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U.S. Department of Agriculture      Agricultural Marketing Service      Livestock, Poultry and Seed Programs      Market News  
**Kazakhstan's Poultry Situation**      **Kazakhstan's Broiler Meat Production, Supply, and Demand**

## Production

Poultry meat production is unofficially estimated to reach 125,000 metric tons (MT) in 2013, a 2% increase over 2012 production levels (123,000 MT). Production in Kazakhstan has been increasing since the mid 1990's and saw a 20% increase from 2011 to 2012; however expansion in 2013 was heavily affected by high feed costs. About 61% of production in 2012 came from large, modern agricultural enterprises in comparison to 48% in 2007. Kazakhstan's Ministry of Agriculture plans to produce over 230,000 MT by 2016 with the construction of new and the modernization of existing establishments.

## Government Production Support and Strategy

In 2013 Kazakhstan's Ministry of Agriculture made supporting domestic poultry production a priority by releasing the Kazakhstan Agricultural Development Program (2013-2020). The Program details its goals of doubling poultry production to 246,000 MT by 2020 and procuring subsidized day-old chicks and hatching eggs. Kazakhstan plans to increase broiler chicken procurement from 287,000 to 433,800 by 2020, layer chick procurement from 737,000 to 1,011,000 by 2020, and hatching egg procurement from 433 million eggs a year to 5.1 million eggs per year by 2020.

The Ministry of Agriculture outlined measures the Government is using and will continue to use to support the industry. These include: the provision of inexpensive loans that include leasing and investment subsidies for the construction of new and the modernization of existing farms, assistance in establishing local breeding genetics for meat-breeds of poultry, establishment of epizootic situation control and realization of biosafety international standards at farms, utilization of market protection measures from low quality imports and unfair trading practices, provision of professional trainings for poultry specialists, provision of subsidies for feed costs, and sourcing poultry farms with forage grain at fixed prices.

Primary challenges to these goals include: a lack of qualified staff; underutilized capacity; biological and food security threats; high production costs due to high feeding costs, power costs, and expensive genetic; poorly developed local scientific studies on technology and feeding; lack of local cross breeds for meat and egg poultry making Kazakhstan dependent on imports; and a lack of good quality and low cost veterinary drug supplies.

In 2013, Kazakhstan reported 8.5 billion Tenge (\$56 million US Dollar (USD)) was used to subsidize poultry production, a 30% increase from 2012. This included: hatching egg subsidies of 91.9 million Tenge (\$600,000 USD) or a 3% increase from 2012, subsidies for day old chicks at 123.7 million Tenge (\$820,000 USD) or a 400% increase from 2012, and the announcement of a new investment subsidy to partially compensate poultry farms for construction costs effective 2014.

The Government of Kazakhstan announced subsidy levels for the purchase of breeding stocks, and in 2013 the subsidy for meat breed grandparent stock day old chicks is not more than 50 of the purchase price or 303 Tenge (\$2 USD) per chick, layer breed parents stock day old chicks is also not more than 50% or 50 Tenge (\$0.33 USD) per chick, and for hatching eggs not more than 50% or 21 Tenge (\$0.14 USD) per egg.

The US signed a bilateral US-Customs Union certificate for day old chicks and hatching eggs in March 2013, which now allows for these US products to be shipped to Kazakhstan. A copy of the certificate can be found at:

[http://www.aphis.usda.gov/regulations/vs/iregs/animals/downloads/ru\\_chicks\\_hattegs\\_cert.pdf](http://www.aphis.usda.gov/regulations/vs/iregs/animals/downloads/ru_chicks_hattegs_cert.pdf)

## (Thousand Metric Tons (TMT) and Kilograms (KG))

	2008	2009	2010	2011	2012	2013	2014
Production	65	80	102	103	123	127	135
Imports	133	109	125	178	225	233	245
Exports	2	-	1	-	-	-	-
Dom. Cons.	196	189	226	281	348	360	380

Note: Dom. Cons. = Domestic Consumption. Source: USDA FAS, PSD Online, Official USDA Estimates

## Consumption

Poultry meat consumption continues to expand having reached 315,100 MT in 2012 or more than double the level in 2005 (156,100 MT). In Kazakhstan beef is the primary meat consumed, however poultry is the second most consumed meat despite its more competitive pricing. Per capita consumption of eggs has increased from 172 in 2005 to 232 in 2012.

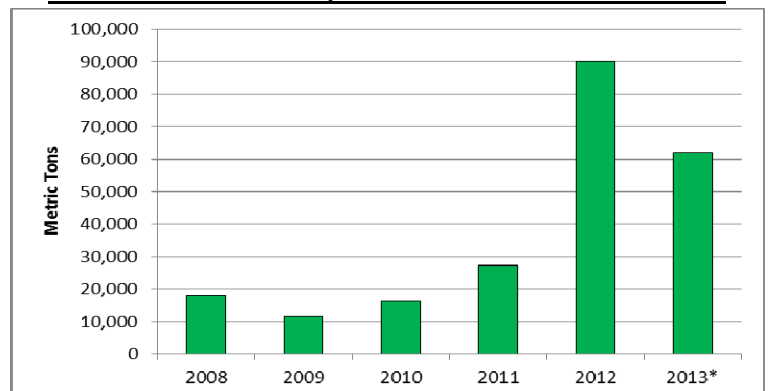
## Trade

Kazakhstan is largely dependent on poultry imports with last year seeing levels of about 60% of poultry meat being imported in comparison to 40% being produced domestically. The US is the largest supplier of poultry to Kazakhstan.

In 2013, Kazakhstan had a Tariff Rate Quota (TRQ) of 110,000 MT for poultry; however the release of these quota volumes was severely delayed with the second tranche being released in mid-October 2013 (75,000 MT). As a result of the delay, US poultry exports were sharply lower from January-September 2013 in comparison to previous years. Yet with the release of the quota large volumes of US poultry were shipped to Kazakhstan in the 4th quarter of 2013. Conversely, the delay in the TRQ release resulted in increased shipments from Russia (19,000 MT) and the Ukraine (over 17,000 MT) from January-September 2013. Officials from Kazakhstan's Ministry of Agriculture have asserted domestic producers have been hurt by some Ukrainian and Russian suppliers selling at dumping prices, not following Customs Union requirements, and injecting water into poultry at levels exceeding norms. On October 30, 2013 the Customs Union announced TRQ volumes for 2014 with poultry levels for Kazakhstan unchanged (110,000 MT).

Source: USDA FAS Gain Report December 19, 2013: [Poultry Sector Update](#) / USDA FAS Gain Report October 24, 2013: [Kazakhstan Agricultural Development Program 2013-2020](#) / USDA FAS Gain Report October 22, 2013: [Kazakhstan Distributes Remaining 2013 Meat TRQ Allocation](#) / USDA FAS Gain Report November 1, 2013: [Eurasian Economic Commission Announced 2014 Meat, Poultry, and Whey TRQs](#)

## Total US Broiler Meat Exports to Kazakhstan in Metric Tons



Note: All data is January-December except 2013\*, which is January-November. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/

**INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	Week Ending Jan 11, 2014		Year-To-Date*	
	2014	2013 /1	2014 /2	2013
Liquid	0	0	96	48
Frozen	0	0	0	0
Dried	0	0	122	0
Total	0	0	218	48

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

Type	Week Ending Jan 11, 2014		Year-To-Date*	
	2014	2013 /1	2014 /2	2013
Liquid	14	126	19	160
Frozen	3	52	9	57
Dried	0	0	0	0
Total	17	178	28	217

**INSPECTED SHELL EGGS****U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**

Type	Week Ending Jan 11, 2014		Year-To-Date*	
	2014	2013 /1	2014 /2	2013
Jumbo	0	0	0	0
Extra Large	2,250	0	7,530	240
Large	7,150	750	14,500	1,290
Medium	0	0	342	813
Ungraded	0	1,200	480	3,360
Misc	0	0	0	0
Total	9,400	1,950	22,852	5,703

/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

**INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	Week Ending Jan 18, 2014		Year-To-Date*	
	2013	2012 /1	2013 /2	2012
Liquid	0	48	96	96
Frozen	0	0	0	0
Dried	0	0	122	0
Total	0	48	218	96

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

Type	Week Ending Jan 18, 2014		Year-To-Date*	
	2013	2012 /1	2013 /2	2012
Liquid	80	262	99	422
Frozen	21	10	30	67
Dried	0	0	0	0
Total	101	272	129	489

**INSPECTED SHELL EGGS****U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**

Type	Week Ending Jan 18, 2014		Year-To-Date*	
	2013	2012 /1	2013 /2	2012
Jumbo	0	0	0	0
Extra Large	1,500	0	9,030	240
Large	3,100	0	17,600	1,290
Medium	0	0	342	813
Ungraded	0	2,009	480	5,369
Misc	0	0	0	0
Total	4,600	2,009	27,452	7,712

/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 Jan 11, 2014 (Preliminary)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,958	1,587	3,545
Last Week	1,374	1,297	2,671
Same week yr ago	1,730	1,595	3,325
To-date/2014*	3,332	2,884	6,216
To-date/2013*	3,460	3,190	6,650

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	86	0	86
Last Week	425	0	425
Same week yr ago	344	0	344
To-date/2014*	511	0	511
To-date/2013*	600	0	600

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

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	2,044	1,587	3,631
Last Week	1,799	1,297	3,096
Same week yr ago	2,074	1,595	3,669
To-date/2014*	3,843	2,884	6,727
To-date/2013*	4,060	3,190	7,250

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

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,755	1,488	3,243
Last Week	1,958	1,587	3,545
Same week yr ago	1,885	1,569	3,454
To-date/2014*	5,087	4,372	9,459
To-date/2013*	5,345	4,759	10,104

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	458	0	458
Last Week	86	0	86
Same week yr ago	505	0	505
To-date/2014*	969	0	969
To-date/2013*	1,105	0	1,105

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

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	2,213	1,488	3,701
Last Week	2,044	1,587	3,631
Same week yr ago	2,390	1,569	3,959
To-date/2014*	6,056	4,372	10,428
To-date/2013*	6,450	4,759	11,209

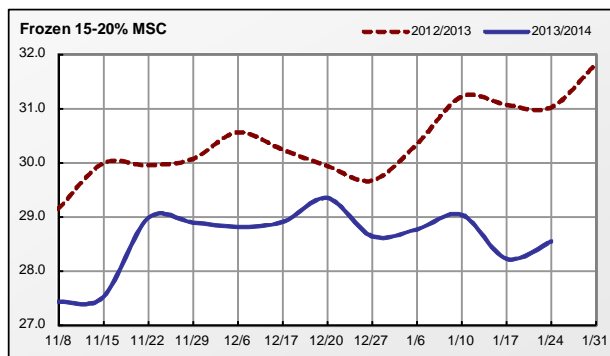
\*Note: Year to-date totals reflect comparable time periods.

**NATIONAL MECHANICALLY SEPARATED CHICKEN** - (FOB Shipper Dock or equiv., negotiated prices in trucklot & less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

MSC prices are trending steady to weak on all fat contents. Demand into both domestic and export channels is light to moderate. Supplies are mostly moderate to instances heavy. Schedules are normal to reduced with the MLK holiday and a few disruptions. Spot MSC and frames are available and eventually clearing with most sellers trying to stay out front when possible. Sales of finished goods are mixed ranging from below average to above average for this time of year as consumption has been somewhat effected by the cold temperatures and severe winter weather throughout much of the country. Industry maintains a close eye on the spot marketplace watching for any new developments while preparing for next week's International Poultry Expo. Market activity is slow to moderate. Supplies of raw materials are moderate to heavy. Frame prices are generally steady with trading levels between 10-12 cents FOB.

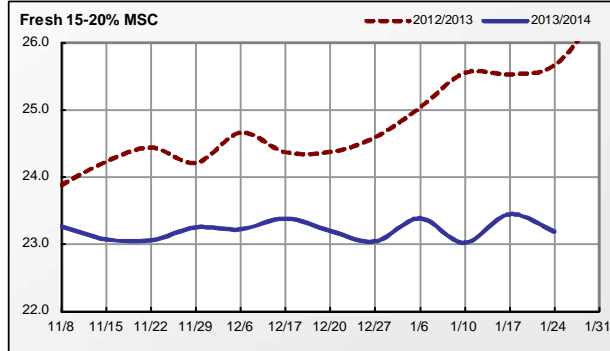
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	24-Jan-14	Last Week	Last Year	24-Jan-14	Last Week	Last Year
<b>15% or Less</b>						
Price Range	31.00	-	30.00	27.00 - 28.00	27.00 - 28.00	24.00-26.00
Wtd Avg Price	31.00	-	30.00	27.50	27.67	25.00
Volume Traded	40	-	40	163	184	163
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	26.00 - 31.00	26.00 - 31.00	30.00-32.00	20.00 - 27.00	20.50 - 27.00	22.50-27.50
Wtd Avg Price	28.55	28.23	31.22	23.19	23.45	25.55
Volume Traded	1,295	2,008	1,425	4,296	4,115	4,712
Volume Exported	1,215	1,408	1,185	530	694	1,061
<b>20% or More</b>						
Price Range	-	-	-	22.00 - 22.50	22.00 - 22.50	20.00
Wtd Avg Price	-	-	-	22.25	22.25	20.00
Volume Traded	-	-	-	82	163	41
Volume Exported	-	-	-	-	-	-



Record Monthly MSC Weighted Average Prices (cents/pound)

Fat Content	Frozen		Fresh	
	Low Price	High Price	Low Price	High Price
<b>15% or Less</b>				
Wtd Avg Price	10.45	34.00	11.50	32.66
Year Recorded	1998	2013	2002	2013
<b>15-20%</b>				
Wtd Avg Price	10.04	37.00	9.93	31.73
Year Recorded	1998	2012	1999	2013
<b>20% or More</b>				
Wtd Avg Price	11.75	23.00	9.00	26.69
Year Recorded	1985	1997	2002	1991



**NATIONAL YOUNG TURKEY PARTS** - Includes Bulk Meat & Frozen (Unless Specified), cents/lb., Divrd First Receivers, Part & Full Trucklots as of 01/25/14

The market on bulk parts was steady. Demand and offerings was light to moderate. The market on white meat and white trims is steady and not fully tested. Demand and offerings light to moderate. Thigh meat market was steady. Demand and offerings light to moderate. Trading slow. For domestic: fresh scapula meat 135-139, fresh wing meat 97 cents, fresh full cut wings 66-68 cents, fresh tom necks 68 cents, frozen machine defatted tom gizzards 93 cents, fresh mechanically separated turkey for pet food 31 cents, grade A breast non basted 8-10 lbs. 142 cents, 10-14 lbs. 145-153 cents, 14-16 lbs. 155 cents, 16-20 lbs. 160 cents delivered. For export: frozen tom necks 66 cents delivered to port or Border.

Export Trading	Price Range	L.S.T. Code 1/	WTD AVG Price	VOL (000)	Weekly WTD AVG Price	Weekly Vol. (000)
Drumsticks, Toms <b>Fri 01/24/14</b>		T	102.00	20	102.00	20
Wings Full-Cut - Toms		T	68.00	108	68.00	108
Wings, V-Type, Tom						
Tails		T	65.00	20	65.00	20
Mechanically Separated 2/ Thigh Meat - Frozen		F	152.00	40		
Drumsticks, Toms <b>Thurs 01/23/14</b>		T	102.00	20		
Wings Full-Cut - Toms		T	68.00	108		
Wings, V-Type, Tom						
Tails		T	65.00	20		
Mechanically Separated 2/ Thigh Meat - Frozen		F	152.00	40		
Drumsticks, Toms <b>Wed 01/22/14</b>		T	102.00	20		
Wings Full-Cut - Toms		T	68.00	108		
Wings, V-Type, Tom						
Tails		T	65.00	20		
Mechanically Separated 2/ Thigh Meat - Frozen		F	152.00	40		
Drumsticks, Toms <b>Tues 01/21/14</b>	102.00		102.00	20		
Wings Full-Cut - Toms	68.00		68.00	108		
Wings, V-Type, Tom						
Tails	65.00		65.00	20		
Mechanically Separated 2/ Thigh Meat - Frozen		F	152.00	40		
<b>Mon 01/20/14 - No Trading Reported Due to Martin Luther King, Jr. Holiday</b>						

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.