



INTERNATIONAL EGG AND POULTRY REVIEW



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

World Poultry Meat Trade Projections to 2019

The USDA World Agricultural Outlook Board released its USDA Agricultural Projections to 2019 on February 11, 2010. The projections in this report were prepared during October through December 2009, reflecting a composite of model results and judgment-based analyses and do not include any short-term effects of Russia's recently announced quotas and sanitary requirements for imports of meat, which occurred after the projections were complete. However, the projections assume a continued tightening of import quotas in Russia, as that country builds toward self sufficiency in its meat sector.

Developing countries are projected to be the main source of growth in world demand and trade from 2008 through 2019. Demand is further reinforced by population growth rates that are nearly twice those of developed countries. Countries in Africa and the Middle East would account for 60% of the growth in poultry meat imports and more than 10% in beef imports.

Poultry meat imports by major importers did not decline during the global recession and are projected to increase by about 1.5 million tons (25 percent) between 2010 and 2019. The exceptions to this are the Former Soviet Union (FSU), Europe, and Japan.

Russia will remain a major poultry importer, even with a sharp drop in imports. Russia's policies that make the poultry TRQ regime more restrictive will restrain poultry imports and simulate domestic poultry production. Slower growth in income and per capita poultry consumption in Russia will further reduce the need for imports. The EU-27 will continue to be a net importer, but the difference between the volume of imports and the volume of exports will increase as the EU's exports decline and imports increase. Japan's imports will remain flat, growing less than 1% over the period.

Poultry Meat Trade, in thousand metric tons

| | Importers | | | Exporters | | | |
|--------------|-----------|-------|-------|-----------|-------|-------|-----|
| | 2008 | 2019 | % chg | 2008 | 2019 | % chg | |
| Russia | 1,227 | 735 | -40 | U.S. | 3,464 | 3,284 | -05 |
| EU-27 | 837 | 908 | +08 | EU-27 | 863 | 689 | -20 |
| Japan | 737 | 742 | - | Brazil | 3,446 | 4,638 | +35 |
| Mexico | 651 | 877 | +35 | China | 285 | 415 | +46 |
| China | 444 | 539 | +21 | Thailand | 383 | 610 | +59 |
| Saudi Arabia | 510 | 908 | +78 | | | | |
| Other* | 1,302 | 2,372 | +82 | | | | |

*Other North Africa and Middle East Regions

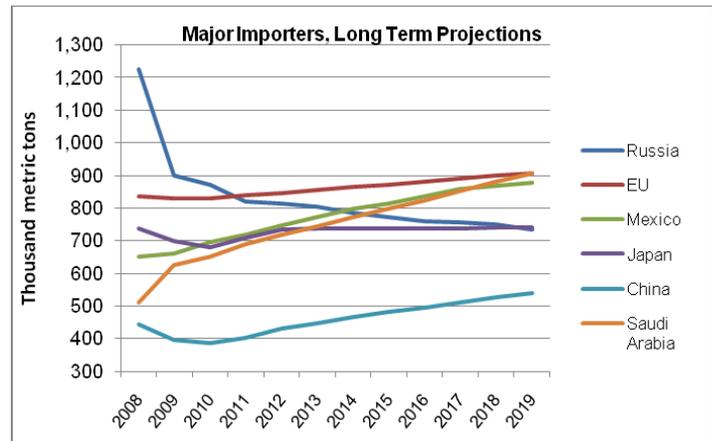
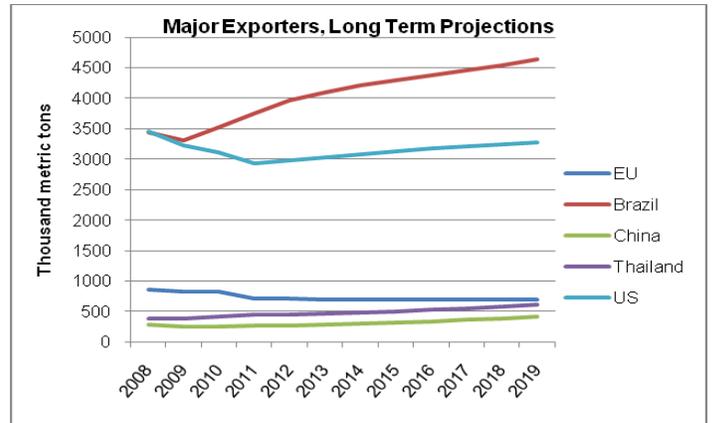
Rising consumer incomes should increase poultry demand and imports in Mexico and in the Central American and Caribbean region. Poultry products will remain less expensive than beef or pork, further stimulating demand. Mexico's domestic poultry production continues to increase during the projection period, but rises at a slower rate than consumption.

Poultry imports by Egypt, Saudi Arabia, and other countries in the North Africa and Middle East region now account for 25 percent of major-trader imports and are projected to account for more than half of the increase in imports between 2008 and 2019 as income and population growth boosts demand. Ongoing animal disease concerns in a number of countries are expected to slow growth in domestic production and to increase demand for imports.

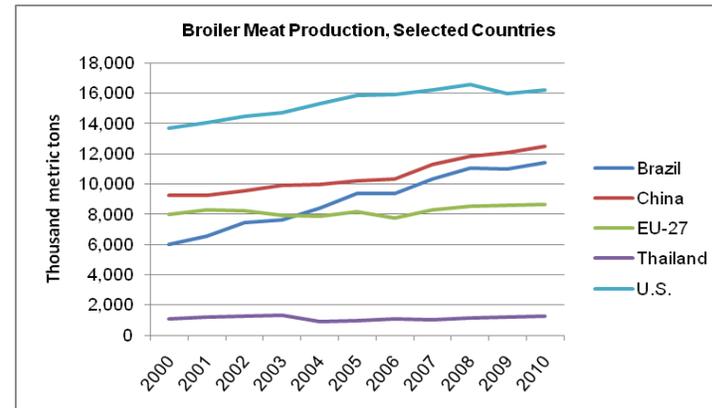
Because of avian influenza, some major poultry-exporting countries such as Thailand and China have shifted most of their exports to fully cooked products and are projected to continue to do so. Because of

their higher production costs, these cooked products will be marketed to developed or high-income countries in Asia, Europe and the Middle East. China's rising consumption of poultry meat will be met by expanding domestic production; poultry imports and exports will each grow by about 15,000 tons.

Source: USDA Agricultural Projections to 2019, World Agricultural Outlook Board <http://www.ers.usda.gov/Publications/OCE101/>



Source: Projections for Exports and Imports are from USDA Long-Term Projections, February 2010 and refer to broilers and turkeys.



Source: USDA Foreign Agricultural Service Production, Supply and Distribution

**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 | 290 | 145 | 1,014 | 480 |
| Frozen | 0 | 0 | 0 | 0 |
| Dried | 37 | 3 | 77 | 84 |
| Total | 327 | 148 | 1,091 | 564 |

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

| Type | Year-To-Date | | | |
|--------|--------------|---------|---------|-------|
| | 2010 | 2009 /1 | 2010 /2 | 2009 |
| Liquid | 607 | 278 | 2,579 | 1,995 |
| Frozen | 4 | 8 | 37 | 75 |
| Dried | 0 | 0 | 0 | 0 |
| Total | 611 | 286 | 2,616 | 2,070 |

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 | 2,090 | 1,500 | 3,123 |
| Large | 0 | 1,580 | 800 | 6,940 |
| Medium | 750 | 180 | 1,500 | 1,290 |
| Ungraded | 2,496 | 6,378 | 22,212 | 13,320 |
| Misc | 0 | 65 | 0 | 201 |
| Total | 3,246 | 10,293 | 26,012 | 24,874 |

/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 13-Feb-10 (Preliminary)

U.S. fowl slaughtered domestically

| | Thousands | | |
|------------------|------------|------------|------------|
| | Light Hens | Heavy Hens | Total Hens |
| Head | 1,339 | 1,201 | 2,540 |
| Last Week | 1,490 | 1,390 | 2,880 |
| Same week yr ago | 1,106 | 1,572 | 2,678 |
| To-date/2010* | 9,094 | 8,009 | 17,103 |
| To-date/2009* | 7,792 | 9,426 | 17,218 |

U.S. fowl slaughtered in Canada

| | Thousands | | |
|------------------|------------|------------|------------|
| | Light Hens | Heavy Hens | Total Hens |
| Head | 308 | 0 | 308 |
| Last Week | 490 | 0 | 490 |
| Same week yr ago | 246 | 0 | 246 |
| To-date/2010* | 2,271 | 0 | 2,271 |
| To-date/2009* | 1,505 | 11 | 1,516 |

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 | 1,647 | 1,201 | 2,848 |
| Last Week | 1,980 | 1,390 | 3,370 |
| Same week yr ago | 1,352 | 1,572 | 2,924 |
| To-date/2010* | 11,365 | 8,009 | 19,374 |
| To-date/2009* | 9,297 | 9,437 | 18,734 |

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

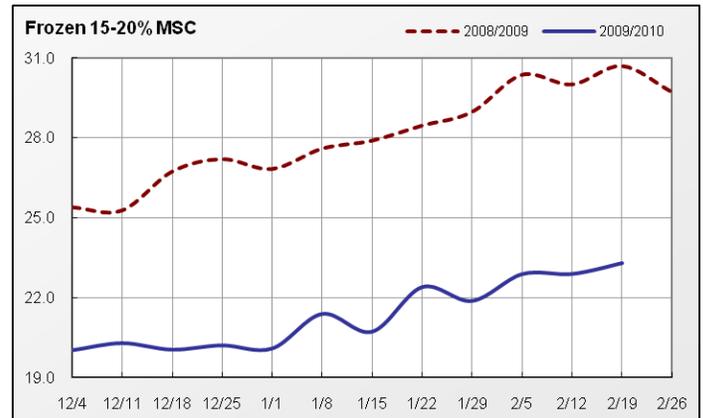
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 on frozen 15-20% was fully steady to firm with the balance of fat contents mostly steady. Supplies of frozen 15-20% were balanced to close, fresh 15-20% adequate, and about adequate on the remainder. Supplies of raw materials continue barely adequate to close. Export and domestic demand was fair to moderate on fresh 15-20% and moderate to fairly good on frozen 15-20%. Continued good interest and movement into the Caribbean and Central American countries; Mexico was seasonally quiet with the beginning of Lent. Schedules were generally back to normal after a few weeks of irregularity due to recent storm activity.

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

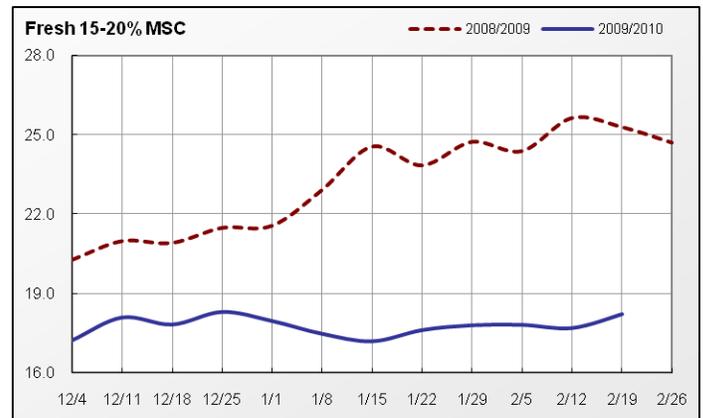
| Fat Content | Frozen | | | Fresh | | |
|--------------------|---------------|---------------|-------------|---------------|---------------|-------------|
| | 19-Feb-10 | Last Week | Last Year | 19-Feb-10 | Last Week | Last Year |
| 15% or Less | | | | | | |
| Price Range | | | - | 20.00 - 21.00 | 19.00 - 21.00 | 27.00-29.00 |
| Wtd Avg Price | | | - | 20.14 | 19.90 | 28.01 |
| Volume Traded | - | - | - | 286 | 406 | 257 |
| Volume Exported | - | - | - | - | - | 55 |
| 15-20% | | | | | | |
| Price Range | 19.50 - 28.00 | 20.00 - 28.00 | 26.00-34.00 | 15.00 - 21.00 | 16.00 - 21.00 | 23.00-29.00 |
| Wtd Avg Price | 23.28 | 22.88 | 30.68 | 18.22 | 17.70 | 25.30 |
| Volume Traded | 2,003 | 1,893 | 1,467 | 4,620 | 5,720 | 3,496 |
| Volume Exported | 1,763 | 1,245 | 1,047 | 1,816 | 1,244 | 898 |
| 20% or More | | | | | | |
| Price Range | - | - | - | 16.00 | 16.00 - 17.00 | 22.00 |
| Wtd Avg Price | - | - | - | 16.00 | 16.50 | 22.00 |
| Volume Traded | - | - | - | 82 | 82 | 80 |
| Volume Exported | - | - | - | - | - | - |



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

| Fat Content | Frozen | | | Fresh | | |
|--------------------|----------|----------|----------|----------|----------|----------|
| | Jan 2010 | Dec 2009 | Jan 2009 | Jan 2010 | Dec 2009 | Jan 2009 |
| 15% or Less | | | | | | |
| Wtd Avg Price | 24.00 | - | - | 18.78 | 18.55 | 27.67 |
| Volume Traded | 80 | - | - | 1,689 | 894 | 1,524 |
| Volume Exported | - | - | - | - | - | 274 |
| 15-20% | | | | | | |
| Wtd Avg Price | 21.31 | 20.14 | 27.92 | 17.57 | 17.84 | 23.48 |
| Volume Traded | 6,700 | 6,781 | 5,100 | 15,974 | 12,366 | 12,494 |
| Volume Exported | 5,940 | 5,659 | 4,268 | 2,162 | 3,060 | 2,613 |
| 20% or More | | | | | | |
| Wtd Avg Price | - | - | - | 16.08 | 16.18 | 22.99 |
| Volume Traded | - | - | - | 530 | 449 | 284 |
| 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 19 FEBRUARY, 2010.

The market tone on tom bulk parts and mechanically separated turkey was steady to fully steady. Demand was in a full range, slow to good. Offerings were light to moderate with tom full-cut wings most available. The trade sentiment on fresh tom breast meat was mostly steady, balance of white meat items were steady to fully steady. Some increased interest was reported on frozen tom breast meat. Demand was light to moderate with offerings tight to adequate. The market tone on thigh meat was steady to fully steady. Demand was fair to moderate while offerings were mostly limited. Domestic and export trading was fair to moderate. For domestic: frozen A grade breasts (non-basted) 8-10 lbs. 110, 12-16 lbs. 125, frozen hen breast meat 150, frozen tails 32, fresh scapula meat 109, fresh tom necks 56, fresh tails 32, fresh MST (pet food) 19-23 cents delivered. For export: fresh thigh meat 115, frozen livers 17 cents delivered border or port.

| EXPORT TRADING | PRICE | L.S.T. | WTD AVG | VOLUME | WEEKLY | WEEKLY |
|--|---------------|----------------|----------------|---------------|----------------|---------------|
| FRIDAY, FEBRUARY 19, 2010 | RANGE | CODE 1/ | PRICE | (000) | WTD AVG | VOLUME |
| | | | | | PRICE | (000) |
| DRUMSTICKS, TOMS | 64.00 | | 64.00 | 40 | 64.35 | 310 |
| WINGS FULL-CUT - TOMS | 73.00 | | 73.00 | 108 | 73.00 | 108 |
| WINGS, V-TYPE, TOM | | F | 75.41 | 588 | | |
| TAILS | 37.00-38.00 | | 37.33 | 162 | 36.67 | 324 |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | 114.00-118.0 | | 116.70 | 268 | 116.78 | 456 |
| EXPORT TRADING | PRICE | L.S.T. | WTD AVG | VOLUME | | |
| THURSDAY, FEBRUARY 18, 2010 | RANGE | CODE 1/ | PRICE | (000) | | |
| DRUMSTICKS, TOMS | 64.00-65.00 | | 64.40 | 270 | | |
| WINGS FULL-CUT - TOMS | | F | 75.41 | 588 | | |
| WINGS, V-TYPE, TOM | | | | | | |
| TAILS | 36.00 | | 36.00 | 162 | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | 117.00 | | 117.00 | 108 | | |
| EXPORT TRADING | PRICE | L.S.T. | WTD AVG | VOLUME | | |
| WEDNESDAY, FEBRUARY 17, 2010 | RANGE | CODE 1/ | PRICE | (000) | | |
| DRUMSTICKS, TOMS | | F | 63.00 | 40 | | |
| WINGS FULL-CUT - TOMS | | | | | | |
| WINGS, V-TYPE, TOM | | F | 75.41 | 588 | | |
| TAILS | | F | 36.00 | 162 | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | 116.50-117.00 | | 116.75 | 80 | | |
| EXPORT TRADING | PRICE | L.S.T. | WTD AVG | VOLUME | | |
| TUESDAY, FEBRUARY 16, 2010 | RANGE | CODE 1/ | PRICE | (000) | | |
| DRUMSTICKS, TOMS | | F | 63.00 | 40 | | |
| WINGS FULL-CUT - TOMS | | | | | | |
| WINGS, V-TYPE, TOM | | F | 75.41 | 588 | | |
| TAILS | | F | 36.00 | 162 | | |
| MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN | | F | 117.00 | 40 | | |

NO EXPORT TRADING REPORTED ON MONDAY, FEBRUARY 15, 2010, DUE TO PRESIDENTS DAY 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.