

INTERNATIONAL **EGG AND POULTRY REVIEW**



U.S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News and Analysis Branch

China Imposes Anti-Subsidy Duties on U.S. Poultry on Top of Current Anti-Dumping Duties

On April 28, 2010 China's Ministry of Commerce (MOFCOM) announced it will levy anti-subsidy duties of up to 31.4% on some chicken products from the United States that have received U.S. government subsidies, starting April 30, 2010. This is on top of the anti-dumping duties China began collecting on February 13, 2010.

"The US government has provided subsidies to poultry farmers for forage crops like maize and soybeans which are used as feed for broiler chickens, which is raised specifically for meat production. This has not only given the US companies an unfair advantage in the Chinese market, but also hurt the interests of domestic companies," the ministry said in a statement. This is the first time that China has imposed duties on imports of agricultural goods on the grounds of alleged subsidies.

According to the ministry, U.S. chicken exporters who had submitted information to the government investigation would face duties ranging from 3.8% to 11.2%, while the remaining companies would be subjected to higher tariffs. Chinese companies buying broiler-chicken products from the U.S. will need to pay a deposit to the Customs authorities in line with the duty from Friday, April 30, 2010.

MOFCOM launched its anti-dumping and countervailing investigations of U.S. broiler products on September 13, 2009; a separate investigation of U.S. subsidies for broiler production was announced on September 27, 2009. On February 5, 2010 MOFCOM imposed preliminary import anti-dumping duties as high as 105.4% on U.S. chicken products and U.S. chicken producers began paying cash deposits on February 13, 2010.

The anti-dumping duties range from 43.1% to 80.5% for the 35 companies that appealed the ruling. Other firms are charged 105.4%. These cash deposits will be held until the final determination in the investigation, which is expected this summer. The anti-dumping investigation included products under the following tariff lines: 02071100, 02071200, 02071311, 02071319, 02071321, 020721329, 02071411, 02071419, 02071421, 02071422, 02071429, and 05040021 (frozen chicken gizzards).

	U.S. Chicken Meat Exports in metric tons						
	2008	2009	2009	2010	%		
			Jan-Feb	Jan-Feb	Change		
China	335,963	331,603	61,037	19,396	-68%		
Hong Kong	57,428	75,566	12,394	27,764	124%		
World Total	3,127,292	3,035,085	521,618	405,413	-22%		

HS codes 020711, 020712, 020713, 020714, excludes chicken paws U.S. Exports: Chicken Paws and Feet in metric tons 2008 2009 2009 % 2010 Jan-Feb Jan-Feb Change China 421.025 378.804 54.781 11.547 -79% Hong Kong 73.878 86.090 6.226 27.020 334% World 508.735 474,514 62,707 41.097 -34% HS code 0207140045

U.S. Exports: Preparations of Chicken Meat in metric tons										
	2008	2009	2009	2010	%					
			Jan-Feb	Jan-Feb	Change					
China	799	507	11	146	1,293%					
Hong Kong	2,529	3,596	624	822	32%					
World	111,409	124,321	20,068	19,934	-1%					
HS codes 160100, 160232										

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

Statistics

China's broiler production is expected grow almost 4% to reach over 12.55 million metric tons (MMT) in 2010. This comes on top of a 2% increase in 2009. Strong sales of breeding chickens in 2009 indicate strong production of commercial broilers in 2010. In 2009, imports of grand-parent generation western broiler stocks reached 112,320,000 birds, up 19% from the previous year (94,308,000 birds).

Chinese broiler consumption is forecast to increase 4% to 12.68 MMT in 2010 due to stronger economic growth and consumer demand. The absence of avian influenza outbreaks is supporting stronger consumption and the return of migrant workers to manufacturing jobs has been another factor. An estimated 20 million migrants became jobless in 2008/09 due to global recession. Reportedly, 90% of these workers have since returned.

China: Broiler Production, Supply and Demand, 1,000 MT									
	2004	2005	2006	2007	2008	2009	2010		
Production	9,998	10,200	10,350	11,291	11,840	12,100	12,550		
Imports	174	219	343	482	399	401	425		
Exports	241	332	322	358	285	291	300		
Dom. Consumption									
	0 031	10 087	10 371	11 /115	11 05/	12 210	12 675		

9,931 10,087 10,3/1 11,415 11,954 12,210 12,6/5 Per Capita Consumption (KG)

7.65 7.70 7.90 8.60 9 00 9.10 9 40 Source: Foreign Agricultural Services, Official USDA Estimates

China's poultry meat exports are expected to grow 3% to 300,000 MT in 2010 due to recovering economies in Japan and Hong Kong. China's two main markets. Chinese poultry exports to Malaysia, the EU and Kyrgyzstan have increased and China is expecting Canada to approve exports of cooked poultry later this year. The U.S. has resumed its procedure for reviewing China's market access request for cooked poultry exports to the U.S.

China Broiler Meat Exports, 2007-2009 (Metric Tons)

	2007	2008	2009	2009/08
				% Change
World	358,053	285,316	291,272	2.09
Japan	204,384	135,896	134,377	-1.12
Hong Kong	106,871	108,651	113,279	4.26
Malaysia	9,870	15,362	17,041	10.93
Bahrain	4,078	4,194	4,137	-1.36
Kyrgyzstan	1,650	3,904	4,459	14.22
Korea South	11,767	6,627	3,570	-46.13
Macau	2,848	2,959	3,095	4.60
Netherlands	0	100	2,447	2,347.00
Iraq	3,716	1,751	1,403	-19.87
Azerbaijan	2,371	817	1,274	55.94
United Kingdom	0	0	1,295	0.00
Armenia	329	392	421	7.40
Philippines	898	407	405	-0.49
Georgia	362	205	258	25.85
South Africa	1,643	851	0	-100.00
Aruba	986	211	0	-100.00
Somalia	778	0	0	0.00
Kenya	579	0	0	0.00
Other	4,923	2,989	3,811	27.50

HS Code: 020711, 020712, 020713, 020714 & 160232

Source: GTA China Customs Statistics Note: China has no exports of chicken claws

Source: USDA Foreign Agricultural Service; Ministry of Commerce, the People's Republic of China; news wires

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

0.3.	Exports to Ca	mada, in Poun	us (000) (Freiiii	iiiiai y)
Week Endir	ng May 01, 201	10	Year-To-	-Date
Type	2010	2009 /1	2010 /2	2009
Liquid	98	381	1,745	2,485
Frozen	0	0	0	0
Dried	0	0	156	182
Total	98	381	1 901	2 667

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

Week Endin	ng May 01, 20	10	Year-To	-Date
Type	2010	2009 /1	2010 /2	2009
Liquid	468	367	6,998	5,632
Frozen	10	3	139	132
Dried	0	0	0	0
Total	478	370	7,137	5,764

Inspected Shell Eggs

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

Week Ending	May 01, 2010)	Year-To	o-Date		
	2010	2009 /1	2010 /2	2009		
Jumbo	0	0	0	0		
Extra Large	750	3,060	13,560	14,303		
Large	2,350	1,898	35,570	42,759		
Medium	2,250	2,430	14,070	17,400		
Ungraded	1,608	8,970	71,250	80,360		
Misc	0	456	0	2,575		
Total	6,958	16,814	134,450	157,397		
// On the state of						

/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 01-May-10 (Preliminary)

U.S. fowl slaughtered domestically									
	Light Hens	Heavy Hens	Total Hens						
Thousands									
Head	1,403	1,410	2,813						
Last Week	1,532	1,458	2,990						
Same week yr ago	1,456	1,266	2,722						
To-date/2010*	24,958	22,591	47,549						
To-date/2009*	20,932	25,513	46,445						

	Light Hens	Heavy Hens	Total Hens						
	Thousa	ands							
Head	470	11	481						
Last Week	286	24	310						
Same week yr ago	391	0	391						
To-date/2010*	5,875	126	6,001						
To-date/2009*	4 863	11	4 874						

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----1.873 1.421 3.294 Last Week 1,818 1,482 3,300 Same week yr ago 1,847 1,266 3,113 To-date/2010* 30,833

22,717

25.524

53,550

51,319

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

25.795

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.)

Head

To-date/2009*

The market tone was steady to fully steady for all fat contents of fresh and frozen MSC. Supplies of fresh and frozen 15-20% were adequate to closely balanced; generally sufficient on the remainder. Supplies of raw materials were light and clearing. The marketplace was steady, but unsettled and unpredictable. Export and domestic demand on frozen 15-20% was moderate to instances good with some slowed interest and price resistance noted; fresh 15-20% was fair to moderate. MSC continues to move best into Caribbean and Central American channels; spotty movement into Mexico with some noting improvements and others struggling with finished product sales. Schedules were normal to irregular. Frame values were steady with trading levels ranging 8-11 cents FOB.

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

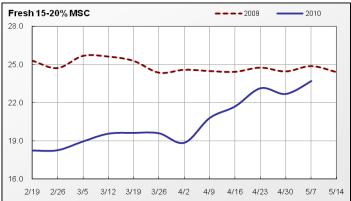
		Frozen		Fresh			
Fat Content	7-May-10	Last Week	Last Year	7-May-10	Last Week	Last Year	
15% or Less							
Price Range			-	26.00	26.00	28.00-30.00	
Wtd Avg Price			-	26.00	26.00	29.22	
Volume Traded	-	-	-	296	91	276	
Volume Exported	-	-	-	-	50	54	
15-20%							
Price Range	27.00 - 33.00	27.00 - 33.00	27.00-35.00	18.00 - 30.00	18.00 - 30.00	22.00-28.00	
Wtd Avg Price	30.16	30.09	30.88	23.68	22.66	24.87	
Volume Traded	1,886	1,758	1,318	5,222	5,467	3,085	
Volume Exported	1,766	1,558	1,038	1,306	367	1,387	
20% or More							
Price Range	-	-	-	22.00	22.00	22.00	
Wtd Avg Price			-	22.00	22.00	22.00	
Volume Traded	-	-	-	41	41	82	
Volume Exported	-	-	-	-	-	-	

Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1.000 pounds)

		Frozen		Fresh		
Fat Content	Apr 2010	Mar 2010	Apr 2009	Apr 2010	Mar 2010	Apr 2009
15% or Less						
Wtd Avg Price	31.00	25.00	33.00	26.18	23.30	28.65
Volume Traded	120	40	40	679	408	937
Volume Exported	-	-	-	100	-	215
15-20%						
Wtd Avg Price	29.13	25.48	30.61	21.83	19.37	24.54
Volume Traded	10,639	5,689	11,295	22,877	14,453	12,147
Volume Exported	9,319	4,937	10,263	1,795	1,958	1,795
20% or More						
Wtd Avg Price	-	-	-	20.20	18.50	22.00
Volume Traded	-	-	-	204	245	408
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

Frozen 15-20% MSC 2010 29.0 26.0 23.0 20.0 2/19 2/26 3/12 3/19 3/26



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 07 MAY, 2010.

The market tone on bulk parts was steady to fully steady, except necks steady to weak. Demand was light to moderate. Offerings ranged tight to adequate, necks remained the most available. The trade sentiment on white meat was steady to firm. Demand was light to moderate, instances good. Offerings short to barely adequate and trims in the tightest position. The market tone on thigh meat was steady and mechanically separated turkey was steady to firm. Demand was light to moderate. Offerings were short to light and held with confidence. Domestic and export trading was slow to moderate. Domestic: fresh tails 46 cents, frozen tails 40 cents, frozen hearts 30 cents, fresh tenderloins 171 cents and fresh scapula 141 cents. Export: tom necks 53 cents port, fresh thigh meat 120 cents port.

EXPORT TRADING FRIDAY, MAY 07, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS	70.00-72.00 67.00		70.31 67.00	256 324	70.64 67.00	862 324
WINGS, V-TYPE, TOM	07.00	M	83.00	216	83.00	216
TAILS	39.00-45.00		40.70	214	41.95	354
MECHANICALLY SEPARATED 2/	440.00.400.0	М	32.00	80	32.00	80
THIGH MEAT - FROZEN	119.00-120.0		119.91	88	119.97	302
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, MAY 06, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	71.00-72.00	_	71.35	310		
WINGS FULL-CUT - TOMS		F	67.50	378		
WINGS, V-TYPE, TOM		M	83.00	216		
TAILS	41.00		41.00	20		
MECHANICALLY SEPARATED 2/		M	32.00	80		
THIGH MEAT - FROZEN		W	121.00	40		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, MAY 05, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		M	70.17	296		
WINGS FULL-CUT - TOMS		F	67.50	378		
WINGS, V-TYPE, TOM		M	83.00	216		
TAILS	43.00-45.00		44.00	80		
MECHANICALLY SEPARATED 2/		M	32.00	80		
THIGH MEAT - FROZEN	121.00		121.00	40		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, MAY 04, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		M	70.17	296		
WINGS FULL-CUT - TOMS		F	67.50	378		
WINGS, V-TYPE, TOM		M	83.00	216		
TAILS		M	45.00	40		
MECHANICALLY SEPARATED 2/		M	32.00	80		
THIGH MEAT - FROZEN		M	119.77	174		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, MAY 03, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	68.00-74.00		70.17	296		
WINGS FULL-CUT - TOMS		F	67.50	378		
WINGS, V-TYPE, TOM	83.00		83.00	216		
TAILS	45.00		45.00	40		
MECHANICALLY SEPARATED 2/	32.00		32.00	80		
THIGH MEAT - FROZEN	119.50-120.00		119.77	174		

^{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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