



# INTERNATIONAL EGG AND POULTRY REVIEW

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U.S. Department of Agriculture      Agricultural Marketing Service      Poultry Programs      Market News & Analysis Branch

## South Africa

Poultry production is becoming big business in South Africa. It is estimated that the poultry industry contributes about 16% of the total gross value of agriculture. Annual per capita poultry meat consumption has grown from 19.21 kg in the period from 1995-2000 to 21.24 kg in the period from 2000-2005 and projections are 24.95 lb in the 2010-2015 time frame. Per capita consumption trended lower for other meats, but is expected to slightly increase in future years. South Africa's steady economic growth over the past 7 years is the main driver for increased poultry meat consumption. Other factors include rising living standards, health awareness, convenience and price competitiveness relative to other proteins.

In 2007 South Africa's broiler industry is producing an average of 13.8 million broilers per week, up 7% from the 12.9 million broilers in 2006 and up 41% from 9.8 million broilers in 1997. Producers have announced expansion plans that will increase chicken supplies by more than 10% or by 1.5 million broilers per week over the next two years. The broiler industry in South Africa is dominated by 2 large producers that produce 55% of total broiler production in South Africa. The third largest produces 9%, 4 medium-sized producers supply 15% of the market with the balance provided by about 50 smaller producers.

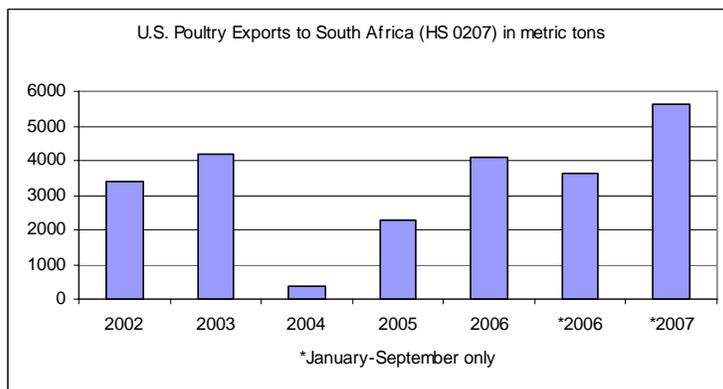
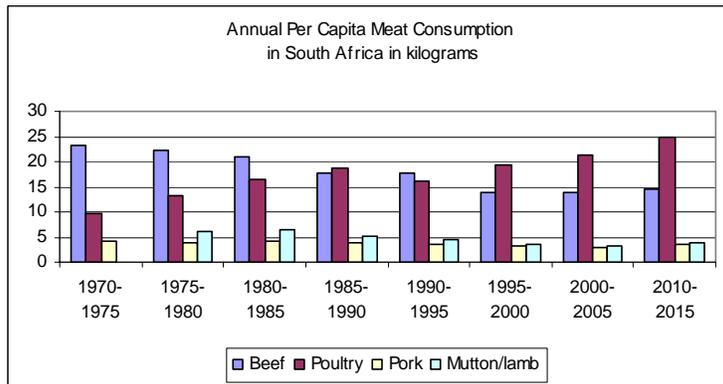
Most of the financial risks involved in poultry production lie on the supply side. These risks include corn price rises, imports, diseases, theft and price wars. Over 50% of broiler feed consists of corn and the broiler industry uses about 30% of all feed manufactured in South Africa. Outbreaks of diseases such as Newcastle and Avian Influenza are a potential risk, but the South African poultry industry has formulated an action plan in the event of an outbreak. Consolidation has reduced the potential for price wars in the consumer market.

Imports represent approximately 10% of the total value of the poultry market in South Africa or more than 20% of production. Brazil is the most important trading partner for South Africa in terms of poultry meat, having more than 70% of the import market.

South Africa's two major suppliers in 2006 were Brazil with 211,737 MT from Brazil and Canada with 33,304 MT from Canada

United States poultry exports to South Africa are constrained by an antidumping duty instituted in 2000. U.S. exports fell from 25,268 MT in 1999 to only 2,688 MT in 2001. South Africa's total imports of poultry meat under tariff number 0207 grew from 181,997 metric tons (MT) in 2004, to 214,022 MT in 2005 and 293,000 MT in 2006. Expectations for 2007 are over 300,000 MT.

Source: USDA/FAS Attaché Report (not official data) and Department of Commerce. U.S. Census Bureau, Foreign Trade Statistics; Trade data by South Africa Department of Customs & Excise



## Currency Comparisons

The weaker U.S. dollar has made U.S. agricultural exports more competitive on the world market. USDA's Economic Research Service raised the forecast value for FY 2008 broiler meat exports to \$2.4 billion, an increase of \$200 million, mostly based on higher unit values, while the volume remained unchanged at 2.5 million metric tons. The fiscal year (FY) runs October 1 to September 30.

The dollar exchange rate is an important determinant of agricultural trade. Relative to 2007, the dollar, adjusted for relative inflation rates, is expected to depreciate 5 percent against the euro, 6 percent against the Chinese yuan, and 3 percent against the Brazilian real in 2008. The dollar is forecast to be up 2 percent versus the yen and unchanged against the Canadian dollar.

Source: USDA/ERS Outlook for U.S. Agricultural Trade

November Currency Exchange Rates					
Currency Units per U.S. Dollar					
Country	Monetary Unit	2007	2006	2005	2004
Brazil	Real	1.7669	2.1555	2.2109	2.7877
Canada	Dollar	0.9672	1.1359	1.1815	1.1968
China	Yuan	7.4210	7.8622	8.0840	8.2765
EMU*	Euro	0.6811	0.7759	0.8482	0.7694
Japan	Yen	111.07	117.32	118.45	104.70
Thailand	Baht	31.348	36.501	41.097	40.2820
UK	Pound	0.4831	0.5229	0.5764	0.5374

\*EMU – European Monetary Union  
Average rates of exchange based on daily noon buying rates for cable transfers in New York City certified for customs purposes by the Federal Reserve Bank of New York.

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

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

Week Ending Dec 1, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	0	305	3,277	11,386
Frozen	0	0	71	172
Dried	0	0	753	737
Total	0	305	4,101	12,295

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

Week Ending Dec 1, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Liquid	194	175	14,731	5,173
Frozen	46	8	340	914
Dried	0	0	857	66
Total	240	183	15,928	6,153

**Inspected Shell Eggs**

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

Week Ending Dec 1, 2007	Year-To-Date			
Type	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	2,110	2,010	58,075	85,311
Large	4,040	3,940	97,222	164,815
Medium	1,410	2,906	60,419	83,896
Ungraded	4,560	10,800	211,288	240,198
Misc	0	0	7,849	6,975
Total	12,120	19,656	434,853	581,345

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s).

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

SOURCE: USDA AMS Poultry Programs, Market News & Analysis Branch

**U.S./CANADIAN LIVE POULTRY SLTRD UNDER INSPECTION**

W/E 1-Dec-07 (Preliminary)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	1,228	1,418	2,646
Last Week	575	978	1,553
Same week yr ago	800	1,562	2,362
To-date/2007	52,662	70,214	122,876
To-date/2006	51,251	71,380	122,631

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	314	3	317
Last Week	263	0	263
Same week yr ago	249	0	249
To-date/2007	12,507	39	12,546
To-date/2006	7,357	53	7,410

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	1,542	1,421	2,963
Last Week	838	978	1,816
Same week yr ago	1,049	1,562	2,611
To-date/2007	65,169	70,253	135,422
To-date/2006	58,608	71,433	130,041

SOURCE: USDA AMS Poultry Programs, Market News & Analysis Branch  
Washington, DC

**\*\*\*On January 4, 2008 these reports will be combined into the new National Mechanically Separated Chicken report and will no longer be available as separate reports. Until then, the new National MSC report will run concurrently.\*\*\***

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

DEC 7, 2007

**CHICKEN WITH SKIN ADDED ---- PRICES ---- ---- VOLUME ----**  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00	40,800	-
WTD AVERAGE		16.00		
15-20%				
RANGE	16.00-20.00	11.00-15.25	3,345,600	1,591,200
WTD AVERAGE	17.00	12.11		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

DEC 7, 2007

**CHICKEN WITH SKIN ADDED ---- PRICES ---- ---- VOLUME ----**  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75	15.00-16.00	599,000	221,000
WTD AVERAGE	15.75	15.79		
15-20%				
RANGE	16.00-21.00	11.00-16.00	3,600,000	2,360,000
WTD AVERAGE	17.62	13.30		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 07 DECEMBER 2007.**

The market tone on tom bulk parts has been mostly steady. Demand light to moderate with increased interest noted on tom full-cut wings for domestic and export. Offerings light to adequate. The market tone on tom breast meat was steady to instances weak with some noting less discounting. Demand light to instances moderate. Offerings mixed ranging from light to instances ample, mostly adequate to fully adequate. The market tone on mechanically separated turkey (MST) was generally steady. Demand light to instances moderate for the mostly adequate offerings. Trading slow to moderate. Fresh tom breast meat traded with a 220 cent floor and a 260 cent ceiling for 2008 shipments. For domestic (fresh): wing meat with skin 83, scapula 84-87, breast trim 123, frozen plant grade basted 20-24 lb. breasts 175 cents delivered. For export: frozen -20% -60 days age MST 14, fresh tom drums 56-57, scapula 73 cents delivered.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, DECEMBER 07, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	59.00-60.00		59.98	318	59.43	745
WINGS FULL-CUT - TOMS	48.00		48.00	34	47.57	603
WINGS, V-TYPE, TOM		M	59.00	624	59.00	624
TAILS		W	26.00	40	27.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	96.00-97.00	F	17.00	40		
			96.50	80	96.60	200

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, DECEMBER 06, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	59.00-59.50		59.25	160
WINGS FULL-CUT - TOMS	47.00		47.00	364
WINGS, V-TYPE, TOM		M	59.00	624
TAILS		W	26.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	17.00	40
		W	97.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, DECEMBER 05, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	57.00-59.00		57.37	147
WINGS FULL-CUT - TOMS	47.00		47.00	27
WINGS, V-TYPE, TOM		M	59.00	624
TAILS	26.00		26.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	97.00	F	17.00	40
			97.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, DECEMBER 04, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	59.00		59.00	16
WINGS FULL-CUT - TOMS	47.00-49.00		48.75	178
WINGS, V-TYPE, TOM		M	59.00	624
TAILS		M	28.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	96.00	F	17.00	40
			96.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, DECEMBER 03, 2007</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	61.00		61.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	59.00		59.00	624
TAILS	28.00		28.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	17.00	40
		F	96.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY

2/ Product contains 15/20% fat with skin added.