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Poultry Meat Comparison in thousand Metric Tons (MT)

<u>Production</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006**</u>
World	75,027	76,571	78,920	81,881	80,998
US	17,311.0	17,504.0	18,008.0	18,620.0	18,650.0
Turkey	711.0	887.0	895.0	958.0	765.0
Serbia*	89.0	81.0	86.0	88.0	85.0
Bulgaria	120.0	72.0	85.0	88.0	80.0
<u>Imports</u>					
World	7,754.3	8,225.5	7,224.2	8,130.3	7,978.7
Turkey	58.0	85.0	117.0	125.0	70.0
US	32.9	34.2	44.0	56.0	60.0
Bulgaria	38.3	47.4	51.0	54.0	55.0
Serbia*	9.5	10.1	12.1	15.0	13.0
<u>Exports</u>					
World	7,853.4	8,163.2	7,480.3	8,250.2	8,003.3
US	2,686.9	2,784.9	2,652.1	2,850.0	2,825.0
Turkey	20.1	25.1	29.3	35.0	15.0
Bulgaria	6.3	6.6	9.5	10.0	10.0
Serbia*	0.5	0.4	1.1	0.8	0.9

Note: Serbia* = Serbia and Montenegro; 2006** = Estimates
Source: FAO

Based on FAO data from 2005, which includes data from trade entities (i.e. EU, etc.), the US led the world in both poultry meat production (18,650,000 MT) and Turkey 14th (958,000 MT), Serbia and Montenegro 57th (88,000 MT), and Bulgaria 58th (88,000 MT). In regards to imports of poultry meat, Turkey came in 16th (125,000 MT), the US 27th (56,000 MT), Bulgaria 28th (54,000 MT), and Serbia and Montenegro 68th (15,000 MT). Lastly regarding world exports in 2005, the US took 2nd (2,850,000 MT), Turkey 12th (35,000 MT), Bulgaria 27th (10,000 MT), and Serbia and Montenegro 58th (800 MT).

Source: FAO

US Poultry Meat Exports in thousand Metric Tons (MT)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006**</u>	<u>%</u>
Bulgaria	2.0	3.3	1.5	6.9	2.9	0.126%
Serbia*	1.9	1.5	1.3	0.1	0.1	0.002%
Turkey	41.7	64.2	88.1	90.3	72.5	3.162%
Total Exports	2,125.3	2,193.2	2,042.6	2,306.3	2,293.1	

Note: Serbia* = Serbia and Montenegro; 2006** = JANUARY through October of 2006; % = Percentage of Total US Exports in 2006

Source: USDA FAS

According to the USDA FSIS Library of Exports, US fresh and frozen red meat and poultry, processed red meat and poultry, and products thereof are not eligible for export to Turkey at this time. However in the first 10 months of 2006, the US exported 72,506.1 MT of poultry meat to Turkey (72,243.9 MT chicken meat and 262.2 MT of turkey meat). About 82% of the chicken meat exported to Turkey was composed of chicken leg quarters.

In regards to Bulgaria, effective January 1, 2007 no export certificates will be issued for poultry and poultry products from the US. Only EU-eligible poultry from EU approved US establishments will be eligible for export to Bulgaria at that time and currently there are no US poultry plants approved to export to the European Union. Of the 2,900.4 MT of US poultry meat exported to Bulgaria from January to October of 2006 766.5 MT were chicken meat (26.43%). As for Serbia and Montenegro,

the US continues to export small volumes of poultry meat with only 54.5 MT between January and October of 2006.

Source: USDA FSIS Library of Exports/USDA FAS

Newcastle Disease Update

Bulgaria

Another outbreak of Newcastle disease was reported to the OIE in the village of Juper in the Kubrat District and Province of Razgrad in Bulgaria. About 151 backyard poultry died from the disease during the report period ending December 7, 2006. The source of the outbreak is unknown at present and control measures are being taken. The first reoccurrence of Newcastle was first reported earlier this year on January 23, 2006 in Gabrene, Petrich District, Blagoevgrad Province, where 158 birds died and 2,617 birds were vaccinated. Since then there have been outbreaks in the provinces of Burgas, Karzali, Dobric, and Razgrad. A total of 2,368 birds have died of Newcastle since the reoccurrence in January of 2006.

Turkey

New cases of Newcastle disease were reported in the following provinces: Samsun, Ankara, and Tokat on December 11, 2006. About 99 birds have died of the disease with 319 determined susceptible. The source remains inconclusive and control measures are being taken. The first reoccurrence since December of 2005 was reported February 7, 2006 in the provinces of Bartin and Eskisehir, killing 57 birds in backyard poultry flocks and a pigeon leaving 5,616 birds susceptible. Since then outbreaks have resulted in Kutahya, Ankara, and Malatya provinces. About 381 birds have died leaving 6,477 birds susceptible since February's outbreak. The following provinces had been declared free of Newcastle Kutahya (July 2006), Malatya (September 2006), and Ankara (November 2006).

Serbia & Montenegro

The first outbreak of Newcastle disease since February of 2002 was reported in Serbia and Montenegro December 5, 2006. The outbreaks occurred in the villages of Zitiste and Koracica in Srbija province. About 3,897 birds from backyard poultry flocks either died of the disease or were destroyed. According to Promed, another outbreak killed 225 birds in Belgrade province. The source is unknown and control measures are being taken.

Source: OIE/Promed

US Poultry Trade Outlook

US broiler meat exports hit 444 million pounds in October 2006, which was 9% below a year ago. The decline stems from overly strong 2005 exports the same time a year ago as trade was rebounding from the aftermath of Hurricane Katrina. Fourth quarter projections were reduced 60 million pounds, due to lower-than-expected third quarter shipments. Yet despite the reduction, fourth quarter exports are expected to be nearly 4% over the previous year. Projections for 2007 were lowered 125 million pounds from previous estimates to 5.4 billion pounds, yet 2007 exports are still expected to be higher than a year ago.

Third quarter turkey meat exports in 2006 reached 152 million pounds, up 2.6% from 2005 levels, due to intense growth into Russia and China offsetting reduced Mexican shipments. October exports hit 54 million pounds, up 8% from last year, with fourth quarter estimates for 2006 forecast slightly lower (150 million pounds.)

Source: USDA ERS

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

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

TYPE	Year-To-Date			
	2006	2005 1/	2006 2/	2005
Liquid	50	403	11,786	17,600
Frozen	3	0	175	59
Dried	10	14	747	861
Total	63	417	12,708	18,520

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

TYPE	Year-To-Date			
	2006	2005 1/	2006 2/	2005
Liquid	136	129	5,504	6,609
Frozen	0	4	914	672
Dried	0	0	66	371
Total	136	133	6,484	7,652

Inspected Shell Eggs

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

TYPE	Year-To-Date			
	2006	2005 1/	2006 2/	2005
Jumbo	0	0	150	184
Extra Large	2,490	1,430	90,171	193,394
Large	5,813	7,165	176,178	349,265
Medium	950	630	86,286	112,605
Ungraded	6,480	3,750	254,718	236,374
Misc	0	0	6,975	9,753
Total	15,733	12,975	614,478	901,575

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 & Analysis Branch.

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

W/E 16-Dec-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,111	1,518	2,629
Last Week	1,157	1,529	2,686
Same week yr ago	1,404	1,488	2,892
To-date/2006	53,519	74,427	127,946
To-date/2005	71,036	70,846	141,882

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	156	0	156
Last Week	231	0	231
Same week yr ago	142	0	142
To-date/2006	7,689	50	7,739
To-date/2005	12,340	63	12,403

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	1,267	1,518	2,785
Last Week	1,388	1,529	2,917
Same week yr ago	1,546	1,488	3,034
To-date/2006	61,208	74,477	135,685
To-date/2005	83,376	70,909	154,285

Source: USDA/AMS Poultry Programs, Market News & Analysis 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.

December 22, 2006

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		----- VOLUME -----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.00-18.00	14.75-17.00	533,550	486,000
WTD AVERAGE	16.33	16.68		
15-20%				
RANGE	13.50-19.50	13.00-16.00	936,400	108,000
WTD AVERAGE	15.39	14.42		
20% OR MORE				
RANGE	-	14.50	163,200	-
WTD AVERAGE		14.50		

* 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.

December 22, 2006

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		----- VOLUME -----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00-17.00	361,000	-
WTD AVERAGE		16.89		
15-20%				
RANGE	14.25-21.00	12.00-16.00	2,104,000	1,224,000
WTD AVERAGE	16.91	13.98		
20% OR MORE				
RANGE	-	14.00	160,000	-
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 INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 22 DECEMBER 2006.

The market tone on parts and meats was steady to barely steady. Trading remains seasonally slow. Demand was light as buyers are cautious and selective at this time. Offerings are adequate. Domestic trading 8-10 lb. grade A bone-in breasts 109-111 cents. Export trading on fresh thigh meat was 96 cents, fresh tom drums 39 cents.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, DECEMBER 22, 2006	RANGE	CODE 1/	PRICE	(000)	WTD AVG	WTD AVG
					PRICE	(000)
DRUMSTICKS, TOMS		W	40.00	40	39.28	144
WINGS FULL-CUT - TOMS		W	32.00	40	32.00	40
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/		R	17.00	40	17.00	40
THIGH MEAT - FROZEN	94.00		94.00	80	94.36	220

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, DECEMBER 21, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		W	40.00	40
WINGS FULL-CUT - TOMS		W	32.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	17.00		17.00	40
THIGH MEAT - FROZEN	94.00-98.00		94.57	140

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, DECEMBER 20, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00		40.00	40
WINGS FULL-CUT - TOMS	32.00		32.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	18.00	104
THIGH MEAT - FROZEN		R	93.73	440

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, DECEMBER 19, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		M	39.00	104
WINGS FULL-CUT - TOMS		W	32.00	40
WINGS, V-TYPE, TOM		T	49.25	416
TAILS				
MECHANICALLY SEPARATED 2/		W	18.00	104
THIGH MEAT - FROZEN		R	93.73	440

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, DECEMBER 18, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	39.00		39.00	104
WINGS FULL-CUT - TOMS		W	32.00	40
WINGS, V-TYPE, TOM		T	49.25	416
TAILS				
MECHANICALLY SEPARATED 2/		W	18.00	104
THIGH MEAT - FROZEN		R	93.73	440

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.