



# INTERNATIONAL EGG AND POULTRY REVIEW



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

## Iraq's Poultry Industry Grows in 2010

Iraq's poultry industry continues to grow amid an improved overall economic environment, increased feed availability, and a lower level of violence over the past two years. A drop in poultry imports has been balanced by increased domestic production. Access to feed, especially soybean meal, will be a constraining factor on growth in the poultry sector in 2011.

Iraqi poultry production is forecast to increase to 230,000 MT in 2010, more than double the 110,000 MT produced in 2009. Feed is more available after two years of reduced crops due to droughts, and the Iraqi Poultry Producers Association (IPPA) reports that the number of poultry farms in operation doubled in the past year. Much of the increase reportedly is not new capacity, but rather abandoned poultry houses being reclaimed and brought back into use. IPPA also reports that capacity, as measured by how many broiler chicks an operation can take in one cycle, also more than doubled from about 20 million birds in 2009 to over 40 million in 2010.

Feed wheat is used extensively in the poultry sector. Near normal rains resulted in a much improved feed availability picture for the 2010 crop. With imports, the total Iraqi feed supply will be 3.6 million MT, up from 2.3 million MT last year. (This figure includes small ruminant and dairy feed as well as poultry.)

Iraq has no domestic sources of vegetable protein, and Ministry of Agriculture import rules and the associated fees applied, preclude large vessel-sized shipments. Soybean meal imports are limited to small consignments of U.S. or South American meal that is trucked in from neighboring countries. Limited quantities of Indian soybean meal are imported as back-haul on small coastal vessels. Official feed imports for the first six months of 2010 were double that for the same period last year and are expected to be around two hundred thousand metric tons for the full year. However, the overall level of feed imports into Iraq remains modest relative to the size of the market. The 2011 production forecast is predicated on similar plantings to wheat, modestly increasing protein meal imports, and adequate political stability to continue the rehabilitation of abandoned poultry houses (as is occurring in 2010).

Iraq's per capita GDP grew in the first half of 2010 and is expected to continue rising in the coming years as oil production expands. Per capita GDP on purchasing power parity (PPP) basis is forecast to increase by \$200 to \$4,090. Within this income range, the marginal propensity to consume poultry meat increases sharply.

Per capita poultry consumption is an important indicator of living standards, and has improved markedly since 2003. Growth is forecast to continue in 2011. Iraqi per capita consumption is low compared to surrounding countries and should expand quickly with additional production.

### Per Capita Poultry Consumption in kilograms

	2005	2006	2007	2008	2009	2010F
Iran	18.9	20.4	22.4	22.2	23.2	24.1
Iraq	7.7	6.3	9.9	10.8	13.0	14.0
Jordan	24.8	21.7	25.6	25.5	24.9	25.4
Kuwait	43.2	46.7	50.7	65.9	74.7	73.5
Oman	17.3	14.5	17.5	20.8	21.9	21.6
Qatar	56.0	57.3	66.3	99.4	88.8	88.0
Saudi Arabia	38.1	35.4	36.8	37.6	41.3	41.6
UAE	44.5	48.8	54.9	63.8	63.1	60.9

F-forecast

Source: USDA Foreign Agricultural Service

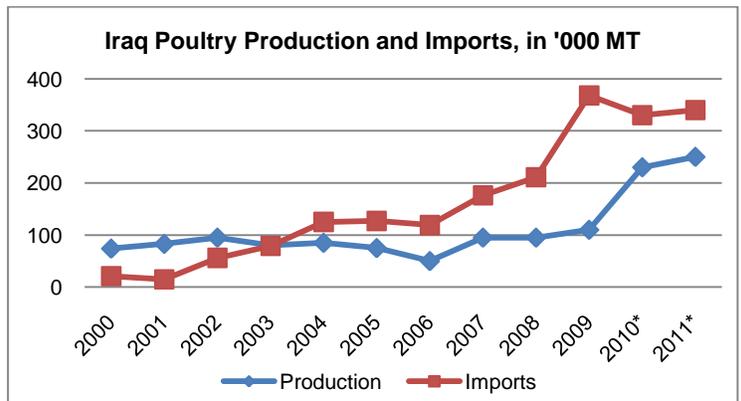
Iraq's current population is just over 30 million, and with the highest fertility rate in the Middle East, its population is expanding rapidly and should total more than 50 million by 2035. Only Saudi Arabia and Iran possess larger proven oil reserves, and oil exports are expected to be the cornerstone to expanding Iraq's nearly \$100 billion economy.

Iraq has emerged as an important poultry market for the United States, Brazil, and Turkey. Brazil typically supplies whole birds whereas U.S. suppliers generally export chicken parts. Imports from Jordan, Iraq's third largest supplier in 2009, are off by over 80% in the first six months of 2010 due to competition from other suppliers. The 2011 imports estimates indicate modest growth in poultry parts due to improving food service demand. Limited cold storage facilities at Iraq's main port of Umm Qasr preclude bulk shipments of frozen poultry. Most shipments of poultry come in by container or smaller refrigerated trucks from Kuwait and from Turkey.

### Poultry Exported to Iraq

	2007	2008	2009	June/09	June/10	%Chg
Argentina	281	1,607	6,190	2,506	n/a	n/a
Austria	-	7	-	-	n/a	n/a
Brazil	32,097	56,006	142,084	71,037	57,146	-19.55
Canada	-	-	-	25	-	-
China	3,715	1,751	1,403	504	1,132	124.55
Denmark	-	41	397	342	n/a	n/a
France	-	-	-	-	20	-
Germany	1	-	-	-	n/a	n/a
Jordan	201	9,369	7,284	5,471	994	-82.83
Morocco	50	22	-	-	n/a	n/a
Netherlands	71	73	124	53	n/a	n/a
South Korea	30	2	-	-	-	-
Turkey	629	9,102	51,444	23,642	27,588	16.69
Ukraine	-	-	50	-	n/a	n/a
U. S.	138,802	133,416	159,698	105,694	88,391	-16.37
Uruguay	-	26	271	55	n/a	n/a
Total	175,878	211,422	368,970	209,304	179,271	-19%

The IPPA has been lobbying for increased border protection to limit poultry imports. While no new import measures have been put into place, the Ministry of Agriculture is considering several policy changes that would support domestic producers. These include: A production of subsidy 350 ID /bird (US\$0.25/bird) for farms with at least 10,000 birds; imports of 25,000 MT of soybean meal by the State Agricultural Supply Company; supporting private imports of feed by allowing for use of State Agricultural Supply Company grain storage facilities.



Source: USDA Foreign Agricultural Service; news wires

**INSPECTED EGG PRODUCTS-**

**U.S. & CANADA IMPORT/EXPORT TRADE**

**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Sep 11, 2010	Year-To-Date*			
Type	2010	2009 /1	2010 /2	2009
Liquid	247	159	2,911	7,818
Frozen	0	0	88	95
Dried	11	0	305	547
Total	258	159	3,304	8,460

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

Week Ending Sep 11, 2010	Year-To-Date*			
Type	2010	2009 /1	2010 /2	2009
Liquid	283	371	14,001	12,161
Frozen	4	0	358	230
Dried	0	0	151	0
Total	287	371	14,510	12,391

**Inspected Shell Eggs**

**U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Sep 11, 2010	Year-To-Date*			
Type	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	600	2,100	55,621	52,133
Large	1,670	3,210	95,455	111,051
Medium	1,290	840	31,202	38,077
Ungraded	14,286	12,450	156,916	250,039
Misc	0	0	900	6,218
Total	17,846	18,600	340,094	457,518

/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 11-Sep-10 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	964	1,301	2,265
Last Week	1,329	1,432	2,761
Same week yr ago	1,011	1,341	2,352
To-date/2010*	50,474	50,641	101,115
To-date/2009*	46,490	54,027	100,517

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

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	270	24	294
Last Week	264	0	264
Same week yr ago	390	0	390
To-date/2010*	12,199	346	12,545
To-date/2009*	11,324	19	11,343

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	1,234	1,325	2,559
Last Week	1,593	1,432	3,025
Same week yr ago	1,401	1,341	2,742
To-date/2010*	62,673	50,987	113,660
To-date/2009*	57,814	54,046	111,860

\*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 all fat contents. Supplies of fresh and frozen 15-20% were moderate to heavy with the remainder of fat contents moderate. Schedules were normal. Export and domestic demand on fresh and frozen 15-20% was light; however some good interest was noted on frozen 15-20% for export. Market activity was slow. The buzz of 2011 contracts is in the air; however neither negotiations nor offers have yet to be made with many thinking things will kick off in October. Presently, many continue to discard frames and deal with reduced contract needs from both domestic and export buyers leaving many with extra product to move. In addition, many noted a slow down with Mexico's Independence holiday this week, as well as continued slow finished product sales. Raw material supplies were heavy. Frame values were steady to lower with most trading between 5-7 cents FOB.

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

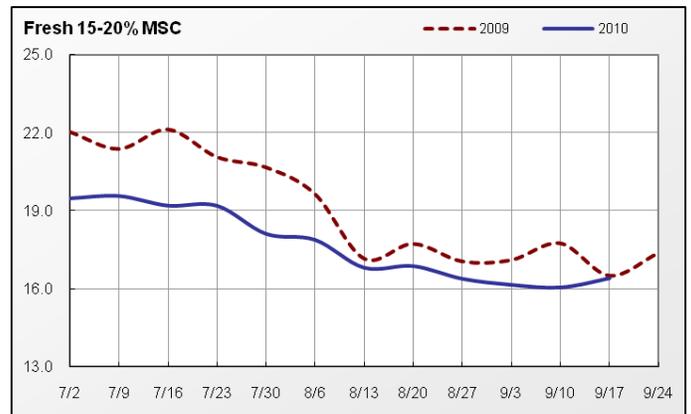
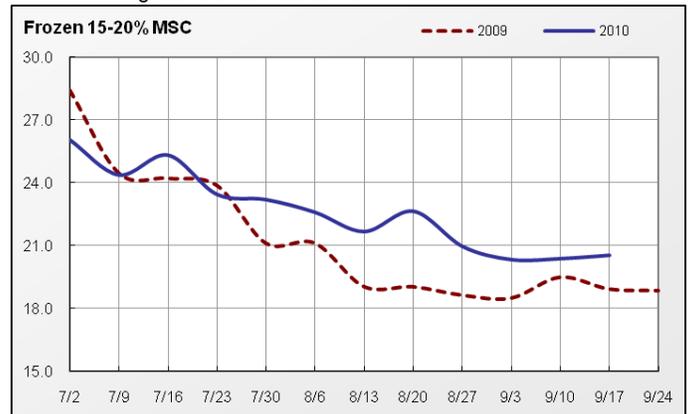
Fat Content	Frozen			Fresh		
	17-Sep-10	Last Week	Last Year	17-Sep-10	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	19.00	18.00	19.00-20.00
Wtd Avg Price			-	19.00	18.50	19.25
Volume Traded	-	-	-	122	163	322
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	15.50 - 24.00	15.50 - 24.00	16.00-22.50	13.00 - 19.00	13.00 - 19.00	15.00-21.00
Wtd Avg Price	20.52	20.36	18.92	16.39	16.04	16.49
Volume Traded	1,506	1,795	2,345	2,652	3,713	2,426
Volume Exported	1,466	1,755	2,145	449	653	734
<b>20% or More</b>						
Price Range	-	-	-	18.00	18.00	18.00
Wtd Avg Price	-	-	-	18.00	18.00	18.00
Volume Traded	-	-	-	41	41	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 17 SEPTEMBER, 2010.

The market on bulk parts, white meat items, and thigh meat remains steady to firm. Demand is moderate to good with noted inquiry on tom full-cut wings, drums, necks and thigh meat for domestic and export needs. Offerings are light to very light. The mechanically separated turkey (MST) market is steady to fully steady. Demand is moderate to good while offerings are light. Market activity is moderate to active with the heaviest reported trading going into domestic channels. For domestic: fresh scapula meat 178, fresh tom full-cut wings 73, fresh tom necks 43, fresh tails 33, frozen tails 36 cents delivered. Frozen 4-8 lb. A grade bone-in breasts 133 cents delivered October. For export: fresh tom drums 75 cents delivered border.

<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 17, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>VOLUME</b>
DRUMSTICKS, TOMS	78.00-79.00		78.69	174	75.99	670
WINGS FULL-CUT - TOMS		F	82.00	108		
WINGS, V-TYPE, TOM						
TAILS		R	38.00	80	38.00	80
MECHANICALLY SEPARATED 2/		F	25.00	108		
THIGH MEAT - FROZEN	123.50		123.50	80	123.50	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, SEPTEMBER 16, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	76.00		76.00	160
WINGS FULL-CUT - TOMS		F	82.00	108
WINGS, V-TYPE, TOM		R	87.88	240
TAILS	38.00		38.00	80
MECHANICALLY SEPARATED 2/		F	25.00	108
THIGH MEAT - FROZEN				

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, SEPTEMBER 15, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	74.00-75.00		74.20	202
WINGS FULL-CUT - TOMS		F	82.00	108
WINGS, V-TYPE, TOM		R	87.88	240
TAILS		F	39.00	120
MECHANICALLY SEPARATED 2/		F	25.00	108
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>TUESDAY, SEPTEMBER 14, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	74.00-76.00		75.19	134
WINGS FULL-CUT - TOMS		F	82.00	108
WINGS, V-TYPE, TOM		R	87.88	240
TAILS		F	39.00	120
MECHANICALLY SEPARATED 2/		F	25.00	108
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>TUESDAY, SEPTEMBER 13, 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		F	82.00	108
WINGS, V-TYPE, TOM		R	87.88	240
TAILS		F	39.00	120
MECHANICALLY SEPARATED 2/		F	25.00	108
THIGH MEAT - FROZEN		W	122.00	42

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.