



INTERNATIONAL EGG AND POULTRY REVIEW



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

Mexican Ports of Entry and Inspection Hours

USDA Animal and Plant Health Inspection Service (APHIS) and the National Service of Agro Alimentary Health, Safety and Quality (SENASICA) have altered their port of entry operations along the border due to recent violence along the border. APHIS suspended inspection of live animal imports into the US at port of entry operations in Reynosa, Tamaulipas (Pharr, TX) and Nuevo Laredo, Tamaulipas (Laredo, TX) shifting these operations to Piedras Negras, Coahuila (Eagle Pass, TX) effective March 29, 2010. SENASICA adjusted its hours of operations at its Import Inspection Points (OISAS) in the states of Nuevo Leon (Colombia) and Tamaulipas (Nuevo Laredo, Matamoros, and Reynosa) effective April 5, 2010. Both governments continue to work on a long-term solution to ensure agricultural trade.

Recently, FSIS and SENASICA signed the "Terms of Reference for the Operational Relationship of the Mexican National Service of Health, Food Safety, and Agro-Alimentary Quality and the United States Food Safety and Inspection Service in the Trade in Meat, Poultry and Egg Products Between the United Mexican States and the United States of America" focuses on matters of equivalence, audit procedures, the listing and delisting of eligible establishments for export, and improved communication.

Mexican Production, Consumption, & Trade

Production

Broiler meat production declined in 2009 after 12 years of increase as a result of high grain prices in 2007, the devaluation of the Peso, international economic crisis, and increased competition from imports. Production in 2010 forecast was revised down to 2,792 thousand metric tons (TMT) following a 2.2% decline in 2009 (2,789 TMT). In 2009, reduced incomes resulting from the economic crisis caused diminished poultry product sales despite being the cheapest protein option. Increases in 2010 are dependent on the economic recovery rate and imported grain costs, as Mexico is a grain deficient country. However any possible reductions in production inputs (lower grain costs resulting from record US corn yields) will likely be offset by increased costs for energy, packing materials, and transportation.

Consumption

Consumption estimates were revised down to 3.37 TMT for 2010 to reflect the slow economic recovery; whereas 2009 and 2008 consumption was revised higher due to higher imports and final data respectively. The Mexican National Poultry Union (UNA) predicts average per capita consumption to be 25.73 kg in 2010, slightly lower than 2009 (25.96 kg). Poultry consumption benefitted in 2009 from the effects of H1N1 in pork. Consumers still prefer whole birds to chilled parts, however sales of chilled poultry parts, ready-to-cook (RTC), ready-to-eat (RTE), and value-added poultry products are on the rise at supermarkets.

Trade

2010 broiler import estimates were revised up 10.1% with expectations of increased imports of raw materials for meat processing; 2009 estimates were revised 7.2% higher due to cheaper international prices. The US continues to be Mexico's top supplier, though it has lost ground to Chilean imports, especially mechanically separated chicken (MSC), which accounts for 28% (+108%). Mexico's top imports included fresh or chilled MSC, fresh or chilled turkey parts, and frozen chicken leg quarters.

Broiler export estimates for 2010, 2009, and 2008 were revised upward to reflect official data and efforts to increase exports. The slow rate of increase in poultry exports has been attributed to problems with consolidation and marketplace diversification. The

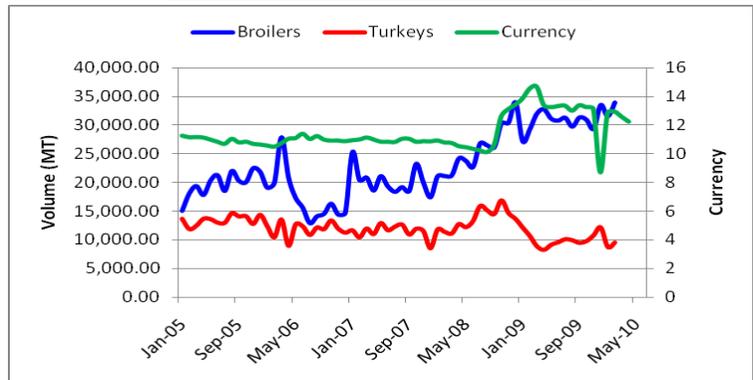
Mexican government also allocated monies to the poultry and egg industry for promotion (\$285 million pesos) and has established a government loan program to encourage value-added product production. However Mexico has become frustrated and views trade between the US and Mexico to be one way in poultry with USDA's lack of recognition of Mexico's disease-free status (Exotic Newcastle Disease (END)), which is impacting its ability to diversify its export markets. APHIS and SAGARPA/SENASICA are working together to provide recognition to Mexico as being END free in areas.

After much criticism, UNA has sought amendment of the labeling regulation, which would establish requirements on products used in the production of sausage and hams. In addition to trade issues dating back to SAGARPA's January 2008 prohibition of combo use for frozen meat and products, the implementation delay ran out for 100% intrusive sampling of combos at the border March 15, 2010. Industry is uncertain of the new inspection system and its implementation date as Mexican authorities have struggled to develop a system that doesn't impede trade.

On another note, Mexico's Peso recently firmed after continually battling the current economic times. The recent rise can be attributed to the release of data showing strength in the US manufacturing sector and increased US consumer spending in addition to the recent approval of an aid package to an indebted Greece from the European Union (EU) and the International Monetary Fund.

Source: USDA FAS/Various News Wires/USDA AMS PMNA

Mexican Peso (MXN) Value against US Dollar (USD) with US Broiler and Turkey Meat Exports (MT)



Note: All data is January-December with the exception of 2010, which is for February 2010. The average April 2010 currency exchange for 1 USD = 12.2506733 MXN. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/Oanda FX Trade.

Mexico's Poultry Situation (1,000 MT and kilograms (KG))

Broiler	2006	2007	2008	2009	2010
Production	2,592	2,683	2,853	2,789	2,792
Imports	419	380	433	492	525
Exports	1	2	5	9	10
Total Cons.	3,010	3,061	3,281	3,272	3,307
Per Capita Cons.	28.00	28.20	29.80	29.40	29.40

Turkey

Production	14	15	15	15	15
Imports	189	202	204	170	190
Exports	3	4	0	0	0
Total Cons.	200	213	219	185	205
Per Capita Cons.	1.86	1.96	2.00	1.70	1.80

Note: Cons. = Consumption. Source: USDA FAS PSD Online

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	48	378	1,647	2,104
Frozen	0	0	0	0
Dried	0	0	156	182
Total	48	378	1,803	2,286

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	518	316	6,530	5,265
Frozen	4	0	129	129
Dried	0	0	0	0
Total	522	316	6,659	5,394

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	2,460	570	12,810	11,243
Large	2,000	870	33,220	40,861
Medium	870	2,430	11,820	14,970
Ungraded	3,168	7,260	69,642	71,390
Misc	0	0	0	2,119
Total	8,498	11,130	127,492	140,583

/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 24-Apr-10 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,532	1,458	2,990
Last Week	1,598	1,314	2,912
Same week yr ago	1,164	1,679	2,843
To-date/2010*	23,555	21,181	44,736
To-date/2009*	19,476	24,247	43,723

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	286	24	310
Last Week	454	11	465
Same week yr ago	414	0	414
To-date/2010*	5,405	115	5,520
To-date/2009*	4,472	11	4,483

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

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,818	1,482	3,300
Last Week	2,052	1,325	3,377
Same week yr ago	1,578	1,679	3,257
To-date/2010*	28,960	21,296	50,256
To-date/2009*	23,948	24,258	48,206

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

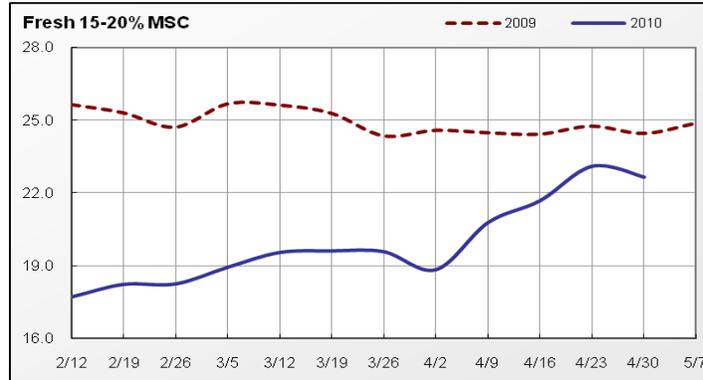
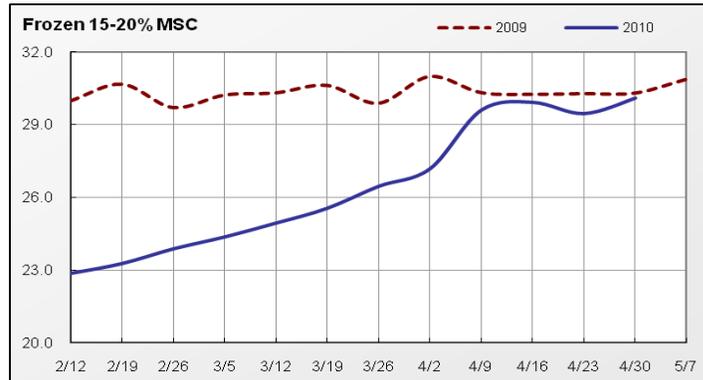
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 fresh and frozen 15-20% was steady to fully steady with the balance of fat contents steady. Supplies of fresh and frozen 15-20% were balanced to fully adequate with the remainder generally sufficient. Supplies of raw materials were about adequate and clearing. The spot marketplace remains unsettled and unpredictable as price and supply fluxuations stemming from production irregularities and typical seasonal patterns create short term opportunities. Export and domestic demand on frozen 15-20% was moderate to instances good with some slowed interest noted; fresh 15-20% was mixed ranging light to instances good. Frozen 15-20% continues to receive best call into Central America and the Caribbean. Mexico was light with relative improvement noted in demand though some continue to experience slow finished product sales and credit issues. Schedules continue normal to irregular with varying disruptions noted. Frame values were steady with trading levels ranging 7-11 cents FOB.

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

Fat Content	Frozen			Fresh		
	30-Apr-10	Last Week	Last Year	30-Apr-10	Last Week	Last Year
15% or Less						
Price Range		32.00	-	26.00	25.00 - 26.00	27.00-30.00
Wtd Avg Price		32.00	-	26.00	25.77	28.71
Volume Traded	-	40	-	91	213	419
Volume Exported	-	-	-	50	50	55
15-20%						
Price Range	27.00 - 33.00	24.50 - 33.00	27.00-35.00	18.00 - 30.00	18.00 - 30.00	19.00-28.00
Wtd Avg Price	30.09	29.45	30.31	22.66	23.11	24.45
Volume Traded	1,758	1,838	2,539	5,467	6,833	3,552
Volume Exported	1,558	1,718	2,059	367	408	1,020
20% or More						
Price Range	-	-	-	22.00	20.00	22.00
Wtd Avg Price	-	-	-	22.00	20.00	22.00
Volume Traded	-	-	-	41	41	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Mar 2010	Feb 2010	Mar 2009	Mar 2010	Feb 2010	Mar 2009
15% or Less						
Wtd Avg Price	25.00	24.50	-	23.30	19.93	28.56
Volume Traded	40	40	-	408	1,182	1,208
Volume Exported	-	-	-	-	-	217
15-20%						
Wtd Avg Price	25.48	23.18	30.27	19.37	17.96	25.26
Volume Traded	5,689	7,348	6,474	14,453	18,692	11,295
Volume Exported	4,937	5,815	5,620	1,958	4,039	2,815
20% or More						
Wtd Avg Price	-	-	-	18.50	16.63	22.00
Volume Traded	-	-	-	245	326	326
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

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NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 30 APRIL, 2010.

The market tone on bulk parts remained mostly steady. Demand was light to moderate. Offerings ranged tight to instances fully adequate, tom necks in the longest position. The trade sentiment on white meat was steady to at times firm. Demand was fair to moderate with offerings short to adequate, trims continued to be in the tightest position. The market tone on thigh meat and mechanically separated turkey was steady. Demand was slow to moderate while offerings were mixed. Domestic and export trading was light to moderate. For domestic: fresh scapula meat 137-140, fresh wing meat 125 cents delivered. For export: frozen drumettes 47 cents delivered border or port.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, APRIL 30, 2010	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	68.50-70.00		68.73	256	69.66	472
WINGS FULL-CUT - TOMS	67.50		67.50	378	67.52	381
WINGS, V-TYPE, TOM		M	83.00	120	83.00	120
TAILS		T	46.00	54	43.50	108
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	120.00	54	120.00	94
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, APRIL 29, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	71.50		71.50	108		
WINGS FULL-CUT - TOMS	71.00		71.00	3		
WINGS, V-TYPE, TOM		M	83.00	120		
TAILS		T	46.00	54		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00		120.00	54		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, APRIL 28, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	70.00		70.00	108		
WINGS FULL-CUT - TOMS		R	69.50	432		
WINGS, V-TYPE, TOM		M	83.00	120		
TAILS		T	46.00	54		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	120.00	40		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, APRIL 27, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		R	67.71	378		
WINGS FULL-CUT - TOMS		R	69.50	432		
WINGS, V-TYPE, TOM		M	83.00	120		
TAILS	46.00		46.00	54		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	120.00	40		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, APRIL 26, 2010	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		R	67.71	378		
WINGS FULL-CUT - TOMS		R	69.50	432		
WINGS, V-TYPE, TOM	83.00		83.00	120		
TAILS	41.00		41.00	54		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00		120.00	40		

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.