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Peru Poultry Production to Increase

Poultry production in Peru is expected to increase at an average annual growth rate of 2.35% between 2012 and 2020, increasing from 1.08 million metric tons in 2012 to almost 1.31 million metric tons in 202 using data from OECD-FAO's Agricultural Outlook database. FAS Lima estimated that over 68% of domestically produced yellow corn goes towards chicken feed to supply the country's 1,000 plus poultry farms. There were about 20 formal poultry operations in 2012; informal domestic poultry producers, which do not pay taxes, account for about 25% of overall poultry meat production.

Outlook for Meat Production in kilotons

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Poultry	1,084	1,115	1,146	1,180	1,203	1,227	1,255	1,280	1,308
Beef & Veal	175	176	173	175	178	182	187	192	198
Sheep meat	118	112	118	125	127	129	133	136	138
Pigmeat	40	41	42	42	44	44	46	47	48

Poultry meat in in rtc (ready to cook), others are cwe (carcass weight equivalent.)
Source: OECD-FAO Agricultural Outlook 2013-2022, © OECD, http://www.oecd.org/site/oecd-faoagriculturaloutlook/

Poultry meat is one of Peru's most affordable sources of animal protein. According FAS Lima, Peru currently consumes about 48 million broilers per month; an estimated 1.25 metric tons were consumed in CY 2013. The OECD-FAO Agricultural Outlook has poultry meat per capita consumption growing from 32.6 kg in 2012 to 36.3 kg by 2020.

Consumption per capita, kg

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Poultry meat	32.6	33.2	33.7	34.3	34.7	35	35.5	35.9	36.3
Beef & Veal	4.2	4.2	4.3	4.3	4.4	4.5	4.5	4.6	4.7
Pigmeat	3.2	3.1	3.1	3.2	3.3	3.3	3.3	3.4	3.4
Sheep meat	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3

Source: OECD-FAO Agricultural Outlook 2013-2022, © OECD, http://www.oecd.org/site/oecd-faoagriculturaloutlook/

Peru is a net importer of poultry meat. In 2012 net poultry meat imports totaled 27,000 tons. The major supply sources are Brazil (31%), U.S. (27%), Chile (25%). Argentina (11%), and Bolivia (6%). Brazil's strength is the diversity of its supply, which includes offals, turkey and chicken cuts. Chile is strong in turkey cuts. Peru's imports are mainly chicken and turkey parts.

Peru 2012 Poultry Meat HS0207) Exports

Partner	Trade Value	Net Weight (kg)
World	$9,916,607	2,701,446
Colombia	$6,224,665	1,493,393
Ecuador	$2,432,588	716,203
Panama	$1,094,450	437,780
Free Zones	$97,468	29,886
Bolivia	$56,725	20,955
Areas, nes	$10,712	3,228

Peru 2012 Poultry Meat HS0207) Imports

Partner	Trade Value	Net Weight (kg)
World	$37,365,621	27,132,595
Brazil	$11,492,371	8,057,513
USA	$10,082,650	6,894,795
Chile	$9,444,324	7,583,695
Argentina	$4,144,623	2,828,831
Bolivia	$2,201,652	1,767,760

Source: DESA/UNSD, United Nations Comtrade database

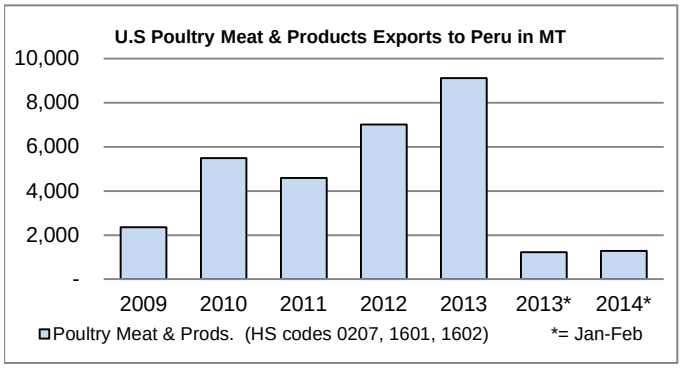
USDA GAIN Reports: *Peru Oilseeds and Products Annual 2014* and 2013; *Retail Foods*

U.S. – Peru Trade Promotion Agreement

The U.S.-Peru Trade Promotion Agreement (PTPA) has been instrumental in boosting bi-lateral trade in food and agricultural products between the United States and Peru. The PTPA provided duty free access for two-thirds of U.S. food and agricultural products.

Five years after entering into force (February 1, 2009), trade between the two partners is at record highs. FAS Lima finds bilateral trade in food and agricultural products shooting upwards since the PTPA (using 2008 and 2009 base line years) entered into force. Exports of U.S. poultry meat to Peru at $13 million and prepared foods at $25 million are up 3,000 and 110 percent respectively compared to pre-PTPA 2008 levels.

Source: USDA FAS GAIN Report *The U.S.-Peru TPA Five Years of Spectacular Growth* 2/10/2014;



Data Source: U.S. Census Bureau Trade Data

The Pacific Alliance

The Pacific Alliance (Chile, Colombia, Mexico, and Peru) was signed on June 6, 2012 and is showing better than expected actual progress toward trade liberalization and integration. Members aim to eliminate import duty tariffs on 92% of their trade within the next 12 months. The Pacific Alliance has avoided the pitfalls that have befallen other regional integrations attempts by setting less ambitious (political) goals, focusing more narrowly on trade liberalization. At a recent meeting Costa Rica was accepted as a full member effective 2015.

The Pacific Alliance plans to operate as a unified group in future trade negotiations with other developed economies and trade blocks: its member states are already participating jointly in food and agricultural product related trade fairs (e.g., Fruit Logistica (Berlin), SIAL (Paris), Seoul Food, World Food (Istanbul) and Food Taipei.

The Pacific Alliance accounts for roughly 36% of Latin America's gross domestic product and around 50% of the region's exports. Other regional actors are actively contemplating formal membership; many are already requesting observer status. The U.S. is not adversely affected by the Pacific Alliance thanks to its own comprehensive trade agreement with its members.

Source: USDA FAS GAIN Report *Pacific Alliance Prospers while Andean Community Stumbles* 2/19/2014

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

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

Week Ending Apr 12, 2014 Year-To-Date*

Type	2014	2013 /1	2014 /2	2013
Liquid	142	48	1,807	568
Frozen	0	0	39	0
Dried	0	0	158	56
Total	142	48	2,004	624

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

Week Ending Apr 12, 2014 Year-To-Date*

Type	2014	2013 /1	2014 /2	2013
Liquid	151	77	1,998	2,837
Frozen	0	40	410	425
Dried	0	0	46	0
Total	151	117	2,454	3,262

INSPECTED SHELL EGGS

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

Week Ending Apr 12, 2014 Year-To-Date*

	2014	2013 /1	2014 /2	2013
Jumbo	0	0	0	0
Extra Large	5,490	1,125	39,018	30,425
Large	8,930	1,880	82,890	56,250
Medium	90	90	3,582	9,453
Ungraded	24,372	17,910	201,740	50,549
Misc	720	0	9,480	0
Total	39,602	21,005	336,710	146,677

/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 Apr 12, 2014 (Preliminary)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,620	1,408	3,028
Last Week	1,725	1,592	3,317
Same week yr ago	1,967	1,431	3,398
To-date/2014*	22,657	21,800	44,457
To-date/2013*	24,187	21,094	45,281

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	410	0	410
Last Week	206	0	206
Same week yr ago	401	0	401
To-date/2014*	5,195	0	5,195
To-date/2013*	5,191	0	5,191

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	2,030	1,408	3,438
Last Week	1,931	1,592	3,523
Same week yr ago	2,368	1,431	3,799
To-date/2014*	27,852	21,800	49,652
To-date/2013*	29,378	21,094	50,472

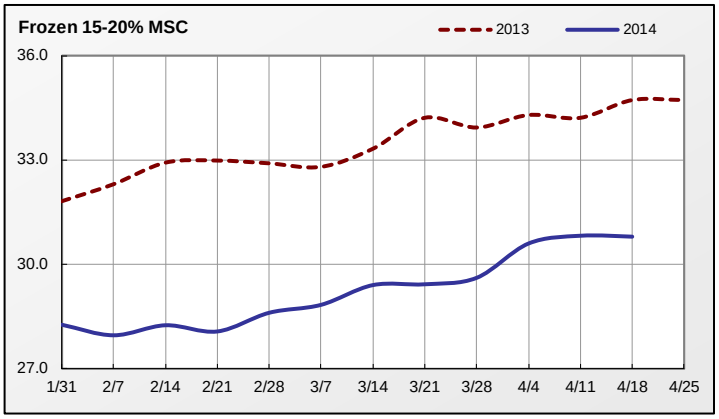
*Note: Year to-date totals reflect comparable time periods.

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 of MSC are steady to firm on all fat contents. Demand into domestic and export channels is light to moderate with good interest for future deliveries; Mexico very light. Supplies are light to moderate. Schedules are normal to reduced for the Easter and Passover holidays. The spot marketplace is quiet outside of a few challenges typical of holiday weeks. Industry maintains a close eye on market conditions trying to anticipate and respond to demand and movement post-holiday. Market activity is slow to moderate. Raw material supplies are light to moderate. Frame prices are steady to firm with trading levels between 12-15 cents FOB, mostly 13-14 cents FOB.

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

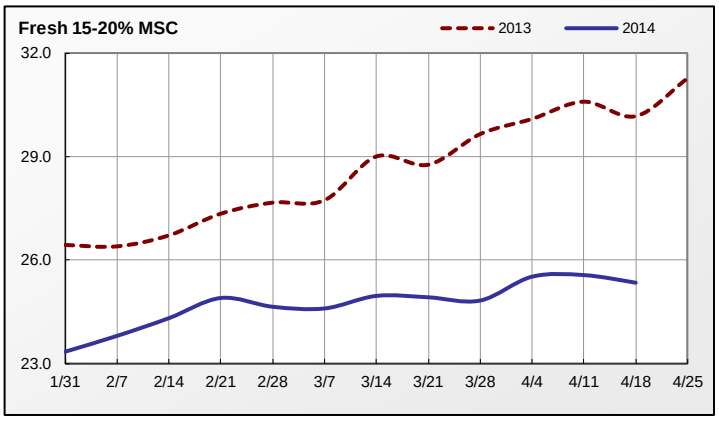
	Frozen			Fresh		
Fat Content	18-Apr-14	Last Week	Last Year	18-Apr-14	Last Week	Last Year
15% or Less						
Price Range	31.00	-	-	27.00 - 28.00	27.00 - 28.00	29.00-31.00
Wtd Avg Price	31.00		-	27.75	27.75	30.00
Volume Traded	40	-	-	163	163	163
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	28.50 - 33.00	28.00 - 33.00	32.50-37.00	21.00 - 28.00	23.50 - 29.00	27.00-33.00
Wtd Avg Price	30.80	30.83	34.30	25.34	25.57	30.10
Volume Traded	1,530	1,885	1,710	3,124	2,938	4,916
Volume Exported	1,530	1,885	1,590	367	490	326
20% or More						
Price Range	-	-	-	22.00 - 22.50	22.50	22.00
Wtd Avg Price	-	-	-	22.33	22.50	22.00
Volume Traded	-	-	-	122	82	82
Volume Exported	-	-	-	-	-	-



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

	Frozen			Fresh		
Fat Content	Mar 2014	Feb 2014	Mar 2013	Mar 2014	Feb 2014	Mar 2013
15% or Less						
Wtd Avg Price	31.00	-	31.00	27.76	27.79	29.16
Volume Traded	80	-	80	673	796	561
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	29.37	28.27	33.40	24.81	24.45	28.52
Volume Traded	5,930	5,540	6,348	11,854	13,345	17,485
Volume Exported	5,690	5,320	5,700	1,703	816	1,958
20% or More						
Wtd Avg Price	-	-	-	22.36	22.32	22.00
Volume Traded	-	-	-	449	449	367
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 18 APRIL 2014.

The market on bulk parts was steady. Demand light to moderate. Offerings light. White meat and white trims market steady to firm. Demand moderate to good. Offerings light. The thigh meat market is steady. Demand and offerings light to moderate. Trading for parts was slow. For domestic: fresh tom full-cut wings 73 cents, fresh wing meat 125-127 cents, thigh trim #1 100, fresh breast trim 172 cents, fresh scapula 168-176 cents, frozen tails 62 cents, frys 225 cents, fresh tails 56 cents, fresh tom necks 66 cents, fresh whole tenders 257 cents and livers 26 cents pet food delivered. For export: fresh tom drums 89 cents and fresh thigh meat 168-169 cents delivered to Border.

EXPORT TRADING

FRIDAY, APRIL 18, 2014	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		F	94.00	162		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		R	62.75	108	62.75	108
TAILS						
MECHANICALLY SEPARATED 2/		F	48.00	80		
THIGH MEAT - FROZEN		R	170.00	80	170.00	80

THURSDAY, APRIL 17, 2014	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	94.00	162
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	62.00-63.50		62.75	108
TAILS				
MECHANICALLY SEPARATED 2/		F	48.00	80
THIGH MEAT - FROZEN	170.00		170.00	80

WEDNESDAY, APRIL 16, 2014	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	94.00	162
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	62.00	108
TAILS				
MECHANICALLY SEPARATED 2/		F	48.00	80
THIGH MEAT - FROZEN		F	175.00	74

TUESDAY, APRIL 15, 2014	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	94.00	162
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	62.00	108
TAILS		T	57.00	40
MECHANICALLY SEPARATED 2/		F	48.00	80
THIGH MEAT - FROZEN		F	175.00	74

MONDAY, APRIL 14, 2014	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	94.00	162
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	62.00	108
TAILS		T	57.00	40
MECHANICALLY SEPARATED 2/		F	48.00	80
THIGH MEAT - FROZEN		F	175.00	74

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.