



# INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture    Agricultural Marketing Service    Poultry Programs    Market News and Analysis Branch

### Russia Poultry Situation

Domestic poultry production grew 15.9% to 1.658 million metric tons (MMT) in the first half of 2010. Production slowed the second half due to increasing feed prices and summer heat that lowered average daily gains. Russia's Meat Union said local poultry production will grow 13% in 2010 to reach 2.9 million tons, and an additional 10% in 2011. USDA Moscow forecasts broiler production to total 2.00 MMT (ready-to-cook) in 2010 and 2.16 MMT in 2011. Turkey is forecast at 45,000 MT in 2010 and 55,000 MT in 2011. Russia's poultry production is 87.5% broiler, 3.8% turkey, 2.0 % geese and ducks and 8.5% culled egg layers and broilers.

### Russia Poultry Production by Category 1,000 MT (slaughter weight)

	2009	2010	2011	2012	2012/2009	
					%	+/-
Total all categories	2,540	2,855	3,055	3,255	128	+715
Agricultural enterprises	2,225	2,540	2,735	2,935	132	+710
Broilers	2,050	2,320	2,487	2,635	129	+585
Culled birds*	143	154	158	165	115	+22
Turkey	31	62	81	122	400	+91
Duck	0.5	3	8	10	2,000	+9.5
Geese	0.5	1	1	3	600	+2.5

\*Technological culling chicken egg layers and meat crosses  
Source: Ministry of Agriculture, Draft Program of poultry breeding development 2010-2012

Poultry production in Russia is dominated by large agricultural enterprises. There were about 600 poultry producing in 2009, accounting for 88% of total production. Higher productivity and reduced slaughter age increased broiler turnover from 4.0 (in 1990) to 6.5 (in 2009) and increased broiler output per egg layer from 78 kg (slaughter weight) in 1990 to 230 kg in 2009.

### Average Daily Weight Gain & Feed Conversion Rate for Poultry

	1999	2007	2008	2009
Weight gain per day, grams	28.5	45.0	46.5	47.5
Feed conversion rate feed/meat	2.8	1.9	1.9	1.9

Russia is considering spending RUR174.7 billion (US\$5.8 billion) during 2010-2012 on the program "Development of Poultry to 2012 and to 2018-2020" to further increase domestic production. The main objectives are providing the Russian population with sufficient volumes of domestic poultry products, ensuring efficiency and competitiveness, and developing the Russian poultry industry's export potential. There are two stages: during 2010-2012 RUR174.7 billion (\$5.8 billion) will be invested in the program. During the second phase of 2013-2020, RUR472 billion (\$15.7 billion), will be invested into the program. The program forecasts 2012 poultry production will increase by 715,000 MT (slaughter weight) over 2009 and another 1,245,000 MT by 2020. The program plans to increase daily average daily weight gain of broilers by 28%, improve feed conversion by 17%, modernize and build new poultry farms using the state subsidies, and increase the production of turkey, geese and duck meat. Another target is the development of pedigree parental breeding stock in order to cut imports of hatching eggs from 27% in 2009 to 15% by 2012 and seven percent by 2020.

Russia expects to reach its targeted level of 85% self-sufficiency by 2012, and then to start exporting poultry. Uncompetitive costs of production as well as veterinary-sanitary issues are likely to challenge Russia's ability to export outside CIS countries. Chicken paws will remain the top export derivative of local poultry production.

Source: USDA GAIN Report; news wires

### Russia Announces New TRQs, Rethinks Ban on Frozen Poultry

Russia's Ministry of Economic Development (MED) announced the new tariff rate quotas (TRQ) for 2011. Russia reduced the poultry TRQ to 350,000 MT, removed the country-specific allocations, and narrowed the scope of products covered. Russia left the total frozen beef quota unchanged, but increased the U.S. share from 21,700 MT to 41,700 MT. Fresh beef, pork, and pork trimming TRQ remain unchanged from 2010. On December 25, 2010, the MED distributed 25% of the 2011 TRQ quantities for poultry, beef, and pork, in accordance with Customs Union Decision #505 (November 18, 2010) and yet to be published GOR Resolution #1111 (December 24, 2010). MED will distribute the remaining 75% of quota allocation to importers by April 15, 2011.

### TRQ Poultry Distribution to Importers, in Metric Tons

	25% Distributed	100% Projected
Frozen Poultry Meat*	87,500	350,000

Codes are CU TN VED

\*Frozen deboned chicken meat (0207141001); frozen bone-in chicken halves or quarters (0207142001); frozen bone-in chicken legs and cuts from them (0207146001); frozen deboned turkey meat (0207141001)

From January 2010 through November 2010 Russia imported 452.4 thousand MT of poultry under HS code 0207, compared 832.8 thousand MT for the same period in 2009.

Russia's Chief Sanitary Officer Dr. Gennadiy Onishchenko signed Resolution #30 in June 2008 to prohibit the use of frozen poultry meat for manufacturing baby food, dietetic nutrition, and specialized food products for pregnant and nursing women, effective January 1, 2010 and to prohibit the use of frozen poultry meat for manufacturing into any type of food product, effective January 1, 2011. In November 2010, Dr. Onishchenko publically stated his intention to impose a complete ban on sales of frozen poultry meat, regardless of its use in processing. This would end all frozen poultry meat imports into Russia. After a large outcry of domestic and international concern, Dr. Onishchenko recanted his intentions a week later.

After a long debate, on December 21, 2010 the Ministry of Justice registered Resolution No. 145, which contained Amendment No. 21 that additionally prohibited frozen poultry meat's use in manufacturing delicacies, chilled natural half-finished, and food products not subject to thermal processing before retail trade effective January 2011, instead of the complete prohibition of use in the processing of all food products that was in the original Resolution.

### U.S. Poultry Meat Exports to Russia, in metric tons

H.S. Code	Product	2009	January-November	
			2009	2010
0207140010	chk lg quart, fzn	666,560	621,138	242,669
0207140090	chk other, fzn	28,718	28,596	6,745
0207140030	chk wings&oth, fzn	12,201	12,201	967
0207140025	chk other leg, fz	14,567	14,542	4,677
1601000010	ckn sasg, frnks	3,967	3,773	1,346
0207110020	chckns, yng, frzn	3,710	3,342	147
1602390045	pty, mt/of, prp/ps	102	102	-
0207120040	chckns, nes frzn	98	25	-
1601000020	trky sasg, frks	30	30	-
0207130000	chckn cts fr/ch	21	21	-
0207140050	chk, ofl, exlv, fzn	25	25	-
1602390025	mls/prp, ntckn/tk	11	11	-
Total		730,009	683,804	256,552

Source: USDA GAIN Report; Russia Customs; U.S. Census Bureau, Foreign Trade Statistics; news wires

**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	45	146	141	342
Frozen	0	0	0	0
Dried	0	0	0	0
Total	45	146	141	342

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

Type	Year-To-Date*			
	2010	2009 /1	2010 /2	2009
Liquid	246	346	528	668
Frozen	8	7	8	10
Dried	0	0	0	0
Total	254	353	536	678

**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	0	0	699	1,500
Large	300	0	300	800
Medium	0	0	0	0
Ungraded	2,638	3,660	5,333	9,096
Misc	0	0	0	0
Total	2,938	3,660	6,332	11,396

/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 15, 2011 (Preliminary)

**U.S. fowl slaughtered domestically**

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	1,610	1,369	2,979
Last Week	1,386	1,338	2,724
Same week yr ago	1,791	1,465	3,256
To-date/2011*	2,996	2,707	5,703
To-date/2010*	3,188	2,691	5,879

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

	Thousands		
	Light Hens	Heavy Hens	Total Hens
Head	356	0	356
Last Week	292	12	304
Same week yr ago	370	0	370
To-date/2011*	648	12	660
To-date/2010*	738	0	738

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	1,966	1,369	3,335
Last Week	1,678	1,350	3,028
Same week yr ago	2,161	1,465	3,626
To-date/2011*	3,644	2,719	6,363
To-date/2010*	3,926	2,691	6,617

\*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 were steady to fully steady on all fat contents. Supplies of all fat contents were light to moderate. Schedules were mostly normal with some plants down Monday in observance of the MLK holiday. Domestic and export demand was light to moderate with continued good interest noted on frozen 15-20% into the Caribbean and Asia; Central America and Mexico light. MSC movement was good as many continue to catch up from downtime associated with recent country-wide adverse weather delays and holidays. However many suppliers continue to stay out front on the spot marketplace and exercise their options depending on frame values and opportunities, especially in preparation for the International Poultry Exposition in Atlanta, GA next week. Supplies of raw materials were moderate to instances heavy. Frame values were steady trading mostly 7-8 cents FOB.

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

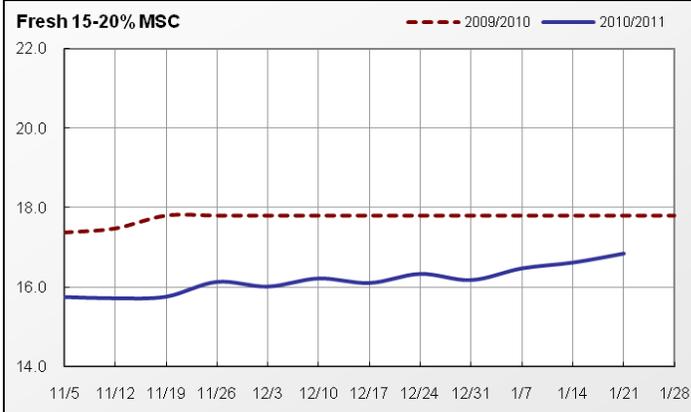
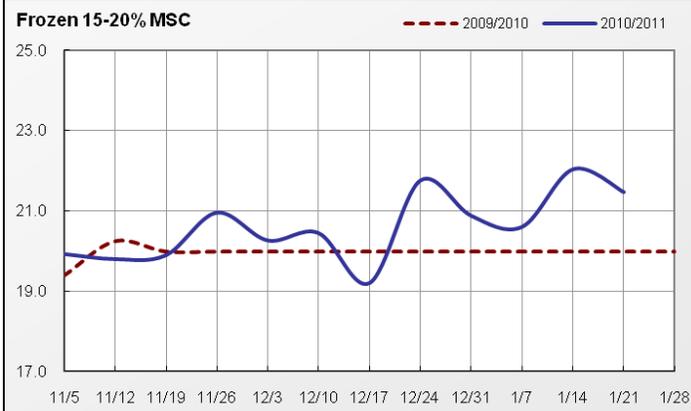
Fat Content	Frozen			Fresh		
	21-Jan-11	Last Week	Last Year	21-Jan-11	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	18.00 - 19.00	18.00 - 19.00	17.00-19.00
Wtd Avg Price			-	18.33	18.50	18.44
Volume Traded	-	-	-	61	163	367
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	18.00 - 24.00	18.00 - 24.00	19.00-25.50	15.00 - 20.50	14.00 - 20.50	15.50-21.00
Wtd Avg Price	21.47	22.04	22.38	16.84	16.61	17.62
Volume Traded	1,146	847	1,268	3,600	2,968	3,652
Volume Exported	946	787	1,088	204	245	347
<b>20% or More</b>						
Price Range	-	-	-	18.00 - 20.00	18.00 - 20.00	16.00
Wtd Avg Price	-	-	-	19.00	19.33	16.00
Volume Traded	-	-	-	163	122	82
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	2010	2009	2008	2010	2009	2008
<b>15% or Less</b>						
Wtd Avg Price	26.07	21.55	24.01	21.96	24.53	22.58
Volume Traded	590	336	3,136	10,213	15,232	13,790
Volume Exported	270	216	2,414	1,617	1,571	446
<b>15-20%</b>						
Wtd Avg Price	23.82	25.20	24.51	18.61	21.31	19.16
Volume Traded	86,375	85,079	78,815	187,000	157,963	140,572
Volume Exported	75,910	74,059	68,238	28,009	41,141	29,789
<b>20% or More</b>						
Wtd Avg Price	-	-	-	18.85	20.18	19.40
Volume Traded	-	-	-	3,834	3,875	3,408
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 21 JANUARY, 2011.

The market on bulk parts was steady, except full-cut wings and necks barely steady to weak. Demand was light to moderate. Offerings light to moderate with necks and full-cut wings moderate to heavy. The market on fresh tom breast meat is steady to weak with the balance of white meat mostly steady. Demand on tom breast meat and white meat is light to moderate. Offerings of tom breast meat and white meat was light to moderate with fresh tom breast meat the most available. Demand was light to moderate. Trading was slow to moderate, For domestic: fresh mechanically separated turkey 12-13 cents for pet food, fresh scapula 196 cents and fresh full-cut wings 66-68 cents delivered. For export: fresh tom drums 73 cents, frozen tom necks 36-44 cents, fresh thigh meat 131 cents delivered to port.

<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, JANUARY 21, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>WTD AVG</b>	<b>VOLUME</b>
					<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	76.00-83.00		80.01	458	80.01	458
WINGS FULL-CUT - TOMS	66.00-67.00		66.80	270	66.80	270
WINGS, V-TYPE, TOM	86.00-89.00		87.14	672	87.14	672
TAILS	39.00		39.00	40	39.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	128.00-135.00	W	20.00	216	20.00	216
			130.56	484	131.05	564

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, JANUARY 20, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	74.00	28
WINGS FULL-CUT - TOMS		F	68.50	162
WINGS, V-TYPE, TOM		F	85.50	240
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		W	20.00	216
		W	134.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, JANUARY 19, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	74.00	28
WINGS FULL-CUT - TOMS		F	68.50	162
WINGS, V-TYPE, TOM		F	85.50	240
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	20.00		20.00	216
	134.00		134.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, JANUARY 18, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	74.00	28
WINGS FULL-CUT - TOMS		F	68.50	162
WINGS, V-TYPE, TOM		F	85.50	240
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	131.00	12

**NO EXPORT TRADING ON MONDAY, JANUARY 17, 2011 - DUE TO DR. MARTIN LUTHER KING, JR., HOLIDAY**

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.