



INTERNATIONAL EGG AND POULTRY REVIEW

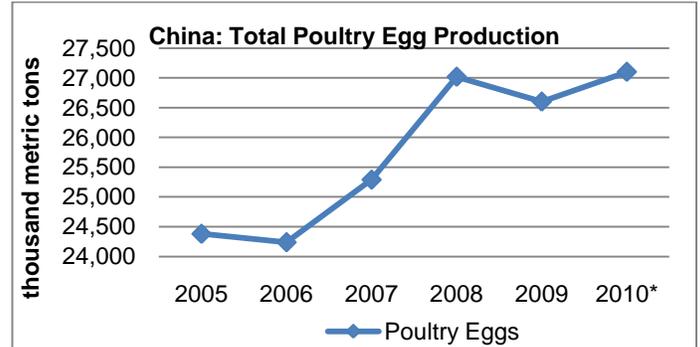


U.S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News and Analysis Branch

China's Egg Industry

China is by far the largest egg producer in the world, producing 26.6 million metric tons (MMT) in 2009. Chinese egg production is forecast to reach 27.1 MMT in 2010, up 1.88% from 2009. The increase in production is due to a strengthening world economy combined with rising export demand. Egg consumption has grown from 12.8 kg/person/year in 1995 to 20.0 kg/person/year in 2005, an annual growth rate of 4.7%

Egg production dropped 1.5 % to 26.6 MMT in 2009 due to oversupply and falling prices. A new policy of subsidizing imported grand-parent generation (GPG) breeding stocks started in 2008. One set (120 birds) of GPG breeding egg layers were subsidized RMB100 (\$14.64), resulting in large imports. The policy was eliminated in the second half of 2009 due to oversupply. China's largest domestic GPG grower of western breeds increased its own production; in 2009 this company alone provided 100 million commercial egg layers. The oversupply combined with decreased consumption pushed egg prices lower, driving producers to slaughter many egg layers as feed prices increased during the year.



Source: China National Statistics Bureau
*Note: 2010 - production is Post's forecast.

China Retail Chicken Egg Prices On Average 2005-2008 (RMB/KG. \$1=RMB6.83)

	2006	2007	2008	2009	% Change 2009/08
Jan	6.28	7.31	7.92	7.56	-4.55
Feb	5.83	7.59	7.98	7.43	-6.89
Mar	5.68	7.25	7.64	7.31	-4.32
Apr	5.54	7.25	7.52	7.44	-1.06
May	5.55	7.58	7.66	7.58	-1.04
Jun	5.65	7.91	7.84	7.57	-3.44
Jul	5.72	7.59	7.80	7.42	-4.87
Aug	6.41	8.26	8.04	7.86	-2.24
Sep	7.00	8.31	8.47	8.30	-2.01
Oct	6.99	8.14	8.15	8.04	-1.35
Nov	6.93	7.98	7.60	7.81	2.76
Dec	7.26	7.94	7.50	7.86	4.80

Source: The Ministry of Agriculture

Top Hen Egg Producing Countries, in metric tons

	2004	2005	2006	2007	2008
China	20,500,750	21,040,550	20,935,230	21,833,200	22,749,200
U.S.	5,286,700	5,333,400	5,381,700	5,395,000	5,338,700
India (F)	2,486,000	2,543,000	2,786,000	2,930,000	2,740,000
Japan	2,480,752	2,482,643	2,496,648	2,583,000	2,554,000
Mexico	2,001,630	2,024,723	2,290,062	2,290,833	2,337,215
Russia	1,991,500	2,049,900	2,100,000	2,103,300*	2,118,500*
Brazil	1,615,932	1,674,929	1,760,340	1,779,190	1,825,000
Indonesia	934,200	856,580	1,010,787	1,174,600	1,266,900
France	945,400	930,100	908,300	878,400	879,000*
Ukraine	677,400	748,100	815,600	807,200	855,200

*=Unofficial figure | F = FAO estimate
FAOSTAT | © FAO Statistics Division 2010 | 10 May 2010

Disease outbreaks in 2009 also impacted egg layer production. Outbreaks of J-ALV (avian leukosis virus) occurred in several provinces. Although not serious, the outbreaks pushed some smaller backyard operators out of the egg business.

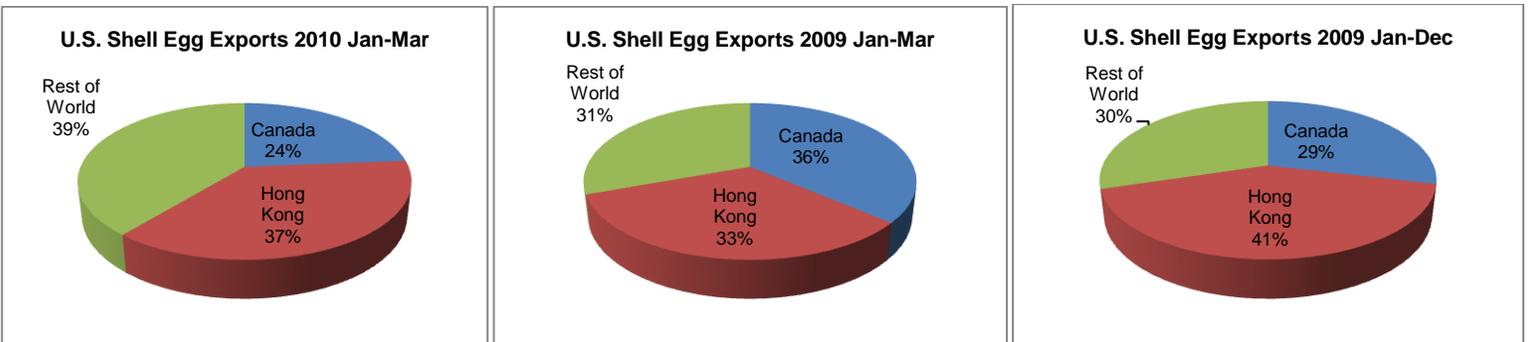
China is a net exporting country; Hong Kong and Macau will continue to be China's main export markets for shelled eggs in 2010. At the end of last year, the EU announced their 2009/799/EC decision to lift its ban on Chinese eggs and egg products which had been imposed in 2001 due to food safety concerns.

Source: USDA Foreign Agricultural Service; 2009 FAO report "The State of Food and Agriculture, Livestock in the Balance".

U.S. Shell Egg Exports (H.S. 040700040) in dozens

	Jan-Dec 2009	Jan-Mar 2009	Jan-Mar 2010
Canada	27,028,167	3,412,506	3,033,080
Hong Kong	24,665,656	4,930,408	4,764,591
Other Countries	22,769,971	3,529,329	4,990,596
World Total	74,463,794	11,872,243	12,788,267

Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics



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**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	96	384	1,841	2,869
Frozen	0	0	0	0
Dried	0	40	156	222
Total	96	424	1,997	3,091

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	410	315	7,408	5,947
Frozen	2	18	141	150
Dried	0	0	0	0
Total	412	333	7,549	6,097

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	2,646	2,010	16,206	16,313
Large	2,345	3,610	37,915	46,369
Medium	1,965	1,350	16,035	18,750
Ungraded	2,412	9,960	73,662	90,320
Misc	0	0	0	2,575
Total	9,368	16,930	143,818	174,327

/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 08-May-10 (Preliminary)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,581	1,474	3,055
Last Week	1,403	1,410	2,813
Same week yr ago	1,562	1,548	3,110
To-date/2010*	26,539	24,065	50,604
To-date/2009*	22,494	27,061	49,555

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	568	0	568
Last Week	470	11	481
Same week yr ago	367	0	367
To-date/2010*	6,443	126	6,569
To-date/2009*	5,230	11	5,241

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	2,149	1,474	3,623
Last Week	1,873	1,421	3,294
Same week yr ago	1,929	1,548	3,477
To-date/2010*	32,982	24,191	57,173
To-date/2009*	27,724	27,072	54,796

*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 was steady to fully steady for all fat contents. Supplies of fresh and frozen 15-20% were adequate to closely balanced with the remainder of fat contents adequate. Raw material supplies were light to adequate. The marketplace was status quo as competing proteins were generally closely balanced to in short supply and receiving fully steady to firm prices. Some buyers were noting good movement of finished products domestically as well. Export and domestic demand on frozen 15-20% was moderate to instances good and light to moderate on fresh 15-20% with price resistance noted on both. Best movement of MSC continued into the Caribbean and Central American channels; spotty interest and movement into Mexico. Schedules were normal to irregular. Frame values were steady with trading levels ranging 8-10 cents FOB.

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

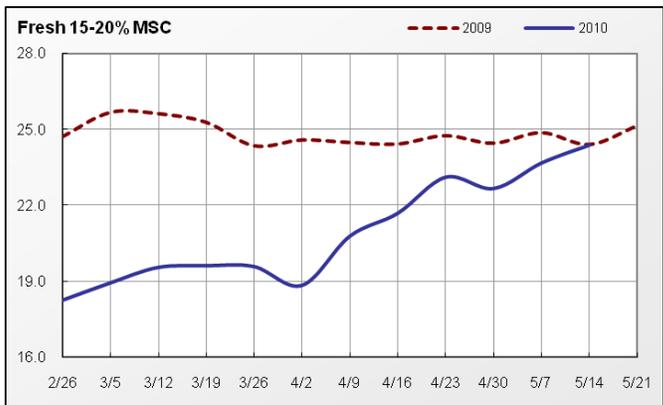
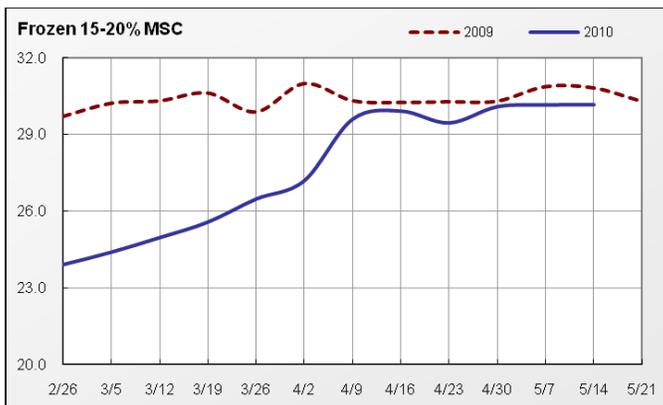
Fat Content	Frozen			Fresh		
	14-May-10	Last Week	Last Year	14-May-10	Last Week	Last Year
15% or Less						
Price Range			-	26.00	26.00	28.00-30.00
Wtd Avg Price			-	26.00	26.00	29.29
Volume Traded	-	-	-	56	296	418
Volume Exported	-	-	-	50	-	55
15-20%						
Price Range	28.00 - 33.00	27.00 - 33.00	27.00-34.00	19.50 - 30.00	18.00 - 30.00	20.00-28.00
Wtd Avg Price	30.17	30.16	30.83	24.38	23.68	24.40
Volume Traded	2,166	1,886	1,061	4,508	5,222	2,224
Volume Exported	1,886	1,766	901	898	1,306	734
20% or More						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	82	41	41
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Apr 2010	Mar 2010	Apr 2009	Apr 2010	Mar 2010	Apr 2009
15% or Less						
Wtd Avg Price	31.00	25.00	33.00	26.18	23.30	28.65
Volume Traded	120	40	40	679	408	937
Volume Exported	-	-	-	100	-	215
15-20%						
Wtd Avg Price	29.13	25.48	30.61	21.83	19.37	24.54
Volume Traded	10,639	5,689	11,295	22,877	14,453	12,147
Volume Exported	9,319	4,937	10,263	1,795	1,958	1,795
20% or More						
Wtd Avg Price	-	-	-	20.20	18.50	22.00
Volume Traded	-	-	-	204	245	408
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



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 14 MAY, 2010.

The market tone on tom bulk parts was steady to fully steady with the exception of tom necks, steady to instances barely steady. Demand was light to moderate. Offerings of tom necks were adequate to fully adequate with the balance of parts short to tight. The trade sentiment on white meat was steady to firm. Demand was light to good while offerings were short to barely adequate, trims remaining in the tightest position. The market tone on thigh meat was generally steady. Demand was mostly light with limited offerings. Trading was slow to moderate. For domestic: fresh breast trim 152, fresh scapula 143-144, fresh wing meat 128, frozen tails 40, frozen tom breast meat (plus 1 year age) 190, frozen 4-8 lb. plant grade breasts (late July delivery) 115 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MAY 14, 2010	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
						(000)
DRUMSTICKS, TOMS	72.00		72.00	40	73.87	202
WINGS FULL-CUT - TOMS	71.00		71.00	270	71.00	270
WINGS, V-TYPE, TOM		M	85.00	240	85.00	240
TAILS	41.00-43.00		42.00	80	40.72	498
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00		120.00	40	120.27	294

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MAY 13, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	74.00-75.00		74.33	162
WINGS FULL-CUT - TOMS		F	67.00	324
WINGS, V-TYPE, TOM		M	85.00	240
TAILS	40.00		40.00	216
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00-122.00		120.40	200

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MAY 12, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	70.31	256
WINGS FULL-CUT - TOMS		F	67.00	324
WINGS, V-TYPE, TOM		M	85.00	240
TAILS	45.00		45.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00		120.00	54

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MAY 11, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	70.31	256
WINGS FULL-CUT - TOMS		F	67.00	324
WINGS, V-TYPE, TOM		M	85.00	240
TAILS		M	40.00	162
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	119.91	88

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MAY 10, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	70.31	256
WINGS FULL-CUT - TOMS		F	67.00	324
WINGS, V-TYPE, TOM	85.00		85.00	240
TAILS	40.00		40.00	162
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	32.00	80
		F	119.91	88

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.