



Ukraine Cancels Import Licensing for Poultry and Lard

Ukraine's Cabinet of Ministers conducted an annual review of products subject to import licensing, which resulted in the cancellation of licensing four poultry, poultry fat, and lard effective January 1, 2014. The cancellation follows from Decree 950, which was adopted on December 25, 2013 and officially published in the mass media. Cancellation of import licensing will simplify access of US products to Ukraine's market.

Import licensing for these products was introduced in the middle of 2011. Officially the licensing was introduced for better agricultural policy planning and food security. In practice licensed volumes had little relevance to actual imports, as importers generally requested high volumes to simplify paperwork. The licensing was automatic and non-restrictive although it constituted an additional bureaucratic obstacle for trade in these products.

Source: USDA FAS Gain Report [UP1401](#) and [UP1114](#).

Goods Subject to Import Licensing in 2011-2013 (Jan.-Oct. 2013)

HS Code	Description	Market Value (Min. USD)	Imports from US (Min. USD)
0207	Fowls (gallus domesticus), whole, fresh, frozen, or chilled	82.7	14.9
0209	Pig and poultry fat, unrendered	56.6	0

Source: State Statistics Committee of Ukraine/USDA FAS

Ukraine's Poultry Situation

Trade Status

In January 2014 Ukraine's State Veterinary and Biosecurity Service banned imports of poultry and poultry products from Hebei Province, China due to outbreaks of avian influenza. Ukraine also banned imports of poultry and products made with poultry from Turkey due to outbreaks of Exotic Newcastle Disease. Conversely, Ukraine's State Veterinary and Biosecurity Service recently lifted a ban on imports of poultry from Croatia, Finland, and Switzerland.

Ukraine Introduces New Poultry Meat Requirements

In August 2013, Ukraine's Ministry of Health adopted and published the "Hygienic Requirements for Poultry Meat and Some Quality Indicators." The requirements closely resemble Commission Regulation (EC) No543/2008 adopted on June 16, 2008 and laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 as regards the marketing standards for poultry meat. This regulation does not extend the processing facilities requirements on foreign producers and households producing poultry meat for own consumption. However it introduces unified requirements as to moisture content in poultry meat, packaging and labeling. It also contains a detailed description of the sampling rules and methods used for analysis of poultry and poultry parts. For more detailed information see [USDA FAS Gain Report UP1338](#) and its respective links.

Ukraine's Broiler Meat Production, Supply, and Demand

(Thousand Metric Tons (TMT) and Kilograms (KG))

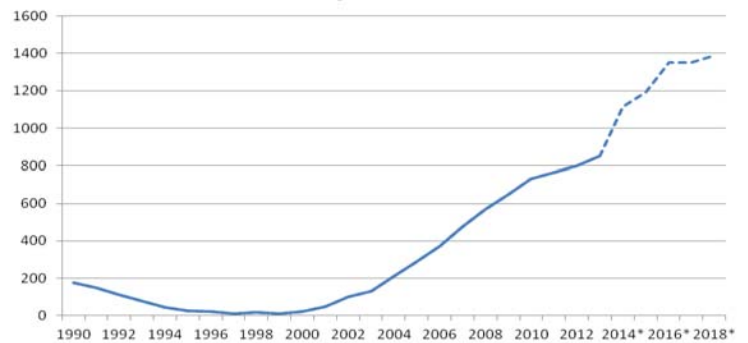
	2008	2009	2010	2011	2012	2013	2014
Production	570	650	733	767	800	935	1010
Imports	252	181	144	52	106	50	30
Exports	8	18	32	43	76	120	170
Dom. Cons.	814	813	845	776	830	865	870

Note: Dom. Cons. = Domestic Consumption. Source: USDA FAS, PSD Online, Official USDA Estimates

Production

The Ukraine reached relatively stable consumption levels of poultry meat around 2009 as a result of significant expansions in production in the early 2000's. Poultry production in the Ukraine is expected to continue increasing in the next 5 years as many domestic producers have shared expansion plans for the next 4-7 years. Ukraine is expected to become a regional exporter of poultry in the future and

Ukraine's Poultry Production, 1000 MT



Source: Official USDA data for 1990-2012; FAS-Kiev own calculations for 2014-2018. *Forecast/USDA FAS Gain Report UP1319

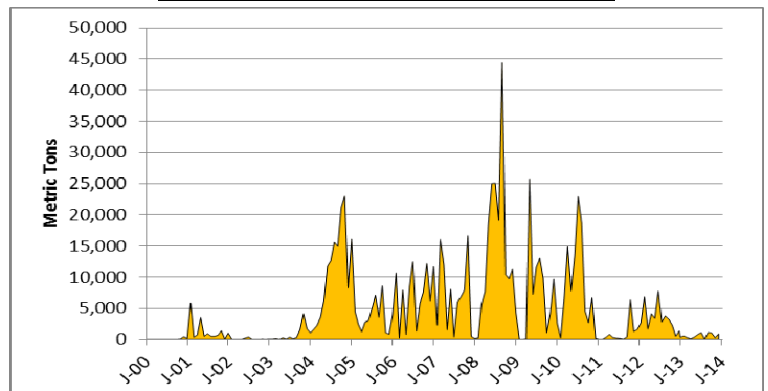
even a serious competitor to the US for markets in the Former Soviet Union and the Middle East. As a result, poultry imports from the US are expected to decline to the Ukraine.

According to USDA FAS, Ukrainian poultry production was generally stable from 2010-2012 and is projected to increase significantly from 2013-2016 and again stabilize from 2017-2018. However production increases are very much dependent on Ukraine's ability to develop new markets as Ukraine has been very dependent on domestic consumption, especially during the recession. Increases in disposable income could strengthen poultry meat consumption, however data from 2010-2013 does not confirm this hypothesis. Instead it suggests insignificant growth domestically and possible increased competition from other proteins (i.e. pork, beef) as consumers revert back to old consumption patterns.

In 2008-2009 Ukraine experienced an economic crisis limiting disposable incomes of consumers resulting in the stronger consumption of poultry; however consumption of poultry meat did not increase with rebounding incomes in 2010-2011. In the following years, Ukrainian poultry producers decided to concentrate on optimizing existing facilities and investing heavily in vertical integration, which resulted in production growth of 5-10%. In 2011 a number of small producers were driven out of business due to increased competition and bankruptcies. As a result, four companies are presently responsible for nearly 75% of the poultry production in Ukraine with one company alone accounting for over 50% of production.

Source: USDA FAS Gain Report [UP1338](#), [UP1319](#), and [UP1208](#)/Various News Wires

US Broiler Meat Exports to Ukraine (MT)



Note: Data includes HS0207110, HS0207120, HS0207130, HS0207140*, HS1601000, HS1602320. Data under HS0207140* excludes HS0207140045. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

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

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	0	0	143	96
Frozen	0	0	0	0
Dried	0	0	122	0
Total	0	0	265	96

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	24	130	264	865
Frozen	50	4	252	209
Dried	0	0	0	0
Total	74	134	516	1,074

INSPECTED SHELL EGGS

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

	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Jumbo	0	0	0	0
Extra Large	450	1,860	10,980	2,760
Large	300	270	18,650	1,680
Medium	30	930	372	1,743
Ungraded	10,800	720	24,872	7,529
Misc	1,440	0	1,440	0
Total	13,020	3,780	56,314	13,712

/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 Feb 08, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,636	1,524	3,160
Last Week	1,178	1,256	2,434
Same week yr ago	1,451	1,439	2,890
To-date/2014*	9,448	8,623	18,071
To-date/2013*	9,854	8,876	18,730

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	493	0	493
Last Week	371	0	371
Same week yr ago	361	0	361
To-date/2014*	2,322	0	2,322
To-date/2013*	1,975	0	1,975

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	2,129	1,524	3,653
Last Week	1,549	1,256	2,805
Same week yr ago	1,812	1,439	3,251
To-date/2014*	11,770	8,623	20,393
To-date/2013*	11,829	8,876	20,705

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

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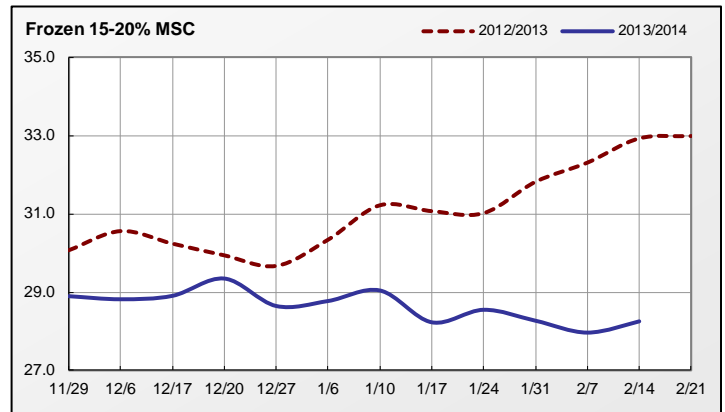
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NATIONAL MECHANICALLY SEPARATED CHICKEN (F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

Prices are trending steady on all fat contents of MSC. Domestic and export demand is light to instances good. Supplies are light to mostly moderate. Schedules are reduced this week due to severe winter weather hampering much of the country. Many plants in the eastern US were closed a few days this week due to severe winter storm activity. As a result industry experienced reductions in the production of MSC and finished goods, as well as trucking delays. The shortages were met with increased activity on the spot marketplace by buyers trying to cover contractual orders not received. Industry will continue to watch for any developments on the spot marketplace, manage challenges, and work to recover from the week's events. Market activity is moderate to active. Supplies of raw materials are moderate. Frame prices are steady with trading levels between 10-13 cents FOB, mostly 11-12 cents FOB.

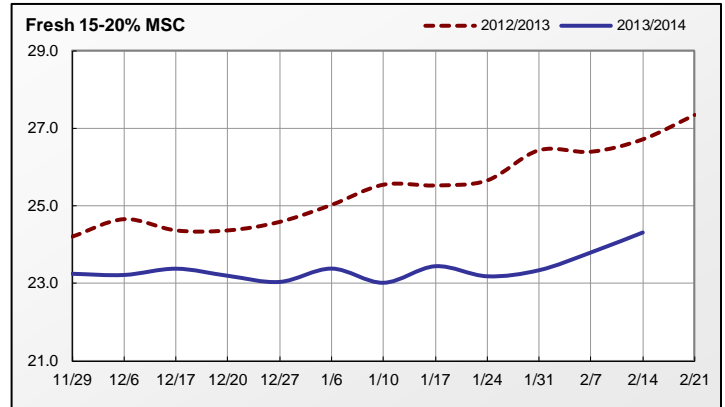
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	14-Feb-14	Last Week	Last Year	14-Feb-14	Last Week	Last Year
15% or Less						
Price Range	-	-	-	27.00 - 28.00	27.00 - 28.00	25.00-27.00
Wtd Avg Price	-	-	-	27.71	27.67	25.92
Volume Traded	-	-	-	286	122	265
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	26.00 - 30.00	26.00 - 31.00	30.00-33.00	22.00 - 27.00	20.00 - 27.00	25.00-28.00
Wtd Avg Price	28.25	27.96	31.82	24.32	23.80	26.44
Volume Traded	810	1,420	1,220	3,611	2,717	4,243
Volume Exported	770	1,420	1,220	-	122	653
20% or More						
Price Range	-	-	-	22.50	22.00 - 22.50	22.00
Wtd Avg Price	-	-	-	22.50	22.33	22.00
Volume Traded	-	-	-	82	122	41
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Jan 2014	Dec 2013	Jan 2013	Jan 2014	Dec 2013	Jan 2013
15% or Less						
Wtd Avg Price	31.50	32.00	30.00	27.58	27.82	25.13
Volume Traded	80	80	80	775	449	653
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	28.53	28.93	30.97	23.27	23.21	25.48
Volume Traded	7,528	6,021	4,923	19,565	11,454	17,411
Volume Exported	6,178	5,541	4,563	3,060	2,856	5,834
20% or More						
Wtd Avg Price	-	-	-	22.18	22.00	20.00
Volume Traded	-	-	-	449	245	204
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 14 FEBRUARY 2014.

The market on bulk parts was mostly steady. Demand and offerings light to moderate with fresh product having the best interest. The market on white meat and white trims is steady. Demand and offerings light to moderate. The thigh meat and mechanically separated turkey market is steady. Demand and offerings light to moderate. Trading slow to moderate with processor and plants having continued logistic problems due to winter weather conditions. For domestic: fresh tom full-cut wings 64-65 cents, tom necks 66-68 cents, tails 55 cents, fresh scapula 135-139.75 cents, fresh wing meat 97-100 cents, frozen livers 26 cents, fresh whole tenders 165 cents, grade A breast non-basted 8-10 lbs. 142 cents and 12-16 lbs. 153 cents delivered. For export: : fresh tom drums 92 cents delivered Border.

EXPORT TRADING

	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
FRIDAY, FEBRUARY 14, 2014						
DRUMSTICKS, TOMS		T	90.00	480	90.00	480
WINGS FULL-CUT - TOMS		T	64.00	468	64.00	588
WINGS, V-TYPE, TOM	67.00		67.00	120	67.00	480
TAILS		T	55.55	220	57.82	340
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	153.00	180	153.00	180
THURSDAY, FEBRUARY 13, 2014						
DRUMSTICKS, TOMS		T	90.00	480		
WINGS FULL-CUT - TOMS		T	64.00	468		
WINGS, V-TYPE, TOM		M	67.00	360		
TAILS		T	55.55	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	153.00	180		
WEDNESDAY, FEBRUARY 12, 2014						
DRUMSTICKS, TOMS		T	90.00	480		
WINGS FULL-CUT - TOMS		T	64.00	468		
WINGS, V-TYPE, TOM		M	67.00	360		
TAILS		T	55.55	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	153.00	180		
TUESDAY, FEBRUARY 11, 2014						
DRUMSTICKS, TOMS	90.00		90.00	480		
WINGS FULL-CUT - TOMS	64.00		64.00	468		
WINGS, V-TYPE, TOM		M	67.00	360		
TAILS	55.00-58.00		55.55	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	153.00		153.00	180		
MONDAY, FEBRUARY 10, 2014						
DRUMSTICKS, TOMS		F	92.64	236		
WINGS FULL-CUT - TOMS	64.00		64.00	120		
WINGS, V-TYPE, TOM	67.00		67.00	360		
TAILS	62.00		62.00	120		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	153.23	82		

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.