



Chile Egg Industry

The egg industry in Chile is concentrated, with 11 companies producing 60% of commercial egg production. Out of a total of 147 companies that produce eggs, 136 have more than 1,000 laying hens. As of December 2009, there were an estimated 45 million birds in Chile, 2.2% higher than a year ago. The breakdown is 72% broiler stocks (for consumption and for breeding parental lines) and 28% hens producing eggs for consumption and hatching eggs. (See table below). Egg production has grown at an annual average of 2.6% over the past four years.

It is estimated that the earthquake in February, 2010 affected about 1.2 million laying hens (10% of the total flock), but with very low mortality. In some cases poultry cages collapsed, which meant the birds stopped eating, had to be relocated to other buildings, and mixed in with birds of different ages. This led to an estimated 10% drop in production. In other cases there was damage to feed mills which resulted in some birds not being fed for a few days, causing a further reduction in egg production. The industry has since recovered from the damage and even increased the stock of birds.

Egg production for 2010 is projected at 2,900 million eggs, down 2% from 2009 and 4% lower than expected before the earthquake. Demand for eggs continues to be influenced by population growth, higher incomes, and the high price of substitute products such as meat, which is offset in part by the relatively high prices for eggs. Eggs have a low income elasticity, especially in lower income households.

The average sales of day-old-chicks grew slightly in 2009 (0.9%) compared to 2008, and growth in the first half of 2010 was near normal, independent of the earthquake effects. It takes about a year to adapt to new demands for new laying stock. The earthquake affected the number of chicks hatched because a significant portion of the eggs in incubation broke.

Sales of day old laying pullets

	2006	2007	2008	2009	2010
January	429,259	612,910	595,107	453,422	603,482
February	346,401	462,767	500,650	484,083	518,187
March	401,249	417,619	526,221	521,162	472,855
April	511,418	562,959	550,231	533,642	517,210
May	572,189	569,352	664,666	559,337	577,860
June	593,868	557,435	557,055	518,356	651,975
July	567,097	586,252	519,280	691,009	645,557
August	661,037	670,288	559,838	648,066	643,660
September	541,554	644,573	635,615	576,448	737,854
October	624,436	629,349	726,344	745,959	-
November	614,536	585,513	674,253	737,407	-
December	567,557	573,407	519,275	623,418	-
Total	6,430,601	6,872,424	7,028,535	7,092,309	5,368,640

Source: Egg Producers Association of Chile (www.asohuevo.cl)

Forecast production of eggs (thousands of units)

Month	2007	2008	2009	2010	2011
January	227,854	233,429	241,405	244,509	252,050
February	230,059	235,564	244,535	245,820	-
March	230,307	237,288	248,517	249,721	-
April	233,101	240,773	251,827	255,776	-
May	237,362	243,547	251,514	259,491	-
June	241,349	244,629	248,465	259,901	-
July	239,519	243,941	246,213	256,480	-
August	234,356	242,188	244,288	256,480	-
September	233,616	242,048	242,574	251,281	-
October	230,616	242,846	241,184	250,788	-
November	231,286	243,305	241,528	250,798	-
December	231,824	242,252	243,479	250,134	-
Total	2,801,249	2,891,810	2,945,529	3,031,179	252,050

Source: Egg Producers Association of Chile (www.asohuevo.cl)

In Chile it is very expensive to export eggs due to the high expense of refrigerated transport. Most eggs are produced for domestic consumption and exports tend to be hatching eggs or egg products.

Exports of Shell Egg and Egg Products

	2004	2005	2006	2007	2008	2009	2010*
Volume in tons							
4070000	31	279	312	634	324	31	16
4089100	19	32	28	23	70	40	-
4081100	17	4	-	3	3	-	-
Value in thousand dollars FOB							
4070000	253	1,469	1,142	2,287	1,292	223	41
4089100	63	100	112	98	393	237	-
4081100	77	16	-	12	20	-	-

Imports of Shell Egg and Egg Products

	2008		2009		2010 Jan-July	
	Kilos	Value	Kilos	Value	Kilos	Value
4070000	31,679	1,642	36,022	1,615	17,489	918
4089900	6,097	42	98,115	141	180,027	275
4089100	20,062	28	28,252	152	0	0

407000 - shell eggs, fresh preserved or cooked; 4081100 dried egg yolks; 4089100 dried eggs; 0408990 other eggs, no shell.

Source: Odepa with information from the Institute of National Statistics and National Customs Service

Shell egg imports through July 2010 grew 4.8% in volume and the average price rose 2.3% (from \$51.5/kg to \$52.5/kg.) The largest increase was in liquid/frozen whole eggs due to the shortfall in domestic product after the earthquake. Those imports were 4.6 times higher than the same period in 2009 and the price fell 12%, from \$1.7/kg to \$1.5/kg, totaling \$275,000.

Source: www.odepa.gob.cl

Stocks of broilers and hens in the country on December 31 each year (in thousands)

	Broiler production			Egg production			
	Broilers for consumption	Breeding Stock*	Subtotal	Eggs for consumption	Breeding Stock*	Subtotal	Total
2006	27,930	2,669	30,599	11,058	129	11,187	41,786
2007	30,540	2,200	32,740	11,880	140	12,140	44,870
2008	28,737	3,006	31,743	12,172	123	12,295	44,038
2009	29,683	2,660	32,343	12,535	136	12,671	45,014

*males and females

Source: Ministry of Agriculture Prepared with information from experts.

Chile per capita egg consumption

Year	Eggs	Year	Eggs	Year	Eggs
1991	148	1997	161	2003	158
1992	148	1998	164	2004	158
1993	152	1999	160	2005	153
1994	153	2000	155	2006	164
1995	151	2001	166	2007	169
1996	155	2002	168	2008	171
1997	161	2003	158	2009	173

Source: Egg Producers Association of Chile (www.asohuevo.cl)

**INSPECTED EGG PRODUCTS-
U.S. & CANADA IMPORT/EXPORT TRADE**

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

Week Ending Nov 06, 2010	Year-To-Date*			
Type	2010	2009 /1	2010 /2	2009
Liquid	193	278	3,733	10,826
Frozen	0	40	88	135
Dried	0	40	447	720
Total	193	358	4,268	11,681

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

Week Ending Nov 06, 2010	Year-To-Date*			
Type	2010	2009 /1	2010 /2	2009
Liquid	223	320	16,448	14,781
Frozen	5	4	575	266
Dried	0	0	151	0
Total	228	324	17,174	15,047

Inspected Shell Eggs

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

Week Ending Nov 06, 2010	Year-To-Date*			
Type	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	2,010	1,710	74,451	69,211
Large	3,280	9,870	126,875	162,889
Medium	1,620	750	37,972	44,737
Ungraded	18,261	16,380	256,266	367,183
Misc	0	0	900	9,770
Total	25,171	28,710	496,464	653,790

/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 06-Nov -10 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,097	1,356	2,453
Last Week	1,096	1,369	2,465
Same week yr ago	1,102	1,502	2,604
To-date/2010*	61,237	62,063	123,300
To-date/2009*	56,274	66,743	123,017

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	435	0	435
Last Week	429	0	429
Same week yr ago	131	0	131
To-date/2010*	14,972	455	15,427
To-date/2009*	13,487	43	13,530

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	1,532	1,356	2,888
Last Week	1,525	1,369	2,894
Same week yr ago	1,233	1,502	2,735
To-date/2010*	76,209	62,518	138,727
To-date/2009*	69,761	66,786	136,547

*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 weak on fresh 15-20% with the balance of fat contents steady. Supplies of fresh and frozen 15-20% were moderate to heavy with the remainder moderate. Schedules were seasonally normal to light. Domestic and export demand on frozen 15-20% was light to moderate with best interest noted into export channels; balance of fat contents light. Market activity was slow to moderate. Contract negotiations for 2011 persist with each week bringing a few more confirmations at levels at or below last year's low side. However many continue to hold the course of impasse letting a 1-2 cent pricing difference stand in the way of closure. As for the spot marketplace it remains an uphill battle for sellers of MSC and frames as buyers continue to experience heavy inventories due to reduced seasonal demand. Supplies of raw materials were heavy. Frame values were steady to weak with trading mostly between 5-7 cents FOB.

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

Fat Content	Frozen			Fresh		
	12-Nov-10	Last Week	Last Year	12-Nov-10	Last Week	Last Year
15% or Less						
Price Range			-	18.00 - 19.00	18.00	18.00-19.00
Wtd Avg Price			-	18.56	18.00	18.67
Volume Traded			-	184	61	363
Volume Exported			-	-	-	-
15-20%						
Price Range	15.00 - 22.00	15.00 - 22.00	17.00-24.00	12.00 - 18.00	13.00 - 18.00	15.00-20.50
Wtd Avg Price	19.79	19.92	20.25	15.73	15.76	17.47
Volume Traded	1,368	1,317	1,583	2,897	3,142	3,261
Volume Exported	1,128	1,037	1,543	530	857	449
20% or More						
Price Range	-	-	-	18.00 - 20.00	18.00-20.00	17.00
Wtd Avg Price	-	-	-	19.33	19.33	17.00
Volume Traded	-	-	-	122	122	82
Volume Exported	-	-	-	-	-	-

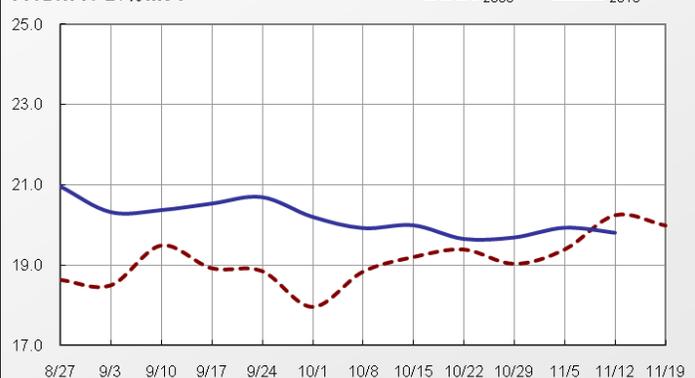
Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	Oct 2010	Sep 2010	Oct 2009	Oct 2010	Sep 2010	Oct 2009
15% or Less						
Wtd Avg Price	-	-	20.00	18.55	18.80	18.69
Volume Traded	-	-	80	775	408	1,292
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	19.86	20.43	18.81	15.79	16.14	16.95
Volume Traded	7,428	6,576	7,276	14,895	12,811	13,396
Volume Exported	6,668	6,336	6,435	3,305	1,999	2,733
20% or More						
Wtd Avg Price	-	-	-	18.00	17.75	17.00
Volume Traded	-	-	-	204	163	328
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

Frozen 15-20% MSC



Fresh 15-20% MSC



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 12 NOVEMBER, 2010.

The market on bulk parts is steady to fully steady, instances firm. Demand is light to moderate. Offerings are light to moderate, tom V-type wings in the tightest position. The white meat and bone-in breast market ranges steady to firm. Demand is light to moderate with noted inquiry on tom breast meat, breast trim, scapula and wing meat. Offerings are light. The market on thigh meat is steady. Demand is light to moderate while offerings are light. The mechanically separated turkey market (MST) is steady to barely steady. Demand is light. Offerings of fresh MST are moderate to at times heavy. Market activity is slow into domestic and export channels. For domestic: fresh ground breast trim 206, fresh scapula meat 197.5, frozen resale plant grade breasts (basted) 195, frozen tails 38, fresh MST (pet food) 16 cents delivered. For export: fresh tom drums 71 cents delivered border.

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, NOVEMBER 12, 2010						
DRUMSTICKS, TOMS		W	75.00	108	75.00	108
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		M	91.00	120	91.00	120
TAILS		M	40.73	158	40.73	158
MECHANICALLY SEPARATED 2/		M	25.00	40	25.00	40
THIGH MEAT - FROZEN		T	132.00	108	132.00	108

**NO EXPORT TRADING REPORTED ON THURSDAY, NOVEMBER 11, 2010
DUE TO VETERANS DAY HOLIDAY**

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
WEDNESDAY, NOVEMBER 10, 2010				
DRUMSTICKS, TOMS	75.00		75.00	108
WINGS FULL-CUT - TOMS		W	94.00	40
WINGS, V-TYPE, TOM		M	91.00	120
TAILS		M	40.73	158
MECHANICALLY SEPARATED 2/		M	25.00	40
THIGH MEAT - FROZEN		T	132.00	108

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
TUESDAY, NOVEMBER 09, 2010				
DRUMSTICKS, TOMS		F	74.00	54
WINGS FULL-CUT - TOMS		W	94.00	40
WINGS, V-TYPE, TOM		M	91.00	120
TAILS		M	40.73	158
MECHANICALLY SEPARATED 2/		M	25.00	40
THIGH MEAT - FROZEN	132.00		132.00	108

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
MONDAY, NOVEMBER 08, 2010				
DRUMSTICKS, TOMS		F	74.00	54
WINGS FULL-CUT - TOMS		W	94.00	40
WINGS, V-TYPE, TOM	91.00		91.00	120
TAILS	38.00-42.00		40.73	158
MECHANICALLY SEPARATED 2/	25.00		25.00	40
THIGH MEAT - FROZEN		F	134.00	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.