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EU-27 Poultry

The broiler markets in the EU have mostly recovered from the highly pathogenic avian influenza scare in early 2006, when highly pathogenic H5N1 was found in wild birds from several countries and a turkey farm in France. EU-25 broiler production fell 3.5 percent and consumption dropped 3.1 percent. Although total EU-25 exports were stable, France experienced a 20 percent drop in exports due to a range of import bans on France. Producers remain cautious and production is not expected to return to 2005 levels yet. AI remains a threat this year as infections have been detected in wild birds and some commercial flocks. High feed and energy costs also constrain production levels. EU broiler production is forecast to recover in 2008.

In 2007, broiler imports into the EU are expected to increase by about 100,000 MT due to the unlimited imports of salted poultry at low tariff in the first half of 2007 following the outcome of the WTO panel and the consequent implementation of new TRQs for salted and cooked poultry for Brazil and Thailand in the second half of 2007. Imports are forecast to slightly lower in 2008 as cheap imports are restricted by import quotas.

EU broiler exports are expected to partly recover in 2007, as export bans against France have been lifted. The strong EURO exchange rate and competition from Brazil are constraining recovery. Domestic consumption of broilers in the EU is also expected to recover to about the 2005 pre-AI level. Media coverage on recent outbreaks of AI in several Member States has not had a strong impact on consumer behavior. EU broiler exports are forecast to remain stable if export refunds continue to be available.

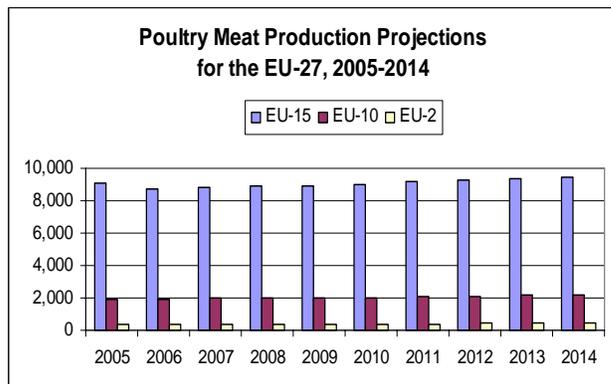
Top 5 EU-27 Member States

Chicken Production, in thousand metric tons

	2006	2007	2008
UK	1,250	1,230	1,250
Benelux	1,064	1,056	1,055
Spain	1,040	1,050	1,050
France	821	850	820
Poland	91	92	92

Chicken Exports, in thousand metric tons

Benelux	272	280	280
France	184	220	210
Germany	68	70	70
UK	57	55	55
Poland	31	36	31



EU turkey production is not expected to recover in 2007 or 2008. Increases in turkey production in Poland and Hungary are not expected to fully offset the drop in France and the United Kingdom. EU turkey exports are expected to decrease in part due to the more competitive exports from Brazil.

Top 5 EU-27 Member States

Turkey Production, in thousand metric tons

	2006	2007	2008
France	502	470	450
Germany	380	380	380
Italy	274	276	280
Poland	220	230	230
UK	184	185	175

Turkey Exports, in thousand metric tons

France	54	45	40
Benelux	25	24	24
Germany	21	15	15
UK	8	6	6
Italy	5	7	8

The accession of Bulgaria and Romania on January 1, 2007 is not expected to have much impact on the EU poultry market, as they only represent 3 percent of the EU poultry production. Both countries are net importers and are expected to increase their intra-EU imports, since imports from outside the EU have mostly come to a halt. U.S. poultry (H.S. 0207) exports to Romania stopped after July 2006 and totaled 52,695.7 metric tons for the seven month period. Exports to Bulgaria continued through November 2006 and totaled 2,958.2 metric tons. This compares 2005 when the U.S. exported 92,538.9 metric tons to Romania and 7,572.6 metric tons to Bulgaria.

Romania: Chicken Meat Production and Trade

'000 metric tons

	2005	2006 est	2007 forecast
Production	225	220	240
Imports	158	125	115
Exports	7	3	8

Bulgaria Trade in Poultry

	2005	2006
Imports	44,059	42,109
Exports	8,481	8,054

The European Commission's report, Prospects for Agricultural Markets and Income in the European Union, 2007-2014, was released in July, 2007. These projections assume that no further cases of H5N1 would occur over the medium term. Poultry production is expected to grow at a pace close to the 1.9% per year average over the period 1999-2004 (pre-AI years). EU-27 exports are expected to decline gradually over the medium term due to strong competition on the world markets by low cost producers and an unfavorable exchange rate with the U.S. dollar and the Brazilian real. With the decline in extra-EU exports, the EU-27 is expected to become a net importer by the end of the projection period.

Poultry meat market projections for the EU-27, 2005-2014 ('000 t cwe*)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Import	756	708	611	655	700	697	705	710	723	747
Exports	881	863	789	718	777	756	738	723	707	693

EU-10: Member States that joined the European Union on May 1st, 2004

EU-2: Bulgaria and Romania joined the European Union on January 1st, 2007

*carcass weight equivalent

Sources: USDA/Foreign Agricultural Service; UN Food and Agricultural Organization; European Commission

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

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

Week Ending July 28, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	0	154	2,462	5,958
Frozen	13	0	25	172
Dried	38	40	447	365
Total	51	194	2,934	6,495

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

Week Ending July 28, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	490	94	9,474	1,914
Frozen	3	12	259	726
Dried	40	0	589	66
Total	533	106	10,322	2,706

Inspected Shell Eggs

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

Week Ending July 28, 2007	Year-To-Date			
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	1,200	1,770	24,679	48,501
Large	3,520	3,750	45,166	97,111
Medium	2,370	1,950	31,715	52,212
Ungraded	1,008	0	24,056	79,004
Misc	792	0	4,837	5,267
Total	8,890	7,470	130,453	282,245

/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 28-July-07 (PRELIMINARY)**

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,075	1,730	2,805
Last Week	1,045	1,677	2,722
Same week yr ago	1,040	1,487	2,527
To-date/2007	33,442	42,841	76,283
To-date/2006	33,927	43,989	77,916

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	296	3	299
Last Week	244	3	247
Same week yr ago	123	0	123
To-date/2007	7,449	23	7,472
To-date/2006	5,442	23	5,465

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	1,371	1,733	3,104
Last Week	1,289	1,680	2,969
Same week yr ago	1,163	1,487	2,650
To-date/2007	40,891	42,864	83,755
To-date/2006	39,369	44,012	83,381

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.

August 03, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00	40,800	-
WTD AVERAGE		16.00		
15-20%				
RANGE	17.00-20.00	11.00-15.00	2,005,200	806,400
WTD AVERAGE	17.61	12.03		
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.

August 03, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.00	15.00-16.00	540,800	260,800
WTD AVERAGE	18.00	15.86		
15-20%				
RANGE	17.00-21.00	11.00-16.00	1,860,600	1,020,600
WTD AVERAGE	18.22	13.65		
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 03 AUGUST 2007.

The market tone on tom bulk parts was steady to fully steady. Demand was light to moderate. Offerings of tom bulk parts light to adequate. Demand was light to moderate. Offerings short to adequate. The market tone on mechanically separated turkey was steady to instances weak. Demand was slow. Offerings adequate to instances burdensome. For domestic: fresh scapula 134 cents delivered, plant grade 20-24 lb. breast 195 cents delivered, and tails 24.50 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, AUGUST 03, 2007	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	59.00		59.00	256	59.91	468
WINGS FULL-CUT - TOMS		R	49.00	60	49.00	60
WINGS, V-TYPE, TOM						
TAILS		W	27.00	216	27.00	216
MECHANICALLY SEPARATED 2/		F	22.00	312		
THIGH MEAT - FROZEN	87.00-90.00		87.89	256	88.15	508

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, AUGUST 02, 2007	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	60.00		60.00	104		
WINGS FULL-CUT - TOMS	49.00		49.00	60		
WINGS, V-TYPE, TOM						
TAILS		W	27.00	216		
MECHANICALLY SEPARATED 2/		F	22.00	312		
THIGH MEAT - FROZEN	88.00		88.00	40		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, AUGUST 01, 2007	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	62.00		62.00	108		
WINGS FULL-CUT - TOMS		R	49.00	40		
WINGS, V-TYPE, TOM						
TAILS	27.00		27.00	216		
MECHANICALLY SEPARATED 2/		F	22.00	312		
THIGH MEAT - FROZEN	88.00		88.00	108		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, JULY 31, 2007	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	62.00	160		
WINGS FULL-CUT - TOMS		R	49.00	40		
WINGS, V-TYPE, TOM						
TAILS		W	26.50	40		
MECHANICALLY SEPARATED 2/		F	22.00	312		
THIGH MEAT - FROZEN	89.00		89.00	104		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, JULY 30, 2007	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	62.00	160		
WINGS FULL-CUT - TOMS		R	49.00	40		
WINGS, V-TYPE, TOM						
TAILS		W	26.50	40		
MECHANICALLY SEPARATED 2/		F	22.00	312		
THIGH MEAT - FROZEN		R	89.00	52		

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.