



## USDA Credit Guarantees for Commercial Financing of U.S. Ag Exports

The U.S. Department of Agriculture's Export Credit Guarantee Program (GSM-102) helps ensure that credit is available to finance commercial exports of U.S. agricultural products, while providing competitive credit terms to buyers. By reducing financial risk to lenders, credit guarantees encourage exports to buyers in countries—mainly developing countries—where credit is necessary to maintain or increase U.S. sales, but where financing may not be available without such guarantees.

The GSM-102 program underwrites credit extended by the private banking sector in the United States (or, less commonly, by the U.S. exporter) to approved foreign banks using dollar-denominated, irrevocable letters of credit for purchases of U.S. food and agricultural products by foreign buyers. USDA's Foreign Agricultural Service (FAS) administers the program on behalf of the Commodity Credit Corporation (CCC), which issues the credit guarantees. GSM-102 covers credit terms of up to three years. The CCC guarantees payments due from approved foreign banks to exporters or financial institutions in the United States.

The financing must be obtained through normal commercial sources. Typically, 98 percent of principal and a portion of interest are covered by a guarantee. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to the foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate, or LIBOR. Any follow-on credit arrangements between the foreign bank and the importer are negotiated separately and are not covered by the CCC guarantee.

The CCC selects agricultural commodities and products according to market potential and eligibility based on applicable legislative and regulatory requirements.

The fee structure for the GSM-102 program uses risk-based approach to determine the fee to cover an export credit guarantee for a specific transaction in a particular country or with a specific multilateral institution. The GSM-102 fee schedule, which contains fee rates by risk category, tenor, and repayment frequency, can be found at [www.fas.usda.gov/excredits/gsm102fees.html](http://www.fas.usda.gov/excredits/gsm102fees.html).

## Summary of FY 2009 Export Credit Guarantees Registered as of close of business May 1, 2009 for Poultry Meat and Poultry Offals

Country/Commodity	Guarantees Registered*	Additional Information
Eurasia Region		
Meat/Poultry Offals (36)	\$41.40	Sales of poultry/poultry products to Russian buyers, regardless of destination, are not permitted under this announcement
Meat/Poultry (36)	\$201.00	
Russia		
Meat/Poultry Offals (36)	\$56.10	
Meat/Poultry Offals (36)	\$237.80	

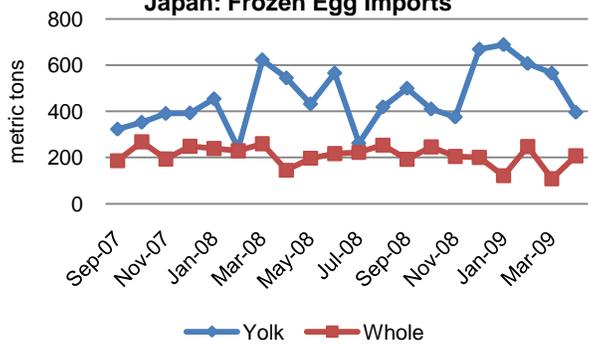
\*In millions.

Maximum credit period for these are 36 months, principal repayments plus the accrued interest are due at 6 month intervals. Exporters' contractual arrangements must call for exports within 90 days of the date of registration or by November 30, 2009, whichever is earlier.

Eurasian Region: Armenia, Azerbaijan, Ukraine, Georgia, Kazakhstan, Mongolia, Russia and Uzbekistan.

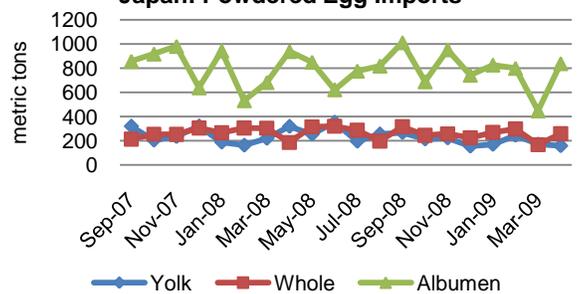
Source: USDA/Foreign Agricultural Service <http://www.fas.usda.gov/>

### Japan: Frozen Egg Imports



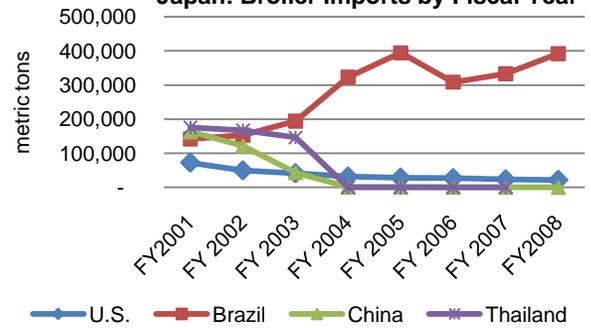
Source: Agriculture & Livestock Industries Corporation

### Japan: Powdered Egg Imports



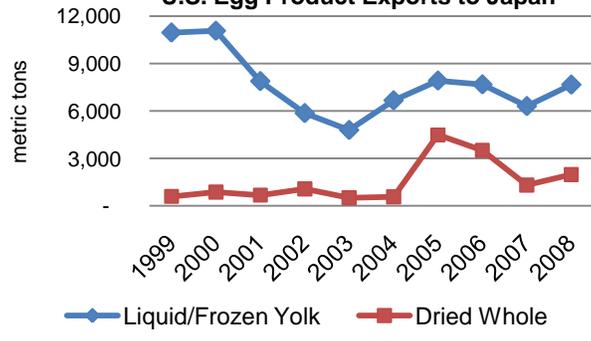
Source: Agriculture & Livestock Industries Corporation

### Japan: Broiler Imports by Fiscal Year



Source: Agriculture & Livestock Industries Corporation

### U.S. Egg Product Exports to Japan



Source: U.S. 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)**

Type	Year-To-Date			
	2009	2008 /1	2009 /2	2008
Liquid	290	0	5,319	396
Frozen	0	0	0	39
Dried	0	40	303	326
Total	290	40	5,622	761

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

Type	Year-To-Date			
	2009	2008 /1	2009 /2	2008
Liquid	332	464	8,298	9,751
Frozen	4	8	192	300
Dried	0	0	0	280
Total	336	472	8,490	10,331

**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	3,650	1,380	28,193	26,050
Large	2,595	1,080	71,032	31,043
Medium	1,260	570	28,200	22,917
Ungraded	8,520	11,310	132,025	192,628
Misc	0	0	3,708	1,562
Total	16,025	14,340	263,158	274,200

/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 27-Jun-09 (Preliminary)

**U.S. fowl slaughtered domestically**

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,422	1,405	2,827
Last Week	1,476	1,435	2,911
Same week yr ago	1,564	1,711	3,275
To-date/2009*	32,496	36,868	69,364
To-date/2008*	35,525	39,568	75,093

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

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	366	0	366
Last Week	388	8	396
Same week yr ago	343	0	343
To-date/2009*	7,188	19	7,207
To-date/2008*	8,358	34	8,392

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	1,788	1,405	3,193
Last Week	1,864	1,443	3,307
Same week yr ago	1,907	1,711	3,618
To-date/2009*	39,684	36,887	76,571
To-date/2008*	43,883	39,602	83,485

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

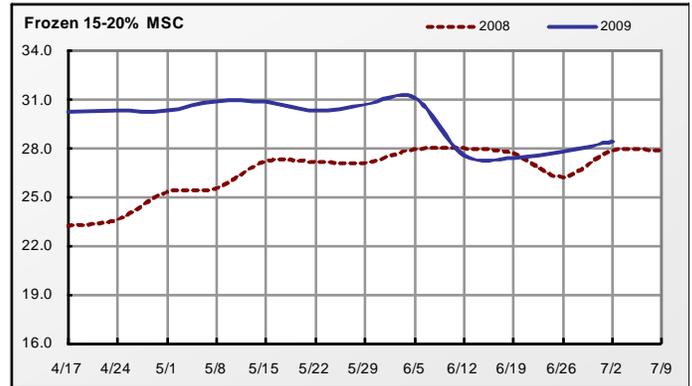
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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 about steady with a cautious undertone noted. Supplies of fresh and frozen 15-20% ranged adequate to available and on the remainder of fat contents mostly adequate. Raw material supplies were also adequate to available. Export and domestic demand ranged light to moderate. Schedules were reduced due to 4th of July holiday. Frames values were steady to weak ranging mostly 8-10 cents FOB.

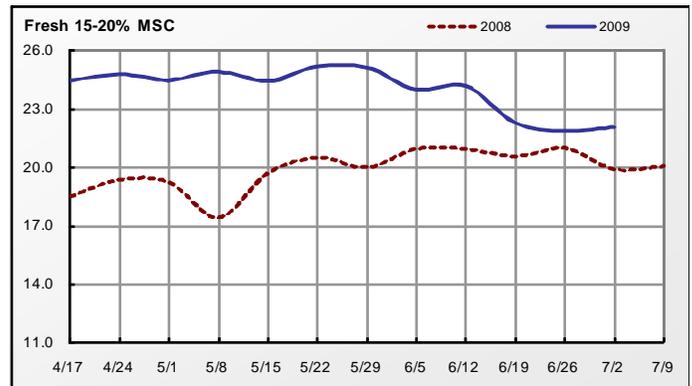
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	2-Jul-09	Last Week	Last Year	2-Jul-09	Last Week	Last Year
<b>15% or Less</b>						
Price Range			30.00	25.00 - 27.00	27.00	24.00-25.50
Wtd Avg Price			30.00	25.84	27.00	24.63
Volume Traded	-	-	40	399	296	161
Volume Exported	-	-	-	55	54	-
<b>15-20%</b>						
Price Range	22.00 - 34.00	22.00 - 34.00	22.00-32.00	17.00 - 28.00	18.00 - 28.00	16.50-25.50
Wtd Avg Price	28.42	27.77	27.83	22.04	21.84	19.89
Volume Traded	1,151	1,493	1,420	3,473	3,342	2,766
Volume Exported	991	1,253	940	1,877	1,142	792
<b>20% or More</b>						
Price Range	-	-	-	-	22.00	-
Wtd Avg Price	-	-	-	-	22.00	-
Volume Traded	-	-	-	-	82	-
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Jun 2009	May 2009	Jun 2008	Jun 2009	May 2009	Jun 2008
<b>15% or Less</b>						
Wtd Avg Price	-	-	26.00	28.55	29.12	24.78
Volume Traded	-	-	164	1,233	1,947	684
Volume Exported	-	-	164	216	272	-
<b>15-20%</b>						
Wtd Avg Price	28.18	30.53	27.60	23.08	24.83	20.83
Volume Traded	6,088	7,835	5,261	12,262	16,136	10,252
Volume Exported	5,371	6,515	4,620	4,692	5,916	1,345
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.00	22.00	-
Volume Traded	-	-	-	286	326	-
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 02 JULY 2009.

The market tone on bulk parts was steady to barely steady, except necks, wings and mechanically separated turkey barely steady to weak. Offerings were mixed this holiday shortened week. Demand was light as buyers remain cautious and selective. The undertone on white meat items was steady and not fully tested. Demand was light. Offerings adequate. Thigh meat was steady. Demand was light to moderate with interest noted at lower price levels. Trading was slow for the adequate offerings. Domestic: fresh scapula 103 and tom defatted gizzards 90 cents.

**NO EXPORT TRADING REPORTED ON FRIDAY, JULY 03, 2009, DUE TO INDEPENDENCE DAY HOLIDAY**

<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>THURSDAY, JULY 02, 2009</b>						
DRUMSTICKS, TOMS	59.00		59.00	540	61.02	1452
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	70.00-72.00		71.50	480	71.50	480
TAILS	30.00		30.00	20	28.80	100
MECHANICALLY SEPARATED 2/	39.00		39.00	40	40.00	40
THIGH MEAT - FROZEN	78.00-80.00		79.29	228	80.53	1044
<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, JULY 01, 2009</b>						
DRUMSTICKS, TOMS	63.00-66.00		64.69	432		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		M	28.50	80		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN	80.00-83.00		80.87	816		
<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 30, 2009</b>						
DRUMSTICKS, TOMS		M	60.00	480		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		M	28.50	80		
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>MONDAY, JUNE 29 2009</b>						
DRUMSTICKS, TOMS	60.00		60.00	480		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	28.00-29.00		28.50	80		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN						

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.