# INTERNATIONAL EGG AND POULTRY REVIEW

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

#### China

Broiler meat has been gaining in popularity and is the second largest source of meat protein in China after pork. Increased broiler consumption has led to a growth in broiler meat production and to broiler meat imports. Production increased 12% in 2007 and is forecast to grow 9% in 2008, while imports are forecast to increase 24% and exports are forecast 12% higher in 2008.

Higher production costs due to commodity prices, and rising prices for water, electricity, and transportation will constrain increases in broiler meat production in 2008. Additionally, many rural workers have migrated to urban areas, creating a worker shortage on farms.

Per capita poultry meat consumption grew from 1.13 kilograms (kg) in 1984 to 11.2 kg in 2006, making poultry the second largest source of meat protein after pork. The local industry believes that poultry consumption has increased 20% in the last 10 years as a result of the spread of fast food restaurants.

China: Broiler Meat and Swine Meat in 1000 MT CWE

	2006	2007	2008	
Broiler Meat				
Production	10,350	11,500	12,500	
Imports	343	482	600	
Exports	322	358	400	
Consumption	10,371	11,624	12,700	
Swine Meat				
Production	48,700	44,200	44,700	
Imports	90	198	210	
Exports	544	350	330	
Consumption	48,246	44,048	44,580	

Source: Foreign Agricultural Service, Official USDA Estimates

Chinese consumers are price-sensitive and many turned to poultry meat when pork prices were high. In 2007 the average year-on-year wholesale broiler price climbed 31% to US\$1.30 per kg while pork prices rose 56 percent to \$2.21 per kg because of short supplies. Broiler prices have stayed below pork prices because of a large increase in broiler production resulting from reduced HPAI outbreaks in 2007.

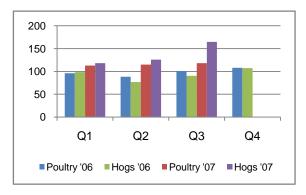
China's total world imports of broiler meat and chicken paws were valued at nearly \$926.2 million in 2007. Imports from the United States were valued at nearly \$558.6 million. China's broiler meat imports are forecast to increase by 24% to 600,000 MT in 2008, up from 482, 000 MT (ready-to cook weight) in 2007 while paw imports are expected to increase by one third to 723,600 MT in 2008, up from 544,088 MT in 2007. Turkey imports increased from 12,191 MT valued at \$10.2 million in 2005 to 29,808 MT valued at \$27.9 million in 2007.

Exports in 2008 are forecast to increase by 12% to 400,000 MT. Japan is China's top export market, followed by Hong Kong and South Korea. These three countries account for 90% of China's total exports. Cooked product exports have been the largest category since HPAI outbreaks curtailed China's poultry exports in 2004.

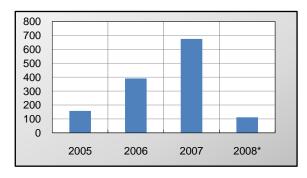
To protect China's poultry export interests, both AQSIQ and MOA have imposed strict requirements for poultry raising, processing, and management for exported products. One of the major reasons why China has been especially strict with exports is its interest in securing export markets overseas. This not only can bring increased revenue for Chinese firms, but also sends the message to Chinese consumers that the product they buy from local firms is safe.

Source: USDA/Foreign Agricultural Service

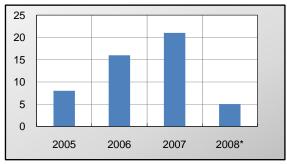
China Producer's Price Index, gross weight (same period last year = 100) Source: China National Bureau of Statistics



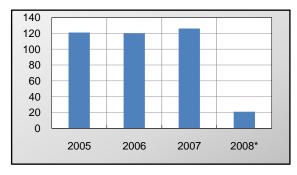
U.S. Exports of Chicken Meat H.S. 0207 ('000 metric tons) \*2008 is for Jan-Feb



U.S. Exports of Turkey Meat H.S. 0207 ('000 metric tons) \*2008 Jan-Feb



U.S. Exports of Prepared Poultry H.S. 1601, 1602 (in '000 metric tons) \*2008 Jan-Feb



Source: U.S. Department of Commerce

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

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

Week Ending April 12, 2008			Year-To-Date			
Туре	2008	2007 /1	2008 /2	2007		
Liquid	0	194	96	2,061		
Frozen	0	2	8	7		
Dried	40	0	178	169		
Total	40	196	282	2,237		
		–	. () (-			

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

Week Ending April 12, 2008			Year-To	-Date
Type	2008	2007 /1	2008 /2	2007
Liquid	315	197	5,491	4,443
Frozen	9	0	226	113
Dried	40	80	40	271
Total	364	277	5,757	4,827
Inspected	Shell Eggs			

# U.S Exports to Canada, In 30-Dozen Cases (Preliminary) Week Ending April 12, 2008 Vear-To-Date

Week Ending April 12, 2008			Year-To	o-Date
	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Ex Large	600	1,920	4,010	9,539
Large	900	360	15,520	24,061
Medium	2,280	2,220	12,780	13,805
Ungraded	13,500	780	67,150	15,320
Misc	0	0	0	865
Total	17,280	5,280	99,460	63,590
44.0				

/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 12 Apr-08 (Preliminary)

U.S. fowl slaughtered domestically							
Light Hens		Heavy Hens	Total Hens				
	Thousa	ınds					
Head	1,549	1,494	3,043				
Last Week	1,561	1,482	3,043				
Same week yr ago	1,114	1,376	2,490				
To-date/2008	20,975	22,287	43,262				
To-date/2007	16,785	20,291	37,076				
U.S. fowl slaughtered in Canada							
	Light Hens	Heavy Hens	Total Hens				
Thousands							
Head	333	0	333				

Thousands							
Head	333	0	333				
Last Week	479	0	479				
Same week yr ago	239	0	239				
To-date/2008	4,654	12	4,666				
To-date/2007	3,157	14	3,171				
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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	1,882	1,494	3,376						
Last Week	2,040	1,482	3,522						
Same week yr a	igo 1,353	1,376	2,729						
To-date/2008	25,629	22,299	47,928						
To-date/2007	19,942	20,305	40,247						
Source: LISDA A	MS Doultry Programs	Market Nowe 8	Analysis Branch						

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

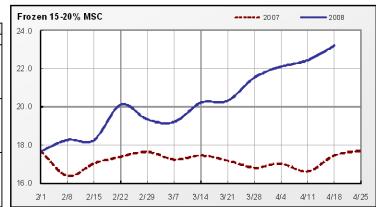
### NATIONAL MECHANICALLY SEPARATED CHICKEN

(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.)

The MSC trade sentiment was mostly steady, instances fully steady. Supplies of fresh 15-20% were in good balance and clearing satisfactorily with the balance close and well cleared. Frozen demand was moderate to good. Supplies of raw materials continue fight and held with confidence with good demand from all users. Domestic movement was moderate to fairly good with good call into pet food channels. Export demand was moderate to good with most inquiry from Mexico and Central American countries. Schedules were mixed, ranging light to normal due to tight supplies of raw materials and decreased finished product production.

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

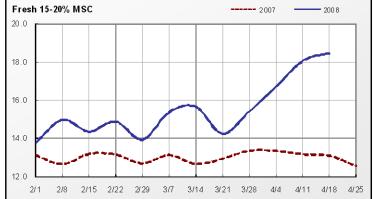
		Frozen		Fresh		
Fat Content	18-Apr-08	Last Week	Last Year	18-Apr-08	Last Week	LastYear
15% or Less						
Price Range	17.00	22.00	17.00	19.00 - 24.00	21.00 - 22.00	16.00-17.00
Wtd Avg Price	17.00	22.00	17.00	22.50	21.56	16.37
Volum e Traded	53	54	259	247	181	443
Volume Exported	53	54	259	-	-	-
15-20%						
Price Range	18.00 - 28.00	17.00 - 26.00	15.50-21.00	15.00 - 26.00	14.00 - 24.00	11.00-16.00
Wtd Avg Price	23.21	22.44	17.71	18.48	18.06	12.56
Volum e Traded	1,603	1,745	1,632	2,701	3,311	2,696
Volume Exported	1,523	1,465	1,252	713	1,062	530
20% or More						
Price Range	-	-	-	-	16.50 - 23.00	14.00
Wtd Avg Price			-		19.10	14.00
Volum e Traded	-	-	=	-	204	40
Volume Exported	-	-	-	-	-	-



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

		Frozen			Fresh		
Fat Content	Mar 2008	Feb 2008	Mar 2007	Mar 2008	Feb 2008	Mar 2007	
15% or Less							
Wtd Avg Price	18.77	20.40	17.02	1904	17.58	16.36	
Volum e Traded	215	584	1,583	1,010	1,566	1,932	
Volume Exported	215	264	1,302	-	_	-	
15-20%							
Wtd Avg Price	20.43	18.82	17.13	15.08	14.37	13.12	
Volum e Traded	7,601	8,143	7,161	7.548	11,547	11,788	
Volume Exported	6,640	7,223	5,993	899	2,321	3,346	
20% or More							
Wtd Avg Price	_	-	-	17.00	18.03	14.00	
Volum e Traded	_	-	-	408	775	440	
Volume Exported	-	-	-	-	-	-	

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



NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 18 APRIL 2008.

The market tone on tom bulk parts was steady to fully steady, instances firm, hen parts steady to barely steady. Demand was light to moderate, instances good. Offerings are light to moderate. White meat not well tested, steady to barely steady. Demand was limited. Offerings of bulk parts and meats was mixed, ranging from light to adequate.

EXPORT TRADING FRIDAY, APRIL 18, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 22.00-27.00 98.00-99.00	L.S.T. CODE 1/ R R M W	WTD AVG PRICE 51.61 52.00 64.00 30.70 24.87 98.67	VOLUME (000) 134 54 324 94 94 120	WEEKLY WTD AVG PRICE 54.94 52.00 64.00 29.79 24.87 100.00	WEEKLY VOLUME (000) 350 54 324 202 94 606
EXPORT TRADING THURSDAY, APRIL 17, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 50.00-54.00 52.00	L.S.T. CODE 1/ M W	WTD AVG PRICE 51.61 52.00 64.00 30.70	VOLUME (000) 134 54 324 94		
EXPORT TRADING WEDNESDAY, APRIL 16, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 29.00-33.00	L.S.T. CODE 1/ M F M	WTD AVG PRICE 57.00 50.00 64.00 30.70	VOLUME (000) 216 52 324 94		
EXPORT TRADING TUESDAY, APRIL 15, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE	L.S.T. CODE 1/ M F M M	WTD AVG PRICE 57.00 50.00 64.00 29.00	VOLUME (000) 216 52 324 108		
EXPORT TRADING MONDAY, APRIL 14, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 57.00 64.00 29.00 99.00-101.00	L.S.T. CODE 1/ F	WTD AVG PRICE 57.00 50.00 64.00 29.00	VOLUME (000) 216 52 324 108		

<sup>1/</sup> CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):

M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY

<sup>2/</sup> Product contains 15/20% fat with skin added.