

INTERNATIONAL **EGG AND POULTRY REVIEW**



U.S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News and Analysis Branch

Russia Targets 85% Self-Sufficiency in Poultry Meat

Russia is one of the world's largest importers of meat and poultry; it is also the world's largest importer of animal genetics. In 2008, Russia was the single largest export market for U.S. poultry products and among the leading export markets for U.S. pork and beef. On February 1, 2010, Russian President Dmitriy Medvedev signed Russia's Food Security Doctrine and ordered the Government to prepare a proposal aimed at implementing this Doctrine. The proposal focuses on upgrading the quality of Russia's agricultural production and replacing imports with domestic production. The doctrine aims to boost domestic production of basic foodstuffs. The target for self-sufficiency in poultry and pork meat and meat products is 85% by 2012. There is no stated self-sufficiency goal on beef. President Medvedev ordered the Government to prepare a proposal aimed at implementing the Doctrine by April 1, 2010.

	2009 Top Meat Importers in thousand metric tons						
	Beef	Swine	Broiler	Turkey	Total		
Japan	672	1210	700	-	2,582		
Russia	700	750	855	45	2,350		
U.S	1,254	373	36	6	1,669		
Mexico	300	600	490	170	1,560		
EU-27	470	50	710	120	1,350		
Source:	Foreign Agri	cultural Service	Official LIS	DA Estimates			

Source: Foreign Agricultural Service. Official USDA Estimates

The Government of Russia permanently lifted import customs tariffs for hatching eggs and grandparent and parent female chicks of fowls weighing less than 185 grams to facilitate growth in domestic production. Tariffs for these commodities had been 5% for chicks and 15% for hatching eggs. Hatching eggs and chicks are important for the quickly expanding Russian poultry and egg sector and this measure will help to decrease production costs of broilers since 20.2% of production stems from the cost of day old hatchlings.

Russia: Imports of live chicks and poults							
2007 2008 2009							
	US\$000	1,000	US\$000	1,000	US\$000	1,000	
HS 010511, C	hickens	, Live, We	ight Not (Over 185	G (6.53 O	z.)	
World	41,337	10,086	55,240	9,505	54,361	9,121	
EU	40,513	9,084	54,962	9,413	54,361	9,121	
Ukraine	588	940	25	39	0	0	
United States	75	15	252	54	0	0	
HS 010512, T	urkeys, l	Live, Weig	ght Not O	ver 185 G	(6.53 Oz.)	
World	3,290		3,273	1,051	2,893	1,092	
EU	3,290					1,092	
		ia: Impor	ts of hatc	hing egg:	<u>s</u>		
2007 2008						0000	
						2009	
	US\$000	1,000	US\$000	,	US\$000	1,000	
HS 04070019	US\$000 , Poultry	Eggs for	US\$000 Hatching	(Excl Tu	rkey or G	1,000 oose)	
HS 04070019 World	US\$000 , Poultry 55,657	Eggs for 150,947	US\$000 Hatching 53,461	(Excl Tu	rkey or G 56,305	1,000 oose)	
HS 04070019 World EU	US\$000 , Poultry 55,657 37,719	Eggs for 150,947 104,771	US\$000 Hatching 53,461 39,750	(Excl Tu 141,563 109,567	rkey or Go 56,305 45,761	1,000 oose) 158,761 132,734	
HS 04070019 World EU Ukraine	US\$000 , Poultry 55,657 37,719 7,646	Eggs for 150,947 104,771 20,713	US\$000 Hatching 53,461 39,750 4,427	(Excl Tu 141,563 109,567	56,305 45,761 576	1,000 oose) 158,761 132,734 1,894	
HS 04070019 World EU Ukraine United States	US\$000 , Poultry 55,657 37,719 7,646 10,292	Eggs for 150,947 104,771 20,713 25,463	US\$000 Hatching 53,461 39,750 4,427 9,284	(Excl Tur 141,563 109,567 10,070 21,927	rkey or G 56,305 45,761 576 9,581	1,000 oose) 158,761 132,734	
HS 04070019 World EU Ukraine	US\$000 , Poultry 55,657 37,719 7,646 10,292	Eggs for 150,947 104,771 20,713 25,463	US\$000 Hatching 53,461 39,750 4,427 9,284	(Excl Tur 141,563 109,567 10,070 21,927	rkey or G 56,305 45,761 576 9,581	1,000 oose) 158,761 132,734 1,894	
HS 04070019 World EU Ukraine United States	US\$000 , Poultry 55,657 37,719 7,646 10,292 , Turkey	Eggs for 150,947 104,771 20,713 25,463	US\$000 Hatching 53,461 39,750 4,427 9,284	(Excl Tur 141,563 109,567 10,070 21,927 Hatching	rkey or G 56,305 45,761 576 9,581	1,000 oose) 158,761 132,734 1,894	
HS 04070019 World EU Ukraine United States HS 04070011	US\$000 , Poultry 55,657 37,719 7,646 10,292 , Turkey	Eggs for 150,947 104,771 20,713 25,463 or Goose 2,531	U\$\$000 Hatching 53,461 39,750 4,427 9,284 Eggs for 4,052	(Excl Tur 141,563 109,567 10,070 21,927 Hatching 2,592	rkey or G 56,305 45,761 576 9,581	1,000 noose) 158,761 132,734 1,894 23,182	
HS 04070019 World EU Ukraine United States HS 04070011 World	US\$000 , Poultry 55,657 37,719 7,646 10,292 , Turkey 3,289 2,448 841	Eggs for 150,947 104,771 20,713 25,463 or Goose 2,531	U\$\$000 Hatching 53,461 39,750 4,427 9,284 Eggs for 4,052	(Excl Tur 141,563 109,567 10,070 21,927 Hatching 2,592 1,762	rkey or G 56,305 45,761 576 9,581	1,000 pose) 158,761 132,734 1,894 23,182 3,555	

Russia's imports of live chicks and hatching eggs represent a \$100 million market. Live poults and hatching eggs are a much smaller but growing market as imports totaled nearly \$10 million in 2009. Considering distance constraints and cost, the United States is most competitive shipping hatching eggs; however the U.S. has not yet

entered the market for turkey eggs. In January 2010 the U.S. exported 210,660 hatching eggs to Russia, valued at \$632,000. This 117% higher than January 2009, when hatching egg exports totaled 97,020 dozen valued at \$632,000.

In 2010 the Ministry of Agriculture's funds for the implementation of the State Program for Development of Agriculture will be 107.6 billion rubles (\$3.6 billion). The Ministry of Agriculture will use interest rate subsidies as the major tool in developing priority agricultural projects in 2010; these subsidies cover from 80% to 100% of the interest rate of bank's loans to agricultural producers. The budgets for these subsidies will increase by 30% from last year and will reach 79.4 billion rubles (\$2.6 billion) and account for 74% of the total budget. The subsidies will be given for financing of previous projects and for new investments in dairy and meat livestock breeding, poultry breeding and for primary processing of meat and milk, among other things. Projects in poultry breeding are estimated at 31.0 billion rubles (\$1.0 billion).

Russia: Meat Production in thousand metric tons								
	2004	2005	2006	2007	2008	2009	2010	
Broiler	650	900	1,180	1,350	1,600	1,790	1,975	
Turkey	15	17	19	25	35	40	45	
Beef/Veal	1,590	1,525	1,430	1,370	1,315	1,280	1,265	
Swine	1,725	1,735	1,805	1,910	2,060	2,205	2,290	
Source: Fo	reign A	gricultur	al Servic	e, Official	USDA E	Estimate	S	

At a meeting on poultry production and the development of Russia's poultry market, Prime Minister Putin said 60% of demand was met with domestic product in 2007, growing to 75% in 2009. In the next four to five years Russia should be able to fully meet domestic demand for poultry meat.

Source: USDA/FAS GAIN Reports: Congressional Research Service; Department of Commerce, U.S. Census, Foreign Trade Statistics; Government of the Russian Federation; news wires



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



Source: Russia Federal Customs Service

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Total

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)							
Week Ending March 20, 2010			Year-To-	Date			
Type	2010	2009 /1	2010 /2	2009			
Liquid	49	161	1,359	976			
Frozen	0	0	0	0			
Dried	0	0	116	182			

161

1.475

1,158 U.S. Imports From Canada, in Pounds (000) (Preliminary) Week Ending March 20, 2010 Year-To-Date

Type	2010	2009 /1	2010 /2	2009
Liquid	415	318	4,614	3,781
Frozen	14	4	109	112
Dried	0	0	0	0
Total	429	322	4,723	3,893

Inspected Shell Eggs

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

week Ending Warch 20, 2010			rear-10	-Date
	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	1,260	630	6,180	6,773
Large	4,820	4,820	18,690	22,378
Medium	1,620	750	7,710	6,660
Ungraded	8,154	12,848	45,156	47,366
Misc	0	0	0	1,437
Total	15,854	19,048	77,736	84,614
/1 Comparable	a Maale ta da	to figures may be	t total due to re	undina

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

/2 Includes revisions to previous week(s)

49

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 20-Mar-10 (Preliminary)

U.S. fowl slaughtered domestically							
L	ight Hens	Heavy Hens	Total Hens				
	Thousa	nds					
Head	1,466	1,426	2,892				
Last Week	1,482	1,519	3,001				
Same week yr ago	1,152	1,497	2,649				
To-date/2010*	15,884	14,763	30,647				
To-date/2009*	13.622	16.582	30.204				

	Light Hens	ht Hens Heavy Hens					
	Thousa	ands					
Head	442	0	442				
Last Week	465	12	477				
Same week yr ago	279	0	279				
To-date/2010*	3,886	56	3,942				
To-date/2009*	2,987	11	2,998				

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	1,908	1,426	3,334				
Last Week	1,947	1,531	3,478				
Same week yr ago	1,431	1,497	2,928				
To-date/2010*	19,770	14,819	34,589				
To-date/2009*	16,609	16,593	33,202				
*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 market tone on frozen 15-20% was fully steady to firm and mostly steady on the balance of fat contents. Supplies of frozen 15-20% were in close balance to tight, fresh 15-20% adequate, and about adequate on the remainder. Supplies of raw materials were close. Export and domestic demand was light to moderate on fresh 15-20% and moderate to good on frozen 15-20%. Best movement continues into the Caribbean and Central American countries; Mexico was seasonally quiet with many preparing for a slow week next week for Easter. Interest and trading on frozen 15-20% out front remains good with firm trading levels and asking prices. Schedules were generally normal. Frame values were fully steady with trading levels ranging 8-12 cents FOB, mostly 9-10 cents FOB.

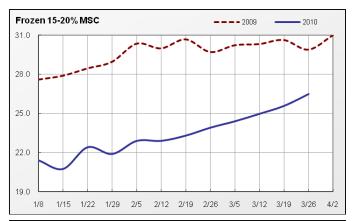
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

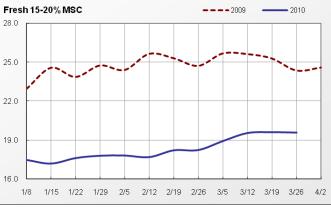
	Frozen Fresh					
Fat Content	26-Mar-10	Last Week	Last Year	26-Mar-10	Last Week	Last Year
15% or Less						
Price Range			-	25.00	25.00	28.00-32.00
Wtd Avg Price			-	25.00	25.00	29.22
Volume Traded	-	-	-	41	143	354
Volume Exported	-	-	-	-	-	55
15-20%						
Price Range	23.00 - 30.00	23.00 - 28.00	27.00-34.00	17.00 - 22.00	16.00 - 22.00	20.00-28.00
Wtd Avg Price	26.46	25.56	29.89	19.57	19.60	24.35
Volume Traded	2,016	1,223	1,994	3,978	2,968	2,519
Volume Exported	1,736	1,163	1,994	877	306	694
20% or More						
Price Range	-	-	-	19.00	19.00	22.00
Wtd Avg Price			-	19.00	19.00	22.00
Volume Traded	-	-	-	41	82	82
Volume Exported	-	-	-	-	-	-

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

	•	Frozen	•		Fresh	
Fat Content	Feb 2010	Jan 2010	Feb 2009	Feb 2010	Jan 2010	Feb 2009
15% or Less						
Wtd Avg Price	24.50	24.00	-	19.93	18.78	28.22
Volume Traded	40	80	-	1,182	1,689	1,101
Volume Exported	-	-	-	-	-	214
15-20%						
Wtd Avg Price	23.18	21.31	30.12	17.96	17.57	25.03
Volume Traded	7,348	6,700	6,505	18,692	15,974	14,414
Volume Exported	5,815	5,940	5,044	4,039	2,162	4,447
20% or More	•					
Wtd Avg Price	-	-	-	16.63	16.08	23.00
Volume Traded	-	-	-	326	530	325
Volume Exported	-	-	-	-	-	-

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





Source: USDA AMS Poultry Market News & Analysis

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 26 MARCH, 2010.

The market tone on tom full-cut wings was steady to weak, with the balance of bulk parts steady to firm. Demand was mixed, light to good. Offerings of tom necks and V-type wings were short to barely adequate, tom full-cut wings adequate, and tom drums ranged tight to barely adequate. The trade sentiment on white meat items was steady to fully steady. Demand was light to moderate with offerings short to barely adequate. The market tone on thigh meat was steady to firm. Demand was slow to moderate for the limited offerings. Trading was light to moderate with the majority of spot market sales going into domestic channels. For domestic: frozen 12-16 lb. plant grade basted breasts 85, frozen tails 37, fresh ground breast trim 139, fresh scapula meat 127-130, fresh tom necks 71, fresh tails 40 cents delivered. For export: fresh tom drums 66, frozen turkey fries 225 cents delivered border or port.

EXPORT TRADING FRIDAY, MARCH 26, 2010 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS	PRICE RANGE 68.00	L.S.T. CODE 1/	WTD AVG PRICE 68.00	VOLUME (000) 108	WEEKLY WTD AVG PRICE 68.00	WEEKLY VOLUME (000) 108
WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/	38.00-39.00		38.50	80	38.50	80
THIGH MEAT - FROZEN	123.00		123.00	40	123.00	40
EXPORT TRADING THURSDAY, MARCH 25, 2010 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F R F	38.77 35.50 120.00	376 54 108		
EXPORT TRADING WEDNESDAY, MARCH 24, 2010 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F R F	38.77 35.50 120.00	376 54 108		
EXPORT TRADING TUESDAY, MARCH 23, 2010 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F R F	38.77 35.50 120.00	376 54 108		
EXPORT TRADING MONDAY, MARCH 22, 2010 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS WINGS, V-TYPE, TOM	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
TAILS MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F R F	38.77 35.50 120.00	376 54 108		

^{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.

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