BROILER MARKET NEWS REPORT

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Poultry Programs

Market News Branch & Analysis



NATIONAL BROILER MARKET AT-A-GLANCE

The market tone was steady to firm in the Midwest, steady to fully steady in the East, and steady to instances firm in the West. Retail demand was slow to good for mid week business. Food service was light to good, best into fast food, catering and some restaurants. Offerings of all sizes were very light to moderate for current trade needs. Floor stocks were moderate to heavy. In the parts structure, movement was moderate to good. Supplies of boneless skinless breast and tenderloins were light with good movement, supplies of other parts were moderate to heavy. The price trend was firm on breast items, steady to firm on wings, and steady to weak on dark meat. In production areas, live supplies were light to moderate. Weights were trending lighter due to continuous extreme heat, but noted as mostly desirable. The Composite Weighted Average price for 06/21/10 was 85.41 compared to 86.80 a week earlier, and 85.12 a year ago.

GEORGIA FOB DOCK PRICES The Georgia f.o.b. dock quoted price on broilers/fryers for next week's trading advanced .25 cents to 87.25 cents based on full truck load lots of ice-packed USDA grade "A" sized 2 1/2 to 3 pound birds. This compares to 88.75 cents last year on June 24, 2009.

| | DOCK PRICE |
|------------------|-------------------|
| ITEM | (CENTS PER POUND) |
| LINE RUN TENDERS | 200.00 |
| BREASTS - B/S | 179.00 |
| BREASTS - WHOLE | 104.50 |
| THIGH MEAT - B/S | 90.50 |
| THIGHS | 48.00 |
| DRUMSTICKS | 60.50 |
| LEG QUARTERS | 38.50 |
| WINGS | 116.50 |
| | |

Information supplied by the GA Dept of Ag's Poultry Market News Service.

<u>SOUTHERN REGION</u> The market tone was steady to fully steady. Demand was light to moderate with limited trading. Supplies of all sizes were mostly moderate to satisfy current trade needs. In the parts structure, movement was moderate to good for mid week business. Breast items were close balances to tight and clearing well. Supplies of wings and dark meat cut were moderate to available. In production areas, live supplies were light to moderate. Weights were trending lighter due to continuous extreme heat, but were mostly desirable.

MIDWEST REGION The whole broiler/fryer price trend remained fully steady to mostly firm. Whole bird offers were light on mixed trade call. Floor stocks were adequate to heavy; weights desirable to trending light. Retail movement was slow to moderate. Food service was light to good, best into fast food, catering and some restaurants. The price trend was firm on breast cuts, steady to firm on wings and steady to weak on dark meat lines. Supplies of dark meat cuts were heavy, breast and tenders light and wings were light to moderate.

WESTERN REGION The market on whole broiler fryers and WOGs was steady to instances firm. Offerings of whole fryers and WOGs light and being held with increased confidence. Retail demand moderate to good as buyers start planning for the 4th of July holiday weekend. Food service demand light to moderate. Floor stocks light to adequate. The market on white items was steady to fully steady. The market on dark items was steady to barely steady. Demand light to moderate. Offerings of white items light to adequate. Offerings of dark items adequate to fully adequate with some spot discounting noted. Some industry members are watching with interest for the results of USDA's Purchas of Dark Meat Items and any developments in the export channels.

NORTHEAST REGION Trucklot buying activity for ready-to-cook whole broiler/fryer was fair to mostly moderate during midweek trading. Offerings of all sizes were light to moderate for current trade needs. Retail and distributive movement was moderate to fairly good as the holiday approaches. The market tone was steady to fully steady. In the parts complex, boneless skinless breast and tenders were close balance to well cleared. The balance of items was mostly moderate with dark meat cuts noted as slightly more available.

BROILER-TYPE EGGS SET IN 19 SELECTED STATES UP 3 PERCENT

Commercial hatcheries in the 19-State weekly program set 211 million eggs in incubators during the week ending June 19, 2010. This was up 3 percent from the eggs set the corresponding week a year earlier. Average hatchability for chicks hatched during the week was 84 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

BROILER CHICKS PLACED UP 2 PERCENT

Broiler growers in the 19-State weekly program placed 175 million chicks for meat production during the week ending June 19, 2010. Placements were up 2 percent from the comparable week a year earlier. Cumulative placements from January 3, 2010 through June 19, 2010 were 4.07 billion, up slightly from the same period a year earlier.

BROILER-TYPE EGGS SET AND BROILER CHICKS PLACED 19 SELECTED STATES 19 STATE TOTAL

WEEK ENDING 06/19/10 2010 2009 PREVIOUS YEAR

Thousand

EGGS SET 210,948 204,273 +03

CHICKS PLACED 175,432 171,801 +02

Source: NASS, USDA +05

WEEKLY FRYERS AVAILABLE FOR MARKETING Based on the preliminary chick placements, the number of fryers available for marketing during the week ending 31-Jul-10 is estimated at 161.2 million head. This compares to 160.3 million head the previous week and to 160.4 million head the same week a year ago, when the slaughter was 162.7 million head and the composite weighted average price was 81.00 cents per pound.

1

JUNE 22

SOUTHERN STATES BROILER/FRYER PARTS

JUNE 23

F.O.B. DOCK OR EQUIVALENT, ICED-PACKED, PRICES SHOWN ARE DAY OF SHIPMENT (INCLUDES CURRENT AND PRIOR NEGOTIATIONS), TRUCKLOT AND LESS THAN TRUCKLOT VOLUME, CENTS PER POUND.

| POUNDS WTI | | | WTD | POUNDS | | | | WTD | |
|---------------------|--------------|---------------|-----------------|------------|---------------------|-------|--------------|-----------------|------------|
| <u>ITEM</u> | <u>(000)</u> | RANGE | MAJORITY | <u>AVG</u> | <u>ITEM</u> | (000) | RANGE | MAJORITY | <u>AVG</u> |
| BREAST - B/S | 381 | 147.00-195.00 | - | 150.96 | BREAST - B/S | 580 1 | 47.00-195.00 | - | 152.94 |
| TENDERLOINS | 197 | 150.00-202.00 | - | 158.00 | TENDERLOINS | 204 1 | 50.00-202.00 | - | 159.59 |
| BREAST - LINE RUN | TC | OO FEW TO REF | PORT | | BREAST - LINE RUN | TC | O FEW TO R | EPORT | |
| FRONT HALVES | TC | OO FEW TO REF | PORT | | FRONT HALVES | TC | O FEW TO R | EPORT | |
| LEGS | TC | OO FEW TO REF | PORT | | LEGS | TC | O FEW TO R | EPORT | |
| LEG QUARTERS (BULK) | 432 | 30.00-36.00 | - | 31.60 | LEG QUARTERS (BULK) | 402 | 30.00-36.00 | - | 31.59 |
| LEG QUARTERS (4/10) | 602 | 37.00-39.00 | - | 37.74 | LEG QUARTERS (4/10) | 656 | 37.00-39.00 | - | 37.70 |
| WINGS (WHOLE) | TC | OO FEW TO REF | PORT | | WINGS (WHOLE) | TC | O FEW TO R | EPORT | |
| WINGS (CUT) | TC | OO FEW TO REF | PORT | | WINGS (CUT) | TC | O FEW TO R | EPORT | |
| DRUMSTICKS | TC | OO FEW TO REF | PORT | | DRUMSTICKS | TC | O FEW TO R | EPORT | |
| THIGHS | TC | OO FEW TO REF | PORT | | THIGHS | TC | O FEW TO R | EPORT | |
| B/S THIGHS | TC | OO FEW TO REF | PORT | | B/S THIGHS | TC | O FEW TO R | EPORT | |

WHOLE BODY INDEX BASED ON SOUTHERN STATES PARTS TRADING FOR F.O.B. DOCK

 RANGE
 TODAY'S AVERAGE
 RANGE
 TODAY'S AVERAGE
 5-DAY AVERAGE

 61.00 - 66.00
 62.80
 60.50 - 66.00
 62.50
 62.87

The index is intended solely as an indicator of values for commodity-type product and does not represent industry's willingness to sell or ability to buy.

NORTHEAST BROILER/FRYER PARTS - Trucklot buying activity was fair to mostly moderate during midweek trading. Price trend on boneless skinless breast and tenders were firm; steady to at least steady for the balance of items. Supplies of boneless skinless breast and tenderloins were light with good movement. Other items were generally sufficient with the exception of leg quarters which were noted as slightly more available. Retail and distributive movement was seasonally moderate to fairly good. Market activity was moderate and improving.

ICE PACKED BROILER/FRYER PARTS, DELIVERED TO FIRST RECEIVERS IN POOL TRUCKLOT AND TRUCKLOT QUANTITIES, CENTS PER POUND.

| JUNE 22 ITEM | CURRENT NEG TRADING* | WTD AVG | VOL/LBS | JUNE 23 C | CURRENT NEG TRADING* | WTD AVG | VOL/LBS |
|------------------------|-------------------------|------------|---------|------------------------|-------------------------|------------|---------|
| BREAST - B/S | 165 | 148.33 | 727,880 | BREAST - B/S | 165-170 | 153.30 | 565,960 |
| TENDERLOINS | 160 | 154.21 | 120,760 | TENDERLOINS | 160-165 | 160.54 | 174,400 |
| BREAST - WITH RIBS | 101-102 | 105.91 | 91,822 | BREAST - WITH RIBS | 101-102 | 104.88 | 47,440 |
| BREAST - LINE RUN | 101 | 101.88 | 61,463 | BREAST - LINE RUN | 101 | 102.00 | 68,720 |
| LEGS | 53-54 | 49.49 | 123,240 | LEGS | 53-54 | 46.57 | 213,840 |
| LEG QUARTERS (BULK) | 37-38 | 37.10 | 216,040 | LEG QUARTERS (BULK) | 37-38 | 38.19 | 264,040 |
| DRUMSTICKS | 48-49 | 55.98 | 68,120 | DRUMSTICKS | 48-49 | 55.10 | 77,280 |
| THIGHS | 44-45 | 51.58 | 48,720 | THIGHS | 44-45 | 51.62 | 71,240 |
| B/S THIGHS | 94-95 | 93.13 | 60,480 | B/S THIGHS | 94-95 | 93.46 | 54,920 |
| WINGS (WHOLE) | 112-113 | 117.75 | 162,360 | WINGS (WHOLE) | 112-113 | 120.47 | 151,080 |
| BACKS AND NECKS (STRIF | PPED) 13-15 | 15.00 | 16,920 | BACKS AND NECKS (STRIP | PED) 13-15 | 15.00 | 15,440 |
| LIVERS (5 POUND TUBS) | 40-45 | 42.25 | 9,120 | LIVERS (5 POUND TUBS) | 40-45 | 43.00 | 8,080 |
| GIZZARDS (HEARTS) | 50-55 | 52.99 | 20,080 | GIZZARDS (HEARTS) | 50-55 | 52.95 | 13,120 |

INCLUDES NY CITY METRO. AREA, NORTHERN NJ, MA, CT, RI, & PA (NORTHEAST OF HARRISBURG). * TODAY'S NEG. SALES AS OF 11:30 A.M. ** WEIGHTED AVERAGE PRICE OF ALL GRADES AND BRANDS OF PRODUCT SHIPPED, OR TO BE SHIPPED AS OF 1:30 P.M.

A \/C

ESTIMATED SLAUGHTER OF BROILER-FRYERS

| | ESTIN | MATED | ۷C. | TUAL | AVG | WTC | ACTUAL | WTS |
|----------------|----------|--------|---------|--------|-------|-------|----------|-------|
| | | MATED | | IUAL | AVG | WIS | | WIS |
| | (1,000) | | (1,000) | | | | (1,000) | |
| | 06/23 | 06/22 | 06/21 | 06/18 | 06/21 | 06/18 | 06/16 | 06/14 |
| Alabama | 4,100 | 4,097 | 3,965 | 3,910 | 5.25 | 5.35 | 3,864 | 5.48 |
| Arkansas | 4,828 | 5,106 | 4,930 | 3,853 | 5.41 | 4.92 | 4,831 | 5.75 |
| Delmarva | 2,318 | 2,335 | 2,322 | 2,304 | 6.16 | 6.01 | 2,323 | 6.15 |
| KY-LA-TN | 2,353 | 2,347 | 2,190 | 2,353 | 5.01 | 4.96 | 2,278 | 5.20 |
| Mississippi | 2,899 | 3,015 | 3,031 | 3,356 | 5.82 | 5.63 | 2,869 | 6.08 |
| North Carolina | 2,780 | 2,758 | 2,538 | 2,854 | 7.05 | 6.90 | 2,731 | 7.17 |
| Texas | 2,597 | 2,595 | 2,587 | 2,561 | 5.57 | 5.39 | 2,367 | 5.60 |
| Total | 21,875 | 22,253 | 21,563 | 21,191 | 5.69 | 5.56 | 21,263 | 5.87 |
| Mon-Wed | 65,987 (| (A) | | | | | 64,112 (| ۹) |

(A) Weekly cumulative for states listed above.

Broiler-fryer slaughter under federal inspection for 23-Jun-10 is estimated to be 32,727,000 head up 2.57 percent from a week ago and up 3.75 percent from a year ago.

(Last week 31,907,000, last year 31,544,000)

SOUTHERN CALIFORNIA (L.A. AREA) PROCESSED POULTRY, DLVRD TO RETAILERS

| | RANGE |
|------------------|---------|
| FRESH FRYERS | 109-122 |
| ROASTERS 4# & UP | 125-135 |
| HENS UNDER 5# | |
| HENS OVER 5# | |
| DUCKS | |
| RABBITS-WHOLE | |
| RABBITS-CUT UP | |
| | |

SAN FRANCISCO PROCESSED POULTRY DLVRD TO RESTAURANTS AND INSTITUTIONS

| | | <u>RANGE</u> |
|------------------|----------|--------------|
| FRESH FRYERS | ICE PACK | |
| | DRY PACK | 134-170 |
| ROASTERS 4# & UP | ICE PACK | |
| | DRY PACK | 117 |
| HENS OVER 5# | ICE PACK | 129 |
| | DRY PACK | 118 |
| DUCKS | | 265-268 |
| | | |

| ESTIMATED U.S. LIVE POULTRY SLAUGHTER | | | | | | | |
|--|----------------------------|-------------|--|--|--|--|--|
| UNDER FEDERAL INSPECTION FOR WEEK ENDING 26-Jun-10 | | | | | | | |
| | CURRENT WEEK PREVIOUS WEEK | | | | | | |
| | 06/26/10 (1) | 06/19/10 | | | | | |
| Class | Tho | ousand head | | | | | |
| Broiler/fryer | 168,088(2) | 162,670 | | | | | |
| Light hens | 1,346 | 1,635 | | | | | |
| Heavy hens | 1,453 | 1,372 | | | | | |
| Total | 170,887 | 165,677 | | | | | |
| (1)ESTIMATED | | | | | | | |

2)The estimated number of broiler-fryers available for slaughter the week ending 26-Jun-10 is 161.2 million head compared to 163.5 million head slaughtered the same week last year. The estimated U.S. slaughter this week is 168.4 million head or 7.2 million more than estimated available. For the week of 03-Jul-10 the estimated available is 161.0 million head.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STGE CENTERS (INCL. GOVT STOCKS) (IN THOUSANDS)

| | ESSED TURKEY LBS | PROCESSED POULTRY LBS |
|-------------|---------------------|-----------------------|
| AM 06/21/10 | 160,451 | 48,101 |
| AM 06/01/10 | 150,353 | 52,588 |
| CHG | 10,098 | -4,487 |
| PCT CHG | 7 | -9 |

COLD STORAGE MOVEMENT (IN THOUSANDS)

| | PROCES | SED TUR | PROC | PROCESSED POULTRY | | | |
|---------|---------------|----------|----------|-------------------|----------|----------|--|
| | 06/21/10 | 06/14/10 | 06/22/09 | 06/21/10 | 06/14/10 | 06/22/09 | |
| PACIFIC | ; | | | | | | |
| COAST | 3 ,078 | 3,213 | 2,454 | 4,432 | 4,353 | 7,992 | |
| LOS | | | | | | | |
| ANGELE | ES 250 | 210 | 215 | 782 | 790 | 1,302 | |

HACKETTSTOWN POULTRY SALES

TOTAL COOPS 29

FOR 06/22/10

| AI PAPERS REQ | UIRED | TO S | ELL A | ALL OUT OF STATE | POUL | _TRY | |
|----------------------|-------|--------|-------|------------------|-------|------|------|
| | LOW I | HIGH A | AVG | | LOW I | HIGH | AVG |
| HEAVY FOWL Ib | 70 | 1.00 | .86 | HEAVY FOWL ea. | - | 8.00 | - |
| LIGHT FOWL lb. | - | - | - | LIGHT FOWL ea. | - | - | - |
| MIXED FOWL lb. | - | - | - | MIXED FOWL ea. | - | - | - |
| BANTAMS lb. | - | - | - | BANTAMS ea. | - | 3.00 | - |
| BROILERS lb. | - | - | - | BROILERS ea. | - | 5.50 |) - |
| ROASTERS lb. | - | - | - | ROASTERS ea. | - | - | - |
| FRYERS lb. | - | - | - | FRYERS ea. | - | - | - |
| CHICKS lb. | - | - | - | CHICKS ea. | - | 1.75 | - |
| PULLETS lb. | - | - | - | PULLETS ea. | 2.50 | 6.00 | 4.16 |
| BUNNIES lb. | - | - | - | BUNNIES ea. | - | - | - |
| ROOSTERS lb. | - | - | - | ROOSTERS ea. | - | 6.00 | - |
| GEESE lb. | - | - | - | GEESE ea. | - | - | - |
| TURKEYS lb. | - | - | - | TURKEYS ea. | - | - | - |
| DUCKS lb. | - | - | - | DUCKS ea. | - | 7.50 | - |
| RABBITS lb. | 1.00 | 1.65 | 1.35 | RABBITS ea. | - | - | - |
| PIGEONS lb. | - | - | - | PIGEONS ea. | 3.00 | 5.25 | 3.54 |
| GUINEA FOWL I | o | - | - | GUINEA FOWL ea | | - | - |
| DUCKLINGS lb. | - | - | - | DUCKLINGS ea. | - | - | - |
| GUINEA KEETS | ea | - | - | CALL DUCKS ea. | - | - | - |
| SILKIES ea. | - | - | - | GOSLINGS ea. | - | - | - |
| GUINEA PIGS ea | ì | - | - | TURKEY POULTS | ea | - | - |
| CHUKARS ea. | - | - | - | PEACOCKS ea. | - | - | - |
| PARTRIDGES ea | ì | - | - | COCKATIELS ea. | - | - | - |
| DOVES ea. | - | - | - | GUINEAS | - | - | - |

| MAJOR WHOLESALE MARKETS-MEXICO CITY | |
|-------------------------------------|--|
| MAJOR WHOLLOALL MARKETO MEXICO OFF | |

| | WAJOR WHOLESALE WARRETS-WEXICO CITY | | | | | | | |
|------------|-------------------------------------|-------------|--------|-------------|----------|-------|--|--|
| Cen | its per po | und for the | week e | ending June | 18, 2010 | | | |
| Whol | е | Le | egs N | lecks,Backs | Livers | | | |
| Chick | cens Bre | easts W/T | highs | & Wings | Gizzards | Hens | | |
| RAYON | | | | | | | | |
| Low | 85.12 | 152.12 | 72.44 | 21.73 | 7.24 | 72.44 | | |
| High | 89.10 | 162.99 | 86.93 | 25.35 | 14.49 | 72.44 | | |
| Mostly | 87.65 | 159.37 | 83.31 | 25.35 | 10.87 | 72.44 | | |
| | | | | | | | | |
| SAN JUA | N | | | | | | | |
| Low | 84.03 | 148.50 | 68.82 | 21.73 | 7.24 | 72.44 | | |
| High | 87.65 | 159.37 | 83.31 | 25.35 | 10.87 | 72.44 | | |
| Mostly | 86.93 | 155.74 | 79.68 | 23.54 | 9.05 | 72.44 | | |
| NIENA/ CAR | AL ILLANI | | | | | | | |
| NEW SAI | | | | | | | | |
| Low | 85.84 | 155.74 | 76.06 | 25.35 | 10.87 | 90.55 | | |
| High | 90.55 | 170.23 | 90.55 | 28.98 | 14.49 | 90.55 | | |
| Mostly | 88.38 | 166.61 | 86.93 | 27.16 | 12.68 | 90.55 | | |
| BECERR | Δ | | | | | | | |
| _ | | 150.27 | 79.68 | 20.00 | 10.07 | 76.06 | | |
| Low | 86.93 | 159.37 | | 28.98 | 10.87 | 76.06 | | |
| High | 92.00 | 173.85 | 94.17 | 32.60 | 14.49 | 76.06 | | |
| Mostly | 86.93 | 170.23 | 90.55 | 30.79 | 10.87 | 76.06 | | |

CENTRAL MISCELLANEOUS POULTRY RTC HENS

READY-TO-COOK PRICES NEGOTIATED FOR DELIVERY TO FIRST RECEIVERS, U.S.GRADE A AND PLANT GRADE,5LBS AND UP, FOR WEEK OF JUNE 21, 2010

RANGE

HENS ICE PACKED (12 PER BOX) 79-86 VACUUM PACKED (6-9 PER BOX) 79-90

DELMARVA Movement of ready-to-cook whole birds was fair to moderate for midweek trading. Seller offerings were light to moderate for immediate trade needs. Live supplies were moderate; weights were mixed, but noted as mostly desirable. Processing schedules were moderately heavy. Less than trucklot asking prices were unchanged at 89 to 98 cents. The market tone ranged steady to fully steady. In the parts complex, most supplies were light to moderate with b/s breasts and tenders in the best position. Dark meat cuts increased in availability and were moderate to at times heavy.

*BROILER/FRYER CURRENT NEGOTIATED PRICES FOR IMMEDIATE DELIVERY INCLUDES MOSTLY MULTIPLE-DROP SHIPMENTS OF BRANDED AND WING TAGGED TO NEW YORK CITY FROM DELMARVA

BRANDED U.S. GRADE A

| RANGE | 86-103 |
|------------------|--------|
| WEIGHTED AVERAGE | (A) |
| NO. OF BOXES | (A) |

(A) Not reported to avoid disclosing individual operations.

USDA, AMS, POULTRY PROGRAMS POULTRY MARKET NEWS & ANALYSIS BRANCH OFFICES

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