



INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture

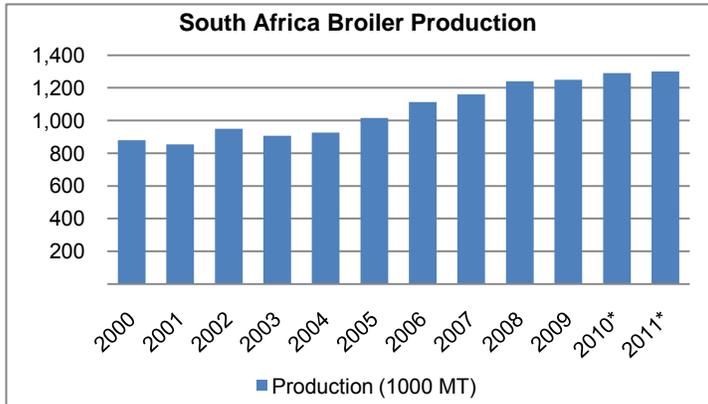
Agricultural Marketing Service

Poultry Programs

Market News and Analysis Branch

South Africa Broiler Industry

Broiler production in South Africa is expected to reach 957 million broilers or 1.29 million tons of meat in 2010, up three percent from a year ago. Since 2000, broiler production in South Africa grew by an average of 4% annually, slowing over the last two years.



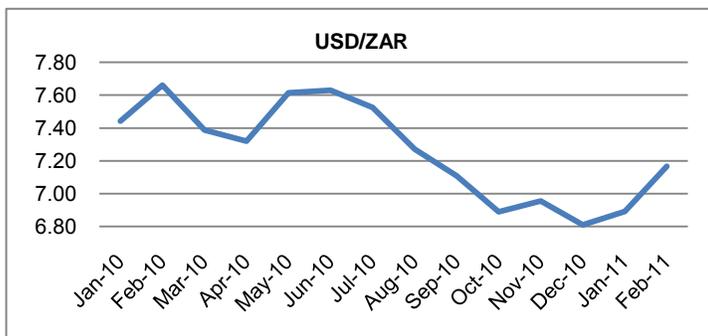
*estimates

Source: USDA Foreign Agricultural Service

Two large producers produce 50% of total broiler production in South Africa. A third company produces 8% and four medium-sized producers supply 20% of the market. The balance consists of about 44 smaller producers, producing less than 200,000 broilers per week. Some consolidation has taken place in recent years, with larger companies buying up some of the smaller producers. The result is an increased economy of scale and a reduced potential for price wars in the consumer market. Poultry producer prices increased an average of 8.2% annually between 2000 and 2009.

Feed price increased 32% in 2008 (from R2,648/ton to R3,502/ton) due to increases in the price of corn and soybeans. In 2009, feed prices fell to an average price of R3,326/ton, still higher than historical levels. South Africa's corn crop for the marketing year May 2010 - April 2011 is estimated to be the second largest ever recorded and with a record soya bean crop for 2009/10, possibly leading to lower feed prices in 2010.

The Rand exchange rate primarily drives broiler meat imports into South Africa. When the Rand appreciates against the U.S. dollar, imports of broiler meat increase as meat imports become cheaper. Broiler meat imports reached 205,827 tons in 2009, up 7.8% due to a stronger Rand. If the strong Rand continues further broiler meat imports are expected to reach almost 225,000 tons in 2010, or 17% of local production. Brazil has more than 74.6% of the import market.



ZAR – South Africa Rand, USD – U.S. Dollar

Source: <http://www.oanda.com/currency/historical-rates/>

The Southern African Poultry Association (SAPA) is progressing with their investigation into Brazilian trade practices regarding poultry imports to South Africa, before deciding whether to seek anti-dumping duties on chickens for unfair competition. The industry is preparing a submission, which may take the commission as much as a year to assess. Under WTO rules, member states can impose import duties against dumping, in which companies sell goods abroad at below cost or at lower prices than in their home markets.

Brazil Frozen Chicken Exports to South Africa

	US\$ FOB		Net Weight (MT)	
	2010	2009	2010	2009
Whole Chickens	9,729,523	8,016,953	7,206	7,954
Chicken Cuts	150,878,328	118,857,057	173,888	152,458

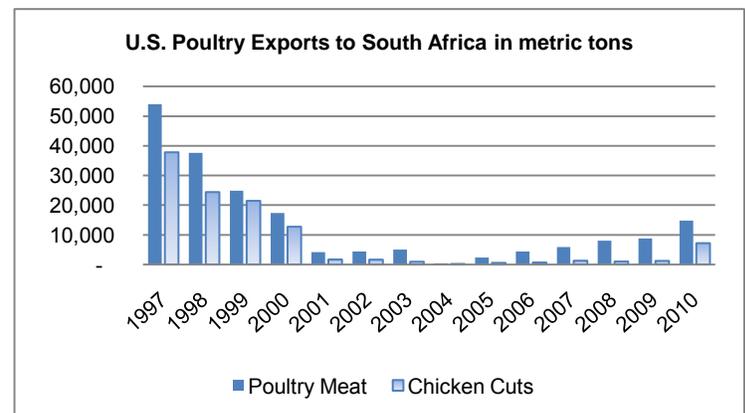
Source: <http://alicewebmercoul.desenvolvimento.gov.br>

An anti-dumping duty against the United States for poultry products in tariff number 0207.14.90 (bone in cuts, include the chicken leg quarters) was instituted in 2000 for 5 years, reducing U.S. exports to South Africa from more than 31,000 tons in 1999 to only 344 kg in 2005. The U.S. poultry exporters applied to have the anti-dumping ruling reviewed in 2005, but SAPA opposed the application and the anti-dumping duty was extended to 2011.

In 2007 the South African Supreme Court of Appeal found the International Trade Administration (ITAC) had improperly calculated the timetable for doing an anti-dumping sunset review under South African law for a separate case, but the ruling is applicable on more than 70 products, including U.S. poultry. That means anti-dumping duties on "bone in chicken portions" from the United States can be declared unlawful due to the legal sunset review not being performed timely.

The current 5-year anti-dumping duty on chicken meat portions imported from the U.S. expires on November 26, 2011. The ITAC has notified all stakeholders that the last day for the submission of information is April 21, 2011. The South African Poultry Industry has already formally advised the ITAC that they will be applying for the extension so the need for continued protection can be reassessed prior to its scheduled expiry.

Sources: USDA FAS GAIN Report; news wires



Poultry meat includes processed poultry

In 2004 exports were restricted due to an outbreak of Highly Pathogenic Avian Influenza H5N2 in chickens in Texas.

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

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

U.S. Exports to Canada, in Pounds (000) (Preliminary)
Week Ending Mar 05, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	0	100	240	1,260
Frozen	0	0	0	0
Dried	0	0	0	116
Total	0	100	240	1,376

U.S. Imports From Canada, in Pounds (000) (Preliminary)
Week Ending Mar 05, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	392	321	3,060	3,874
Frozen	3	7	114	92
Dried	0	0	0	0
Total	395	328	3,174	3,966

Inspected Shell Eggs

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)
Week Ending Mar 05, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	1,230	1,380	4,149	4,200
Large	2,855	3,960	4,660	7,540
Medium	120	810	2,605	4,440
Ungraded	216	948	9,251	31,458
Misc	0	0	0	0
Total	4,421	7,098	20,665	47,638

/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 Mar 05, 2011 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,567	1,510	3,077
Last Week	1,510	1,865	3,375
Same week yr ago	1,179	1,286	2,465
To-date/2011*	13,079	13,597	26,676
To-date/2010*	12,936	11,818	24,754

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	473	25	498
Last Week	250	25	275
Same week yr ago	239	23	262
To-date/2011*	3,339	96	3,435
To-date/2010*	2,979	44	3,023

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	2,040	1,535	3,575
Last Week	1,760	1,890	3,650
Same week yr ago	1,418	1,309	2,727
To-date/2011*	16,418	13,693	30,111
To-date/2010*	15,915	11,862	27,777

*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 fully steady to higher on all fat contents. Supplies were light to moderate. Schedules were mostly normal. Domestic and export demand was moderate to good with most interest and movement on fresh 15-20%. Market activity was moderate to active. The spot marketplace was strong going into the Lenten season, however all players remain very cautious. Many packers continue to sell out front and take advantage of the change. Supplies of raw materials were tight. Frame values were firm to higher trading mostly 10-12 cents FOB.

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

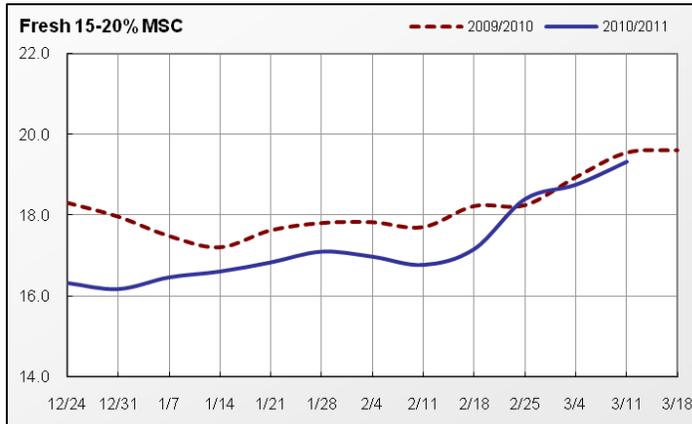
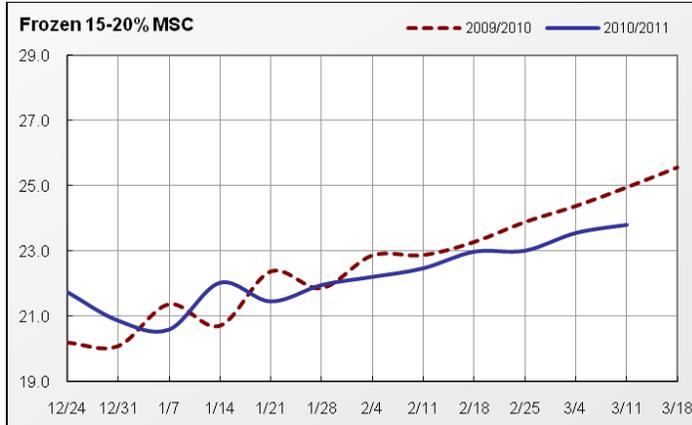
Fat Content	Frozen			Fresh		
	11-Mar-11	Last Week	Last Year	11-Mar-11	Last Week	Last Year
15% or Less						
Price Range			-	19.00 - 21.00	-	23.00
Wtd Avg Price			-	20.33	-	23.00
Volume Traded	-	-	-	122	-	102
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	23.00 - 25.00	21.50 - 26.75	21.00-28.00	17.00 - 23.00	16.00 - 23.00	17.50-25.00
Wtd Avg Price	23.81	23.57	24.95	19.32	18.75	19.54
Volume Traded	940	1,999	1,133	3,096	3,794	2,938
Volume Exported	900	1,999	1,053	326	326	306
20% or More						
Price Range	-	-	-	18.00 - 20.00	18.00 - 20.00	19.00
Wtd Avg Price	-	-	-	19.00	19.00	19.00
Volume Traded	-	-	-	82	163	41
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Feb 2011	Jan 2011	Feb 2010	Feb 2011	Jan 2011	Feb 2010
15% or Less						
Wtd Avg Price	-	-	24.50	19.29	18.48	19.93
Volume Traded	-	-	40	694	632	1,182
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	22.69	21.37	23.18	17.34	16.77	17.96
Volume Traded	6,087	4,805	7,348	15,732	14,210	18,692
Volume Exported	5,367	4,105	5,815	1,224	1,061	4,039
20% or More						
Wtd Avg Price	-	-	-	19.00	19.07	16.63
Volume Traded	-	-	-	571	612	326
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 11 MARCH, 2011.

The market on bulk parts was steady to fully steady. Demand was light to moderate. Offerings light. The market on all white meat steady to fully steady. Demand was light to moderate. Offerings light. Trading was slow to moderate. For domestic: fresh wing meat 158 cents, fresh full-cut wings 65 cents, frozen tails 41 and fresh scapula 201 cents. For export: frozen tom necks 36-40 cents, fresh tom drums 72 cents and fresh thigh meat 130 cents.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MARCH 11, 2011	RANGE	CODE 1/	PRICE	(000)	WTD AVG	VOLUME
					PRICE	(000)
DRUMSTICKS, TOMS	80.50-82.00		80.85	702	80.83	742
WINGS FULL-CUT - TOMS		W	70.00	108	70.00	108
WINGS, V-TYPE, TOM	92.00-93.00		92.18	294	92.18	294
TAILS	41.00		41.00	40	40.00	188
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	131.00	R	27.00	216	27.00	216
			131.00	120	131.47	228

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MARCH 10, 2011	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		W	80.50	40
WINGS FULL-CUT - TOMS		W	70.00	108
WINGS, V-TYPE, TOM		F	93.00	54
TAILS	39.00		39.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	27.00		27.00	216
		W	132.00	108

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MARCH 09, 2011	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	80.50		80.50	40
WINGS FULL-CUT - TOMS	70.00		70.00	108
WINGS, V-TYPE, TOM		F	93.00	54
TAILS	40.00		40.00	108
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	132.00		132.00	108

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MARCH 08, 2011	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	80.68	484
WINGS FULL-CUT - TOMS		F	69.00	40
WINGS, V-TYPE, TOM		F	93.00	54
TAILS		F	44.14	42
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	132.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MARCH 07, 2011	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	80.68	484
WINGS FULL-CUT - TOMS		F	69.00	40
WINGS, V-TYPE, TOM		F	93.00	54
TAILS		F	44.14	42
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	132.00	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.