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U.S. Department of Agriculture Agricultural Marketing Service Livestock, Poultry and Seed Programs Market News

Russia's Poultry Situation

Production

USDA FAS has forecasted Russian broiler meat production to reach 3.4 million metric tons (MMT) in 2015. The increase is due to favorable feed prices resulting from a strong grain crop forecast, reduced domestic competition due to forecasted import reductions, and the Russian Ministry of Agriculture's reported intent to extend support programs until 2018. Production in 2014 is predicted to be 3.2 MMT.

Russia's Broiler Meat Production, Supply, and Demand (Thousand Metric Tons (TMT))

	2013		2014		2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Production	3,010	3,010	3,100	3,200	-	3,400
Imports	540	530	530	385	-	340
Exports	30	30	40	25	-	15
Total Dom. Cons.	3,520	3,510	3,590	3,560	-	3,725

Note: Dom. Cons. = Domestic Consumption.

Consumption

Despite price increases Russian broiler meat consumption is expected to rise 4% in 2015 and continue growing at a slow pace due to rising wages and competitive prices for broiler meat over other red meats. FAS revised previous consumption forecasts lower (less than 1%) for 2014, yet higher than 2013 consumption levels due to reduced imports resulting from government imposed trade restrictions on several suppliers in August 2014. Despite higher retail prices, broiler meat continues to be competitively priced compared to other proteins and is expected to account for a larger percentage of domestic consumption.

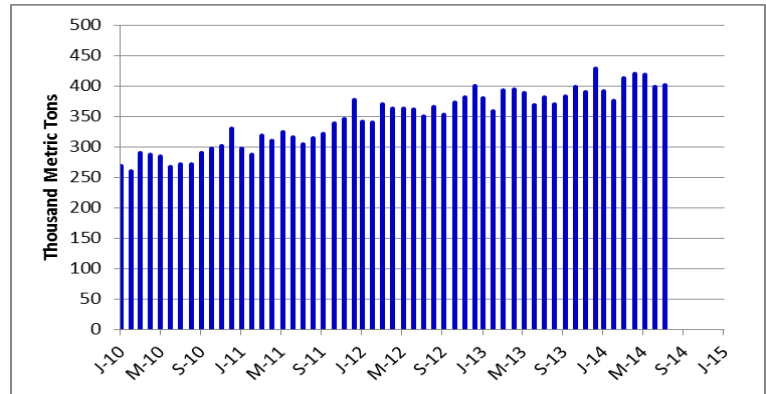
Imports

Previous forecasts of Russian broiler meat imports in 2015 were lowered 12% to be 340,000 MT due to increased domestic production and newly instituted trade restrictions. In August 2014, the Russian Government instituted a 1 year ban on the supply of poultry under HS Code 0207, among other products, from the US, EU, Canada, Australia, and Norway in retaliation to sanctions placed on Russia. The US shipped about 260,000 MT of broiler meat in 2013 and 50,000 MT from January-April 2014. The EU shipped nearly 65,000 MT of broiler meat in 2013 and 20,000 MT from January-April 2014. The August 2014 restrictions eliminated about 60% of total broiler imports in 2013 and during the first 4 months of 2014.

December 2014, Russia's Veterinary and Phytosanitary Surveillance Service (VPSS) announced temporary restrictions on US poultry imports due to "the ongoing identification of harmful residues and banned substances coming from the US poultry products, including the presence of tetracycline" effective December 5, 2014 affecting poultry meat, by-products, and finished poultry meat products. Additionally, FAS recently released a report containing an outline of current Russian-Belarus-Kazakhstan Customs Union (CU) "Eurasian Conformity" labeling requirements following assessment of conformity for poultry and red meats ([Gain Report RS1493](#)).

Russia plans to increase imports from Brazil, accounting for about 9% of total broiler meat imports in 2013 and during the first third of 2014. Yet in comparison Brazil's exports to Russia were down 23% and 20% respectively from 2012 and the first third of 2013. Belarus' share of imports has grown despite a decline in total import volumes. Together Brazil and Belarus accounted for nearly 30% of total Russian imports in 2013; however it is unlikely these countries can increase exports to fully replace supplies from the US and EU. As a result broiler imports in 2014 are expected to decline about 30% to reach 385,000 MT. From January-April 2014 the largest broiler exporters to Russia were the US (52,332 MT), Belarus (38,055 MT), EU (20,571 MT), and Brazil (11,686 MT). Another importer with potential is Turkey, who has reportedly increased broiler meat exports to Russia by almost 4.5 times in the first 9 months of 2014 versus the same period in 2013. Imports from India

Russian Broiler Meat Production in Thousands of Metric Tons



also seem to show promise in future as Russia recently announced the allocation of Indian buffalo meat and its plans to certify other agricultural goods such as poultry, powdered eggs, and dairy products. Conversely, Russia has placed restrictions on poultry imports (poultry meat, poultry products, live poultry, hatching eggs, down and feathers, feed and feed additives, housing and handling equipment) from Germany due to outbreaks of highly pathogenic avian influenza (HPAI).

Exports

Russian broiler meat exports are predicted to decrease to 15,000 MT in 2015. Previous forecasts for Russian broiler meat exports in 2014 were revised nearly 40% lower to 25,000 MT. Russia and other CU members will continue to promote intra-CU, duty-free agricultural trade and take advantage of preferential trade conditions to expand exports; however more Russian domestic broiler meat production is expected to remain in Russia in 2014 and 2015 due to the ban on US and EU broiler meat. Plus, Kazakhstan, Russia's largest export market, released its 2014 quota in a more timely manner (February and June) allowing other foreign suppliers to better compete with CIS suppliers like Russia to a greater portion of the year. In the first 4 months of 2014, Russia increased broiler meat exports, mostly sub-products like chicken paws, nearly 60% to 24,819 MT to Asian and African markets. The Agriculture Department of the Philippines recently issued a temporary ban on poultry and poultry products from Russia and Germany due to reported outbreaks of HPAI.

Russian Broiler Meat Imports Excluding Belarus

	2010	2011	2012	2013	2013*	2014*	%
US	294,920	23,936	262,882	263,244	73,070	52,332	-28%
Brazil	137,468	64,446	61,847	47,771	14,533	11,686	0%
Ukraine	75	5,171	30,440	39,284	13,511	2,473	-82%
France	24,984	23,430	32,107	16,053	6,514	4,923	0%
Poland	7,570	2,806	4,555	9,220	2,314	696	-70%
Neth.	14,708	1,342	10,013	8,791	2,772	4,182	51%
Argentina	6,821	4,745	14,026	8,161	1,930	1,563	-19%
Others**	131,899	48,743	40,740	32,247	8,369	10,921	30%
World**	618,445	389,989	456,610	424,771	123,013	88,776	-28%
Belarus	37,887	73,434	102,929	103,739	32,994	38,055	15%

Russian Broiler Meat Exports Excluding Belarus

	2010	2011	2012	2013	2013*	2014*	%
HK	8,420	11,128	10,741	14,683	4,159	8,291	99%
Thailand	-	-	325	2,447	968	25	-97%
Ghana	-	-	-	1,877	102	78	-24%
Liberia	-	-	54	1,519	488	471	-3%
Vietnam	6,676	6,424	2,650	1,421	861	299	-65%
Others**	4,071	1,550	1,981	2,872	596	1,641	175%
World**	19,167	19,102	15,751	24,819	7,174	10,805	51%

Note: Data is from January-December except 2013* and 2014*, which is January-April. **=Data excludes Belarus. %=Percentage Change. Neth.=Netherlands. HK=Hong Kong. Source: USDA FAS [Gain Report RS1474/Various News Wires](#)

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	0	98	6,285	2,130
Frozen	0	0	39	40
Dried	0	0	1,063	159
Total	0	98	7,387	2,329

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	14	72	5,772	6,141
Frozen	5	0	1,456	1,299
Dried	0	0	241	51
Total	19	72	7,469	7,491

INSPECTED SHELL EGGS

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

	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Jumbo	0	0	0	0
Extra Large	1,500	15,800	188,136	163,116
Large	19,250	6,100	430,527	305,754
Medium	0	800	23,251	26,125
Ungraded	15,192	28,226	1,091,751	483,278
Misc	0	0	27,322	3,720
Total	35,942	50,926	1,760,987	981,993

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

/2 Includes revisions to previous week(s)

*Note: Year to-date totals reflect comparable time periods.

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

Week Ending Nov 29, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	702	874	1,576
Last Week	1,005	1,849	2,854
Same week yr ago	601	971	1,572
To-date/2014*	67,533	74,487	142,020
To-date/2013*	69,616	71,206	140,822

U.S. Fowl Slaughtered in Canada

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	60	0	60
Last Week	262	0	262
Same week yr ago	239	0	239
To-date/2014*	17,210	0	17,210
To-date/2013*	16,050	0	16,050

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl Slaughtered in the U.S. and Canada

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	762	874	1,636
Last Week	1,267	1,849	3,116
Same week yr ago	840	971	1,811
To-date/2014*	84,743	74,487	159,230
To-date/2013*	85,666	71,206	156,872

*Note: Year to-date totals reflect comparable time periods.

NATIONAL MECHANICALLY SEPARATED CHICKEN (F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

MSC prices are trending steady to weak on all fat contents. Domestic and export demand is light to moderate. Supplies are moderate to heavy for current needs. The marketplace is typical of the seasonal with spot MSC and frames available and clearing slowly. Negotiations continue for 2015 contracts with confirmations coming in at similar to lower levels than current 2014 levels in addition to formula based pricing. Market activity is slow to moderate. Supplies of raw materials are moderate to heavy. Frame prices are steady to weak with trading levels between 10-12 cents FOB.

Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

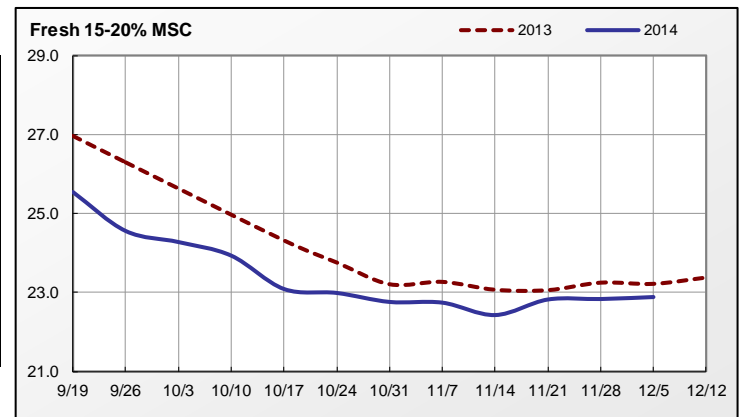
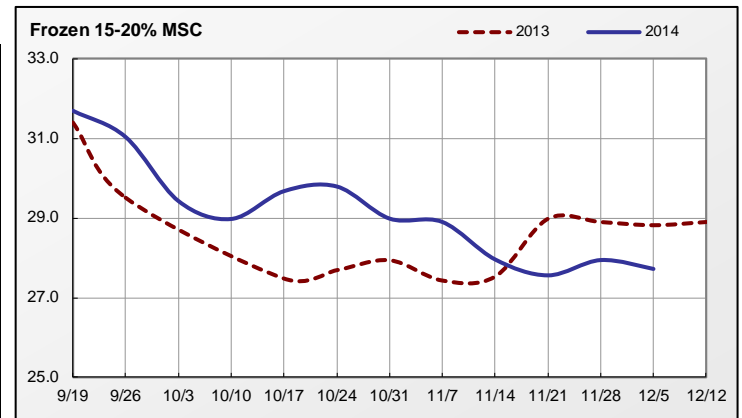
Fat Content	Frozen			Fresh		
	5-Dec-14	Last Week	Last Year	5-Dec-14	Last Week	Last Year
15% or Less						
Price Range	28.00	-	-	25.00	27.00	27.00-28.00
Wtd Avg Price	28.00	-	-	26.50	27.00	27.67
Volume Traded	200	-	-	163	122	122
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	25.50 - 30.00	25.50 - 31.00	27.00-32.00	21.00 - 26.00	21.00 - 26.00	20.00-26.00
Wtd Avg Price	27.72	27.94	28.82	22.89	22.83	23.22
Volume Traded	1,615	1,085	1,782	2,938	2,784	3,070
Volume Exported	1,535	965	1,622	1,142	898	612
20% or More						
Price Range	-	-	-	20.00	-	22.00
Wtd Avg Price	-	-	-	20.00	-	22.00
Volume Traded	-	-	-	82	-	82
Volume Exported	-	-	-	-	-	-

Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	Nov 2014	Oct 2014	Nov 2013	Nov 2014	Oct 2014	Nov 2013
15% or Less						
Wtd Avg Price	28.00	28.00	32.50	26.74	27.65	27.53
Volume Traded	162	108	80	469	469	734
Volume Exported	162	108	-	-	-	-
15-20%						
Wtd Avg Price	28.15	29.33	28.01	22.70	23.47	23.17
Volume Traded	6,732	9,129	10,769	11,574	13,056	14,982
Volume Exported	6,372	8,529	9,449	3,386	3,264	2,489
20% or More						
Wtd Avg Price	-	-	-	21.00	21.63	22.00
Volume Traded	-	-	-	245	326	286
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.

Source: USDA AMS Livestock, Poultry & Grain Market News (www.ams.usda.gov/lpsmarketnews)



NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 05 DECEMBER 2014.

The market for hen bulk parts, tom bulk parts was steady with tom drums, tom full cut wings and tom necks steady to weak. Demand light. Offerings light to moderate. White meat and white trim was steady to weak and not fully tested. Demand light. Offerings light to moderate. High meat market was steady to barely steady. Demand light. Offerings light to moderate. Trading slow for all parts and meats. For domestic: fresh scapula 213-219 cents, fresh wing meat 133 cents, fresh full cut wings 76-77 cents, fresh tom neck 71 cents, fresh tails 55 cents, mature thigh meat 159 cents, mature hen drum 99 cents, mature hen full cut wings 76 cents and grade A breast non basted 12-16 lbs. 221 cents. For export: fresh tom drums 98 cents delivered to Border.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, DECEMBER 05, 2014						
DRUMSTICKS, TOMS	88.00-98.00		93.00	216	93.00	216
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	55.00		55.00	108	55.27	148
MECHANICALLY SEPARATED 2/		T	27.00	54	27.00	54
THIGH MEAT - FROZEN		T	160.00	40	160.00	40
THURSDAY, DECEMBER 04, 2014						
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	56.00	40		
MECHANICALLY SEPARATED 2/		T	27.00	54		
THIGH MEAT - FROZEN		T	160.00	40		
WEDNESDAY, DECEMBER 03, 2014						
DRUMSTICKS, TOMS		W	105.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	56.00		56.00	40		
MECHANICALLY SEPARATED 2/		T	27.00	54		
THIGH MEAT - FROZEN		T	160.00	40		
TUESDAY, DECEMBER 02, 2014						
DRUMSTICKS, TOMS		W	105.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	56.00	108		
MECHANICALLY SEPARATED 2/	27.00		27.00	54		
THIGH MEAT - FROZEN	160.00		160.00	40		
MONDAY, DECEMBER 01, 2014						
DRUMSTICKS, TOMS		W	105.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	56.00	108		
MECHANICALLY SEPARATED 2/		F	24.50	80		
THIGH MEAT - FROZEN		F	160.50	80		

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):

M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ 15-20% fat with skin added.