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Canada

Annual Canadian broiler chicken production advanced 5.0% in the 5 years 2001-2006, but in 2007 is estimated to increase 2.0-2.4 percent over 2006. Canada remains the third most important export market for U.S. poultry meat, after Mexico and the Russian Federation, with record value exports during the first 6 months of 2007 at \$201 million, up 34% compared to same period in 2006. Canadian broiler chicken 2006 imports were 82% from U.S. with Brazil second at 17%.

Canadian poultry slaughter and processing establishments that import poultry meat from Brazil are not eligible to export poultry meat products to the United States. All poultry meat and meat products present in the non-eligible establishments must not enter Canadian establishments that have full export status for the United States.

Canada controls imports of chicken under a tariff rate quota (TRQ). The minimum access level (into Canada) under the WTO is 39,844 metric tons but Canada applies the higher access level of the NAFTA, which is equal to 7.5% of the previous year's domestic chicken production as reported by Statistics Canada. For 2007, the global chicken TRQ is 72,800 metric tons.

However, Canada regularly issues supplementary import permits for: 1) periods when there are product shortages, 2) the chicken Import to Re-Export Program (IREP), under which supplementary import permits are issued to Canadian poultry processors whose finished manufactured products are intended for re-export, and 3) to Canadian poultry companies, commonly referred to as the FTA (free trade agreement) sector, who compete in the Canadian marketplace with similar, imported processed products that receive zero-tariff treatment under the NAFTA.

In recent years, Canadian poultry companies have increasingly utilized IREP whereby they import chicken under supplementary licenses for the domestic market provided they export an equal amount of product. IREP enables Canadian companies to help meet the domestic demand for mostly white meat chicken and export dark meat chicken for which there is substantially less demand in Canada. Imports under the IREP program to mid August 2007 totaled approximately 50,500 MT, an amount only slightly less than the 52,600 MT imported under the TRQ.

Similar to chicken, turkey meat imports into Canada are subject to a tariff rate quota calculated at the higher of 3.5% of the current year's production allocation as estimated by the Canadian Turkey Marketing Agency, or the WTO access level. For 2007, the WTO access level is 5,588,000 kilograms, which is a higher level than 3.5% of the current year's estimated production quota. Imports supplementary to the TRQ and imports under the IREP for turkey have propelled actual imports well beyond the TRQ level.

Source: USDA/FAS

Canada Turkey Meat (Metric Tons)

	2006 Estimate	2007 Estimate	2008 Estimate
Production	163	164	165
Imports – Whole	0	0	0
Imports - Parts	9	10	12
Exports – Whole	2	2	2
Exports - Parts	25	28	30
Total Domestic Consumption	144	145	145

Source: USDA/FAS

Canadian Per Capita Consumption of Poultry Meat (kg; eviscerated basis)

	Chicken	Turkey	Fowl
2002	30.7	4.3	1.8
2003	30.1	4.1	1.7
2004	31.1	4.4	1.6
2005	31.4	4.5	1.4
2006	31.8	4.4	1.5

Source: Statistics Canada

Canadian Broiler Chicken Imports (metric tons)

Country	2004	2005	2006	Jan-June		07/06 % change
				2006	2007	
The World	103,731	101,757	120,227	57,152	64,906	14%
United States	84,065	83,892	98,246	46,375	53,378	15%
Brazil	18,813	16,436	19,863	9,781	10,217	4%
Thailand	789	1,439	1,972	940	1,296	38%
Chile	-	0	147	56	16	-72%
All Others		64	-	0	0	0

Source: USDA/FSA, Statistics Canada & World Trade Atlas
Sum of HS codes 0207.11; 027.12; 0207.13; 0207.14; 1602.32
Subtraction of various HS Codes for spent fowl

Canadian Chicken Exports (metric tons)

Country	2004	2005	2006	Jan-June		07/06 % change
				2006	2007	
The World	75,717	102,419	110,482	55,779	71,522	28%
United States	28,149	31,173	41,831	19,681	26,605	35%
South Africa	4,416	13,948	22,766	12,509	7,611	-39%
Hong Kong	7,370	8,864	9,381	5,167	6,953	35%
Philippines	5,892	11,814	8,880	3,013	6,915	130%
Macedonia	1,135	4,852	4,463	2,131	5,714	168%
El Salvador	2,006	2,318	3,052	1,498	1,424	-5%
Ghana	1,627	1,993	1,410	469	4,345	827%
All Others	25,122	27,457	18,698	11,310	11,955	6%

Source: USDA/FSA, Statistics Canada & World Trade Atlas
Sum of HS codes 0207.11; 027.12; 0207.13; 0207.14; 1602.32

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

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

Week Ending	September 08, 2007		Year-To-Date	
Type	2007	2006 /1	2007 /2	2006
Liquid	0	97	2,711	7,022
Frozen	0	0	25	172
Dried	41	40	489	450
Total	41	137	3,225	7,644

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

Week Ending	September 08, 2007		Year-To-Date	
Type	2007	2006 /1	2007 /2	2006
Liquid	318	46	11,694	2,518
Frozen	0	12	263	766
Dried	0	0	659	66
Total	318	58	12,616	3,350

Inspected Shell Eggs

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

Week Ending	September 08, 2007		Year-To-Date	
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	1,230	2,370	32,899	62,151
Large	164	3,440	55,500	117,741
Medium	270	1,230	37,193	64,572
Ungraded	936	1,440	58,208	89,548
Misc	0	0	7,105	6,195
Total	2,600	8,480	190,905	340,357

/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

Week Ending September 08, 2007 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	795	1,119	1,914
Last Week	1,034	1,563	2,597
Same week yr ago	876	1,242	2,118
To-date/2007	39,851	51,996	91,847
To-date/2006	39,594	53,247	92,841

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	196	0	196
Last Week	186	0	186
Same week yr ago	85	0	85
To-date/2007	9,061	23	9,084
To-date/2006	5,870	26	5,896

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	991	1,119	2,110
Last Week	1,220	1,563	2,783
Same week yr ago	961	1,242	2,203
To-date/2007	48,912	52,019	100,931
To-date/2006	45,464	53,273	98,737

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.

September 14, 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	16.00-20.00	11.00-16.00	2,159,600	1,528,800
WTD AVERAGE	17.38	13.13		
20% OR MORE				
RANGE	-	13.50	81,600	-
WTD AVERAGE		13.50		

* 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

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.

September 14, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.00	15.00-16.00	620,800	260,800
WTD AVERAGE	18.00	15.78		
15-20%				
RANGE	16.00-21.00	11.00-16.00	1,514,400	914,400
WTD AVERAGE	18.09	13.46		
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 18 SEPTEMBER 2007.

The market tone on fresh tom breast meat was steady to fully steady, frozen tom breast meat steady to firm, breast trim steady to fully steady, wing meat with skin mostly steady, scapula steady to weak with fresh strongest. Demand on tom breast meat and breast trim moderate to good, fresh destrapped tenderloins moderate, frozen destrapped tenderloins light at best, fresh scapula light to moderate with frozen extremely light. Offerings of tom breast meat and breast trim short to adequate, fresh destrapped tenderloins light to adequate, frozen destrapped tenderloins mixed and held with varied degrees of confidence, wing meat with skin and fresh scapula light to adequate, frozen scapula adequate to burdensome with older production the most available. Trading slow to moderate. For domestic: hearts 25, tails 25, mature necks 51, fresh wing meat with skin 93-99 mostly 94, fresh scapula 118-123, fresh breast trim 137, Grade A non-basted breasts - 8-10 lb. 140, 12-16 lb. 190 cents delivered. For export: hen drums 57, scapula 115 cents shipping point.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, SEPTEMBER 14, 2007	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	60.00		60.00	364	59.78	640
WINGS FULL-CUT - TOMS	48.00-49.00		48.17	236	48.44	316
WINGS, V-TYPE, TOM		W	62.56	468	62.38	676
TAILS	26.50		26.50	108	25.61	200
MECHANICALLY SEPARATED 2/	17.00		17.00	40	16.58	612
THIGH MEAT - FROZEN	90.00		90.00	120	89.57	212

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, SEPTEMBER 13, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	59.00-60.00		59.50	80
WINGS FULL-CUT - TOMS	49.00		49.00	40
WINGS, V-TYPE, TOM		W	62.56	468
TAILS	25.00		25.00	52
MECHANICALLY SEPARATED 2/		W	16.55	572
THIGH MEAT - FROZEN	89.00		89.00	92

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, SEPTEMBER 12, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	60.00		60.00	40
WINGS FULL-CUT - TOMS		M	49.50	40
WINGS, V-TYPE, TOM	62.00-63.00		62.56	468
TAILS		T	24.00	40
MECHANICALLY SEPARATED 2/	16.00-18.00		16.55	572
THIGH MEAT - FROZEN		F	87.86	280

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, SEPTEMBER 11, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	59.00-60.00		59.33	156
WINGS FULL-CUT - TOMS		M	49.50	40
WINGS, V-TYPE, TOM	62.00		62.00	208
TAILS	24.00		24.00	40
MECHANICALLY SEPARATED 2/		F	18.00	80
THIGH MEAT - FROZEN		F	87.86	280

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, SEPTEMBER 10, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		R	59.50	20
WINGS FULL-CUT - TOMS	49.50		49.50	40
WINGS, V-TYPE, TOM		F	59.50	104
TAILS		F	25.50	104
MECHANICALLY SEPARATED 2/		F	18.00	80
THIGH MEAT - FROZEN		F	87.86	280

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.