



## Mexico's Turkey Situation

### Production

Most producers suspended turkey meat production as a result of the world economic crisis, however it is expected that production capacity will slowly return in 2010. Turkey meat production in Mexico is projected to increase 15% in 2011 reaching levels seen prior to the world economic crisis in 2008. Estimates of turkey meat production in 2010 and 2009 have been revised lower. The majority of Mexico's turkey meat production takes place in the states of Yucatan and Chihuahua, which accounted for 27% and 16% respectively of the turkey meat production in 2009. Prior to 2009, Chihuahua was the lead producing state of turkey meat. Mexican turkey meat production only represents 10% of total consumption.

### Consumption

Turkey meat consumption in 2011 is projected to increase 10% to 165,000 MT. However estimates for 2010 and 2009 have been revised lower. It is expected that turkey meat consumption will achieve 1.78 kg per capita per year in 2010. In 2009, per capita consumption of turkey meat was 1.44 kg per year. Turkey meat consumption has increased 36% over the past 10 years.

The consumption of processed turkey products (value-added items) like cold cuts, hams, hot dogs, nuggets, patties, and sausage is expected to show the greatest improvement with consumption forecast to recover in 2011 to pre-crisis 2008 levels. As a result of the increased consumption a 2% increase in the production of value-added products is predicted. The majority of turkey sales (uncooked whole turkeys) will occur during the Christmas holiday season (75-80%) though the majority of these sales will be imported whole turkeys.

### Mexico's Turkey Meat Situation (thousand Metric Tons (MT))

	Revised 2009			Estimated 2010			Forecast 2011		
	Official	Post	Post	Official	Post	Post	Official	Post	Post
Production	15	15	11	15	15	13	-	-	15
Total Imports	170	205	144	190	206	137	-	-	150
Total Exports	-	-	-	-	-	-	-	-	-
Total Cons.	185	220	155	205	221	150	-	-	165

Note: Total Cons. = Total Consumption. Source: USDA FAS Production, Supply, and Demand.

### Imports

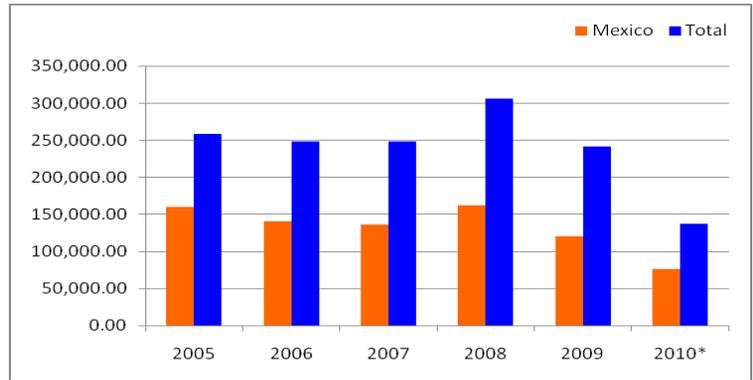
The US will remain to be Mexico's largest supplier of turkey meat comprising 98% of its imports in 2011. The remaining 2% is expected to be filled by Chile and Canada. Mexico imported 258.7million USD worth of turkey products in 2009 from the US, 25% lower than in 2008. Total turkey meat imports from January-April 2010 were 3.5% lower. Imports from Chile declined 81%. 2011 imports are projected to increase about 10% due to recovery from the world economic crisis in 2008. Imports in 2010 and 2009 were revised lower due to a variety of adverse issues like the international economic crisis, the devaluation of the Peso, and the H1N1 outbreak.

From January-May 2010 turkey meat imports consisted of 68% fresh parts, 21% frozen parts, 5% whole birds, and 5% mechanically deboned meat of which the US supplied 99%, up from 2009 (96%). Imports of sausage (HS 1601.0001) rose 5.6% to almost 2008 levels from January-May 2010. The US supplied 97% of these imports. Turkey meat imports usually cover about 90% of consumption.

### Exports

Even though Mexican turkey meat exports only account for a small percentage of Mexico's poultry business, turkey meat exports increased nearly 160% from January to April of 2010 versus that of 2009. Most of this increase was on further processed meat items under HS Code 1602.3101, which were shipped primarily to the US (99%) and Guatemala (1%). In 2009, Mexico exported only 150 MT of turkey products, mostly processed meat under HS Code 1602.31 to the US. Mexico is expected to export about 350-360 MT total of turkey meat in 2010.

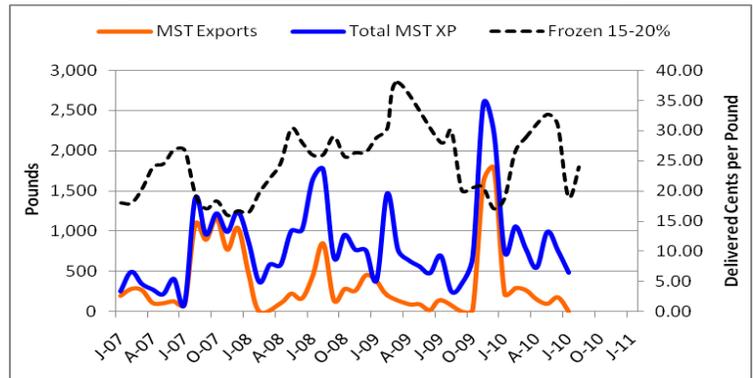
### US Turkey Meat Exports to Mexico versus Total US Turkey Meat Exports



Recently, the Government of Mexico (SENASICA) and the USDA FSIS posted that the import ban placed on live birds, poultry products and by-products, and eggs from the following: Meeker County, Minnesota; Edmonton County, Kentucky; Tarrant County, Texas; and Giles and Lincoln County, Tennessee has been lifted. The bans were originally placed in 2009 after findings of low pathogenic avian influenza (H7N9) in commercial flocks of turkey, poultry, duck, and breeder chicks was found. For more information see USDA FAS Gain Reports released August 4, 2010 and September 21, 2010. In addition, for more information on US shell egg exports being permitted into Mexico see USDA FAS Gain Report MX0058.

Source: USDA FAS/USDA FAS PS&D Online/UNA/USDA FSIS/Various News Wires

### Comparison of US MST Exports to Mexico and Total US MST Exports with Frozen 15-20% MST Export Pricing (Delivered Cents per Pound to Port/Border)



Note: Export volumes for HS Code 1602.310.030. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/USDA AMS Poultry Market News and Analysis

**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	0	195	2,911	8,013
Frozen	0	0	88	95
Dried	40	0	345	547
Total	40	195	3,344	8,655

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Liquid	376	323	14,377	12,484
Frozen	39	10	397	240
Dried	0	0	151	0
Total	415	333	14,925	12,724

**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	1,350	2,640	56,971	54,773
Large	2,470	4,200	97,925	115,251
Medium	810	1,650	32,012	39,727
Ungraded	11,676	15,582	168,592	265,621
Misc	0	936	900	7,154
Total	16,306	25,008	356,400	482,526

/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 18-Sep-10 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,487	1,466	2,953
Last Week	964	1,301	2,265
Same week yr ago	1,203	1,608	2,811
To-date/2010*	51,961	52,107	104,068
To-date/2009*	47,693	55,635	103,328

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	417	0	417
Last Week	270	24	294
Same week yr ago	401	0	401
To-date/2010*	12,606	391	12,997
To-date/2009*	11,725	19	11,744

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	1,904	1,466	3,370
Last Week	1,234	1,325	2,559
Same week yr ago	1,604	1,608	3,212
To-date/2010*	64,567	52,498	117,065
To-date/2009*	59,418	55,654	115,072

\*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 generally steady on all fat contents. Supplies of fresh and frozen 15-20% continue moderate to mostly heavy with the remainder of fat contents moderate. Schedules were seasonally normal. Export and domestic demand on fresh and frozen 15-20% was light. Market activity was slow. The buzz of 2011 contracts is in the air with a very few kicking off negotiations this week, though most continue to wait for October. Frames continue to be discarded as many deal with reduced contract needs from both domestic and export buyers leaving a sizeable volume of MSC on the spot marketplace to be moved. Buyers maintain that finished product sales are slow with some running long on inventories. Supplies of raw materials 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)**

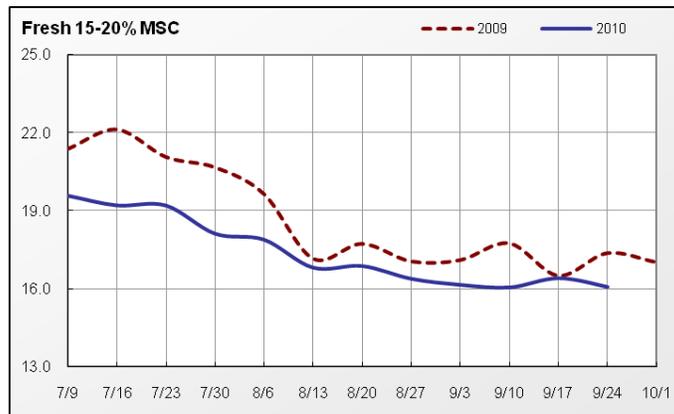
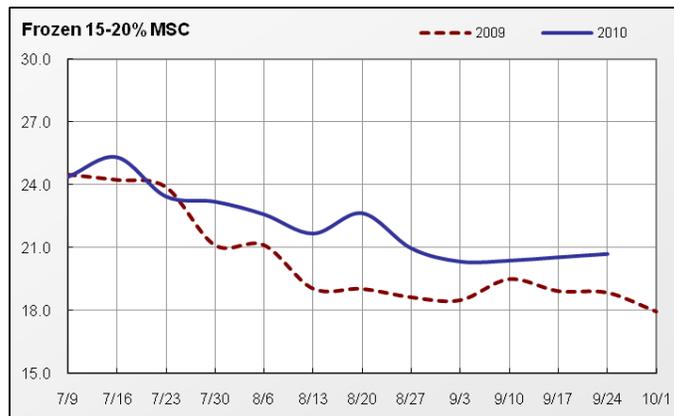
Fat Content	Frozen			Fresh		
	24-Sep-10	Last Week	Last Year	24-Sep-10	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	19.00	19.00	18.00-19.00
Wtd Avg Price			-	19.00	19.00	18.57
Volume Traded	-	-	-	41	122	282
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	15.00 - 23.00	15.50 - 24.00	17.00-22.50	13.00 - 19.00	13.00 - 19.00	15.00-21.00
Wtd Avg Price	20.68	20.52	18.85	16.06	16.39	17.36
Volume Traded	1,157	1,506	1,104	3,468	2,652	2,279
Volume Exported	1,077	1,466	1,104	653	449	245
<b>20% or More</b>						
Price Range	-	-	-	18.00	18.00	17.00
Wtd Avg Price	-	-	-	18.00	18.00	17.00
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 24 SEPTEMBER, 2010.

The market on bulk parts, white meat items, and thigh meat is steady to firm. Demand is moderate to good. Offerings are very light. The mechanically separated turkey market is steady to fully steady. Demand is in a full range, light to good. Offerings are light to moderate. Market activity is slow to moderate with most movement into domestic channels. For domestic: fresh MST for pet food 14-17 cents, fresh tom full-cut wings 74-76 cents, fresh wing meat 152 cents, fresh scapula 182 cents, fresh and frozen tails 34-36 cents, fresh tom necks 46-51 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 24, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>VOLUME</b>
DRUMSTICKS, TOMS	79.00-82.00		80.49	134	79.78	430
WINGS FULL-CUT - TOMS	81.00		81.00	54	82.28	94
WINGS, V-TYPE, TOM	88.50		88.50	120	88.50	120
TAILS	43.00		43.00	54	40.74	148
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	124.00-125.0		124.50	80	124.50	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, SEPTEMBER 23, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		W	80.00	216
WINGS FULL-CUT - TOMS		T	84.00	40
WINGS, V-TYPE, TOM				
TAILS		W	39.45	94
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	123.50	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, SEPTEMBER 22, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	80.00		80.00	216
WINGS FULL-CUT - TOMS		T	84.00	40
WINGS, V-TYPE, TOM				
TAILS	36.00-42.00		39.45	94
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	123.50	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, SEPTEMBER 21, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	78.00		78.00	80
WINGS FULL-CUT - TOMS	84.00		84.00	40
WINGS, V-TYPE, TOM				
TAILS		R	38.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	123.50	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, SEPTEMBER 20, 2010</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	78.69	174
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	38.00	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	123.50	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.