



# INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



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

### Russia's Meat and Poultry TRQ

Russia announced Resolution #828 on November 7, 2008 that establishes beef, pork and poultry import volumes and custom duty rates applicable to in-quota and out-of-quota imports for 2009. According to the Resolution, 25% of beef, pork and poultry TRQ volumes for 2009 will be distributed among companies by December 10, 2008 and 100% of the TRQ will be distributed by April 10, 2009. In accordance with the governmental provision, poultry import quotas are 1.21 million MT. Products imported from CIS countries are outside the quota.

In November, 2008 Agriculture Minister Alexei Gordeyev said Russia plans to cut 2009 import quotas on poultry by 300,000 MT and pork by 200,000 MT, in order to help domestic producers. Russian Agriculture Minister Alexei Gordeev said domestic production could replace the imported meats. Russian and U.S. trade officials met November 13 and 14 to discuss the Russian proposals to change the bilateral agreement on trade, but no agreement was met.

Last summer, the poultry market lobbies from Russia and the United States agreed in principle to cut tariff quotas on U.S. imports by 200,000 MT for 2009, but Russia considered this amount insufficient and wants to cut poultry import quotas by an additional 100,000 MT, for a total cut of 300,000 MT. The U.S. is the largest supplier of poultry to Russia, and Russia is the largest importer of U.S. poultry.

### U.S. Poultry Exports, HS 0207 in thousand metric tons

	January – December				Jan - Sep	
	2004	2005	2006	2007	2007	2008
World	2,033.0	2,483.8	2,216.3	3,251.6	2,333.1	3,119.1
Russia	532.2	667.2	443.3	765.5	542.6	659.2

Source: U.S. Bureau of the Census Trade Data

The Russian Meat Market Operators recommended a three year extension of the TRQ, through 2012, with the understanding U.S. producers have agreed to support a government reduction in the 2009 quota. They are concerned about maintaining stability in their market while the domestic grows enough to cover demand.

Beginning on January 1, 2009, the use of chlorine-containing substances in the processing of poultry meat will effectively be prohibited. The new chlorine maximum residue level will be 100 times more stringent than the current level set in Russian regulations for poultry production. Russia will also prohibit the use of frozen poultry meat for manufacturing into any type of food product, effective January 1, 2011.

Source: USDA Foreign Agricultural Service Attaché Report, news wires

### Russian Poultry Imports, HS 0207

	January - December				Jan-Sep	
	2004	2005	2006	2007	2007	2008
<b>Volume in 1000 metric tons</b>						
Non CIS	1,101.1	1,318.3	1,273.5	1,287.0	913.2	890.7
CIS	0.1	-	0.2	-	-	-
Total	1,101.2	1,318.3	1,273.7	1,287.0	913.2	890.7
Non CIS	663.4	847.6	921.2	1,051.7	726.1	937.0
CIS	0.1	-	0.1	-	-	-
Total	663.5	847.6	921.3	1,051.7	726.1	937.0

CIS – Commonwealth of Independent States

Source: Russian Customs

### CAFTA-DR and CA-PEQ

The U.S.-Central America-Dominican Republic-Free Trade Agreement (CAFTA-DR) went in to effect with Guatemala, Honduras, El Salvador and Nicaragua in 2006 and with the Dominican Republic in 2007.

Costa Rica signed CAFTA in 2004 and voters in Costa Rica approved the treaty in a national referendum in October 2007. In November 2008 Costa Rican lawmakers passed the last law required to approve the agreement and President Oscar Arias said his office would quickly finalize the paperwork need for CAFTA to take effect. The deadline for completing the process is January 1, 2009.

Under the agreement, each CAFTA-DR country applied immediate duty free access on chicken leg quarters through country specific TRQs that expand annually. Costa Rica was scheduled to establish a 330 MT TRQ for chicken leg quarters in year one, growing by 10% annually. The other countries established a total initial regional TRQ of 21,810 MT, with individual country minimum quota levels.

The process for allocating certificate for the chicken leg quarter quota is handled by the Central America Poultry Export Quota, Inc (CA-PEQ). CA-PEQ was formed in 2005 by the poultry industries of El Salvador, Guatemala, Honduras, Nicaragua and the United States to assist the governments of signatories to the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) to administer provisions establishing a tariff-rate quota on chicken leg quarters imported by El Salvador, Guatemala, Honduras and Nicaragua from the United States.

### TRQ Use- Chicken Leg Quarters, in Metric Tons

	Lowest Price for TRQ Certificate	Average Price of Successful Bids	Total Volume
<b>Guatemala</b>			
2008	\$29.41	\$38.99 per MT	11,644.54
2007	\$22.05	\$77.13 per MT	19,532.00
2006	\$25.00	\$69.95 per MT	16,896.45
<b>Nicaragua</b>			
2008	\$89.07	\$205.25 per MT	317.00
<b>El Salvador</b>			
2008	\$176.37	\$176.37 per MT	464.00
<b>Honduras</b>			
2008	\$176.37	\$232.22 per MT	534.00

Guatemala had two auctions 2006, four in 2007 and four in 2008. Nicaragua and El Salvador each had two auctions in 2008, and Honduras had one auction in 2008.

### U.S. Chicken Leg Quarter Exports in metric tons

	January-December			Jan-Sep	
	2005	2006	2007	2007	2008
Costa Rica	20	-	-	-	-
Dominican Rep	628	447	231	196	53
Guatemala	37,784	38,520	44,407	31,769	29,115
Honduras	115	94	-	-	19
Nicaragua	180	50	51	-	217

Source: U.S. Bureau of the Census Trade Data; USDA/Foreign Agricultural Service; Central America Poultry Export Quota, Inc; Export.Gov; news wires

**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	0	1,133	3,277
Frozen	0	0	84	71
Dried	0	0	484	753
Total	0	0	1,701	4,101

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	270	268	17,482	14,537
Frozen	5	0	545	294
Dried	0	0	667	857
Total	275	268	18,694	15,688

**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	2,632	750	73,884	55,965
Large	3,340	1,610	90,989	93,182
Medium	1,638	0	46,108	59,009
Ungraded	8,730	9,060	419,316	206,728
Misc	927	0	7,988	7,849
Total	17,267	11,420	638,285	422,733

/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 22-Nov-08 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,300	1,737	3,037
Last Week	1,401	1,650	3,051
Same week yr ago	575	978	1,553
To-date/2008	64,284	76,928	141,212
To-date/2007	51,434	68,796	120,230

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	216	6	222
Last Week	215	0	215
Same week yr ago	263	0	263
To-date/2008	14,535	68	14,603
To-date/2007	12,223	36	12,259

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	1,516	1,743	3,259
Last Week	1,616	1,650	3,266
Same week yr ago	838	978	1,816
To-date/2008	78,819	76,996	155,815
To-date/2007	63,657	68,832	132,489

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

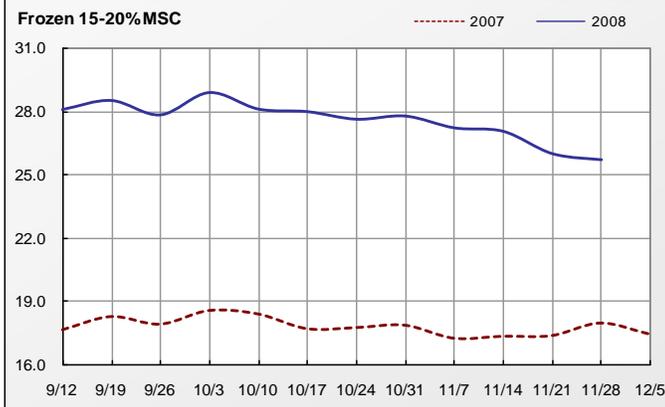
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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. Supplies of fresh 15-20% were adequate; remainder in good balance to adequate. Demand ranged fair to good. Raw materials were tight. Trading was moderate, most activity from Mexico, Central America, and the Caribbean. Contract negotiations for 2009 have progressed in recent weeks as a majority of buyers and sellers have committed most of their dealings with some negotiations still in progress for domestic or export; pricing remains mostly unchanged to higher, mostly higher on fresh 15-20% and higher on the balance. Schedules were seasonally normal. Frame values were steady ranging 8-11 cents FOB; contracts for 2009 were at higher levels as well.

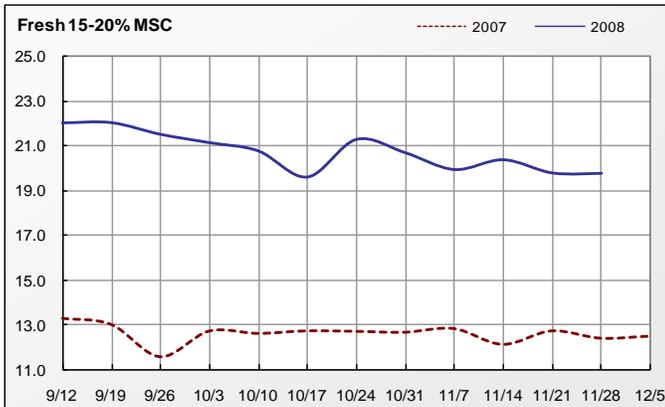
**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	28-Nov-08	Last Week	Last Year	28-Nov-08	Last Week	Last Year
<b>15% or Less</b>						
Price Range		24.00	15.75-18.00	23.00 - 25.50	23.00 - 25.50	15.00-16.00
Wtd Avg Price		24.00	16.95	23.95	24.13	15.50
Volume Traded	-	162	542	316	337	322
Volume Exported	-	-	542	55	55	-
<b>15-20%</b>						
Price Range	24.00 - 31.00	23.00 - 35.00	16.00-22.00	17.00 - 23.00	17.00 - 23.00	11.00-16.00
Wtd Avg Price	25.75	26.03	17.99	19.73	19.74	12.40
Volume Traded	1,398	2,192	1,987	2,857	3,088	3,080
Volume Exported	1,358	1,972	1,946	225	470	816
<b>20% or More</b>						
Price Range	-	-	-	21.00	21.00	-
Wtd Avg Price	-	-	-	21.00	21.00	-
Volume Traded	-	-	-	82	82	-
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 02 DECEMBER 2008.

The market was seasonally slow for current shipments with most industry members gone for the holiday weekend. The market tone on tom breast meat was steady to weak, wing meat with skin steady to fully steady, balance of white meat steady to barely steady. Offerings mixed. The market tone on 4-8 lb. breasts was steady to instances weak with offerings held with varied degrees of confidence. The market tone on tom bulk parts was mostly steady for the light to adequate offerings. Trading heavy on Grade A 4-8 lb. breasts at 97 delivered December, 2008-February, 2009, balance slow. For domestic: tom defatted gizzards 90, fresh wing meat with skin 103, fresh breast trim 130, cents delivered. For export: defatted gizzards - hen 91 and tom 100, frozen tom breast meat 164 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, NOVEMBER 28, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>WTD AVG</b>	<b>VOLUME</b>
					<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS		T	51.00	160	51.00	160
WINGS, V-TYPE, TOM		T	60.00	216	60.00	216
TAILS		T	41.71	280	41.71	280
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	103.00	W	26.00	162	26.00	162
			103.00	40	103.00	40

**NO EXPORT TRADING REPORTED ON THURSDAY, NOVEMBER 27, 2008**

**DUE TO THANKSGIVING DAY HOLIDAY**

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, NOVEMBER 26, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		R	55.00	54
WINGS FULL-CUT - TOMS		T	51.00	160
WINGS, V-TYPE, TOM		T	60.00	216
TAILS		T	41.71	280
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	26.00		26.00	162
		R	103.73	148

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, NOVEMBER 25, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		R	55.00	54
WINGS FULL-CUT - TOMS	51.00		51.00	160
WINGS, V-TYPE, TOM	60.00		60.00	216
TAILS	40.00-52.00		41.71	280
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	26.00	108
		R	103.73	148

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, NOVEMBER 24, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		R	55.00	54
WINGS FULL-CUT - TOMS		W	50.00	108
WINGS, V-TYPE, TOM		F	52.50	432
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	26.00	108
		R	103.73	148

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.