



Update on Avian Influenza in Michigan

The U.S. Department of Agriculture announced the final test results August 28, 2006 on the two wild mute swans from Michigan State. Final tests from the USDA National Veterinary Services Laboratories (NVSL) in Ames, Iowa confirm preliminary test results reported August 14, 2006 that the strain is a low pathogenic subtype. Only one of the samples contained high enough levels of the virus to conduct confirmatory testing. The Departments of Agriculture and Interior are working collaboratively with States to sample wild birds throughout the US for the presence of highly pathogenic avian flu.

Source: USDA APHIS

FSIS Library of Exports Update

Recently Revised Export Requirements as of August 31, 2006:

Republic of Korea

Eligible/Ineligible

A. Eligible

1. Poultry and poultry products. All restrictions on raw poultry have been removed.

Source: USDA FSIS

Comparison of Venezuela's Chicken Meat Production, Imports, and Exports (MT)

Production	2004	2003	2002	2001
Ven. Total	685,600	675,541	893,191	877,053
US Total	15,513,800	14,924,000	14,701,000	14,267,000
World Total	68,421,266	65,948,934	64,339,373	61,600,683
Ven. % *	1.002%	1.024%	1.388%	1.424%
US % **	22.674%	22.630%	22.849%	23.160%

Imports	2004	2003	2002	2001
Ven. Total	24,106	5,618	0	0
US Total	16,380	11,784	12,420	11,087
World Total	6,582,085	6,837,858	6,463,428	6,431,539
Ven. % *	0.366%	0.082%	0.000%	0.000%
US % **	0.249%	0.172%	0.192%	0.172%

Exports	2004	2003	2002	2001
Ven. Total	0	0	371	0
US Total	2,343,294	2,448,716	2,335,881	2,794,692
World Total	7,309,306	7,702,501	7,307,914	7,443,283
Ven. % *	0.000%	0.000%	0.005%	0.000%
US % **	32.059%	31.791%	31.964%	37.546%

Note: Ven. = Venezuela; * Percentage of Venezuelan Chicken Meat of the World Total; ** Percentage of US Chicken Meat of the World Total

Source: USDA FAS

Venezuela

Approximately 80% of Venezuela's poultry production is concentrated in the central and southwestern states of Aragua, Carabobo, Miranda, and Zulia. Most of the poultry industry is vertically integrated as many smaller companies have been acquired by larger ones, due to increasing production costs and price controls at the retail level.

Despite these challenges, forecasts for 2006 and 2007 predict Venezuela's poultry production to increase 6% and 9% respectively. These increases are attributed to a rise in consumer demand, due to higher disposable incomes and the effect the Government of Venezuela (GOV) had by expanding its poultry purchases. Poultry meat import projections for Venezuela expect imports to grow by 20% and 25%

in 2006 and 2007 respectively. The GOV carries out all poultry imports, which are mostly from Brazil. It is predicted poultry meat imports could continue to grow as Venezuela has recently joined Mercosur as a full member, however estimates have not been made as Mercosur trade preferences for Venezuela are unclear yet.

Source: USDA FAS

Russia

At present, the U.S. is the only country that stands in the way of Russia being approved to the WTO. The biggest obstacle that undermined the G8 Summit in St. Petersburg in July of 2006 dealt with Russia wanting veterinary control over supplies of American poultry to which American negotiators objected. The next round of negotiations is set for the end of October 2006 in Geneva, Switzerland. Russia has been negotiating to join the WTO since 1993.

In early August of 2006 in a letter from Russian Economic Minister German Gref to U.S. Trade Representative Susan Schwab, Russia announced its intentions to "return to the position that existed before the understandings on meat trade until Russia's accession to the WTO" should Russia not be accepted. On August 21, 2006 Russian authorities announced its plans to follow through as Agriculture Minister Alexei Gordeev has proposed a redistribution of quotas for poultry imports from the U.S. to other suppliers. According to sources, the 'resolution will be prepared and signed within 10 days'. Under a deal signed in 2005 between the U.S. and Russia, the U.S. was allotted 811,900 tons out of 1.09 million tons of poultry meat to ship to Russia in 2005 at a discounted tariff. U.S. imports were to increase to 931,500 tons in 2009.

Source: USDA AMS/USDA FAS/Various News Wires

Percentage Comparison of US Leg Quarters to Broiler Meat Exports to Russia (MT)

	Jan-Dec			Jan-Jun	
	2003	2004	2005	2005	2006
LQ*	620,922	639,710	730,332	316,286	336,572
Total**	664,322	716,771	776,172	336,988	356,120
% LQ***	93.5%	89.2%	94.1%	93.9%	94.5%

Note: * Leg Quarters;

** Total Broiler Exports;

*** Percentage of Leg Quarters of Total Broiler Exports

Source: USDA FAS

Monthly US Leg Quarter Exports to Russia (MT)

	2006	2005	2004	2003	2002
Jan	61,645	30,796	24,350	49,727	73,066
Feb	60,048	38,143	38,754	67,428	39,435
Mar	59,278	46,770	53,560	64,531	31,548
Apr	42,236	72,344	58,220	44,074	6,531
May	64,264	78,212	49,544	23,712	19,363
Jun	49,103	50,021	41,700	44,912	49,522
Jul		64,158	52,335	62,761	48,842
Aug		92,027	48,916	36,127	93,406
Sep		41,852	60,608	48,404	12,492
Oct		80,811	84,845	87,599	80,153
Nov		87,292	60,323	56,992	41,491
Dec		47,907	66,556	34,658	25,228
Total	336,572	730,332	639,710	620,922	521,076

Source: USDA FAS

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending August 26, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Liquid	254	359	6,617	11,907
Frozen	0	0	172	42
Dried	0	40	399	488
Total	254	399	7,188	12,437

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

Week Ending August 26, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Liquid	58	49	2,322	4,829
Frozen	0	0	754	508
Dried	0	0	66	371
Total	58	49	3,142	5,708

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

Week Ending August 26, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	15	150	129
Extra Large	1,350	930	55,971	153,508
Large	3,400	4,000	111,221	269,631
Medium	1,380	3,360	61,812	86,389
Ungraded	5,088	6,156	84,812	72,460
Misc	928	300	6,195	8,053
Total	12,146	14,761	320,161	590,170

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.

September 01, 2006

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		--- VOLUME ---	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	17.00-18.00	61,200	-
WTD AVERAGE		17.33		
15-20%				
RANGE	14.00-20.00	15.00-17.00	1,644,000	1,095,600
WTD AVERAGE	15.80	15.84		
15-20%				
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

Week Ending August 26, 2006

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	955	1,553	2,508
Last Week	902	1,759	2,661
Same week yr ago	1,458	1,481	2,939
To-date/2006	37,787	50,448	88,235
To-date/2005	51,058	48,557	99,615

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	97	0	97
Last Week	61	0	61
Same week yr ago	382	3	385
To-date/2006	5,726	23	5,749
To-date/2005	8,944	40	8,984

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	1,052	1,553	2,605
Last Week	963	1,759	2,722
Same week yr ago	1,840	1,484	3,324
To-date/2006	43,513	50,471	93,984
To-date/2005	60,002	48,597	108,599

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.

September 01, 2006

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		--- VOLUME ---	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.50	17.00-18.00	620,000	260,000
WTD AVERAGE	17.50	17.44		
15-20%				
RANGE	15.50-21.00	13.00-16.00	1,736,000	936,000
WTD AVERAGE	17.50	14.75		
20% OR MORE				
RANGE	-	14.00	80,000	-
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 01 SEPTEMBER 2006.

The market tone on white meat was steady to firm. Offerings were limited and held with confidence. The trade sentiment on parts was steady to fully steady with MST steady to barely steady. Trading was slow. For domestic: Breeder detrapped tenders 251, Gizzards hand defatted 60, institutional fresh breast 8-10 lb. 110, 10-12 lb. fresh breasts 175 and 12-14 lb. fresh breasts 190 cents delivered. For export: fresh tom drums 40 and frozen thigh meat Russian approved 108 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, SEPTEMBER 01, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	40.00-46.00		43.87	188	41.48	708
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	33.00		33.00	29	33.00	29
MECHANICALLY SEPARATED 2/	20.00-23.00		20.60	200	20.38	320
THIGH MEAT - FROZEN		R	81.56	288	81.56	288

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, AUGUST 31, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00-41.00		40.80	200
WINGS FULL-CUT - TOMS		R	55.00	104
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	20.00	120
THIGH MEAT - FROZEN	81.00-83.00		81.56	288

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, AUGUST 30, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	40.50	320
WINGS FULL-CUT - TOMS		R	55.00	104
WINGS, V-TYPE, TOM				
TAILS		W	29.00	104
MECHANICALLY SEPARATED 2/	20.00		20.00	120
THIGH MEAT - FROZEN		F	81.50	80

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, AUGUST 29, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	39.00-41.00		40.50	320
WINGS FULL-CUT - TOMS		R	55.00	104
WINGS, V-TYPE, TOM				
TAILS		W	29.00	104
MECHANICALLY SEPARATED 2/		F	20.00	120
THIGH MEAT - FROZEN		F	81.50	80

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, AUGUST 28, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	39.00	104
WINGS FULL-CUT - TOMS		R	55.00	104
WINGS, V-TYPE, TOM				
TAILS		W	29.00	104
MECHANICALLY SEPARATED 2/		F	20.00	120
THIGH MEAT - FROZEN		F	81.50	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.