

TURKEY MARKET HIGHLIGHTS

[APRIL 2017]



MAY 12, 2017

	CURRENT MONTH April 2017		EASTER Mar. 1 – Apr. 30/17		CONTROL PERIOD May 1 – Apr. 30/17		CALENDAR YEAR Jan. 1 – Apr. 30/17	
	'000 kg	Change*	'000 kg	Change*	'000 kg	Change*	'000 kg	Change*
Opening Stocks	32,905	16.6%	32,275	12.0%	34,908	28.1%	24,786	30.9%
Production	11,033	-26.6%	24,757	-17.9%	176,195	-0.3%	51,446	-12.1%
Imports	270	30.6%	486	-6.7%	2,684	-10.0%	622	-37.0%
Supply	44,209	1.7%	57,518	-3.3%	213,787	3.3%	76,854	-2.1%
Closing Stocks	31,470	-9.8%	31,470	-9.8%	31,470	-9.8%	31,470	-9.8%
Total Disappearance	12,738	48.8%	26,048	5.9%	182,317	6.0%	45,384	4.2%
Exports**	2,200	-15.4%	4,104	-20.1%	26,523	12.3%	9,389	4.0%
Domestic	10,538	76.7%	21,944	12.8%	155,794	5.0%	35,995	4.2%

* This represents the percentage change from the same period in the previous year.

** Exports are an estimate for the current month.

➤ MAY 1st STOCKS

31.5 Mkg (↓3.4 Mkg from last year)

After an increase in breast meat storage stocks was reported last month, the situation was investigated and it was determined that the increase in stocks was accurate. Further investigation revealed that stocks were underreported for number of months. As a result, storage stocks data has been updated dating back to September 2016.

Preliminary May 1 storage stocks of 31.5 Mkg were 3.4 Mkg lower than year earlier. Whole bird stocks of 21.0 Mkg were 3.8 Mkg lower than year earlier. By weight category, stocks of turkeys under 9 kg are down by 5.5 Mkg to 16.6 Mkg and stocks of turkeys over 9 kg are up by 1.6 Mkg to 4.5 Mkg. Breast meat stocks are 4.1 Mkg, 2.2 Mkg higher than year earlier. Stocks in the Cut-Up Other, Processed and Miscellaneous categories are a combined 6.4 Mkg, 1.8 Mkg lower than year earlier.

➤ APRIL DOMESTIC DISAPPEARANCE

10.5 Mkg (↑4.6 Mkg than last year)

Domestic disappearance in April was 10.5 Mkg, 4.6 Mkg higher than year earlier. Domestic disappearance for Easter 2017 (March and April) was 21.9 Mkg, an increase of 2.5 Mkg compared to Easter 2016. In the last 12 months rolling (Control Period), domestic disappearance of turkey meat was 155.8 Mkg, 7.5 Mkg higher than a year earlier. By weight category, control period domestic disappearance of turkeys under 9 kg was 77.0 Mkg, 2.9 Mkg more than a year earlier. Domestic disappearance of all turkeys that weigh more than 9 kg was 102.7 Mkg, 6.7 Mkg higher than a year earlier. Control period disappearance was 155.8 Mkg, 7.5 Mkg, higher than year earlier. Control period disappearance of whole birds for use in the whole bird and FP markets was 179.7 Mkg, 9.6 Mkg more than disappearance for the period of 2015/16.

➤ **APRIL PRODUCTION** **11.0 Mkg (↓4.0 Mkg from last year)**
Turkey production in April was 11.0 Mkg, a decrease of 4.0 Mkg from last year. Production over the last 12 months was 176.2 Mkg, 0.4 Mkg less than in the same part of 2015/2016. Twelve month rolling production of turkeys under 9 kg was 71.9 Mkg, 8.0 Mkg lower than year earlier, and production of turkeys over 9 kg was 104.3 Mkg, 7.5 Mkg higher than year earlier.

➤ **APRIL SUPPLIES** **44.2 Mkg (↑0.7 Mkg from last year)**
Total supplies available in April (the total of opening stocks, imports and production) of 44.2 Mkg was 0.7 Mkg higher than a year earlier. Whole bird supplies for the month were 33.3 Mkg, 0.7 Mkg lower than year earlier.

➤ **APRIL EXPORTS 2.2 Mkg (estimate)*** **APRIL IMPORTS 0.3 Mkg**
Including an estimated export volume of 2.2 Mkg for the month of April, control period exports were 26.5 Mkg, 2.9 Mkg higher than in the same part of 2015/2016.

In the first eighteen weeks of 2017 (to the week ended May 6th), use of Tariff Rate Quota (TRQ) was 1,407,818 kg or 27.2% below pro rata.

Since January 2017, Urner-Barry has reported a decrease to the price of breast meat. For the past few weeks, breast meat was reported to be trading for \$1.53 US/lb., down from \$1.65 US/lb. at the beginning of January. In Canadian \$/kg, the price of imported breast meat dropped from \$4.88/kg in early-January to \$4.62/kg on May 8.

*Rounded average monthly exports for the 12 months ended March 2017.

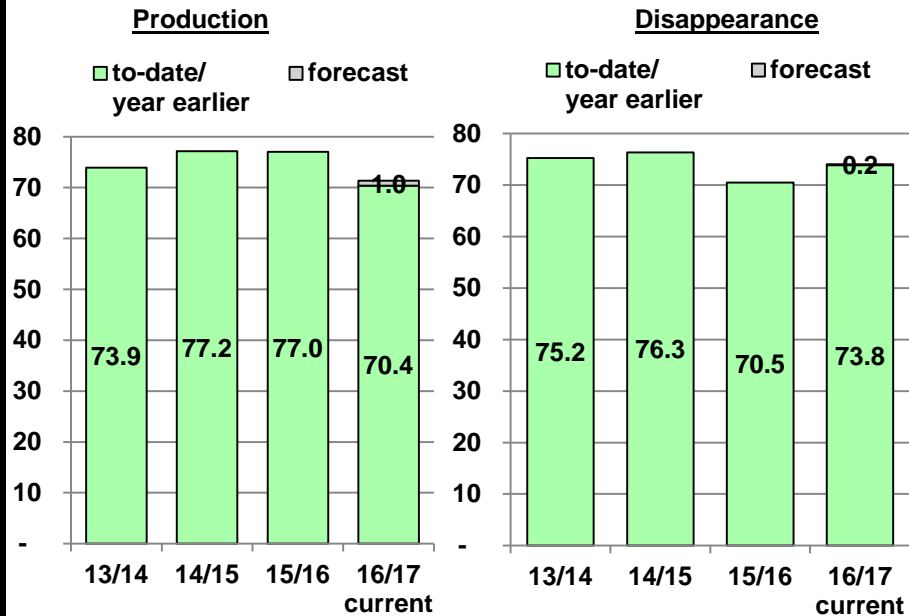
➤ **FORECAST STOCKS – August 1, 2017** **37.3 Mkg (↓11.4 Mkg last year)**
Based on placements and remaining allocations, production for the period of May 1 to July 31, 2017 is forecast at 36.9 Mkg, 8.0 Mkg lower than year earlier. Domestic disappearance for May to July is forecast at 25.4 Mkg and, based on last year, imports are forecast at 0.5 Mkg and exports are forecast at 6.2 Mkg. When opening stocks are combined with estimated production, disappearance, imports and exports, the forecast August 1, 2017 stocks are 37.3 Mkg, 11.4 Mkg lower than year earlier. Stocks of whole turkeys are forecast at 26.2 Mkg, 11.8 Mkg lower than year earlier. Combined cut-up, further processed and miscellaneous stocks are forecast at 11.2 Mkg, 0.4 Mkg higher than year earlier.

TFC Data Dashboard

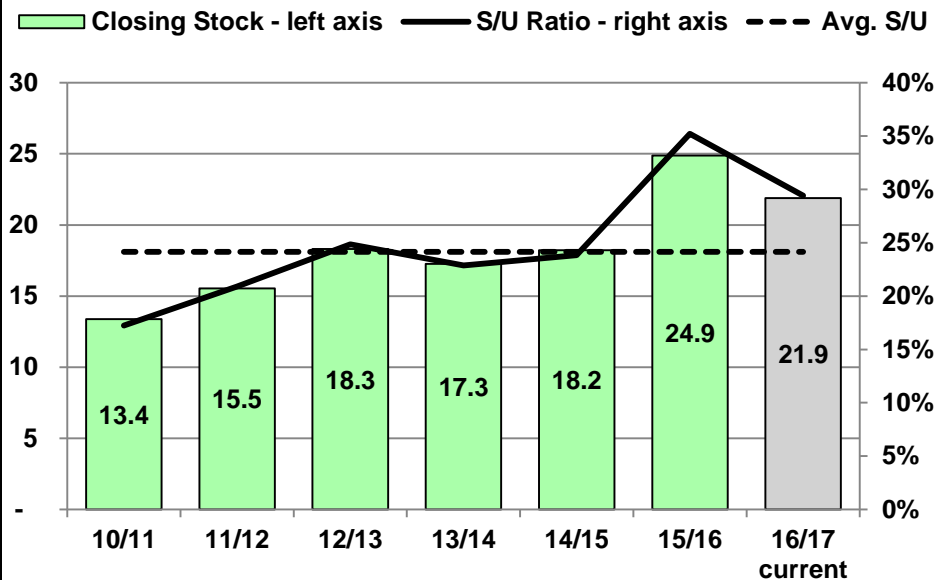
(million kg, unless otherwise noted)

Based on Data to the End of April 2017

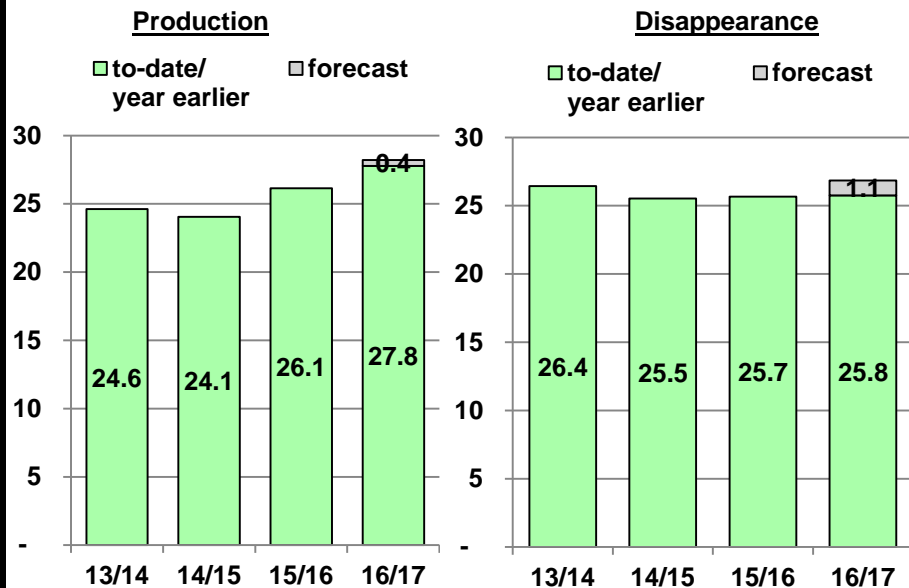
Bagged Production and Disappearance



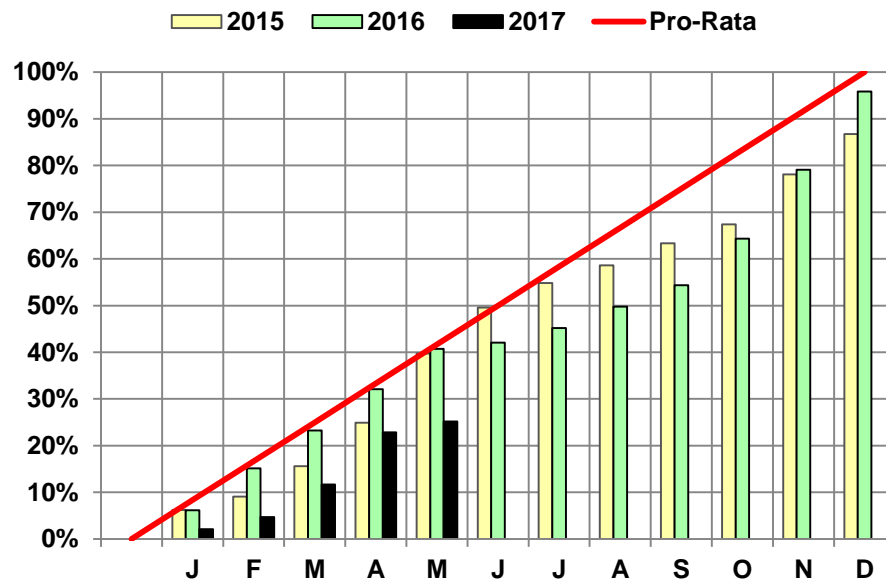
Closing/May 1 Bagged Stocks & Stock/Use Ratio



Breast Meat - Production and Disappearance

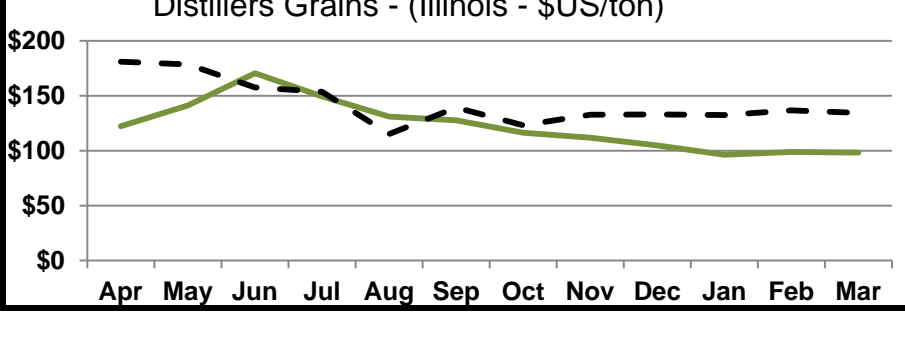
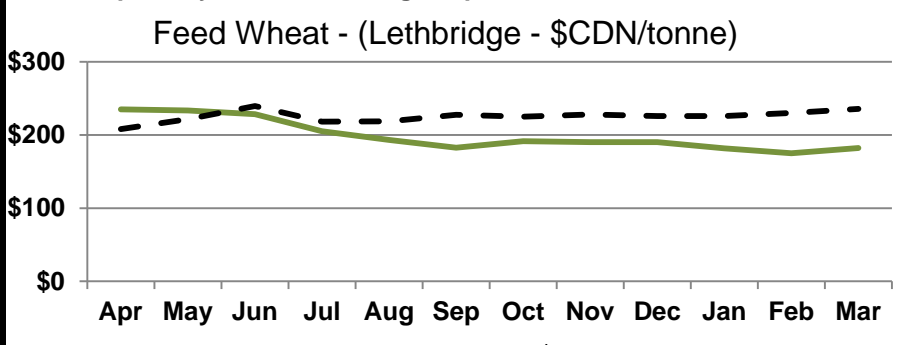
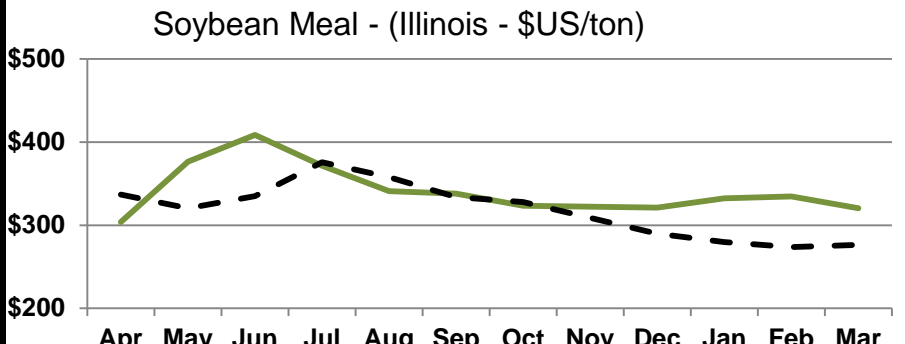
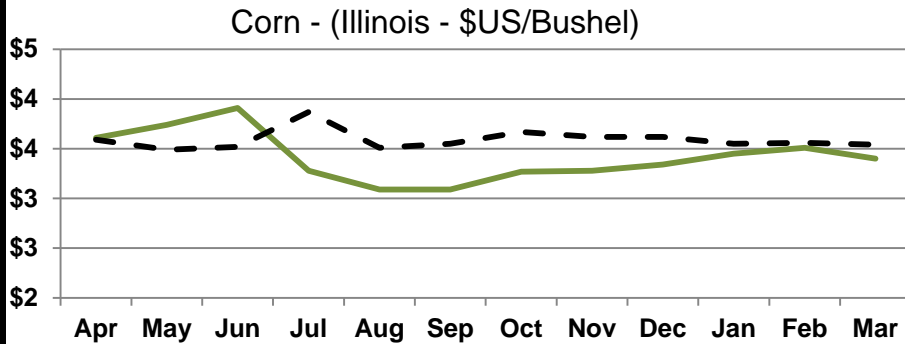


Cumulative Use of Tariff Rate Quota



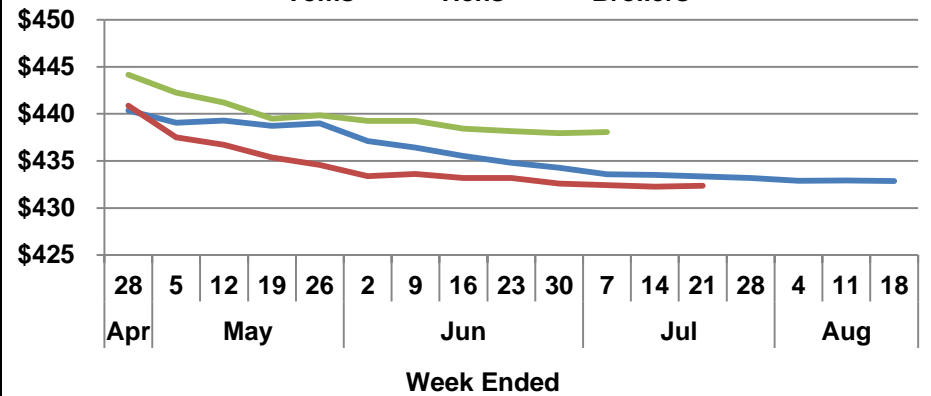
Ingredient Costs - Last 24 Months

— Last 12 Months - - Year Earlier



Outlook for Feed Costs - Ontario - \$CDN/tonne

— Toms — Hens — Broilers



Sources: Agriculture and Agri-Food Canada, TFC Feed and Poult Model

Recent Turkey Feed Costs - \$CDN/tonne

Week	Broiler	Hen	Tom
Most Recent Week: 5-May-17	\$ 443	\$ 438	\$ 439
1 Week Earlier: 28-Apr-17	\$ 444	\$ 441	\$ 440
4 Weeks Earlier: 7-Apr-17	\$ 450	\$ 440	\$ 438
13 Weeks Earlier: 3-Feb-17	\$ 435	\$ 424	\$ 420
26 Weeks Earlier: 4-Nov-16	\$ 432	\$ 432	\$ 426
52 Weeks Earlier: 6-May-16	\$ 437	\$ 429	\$ 420