

Voluntary Report – Voluntary - Public Distribution

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Report Name: Canada - COVID-19 Impact on Poultry Sector

Country: Canada

Post: Ottawa

Report Category: Agricultural Situation, Poultry and Products

Prepared By: Mihai Lupescu

Approved By: Evan Mangino

Report Highlights:

Chicken producers cut production by more than 50,000 metric tons to balance the market after food service demand fell in the wake of COVID-19. Limited outbreaks at smaller poultry processing plants did not affect slaughter and production, as processors diverted live birds to other facilities. Post projects chicken meat imports will be relatively flat in 2020 and production will drop one percent from 2019, as higher retail sales fail to offset lower foodservice demand.

Chicken Meat Production Falls on Reduced Demand

The drop in chicken meat demand resulting from the closure of the food service sector during the COVID-19 pandemic was only partially offset by increased demand in the retail sector, leading to increased volumes of chicken meat placed in cold storage and wholesale price declines. Industry sources noted wholesale prices for whole birds had fallen by 20 percent, wings and chicken breasts by 30 percent, and leg-quarters by 45 percent by the end of April 2020.

To rebalance Canadian supplies to match demand, the Chicken Farmers of Canada decided to cut production by over 50,000 metric tons (MT) during the two production cycles covering the May to August 2020 period. Though 2020 was expected to be another year of moderate growth for the Canadian chicken industry, FAS/Ottawa currently estimates annual chicken meat production at 1.315 million MT, one percent below the 2019 level.

CANADA Meat CHICKEN	2018	2019	2020
	NEW Post Data	NEW Post Data	NEW Post Estimates
Beginning Stocks	46	54	55
Production	1,300	1,328	1,315
Total Imports	170	172	175
Total Supply	1,516	1,554	1,545
Total Exports	124	124	125
Total Dom. Consumption	1,338	1,375	1,360
Ending Stocks	54	55	60
Total Distribution	1,516	1,554	1,545

All data in 1,000 metric tons, carcass weight equivalent

The reduced chicken meat production target volume for the cycle starting in May 2020 was achieved primarily through placing fewer broiler eggs in hatcheries. Hatching eggs and day-old chicks were destroyed in relatively small numbers and to varying degrees in every province.

During the pandemic, several poultry plants were impacted by COVID-19 cases diagnosed among workers; a Maple Leaf plant in Ontario and two smaller poultry plants in British Columbia temporarily shuttered operations. Despite the temporary closures, chicken slaughter remained unaffected, as live birds were redirected toward other processing facilities.

Industry sources indicate that wholesale prices improved in May, though have not yet returned to pre-pandemic levels. Demand for chicken meat has picked up, in part, with the beginning of the summer barbecue season, when chicken breasts are a popular choice for grilling.

Attachments:

No Attachments.