

INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News and Analysis Branch

Thailand Poultry Situation

The global economic downturn triggered by the financial crisis in mid-2008 affected both domestic and export demand for Thai poultry meat. Broiler meat production in 2009 is likely to be only two percent over the 1.2 million metric tons produced in 2008. A lower feed to poultry price ratio eased financial pressures in 2009. Prices for corn and soybean meal (SBM) account for 85 – 90% of the broiler feed ration. In the first 7 months of 2009 (Jan-Jul) dropped 6% for corn and 23% for SBM. Chick prices in the first seven months fell 27%. Production is forecast to grow by four percent in 2010 in anticipation of a higher demand into domestic and export markets, assuming there will be no serious disease issues and a global economic recovery.

Average chicken production in 2009 is estimated at 18 million birds per week, accounting for three-quarters of the country's production capacity. Thai broiler industry's farm facilities, breeding farms and broiler farms expanded substantially in early 2002-2003, shortly before Thailand was hit by High Pathogenic Avian Influenza (HPAI), H5N1 in January 2004. Export and domestic consumption plunged after the disease outbreak; since demand recovered in 2005, independent chick producers and broiler integrators have watched the market closely and they adjust chick production to reflect actual demand.

Thailand Broiler Meat Production 2001 - 2007 Export and Consumption in thousand metric tons

	2002	2003	2004	2005	2006	2007
Production	1,275	1,340	900	950	1,100	1,050
Exports	427	485	200	240	261	296
Consumption	848	765	653	787	811	821

Source: USDA Foreign Agricultural Service Production, Supply and Distribution

Thailand's exports of cooked chicken meat are forecast to grow by 7-8 percent in 2010 due to an anticipated recovery in the economy of importing countries. Thai cooked chicken meat exports to the EU and Japan account for 85-90 percent of total exports. Other importing countries include Vietnam, Singapore, South Korea, and Hong Kong.

The EU has a quota of 264,245 MT for salted poultry meat (EU HS code 02109939); Thailand's share is 92,610 metric tons and Brazil's share is 170,807 MT and 828 MT from third countries. The in-quota tariff is 15.4% and out-of-quota is 1,300€/ton. The EU cooked chicken meat (EU HS code 16023219) quota is 250,953 MT and Thailand's share is 160,033 MT. In quota imports from Thailand are subject to an 8 percent tariff, the out-of-quota rate for cooked chicken meat is 1,024 €/ton. Thailand reached the quota ceiling of 160,033 MT in 2008.

Thailand: Per Capita Meat Consumption

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beef/Veal	3.0	3.1	3.1	3.1	3.2	3.3	3.3	3.4	3.5	3.5	3.6
Pork	10.7	10.7	10.9	11.0	11.2	11.4	11.6	11.8	11.9	12.1	12.3
Broiler	12.3	12.5	12.6	12.8	12.9	13.1	13.3	13.5	13.7	13.9	14.1
Total	26.0	26.3	26.6	27.0	27.3	27.8	28.2	28.7	29.1	29.5	29.9

Thailand Broiler Meat Production and Consumption in thousand metric tons

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	1,140	1,177	1,221	1,266	1,310	1,337	1,362	1,386	1,412	1,439	1,464
Consumption	805	823	836	853	866	885	901	919	936	953	969

Source: FAPRI 2009 Agricultural Outlook

The EU recently notified the WTO of its plan to raise the import tariff on eight items of poultry meat products, including uncooked chicken meat products containing more than 57 percent chicken meat; cooked chicken meat products containing 25-57 percent chicken meat; and cooked chicken meat products containing less than 25 percent chicken meat. These items are not currently under the EU tariff-rate-quota. In 2008 Thailand exported about 16,000 MT of cooked chicken meat products containing no more than 57 percent chicken meat.

Thailand and Brazil have asked the EU authorities to raise the quota for chicken meat imports in 2010. According to reports, the EU wants to calculate its chicken quota based on the "most favored nation" principle, which combines the export statistics for all countries. Thailand and Brazil want the quota based on country-specific export statistics. According to one source, Thailand's rivals, China and Chile, would benefit from the new allocations if the EU doesn't use the country-specific system.

Thailand self-declared itself free from HPAI in domestic poultry on February 27, 2009 and has asked the EU to cancel its export ban on fresh chicken from Thailand. The EU has only accepted cooked poultry from Thailand since the HPAI outbreaks which began in 2004.

Source: UN Food and Agriculture Organization Food Outlook; USDA Foreign Agricultural Service GAIN Report; World Organization for Animal Health

Thai Exports in thousand kilograms Other prepared or preserved meat, meat offal or blood. Other

HS-Code	November		January-November		Jan-Dec
	2009	2008	2009	2008	2008
1602.3290	31,712	31,260	321,551	328,828	359,600
1602.3900	2,365	3,777	32,880	35,939	39,952

Thailand's top markets in 2009 for cooked poultry meat under HS 1602.3290 are Japan (140,967,579 kg) and the United Kingdom (105,658,082 kg).

The top markets for cooked poultry meat under HS 1602.3900 are Japan (16,586,550 kg), the United Kingdom (7,887,803 kg) and the Netherlands (4,281,557 kg).

Source: Thai Customs Department of the Kingdom of Thailand

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	196	0	196	0
Frozen	0	0	0	0
Dried	0	0	0	0
Total	196	0	196	0

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	322	357	322	357
Frozen	3	5	3	5
Dried	0	0	0	0
Total	325	362	325	362

Inspected Shell Eggs

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

	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	1,500	292	1,500	292
Large	800	2,746	800	2,746
Medium	0	0	0	0
Ungraded	5,436	0	5,436	0
Misc	0	61	0	61
Total	7,736	3,099	7,736	3,099

/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 09-Jan-10 (Preliminary)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,397	1,226	2,623
Last Week	1,320	929	2,249
Same week yr ago	1,374	1,563	2,937
To-date/2010*	1,397	1,226	2,623
To-date/2009*	1,374	1,563	2,937

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	368	0	368
Last Week	86	0	86
Same week yr ago	224	0	224
To-date/2010*	368	0	368
To-date/2009*	224	0	224

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	1,765	1,226	2,991
Last Week	1,406	929	2,335
Same week yr ago	1,598	1,563	3,161
To-date/2010*	1,765	1,226	2,991
To-date/2009*	1,598	1,563	3,161

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

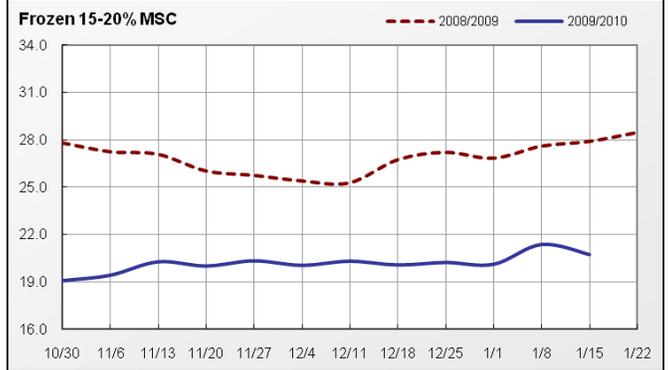
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 trade sentiment was generally steady on all fat contents. Supplies of fresh and frozen 15-20% were adequate to available with the balance of fat contents at least sufficient for current needs. Supplies of raw materials were adequate to fully adequate. Export and domestic demand was fair with best demand noted from Central America; Mexico was slow citing sluggish finished product sales. Schedules were mostly normal. Frame values were steady ranging 6-9 cents FOB, mostly 7-8 cents FOB.

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

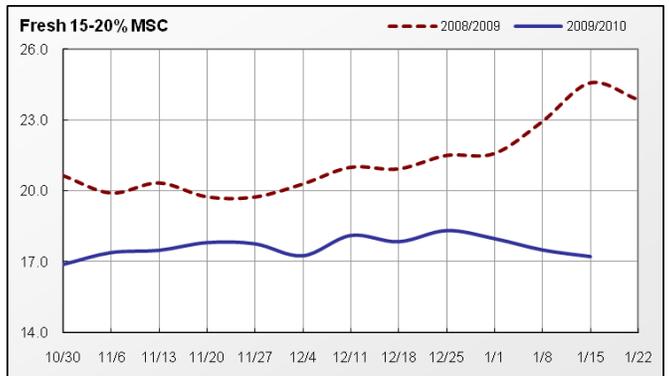
Fat Content	Frozen			Fresh		
	15-Jan-10	Last Week	Last Year	15-Jan-10	Last Week	Last Year
15% or Less						
Price Range		24.00	-	18.00 - 19.00	18.00 - 19.00	27.00-34.00
Wtd Avg Price		24.00	-	18.73	18.73	28.93
Volume Traded	-	40	-	449	445	440
Volume Exported	-	-	-	-	-	55
15-20%						
Price Range	17.00 - 24.00	18.00 - 24.00	24.00-34.00	14.50 - 21.00	16.00 - 21.00	23.00-29.00
Wtd Avg Price	20.72	21.38	27.89	17.20	17.48	24.56
Volume Traded	1,369	1,597	1,351	4,162	2,448	2,064
Volume Exported	1,269	1,437	1,151	388	428	144
20% or More						
Price Range	-	-	-	15.00 - 17.00	16.00	23.00
Wtd Avg Price	-	-	-	16.00	16.00	23.00
Volume Traded	-	-	-	163	82	41
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	2009	2008	2007	2009	2008	2007
15% or Less						
Wtd Avg Price	21.55	24.01	17.43	24.53	22.58	16.30
Volume Traded	336	3,136	14,689	15,232	13,790	20,970
Volume Exported	216	2,414	13,122	1,571	446	627
15-20%						
Wtd Avg Price	25.20	24.51	17.61	21.31	19.16	12.91
Volume Traded	85,079	78,815	81,625	157,963	140,572	126,860
Volume Exported	74,059	68,238	72,685	41,141	29,789	29,872
20% or More						
Wtd Avg Price	-	-	-	20.18	19.40	13.98
Volume Traded	-	-	-	3,875	3,408	4,690
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



Source: USDA AMS Poultry Market News & Analysis

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 15 JANUARY 2010.

The market tone on bulk parts was mixed, steady to instances firm, with mechanically separated turkey steady at best. Demand was light to moderate. Offerings were light to moderate. The trade sentiment on thigh meat was fully steady to instances firm. Demand was slow to moderate with offerings tight. The market tone on white meat items was steady to barely steady, with fresh tom breast meat weak. Demand was light to moderate while offerings were adequate to fully adequate. For domestic: fresh tom full-cut wings 71-73, fresh scapula meat 106, fresh tom necks 35-39, fresh tails 30, frozen hearts 27 cents delivered. For export: fresh tom breast meat 152-154, fresh thigh meat 115, fresh tom drums 56, frozen drumettes 46, frozen turkey fries 110 cents delivered port or border.

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, JANUARY 15, 2010						
DRUMSTICKS, TOMS		R	57.50	40	57.50	40
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	33.00	80	33.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	19.00		19.00	40	19.00	40

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
THURSDAY, JANUARY 14, 2010				
DRUMSTICKS, TOMS	57.50		57.50	40
WINGS FULL-CUT - TOMS		R	73.00	54
WINGS, V-TYPE, TOM				
TAILS		W	33.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	18.50	40

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
WEDNESDAY, JANUARY 13, 2010				
DRUMSTICKS, TOMS		F	59.00	162
WINGS FULL-CUT - TOMS		R	73.00	54
WINGS, V-TYPE, TOM		W	73.00	54
TAILS	33.00		33.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	18.50	40
		W	119.00	216

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
TUESDAY, JANUARY 12, 2010				
DRUMSTICKS, TOMS		F	59.00	162
WINGS FULL-CUT - TOMS		R	73.00	54
WINGS, V-TYPE, TOM		W	73.00	54
TAILS	33.00		33.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	18.50	40
		W	119.00	216

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
MONDAY, JANUARY 11, 2010				
DRUMSTICKS, TOMS		F	59.00	162
WINGS FULL-CUT - TOMS		R	73.00	54
WINGS, V-TYPE, TOM		W	73.00	54
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	18.50	40
		W	119.00	216

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.