



## Pakistan

About 20% of Pakistan, a country the size of England, has been devastated by weeks of flooding. It is estimated that about 17 million acres or upwards of 30% of the Pakistan's cultivated farmland and about 20% of Pakistan's total agricultural production has been affected or damaged by recent flooding. However surveys are still out for a final estimate on total crop and livestock losses. Millions of head of livestock (i.e. cattle, sheep, buffalo, goats, donkeys, chickens, etc.) have been killed or threatened due to the flooding. Thousands of farmers have been forced to leave their livestock fleeing for their own lives. Additionally, Pakistan has suffered significant damage to its infrastructure (i.e. roads, bridges, agricultural irrigation systems, etc.).

Flooding has devastated the provinces of Sindh, Punjab, and Khyber Pakhtunkhwa. Sindh and Punjab are the country's main agricultural provinces. Agriculture is the backbone of Pakistan with about 66% of the country's citizens employed by the agricultural sector (1.5 million jobs in poultry). In Pakistan livestock is not only a source of meat and milk but it is a source of cash flow in hard times. Livestock makes up half of the agricultural GDP. In 2010, Pakistan was projected to see a GDP of 4.5%, however due to recent flooding and insurmountable losses Pakistan is expected to have a growth rate of 0%. The country had an economic growth rate of 4.1% in 2009.

The United Nations Foreign Agricultural Organization has asked for \$5.7 million USD in emergency aid for feed and medicine relief for livestock. FAO has mobilized about \$1.4 million USD for feedstuffs and will be asking for more in the future. The country is still surveying its feed availability in order to determine its position and its needs. From there Pakistan will then need to assess its transportation issues. About 30 countries have responded offering up \$700 million USD in relief with the Asian Development Bank offering Pakistan \$2 billion USD in emergency loans.

Pakistan's commercial poultry industry began in 1964 in cities such as Karachi, Lahore, Faisalabad, Rawalpindi, and Hyderabad. According to the PPA, poultry meat production makes up about 19% of Pakistan's total meat production and has an annual growth rate of 8-10% annually. Due to various government supports over the years (i.e. total or partial import duty exemptions, sales tax, income tax holidays, and approval to export at subsidized rates for table eggs, day old chicks, and broilers) the industry had prospered year to year. However Pakistan has experienced setbacks such as changes in government policies, low economic returns or products, substandard and costly feeds, an inefficient marketing system, a costly and inefficient distribution system, disease (i.e. Avian Influenza 1994, 2003, 2004, 2008), and other natural causes. On a side note, Pakistan's breeder population is considered to be among the top 10 poultry industries worldwide.

Earlier in 2010, Pakistan's chicken meat prices were starting to decline as industry was finally showing signs of recovery from the negative impacts suffered from avian influenza in 2008. Pakistan lost about 40% of its poultry industry due to decreased chicken sales and high feed prices resulting from the 2008 outbreaks. Representatives from Pakistan's poultry industry are worried about supplies and fulfilling consumer needs during this holy month of Ramadan (i.e. August 10-September 9, 2010) when chicken demand is at one of its strongest points. Chicken meat prices are expected to rise due to expected supply shortages resulting from the recent flooding.

Prior to the flooding, Pakistan was looking at ways to become more competitive in the export marketplace, especially in the Halal marketplace to countries in the Middle East. Pakistan had been seeking Malaysia's expertise and technology in slaughtering, processing, and commercial marketing. However Pakistan needs to make some significant improvements in efficiency and modernization of its technology, marketing, and transportation systems.

On side note, the Competition Commission of Pakistan (CCP) issued a Show Cause Notice to the Pakistan Poultry Association (PPA) in July 2010. After being prompted by numerous consumer complaints the CCP conducted a raid of the Pakistan poultry Association's (PPA) offices in Islamabad, Lahore, and Karachi. Upon investigation of impounded documents and other information the CCP found that the PPA had been serving as a hub for the various sectors (i.e. hatcheries, feed manufacturers, breeders, broiler farms, layer farms, etc.) helping to control production levels and fix prices. The CCP found the PPA in violation with Section 4 of the Competition Ordinance 2010. As a result of these findings, the PPA was issued a penalty of \$50 million Rupees (\$577,861 USD) for operating like a cartel in August 2010.

Source: Various News Wires/United Nations Food and Agriculture Organization/Pakistan Ministry of Food, Agriculture, & Livestock/Pakistan's Poultry Association (PPA)/USDA FAS/USDA AMS PMNA

### Pakistan's Poultry Situation (kilotons)

	2006	2007	2008	2009	2010	2011	2012
Production	521.0	564.3	575.1	517.7	539.7	563.7	589.6
Imports	5.2	10.9	5.1	5.3	5.4	5.6	5.8
Exports	4.7	5.7	5.5	5.1	5.0	4.9	4.7
Total							
Consumption	521.5	569.5	574.7	517.9	540.1	564.4	590.7
Consumption Per Capita	3.1	3.3	3.2	2.9	2.9	3.0	3.1

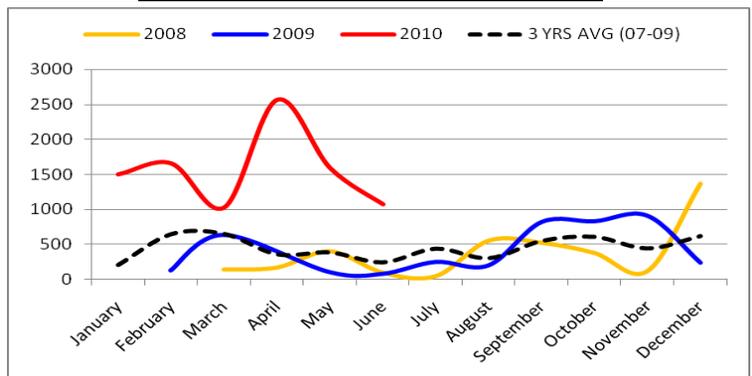
Note: All poultry meat is Ready to Cook (RTC). All data is measured in kilotons (kt) with the exception of Consumption per Capita, which is in kilograms (kg). Source: OECD-FAO Agricultural Outlook 2010-2019.

### US Poultry Meat Exports to Pakistan in Metric Tons (MT)

	2006	2007	2008	2009	2009*	2010*
Broiler	3,370.6	8,364.2	3,832.0	4,151.7	926.5	9,389.4
Turkey	2.2	0	3.8	0	0	0

Note: All data is January-December except 2009\* and 2010\*, which includes January-June. Source: Department of Commerce, US Census Bureau/USDA FAS

### US Broiler Meat Exports to Pakistan (MT)



Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS

**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	291	435	2,614	7,315
Frozen	0	0	88	95
Dried	0	9	294	507
Total	291	444	2,996	7,917

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Liquid	346	325	13,396	11,421
Frozen	7	4	344	219
Dried	0	0	151	0
Total	353	329	13,891	11,640

**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	750	2,070	54,451	46,433
Large	3,900	8,269	88,735	102,261
Medium	750	1,520	29,882	37,147
Ungraded	7,294	18,864	125,287	221,971
Misc	0	0	900	6,218
Total	12,694	30,723	299,255	414,030

/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 28-Aug-10 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,436	1,558	2,994
Last Week	1,354	1,528	2,882
Same week yr ago	1,283	1,711	2,994
To-date/2010*	48,181	47,908	96,089
To-date/2009*	44,110	51,340	95,450

**U.S. fowl slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	223	20	243
Last Week	243	24	267
Same week yr ago	390	0	390
To-date/2010*	11,665	322	11,987
To-date/2009*	10,643	19	10,662

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	1,659	1,578	3,237
Last Week	1,597	1,552	3,149
Same week yr ago	1,673	1,711	3,384
To-date/2010*	59,846	48,230	108,076
To-date/2009*	54,753	51,359	106,112

\*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 price trend continues steady to lower for fresh and frozen 15-20% MSC and steady to barely steady on the remainder of fat contents. Supplies of fresh and frozen 15-20% were instances moderate to mostly heavy with the balance of fat contents moderate. Schedules were normal to reduced. Export and domestic demand on fresh and frozen 15-20% remains light. Increased interest was noted into export channels at lower price levels. Market activity was slow as processors prepare for the upcoming extended Labor Day weekend. The spot marketplace was unsettled. Many reporting light contractual needs, increased frame sales and rendering. Supplies of raw materials were heavy. Frame values were steady to lower with trading levels ranging 5-9 cents FOB, mostly 5-7 cents FOB.

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

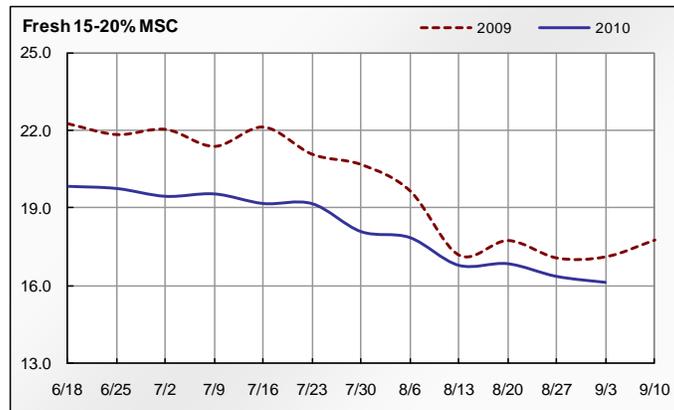
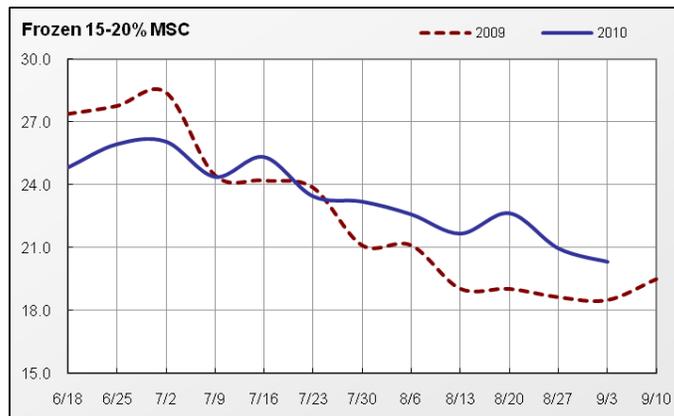
Fat Content	Frozen			Fresh		
	3-Sep-10	Last Week	Last Year	3-Sep-10	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	19.00	21.00	19.00-20.00
Wtd Avg Price			-	19.00	21.00	19.17
Volume Traded	-	-	-	82	163	242
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	16.00 - 24.00	16.00 - 27.00	16.00-22.50	13.00 - 20.00	13.00 - 20.00	14.00-21.00
Wtd Avg Price	20.31	20.95	18.49	16.14	16.37	17.09
Volume Traded	2,118	2,546	2,240	2,978	3,713	4,695
Volume Exported	2,038	2,146	1,740	245	449	1,642
<b>20% or More</b>						
Price Range	-	-	-	17.00	18.00	18.00
Wtd Avg Price	-	-	-	17.00	18.00	18.00
Volume Traded	-	-	-	41	82	41
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Aug 2010	Jul 2010	Aug 2009	Aug 2010	Jul 2010	Aug 2009
<b>15% or Less</b>						
Wtd Avg Price	-	24.00	20.00	21.51	25.25	20.20
Volume Traded	-	270	216	628	1,738	981
Volume Exported	-	270	216	200	912	-
<b>15-20%</b>						
Wtd Avg Price	21.80	24.61	19.34	16.91	19.06	17.77
Volume Traded	6,995	7,249	7,073	12,159	16,393	12,115
Volume Exported	6,067	6,629	6,532	2,122	1,775	2,774
<b>20% or More</b>						
Wtd Avg Price	-	-	-	18.57	21.33	19.66
Volume Traded	-	-	-	286	367	246
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 03 SEPTEMBER, 2010.

The market on bulk parts and white meat remains fully steady to firm. Demand is moderate to good with inquiry reported on tom full-cut wings, tom necks, and fresh tom breast meat. Offerings are light. The thigh meat market is steady to firm. Demand is light to moderate. Offerings are limited. The market on mechanically separated turkey (MST) is steady. Demand is light. Offerings light to moderate. Market activity is slow to moderate. Holiday shortened production schedules and shortage of transportation are slowing market activity. For domestic: fresh wing meat 145, fresh full-cut wings 75 cents, fresh scapula 176, non basted 8-10 lb. A grade breast 125 cents, and non basted 12-16 lb. A grade breast 145 cents. For export: fresh thigh 118 cents, livers 22 cents, turkey fries 265-300 cents delivered border or port.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, SEPTEMBER 03, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>VOLUME</b>
DRUMSTICKS, TOMS	76.00-78.00		77.00	240	77.00	240
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	87.50	324		
TAILS	35.00-36.50		35.84	336	36.68	476
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	118.00		118.00	40	118.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, SEPTEMBER 02, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	76.32	128
WINGS FULL-CUT - TOMS		R	74.73	33
WINGS, V-TYPE, TOM		F	87.50	324
TAILS	43.00		43.00	20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	118.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, SEPTEMBER 01, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	76.32	128
WINGS FULL-CUT - TOMS		R	74.73	33
WINGS, V-TYPE, TOM		F	87.50	324
TAILS	38.00		38.00	120
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	118.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, AUGUST 31, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	76.32	128
WINGS FULL-CUT - TOMS		R	74.73	33
WINGS, V-TYPE, TOM		F	87.50	324
TAILS		F	40.00	20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	118.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, AUGUST 30, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	76.32	128
WINGS FULL-CUT - TOMS		R	74.73	33
WINGS, V-TYPE, TOM		F	87.50	324
TAILS		F	40.00	20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	118.00	80

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.