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The Avian Influenza Situation in Turkey

Turkey reported its first case of highly pathogenic avian influenza (HPAI) to the OIE last October 10, 2005 in a backyard flock of 4.5 month old turkeys. The flock of 1,800 destroyed birds were located in a sparsely populated military zone between Kiziksa and Salur villages in Manyas district, Balikesir province, which is situated in the northwestern part of Marmara region. It was the first occurrence of a listed disease or infection in the country. The source was unknown and the following measures were taken to counteract the disease: stamping out, quarantine, controlled movements within Turkey, zoning (3-km-radius protection zone and a 10-km-radius surveillance zone), and disinfection of all premises and establishments.

On December 8, 2006 Turkey prematurely declared itself free of avian influenza only to have another flare up in some backyard chickens, geese, turkeys, and ducks in Igdir province. Around 1,559 poultry were destroyed and more control measures were taken. Between December 27, 2005 and March 31, 2006 outbreaks of AI were found in a total 51 of the country's 81 provinces.

The last outbreak to date was March 31, 2006 in Yozgat province. Between April 6, 2006 and present Turkey has had no new cases of bird flu and has eradicated 32 of the infected provinces. All quarantines and related restrictions have been removed by Turkey's Ministry of Agriculture and Rural Affairs. However restrictions related to the banning of live bird markets, the selling of live birds, and the hunting of wild birds will continue indefinitely. Field surveillance is also expected to continue with random blood sampling and monitoring taking place over the next 3 months at least. The periodic screening of industrial poultry operations will continued even though screenings of poultry in villages has ceased. Also the Ministry of Environment and Forestry is developing and looking for funding to observe and record bird migration routes, which would be compiled into a National Bird Observation System.

Turkey's residual control program has been approved by the European Union (EU), which should allow them to export poultry to the EU immediately; however Turkey will have to wait six months from this past April before it can resume exporting poultry, due to the AI outbreaks. In light of this industry representatives remain skeptical believing exports will not truly resume until Turkey has lifted its bans on EU live animal and meat.

Since October of 2005, Turkey's broiler sector has suffered as poultry demand fell 90% shortly after the December outbreaks. Broiler stocks increased to more than 100,000 metric tons (MT) with prices bottoming at YTL 1.50 per kilogram on whole birds. In March, demand rebounded prompting increases in production and price (YTL 2.60 per kilogram for whole birds). Producers profited as the cost of production is YTL 2.00 per kilogram, thus instigating another production increase, an excess of product, and the reduction of prices to its current level, YTL 1.60 per kilogram.

Current broiler stocks are estimated to be at 70,000 MT with weekly broiler consumption and production at 19,000 MT, which is slightly lower than the 21,000 MT in 2005. Production was at 940,000 MT in

2004 and 960,000 MT in 2005 with 2006 expectations to be similar to 10% lower. In 2006, turkey production is projected to be at 50,000 MT and 55,000 MT on spent hens and other poultry.

In comparison, the Turkish egg sector has endured a longer period of hardship from the bird flu outbreaks since the industry cannot maintain large stocks. At the height of the crisis, Turkey's egg stocks were at about 500 million eggs with prices to producers reduced to YTL 0.03 per egg from YTL 0.07 per egg. Even though prices began to gradually increase to around YTL 0.06 per egg by mid-April producers continued to lose money as cost of production is YTL 0.07 per egg.

After all of the stocks were disposed of April 15, 2006 egg prices recovered to YTL 0.08 per egg as producers began to profit. Yet the price surge did not last long and prices fell slightly to its current fluctuating level, YTL 0.07 to 0.075 per egg. Egg demand is currently estimated at roughly 140 million a week and 7.3 billion a year, which is lower than 2005 with 160 million and 8.3 billion respectively. Note egg prices, production, and consumption all vary considerably with the seasons.

At present, Turkey has an estimated 34 million industrial layers (includes 8 million layer chicks), which is down significantly from 2005's 43 million layers (includes 14 million layer chicks). On January 24, 2006 the government of Turkey (GOT) decreed all spent hens be culled, totalling 13.5 million in 1 month alone. Compensation payments were made in March and April for YTL 1.10 per bird. A support program was introduced at the end of March paying producers YTL 0.30 per bird slaughtered and slaughterhouses YTL 0.10 per bird. About 4 million spent hens are estimated to be slaughtered within a 3-month period and that the GOT will pay a total of YTL 1.6 million (US \$1.1 million) by July when the program is completed. (On June 13, 2006: USD \$1.00 = YTL (New Turkish Lire) \$1.60). Source: OIE/USDA FAS/USDA AMS/FAO

Current June World Avian Influenza Update

June 7-9, 2006 new outbreaks of HPAI were confirmed in poultry in Xinjiang, Qinhai, and Tibet provinces in the Republic of China. About 2,754 birds were destroyed with control measures being applied.

June 7, 2006 Poland and Switzerland both reported no further cases of HPAI since the last confirmed outbreak in each country. Poland lifted restrictions. In Switzerland zoning measures were lifted May 1, 2006, however monitoring continues. Niger confirmed H5N1 in backyard poultry (chickens) with 530 deaths and 8,000 susceptible. Control measures are being taken.

June 5, 2006 India reported no new cases of avian flu since its last outbreak April 18, 2006, which destroyed 31,970 backyard and commercial birds. Surveillance continues. June 4, 2006 Israel declared no further cases of HPAI since its last outbreak April 1, 2006. Cleaning and disinfection were completed May 1, 2006. About 1,120,000 commercial birds were destroyed.

June 1, 2006 Romania reported HPAI in backyard poultry in the following counties: Alba, Arges, Bacau, Brasov, Bucuresti, Buzau, Gorj, Ilfov, Mures, Prahova, Valcea, and Vrancea. Around 18,174 birds were destroyed. Source: OIE

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

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

Week Ending June 3, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	208	409	4,410	7,359
Frozen	0	0	125	21
Dried	0	40	227	147
Total	208	449	4,762	7,527

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

Week Ending June 3, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	78	54	1,321	3,404
Frozen	11	4	473	331
Dried	0	5	41	345
Total	89	63	1,835	4,080

Inspected Shell Eggs

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

Week Ending June 3, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	17	150	50
Extra Large	1,025	4,580	37,581	105,892
Large	4,950	6,800	70,451	221,946
Medium	2,064	3,210	36,539	46,215
Ungraded	720	4,030	59,354	57,902
Misc	0	150	2,580	6,943
Total	8,759	18,787	206,655	438,948

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.

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.

June 09, 2006

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		--- VOLUME ---	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	20.00	-	80,000	-
WTD AVERAGE	20.00			
15-20%				
RANGE	16.25-19.50	12.00-16.00	955,600	120,800
WTD AVERAGE	17.88	13.72		
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

U.S./Canadian Live Poultry Slaughtered Under Inspection

W/E 3-Jun-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	757	1,463	2,220
Last Week	1,076	1,539	2,615
Same week yr ago	1,450	1,363	2,813
To-date/2006	25,675	32,054	57,729
To-date/2005	34,032	29,977	64,009

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	156	3	159
Last Week	44	3	47
Same week yr ago	284	0	284
To-date/2006	4,790	19	4,809
To-date/2005	6,379	26	6,405

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	913	1,466	2,379
Last Week	1,120	1,542	2,662
Same week yr ago	1,734	1,363	3,097
To-date/2006	30,465	32,073	62,538
To-date/2005	40,411	30,003	70,414

Source: USDA/AMS Poultry Programs, Market News Branch

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.

June 09, 2006

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		--- VOLUME ---	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	14.00-15.00	280,000	-
WTD AVERAGE		14.43		
15-20%				
RANGE	14.75-20.00	13.00-15.00	1,568,000	728,000
WTD AVERAGE	17.07	14.07		
20% OR MORE				
RANGE	-	14.00	40,000	-
WTD AVERAGE		14.00		

* 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, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 9 JUNE 2006.

The market tone on fresh tom breast meat was barely steady to fully steady with less weakness noted as the week progressed. The market tone on the balance of white meat was steady to instances firm. Demand ranged light to good, mostly moderate to good. Offerings of fresh tom breast meat short to fully adequate, mostly adequate. Offerings on the balance of white meat short to instances adequate. Trading was active on fresh tom breast meat and fresh -20% mechanically separated turkey for domestic shipments, slow to moderate on the balance of items. For domestic: frozen -20% mechanically separated turkey -45 days age 17, fresh wing meat with skin 99-105 mostly 99-102, fresh breast trim 122-132 mostly 122, fresh scapula 124-130, plant grade basted 20-24 lb. breasts 160 cents delivered. For export: mature hen drums 33, fresh thigh meat 71, Russian frozen thigh meat 99-100 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, JUNE 09, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	(000)
DRUMSTICKS, TOMS	34.00-44.00		40.09	184	36.94	928
WINGS FULL-CUT - TOMS	29.50		29.50	104	28.68	248
WINGS, V-TYPE, TOM		T	37.00	216	37.00	216
TAILS		R	31.00	80	31.00	80
MECHANICALLY SEPARATED 2/		R	19.50	52	19.25	104
THIGH MEAT - FROZEN		R	69.22	224	69.22	224

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, JUNE 08, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	36.00-37.00		36.43	92
WINGS FULL-CUT - TOMS	27.00		27.00	40
WINGS, V-TYPE, TOM		T	37.00	216
TAILS	30.00-32.00		31.00	80
MECHANICALLY SEPARATED 2/	19.50		19.50	52
THIGH MEAT - FROZEN	68.00-70.00		69.22	224

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, JUNE 07, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	36.00		36.00	260
WINGS FULL-CUT - TOMS	28.50		28.50	104
WINGS, V-TYPE, TOM		T	37.00	216
TAILS		R	25.00	156
MECHANICALLY SEPARATED 2/		M	19.00	52
THIGH MEAT - FROZEN		F	67.00	312

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, JUNE 06, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	37.00		37.00	80
WINGS FULL-CUT - TOMS		F	28.00	120
WINGS, V-TYPE, TOM	37.00		37.00	216
TAILS		R	25.00	156
MECHANICALLY SEPARATED 2/		M	19.00	52
THIGH MEAT - FROZEN		F	67.00	312

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, JUNE 05, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	36.00		36.00	312
WINGS FULL-CUT - TOMS		F	28.00	120
WINGS, V-TYPE, TOM		R	39.00	312
TAILS		R	25.00	156
MECHANICALLY SEPARATED 2/	19.00		19.00	52
THIGH MEAT - FROZEN		F	67.00	312

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.