



INTERNATIONAL EGG AND POULTRY REVIEW



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

EU-27 Broiler Welfare Directive and Poultry Marketing Regulation to go into effect on July 1, 2010

July 1, 2010 is the final implementation date of Council Directive 2007/43/EC of 28 June 2007, known as the poultry welfare directive. This directive lays down minimum rules for the protection of chickens kept for meat production. As a general rule, this directive limits the stocking densities of poultry to 33 kg/m², although Member States may still allow higher stocking densities under certain conditions. When an exemption is granted for higher stocking densities the maximum stocking density cannot exceed 39 kg/m².

It is likely that, as a consequence of this new legislation, new labeling requirements for poultry imports will be installed, as Article 5 of this directive specifically mentions that the EU will submit a proposal in this context before the end of 2009.

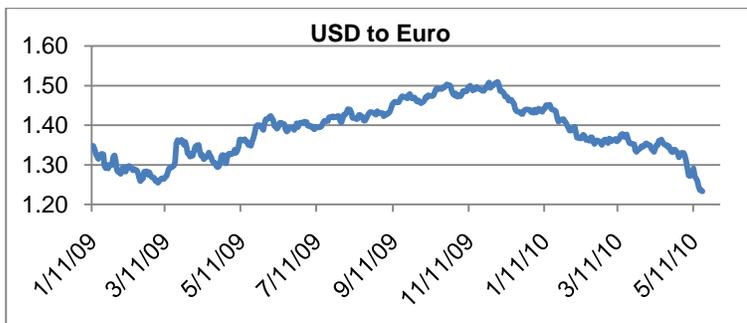
On July 1, 2010, Commission Regulation 543/2008 comes into force. This regulation updates the EU's marketing standards for poultry. It more clearly defines fresh poultry meat and does not allow thawed and further prepared poultry meat to be sold as fresh. It also tightens standards on water content in poultry.

Broiler meat production is forecast to grow less than 1 percent in 2010 due to the negative impact of the global financial crises on meat consumption in Europe combined with stable poultry meat trade; turkey meat production is forecast to decrease slightly. However, profitability is expected to increase due to lower grain prices reducing producers' costs. Poultry meat is the least expensive source of protein and has weathered the economic recession better than other meats. Several market analyses showed that while consumers switched from beef or pork to poultry meat, low income consumers simply reduced their protein purchases, switching to carbohydrate products (bread, pasta). Per capita consumption of broiler meat is forecast to increase slightly while turkey meat consumption remains unchanged.

Broiler Extra EU-27 Trade (Top 5 EU-27 Member States) 1000MT

	Exporters				Importers		
	2008	2009	2010		2008	2009	2010
France	253	260	265	Benelux	262	278	280
Benelux	210	210	205	UK	177	191	180
Germany	91	95	100	Germany	105	80	95
Poland	34	35	35	Spain	33	32	31
Spain	31	31	31	France	30	28	30

EU broiler exports are expected to continue to face strong competition on the world market, especially from Brazil, but may benefit from the recent drop in the value of the Euro compared to other currencies. The Euro has fallen from a high of US\$1.5091 on December 4, 2009 to US\$1.233 on May 18, 2010.



Source: <http://www.oanda.com/currency/historical-rates>

Exports of French whole chicken to the Middle-East are expected to remain stable. Russia is expected to remain the main primary destination for EU-27 broiler meat exports in 2010, followed by Saudi Arabia, Hong Kong and Benin. EU exports to the Ukraine are not expected to recover due to the currency issue and likely political instability. EU meat exports to Russia were severely hampered in 2009 as Russia implemented stricter hygiene and residue standards. Most EU exporters were relisted for exports to Russia towards the end of 2009 after the EU agreed to meet the stricter standards and processors implemented them. Long term exports to Russia are uncertain as Russia is systematically decreasing meat import quotas yearly with the goal of reaching self-supply sufficiency around 2012.

EU-27 Poultry Meat Production/Supply/Demand in 1,000 MT

	2003	2004	2005	2006	2007	2008	2009	2010
Broiler Meat								
Production	7,916	7,852	8,169	7,740	8,320	8,594	8,660	8,700
Imports	546	489	609	605	673	712	712	720
Exports	723	728	696	689	635	742	783	770
Consumption	7,739	7,613	8,082	7,656	8,358	8,564	8,589	8,650
Turkey Meat								
Production	2,028	2,032	1,919	1,858	1,790	1,830	1,820	1,815
Imports	86	101	128	113	103	125	120	120
Exports	175	167	159	130	124	120	110	105
Consumption	1,939	1,966	1,888	1,841	1,769	1,835	1,830	1,830

Source: Foreign Agricultural Service, Official USDA Estimates

EU-27 imports of preserved and cooked broiler meat have gone from non-existent to close to 3,800 MT in 2009 and could reach 10,000 MT in 2010 according to some analysts. The EU has started negotiations with exporting countries, mainly Brazil and Thailand, on redefining certain tariff lines that are believed to offer new loopholes for exporters to evade out-of-quota duties on poultry exports. Processed poultry under HS 16023230 increased rapidly to almost 50,000 MT in 2008 and even 75,000 MT in 2009. These imports benefit from an ad valorem duty level of 10.9 percent, compared to a fixed duty of €102.4/100kg net for out of quota imports under HS 16023219. The in-quota tariff for HS 16023219 is 8 percent. By adding non-meat product to processed poultry to bring the poultry meat content below 57%, exporters can extend low-duty poultry exports to the EU beyond fixed quota numbers.

EU-27 (External Trade) Import Statistics

Commodity: 16023230, prepared or preserved meat or offal of fowls of the species Gallus Domesticus containing >= 25% but < 57% of poultry meat or offal (excl. of turkeys and guinea fowl, sausages and similar products, finely homogenized preparations put up for retail sale). Year ending: November

	Metric Tons			% Share			% Chg
	2007	2008	2009	2007	2008	2009	
World	24665	45,668	69,443	100.00	100.00	100.00	52.06
Brazil	18641	33,729	53,173	75.57	73.86	76.57	57.65
Thailand	4754	10,504	14,461	19.27	23.00	20.82	37.67
Croatia	1104	1,285	1,360	4.48	2.81	1.96	5.86
China	0	-	237	0.00	0.00	0.34	0.00
Israel	37	136	195	0.15	0.30	0.28	42.74
Switzerland	7	10	8	0.03	0.02	0.01	-18.63
Norway	0	4	3	0.00	0.01	0.00	-20.00
Argentina	122	-	-	0.49	0.00	0.00	0.00
Malaysia	1	-	-	0.00	0.00	0.00	0.00

Source: Global Trade Atlas

Source: USDA Foreign Agricultural Service GAIN Report; Official Journal of the European Union

**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	243	1,889	3,450
Frozen	0	0	0	0
Dried	40	0	196	222
Total	88	243	2,085	3,672

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

Type	Year-To-Date			
	2010	2009 /1	2010 /2	2009
Liquid	427	363	8,217	6,628
Frozen	0	11	183	166
Dried	0	0	0	0
Total	427	374	8,400	6,794

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	2,280	2,070	21,816	19,643
Large	3,100	2,150	42,335	51,829
Medium	312	2,010	19,317	21,660
Ungraded	6,264	1,620	83,083	102,422
Misc	0	0	0	2,575
Total	11,956	7,850	166,551	198,129

/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 22-May-10 (Preliminary)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,380	1,490	2,870
Last Week	1,403	1,468	2,871
Same week yr ago	1,431	1,396	2,827
To-date/2010*	29,322	27,023	56,345
To-date/2009*	25,484	29,958	55,442

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	387	15	402
Last Week	426	12	438
Same week yr ago	0	0	0
To-date/2010*	7,256	153	7,409
To-date/2009*	5,512	11	5,523

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	1,767	1,505	3,272
Last Week	1,829	1,480	3,309
Same week yr ago	1,431	1,396	2,827
To-date/2010*	36,578	27,176	63,754
To-date/2009*	30,996	29,969	60,965

*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 generally steady on all fat contents. Supplies of fresh and frozen 15-20% were adequate with the remainder of fat contents balanced to adequate. Raw material supplies were at least adequate for current needs. Some buyers were anticipating seasonally good movement of finished products domestically for the upcoming holiday weekend. Export and domestic demand on frozen 15-20% was fair to fairly good; light to moderate on fresh 15-20% with some price resistance noted on both. MSC moved best into Central American channels with light interest into Mexico. Schedules were seasonally normal. Frame values were steady with trading levels ranging 8-11 cents FOB.

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

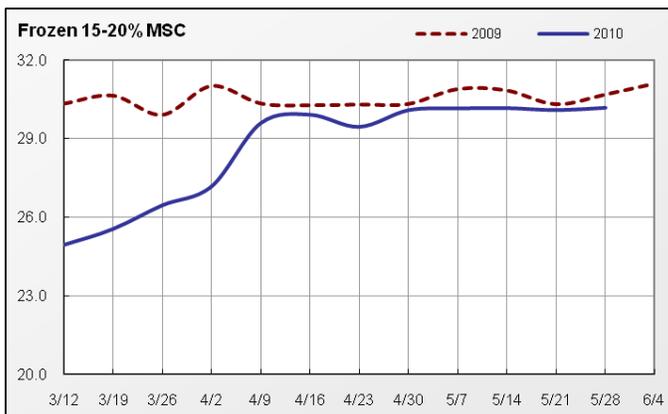
Fat Content	Frozen			Fresh		
	28-May-10	Last Week	Last Year	28-May-10	Last Week	Last Year
15% or Less						
Price Range	32.00	-	-	26.00	26.00	27.00-31.00
Wtd Avg Price	32.00	-	-	26.96	26.00	29.20
Volume Traded	40	-	-	213	153	518
Volume Exported	-	-	-	50	-	54
15-20%						
Price Range	28.00 - 33.00	28.00 - 33.00	27.00-35.00	15.00 - 28.00	20.50 - 30.00	18.50-28.00
Wtd Avg Price	30.18	30.10	30.67	23.43	23.99	25.11
Volume Traded	1,714	1,591	1,096	2,774	3,311	3,791
Volume Exported	1,402	1,591	936	41	163	857
20% or More						
Price Range	-	-	-	22.00	22.00	22.00
Wtd Avg Price	-	-	-	22.00	22.00	22.00
Volume Traded	-	-	-	41	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 28 MAY, 2010.

The market tone on tom necks remained steady to barely steady with the balance of parts steady to fully steady. Demand and offerings were light to moderate. The trade sentiment on white meat was steady to firm. Demand was light to good with continued inquiry on trims. Offerings were light to short of needs. The market tone on thigh meat and mechanically separated turkey was steady. Demand was light to moderate. Offerings were mixed. Market activity was slow to moderate as many in industry prepare for the Memorial Day weekend. For domestic: frozen institutional A grade breasts (basted only) 8-10 lbs. 115, 12-16 lbs. 125, frozen tom gizzards (hand cut, hand defatted) 97, frozen tails 40-44 cents delivered. For export: fresh tom drums 71, frozen tom necks 47 cents delivered border or port.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MAY 28, 2010	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	74.00-76.50		75.25	80	73.97	296
WINGS FULL-CUT - TOMS	72.00		72.00	108	72.00	108
WINGS, V-TYPE, TOM		R	86.68	564	86.68	564
TAILS	40.00-45.00		40.42	118	40.85	940
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00		120.00	162	120.27	296

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MAY 27, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	72.00-75.00		73.50	216
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	84.00-90.00		86.68	564
TAILS	40.00-44.00		40.91	822
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	120.00-122.00		120.60	134

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MAY 26, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	72.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	83.50	240
TAILS		R	42.25	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	34.00	40
		R	122.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MAY 25, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	72.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	83.50	240
TAILS		R	42.25	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	34.00	40
		R	122.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MAY 24, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	72.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	83.50	240
TAILS		R	42.25	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	34.00	40
		R	122.00	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.