



**Melamine in Food**

China reported high levels of melamine in powdered baby milk and other dairy products in September, 2008, after numerous babies fell ill after ingesting the milk. Reports indicate that over 52,000 children in China became ill, 12,000 have been hospitalized, and several have died as a result of consuming Chinese infant formula made with contaminated milk. The Chinese government responded by setting national standards for levels of the industrial chemical melamine permitted in milk and food products. Levels considered safe were set at 1 milligram per kilogram of infant formula and 2.5 milligrams for liquid milk, milk powder and food products that contain more than 15% milk.

China's state media reported the industrial chemical melamine is commonly added to animal feed to make it appear higher in protein, even though there are no nutrition benefits to the animal.

In late October Hong Kong authorities found melamine in brown eggs imported from the mainland, the result of contaminated feed given to chickens. The eggs had 4.7 parts per million (ppm) of melamine, about double the legal limit. The legal limit in Hong Kong is 2.5 mg/kg for foodstuffs.

Testing in Japan revealed melamine residues of between 2.8 and 4.6 parts per million in egg products imported from China.

Following reports of tainted egg products in Japan, South Korea started inspecting processed egg products shipped from China. Melamine levels ranging from .01 to 4 ppm were found in products from two manufacturers. The ministry ordered the importers to destroy the remaining 23 tons of egg powder

China is the world's largest poultry egg producing country. In March, 2008 FAS Beijing (Post) forecast China's total poultry egg production to increase by two percent to 31.1 MT from an estimated 30.3 MT in 2007. China mainly exports shelled eggs, with 90% going to Hong Kong and Macau.

Thai egg producers could benefit from China's woes. Hong Kong normally imports 22-23 million eggs a month from Thailand. Between January 2008 and September 2008 Thailand exported 216,271,663 eggs to Hong Kong compared to 168,935,249 eggs for the same period a year earlier. Eggs imported from Thailand are more expensive than eggs from China.

**Background** Melamine is a by-product of the coal industry and has numerous industrial uses; it also contains 66% nitrogen by mass. When added to low-quality food and feed, it results in artificially high protein readings. Normal foods contain carbohydrates, fats and proteins. Carbohydrates and fats don't contain nitrogen, but protein does so most protein tests are looking at nitrogen levels. Products appear to have more protein, which can then be marketed at a higher price

Extremely high levels of melamine can cause kidney stone or even death. In 2007, melamine was found in wheat gluten and rice protein concentrate exported from China and used in the manufacture of pet food in the United States. In 2007 an estimated 8,500 dogs and cats died of kidney failure after eating melamine contaminated pet food.

Source: Food and Agriculture Organization of the United Nations; World Health Organization; Government of Hong Kong Centre for Food Safety; U.S. Food and Drug Administration; USDA/FAS; Thai Customs Department; news wires

**Thai Government Monitoring Melamine in Feed**

The Department of Livestock Development (DLD) has banned the use of melamine in feed since August 2007 and actively monitors feed and feed component imports for melamine contamination. The recent detection of melamine in Chinese dairy products and animal feed has raised Thai consumer concern about the safety of meat and egg products.

According to the Thai Bureau of Livestock Standards and Certification office in the Department of Livestock Development (DLD), DLD has been monitoring imported feed for melamine contamination for over a year. On August 3, 2007, DLD banned the importation, production, and sale of all kinds of feed and feed ingredients containing melamine substances.

**The Department of Livestock's Notification  
Re: Prohibition of Importation, Production, and Sale of Complete Feed and Feed Ingredients Contaminated with Melamine Substance (Unofficial Translation)**

Since there was a report of damages affected to farmers in the United States and other countries which were caused by the utilization of feed contaminated with Melamine substances, the department, by the authority as described in Section 32 (2) in Feed Quality Control Act B.E. 2525 (1982), in order to prevent damages to Thai farmers, proclaims that:

Prohibit the importation, production, and sale of all kinds of complete feed and feed ingredients which are contaminated with Melamine substances.

Any imports of complete feed, feed concentrates, dairy products for animals, protein additives, and feed ingredients from the country where Melamine contamination was found, must be accompanied by an official certification of free-Melamine.

The notification is effective immediately.

DLD has recently proposed a new notification regarding the banning of analogs or derivatives of melamine. DLD anticipates that this notification may be approved by the end of November.

On November 4, 2008, the Deputy Ministry of Agriculture and Director General of DLD released a statement to media regarding the preventive measures the Ministry of Agriculture and Cooperatives have taken to prevent against melamine-tainted feed in Thailand. In addition to the Notification on August 3, 2007, banning the importation, production, and sales of all kinds of feed and feed ingredients contaminated with melamine substances. DLD stated that failure to comply with this regulation (importing, producing, and selling products contaminated with melamine) is subject to penalties.

From 2007 until October 2008, DLD collected and tested 854 samples of imported plant protein products, animal protein products, and dairy products. Ten of samples tested positive for melamine contamination resulting in 608 tons of imported feed products being rejected. In addition, DLD continues to monitor the safety of meat and eggs through random sampling. DLD applies the same tolerance level to be considered melamine-free as the Thai Food and Drug Administration (FDA), which is 1.0 ppm for raw milk and milk powder, and 2.5 ppm for other products.

Source: USDA/FAS Attaché Report

**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	0	52	1,082	3,277
Frozen	45	0	84	71
Dried	0	48	444	705
Total	45	100	1,610	4,053

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	376	426	16,848	13,987
Frozen	4	0	540	282
Dried	0	0	627	857
Total	380	426	18,015	15,126

**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	3,026	1,830	68,927	54,453
Large	3,782	4,830	84,849	87,672
Medium	1,620	2,580	43,360	57,509
Ungraded	10,950	18,894	398,226	184,746
Misc	240	0	7,061	7,849
Total	19,618	28,134	602,423	392,229

/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 08-Nov-08 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,297	1,616	2,913
Last Week	1,383	1,588	2,971
Same week yr ago	1,052	1,457	2,509
To-date/2008	61,583	73,541	135,124
To-date/2007	49,585	66,256	115,841

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

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	212	0	212
Last Week	242	0	242
Same week yr ago	248	0	248
To-date/2008	14,104	62	14,166
To-date/2007	11,622	36	11,658

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	1,509	1,616	3,125
Last Week	1,625	1,588	3,213
Same week yr ago	1,300	1,457	2,757
To-date/2008	75,687	73,603	149,290
To-date/2007	61,207	66,292	127,499

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

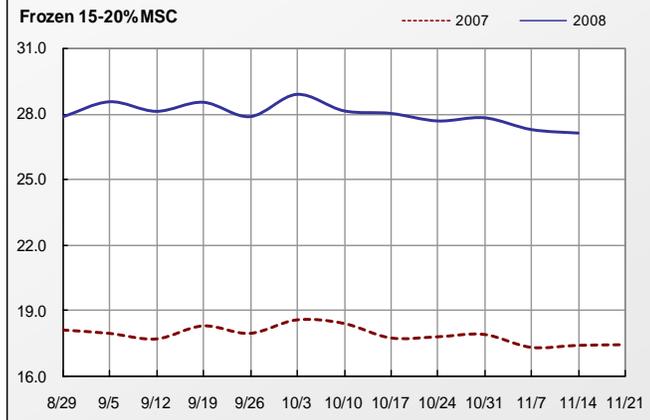
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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 generally steady for all fat contents. Supplies of fresh 15-20% were at least adequate for needs with the balance adequate to good balance. Fresh and frozen demand was fair to fairly good. Supplies of raw materials remained close. Domestic and export trading was at least moderate. Contract negotiations for 2009 continue to be bullish at mixed levels, which were unchanged to higher on fresh 15-20% and higher on frozen 15-20% and fresh 15% or less. Frame values were steady ranging mostly 9-11 cents FOB.

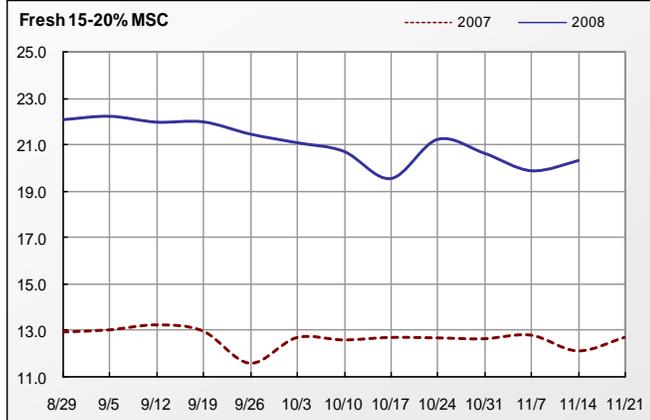
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	14-Nov-08	Last Week	Last Year	14-Nov-08	Last Week	Last Year
<b>15% or Less</b>						
Price Range	24.00		15.75	23.00 - 25.50	23.00 - 25.50	15.00-16.00
Wtd Avg Price	24.00		15.75	24.59	24.40	15.73
Volume Traded	160	-	214	352	438	445
Volume Exported	160	-	214	110	-	-
<b>15-20%</b>						
Price Range	24.00 - 31.00	24.00 - 35.00	16.00-21.00	17.00 - 25.00	18.50 - 23.00	11.00-16.00
Wtd Avg Price	27.08	27.24	17.38	20.33	19.90	12.13
Volume Traded	828	977	2,823	4,237	2,249	3,286
Volume Exported	787	844	2,782	756	470	1,347
<b>20% or More</b>						
Price Range	-	-	-	21.00	21.00	14.00
Wtd Avg Price	-	-	-	21.00	21.00	14.00
Volume Traded	-	-	-	80	122	40
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Oct 2008	Sep 2008	Oct 2007	Oct 2008	Sep 2008	Oct 2007
<b>15% or Less</b>						
Wtd Avg Price	31.17	27.49	18.12	25.55	27.17	15.82
Volume Traded	240	316	1,141	1,147	1,148	2,160
Volume Exported	200	316	1,101	-	-	428
<b>15-20%</b>						
Wtd Avg Price	28.16	28.25	18.04	20.67	21.88	12.68
Volume Traded	6,422	6,260	6,330	11,659	12,855	9,634
Volume Exported	4,939	5,142	5,490	3,047	3,915	3,347
<b>20% or More</b>						
Wtd Avg Price	-	-	-	20.80	21.00	13.91
Volume Traded	-	-	-	404	322	442
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 14 NOVEMBER 2008.

The market tone on tom breast meat was steady to instances weak, mostly steady to barely steady; destrapped tenderloins steady at best; balance of white meat mostly steady. Inquiry on tom breast meat nil to sluggish with some spot interest noted on frozen. Demand on destrapped tenderloins was light at best and light to sometimes moderate on the balance of white meat. Offerings of tom breast meat adequate to instance burdensome, destrapped tenderloins light to fully adequate, balance of white meat uneven ranging light to fully adequate, mostly light to adequate. The market tone on Grade A 4-8 lb. breasts was steady to weak with some noting plant grades not as weak as Grade As. Demand nil to instances fair with holiday fill-in activity varying by processor. Offerings of Grade A 4-8 lb. breasts adequate to instances burdensome. Trading slow to moderate and centered on tom drums for domestic and export shipments. For domestic: mature hen necks 30, mature tails 41, fresh - necks 32, tom wings 49, frozen tails 48, tom defatted gizzards 90, fresh - wing meat 101, scapula 123, breast trim 135 cents delivered.

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>	<b>WEEKLY WTD AVG PRICE</b>	<b>WEEKLY VOLUME (000)</b>
<b>FRIDAY, NOVEMBER 14, 2008</b>						
DRUMSTICKS, TOMS	54.00-55.00		54.16	248	54.24	328
WINGS FULL-CUT - TOMS	53.00		53.00	40	53.00	40
WINGS, V-TYPE, TOM						
TAILS		R	31.00	104	33.26	124
MECHANICALLY SEPARATED 2/		F	24.00	80		
THIGH MEAT - FROZEN		F	102.00	40		

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>THURSDAY, NOVEMBER 13, 2008</b>				
DRUMSTICKS, TOMS	55.00		55.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	31.00		31.00	104
MECHANICALLY SEPARATED 2/		F	24.00	80
THIGH MEAT - FROZEN		F	102.00	40

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>WEDNESDAY, NOVEMBER 12, 2008</b>				
DRUMSTICKS, TOMS	54.00		54.00	40
WINGS FULL-CUT - TOMS		W	51.57	94
WINGS, V-TYPE, TOM				
TAILS	45.00		45.00	20
MECHANICALLY SEPARATED 2/		F	24.00	80
THIGH MEAT - FROZEN		F	102.00	40

**NO EXPORT TRADING REPORTED ON TUESDAY, NOVEMBER 11, 2008 DUE TO VETERANS DAY HOLIDAY.**

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>MONDAY, NOVEMBER 10, 2008</b>				
DRUMSTICKS, TOMS		F	55.00	160
WINGS FULL-CUT - TOMS		W	51.57	94
WINGS, V-TYPE, TOM				
TAILS		R	45.50	40
MECHANICALLY SEPARATED 2/		F	24.00	80
THIGH MEAT - FROZEN		F	102.00	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.