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US Poultry Outlook

Broiler

US broiler meat production for the fourth quarter of 2008 is projected to drop 1.5% from 2007 to 9.15 billion pounds. Third quarter 2008 broiler meat production was 9.45 billion pounds, down 3.5% from a year ago. Production is also expected to decrease into 2009 as lower broiler meat prices are not expected to provide incentives for integrators to expand production. Exports of US broiler meat in the third quarter of 2008 totaled 1.91 billion pounds, up 25% from 2007. Broiler meat exports totaled 5.2 billion pounds over the first 9 months of 2008, up 22% from a year ago, with higher exports noted into Russia, China, Hong Kong, Mexico, and the Ukraine. Broiler meat exports to these markets during January through September of 2008 totaled 2.8 billion pounds or 54% of total US exports, which is 17% higher than 2007 levels. It is expected that exports will not continue increasing into the fourth quarter of 2008 or into 2009. Estimates for fourth quarter 2008 are projected to be 275 million pounds lower than the third quarter and 3% lower than 2007 levels; 2009 export estimates is predicted to reach 6.28 billion pounds, down 6.5% from 2008.

Turkey

US turkey meat production for the third quarter 2008 was 1.57 billion pounds, up 5.6% from 2007. Forecasts for fourth quarter 2008 were 1.59 billion pounds, higher than 2007 levels. Production projections for 2009 were forecast to hit 6.1 billion pounds, 2.6% lower than 2008 levels. Exports of US turkey meat in the first 9 months of 2008 were up 23% to 494 million pounds. Increases over 2007 levels were made into the following markets: Mexico (+12%), China and Hong Kong (+82%), and Russia (+10%). However in 2009 exports are expected to decline, due to a weak global economy, a stronger US dollar value, and a smaller amount of money remitted to Mexico from the US. Estimates for 2009 are projected to reach 605 million pounds, down 6% from 2008.

Eggs

Table egg production in the third quarter was 1.67 billion dozen, slightly lower than a year ago. Forecasts for fourth quarter 2008 and into 2009 are projected slightly lower. Hatching egg production for the third quarter was 273 million dozen, down 8 million dozen from 2007; fourth quarter 2008 and into 2009 estimates are projected lower. Third quarter egg exports were 53 million dozen, down 9% from 2007, due to reductions in exports to Japan, Hong Kong, and Mexico; exports for the first 9 months totaled 158 million dozen (-17%). Even though most egg exports were lower exports to Canada rose 19% from 2007 during the first 9 months of 2008 reaching 34 million dozen.

Source: USDA ERS

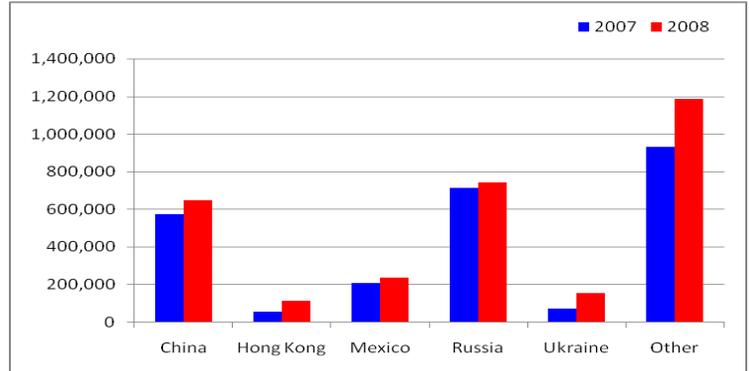
US Egg and Egg Product Exports in Metric Tons (MT) and Dozens from January-October 2008

	Canada	HK	Japan	Mexico	Total	% Change
Liq/Frozen Whole	637	31	314	153	3,136	-36%
Liq/Frozen Yolk	396	868	6,655	228	9,582	18%
Liq/Frozen White	217	0	0	68	379	-74%
Dried Whole	955	3	1,530	1,309	6,711	65%
Dried Yolk	58	0	870	57	4,090	-22%
Dried White	453	0	1,824	188	5,572	-38%
Shell Egg	19,161	10,515	636	428	39,609	-27%

Note: HK = Hong Kong. % Change = Percentage Change of Total Exports from 2007 to 2008. Data for the following codes: Liquid/Frozen Whole Egg HS0408.99; Liquid Frozen Egg Yolk HS0408.19; Liquid/Frozen Egg White HS3502.19; Dried Whole Egg HS0408.91; Dried Egg Yolk HS0408.11; Dried Egg White HS3502.11; Shell Egg HS0407.0000.40.

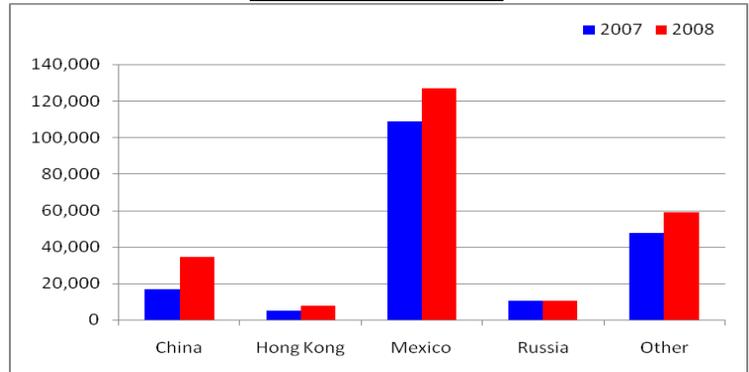
Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

Comparison of US Broiler Meat Exports from January-October 2007 versus 2008 (MT)



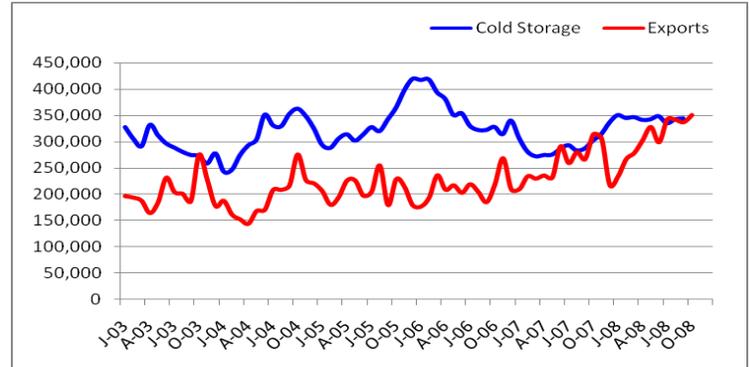
US broiler meat exports totaled 3,088,327 MT from January-October 2008, up 20.6% from 2007 levels. From January-December 2007 US broiler meat exports were as follows: China 674,792 MT; Hong Kong 66,108 MT; Mexico 241,896 MT; Russia 852,757 MT; Ukraine 91,870 MT; and Other 1,157,367 MT with total exports at 3,084,790 MT. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

Comparison of US Turkey Meat Exports from January-October 2007 versus 2008 (MT)



US turkey meat exports totaled 238,344 MT from January-October 2008, up 26.5% from 2007 levels. From January-December 2007 US turkey meat exports were as follows: China 21,320 MT; Hong Kong 6,524 MT; Mexico 126,498 MT; Russia 13,908 MT; and Other 58,086 MT with total exports at 226,335 MT. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

Comparison of US Broiler Meat Cold Storage Holdings and US Broiler Meat Exports (MT)



Note: USDA NASS cold storage holdings of broiler meat for third quarter 2008 totaled 729 million pounds, up 16% from 2007 and down about 10 million pounds from the previous quarter. The increase in cold storage holdings in the third quarter of 2008 from 2007 is a result of higher stocks of leg meat (i.e. leg quarters 111 million pounds, +85%) and higher whole broiler stocks (25.3 million pounds, +26%). Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA NASS/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	95	0	1,531	3,277
Frozen	0	0	84	71
Dried	40	0	572	753
Total	135	0	2,187	4,101

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

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	371	318	18,335	15,482
Frozen	14	51	566	391
Dried	0	0	707	857
Total	385	369	19,608	16,730

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	1,977	3,345	83,157	64,705
Large	12,965	5,990	115,834	108,832
Medium	501	0	50,587	62,310
Ungraded	6,186	2,280	449,772	214,348
Misc	0	0	10,760	7,849
Total	21,629	11,615	710,110	458,044

/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 13-Dec-08 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,350	1,460	2,810
Last Week	1,367	1,573	2,940
Same week yr ago	1,541	1,443	2,984
To-date/2008	67,833	81,065	148,898
To-date/2007	55,509	73,243	128,752

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	331	0	331
Last Week	258	0	258
Same week yr ago	313	12	325
To-date/2008	15,414	68	15,482
To-date/2007	13,189	59	13,248

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	1,681	1,460	3,141
Last Week	1,625	1,573	3,198
Same week yr ago	1,854	1,455	3,309
To-date/2008	83,247	81,133	164,380
To-date/2007	68,698	73,302	142,000

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

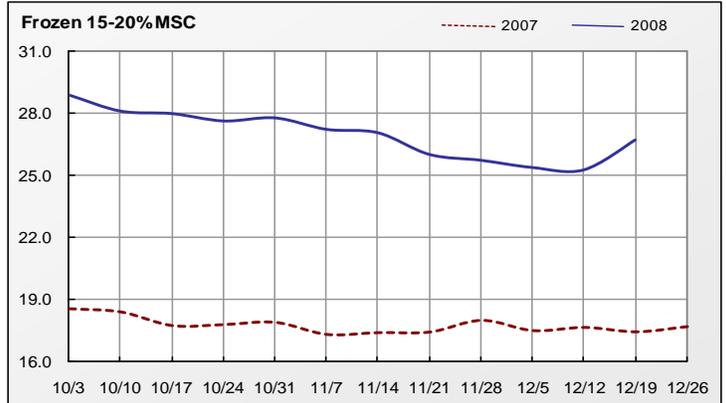
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 balanced to close. Demand was moderate to good going into the holiday week. Raw materials remained tight with good interest. 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 some domestic and export buyers unfulfilled; contract pricing was unchanged to higher, mostly moderately to sharply higher on fresh 15-20% and sharply higher on the balance. Schedules were normal to reduced for the holiday as well as industry 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)

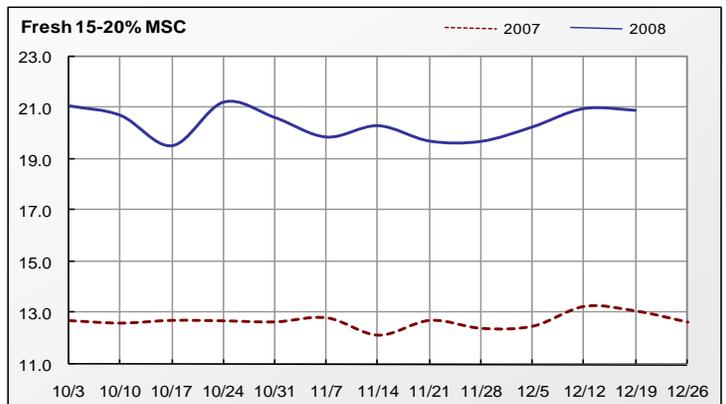
Fat Content	Frozen			Fresh		
	19-Dec-08	Last Week	Last Year	19-Dec-08	Last Week	Last Year
15% or Less						
Price Range	26.00	15.75-17.50	25.00 - 26.00	24.00 - 26.00	15.00-16.00	
Wtd Avg Price	26.00	16.12	25.48	24.77	15.74	
Volume Traded	-	118	198	412	342	456
Volume Exported	-	118	198	110	-	54
15-20%						
Price Range	24.00 - 32.50	24.00 - 30.00	16.00-21.00	19.00 - 28.00	19.00 - 28.00	11.00-16.00
Wtd Avg Price	26.73	25.28	17.42	20.92	20.99	13.09
Volume Traded	1,465	2,587	2,654	3,530	4,066	2,297
Volume Exported	1,225	2,547	2,614	756	835	490
20% or More						
Price Range	-	-	-	-	21.50	-
Wtd Avg Price	-	-	-	-	21.50	-
Volume Traded	-	-	-	-	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
15% or Less						
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
15-20%						
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
20% or More						
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 19 DECEMBER 2008.

The market tone on tom drums, tom necks and mechanically separated turkey was steady, tom wings and thigh meat steady to barely steady. Demand on tom drums slow to moderate, balance of parts fair at best. Offers of tom wings adequate to instances fully adequate, balance of items light to adequate. Thigh meat demand light for the mixed offers. Good inquiry for MST noted. For export: fresh mechanically separated turkey 24, fresh thigh meat 103, gizzards 95 to 98 cents, frozen tom breast meat 145 delivered. For domestic: breeder wings 46, breeder necks 27, fresh scapula 118 delivered, plant grade 20 lb. breasts at 149 delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, DECEMBER 19, 2008	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS		R	56.00	80	55.33	120
WINGS FULL-CUT - TOMS	46.00		46.00	104	46.28	144
WINGS, V-TYPE, TOM		R	48.00	216	48.00	390
TAILS		M	45.00	40	45.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	102.00-104.0		102.67	60	102.80	100
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, DECEMBER 18, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	56.00		56.00	80		
WINGS FULL-CUT - TOMS		W	47.00	40		
WINGS, V-TYPE, TOM	48.00		48.00	216		
TAILS		M	45.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	103.00		103.00	40		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, DECEMBER 17, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	54.00		54.00	40		
WINGS FULL-CUT - TOMS	47.00		47.00	40		
WINGS, V-TYPE, TOM	48.00		48.00	54		
TAILS		M	45.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	101.27	330		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, DECEMBER 16, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		R	55.00	162		
WINGS FULL-CUT - TOMS		F	48.00	40		
WINGS, V-TYPE, TOM		M	48.00	120		
TAILS		M	45.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	101.27	330		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, DECEMBER 15, 2008	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		R	55.00	162		
WINGS FULL-CUT - TOMS		F	48.00	40		
WINGS, V-TYPE, TOM	48.00		48.00	120		
TAILS	45.00		45.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	101.27	330		

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.