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Livestock, Poultry and Grain Market News

Brazil

Brazil's broiler production is expected to recover and grow 2% in 2013 after a 1% decline in 2012. General opinion among trade sources is that Brazil's economic growth is expected to recover from the poor result of 2012 and that estimated record Brazilian soybean and corn crops should help to mitigate the impact of rising feed costs. However, sources also identify other concerns that can adversely affect the poultry sector this year: a) squeezed profit margins for producers and processors due to rising feed costs may continue through the first half of this year; b) the high level of consumer debt in Brazil may also undercut domestic demand of animal proteins in general, and c) broiler exports are forecast to increase slowly because of the continued uncertainties in the world economy.

Brazil Broiler Meat PSD in 1,000 MT 2008 2009 2010 2011 2012 2013 % Chg*

Production 11,033 11,023 12,312 12,863 12,750 13,005 +2% 3,242 3,222 3,272 Exports 3,443 3,478 3,582 +3% Source: Foreign Agricultural Service, Official USDA Estimates

The increase in the cost of broiler production in 2012 is estimated at a record of nearly 40 percent, while the producer price during the same period increased by 46 percent. These reference prices are for Parana state, the largest broiler producer in Brazil with a market share of nearly 28 percent of total broiler slaughter. The increase in the cost of production is basically due to higher feed costs, mostly corn and soybean meal.

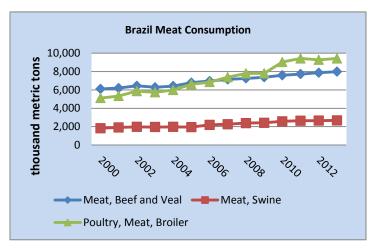
Broiler exports are expected to increase by 3% in 2013, driven by higher sales of whole broilers, in general, and chicken parts to China and Hong Kong in particular. Trade sources also expect higher exports to Egypt and Iraq. Brazilian exporters currently have three major concerns affecting the outlook for broiler exports in 2013: a) despite the recent devaluation of the Brazilian currency, higher production costs of broilers during the second half of 2012 and first half of 2013 are expected to impact on the cost of exports; b) uncertainties derived from the world financial crisis, mostly in Europe, and its impact on importing markets will slow growth; and c) specific trade issues with major trading partners such as the Russian Federation (slow relisting of Brazilian poultry plants), Venezuela (payment defaults) and South Africa (application of antidumping tariffs on Brazilian broiler of 62.92% on whole broilers and 46.59% on chicken parts) will continue to negatively affect performance.

<u> Brazil Broiler</u>	Meat Exports.	<u>, in metric tons</u>	
201	0 2011	2012	•

	2010	2011	2012	% Change	
Saudi Arabia	550,969	622,643	628,627	1%	
Japan	386,476	444,346	382,566	-14%	
Hong Kong	331,466	339,364	306,780	-10%	
UAE	208,333	214,771	239,198	11%	
China	121,522	195,844	227,445	16%	
South Africa	181,445	195,416	186,637	-4%	
EU	281,878	266,327	143,999	-46%	
Egypt	124,451	72,075	119,326	66%	
Kuwait	174,670	155,024	116,436	-25%	
Iraq	104,469	132,590	105,716	-20%	
Venezuela	164,408	176,641	99,373	-44%	
Angola	71,816	99,490	93,930	-6%	
Singapore	72,312	63,849	77,972	22%	
Russia	144,328	60,366	65,529	9%	
South Korea	32,674	25,562	65,296	155%	
Others	678,384	685,403	881,893	28%	
Grand Total	3,629,601	3,749,711	3,740,723	0%	

Note: It includes HTS Codes: 0207.11; 0207.12; 0207.13; 0207.14; 1602.32. Quantity in Product Weight Equivalent (PWE)

Brazil exported broilers to 152 markets in 2012, of which nearly half went to five markets (Saudi Arabia, Japan, Hong Kong, United Arab Emirates, and China). Markets with major increases in 2012 included Egypt, which rose from 72,075 MT in 2011 to 119,326 MT in 2012 and South Korea, which grew from 25,562 MT to 65,296 MT during the same period.



Turkey production is projected to increase by 2% in 2012, mostly driven by a continued growth in exports. Rising feed costs combined with a slowdown in the growth of domestic demand are the main factors currently affecting production growth.

Brazil Turkev Meat PSD in 1.000 MT 2008 2009 2010 2011 2012 2013 % Change 465 466 485 489 510 520 +2%

Production **Exports** 204 164 158 141 155 160 +3% *Domestic Consumption

Source: Foreign Agricultural Service, Official USDA Estimates

Turkey exports are projected to continue to grow in 2013, but at a reduced rate of growth as the European Union is likely to slow imports from Brazil. In 2012, Brazil exported a record of 170,000 metric tons of turkey, of which the European Union accounted for nearly half of all exports.

Brazil Turke	v Meat Exports	s. in	metric	tons

	2010	2011	2012	% Change
EU	87,241	74,738	81,599	9%
South Africa	16,006	11,608	20,760	79%
Benin	8,901	10,994	18,630	69%
Angola	9,326	9,483	14,496	53%
Russia	7,923	7,290	7,929	9%
Congo	3,356	4,022	4,599	14%
Guinea, E.	2,266	3,316	2,935	-11%
Chile	n/a	2,373	2,832	19%
Switzerland	2,791	2,662	2,702	2%
Peru	2,567	1,805	2,149	19%
Hong Kong	2,499	1,527	1,530	0%
Argentina	1,260	1,997	1,359	-32%
Saudi Arabia	1,262	1,390	1,283	-8%
Gabon	2,882	1,643	940	-43%
Congo, D.R.	1,610	1,223	728	-40%
Others	7,930	5,102	5,547	9%
Grand Total	157,820	141,173	170,018	20%
Note: It includes	HTS Codes:	0207.24; 0207.25	5; 0207.26; 02	207.27; 1602.31

Source: USDA FAS GAIN Reports BR 0901 and BR 0801

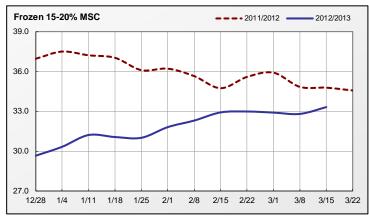
INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE				U.S./CANADIAN LIVE POU	TRY SLAUGHTE	RED UNDER I	NSPECTION	
U.S. Exports to Canada, in Pounds (000) (Preliminary)					Week Ending Mar 09, 2013 (Preliminary)			
Week Ending Ma	ar 9, 2013		Year-To-Date*		U.S. Fow	I Slaughtered D	omestically	
Type	2013	2012 /1	2013 /2	2012	Light Hens	Heavy	Hens	Total Hens
Liquid	48	0	720	151		Thousands		
Frozen	0	0	0	0	Head	1,434	1,309	2,743
Dried	0	0	19	0	Last Week	1,366	1,304	2,670
Total	48	0	739	151	Same week yr ago	1,687	1,395	3,082
U.S. Imports From		Pounds (000)			To-date/2013*	15,459	14.093	29,552
Week Ending Ma	ar 9, 2013		Year-To-Date*		To-date/2012*	15,225	15,217	30,442
Туре	2013	2012 /1	2013 /2	2012		wl Slaughtered		30,442
Liquid	273	602	2,560	3,793	Light Hens	Heavy		Total Hens
Frozen	14	10	301	293	-	Thousands		Total Hollo
Dried	0	0	4	0	Head	418	0	418
Total	287	612	2,865	4,086	Last Week	373	-	373
		TED SHELL EG					0	
U.S Exports to	•	Dozen Cases (Same week yr ago	334	0	334
Week Ending Ma	•		Year-To-Date*		To-date/2013*	3,053	0	3,053
	2013	2012 /1	2013 /2	2012	To-date/2012*	2,814	36	2,850
Jumbo	0	0	0	0	Data Source: Agriculture and			
Extra Large	2,670	1,920	13,550	8,820	Total U.S. Fowl S			
Large	5,100	6,690	18,610	21,606	Light Hens	,		Total Hens
Medium	840	1,620	6,453	5,820		Thousands		
Ungraded	1,500	1,440	12,419	12,390	Head	1,852	1,309	3,161
Misc	0	0	0	0	Last Week	1,739	1,304	3,043
Total	10,110	11,670	51,032	48,636	Same week yr ago	2,021	1,395	3,416
/1 Comparable W		•	al due to rounding.		To-date/2013*	18,512	14,093	32,605
/2 Includes revision					To-date/2012*	18,039	15,253	33,292
*Note: Year to-date totals reflect comparable time periods. Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section					*Note: Year to-date totals ref	lect comparable ti	me periods.	
Data Source: Agr	icuiture and Agri	-rood Canada, i	AISD, AID, POUITS	Section				

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 to firm on all fat contents; Fresh 15-20% MSC continues to be in the strongest position. Supplies are light to moderate. Schedules are mostly normal. Demand is moderate to instances good into both domestic and export channels. Limited supplies and a variety of other reasons have been keeping the spot marketplace surprisingly stronger than usual during this Lenten season. Yet industry maintains a watchful eye on all influencing market factors, as well as a cautious attitude towards the marketplace remembering years past. Most sellers are managing production closely selling spot sales of MSC a week or two out front. Market activity is moderate to active. Supplies of raw materials are tight and sought after. Frames are firm trading between 14-16 cents FOB, mostly 15 FOB.

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

		Frozen		Fresh		
Fat Content	15-Mar-13	Last Week	Last Year	15-Mar-13	Last Week	Last Year
15% or Less						
Price Range		30.00	-	28.00 - 30.00	28.00 - 30.00	26.00-28.00
Wtd Avg Price		30.00	-	29.07	29.00	27.56
Volume Traded	-	40	-	153	163	184
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	32.00 - 35.00	31.00 - 35.00	30.00-38.00	27.00 - 33.00	25.00 - 31.00	23.00-30.00
Wtd Avg Price	33.33	32.81	34.79	29.01	27.74	25.54
Volume Traded	1,125	1,568	2,041	3,475	3,483	3,392
Volume Exported	1,045	1,480	1,801	367	449	694
20% or More						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	41	82	82
Volume Exported	-	-	-	-	-	-

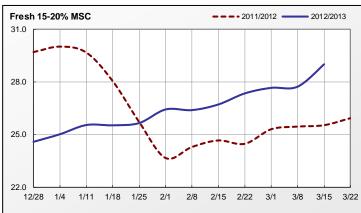


Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

		Frozen		Fresh		
Fat Content	Feb 2013	Jan 2013	Feb 2012	Feb 2013	Jan 2013	Feb 2012
15% or Less						
Wtd Avg Price	30.00	30.00	-	26.43	25.13	27.56
Volume Traded	40	80	-	714	653	653
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	32.59	30.97	35.46	26.70	25.48	24.33
Volume Traded	5,957	4,923	7,800	17,289	17,411	15,773
Volume Exported	5,357	4,563	6,839	2,815	5,834	2,693
20% or More						
Wtd Avg Price	-	-	-	22.00	20.00	22.38
Volume Traded	-	-	-	245	204	163
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.

Source: USDA AMS Livestock, Poultry & Grain Market News (www.ams.usda.gov/lpsmarketnewspage)



NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 15 MARCH 2013.

The market on bulk parts was steady to firm, with tom drums, tom full cut wings and tom necks in the best position. Demand was light to moderate. Offerings light. The market on tom breast meat and destrapped tenderloins is steady to weak, balance of white trims steady. Demand was light for tom breast meat, balance of white meat light to moderate. Offerings for tom breast meat is moderate to heavy, balance of white meat light to moderate. Thigh meat and mechanically separated turkey markets are steady. Demand and offerings was light to moderate. Trading was slow to moderate. For domestic: fresh wing meat 90 cents, fresh breast trim 96 cents, grade A breasts non basted 8-10 lbs. 135 cents, 10-14 lbs. 140 cents, 14-18 lbs. 145 cents, 18-20 lbs. 150 cents delivered.

EXPORT TRADING

					WEEKLY	WEEKLY
EDIDAY MADOU 15 2012	PRICE	L.S.T. CODE 1/	WTD AVG	VOLUME	WTD AVG	VOLUME
FRIDAY, MARCH 15, 2013 DRUMSTICKS, TOMS	RANGE 58.00-68.00	CODE II	PRICE 65.00	(000) 234	PRICE 64.81	(000) 408
WINGS FULL-CUT - TOMS	49.00-50.50		49.86	126	46.36	450
WINGS, V-TYPE, TOM	91.00		91.00	324	89.60	621
TAILS	54.00		54.00	216	54.00	216
MECHANICALLY SEPARATED 2/	04.00		04.00	210	04.00	210
THIGH MEAT - FROZEN		F	115.42	228		
	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, MARCH 14, 2013	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	63.00-68.00		64.55	174		
WINGS FULL-CUT - TOMS		W	44.00	216		
WINGS, V-TYPE, TOM	80.00-90.00		88.08	297		
TAILS		F	53.00	40		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN		F	115.42	228		
	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, MARCH 13, 2013	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	64.37	688		
WINGS FULL-CUT - TOMS	44.00		44.00	216		
WINGS, V-TYPE, TOM		R	88.00	162		
TAILS		F	53.00	40		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN		F	115.42	228		
	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, MARCH 12, 2013	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	64.37	688		
WINGS FULL-CUT - TOMS	46.00-48.00		47.00	108		
WINGS, V-TYPE, TOM		R	88.00	162		
TAILS		F	53.00	40		
MECHANICALLY SEPARATED 2/		_	445.40	222		
THIGH MEAT - FROZEN		F	115.42	228		
	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, MARCH 11, 2013	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	64.37	688		
WINGS FULL-CUT - TOMS		F	50.00	54		
WINGS, V-TYPE, TOM		R	88.00	162		
TAILS		F	53.00	40		
MECHANICALLY SEPARATED 2/		_				
THIGH MEAT - FROZEN		F	115.42	228		

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.