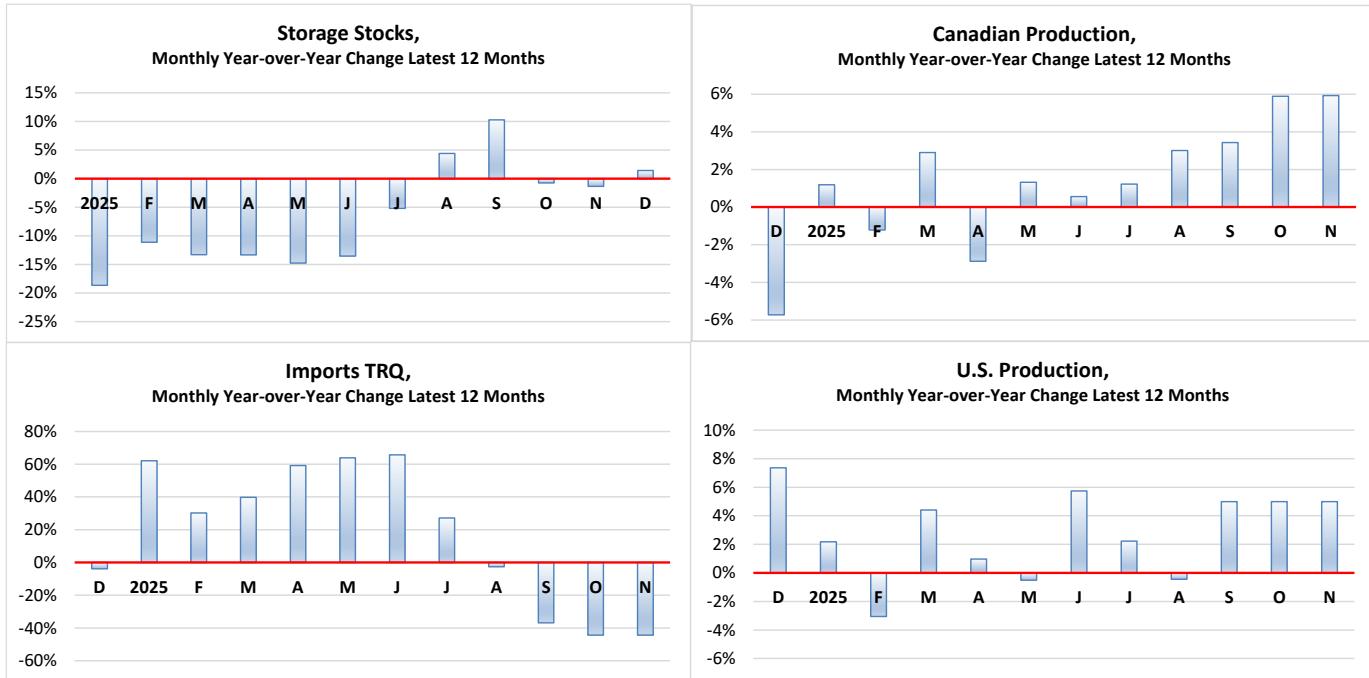




November 2025



The Market Argument

Canadian Chicken Spot Market Prices through February 2026

The Bullish Case

1. Demand has picked up steam.
2. Supplies will remain tight.
3. Beef prices will stay very high.
4. Canadian cuts start the year at very high levels.
5. Chicken is likely to be heavily merchandised.
6. TRQ values will be elevated.

The Bearish Case

1. Chicken is very high priced versus pork.
2. U.S. supplies should be ample.
3. U.S. prices have weakened notably.
4. Imports will be readily available.
5. February is a tepid demand month.

Market conditions are favorable to chicken. Prices fore wings and breasts are already very high, making it difficult to achieve normal seasonal gains. Legs should be able to fight off the normal seasonal decreases.

Forecast Follow-up

In the August edition of this report the price forecast for November was as follows:

There was no August edition for this report. No November forecast.

Current Market Conditions

	% Change Yr over Yr	Canada		United States	
		Month	12 Month	Month	12 Month
Nov	Production	6	1		5
	Imports	-44	12		
Latest	Storage Stocks	1	-7	na	na
	Exports			3	-3
November	Egg Sets			0	1
	Placements			1	1
	Breast value	16	25	-25	18
	Wing value	13	13	-46	-31
	Leg value	17	13	-12	7
	Beef cutout value	24	20		
	Pork cutout value	-1	10		

Some U.S. stock data is not available due to the government budget dispute.

Canadian Market Commentary

Canadian prices continued to show resilience, particularly the leg. The spot market leg has flatlined at record levels since spring. The wing, which was in a funk during 2024, has been trending strong all year; it is finishing 2025 on a solid upswing. The breast has seasonally declined but from a record high perch. In fact, December breast pricing, which should be at seasonal lows, has trended at altitudes usually reserved for summer peaks.

The performance of pricing is due in part to exceptionally strong demand. Demand had been meandering at or below year ago levels for most of 2025, but September-November saw a solid

demand spark. Even December, which is normally not a good month for chicken, has been curiously strong. The leg of course is in great demand as consumers seek lower priced proteins.

A good part of demand strength of course is that consumer beef prices continue to soar.

According to the StatsCan Consumer Price Index (CPI), on a year to date basis through November, beef is up 13% this year versus last. Pork is up 4% and chicken is up only 2%. The 11 month chicken increase was surprisingly flat, but it looks to be playing catch-up. CPI chicken prices increased 7.5% in November; beef took an 18% jump that same month.

At the wholesale level, chicken is enjoying an ongoing, huge competitive advantage against beef costing. Despite that, the tracking of fresh meat featuring across the country shows that chicken featuring has just been average or normal. Chicken has not gained flyer share despite the beef pricing. At least part of the reason is that grocers do not have confidence in supplies for aggressive features. For their part foodservice operators and distributors are scrambling for beef alternatives but find chicken still in tight supply, particularly breasts. Dark meat is offering them some cost effective menu flexibility.

Due to under allocation and the inability to hit allocations, chicken has not been able to gain the market share it could have in 2025.

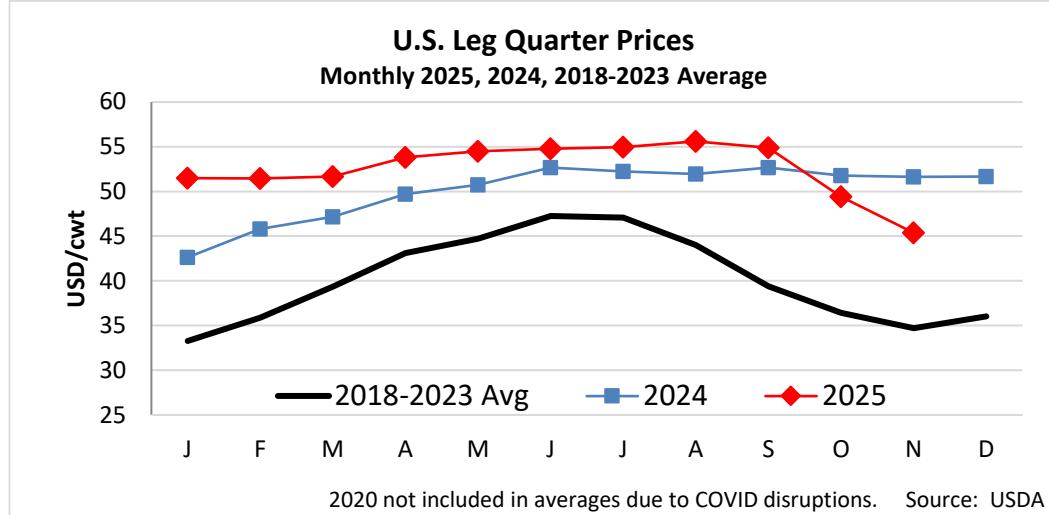
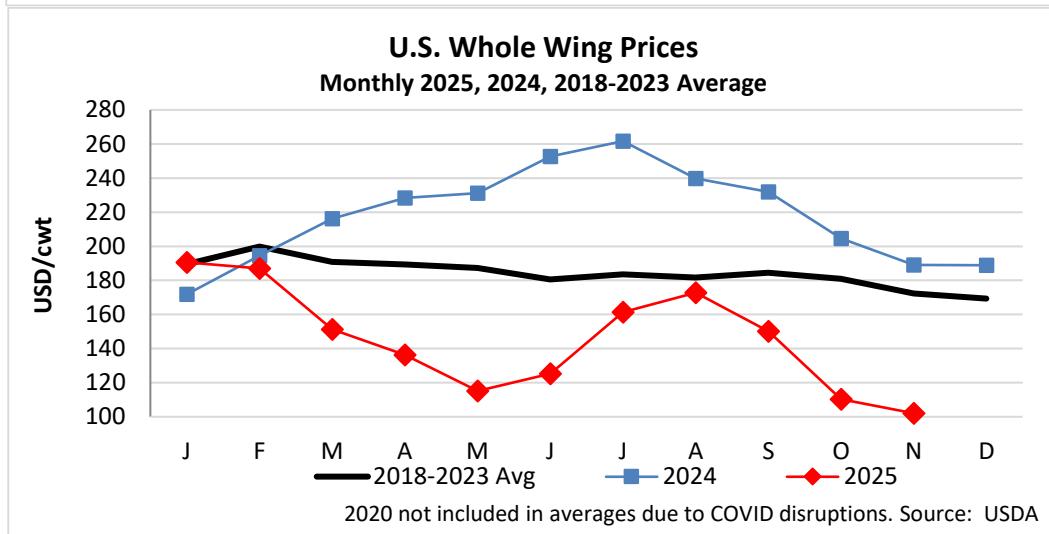
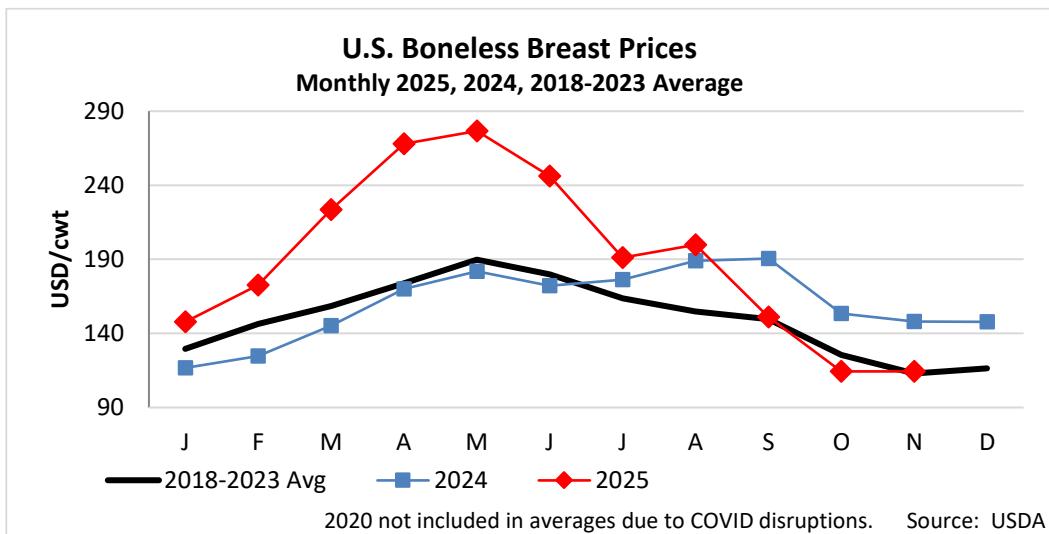
On the supply side, the good news for buyers is that in the most recently completed period A-198, production came very close to hitting allocation. The bad news is that it did not, meaning every period so far this year fell short. The other good news is that the allocations look aggressive through April, at least.

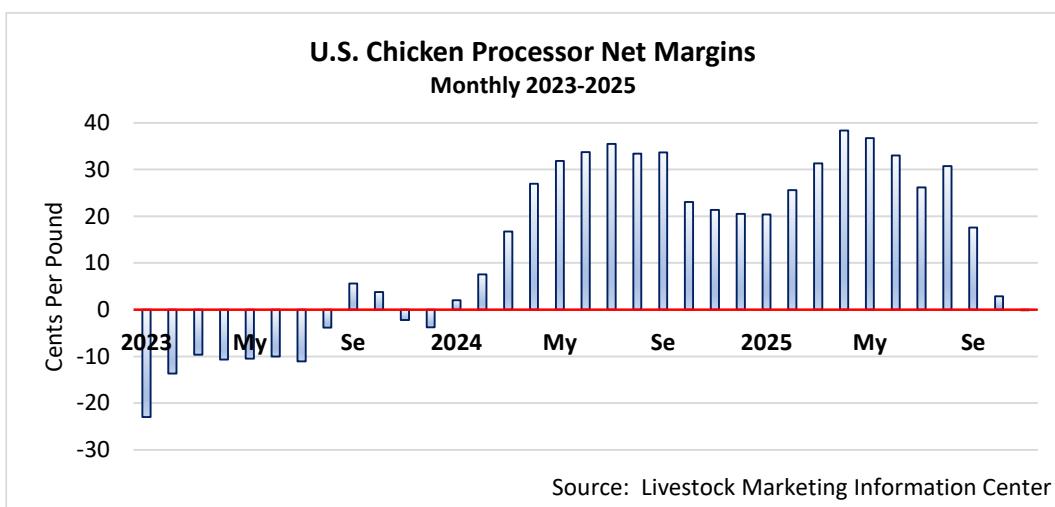
With that said, the year finishes with supplies still tight. The market remains on edge, as evidenced by the stubbornly high prices, from a buyer's perspective. This is the time of year that stocks normally build due to weaker demand and ongoing steady production. Stocks also build at this time of year due to opportunistic topping-up purchases from the U.S. This year it does not look like either of those two regular events happened.

Primary processor margins, at least on the spot market sales, look to have been at a record level by a wide margin in 2025. No other year comes close in the last twenty five. The only market participants who are unhappy to say goodbye to 2025 will be the primary processors.

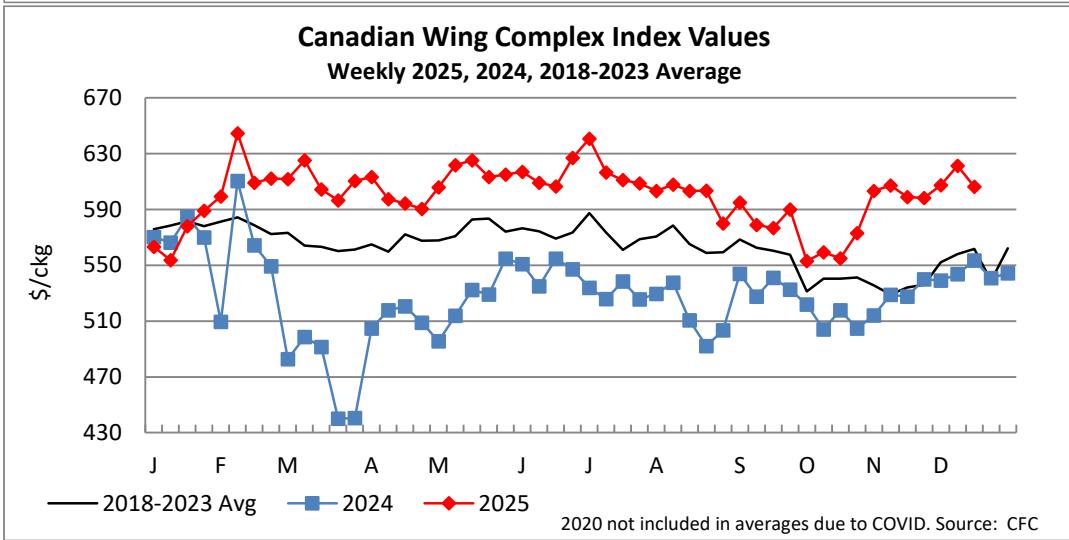
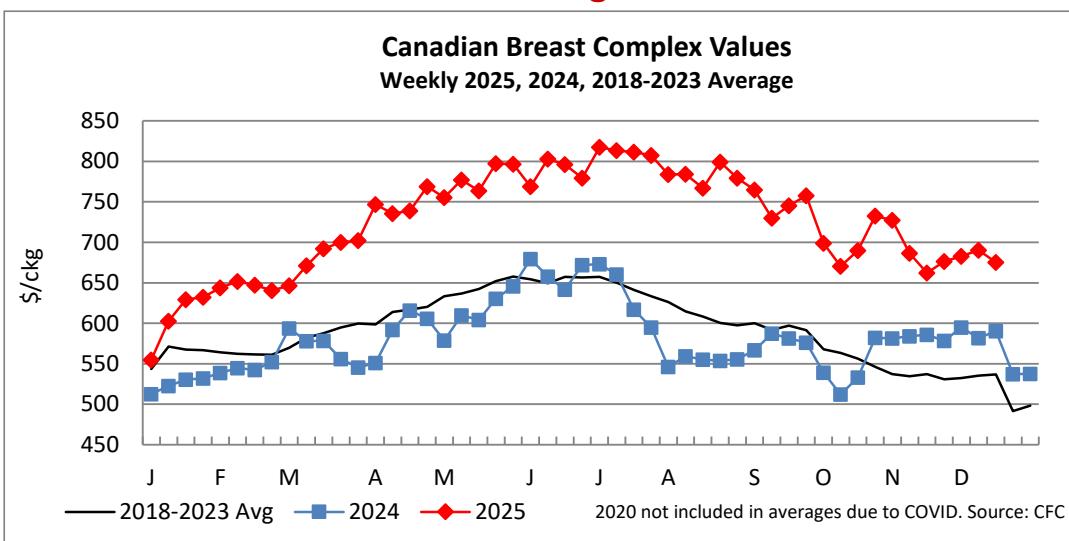


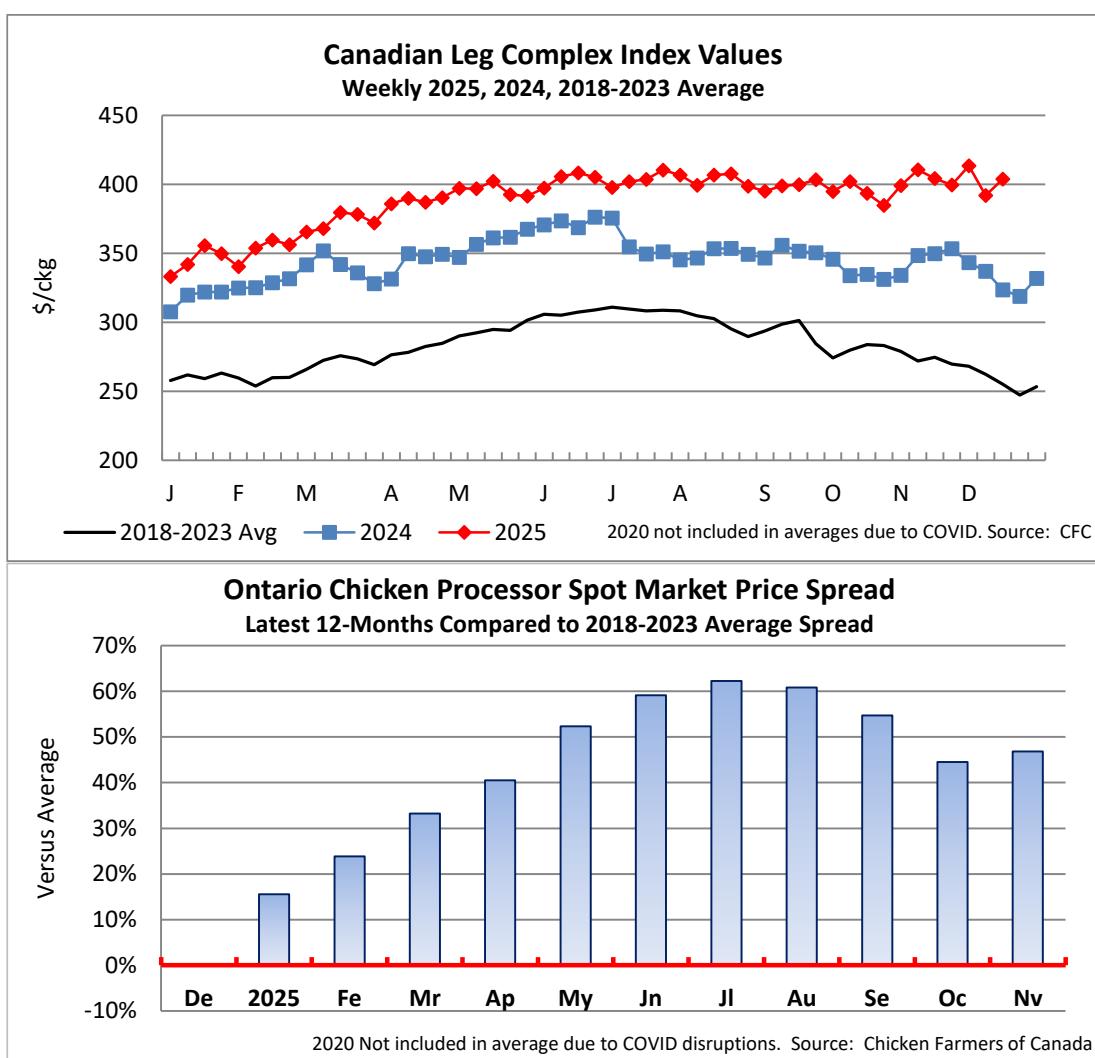
U.S. Prices, Demand and Processor Margins





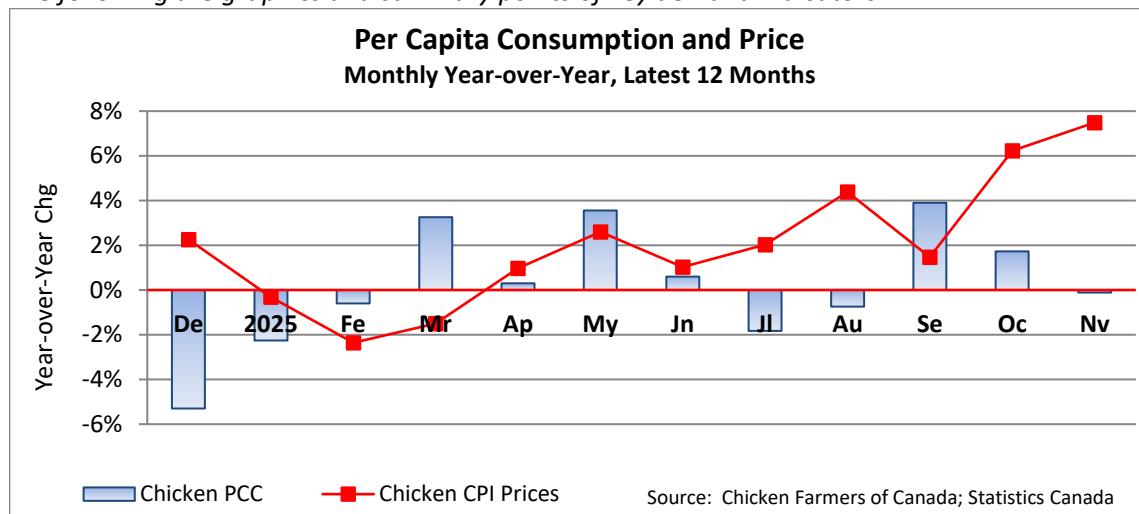
Canadian Prices and Processor Margins

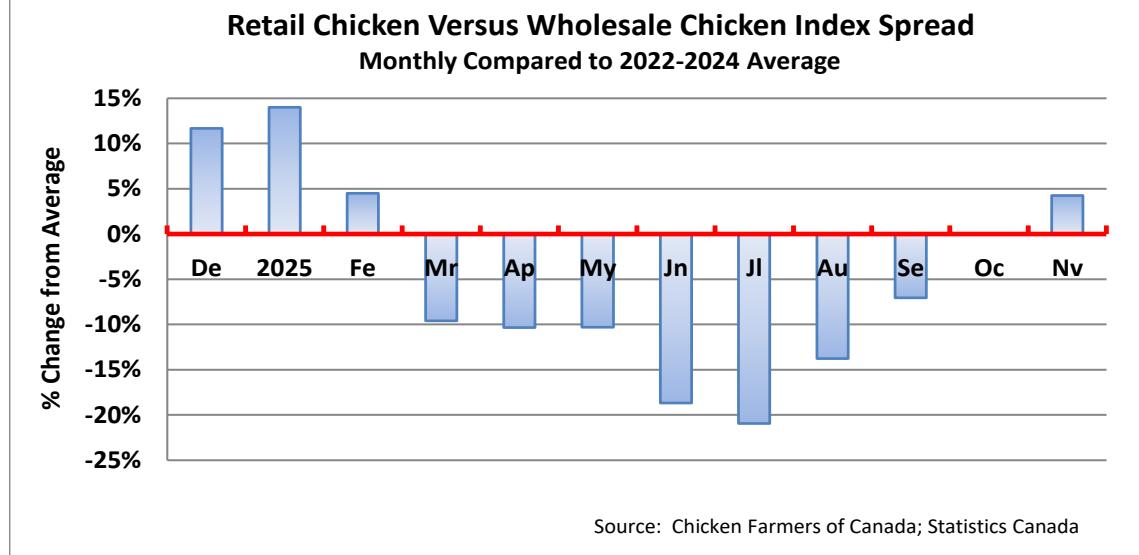
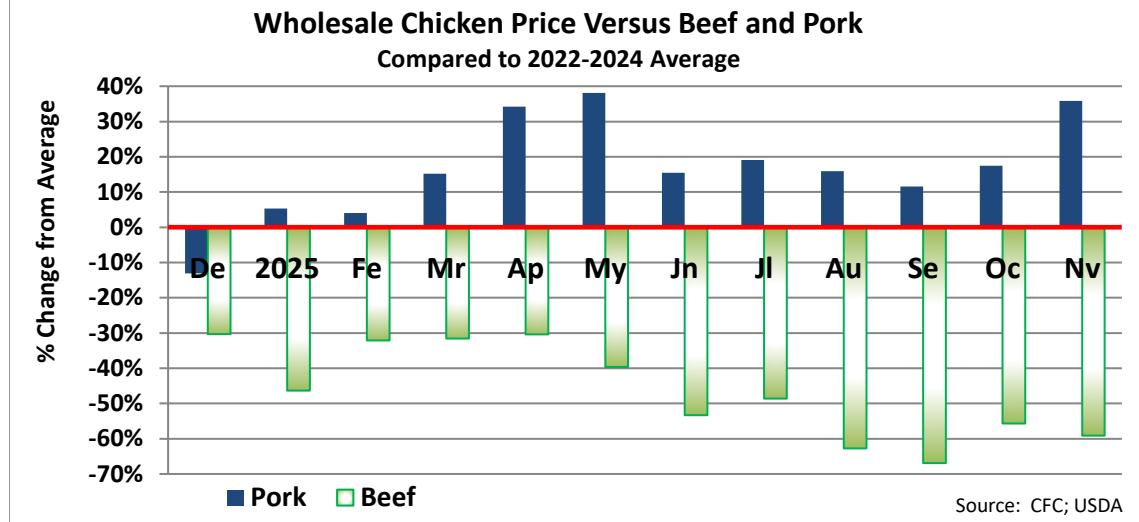
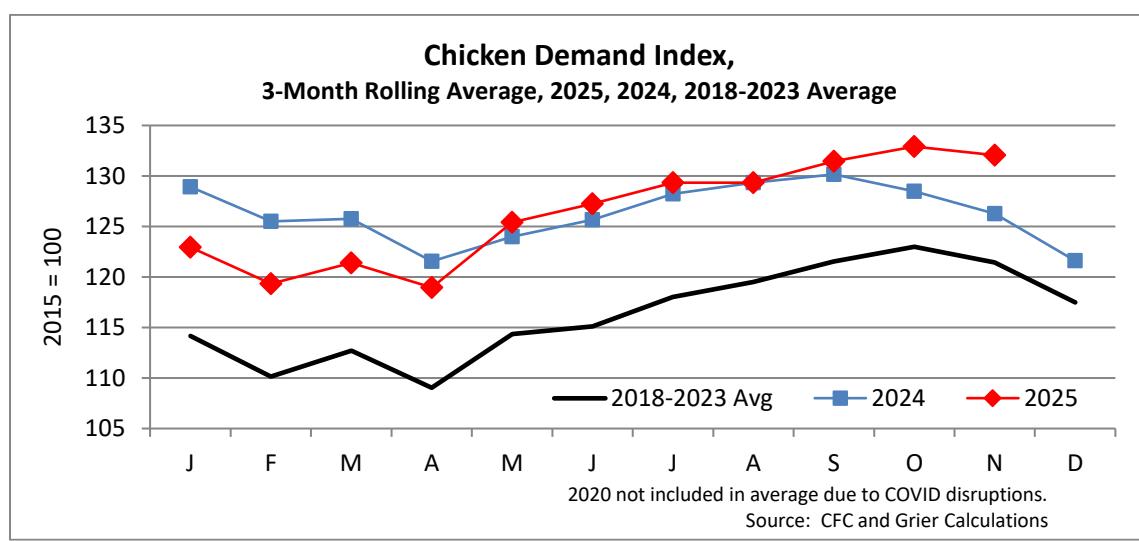


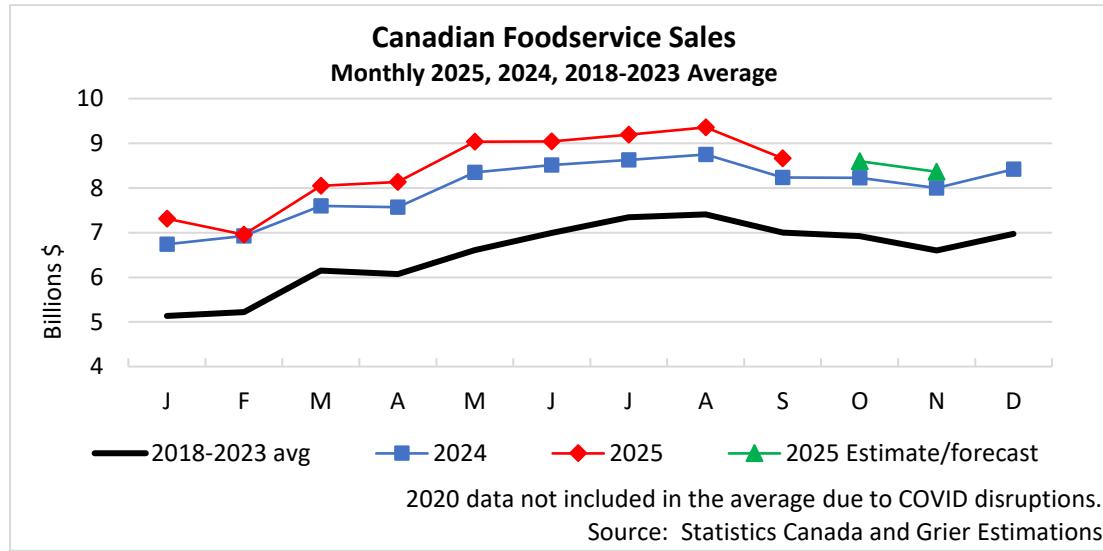
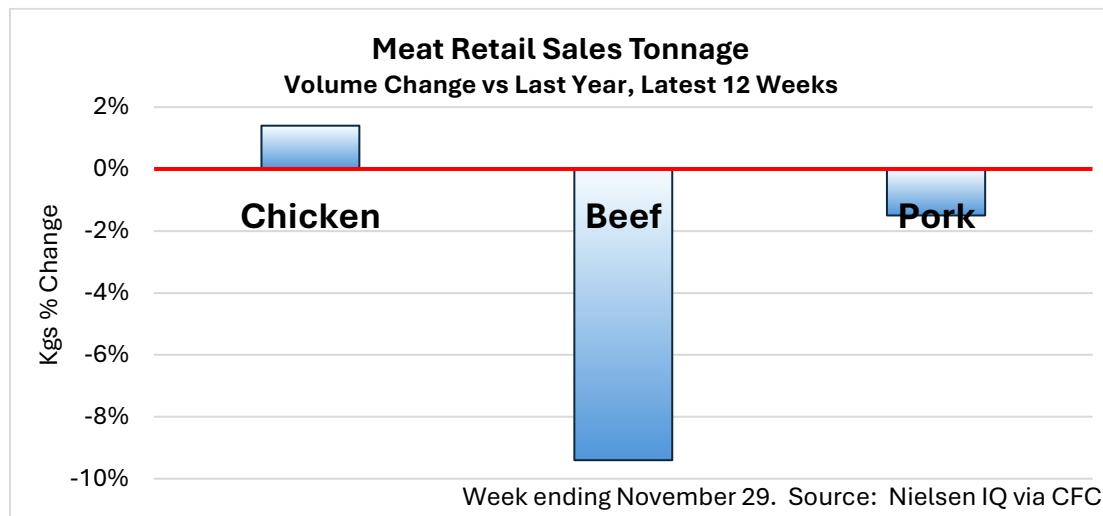
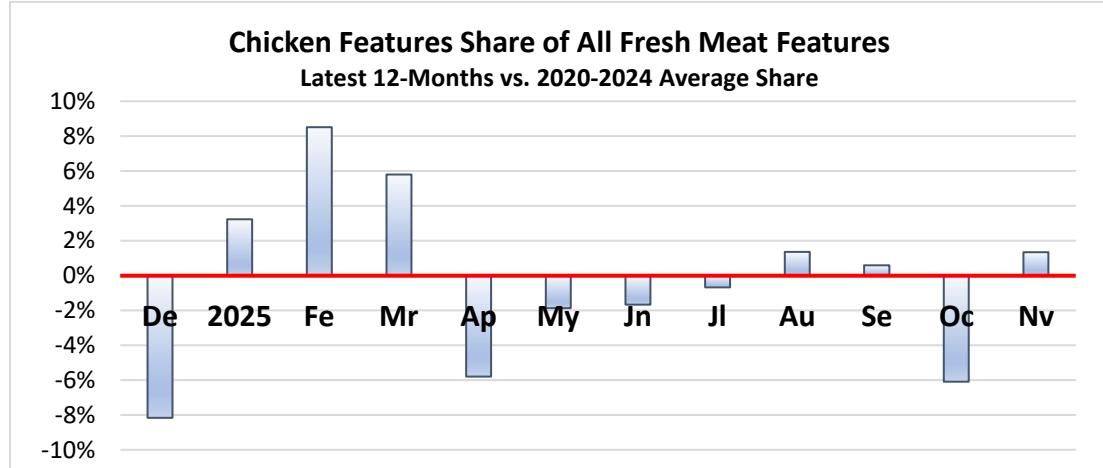


Chicken Demand

The following are graphics and summary points of key demand indicators.







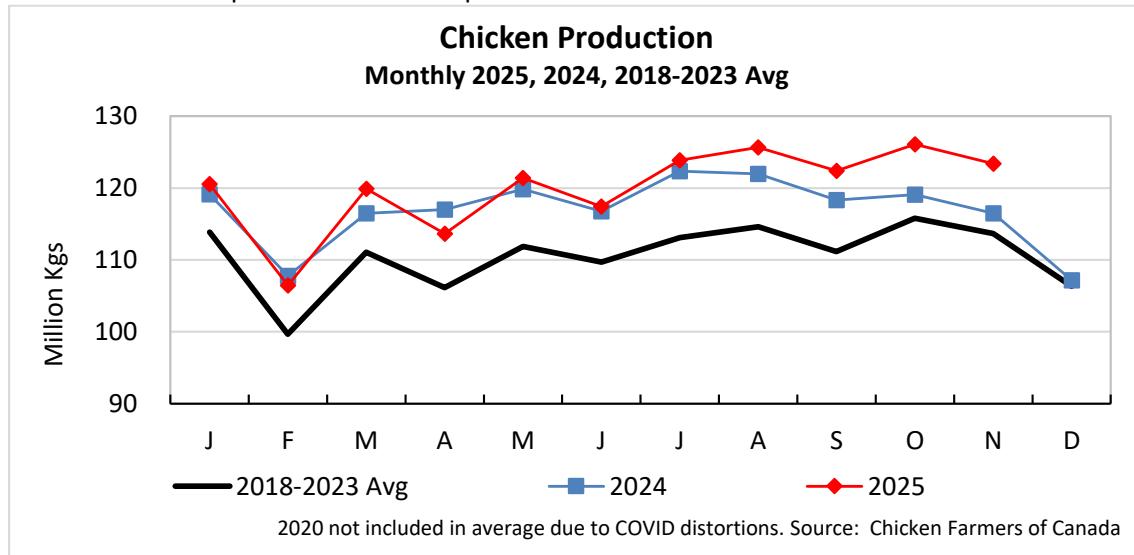
Demand Takeaway's

- U.S. processor margins slid to breakeven in November.
- Canadian processor margins were weaker in November but still exceptionally strong.
- Spot market chicken prices have eased slightly but remain robust, reflecting ongoing tight supplies and excellent demand.
- Per capita consumption was steady with last year in November after increasing in September and October.
- The consumer price index for chicken increased nearly 8% in November.
- Demand (price and quantity combined), is running far above year ago.
- Chicken prices at the processor level are much cheaper than average compared to beef.
- Chicken is priced higher than average against pork.
- Chicken retail margins have finally moved above average.
- Chicken's share of total fresh meat features was above than average in November.
- Chicken feature space has been trending around average the last 12 months.
- Chicken tonnage at retail increased 1-2% in the 12 weeks ending Nov 29 (Nielsen data).
- Foodservice sales are showing surprising resilience.

Chicken Supply

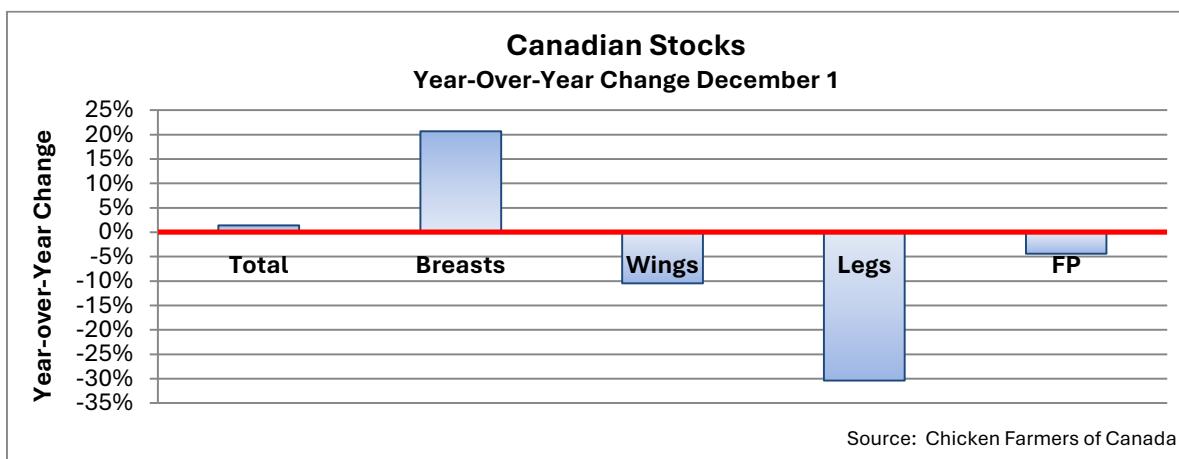
Production

- November vs last year: +6%. 12 months rolling: +1%.
- Despite the relatively large November number, the rolling 12-month tally is still just 1% higher than the prior 12-months. Domestic supply remains very tight.
- Production for recently completed A-198 (November 15) was less than allocation by 0.4%. That was the sixth period in a row the production was less than allocation.

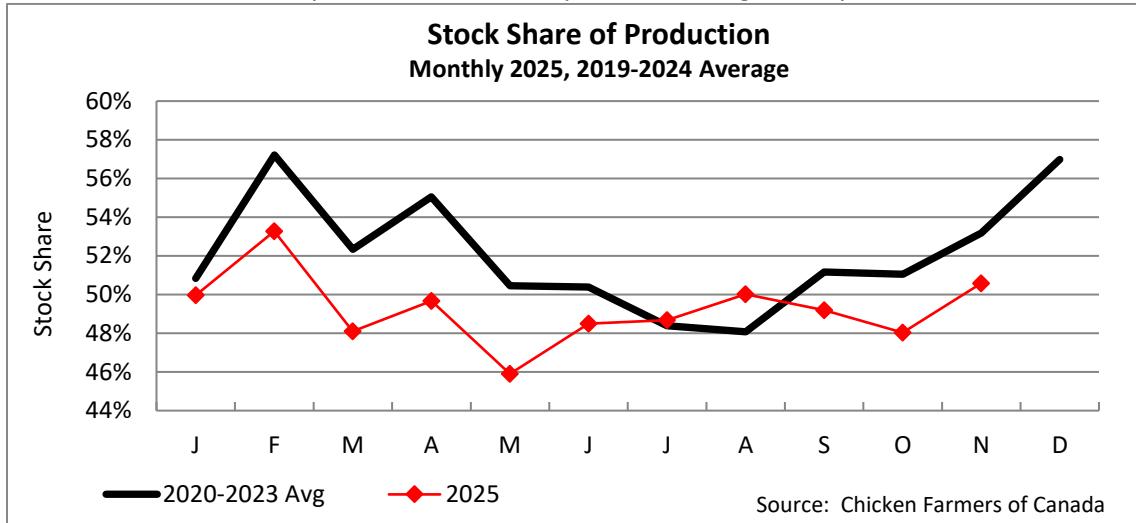


Stocks

December 1 Stocks vs 2024 and 2020-2023 Average					
% Change	Total	Breasts	Wings	Legs	FP
VS. Last Year	1%	21%	-10%	-30%	-4%
VS. Average	2%	24%	-39%	-53%	14%

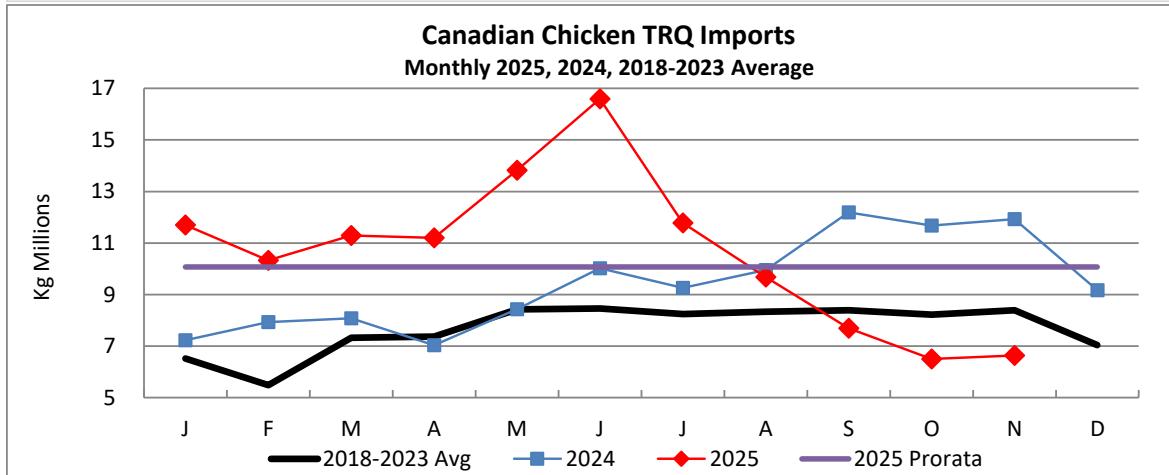
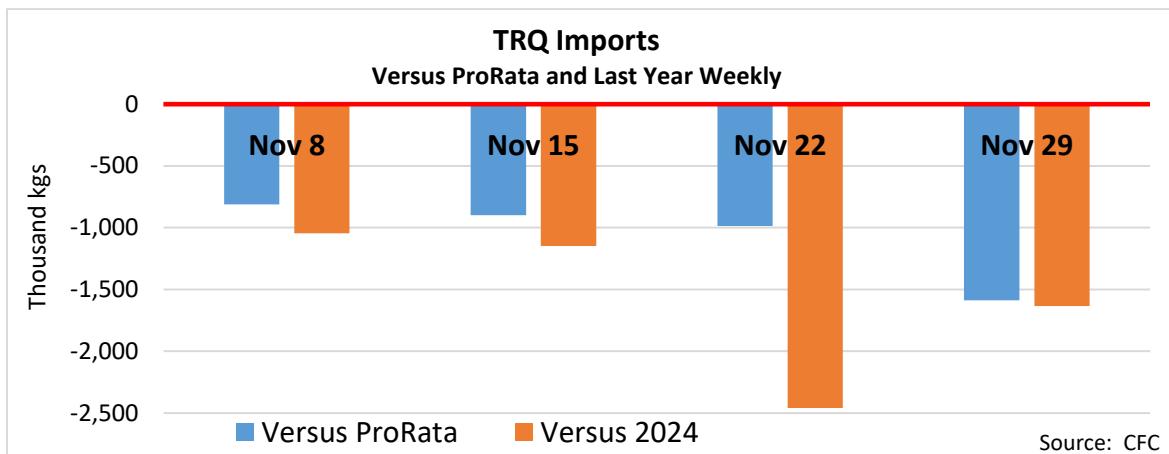


- December 1, 2025, stocks versus November production ratio: 51%.
 - Dec 1 2019-2024 avg stocks versus Nov 2019-2024 avg production ratio: 53%.
 - Current stocks to production ratio compared to average: -2% points.

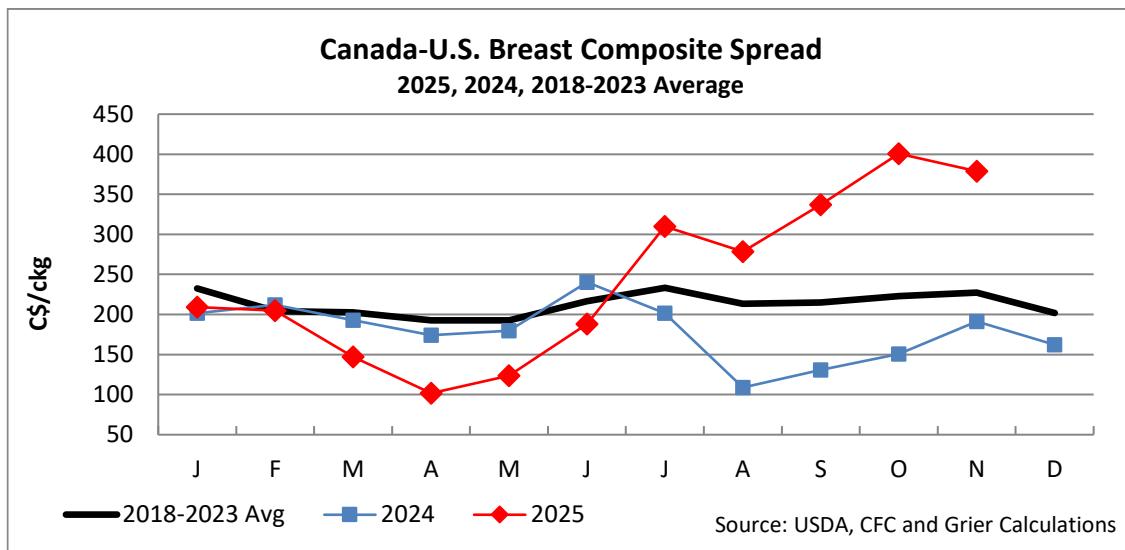


Canadian Chicken Imports

- TRQ imports vs 2024, November: -56%.
 - November TRQ vs prorata: -46%.



- The Canada-U.S. breast complex value spread is far greater than the 2018-2023 average. Canadian breast prices are far greater than normal relative to the U.S.



- Canadian wing prices are greater than the normal spread relative to U.S. wings.
- Import demand remained robust in last November and early December. Domestic availability, as reflected in the very high price points, remained tight, thus keeping demand for limited imports robust.
- There were quota trades in late November and early December. Sellers were often large quota holders who held back making sure they were in good shape domestically before moving quota. That is not unusual.
- Quota buyers late in late November and early December were simply who could make the quota value and price work in their operation.
- All quota will be used. Nobody is going to waste quota at the price levels noted below.
- Thailand product had a good year in Canada with serious tonnage gains. The gains were boosted by the absence of Brazil for much of the year, but it was still in good demand. The sliced, diced and cooked breast product is well received and will continue to grow. There are also fully cooked wings coming from Thailand.
- Ukrainian wings came in notable volumes given the loss of Brazil. As soon as Brazil comes back, Ukraine will probably decline due to costing.
- Chilean breast meat was in strong demand and Canadian buyers paid robust prices.

TRQ Value

- CUSMA quota was being traded for \$3.50-3.70. That compares to \$3.95 during October which compares to around \$3.50-3.70 in September or early October. CUSMA was at \$3.30 at the end of July and early August.
- There was not much experience or action on WTO. As noted previously, nearly all WTO quota has been used to bring in product from the U.S.
- There were not many TPP trades, but what was moved was at about \$1.12-1.30. Any that traded in October was in the \$1.75 range. During September it might have been trading at about \$1.30-1.40 to as high as \$1.50. During July and early August, it went for \$1.25-1.30.

Supply Takeaways

- Year-over-year production is running +1% on a rolling 12-month basis.
- Production is consistently under allocations although the latest was close.
- Stocks are remain tight.
- Canadian breast and wing prices are far higher than normal relative to the U.S. There is a greater than average incentive to import breasts and wings.
- Imports are sharply below year ago levels after an exceptional volume in the first half.

Market Forecasts

Competing Meats

Production of Beef and Pork Quarterly			
% Change Year over Year	Q3	Q4	Q1 '26
U.S. Beef Production	-6	-4	-6
U.S. Pork Production	-2	1	-2
Combined U.S. Beef and Pork	-4	-2	-4

- Beef production will remain very low through the winter while pork production is also forecast lower than last year.
- Beef and pork prices are forecast to trend at or above year ago levels through February.

COMPETING MEAT TAKEAWAY:
Beef and pork should be supportive to chicken prices in February.

U.S. Chicken Forecasts

Production

- USDA first quarter 2026 production forecast: +2%.
- Livestock Marketing Information Center first quarter production forecast: +4%.

U.S. Price

The following price points for February 2026 are based on normal seasonal patterns.

US\$/cwt	Current	Feb-25	Feb-26	Feb 26/25 d%
Bnls Breasts	114	173	148	-14%
Whole Wings	102	187	118	-37%
Leg Qtrs	45	51	47	-9%

Canadian Forecasts

Production

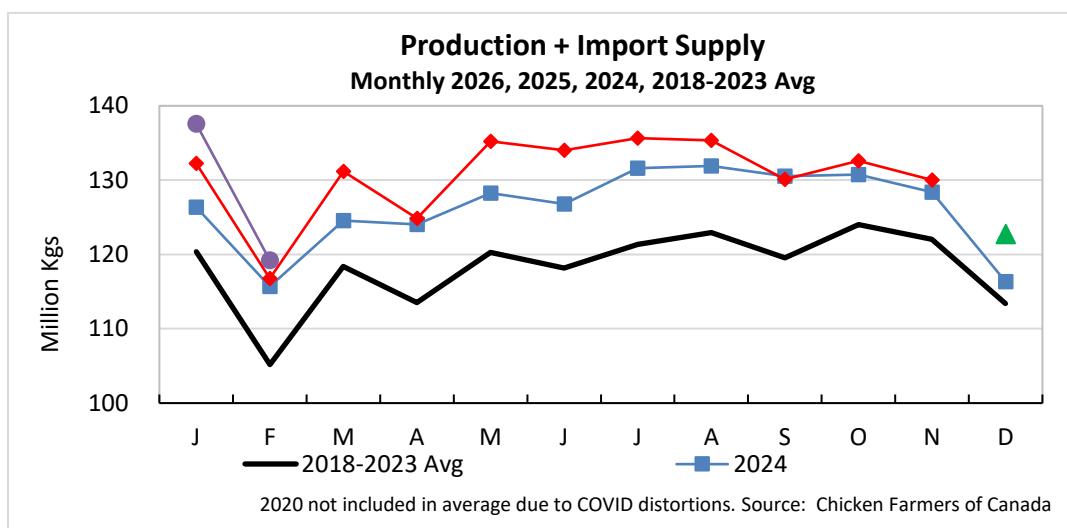
- Total Allocation for A-199 (Nov 16-Jan 10): +11.2%.
- Total Allocation for A-200 (Jan 11-March 7): +5.2%.
- Total Allocation for A-201 (Mar 8-May 2): +9.3%.
- February 2026 allocation vs prior year production: +5.2%
- Chicken production during February 2026 is allocated to average 11% **less** than October 2025 production.
 - During the prior ten years, production *decreased* an average of 10% between October and February.

Imports

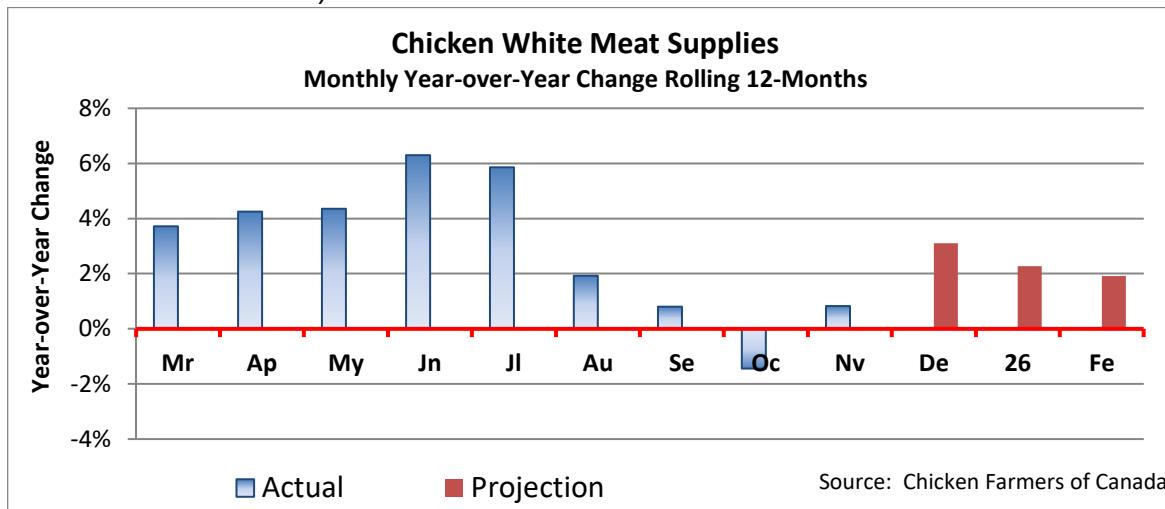
- CFC forecast for Period A-200 (includes February) imports vs last year: -16%.
- Forecast for imports based on normal seasonal import pattern February vs last year: -30%.
- January and February often see abundant featuring of chicken. Even if it is constrained in 2026 due to availability concerns, features will be notable after a quiet December. The industry will need imports for those features.

Production Plus Imports

- Allocated production plus normal monthly distribution pattern of TRQ imports in February 2026 vs February 2025: +2%.
- Allocated production plus likely/trend imports in February versus production plus imports in October: -10%.
 - During the prior ten years production plus imports decreased by an average of -11% between October and February.



- Chicken Farmers of Canada estimate that the supply of chicken white meat production plus imports are expected to increase by about 2% year-over-year in January and February following a gain of less than 1% in the fourth quarter.
(The graph below showing forecasted changes in chicken white meat supplies is based on allocated production, and estimated imports, according to Jan Rus, Chicken Farmers of Canada's calculations.)



TRQ Value

- January CUSMA is being offered for nothing below \$2.75.
- Early year WTO is seeing wide ranging offers with the lower end being just over \$3.00. The high value for WTO is odd given that Brazil remains out of the picture. Normally buyers need Brazilian wings early in the year. Without Brazil in the mix, the WTO premium value is questionable. Brazil could be back by February, but a safer bet would be April.
- TPP product trading in the ten and twenty cent range is long gone. TPP trading well over a dollar will be more common or the norm. Offers are in the \$1.20 range.

PRODUCTION AND IMPORT FORECAST TAKEAWAY:

- *The change in allocation between October and February 2026 is close to normal.*
- *Import availability will return to normal once the new quota year begins.*
- *Production plus likely import supplies in February will increase 2% versus prior year.*

Price Seasonality of Main Cuts

The following are the 2018-2023 average seasonal price changes for Canadian breasts, wings, legs, and the total composite for February compared to November:

- Breasts: +5%
- Wings: +8%
- Legs: -5%
- Composite Cutout: -1%

Price Forecasts for Main Cuts

The following are the forecasted price directions for the primary chicken cuts for February compared to November.

Key Price Determination Factors

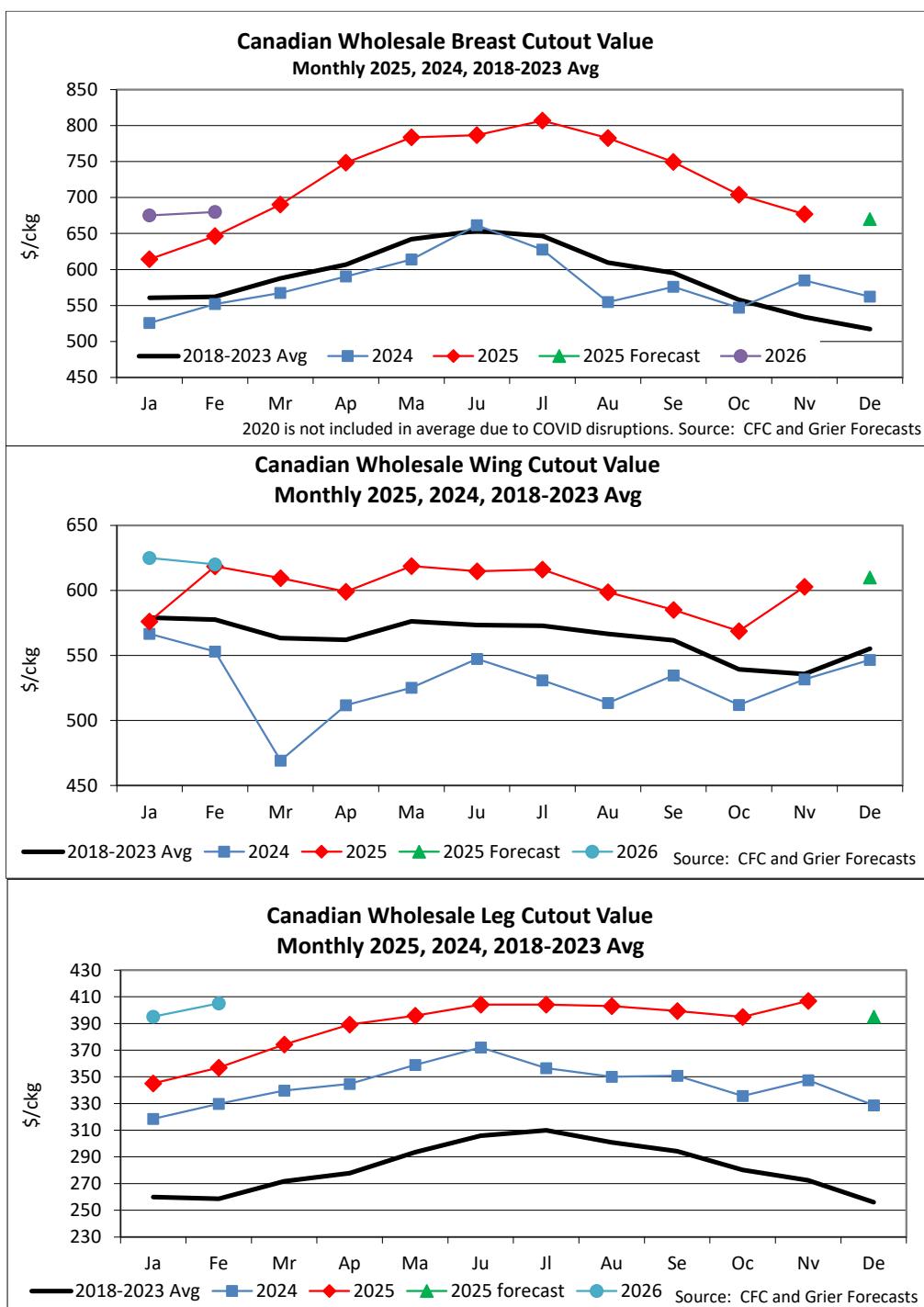
1. Consumer chicken demand is strong.
2. February is a weaker demand month seasonally.
3. Beef prices will remain high.
4. Import access will return to normal levels in the new quota year.
5. Changes in supply between October and February will be normal.
6. Year over year supply changes may be tight.
7. U.S. production should be ample
8. Chicken featuring will likely be aggressive in February.

FEBRUARY COMPARED TO NOVEMBER PRICE CHANGE FORECAST:

Breasts:	+0% (WEAKER THAN SEASONAL)
Wings:	+3% (WEAKER THAN SEASONAL)
Legs:	+0% (STRONGER THAN SEASONAL)

The graphs below show the price trends in the Canadian leg, wing, and breast cutout complexes for 2024 and 2023, the average from 2017-2022, and the forecast December through February. The data and forecasts on the graphs are based on the CFC index values for each primal cut. They are not actual market prices.

**If you have any questions, comments, ideas for improvement on content, suggested topics, or if you want discuss any market factor, please contact me at
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