



JANUARY 11, 2011
VOL. 14 NO. 02

INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News and Analysis Branch

Brazil Broiler Production Forecast 3% Higher in 2011

Broiler production in 2011 is forecast to increase 3% from 2010. Domestic consumption is expected to remain strong due to Brazil's economic growth; trade sources expect broiler exports to grow by 3% due to higher exports to new markets.

Brazil Poultry Situation, in thousand metric tons

	Broiler Meat			Turkey Meat		
	2009	2010	2011	2009	2010	2011
Production	11,023	11,420	11,750	466	485	510
Exports	3,222	3,350	3,450	164	164	165
Per Capita Consumption in kilograms	39.26	40.13	40.80	1.50	1.60	1.70

Brazil's broiler production is forecast to reach 11.8 million metric tons in 2011, up 3% from the previous year. Producers and analysts expect the Brazilian economy to remain firm in 2011. GDP is projected to grow 7.3% in 2010 and 4.5% in 2011, according to Brazil's Central Bank December 2010 Inflation Report. Lower rates of unemployment (5.7% in November 2010) and inflation (5.9% in 2010) combined with improved consumer purchasing power will likely help maintain the current strong domestic demand for animal protein, of which broiler meat is the most competitive.

Sao Paulo: Broiler production costs and wholesale prices for broilers (RTC), corn and soybean meal.

Year	Wholesale Prices				
	Broiler Cost Live Weight (US\$/kg)	Live Weight (US\$/kg)	RTC (US\$/kg)	Soybean Corn (US\$/60 kg)	Meal (US\$/kg)
2006	0.54	0.54	0.65	8.00	0.21
2007	0.77	0.80	1.07	11.99	0.28
2008	0.99	0.89	1.27	13.89	0.39
2009	n/a	0.82	1.21	10.01	0.46
2010*	n/a	0.83	1.20	10.36	0.59

*January-June RTC = Ready to Cook

Feed prices are projected to remain stable during the 2010-11 crop year with estimated record soybean and corn crops. The new crop plan announced by the federal government makes available US\$64 billion in subsidized funds to boost production of grains and oilseeds during the coming crop year (October 1/September 30). Brazil will be producing a large amount of biotech corn and trade sources estimated that up to 55% of the crop is likely to be biotech which is expected to increase yields.

Brazil's Exports "Fresh" Chicken Meat In million US\$ and thousand MT

2010	US\$	MT	2009	US\$	MT
Jan	333.5	208.0	Jan	336.6	243.1
Feb	404.5	255.7	Feb	294.1	231.5
Mar	495.7	306.2	Mar	356.7	279.0
Apr	450.0	279.1	Apr	424.4	308.2
May	470.5	290.3	May	381.1	265.2
Jun	509.1	307.3	Jun	458.4	301.8
Jul	543.4	324.1	Jul	448.4	288.8
Aug	525.7	315.3	Aug	409.5	261.5
Sep	519.4	311.9	Sep	409.9	260.9
Oct	490.7	293.3	Oct	464.5	301.4
Nov	518.7	285.7	Nov	373.4	237.0
Dec			Dec	460.9	287.2

Source: MDIC/SECEX Carne de frango "in natura"

Brazilian broiler exports increased by 4% in volume, but fell 17% by value for January through August 2010. Broiler exports are expected to increase by 3% in 2011. The negative impact of the valuation of the Brazilian Real and competition from other exporters in Asian markets has contributed to the small increase.

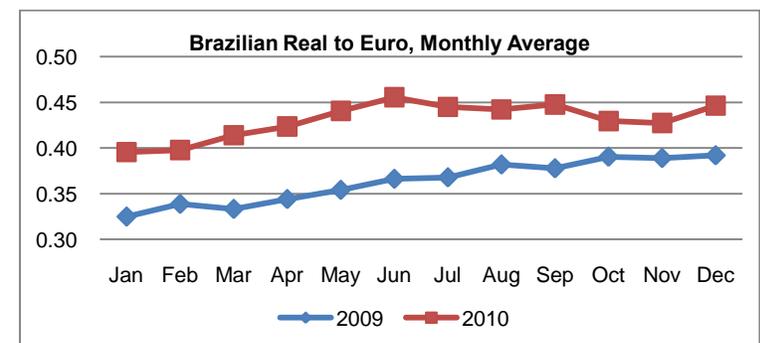
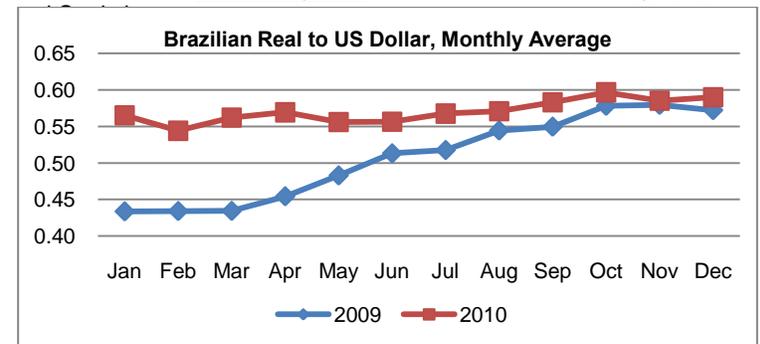
Brazil has increased exports to new markets, such as China, Indonesia and South Africa, as a result of Brazil's strong market promotion efforts in these countries and other emerging markets. Brazil and India reached an agreement on sanitary issues, but India's high import tariffs effectively keep out Brazilian poultry. Exports to the EU are likely to continue to decline in 2011 due to the weakened Euro against the Real, but mostly due to EU restrictions on imports of Brazilian chicken (changes in marketing standards for broiler meat). In this aspect, Brazil is evaluating the possibility of filing a case in the WTO against the EU.

Brazil Poultry* Exports to Select Countries, in metric tons

	Jan - Sep 2010	Jan - Sep 2009	Jan - Dec 2009
Saudi Arabia	449,962	412,095	494,513
Japan	317,073	251,787	307,428
Hong Kong	279,827	364,116	429,287
UAE	175,305	182,114	210,986
South Africa	164,016	143,131	171,512
Kuwait	138,245	158,866	199,281
Russia	131,829	66,890	76
,237			
EU	118,784	150,847	172,266
China	95,950	10,928	24,009
Iraq	94,037	111,621	139,307

HS 0207 Meat and edible offal, of the poultry heading No 0105, fresh, chilled or frozen
Source: <http://alicewebmercoul.desenvolvimento.gov.br>

Source: USDA GAIN Report; IMF World Economic Outlook; Banco Central do Brasil www.bcb.gov.br; Brazilian Institute of Geography



Source: <http://www.oanda.com/currency/average>

**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	447	4,844	13,099
Frozen	0	0	140	135
Dried	40	0	555	828
Total	40	447	5,539	14,062

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Liquid	180	208	18,321	17,635
Frozen	0	4	683	292
Dried	0	0	200	50
Total	180	212	19,204	17,977

Inspected Shell Eggs

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Jumbo	0	0	0	0
Extra Large	7,475	3,000	105,734	90,446
Large	9,246	9,310	183,321	252,414
Medium	577	754	42,485	50,454
Ungraded	192	1,068	312,958	425,905
Misc	0	0	1,710	11,491
Total	17,490	14,132	646,208	830,710

/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 Jan 01, 2010 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,226	1,235	2,461
Last Week	1,297	1,072	2,369
Same week yr ago	1,320	929	2,249
To-date/2010*	70,531	73,360	143,891
To-date/2009*	65,461	76,490	141,951

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	262	0	262
Last Week	300	0	300
Same week yr ago	86	0	86
To-date/2010*	17,580	550	18,130
To-date/2009*	16,289	43	16,332

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	1,488	1,235	2,723
Last Week	1,597	1,072	2,669
Same week yr ago	1,406	929	2,335
To-date/2010*	88,111	73,910	162,021
To-date/2009*	81,750	76,533	158,283

*Note: Year to-date totals reflect comparable time periods.

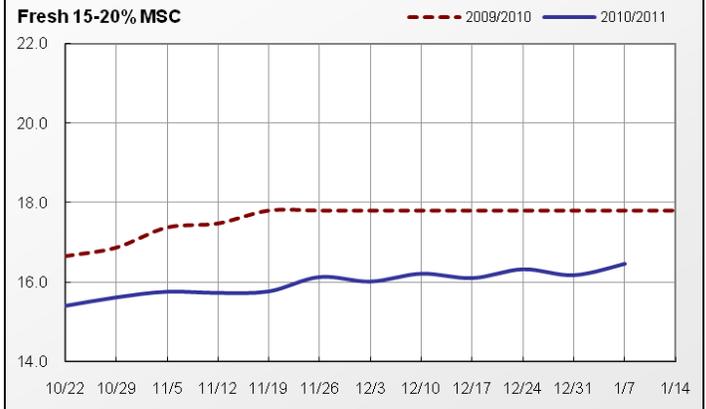
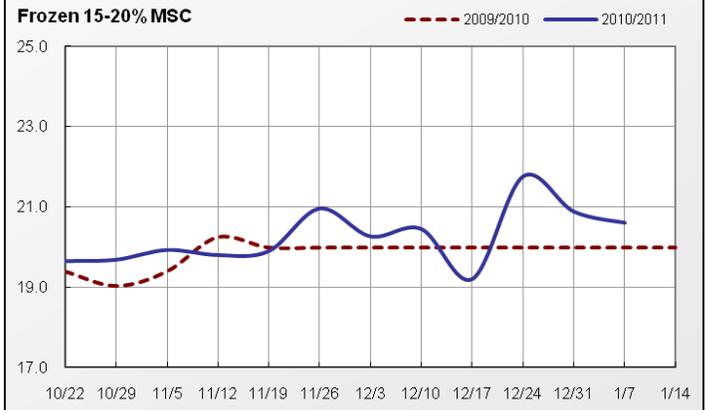
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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.)

Prices for MSC to start 2011 were steady on all fat contents. Supplies of fresh 15-20% were moderate to instances heavy with the remainder of fat contents light to moderate. Schedules were normal. Domestic demand was light with export demand mixed. Some noted good interest on frozen and anticipate good movement of all MSC throughout January. Market activity was slow to moderate with many suppliers trying to stay ahead. Contracts for 2011 are finalized, though there might be room for a few future opportunities throughout the year. Prices were confirmed at levels slightly lower than last year and in line with the current spot marketplace. For many, new contracts began this week and so far most have transitions have gone smoothly with a few typical hiccups noted. Supplies of raw materials were moderate to heavy. Frame values were steady ranging 6-8 cents FOB, mostly 7-8 cents FOB.

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

Fat Content	Frozen			Fresh		
	7-Jan-11	Last Week	Last Year	7-Jan-11	Last Week	Last Year
15% or Less						
Price Range			24.00	18.00 - 19.00	18.00 - 19.00	18.00-19.00
Wtd Avg Price			24.00	18.50	18.50	18.73
Volume Traded	-	-	40	245	82	445
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	15.00 - 26.00	15.00 - 24.00	18.00-24.00	13.00 - 20.50	13.00 - 20.50	16.00-21.00
Wtd Avg Price	20.60	20.88	21.38	16.47	16.18	17.48
Volume Traded	1,730	1,146	1,597	3,723	2,978	2,448
Volume Exported	1,450	966	1,437	408	408	428
20% or More						
Price Range	-	-	-	18.00 - 20.00	18.00 - 20.00	16.00
Wtd Avg Price	-	-	-	19.00	19.00	16.00
Volume Traded	-	-	-	163	82	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Dec 2010	Nov 2010	Dec 2009	Dec 2010	Nov 2010	Dec 2009
15% or Less						
Wtd Avg Price	-	-	-	18.48	18.50	18.55
Volume Traded	-	-	-	592	530	894
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	20.34	20.04	20.14	16.16	15.85	17.84
Volume Traded	7,720	5,595	6,781	17,110	12,556	12,366
Volume Exported	6,300	4,755	5,659	2,938	2,856	3,060
20% or More						
Wtd Avg Price	-	-	-	19.29	19.38	16.18
Volume Traded	-	-	-	571	530	449
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 07 JANUARY, 2011.

The market on tom full-cut wings is steady to weak with the balance of parts steady. Demand is light. Offerings of tom full-cut wings are moderate to heavy, tom necks mostly moderate, remainder of parts light to moderate. The fresh tom breast meat market is steady to weak with other white meat items steady. Demand is light while offerings are light to moderate. The market on thigh meat is steady. Demand and offerings are light. The mechanically separated (MST) market is steady to instances weak. Demand is light. Offerings are mixed, light to heavy. Market activity is slow to moderate. For domestic: frozen 18-20 lb. basted breasts 190, fresh scapula 196-198, fresh wing meat 161, fresh tom full-cut wings 75-77, fresh tom necks 41-47.5, frozen MST (under 60 days age) 18, fresh MST (pet food) 12-12.5 cents delivered. For export: frozen tom necks 46-48, fresh thigh meat 130, fresh tom drums 71 cents delivered border or port.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, JANUARY 07, 2011	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	77.50		77.50	40	76.66	254
WINGS FULL-CUT - TOMS	67.00		67.00	270	67.83	324
WINGS, V-TYPE, TOM		R	84.00	120	84.00	120
TAILS						
MECHANICALLY SEPARATED 2/		M	20.00	40	20.00	40
THIGH MEAT - FROZEN	131.00		131.00	80	131.00	188
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, JANUARY 06, 2011	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	76.00		76.00	160		
WINGS FULL-CUT - TOMS	72.00		72.00	54		
WINGS, V-TYPE, TOM	84.00		84.00	120		
TAILS						
MECHANICALLY SEPARATED 2/		M	20.00	40		
THIGH MEAT - FROZEN		M	131.00	108		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, JANUARY 05, 2011	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	78.00		78.00	54		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		W	84.00	162		
TAILS						
MECHANICALLY SEPARATED 2/		M	20.00	40		
THIGH MEAT - FROZEN		M	131.00	108		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, JANUARY 04, 2011	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		R	76.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		W	84.00	162		
TAILS						
MECHANICALLY SEPARATED 2/		M	20.00	40		
THIGH MEAT - FROZEN		M	131.00	108		
EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME		
MONDAY, JANUARY 03, 2011	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		R	76.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		W	84.00	162		
TAILS						
MECHANICALLY SEPARATED 2/	20.00		20.00	40		
THIGH MEAT - FROZEN	131.00		131.00	108		

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.