INTERNATIONAL EGG AND POULTRY REVIEW



ISSN 1522-5100

May of 2008.



U.S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News and Analysis Branch
Top Destinations of US Mechanically Separated Chicken (MSC) US Poultry Situation

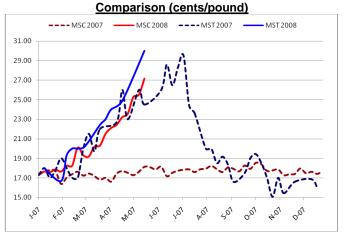
Exports under HS1602320035 (MT)								
		Jai	n-Dec		Jan-Ma	<u>ar %</u>		
Country	<u>2004</u>	2005	<u>2006</u>	2007	2008	<u>Change</u>		
Colombia	680	16,610	15,676	14,662	3,783	-17%		
Mexico	60	117	796	6,519	1,196	119500%		
Honduras	1,396	3,311	3,603	2,542	364	-58%		
Philippines	24	26	133	2,147	216	985%		
Guatemala	2,878	3,821	2,727	2,140	379	-28%		
Dominican Rep	ublic 259	1,871	1,470	1,956	865	136%		
Georgia*	799	364	1,363	1,064	1,027	102700%		
Trinidad**	1,161	521	902	932	170	-32%		
Peru	0	0	0	508	24	-86%		
Costa Rica	57	127	428	428	9	-94%		
Total	12.117	29.024	30.814	34.911	8.990	24%		

Top Destinations of US Mechanically Separated Turkey (MST)

Exports under HS1602310030 (MT)								
		Jan	-Dec		Jan-Mar	<u>%</u>		
Country	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Change</u>		
Mexico	38	62	508	2,801	220	-36%		
Panama	307	545	270	385	193	162%		
Philippines	25	0	8	94	40	4000%		
Honduras	0	37	20	73	14	14%		
Qatar	0	0	0	71	0	-71%		
Jordan	0	0	10	70	6	600%		
Jamaica	0	0	2	60	1	1%		
Taiwan	1,038	1,014	476	24	0	0%		
Netherlands***	0	0	0	7	0	-400%		
Dominican Repu	ıblic 163	652	136	7	0	0%		
Total	1,841	2,498	1,680	3,598	828	67%		

Note: 2008 data is for January through March while all other data is for January through December. Georgia*=Republic of Georgia. Trinidad**=Trinidad and Tobago. Netherlands***=Netherlands Antilles. % Change=Percentage change from the first quarter of 2008 versus 2007. Harmonized System Code (HS) is a universal method of classifying products for trading purposes. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

US Frozen 15-20% MSC & MST Weighted Average Price



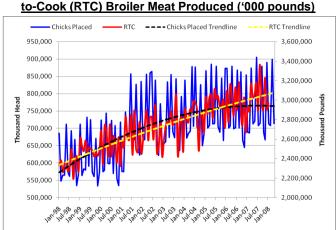
Note: Weighted average prices for MSC are reported as FOB cents per pound while MST prices are delivered cents per pound. MSC weighted average prices represent product bound both domestically and for export, whereas MST prices are export only. All prices reflect frozen 15-20% product traded on the spot market and not contractual. Unlike MST, MSC prices were flat in 2007 with little seasonal pick up in the summer. However 2008 prices steadily increased as a result of good demand and tight supplies, due in part to increased competition from pet food and biodiesel channels for product and raw materials.

Source: USDA AMS Poultry Market News & Analysis

According to USDA ERS, broiler meat production in the first quarter of 2008 was 9.11 billion pounds, up 5.6% from 2007. The rise from the previous year was attributed to the 2.1% decline of broiler meat production in the first quarter of 2007, the 3.6% increase in the number of birds slaughtered in 2008, and the 1.8% increase in the average live weight of birds at slaughter (5.6 pounds) in 2008. The second guarter of 2008 is projected to be 9.38 billion pounds, up 3.2% from 2007. The year-over-year increases in broiler meat production are expected to abate in the second half and first half of 2008 and 2009, due to higher feed and energy costs; however expansion is expected in the second half of 2009 in response to rising prices. Broiler meat production in 2009 is forecast to be 37.2 billion pounds, up 0.8% from the previous year after an increase of 2% in 2008. US broiler and turkey meat exports are expected to reach record highs in 2008 and 2009 as a result of improved competitiveness on the world market due to the weakness of the US dollar. Based on the trendlines, broiler chicks placed are down and RTC pounds are up, though we have yet to see the impact of industry cutbacks announced with immediate effect from March to

US broiler and turkey meat exports were higher in the first quarter of 2008 compared with 2007. According to ERS, broiler exports were 1.5 billion pounds in the first quarter of 2008, up 18% from 2007 due a weakened US dollar value and a rise in consumer purchasing power in certain importing countries. Broiler shipments are expected to rise in the second and third quarters of 2008 and level off in the fourth. Broiler exports are projected to reach a record 6 billion pounds in 2008 and 6.1 billion pounds in 2009. Turkey exports totaled 148 million pounds in the first quarter of 2008, up 19% from 2007 due to strong demand from importing countries like China and Russia. Exports of US turkey meat are expected to reach 635 million pounds in 2009.

USDA NASS Broiler Chicks Placed Set ('000 head) and Ready-



Note: According to USDA NASS, the average hatchability for chickens hatched is about 84%. NASS also reported the ante-mortem condemnation rate for young chickens to be 0.31% and the post-mortem condemnation rate to be 1.22% for March of 2008. The ready-to-cook broiler meat data used in the above graph is total young broiler meat both chilled and frozen. All broiler hatch data is reported on a weekly basis, whereas ready-to-cook broiler meat is reported monthly. For comparison purposes the broiler hatch figures were converted to monthly figures. Due to the inflexibility of the data, we assumed a grow-out of 8 weeks when in reality it is between 6-8 weeks depending on utility. In addition, the graph represents a real time comparison in which chicks placed are compared with RTC volumes at the corresponding time of processing.

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

U.S. & CANADA IMPORT/EXPORT TRADE U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending	g May 17, 200)8	` Year-To-	-Date
Туре	2008	2007 /1	2008 /2	2007
Liquid	0	0	96	2,163
Frozen	0	0	39	7
Dried	0	0	196	209
Total	0	0	331	2,379

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

Week Endin	ig iviay 17, 20	06	rear-10-Date			
Type	2008	2007 /1	2008 /2	2007		
Liquid	412	379	7,516	6,033		
Frozen	7	0	248	190		
Dried	0	0	200	391		
Total	419	379	7,964	6,614		
Inspected Shell Eggs						

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

Week Ending	May 17, 200	08	Year-To-Date		
_	2008	2007 /1	2008 /2	2007	
Jumbo	0	0	0	0	
Extra Large	3,660	720	15,939	14,189	
Large	2,480	1,790	23,911	29,337	
Medium	1,560	2,010	19,262	20,825	
Ungraded	16,470	780	114,220	17,840	
Misc	0	780	1,560	3,205	
Total	24,170	6,080	174,892	85,396	

/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 17 May-08 (Preliminary)

U.S. fowl slaughtered domestically							
	Light Hens	Heavy Hens	Total Hens				
	Thousa	nds					
Head	1,589	1,812	3,401				
Last Week	1,537	1,768	3,305				
Same week yr ago	1,085	1,532	2,617				
To-date/2008	28,076	30,898	58,974				
To-date/2007	22,310	27,463	49,773				
U.S. fowl slaughtered in Canada							

	Light Hens	Heavy Hens	Total Hens					
Thousands								
Head	442	0	442					
Last Week	489	0	489					
Same week yr ago	358	0	358					
To-date/2008	6,719	30	6,749					
To-date/2007	4,644	14	4,658					

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

Total 0.0. Town Slaughtered in the 0.0. and Oanada								
	Light Hens	Heavy Hens	Total Hens					
Thousands								
Head	2,031	1,812	3,843					
Last Week	2,026	1,768	3,794					
Same week yr ago	1,443	1,532	2,975					
To-date/2008	34,795	30,928	65,723					
To-date/2007	26,954	27,477	54,431					
Source: USDA AMS	Poultry Programs,	Market News & Ai	nalysis 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 market tone was steady to fully steady. Supplies of fresh 15-20% were adequate and clearing satisfactorily with the remainder in good balance to well cleared. Frozen demand was moderate to fairly good. Supplies of raw materials were short of current needs with good interest noted from all users. Domestic movement was moderate. Export demand was moderate to good with most inquiry from Mexico and Central American countries. All schedules were light to seasonally normal.

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

		Frozen			Fresh	
Fat Content	23-May-08	Last Week	Last Year	23-May-08	Last Week	Last Year
15% or Less						
Price Range	26.00 - 30.00	24.00 - 28.00	17.00	23.50 - 25.00	2350 - 2500	17.00-18.00
Wtd Avg Price	27.74	25.74	17.00	24.43	24.29	17.33
Volum e Traded	92	92	260	234	141	362
Volume Exported	52	52	260	-	-	-
15-20%						
Price Range	23.00 - 30.00	2100 - 3000	15.50-21.00	1500 - 28.00	1500 - 2800	10.00-16.00
Wtd Avg Price	27.13	27.15	18.11	20.51	19.69	13.62
Volum e Traded	1,051	1,790	1,180	2,294	3,047	1,856
Volume Exported	1,011	1,590	1,060	612	755	368
20% or More						
Price Range	-	-	-	-	-	14.00
Wtd Avg Price			-			14.00
Volum e Traded	-	-	-	-	-	120
Volume Exported	-	-	-	-	-	-



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

		Frozen		Fresh		
Fat Content	Apr 2008	Mar 2008	Apr 2007	Apr 2008	Mar 2008	Apr 2007
15% or Less						
Wtd Avg Price	20.77	18.77	17.13	21.89	19.04	16.57
Volum e Traded	216	215	1,129	912	1,010	1,669
Volume Exported	216	215	1,049	-	-	-
15-20%						
Wtd Avg Price	22.69	20.43	17.36	18.04	15.08	13.06
Volum e Traded	7,926	7,601	5,273	12,004	7,548	11,494
Volume Exported	6,493	6,640	4,253	3,263	899	1,224
20% or More						
Wtd Avg Price	-	-	-	18.43	17.00	14.00
Volum e Traded	_	_	_	286	408	320
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 16 MAY 2008.

The market tone on tom breast meat was steady to barely steady, balance of white meat mostly steady. Demand light to instances moderate with instances of increased demand noted on frozen tom breast meat. Offerings of tom breast meat adequate to instances ample, balance of white meat mostly adequate. The market tone is steady on mechanically separated turkey and steady to fully steady on thigh meat. Demand light to moderate for the light, but spotty offerings. Trading active on frozen tom breast meat, balance slow. For domestic: hearts 26, tails 31-32, fresh tom necks 38, fresh tom wings 48-50, fresh scapula 99-100, frozen hen breast meat 171 cents delivered. For export: wing meat with skin 73 cents delivered.

EXPORT TRADING FRIDAY, MAY 23, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS	PRICE RANGE 53.00-55.00 50.50-54.00 64.50-64.75 32.00	L.S.T. CODE 1/	WTD AVG PRICE 53.34 50.89 64.63 32.00	VOLUME (000) 87 135 108 20	WEEKLY WTD AVG PRICE 53.11 50.81 64.63 32.00	WEEKLY VOLUME (000) 275 295 108 20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	104.00	W	29.00 104.00	108 22	29.33 103.12	162 184
EXPORT TRADING THURSDAY, MAY 22, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 53.00 50.00	L.S.T. CODE 1/ F R W	WTD AVG PRICE 53.00 50.00 64.50 32.00 29.00 102.00	VOLUME (000) 40 40 108 120 108 108		
EXPORT TRADING WEDNESDAY, MAY 21, 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/ T T F R	WTD AVG PRICE 53.00 51.00 64.50 32.00 29.00 105.00	VOLUME (000) 40 120 108 120 108 54		
EXPORT TRADING TUESDAY, MAY 20, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 53.00 50.50-52.00	L.S.T. CODE 1/ F R M M	WTD AVG PRICE 53.00 51.00 64.50 32.00 30.00 105.00	VOLUME (000) 40 120 108 120 54 54		
EXPORT TRADING MONDAY, MAY 19, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 53.00 30.00 105.00	L.S.T. CODE 1/ F F R	WTD AVG PRICE 53.00 49.75 64.50 32.00 30.00 105.00	VOLUME (000) 108 216 108 120 54 54		

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.