



INTERNATIONAL EGG AND POULTRY REVIEW



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

Russia, Belarus, Kazakhstan Customs Union

In June 2009, Russian Prime Minister Vladimir Putin announced that Russian, Belarus and Kazakhstan would seek WTO membership as a single customs union. WTO rules do not provide for countries to join as a customs union and current WTO members were unsure of how the plan would work.

The countries no longer seek membership in the WTO as a customs union, but will continue to seek accession as individual states. The formation of a customs union was finalized on November 27, 2009 and becomes effective on January 1, 2010. Beginning January 1, 2010 a Common Customs Tariff will be implemented for the three countries. The Customs Code will not come into effect until July 1, 2010. Customs control procedures in Belarus will be shifted from national borders to the common customs union borders on June 1, 2010, followed by Kazakhstan on June 1, 2011.

As part of the customs union, the three countries plan to harmonize their tariff schedules for goods and unify the requirements for phytosanitary and veterinary control. An example would be U.S. poultry inspected in Kazakhstan could continue into Russia without being checked again at the Kazakhstan-Russia border.

A tariff quota on imported meat, pork and fowl will go into effect on January 1, 2010. Within the Customs Union, Russia, Belarus and Kazakhstan have set quotas on the import of fresh and chilled meats.

2010 Import Quotas on Beef, Poultry and Pork, in metric tons

	Russia	Kazakhstan	Belarus
Beef			
Fresh/chilled	30,000	20,000	not established
Frozen	530,000	10,000	not established
Poultry	780,000	110,000	not established
Pork	*500,000	7,400	30,000

*includes 27,900 metric tons of trimmings

Russia: Poultry Production, Supply and Demand, in thousand metric tons

	2005	2006	2007	2008	2009	2010
Production	900	1,180	1,350	1,600	1,790	1,975
Imports	1,225	1,189	1,222	1,159	855	820
Exports	7	2	2	5	2	2
Consumption						
Domestic	2,139	2,373	2,578	2,744	2,665	2,795
Per Cap (KG)	14.98	16.7	18.23	19.5	19	20.1

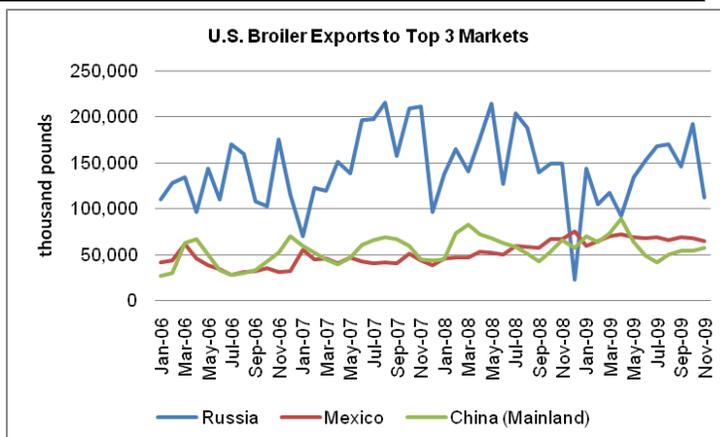
Source: Foreign Agricultural Service, Official USDA Estimates

WTO Accession Status

	Russia	Belarus	Kazakhstan
Application Received	06/1993	09/1993	01/1996
Working Party Established	06/1993	10/1993	02/1996
Memorandum	03/1994	01/1996	09/1996
Working Party Meeting			
First	07/1995	06/1997	03/1997
Latest	03/2006	05/2005	07/2008
Draft Working Party Report	10/2004	06/2007(FS)	06/2008
FS-Factual Summary			

Source: WTO Summary Table of Ongoing Accessions, updated January 10, 2010

Source: Bridges Weekly Trade News Digest Volume 13, Number 36; various news wires;



Source: ERS calculations using data from U.S. Department of Commerce, Bureau of the Census

Venezuelan Imports Affected by New Foreign Exchange Rates

On January 8, 2010, the Government of Venezuela implemented a currency devaluation of the Bolivar Fuerte (Bs.) against the US dollar. The change cuts the value of the currency by half, from Bs. 2.15 per US dollar to Bs. 4.30. The government's spending power will grow since it will receive twice the amount of Bolivars per dollar from oil exports. The central bank will subsidize a stronger Bs. 2.60 per US dollar rate for essential imports, such as foods and medicine. There is also an unofficial, parallel dollar market, where the Bolivar is often below Bs 6.0 and the official goal seems to be Bs 5.0. In January the parallel rate has trended over Bs 6.0.

As a consequence of the devaluation, local economists expect food prices will rise between 35 and 40 percent in 2010. Although several inputs required by food companies can be bought abroad at the lower Bs. 2.60 exchange rate, other materials and equipment are subject to the rate of Bs. 4.30 per dollar and will mean a further increase in production costs.

CADIVI, Venezuela's foreign exchange authority, determined that out of a total of 6,394 items that may be imported, 59 percent will receive dollars at Bs 4.30 and the remaining 41 percent at Bs. 2.60. Among the products to be imported under the 2.60 rate are essential items such as foods and medicines. The products to be imported under the 4.30 exchange rate include non-basic foods like yogurt, jam, peach, asparagus, apples and pears.

The classification of products that will be imported under the Bs 2.60 or Bs 4.30 rate of exchange brings a new requirement that companies had not foreseen. From now on, basic foods such as rice, sugar, milk, chicken, turkey, tuna, sardines, butter, agricultural commodities and oils, that is, products that will be imported at Bs 2.60 per US dollar, will require Certificates of Non-Production or Insufficient Production.

Even fruits that can be imported with foreign currency at Bs 4.30 will require these permissions, too. In the past, these products were considered as "first need" and therefore did not require non-production certificates, and licenses were obtained through the Ministry of Food.

Source: USDA/FAS GAIN Report using Media Reports and the Official Gazette; various news wires

**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	146	48	342	48
Frozen	0	0	0	0
Dried	0	40	0	40
Total	146	88	342	88

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	346	365	668	722
Frozen	7	47	10	52
Dried	0	0	0	0
Total	353	412	678	774

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	0	0	1,500	292
Large	0	2,300	800	5,046
Medium	0	0	0	0
Ungraded	3,660	960	9,096	960
Misc	0	0	0	61
Total	3,660	3,260	11,396	6,359

/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 16-Jan-10 (Preliminary)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,791	1,465	3,256
Last Week	1,397	1,226	2,623
Same week yr ago	1,324	1,963	3,287
To-date/2010*	3,188	2,691	5,879
To-date/2009*	2,698	3,526	6,224

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	370	0	370
Last Week	368	0	368
Same week yr ago	305	11	316
To-date/2010*	738	0	738
To-date/2009*	529	11	540

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	2,161	1,465	3,626
Last Week	1,765	1,226	2,991
Same week yr ago	1,629	1,974	3,603
To-date/2010*	3,926	2,691	6,617
To-date/2009*	3,227	3,537	6,764

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

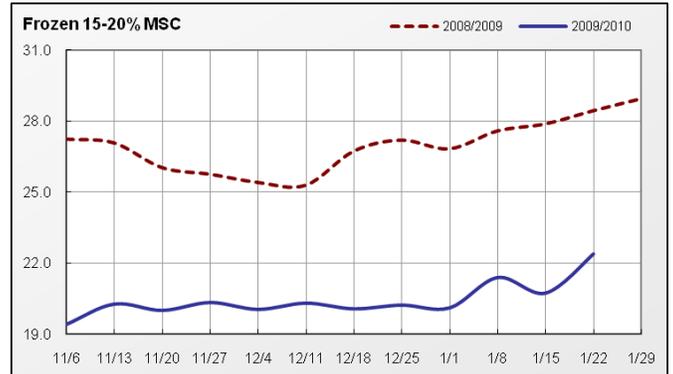
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 steady to fully steady on frozen 15-20% and generally steady on the balance of fat contents. Supplies of fresh 15-20% were adequate to available, frozen 15-20% about adequate, and at least sufficient on the remainder of fat contents. Supplies of raw materials were adequate to barely adequate. Export and domestic demand was fair on fresh 15-20% and moderate to good on frozen 15-20%. Best interest and movement was noted into Central America; Mexico was spotty with some citing sluggish finished product sales and others business as usual. Schedules were mostly normal. Frame values were steady ranging 7.5-9 cents FOB.

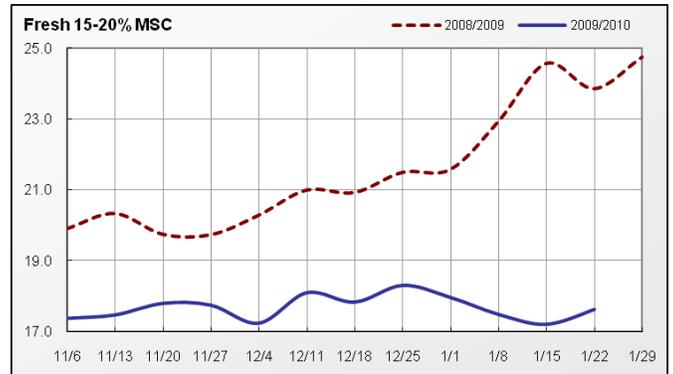
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	22-Jan-10	Last Week	Last Year	22-Jan-10	Last Week	Last Year
15% or Less						
Price Range			-	17.00 - 19.00	18.00 - 19.00	28.00-29.00
Wtd Avg Price			-	18.44	18.73	28.32
Volume Traded	-	-	-	367	449	255
Volume Exported	-	-	-	-	-	54
15-20%						
Price Range	19.00 - 25.50	17.00 - 24.00	26.00-30.00	15.50 - 21.00	14.50 - 21.00	21.00-28.00
Wtd Avg Price	22.38	20.72	28.45	17.62	17.20	23.85
Volume Traded	1,268	1,369	772	3,652	4,162	2,336
Volume Exported	1,088	1,269	421	347	388	490
20% or More						
Price Range	-	-	-	16.00	15.00 - 17.00	24.00
Wtd Avg Price	-	-	-	16.00	16.00	24.00
Volume Traded	-	-	-	82	163	80
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	-	-	-	-	-	-



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 22 JANUARY 2010.

The market tone on tom bulk parts was steady to fully steady, instances firm. Demand was moderate to good while offerings were tight to adequate. The trade sentiment on white meat items was mostly steady, with fresh tom breast meat steady to instances weak. Demand was mostly limited. Offerings remained mixed. The market tone on thigh meat was steady to fully steady. Demand was moderate with light offerings. The trade sentiment on mechanically separated turkey was steady. Demand was slow to moderate Offerings were adequate. For domestic: frozen bone-in thighs 82, fresh scapula meat 107-112, fresh tom full-cut wings 74, fresh tom necks 36, fresh tails 30 cents delivered. For export: fresh tom drums 58, fresh MST 19 cents delivered border.

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, JANUARY 22, 2010						
DRUMSTICKS, TOMS	64.50		64.50	40	64.50	40
WINGS FULL-CUT - TOMS	74.00		74.00	108	74.00	108
WINGS, V-TYPE, TOM						
TAILS	32.00-35.00		33.28	188	33.28	188
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	117.00	W	22.00 117.00	20 108	22.00 117.31	20 128
EXPORT TRADING						
THURSDAY, JANUARY 21, 2010						
DRUMSTICKS, TOMS		R	57.50	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W W	22.00 119.00	20 20		
EXPORT TRADING						
WEDNESDAY, JANUARY 20, 2010						
DRUMSTICKS, TOMS		R	57.50	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	33.00	80		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	22.00 119.00		22.00 119.00	20 20		
EXPORT TRADING						
TUESDAY, JANUARY 19, 2010						
DRUMSTICKS, TOMS		R	57.50	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	33.00	80		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	19.00	40		

NO EXPORT TRADING REPORTED ON MONDAY, JANUARY 18, 2010 DUE TO MARTIN LUTHER KING, JR HOLIDAY

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.