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China

China is the world's most populous country with the world's largest agricultural economy. Agriculture accounts for 11 percent of the Chinese economy. As per capita income in China grows, traditional mainstays of the Chinese diet, like grains and tubers, are giving way to rising consumption of non-traditional items like meat and fruit. Broiler meat consumption (including chicken paws) is forecast to rise three percent to 12.8 million metric tons (MMT), in 2011, following a two percent increase the previous year. This would boost per capita broiler consumption to a record 10 kilograms.

Chinese broiler meat output is forecast to grow over 5% to 13.2 MMT in 2011, outpacing all other meats. Strong pricing and demand for local broiler meat is offsetting continued high feed prices and encouraging producers to expand placements. Reduced imports from the U.S. are also helping boost local prices.

China: Meat Production (1,000 MT)

	2008	2009	2010	2011	% Change 2011/10
Beef and Veal*	6,132	5,764	5,600	5,500	-1.8
Swine*	46,205	48,905	51,070	52,500	+2.8
Broiler	11,840	12,100	12,550	13,200	+5.2

*Carcass weight equivalent (CWE)

Source: Foreign Agricultural Service, Official USDA Estimates

The traditional Chinese diet comprises mostly grains and other starches. Higher incomes are allowing consumer preferences to change, especially among urban dwellers. The Chinese consumer eats about four times as much pork as poultry, which is the second most popular animal protein. Broiler meat consumption grew at an annual rate of 4.9% from 2005 through 2011, compared to 2.2% for pork and 0.7% for beef. Consumers are substituting broiler meat for more highly priced red meats.

China: Meat Consumption in thousand metric tons

	2005	2006	2007	2008	2009	2010	2011
Beef/Veal*	5,614	5,692	6,065	6,080	5,749	5,589	5,495
Swine*	45,099	46,014	42,710	46,691	48,823	51,097	52,580
Broiler	10,087	10,371	11,415	11,954	12,210	12,457	12,990

Source: Foreign Agricultural Service, Official USDA Estimates

China's broiler meat exports in 2011 are expected to increase 7% on top of an estimated 29% increase in 2010. Japan and Hong Kong account for nearly 70% of total exports. Exports to the United Kingdom resumed in 2009 and grew 246% from 2009.

China Broiler Meat Exports (metric tons)

	2008	2009	2010	% Change 2010/09
World	310,969	318,815	411,718	29.14
Japan	156,413	154,040	203,889	32.36
Hong Kong	113,399	120,806	145,191	20.19
Malaysia	15,362	17,041	23,557	38.24
Bahrain	4,194	4,137	5,639	36.31
United Kingdom	0	1,295	4,483	246.18
Korea South	6,689	3,570	4,126	15.57
Kyrgyzstan	3,904	4,459	3,917	-12.16
Macau	3,055	3,225	3,000	-6.98
UAE	280	995	2,875	188.94
Afghanistan	362	602	2,433	304.15
Iraq	1,751	1,403	2,152	53.39
Other	5,560	7,242	10,456	44.38

HS Code: 020711, 020712, 020713, 020714 & 160232

Source: Global Trade Atlas. China does not export chicken claws.

China's broiler meat imports in 2011 (excluding chicken paws) are forecast to fall 20% to 230 MMT. Imports fell 28% in 2010 (from 401 MMT to 287 MMT) following the Chinese Ministry of Commerce (MOFCOM)'s final determinations in its anti-dumping (AD) and countervailing duties (CVD) investigations in 2010. China announced CVD rates of between 5.1% and 30.3%, and AD rates of between 50.3% and 105.4% on imports of subject U.S. poultry.

China Broiler* Product Imports (metric tons)

	2008	2009	2010	% Change 2010/09
World	1,043,023	917,123	831,682	-9.32
Hong Kong	255,771	194,856	315,815	-28.58
Brazil	131	27,793	285,688	927.92
Argentina	192,252	68,435	129,927	89.85
United States	572,094	613,210	84,807	-86.17
Chile	12,372	12,217	12,909	5.67
France	10,396	608	2,309	279.99
Others	7	4	227	

*HS Code: 020711, 020712, 020713, 020714, and 160232.

Chicken paw imports under HS Code 02071422 (for China) and HS Code 02071410 (for Hong Kong) are included in this table.

Chicken paws accounted for almost 66% of China's broiler products imports in 2010, compared to 56% the previous year. Increased imports from Hong Kong, Brazil and France more than made up for the drop in chicken paw imports from the U.S.

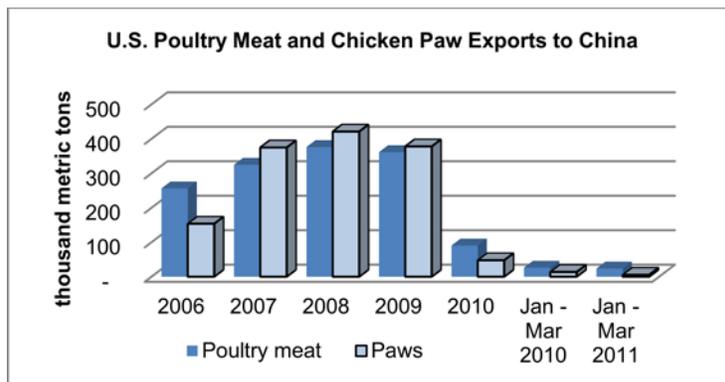
China Chicken Paw Imports (metric tons)

	2008	2009	2010	% Change 2010/09
World	644,158	516,369	545,965	5.73
Hong Kong	191,988	133,203	224,889	68.83
Brazil	106	16,374	177,167	982.00
Argentina	163,722	55,395	92,987	67.86
United States	272,638	303,503	40,827	-86.55
Chile	9,590	7,672	8,163	6.40
France	6,114	223	1,883	744.39
Other	0	0	49	0.00

HS Code 02071422 (China) and HS Code 02071410 (Hong Kong)

Source: Global Trade Atlas

Source: FAS GAIN Report; China's Agricultural Trade: Competitive Conditions and Effects on U.S. Exports, USITC Publication No. 332-518, March 2011



Poultry meat is under H.S. Codes 020711-020736, 160100, and 160231 -160232 excluding paws. Paws H.S. 0207140045

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)

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Liquid	49	96	435	1,841
Frozen	0	0	0	0
Dried	0	0	64	156
Total	49	96	499	1,997

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

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Liquid	242	410	6,057	7,408
Frozen	8	2	269	141
Dried	0	0	0	0
Total	250	412	6,326	7,549

Inspected Shell Eggs

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

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,430	2,646	28,039	16,206
Large	3,496	2,345	48,366	37,915
Medium	990	1,965	12,775	16,035
Ungraded	12,582	2,412	53,828	73,662
Misc	0	0	0	0
Total	19,498	9,368	143,008	143,818

/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 May 07, 2011 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,545	1,563	3,108
Last Week	1,576	1,504	3,080
Same week yr ago	1,581	1,474	3,055
To-date/2011*	26,104	26,554	52,658
To-date/2010*	26,539	24,065	50,604

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	499	0	499
Last Week	312	20	332
Same week yr ago	568	0	568
To-date/2011*	7,085	153	7,238
To-date/2010*	6,443	126	6,569

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	2,044	1,563	3,607
Last Week	1,888	1,524	3,412
Same week yr ago	2,149	1,474	3,623
To-date/2011*	33,189	26,707	59,896
To-date/2010*	32,982	24,191	57,173

*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.)

Mechanically separated chicken prices are steady to firm on all fat contents. Demand for fresh 15-20% is moderate to good with heaviest movement going into domestic channels. Demand on frozen 15-20% fat is moderate to good with export channels showing best interest. Demand on balance of fat contents is moderate. Supplies continue light to moderate. Schedules are normal. Market activity was moderate to active. Supplies of raw materials remain tight as renders offer competitive prices due to increased interest in biofuels. Frame values are firm with limited trading ranging 11-13.5 cents FOB.

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

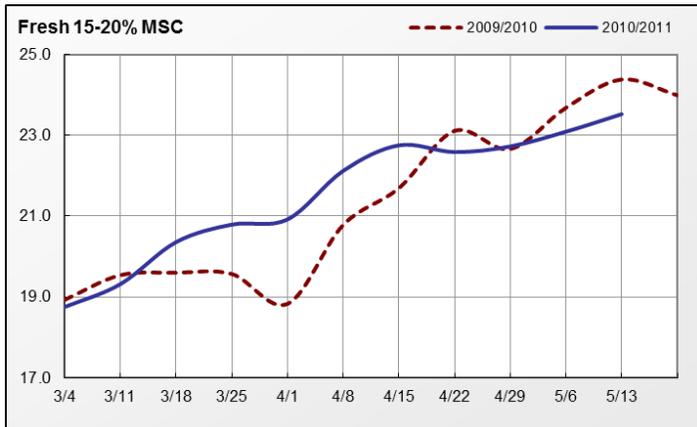
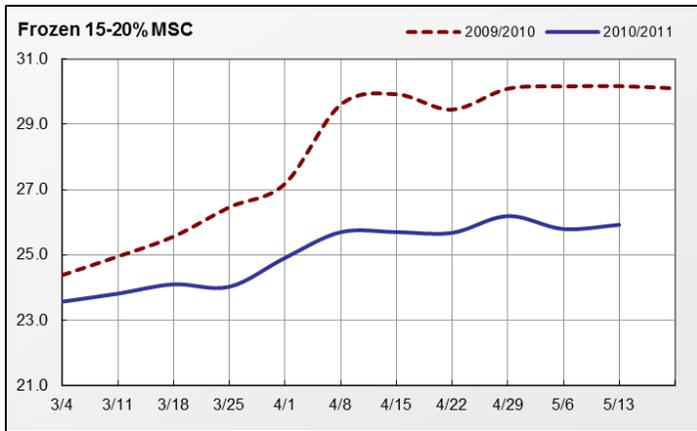
Fat Content	Frozen			Fresh		
	13-May-11	Last Week	Last Year	13-May-11	Last Week	Last Year
15% or Less						
Price Range			-	25.00	25.00	26.00
Wtd Avg Price			-	25.00	25.00	26.00
Volume Traded			-	163	204	56
Volume Exported			-	-	-	50
15-20%						
Price Range	24.50 - 29.00	24.00 - 28.00	28.00-33.00	20.00 - 28.00	20.00 - 27.50	19.50-30.00
Wtd Avg Price	25.92	25.79	30.17	23.52	23.09	24.38
Volume Traded	1,966	1,790	2,166	3,783	3,600	4,508
Volume Exported	1,686	1,510	1,886	204	-	898
20% or More						
Price Range	-	-	-	20.00	18.00 - 20.00	22.00
Wtd Avg Price	-	-	-	20.00	19.00	22.00
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Apr 2011	Mar 2011	Apr 2010	Apr 2011	Mar 2011	Apr 2010
15% or Less						
Wtd Avg Price	28.00	-	31.00	23.86	20.83	26.18
Volume Traded	80	-	120	714	245	679
Volume Exported	-	-	-	-	-	100
15-20%						
Wtd Avg Price	25.64	23.86	29.13	22.23	19.80	21.83
Volume Traded	9,019	6,170	10,639	17,678	13,826	22,877
Volume Exported	7,939	5,930	9,319	245	1,183	1,795
20% or More						
Wtd Avg Price	-	-	-	19.20	18.91	20.20
Volume Traded	-	-	-	612	449	204
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 13 May 2011.

The market on tom breast meat and breast trim is steady to barely steady with the balance of white meat steady. Demand light to moderate. Offerings tom breast meat and breast trim are moderate with the balance of white meat light to moderate. The market on tom wings is steady to firm, tom drums steady to firm with most of the strength into select export channels, and tom necks mostly steady. Demand light to moderate, sometimes good with best interest into select export channels on drums and wings. Offerings very light to moderate. Trading moderately heavy on fresh mechanically separated turkey and fresh tom drums for domestic shipments, balance light to moderate. For domestic (fresh): tails 42, scapula 196-200, frozen Grade A 20-24 lb. breasts 200 cents delivered.

Export Trading

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Friday, May 13, 2011						
Drumsticks, Toms	79.00-89.00		84.50	228	84.79	282
Wings Full-Cut - Toms	82.00		82.00	120	82.62	174
Wings, V-Type, Tom		W	98.00	120	98.00	174
Tails		W	47.00	40	48.00	80
Mechanically Separated 2/ Thigh Meat - Frozen	135.00	F	30.00	216		
			135.00	120	134.84	336
Thursday, May 12, 2011						
Drumsticks, Toms		W	86.00	54		
Wings Full-Cut - Toms	84.00		84.00	54		
Wings, V-Type, Tom		W	98.00	120		
Tails		W	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen	130.00-140.00	F	30.00	216		
			134.67	162		
Wednesday, May 11, 2011						
Drumsticks, Toms	86.00		86.00	54		
Wings Full-Cut - Toms						
Wings, V-Type, Tom	98.00		98.00	120		
Tails	47.00		47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		F	30.00	216		
		T	135.00	54		
Tuesday, May 10, 2011						
Drumsticks, Toms		F	83.76	672		
Wings Full-Cut - Toms						
Wings, V-Type, Tom	98.00		98.00	54		
Tails	49.00		49.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen	135.00	F	30.00	216		
			135.00	54		
Monday, May 09, 2011						
Drumsticks, Toms		F	83.76	672		
Wings Full-Cut - Toms						
Wings, V-Type, Tom		F	98.62	348		
Tails						
Mechanically Separated 2/ Thigh Meat - Frozen		F	30.00	216		
		F	137.50	216		

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.