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Agricultural Marketing Service

Poultry Programs

Market News and Analysis

Mexico Announces Import Quotas for U.S. Eggs

The Economic Secretariat (SE) published on August 14, 2012, two notices in the Diario Oficial announcing the import quota to import 211,000 MT of fresh eggs for human consumption and 24,400 MT for industrial purposes under a "0%" tariff rate quota, provided the importer presents a Quota Certificate issued by SE. SE justified the implementation of these quotas in response to a disease outbreak in one of the main producing areas of table eggs that provoked an unfounded increase in egg prices. This increase is affecting both households and industrial users.

This summary is based on a cursory review of the subject announcements and therefore should not, under any circumstances, be viewed as a definitive reading of the resolution in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete resolutions or announcements as published in Spanish, the latter shall prevail.

Title of Notices:

- 1. "Announcement that establishes the import quota of fresh eggs for human consumption, under a tariff rate quota."
- 2. "Announcement that establishes the import quota of eggs for industrial purposes, under a tariff rate quota."

Important Dates

- 1. Publication Date: August 14, 2012
- 2. Effective Date: August 15, 2012
- 3. Expiration date of Quota Certificates: December 31, 2012.

Previously, on August 9, 2012, SE had published in the Diario Oficial the tariff rate quota for the import of eggs as follows:

HTS	Products	Units	Import	Tax Export
0407.21.01	Eggs in the Shell, for human consum	nption Kg	Exempt	N/A
0407.21.99	Other	Kg	Exempt	N/A
0408.11.01	Not In Shell and Egg Yolks, Dried	Kg	Exempt	N/A
0408.19.99	Other	Kg	Exempt	N/A
0408.91.01	Frozen or in powder	Kg	Exempt	N/A
0408.91.99	Other	Kg	Exempt	N/A
0408.99.01	Frozen, except what contained			
	in HTS 0408.99.02	Kg	Exempt	N/A
0408.99.99	Other	Kg	Exempt	N/A

The August 14, 2012 announcement for table eggs, establishes the following:

HTS	Products	MT
0407.21.01 Eggs in the she	ll, for human consumption	211,000

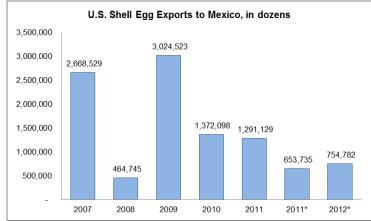
And for eggs for industrial purposes:

HTS	Products	MT
0407.21.99	Other	24,400
0408.11.01	Not In Shell and Egg Yolks, Dried	
0408.19.99	Other	
0408.91.01	Frozen or in powder	
0408.91.99	Other	
0408.99.01	Frozen, except what contained in HTS 0408	8.99.02
0408.99.99	Other .	

The allocation method will be direct allocation on a "first come, first serve" basis. The interested parties must submit the appropriate documentation to SE, who after the analysis, will issue a Quota Certificate valid until December 31, 2012.

FAS Mexico comment: This announcement does not imply any changes to the preexisting access, largely existent due to NAFTA. Increased access for other countries may result in an increase in competition. However, due to the proximity between the U.S. and Mexico, the import of eggs from distant countries is likely to be carefully scrutinized by potential importers before proceeding with imports. Besides the implicit zoo-sanitary issues, transportation costs and timeframes to reach domestic distribution channels and shelf-life would be factors to consider.

For More Information see FAS/Mexico Web Site: www.mexico-usda.com The entire FAS GAIN report, MX2059, is available at http://gain.fas.usda.gov



HS codes 0407000040 (old code); HS codes 0407210000, 0407290000 (new codes effective January 1, 2012) *January-June

U.S. Egg Products Exports to Mexico in metric tons

					Jan-J	un	
HS Cod	e Product	2009	2010	2011	2011	2012	
040891	Bird eggs, n/sh dried	1,013	427	135	73	155	
040899	Bird eggs, n/sh fresh*	349	316	291	130	209	
350211	Egg albumin, dried	125	184	222	127	103	
350219	Egg albumin, not dried	40	24	34	16	29	
040811	Egg yolks, dried	178	147	19	-	91	
040819	Egg yolks, fresh*	641	176	269	199	681	
n/sh – no shell							

*Fresh, cooked by boiling or steam in water, molded, frozen or otherwise preserved except dried, whether or not sweetened.

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

Exporting U.S. Shell Egg Breaking Stock to the EU

USDA Agricultural Marketing Service has a website with egg and egg product export information, including requirements to export Class B eggs (for further processing) to the European Union. (http://www.ams.usda.gov/AMSv1.0/PYEggExport)

Among the requirements listed, the shell eggs must meet Grade A standards and must be sampled and graded as an identified stationary lot. Marking on Class B individual eggs shall be a circle at least 12mm in diameter around the letter 'B' at least 5mm high, or an easily visible color spot of at least 5mm in diameter with a USDA approved stamping ink. USDA cannot certify the quality of eggs shipped in global commerce; therefore an expiration date cannot be applied to the shipping cases or official documents.

For complete details, including a list of U.S. plants eligible for export to the European Union go to:

http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=stelprdc5099085

email: PYMNDSM@ams.usda.gov TEL 515.284.4471 FAX 515.284.4468 website: http://www.ams.usda.gov/pymarketnews.htm

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE			U.S./CANADIAN LI			ER INSPECTION		
U.S. Exports to Canada, in Pounds (000) (Preliminary)				Week Ending Aug		• ,		
Week Ending Aug 18, 2012 Year-To-Date*			U	.S. Fowl Slaught	ered Domestically	1		
Туре	2012	2011 /1	2012 /2	2011		Light Hens	Heavy Hens	Total Hens
Liquid	0	196	726	1,015		Thousa	nds	
Frozen	0	0	0	0	Head	1,235	2,007	3,242
Dried	40	0	99	139	Last Week	1,021	1,922	2,943
Total	40	196	825	1,154	Same week yr ago	•	•	2,720
U.S. Imports	From Cana	da, in Pounds	(000) (Prelimir	nary)	, ,	,	•	•
Week Ending	Aug 18, 201	12	Year-To-	-Date*	To-date/2012*	50,418	•	102,962
Туре	2012	2011 /1	2012 /2	2011	To-date/2011*	45,187	51,040	96,227
Liquid	155	244	9,316	10,516	U.S. Fowl Slaughtered in Canada			
Frozen	44	7	827	645		Light Hens	Heavy Hens	Total Hens
Dried	0	0	0	48		Thousa	nds	
Total	199	251	10,143	11,209	Head	27	0	27
	<u>INS</u>	SPECTED SHEL	L EGGS		Last Week	254	0	254
U.S Exports	to Canada,	In 30-Dozen Ca	ses (Prelimin	ary)	Same week yr ago	413	50	463
Week Ending	, Aug 18, 201	12	Year-To-	-Date*	To-date/2012*	9.061	36	9.097
	2012	2011 /1	2012 /2	2011		- /		- ,
Jumbo	0	0	0	0	To-date/2011*	12,588		12,936
Extra Large	2,670	1,350	59,111	48,709	Data Source: Agricu	_		•
Large	3,190	4,820	117,036	93,337	Total U.S	_	ed in the U.S. and	
Medium	750	60	21,270	26,865		Light Hens		Total Hens
Ungraded	6,270	7,410	83,324	88,796			nds	
Misc	0	0	1,620	600	Head	1,262	,	•
Total	12,880	13,640	282,361	258,307	Last Week	1,275	5 1,922	3,197
/1 Comparable Week, to-date figures may not total due to rounding.			Same week yr ago	1,643	3 1,540	3,183		
/2 Includes revisions to previous week(s)			-	To-date/2012*	59,479	52,580	112,059	
Note: Year to-date totals reflect comparable time periods.				To-date/2011	57,775	51,388	109,163	

NATIONAL MECHANICALLY SEPARATED CHICKEN

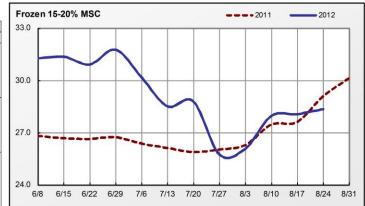
(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

Prices on all fat contents of MSC are trending steady. Supplies are moderate. Schedules are normal. Demand into export and domestic channels is light to moderate. Relatively speaking, MSC has seen slight improvements in demand and movement in recent weeks. However industry prepares for traditional production and purchasing patterns surrounding a holiday such as the upcoming Labor Day holiday. As a result, many producers continue to stay out front on spot sales of MSC and frames. Many maintain a close eye on the marketplace, especially in regard to the grain markets, strategizing possible company positions for the approaching 2013 contract negotiations. Market activity is slow to moderate. Supplies of raw materials are moderate to heavy. Spot frames traded between 11-14 cents FOB, mostly 12-13 FOB.

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

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

		Frozen		Fresh			
Fat Content	24-Aug-12	Last Week	Last Year	24-Aug-12	Last Week	Last Year	
15% or Less							
Price Range		30.00	-	24.00 - 26.00	25.00 - 26.00	30.00	
Wtd Avg Price		30.00	-	25.50	25.75	30.00	
Volume Traded	-	40	-	163	163	143	
Volume Exported	-	-	-	-	-	-	
15-20%							
Price Range	26.00 - 30.00	26.00 - 31.00	26.00-32.00	21.00 - 28.00	20.00 - 26.00	26.00-34.00	
Wtd Avg Price	28.36	28.07	29.10	24.27	23.55	28.87	
Volume Traded	2,303	1,275	1,542	4,100	3,794	3,886	
Volume Exported	2,303	1,155	1,542	326	408	612	
20% or More							
Price Range	-	-	-	22.00	22.50	22.00	
Wtd Avg Price			-	22.00	22.50	22.00	
Volume Traded	-	-	-	82	82	41	
Volume Exported	-	-	-	_	-	_	



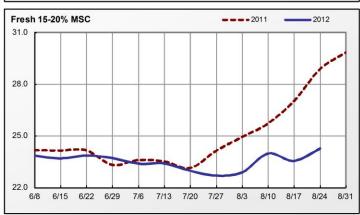
*Note: Year to-date totals reflect comparable time periods.

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

		Frozen		Fresh			
Fat Content	Jul 2012	Jun 2012	Jul 2011	Jul 2012	Jun 2012	Jul 2011	
15% or Less							
Wtd Avg Price	-	32.00	-	25.76	25.24	24.43	
Volume Traded	-	160	-	510	653	571	
Volume Exported	-	-	-	-	-	-	
15-20%							
Wtd Avg Price	27.83	31.55	26.21	23.15	23.93	23.56	
Volume Traded	7,907	7,367	8,116	18,068	22,914	22,513	
Volume Exported	6,091	6,987	7,486	1,591	1,591	2,122	
20% or More							
Wtd Avg Price	-	-	-	22.20	22.33	20.00	
Volume Traded	-	-	-	204	367	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 (www.ams.usda.gov/pymarketnews.htm)



NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 24 AUGUST 2012.

The market on bulk parts was steady. Demand and offerings light to moderate. The market on fresh tom breast meat was steady to firm. Demand was in a full range light to good. Offerings was light. Thigh meat market was steady to firm. Demand light to moderate. Offerings light. Parts trading was slow to moderate. For domestic: frozen hen breast meat 175 cents, grade A breast 8-10 lbs. 162 cents, 12-16 lbs. 167 cents delivered. For export: frozen tom necks 36 cents, fresh thigh meat 107 cents and fresh tom drums 52 cents delivered to port or border.

EXPORT TRADING

EXPORT TRADING					MEELLI	WEEKLY
FRIDAY, AUGUST 24, 2012 DRUMSTICKS, TOMS WINGS FULL-CUT - TOMS	PRICE RANGE 57.00	L.S.T. CODE 1/	WTD AVG PRICE 57.00 47.00	VOLUME (000) 54 40	WEEKLY WTD AVG PRICE 58.95 47.00	WEEKLY VOLUME (000) 2,268 40
WINGS, V-TYPE, TOM	82.00-85.00		83.50	216	89.20	540
TAILS	49.00-50.00		49.54	118	49.54	118
MECHANICALLY SEPARATED 2/		R	27.50	216	27.50	216
THIGH MEAT - FROZEN		W	103.00	270	103.00	270
	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, AUGUST 23, 2012	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	65.00-68.00		66.88	432		
WINGS FULL-CUT - TOMS		W	47.00	40		
WINGS, V-TYPE, TOM TAILS	88.00-95.00		91.50	216		
MECHANICALLY SEPARATED 2/	27.00-28.00		27.50	216		
THIGH MEAT - FROZEN		W	103.00	270		
	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, AUGUST 22, 2012	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	54.00-63.00		57.76	1,350		
WINGS FULL-CUT - TOMS	47.00		47.00	40		
WINGS, V-TYPE, TOM TAILS MECHANICALLY SEPARATED 2/		M	96.00	108		
THIGH MEAT - FROZEN	100.00-105.00		103.00	270		
TUESDAY, AUGUST 21, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS	55.00		55.00	432		
WINGS FULL-CUT - TOMS		R	42.00	108		
WINGS, V-TYPE, TOM TAILS		M	96.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, AUGUST 20, 2012	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	54.00	1,134		
WINGS FULL-CUT - TOMS		R	42.00	108		
WINGS, V-TYPE, TOM TAILS	96.00		96.00	108		
MECHANICALLY SEPARATED 2/						

^{1/} CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY 2/ 15-20% fat with skin added.

THIGH MEAT - FROZEN