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India's Poultry and Egg Industry

India has one of the world's largest and fastest growing poultry industries, ranking third in hen egg production (FAOSTAT) and fifth in broiler meat production (USDA/FAS). Real Gross Domestic Product (GDP) grew 6.4% annually during 2000-2008, making India the second fastest growing major economy in the world (after China). India is expected to overtake China as the world's most populous country in the coming decades. Middle-class households are the fastest growing segment of the population. About 20% of the population is vegetarian, but with increased incomes and urbanization people prefer to go for non-vegetarian diets.

According to the Ministry of Food Processing Industries, about 70% of poultry is in the organized sector and 30% is in the unorganized sector. Nearly 60-70% of the broiler industry is located in the southern states; much of the layer industry is also in the southern states. Large integrated operations incorporate all aspects of production: raising grandparent and parent stock, contracting production, compounding feed, and wholesaling. Integration has resulted in lower average costs of production and lower retail prices for poultry meat.

Broiler production grew at an annual percentage growth rate of 8.35% from 2001 (1.25 million metric tons) to 2010 (2.65 million metric tons). Production is projected to grow 2% in 2011 compared to the previous year. Per capita consumption has grown from 1.22 kilograms in 2001 to 2.26 kilograms in 2010, an increase of 185%.

India: Broiler Production and Consumption (1000 MT)

	2001	2003	2005	2007	2008	2009	2010	2011*
Production	1,250	1,500	1,900	2,240	2,490	2,550	2,650	2,700
Domestic	1,252	1,498	1,899	2,239	2,489	2,549	2,649	2,699
Per Cap (KG)	1.22	1.42	1.74	1.99	2.18	2.20	2.26	2.30

*Forecast

Source: Foreign Agricultural Service, Official USDA Estimates

In 2010/2011 (March 2010 to February 2011) India's egg production is anticipated to reach 61.5 billion eggs, up 68% from 36.6 billion in 2000/2001. Andhra Pradesh and Tamil Nadu are the top fowl egg producing states; West Bengal is the top duck egg producing state.

Egg Production by Fowls and Ducks - 2009-10 (in billions)

	Fowls	Ducks	Others*	Total
Andhra Pradesh	19.40			19.40
Haryana	3.85			3.85
Maharashtra	3.86			3.86
Tamil Nadu	10.85			10.85
West Bengal	2.17	1.06		3.23
Subtotal	40.12	1.06		41.18
Others	16.10	0.43	1.36	18.66
Country Total	56.22	1.49	1.36	59.84

*Farms eggs separately reported.

Totals may not tally due to non-availability of share of production of eggs by fowls and ducks for some States.

Source: Basic Animal Husbandry Statistics 2010. Government of India, Ministry of Agriculture, Department of Animal Husbandry, Dairying and Fisheries, New Delhi.

Source: Government of India, Ministry of Agriculture, Department of Animal Husbandry, Dairying and Fisheries, New Delhi; India Ministry of Food Processing Industries; USDA Economic Research Service; USDA FAS GAIN Reports; news wires

India's poultry exports are mainly shell eggs and egg products. Exports of poultry meat are limited by high production costs, inadequate meat processing facilities, and intermittent outbreaks of avian influenza. According to FAOSTAT data, since 2005 India has mostly exported dried eggs. In 2008 India's top three markets for dried eggs were Germany, Denmark and Indonesia. Angola was the top market for liquid eggs.

Exports: Chicken Meat, Shell Egg and Egg Products (MT)

	Mar 2008-Feb 2009		Mar 2009-Feb 2010	
	Tons	Value	Tons	Value
Poultry Meat	1,152	853	1,257	602
Birds Eggs*	1,048,185	22,731	883,605	23,585
Egg Products**	7,533	18,504	8,796	12,947

* In shell fresh, preserved, or cooked

** Birds eggs not in shell & egg yolks fresh, dried, cooked, frozen, or otherwise preserved. Value in Rs Lakh

Source: Basic Animal Husbandry Statistics 2010. Government of India, Ministry of Agriculture, Department of Animal Husbandry, Dairying and Fisheries, New Delhi.

Exports: Egg Products (MT)

	2003	2004	2005	2006	2007	2008
Eggs Dried	3,239	2,202	7,699	8,725	7,719	7,250
Eggs Liquid	6,969	3,248	1,500	61	351	283

Data copied: 01 August 2011,

<http://faostat.fao.org/site/535/DesktopDefault.aspx?PageID=535#ancor>

FAOSTAT, Statistics Division, Food and Agriculture Organization of the UN

Top Production - Hen Eggs, in shell (number in thousands)

	2007			2008			2009		
China	436,663,630	(F)		465,485,950	(F)		472,672,850	(F)	
USA	91,044,000			90,012,000			90,408,000		
India	53,532,000			55,638,000			57,800,000	(F)	
Mexico	45,816,700	(F)		46,744,300	(F)		46,700,000	(F)	
Japan	43,050,000			42,566,700			41,750,000		
Russia	37,888,900			37,830,000			39,187,500		
Brazil	35,583,800			36,893,400			38,437,700		
Indonesia	26,100,000	(F)		27,100,000	(F)		23,550,000	(F)	
Ukraine	13,978,100			14,808,500			15,747,500	*	
France	14,640,000			15,783,000	*		15,305,000	*	

* = Unofficial figure | [] = Official data | F = FAO estimate

Data compiled 01 August 2011.

<http://faostat.fao.org/site/569/DesktopDefault.aspx?PageID=569#ancor>

FAOSTAT, Statistics Division, Food and Agriculture Organization of the UN

Broiler Meat Production, Select Countries, in thousand MT

	2008	2009	2010	2011*
United States	16,561	15,935	16,563	16,792
China	11,840	12,100	12,550	13,200
Brazil	11,033	11,023	12,312	12,925
EU-27	8,594	8,756	9,095	9,185
Mexico	2,853	2,781	2,809	2,850
India	2,490	2,550	2,650	2,700
Russia	1,680	2,060	2,310	2,520
Others	16,667	17,088	17,702	18,111
Total	71,718	72,293	75,991	78,283

*Forecast

Source: USDA-FAS attaché reports, official statistics, results of office

Livestock Census - All India (2003 & 2007) in thousands

	2003			2007*			I	Annual Growth Rate % (2003-07)		
	Rural	Urban	Total	Rural	Urban	Total		Rural	Urban	Total
Fowls	419,793	37,606	457,399	577,196	40,538	617,734	I	8.29	1.89	7.80
Ducks	28,148	1,811	29,959	26,402	1,242	27,643	I	-1.59	-9.01	-1.99
Turkeys & other poultry	1,198	456	1,654	3,140	312	3,452	I	27.24	-9.04	20.19
Total Poultry	449,139	39,873	489,012	606,738	42,092	648,830	I	7.81	1.36	7.33

*Provisional derived from village level totals

Source: Livestock Census, Department of Animal Husbandry, Dairying & Fisheries. M/O Agriculture

INSPECTED EGG PRODUCTS –

U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending August 13, 2011	Year-To-Date*			
Type	2011	2010/1	2011/2	2010
Liquid	0	95	819	2,220
Frozen	0	0	0	88
Dried	0	0	139	264
Total	0	95	958	2,572

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

Week Ending August 13, 2011	Year-To-Date*			
Type	2011	2010 /1	2011 /2	2010
Liquid	490	297	10,272	12,731
Frozen	58	8	638	328
Dried	0	0	48	151
Total	548	305	10,958	13,210

Inspected Shell Eggs

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

Week Ending August 13, 2011	Year-To-Date*			
Type	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,280	1,020	47,359	2,351
Large	4,650	2,850	88,517	81,615
Medium	810	930	26,805	28,302
Ungraded	192	6,312	81,386	107,103
Misc	0	0	600	900
Total	7,932	11,112	244,667	270,271

/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

**WEEKLY U.S./CANADIAN LIVE POULTRY
SLAUGHTERED UNDER INSPECTION**

Week ending 13-Aug-11

Thousands	U.S. fowl slaughtered domestically		
	Light Hens	Heavy Hens	Total
	-----Thousands-----		
Head	1,407	1,657	3,064
Last Week	1,135	1,872	3,007
Same week yr ago	1,038	1,621	2,659
To-date/2011*	43,957	49,550	93,507
To-date/2010*	45,391	44,822	90,213

Thousands	U.S. fowl slaughtered in Canada		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	377	13	390
Last Week	379	0	379
Same week yr ago	359	0	359
To-date/2011*	12,175	298	12,473
To-date/2010*	11,199	278	11,477

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Thousands	Total U.S. fowl slaughtered in the U.S. and Canada		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,784	1,670	3,454
Last Week	1,514	1,872	3,386
Same week yr ago	1,397	1,621	3,018
To-date/2011*	56,132	49,848	105,980
To-date/2010*	56,590	45,100	101,690

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

NATIONAL MECHANICALLY SEPARATED CHICKEN

(F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound, delivery within 2 weeks) Prices trended fully steady to higher on all fat contents. MSC supplies were light to moderate at best. Schedules were normal. Demand into both domestic and export channels was moderate to mostly good. A variety of factors continue to influence the spot marketplace ranging such as continuous high temps, effects of drought conditions throughout the South, lighter bird weights, higher bird mortality rates, production cutbacks, high grain costs, strong finished product sales domestically, production preparations for the coming hurricane season, improved export interest, and others. Many in industry on both sides have begun to strategize internally for 2012 to prepare for the fast approaching contract season. However discussions won't begin until late September or October at earliest and many are anticipating a challenging season. Market activity was active with most buyer interest and movement on fresh 15-20%, especially into Mexico. Supplies of raw materials were tight and heavily sought after. Frame values continue to trade mostly between 13-15 cents FOB.

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

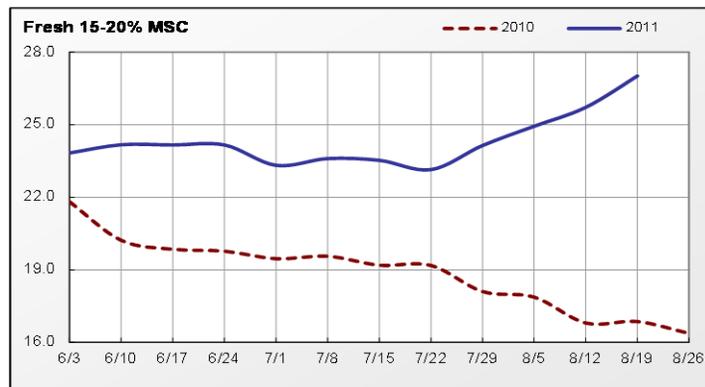
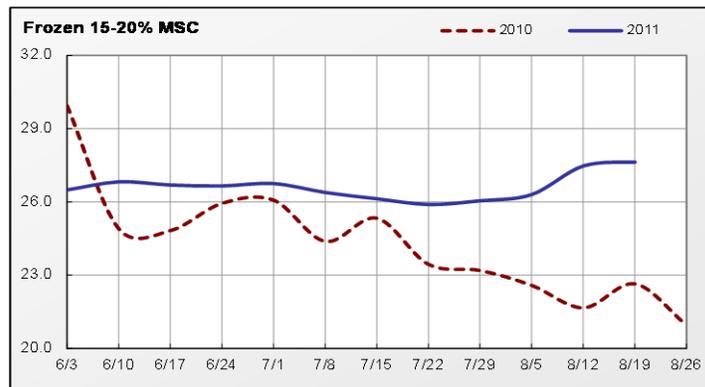
Fat Content	Frozen			Fresh		
	19-Aug-11	Last Week	Last Year	19-Aug-11	Last Week	Last Year
15% or Less						
Price Range			-	26.00 - 27.00	25.00	21.00
Wtd Avg Price			-	26.80	25.00	21.00
Volume Traded	-	-	-	204	82	122
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	26.00 - 32.00	25.00 - 32.00	20.00-26.00	24.00 - 30.00	22.00 - 28.25	13.00-23.00
Wtd Avg Price	27.63	27.47	22.64	27.02	25.72	16.86
Volume Traded	1,630	1,537	1,189	3,876	3,977	3,352
Volume Exported	1,590	1,297	1,069	612	694	938
20% or More						
Price Range	-	-	-	21.00	20.00 - 21.00	18.00
Wtd Avg Price	-	-	-	21.00	20.50	18.00
Volume Traded	-	-	-	41	82	41
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Jul 2011	Jun 2011	Jul 2010	Jul 2011	Jun 2011	Jul 2010
15% or Less						
Wtd Avg Price	-	-	24.00	24.43	25.65	25.25
Volume Traded	-	-	270	571	755	1,738
Volume Exported	-	-	270	-	-	912
15-20%						
Wtd Avg Price	26.21	26.66	24.61	23.56	24.09	19.06
Volume Traded	8,116	6,656	7,249	22,513	17,625	16,393
Volume Exported	7,486	5,816	6,629	2,122	898	1,775
20% or More						
Wtd Avg Price	-	-	-	20.00	20.00	21.33
Volume Traded	-	-	-	408	408	367
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



National Young Turkey Parts

Including bulk meat and frozen (unless specified), cents per lb., delivered first receivers, part and full trucklots as of 19 Aug 2011.

The market on bulk parts was steady, instances firm. Demand ranged from light to good. Offerings light. White meat is steady. Demand and offerings light to moderate. Tom breast meat market is steady to firm. Demand was light to moderate. Offerings light. High meat was steady. Demand and offerings was light to moderate. Trading was slow to moderate. For domestic: fresh full cut wings 79 cents. For export: tom necks 44 cents delivered to border.

Export Trading

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Friday, August 19, 2011						
Drumsticks, Toms	87.00-97.00		95.08	334	91.37	806
Wings Full-Cut - Toms	81.00-83.00		82.15	94	81.51	134
Wings, V-Type, Tom		W	105.00	240	105.00	240
Tails	46.00		46.00	54	43.30	166
Mechanically Separated 2/ Thigh Meat - Frozen		F	133.71	94		
Thursday, August 18, 2011						
Drumsticks, Toms		W	89.00	432		
Wings Full-Cut - Toms		W	80.00	40		
Wings, V-Type, Tom		W	105.00	240		
Tails		T	42.00	112		
Mechanically Separated 2/ Thigh Meat - Frozen		R	29.00	40		
		F	133.71	94		
Wednesday, August 17, 2011						
Drumsticks, Toms	89.00		89.00	432		
Wings Full-Cut - Toms	80.00		80.00	40		
Wings, V-Type, Tom	105.00		105.00	240		
Tails		T	42.00	112		
Mechanically Separated 2/ Thigh Meat - Frozen		R	29.00	40		
		F	133.71	94		
Tuesday, August 16, 2011						
Drumsticks, Toms	86.00		86.00	40		
Wings Full-Cut - Toms		T	83.00	216		
Wings, V-Type, Tom		F	105.31	348		
Tails	42.00		42.00	112		
Mechanically Separated 2/ Thigh Meat - Frozen		R	29.00	40		
		F	133.71	94		
Monday, August 15, 2011						
Drumsticks, Toms		F	95.36	456		
Wings Full-Cut - Toms		T	83.00	216		
Wings, V-Type, Tom		F	105.31	348		
Tails		F	46.00	54		
Mechanically Separated 2/ Thigh Meat - Frozen		R	29.00	40		
		F	133.71	94		

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.