



## China Requests WTO Investigate US Ban on Chinese Poultry Imports

On April 17, 2009 China requested consultations with the U.S. government through the WTO, concerning certain measures taken by the U.S. affecting the import from China of poultry products. This officially began a 60 day consultation period, after which China could ask the WTO to launch a formal investigation. The consultations failed to solve the issue and in June China petitioned the WTO to establish an expert panel to investigate and rule on the legality of the U.S. measure.

The request for consultation stated "Pursuant to Section 727 of the Omnibus Appropriations Act of 2009 ("Section 727"), which was signed into law as Public Law 111-8, the US effectively prohibits the establishment or implementation of any U.S. measures that would allow poultry products to be imported from China into the U.S.

The request stated that Part 381 of Title 9 of the US Code of Federal Regulations identifies countries eligible to import poultry products into the U.S. Following inspection in China by the USDA, the U.S. determined that China is eligible to import certain poultry products into the U.S. China is concerned that Section 727 effectively prohibits the USDA from taking any action to expand the class of poultry products eligible for import into the U.S. from China.

China does not believe this is a sanitary and phytosanitary measure (SPS measure), but if it were demonstrated to be an SPS measure China requests consultations with the US pursuant to Article 11 of the SPS Agreement. China is concerned that if this is an SPS measure, then it violates articles of the SPS Agreement because any SPS measure is not based on a proper assessment and not supported by scientific evidence.

U.S. goods and services trade with China totaled \$410 billion in 2007. Exports totaled \$79 billion; imports totaled \$330 billion. China was the U.S.'s third largest goods export market in 2008.

U.S. exports of agricultural products to China totaled \$12.2 billion in 2008, the fourth largest U.S. Ag export market. U.S. imports of agricultural products from China totaled \$3.5 billion in 2008, the third largest supplier of Ag imports.

### U.S. Poultry Exports to China, in thousand metric tons

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Poultry*	78.3	72.0	91.4	179.0	23.1	166.4	407.7	696.7	796.1
Processed	0.9	0.1	0.6	1.7	0.6	3.2	1.6	2.3	0.9

\* Fresh, chilled, frozen. Processed includes, MSC, MST, prepared poultry.  
Source: Depart of Commerce, U.S. Census Bureau, Foreign Trade Statistics

### China Per Capita Broiler Meat Consumption Outlook in kg

	2008	2009	2010	2011	2012	2013	2014	2015
Hong Kong	36.8	36.7	37.1	37.5	37.8	38.1	38.3	38.6

\*Includes veal

Source: World Meat: FAPRI 2009 Agricultural Outlook

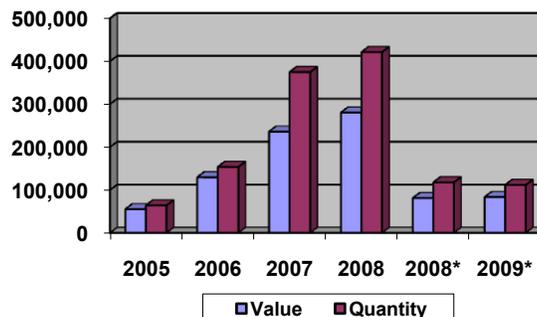
### Mainland China Broiler Meat Production and Consumption Outlook in '000 metric tons

	2008	2009	2010	2011	2012	2013	2014
Production	12,605	12,981	13,345	13,767	14,153	14,536	14,896
Consumption	12,825	13,183	13,567	14,034	14,476	14,913	15,323

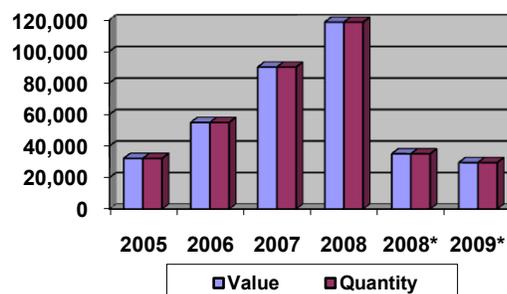
Source: World Meat: FAPRI 2009 Agricultural Outlook

Source: WTO; Office of the U.S. Trade Representative; news wires

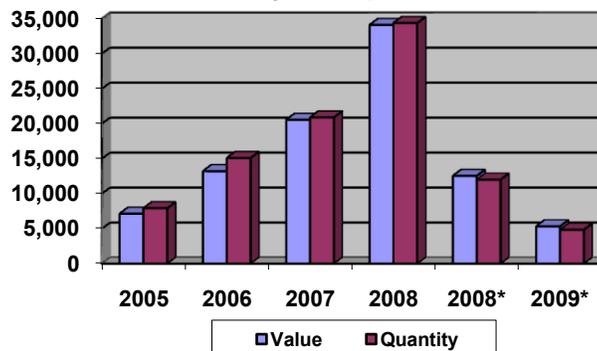
### US Chicken Paw Exports to China



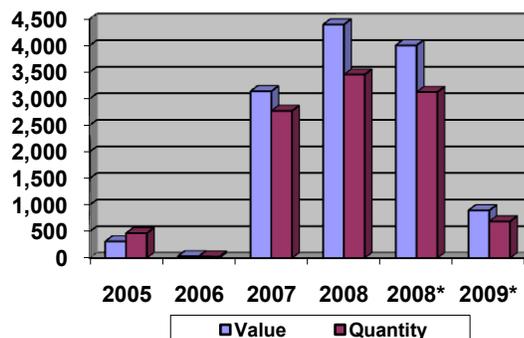
### US Chicken Wing Exports to China



### US Frozen Turkey Cut Exports to China



### US Whole Frozen Fowl Exports to China



Value in thousand dollars, quantity in metric tons

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

**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	344	52	5,029	396
Frozen	0	0	0	39
Dried	0	0	303	286
Total	344	52	5,332	721

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

Type	Year-To-Date			
	2009	2008 /1	2009 /2	2008
Liquid	322	426	7,966	9,287
Frozen	15	4	188	292
Dried	0	40	0	280
Total	337	470	8,154	9,859

**Inspected Shell Eggs**

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

Type	Year-To-Date			
	2009	2008 /1	2009 /2	2008
Jumbo	0	0	0	0
Extra Large	1,350	2,250	24,543	24,670
Large	4,585	2,096	68,437	29,963
Medium	1,050	810	26,940	22,347
Ungraded	11,543	15,240	123,505	181,318
Misc	0	0	3,708	1,562
Total	18,528	20,396	247,133	259,860

/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 20-Jun-09 (Preliminary)

**U.S. fowl slaughtered domestically**

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,476	1,435	2,911
Last Week	1,485	1,461	2,946
Same week yr ago	1,465	1,687	3,152
To-date/2009*	31,074	35,463	66,537
To-date/2008*	33,961	37,857	71,818

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

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	388	8	396
Last Week	375	0	375
Same week yr ago	252	4	256
To-date/2009*	6,822	19	6,841
To-date/2008*	8,015	34	8,049

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**Total U.S. fowl slaughtered in the U.S. and Canada**

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,864	1,443	3,307
Last Week	1,860	1,461	3,321
Same week yr ago	1,717	1,691	3,408
To-date/2009*	37,896	35,482	73,378
To-date/2008*	41,976	37,891	79,867

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

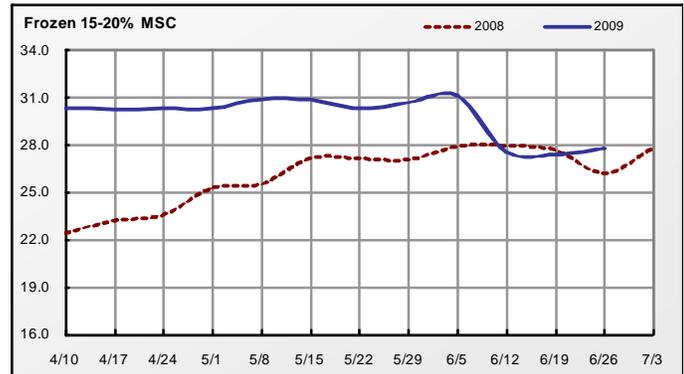
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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 was unsettled, ranging steady to weak with a cautious undertone noted for the next couple weeks. Supplies of fresh and frozen 15-20% ranged adequate to available and on the remainder of fat contents were generally adequate. Raw material supplies were also adequate to available. Export and domestic demand ranged light to moderate. Schedules were mostly normal with many making last minute preparations for the holiday next week. Frames values were steady to weak ranging mostly between 8-10 cents FOB.

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

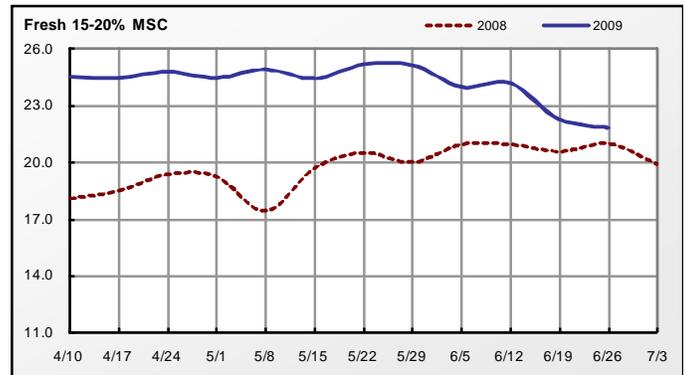
Fat Content	Frozen			Fresh		
	26-Jun-09	Last Week	Last Year	26-Jun-09	Last Week	Last Year
<b>15% or Less</b>						
Price Range			25.00	27.00	27.00 - 30.00	24.00-25.50
Wtd Avg Price			25.00	27.00	28.53	24.63
Volume Traded	-	-	55	296	336	161
Volume Exported	-	-	55	54	54	-
<b>15-20%</b>						
Price Range	22.00 - 34.00	22.00 - 34.00	18.00-30.00	18.00 - 28.00	18.00 - 28.00	16.50-26.00
Wtd Avg Price	27.77	27.39	26.19	21.84	22.26	20.99
Volume Traded	1,493	1,399	831	3,342	3,160	1,989
Volume Exported	1,253	1,321	831	1,142	1,673	-
<b>20% or More</b>						
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		
	May 2009	Apr 2009	May 2008	May 2009	Apr 2009	May 2008
<b>15% or Less</b>						
Wtd Avg Price	-	33.00	25.34	29.12	28.65	23.96
Volume Traded	-	40	386	1,947	937	878
Volume Exported	-	-	266	272	215	-
<b>15-20%</b>						
Wtd Avg Price	30.53	30.61	26.32	24.83	24.54	19.28
Volume Traded	7,835	11,295	7,125	16,136	12,147	12,816
Volume Exported	6,515	10,263	6,705	5,916	1,795	2,806
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.00	22.00	-
Volume Traded	-	-	-	326	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 26 JUNE 2009.

The market tone on bulk parts was steady to barely steady, except necks weak. Demand was light to moderate. Offerings were adequate to fully adequate. The trade sentiment on white meat items was mostly steady. Demand was slow to moderate with offerings adequate. The undertone on thigh meat was steady to cautiously steady. Demand and trading was limited and not well tested. Offerings were adequate. Export trading centered on tom drums and necks. Domestic: fresh wing meat 102, frozen tails 28-31, fresh MST for pet food 22-25 cents delivered. Export: frozen tom necks 45-48, gizzards machine cut and defatted 87 cents delivered port.

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>	<b>WEEKLY WTD AVG PRICE</b>	<b>WEEKLY VOLUME (000)</b>
<b>FRIDAY, JUNE 26, 2009</b>						
DRUMSTICKS, TOMS	59.00-61.00		59.40	404	58.51	672
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	27.00-28.00		27.27	148	27.27	148
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>THURSDAY, JUNE 25, 2009</b>				
DRUMSTICKS, TOMS	55.25		55.25	54
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	29.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN				

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>WEDNESDAY, JUNE 24, 2009</b>				
DRUMSTICKS, TOMS	57.00		57.00	174
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	29.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN				

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>TUESDAY, JUNE 23, 2009</b>				
DRUMSTICKS, TOMS	60.50		60.50	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	29.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	76.88	214

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
<b>MONDAY, JUNE 22 2009</b>				
DRUMSTICKS, TOMS		R	62.00	108
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	29.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	76.88	214

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.