



# INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture    Agricultural Marketing Service    Poultry Programs    Market News Branch and Analysis

## CHILE

On February 26, 2007 the Food Safety and Inspection Service (FSIS) published in the Federal Register a proposal to add Chile to the list of countries eligible to export poultry and poultry products to the United States (U.S.). Under the proposal, poultry and poultry products processed in certified Chilean establishments may be exported to the U.S. All such products would be subject to re-inspection at U.S. ports of entry by FSIS inspectors. Although a foreign country may be listed as eligible to export poultry to the United States, the exporting country's products must also comply with all applicable U.S. requirements. The requirements include any restrictions imposed under U.S. animal health laws. Comments were to be received on or before April 27, 2007.

In the May 10, 2007 Federal Register the FSIS submitted a "Proposed Rule Comment Period Extension and Notice of New Information" in relation to the eligibility of Chile to export poultry and poultry products to the U.S. The comment period was extended to May 25, 2007. Even though the FSIS had reviewed Chile's poultry inspection system and found the requirements equivalent to the relevant provisions of the PPIA and the regulations that implement that statute, an on-site review by FSIS of Chile's poultry inspection system in August, 2005 found that Chile was not conducting species verification testing as required. Chile has committed to remedying the deficiency and has documented the steps taken to implement species verification.

The rule was designated as non-significant because it is expected that approximately 5 establishments in Chile will be exporting poultry and poultry products to the U.S. Currently, an approximate 8 companies operate at the industrial level across the country. However, it is unknown at this time the exact number of poultry establishments Chile will certify to export poultry and poultry products to the U.S. If Chile is approved to export poultry and poultry products to the U.S. they are anticipated to export 5,000 metric tons (MT) of chicken de-boned breast products to the U.S. in 2007 and reaching an estimated 12,000 MT in 2010. Chile's exports to the U.S. represent about .003% of the U.S. domestic production of raw young chicken de-boned breast products in 2005.

Entrance into the U.S. market is being greatly anticipated by some poultry companies in Chile. Some in Chile are anticipating the U.S. to

be open for imports in June of 2007 with some companies anticipating sending up to 50% of their export shipments to the U.S. Another thing that will help Chilean poultry exporters is that tariffs on poultry for both the U.S. and Chile will be completely liberalized over 10 years starting from January 1, 2004 when the U.S. began implementing the U.S.-Chile Free trade Agreement. If the rule is finalized, Chile would also be allowed to compete for state procurement contracts.

Chile has been growing their exports into other countries where the U.S. also competes. Mexico, where the U.S. is the main supplier of chicken meat, has seen Chile's presence increase to where they currently supply about 28% of their frozen cuts and increased their exports of whole turkeys to Mexico from supplying 35% of the market in 2004 to 50% in 2005. Over the last 5 years poultry exports have also increased to countries such as China and Japan to name a few.

Some problems still exist in the ability of the U.S. to export poultry to Chile. Chile still requires salmonella testing on all imports and has the authority to reject and destroy cargos. Some in the U.S. poultry industry make a claim as long as Chile has zero salmonella requirement the agreement is not bilateral. Effective August 11, 2006, the only poultry products eligible for export to Chile are fully cooked and canned products while fresh/frozen raw poultry is not eligible according to FSIS's Export requirements for Chile.

Sources: USDA/FAS and various news sources.

## CHILE

### Poultry Meat (broilers, hens, turkeys)

Year	Production (tons)	Changes (%)	Exports (tons)	Changes (%)	Exports (\$US million)
2000	438,165	11.7	17,930	23.7	23.3
2001	485,140	10.7	27,601	53.9	38.2
2002	452,162	-6.8	17,652	-36	22.4
2003	464,405	2.7	25,210	42.8	40.4
2004	535,002	15.2	51,550	104.5	93.6
2005	549,925	2.8	69,801	35.4	133.3
1st sem					
2005	260,729	4.2	29,652	46.6	55.9
1st sem					
2006	301,193	15.5	34,765	17.2	67.9

Source: ODEPA - Office of Agricultural Studies and Policies.

1) Does not include processed meat.

## CHILE EXPORT STATISTICS TO WORLD

Commodity: Broiler Meat,  
Annual Series: 2001 - 2006  
(Metric Tons)

Commodity	Description	Quantity					
		2001	2002	2003	2004	2005	2006
Broiler Meat		21,629	13,863	21,847	45,520	59,917	63,536
020711	Meat & Offal Of Chickens, Not Cut Fresh/Chilled	8	1	49	0	0	0
020712	Meat & Offal Of Chickens, Not Cut In Pieces, Frozen	3,164	2,137	141	257	1,756	1,177
020713	Chicken Cuts & Edible Offal (Incl Liver) Fresh/Chilled	15	1	9	19	2	1
020714	Chicken Cuts And Edible Offal	17,342	11,147	20,603	41,975	53,940	56,705
160232	Prepared Or Preserved Chicken Meat Or Offal, Nesoi	1,100	577	1,046	3,269	4,219	5,653

Source: Global Trade Atlas Data

**INSPECTED EGG PRODUCTS-**  
**U.S. & CANADA IMPORT/EXPORT TRADE**

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

Week Ending May 05, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	49	258	2,110	3,531
Frozen	0	0	7	125
Dried	0	40	169	187
Total	49	298	2,286	3,843

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

Week Ending May 05, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	322	35	5,262	1,030
Frozen	58	4	190	369
Dried	0	0	351	41
Total	380	39	5,803	1,440

**Inspected Shell Eggs**

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

Week Ending May 05, 2007	Year-To-Date			
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	720	2,190	12,749	28,980
Large	240	5,430	25,289	40,045
Medium	510	2,490	18,245	27,965
Ungraded	240	7,440	17,060	36,764
Misc	0	0	2,425	2,580
Total	1,710	17,550	75,768	136,484

/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

**U.S./Canadian Live Poultry Slaughtered Under Inspection**  
W/E 05-May-07 (PRELIMINARY)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,232	1,324	2,556
Last Week	1,156	1,432	2,588
Same week yr ago	1,121	1,530	2,651
To-date/2007	20,199	24,327	44,526
To-date/2006	21,405	25,908	47,313

**U.S. fowl slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	294	0	294
Last Week	306	0	306
Same week yr ago	152	0	152
To-date/2007	3,993	14	4,007
To-date/2006	4,251	10	4,261

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	1,526	1,324	2,850
Last Week	1,462	1,432	2,894
Same week yr ago	1,273	1,530	2,803
To-date/2007	24,192	24,341	48,533
To-date/2006	25,656	25,918	51,574

Source: USDA AMS Poultry Programs, Market News & Analysis Branch

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

FOB SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

May 11, 2007

**CHICKEN WITH SKIN ADDED**

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	22.00	-	40,000	-
WTD AVERAGE	22.00			
15-20%				
RANGE	17.00-20.00	11.00-16.00	1,916,000	489,600
WTD AVERAGE	19.34	12.21		
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**

FOB SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

May 11, 2007

**CHICKEN WITH SKIN ADDED**

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00	16.50-17.00	580,800	260,800
WTD AVERAGE	17.00	16.75		
15-20%				
RANGE	15.50-21.00	11.00-16.00	2,233,800	1,111,800
WTD AVERAGE	17.34	13.67		
20% OR MORE				
RANGE	-	14.00	120,000	-
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 11 MAY 2007.

The market tone on tom bulk parts was steady to instances firm. Demand in a full range, mostly moderate to good with interest noted into export channels. Demand was active on ground turkey resulting in limited availability of drums and to lesser extent wings, necks short of buyers' needs. The market tone on mechanically separated turkey was steady to fully steady with industry members starting to note a less aggressive buyer interest. Demand moderate to good. Offerings short to light. The market tone on thigh meat was steady to barely steady. Demand light to moderate. Offerings mixed with some processors able to move inventories into a better balance at the lower price levels. Trading moderate to active. For domestic: hearts 20 shipping point, fresh thigh trim 55, fresh wing meat with skin 79.50-84, fresh breast trim 120, fresh scapula 120-1241, Grade A non-basted breasts - 8-10 lb. 130, 12-16 lb. 190 cents delivered. For export: livers 25, tom 52 cent shipping point for June July shipments.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, MAY 11, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>WTD AVG</b>	<b>VOLUME</b>
					<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	49.50		49.50	40	50.58	144
WINGS FULL-CUT - TOMS	42.00		42.00	224	42.00	432
WINGS, V-TYPE, TOM	55.00		55.00	260	55.00	260
TAILS	27.00		27.00	120	27.00	120
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	83.00-89.00		85.26	276	86.01	484
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>THURSDAY, MAY 10, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		T	51.00	104		
WINGS FULL-CUT - TOMS		M	42.00	208		
WINGS, V-TYPE, TOM		F	53.00	208		
TAILS		F	27.00	104		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	23.00	40		
		T	87.00	208		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>WEDNESDAY, MAY 09, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		T	51.00	104		
WINGS FULL-CUT - TOMS		M	42.00	208		
WINGS, V-TYPE, TOM		F	53.00	208		
TAILS		F	27.00	104		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	23.00	40		
		T	87.00	208		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>TUESDAY, MAY 08, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS	51.00		51.00	104		
WINGS FULL-CUT - TOMS		M	42.00	208		
WINGS, V-TYPE, TOM		F	53.00	208		
TAILS		F	27.00	104		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	87.00	R	23.00	40		
		T	87.00	208		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>MONDAY, MAY 07, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		F	50.58	344		
WINGS FULL-CUT - TOMS	42.00		42.00	208		
WINGS, V-TYPE, TOM		F	53.00	208		
TAILS		F	27.00	104		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	23.00	40		
		M	88.00	40		

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.