APRIL 27, 2010
VOL. 13 NO. 17

INTERNATIONAL EGG AND POULTRY REVIEW

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

USTR Releases Reports on Barriers to Trade

U.S. Trade Representative Ron Kirk transmitted the 2010 National Trade Estimate (NTE) report to Congress on March 31, 2010. This is an annual report that covers U.S. trade concerns about barriers to U.S trade and investment faced in the previous year. Several countries have barriers that affect exports of U.S. poultry. This year U.S. Trade Representative Ron Kirk delivered two new, related reports focusing on sanitary and phytosanitary (SPS) barriers and technical barriers to trade that harm the ability of U.S. agriculture and manufacturing businesses to export their products.

USTR 2010 National Trade Estimate

Among the issues covered in the report, several concern poultry. In 2006, Kazakhstan, Russia and Belarus announced plans for the formation of a trilateral customs union. Legal agreements for the creation of the customs union were officially signed on November 27, 2009. A common external tariff was enacted effective January 1, 2010 and as a result, Kazakhstan increased the tariff rate on some 5,400 tariff lines. As a result of the new customs union, Kazakhstan will implement tariff-rate quotas (TRQ) beginning January 1, 2010 on poultry, beef, and pork in light of Russia's TRQs on these products.

Malaysia maintains TRQs for 17 tariff lines, including live poultry and poultry meat. In-quota duties fall between 10 percent and 25 percent; out-of-quota duties are between 40 percent and 168 percent. Malaysia requires all meat imports to be licensed and restricts the types of pork and poultry cuts that may be imported. These import permits can, and often are, used to restrict imports of chicken meat and pork cuts when domestic prices are low. Malaysia also requires import licenses for eggs.

The Philippines has TRQs for several items, including poultry. Since 2002, the Philippine government has maintained a special safeguard (SSG) for out-of-quota chicken imports, which effectively doubles the out-of-quota tariff. After a recent series of typhoons, the Philippine Department of Agriculture suspended the SSG for imported chicken entering the country in December, and then extended the suspension through January 2010.

As of the end of 2009, South Africa maintained antidumping duties on three products from the United States, one of which is chicken meat portions. The Minister of Trade and Industry announced its intention to terminate antidumping duties on several imported products because the sunset review of those duties had not been initiated before the expiration of the five year period as calculated under South Africa's Supreme Court of Appeal. At the same time, the ITAC said it would seek court permission to retain and "regularize" antidumping duties on 16 products, including chicken meat portions. As of the end of 2009, this application had not yet been filed with the Court.

2010 Report on Sanitary and Phytosanitary Measures

A section on foreign trade barriers to U.S. exports of poultry and poultry products focused on AI-related import bans. There have been three minor outbreaks of Highly Pathogenic Avian Influenza (HPAI) since 1924, none of which caused significant human illness. There is no evidence that HPAI currently exists in the United States and the U.S. regulatory authorities have put in place numerous safeguards to ensure that HPAI is not established in the U.S. poultry population.

Despite these measures, many countries have imposed AI-related import bans on U.S. poultry. India prohibits imports of most U.S. poultry and poultry products, as well as live swine, while China has banned imports of poultry and poultry products from six U.S. states. Other trading partners, including Ecuador, Egypt, Kazakhstan, and Kuwait, have also banned U.S. poultry and poultry products based on also banned U.S. poultry and poultry products based on concerns over AI.

The U.S. has raised concerns over the various AI-related imports bans around the world in numerous bilateral and multilateral forums with the trading partners concerned. The U.S. has had 36 AI related bans lifted since 2008. It remains a high priority for the U.S. to remove the remaining AI-related import bans on U.S. poultry and poultry products that authorities in India, China and other countries have imposed.

China has imposed a zero tolerance limit for the presence of *Salmonella* bacteria, *E. coli* and *Listeria spp*. pathogens in imported meat and poultry. The zero tolerance standard for these pathogens appears to lack a scientific basis.

The Colombian Ministry of Health began implementing a zero tolerance for *Salmonella* on imported raw poultry products in August, 2007. In April 2008, the CACM member countries (Costa Rica, El Salvador, Honduras, and Nicaragua) notified the WTO of their intent to establish microbiological criteria for a number of foods. In response to the notification, the U.S. outlined a series of concerns that some of the proposed microbiological criteria (specifically zero tolerance for *Salmonella* on poultry meat) appeared to lack a scientific basis, and had the potential to create a trade barrier for U.S. poultry exports.

2010 Report on Technical Barriers to Trade (TBT)

The United States seeks to reduce foreign technical barriers by concluding "equivalency" arrangements with other governments. A recent example is the June 2009 exchange of equivalency determinations between USDA and Canada's Food Inspection Agency on organic agricultural products. As a result of that exchange, U.S. producers that a USDA-accredited agent has certified as meeting U.S. National Organic Program standards do not need to be certified under the Canada's National Organic Standard in order to market their products in Canada as "organic." The exchange provides for Canadian producers to receive a similar accommodation for products they export to the United States.

The U.S. has negotiated three types of agreements with major trading partners in an attempt to facilitate trade in organic products:

►under a "recognition agreement," an importing country agrees to recognize USDA's National Organic Program (NOP) to accredit certifying agents within the U.S. to certify products as organic under the importing country's requirements. USDA has accredited certifying agents in other countries to certify product as organic under the NOP.

►under an "equivalency arrangement," the U.S. and another country agree to allow some or all products produced and certified to the exporting country's organic requirements to be sold as organic in the importing country.

►under an "export arrangement," U.S. organics producers can sell their products as organic in another market (*e.g*, Japan, Taiwan), provided that their products meet specific requirements of the importing country.

Source: Office of the U.S. Trade Representative
To see the complete report go to: http://www.ustr.gov/

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

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

Week Ending April 17, 2010 Year-To-Date

Type	2010	2009 /1	2010 /2	2009
Liquid	96	335	1,599	1,726
Frozen	0	0	0	0
Dried	0	0	156	182
Total	96	335	1,755	1,908

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

Week Ending April 17, 2010 Year-To-Date

Type	2010	2009 /1	2010 /2	2009
Liquid	501	346	6,012	4,949
Frozen	9	5	125	129
Dried	0	0	0	0
Total	510	351	6,137	5,078

Inspected Shell Eggs

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

Week Ending April 17, 2010 Year-To-Date

	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	540	600	10,350	10,673
Large	60	2,390	31,220	39,991
Medium	900	1,740	10,950	12,540
Ungraded	4,608	5,040	66,474	64,130
Misc	0	0	0	2,119
Total	6,108	9,770	118,994	129,453

/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 17-Apr-10 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,598	1,314	2,912
Last Week	1,449	1,135	2,584
Same week yr ago	1,188	1,511	2,699
To-date/2010*	22,023	19,723	41,746
To-date/2009*	18,312	22,568	40,880

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	454	11	465
Last Week	438	0	438
Same week yr ago	270	0	270
To-date/2010*	5,119	91	5,210
To-date/2009*	4,058	11	4,069

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	2,052	1,325	3,377
Last Week	1,887	1,135	3,022
Same week yr ago	1,458	1,511	2,969
To-date/2010*	27,142	19,814	46,956
To-date/2009*	22,370	22,579	44,949

*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 for frozen 15-20% was fully steady to firm, fresh 15-20% was steady to fully steady, mostly steady on the balance. Supplies of frozen 15-20% were adequate to instances close, fresh 15-20% adequate to available, and about adequate for the balance. Supplies of raw materials were adequate to fully adequate. The spot marketplace remains unsettled and continues to see price and supply fluxuations attributed to production disruptions creating short term opportunities. Export and domestic demand on frozen 15-20% was moderate to instances good; fresh 15-20% was light to moderate. Best movement to countries in Central America and the Caribbean. Mexico was light with some reduced demand noted as a result of slowed finished product sales, with some situations improving in the coming weeks. Schedules were normal to irregular with some shifts in operation schedules and logistics noted for the next few weeks due to some recent plant disruptions. Frame values were barely steady with trading levels ranging 7-11 cents FOB, mostly about 8 cents FOB.

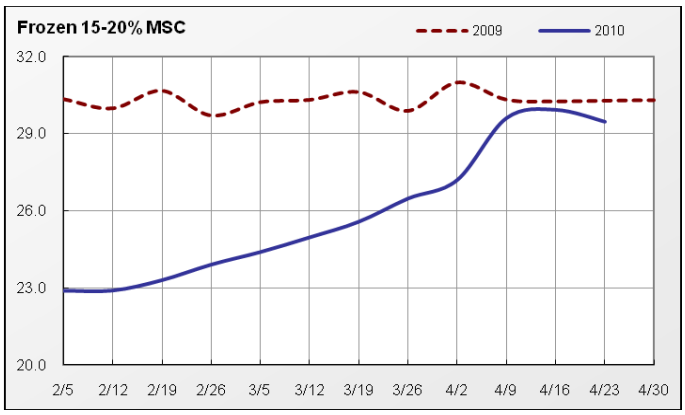
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

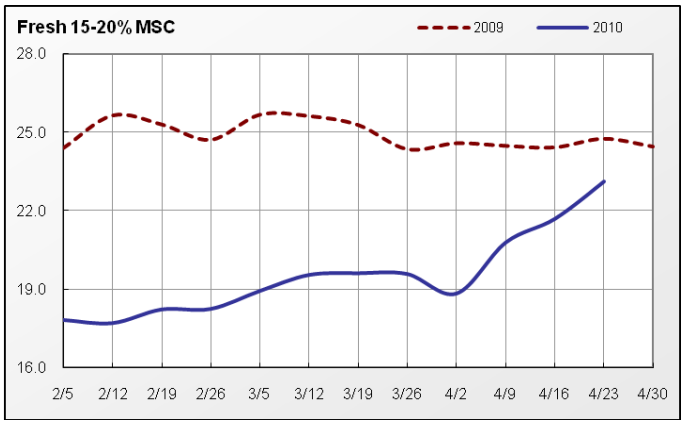
	Frozen			Fresh		
Fat Content	23-Apr-10	Last Week	Last Year	23-Apr-10	Last Week	Last Year
15% or Less						
Price Range	32.00	30.00	-	25.00 - 26.00	25.00	28.00-30.00
Wtd Avg Price	32.00	30.00	-	25.77	25.71	28.46
Volume Traded	40	40	-	213	173	174
Volume Exported	-	-	-	50	-	54
15-20%						
Price Range	24.50 - 33.00	24.00 - 33.00	27.00-34.00	18.00 - 30.00	16.25 - 30.00	22.00-28.00
Wtd Avg Price	29.45	29.92	30.29	23.11	21.69	24.75
Volume Traded	1,838	2,036	1,471	6,833	3,998	2,300
Volume Exported	1,718	1,716	1,161	408	-	571
20% or More						
Price Range	-	-	-	20.00	20.00	22.00
Wtd Avg Price			-	20.00	20.00	22.00
Volume Traded	-	-	-	41	41	122
Volume Exported	-	-	-	-	-	-

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

	Frozen			Fresh		
Fat Content	Mar 2010	Feb 2010	Mar 2009	Mar 2010	Feb 2010	Mar 2009
15% or Less						
Wtd Avg Price	25.00	24.50	-	23.30	19.93	28.56
Volume Traded	40	40	-	408	1,182	1,208
Volume Exported	-	-	-	-	-	217
15-20%						
Wtd Avg Price	25.48	23.18	30.27	19.37	17.96	25.26
Volume Traded	5,689	7,348	6,474	14,453	18,692	11,295
Volume Exported	4,937	5,815	5,620	1,958	4,039	2,815
20% or More						
Wtd Avg Price	-	-	-	18.50	16.63	22.00
Volume Traded	-	-	-	245	326	326
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 23 APRIL, 2010.

The market tone on bulk parts continued to be steady. Demand was slow to moderate with offerings tight to adequate. The trade sentiment on white meat was steady to instances firm with trims in the strongest position. Inquiry was light to moderate while offerings were short to adequate. The market tone on thigh meat and mechanically separated turkey was mostly steady. Demand was light to moderate with offerings mixed. Trading was fair to moderate and centered into domestic channels. For domestic: fresh scapula meat 135-139, fresh wing meat 125-128 cents delivered. For export: fresh tom breast meat 172 cents delivered border.

EXPORT TRADING FRIDAY, APRIL 23, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	67.71	378	69.11	680
WINGS FULL-CUT - TOMS		R	69.50	432	68.70	540
WINGS, V-TYPE, TOM		R	82.00	162	82.00	162
TAILS		R	40.03	204	40.16	366
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	119.00		119.00	42	119.24	736

EXPORT TRADING THURSDAY, APRIL 22, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	66.00-72.00		67.71	378
WINGS FULL-CUT - TOMS	69.50		69.50	432
WINGS, V-TYPE, TOM	82.00		82.00	162
TAILS	38.50-44.00		40.03	204
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	117.50-119.50		118.71	378

EXPORT TRADING WEDNESDAY, APRIL 21, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	70.00-71.00		70.11	182
WINGS FULL-CUT - TOMS	65.50		65.50	108
WINGS, V-TYPE, TOM		F	82.00	108
TAILS	39.00		39.00	108
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	117.00-121.00		119.90	316

EXPORT TRADING TUESDAY, APRIL 20, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	72.00		72.00	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	82.00	108
TAILS		M	43.00	54
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	120.00	108

EXPORT TRADING MONDAY, APRIL 19, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	71.00	40
WINGS FULL-CUT - TOMS		M	68.50	160
WINGS, V-TYPE, TOM		F	82.00	108
TAILS	43.00		43.00	54
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	120.00	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.