GLOBAL POULTRY TRENDS 2013 - Asia Produces a third of World's Broilers

03 September 2013

Global growth in chicken meat production is slowing down but Asia maintains its share of the total, according to long-time industry watcher, Terry Evans, in the new series of 'Global Poultry Trends' for ThePoultrySite in 2013.

Global poultry meat output is expected to amount to 106.4 million tonnes in 2013, according to a forecast made by the Food and Agriculture Organization (FAO). Growth has slowed annually since 2010 from around 4.5 per cent to 1.8 per cent this year. Chicken meat output accounts for some 88 per cent of world poultry meat production.

World chicken meat production (table birds plus culled layers) will likely exceed 93 million tonnes in 2013 while, according to United States Department of Agriculture (USDA) estimates, broiler meat output will amount to around 84.6 million tonnes (Table 1).

Table 1
Chicken Meat Production (million of tonnes)

Table 1. Chicken meat production (million tonnes)

Region	2000	2005	2007	2008	2009	2010	2011	2012E	2013F	2014F
Africa	2.8	3.3	3.7	4.0	4.2	4.5	4.6	4.7	4.7	4.8
Americas	27.1	32.7	35.0	37.4	36.7	38.6	39.9	40.4	41.2	41.9
Asia	18.6	22.4	25.0	26.2	28.0	29.1	29.8	30.3	30.7	31.2
Europe	9.3	10.9	11.6	12.1	13.3	13.9	14.6	14.9	15.2	15.5
Oceania	0.7	0.9	1.0	1.0	1.0	1.1	1.2	1.3	1.3	1.4
WORLD	**58.5**	**70.2**	**76.2**	**80.6**	**83.2**	**87.2**	**90.0**	**91.6**	**93.2**	**94.8**
Broiler meat production (million tonnes)										
WORLD				**72.8**	**73.6**	**77.9**	**80.8**	**82.8**	**84.6**	**-**

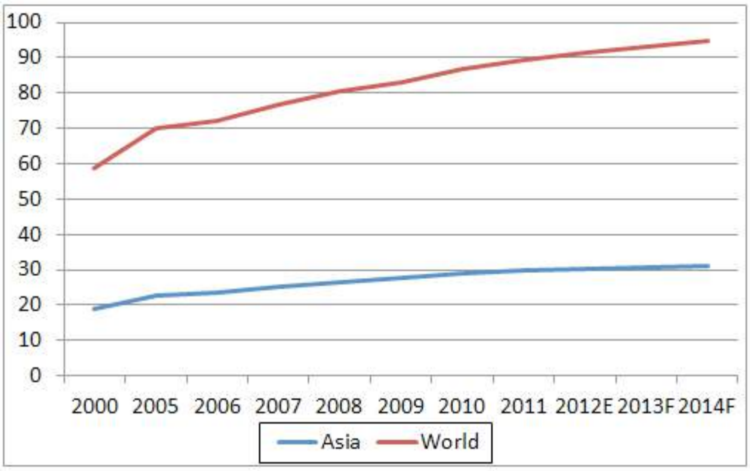
E = estimate; F 2013 and 2014 = 5m forecasts for chicken meat; F 2013 = USDA forecast for broiler meat; - no figure.
Regional figures may not add up to the world totals due to rounding
Sources: FAO for chicken meat, USDA for broiler meat

The FAO data is for "indigenous production", which is being defined as the output from home-grown birds, plus the meat equivalent of such birds exported live.

The rate of industry growth in chicken meat production has slowed dramatically in recent years. Between 2009 and 2011, the annual increase averaged around four per cent. However, 2012 witnessed a slowing down to about 1,.8 per cent while, in the current year, the gain will likely be under two per cent. Next year will likely witness a similar rate of increase with global chicken meat output coming close to 95 million tonnes.

In 2013, output in the Americas should exceed 41 million tonnes, while an increase in Asia will push production towards 31 million tonnes and in 2014, it should exceed 31 million tonnes or around 33 per cent of the world total (Table 1 and Figure 1). But, it must be appreciated that growth in this region is largely dependent upon what happens in China.

Fig 1.0
Indigenous chicken meat production in Asia and the World (millions of tonnes)



While the data provided by the FAO includes estimates of backyard production and also culled layers in the chicken meat totals, the USDA figures relate only to broiler output, the 2013 forecast of 84.6 million tonnes pointing to an increase of 2.2 per cent over the latest estimate for 2012 of 82.8 million tonnes (Table 1). A breakdown of this data reveals that the main contributions to growth over 2012 will come from increases of almost 400,000 tonnes and 350,000 tonnes in the US and China respectively, some 260,000 tonnes in India and nearly 200,000 tonnes in Brazil.

The demand for poultry is expected to continue growing in developing economies, particularly in India and China, reflecting population increases, improved disposable incomes and consumer taste preferences.

Global population growth has slowed to around one per cent a year. In developed countries, it is expected to average only 0.4 per cent a year between 2012 and 2022. While the growth in developing countries will also decline, it will be significantly higher than in the rest of the world. Hence it is considered that they will account for 82 per cent of the world's population by 2022 compared with 74 per cent back in 1980.

Diseases, and in particular avian influenza, which appears to be endemic in some Asian countries, remain an important factor depressing supplies. However, it has been the spiraling costs of feed that have had the biggest influence on global chicken meat output in recent times. Fortunately, an anticipated increase in global supplies of coarse grains and soybeans for 2013/14, points to some easing in feed ingredient prices as this year progresses.

An Alltech survey on global feed production in 2012 concluded that total animal feed output in that year amounted to 959 million tonnes. Poultry accounted for the largest share with 411 million tonnes or 43 per cent, having grown by around eight per cent from the 2011 estimate. Of the poultry total, 60 per cent was for broilers, the remainder being fed to the other poultry classes.

A further positive sign to give demand a boost is the likelihood that disposable incomes may grow in some countries. However, in many instances, chicken producers' profits will depend on careful supply management, as too rapid growth could plunge industries back into losses.

Chicken Meat Production Trends in Asia

In the 11 years since 2000, Asia's chicken meat industry expanded by some 4.3 per cent annually compared with a global figure of less than four per cent. Consequently, Asia's share of the world total increased from a little less than 32 per cent to a shade above 33 per cent, as output climbed from 18.7 million tonnes to 29.6 million tonnes. The upward trend has continued such that this year, chicken meat production in Asia will approach 31 million tonnes, while 2014 output will exceed this, just about maintaining its 33 per cent share of the forecast global total.
In 2011, nine Asian countries produced more than one million tonnes of chicken meat with a combined production of almost 24.5 million tonnes, representing over 82 per cent of the regional total. China alone, with an output estimated at 12.3 million tonnes, accounted for more than 41 per cent (Tables 2 and 3).

The avian influenza outbreak proved extremely costly to the industry, causing the China Development Bank to issue emergency loans to poultry companies, while the central government announced subsidies to support poultry processors as live bird markets were closed and poultry demand slumped.

Nevertheless, according to a Rabobank report: "The poultry sector has great growth potential thanks to changing food preferences, a growing demand for quick-service restaurants and the emergence of the frozen processed food sector."

While vertical integrated production is increasing, the bulk of output continues to come from contract producers.

Based on USDA data, between 2000 and 2011 China's industry has expanded by almost 3.3 per cent a year - compared with a little less than three per cent by FAO - and although it is anticipated that this rate will likely slow to 2.6 per cent in 2013, next year should push broiler output towards 14.5 million tonnes. However, based on FAO data, chicken output in 2014 will be closer to 13.5 million tonnes.

India's chicken meat industry is one of the fastest growing in the world. Although the tonnage estimates by the USDA and FAO differ quite markedly, both sets of figures show a growth trend from 2000 to 2011 of around nine per cent a year. While, in keeping with other poultry industries around the world, India's producers have had to adjust to much higher feed costs, domestic forecasters confidently predict growth to continue at between eight and 10 per cent a year, with the USDA putting this year's broiler output at around 3.4 million tonnes.

The FAO/USDA figures on chicken/broiler meat output in **Indonesia** for the period 2000 to 2011 are almost identical. Since 2010, production growth has slumped from almost four per cent a year to less than one per cent for 2013 for which the USDA's estimate stands at 1.6 million tonnes.

Table 2
Chicken Meat Production in Asia (million of tonnes)

Table 2. Chicken meat production in Asia ('000 tonnes eviscerated weight)

Country	2000	2005	2007	2008	2009	2010	2011
Afghanistan	13.2	30.4	17.5	20.7	20.0	24.9	21.8
Armenia	0.4	3.9	4.9	3.9	2.9	4.9	4.3
Azerbaijan	16.2	31.8	48.8	49.3	65.6	62.8	69.1
Bahrain	0.6	0.6	0.6	0.8	0.8	0.8	6.1
Bangladesh	92.9	129.9	146.7	149.3	156.0	160.1	160.3
Bhutan	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Brunei Darussalam	10.5	9.1	12.7	13.0	13.1	14.1	18.5
Cambodia	19.5	17.2	18.0	19.0	22.9	19.5	18.9
China, Hong Kong	-	-	-	-	-	-	-
China, Macao	1.2	1.3	2.0	1.0	1.3	1.3	1.1
China, mainland	8,426.9	9,399.3	10,153.8	10,748.6	11,145.7	11,566.8	11,556.1
China, Taiwan	630.6	554.7	548.1	521.6	541.5	557.7	588.9
Cyprus	31.6	32.8	27.4	28.0	27.0	27.0	26.5
Georgia	13.9	16.2	10.5	10.8	11.2	10.2	10.7
India	865.4	1,403.1	1,755.2	1,883.8	2,086.8	2,193.1	2,206.2
Indonesia	806.6	1,125.1	1,295.1	1,349.5	1,404.4	1,539.5	1,613.6
Iran Islamic Rep.	804.0	1,245.9	1,478.3	1,578.5	1,997.5	1,662.7	1,692.3
Iraq	73.7	84.1	80.8	48.3	33.1	48.2	81.6
Israel	270.1	369.8	419.9	439.5	435.6	449.4	479.4
Japan	1,193.0	1,271.1	1,365.1	1,368.0	1,412.4	1,415.6	1,380.5
Jordan	118.1	132.2	133.8	141.4	154.8	188.5	192.0
Kazakhstan	32.9	43.7	60.6	60.9	73.1	98.5	96.7
Korea Dem. Peo. Rep.	26.8	35.8	33.6	31.9	31.9	31.9	31.9
Korea Rep.	373.3	483.6	512.6	508.5	550.4	587.6	616.2
Kuwait	31.1	31.4	36.5	35.2	40.9	40.3	38.6
Kyrgyzstan	4.6	5.4	5.3	5.8	4.0	4.0	6.0
Lao Peo. Dem. Rep.	9.6	15.4	15.8	16.5	17.4	19.3	19.9
Lebanon	104.2	121.3	134.1	134.6	128.6	127.6	129.3
Malaysia	713.9	916.1	996.9	1,001.7	1,083.0	1,369.4	1,390.7
Mongolia	0.1	0.2	0.1	0.1	0.1	0.1	0.2
Myanmar	212.4	560.4	726.3	797.3	922.9	1,015.6	1,078.7
Nepal	12.6	15.3	15.9	16.5	16.5	16.5	36.1
Occ. Palestinian Ter.	68.3	65.0	45.1	47.0	47.3	52.0	52.0
Oman	4.2	5.8	5.8	5.3	5.4	5.6	5.6
Pakistan	327.3	385.4	552.4	599.1	650.3	706.0	768.0
Philippines	531.8	648.6	744.7	812.0	826.0	868.2	905.6
Qatar	4.2	5.3	6.5	6.9	7.3	7.3	9.2
Saudi Arabia	482.1	536.5	558.1	562.4	566.6	576.8	585.3
Singapore	-	-	-	-	-	-	-
Sri Lanka	62.7	96.7	99.4	102.2	99.0	102.0	102.1
Syrian Arab Rep.	106.0	160.4	171.9	178.3	182.2	188.9	177.2
Tajikstan	0.1	0.1	0.6	0.9	4.2	0.1	1.7
Thailand	1,051.0	1,006.6	1,106.2	1,156.1	1,152.0	1,218.9	1,256.0
Timor - Leste	1.0	0.7	0.7	0.8	0.8	0.7	0.7
Turkey	634.9	943.2	1,067.5	1,086.0	1,317.9	1,449.2	1,613.4
Turkmenistan	6.0	14.0	19.0	19.0	19.5	19.5	20.0
United Arab Emirates	25.0	34.3	24.5	33.4	37.8	39.6	40.5
Uzbekistan	15.7	20.9	22.1	23.4	24.1	25.9	30.0
Viet Nam	294.5	320.9	356.9	445.8	526.9	454.8	492.1
Yemen	65.2	112.3	127.5	134.7	137.7	143.7	149.1
ASIA	**18,590.0**	**22,443.9**	**24,965.5**	**26,197.5**	**28,006.4**	**29,117.3**	**29,780.6**

P preliminary, - less than 50 tonnes
Source: FAO

Table 3
Chicken Meat Production in Asia (million of tonnes)

Table 3. Chicken meat production ranking in Asia in 2011 ('000 tonnes)

China, mainland	11,556.1
India	2,206.2
Iran Islamic Rep.	1,692.3
Indonesia	1,613.6
Turkey	1,613.4
Malaysia	1,390.7
Japan	1,380.5
Thailand	1,256.0
Myanmar	1,078.7
Philippines	905.6
Pakistan	768.0
Korea Rep.	616.2
China, Taiwan	588.9
Saudi Arabia	585.3
Viet Nam	492.1
Israel	479.4
Jordan	192.0
Syrian Arab Rep.	177.2
Bangladesh	160.3
Yemen	149.1
Lebanon	129.3
Sri Lanka	102.1
Kazakhstan	96.7
Iraq	81.6
Azerbaijan	69.1
Occ. Palestinian Ter.	52.0
United Arab Emirates	40.5
Kuwait	38.6
Nepal	36.1
Korea Dem. Peo. Rep.	31.9
Uzbekistan	30.0
Cyprus	26.5
Afghanistan	21.8
Turkmenistan	20.0
Lao Peo. Dem. Rep.	19.9
Cambodia	18.9
Brunei Darussalam	18.5
Georgia	10.7
Qatar	9.2
Bahrain	6.1
Kyrgyzstan	6.0
Oman	5.6
Armenia	4.3
Tajikstan	1.7
China, Macao	1.1
Timor - Leste	0.7
Bhutan	0.3
Mongolia	0.2
China, Hong Kong	-
Singapore	-

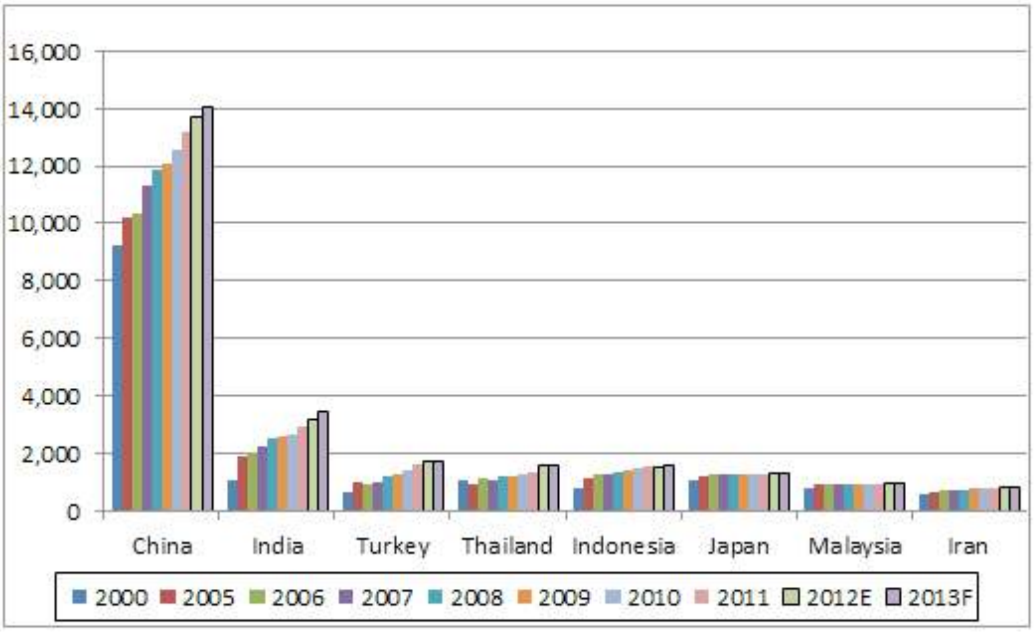
Table 4
Leading Producers Asia (million of tonnes)

Table 4. Leading broiler meat producers in Asia ('000 tonnes)

Country	2000	2005	2006	2007	2008	2009	2010	2011	2012E	2013F
China	9,269	10,200	10,350	11,291	11,840	12,100	12,550	13,200	13,700	14,050
India	1,080	1,900	2,000	2,240	2,490	2,550	2,650	2,900	3,160	3,420
Turkey	662	978	946	1,012	1,170	1,250	1,430	1,614	1,687	1,700
Thailand	1,070	950	1,100	1,050	1,170	1,200	1,280	1,350	1,550	1,560
Indonesia	804	1,126	1,260	1,295	1,350	1,409	1,465	1,515	1,540	1,550
Japan	1,091	1,166	1,258	1,250	1,255	1,283	1,295	1,251	1,332	1,330
Malaysia	786	904	922	931	945	945	945	950	955	960
Iran	586	673	691	710	722	745	765	785	805	820

E = estimate; F = forecast
Source: USDA

Fig 2
Leading Producers Asia (million of tonnes)



The USDA makes estimates of broiler production for a number of countries in this region, the top eight are shown in Table 4 and Figure 2. In some instances. these figures are broadly in line with the FAO's chicken meat estimates. However, China, India and Japan are significant exceptions, as the USDA figures point to larger production for China and India but much less in Iran.

Again, underlining the difficulties when in comparing data from different sources, it should be noted that the USDA production data only applies to mainland China, while the FAO figures include Hong Kong SAR, Macao SAR and Taiwan.

China is easily the leading producer in the region and despite outbreaks of avian influenza and a weaker domestic demand, output, according to the USDA, is expected to top 14 million tonnes this year (Table 4).

Broiler production in **Malaysia** has hardly increased since 2010 and currently is still short of the million tonnes a year mark. However, the FAO puts chicken meat output considerably higher at 1.4 million tonnes.

Although **Japan** is an important producer, annual output is flat at around 1.4 million tonnes. After a human case of avian influenza in **Taiwan**, the authorities, in a move to limit contact between humans and chickens, imposed a ban (with a few exceptions) on the slaughter of poultry in the traditional 'wet' markets. Annual production has declined in recent years to around 550,000 tonnes.

The recovery in **Thailand**'s industry - evident since 2004 - looks likely to continue this year. Broiler output escalated from around 900,000 tonnes in 2004 to a record 1.55 million tonnes in 2012, while the latest USDA forecast for 2013 points to it nudging up to 1.56 million tonnes. (Table 4 and Figure 2).

Production in **Turkey**, while showing an overall medium-term growth of more than eight per cent a year since 2000, appears to have increased in spurts with large rises for one and sometimes two years, followed by a period of much slower growth. Hence, 2010 and 2011 witnessed gains of 14 per cent and 13 per cent, respectively, followed by an increase of less than five per cent in 2012, while for 2013, the USDA forecasts a rise of below one per cent at 1.7 million tonnes. According to FAO data chicken meat output in **Iran** has risen by some seven per cent a year from 804,000 tonnes in 2000 to almost 1.7 million tonnes in 2011. This contrasts markedly with the USDA figures for broiler output showing an expansion of just 2.6 per cent a year from 540,000 tonnes to 820,000 tonnes in 2013.

This analysis is valid as of September 2013