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## Russia

Russia established a quota system in 2003 to restrict poultry, beef and pork imports to protect domestic livestock breeders. The U.S. and the EU might not be able to completely fill their quotas for 2004. The distribution of TRQ licenses for 2004 were delayed, several U.S. plants were delisted in 2004, and some EU exports were delayed due to a re-inspection of new EU member plants in the late summer. As broiler meat prices rose due to tighter supplies, buyers switched to lower quality spent hens or cheaper turkey meat.

Russian Finance Minister Alexey Kudrin said inflation, projected to increase 10 percent, will rise over 11.5 percent in 2004 due to high prices for meat, grain and oil. The rise in meat and poultry prices contributed 1.2 percent to inflation in 2004.

### Russian Poultry Meat and Offal Imports - HS 0207

	2000	2001	2002	2003	2004 YTD Jan-Aug
Metric Tons	687,898	1,375,025	1,375,039	1,188,379	633,786
Million USD	367	750	811	696	379
1 US	504,275	1,062,943	748,949	735,318	97,901
2 Brazil	15,193	94,004	295,200	194,053	120,436
3 Germany	17,500	43,751	56,446	53,668	40,553
4 UK	32,768	15,270	27,577	23,785	9,468
5 Poland	2,004	2,293	3,865	18,126	12,424
6 France	44,746	71,000	91,225	75,336	30,140
7 Belgium	23,299	40,766	47,864	16,445	8,952
8 Netherlands	27,278	19,999	31,855	6,282	2,012
9 Canada	2,687	6,410	21,945	16,390	2,820
10 Hungary	2,471	2,321	2,294	1,179	665

The issuance of implementing regulations for the 2005 poultry quota have been delayed, slowing poultry imports for the second straight year. Although press reports have suggested that Prime Minister Fradkov is close to signing the implementing resolutions, the documents had not been published as of December 30, 2004. Even if these resolutions had been passed before the New Year holidays, normal levels of trade could not resume until February 2005. For 2005 imports to begin, the Russian Government must issue two legislative measures for each commodity: an implementing resolution and an importer list. Despite importer list problems in 2004, Russia issued some provisional import licenses in January and February. Exports were one-third to half of normal monthly trade for the first three months in 2004.

Broiler meat imports in are forecast to decrease by 7 percent in 2005 if legislative problems continue. Poultry meat supplies are expected to total 2,250,000 metric tons in 2004; 1,200,000 MT in domestic meat and 1,050,000 in imported meat. Russian broiler meat supplies are forecast to grow 13 percent in 2005 due to continued investment in the sector, high demand and high domestic prices.

Source: USDA/FAS, The Central Bank of the Russian Federation, Resolution of the Russian Federation Government #880, news wires

## Newcastle Disease

**Bulgaria** Disease (ND) was confirmed in unvaccinated backyard poultry on December 20, 2004. The previous ND outbreak was in January 1993. The mountainous area does not have any commercial farms. All poultry in the immediate area were culled and ring vaccination was started in the area.

**Japan** ND was confirmed on December 27, 2004 on a commercial farm in the southern part of Japan. The last outbreak in Japan was in September, 2002. Commercial farms within a 3-km radius of the infected farm and the breeding farm where the infected chickens were hatched, were inspected. Chickens which are infected or suspected of being infected will be destroyed.

**Greece** An outbreak of ND was reported on January 7, 2005. The outbreak affected one poultry farm with 20,500 free range broilers. The only other farm in the area, with 3,000 broilers, did not show any signs of the disease. The last outbreak in Greece was reported to the OIE in September 1986. The Greek Veterinary Services took actions to implement stamping out measures, according to the provisions of the European Council Directive 92/66/EEC.

Source: OIE Animal Health Information Department information

### Moscow Wholesale Frozen Chicken Prices, rubles per kg

	Exchange Rate Ruble/\$	Domestic		Imported	
		Whole	LQ*	Whole	LQ*
01/30/2003	31.80	42.81	47.05	38.55	34.69
02/28/2003	31.58	42.32	41.16	40.81	35.04
03/30/2003	31.38	41.68	42.27	42.15	34.92
04/30/2003	31.10	41.77	44.50	41.90	34.42
05/30/2003	30.67	43.93	45.00	43.76	39.55
06/30/2003	30.35	49.07	49.50	48.27	39.77
07/30/2003	30.25	53.55	50.83	55.78	41.76
08/30/2003	30.50	59.04	59.62	59.09	44.81
09/30/2003	30.61	59.96	61.09	58.58	45.45
10/30/2003	29.82	58.77	57.23	58.21	47.08
11/30/2003	29.74	57.96	61.13	56.42	47.11
12/30/2003	29.25	56.02	60.63	55.65	45.39
01/30/2004	28.49	54.96	57.88	53.98	45.85
02/29/2004	28.52	54.21	55.83	53.44	47.04
03/31/2004	28.49	54.07	52.50	52.51	44.96
04/30/2004	28.88	53.43	51.63	52.14	44.95
05/30/2004	28.99	53.55	51.63	51.21	44.27
06/30/2004	29.03	52.80	50.32	45.94	42.94
07/30/2004	29.09	51.43	50.60	43.51	43.51
08/30/2004	29.23	50.54	48.98	41.43	43.71
09/30/2004	29.22	49.62	47.82	44.20	43.76
10/30/2004	28.77	49.45	52.27	44.26	43.76
11/30/2004	28.24	49.51	53.42	45.44	42.49

\*LQ - leg quarters

Source: Russian Institute for Agricultural Market Studies (IKAR)

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

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

TYPE	Week Ending December 25, 2004		Year-To-Date	
	2004	2003 1/	2004 2/	2003
Liquid	355	49	19,223	16,989
Frozen	0	0	64	96
Dried	0	0	913	591
Total	355	49	20,200	17,676

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

TYPE	Week Ending December 25, 2004		Year-To-Date	
	2004	2003 1/	2004 2/	2003
Liquid	111	8	7,689	5,171
Frozen	9	5	1,573	3,706
Dried	36	0	2,149	1,251
Total	156	13	11,411	10,128

**Inspected Shell Eggs**

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

TYPE	Week Ending December 25, 2004		Year-To-Date	
	2004	2003 1/	2004 2/	2003
Jumbo	0	33	392	655
Extra Large	4,480	1,230	191,688	44,608
Large	7,920	2,720	380,319	153,507
Medium	2,967	0	125,881	66,674
Ungraded	2,456	0	338,723	184,952
Misc	0	0	16,790	14,222
Total	17,823	3,983	1,053,793	464,618

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.

**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E 25-Dec-04 (PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	1,102	1,175	2,277
Last Week	1,499	1,462	2,961
Same week yr ago	918	808	1,726
To-date/2004	69,513	69,222	138,735
To-date/2003	71,716	70,992	142,708

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	174	11	185
Last Week	292	0	292
Same week yr ago	88	7	95
To-date/2004	12,490	159	12,649
To-date/2003	10,864	155	11,019

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	1,276	1,186	2,462
Last Week	1,791	1,462	3,253
Same week yr ago	1,006	815	1,821
To-date/2004	82,003	69,381	151,384
To-date/2003	82,580	71,147	153,727

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.

**\*\*\*Due to changes in the manufacturing processes, the 15% or less chicken category is no longer produced in significant, tradeable quantities. Effective January 7, 2005, this category will be dropped from the Central and Eastern Region Mechanically Separated Chicken reports.\*\*\***

CHICKEN	Jan 07, 2005			
	PRICES		VOLUME	
	(Cents per Pound)			

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

**CHICKEN, WITH SKIN ADDED**

CHICKEN	Jan 07, 2005			
	PRICES		VOLUME	
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	19.00	61,200	-
WTD AVERAGE		19.00		
15-20%				
RANGE	13.75-17.75	11.50-18.00	2,932,400	1,730,400
WTD AVERAGE	16.05	14.09		
20% OR MORE				
RANGE	-	14.00	81,600	-
WTD AVERAGE		14.00		

\* 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.

CHICKEN	Jan 07, 2005			
	PRICES		VOLUME	
	(Cents per Pound)			

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

**CHICKEN, WITH SKIN ADDED**

CHICKEN	Jan 07, 2005			
	PRICES		VOLUME	
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.50	18.75-22.00	556,000	156,000
WTD AVERAGE	18.50	21.03		
15-20%				
RANGE	15.00-22.00	14.00-20.00	3,143,000	1,843,000
WTD AVERAGE	18.44	16.82		
20% OR MORE				
RANGE	-	17.50	120,000	-
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 7 JANUARY 2005.**

The market tone on tom breast meat and destrapped tenderloins was steady to weak, balance of white meat steady to barely steady. Demand very light to instances moderate with truck load interest often noted at lower trending price levels. Offerings uneven with tom breast meat and destrapped tenderloins the most available and held in the least confident hands. The market tone on tom 2-joint wings ranged from barely steady to fully steady, mostly steady to fully steady. The market tone on the balance of tom bulk parts was steady to instances weak with drums and full-cut wings in the softest positions. Demand light for the adequate to instances burdensome offerings. Trading was moderate on frozen destrapped tenderloins and fresh mechanically separated turkey (MST) for domestic shipments and also on frozen thigh meat for export, balance slow. For domestic: fresh scapula 122-123, fresh breast trim 143.75 cents delivered. For export: fresh MST 18, fresh tom drums 38, frozen thigh trim 53.50 and -30% thigh trim 37, fresh thigh meat 90 cents delivered.

**FRIDAY, JANUARY 07, 2005**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	37.00-38.50		37.75	80	38.84	372
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	21.00		21.00	120	21.26	138
MECHANICALLY SEPARATED 2/	20.00		20.00	40	19.75	80
THIGH MEAT - FROZEN	84.50-86.00		85.06	320	84.05	516

**THURSDAY, JANUARY 06, 2005**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	39.00-40.00		39.43	92
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	23.00		23.00	18
MECHANICALLY SEPARATED 2/	19.50		19.50	40
THIGH MEAT - FROZEN	80.00-86.00		81.74	156

**WEDNESDAY, JANUARY 05, 2005**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	39.00		39.00	200
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	85.00		85.00	40

**TUESDAY, JANUARY 04, 2005**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	39.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN				

**MONDAY, JANUARY 03, 2005**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	39.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN				

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.