



Global Poultry Meat Outlook

Prices

Poultry prices, after declining about 18% in the early part of 2006 mostly due to avian influenza concerns, have recovered over the course of the current year and by March had recovered to pre-AI levels. Export prices in the U.S. and Brazil, which together supply 70 percent of the global trade, had increased by 20 percent in the U.S. and 14 percent in Brazil by March 2007.

Demand

Demand in previously AI affected countries, including Egypt, Turkey, and Vietnam, also showed improvement despite more cases of AI showing up in Asia. Even though demand has improved one of the major factors in the price increases for poultry are the more expensive maize and soybean meal global prices.

Consumption

As consumption and prices continue to improve for poultry the global poultry output is expected to increase in 2007 by 2 million tons to about 86 million tons. The growth will mostly be concentrated in developing countries, which will account for almost 75 percent of the gain. Asian and South American markets are expected to increase their output by approximately 2.5 and 5.3 percent. These gains are supported by the increase in prices and both domestic and export demand.

Production

Poultry production in Egypt and Turkey, which were greatly affected by AI in 2006, is set for a rapid recovery in 2007 mostly due to domestic consumption. The increases are not expected to quite reach pre-AI levels. The continent of Africa is expected to show a 4 percent increase in poultry production but with AI prevalent in several of Africa's countries the increase may not be quite that much.

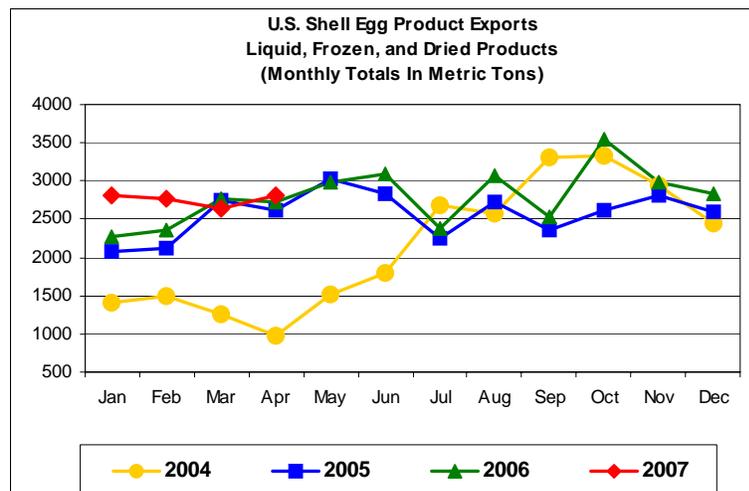
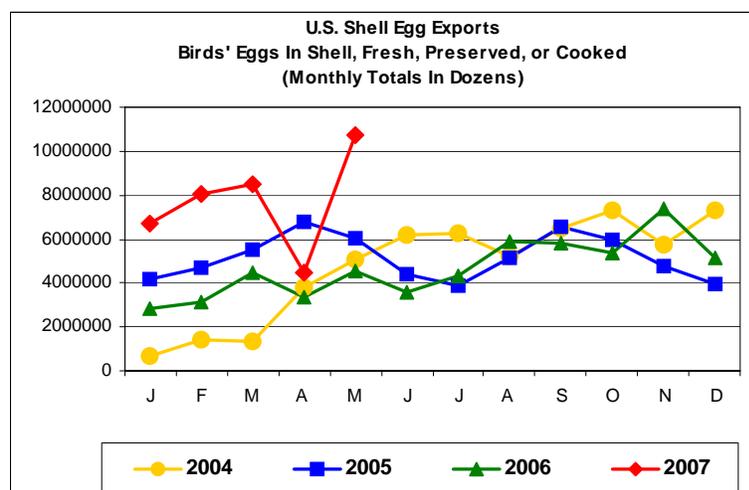
Trade

After dropping 3 percent during 2006 due to AI global shipments of poultry are estimated to expand by over 7 percent to a record 8.7 million tons. Poultry exports by the U.S. and Brazil are expected to increase around 3 million tons each. As global demand for poultry in many of the AI affected regions in Africa and the Middle East are resuming traditional importing patterns. Poultry import demand in 2007 has been even stronger than in the pre-AI era in developing countries. Most of the strength is coming from China, which is becoming the world's largest poultry meat importer, but large increases in Kuwait and Venezuela are also expected. In the developed countries imports by the EU are expected to increase by about 20 percent to about 1 million tons. The Russian Federation, the world's second largest poultry meat importer, is expected to increase imports by about 1 percent as domestic production within the country continues to increase. Japan, the third largest importer, is expected to have poultry imports decline by about 2 percent. The decline is due mostly to oversupply in its markets. Japan is expecting increases in imports of processed poultry products with the bulk of the products coming from China and Thailand.

Source: FAO/FAS

Poultry Meat Statistics (million tons, carcass weight equivalent)

	<u>Production</u>		<u>Imports</u>		<u>Exports</u>		<u>Utilization</u>	
	estim.	f'cast	estim.	f'cast	estim.	f'cast	estim.	f'cast
Asia	27.4	28.1	3.5	3.8	1.2	1.3	29.7	30.5
Africa	3.4	3.5	0.7	0.8	0.0	0.0	4.0	4.2
Central America	3.6	3.7	0.9	1.0	0.0	0.0	4.5	4.6
South America	14.2	14.9	0.3	0.3	2.9	3.2	11.4	12.0
North America	20.0	20.1	0.2	0.3	3.0	3.2	17.3	17.2
Europe	14.5	15.0	2.5	2.6	0.9	0.9	16.0	16.7



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

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

Type	Year-To-Date			
	2007	2006 /1	2007 /2	2006
Liquid	0	311	2,361	5,602
Frozen	0	41	12	172
Dried	40	0	386	307
Total	40	352	2,759	6,081

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

Type	Year-To-Date			
	2007	2006 /1	2007 /2	2006
Liquid	227	2	8,166	1,654
Frozen	5	81	242	660
Dried	0	0	511	66
Total	232	83	8,919	2,380

Inspected Shell Eggs

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

Type	Year-To-Date			
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	2,060	870	21,139	43,851
Large	2,318	3,230	36,985	83,441
Medium	750	2,790	26,315	46,032
Ungraded	0	2,910	22,520	73,154
Misc	0	780	3,205	5,117
Total	5,128	10,580	110,164	251,745

/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 07-July-07 (PRELIMINARY)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,031	1,180	2,211
Last Week	1,097	1,682	2,779
Same week yr ago	831	1,087	1,918
To-date/2007	30,173	37,768	67,941
To-date/2006	30,624	39,488	70,112

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	247	0	247
Last Week	187	0	187
Same week yr ago	61	0	61
To-date/2007	6,615	14	6,629
To-date/2006	5,166	19	5,185

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,278	1,180	2,458
Last Week	1,284	1,682	2,966
Same week yr ago	892	1,087	1,979
To-date/2007	36,788	37,782	74,570
To-date/2006	35,790	39,507	75,297

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.

July 13, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	PRICES		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00	122,400	-
WTD AVERAGE		16.00		
15-20%				
RANGE	17.00-20.00	11.00-15.25	1,586,400	283,200
WTD AVERAGE	18.00	12.52		
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.

July 13, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	PRICES		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.00	15.00-16.00	580,800	260,800
WTD AVERAGE	18.00	15.50		
15-20%				
RANGE	16.00-21.00	11.00-16.00	1,970,200	1,290,200
WTD AVERAGE	17.87	13.21		
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 13 JULY 2007.

Parts and meats trading was slow to moderate, however heavy trading was noted on tom drums, full-cut wings and fresh tom breast meat. The market tone was steady to firm. Offerings are mixed, short to adequate. Demand was light to moderate. Retail promotion rates continue to decline as expected for mid-month. Promotions on drumsticks and wings are very active and prices are firm. Domestic: Fresh breast trim 132 cents, Thigh trim 48 cents, Livers 18 cents, fresh scapula 127 cents, Breast pieces 200-208, 8-10 lb. breast non-basted 130cents and 12-16 lb. breast non-basted 190 cents.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, JULY 13, 2007	RANGE	CODE 1/	PRICE	(000)	PRICE	(000)
DRUMSTICKS, TOMS	59.00-60.00		59.37	780	59.24	1,102
WINGS FULL-CUT - TOMS	49.00		49.00	162	48.63	256
WINGS, V-TYPE, TOM	58.00-59.00		58.13	187	58.13	187
TAILS	26.00		26.00	80	26.29	140
MECHANICALLY SEPARATED 2/	29.00		29.00	24	29.51	684
THIGH MEAT - FROZEN		R	88.76	364	88.80	444

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, JULY 12, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	59.50-60.00		59.75	80
WINGS FULL-CUT - TOMS	48.00		48.00	40
WINGS, V-TYPE, TOM				
TAILS		W	27.00	20
MECHANICALLY SEPARATED 2/	31.00		31.00	120
THIGH MEAT - FROZEN	88.00-90.00		88.76	364

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, JULY 11, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	58.66	242
WINGS FULL-CUT - TOMS		T	48.00	54
WINGS, V-TYPE, TOM				
TAILS	27.00		27.00	20
MECHANICALLY SEPARATED 2/	29.00		29.00	108
THIGH MEAT - FROZEN		T	89.00	80

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, JULY 10, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	58.00-60.00		58.66	242
WINGS FULL-CUT - TOMS	48.00		48.00	54
WINGS, V-TYPE, TOM		T	59.00	52
TAILS	26.50		26.50	40
MECHANICALLY SEPARATED 2/	29.00-29.50		29.25	432
THIGH MEAT - FROZEN	89.00		89.00	80

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, JULY 09, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	59.56	362
WINGS FULL-CUT - TOMS		R	49.33	162
WINGS, V-TYPE, TOM		T	59.00	52
TAILS		F	26.50	40
MECHANICALLY SEPARATED 2/		F	28.69	296
THIGH MEAT - FROZEN		F	92.00	162

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.