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U.S. Department of Agriculture Bra **Agricultural Marketing Service**

Poultry Programs

Market News and Analysis Branch

Brazil

Brazil is one of the top poultry producers in the world, ranking third for chicken meat and turkey meat production. In 2008 Brazil's broiler production is estimated at 10,895 thousand metric tons and for 2009 production is projected to reach 11,417 thousand MT. Turkey meat production estimates total 510 thousand MT for 2008 and projections for 2009 are 550 thousand MT.

For 2008, Brazil is expected to be the world's top chicken exporter, and have the second largest share of the turkey export market.

Chicken Meat Production and Exports '000 metric tons

	2007	2008	2009						
	Production								
U.S.	16,211	16,558	16,679						
China	11,500	12,500							
Brazil	10,305	10,895	11,417						
	Export								
U.S.	2,618	2,722	2,540						
China	358	400							
Brazil	2,922	3,313	3,645						

Turkey Meat Production and Exports '000 metric tons

	2007	2008	2009			
	Production					
U. S.	2,667	2,760	2,790			
EU-27	1,790	1,760	1,750			
Brazil	458	510	550			
	Exports	;				
U. S.	251	274	249			
EU-27	123	125	120			
Brazil	177	210	235			

Source: Brazil and EU-27 for 2009: USDA/FAS Attaché Reports, Estimates from FAS for 2009 are not official USDA data; USDA Agricultural Projections to 2017 for U.S. 2009 data; balance of data: USDA/FAS Production, Supply and Distribution database

For the first seven months of 2008 (January – July), Brazil's broiler exports rose over 13% compared to the same period in 2007. Increased demand from Venezuela (up 109%), Hong Kong (up 19%), Japan (up 30%), Kuwait (up 26%), and the United Arab Emirates (up 18%) more than made up for a 35% drop in exports to the EU and a 13% fall in exports to South Africa. China, while not a major market, fell 94%. The Middle East is an important export region and Brazilian companies are able to provide Halal for that market. Turkey exports increased almost 25% during this period. The EU is Brazil's major export market for turkey.

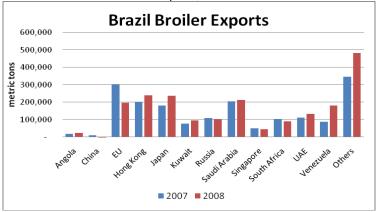
In 2005, Brazil and Thailand won a World Trade Organization case against the EU's tariff reclassification of salted chicken meat. In July 2007, the EU created a new regime for imports of salted poultry meat, preparations of turkey meat and cooked chicken meat into the EU, primarily from Brazil and Thailand. The EU administers the quotas and issues the certificates of origin necessary to import these items. Strong demand for these certificates/licenses has led to license trading between companies. European importers who purchase a license to import Brazilian poultry within the quota want to charge Brazilian exporters a discount equivalent to the fee paid for the licenses.

At the request of Brazilian exporters, Brazil's Board of Foreign Trade (Camex) created a new model where Brazil manages the distribution of certificates of origin to export salted chicken within the quota to

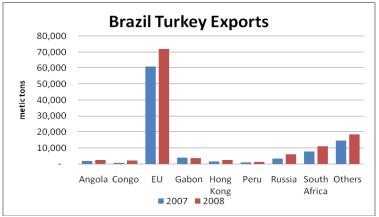
the EU. The Brazilian government will distribute the certificates to companies based on the past performance of the exporters (for items covered by the quotas). The new system went into effect on October 1, 2008.

In response, the European Union suspended the licensing of imports of salted chicken for one month, starting in October 2008. The EU complained the change was made without a bilateral consultation, as required by the WTO agreement. The two countries will discuss the issue in the coming weeks.

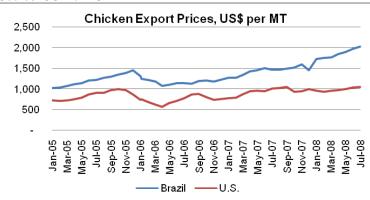
Source: USDA/FAS Attaché Reports; news wires



Source: USDA/FAS



Source: USDA/FAS



Brazil - export value for chicken, fob, source Aves & Ovos: Boletin Mensal. U.S.- broiler cuts, export unit value, source USDA: U.S. trade exports

Source: FAO Monthly Price Data, Poultry Meat

INSPECTED EGG PRODUCTS-

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

0.0.	orer Experte to Gariaga, in a Gariag (Goo) (1 Territory)								
Week Endir	ng Sep 27, 200	18	Year-To-	-Date					
Type	2008	2007 /1	2008 /2	2007					
Liquid	48	52	783	2,867					
Frozen	0	4	39	69					
Dried	0	0	444	489					
Total	48	56	1 266	3 425					

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

Week Ending Sep 27, 2008			Year-To	o-Date
Type	2008	2007 /1	2008 /2	2007
Liquid	452	269	14,562	12,373
Frozen	54	0	468	276
Dried	37	0	590	739
Total	543	269	15,620	13,388

Inspected Shell Eggs

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

Week Ending	Sep 27,	2008	Year	-To-Date
	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Extra Large	2,855	2,000	52,253	39,239
Large	4,700	3,925	62,725	62,875
Medium	1,530	1,740	37,496	44,249
Ungraded	18,680	9,900	307,999	85,538
Misc	0	0	5,974	7,105
Total	27,765	17,565	466,447	239,006
4.0	14/ 1 /			P.

/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 27-Sep-08 (Preliminary)

U.S. fowl slaughtered domestically						
	Light Hens	Heavy Hens	Total Hens			
	Thousa	nds				
Head	1,277	1,783	3,060			
Last Week	1,179	1,890	3,069			
Same week yr ago	1,050	1,546	2,596			
To-date/2008	53,748	63,377	117,125			
To-date/2007	42,950	56,641	99,591			

	Light Hens		Total Hens	
	Thousa	ınds		
Head	400	0	400	
Last Week	329	0	329	
Same week yr ago	290	0	290	
To-date/2008	12,785	50	12,835	
To-date/2007	10,117	26	10,143	

U.S. fowl slaughtered in Canada

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	1,677	1,783	3,460			
Last Week	1,508	1,890	3,398			
Same week yr ago	1,340	1,546	2,886			
To-date/2008	66,533	63,427	129,960			
To-date/2007	53,067	56,667	109,734			
Source: USDA AMS Poul	try Programs, I	Market News & Analys	is 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 cautiously steady on fresh 15-20% and steady to fully steady on the balance. Supplies of fresh 15-20% were adequate to more available with the remainder adequate to close. Fresh demand was fair to moderate; frozen moderate to fairly good. Supplies of raw materials were tight. Domestic and export trading was mostly fair to instances good with most inquiry from Central American and Caribbean countries; Mexico slowing. Schedules were seasonally normal. More buyers and sellers have begun 2009 contract negotiation discussions with little to report.

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

		Frozen		Fresh		
Fat Content	3-Oct-08	Last Week	Last Year	3-Oct-08	Last Week	LastYear
15% or Less						
Price Range	28.00		18.00	27.00 - 27.50	27.00 - 27.50	15.00-16.00
Wtd Avg Price	28.00		18.00	27.10	27.14	15.82
Volum e Traded	80	-	262	201	282	221
Volume Exported	80	-	262	-	-	-
15-20%						
Price Range	26.00 - 32.00	25.00 - 30.00	16.00-21.00	18.00 - 27.00	17.50 - 27.00	11.00-16.00
Wtd Avg Price	28.90	27.85	18.57	21.10	21.47	12.71
Volum e Traded	1,476	1,404	1,160	2,772	3,711	1,474
Volume Exported	1,116	1,364	1,040	992	1,155	490
20% or More						
Price Range	-	-	-	21.00	21.00	13.50-14.00
Wtd Avg Price			-	21.00	21.00	13.75
Volum e Traded	-	-	-	40	80	162
Volume Exported	-		-	-	-	-



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

	Frozen			Fresh		
Fat Content	Sep 2008	Aug 2008	Sep 2007	Sep 2008	Aug 2008	Sep 2007
15% or Less						
Wtd Avg Price	27.49	29.00	18.11	27.17	25.52	15.74
Volum e Traded	316	320	1,085	1,148	1,508	1,569
Volume Exported	316	280	1,045	-	-	-
15-20%						
Wtd Avg Price	28.25	27.61	17.91	21.88	21.74	12.71
Volum e Traded	6,260	7,046	4,760	12,855	14,374	7,665
Volume Exported	5,142	5,761	4,500	3,915	2,757	2,166
20% or More						
Wtd Avg Price	-	-	-	21.00	21.00	13.83
Volum e Traded	-	-	-	322	522	483
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 03 OCTOBER 2008.

The market tone on tom breast meat and tenderloins was steady to instances weak, tom 2-joint and full-cut wings fully steady to firm, balance of parts and meats steady. Demand was light to moderate with most interest on wings and drums. Offerings were light to adequate with wings and tom drums in the best position. Trading was slow to moderate. For domestic: 8-10 lb. breast 150 cents, 12-16 lb. breast 180 cents and fresh wing meat 97-99 cents delivered. Export: fresh tom drums 50 cents.

EXPORT TRADING FRIDAY, OCTOBER 03, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 64.00-66.50 104.00	L.S.T. CODE 1/ R R W W	WTD AVG PRICE 54.00 43.00 65.67 48.00 25.00 104.00	VOLUME (000) 40 108 162 120 120 216	WEEKLY WTD AVG PRICE 54.00 45.14 67.00 47.79 25.00 104.00	WEEKLY VOLUME (000) 40 378 810 140 120 216
EXPORT TRADING THURSDAY, OCTOBER 02, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 54.00 43.00 64.00	L.S.T. CODE 1/ W W	WTD AVG PRICE 54.00 43.00 64.00 48.00 25.00	VOLUME (000) 40 108 108 120 120		
EXPORT TRADING WEDNESDAY, OCTOBER 01, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 46.00 68.00 46.00-50.00 25.00	L.S.T. CODE 1/ F	WTD AVG PRICE 53.57 46.00 68.00 48.00 25.00 103.30	VOLUME (000) 282 270 540 120 120 134		
EXPORT TRADING TUESDAY, SEPTEMBER 30, 2008 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	PRICE RANGE 46.00-47.00	L.S.T. CODE 1/ F R F F	WTD AVG PRICE 53.57 44.00 64.00 46.50 29.00 103.30	VOLUME (000) 282 108 378 20 40 134		
EXPORT TRADING MONDAY, SEPTEMBER 29, 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/ F R F F F W	WTD AVG PRICE 53.57 44.00 64.00 47.00 29.00 103.30	VOLUME (000) 282 108 378 80 40 134		

^{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.