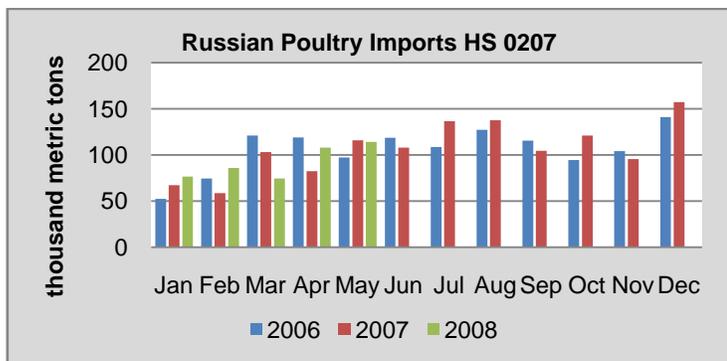




Russia Poultry Situation and Outlook

Russia's poultry industry is expected to continue its rapid rate of growth and reach 2.5 million metric tons (MMT) by 2012. Broiler production estimates for 2007 are 1.35 MMT and 1.48 MMT for 2008. The FAPRI 2008 Agricultural Outlook forecast Russia's broiler production to total 1.53 MMT by 2010 and 1.78 MMT by 2017.

Turkey production rose from 9,000 MT in 2002 to 25,000 MT in 2007 and official estimates for 2008 are 30,000 MT, although recent increases could push production to 40,000 MT in 2008. Retail prices for turkey are 40 to 70% higher than broiler meat and profits are up to 10% higher. Producers are marketing turkey as a healthier, more affordable alternative to red meat.



Source: Russian Foreign Trade Statistics

Poultry imports are likely to decrease as domestic production expands. Russia is said to be considering plans to raise the tariff on poultry imports to 90% to protect domestic producers. The current duty is 60% but no less than .48 Euros per kg, up from 50% but not less than 0.4 Euros per kg prior to February 19, 2008.

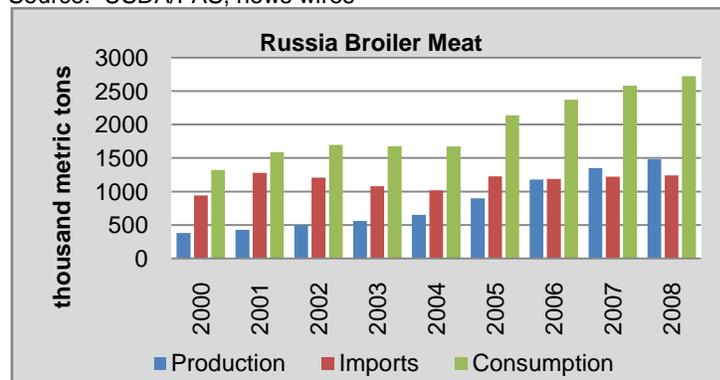
Recently, U.S. and Russian poultry organizations agreed to a reduction in the tariff quotas from 931.5 MMT to 750 MMT in 2009 in exchange for continued access to the Russian market. The quota could be decreased to 630 MMT 2010, 550 MMT in 2011 and 500 MMT in 2012. The Russian Government's official quota changes could be made at the end of the 2008 or early 2009.

On June 2, 2008, the head of the Federal Service for Consumer Rights and Human Well-Being (Rospotrebnadzor) signed Resolution # 33, effective January 1, 20089, states when handling poultry carcasses to refrain from using water-based solutions containing chlorine in amounts exceeding the requirements set for drinking water. In addition, during thawing take measures to prevent the accumulation of liquid weighing over 4% of the product weight.

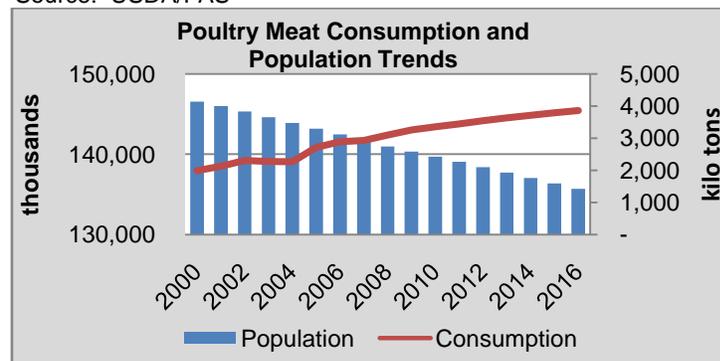
Resolution # 30, signed on June 7, 2008, prohibits the use of frozen poultry meat for manufacturing baby food and specialized food products for pregnant and nursing women, effective January 1,

2010, and will prohibit the use of frozen poultry meat for manufacturing into any type of food product effective January 1, 2011. Currently all imported poultry meat is frozen and once Resolution #30 takes effect, it could decrease poultry imports by as much as 20%.

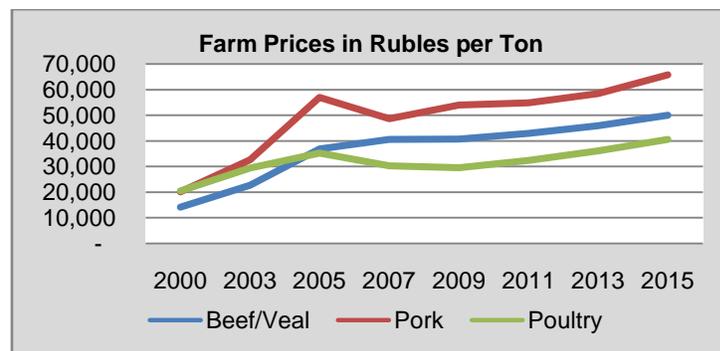
Source: USDA/FAS, news wires



Source: USDA/FAS



Source: OECD-FAO, data extracted 2008/08/12 from OECD.Stat



Source: FABRI 2008 World Agricultural Outlook

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

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	0	0	445	2,617
Frozen	0	0	39	25
Dried	0	0	406	447
Total	0	0	890	3,089

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	417	470	12,633	10,807
Frozen	40	0	393	263
Dried	0	40	393	659
Total	457	510	13,419	11,729

Inspected Shell Eggs

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

	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Extra Large	2,250	1,890	39,580	29,269
Large	3,142	2,000	45,615	51,816
Medium	885	1,248	28,076	34,763
Ungraded	7,320	6,882	225,734	53,282
Misc	0	0	1,562	6,325
Total	13,597	12,020	340,567	175,455

/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 16-Aug-08 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,460	1,728	3,188
Last Week	1,272	1,804	3,076
Same week yr ago	1,045	1,524	2,569
To-date/2008	46,202	52,828	99,030
To-date/2007	36,867	47,692	84,559

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	309	0	309
Last Week	339	8	347
Same week yr ago	318	0	318
To-date/2008	10,900	46	10,946
To-date/2007	8,374	23	8,397

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	1,769	1,728	3,497
Last Week	1,611	1,812	3,423
Same week yr ago	1,363	1,524	2,887
To-date/2008	57,102	52,874	109,976
To-date/2007	45,241	47,715	92,956

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

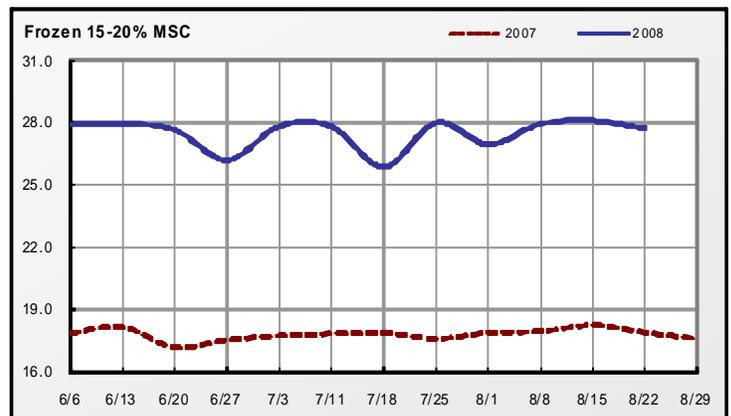
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 market tone was steady to fully steady. Supplies of fresh and frozen 15-20% were in close balance to tight. Demand for fresh and frozen remains moderate to good. Supplies of raw materials were tight. Domestic and export trading was good with most inquiry from Mexico, Central American and Asian countries. Schedules were generally full time, instances less than normal due to reduced availability of raw materials.

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

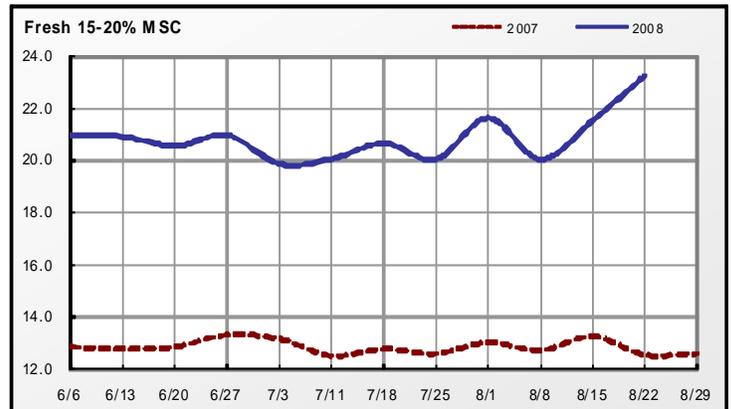
Fat Content	Frozen			Fresh		
	22-Aug-08	Last Week	Last Year	22-Aug-08	Last Week	Last Year
15% or Less						
Price Range	-	-	18.00-22.00	26.50 - 27.00	25.50 - 27.00	15.00-17.00
Wtd Avg Price	-	-	18.84	26.75	26.26	16.00
Volume Traded	-	-	342	241	322	402
Volume Exported	-	-	260	-	-	-
15-20%						
Price Range	24.00 - 31.00	23.00 - 30.00	15.00-21.00	18.00 - 28.00	17.00 - 26.00	11.00-16.00
Wtd Avg Price	27.72	28.09	17.61	23.28	21.55	12.59
Volume Traded	894	1,598	1,382	2,481	4,276	2,271
Volume Exported	734	1,558	1,300	631	582	288
20% or More						
Price Range	-	-	-	21.00	21.00	14.00
Wtd Avg Price	-	-	-	21.00	21.00	14.00
Volume Traded	-	-	-	82	82	80
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Jul 2008	Jun 2008	Jul 2007	Jul 2008	Jun 2008	Jul 2007
15% or Less						
Wtd Avg Price	30.00	26.00	17.93	23.72	24.78	15.84
Volume Traded	40	164	1,169	647	684	1,366
Volume Exported	-	164	1,047	-	-	-
15-20%						
Wtd Avg Price	27.53	27.60	17.81	20.16	20.83	12.71
Volume Traded	5,069	5,261	6,151	12,334	10,252	8,597
Volume Exported	4,269	4,620	5,303	2,830	1,345	1,835
20% or More						
Wtd Avg Price	-	-	-	-	-	14.00
Volume Traded	-	-	-	-	-	280
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 22 AUGUST 2008.

The market tone on tom drums was mostly steady, tom wings and necks steady to fully steady, and tails fully steady to firm. Demand light to moderate. Some tom full-cut wing sellers not receiving the amount of interest others are. Offerings of tom drums adequate to fully adequate with offers not as readily available, tom wings and necks mostly light to adequate, tails light and spotty. The market tone on thigh meat was steady to fully steady with some spot caution noted. Inquiry light to moderate. Offerings light to adequate with some spot availability noted. The market tone on mechanically separated was mostly steady with some spot weakness noted as the upcoming holiday weekend nears. Demand light to moderate. Offerings mixed. Trading slow to moderate for current shipments. For domestic: fresh tom wings 42-44, fresh scapula 120, frozen breeder breast meat 158-160, Grade A non-basted breasts - 8-10 lb. 150 and 12-16 lb. 180, fresh 4-8 lb. breasts 187 cents delivered November. Plant grade 4-8 lb. breasts traded at 121 cents delivered export.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, AUGUST 22, 2008	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS		R	52.00	40	48.70	942
WINGS FULL-CUT - TOMS	42.00-46.00		42.88	214	44.25	672
WINGS, V-TYPE, TOM		F	57.93	448		
TAILS		R	44.50	120	44.44	180
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	104.00	324	103.89	952
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, AUGUST 21, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	52.00		52.00	40		
WINGS FULL-CUT - TOMS	45.00-46.00		45.29	378		
WINGS, V-TYPE, TOM		F	57.93	448		
TAILS	44.00-45.50		44.50	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	104.00		104.00	324		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, AUGUST 20, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	46.50-54.00		48.09	740		
WINGS FULL-CUT - TOMS	42.00-44.00		43.00	80		
WINGS, V-TYPE, TOM		F	57.93	448		
TAILS	42.00		42.00	20		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	103.00	108		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, AUGUST 19, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	48.00-52.00		50.67	162		
WINGS FULL-CUT - TOMS		R	41.00	108		
WINGS, V-TYPE, TOM		F	57.93	448		
TAILS	45.50		45.50	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	103.00		103.00	108		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, AUGUST 18, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	52.51	328		
WINGS FULL-CUT - TOMS		R	41.00	108		
WINGS, V-TYPE, TOM		F	57.93	448		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	104.00		104.00	520		

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.