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## Mercosur and Argentina

Argentina is one of four South American members (e.g. Brazil, Paraguay, and Uruguay) comprising the trade organization Mercosur, which was formed in 1991. Last week Mercosur officials met with officials from the European Union (EU-27) in Madrid, Spain to discuss forming the world's largest trade block. The first round of talks are set to take place in early July 2010 despite failed negotiations in 2004 over issues with agricultural access for Mercosur to the EU and manufactured and service access for the EU into Mercosur. Presently, about 15 of the 27 EU member states are opposed to the negotiations and the formation of any possible trade union as it would likely mean a reduction in the EU's agricultural import tariffs and sizeable increases in imports of beef, pork, poultry, wheat, citrus, fruit, and juice from Mercosur countries

### Argentine Broiler Meat Exports (MT)

	Whole			Breast		
	2008	2009	2010*	2008	2009	2010*
Ven.	29,523	11,831	13,329	2,296	4,558	897
Chile	19,462	23,962	6,077	-	1,321	609
S.Ara.	7,893	5,778	1,150	2,458	2,367	351
UK	2,094	4,839	1,147	2,993	1,738	212
Iraq	1,705	6,691	928	1,632	1,848	138
Other	29,126	39,897	8,854	4,121	2,632	476
<b>Total</b>	<b>89,803</b>	<b>92,998</b>	<b>31,485</b>	<b>13,500</b>	<b>14,464</b>	<b>2,683</b>

	HQ			MDM		
	2008	2009	2010*	2008	2009	2010*
S.Afr.	3,623	6,704	945	2,839	4,068	1,420
Chile	1,101	957	596	1,656	1,707	307
Uruguay	-	-	155	Russia 351	232	182
Angola	273	212	109	Uruguay -	-	22
Russia	248	302	55	Congo 50	37	10
Other	1,836	2,884	200	Other 228	204	-
<b>Total</b>	<b>7,081</b>	<b>11,059</b>	<b>2,060</b>	<b>Total 5,124</b>	<b>6,248</b>	<b>1,940</b>

	Leg			Paws		
	2008	2009	2010*	2008	2009	2010*
Chile	2,912	5,657	1,606	China 20,941	28,321	6,959
S.Afr.	881	1,230	54	HK 12,644	6,763	2,578
Russia	143	199	12	Neth. 56	-	28
Spain	-	-	8	Angola -	-	3
Other	3,904	1,827	44	Other 1,045	383	-
<b>Total</b>	<b>7,840</b>	<b>8,913</b>	<b>1,724</b>	<b>Total 34,686</b>	<b>35,467</b>	<b>9,567</b>

	Wings			Trim		
	2008	2009	2010*	2008	2009	2010*
China	3,355	6,786	1,857	S.Afr. 1,747	2,543	291
HK	721	1,026	345	Peru -	-	27
Viet.	3,660	1,875	184	Chile 288	167	2
Sing.	53	298	162	Other 838	155	-
S.Afr.	2,244	1,304	130	<b>Total 2,873</b>	<b>2,865</b>	<b>320</b>
Other	3,262	3,038	283			
<b>Total</b>	<b>13,295</b>	<b>14,327</b>	<b>2,961</b>			

Note: All data is January-December except 2010\*, which is January-March. Whole = Whole Broiler. HQ = Hind Quarter. MDM = Mechanically Deboned Meat. Trim = Poultry Trimming. Ven. = Venezuela. S.Ara. = Saudi Arabia. Switz. = Switzerland. Neth. = Netherlands. UK = United Kingdom. S.Afr. = South Africa. Source: Senasa.

into the EU. Trade deals with Peru and Colombia and an association agreement with Central America were also supposed to be announced at the summit. According to Senasa, Argentine broiler meat exports increased 70.65% in the first 3 months of 2010 (43,755 metric tons) from a year ago (25,640 MT). Top export destinations of Argentine broiler meat were to Venezuela (13,329 MT), Chile (9,542 MT), South Africa (6,452 MT), UK (1,285 MT), and Saudi Arabia (1,175 MT). Most whole broiler exports are shipped to Venezuela, Chile, the Middle East, and Africa, whereas most broiler cuts are shipped to Chile, Russia, and the EU.

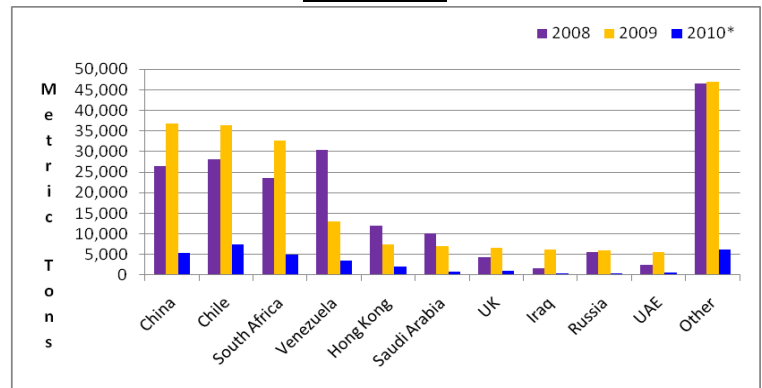
Source: Various News Wires/Senasa/AliceWeb Mercosul/USDA FAS

### Argentina's Broiler Situation (1,000 Metric Tons and Kilograms (KG))

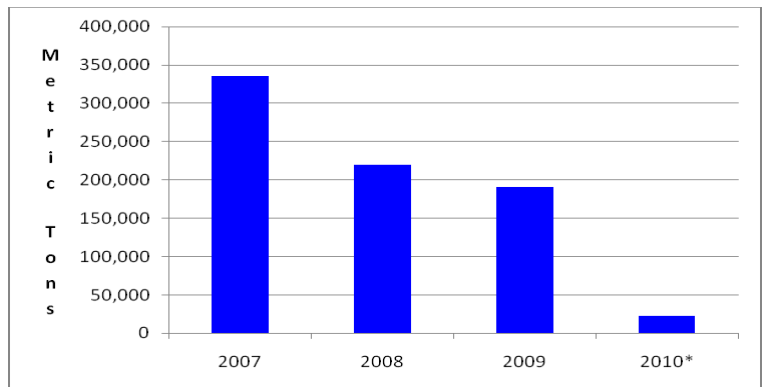
	2006	2007	2008	2009	2010
Production	1,200	1,320	1,430	1,500	1,650
Imports	3	5	4	5	4
Exports	94	125	164	178	204
Total Cons.	1,109	1,200	1,270	1,327	1,450
Per Capita Cons.	28	30	31	32	35

Note: Cons. = Consumption. Data is a combination of estimates and official data from USDA FAS. Source: USDA FAS PSD Online

### Leading Markets for Argentine Poultry Meat Exports by Volume (MT)

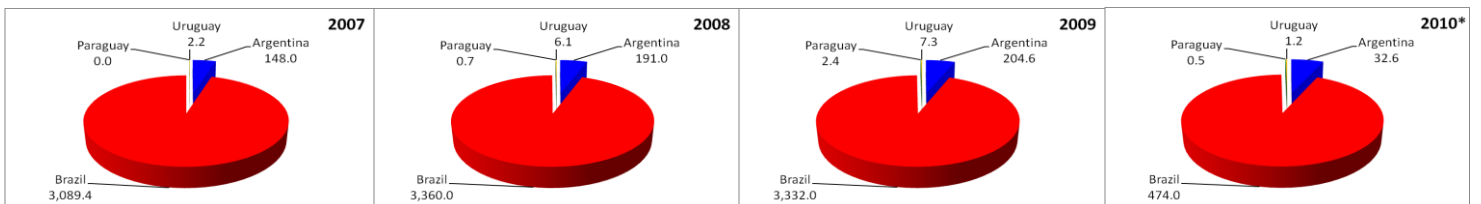


### Mercosur Poultry Meat Exports to the EU (MT)



Note: All data is January-December with the exception of 2010, which is January-February. Source: AliceWeb Mercosul

### Total Mercosur Poultry Meat Exports by Country and Volume in thousand Metric Tons



Note: All data is January-December except for 2010\*, which only includes exports from January-February.

Source: AliceWeb Mercosul

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

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	0	338	1,841	3,207
Frozen	0	0	0	0
Dried	0	0	156	222
Total	0	338	1,997	3,429

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	382	318	7,790	6,265
Frozen	42	5	183	155
Dried	0	0	0	0
Total	424	323	7,973	6,420

**Inspected Shell Eggs**

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

	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	3,330	1,260	19,536	17,573
Large	1,320	3,310	39,235	49,679
Medium	2,970	900	19,005	19,650
Ungraded	3,157	10,482	76,819	100,802
Misc	0	0	0	2,575
Total	10,777	15,952	154,595	190,279

/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 15-May-10 (Preliminary)

**U.S. fowl slaughtered domestically**

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,403	1,468	2,871
Last Week	1,581	1,474	3,055
Same week yr ago	1,559	1,501	3,060
To-date/2010*	27,942	25,533	53,475
To-date/2009*	24,053	28,562	52,615

**U.S. fowl slaughtered in Canada**

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	426	12	438
Last Week	568	0	568
Same week yr ago	282	0	282
To-date/2010*	6,869	138	7,007
To-date/2009*	5,512	11	5,523

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	1,829	1,480	3,309
Last Week	2,149	1,474	3,623
Same week yr ago	1,841	1,501	3,342
To-date/2010*	34,811	25,671	60,482
To-date/2009*	29,565	28,573	58,138

\*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 was mostly steady on all fat contents. Supplies of fresh and frozen 15-20% were adequate with the remainder of fat contents sufficient to balanced. Raw material supplies were generally adequate. The marketplace was status quo as the entire protein complex was making last minute preparations for the fast approaching Memorial Day holiday next week. Some buyers were noting and anticipating seasonally good movement of finished products domestically for the present and upcoming holiday weekend. Export and domestic demand on frozen 15-20% was fair to instances good and light to moderate on fresh 15-20% with price resistance noted on both. MSC moved best into Central American channels with light and spotty interest into Mexico. Schedules were seasonally normal. Frame values were steady with trading levels ranging 8-11 cents FOB.

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

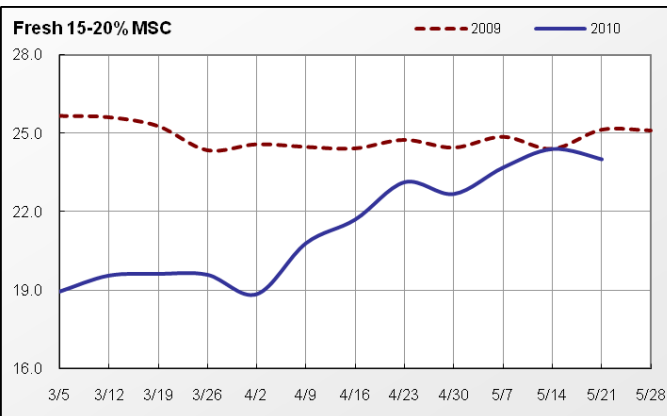
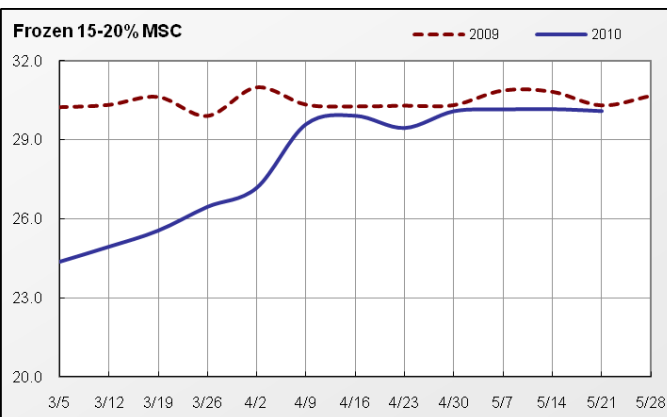
Fat Content	Frozen			Fresh		
	21-May-10	Last Week	Last Year	21-May-10	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	26.00	26.00	28.00-31.00
Wtd Avg Price			-	26.00	26.00	29.19
Volume Traded	-	-	-	153	56	315
Volume Exported	-	-	-	-	50	54
<b>15-20%</b>						
Price Range	28.00 - 33.00	28.00 - 33.00	27.00-34.00	20.50 - 30.00	19.50 - 30.00	22.00-28.00
Wtd Avg Price	30.10	30.17	30.30	23.99	24.38	25.14
Volume Traded	1,591	2,166	1,821	3,311	4,508	3,484
Volume Exported	1,591	1,886	1,581	163	898	1,918
<b>20% or More</b>						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	41	82	82
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Apr 2010	Mar 2010	Apr 2009	Apr 2010	Mar 2010	Apr 2009
<b>15% or Less</b>						
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
<b>15-20%</b>						
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
<b>20% or More</b>						
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



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 21 MAY, 2010.

The market tone on bulk parts mostly steady to fully steady, however necks were steady to barely steady. Demand was slow to moderate. Offerings ranged short to adequate with drums in the tightest position for current needs and mixed availability on tom necks. The trade sentiment on white meat was steady to firm. Demand was light to good with offerings short to tight and confidently held. The market tone on high meat and mechanically separated turkey remained mostly steady. Demand was slow to moderate. Grinds are more available this week in retail features with sausage most popular, followed by 93% lean. For domestic: frozen institutional \*plant\* grade breasts (basted) 20-24 lbs. 111, frozen institutional A grade breasts (non-basted) 8-10 lbs. 115, 12-16 lbs. 125, fresh wing meat 131, fresh scapula meat 145, fresh tom full-cut wings 70, fresh tom necks 58 cents delivered.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, MAY 21, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>VOLUME</b>
DRUMSTICKS, TOMS	72.00		72.00	40	74.86	472
WINGS FULL-CUT - TOMS		F	71.00	270		
WINGS, V-TYPE, TOM	83.50		83.50	240	85.60	600
TAILS		R	42.25	80	42.57	140
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	34.00	40	34.00	40
		R	122.00	40	121.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, MAY 20, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	71.00-76.00		75.13	432
WINGS FULL-CUT - TOMS		F	71.00	270
WINGS, V-TYPE, TOM	87.00		87.00	360
TAILS	41.00-43.50		42.25	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	34.00	40
	122.00		122.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, MAY 19, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	72.00	40
WINGS FULL-CUT - TOMS		F	71.00	270
WINGS, V-TYPE, TOM				
TAILS	41.00-44.00		43.00	60
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	34.00		34.00	40
	120.00		120.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, MAY 18, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	72.00	40
WINGS FULL-CUT - TOMS		F	71.00	270
WINGS, V-TYPE, TOM				
TAILS		F	42.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	120.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, MAY 17, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	72.00	40
WINGS FULL-CUT - TOMS		F	71.00	270
WINGS, V-TYPE, TOM		M	85.00	240
TAILS		F	42.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	120.00	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.