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Poultry Meat Production and Trade to Grow in 2010

World meat production is forecast to grow by 0.8%, according to the November 2010 Food Outlook report by the United Nation's Food and Agriculture Organization (FAO). Reduced animal inventories, high feed costs, and a relatively weak consumer demand will restrain production. Production of poultry is forecast to grow by 2.2% to reach 95.7 million metric tons (MMT); pig meat to grow by 1% to 107 MMT, and beef to decline by 1% to 65 MMT.

World Meat Markets at a glance, million tons

	Production			Trade		
	2009e	2010f	%chg	2009e	2010f	%chg
World	283.9	286.2	0.8%	25.4	26.1	2.8%
Bovine meat	65.7	65.0	1.1%	7.4	7.6	3.0%
Poultry meat	93.7	95.7	2.2%	11.1	11.3	1.5%
Pig meat	106.1	107.0	0.9%	5.8	6.1	5.3%
Ovine meat	12.9	13.0	0.1%	0.8	0.8	1.9%

e=estimate f=forecast

World meat trade is forecast to grow by 2.8% in 2010, with strong growth in demand for pig meat, in addition to gains in bovine and poultry meat. Poultry meat is the most widely traded meat; trade in poultry meat is likely to be constrained by sanitary restrictions imposed by major importers, growing by 1.5% in 2010 compared to 3.0% for beef and 5.3% for pig meat. Increased meat purchases from Asian countries are expected to more than compensate for a 15% reduction of imports by Russia, the second largest meat importer in 2009 after China.

Poultry Meat Statistics, 1000 tons, carcass weight equivalent

	Production		Imports		Exports	
	2009	2010	2009	2010	2009	2010
Asia	33,153	33,738	5,746	6,055	1,853	2,023
Africa	3,933	4,002	1,019	1,113	27	39
Central America	3,987	4,030	1,167	1,322	34	37
South America	15,650	16,167	316	435	4,074	4,228
North America	20,165	20,516	299	288	4,089	3,901
Europe	55,740	16,218	2,243	1,738	999	1,020
Oceania	1,039	1,046	56	58	40	34
WORLD	93,668	95,717	10,845	11,010	11,116	11,282
Countries						
Developing	53,640	54,815	6,911	7,455	5,927	6,252
Developed	40,028	40,903	3,934	3,555	5,189	5,030
Select Countries						
U.S.	18,953	19,293	85	81	3,907	3,716
Brazil	10,385	10,759	1	1	3,724	3,870
Thailand	1,134	1,208	1	1	596	644
China*	16,439	17,022	1,740	1,765	916	1,056
EU	11,914	12,105	835	805	936	973
Japan	1,394	1,392	797	903	9	10
Russia	2,360	2,635	964	511	7	2

*Includes Hong Kong, SAR
2009 = estimates; 2010 = forecast

Poultry production is expected to increase 1.8% in the U.S. to 19.3 MMT in 2010. Brazil's production has recovered from a fall in 2008 and is set to grow by +3.6% to 10.7 MMT in 2010, supported by strong demand from domestic and world markets. This year poultry producers in the EU benefitted from the high consumer cost of beef and pig meat; poultry production is expected to reach 12.1 MMT in the EU, up 1.6% from a year ago.

China's poultry production benefits from a strong domestic demand and is set to grow 3.7% to 16.3 MMT. Thailand's 6% growth to 1.2 MMT is mostly supported by exports to Asian countries.

Russian poultry production growth was strong in the first half of 2010, driven by investments in new large poultry processing plants and attractive prices due to an increase in demand and a reduction in imports. A severe summer drought created a tight feed supply and slowed production growth for the second half of 2010. Production is still estimated to grow by 11% to 2.6 MMT for the year.

World poultry trade may reach 11.3 MMT in 2010, a 1.5% increase over 2009. World poultry prices, measured in US dollars, grew at a slower pace than other meats and are only 4% higher than last year. This compares to beef (+26%) and pig meat (+30%). The poor performance of poultry has been blamed on the relative abundance of poultry meat for export in the U.S., following the collapse of the Russian market.

	Poultry Meat Prices (USD/ton)			FAO indices*			
Dec-Jan	USA	Japan	Brazil	Total	Bovine	Pig	Poultry
2006	734	1,852	1,180	107	117	95	114
2007	935	1,964	1,443	112	121	98	135
2008	997	3,064	1,896	128	139	108	175
2009	989	2,541	1,552	118	118	110	153
Monthly							
Aug 2009	1,022	2,318	1,734	119	119	111	156
Aug 2010	996	2,836	1,722	138	144	126	166

**2002-2004 =100 Poultry Meat Prices: USA – Broiler cuts, export unit value - Foreign Trade Statistics of the United States Census Bureau; Japan – Broiler import prices, cif; frozen, other than leg quarters – A.L.I.C.; Brazil – Export unit value for chicken, fob – A.B.E.F.*

Exports from the U.S. will fall in 2010, but other countries will be able increase shipments to meet the demand. The drop in U.S. exports is mainly due to Russia's prohibition on imported chlorine-treated meats which began in January 2010. Trade was also disrupted by Mainland China's January 2010 imposition of anti-dumping duties, which blocked exports of chicken. While the depreciation of the US Dollar against major currencies increased U.S. competitiveness, exports may still drop 5% to 3.7 MMT.

Brazil exports will grow 4%, to just below 4 MMT. Brazil has expanded shipments to Russia and maintained export levels to developing countries. China is anticipated to increase shipments of cooked poultry to European and Asian markets by 30%. Thailand's poultry exports are all cooked; higher demand from Asia is expected raise Thailand's exports by 8% to 644,000 MT.

Russia is expected to import about 511,000 MT of poultry meat in 2010, down 47% from a year ago. Russia's ban on chlorine-treated poultry and reduced preferential tariff quotas were major factors. New legislation prohibiting the use of frozen poultry for processing will go into effect in January 2011. This will negatively affect exporters of frozen poultry, notably Brazil.

Japan, the third largest importer, reduced imports in the first half of the year, but began increasing imports in the second half, taking advantage of a stagnation of world prices due to surpluses in the U.S., and is set to grow 13% for the entire year.

The outlook for poultry trade in 2011 is favorable. A tight supply situation in beef and pig meat should strengthen the demand for cheaper sources of animal proteins, creating favorable conditions for trade expansion.

Source: FAO November 2010 Food Outlook, Global Market Analysis

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

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

Week Ending Dec 04, 2010 Year-To-Date*

Type	2010	2009 /1	2010 /2	2009
Liquid	144	247	4,506	11,682
Frozen	0	0	88	135
Dried	0	0	447	759
Total	144	247	5,041	12,576

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

Week Ending Dec 04, 2010 Year-To-Date*

Type	2010	2009 /1	2010 /2	2009
Liquid	318	369	17,408	16,287
Frozen	15	0	625	276
Dried	0	0	200	50
Total	333	369	18,233	16,613

Inspected Shell Eggs

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

Week Ending Dec 04, 2010 Year-To-Date*

	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	2,040	2,160	80,541	76,011
Large	10,249	13,580	144,196	196,628
Medium	920	750	40,682	47,173
Ungraded	936	8,400	295,070	405,187
Misc	0	0	900	10,711
Total	14,145	24,890	561,389	735,710

/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 Dec 04, 2010 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,043	1,503	2,546
Last Week	817	844	1,661
Same week yr ago	1,059	1,383	2,442
To-date/2010*	65,193	67,802	132,995
To-date/2009*	60,618	71,948	132,566

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	466	0	466
Last Week	95	23	118
Same week yr ago	508	0	508
To-date/2010*	16,360	530	16,890
To-date/2009*	14,974	43	15,017

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	1,509	1,503	3,012
Last Week	912	867	1,779
Same week yr ago	1,567	1,383	2,950
To-date/2010*	81,553	68,332	149,885
To-date/2009*	75,592	71,991	147,583

*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 continue to trend 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. Domestic and export demand on all fat contents was light. Market activity was slow to moderate. Contract negotiations for 2011 continue to progress. A majority of the industry is three quarters finished contracting for 2011 with some dealers completely done. Prices for 2011 contracts have been confirmed at prices at or below last year's low side. Supplies of raw materials were moderate to heavy. Frame values were steady at mostly 6-8 cents FOB.

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

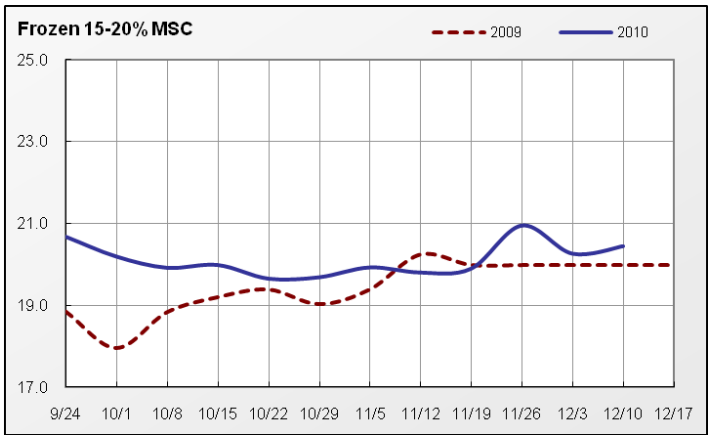
	Frozen			Fresh		
Fat Content	10-Dec-10	Last Week	Last Year	10-Dec-10	Last Week	Last Year
15% or Less						
Price Range			-	18.00 - 19.00	18.00 - 19.00	18.00-19.00
Wtd Avg Price			-	18.50	18.40	18.75
Volume Traded	-	-	-	163	102	324
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	15.00 - 26.00	15.00 - 26.00	17.00-23.00	13.00 - 20.50	13.00 - 20.50	14.00-21.50
Wtd Avg Price	20.44	20.26	20.30	16.22	16.02	18.09
Volume Traded	1,728	2,066	2,000	3,468	3,672	3,719
Volume Exported	1,448	1,466	1,718	530	653	612
20% or More						
Price Range	-	-	-	18.00 - 20.00	18.00 - 20.00	16.00-17.00
Wtd Avg Price			-	19.33	19.33	16.50
Volume Traded	-	-	-	122	122	163
Volume Exported	-	-	-	-	-	-

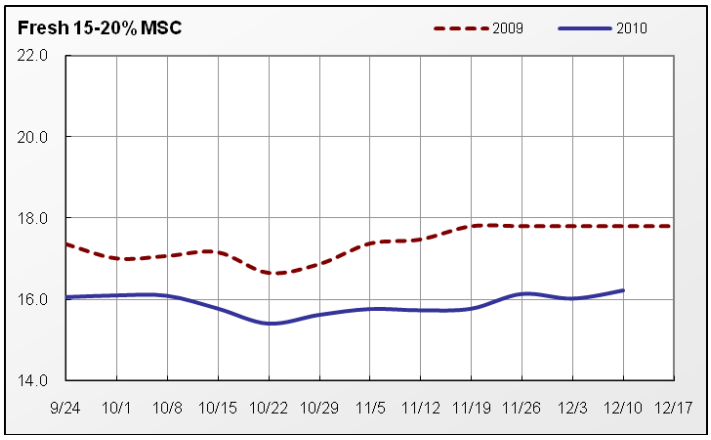
Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

	Frozen			Fresh		
Fat Content	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 10 DECEMBER, 2010.

The market on tom wings ranges steady to instances weak with the balance of bulk parts steady to fully steady. Demand is light to moderate. Offerings of tom necks are light, drums mixed, and wings moderate. The white meat market is steady to fully steady. Demand is light to moderate while offerings are light to moderate, some reporting fresh tom breast meat more available next week. The market on thigh meat is steady. Demand is light to moderate on limited offerings. The mechanically separated turkey (MST) market is steady to weak. Demand remains mostly light. Offerings are moderate to heavy. Market activity is slow to moderate. For domestic: fresh breast trim 206, fresh scapula meat 196-197, fresh tom necks 40, fresh tails 37, fresh MST (pet food) 10-12, frozen clipped tenders 233 cents delivered. For export: fresh thigh meat 131, fresh tom drums 71 cents delivered border.

EXPORT TRADING FRIDAY, DECEMBER 10, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	75.00	54	81.21	174
WINGS FULL-CUT - TOMS		F	89.00	410		
WINGS, V-TYPE, TOM		R	83.00	162	83.00	162
TAILS		R	40.00	216	40.00	216
MECHANICALLY SEPARATED 2/	24.00		24.00	108	24.00	108
THIGH MEAT - FROZEN	135.00		135.00	27	132.82	147

EXPORT TRADING THURSDAY, DECEMBER 09, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	75.00		75.00	54
WINGS FULL-CUT - TOMS		F	89.00	410
WINGS, V-TYPE, TOM	83.00		83.00	162
TAILS	40.00		40.00	216
MECHANICALLY SEPARATED 2/		F	21.25	80
THIGH MEAT - FROZEN		M	132.33	120

EXPORT TRADING WEDNESDAY, DECEMBER 08, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	84.00	120
WINGS FULL-CUT - TOMS		F	89.00	410
WINGS, V-TYPE, TOM				
TAILS		F	38.00	8
MECHANICALLY SEPARATED 2/		F	21.25	80
THIGH MEAT - FROZEN		M	132.33	120

EXPORT TRADING TUESDAY, DECEMBER 07, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	84.00	120
WINGS FULL-CUT - TOMS		F	89.00	410
WINGS, V-TYPE, TOM				
TAILS		F	38.00	8
MECHANICALLY SEPARATED 2/		F	21.25	80
THIGH MEAT - FROZEN		M	132.33	120

EXPORT TRADING MONDAY, DECEMBER 06, 2010	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	84.00		84.00	120
WINGS FULL-CUT - TOMS		F	89.00	410
WINGS, V-TYPE, TOM				
TAILS		F	38.00	8
MECHANICALLY SEPARATED 2/		F	21.25	80
THIGH MEAT - FROZEN	132.00-133.00		132.33	120

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.