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Russia

According to reports, Russia has announced plans to reduce its tariff-rate quotas (TRQ) in 2011. It plans to cut the 2011 TRQ to 350,000 MT from the original 600,000 MT. Due to chlorine issues, 150,000 MT of 600,000 MT of poultry meat allocated to the US in 2010 was reallocated to other countries. The US is expected to only fill 300,000 MT of its quota by year end. This latest move is another blow to the US poultry industry after finally resuming trade with Russia in July 2010 after months without trading.

This is another effort to protect and support Russia's domestic poultry production. It continues to support its domestic production with TRQs, loan subsidies (favoring large producers), federal development programs (i.e. Development of Poultry to 2012 and to 2018-2020), increased government purchases of chicken meat over beef, direct financial aid to drought-stricken farmers, an export grain ban, fertilizer subsidies, monies for spring crops, among other means.

Russia recently extended its August 5, 2010 grain export ban (Resolution #853) to July 1, 2011. The new resolution will exclude wheat and rye flour; however it will temporarily ban the export of wheat and meslin, barley, rye, and corn from Russia. Recently Russia reported its grain crop in 2010 will be about 60 million metric tons (MMT). As of October 2010, Russia had finished harvesting 97% of its total crop with a reported 62.3 MMT being harvested from 32.9 hectares. According to Russian officials the country will be able to meet its domestic demand with the current harvest and carry-over stocks. Farmers have also been encouraged to sow another 25% for spring crops to help meet demand. Winter sowing was mostly complete by late October with 4 million less hectares reported from 2009.

Broiler production accounts for 87.5% of Russia's total poultry meat and is expected to grow in 2010 (+12%) and 2011 (+8%). Slowed expansion rates are expected due to higher feed costs associated with this summer's drought, as well as reduced profits to producers. Broiler meat imports declined 66% through June 2010 with expectations of reduced imports in 2011. Russia is primarily supplied by the US, EU, Brazil, Argentina, Canada, and Paraguay. Turkey production accounts for 3.8% or Russia poultry meat production and is forecast to be 45,000 MT in 2010 and 55,000 MT in 2011. Turkey meat imports fell 28% through June

2010 with main suppliers being the EU, Brazil, US, and Canada.

Russia's Tariff-Rate Quota (TRQ) Quantities (1,000 MT)

	2006	2007	2008	2009	2010	2011	2012
Total	2,069.7	2,125.3	2,179.0	1,963.4	1,840.0	1,660.0	1,560.0
Poultry	1,130.8	1,172.2	1,211.6	952.0	780.0	600.0	550.0
EU	220.6	228.6	236.4	185.8	144.3	111.0	101.8
US	841.3	871.4	901.4	750.0	600.0	446.4	409.2
Paraguay	5.0	5.0	5.0	3.8	-	-	-
Other	63.9	66.2	68.8	12.4	35.7	42.6	39.05

Note: Total = Total Meat & Poultry (HS0201-0203, 0207). Poultry (HS0207). Other = Other Countries.

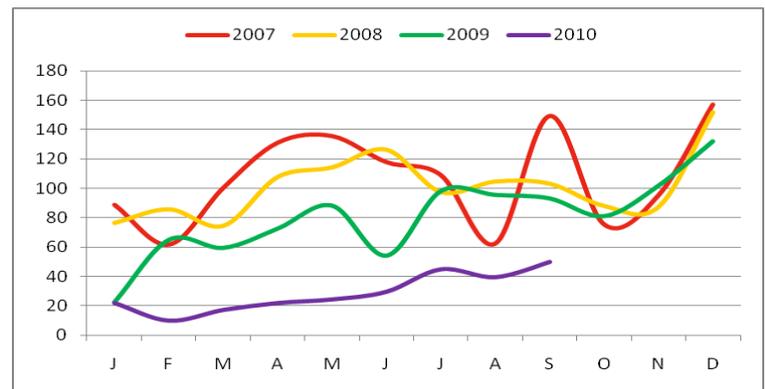
Source: USDA FAS Gain Report RS1052/Decree #732 (2005); Resolution #918 (2008); Resolution #1021 (2009); Resolution #306 (2010).

Russia's Meat and Poultry Production by Types of Farms (1,000 MT) (slaughter weight)

	2003	2004	2005	2006	2007	2008
Beef	2,002	1,954	1,809	1,722	1,699	1,769
Pork	1,743	1,686	1,569	1,699	1,930	2,042
Sheep	134	145	154	156	168	174
Poultry	1,048	1,192	1,388	1,632	1,925	2,217
Ag Ent.	2,184	2,234	2,305	2,567	2,963	3,403
Households	2,701	2,702	2,565	2,573	2,659	2,674
Farms	108	110	120	138	168	191
Total	4,993	5,046	4,990	5,278	5,790	6,268

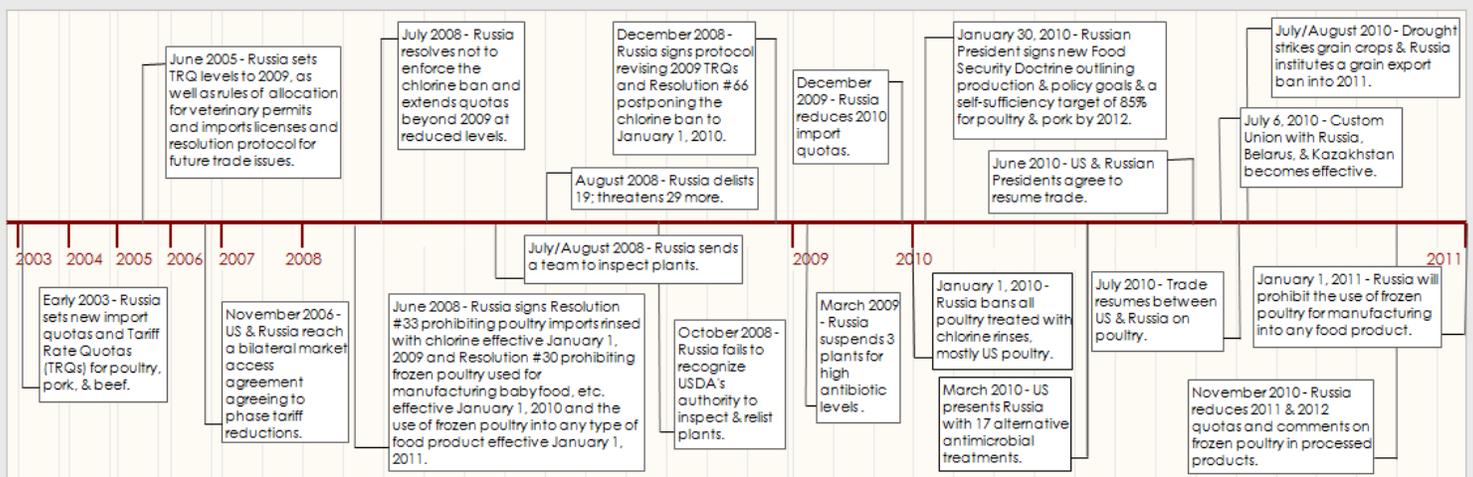
Note: Sheep = Sheep & Goat. Ag Ent. = Agricultural Enterprises. Households = Private Households. Farms = Private Farms. Source: USDA FAS/Rosstat

Russian Poultry Meat Imports in thousand Metric Tons (MT)



Source: Russia Federal Customs Service

US - Russia Trade Timeline



Source: Various News Wires/Congressional Research Service/USDA FAS Livestock & Poultry: World Markets & Trade October 2010/USDA FAS Gain Reports: RS1062, RS1039, RS1049, RS1065, RS1052, RS1025, RS1020, RS9054, RS8099, RS8050, RS8049

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LA

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	197	0	4,362	11,435
Frozen	0	0	88	135
Dried	0	0	447	759
Total	197	0	4,897	12,329

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Liquid	22	444	17,090	15,918
Frozen	3	6	610	276
Dried	0	0	200	50
Total	25	450	17,900	16,244

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	1,320	1,410	78,501	73,851
Large	120	9,669	133,947	183,048
Medium	840	843	39,762	46,423
Ungraded	6,098	2,616	294,134	396,787
Misc	0	11	900	10,711
Total	8,378	14,549	547,244	710,820

/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 Nov 27, 2010 (Preliminary)

U.S. fowl slaughtered domestically

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	817	844	1,661
Last Week	1,205	1,836	3,041
Same week yr ago	783	923	1,706
To-date/2010*	64,150	66,299	130,449
To-date/2009*	59,559	70,565	130,124

U.S. fowl slaughtered in Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	95	23	118
Last Week	314	27	341
Same week yr ago	292	0	292
To-date/2010*	15,894	530	16,424
To-date/2009*	14,466	43	14,509

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	912	867	1,779
Last Week	1,519	1,863	3,382
Same week yr ago	1,075	923	1,998
To-date/2010*	80,044	66,829	146,873
To-date/2009*	74,025	70,608	144,633

*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.)

MSC prices trended steady on all MSC fat contents. Supplies of fresh and frozen 15-20% were moderate to heavy with the balance mostly moderate. Schedules were normal following the holiday. Domestic and export demand on all fat contents was generally light. Market activity was slow to moderate. Contract negotiations for 2011 continue to drag on for many with only 1-2 cents standing in the way of finalization. A majority of the industry is about half to three quarters finished contracting for 2011 with some players completely done. Prices for 2011 contracts have been confirmed at prices at or below last year's low side. The spot marketplace remains a challenge as many sellers continue to try to stay ahead by selling MSC out front, as well as selling or rendering frames. Supplies of raw materials were moderate to heavy. Frame values were steady trading mostly between 6-8 cents FOB.

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

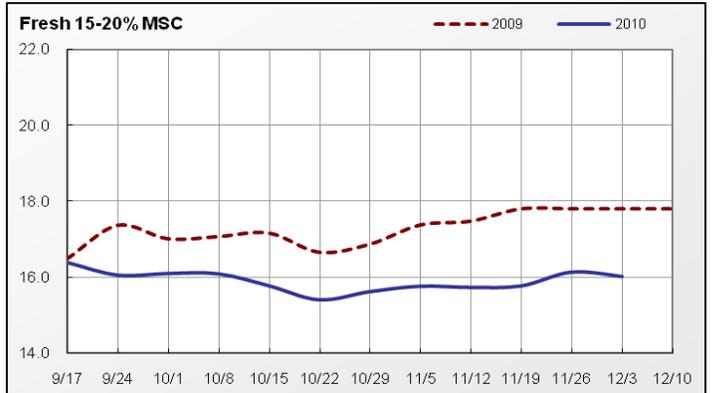
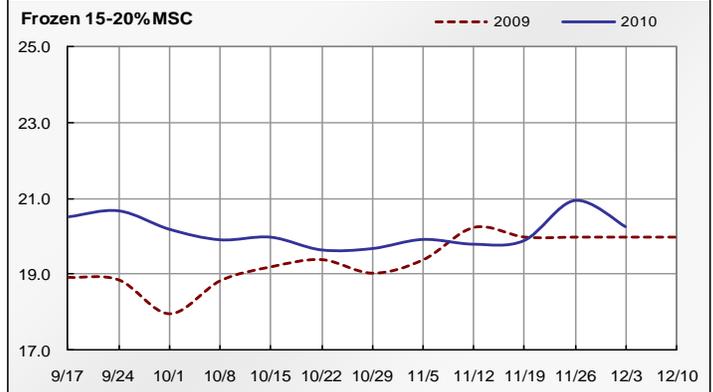
Fat Content	Frozen			Fresh		
	3-Dec-10	Last Week	Last Year	3-Dec-10	Last Week	Last Year
15% or Less						
Price Range			-	18.00 - 19.00	18.00 - 19.00	17.50-19.00
Wtd Avg Price			-	18.40	18.67	18.28
Volume Traded			-	102	122	285
Volume Exported			-	-	-	-
15-20%						
Price Range	15.00 - 26.00	15.00 - 22.00	17.00-23.00	13.00 - 20.50	13.00 - 20.50	14.00-21.50
Wtd Avg Price	20.26	20.95	20.03	16.02	16.14	17.24
Volume Traded	2,066	883	2,169	3,672	3,049	3,046
Volume Exported	1,466	803	1,489	653	694	979
20% or More						
Price Range	-	-	-	18.00 - 20.00	18.00 - 20.00	16.00
Wtd Avg Price	-	-	-	19.33	19.33	16.00
Volume Traded	-	-	-	122	122	163
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Nov 2010	Oct 2010	Nov 2009	Nov 2010	Oct 2010	Nov 2009
15% or Less						
Wtd Avg Price	-	-	-	18.50	18.55	18.41
Volume Traded	-	-	-	530	775	1,502
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	20.04	19.86	19.97	15.85	15.79	17.60
Volume Traded	5,595	7,428	5,805	12,556	14,895	12,716
Volume Exported	4,755	6,668	5,205	2,856	3,305	1,754
20% or More						
Wtd Avg Price	-	-	-	19.38	18.00	16.67
Volume Traded	-	-	-	530	204	367
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 DECEMBER, 2010.

The market on bulk parts is steady to fully steady. Demand is light to moderate. Offerings are light. The white meat market is steady to fully steady, instances firm. Demand is light to moderate with offerings light. The market on thigh meat is steady. Demand is light to moderate for the limited offerings. Mechanically separated turkey market (MST) is steady to barely steady. Demand remains light. Offerings are moderate to heavy. Market activity ranges slow to active with the largest volume of trading centering on fresh tom drums into domestic and export channels. For domestic: frozen grade A non-basted breasts 8-10 lbs. 130, 12-16 lbs 155, frozen plant grade basted grade breasts 20-22 lbs. 195, fresh tom full-cut wings 80-81, fresh tom necks 38, fresh tails 35-36, fresh MST (pet food) 11-13, frozen mature hen drums 78 cents delivered. For export: frozen tom breast meat 265-273, fresh thigh meat 132.5, frozen fries 301, frozen wing tips 67 cents delivered border or port.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, DECEMBER 03, 2010	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	85.00-92.00		87.47	1,026	87.31	1,166
WINGS FULL-CUT - TOMS	89.00		89.00	410	89.00	410
WINGS, V-TYPE, TOM						
TAILS	38.00		38.00	8	40.61	62
MECHANICALLY SEPARATED 2/	20.50-22.00		21.25	80	21.25	80
THIGH MEAT - FROZEN	131.00		131.00	80	133.10	300

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, DECEMBER 02, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	81.00		81.00	20
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	41.00		41.00	54
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	132.50-135.00		134.28	180

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, DECEMBER 01, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	87.00	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		T	132.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, NOVEMBER 30, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	87.00		87.00	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	132.00		132.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, NOVEMBER 29, 2010	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		W	77.23	292
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN				

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.