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Mexico

The signing of a safeguard agreement with the United States (U.S.) in July, 2003 that established a tariff rate quota for imports of chicken leg quarters from the U.S. has helped benefit Mexico's poultry industry. Mexico's estimated poultry meat production is forecast to increase 2.5% in 2007 to 2.641 MMT from 2006's estimate of 2.576 MMT. Forecasts have been lowered from original estimates due to a combination of factors, including higher feed and production costs, competition from imports and higher costs for electricity, packaging material and transportation. Feed costs represent 55-60% of the total cost of production. Approximately 60% of the feedstuff usage is comprised of sorghum and yellow corn and 40% of this imported from the U.S.

With the expiration of the safeguard due in 2008, major producers have chosen to direct capital to improving technology along with sanitary and quality systems in an effort to better compete against imports and improve export prospects. Mexico does not yet have an equivalency agreement with the United States Department of Agriculture's (USDA) Food Safety Inspection Service that would allow for exports of domestically produced poultry meat and egg products to the U.S.

Chicken consumption in Mexico is forecast to increase in 2007 due to factors including population growth, affordability of chicken when compared to other meats, effective marketing campaigns, increased usage in processed food products and improved product quality. Increased consumer concerns about cholesterol and other health issues have also resulted in greater marketing opportunities for chicken meat. Even though consumers still prefer fresh whole chickens to chicken cuts, purchases of chicken cuts are slowly increasing. The increased demand is coming mostly in areas that serve higher income consumers.

Turkey meat consumption is also forecast to increase in Mexico to 218,000 MT in response to growing demand from the processing industry. Demand has increased on turkey meat in the form of cold cuts and on whole turkeys. Cooked hams made from blends of domestic pork and U.S. turkey thigh meat have been substantially cheaper than all-pork cooked hams.

Imports of both chicken and turkey meat are forecast to increase in 2007 in response to strong demand from Mexican food processors for further processing. Large meat processors prefer fresh, refrigerated product while medium to small processors tend to use frozen product. Even though the United States is the main supplier of chicken and turkey meat to Mexico with total poultry imports anticipated to increase 7% in 2007, Chile's presence in the market is expected to increase as importers seek to diversify suppliers due in part to changing disease conditions in North America. Imports from Chile enter duty free under the Mexico-Chile Free Trade Agreement.

Source: USDA/FAS

U.S./Chile Exports to Mexico Comparison Chart (Volume in Metric Tons)

Item/H.S. Tariff Number	Jan-Sept, 2006		Jan-Dec, 2005	
	U.S.	Chile	U.S.	Chile
Other Frozen Whole Poultry /0207.12.01	1,991	551	660	26
Whole Frozen Turkey /0207.25.01	968	1,205	2,472	2,474
Mechanically Deboned Chicken Meat Frozen/ 0207.14.01	29,490	11,233	39,575	12,665

Source: USDA/FAS

U.S. Poultry Exports to Mexico January- February Comparisons (Volume in Metric Tons)

Item	2003	2004	2005	2006	2007
Chicken					
Whole Fresh/Chilled	1,453	4,527	3,201	6,535	7,504
Whole Frozen	656	70	20	546	748
Cuts Fresh/Chilled	10,234	14,153	18,996	19,814	7,675
Leg Quarters Frozen	2,068	3,824	2,804	4,830	12,092
Other Frozen	7,511	7,147	9,673	10,216	6,982
Other Leg Frozen	406	227	446	301	2,188
Turkey					
Whole Fresh/Chilled	419	184	26	178	907
Whole Frozen	26	6	134	74	72
Cuts Fresh/Chilled	6,553	10,636	17,221	16,626	15,201
Leg Meat Without Bone Frozen	2,551	621	3,056	2,011	1,759
Legs With Bone Frozen	1,107	101	837	859	1,682
Other	1,531	3,485	3,007	1,828	922
Eggs					
Shell Eggs (in dozens)	11,400	5,520	39,600	80,640	591,021
Dried Egg Yolks	0	2	0	67	36
Egg Yolks Fresh, Cooked, Frozen	0	124	251	200	157
Dried Whole Eggs	19	83	61	141	367
Liquid Whole Eggs, Fresh, Cooked, Frozen	0	0	16	18	138
Dried Egg Whites	0	6	1	31	81

Source: USDA/FAS

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

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

Week Ending April 21, 2007	Year-To-Date			
	2007	2006 1/	2007 2/	2006
TYPE	2007	2006 1/	2007 2/	2006
Liquid	0	206	2,061	3,117
Frozen	0	41	7	125
Dried	0	0	169	146
Total	0	247	2,237	3,388

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

Week Ending April 21, 2007	Year-To-Date			
	2007	2006 1/	2007 2/	2006
TYPE	2007	2006 1/	2007 2/	2006
Liquid	187	32	4,630	841
Frozen	16	84	129	362
Dried	40	0	311	41
Total	243	116	5,070	1,244

Inspected Shell Eggs

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

Week Ending April 21, 2007	Year-To-Date			
	2007	2006 1/	2007 2/	2006
TYPE	2007	2006 1/	2007 2/	2006
Jumbo	0	0	0	150
Extra Large	1,350	2,160	10,889	25,230
Large	300	2,300	24,361	30,485
Medium	2,100	2,340	15,905	23,375
Ungraded	0	2,160	15,320	24,104
Misc	1,560	780	2,425	2,580
Total	5,310	9,740	68,900	105,924

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 21-Apr-07 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,026	1,280	2,306
Last Week	1,114	1,376	2,490
Same week yr ago	1,208	1,385	2,593
To-date/2007	17,811	21,571	39,382
To-date/2006	19,174	22,922	42,096

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	236	0	236
Last Week	239	0	239
Same week yr ago	160	0	160
To-date/2007	3,393	14	3,407
To-date/2006	3,812	10	3,822

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	1,262	1,280	2,542
Last Week	1,353	1,376	2,729
Same week yr ago	1,368	1,385	2,753
To-date/2007	21,204	21,585	42,789
To-date/2006	22,986	22,932	45,918

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.

April 27, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	17.00	61,200	-
WTD AVERAGE		17.00		
15-20%				
RANGE	14.00-20.00	11.00-16.00	1,566,000	203,200
WTD AVERAGE	18.00	12.98		
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.

April 27, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00	16.50-18.00	702,800	261,800
WTD AVERAGE	17.00	16.96		
15-20%				
RANGE	15.50-21.00	11.00-17.00	2,264,000	1,144,000
WTD AVERAGE	17.43	13.89		
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 INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 27 APRIL, 2007.

The market tone on fresh tom breast meat was mostly steady with some spot premiums noted for immediate needs, fresh destrapped tenderloins steady to fully steady, balance of white meat steady to instances firm. Demand moderate to good. Offerings of fresh tom breast meat light to mostly adequate, fresh destrapped tenderloins light and spotty, balance of white meat short to light with interest on frozen scapula going unfilled. The market tone on rib breasts at least steady for light to moderate demand. Offerings light and spotty and held with confidence. Trading was active on fresh tom drums and fresh tom breast meat for domestic shipments and tom drums for export, balance slow to moderate. For domestic: hearts 26, tom defatted gizzards 73, Grade A non-basted breasts - 8-10 lb. 135, 12-14 lb. 193, fresh wing meat with skin 86, scapula 119-128 mostly 119 cents delivered. For export: defatted gizzards - mixed 60.50, tom 70.50, fresh thigh meat 96 cents delivered.

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, APRIL 27, 2007						
DRUMSTICKS, TOMS	49.00-56.00		53.87	564	53.30	644
WINGS FULL-CUT - TOMS	39.00-44.00		39.53	300	39.53	300
WINGS, V-TYPE, TOM	51.00-53.00		52.33	312	50.85	580
TAILS	25.50		25.50	162	26.00	224
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	88.00-89.00	W	26.00 88.67	160 240	26.00 87.77	160 518

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
EXPORT TRADING				
THURSDAY, APRIL 26, 2007				
DRUMSTICKS, TOMS		T	49.25	80
WINGS FULL-CUT - TOMS		F	39.00	156
WINGS, V-TYPE, TOM		W	53.00	60
TAILS		W	27.00	42
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	26.00 87.00	160 278

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
EXPORT TRADING				
WEDNESDAY, APRIL 25, 2007				
DRUMSTICKS, TOMS		T	49.25	80
WINGS FULL-CUT - TOMS		F	39.00	156
WINGS, V-TYPE, TOM	53.00		53.00	60
TAILS	27.00		27.00	42
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	26.00 87.00		26.00 87.00	160 278

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
EXPORT TRADING				
TUESDAY, APRIL 24, 2007				
DRUMSTICKS, TOMS	48.50-50.00		49.25	80
WINGS FULL-CUT - TOMS		F	39.00	156
WINGS, V-TYPE, TOM	48.00		48.00	208
TAILS	28.00		28.00	20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F W	24.00 87.23	160 352

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
EXPORT TRADING				
MONDAY, APRIL 23, 2007				
DRUMSTICKS, TOMS		F	49.84	248
WINGS FULL-CUT - TOMS		F	39.00	156
WINGS, V-TYPE, TOM				
TAILS		F	27.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F W	24.00 87.23	160 352

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.