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Highly Pathogenic Avian Influenza H5N1

path avian influenza H5N1 in poultry (Vietnam, Bangladesh, India, and the President's issue of a proclamation to implement the U.S. - Peru Nepal). Between the start of the chain of outbreaks in December 2003 Trade Promotion Agreement as of February 1, 2009. up to January 20, 2009, 62 countries reported H5N1 avian influenza in domestic poultry/wildlife. A total of 50 countries reported H5N1 in The Agreement was signed in April 12, 2006, approved by the U.S. domestic poultry.

A timeline for the current chain of Highly Pathogenic Avian Influenza H5N1 began when H5N1 reappeared in Asia in December 2003, when South Korea reported an outbreak in domestic poultry. In January 2004 Thailand, Cambodia, Japan, Laos and Vietnam reported first outbreaks of H5N1 in domestic poultry, while Hong Kong reported an outbreak in wildlife. In February 2004 China and Indonesia reported first outbreaks, products, such as poultry, pork and beef. Access under TPA includes followed by Malaysia in August, 2004.

In July, 2005 Russia became the first European country to report finding H5N1 in domestic poultry. The virus also spreads to additional Asian and European countries in 2005 before reaching Africa in February, 2006. The last country to report an initial outbreak of H5N1 was Togo in June, 2007. On January 16, 2009 Nepal reported an outbreak of H5N1 in backvard poultry, the first case of H5N1 since 1996.

Outbreaks of Avian Influenza (subtype H5N1) Reported in Poultry, Select Countries, from December 2003 to February 9, 2009

	Total	First Case	Most Recent			
Country						
Vietnam	2,508	January 2004	February 2009			
Thailand	1,141	January 2004	November 2008			
Egypt	1,084	February 2006	*Endemic 2008			
Bangladesh	298	February 2007	February 2009			
Indonesia	261	February 2004	*Endemic 2006			
Turkey	219	October 2005	March 2008			
Romania	163	October 2005	November 2007			
Russia	149	July 2005	April 2008			
China	96	February 2004	December 2008			
Myanmar	93	March 2006	March 2008			
India	73	January 2006	February 2009			
Nigeria	65	January 2006	July 2008			
Korea (Rep. of)	59	December 2003	May 2008			
Pakistan	51	February 2006	June 2008			
*Final reports, HPAI now considered endemic						

A United Nations study concluded there were fewer outbreaks of H5N1 avian influenza between January and June 2008, and fewer infected countries compared to the same period in 2006 and 2007. From January - September 2008 there were no newly infected countries, compared to 4 newly infected countries in the first six months in 2007. Analysis revealed that several countries had succeeded in eliminating infection through effective surveillance, prompt detection and rapid response.

Other countries have not been successful. Three countries (Egypt, Vietnam and Indonesia) consider H5N1 HPAI endemic, and H5N1 HPAI is entrenched in India and Bangladesh. Sporadic reports of LPAI (low path) have been reported in several countries. Winter is normally the peak season because cold weather favors virus survival.

Source: World Organization for Animal Health (OIE); World Health Organization; UN and World Bank Synopsis of the Fourth Global HS 1601/1602 = prepared chicken and turkey Progress Report System; UN News Service; Center for Infectious Source: Department of Commerce, U.S. Census Bureau, Disease Research & Policy; news wires

U.S. - Peru FTA

In the first few weeks of 2009 four countries reported outbreaks of high U.S. Trade Representative Susan C. Schwab announced that with

House of Representatives on November 8, 2007, and by the U.S. Senate on December 4, 2007. President Bush signed the legislation implementing the Agreement on December 14, 2007.

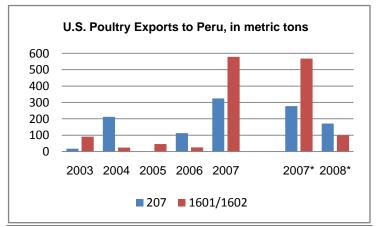
The U.S.-Peru FTA will grant duty free access to two-thirds of U.S. food and agricultural products and all tariffs will be eliminated in 17 vears. The Agreement will allow imports of previously banned a quota of 12,000 MT for chicken leg quarters, two years linear for mechanically deboned chicken meat and five years linear for poultry

Chicken is a staple product in the Peruvian diet. Poultry per capita consumption is 30 kg per annum. Since June 2008, chicken meat prices have increased 16%. This situation has taken the government to take a close look at poultry production costs and prices to keep this chicken-dependent inflation under control. Peruvians spend 10% of their food money on poultry.

There are about 20 poultry operations in Peru, which control about 1,000 arms. Peru produces about 33 million chickens per month and the market size for 2008 is estimated at \$1.2 billion. The poultry industry is expected to grow 6% in 2009, however demand is expected to grow 11%.

Poultry imports increased at an average annual rate of 32% from 2004-2008 with a 9% import tariff and imported an estimated 11,500 MT of chicken valued at \$11 million in 2008. The Ministry of Agriculture has been evaluating importing chicken leg quarters from Brazil or the U.S., but the Peruvian chicken market is broadly fresh and the c.i.f. prices are around \$2.36 per kilogram, which leaves no room for marketing and distribution expenses, or for any profit.

Source: USTR News Release; USDA Foreign Agricultural Service Attaché reports



*January – November figures HS 0207=frozen chicken

Foreign Trade Statistics

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

0

Week

Type

Liquid

Total

Frozen

13,210

0

0

8,203

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)								
Endi	ng Jan 31, 2009		Year-To-D	ate*				
	2009	2008 /1	2009 /2	2008				
1	96	0	192	0				

0

Dried 0 40 41 40 Total 96 40 233 40 U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Endi	ng Jan 31, 200	9	Year-	To-Date*
Type	2009	2008 /1	2009 /2	2008
Liquid	369	411	1,357	1,566
Frozen	2	16	67	90
Dried	0	0	0	0
Total	371	427	1,424	1,656

Inspected Shell Eggs

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)							
Week Ending Jan 31, 2009			Year-To-Date*				
	2009 2008 /1			2008			
Jumbo	0	0	0	0			
Extra Large	351	0	643	0			
Large	314	0	5,360	0			
Medium	0	750	0	750			
Ungraded	888	3,030	2,064	9,720			
Misc	75	0	136	0			

^{/1} Comparable Week, to-date figures may not total due to rounding.

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

3,780

U.S./CANADIAN LIVE POULTRY-SLAUGHTERED UNDER INSPECTION

U.S. fowl slaughtered domestically

Week Ending 31-Jan-09 (Preliminary)

	Light Hens	Hens Heavy Hens	
	Thousa	ands	
Head	1,384	1,394	1 2,778
Last Week	1,358	1,389	9 2,747
Same week yr ago	1,457	1,524	1 2,981
To-date/2009*	5,440	6,309	11,749
To-date/2008*	6,035	5,964	11,999

U.S. fowl slaughtered in Canada								
	Light Hens	Heavy Hens	Total Hens					
	Thousa	ands						
Head	267	0	267					
Last Week	184	0	184					
Same week yr ago	326	4	330					
To-date/2009*	980	11	991					
To-date/2008*	1,207	4	1,211					

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada								
L	Light Hens Heavy Hens		Total Hens					
Thousands								
Head	1,651	1,394	3,045					
Last Week	1,542	1,389	2,931					
Same week yr ago	1,783	1,528	3,311					
To-date/2009*	6,420	6,320	12,740					

To-date/2008* 7,242 5,968 *Note: Year to-date totals reflect comparable time periods.

National Mechanically Separated Chicken

CORRECTION ON MONTHLY JANUARY 2008 FROZEN 15-20% TOTAL VOLUME

(F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb; delivery within 2 weeks.)

10 470

The MSC market tone was steady to fully steady for all fat contents. Supplies were in good balance to close. Raw materials remained tight . Demand was moderate to fairly good with most export activity centering on Mexico and Central American countries. Schedules were normal. Frame values were steady trading mostly between 10-11 cents FOB.

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

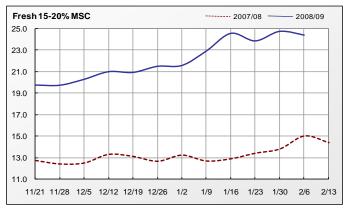
	Frozen			Fresh		
Fat Content	6-Feb-09	Last Week	Last Year	6-Feb-09	Last Week	Last Year
15% or Less						
Price Range			17.75-23.00	28.00 - 29.00	28.00 - 29.00	17.00-18.00
Wtd Avg Price			20.33	28.19	28.16	17.30
Volume Traded	-	-	132	214	255	201
Volume Exported	-	-	52	54	55	-
15-20%						
Price Range	27.00 - 34.00	28.00 - 31.00	16.00-23.00	21.00 - 28.00	22.00 - 29.00	12.00-19.00
Wtd Avg Price	30.35	28.96	18.27	24.39	24.74	14.97
Volume Traded	1,349	888	1,417	3,352	3,068	2,117
Volume Exported	948	847	1,137	857	734	622
20% or More						
Price Range	-	-	-	24.00	24.00	-
Wtd Avg Price			-	24.00	24.00	-
Volume Traded	-	-	-	82	82	-
Volume Exported	-	-	-	-	-	-

Frozen 15-20% MSC ---- 2007/08 2008/09 31.0 28.0 25.0 22.0 19.0 16.0 11/21 11/28 12/5 12/12 12/19 12/26 1/2 1/9 1/16 1/23

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

	Frozen Fresh					
Fat Content	Jan 2009	Dec 2008	Jan 2008	Jan 2009	Dec 2008	Jan 2008
15% or Less						
Wtd Avg Price	-	26.00	15.69	27.67	24.96	15.70
Volume Traded	-	118	215	1,524	1,360	1,486
Volume Exported	•	118	215	274	226	
15-20%						
Wtd Avg Price	27.92	25.95	17.64	23.48	20.81	13.08
Volume Traded	5,100	6,646	***5,922***	12,494	14,306	9,007
Volume Exported	4,268	6,126	5,359	2,613	2,488	2,197
20% or More						
Wtd Avg Price	-	-	-	22.99	21.17	12.00
Volume Traded	-	-	-	284	243	82
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



^{1,628} /2 Includes revisions to previous week(s)

^{*}Note: Year to-date totals reflect comparable time periods.

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 06 FEBRUARY 2009.

Trade sentiment on tom drums and tom necks fully steady to firm, tom full-cut wings steady to barely steady, balance on bulk parts steady to fully steady. Trading and demand was slow to moderate with some inquiry on tom necks and tom drums unfilled. Supplies of bulk parts in close balance to adequate. Trading and demand on white meat items fair at best for the fully adequate to ample offers. For domestic: plant grade 20-24 lb. breast 130. For export: mixed tails at 33.5 cents delivered port.

EXPORT TRADING FRIDAY, FEBRUARY 06, 2009 DRUMSTICKS, TOMS	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	50.00		50.00	80	50.00	350
TAILS MECHANICALLY SEPARATED 2/		R	40.00	40	40.25	80
THIGH MEAT - FROZEN	101.00		101.00	54	101.00	54
EXPORT TRADING THURSDAY, FEBRUARY 05, 2009 DRUMSTICKS, TOMS	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	50.00		50.00	54		
TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	40.00		40.00	40		
EXPORT TRADING WEDNESDAY, FEBRUARY 04, 2009 DRUMSTICKS, TOMS	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	50.00		50.00	216		
TAILS MECHANICALLY SEPARATED 2/	40.50		40.50	40		
THIGH MEAT - FROZEN		W	101.00	40		
EXPORT TRADING TUESDAY, FEBRUARY 03, 2009 DRUMSTICKS, TOMS	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
WINGS FULL-CUT - TOMS		R	48.00	162		
WINGS, V-TYPE, TOM		Т	59.00	108		
TAILS MECHANICALLY SEPARATED 2/		F	41.00	40		
THIGH MEAT - FROZEN		W	101.00	40		
EXPORT TRADING MONDAY, FEBRUARY 02, 2009 DRUMSTICKS, TOMS	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
WINGS FULL-CUT - TOMS		R	48.00	162		
WINGS, V-TYPE, TOM		Т	59.00	108		
TAILS MECHANICALLY SEPARATED 2/		F	41.00	40		
THIGH MEAT - FROZEN		W	101.00	40		

^{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.