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U.S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News and Analysis Branch

Mandatory Country of Origin Labeling

The Country of Origin Labeling (COOL) is used to indicate where an imported good was produced. Countries use COOL for various reasons, such as quota control, trade statistics, and government procurement.

The General Agreement on Tariffs and Trade (GATT) has no specific rules governing the determination of country of origin of goods in international commerce. However, under the WTO Agreement on Technical Barriers to Trade (TBT), there are conformity assessment procedures to follow. They consist of the non-discrimination principle, which means that if a Member applies certain requirements to imported products, it has to apply the same requirements to like domestic products; the avoidance of unnecessary obstacles to trade; the use of international standards (harmonization) and adherence to the principle of equivalence of mandatory requirements.

South Korea had COOL requirements for food service institutions that were 300 square meters or larger. These institutions were required to list the country of origin for raw beef when it was used as the main ingredient in roasted meat dishes. This requirement had limited impact because less than 4,000 establishments fell into this category.

In June, 2008 COOL requirements were expanded to include restaurants that are 100 square meters or larger. A mandatory requirement to label country of origin for pork and poultry dishes went into effect on December 22, 2008.

***Restaurant Sizes of KRA Members, as of June 2007**

Under 100 square meters	228,352	(70.8%)
Between 100 and 300 square meters	60,152	(26.3%)
Over 300 square meters	6,482	(2.8%)

*Restaurants that served meat, including beef, pork and chicken.
Source: Korea Restaurant Association (KRA)

Mandatory country of origin labeling in U.S. retail outlets became effective on September 30, 2008. The covered commodities include beef (including veal), lamb, pork, goat and chicken meat; wild and farm-raised fish and shellfish; perishable agricultural commodities (fresh and frozen fruits and vegetables); peanuts, pecans, macadamia nuts and ginseng. Food service establishments are exempt and processed foods are excluded.

Canada and Mexico have filed complaints with the WTO over the country of origin labeling law. The WTO received a request for consultations from Canada on December 1, 2008 and from Mexico on December 17, 2008. Canada alleged that the law would impose unnecessary costs on meatpackers using Canadian animals while Mexico says the new law deters U.S. packers from importing livestock.

Sources: WTO Technical Information on Rules of Origin; WTO Agreement on Technical Barriers to Trade; WTO Dispute Settlement; USDA/FAS; USDA/AMS Country of Origin Labeling; news wires

South Korea Poultry Industry

Broiler production estimates for 2008 are 542,000 metric tons, down 5% from 2007 (570,000). Outbreaks of highly pathogenic avian influenza (HPAI) from February to May 2008 reduced domestic production. A record 8.5 million poultry, representing about 1% of annual broiler slaughter, were culled to stem the spread of the disease. Rising feed costs also took a toll on the domestic poultry industry.

Broiler Inventories (Unit: 1,000 birds) 1/

Year	2003	2004	2005	2006	2007	2008
Farms	2,226	2,237	2,678	2,016	2,028	1,807
Birds	66,756	68,526	88,137	84,279	87,359	77,853

Source: National Agriculture Quality Service, Ministry of Agriculture and Forestry. 1/ June inventories

South Korea is now HPAI free and broiler production is expected to recover and total 553,000 MT in 2009. This is still below 2007 production levels because of continued high feed costs. An expected increase in beef consumption continues to put pressure on the poultry industry.

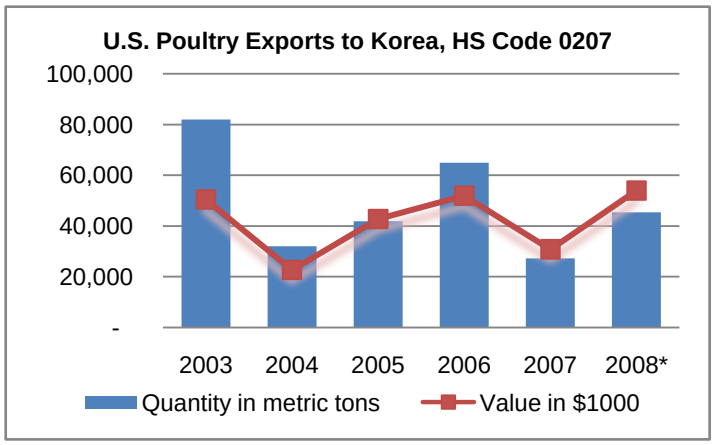
South Korea Broilers, in 1000 MT

	2005	2006	2007	2008	2009
Broiler Production	451	523	570	542	553
Broiler Imports	59	76	60	70	70
Meat Consumption					
Broiler	508	596	624	606	617
Beef	443	496	522	560	592
Pork	1,311	1,420	1,499	1,499	1,468

Source: Foreign Agricultural Service, Official USDA Estimates

U.S. poultry exports, for January - October 2008 are up 121% in value and 105% in volume, compared to the same period in 2007 and have already exceeded the total for 2007. The major export items are frozen chicken legs, leg quarters and other frozen chicken cuts.

Source: USDA/ Foreign Agricultural Service



*2008 is January - October data
Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

***** The following reports will be released when the information becomes available *****

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

AND

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

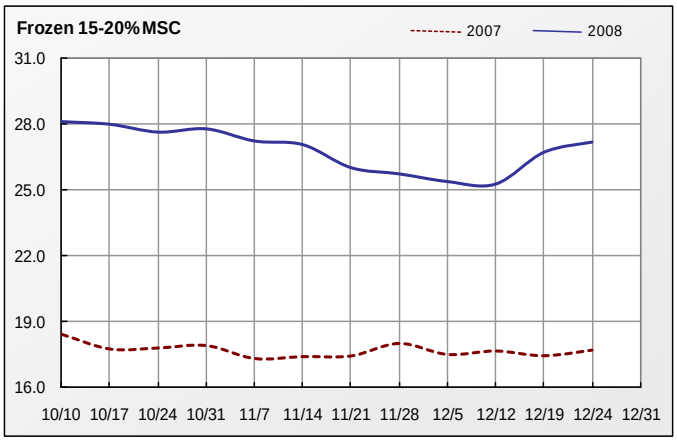
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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.)

MSC market tone was steady to fully steady. Supplies were balanced to close. Demand was moderate to good going into the holiday. Raw materials remained tight with good interest. Trading was moderate to good with most export activity from Mexico, Central America, and the Caribbean. Contracts for the 2009 season were generally finished with some domestic and export buyers unfulfilled; contract pricing was unchanged to higher, mostly moderately to sharply higher on fresh 15-20% and sharply higher on the balance. Schedules were reduced for the holiday along with industry cutbacks noted throughout December. Frame values were steady ranging 8-11 cents FOB, mostly 10-11 FOB; contracts for 2009 were at higher levels as well.

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

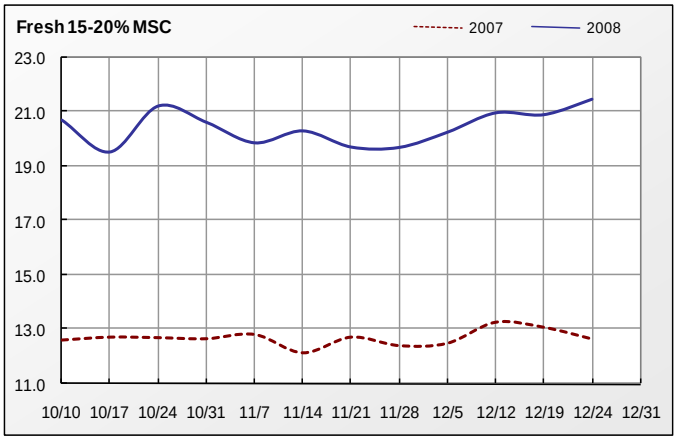
	Frozen			Fresh		
Fat Content	24-Dec-08	Last Week	Last Year	24-Dec-08	Last Week	Last Year
15% or Less						
Price Range			15.75	25.00 - 27.00	25.00 - 26.00	15.00-16.00
Wtd Avg Price			15.75	25.65	25.48	15.64
Volume Traded	-	-	54	269	412	221
Volume Exported	-	-	54	-	110	-
15-20%						
Price Range	24.00 - 33.00	24.00 - 32.50	16.00-21.00	19.75 - 28.00	19.00 - 28.00	11.00-16.00
Wtd Avg Price	27.20	26.73	17.68	21.49	20.92	12.65
Volume Traded	1,122	1,465	1,240	2,025	3,530	1,804
Volume Exported	922	1,225	1,240	184	756	367
20% or More						
Price Range	-	-	-	21.00		-
Wtd Avg Price			-	21.00		-
Volume Traded	-	-	-	80	-	-
Volume Exported	-	-	-	-	-	-



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

	Frozen			Fresh		
Fat Content	Nov 2008	Oct 2008	Nov 2007	Nov 2008	Oct 2008	Nov 2007
15% or Less						
Wtd Avg Price	24.00	31.17	16.76	24.28	25.55	15.67
Volume Traded	322	240	1,234	1,443	1,147	2,494
Volume Exported	160	200	1,234	220	-	104
15-20%						
Wtd Avg Price	26.34	28.16	17.53	19.96	20.67	12.54
Volume Traded	5,394	6,422	12,989	11,870	11,659	15,504
Volume Exported	4,961	4,939	12,305	1,921	3,047	5,429
20% or More						
Wtd Avg Price	-	-	-	21.00	20.80	14.00
Volume Traded	-	-	-	366	404	240
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 24 DECEMBER 2008.

The market tone on rib breasts and tom breast meat was steady to weak, balance of white meat steady to barely steady with processors trying to maintain current market levels. Demand on rib breasts and white meat was slow for holiday needs. Offerings adequate to instances burdensome. Frozen tom breast meat imports were offered at lower trending price levels. The market tone on tom bulk parts was mostly steady with drums strongest and instances fully steady. Demand moderate to good on tom drums with fresh the most active for January export shipments. Demand on the balance of tom bulk parts was light to instances moderate, best for post holiday needs. The market tone on thigh meat was generally steady and steady to fully steady on mechanically separated turkey. Demand slow to instances moderate with activity centered on fresh MST. Trading heavy on open priced fresh tom drums and thigh meat for January export shipments, balance slow to instances moderate and centered on fresh MST. For domestic: fresh ground thigh trim 53, fresh breast trim 126, plant grade basted 20-24 lb. breasts 149 cents delivered.

NO EXPORT TRADING REPORTED ON THURSDAY, DECEMBER 25, 2008, OR FRIDAY, DECEMBER 26, 2008,

DUE TO CHRISTMAS HOLIDAY

EXPORT TRADING WEDNESDAY, DECEMBER 24, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	55.00		55.00	80	55.00	80
WINGS FULL-CUT - TOMS	47.00-53.00		49.33	240	49.33	240
WINGS, V-TYPE, TOM	48.00		48.00	108	48.00	108
TAILS	44.00		44.00	40	44.00	40
MECHANICALLY SEPARATED 2/	28.50		28.50	40	28.50	40
THIGH MEAT - FROZEN	102.00		102.00	94	102.00	94

EXPORT TRADING TUESDAY, DECEMBER 23, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	56.00	80
WINGS FULL-CUT - TOMS		F	46.00	104
WINGS, V-TYPE, TOM		R	48.00	216
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		F	102.67	60

EXPORT TRADING MONDAY, DECEMBER 22, 2008	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	56.00	80
WINGS FULL-CUT - TOMS		F	46.00	104
WINGS, V-TYPE, TOM		R	48.00	216
TAILS		M	45.00	40
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		F	102.67	60

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.