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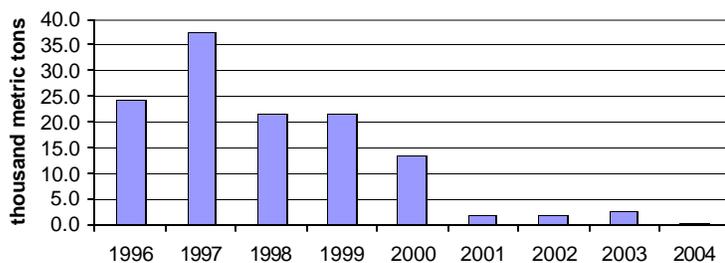
Poultry Programs

Market News Branch

## South Africa

On April 28, 2005, South Africa lifted the restrictions on most poultry imports from the U.S. The only remaining ineligible products are poultry trimmings, mince, mechanically recovered poultry meat and other anatomically unrecognizable cuts. South Africa had banned imports of raw poultry from the U.S. in February 2004, due to the detection of disease in the U.S.

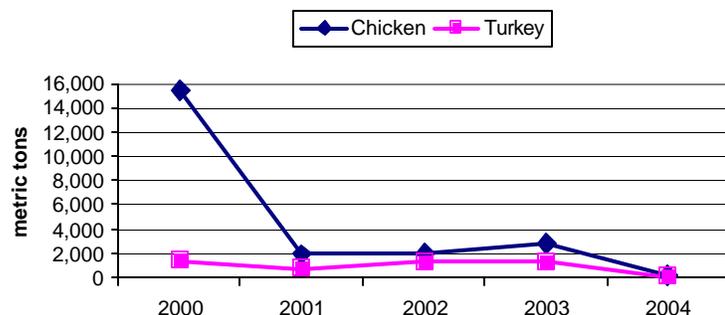
**U.S. Frozen Chicken Parts Exports to South Africa, HS 0207.14**



South Africa imposed provisional anti-dumping duties on U.S. chicken parts (HS 0207.14 and 1602.32) in July 2000, after an investigation following a complaint by the South African poultry industry in 1999. The anti-dumping duties were reaffirmed in December 2000. The duties ranged from 209 percent to 357 percent.

The General Agreement on Tariffs and Trade (GATT) allows members to take a safeguard action to protect a specific domestic industry. Under the Uruguay Round of Agreements Act, approved in late 1994, anti-dumping measures are valid for five years and then must be reviewed. The sunset review determines whether revoking the order would be likely to lead to continuation or recurrence of dumping. If dumping is likely to resume, the anti-dumping duties can be extended for another three years.

**U.S. Poultry Exports to South Africa**



Source: U.S. Trade Representative; U.S. International Trade Commission; South Africa International Trade Commission; U.S. International Trade Administration; USDA: Food Safety Inspection Service, Foreign Agricultural Service; FAO; news wires

## Mexico: Poultry Sector Creating A New Export Program

The Mexican Poultry Producers Association (UNA) held its 43rd Ordinary General Assembly on April 25-26, where the new President of UNA, Justo Lopez Hernandez, was introduced. Cesar de Anda, the outgoing President, announced the creation of an export program between UNA and the government. The Secretariats of Economy and Agriculture signed an agreement with UNA during the event to create a competitiveness program (Aviexporta) for the poultry sector to prioritize the tasks necessary to consolidate and foster a major presence in the international market for this sector. According to de Anda, the program intends to increase exports by 25 percent within the next ten years and create 500,000 additional jobs. It was also announced that Mexico is working jointly with the United States and other countries to consolidate a World Poultry Organization.

Source: USDA/FAS Attache Report

## WTO Agriculture Negotiations

The Doha free trade round, which aims to lower barriers to global commerce, was supposed to be concluded in 2004. Disagreements over subsidies and protected markets presented major obstacles which have stalled talks. In Geneva, the WTO agriculture talks had been suspended on April 19, 2005 after discussions came to an impasse. On May 4, 2005 ministers from about 30 countries continued talks in Paris. Trade ministers finally made a breakthrough on agriculture technicalities. Now the agreement must go to Geneva for formal confirmation by the full WTO, a group of 148 countries.

The agreement is a compromise between the EU and Brazil, leader of the Group of 20 (which includes major developing countries such as Brazil, India and South Africa). The dispute centered on the way that flat-rate import duties should be converted into percentage tariffs, based on the value of the goods. Doha guidelines state that higher tariffs will get bigger cuts, so EU negotiators held out for lower percentages to limit European farmers' exposure to foreign competition as a result of the trade round.

Agricultural tariffs are based on quantities imported into 'ad valorem' equivalents (AVEs), i.e., tariffs based upon the price of the product. Ad valorem duties are in terms of the percentage value of the commodity and non-ad valorem or specific tariffs are per-unit based, such as dollars per kilogram.

AVE conversion has pitted the EU and G-10 countries (Japan, South Korea, Switzerland and other major importing countries) against the US, the Cairns Group of agricultural exporters and the G-20. The former groups make use of a large number of specific tariffs; these need to be converted to AVEs in order for countries to proceed with their work on the tiered tariff reduction formula (under which higher tariffs will be reduced more steeply). The G-20 group insisted on a tight formula for conversion while the EU insisted on flexibility in determining the methodology to be used.

Source: Bridges Weekly Trade News Digest, news wires

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

| Week Ending April 30, 2005 | Year-To-Date |         |         |       |
|----------------------------|--------------|---------|---------|-------|
|                            | 2005         | 2004 1/ | 2005 2/ | 2004  |
| TYPE                       |              |         |         |       |
| Liquid                     | 410          | 145     | 4,519   | 2,801 |
| Frozen                     | 0            | 0       | 21      | 0     |
| Dried                      | 0            | 0       | 107     | 187   |
| Total                      | 410          | 145     | 4,647   | 2,988 |

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

| Week Ending April 30, 2005 | Year-To-Date |         |         |       |
|----------------------------|--------------|---------|---------|-------|
|                            | 2005         | 2004 1/ | 2005 2/ | 2004  |
| TYPE                       |              |         |         |       |
| Liquid                     | 149          | 19      | 2,377   | 1,260 |
| Frozen                     | 0            | 45      | 327     | 657   |
| Dried                      | 0            | 0       | 340     | 1,129 |
| Total                      | 149          | 64      | 3,044   | 3,046 |

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

| Week Ending April 30, 2005 | Year-To-Date |         |         |         |
|----------------------------|--------------|---------|---------|---------|
|                            | 2005         | 2004 1/ | 2005 2/ | 2004    |
| TYPE                       |              |         |         |         |
| Jumbo                      | 0            | 0       | 33      | 50      |
| Extra Large                | 1,700        | 3,828   | 11,552  | 11,748  |
| Large                      | 2,560        | 10,670  | 26,703  | 29,513  |
| Medium                     | 2,520        | 2,460   | 22,080  | 20,070  |
| Ungraded                   | 2,880        | 14,820  | 37,580  | 75,559  |
| Misc                       | 1,080        | 840     | 3,343   | 10,460  |
| Total                      | 10,740       | 32,618  | 101,291 | 147,400 |

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 30-Apr-05 (PRELIMINARY)

**U.S. Fowl Slaughtered Domestically**

|                     | Light  | Heavy  | Total  |
|---------------------|--------|--------|--------|
|                     | Hens   | Hens   | Hens   |
| -----Thousands----- |        |        |        |
| Head                | 1,715  | 1,437  | 3,152  |
| Last Week           | 1,651  | 1,466  | 3,117  |
| Same week yr ago    | 1,299  | 1,385  | 2,684  |
| To-date/2005        | 26,095 | 22,726 | 48,821 |
| To-date/2004        | 22,057 | 21,605 | 43,662 |

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

|                     | Light | Heavy | Total |
|---------------------|-------|-------|-------|
|                     | Hens  | Hens  | Hens  |
| -----Thousands----- |       |       |       |
| Head                | 289   | 0     | 289   |
| Last Week           | 232   | 0     | 232   |
| Same week yr ago    | 277   | 0     | 277   |
| To-date/2005        | 4,944 | 18    | 4,962 |
| To-date/2004        | 4,194 | 52    | 4,246 |

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

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

|                     | Light  | Heavy  | Total  |
|---------------------|--------|--------|--------|
|                     | Hens   | Hens   | Hens   |
| -----Thousands----- |        |        |        |
| Head                | 2,004  | 1,437  | 3,441  |
| Last Week           | 1,883  | 1,466  | 3,349  |
| Same week yr ago    | 1,576  | 1,385  | 2,961  |
| To-date/2005        | 31,039 | 22,744 | 53,783 |
| To-date/2004        | 26,251 | 21,657 | 47,908 |

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.

May 06, 2005

**CHICKEN WITH SKIN ADDED**

| FAT CONTENT | --- PRICES --- |             | --- VOLUME --- |         |
|-------------|----------------|-------------|----------------|---------|
|             | FROZEN         | FRESH       | TOTAL          | EXPORT  |
| 15% OR LESS |                |             |                |         |
| RANGE       | -              | 26.00       | 61,200         | -       |
| WTD AVERAGE |                | 26.00       |                |         |
| 15-20%      |                |             |                |         |
| RANGE       | 24.50-27.00    | 18.00-26.00 | 2,190,400      | 417,200 |
| WTD AVERAGE | 24.94          | 20.96       |                |         |
| 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.

May 06, 2005

**CHICKEN WITH SKIN ADDED**

| FAT CONTENT | --- PRICES --- |             | --- VOLUME --- |           |
|-------------|----------------|-------------|----------------|-----------|
|             | FROZEN         | FRESH       | TOTAL          | EXPORT    |
| 15% OR LESS |                |             |                |           |
| RANGE       | 21.00          | 23.00-27.00 | 460,000        | 260,000   |
| WTD AVERAGE | 21.00          | 25.40       |                |           |
| 15-20%      |                |             |                |           |
| RANGE       | 20.50-30.00    | 20.00-27.00 | 2,004,000      | 1,404,000 |
| WTD AVERAGE | 25.35          | 23.20       |                |           |
| 20% OR MORE |                |             |                |           |
| RANGE       | -              | 19.00       | 80,000         | -         |
| WTD AVERAGE |                | 19.00       |                |           |

\* 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 MAY 2005.**

The market tone on fresh tom breast meat and fresh destrapped tenders was steady at best. Supplies were adequate to fully adequate for the fair demand. Demand was good for fresh and frozen breast trim, supplies were well cleared and the market tone was steady. Frozen wing meat with skin and frozen scapula were fully adequate and ranged from barely steady to weak. Frozen thigh meat was barely steady, fresh thigh meat steady. Supplies were more than adequate for the moderate demand. Less than trucklot volumes of fresh scapula were 117 to 120 delivered. Export trading was moderate on tom wings and thigh meat. Inquiry was strong for limited supplies of mechanically separated turkey and tom drums, fair for thigh meat. Fresh thigh meat moved at 87-90 mature hen drums at 39.5 delivered port.

| <u>EXPORT TRADING</u>                            | PRICE       | L.S.T.  | WTD AVG | VOLUME | WEEKLY | WEEKLY |
|--|-------------|---------|---------|--------|--------|--------|
| <b>FRIDAY, MAY 06, 2005</b>                      | RANGE       | CODE 1/ | PRICE   | (000)  | PRICE  | (000)  |
| DRUMSTICKS, TOMS                                 | 41.00       |         | 41.00   | 52     | 43.01  | 944    |
| WINGS FULL-CUT - TOMS                            | 27.00-28.00 |         | 27.75   | 416    | 27.82  | 884    |
| WINGS, V-TYPE, TOM                               |             | F       | 42.00   | 104    |        |        |
| TAILS  |             | T       | 27.00   | 40     | 27.00  | 40     |
| MECHANICALLY SEPARATED 2/<br>THIGH MEAT - FROZEN | 83.00       | M       | 34.00   | 320    | 34.00  | 320    |
|  |             |         | 83.00   | 416    | 85.16  | 1,142  |

| <u>EXPORT TRADING</u>                            | PRICE       | L.S.T.  | WTD AVG | VOLUME |
|--|-------------|---------|---------|--------|
| <b>THURSDAY, MAY 05, 2005</b>                    | RANGE       | CODE 1/ | PRICE   | (000)  |
| DRUMSTICKS, TOMS                                 | 42.00-46.00 |         | 43.58   | 264    |
| WINGS FULL-CUT - TOMS                            |             | W       | 29.00   | 208    |
| WINGS, V-TYPE, TOM                               |             | F       | 42.00   | 104    |
| TAILS  |             | T       | 27.00   | 40     |
| MECHANICALLY SEPARATED 2/<br>THIGH MEAT - FROZEN | 84.00       | M       | 34.00   | 320    |
|  |             |         | 84.00   | 52     |

| <u>EXPORT TRADING</u>                            | PRICE       | L.S.T.  | WTD AVG | VOLUME |
|--|-------------|---------|---------|--------|
| <b>WEDNESDAY, MAY 04, 2005</b>                   | RANGE       | CODE 1/ | PRICE   | (000)  |
| DRUMSTICKS, TOMS                                 | 41.50-45.50 |         | 42.94   | 628    |
| WINGS FULL-CUT - TOMS                            | 29.00       |         | 29.00   | 208    |
| WINGS, V-TYPE, TOM                               |             | F       | 42.00   | 104    |
| TAILS  |             | T       | 27.00   | 40     |
| MECHANICALLY SEPARATED 2/<br>THIGH MEAT - FROZEN | 84.00-87.00 | M       | 34.00   | 320    |
|  |             |         | 84.53   | 274    |

| <u>EXPORT TRADING</u>                            | PRICE | L.S.T.  | WTD AVG | VOLUME |
|--|-------|---------|---------|--------|
| <b>TUESDAY, MAY 03, 2005</b>                     | RANGE | CODE 1/ | PRICE   | (000)  |
| DRUMSTICKS, TOMS                                 |       | R       | 42.50   | 40     |
| WINGS FULL-CUT - TOMS                            | 27.00 |         | 27.00   | 260    |
| WINGS, V-TYPE, TOM                               |       | F       | 42.00   | 104    |
| TAILS  | 27.00 |         | 27.00   | 40     |
| MECHANICALLY SEPARATED 2/<br>THIGH MEAT - FROZEN |       | M       | 34.00   | 320    |
|  |       | M       | 88.00   | 400    |

| <u>EXPORT TRADING</u>                            | PRICE | L.S.T.  | WTD AVG | VOLUME |
|--|-------|---------|---------|--------|
| <b>MONDAY, MAY 02, 2005</b>                      | RANGE | CODE 1/ | PRICE   | (000)  |
| DRUMSTICKS, TOMS                                 |       | R       | 42.50   | 40     |
| WINGS FULL-CUT - TOMS                            |       | F       | 26.00   | 52     |
| WINGS, V-TYPE, TOM                               |       | F       | 42.00   | 104    |
| TAILS  |       | F       | 22.50   | 52     |
| MECHANICALLY SEPARATED 2/<br>THIGH MEAT - FROZEN | 34.00 |         | 34.00   | 320    |
|  | 88.00 |         | 88.00   | 400    |

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.