



# INTERNATIONAL EGG AND POULTRY REVIEW



JANUARY 08, 2013  
VOL. 16 NO. 02

ISSN 1522-5100

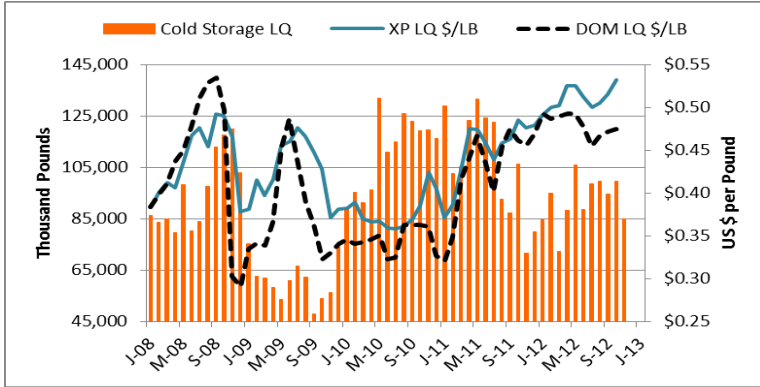
U.S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News and Analysis

## US Leg Quarter (LQ) Cold Storage Holdings ('000 Pounds) Compared with USDA Leg Quarter Prices (US \$/Pound)



Note: XP LQ \$/LB = USDA FAS Export Leg Quarter Prices per Pound. DOM LQ \$/LB = USDA LPGMN Domestic Leg Quarter Prices per Pound. Source: USDA NASS/Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/USDA AMS Livestock, Poultry, & Grain Market News (LPGMN)

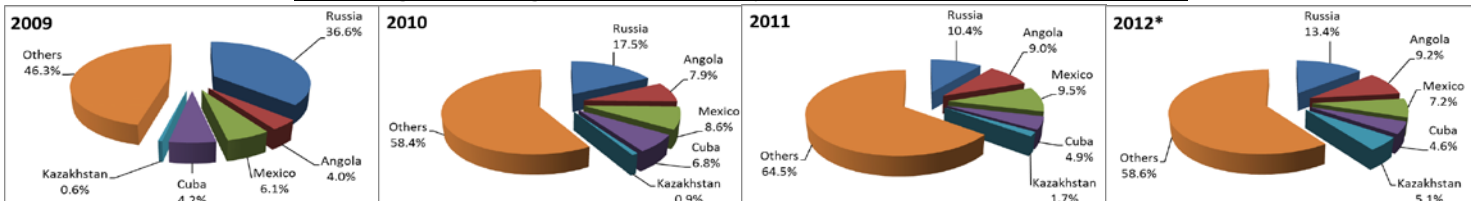
From January-October 2012, the top market for US chicken leg quarters (CLQ) was Russia at 205,294 metric tons (MT), 67% higher than the same time a year ago (123,168 MT). Close behind was Angola (141,204 MT), Mexico (109,679 MT), Cuba (100,980 MT), and Kazakhstan (77,844 MT). US CLQ exports totaled 1,532,900 MT from January-October 2012, 18% higher than a year ago (1,298,213 MT). Exports to Angola and Mexico increased significantly in the past few years as exports to Russia and China declined. Despite these increases the US still has a few pending and potential trade obstacles to contend with. First, the US still awaits the imposition of antidumping duties on US CLQ (HS0207.13.03 and HS0207.14.04), which Mexico put on hold July 31, 2012 after prices increased from an outbreak of H7N3 avian influenza. At present, Mexico has not imposed any duties, however the issue remains active. Other obstacles include the possible impacts of increased container rates effective January 2013 and the current unresolved longshoremen strike along US coasts. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/USDA AMS LPGMN/News Wires

### Top US Leg Quarter Exports Markets by Volume in 2012\* (Thousand Metric Tons (TMT))

	2008	2009	2010	2011	2011*	2012*	%
Russia	755	667	307	167	123	205	67%
Angola	95	74	138	144	128	141	10%
Mexico	92	110	151	152	126	110	-13%
Cuba	115	117	119	78	59	101	70%
Kazakhstan	11	10	16	26	19	78	319%
Lithuania	85	69	91	63	42	67	60%
Iraq	40	70	76	88	68	63	-6%
Georgia	35	53	84	85	78	58	-25%
UAE	31	35	38	55	45	57	27%
Taiwan	12	22	43	47	37	47	27%
Other	626	594	693	694	574	605	5%
<b>Total</b>	<b>1,897</b>	<b>1,821</b>	<b>1,756</b>	<b>1,598</b>	<b>1,298</b>	<b>1,533</b>	<b>18%</b>

Note: All data is January-December except 2011\* and 2012\*, which is January-October. HS Code 0207140010. % = Percentage change from 2011\* to 2012\*. UAE = United Arab Emirates.

### Percentage of US Leg Quarter Exports by Volume to Top Destinations in 2012\*



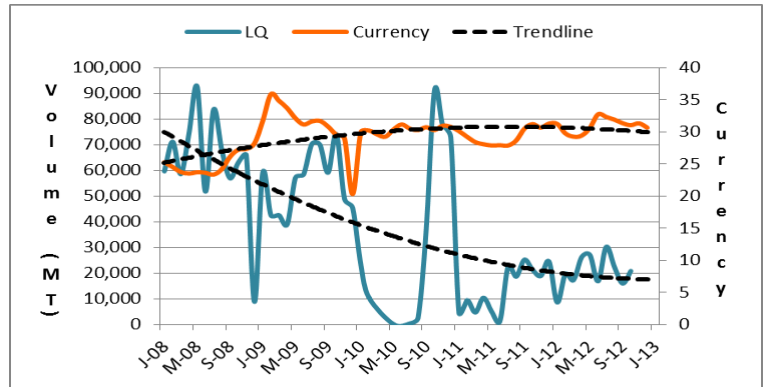
Note: All data is January-December except for 2012\*, which only includes exports from January-October 2012.

Source: USDA FAS

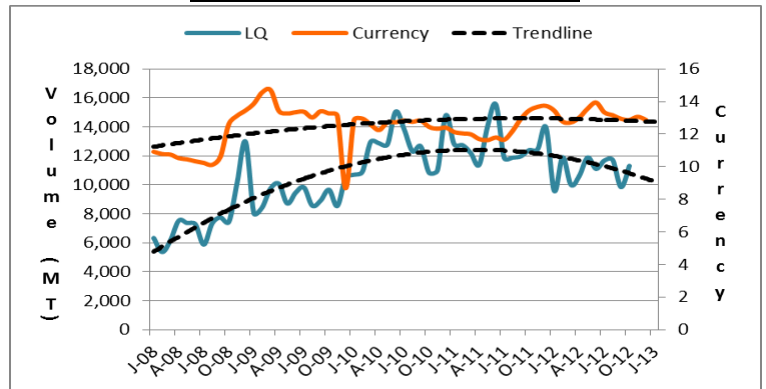
email: [PYMNDMSM@ams.usda.gov](mailto:PYMNDMSM@ams.usda.gov) TEL 515.284.4471 FAX 515.284.4468 website: <http://www.ams.usda.gov/pymarketnews.htm>

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## Russian Ruble (RUB) Value against US Dollar (USD) with US Chicken Leg Quarter Exports (MT)



## Mexican Peso (MXN) Value against US Dollar (USD) with US Chicken Leg Quarter Exports (MT)



Note: All data is January-December. The average December 2012 currency exchange for 1 USD = 30.6727 RUB. 1 USD = 12.8729 MXN. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/Oanda FX Trade.

### Top US Leg Quarter Export Markets by Value in 2012\* (Millions of Dollars)

	2008	2009	2010	2011	2011*	2012*	%
Russia	717	681	284	171	125	226	81%
Angola	98	55	128	161	143	163	14%
Mexico	78	90	113	142	116	124	7%
Cuba	110	116	85	76	57	105	84%
Kazakhstan	12	11	15	28	19	90	369%
Lithuania	42	57	56	88	67	72	7%
Iraq	81	68	82	64	42	67	57%
Georgia	35	53	65	83	76	64	-17%
UAE	32	28	29	53	43	63	48%
Taiwan	12	20	40	47	36	54	50%
Other	627	527	571	689	562	702	25%
<b>Total</b>	<b>1,844</b>	<b>1,707</b>	<b>1,468</b>	<b>1,602</b>	<b>1,286</b>	<b>1,729</b>	<b>34%</b>

Note: All data is from January-December except 2011\* and 2012\*, which is January-October. % = Percentage Change from 2011\* to 2012\*. UAE = United Arab Emirates.

**INSPECTED EGG PRODUCTS –**

**U.S. & CANADA IMPORT/EXPORT TRADE**

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

Week Ending Dec 22, 2012	Year-To-Date*			
Type	2012	2011 /1	2012 /2	2011
Liquid	48	0	3,547	2,429
Frozen	0	0	1	0
Dried	24	0	423	267
Total	72	0	3,971	2,696

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

Week Ending Dec 22, 2012	Year-To-Date*			
Type	2012	2011 /1	2012 /2	2011
Liquid	80	174	14,474	14,592
Frozen	22	3	1,187	998
Dried	0	0	65	54
Total	102	177	15,726	15,644

**Inspected Shell Eggs**

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

Week Ending Dec 22, 2012	Year-To-Date*			
Type	2012	2011 /1	2012 /2	2011
Jumbo	0	0	0	0
Extra Large	6,690	750	140,033	105,499
Large	18,490	2,400	279,702	208,611
Medium	800	22	34,491	39,023
Ungraded	9,660	0	325,958	228,990
Misc	720	0	4,560	1,440
Total	36,360	3,172	784,744	583,563

/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

**WEEKLY U.S./CANADIAN LIVE POULTRY**

**SLAUGHTERED UNDER INSPECTION**

Week Ending Dec 22, 2012

**U.S. fowl slaughtered domestically**

Thousands	Light Hens	Heavy Hens	Total Hens
Head	1,910	1,272	3,182
Last Week	1,770	1,644	3,414
Same week yr ago	981	1,611	2,592
To-date/2012*	75,252	80,150	155,402
To-date/2011*	67,950	78,216	146,166

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

Thousands	Light Hens	Heavy Hens	Total Hens
Head	469	0	469
Last Week	445	0	445
Same week yr ago	165	0	165
To-date/2012*	14,191	36	14,227
To-date/2011*	16,428	451	16,879

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	2,379	1,272	3,651
Last Week	2,215	1,644	3,859
Same week yr ago	1,146	1,611	2,757
To-date/2012*	89,443	80,186	169,629
To-date/2011*	84,378	78,667	163,045

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

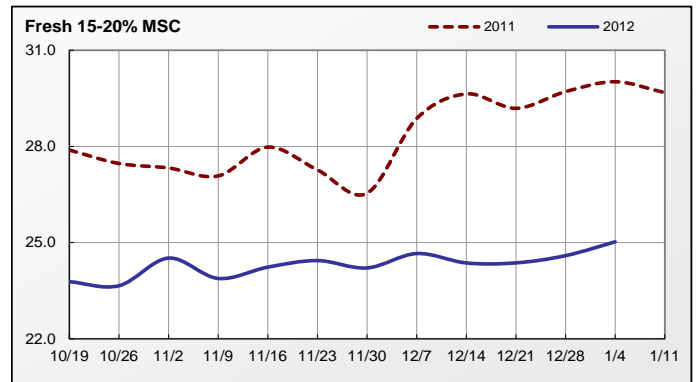
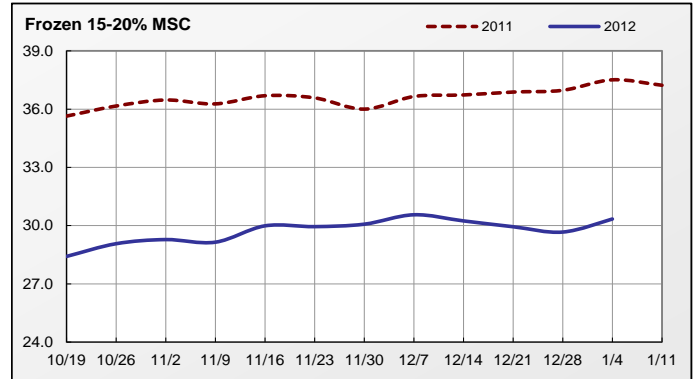
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound, delivery within 2 weeks )

Prices for MSC are steady on all fat contents. Supplies are light to moderate. Schedules are seasonally reduced for the New Year's holiday this week. Domestic and export demand is light to moderate; however some have indicated renewed good interest following the holidays as many buyers come back online. Trucking continues to be an issue for many. New contracts have begun and gone smoothly for many this week and some next week at prices similar to and slightly lower than last year's levels in addition to formula based pricing. Market activity is slow to moderate. Raw material supplies are moderate to available as many packers choose to sell spot frames instead of MSC. Frames traded between 11-13.5 cents FOB, mostly 11-12 cents FOB.

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

Fat Content	Frozen			Fresh		
	4-Jan-13	Last Week	Last Year	4-Jan-13	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	-	-	24.00 - 26.00	24.00 - 26.00	32.00
Wtd Avg Price	-	-	-	25.14	25.00	32.00
Volume Traded	-	-	-	143	163	184
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	28.00 - 32.00	28.00 - 32.00	35.50-40.00	22.00 - 27.00	18.00 - 27.00	27.00-34.00
Wtd Avg Price	30.34	29.67	37.51	25.03	24.59	30.02
Volume Traded	855	825	1,597	3,417	3,386	3,437
Volume Exported	815	825	1,517	530	163	530
<b>20% or More</b>						
Price Range	-	-	-	20.00	22.00	22.50
Wtd Avg Price	-	-	-	20.00	22.00	22.50
Volume Traded	-	-	-	82	41	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Dec 2012	Nov 2012	Dec 2011	Dec 2012	Nov 2012	Dec 2011
<b>15% or Less</b>						
Wtd Avg Price	30.00	30.00	-	25.11	25.04	31.89
Volume Traded	40	40	-	449	938	714
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	30.20	29.74	36.64	24.50	24.24	28.89
Volume Traded	4,730	8,995	6,422	14,667	20,460	19,182
Volume Exported	4,370	7,875	5,542	1,836	2,447	5,183
<b>20% or More</b>						
Wtd Avg Price	-	-	-	21.43	22.10	22.59
Volume Traded	-	-	-	286	408	449
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

**NATIONAL YOUNG TURKEY PARTS**

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 04 JANUARY 2013.

The market on bulk parts was steady. Demand was light. Offerings were light to moderate. The market on tom breast meat and the balance of white meat was weak. Demand was light. Offerings moderate to heavy. The market on thigh meat was steady. Demand was light. Offerings light to moderate. Trading was slow for all product. For domestic: fresh full cut wings 42 cents and fresh tom necks 45 cents delivered. For export: fresh tom drums 58 cents and fresh thigh meat 142 cents delivered to Border.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, JANUARY 04, 2013</b>						
DRUMSTICKS, TOMS		R	61.00	80	61.00	80
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	137.00	40		
<b>THURSDAY, JANUARY 03, 2013</b>						
DRUMSTICKS, TOMS	61.00		61.00	80		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		R	77.00	54		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	137.00	40		
<b>WEDNESDAY, JANUARY 02, 2013</b>						
DRUMSTICKS, TOMS		R	58.00	54		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		R	77.00	54		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	137.00	40		
<b>TUESDAY, JANUARY 01, 2013</b>						
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
<b>MONDAY, DECEMBER 31, 2012</b>						
DRUMSTICKS, TOMS		R	58.00	54		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		R	77.00	54		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	137.00	40		

No Report Released Due to Christmas Day Holiday

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.