



# INTERNATIONAL EGG AND POULTRY REVIEW



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

### South Korea

The broiler industry in South Korea has grown from producing 451,000 MT of broiler meat in 2005 to 605,000 MT in 2009, and is forecast to reach 660,000 MT in 2011. Strong growth in domestic demand is a major reason for the increase. Health conscious consumers are eating more chicken and during the soccer World Cup consumers were ordering more home delivery for fast food chicken. Country of origin labeling (COOL) at restaurants is also affecting consumers' choice of domestic product over imported product.

### South Korea Broiler Meat Situation in 1000 MT

	2005	2006	2007	2008	2009	2010	2010*	2011*
Production	451	523	570	565	605	629	647	660
Imports	59	76	60	70	71	71	90	90
Exports	2	3	6	9	11	11	12	13
Consumption	508	596	624	615	671	686	721	737

\*Updated Post Estimates

Koreans consume more pork than any other meat. Chicken meat consumption was slow to grow in South Korea in part due to a relative lack of recipes using chicken. The introduction of fast food fried chicken franchises resulted in a growth of broiler consumption in the 1980s and 1990s. The fast food delivery business accounts for 50 percent of total broiler meat consumption according to the Korea Chicken Council (KCC). In an Internet poll taken during the World Cup event, chicken ranked as the top snack food to be consumed with beer. In the past, whole chickens were consumed in traditional dishes during the summer season, but dietary patterns have changed due to rising incomes, greater availability of international foods, and healthy eating trends. As a result consumers are eating more chicken throughout the year.

More consumers are buying broiler cuts due to the convenience of packaged ready-to-cook breast, leg and wing meat compared to whole birds. Broiler cuts represent 25 percent of total production (excluding whole fryers used in chicken ginseng soup). MIFAFF estimates consumer demand for broiler meat cuts will account for 50 percent of total production by 2012.

### South Korea: Per Capita Consumption of Livestock Products (kilograms, boneless basis)

	2003	2004	2005	2006	2007	2008	2009	2010*
Chicken	7.9	6.6	7.6	8.6	8.9	9.0	9.6	10.2
Pork	17.4	17.9	17.4	18.1	19.2	19.1	19.1	19.4
Beef	8.1	6.8	6.7	6.8	7.6	7.5	8.1	8.8
Egg	10.5	10.6	10.8	11.2	11.3	11.2	11.9	11.1

\*Preliminary

Source: Ministry of Agriculture and Forestry

Mandatory country of origin labeling was introduced in December 2008; fast food delivery businesses were exempt. The COOL regulation was expanded to include these delivery establishments effective August 11, 2010. The industry expects this change will contribute to increased demand for domestic product in the coming years. A recent survey done by the Consumers of Korea (CUK) this past June found that more than 80 percent of consumers identified country of origin as their top priority when buying chicken.

In 2010 the Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF) introduced mandatory packaging requirements for slaughter establishments handling 50,000 or more birds a day, to improve the safety of fresh poultry meat. Under this new standard, fresh poultry meat must be packaged following official inspection and then maintained at a temperature of 2 to 5 degrees Celsius. Imported poultry meat is not subject to this requirement, clearly distinguishing domestic

chickens from imported chickens to Korean consumers. Effective January 2011 this requirement will be expanded to all slaughter establishments and retail shops to improve sanitation and safety. The regulation is not expected to have an impact of trade as the bulk of imported product is used in the processing sector.

### Korea Imports of Poultry Meat and Offal (HS 0207) in '000 USD\*

	2008	2009	% Change
Total	115,647	108,797	-5.9%
U.S. A.	57,009	41,852	-26.6%
E.U.	6,331	4,823	-23.8%
Australia	4	5	25.0%
Brazil	51,818	61,603	18.9%
New Zealand	0	9	-
Japan	0	198	-
Vietnam	0	36	-
Chile	0	1	-
Taiwan	485	269	-44.5%
Others	0	1	-

\*based on CIF value

Source: Korea Trade Information, Compiled by ATO Seoul

Broiler imports shot up nearly 70 percent during the first half of this year, reaching nearly 37,000 MT. A steady exchange rate combined with increased availability of U.S. chicken meat due to the temporary closure of the Russian market helped increase imports. About half the import market is made up of chicken leg quarters (CLQ), which are used for processing or restaurant delivery service. The U.S. is the leading CLQ supplier to Korea at about 23,400 MT followed by Brazilian CLQs at nearly 13,000 MT from Jan-Jun 2010. The average CIF price for U.S. and Brazilian CLQs are 1,474 won/kg and 2,432 won/kg, respectively. Brazilian CLQs are more expensive because they are trimmed boneless. Domestic CLQs are about 3 to 5 times more expensive.

### 2010 Frozen Chicken Imports Data per Parts on Quarantine Inspection Basis

Country		Jan-Jun	Jul 1-20	Jan-Jul 20
Breast	U.S.	0.04	0	0.04
	Brazil	1,891.07	347.16	2,238.23
	Japan	297.08	0	297.08
Legs	U.S.	28,650.54	2,969.92	31,620.45
	Denmark	133.92	24.00	157.92
	Brazil	12,276.70	1,949.61	14,226.31
	Hungary	0.02	0	0.02
Wings	U.S.	2.44	0	2.44
	Denmark	574.28	95.98	670.25
	Hungary	24.05	24.08	48.13
	Brazil	1,714.83	370.48	2,085.30
Whole	U.S.	158.49	0	158.49
	Japan	37.31	0	37.31
Other	Japan	0.03	0	0.03
	Total		(Jan-Jul.20, 2010)	
	U.S.			31,781.42
	Denmark			828.17
	Brazil			18,549.84
	Japan			334.45
	Hungary			48.15
	Total			51,542.03

Source: National Veterinary Research & Quarantine Service (NVRQS)

Source: USDA/ERS, USDA/FAS GAIN Reports, Agricultural Trade Office of the U.S. Embassy in Seoul, Korea

**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	50	344	2,664	7,659
Frozen	0	0	88	95
Dried	0	40	294	547
Total	50	384	3,046	8,301

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Liquid	322	369	13,718	11,790
Frozen	10	11	354	230
Dried	0	0	151	0
Total	332	380	14,223	12,020

**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	570	3,600	55,021	50,033
Large	5,050	5,580	93,785	107,841
Medium	30	90	29,912	37,237
Ungraded	17,343	15,618	142,630	237,589
Misc	0	0	900	6,218
Total	22,993	24,888	322,248	438,918

/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 04-Sep-10 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,329	1,432	2,761
Last Week	1,436	1,558	2,994
Same week yr ago	1,369	1,346	2,715
To-date/2010*	49,510	49,340	98,850
To-date/2009*	45,479	52,686	98,165

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	264	0	264
Last Week	223	20	243
Same week yr ago	291	0	291
To-date/2010*	11,929	322	12,251
To-date/2009*	10,934	19	10,953

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	1,593	1,432	3,025
Last Week	1,659	1,578	3,237
Same week yr ago	1,660	1,346	3,006
To-date/2010*	61,439	49,662	111,101
To-date/2009*	56,413	52,705	109,118

\*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 was steady to lower for fresh and steady on frozen. Supplies of fresh and frozen 15-20% were moderate to heavy with the remainder of fat contents moderate. Schedules were normal to reduced with the Labor Day holiday this week. Export and domestic demand on fresh and frozen 15-20% was light; however good interest was noted for the last quarter of 2010 on frozen 15-20% for export. Market activity was slow. The marketplace continues to be unsettled. Many reported reduced contractual needs due to slow finished product sales and the upcoming Mexican Independence holiday, as well as increased sales and rendering of frames. 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)**

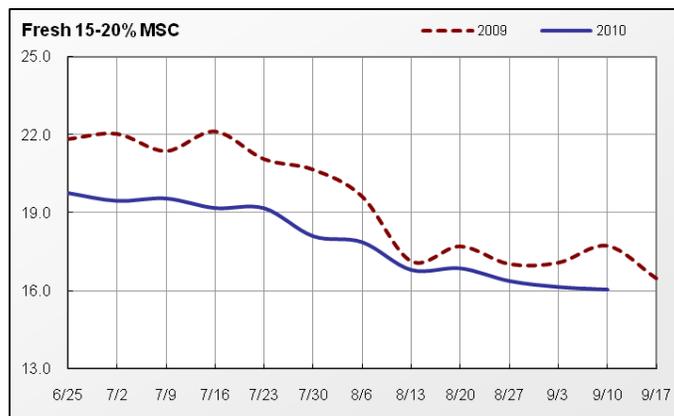
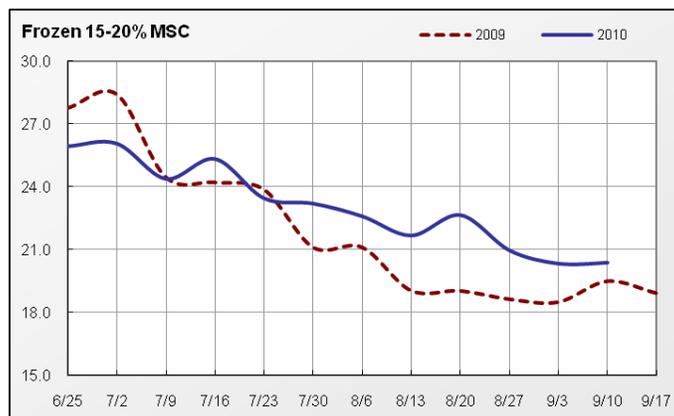
Fat Content	Frozen			Fresh		
	10-Sep-10	Last Week	Last Year	10-Sep-10	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	18.00 - 19.00	19.00	19.00-20.00
Wtd Avg Price			-	18.50	19.00	19.25
Volume Traded	-	-	-	163	82	323
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	15.50 - 24.00	16.00 - 24.00	16.00-22.50	13.00 - 19.00	13.00 - 20.00	15.00-21.00
Wtd Avg Price	20.36	20.31	19.49	16.04	16.14	17.74
Volume Traded	1,795	2,118	1,059	3,713	2,978	3,927
Volume Exported	1,755	2,038	859	653	245	1,152
<b>20% or More</b>						
Price Range	-	-	-	18.00	17.00	18.00
Wtd Avg Price	-	-	-	18.00	17.00	18.00
Volume Traded	-	-	-	41	41	82
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 10 SEPTEMBER, 2010.

The market on tom bulk parts, white meat, thigh meat, and mechanically separated turkey (MST) remains steady to firm. Demand for bulk parts and white meat items is moderate to good. Domestic inquiry was noted for fresh and frozen tom breast meat, with export inquiry centering on tom drums. Offerings are light. Thigh meat demand is moderate to good for the limited offerings. MST demand is moderate to good with inquiry noted on fresh product for next week. Offerings are light. Market activity is slow to moderate as many producers continue to focus on whole turkey production. For domestic: fresh scapula meat 174-179, fresh wing meat 144, fresh tom full-cut wings 74-79, fresh tails 34 cents delivered.

<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 10, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>WTD AVG</b>	<b>VOLUME</b>
					<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		W	71.00	80	71.00	80
WINGS FULL-CUT - TOMS	82.00		82.00	108	82.00	108
WINGS, V-TYPE, TOM		R	87.88	240	87.88	240
TAILS	39.00		39.00	120	39.00	120
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	25.00	W	25.00	108	25.00	108
			122.00	42	122.00	42

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, SEPTEMBER 09, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		W	71.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	87.75-88.00		87.88	240
TAILS		F	35.84	336
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	122.00	42

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, SEPTEMBER 08, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	71.00		71.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	35.84	336
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	122.00		122.00	42

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, SEPTEMBER 07, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	77.00	240
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	35.84	336
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	118.00	40

**NO EXPORT TRADING REPORTED MONDAY, SEPTEMBER 06, 2010, DUE TO LABOR 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.