



# INTERNATIONAL EGG AND POULTRY REVIEW

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## China

China's domestic production of broiler meat is projected to be 8% higher in 2009 (13.7 million metric tons (MMT)) from 2008 (12.7 MMT) and 11% higher than previous estimates. In addition, poultry egg production in China is forecast to rise 5% to 28 MMT in 2009, down 1% from 2008. The increase in broiler meat production is attributed to the sharp decline in pork production in 2006 and 2007, due to an outbreak of PRRS (porcine reproductive respiratory syndrome or blue ear disease). However the growth rate is below that of 2008 as a result of the slightly recovering production of pork of which broiler meat is a substitute. Broiler meat production increases were also credited to China's new law on corporate income tax effective January 1, 2008 exempting companies involved in animal or poultry rearing from paying income taxes. Domestic consumption is forecast to increase in 2009 by 8% to 13.9 MMT, following 2008's estimated 12% increase to 12.8 MMT.

Broiler meat imports in 2009 are expected to remain unchanged from 2008 levels, due to increased domestic production of broiler and pork meat, slowly recovering exports of cooked poultry meat to Japan, and higher import costs and decreased sales. Additionally, China reduced import tariff rates from June 1-December 31, 2008 to increase supply and alleviate high meat prices, however as soon as China's CPI decreases import tariff rates may return to normal levels.

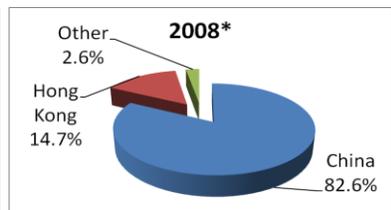
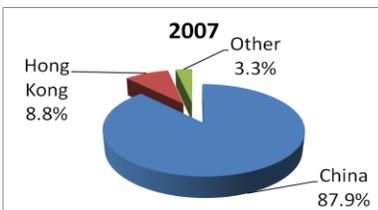
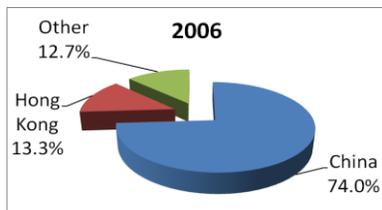
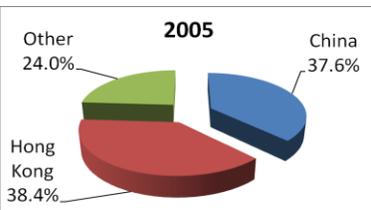
Exports of Chinese broiler meat are projected to rise 5% in 2009 to 288,000 MT, a slight recovery from the 23% decrease in total exports in 2008. Exports of cooked broiler meat to Japan are expected to increase 2% from the 33% decrease felt in 2008. Japan is China's largest export market accounting for 61% and 57% in 2006 and 2007 respectively. In May 2008, Japan confirmed 35 eligible Chinese plants to export cooked meat from even-toed animals. At present, China has a total of 114 plants registered with Japan to export cooked meat of which 91 plants solely exports cooked poultry. Recently, China exported its first shipments of cooked poultry meat to the EU (European Union) after a 6 year ban had been lifted back in September 2008. However only 9 companies all located in Shandong were given approval to export cooked poultry meat products to the EU. The ban was originally placed on Chinese imports in 2002 for contamination with chloramphenicol (antibiotic) and for China's failure in its monitoring system for pesticide residue. All poultry meat imports were banned in 2004 following an outbreak of avian influenza. Source: USDA FAS/news wires

### China's Broiler Industry ('000 MT)

	2007	2008	2009	% 08-07	%09-08
Production	11,354	12,650	13,700	11.4%	8.3%
Consumption	11,478	12,825	13,867	11.7%	8.1%
Whole Imports	0	0	0		
Parts Imports	482	450	450	-6.6%	0.0%
Total Imports	482	450	450	-6.6%	0.0%
Whole Exports	0	0	0		
Parts Exports	358	275	283	-23.2%	2.9%
Total Exports	358	275	283	-23.2%	2.9%

Note: %07-08 = Percentage Change from 2007-2008. %08-09 = Percentage Change from 2008-2009. Data for HS Code 0207 excluding paws. Source: USDA FAS

### Percentage of US Paw Exports to China, Hong Kong, and All Other Destinations



Note: All data is from January-December except 2008, which is January-October.

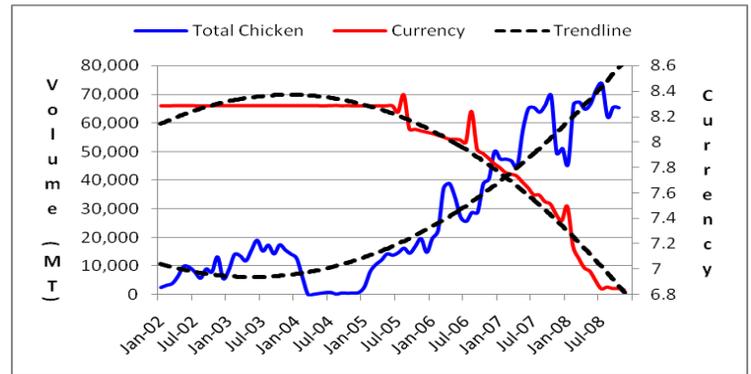
Source: USDA FAS

## China's Broiler Meat Direct Imports in Metric Tons (MT)

	Jan-Dec 2006	2007	Jan-Jun 2007	2008	Jan-Jun %08-07
US	390,748	508,143	235,784	280,008	18.8%
Brazil	142,812	163,388	124,671	131	-99.9%
Argentina	27,702	102,090	18,676	112,571	502.8%
Chile	9,044	0	0	1,184	
France	1,266	3	0	1,941	
Philippines	488	0	0	0	
Canada	150	0	0	0	
Other	8	15	6	4	-33.3%
World	572,218	773,639	379,137	395,839	4.4%

Note: %07-08 = Percentage Change from 2007-2008 from January-June. Data from 2006 and 2007 includes January-December, whereas 2008 data includes January-June. China's chicken paw imports under HS Code 02071422 are included in this table, but excluded from the broiler meat table. Source: GTA from China Customs Statistics/USDA FAS

## US Dollar Value against Chinese Yuan with Total US Chicken Exports (MT)



Note: All data is January-December with the exception of 2008, which is January through October. The average November currency exchange of 1 USD = 6.84134 Chinese Yuan. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/Oanda FX Trade

### China's Chicken Paw Direct Imports (MT)

	Jan-Dec 2006	2007	Jan-Jun 2007	2008	Jan-Jun %08-07
US	156,974	221,373	101,169	119,299	17.9%
Argentina	26,907	80,972	16,782	94,919	465.6%
Chile	6,439	0	0	646	
Brazil	98,851	93,986	72,879	106	-99.9%
Other	0	0	1	912	
World	289,171	396,331	190,831	215,882	13.1%

Note: Data from 2006 and 2007 includes January-December, whereas 2008 data includes January-June. China's chicken paw imports under HS Code 02071422 are included in this table, but excluded from the broiler meat table. Source: GTA from China Customs Statistics/USDA FAS

**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	0	1,436	3,277
Frozen	0	0	84	71
Dried	48	0	532	753
Total	96	0	2,052	4,101

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	269	433	17,964	15,164
Frozen	0	0	552	340
Dried	0	0	707	857
Total	269	433	19,223	16,361

**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	5,103	3,285	81,180	61,360
Large	8,660	5,620	102,869	102,842
Medium	1,608	1,891	50,086	62,310
Ungraded	15,510	780	443,586	212,068
Misc	1,872	0	10,760	7,849
Total	32,753	11,576	688,481	446,429

/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 06-Dec-08 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,367	1,573	2,940
Last Week	832	1,104	1,936
Same week yr ago	1,306	1,586	2,892
To-date/2008	66,483	79,605	146,088
To-date/2007	53,968	71,800	125,768

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

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	258	0	258
Last Week	290	0	290
Same week yr ago	339	7	346
To-date/2008	15,083	68	15,151
To-date/2007	12,876	47	12,923

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	1,625	1,573	3,198
Last Week	1,122	1,104	2,226
Same week yr ago	1,645	1,593	3,238
To-date/2008	81,566	79,673	161,239
To-date/2007	66,844	71,847	138,691

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

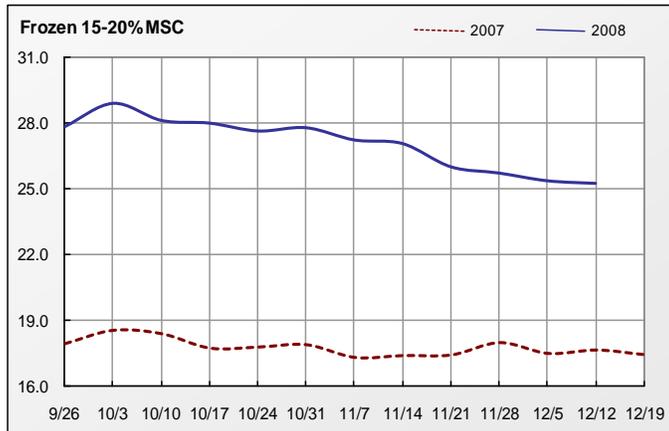
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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.)

MSC market tone was steady to fully steady. Supplies were adequate to close. Demand was fairly good to good. Raw materials continue tight. Trading was moderate to good with most export activity from Mexico, Central America, and the Caribbean. Contracts for the 2009 season were generally finished with pricing unchanged to higher, mostly moderately to sharply higher on fresh 15-20% and sharply higher on the balance. Schedules were seasonally normal with production cutbacks noted throughout December. Frame values were steady ranging 8-11 cents FOB, mostly 10-11 FOB; contracts for 2009 were at higher levels as well.

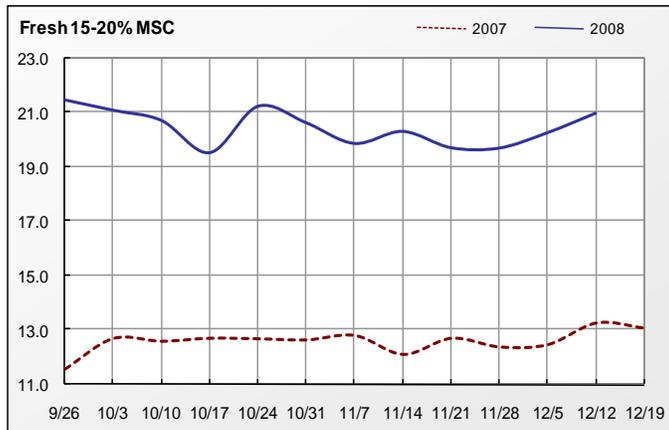
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	12-Dec-08	Last Week	Last Year	12-Dec-08	Last Week	Last Year
<b>15% or Less</b>						
Price Range	26.00		16.00-17.50	24.00 - 26.00	22.00 - 25.50	15.00-16.00
Wtd Avg Price	26.00		16.76	24.77	23.99	15.91
Volume Traded	118	-	424	342	337	439
Volume Exported	118	-	424	-	116	-
<b>15-20%</b>						
Price Range	24.00 - 30.00	24.00 - 30.00	16.00-21.00	19.00 - 28.00	18.00 - 26.00	11.00-16.00
Wtd Avg Price	25.28	25.40	17.64	20.99	20.28	13.28
Volume Traded	2,587	1,472	2,276	4,066	4,685	3,859
Volume Exported	2,547	1,432	2,196	835	713	787
<b>20% or More</b>						
Price Range	-	-	-	21.50	21.00	-
Wtd Avg Price	-	-	-	21.50	21.00	-
Volume Traded	-	-	-	82	82	-
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Nov 2008	Oct 2008	Nov 2007	Nov 2008	Oct 2008	Nov 2007
<b>15% or Less</b>						
Wtd Avg Price	24.00	31.17	16.76	24.28	25.55	15.67
Volume Traded	322	240	1,234	1,443	1,147	2,494
Volume Exported	160	200	1,234	220	-	104
<b>15-20%</b>						
Wtd Avg Price	26.34	28.16	17.53	19.96	20.67	12.54
Volume Traded	5,394	6,422	12,989	11,870	11,659	15,504
Volume Exported	4,961	4,939	12,305	1,921	3,047	5,429
<b>20% or More</b>						
Wtd Avg Price	-	-	-	21.00	20.80	14.00
Volume Traded	-	-	-	366	404	240
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 12 DECEMBER 2008.

The market tone on parts and meats was steady to barely steady, except tom breast meat was steady to weak. Trading was slow to materialize. Demand was light with buyers cautious and selective. Offerings of parts and meats was adequate with fresh tom breast meat fully adequate and frozen burdensome. Domestic: fresh tails 44 cents, fresh full cut wings 48 cents and fresh scapula 121 cents. Export: thigh meat Russian approved 120 cents, frozen tom breast meat 145 cents and fresh tom drums 51 cents.

<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 12, 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		R	55.00	162	54.39	418
WINGS FULL-CUT - TOMS	48.00		48.00	40	50.30	94
WINGS, V-TYPE, TOM	48.00		48.00	216	48.00	216
TAILS	44.00		44.00	20	43.57	35
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	99.00-102.0	F	27.00	120		
			101.27	330	101.27	330

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, DECEMBER 11, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	55.00		55.00	162
WINGS FULL-CUT - TOMS	52.00		52.00	54
WINGS, V-TYPE, TOM		R	48.00	240
TAILS		T	43.00	15
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		F	27.00	120
		F	98.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, DECEMBER 10, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	54.00		54.00	256
WINGS FULL-CUT - TOMS		F	47.00	80
WINGS, V-TYPE, TOM		R	48.00	240
TAILS		T	43.00	15
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		F	27.00	120
		F	98.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, DECEMBER 09, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		W	54.00	202
WINGS FULL-CUT - TOMS		F	47.00	80
WINGS, V-TYPE, TOM		R	48.00	240
TAILS	43.00		43.00	15
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		F	27.00	120
		F	98.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, DECEMBER 08, 2008</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		W	54.00	202
WINGS FULL-CUT - TOMS		F	47.00	80
WINGS, V-TYPE, TOM		R	48.00	240
TAILS		F	41.00	108
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	27.00	120
		F	98.00	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.