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Vietnam

In an effort to reduce inflation, in August 2007 the Government of Vietnam reduced tariffs on a broad range of key agricultural commodities by an average of 30 – 60% from the current rates. Tariffs on poultry meat were cut from 40% to 12%, and tariffs on eggs fell from 80% to 20%. Vietnam's World Trade Organization (WTO) commitments only require Vietnam to cut tariffs on poultry meat to 15% by 2012.

The low tariffs led to an increase in broiler meat imports. Meat consumption is rising in Vietnam and Vietnamese favor dark-meat chicken, such as leg quarters, drums and wings. U.S. poultry exports to Vietnam increased over 407% in 2007 and exports for the first half of 2008 are already double that of 2007.

Local poultry breeders are struggling with a combination of soaring feed prices, animals lost to disease, and increased competition from imported product made local production unprofitable.

The Ministry of Finance released Decision 83/2008/QD-BTC on October 3, to take effect after 15 days from the date of the report, annulling the tax rate cut incentives for selected items. For poultry, the new rates range from 15% to 40%. The Ministry of Agriculture and Rural Development (MARD) said the new duties do not contradict Vietnam's WTO commitments since the country has reduced the tariffs on this products ahead of schedule. The deputy head of the Agricultural Ministry's breeding department said the increased rates will help protect the domestic industry, but breeders must improve production processes and cut costs.

Vietnam's broiler production totaled 344,000 MT in 2006 and is expected to remain unchanged through 2009. Imports grew from 29,000 MT in 2006 to an estimated 275,000 million in 2008, but should fall 9% in 2009 due to the higher tariffs, among other reasons.

Vietnam: Broiler Production, Supply and Demand

Attribute	Country	2005	2006	2007	2008	2009
Production (1000 MT)	Vietnam	322	344	344	344	344
Total Imports (1000 MT)	Vietnam	6	29	160	275	250
Total Supply (1000 MT)	Vietnam	328	373	504	619	594
Total Dom. Consumption (1000 MT)	Vietnam	328	373	504	619	594
Total Use (1000 MT)	Vietnam	328	373	504	619	594

Vietnam has a tariff rate quota for shell eggs. For tariff items 04070091, 04070092 and 04070099 (hens/ducks/others) the initial quota quantity is 30,000 dozen, and the in-quota rate is 40%. Annual growth rate for the quota volume is 5%. For January through August 2008, the U.S. exported 17.4 metric tons of dried egg albumin valued at $52,000 and 8,625 dozen hatching eggs valued at $25,000 to Vietnam.

U.S. Poultry Meat Exports (HS 0207) to Vietnam
Volume in metric tons, value in thousand dollars

	2005	2006	2007	January-August 2007	January-August 2008
Volume	1,226	8,636	27,200	9,983	57,714
Value	903	5,902	26,725	9,061	62,786

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

HS	Description	%
0207	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.	
	- Of fowls of the species Gallus domesticus:	
02071100	- - Not cut in pieces, fresh or chilled	40
02071200	- - Not cut in pieces, frozen	40
02071300	- - Cuts and offal, fresh or chilled	40
020714	- - Cuts and offal, frozen:	
02071410	- - - Wings	20
02071420	- - - Thighs	20
02071430	- - - Livers	20
02071490	- - - Other	20
	- Of turkeys:	
02072400	- - Not cut in pieces, fresh or chilled	40
02072500	- - Not cut in pieces, frozen	40
02072600	- - Cuts and offal, fresh or chilled	40
020727	- - Cuts and offal, frozen:	
02072710	- - - Livers	20
02072790	- - - Other	20
	- Of ducks, geese or guinea fowls:	
020732	- - Not cut in pieces, fresh or chilled:	
02073210	- - - Of ducks	40
02073220	- - - Of geese or guinea fowls	40
020733	- - Not cut in pieces, frozen:	
02073310	- - - Of ducks	40
02073320	- - - Of geese or guinea fowls	40
02073400	- - Fatty livers, fresh or chilled	15
02073500	- - Other, fresh or chilled	15
020736	- - Other, frozen:	
02073610	- - - Fatty livers	15
02073620	- - - Cuts of ducks	15
02073630	- - - Cuts of geese or guinea fowls	15

Source: Vietnam Ministry of Finance; World Trade Organization; USDA/FAS Attaché Reports; United Nations Food and Agriculture Organization; news wires

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

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

Week Ending Oct 11, 2008 Year-To-Date

Type	2008	2007 /1	2008 /2	2007
Liquid	0	52	831	2,919
Frozen	0	0	39	69
Dried	0	40	444	569
Total	0	92	1,314	3,557

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

Week Ending Oct 11, 2008 Year-To-Date

Type	2008	2007 /1	2008 /2	2007
Liquid	418	263	15,340	12,765
Frozen	10	0	481	276
Dried	0	38	590	777
Total	428	301	16,411	13,818

Inspected Shell Eggs

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

Week Ending Oct 11, 2008 Year-To-Date

	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Extra Large	2,490	2,880	57,147	44,869
Large	3,540	3,460	71,146	71,315
Medium	870	2,025	38,982	48,494
Ungraded	17,730	9,138	338,359	104,564
Misc	0	0	5,974	7,849
Total	24,630	17,503	511,608	277,091

/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 11-Oct-08 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,353	1,730	3,083
Last Week	1,204	1,801	3,005
Same week yr ago	1,032	1,609	2,641
To-date/2008	56,305	66,908	123,213
To-date/2007	45,187	59,848	105,035

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	237	0	237
Last Week	242	0	242
Same week yr ago	262	0	262
To-date/2008	13,264	50	13,314
To-date/2007	10,628	36	10,664

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	1,590	1,730	3,320
Last Week	1,446	1,801	3,247
Same week yr ago	1,294	1,609	2,903
To-date/2008	69,569	66,958	136,527
To-date/2007	55,815	59,884	115,699

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

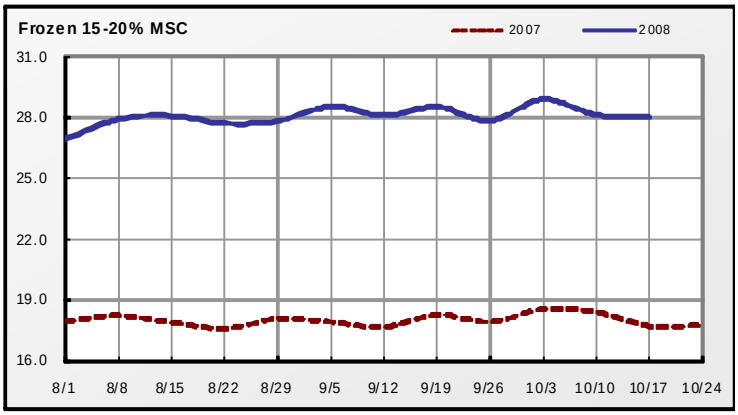
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 unchanged steady to cautiously steady on fresh 15-20%; 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 moderate; frozen moderate to gppd. Supplies of raw materals were tight. Domestic and export trading was moderate to normal. Buyers and sellers have begun contract negotiations for 2009 with a small percentage committed.

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

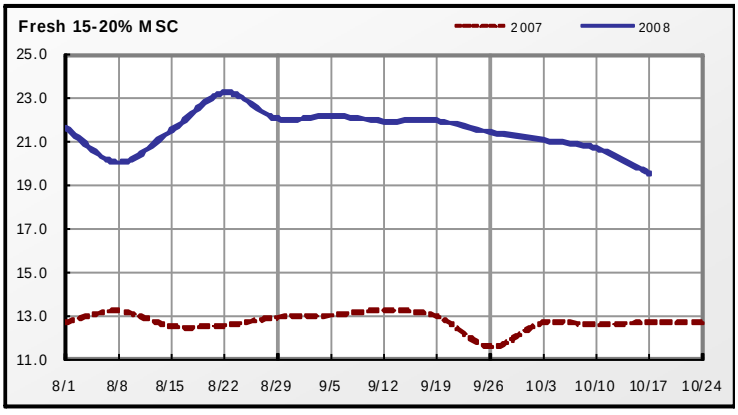
	Frozen			Fresh		
Fat Content	17-Oct-08	Last Week	Last Year	17-Oct-08	Last Week	Last Year
15% or Less						
Price Range		33.00	17.50-22.00	24.00 - 26.00	26.00 - 27.50	15.00-16.00
Wtd Avg Price		33.00	18.37	24.73	26.59	15.83
Volume Traded	-	120	356	221	242	858
Volume Exported	-	120	316	-	-	376
15-20%						
Price Range	22.00 - 32.00	22.00 - 32.00	15.50-21.00	16.50 - 25.00	18.00 - 27.00	11.00-16.00
Wtd Avg Price	28.01	28.13	17.73	19.56	20.73	12.72
Volume Traded	1,066	1,938	1,808	1,908	2,569	2,477
Volume Exported	783	1,578	1,508	469	626	898
20% or More						
Price Range	-	-	-	21.00	21.00	14.00
Wtd Avg Price			-	21.00	21.00	14.00
Volume Traded	-	-	-	122	80	80
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
Volume 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
Volume 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
Volume 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 17 OCTOBER 2008.

Tom breast meat and destrapped tenderloins market tone continued steady to weak. Balance of white meat trade sentiment was mostly steady. Demand on tom breast meat and destrapped tenderloins generally slow for the adequate to instances burdensome offers. Demand slow to instances moderate on the balance of white meat for the light to adequate offerings. Trading and demand on the remaining parts items fair for the adequate supplies. For domestic: breeder wings 44, breeder drums 47, tails 46, breeder tails 40, fresh scapula 124. For export: fresh thigh meat 102.

EXPORT TRADING FRIDAY, OCTOBER 17, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	53.00	54	52.70	134
WINGS FULL-CUT - TOMS		F	46.50	80		
WINGS, V-TYPE, TOM	60.00		60.00	120	63.79	228
TAILS	46.00-46.50		46.25	80	45.91	176
MECHANICALLY SEPARATED 2/	24.00		24.00	120	24.00	120
THIGH MEAT - FROZEN		F	104.00	280		

EXPORT TRADING THURSDAY, OCTOBER 16, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	53.00		53.00	54
WINGS FULL-CUT - TOMS		F	46.50	80
WINGS, V-TYPE, TOM	68.00		68.00	108
TAILS	46.50		46.50	40
MECHANICALLY SEPARATED 2/		F	28.00	80
THIGH MEAT - FROZEN		F	104.00	280

EXPORT TRADING WEDNESDAY, OCTOBER 15, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	52.00-53.00		52.50	80
WINGS FULL-CUT - TOMS		F	46.50	80
WINGS, V-TYPE, TOM		F	66.75	864
TAILS		T	45.00	56
MECHANICALLY SEPARATED 2/		F	28.00	80
THIGH MEAT - FROZEN		F	104.00	280

EXPORT TRADING TUESDAY, OCTOBER 14, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	54.00	240
WINGS FULL-CUT - TOMS		F	46.50	80
WINGS, V-TYPE, TOM		F	66.75	864
TAILS	45.00		45.00	56
MECHANICALLY SEPARATED 2/		F	28.00	80
THIGH MEAT - FROZEN		F	104.00	280

NO EXPORT TRADING REPORTED ON MONDAY, OCTOBER 13, 2008, DUE TO COLUMBUS DAY HOLIDAY.

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.