



# INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News and Analysis Branch

## Brazil Prepares to Request WTO Dispute Panel Over EU Poultry Regulations

According to trade sources, Brazil is getting ready to confront the European Union at the World Trade Organization (WTO) regarding EU restrictions on imports of Brazilian chicken (changes in marketing standards for broiler meat).

Brazil is complaining about European Commission Regulation No 1047/2009 and the definition of fresh poultry. The EU issued new rules effective May 1, 2010 that prevent product that has been frozen to be labeled as fresh. The regulation states poultry meat which has been frozen or quick-frozen must be sold in that state or be used in preparations marketed as frozen or quick-frozen, or in meat products.

The rule prevents chicken meat from Brazil from being thawed and processed in Europe into foods such as marinated chicken for barbecues. The EU's executive commission says thawed meat may not be used to make "fresh" ready meals because that would mislead European consumers and distort competition between fresh poultry meat and fresh poultry meat preparations. Such meals would be required to be sold as frozen. Brazil says the new rules discriminate against non-EU producers, who usually freeze chicken meat for transportation. The EU

### EU Imports of frozen cuts of chickens, select countries in MT

	2009	2010	% change
Germany	13,377	11,089	-17%
Spain	32,976	34,714	+5%
Netherlands	87,468	67,914	-22%
United Kingdom	22,603	23,339	0%

Source: <http://circa.europe.eu/Public/irc/agri/pig/library>

The EU Imported 150,257 MT of frozen cuts of fowl in 2010, down 19% compared to 184,488 MT in 2009. Most of the imports were boneless cuts (131,065 MT in 2010 and 150,545 in 2009).

### Poultry Meat Exports to the EU in metric tons

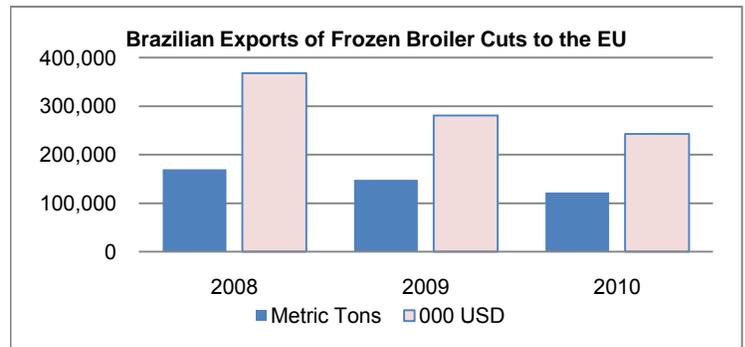
	2008	2009	2010	Jan/11	Compared to Jan/10
Brazil	679,469	659,368	581,391	40,800	-5%
Thailand	146,882	141,524	149,682	15,058	+18%
Chile	34,718	39,022	34,276	4,179	-16%
China	15	5,690	9,997	1,364	+151%
Argentina	20,416	20,576	15,760	494	-56%
Israel	6,252	5,470	7,249	363	-29%
Croatia	1,884	2,295	2,650	197	-4%
USA	393	386	439	1	-54%
Uruguay	109	98	2	0	-
EU25/27	891,087	875,886	803,120	62,600	
% change	+4%	-2%	-8%	-1.1%	

Source: <http://circa.europa.eu/Public/irc/agri/pig/library>

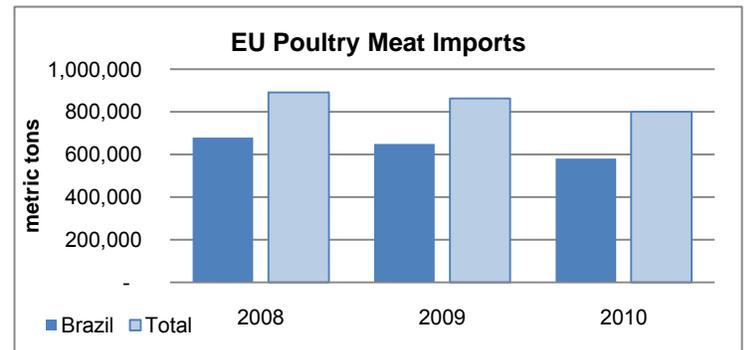
Brazil and Australia first raised a concern about EC regulations on marketing standards for poultry meat in June 2009. Brazil and Australia argued that the proposal would alter the current definition of "fresh poultry meat". In particular, Brazil believed that defrosted and fresh poultry meat are like products and that the EC proposed amendment would ban defrosted poultry meat from the EU marketplace, thus discriminating against non-EU producers, since distant suppliers had normally to freeze their meat products for export. Australia questioned whether the EC standard is consistent with existing international standards and suggested that the European Communities consider alternatives to the current marketing standard, such as including in the label a reference to "previously frozen or chilled" product.

The European Communities pointed out that when consumers buy a preparation that is labeled "fresh" they expect it not to contain defrosted meat. The EC also stressed that the current proposal do not ban the sale of frozen poultry meat, rather it restricts the use of the term "fresh" to poultry meat that has not been frozen. Also, the EC noted that frozen poultry meat only represents a very small part of Brazil's exports to the EC.

Brazil has launched two previous WTO proceedings against the EU. Dispute DS69 Measures Affecting Importation of Certain Poultry Products on February 24, 2007 and DS269 on Customs Classification of Frozen Boneless Chicken Cuts on October 11, 2002.



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



Source: <http://circa.europe.eu/Public/irc/agri/pig/library>

COUNCIL REGULATION (EC) No 1047/2009  
of 19 October 2009 amending Regulation (EC) No 1234/2007  
establishing a common organization of agricultural markets as  
regards the marketing standards for poultrymeat.

(4) In view of the fact that poultry meat is being consumed increasingly in the form of meat preparations and products, the scope of the marketing standards for poultry meat should be extended to include poultry meat preparations and products.

(6) In order to avoid any distortion of competition between fresh poultry meat and fresh poultry meat preparations, it is appropriate to extend the principle behind the definition of fresh poultry meat to fresh poultry meat preparations.

(8) Poultrymeat which has been frozen or quick-frozen must be sold in that state or be used in preparations marketed as frozen or quick-frozen, or in meat products.

Source: Official Journal of the European Union; USDA GAIN Report BR 0703; WTO; news wires

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

**U.S. Exports to Canada, in Pounds (000) (Preliminary)**  
Week Ending Mar 19, 2011 Year-To-Date\*

Type	2011	2010 /1	2011 /2	2010
Liquid	49	49	289	1,359
Frozen	0	0	0	0
Dried	0	0	0	116
Total	49	49	289	1,475

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**  
Week Ending Mar 19, 2011 Year-To-Date\*

Type	2011	2010 /1	2011 /2	2010
Liquid	473	415	3,866	4,614
Frozen	7	14	170	109
Dried	0	0	0	0
Total	480	429	4,036	4,723

**Inspected Shell Eggs**

**U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**  
Week Ending Mar 19, 2011 Year-To-Date\*

Type	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,580	1,260	8,769	6,180
Large	5,735	4,820	14,705	18,690
Medium	720	1,620	3,955	7,710
Ungraded	7,752	8,154	18,136	45,156
Misc	0	0	0	0
Total	16,787	15,854	45,565	77,736

/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 19, 2011 (Preliminary)

**U.S. fowl slaughtered domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,423	1,498	2,921
Last Week	1,598	1,476	3,074
Same week yr ago	1,466	1,426	2,892
To-date/2011*	16,100	16,571	32,671
To-date/2010*	15,884	14,763	30,647

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

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	420	0	420
Last Week	448	0	448
Same week yr ago	442	0	442
To-date/2011*	4,207	96	4,303
To-date/2010*	3,886	56	3,942

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	1,843	1,498	3,341
Last Week	2,046	1,476	3,522
Same week yr ago	1,908	1,426	3,334
To-date/2011*	20,307	16,667	36,974
To-date/2010*	19,770	14,819	34,589

\*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 to firm on all fat contents. Supplies were light to moderate. Schedules were mixed. Demand into domestic channels was moderate to good with most interest and movement on fresh 15-20%. Export demand was moderate to instances good; Mexico spotty. Continued good interest on frozen 15-20%, however little trade activity as product availability remains limited with many resisting the higher offering prices. Market activity was moderate to active. The spot marketplace remains strong as the industry maintains a cautious attitude and many packers continue to sell out front. Supplies of raw materials were tight. Frame values were firm trading 10-13.5 cents FOB.

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

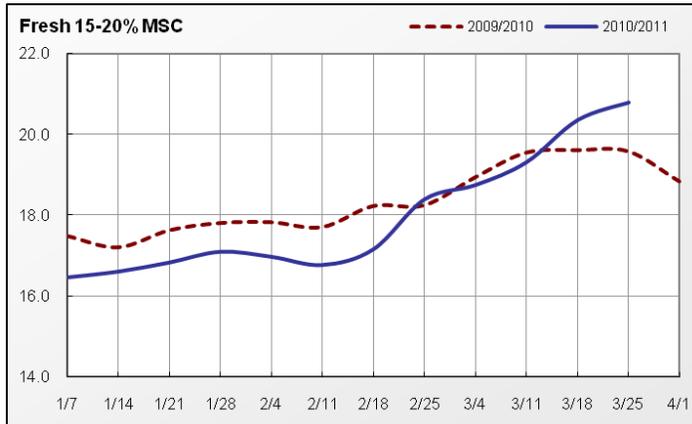
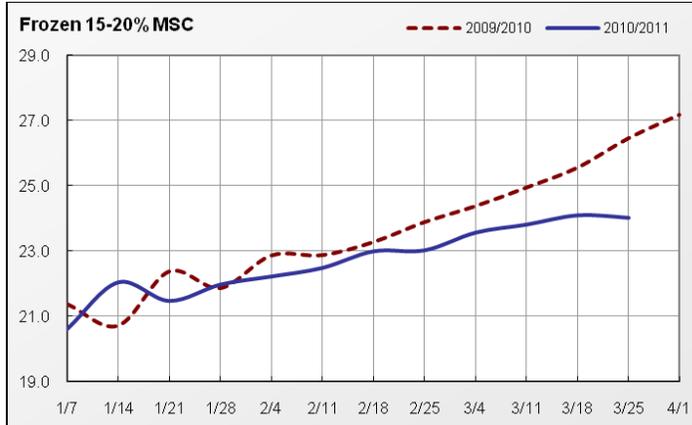
Fat Content	Frozen			Fresh		
	25-Mar-11	Last Week	Last Year	25-Mar-11	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	-	20.00 - 22.00	25.00
Wtd Avg Price			-	-	21.33	25.00
Volume Traded	-	-	-	-	122	41
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	23.00 - 27.00	22.00 - 25.00	23.00-30.00	19.00 - 24.50	18.00 - 25.00	17.00-22.00
Wtd Avg Price	24.02	24.10	26.46	20.79	20.36	19.57
Volume Traded	1,605	1,626	2,016	3,794	3,142	3,978
Volume Exported	1,525	1,506	1,736	326	204	877
<b>20% or More</b>						
Price Range	-	-	-	18.00 - 20.00	18.00 - 20.00	19.00
Wtd Avg Price	-	-	-	18.67	19.00	19.00
Volume Traded	-	-	-	122	82	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
<b>15% or Less</b>						
Wtd Avg Price	-	-	24.50	19.29	18.48	19.93
Volume Traded	-	-	40	694	632	1,182
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
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
<b>20% or More</b>						
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 25 MARCH, 2011.

The market on bulk parts is steady to firm. Demand was light to moderate. Offerings limited and held with confidence. The market on white meat was steady to firm. Demand was light to moderate. Offerings light and short of full needs. The market on thigh meat and mechanically separated turkey is steady to firm. Demand was light to moderate. Offerings light. Trading was slow to moderate. For domestic: fries 260 cents, fresh full cut wings 69 cents, fresh scapula 198 cents, frozen machine defatted gizzards 89.5 cents, fresh tails 37 cents, frozen tails 43 cents, fresh tom necks 34 cent and 20-24 lb. grade A breast 195 cents. For export: fresh thigh meat 132 cents, livers 25 cents, hearts 30 cents and machine defatted gizzards 89.5 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, MARCH 25, 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	77.00-80.50		79.60	200	79.92	308
WINGS FULL-CUT - TOMS		T	72.00	216	72.00	216
WINGS, V-TYPE, TOM	94.00		94.00	120	93.03	444
TAILS		R	41.00	40	41.00	148
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	133.50	54	136.06	432
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>THURSDAY, MARCH 24, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		M	80.50	108		
WINGS FULL-CUT - TOMS		T	72.00	216		
WINGS, V-TYPE, TOM		T	92.67	324		
TAILS	41.00		41.00	40		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	133.50		133.50	54		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>WEDNESDAY, MARCH 23, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		M	80.50	108		
WINGS FULL-CUT - TOMS		T	72.00	216		
WINGS, V-TYPE, TOM		T	92.67	324		
TAILS		M	41.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	136.43	378		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>TUESDAY, MARCH 22, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS		M	80.50	108		
WINGS FULL-CUT - TOMS	72.00		72.00	216		
WINGS, V-TYPE, TOM	92.00-94.00		92.67	324		
TAILS		M	41.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	135.00-137.00		136.43	378		
<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>		
<b>MONDAY, MARCH 21, 2011</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>		
DRUMSTICKS, TOMS	80.50		80.50	108		
WINGS FULL-CUT - TOMS		F	79.00	162		
WINGS, V-TYPE, TOM		M	92.00	54		
TAILS	41.00		41.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	134.00	8		

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.