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The US, EU, India, Brazil and Australia, seen as a crucial faction, reached an informal agreement on agriculture to put global trade talks back on track. Later, at least 27 countries registered their complaints that the group negotiation behind closed doors had too great a role in the talks. China, Malaysia, Chile and Japan were among the countries voicing concerns.

The new package emphasizes the need to push ahead the talks in five areas: agriculture, non-agricultural market access (NAMA), development issues, trade facilitation and services. It also extends the Doha round deadline from January 1, 2005 to an as-yet unspecified date, at least until the sixth WTO Ministerial Conference to be held in Hong Kong in December 2005.

Following the failure of Cancun, the revision addressed several key points of contention, including an imbalance between the amount of detail on provisions for developed and developing countries, including "sensitive products" and "special products." Countries would be allowed some flexibility in market access on "sensitive products" and developing countries would be able to designate "special products" for additional flexibility or exemptions.

The framework for agriculture is addressed in Annex A and sets the WTO on course to achieve the elimination of all agricultural export subsidies; substantial improvement in market access for farm goods through tariff cuts and quota expansion; and substantial reductions in trade-distorting agricultural support programs. The extent of substantial market access and reductions in trade-distorting support programs will be developed in future negotiations.

The US and other countries will phase out export credits and the EU will phase out direct export subsidies. The Annex also provides for disciplining "trade-distorting" practices with respect to exporting State Trading Enterprises (STEs) and the provision of food-aid "not in conformity with operationally effective disciplines to be agreed" in order "to prevent commercial displacement."

The EU has proposed to restrict US foreign food assistance to cash only and only in response to food emergencies designated by the UN's World Food Program. Currently, the US food aid programs provide millions of tons of grain to help alleviate the effects of hunger and poverty. The EU argues that the US food aid program distorts agricultural trade across the globe. Government-backed loans to exporters would be limited to 180 days, from the current limit of up to 10 years.

A 20% reduction in domestic farm subsidies in the first year of any new agreement would not require actual cuts from current US and EU spending levels, since the cut is in permitted levels, not actual levels. WTO rules allow the US to spend up to about \$49 billion on farm subsidies, but last year the US spent less than \$20 billion. The EU was permitted \$127 billion, but only spent about \$71 billion.

Source: WTO, US Trade Representative, World Bank, news wires

Aggregate Measurement of Support (AMS) ceilings by country

		1998	2000	2002
Argentina	pesos	81,926,366	79,624,675	79,624,675
Australia	\$A mill.	511	472	472
Brazil	thou. US\$	1,010,899	1,010,899	1,010,899
Bulgaria	mill. ECU	620	520	520
Canada	C\$ mill.	4,659	4,480	4,301
Colombia	thou. US\$	376,555	371,252	371,252
Costa Rica	thou. US\$	17,417	17,171	17,171
Cyprus	£C	55,300,000	53,700,000	53,700,000
Czech Republic	mill. Kc	14,746	13,611	13,611
EU	Mio ECU	71,760	69,450	67,140
Hungary	mill. HUF	36,625	36,625	33,807
Iceland	mill. ISK	13,833	12,772	12,772
Israel	thou. US\$	619,992	602,988	594,486
Japan	bill. Yen	4,304	4,139	3,973
Jordan	JD	-	1,509,881	1,480,563
Korea	bill. won	1,952	1,798	1,798
Mexico	mill. Pesos	27,469	27,469	27,469
Morocco	mill. DH	748	729	709
New Zealand	mill. \$NZ	324	300	288
Norway	mill. NOK	12,403	11,449	11,449
Poland	mill. PLN	12,636	14,844	-
Slovak Republic	mill. Sk	10,985	10,140	9,718
Slovenia	thou. ECU	66,999	61,846	59,269
South Africa	mill. Rand	2,183	2,015	2,015
Switzerland	Sw F mill.	4,611	4,611	4,257
Thailand	mill. Baht	20,887	20,887	20,887
Tunisia	mill. Dinars	65	63	61
United States	mill. US\$	20,695	19,103	19,103
Venezuela	mill. US\$	1,235	1,201	1,167

Source: Economic Research Service (ERS) calculations from World Trade Organization (WTO) domestic support notifications.

Avian Influenza in South Africa

An outbreak of avian influenza was detected in ostriches in the Eastern Cape Province at the beginning of August 2004. The disease remains confined to two ostrich farms. This is South Africa's first ever case of highly pathogenic avian influenza (H5N2). A 30 km-radius quarantine area has been declared to contain and control the disease and all ostrich farms surrounding the two affected farms were put under quarantine. There are no commercial poultry farms in the area. All poultry, including ostriches, in the area will be slaughtered and destroyed as a precautionary measure. The movement restrictions are enforced by a road block cordon and the public is advised to not take any poultry (including ostriches, birds and other fowl) or their products, including eggs, out of or into the affected area. Exports of poultry and poultry products have been voluntarily stopped until the outbreak has been dealt with successfully.

Source: OIE www.oie.int/

Inspected Egg Products-U.S. & Canada Export/Import Trade

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending July 31, 2004	Year-To-Date			
TYPE	2004	2003 1/	2004 2/	2003
Liquid	337	261	8,028	9,401
Frozen	0	0	11	96
Dried	0	9	434	334
Total	337	270	8,473	9,831

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

Week Ending July 31, 2004	Year-To-Date			
TYPE	2004	2003 1/	2004 2/	2003
Liquid	187	121	4,133	3,275
Frozen	63	87	1,076	1,676
Dried	37	0	1,724	821
Total	287	208	6,933	5,772

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

Week Ending July 31, 2004	Year-To-Date			
TYPE	2004	2003 1/	2004 2/	2003
Jumbo	0	0	272	273
Extra Large	5,190	1,160	58,710	14,047
Large	5,800	2,540	133,434	60,694
Medium	1,506	0	59,426	34,953
Ungraded	2,376	6,660	177,576	57,506
Misc	0	0	15,504	3,432
Total	14,872	10,360	444,922	170,905

1/ Comparable Week, to-date figures may not total due to rounding.
 2/ Includes revisions to previous week (s).
 Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section
 Source: USDA/AMS Poultry Programs, Market News Branch.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 31-Jul-04
 (PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,395	1,450	2,845
Last Week	1,438	1,484	2,922
Same week yr ago	1,133	1,499	2,632
To-date/2004	40,505	39,349	79,854
To-date/2003	47,240	41,479	88,719

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	273	0	273
Last Week	336	0	336
Same week yr ago	196	0	196
To-date/2004	7,272	91	7,363
To-date/2003	7,795	104	7,899

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	1,668	1,450	3,118
Last Week	1,774	1,484	3,258
Same week yr ago	1,329	1,499	2,828
To-date/2004	47,777	39,440	87,217
To-date/2003	55,035	41,583	96,618

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN
 F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

August 06, 2004
CHICKEN — PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED — PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00-18.00	244,800	-
WTD AVERAGE		17.33		
15-20%				
RANGE	13.75-18.00	11.00-17.00	2,351,200	1,127,200
WTD AVERAGE	15.36	13.87		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN
 F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

August 06, 2004
CHICKEN — PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED — PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	16.50-18.50	19.00-20.00	1,386,000	1,144,000
WTD AVERAGE	17.20	19.83		
15-20%				
RANGE	16.50-23.00	16.50-19.00	2,648,000	1,768,000
WTD AVERAGE	18.07	16.79		
20% OR MORE				
RANGE	-	17.50	200,000	-
WTD AVERAGE		17.50		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 6 AUGUST 2004.

The market tone on fresh and frozen breast meat and destrapped tenders was steady at best. Demand was light for the more than adequate supplies. Fresh and frozen thigh meat were in a close balance and trade sentiment was fully steady. Fresh ground breast trim moved at 119, fresh wing meat at 110, fresh scapula at 106. A fair volume of tom necks were booked at open prices for deferred shipment. Export trading was moderate. Tom necks sold at 17 cents delivered port. Fresh tom drums moved to the border at 31 cents and fresh thigh meat at 81.

FRIDAY, AUGUST 06, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	32.00-34.00		33.33	120	33.33	120
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	32.00	80	32.00	120
MECHANICALLY SEPARATED 2/	20.00		20.00	80	19.08	240
THIGH MEAT - FROZEN	78.00		78.00	120	75.34	250

THURSDAY, AUGUST 05, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		W	32.00	80
MECHANICALLY SEPARATED 2/		W	18.63	160
THIGH MEAT - FROZEN		W	72.88	130

WEDNESDAY, AUGUST 04, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	32.06	356
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	32.00		32.00	80
MECHANICALLY SEPARATED 2/	15.50-20.00		18.63	160
THIGH MEAT - FROZEN	71.00-79.50		72.88	130

TUESDAY, AUGUST 03, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	32.06	356
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	32.00		32.00	40
MECHANICALLY SEPARATED 2/		W	21.00	260
THIGH MEAT - FROZEN		R	76.00	80

MONDAY, AUGUST 02, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	32.06	356
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	21.00	260
THIGH MEAT - FROZEN		R	76.00	80

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.