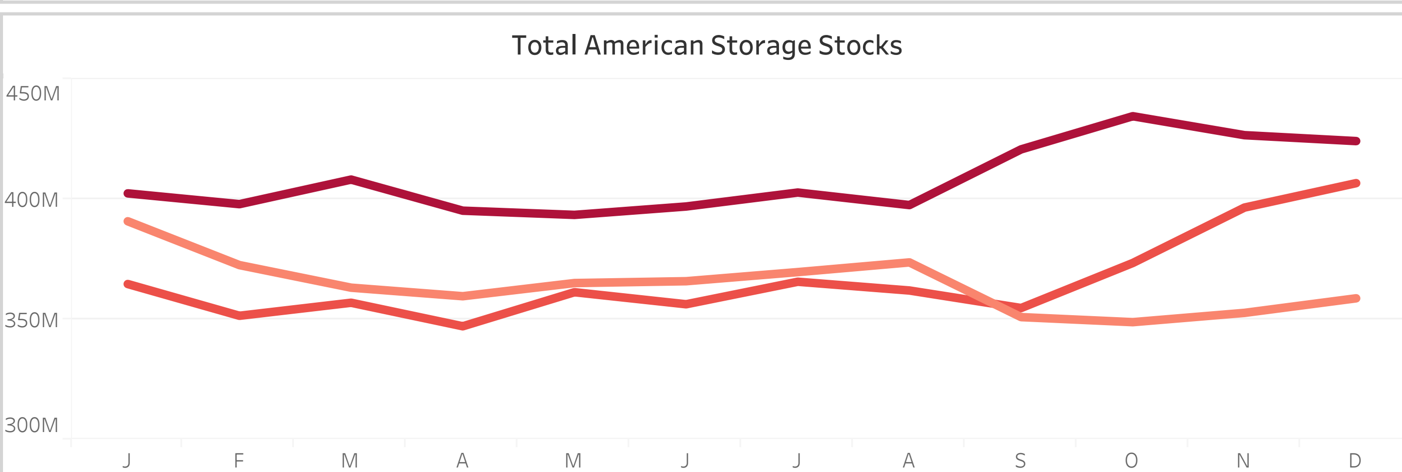
American Chicken Storage Stocks

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







Source: United States Department of Agriculture

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