



Brazil Poultry

Broiler production is likely to increase by 6% in 2008, reflecting firm domestic and export demand for broilers. Turkey production is likely 11% higher in 2008. World demand for Brazilian broilers remains strong, especially in Europe, Saudi Arabia, the United Arab Emirates, Hong Kong and Japan. Producers are concerned about feed prices, even though Brazil's 2007-08 corn and soybean crops are projected to break record levels.

Brazil had a record production of 10.3 million metric tons (mmt) of broilers in 2007, up 10% from 2006. The 2008 estimate is 10.9 mmt, an increase of 6%. Broiler production stalled in 2006, in part due to the impact of avian influenza on world broiler consumption and a strong Brazilian currency.

Turkey production rose 8% in 2007 and is projected to grow 11% in 2008.

Poultry has a relatively high feed-to-meat conversion ratio compared to other meats, giving poultry a competitive advantage. In Brazil, poultry accounts for about 40% of domestic corn consumption. Corn prices rose from R\$25.02 per 60 kg in January 2007 to R\$33.80 in December 2007. High feed costs and a strong Brazilian currency against the U.S. dollar have squeezed profit margins.

Corn production in 2007/08 is forecast at 55.25 (mmt) due to good yields and increased plantings because of strong world prices, and is expected to reach 56.6 mmt for 2008/09.

Domestic broiler consumption is strong, growing from 7,200,000 mt in 2007 to a forecasted 7,680,000 mt in 2008. Domestic turkey consumption was 217,000 mt in 2007 and is forecast at 420,000 mt in 2008 year.

Brazilian Poultry Production in '000 MT

	2005	2006	2007	2008*
Broilers	9,350	9,355	10,305	10,895
Turkeys	360	353	380	420

*estimate

Broiler exports are projected to reach 3.2 million MT in 2008, up 10% compared to 2007. Turkey exports are projected to grow from 163,000 MT in 2007 to 180,000 MT in 2008, a 10% increase. Brazil's poultry exports are expected to account for 38% of the global expansion in poultry trade in 2008. The value of Brazilian poultry exported has grown from \$1,216/MT in 2005 to \$1,675 in 2008.

Brazilian Poultry Exports in '000 MT

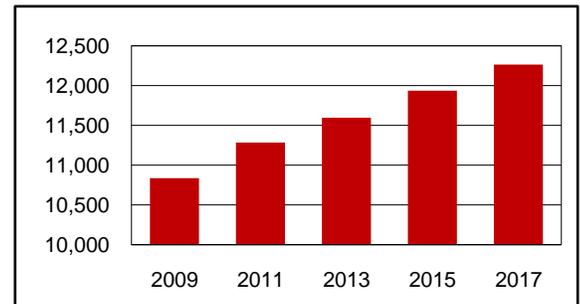
	2005	2006	2007	2008*
Broilers	2,739	2,502	2,922	3,215
Turkeys	161	156	163	180

*estimate

The European Union is Brazil's major market destination for broilers and turkey. The EU created a quota for Thai and Brazilian poultry imports after the WTO ruled against the EU's tariff classification of salted chicken meat. Brazil is expected to fill its 2007/2008 tariff rate quota, and even over-quota exports to the EU could be profitable this year. Brazilian poultry meat exporters recently purchased several European poultry processors to guarantee stable and significant commercial outlets for Brazilian products in the EU.

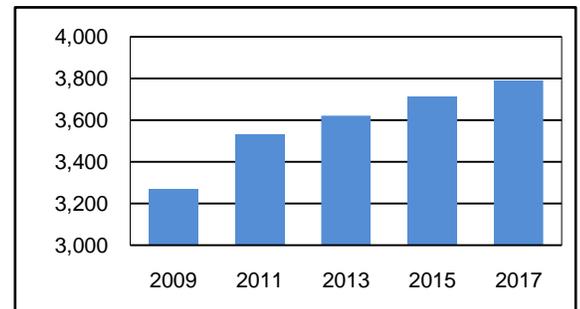
Source: USDA/FAS Production, Supply and Distribution; FAS Attaché Report; United Nations Food and Agriculture Organization Food Outlook; Brazil Ministry of Foreign Affairs; news wires

Brazil Broiler Production thousand metric tons



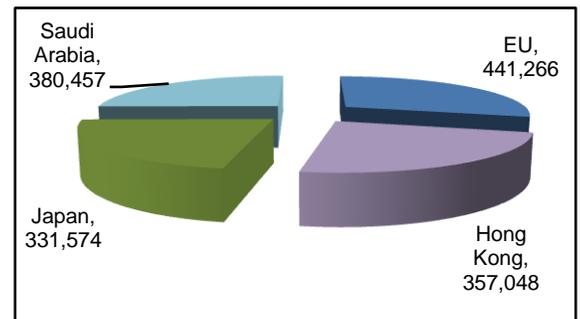
Source: FAPRI 2008 Agricultural Outlook

Brazil Broiler Exports thousand metric tons



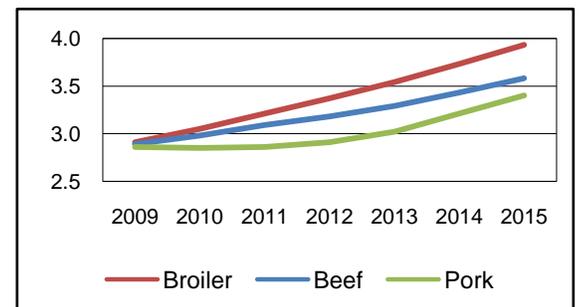
Source: FAPRI 2008 Agricultural Outlook

Brazil Broiler Exports to Select Countries metric tons



Source: USDA/FAS

Outlook for Brazilian Meat Prices in Reals per Kilogram



Broiler -Wholesale; Beef/Pork - Farm

Source: FAPRI 2008 Agricultural Outlook

INSPECTED EGG PRODUCTS –

U.S. & CANADA IMPORT/EXPORT TRADE

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

Week Ending March 1, 2008	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Type				
Liquid	0	145	0	862
Frozen	2	0	2	3
Dried	58	40	98	120
Total	60	185	100	985

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

Week Ending March 1, 2008	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Type				
Liquid	430	466	3,483	2,804
Frozen	40	0	173	106
Dried	0	40	0	76
Total	470	506	3,656	2,986

Inspected Shell Eggs

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

Week Ending March 1, 2008	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Extra Large	0	960	1,530	1,350
Large	2,300	2,060	2,750	4,641
Medium	750	750	4,920	3,665
Ungraded	8,990	0	30,110	5,880
Misc	0	0	0	85
Total	12,040	3,770	39,310	15,621

/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

U.S./CANADIAN LIVE POULTRY SLTRD UNDER INSPECTION

W/E 01-Mar-08 (Preliminary)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	1,409	1,542	2,951
Last Week	1,204	1,546	2,750
Same week yr ago	1,085	1,465	2,550
To-date/2008	12,388	13,319	25,707
To-date/2007	9,820	12,367	22,187

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	378	8	386
Last Week	126	0	126
Same week yr ago	283	0	283
To-date/2008	2,488	12	2,500
To-date/2007	1,908	14	1,922

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	1,787	1,550	3,337
Last Week	1,330	1,546	2,876
Same week yr ago	1,368	1,465	2,833
To-date/2008	14,876	13,331	28,207
To-date/2007	11,728	12,381	24,109

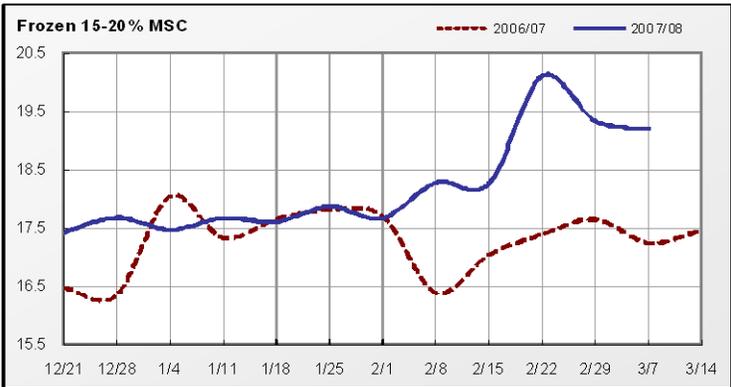
NATIONAL MECHANICALLY SEPARATED CHICKEN

(F.O.B. 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 steady to fully steady. Supplies were adequate to well cleared on fresh 15-20% and close on the remainder; moderate to fairly good interest noted on frozen. Demand for raw materials continues to be good with supplies tight due to higher rendering values and lighter bird weights slowing frame availability. Domestic movement was mostly moderate. Export demand was moderate to fairly good with good inquiry from Central and South American countries; Mexico seasonally quiet with Lent. Schedules were light to normal due to a lack of raw materials, some mechanical disruptions, and some trucking delays caused by adverse weather. 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)

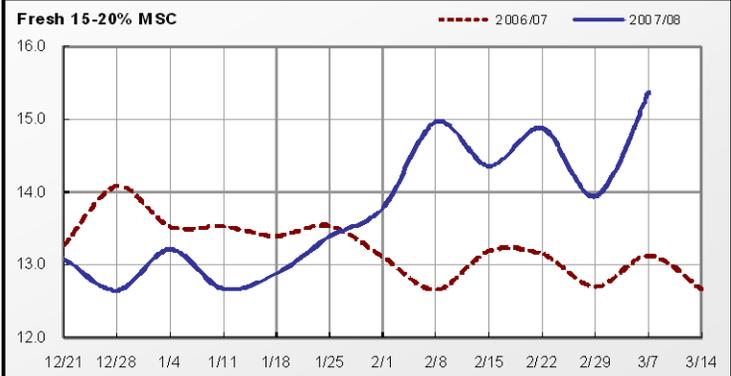
Fat Content	Frozen			Fresh		
	7-Mar-08	Last Week	Last Year	7-Mar-08	Last Week	Last Year
15% or Less						
Price Range	18.00	18.00	16.50-20.00	18.00 - 19.00	17.00 - 19.00	16.00-17.00
Wtd Avg Price	18.00	18.00	16.97	18.50	18.36	16.37
Volume Traded	53	54	300	241	341	382
Volume Exported	53	54	260	-	-	-
15-20%						
Price Range	16.25 - 22.00	16.50 - 22.00	16.00-21.00	13.00 - 18.00	12.00 - 18.00	11.00-16.00
Wtd Avg Price	19.21	19.33	17.46	15.37	13.94	12.67
Volume Traded	1,714	1,468	1,492	1,495	2,656	1,702
Volume Exported	1,674	1,348	1,092	82	367	367
20% or More						
Price Range	-	-	-	16.00 - 18.00	16.00 - 18.00	14.00
Wtd Avg Price	-	-	-	17.00	17.00	14.00
Volume Traded	-	-	-	163	163	120
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Feb 2008	Jan 2008	Feb 2007	Feb 2008	Jan 2008	Feb 2007
15% or Less						
Wtd Avg Price	20.40	15.69	16.85	17.58	15.70	16.53
Volume Traded	584	215	1,361	1,566	1,486	1,550
Volume Exported	264	215	1,161	-	-	-
15-20%						
Wtd Avg Price	18.82	17.64	17.06	14.37	13.08	12.93
Volume Traded	8,143	5,922	4,886	11,547	9,007	9,269
Volume Exported	7,223	5,359	4,166	2,321	2,197	1,997
20% or More						
Wtd Avg Price	-	-	-	18.03	12.00	14.00
Volume Traded	-	-	-	775	82	440
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

Atlanta, GA (404) 562-5850 / Des Moines, IA (515) 284-4471 - www.ams.usda.gov/poultry/pymn.htm

Prepared: 07-Mar-08 9:12 AM Central Time by LA/JRF

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 03 JULY 2008.

The market tone on tom breast meat was steady with some spot cautiousness noted, breast trim and scapula steady to fully steady, destrapped tenderloins steady and wing meat with skin steady at best. Demand light with some noting disappointing interest for post holiday needs. Offerings of scapula short of buyers' needs, breast trim short to light, destrapped tenderloins adequate, wing meat with skin and tom breast meat adequate to fully adequate. The market tone on thigh meat was steady to fully steady. Domestic and export demand slow to moderate for the light offerings. The market tone on mechanically separated turkey (MST) was steady to barely steady at best. Demand light with some noting increased interest from Mexico on fresh and frozen. Offerings available. Domestic and export trading slow to moderate. For domestic tails 38, fresh capula 106-126 mostly 106 cents delivered. For export: tom necks 36, fresh tom drums 51 cents delivered.

FRIDAY, JULY 04, 2008 HOLIDAY

NO EXPORT TRADING REPORTED

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
THURSDAY, JULY 04, 2008	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	52.00-53.00		52.69	260	52.90	420
WINGS FULL-CUT - TOMS	47.00		47.00	378	46.88	432
WINGS, V-TYPE, TOM	57.50		57.50	108	57.50	216
TAILS		T	40.00	40	40.00	40
MECHANICALLY SEPARATED 2/		F	26.00	120		
THIGH MEAT - FROZEN	103.00		103.00	140	103.07	150
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, JULY 02, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	54.00		54.00	40		
WINGS FULL-CUT - TOMS		T	46.00	54		
WINGS, V-TYPE, TOM		M	57.50	108		
TAILS		T	40.00	40		
MECHANICALLY SEPARATED 2/		F	26.00	120		
THIGH MEAT - FROZEN	104.00		104.00	10		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, JULY 01, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	53.00		53.00	120		
WINGS FULL-CUT - TOMS	46.00		46.00	54		
WINGS, V-TYPE, TOM		M	57.50	108		
TAILS	40.00		40.00	40		
MECHANICALLY SEPARATED 2/		F	26.00	120		
THIGH MEAT - FROZEN		F	104.00	108		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, JUNE 30, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	52.00	120		
WINGS FULL-CUT - TOMS		F	46.00	108		
WINGS, V-TYPE, TOM	57.00-58.00		57.50	108		
TAILS		F	35.00	80		
MECHANICALLY SEPARATED 2/		F	26.00	120		
THIGH MEAT - FROZEN		F	104.00	108		

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.