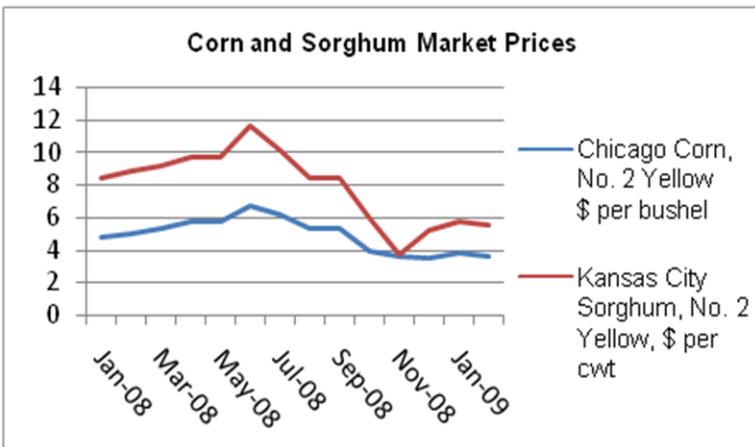




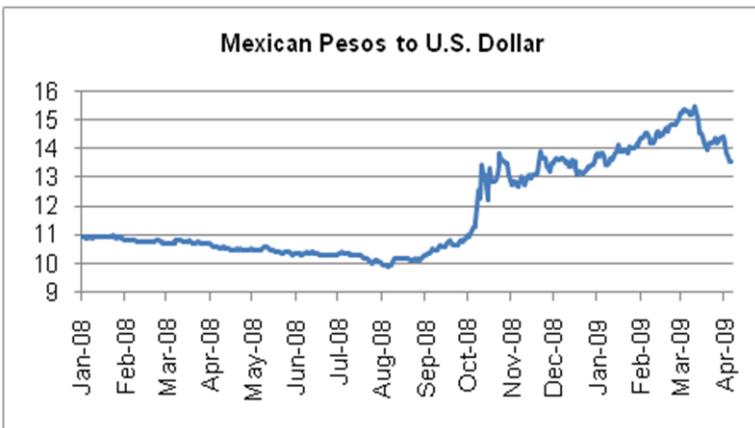
### Mexico Poultry Situation

Domestic poultry producers faced a difficult year in 2008, beginning with increased grain prices and then ending with the peso devaluation. World grain prices have generally declined since the summer of 2008, but the concurrent devaluation of the peso kept dollar based grain prices relatively high.



Source: USDA Economic Research Service, Feed Grains Database

The rapid increase in grain prices forced many producers to liquidate future grain contracts at a loss. Producers then had to purchase grains on the international market at higher rates because of the peso devaluation. In response, the Mexican Secretariat of Agriculture (SAGARPA) announced a series of government support programs intended to help the livestock sector cope with high international corn prices. Under certain programs, poultry producers sourcing domestic crops were granted a subsidy of 200 pesos per MT (\$13.69/ton) on eligible crops. According to SAGARPA records, for 2008 poultry producers asked for support payments for the purchase of 974,000 MT of grains.



Source: OANDA [www.oanda.com/converter/fxhistory](http://www.oanda.com/converter/fxhistory)

To address the devaluation of the peso SAGARPA established a minimum parity pesos-dollar rate of 12.50 for all future contracts registered in the forward contract program. Financiera Rural, the public agency for agricultural finance, signed an agreement with the Mexican poultry industry to provide credit to the poultry feed sector. The details of this agreement have not been finalized, but to ensure the lowest interest rate is available to the producer members SAGARPA has guaranteed funding of 100 million pesos for liquid guaranty.

Mexico's poultry meat production is expected decrease in 2009 compared to 2008 due to higher production costs. At this time, 65% of the total cost of poultry production is linked to dollar-based inputs. The Mexican Poultry Producers Association (UNA) estimates that for every 1,000 pesos/ton (\$68.44/ton\*) increase in coarse grains prices, poultry prices increase by about 2 pesos/kg (\$0.14/kg).

### Broiler Meat Production, Supply and Demand

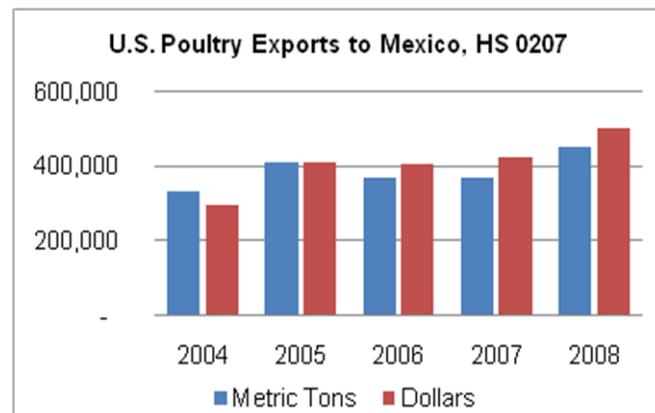
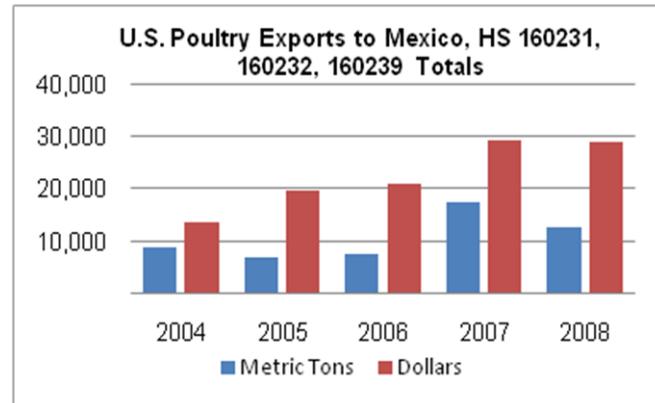
	USDA Post Official Estimate 2007	USDA Post Official Estimate 2007	USDA Post Official Estimate 2008e	USDA Post Official Estimate 2008e	USDA Official 2009f
Production	2,683	2,683	2,775	2,825	2,860
Imports	393	393	425	438	450
Consumption	3,067	3,063	3,188	3,228	3,295

Post data is not official. e-estimated, f-forecast.

High grain prices in 2008 caused higher prices for chicken meat (highest in April and May). The higher prices constrained consumer demand and forced producers to raise birds to a higher slaughter weight. To compensate for the higher weighted birds producers moved to depopulate flocks. Thus, during August and September within the Mexico City metropolitan area producers began offering chicken breast, as well as legs and thighs, at lower prices.

\*Exchange: 14.61 pesos per dollar, Source Banxico February 17, 2009.

Source: USDA/Foreign Agriculture Service Attaché Reports



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

**INSPECTED EGG PRODUCTS-**

**U.S. & CANADA IMPORT/EXPORT TRADE**

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

Week Ending Mar 28, 2009	Year-To-Date*			
Type	2009	2008 /1	2009 /2	2008
Liquid	91	0	1,067	49
Frozen	0	0	0	8
Dried	0	40	182	138
Total	91	40	1,249	195

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

Week Ending Mar 28, 2009	Year-To-Date*			
Type	2009	2008 /1	2009 /2	2008
Liquid	320	408	4,101	4,530
Frozen	5	4	117	217
Dried	0	0	0	0
Total	325	412	4,218	4,747

**Inspected Shell Eggs**

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

Week Ending Mar 28, 2009	Year-To-Date*			
Type	2009	2008 /1	2009 /2	2008
Jumbo	0	0	0	0
Extra Large	1,380	0	8,153	2,810
Large	5,520	0	27,898	14,500
Medium	1,560	1,680	8,220	8,820
Ungraded	7,710	5,910	55,076	50,020
Misc	0	0	1,437	0
Total	16,170	7,590	100,784	76,150

/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 28-Mar-09 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,197	1,471	2,668
Last Week	1,152	1,497	2,649
Same week yr ago	1,647	1,568	3,215
To-date/2009*	14,819	18,053	32,872
To-date/2008*	16,760	18,188	34,948

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	368	0	368
Last Week	279	0	279
Same week yr ago	278	0	278
To-date/2009*	3,356	11	3,367
To-date/2008*	3,656	12	3,668

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	1,565	1,471	3,036
Last Week	1,431	1,497	2,928
Same week yr ago	1,925	1,568	3,493
To-date/2009*	18,175	18,064	36,239
To-date/2008*	20,416	18,200	38,616

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

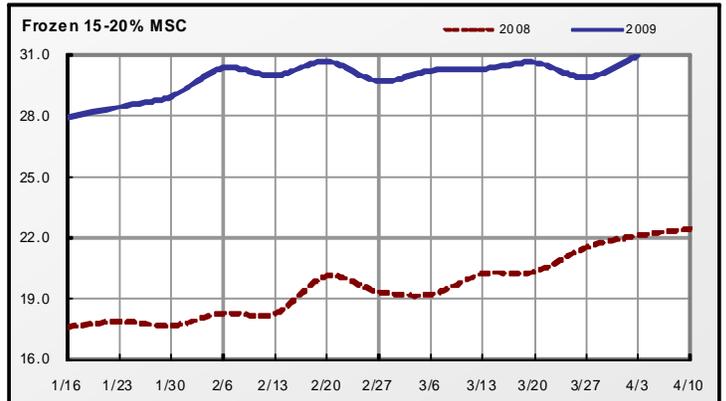
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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 fresh 15-20% MSC was mostly steady; steady to fully steady on the balance. Supplies of fresh 15-20% were balanced to adequate. The remainder of fat contents were noted as barely adequate. Some anticipated reductions are expected in the coming weeks. Supplies of raw materials continued close. Demand was at least moderate to instances good with some resistance noted at current price levels. Most export activity into the Caribbean and Central American countries with good inquiry noted from Asia; Mexico slowing. Schedules were mixed. Frames values were steady trading mostly between 11-13 cents FOB.

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

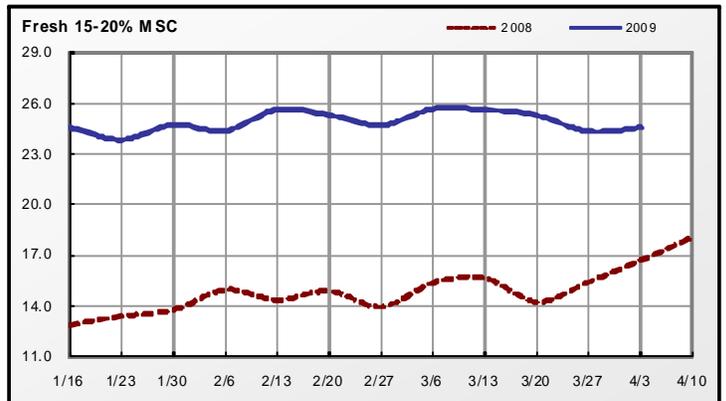
Fat Content	Frozen			Fresh		
	3-Apr-09	Last Week	Last Year	3-Apr-09	Last Week	Last Year
<b>15% or Less</b>						
Price Range			22.00	28.00 - 29.00	28.00 - 32.00	20.00-22.00
Wtd Avg Price			22.00	28.19	29.22	20.40
Volume Traded	-	-	55	212	354	303
Volume Exported	-	-	55	52	55	-
<b>15-20%</b>						
Price Range	27.00 - 36.00	27.00 - 34.00	16.00-25.50	20.00 - 32.00	20.00 - 28.00	14.00-22.00
Wtd Avg Price	31.00	29.89	22.11	24.58	24.35	16.70
Volume Traded	5,083	1,994	3,031	3,488	2,519	3,354
Volume Exported	5,001	1,994	1,998	163	694	979
<b>20% or More</b>						
Price Range	-	-	-	22.00	22.00	16.75
Wtd Avg Price	-	-	-	22.00	22.00	16.75
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Mar 2009	Feb 2009	Mar 2008	Mar 2009	Feb 2009	Mar 2008
<b>15% or Less</b>						
Wtd Avg Price	-	-	18.77	28.56	28.22	19.04
Volume Traded	-	-	215	1,208	1,101	1,010
Volume Exported	-	-	215	217	214	-
<b>15-20%</b>						
Wtd Avg Price	30.27	30.12	20.43	25.26	25.03	15.08
Volume Traded	6,474	6,505	7,601	11,295	14,414	7,548
Volume Exported	5,620	5,044	6,640	2,815	4,447	899
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.00	23.00	17.00
Volume Traded	-	-	-	326	325	408
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 03 APRIL 2009.

The market tone on white meat was steady to instances weak, with an improved undertone as industry awaits specifics on USDA bonus commodity purchase of breast meat items. Demand continued light to moderate. Offerings were adequate to fully adequate, at times burdensome. The trade sentiment on thigh meat was mostly barely steady. Demand was limited with offerings adequate to available. The market tone on bulk parts and MST was steady to fully steady, instances firm. Trading and demand was light to moderate while offerings were barely adequate to adequate. It was reported some spot availability on certain parts items. Domestic: frozen plant grade breasts 10-12 lbs. 112, frozen tails 34, fresh wing meat 81, fresh scapula meat 109-116.5, and fresh tom necks 60 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, APRIL 03, 2009</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	64.00-66.00		64.67	324	64.88	864
WINGS FULL-CUT - TOMS	46.00-50.00		46.59	269	46.59	269
WINGS, V-TYPE, TOM						
TAILS		R	35.67	162	35.25	216
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	96.00	162	96.00	162
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>THURSDAY, APRIL 02, 2009</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		T	65.00	540		
WINGS FULL-CUT - TOMS		F	49.00	108		
WINGS, V-TYPE, TOM						
TAILS	35.00-37.00		35.67	162		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	96.00		96.00	162		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>WEDNESDAY, APRIL 01, 2009</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		T	65.00	540		
WINGS FULL-CUT - TOMS		F	49.00	108		
WINGS, V-TYPE, TOM						
TAILS		T	34.00	54		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	98.47	94		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>TUESDAY, MARCH 31, 2009</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS	65.00		65.00	540		
WINGS FULL-CUT - TOMS		F	49.00	108		
WINGS, V-TYPE, TOM						
TAILS	34.00		34.00	54		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	98.47	94		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>MONDAY, MARCH 30, 2009</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		F	66.00	162		
WINGS FULL-CUT - TOMS		F	49.00	108		
WINGS, V-TYPE, TOM						
TAILS		R	36.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	98.47	94		

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.