



German Court Rules Mandatory Check-off System Illegal

On February 3, 2009, the German Constitutional Court (GCC) ruled that the mandatory check-off system for agricultural commodities violates the German constitution and subsequently invalidated it. The court ruled that the check-off program unfairly interferes with entrepreneurial freedom and stated that the information gathering and agricultural promotions are no longer a government task to be financed with special duties. As a consequence of the ruling, the German agriculture and food industries will either have to develop their own sector-related generic promotion programs and information gathering and analysis or general governmental funds will have to be provided to accomplish these efforts.

The German Central Marketing Agency for Agriculture (CMA) was established under the 1972 Agricultural Sales Promotion Act, which stipulates that the German food industry (producers and processors) must contribute a certain portion of their proceeds to the agency. CMA is a state-controlled enterprise in charge of sales promotion and marketing of German agricultural products. The Central Market and Price Reporting Bureau (ZMP) also receives funds for market research and marketing monitoring. ZMP's core objective is to provide impartial agricultural market analysis reports

In Germany, farmers and the food industry were legally required to pay assessments which varied by commodity for sugar, flour, malt, horticultural products, milk, poultry products, beef cattle, hogs, sheep, rapeseed oil, and sunflower oil to cover generic promotion programs within and outside of Germany, market and price reports, and analysis for agricultural products. The collections of contributions are made in the so-called bottleneck operations, such as egg packing stations and slaughter houses. Contributions to the fund average 0.4 percent of the product value. The levy on egg packing stations is 0.30 Euro per 1,000 eggs and the levy on poultry slaughter houses is 0.36 Euro per 100 kg live weight.

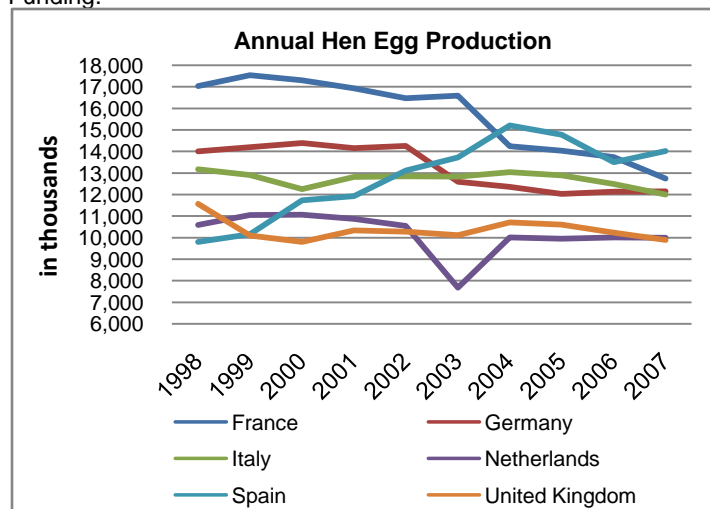
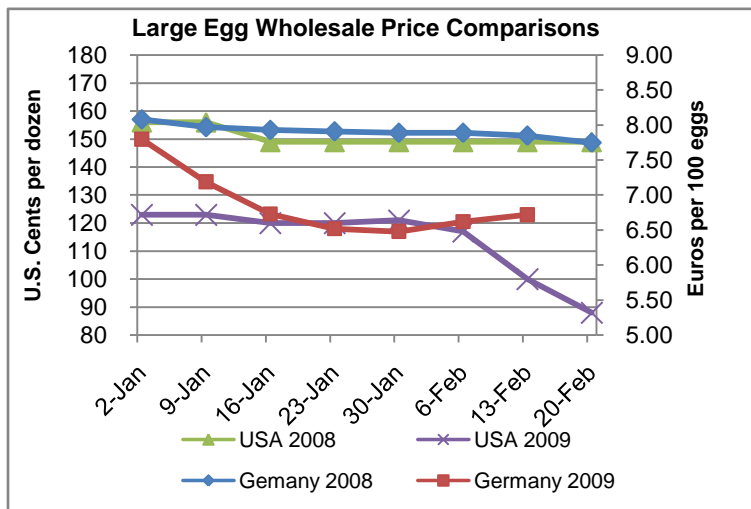
In recent years, many individual farmers and companies in Germany filed complaints against the German sales promotion fund. The complainants argued that they were not receiving adequate value from the generic marketing programs run by the CMA. In anticipation of a negative ruling by the Constitutional Court, the German Government withheld the sales promotion funds and did not spend the proceedings received from the complainants. These proceeds will now be returned to the complainants.

The GCC stated that special duties, such as a check-off program, need to be a very rare exception and meet strict constitutional standards. These standards require that the contributors to the fund must receive an identifiable advantage which cannot be achieved through other private industry programs. The court drew a line between what the government responsibility is and what can be achieved privately. The court opined that the check-off program unfairly interferes with entrepreneurial freedom and stated that agricultural promotion can be adequately organized by the private industry or industry organizations.

The German government will now have to draft a new regulation for the financing of CMA and ZMP if the continuation of the organizations is politically desired. It is likely that both institutions will be partly financed out of the general government budget and to a small degree from their own proceeds.

The total budget of the sales promotion fund is reportedly €90 million annually, thereof €80 million for CMA and €10 million for ZMP. CMA does not generate its own proceeds while ZMP generates about €2.5 million of its own revenues, primarily from selling their market reports.

Source: USDA Foreign Agricultural Service Attaché Report and FAS online; Europa Rapid Press Release; Federal Constitutional Court press release; Federal Ministry of Justice, Section 10 Funding.



Germany - Wholesale cost prices, large eggs (63-73 grams per egg)
Source & copyright: ZMP GmbH, Bonn, <http://www.zmp.de>, 20/02/2009

USA – USDA Weekly Combined Regional Shell Eggs, Northeast Large, Prices to volume buyers delivered warehouse

An outbreak of highly pathogenic avian influenza H7N7 resulted in the loss of 30.3 million birds in 2003, about 30% of all Dutch poultry.

Source: Food and Agriculture Organization of the United Nations <http://faostat.fao.org>, accessed February 19, 2009; European Commission; www.cidrap.umn.edu

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

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

Type	Year-To-Date*			
	2009	2008 /1	2009 /2	2008
Liquid	145	0	480	0
Frozen	0	0	0	0
Dried	3	0	84	40
Total	148	0	564	40

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

Type	Year-To-Date*			
	2009	2008 /1	2009 /2	2008
Liquid	278	462	1,995	2,542
Frozen	8	1	75	133
Dried	0	0	0	0
Total	286	463	2,070	2,675

Inspected Shell Eggs

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

	Year-To-Date*			
	2009	2008 /1	2009 /2	2008
Jumbo	0	0	0	0
Extra Large	2,090	510	3,123	1,020
Large	1,580	150	6,940	300
Medium	180	840	1,290	1,680
Ungraded	6,378	3,840	13,320	18,870
Misc	65	0	201	0
Total	10,293	5,340	24,874	21,870

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

/2 Includes revisions to previous week(s)

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

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

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

Week Ending 14-Feb-09 (Preliminary)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,106	1,572	2,678
Last Week	1,246	1,545	2,791
Same week yr ago	1,315	1,576	2,891
To-date/2009*	7,792	9,426	17,218
To-date/2008*	8,670	9,108	17,778

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	246	0	246
Last Week	280	0	280
Same week yr ago	281	0	281
To-date/2009*	1,506	11	1,517
To-date/2008*	1,798	4	1,802

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

Total U.S. fowl slaughtered in the U.S. and Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,352	1,572	2,924
Last Week	1,526	1,545	3,071
Same week yr ago	1,596	1,576	3,172
To-date/2009*	9,298	9,437	18,735
To-date/2008*	10,468	9,112	19,580

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

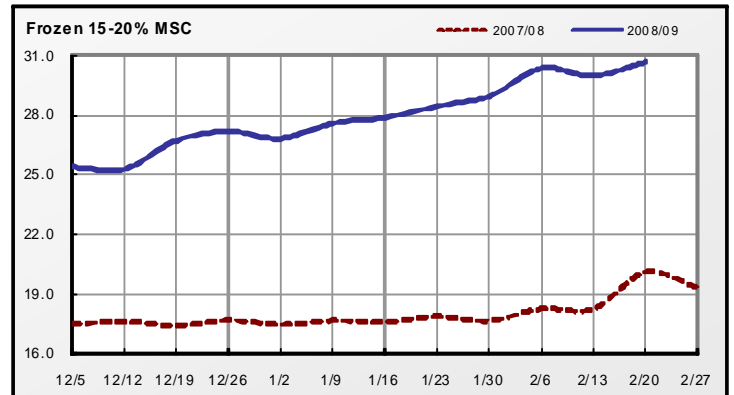
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 for all fat contents. Supplies were mostly balanced to close. Supplies of raw materials remained tight. Demand was moderate to good with most export activity continuing into Mexico, the Caribbean, and Central American countries. Schedules were normal to short.

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

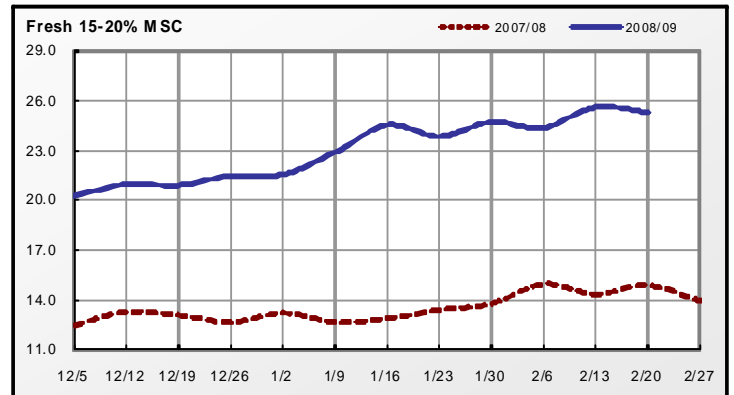
Fat Content	Frozen			Fresh		
	20-Feb-09	Last Week	Last Year	20-Feb-09	Last Week	Last Year
15% or Less						
Price Range			18.00	27.00 - 29.00	28.00 - 29.00	18.00-19.00
Wtd Avg Price			18.00	28.01	28.37	18.47
Volume Traded	-	-	53	257	216	341
Volume Exported	-	-	53	55	55	-
15-20%						
Price Range	26.00 - 34.00	24.00 - 36.00	16.50-23.00	23.00 - 29.00	22.00 - 29.00	11.00-19.00
Wtd Avg Price	30.68	29.99	20.11	25.30	25.64	14.88
Volume Traded	1,467	1,365	2,049	3,496	4,190	2,047
Volume Exported	1,047	805	1,809	898	1,183	163
20% or More						
Price Range	-	-	-	22.00	24.00	18.00-18.50
Wtd Avg Price	-	-	-	22.00	24.00	18.28
Volume Traded	-	-	-	80	82	367
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	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.



NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 20 FEBRUARY 2009.

The market tone on tom drums was mostly steady, tom 2-joint wings and necks steady to fully steady and tom full-cut wings steady at best. Domestic demand on tom drums was good while export demand was mixed with some noting cancellations from Mexico while others note increased inquiry from other countries. Demand was moderate to good on tom necks at the higher trending price levels, moderate on tom 2-joint wings and increased interest was noted on tom full-cut wings for domestic and export shipments. Offerings of tom drums, necks and 2-joint wings light and spotty with some noting increased fresh tom drums offerings in response to Mexico cancellations. Tom full-cut wings and mixed tails adequate to fully adequate while tom tails were adequate. Due to the strength of the ground turkey market some buyers are starting to look to Canada to satisfy drum needs while others consider using thigh meat. Trading was active on Grade A 4-8 lb breasts at lower trending price levels, moderate on tom full-cut wings and fresh tom drums for domestic shipments, balance slow. For domestic: fresh tom wings 49-51 and fresh scapula 118 cents delivered. For export: tom machine defatted gizzards 84-85 shipping point and 84 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, FEBRUARY 20, 2009	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	62.00		62.00	40	64.05	354
WINGS FULL-CUT - TOMS	49.00		49.00	162	49.76	502
WINGS, V-TYPE, TOM						
TAILS		R	40.00	20	36.22	180
MECHANICALLY SEPARATED 4/	31.00		31.00	40	30.33	120
THIGH MEAT - FROZEN		R	102.16	384	102.05	424

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, FEBRUARY 19, 2009	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	61.00		61.00	20		
WINGS FULL-CUT - TOMS	50.00-51.00		50.67	60		
WINGS, V-TYPE, TOM						
TAILS	40.00		40.00	20		
MECHANICALLY SEPARATED 4/		W	30.00	80		
THIGH MEAT - FROZEN	102.00-103.00		102.16	384		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, FEBRUARY 18, 2009	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	66.00		66.00	240		
WINGS FULL-CUT - TOMS	50.00		50.00	280		
WINGS, V-TYPE, TOM						
TAILS	35.00-38.00		35.75	160		
MECHANICALLY SEPARATED 4/	30.00		30.00	80		
THIGH MEAT - FROZEN	101.00		101.00	40		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, FEBRUARY 17, 2009	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	58.00		58.00	54		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		T	40.00	40		
MECHANICALLY SEPARATED 4/						
THIGH MEAT - FROZEN		W	102.43	94		

NO EXPORT TRADING REPORTED ON MONDAY, FEBRUARY 16, 2009, DUE TO PRESIDENTS 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.