



BROILER MARKET NEWS REPORT

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Poultry Programs

Market News Branch & Analysis

NATIONAL BROILER MARKET AT-A-GLANCE



Trade sentiment was barely steady in the West, but weak in the other major terminal markets. Retail and distributive demand was slow, but about normal into fast food channels. Supplies of all sizes were usually ample and slow to clear, even where competitive priced. Floor stocks were balanced to long. In the parts structure, trading was light with most buyers purchasing on a as need basis. Breast items although slightly improved were ample and often heavily discounted to improve interest. Dark meat and wings were irregular, but usually available for full trade needs. In production areas, live supplies were moderate at desirable to heavy weights.

GEORGIA FOB DOCK PRICES The Georgia f.o.b. dock quoted price on broilers/fryers for next week's trading declined .50 cents to **81.00** cents based on full truck load lots of ice-packed USDA grade "A" sized 2 1/2 to 3 pound birds. This compares to 70.25 cents last year on September 27, 2006.

Georgia f.o.b. dock quoted prices on ice-packed parts for next week's trading:

| ITEM | DOCK PRICE (CENTS PER POUND) |
|------------------|---------------------------------|
| LINE RUN TENDERS | 190.00 |
| BREASTS - B/S | 167.50 |
| BREASTS - WHOLE | 101.50 |
| THIGH MEAT - B/S | 112.00 |
| LEG QUARTERS | 46.50 |
| WINGS | 128.50 |

This information is supplied by the Georgia Department of Agriculture's Poultry Market News Service.

SOUTHERN REGION Undertone was weak. Retail and food service demand was light to fair with traders buying on a as needed basis. Supplies of all sizes were at least adequate to ample and attractively priced to help clear additional product. In the parts structure, trading was slow and unaggressive. Breast items were ample and frequently discounted, wings were mixed, but mostly adequate, and dark meat was readily available. In production areas, live supplies were moderate at desirable to heavy weights.

NORTHEAST REGION Trucklot buying activity on ready-to-cook whole broiler/fryers was light and unaggressive as most dealers were content in limiting orders to most immediate needs. Offerings of all sizes were readily available and competitively priced in most instances. Retail and distributive movement was light. The market tone was weak. In the parts complex, breast items and tenders were burdensome for the generally lackluster buyer interest. Wings were at least adequate and dark meat cuts were fully adequate to available for current needs.

MIDWEST REGION Whole broiler/fryer trade sentiment continued mostly weak as producer offerings remained plentiful and enticing little trade call. Retail and food service call was light to moderate; some fast food, retail and delicatessens noted occasional good activity on wogs, eight-piece cut-up and promotions on dark meat cuts. Floor stocks were running in balance to fully adequate; weights desirable to trending heavy. Parts trade was generally non-committal. End users noted sales as measured, and limited current commitments fully satisfied needs. Offerings of all parts were fully available with breast items ample. The trade sentiment was weak on breast cuts, and about steady, instances weak on remaining parts.

WESTERN REGION The market tone was steady to barely steady. Offerings were adequate to mainly ample for immediate needs. Buying activity was light. Buyers' cautiously watched further market developments. Retailer demand was overall moderate best where featured. Floor stocks were in fair balance with demand. Trade sentiments were barely steady on parts.

BROILER -TYPE EGGS SET IN 19 SELECTED STATES UP 2 PERCENT

Commercial hatcheries in the 19-State weekly program set 213 million eggs in incubators during the week ending September 22, 2007. This was up 2 percent from the eggs set the corresponding week a year earlier. Average hatchability for chicks hatched during the week was 83 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

BROILER CHICKS PLACED UP 2 PERCENT

Broiler growers in the 19-State weekly program placed 176 million chicks for meat production during the week ending September 22, 2007. Placements were up 2 percent from the comparable week a year earlier. Cumulative placements from December 31, 2006 through September 22, 2007 were 6.72 billion, up 1 percent from the same period a year earlier.

BROILER-TYPE EGGS SET AND BROILER CHICKS PLACED TOTAL

| | 19 SELECTED STATES | | PERCENT CHANGE |
|----------------------|--------------------|---------|----------------|
| WEEK ENDING 09/22/07 | 2007 | 2006 | PREVIOUS YEAR |
| EGGS SET | 212,506 | 207,521 | +02 |
| CHICKS PLACED | 176,317 | 173,499 | +02 |

Source: NASS, USDA

WEEKLY FRYERS AVAILABLE FOR MARKETING Based on the preliminary chick placements, the number of fryers available for marketing during the week ending 03-Nov-07 is estimated at 162.5 million head. This compares to 162.8 million head the previous week and to 163.0 million head the same week a year ago, when the slaughter was 166.1 million head and the composite weighted average price was 65.57 cents per pound.

SEPT 25

SOUTHERN STATES BROILER/FRYER PARTS

SEPT 26

F.O.B. DOCK OR EQUIVALENT, ICED-PACKED, PRICES SHOWN ARE DAY OF SHIPMENT (INCLUDES CURRENT AND PRIOR NEGOTIATIONS), TRUCKLOT AND LESS THAN TRUCKLOT VOLUME, CENTS PER POUND.

| ITEM | POUNDS | | | WTD AVG | ITEM | POUNDS | | | WTD AVG |
|---------------------|--------|-------------------|----------|------------|---------------------|--------|-------------------|----------|------------|
| | (000) | RANGE | MAJORITY | | | (000) | RANGE | MAJORITY | |
| BREAST - B/S | | TOO FEW TO REPORT | | | BREAST - B/S | | TOO FEW TO REPORT | | |
| TENDERLOINS | | TOO FEW TO REPORT | | | TENDERLOINS | | TOO FEW TO REPORT | | |
| BREAST - LINE RUN | | TOO FEW TO REPORT | | | BREAST - LINE RUN | | TOO FEW TO REPORT | | |
| FRONT HALVES | | TOO FEW TO REPORT | | | FRONT HALVES | | TOO FEW TO REPORT | | |
| LEGS | 183 | 49.00-64.00 | 53-55 | 54.03 | LEGS | 185 | 49.00-64.00 | 53-55 | 54.41 |
| LEG QUARTERS (BULK) | 550 | 36.00-47.00 | 40-41 | 40.27 | LEG QUARTERS (BULK) | 445 | 36.00-47.00 | 40-41 | 40.27 |
| LEG QUARTERS (4/10) | 865 | 40.00-49.00 | 43-44 | 43.01 | LEG QUARTERS (4/10) | 704 | 40.00-48.00 | 43-44 | 43.43 |
| WINGS (WHOLE) | 280 | 100.00-126.00 | - | 112.39 | WINGS (WHOLE) | 280 | 100.00-126.00 | - | 113.11 |
| WINGS (CUT) | | TOO FEW TO REPORT | | | WINGS (CUT) | 105 | 122.00-141.00 | - | 133.76 |
| DRUMSTICKS | | TOO FEW TO REPORT | | | DRUMSTICKS | | TOO FEW TO REPORT | | |
| THIGHS | | TOO FEW TO REPORT | | | THIGHS | | TOO FEW TO REPORT | | |
| B/S THIGHS | | TOO FEW TO REPORT | | | B/S THIGHS | | TOO FEW TO REPORT | | |

WHOLE BODY INDEX BASED ON SOUTHERN STATES PARTS TRADING FOR F.O.B. DOCK

| RANGE | TODAY'S AVERAGE | RANGE | TODAY'S AVERAGE | 5-DAY AVERAGE |
|---------------|-----------------|---------------|-----------------|---------------|
| 48.00 - 61.50 | 53.64 | 45.50 - 58.25 | 50.05 | 53.91 |

The index is intended solely as an indicator of values for commodity-type product and does not represent industry's willingness to sell or ability to buy.

NORTHEAST BROILER/FRYER PARTS - Trucklot buying interest continued light and selective with most dealers working hand-to-mouth and limiting orders to regular commitments. Supplies of breast items and tenders were readily available and often discounted where product was in excess. Dark meat cuts were more than sufficient and wings were at least adequate for current needs. Movement through retail and distributive channels was light. The market tone remained weak for breast items and tenders; other items were about steady to steady at best.

ICE PACKED BROILER/FRYER PARTS, DELIVERED TO FIRST RECEIVERS IN POOL TRUCKLOT AND TRUCKLOT QUANTITIES, CENTS PER POUND.

| SEPT 25 | CURRENT NEG | WTD | | SEPT 26 | CURRENT NEG | WTD | |
|----------------------------|-------------|--------|---------|----------------------------|-------------|--------|---------|
| ITEM | TRADING* | AVG | VOL/LBS | ITEM | TRADING* | AVG | VOL/LBS |
| BREAST - B/S | 140-145 | 136.87 | 845,558 | BREAST - B/S | 135-140 | 131.60 | 318,377 |
| TENDERLOINS | 130-135 | 139.95 | 167,240 | TENDERLOINS | 125-130 | 134.68 | 91,040 |
| BREAST - WITH RIBS | 88-89 | 95.32 | 165,840 | BREAST - WITH RIBS | 85-86 | 99.23 | 60,120 |
| BREAST - LINE RUN | 88 | 89.78 | 81,000 | BREAST - LINE RUN | 85 | 86.82 | 99,000 |
| LEGS | 61-62 | 65.24 | 79,520 | LEGS | 61-62 | 64.35 | 108,040 |
| LEG QUARTERS (BULK) | 44-45 | 46.42 | 174,960 | LEG QUARTERS (BULK) | 44-45 | 46.88 | 135,280 |
| DRUMSTICKS | 64-65 | 63.97 | 105,880 | DRUMSTICKS | 62-63 | 61.04 | 90,400 |
| THIGHS | 53-54 | 62.41 | 51,400 | THIGHS | 52-53 | 60.25 | 100,040 |
| B/S THIGHS | 110-111 | 115.53 | 82,260 | B/S THIGHS | 110-111 | 115.42 | 46,600 |
| WINGS (WHOLE) | 128-129 | 131.60 | 127,720 | WINGS (WHOLE) | 128-129 | 131.76 | 114,560 |
| BACKS AND NECKS (STRIPPED) | 10-12 | 11.03 | 18,840 | BACKS AND NECKS (STRIPPED) | 10-12 | 10.84 | 20,480 |
| LIVERS (5 POUND TUBS) | 35-40 | 37.04 | 13,600 | LIVERS (5 POUND TUBS) | 35-40 | 37.34 | 5,720 |
| GIZZARDS (HEARTS) | 70-75 | 75.25 | 22,800 | GIZZARDS (HEARTS) | 70-75 | 75.52 | 15,880 |

INCLUDES NY CITY METRO. AREA, NORTHERN NJ, MA, CT, RI, & PA (NORTHEAST OF HARRISBURG). * TODAY'S NEG. SALES AS OF 11:30 A.M.

** WEIGHTED AVERAGE PRICE OF ALL GRADES AND BRANDS OF PRODUCT SHIPPED, OR TO BE SHIPPED AS OF 1:30 P.M.

ESTIMATED SLAUGHTER OF BROILER-FRYERS (IN THOUSANDS)

| | ESTIMATED | | ACTUAL | | AVG WTS | | ACTUAL | | AVG |
|----------------|------------|---------|---------|---------|---------|---------|---------|---------|------------|
| | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | WTS |
| | 09/26 | 09/25 | 09/24 | 09/21 | 09/24 | 09/21 | 09/19 | 09/17 | |
| Alabama | 4,032 | 4,260 | 4,150 | 5,016 | 5.54 | 5.47 | 4,132 | 5.60 | |
| Arkansas | 5,425 | 5,412 | 5,245 | 4,939 | 5.49 | 5.25 | 5,395 | 5.49 | |
| Delmarva | 2,283 | 2,272 | 2,234 | 2,424 | 6.01 | 5.84 | 2,253 | 6.03 | |
| KY-LA-TN | 2,442 | 2,459 | 2,427 | 2,447 | 5.22 | 5.05 | 2,425 | 5.17 | |
| Mississippi | 3,092 | 2,996 | 3,145 | 3,093 | 5.67 | 5.61 | 2,937 | 5.55 | |
| North Carolina | 2,773 | 2,947 | 2,869 | 3,129 | 7.08 | 6.99 | 2,884 | 7.07 | |
| Texas | 2,510 | 2,505 | 2,557 | 2,566 | 5.41 | 5.23 | 2,469 | 5.40 | |
| Total | 22,557 | 22,851 | 22,627 | 23,614 | 5.74 | 5.61 | 22,495 | 5.73 | |
| Mon-Wed | 68,302 (A) | | | | | | | | 67,776 (A) |

(A) Weekly cumulative for states listed above.

Broiler-fryer slaughter under federal inspection for 26-Sep-07 is estimated to be 33,748,000 head down 0.02 percent from a week ago and up 3.13 percent from a year ago. (Last week 33,756,000, last year 32,724,000)

SOUTHERN CALIFORNIA (L.A. AREA)

PROCESSED POULTRY, DLVRD TO RETAILERS

| | RANGE |
|------------------|---------|
| FRESH FRYERS | 92-102 |
| ROASTERS 4# & UP | 109-118 |
| HENS UNDER 5# | |
| HENS OVER 5# | 70-79 |

DUCKS
RABBITS-WHOLE
RABBITS-CUT UP

**SAN FRANCISCO PROCESSED POULTRY
DLVRD TO RESTAURANTS AND INSTITUTIONS**

| | RANGE |
|------------------|--------------|
| FRESH FRYERS | ICE PACK 126 |
| | DRY PACK 130 |
| ROASTERS 4# & UP | ICE PACK 145 |
| | DRY PACK 125 |
| HENS OVER 5# | ICE PACK 109 |
| | DRY PACK 124 |
| DUCKS | 199-204 |

ESTIMATED U.S. LIVE POULTRY SLAUGHTER

UNDER FEDERAL INSPECTION FOR WEEK ENDING 29-Sep-07

| Class | CURRENT WEEK | | PREVIOUS WEEK | |
|---------------|--------------|---------------|---------------|---------------|
| | 09/29/07 (1) | Thousand head | 09/22/07 | Thousand head |
| Broiler/fryer | 175,410 (2) | | 171,671 | |
| Light hens | 1,115 | | 1,151 | |
| Heavy hens | 1,546 | | 1,523 | |
| Total | 178,071 | | 174,345 | |

(1)ESTIMATED

2)The estimated number of broiler-fryers available for slaughter the week ending 29-Sep-07 is 168.1 million head compared to 166.7 million head slaughtered the same week last year. The estimated U.S. slaughter this week is 175.8 million head or 7.7 million more than estimated available. For the week of 06-Oct-07 the estimated available is 167.4 million head.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STGE CENTERS (INCL GOVT STOCKS) (IN THOUSANDS)

| | PROCESSED TURKEY | | PROCESSED POULTRY | |
|-------------|------------------|--|-------------------|--|
| | LBS | | LBS | |
| AM 09/24/07 | 109,248 | | 73,746 | |
| AM 09/01/07 | 113,808 | | 80,111 | |
| CHG | -4,560 | | -6,365 | |
| PCT CHG | -4 | | -8 | |

COLD STORAGE MOVEMENT (IN THOUSANDS)

| | PROCESSED TURKEYS | | | PROCESSED POULTRY | | |
|----------------------|-------------------|----------|----------|-------------------|----------|----------|
| | 09/24/07 | 09/17/07 | 09/25/06 | 09/24/07 | 09/17/07 | 09/25/06 |
| PACIFIC COAST | 3,700 | 3,764 | 584 | 9,653 | 8,775 | 10,535 |
| LOS ANGELES | 217 | 230 | 282 | 903 | 982 | 2,640 |

CENTRAL MISCELLANEOUS POULTRY RTC HENS

READY-TO-COOK PRICES NEGOTIATED FOR DELIVERY TO FIRST RECEIVERS,U.S.GRADE A AND PLANT GRADE, 5LBSAND UP, FOR WEEK OF SEPTEMBER 24, 2007

| HENS | ICE PACKED(12 PER BOX) | | RANGE | |
|------|------------------------|--|-------|--|
| | | | | |
| | | | 71-81 | |
| | | | 75-93 | |

HACKETTSTOWN POULTRY SALES

| | | | | FOR 09/25/07 | | |
|---|------|------|------|-------------------|------|------|
| AI PAPERS REQUIRED TO SELL ALL OUT OF STATE POULTRY | | | | | | |
| | LOW | HIGH | AVG | LOW | HIGH | AVG |
| HEAVY FOWL lb. | .70 | 1.20 | .77 | HEAVY FOWL ea. | - | - |
| LIGHT FOWL lb. | - | - | - | LIGHT FOWL ea. | - | - |
| MIXED FOWL lb. | .75 | 1.00 | .88 | MIXED FOWL ea. | - | - |
| BANTAMS lb. | - | - | - | BANTAMS ea. | 1.00 | 7.00 |
| BROILERS lb. | - | - | - | BROILERS ea. | - | - |
| ROASTERS lb. | - | - | - | ROASTERS ea. | - | - |
| FRYERS lb. | - | - | - | FRYERS ea. | - | - |
| CHICKS lb. | - | - | - | CHICKS ea. | .60 | 1.00 |
| PULLETS lb. | - | - | - | PULLETS ea. | 2.50 | 3.00 |
| BUNNIES lb. | - | - | - | BUNNIES ea. | 1.00 | 2.25 |
| ROOSTERS lb. | 1.30 | 1.60 | 1.45 | ROOSTERS ea. | 3.00 | 6.75 |
| GEESE lb. | - | - | - | GEESE ea. | - | - |
| TURKEYS lb. | - | - | - | TURKEYS ea. | - | - |
| DUCKS lb. | - | - | - | DUCKS ea. | - | - |
| RABBITS lb. | 1.00 | 4.60 | 1.53 | RABBITS ea. | - | - |
| PIGEONS lb. | - | - | - | PIGEONS ea. | 1.00 | 3.00 |
| GUINEA FOWL lb. | - | - | - | GUINEA FOWL ea. | - | - |
| DUCKLINGS lb. | - | - | - | DUCKLINGS ea. | - | 1.75 |
| GUINEA KEETS ea. | - | - | - | CALL DUCKS ea. | - | - |
| SILKIES ea. | 2.25 | 8.25 | - | GOSLINGS ea. | - | - |
| GUINEA PIGS ea. | - | - | - | TURKEY POULTS ea. | - | - |
| CHUKARS ea. | - | - | - | | | |
| TOTAL COOPS | 235 | | | | | |

MAJOR WHOLESALE MARKETS-MEXICO CITY

Cents per pound for the week ending September 21,2007

| | Whole Chickens | Breasts | Legs W/Thighs | Necks,Backs & Wings | Livers Gizzards | Hens |
|---------------------|----------------|---------|---------------|---------------------|-----------------|-------|
| RAYON | | | | | | |
| Low | 66.39 | 161.82 | 87.13 | 16.60 | 8.30 | 72.61 |
| High | 75.93 | 170.11 | 95.43 | 20.75 | 12.45 | 72.61 |
| Mostly | 70.54 | 165.97 | 87.13 | 20.75 | 12.45 | 72.61 |
| SAN JUAN | | | | | | |
| Low | 65.14 | 165.97 | 87.13 | 12.45 | 8.30 | 70.54 |
| High | 74.68 | 170.11 | 91.28 | 20.75 | 12.45 | 70.54 |
| Mostly | 70.54 | 165.97 | 87.13 | 20.75 | 8.30 | 70.54 |
| NEW SAN JUAN | | | | | | |
| Low | 70.54 | 161.82 | 95.43 | 16.60 | 8.30 | 72.61 |
| High | 76.34 | 170.11 | 103.73 | 20.75 | 12.45 | 72.61 |
| Mostly | 73.44 | 165.97 | 99.58 | 20.75 | 12.45 | 72.61 |
| BECERRA | | | | | | |
| Low | 72.61 | 165.97 | 99.58 | 20.75 | 8.30 | 74.68 |
| High | 77.59 | 178.41 | 107.88 | 24.89 | 16.60 | 74.68 |
| Mostly | 76.34 | 174.26 | 103.73 | 24.89 | 12.45 | 74.68 |

DELMARVA Movement of ready-to-cook whole birds was light and unaggressive for midweek business. Offerings were readily available and difficult to place. Live supplies were moderate; weights were mostly desirable. Processing schedules ranged moderate to moderately heavy. Less than trucklot asking prices were one cent lower at 72 to 86 cents. Trade sentiment was weak. In the parts complex, b/s breast items were ample and frequently discounted. Wings were mixed and dark meat cuts were fully sufficient to available.

BRANDED U.S. GRADE A
64-89
(A)
(A)

RANGE
WEIGHTED AVERAGE
NO. OF BOXES

(A) Not reported to avoid disclosing individual operations.

USDA, AMS, POULTRY PROGRAMS, POULTRY MARKET NEWS & ANALYSIS BRANCH OFFICES

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