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Brazil

Broiler production is expected to increase by 3% in 2014 due to higher exports; domestic demand could be constrained by the high level of consumer debt in Brazil. The outlook for turkey production and exports is for moderate growth next year.

Broiler production is forecast to grow by 3% in 2014, as compared to Post's revised downward production level in 2013. FAS Brasilia believes that an unofficial production estimate at 13.1 million metric tons in 2014 reflects the current expectations of producers to continue with a strategy to adjust supply and demand for boilers.

Brazil: Broiler Meat in thousand metric tons

	2009	2010	2011	2012	2013
Production	11,023	12,312	12,863	12,645	12,835
Exports	3,222	3,272	3,443	3,508	3,607
Consumption	7,802	9,041	9,422	9,139	9,230

Source: Foreign Agricultural Service, Official USDA Estimates

Producers are likely to benefit from reduced production costs in 2014 due to estimated record soybean and corn crops combined with higher exports. The only constraint affecting next year's forecast is the slowdown in the growth path of domestic consumption due to the high level of indebtedness of Brazilian consumers and higher competition from beef and pork. Post revised unofficial 2013 broiler production to 12.7 million metric tons, a drop of nearly 2% from our forecast at the beginning of the year, reflecting the problems faced by Brazilian producers with high feed costs during the first quarter of the year and their decision to cut production by 5% to 10%.

Brazil Broiler Meat Exports to Select Countries

	January-December		January-June	
	2011	2012	2012	2013
China	195,844	227,445	118,463	92,252
Egypt	72,075	119,326	73,441	37,672
EU	266,327	143,999	140,796	119,030
Hong Kong	339,364	306,780	171,668	155,775
Iraq	132,590	105,716	60,818	50,118
Japan	444,346	382,566	189,113	198,176
Kuwait	155,024	116,436	56,827	61,749
Saudi Arabia	622,643	628,627	294,278	343,047
South Africa	195,416	186,637	98,503	89,842
UAE	214,771	239,198	116,815	123,714
Others	1,109,300	1,281,981	579,745	532,578
Grand Total	3,749,711	3,740,723	1,902,479	1,805,966

Includes HTS Codes: 0207.11; 0207.12; 0207.14; and 1602.32

Post forecasts broiler exports in 2014 to increase by 5%. The growth in exports is likely to be driven by a devaluation of the Brazilian currency and higher sales of whole broilers, in general and chicken parts to China and Hong Kong, in particular.

Source: http://www.oanda.com/currency/historical-rates/

Exports to new markets such as Mexico (Brazilian and Mexican officials recently completed a sanitary agreement enabling exports) are likely to begin during second half of 2013. Trade sources also expect greater broiler exports to the European Union, Egypt, Nigeria and Iraq. Brazilian exporters remain concerned with 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 of 62.92% on whole broilers and 46.59% on chicken parts) that continue to negatively affect performance. Brazilian exporters are also in the final stage of preparing support data for Brazilian officials to open a panel in the World Trade Organization (WTO) against Indonesia, which is resisting in opening their market for Brazilian broilers.

During Jan-Jul 2013 total broiler exports reached 2.2 million metric tons, 3% lower than the same period in 2012. However, the value of broiler exports reached a record of US$ 4.5 billion, up 9.5% and a record for the period. The average export price increased by 13%, as compared to the same period last year and reached US$ 2,110 per metric ton. Major export markets for Brazilian broilers in 2013 remain the same as last year: Saudi Arabia, Japan and the European Union (UE-28).

Turkey production is forecast to increase by nearly 3% in 2014, mostly driven by a continued growth in exports. Lower feed costs due to record soybean and corn crops are likely to improve producer's margins. A slowdown in the growth path of domestic demand remains as the main constraint affecting production growth.

Brazil: Turkey Meat in thousand metric tons

	2009	2010	2011	2012	2013
Production	466	485	489	510	520
Exports	164	158	141	155	160
Consumption	302	327	348	355	360

Source: Foreign Agricultural Service, Official USDA Estimates

Turkey exports are projected to continue to grow in 2014, mostly caused by the depreciation of the Brazilian currency. Exports are expected to increase to the European Union, Angola and Chile, among other markets in the Middle East.

Brazil Turkey Meat Exports to Select Countries

	January-December		January-June	
	2011	2012	2012	2013
Angola	9,483	14,496	5,008	5,639
Argentina	1,997	1,359	27	46
Benin	10,994	18,630	8,671	8,327
Chile	2,373	2,832	929	1,356
Congo	4,022	4,599	2,295	2,306
EU	74,738	81,599	39,588	36,617
Guinea, E.	3,316	2,935	1,525	1,317
Hong Kong	1,527	1,530	900	288
Peru	1,805	2,149	881	1,336
Russia	7,290	7,929	3,422	2,310
Saudi Arabia	1,390	1,283	544	1,109
South Africa	11,608	20,760	9,303	9,845
Switzerland	2,662	2,702	1,543	1,225
Others	7,968	7,215	3,463	3,503
Total	141,173	170,018	78,099	75,224

Includes HTS Codes: 02072400; 02072500; 02072600; 02072700; 16023100

Source: USDA FAS GAIN Report BR 0913

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

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

Week Ending Aug 24, 2013 Year-To-Date*

Type	2013	2012 /1	2013 /2	2012
Liquid	0	49	2,351	775
Frozen	0	0	40	0
Dried	0	40	206	99
Total	0	49	2,547	874

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

Week Ending Aug 24, 2013 Year-To-Date*

Type	2013	2012 /1	2013 /2	2012
Liquid	89	157	7,700	9,473
Frozen	47	40	951	867
Dried	0	0	4	0
Total	136	197	8,655	10,340

INSPECTED SHELL EGGS

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

Week Ending Aug 24, 2013 Year-To-Date*

	2013	2012 /1	2013 /2	2012
Jumbo	0	0	0	0
Extra Large	3,450	3,330	79,011	62,441
Large	5,850	6,010	162,424	123,046
Medium	780	750	20,624	22,020
Ungraded	9,900	6,270	192,429	83,324
Misc	0	0	0	1,620
Total	19,980	10,090	454,488	292,451

/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 Aug 24, 2013 (Preliminary)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,626	1,788	3,414
Last Week	1,604	1,566	3,170
Same week yr ago	1,235	1,945	3,862
To-date/2013*	52,469	50,179	102,648
To-date/2012*	52,335	54,489	106,824

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	270	0	270
Last Week	319	0	319
Same week yr ago	109	0	109
To-date/2013*	12,045	0	12,045
To-date/2012*	9,170	36	9,206

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	1,896	1,788	3,684
Last Week	1,923	1,566	3,489
Same week yr ago	3,026	1,945	3,971
To-date/2013*	64,514	50,179	114,693
To-date/2012*	61,505	54,525	116,030

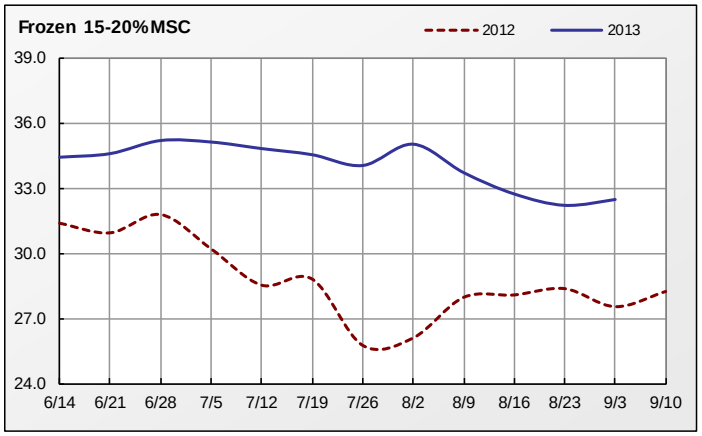
*Note: Year to-date totals reflect comparable time periods.

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.)

MSC prices are trending steady to weak on all fat contents. Domestic and export demand is light to moderate. Supplies are moderate to heavy. Schedules are normal to reduced for the Labor Day holiday weekend. All last minute preparations were made last week to ensure finished goods were ready and in stores for the last seasonal hurrah. It has been a typical slow and very challenging week for industry going into a long holiday weekend. As a result, the spot marketplace saw some cheaper trading levels, increased sales of frames, and some additions to frozen inventories. The 2014 contract season remains at the back of most minds, while industry closely monitors market developments. Market activity is slow to moderate. Raw material supplies are moderate to heavy. Frame prices are steady to weak with trading levels between 10-15.75 cents FOB, mostly 12-14 FOB.

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

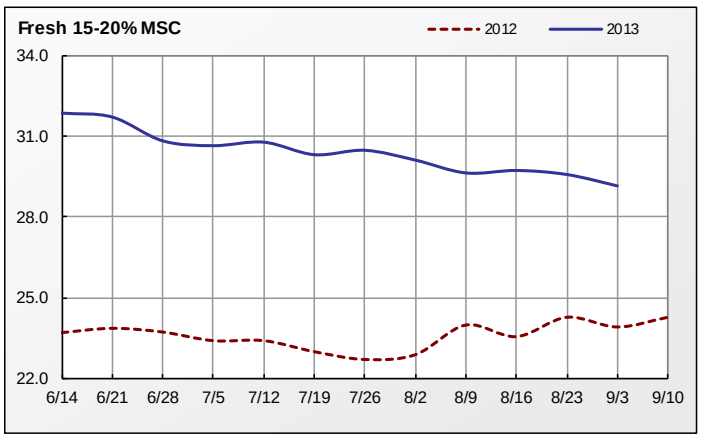
	Frozen			Fresh		
Fat Content	3-Sep-13	Last Week	Last Year	3-Sep-13	Last Week	Last Year
15% or Less						
Price Range	-	-	-	31.00 - 32.00	31.00 - 32.00	23.50-26.00
Wtd Avg Price			-	31.67	31.67	25.44
Volume Traded	-	-	-	122	184	184
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	29.00 - 37.00	29.00 - 36.00	26.00-30.00	25.00 - 34.00	26.00 - 34.00	20.00-26.00
Wtd Avg Price	32.46	32.19	27.53	29.15	29.58	23.91
Volume Traded	1,596	1,830	2,200	3,302	2,495	5,017
Volume Exported	1,170	1,540	2,160	979	204	325
20% or More						
Price Range	-	-	-	22.00	22.00	22.50
Wtd Avg Price	-	-	-	22.00	22.00	22.50
Volume Traded	-	-	-	82	41	82
Volume Exported	-	-	-	-	-	-



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

	Frozen			Fresh		
Fat Content	Jul 2013	Jun 2013	Jul 2012	Jul 2013	Jun 2013	Jul 2012
15% or Less						
Wtd Avg Price	34.00	34.00	-	32.65	32.66	25.76
Volume Traded	40	40	-	755	775	510
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	34.61	34.82	27.83	30.56	31.54	23.15
Volume Traded	5,020	7,151	7,907	12,301	12,775	18,068
Volume Exported	4,740	6,588	6,091	1,142	1,265	1,591
20% or More						
Wtd Avg Price	-	-	-	22.00	22.30	22.20
Volume Traded	-	-	-	245	204	204
Volume Exported	-	-	-	-	-	-

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



NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 30 AUGUST 2013.

EXPORT TRADING

FRIDAY, AUGUST 30, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		W	79.08	162	79.08	162
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		W	63.00	108	63	108
TAILS	56.00	W	56.00	56	56.00	56
MECHANICALLY SEPARATED 2/		W	38.00	40	38.00	40
THIGH MEAT - FROZEN	114.00-117.00		116.00	120	115.40	200

THURSDAY, AUGUST 29, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	79.08	162
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	63.00	108
TAILS		F	55.00	40
MECHANICALLY SEPARATED 2/		W	38.00	40
THIGH MEAT - FROZEN		W	114.50	80

WEDNESDAY, AUGUST 28, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	73.25-82.00		79.08	162
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	63.00		63.00	108
TAILS		F	55.00	40
MECHANICALLY SEPARATED 2/	38.00		38.00	40
THIGH MEAT - FROZEN	114.00-115.00		114.50	80

TUESDAY, AUGUST 27, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	80.00	108
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	62.00	162
TAILS		F	55.00	40
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		R	114.00	80

MONDAY, AUGUST 26, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	80.00	108
WINGS FULL-CUT - TOMS		M	50.00	46
WINGS, V-TYPE, TOM		F	62.00	162
TAILS		F	55.00	40
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		R	114.00	80

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.