



Russian Meat and Poultry Prices

Inflation rose 13.3% in 2008 according to the Russian State Statistic Service (Rosstat), much higher than the Russian government's forecast of 7%. January 2009 inflation rose 2%, with most of the increase attributed to the increase in meat and poultry products. Average food prices rose nearly 18% in 2008 while average retail prices for meat and poultry increased by more than 23%. Disposable income only grew 2.7% in 2008, compared to a 12.1% increase in 2007. During the last six months the Russian ruble decreased by 35% against the U.S. dollar (1 USD = 23 Rubles in Sep 2008 compared to 36 Rubles in March 2009), making imported goods much more expensive.

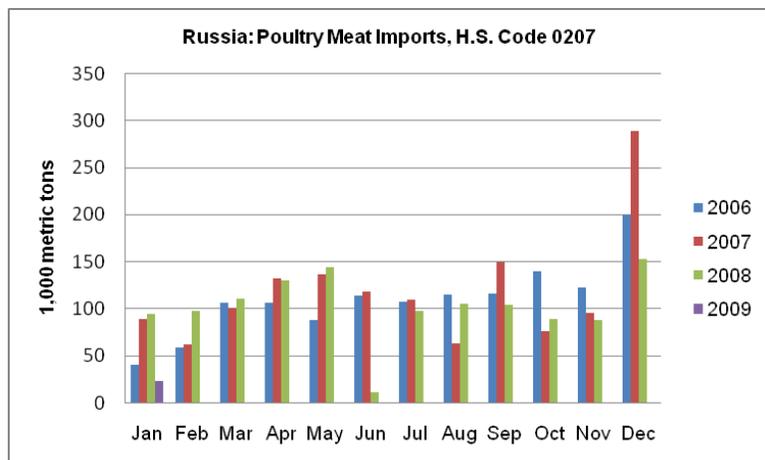
About 30% of total poultry and meat retail trade takes place at open air markets. Ministry of Agriculture officials have been planning for many years to develop a system of cooperative farmers markets to make the distribution chain shorter and thus allow customers to buy lower priced meat and other food items. Under this plan agricultural products would go straight from the field/farm to farmers markets and would be traded by farmer's representatives, avoiding the retailers.

Some experts expect that consumers may begin buying more in traditional markets than in supermarkets. In view of the economic crises the Moscow city government decided to suspend its program targeted at decreasing the number of kiosks, booths, stands and truck-bed kiosks. Originally they planned to close 1,500 trade kiosks in 2009, 20% of the total number.

Ministry of Agriculture officials publically vowed to limit meat and poultry imports in order to protect domestic meat and poultry producers during the global financial crises. A major cause of concern of Russian government officials is the ability of new pork and poultry producers to repay their subsidized loans financed under the National Priority Project for Agriculture.

Imports of meat and poultry suffered steep declines in the fourth quarter with December sales falling to a fraction of historic averages. The majority of declines can be attributed to the cancelling of contracts due to importers' inability to obtain credit and the plummeting ruble which has made imports significantly more expensive.

Higher beef and pork prices will likely result in consumers turning to less expensive poultry meat and eggs.



Source: Russian Customs Foreign Trade Statistics

The price gap between wholesale domestic and imported leg quarters generally hovered around 10 Rubles/kg in the first half of 2008 and fell to between 3-6 Rubles/kg in the second half of 2008.

2008 Wholesale Prices Frozen Meats, Rubles/kg

	June*		December*	
	Domestic	Imported	Domestic	Imported
Frozen Chicken				
Whole Body	67.17	68.59	81.63	77.50
Leg Quarters	66.28	58.54	72.66	69.54
Beef	120.48	123.98	135.00	143.30
Pork	98.00	115.66	123.50	125.00

Beef and Pork are frozen half carcass

*Chicken prices- June 26 and December 26; beef and pork – June 30 and December 30.

Between December 2007 and December 2008 retail prices for frozen whole chicken increased 24% in Moscow open-air markets, but fell 2% in Moscow hypermarkets. Retail prices for frozen pork jumped 45% in open air and 15% in hypermarkets while beef rose 15% in open air markets and 10% in hypermarkets.

December Retail Prices, Rubles/kg

	Open-air Market		Hypermarket	
	2007	2008	2007	2008
Chicken	60-75	90-100	60-80	75-100
Beef	150-180	180-200	135-170	150-185
Pork	125-150	170-230	140-155	150-180

Frozen, whole chicken; Frozen, bone-in beef and pork

Tariff-rate quotas on beef, pork and poultry meat imports for 2009 were modified after Russian officials held consultations with major trading partners in late 2008. The duty on poultry imports exceeding the quota increased to 95% but not less than 0.8 Euros per kilogram. The previous rate was 40% but not less than €0.32/kg. The over quota duty on chilled and frozen beef was lowered to 30%, but not less than €0.30/kg. Pork was increased to 75% and but not less than €1.5/kg (previously 45% and €0.55/kg).

A conference titled, "Regime of Meat Imports Regulation for 2010 and Following Years," took place in late January 2009 and was headed by Minister of Agriculture Aleksey Gordeyev. Participants included representatives of the Russian Meat Union, the Union of Meat Suppliers, the Russian Poultry Union, the National Meat Association, the Russian Union of Pork Producers, the Russian Union of Industrialists and Entrepreneurs and the Association of the Russian Poultry Market Operators in a discussion on developing a new policy on meat and poultry imports after 2009. Gordeyev noted the necessity for "maintaining the current quota regime" which helps investors and market players better forecast the situation with more precision. At the same time Gordeyev believes that planning a TRQ distribution system should include all meat varieties and their volumes and should not be longer than a three year period (2010-2012).

"We need to establish such proportion of domestic and imported meat products that would enable us to resolve the issues of Russia's food security with consideration of changing global economic situations and influences of the world financial crisis," Gordeyev underlined."

Source: USDA/Foreign Agriculture Service Attaché Reports

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

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

Type	Year-To-Date*			
	2009	2008 /1	2009 /2	2008
Liquid	96	0	815	49
Frozen	0	0	0	2
Dried	0	0	182	98
Total	96	0	997	149

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

Type	Year-To-Date*			
	2009	2008 /1	2009 /2	2008
Liquid	367	259	3,463	3,800
Frozen	10	0	108	191
Dried	0	0	0	0
Total	377	259	3,571	3,991

Inspected Shell Eggs

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

	Year-To-Date*			
	2009	2008 /1	2009 /2	2008
Jumbo	0	0	0	0
Extra Large	930	480	6,143	2,810
Large	2,950	4,800	17,558	9,850
Medium	1,500	870	5,910	5,640
Ungraded	5,238	9,600	34,518	43,390
Misc	936	0	1,437	0
Total	11,554	15,750	65,566	61,690

/1 Comparable Week, to-date figures may not total due to rounding.
 /2 Includes revisions to previous week(s)
 *Note: Year to-date totals reflect comparable time periods.
 Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**U.S./CANADIAN LIVE POULTRY-
 SLAUGHTERED UNDER INSPECTION**

Week Ending 14-Mar-09 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,244	1,457	2,701
Last Week	1,183	1,430	2,613
Same week yr ago	1,088	1,557	2,645
To-date/2009*	12,470	15,085	27,555
To-date/2008*	13,724	15,228	28,952

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	301	0	301
Last Week	386	0	386
Same week yr ago	290	0	290
To-date/2009*	2,709	11	2,720
To-date/2008*	3,045	12	3,057

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	1,545	1,457	3,002
Last Week	1,569	1,430	2,999
Same week yr ago	1,378	1,557	2,935
To-date/2009*	15,179	15,096	30,275
To-date/2008*	16,769	15,240	32,009

*Note: Year to-date totals reflect comparable time periods.

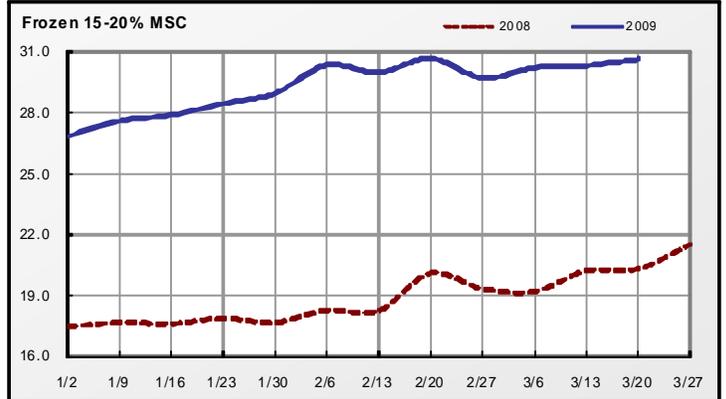
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 market tone for all fat contents of MSC continues steady to fully steady. Supplies of fresh 15-20% were adequate to closely cleared with some anticipated reductions in the coming months; closely balanced to tight on the remainder of fat contents. Supplies of raw materials were tight. Demand was at least moderate to good with some resistance noted at current price levels; most export activity into Mexico, the Caribbean, and Central American countries. Schedules were mixed and seasonal. Frames values were steady to fully steady trading mostly between 11-13 cents FOB.

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

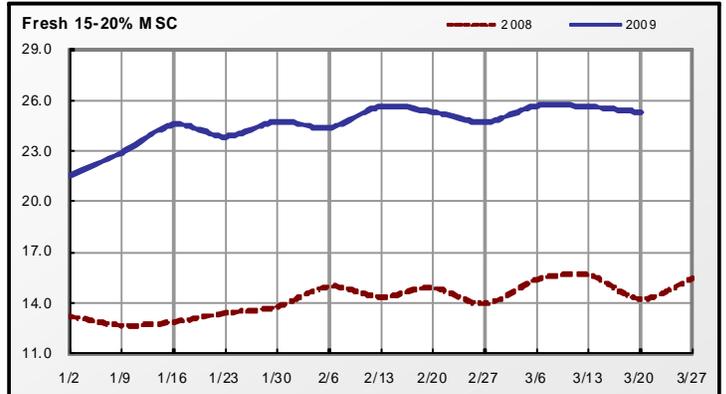
Fat Content	Frozen			Fresh		
	20-Mar-09	Last Week	Last Year	20-Mar-09	Last Week	Last Year
15% or Less						
Price Range			19.00	28.00 - 29.00	27.00 - 30.00	18.75-19.00
Wtd Avg Price			19.00	28.56	28.48	18.86
Volume Traded	-	-	55	242	315	141
Volume Exported	-	-	55	54	53	-
15-20%						
Price Range	27.00 - 35.00	27.00 - 36.00	16.25-24.00	20.00 - 29.00	23.00 - 31.00	11.50-22.00
Wtd Avg Price	30.63	30.32	20.32	25.28	25.62	14.24
Volume Traded	1,878	1,820	1,550	3,139	3,282	2,474
Volume Exported	1,398	1,500	1,190	694	938	367
20% or More						
Price Range	-	-	-	22.00	22.00	-
Wtd Avg Price	-	-	-	22.00	22.00	-
Volume Traded	-	-	-	82	82	-
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Feb 2009	Jan 2009	Feb 2008	Feb 2009	Jan 2009	Feb 2008
15% or Less						
Wtd Avg Price	-	-	20.40	28.22	27.67	17.58
Volume Traded	-	-	584	1,101	1,524	1,566
Volume Exported	-	-	264	214	274	-
15-20%						
Wtd Avg Price	30.12	27.92	18.82	25.03	23.48	14.37
Volume Traded	6,505	5,100	8,143	14,414	12,494	11,547
Volume Exported	5,044	4,268	7,223	4,447	2,613	2,321
20% or More						
Wtd Avg Price	-	-	-	23.00	22.99	18.03
Volume Traded	-	-	-	325	284	775
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 20 MARCH 2009.

The market tone on tom full-cut wings was steady to barely steady, tom necks mostly steady, tom drums and 2-joint wings steady to fully steady. Demand moderate to good on tom full-cut wings at the lower trending price levels and on tom drums, balance of tom bulk parts light to moderate. Offerings of tom full-cut wings adequate to fully adequate, tom necks and drums light to adequate, and tom 2-joint wings light at best. The market tone on non-Russian thigh meat was steady to weak, Russian thigh meat steady to fully steady. Demand light to moderate with increased activity noted at the lower trending price levels. Offerings of non Russian thigh meat adequate to ample. Trading improved on most items with activity ranging light to moderate.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MARCH 20, 2009	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
						(000)
DRUMSTICKS, TOMS	68.00		68.00	216	67.00	270
WINGS FULL-CUT - TOMS	47.00-49.00		48.46	148	48.14	190
WINGS, V-TYPE, TOM	65.00		65.00	162	65.00	162
TAILS	33.00-35.00		34.60	202	34.60	202
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	90.00-97.00		92.98	456	92.98	456

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MARCH 19, 2009	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	63.00	54
WINGS FULL-CUT - TOMS		T	47.00	42
WINGS, V-TYPE, TOM				
TAILS		F	35.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	95.00	108

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MARCH 18, 2009	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	63.00	54
WINGS FULL-CUT - TOMS		T	47.00	42
WINGS, V-TYPE, TOM				
TAILS		F	35.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	95.00	108

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MARCH 17, 2009	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	63.00		63.00	54
WINGS FULL-CUT - TOMS	47.00		47.00	42
WINGS, V-TYPE, TOM				
TAILS		F	35.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	95.00	108

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MARCH 16, 2009	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		R	63.00	40
WINGS FULL-CUT - TOMS		F	49.00	108
WINGS, V-TYPE, TOM				
TAILS		F	35.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	95.00	108

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.