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INTERNATIONAL EGG AND POULTRY REVIEW

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

Panama

After the United States (U.S.) signed into law the U.S.-Panama Trade Promotion Agreement (TPA) on October 2011, the trade agreement will enter into force on October 31, 2012. The announcement comes after a thorough review by the respective countries of their laws and regulations related to the implementation of the Agreement.

In December 2006 the U.S. and Panama signed an extensive agreement concerning sanitary and phytosanitary measures along with technical standards. Under this fully implemented agreement Panama recognized the equivalence of the U.S. food safety inspection system for meat and poultry, and the U.S. regulatory system for processed foods.

Before the Panama TPA, Panama's tariffs were as high as 260% on chicken leg quarters. After the U.S. Congress had passed the Caribbean Basin Initiative in1983, 99% of Panama's exports have been entering the U.S. duty free. In 2011 the U.S. share of Panama's agricultural imports was 42%. Without the TPA it was expected the U.S.'s share of Panama's agricultural imports would gradually diminish since they currently have free trade agreements (FTA) with Canada, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Singapore, and Taiwan. Panama is negotiating a new FTA with Colombia and are considering negotiations with Korea, India, and Peru.

Under the Panama TPA the 260% tariff on chicken cuts will be eliminated immediately on mechanically de-boned chicken, within 5 years for wings, and within 10 years for other chicken cuts, except for leg quarters. Panama will immediately provide duty-free access on leg quarters within a preferential tariff-rate quota (TRQ) that starts at 660 metric tons and grows 10% annually. The 260% over-quota tariff will be eliminated in 18 years. U.S. poultry exporters will continue to have access to the global 756 metric ton TRQ for chicken cuts that is part of Panama's World Trade Organization commitments.

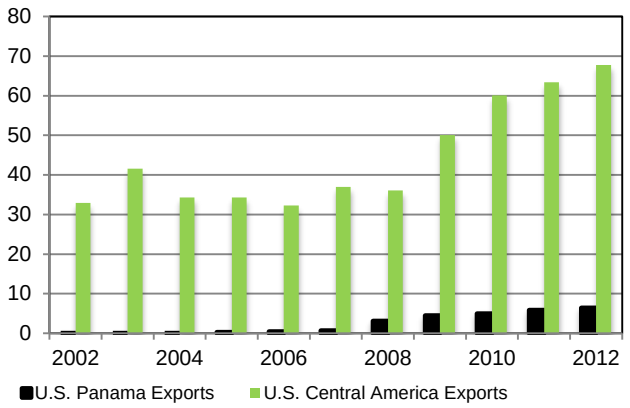
Panama will immediately eliminate the 15% duties on turkey meat for frozen whole turkeys and most frozen turkey cuts. The 15% tariffs on processed turkey and chicken will be eliminated within 5 years.

In July 2010 the Minister of Agricultural Development of Panama presented the Strategy for the Development of the Agricultural Sector of Panama based on 5 core topics. The topics included To Reduce the Cost of Food Staples, Restructuring Productivity, Commercialization, Rural Development, and Modernization of the Integrated Agricultural Institutions and Public Sector.

Agriculture and tourism are considered the key engines to the country's growth. The plan's actions are designed to promote development of the rural sector which represents 44% of Panama's total population, address poverty concerns, and also improve the well being of producers and the general population by means of a competitive, participative and sustainable agricultural sector.

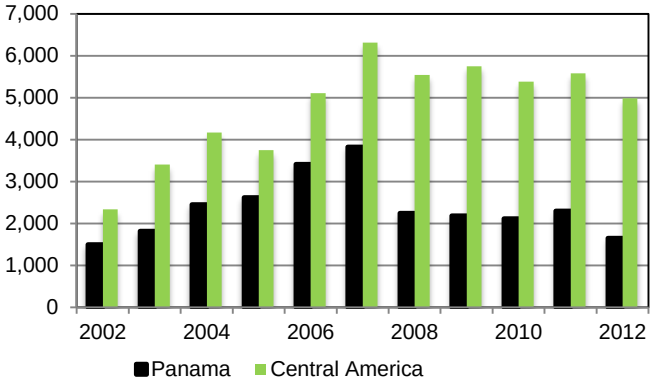
Sources: Office of the U.S. Trade Representative; USDA, Office of Communications; USDA, Foreign Agricultural Service U.S.-Panama Trade Promotion Agreement Benefits for Agriculture; USDA, Foreign Agricultural Service U.S.-Panama Trade Promotion Agreement State Fact Sheets; USDA, Foreign Agricultural Service Gain Report Number PN10006

U.S. Broiler Meat Exports to Panama & Central America
January-August Comparisons
(Thousand Metric Tons)



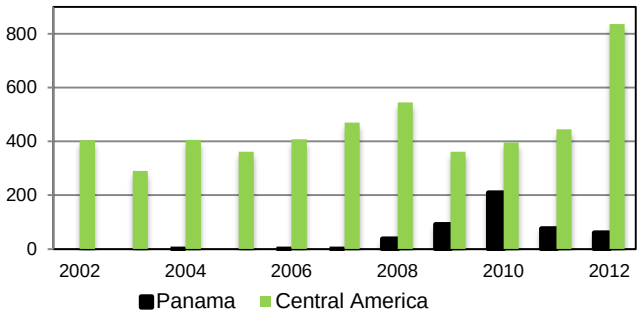
Sources: USDA, Foreign Agricultural Service, Official USDA Estimates; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

U.S. Turkey Meat Exports to Panama & Central America
January-August Comparisons
(Metric Tons)



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

U.S. Egg Product Exports to Panama & Central America
January-August Comparisons
(Metric Tons)



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

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

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

Week Ending Oct 27, 2012 Year-To-Date*

Type	2012	2011 /1	2012 /2	2011
Liquid	49	48	1,455	1,936
Frozen	0	0	0	0
Dried	0	0	277	179
Total	49	48	1,732	2,115

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

Week Ending Oct 27, 2012 Year-To-Date*

Type	2012	2011 /1	2012 /2	2011
Liquid	27	266	10,610	12,810
Frozen	11	45	1,064	898
Dried	50	6	50	54
Total	88	317	11,724	13,762

INSPECTED SHELL EGGS

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

Week Ending Oct 27, 2012 Year-To-Date*

	2012	2011 /1	2012 /2	2011
Jumbo	0	0	0	0
Extra Large	1,500	2,070	88,302	75,289
Large	2,330	13,420	176,746	148,204
Medium	750	0	26,985	36,151
Ungraded	22,830	23,040	211,244	177,752
Misc	0	0	1,620	1,440
Total	27,410	38,530	504,897	438,836

/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 Oct 27, 2012 (Preliminary)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	919	1,367	2,286
Last Week	1,106	1,299	2,405
Same week yr ago	1,241	1,657	2,898
To-date/2012*	64,550	69,458	134,008
To-date/2011*	58,420	67,113	125,533

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	140	0	140
Last Week	87	0	87
Same week yr ago	140	13	153
To-date/2012*	11,386	36	11,422
To-date/2011*	14,560	426	14,986

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	1,059	1,367	2,426
Last Week	1,193	1,299	2,492
Same week yr ago	1,381	1,670	3,051
To-date/2012*	75,936	69,494	145,430
To-date/2011*	72,980	67,539	140,519

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

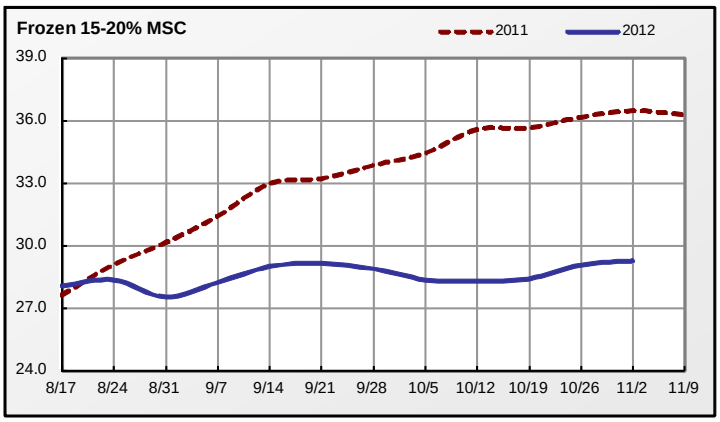
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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.)

Prices on all fat contents of MSC are steady. Supplies are moderate. Schedules are normal to reduced due to Hurricane Sandy and some plant closures. Domestic and export demand is light to moderate. Many producers continue to stay out front on spot sales of MSC, as well as sell frames. With the hurricane and contract negotiations taking place industry maintains a close eye on the marketplace. Contract negotiations for 2013 persist with some volumes confirmed at similar to slightly lower prices than last year, as well as on a formula basis. Market activity is slow to moderate. Raw material supplies are light to moderate. Spot frames traded between 11-13 cents FOB, mostly 12-13 FOB.

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

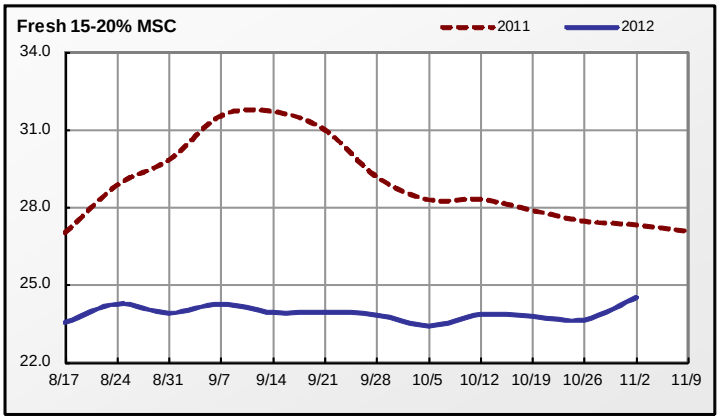
	Frozen			Fresh		
Fat Content	2-Nov-12	Last Week	Last Year	2-Nov-12	Last Week	Last Year
15% or Less						
Price Range	-		-	24.00 - 26.00	24.00 - 26.00	32.00
Wtd Avg Price			-	25.20	25.50	32.00
Volume Traded	-	-	-	204	163	61
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	28.00 - 31.00	27.00 - 32.00	34.00-39.00	20.00 - 27.00	20.00 - 26.00	22.50-32.00
Wtd Avg Price	29.28	29.07	36.47	24.52	23.65	27.33
Volume Traded	1,375	1,885	1,768	3,958	3,774	3,580
Volume Exported	1,375	1,645	1,328	490	449	857
20% or More						
Price Range	-	-	-	22.00	22.00	-
Wtd Avg Price	-	-	-	22.00	22.00	-
Volume Traded	-	-	-	82	41	-
Volume Exported	-	-	-	-	-	-



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

	Frozen			Fresh		
Fat Content	Oct 2012	Sep 2012	Oct 2011	Oct 2012	Sep 2012	Oct 2011
15% or Less						
Wtd Avg Price	31.00	30.00	-	25.16	25.50	30.86
Volume Traded	80	80	-	632	653	592
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	28.54	28.84	35.47	23.66	24.00	28.01
Volume Traded	7,585	8,600	8,651	15,891	17,085	14,870
Volume Exported	5,985	8,080	7,811	1,510	2,203	3,182
20% or More						
Wtd Avg Price	-	-	-	22.00	22.29	-
Volume Traded	-	-	-	245	286	-
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 02 NOVEMBER 2012.

The market on bulk parts is steady, instances firm on tom drums and necks. Demand was light to moderate. Offerings light. The market on breast meat and destrapped tenders was steady to weak. Demand was light, Offerings moderate. The thigh meat market was firm. Demand was moderate to good. Offerings light. Trading for parts was slow to moderate. For domestic: machine defatted tom gizzards 75-89 cents, frozen tails 51 cents, fresh tails 49 cents, fresh scapula 105-106 cents and fresh tom necks 48 cents delivered. For export: fresh thigh meat 136 cents, fresh tom drums 58 cents, fries 245 cents and wing tips 103 cents delivered to port or border.

EXPORT TRADING

FRIDAY, NOVEMBER 02, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	70.94	256	70.00	296
WINGS FULL-CUT - TOMS	53.00		53.00	120	53.00	120
WINGS, V-TYPE, TOM	85.00-95.00		91.50	324	91.50	324
TAILS	51.00		51.00	40	52.82	178
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	135.62	174		

THURSDAY, NOVEMBER 01, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	64.00-74.00		70.94	256
WINGS FULL-CUT - TOMS		F	46.00	378
WINGS, V-TYPE, TOM				
TAILS	54.00		54.00	108
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	135.62	174

WEDNESDAY, OCTOBER 31, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	64.00		64.00	40
WINGS FULL-CUT - TOMS		F	46.00	378
WINGS, V-TYPE, TOM		W	94.00	162
TAILS	51.00		51.00	30
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	135.62	174

TUESDAY, OCTOBER 30, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	69.00	40
WINGS FULL-CUT - TOMS		F	46.00	378
WINGS, V-TYPE, TOM		W	94.00	162
TAILS		F	51.00	54
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	135.62	174

MONDAY, OCTOBER 29, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	69.00	40
WINGS FULL-CUT - TOMS		F	46.00	378
WINGS, V-TYPE, TOM		W	94.00	162
TAILS		F	51.00	54
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	135.62	174

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.