



**Russia Meat Customs Clearance in Vladivostok**

New declaration procedures for meat and poultry imports in Vladivostok introduced on April 15, 2008, are creating difficulties for meat traders in the Russian Far East (RFE). Importers are reporting delays and are incurring added expenses associated with clearing meat and poultry shipments at the port. Major obstacles include a lack of cold storage facilities, outdated port infrastructure, bureaucratic customs procedures, and limited and expensive transportation services at the port.

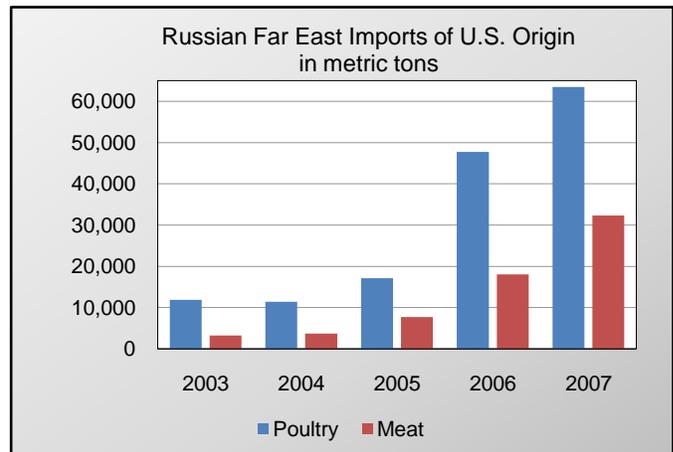
The commercial ports of Vladivostok, Khabarovsk, Magadan, and Kamchatka are on the list of approved customs declaration points of entry for meat and meat products, but the Vostochniy container terminal located in the ports of Nakhodka and Sakhalin was excluded from the list even though they received approximately 20 percent of the total meat and poultry imports in the region. All products that fall under HS Code 02 should be placed in temporary storage warehouse (TSW) for veterinary inspection by representatives of the Federal Veterinary and Phytosanitary

The lack of cold storage facilities in the area is a problem. Contacts in the meat trade have reported that since April 15, 2008, four new private temporary storage warehouses (TSW) with a capacity of 6,220 metric tons (MT) of meat have been built and certified by Russian authorities in the Vladivostok area with two additional TSWs currently in the process of becoming certified. Unfortunately, new construction of cold storage facilities is not keeping pace with demand.

Based on 2007 customs data, the RFE imported 183,000 MT of meat and poultry (96,000 MT from the United States). To import the same volume of meat and poultry in 2008, Vladivostok importers must finalize customs clearance procedures, receive certification from VPSS, and then transport the meat out to the market within two weeks. Currently this entire process exceeds, on average, 30 days. In addition, the ports in the RFE need at least two times more certified cold storage capacity than is currently available.

Another important challenge is the Internal Customs Transit (ICT) regime for cargo transportation to the TSWs located outside of the customs zone. Importers are required to obtain several additional permits from Customs, contract in advance with a transportation agent, and coordinate everything with port authorities before the cargo can be released. Importers complain that this whole process is complicated and very confusing, thus, taking a tremendous amount of time. Customs officials in the RFE have not extended office hours nor increased personnel to facilitate the processing of the significant increase in paperwork. Importers have stated that they spend approximately 10 to 14 days on the ICT regime alone. During this process, importers must pay the following demurrage expenses:

<b>Daily Demurrage Expenses in Rubles (RUR)</b>	
<b>Plugging Containers</b>	<b>Cold Storage</b>
1 to 7 days 1,475	8 -14 days 1,005
8 to 14 days 1,620	5-25 days 1,570
5 to 16 days 3,200	26 plus days 6,750
17 plus days 6,480	



There is a shortage of trucks available to move the imports from the port to the warehouses and the average rate currently charged by truck drivers is 1,500 RUR per hour. Some importers in the RFE have stated that the additional expense for transportation under the ITC regime, temporary storage, and cleared cargo transportation add up to 100,000 RUR.

Importers are doing everything possible to speed up the customs clearance process. More TSWs are being built and certified with VPSS. Meat traders in the RFE established the Russian Far East Meat Importers Association (RFEMIA) and published an open letter criticizing the new customs regulations with demands that changes be adopted. In addition, RFEMIA is lobbying the Federal Customs Service to build new state-owned cold storage facilities at the Port of Vladivostok. As a result of this effort, the RFE Customs Service met on May 22, 2008, to analyze the effect of Order No. 1283 on the region and to discuss ways of improving the situation. To date there have been no announcements made publicly about decisions or actions taken as a result of this meeting.

Source: USDA Foreign Agricultural Service

**South Korea**

The Republic of Korea reported an outbreak of highly pathogenic avian influenza (HPAI) in a layer flock on April 1, 2008, the first outbreaks in over a year. The last reported outbreak was in a layer flock on May 12, 2008. During this period, 33 outbreaks were reported and 663,034 birds were destroyed. Several reports said over six million birds were culled as a precaution.

Source: World Organization for Animal Health, news wires

**Hong Kong**

A routine inspection at a local market found the H5N1 virus in five chicken dropping samples from three stalls. Authorities slaughtered 2,700 birds at the infected market. Imports of live poultry from the mainland have been suspended and local farms will stop sending chickens to the market for three weeks while the Government traces the source of the infected chickens.

Source: Hong Kong's Information Services Department

**INSPECTED EGG PRODUCTS-**

**U.S. & CANADA IMPORT/EXPORT TRADE**

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	48	49	247	2,264
Frozen	0	5	39	12
Dried	40	48	276	258
Total	88	102	562	2,534

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	424	227	8,210	6,506
Frozen	13	0	261	194
Dried	0	40	240	471
Total	437	267	8,711	7,171

**Inspected Shell Eggs**

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

	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Extra Large	1,411	720	18,700	16,229
Large	761	2,300	25,012	33,587
Medium	1,370	0	21,942	21,335
Ungraded	11,820	1,560	137,080	20,960
Misc	2	0	1,562	3,205
Total	15,364	4,580	204,296	95,316

/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-  
SLAUGHTERED UNDER INSPECTION**

Week Ending 31 May-08 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,181	1,343	2,524
Last Week	1,444	1,706	3,150
Same week yr ago	1,080	1,295	2,375
To-date/2008	30,701	33,947	64,648
To-date/2007	24,540	30,285	54,825

**U.S. fowl slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	330	0	330
Last Week	253	0	253
Same week yr ago	293	0	293
To-date/2008	7,302	30	7,332
To-date/2007	5,124	14	5,138

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	1,511	1,343	2,854
Last Week	1,697	1,706	3,403
Same week yr ago	1,373	1,295	2,668
To-date/2008	38,003	33,977	71,980
To-date/2007	29,664	30,299	59,963

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

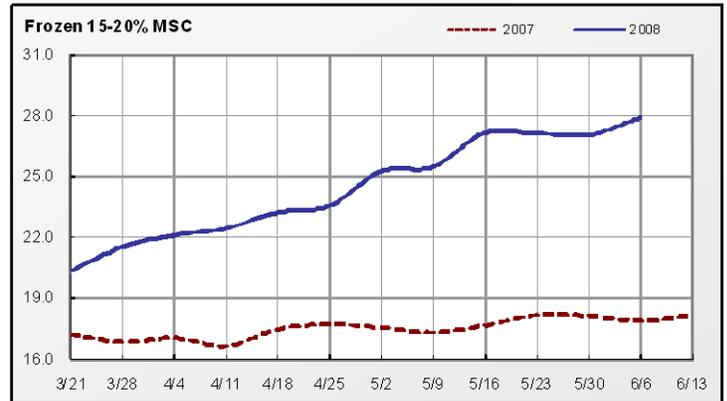
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

The MSC market tone was mostly steady. Supplies of fresh 15-20% were adequate to well cleared with the remainder in close balance to tight. Frozen demand was at least moderate to fairly good. Supplies of raw materials were tight with continued good interest. Domestic movement was moderate. Export demand was moderate to good with most inquiry from Mexico and Central American countries. All schedules were seasonally normal with a few disruptions due to equipment and weather related problems. Frame values ranged 5 to 9 cents FOB, mostly 7 to 9 cents FOB.

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

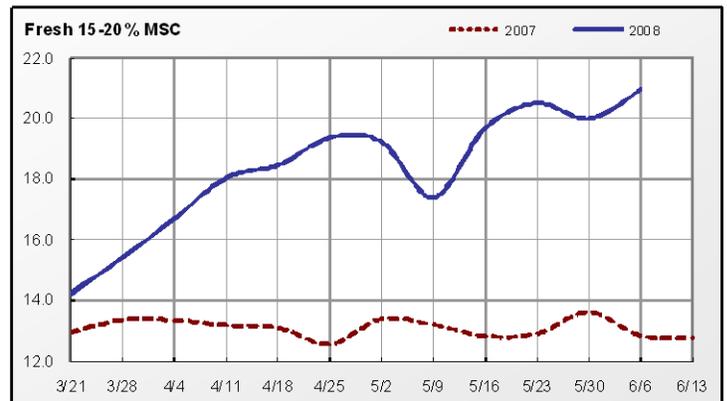
Fat Content	Frozen			Fresh		
	6-Jun-08	Last Week	Last Year	6-Jun-08	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	25.00	17.00-21.00	24.00 - 25.00	24.00 - 25.00	17.00-19.00
Wtd Avg Price	-	25.00	17.53	24.30	24.40	18.00
Volume Traded	-	55	301	201	100	322
Volume Exported	-	55	261	-	-	-
<b>15-20%</b>						
Price Range	22.00 - 30.00	24.00 - 30.00	15.50-21.00	17.00 - 30.00	16.00 - 28.00	11.00-16.00
Wtd Avg Price	27.90	27.06	18.17	20.95	19.99	12.77
Volume Traded	2,166	999	1,236	2,125	2,713	2,896
Volume Exported	1,966	919	1,076	347	326	244
<b>20% or More</b>						
Price Range	-	-	-	-	-	14.00
Wtd Avg Price	-	-	-	-	-	14.00
Volume Traded	-	-	-	-	-	120
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	May 2008	Apr 2008	May 2007	May 2008	Apr 2008	May 2007
<b>15% or Less</b>						
Wtd Avg Price	25.34	20.77	17.45	23.96	21.89	16.99
Volume Traded	386	216	1,288	878	912	1,503
Volume Exported	266	216	1,087	-	-	-
<b>15-20%</b>						
Wtd Avg Price	26.32	22.69	17.79	19.28	18.04	13.09
Volume Traded	7,125	7,926	4,596	12,816	12,004	10,407
Volume Exported	6,705	6,493	3,974	2,806	3,263	2,124
<b>20% or More</b>						
Wtd Avg Price	-	-	-	-	18.43	14.00
Volume Traded	-	-	-	-	286	400
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 06 JUNE 2008.**

The market tone on fresh tom breast meat and fresh destrapped tenderloins was steady to barely steady, wing meat with skin cautiously steady to steady, scapula steady and breast trim steady to fully steady. Demand and trading on fresh tom breast meat improved this week to moderate instances good at the lower trending price levels. Some increased activity was also noted on fresh destrapped tenderloins at the lower trending prices and on the balance of white meat with interest ranging light to moderate. Offerings of breast trim light, scapula light to adequate, balance of white meat adequate to fully adequate. Some processors watching the increase in temperatures this weekend in the East to see if it will both help increase deli demand and lower bird weights. Domestic trading centered on fresh tom breast meat, balance slow to moderate. Export trading was slow to moderate and centered on tom 2-joint wings and fresh and frozen tom drums. For domestic: frozen -20% +60 days age mechanically separated turkey 29, fresh wing meat with skin 94-99, mixed defatted gizzards 80, fresh scapula 100-111, fresh breast trim 133, Grade A non-basted 14-18 lb. breasts 185, plant grade basted 14-16 lb. breasts 175 cents delivered. For export: livers 22, hearts 29, tom necks 40, fresh tom drums 49-50, fresh thigh meat 101 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, JUNE 06, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>VOLUME</b>
						<b>(000)</b>
DRUMSTICKS, TOMS	53.00		53.00	80	53.00	308
WINGS FULL-CUT - TOMS		R	51.44	96	48.63	744
WINGS, V-TYPE, TOM	56.25-64.50		61.75	324	61.75	324
TAILS	31.00		31.00	40	30.08	296
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M W	30.00 103.00	246 40	30.00 103.00	246 40
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>THURSDAY, JUNE 05, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS	52.00-53.50		52.90	134		
WINGS FULL-CUT - TOMS	51.00-52.00		51.44	96		
WINGS, V-TYPE, TOM		F	64.20	270		
TAILS		T	29.94	256		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M W	30.00 103.00	246 40		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>WEDNESDAY, JUNE 04, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS	54.00		54.00	54		
WINGS FULL-CUT - TOMS	48.00-48.50		48.30	270		
WINGS, V-TYPE, TOM		F	64.20	270		
TAILS		T	29.94	256		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	103.00	M	30.00	246		
			103.00	40		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>TUESDAY, JUNE 03, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		M	52.00	40		
WINGS FULL-CUT - TOMS	48.00-48.50		48.14	378		
WINGS, V-TYPE, TOM		F	64.20	270		
TAILS	29.00-33.00		29.94	256		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M F	30.00 98.00	246 80		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>MONDAY, JUNE 02, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS	52.00		52.00	40		
WINGS FULL-CUT - TOMS		F	48.00	165		
WINGS, V-TYPE, TOM		F	64.20	270		
TAILS		R	32.50	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	30.00	F	30.00 98.00	246 80		

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.