



INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



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

Iraq

After the Iraqi government's collapse in 2003, nearly 5 years of war, a bird flu scare, increased imports of lower priced chicken from Brazil and the United States (U.S.) and with overall egg and poultry consumption down, Iraq's poultry industry has been left in disarray. Approximately 40% of Bagdad's eggs are currently imported. Iraq's total poultry production held a 61% market share of their market in 2003 which diminished to 26% in 2006.

Despite Iraqi government efforts to revitalize the industry with a free market oriented policy, which included cancellation of controlled prices to consumers and total privatization of the industry, the broiler industry continued to have production problems. The result was many Iraqis sold their farms in 2003. Contrary to poultry production, egg production has rebounded since, although not at pre-war levels, stabilized in 1996 around 900 million units per year.

Even though poultry consumption has trended lower, some feel consumption could reverse direction and follow trends of other Middle Eastern countries and increase from 4.5 kg per capita to 15-20 kg., or 600,000 MT by 2010 which would strongly impact Iraq's imports unless a competitive domestic industry is developed. With recent security improvements, the U.S. military has started working hand-in-hand with agricultural experts from the U.S. State Department to help make poultry growers competitive again within the domestic market. The military has branded its efforts "Operation Chicken Run." The goals behind the initiative are to increase employment, economic security and ultimately stability.

In order to make Iraqi grown chicken and eggs competitive with imports it will require economies of scale. In order to do this they hope to band growers together with feed mills and processing plants. One way they have already started the process was by gathering some growers together and forming cooperatives. However, because many houses were used were used by insurgents to hide weapon caches, to make homemade explosives and insurgents would seize farmer's equipment and strip generators for parts many of the farms must undergo renovations. Iraq's poultry processing plants may also need funds for renovation and to get going. One group is receiving help from the government of Iraq, the U.S. military and the U.S. State Department in the repair of individual farmers' facilities and their processing plant.

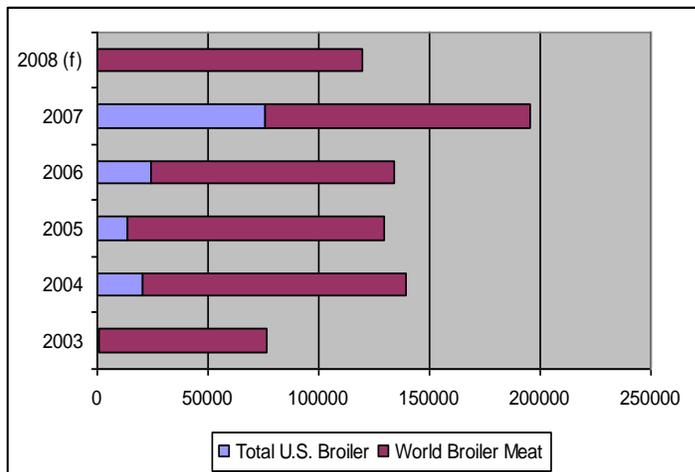
Sources: Department of Defense,
United States Agency for International Development, USDA/FAS

U.S. Chicken & Shell Egg Exports To Iraq

Commodity	2003-2007 (Metric Tons)				
	2003	2004	2005	2006	2007
Leg Quarters	466	19,935	13,581	23,401	62,192
Young Chickens	0	0	0	0	11,955
Legs	25	223	0	82	787
Other	0	606	196	853	722
Total	491	20,764	13,777	24,336	75,656
Shell Eggs (DOZ)	0	0	0	0	2,719,961

Source: USDA/FAS

Iraq Broiler Imports



(f) forecast
Source: USDA/FAS

Poultry Market in Iraq: Domestic Production vs. Imported

	2003	2005	2006
Total Market (000 tons)	122	120	100
Domestic Production (000 tons)	74	52	26
Market Share	61%	43%	26%
Imports (000 tons)	48	68	74
Market Share	39%	57%	74%

Source: United States Agency for International Development

Poultry Market in Iraq: Production Costs – Retail Prices of Domestic vs. Imported

	Imported Frozen Brazil			Fresh Domestic Iraq		
	\$	IQD	%	\$	IQD	%
Production Cost	0.602	903	36.9%	1.19	1,785	38.4%
Import Price (CIF)	1.02	1,530	62.6%	---	---	---
Retail Prices (May 2006)	1.63	2,445	100%	3.1	4,650	100%
Retail Prices (October 2006)	2.2	3,300		3.9	5,580	

Source: United States Agency for International Development

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

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

Type	2008	2007 /1	2008 /2	2007
Liquid	0	96	0	717
Frozen	0	0	0	3
Dried	0	0	40	80
Total	0	96	40	800

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

Type	2008	2007 /1	2008 /2	2007
Liquid	367	366	3,053	2,338
Frozen	0	40	133	106
Dried	0	0	0	36
Total	367	406	3,186	2,480

Inspected Shell Eggs

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

	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Ex Large	510	0	1,530	390
Large	150	0	450	2,581
Medium	1,590	1,415	4,170	2,915
Ungraded	2,250	0	21,120	5,880
Misc	0	85	0	85
Total	4,500	1,500	27,270	11,851

/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 Branch

**U.S./CANADIAN LIVE POULTRY-
SLAUGHTERED UNDER INSPECTION**

Week Ending 23-Feb-08 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,204	1,546	2,750
Last Week	1,315	1,576	2,891
Same week yr ago	1,142	1,427	2,569
To-date/2008	10,979	11,777	22,756
To-date/2007	8,735	10,902	19,637

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	126	0	126
Last Week	281	0	281
Same week yr ago	189	0	189
To-date/2008	2,110	4	2,114
To-date/2007	1,625	14	1,639

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	1,330	1,546	2,876
Last Week	1,596	1,576	3,172
Same week yr ago	1,331	1,427	2,758
To-date/2008	13,089	11,781	24,870
To-date/2007	10,360	10,916	21,276

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

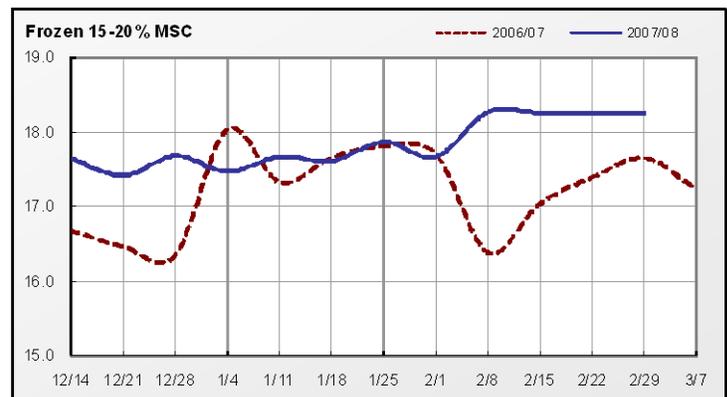
NATIONAL MECHANICALLY SEPARATED CHICKEN

(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

MSC trade sentiment was mixed, steady to fully steady. Supplies were adequate to well cleared on fresh 15-20% and close on the balance for current needs; good interest on frozen. Good demand on raw materials with supplies generally close due to higher rendering values and lighter bird weights slowing frame availability. Domestic movement was mostly moderate. Export demand was at least moderate to fairly good with good inquiry from Central and South American countries; Mexico continues seasonally quiet with Lent. Schedules were mostly normal. Frame values ranged 5 to 9 cents FOB, mostly 7 to 9 cents FOB.

Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	29-Feb-08	Last Week	Last Year	29-Feb-08	Last Week	Last Year
15% or Less						
Price Range	18.00	18.00	16.50	17.00 - 19.00	18.00 - 19.00	16.00-17.00
Wtd Avg Price	18.00	18.00	16.50	18.36	18.47	16.23
Volume Traded	54	53	265	341	341	363
Volume Exported	54	53	265	-	-	41
15-20%						
Price Range	16.50 - 22.00	16.50 - 23.00	14.00-21.00	12.00 - 18.00	11.00 - 19.00	11.00-16.00
Wtd Avg Price	19.33	20.11	17.24	13.94	14.88	13.13
Volume Traded	1,468	2,049	1,264	2,656	2,047	2,170
Volume Exported	1,348	1,809	1,104	367	163	694
20% or More						
Price Range	-	-	-	16.00 - 18.00	18.00 - 18.50	14.00
Wtd Avg Price	-	-	-	17.00	18.28	14.00
Volume Traded	-	-	-	163	367	80
Volume Exported	-	-	-	-	-	-

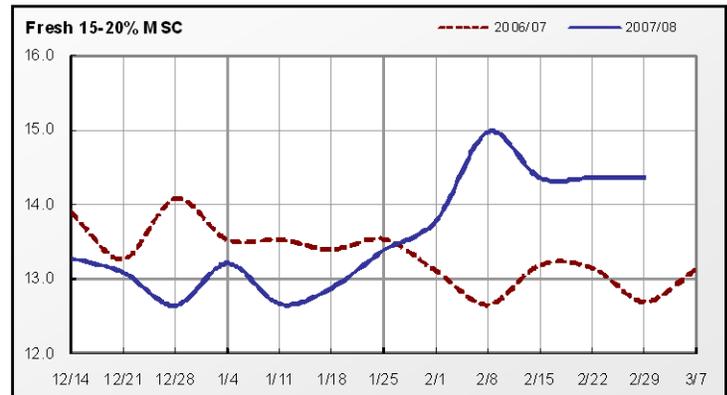


Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	Jan 2008	Dec 2007	Jan 2007	Jan 2008	Dec 2007	Jan 2007
15% or Less						
Wtd Avg Price	15.69	16.31	16.97	15.70	15.79	17.05
Volume Traded	215	897	1,113	1,486	1,534	1,498
Volume Exported	215	897	793	-	54	-
15-20%						
Wtd Avg Price	17.64	17.48	17.64	13.08	12.89	13.40
Volume Traded	5,922	9,209	4,980	9,007	11,946	7,037
Volume Exported	5,359	8,640	4,260	2,197	3,085	2,803
20% or More						
Wtd Avg Price	-	-	-	12.00	-	14.00
Volume Traded	-	-	-	82	-	480
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.

Source: USDA AMS Poultry Market News & Analysis



NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 29 FEBRUARY 2008.

The market tone on tom full-cut wings was cautiously steady to fully steady, tom 2-joint wings steady to fully steady, frozen tom drums about steady, tom necks and fresh tom drums steady to instances weak. Domestic demand light to moderate. Export demand light to instances good, mostly moderate. Offerings of tom wings and frozen tom drums light to adequate, tom necks and fresh tom drums adequate to instances ample. Trading slow to moderate. For domestic: fresh -20% MST 24 cents delivered April. For export: tom defatted gizzards 94.50, Russian frozen thigh meat 111 cents delivered port.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, FEBRUARY 29, 2008	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	52.00		52.00	104	53.44	911
WINGS FULL-CUT - TOMS	47.00		47.00	104	48.83	615
WINGS, V-TYPE, TOM	61.00		61.00	104	61.00	104
TAILS	27.00		27.00	40	27.00	202
MECHANICALLY SEPARATED 2/	21.00		21.00	104	20.10	482
THIGH MEAT - FROZEN	97.00-100.00		99.00	156	97.66	546
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, FEBRUARY 28, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	51.00-54.00		52.66	241		
WINGS FULL-CUT - TOMS	48.00-51.00		48.40	187		
WINGS, V-TYPE, TOM		F	60.27	810		
TAILS		W	27.00	54		
MECHANICALLY SEPARATED 2/	20.00		20.00	108		
THIGH MEAT - FROZEN		W	97.46	296		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, FEBRUARY 27, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	53.00-54.00		53.50	108		
WINGS FULL-CUT - TOMS	49.50-50.00		49.67	324		
WINGS, V-TYPE, TOM		F	60.27	810		
TAILS	27.00		27.00	54		
MECHANICALLY SEPARATED 2/	19.00-20.00		19.80	270		
THIGH MEAT - FROZEN	95.00-98.00		97.46	296		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, FEBRUARY 26, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	54.00		54.00	216		
WINGS FULL-CUT - TOMS		F	48.98	498		
WINGS, V-TYPE, TOM		F	60.27	810		
TAILS		M	27.00	108		
MECHANICALLY SEPARATED 2/		F	20.00	400		
THIGH MEAT - FROZEN	95.00		95.00	54		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, FEBRUARY 25, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	54.00-55.00		54.33	242		
WINGS FULL-CUT - TOMS		F	48.98	498		
WINGS, V-TYPE, TOM		F	60.27	810		
TAILS	27.00		27.00	108		
MECHANICALLY SEPARATED 2/		F	20.00	400		
THIGH MEAT - FROZEN	97.50		97.50	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.