



INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture	Agricultural Marketing Service	Poultry Programs	Market News and Analysis Branch
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U.S.-Peru Trade Promotion Agreement

The U.S. – Peru Trade Promotion Agreement (PTPA) has been in effect since February 2009. Under the TPA, the U.S. secured a 12,000 ton TRQ (Tariff Rate Quota) at zero duty with 8% annual compound growth for chicken leg quarters. The 25% above-quota-tariff will be phased out after an 8-year grace period and will be completely eliminated in 17 years. Peru will have access to safeguards on chicken leg quarters in the event of import surges during the 17-year tariff phase-out period. Phase out tariffs on other poultry products range from 2 to 10 years.

U.S. Poultry (H.S. 0207) Exports to Peru in metric tons

H.S. Code	January						
	2006	2007	2008	2009	2010	2010	2011
207140010	25	-	74	434	2,343	1,006	680
207140090	10	264	48	429	2,157	1,056	575
207270090	45	24	-	1,101	383	326	165
207140050	-	-	25	167	318	196	74
207110020	11	61	27	7	75	45	99
207270010	98	24	-	49	49	25	-
207120020	-	-	26	12	-	-	-
207140025	67	-	24	-	-	-	-
207270025	24	-	-	-	-	-	9
207270045	-	-	-	-	-	-	27
Total	304	950	322	2,356	5,326	2,752	1,746

Frozen: 207110020 young chickens; 207140010 chicken leg quarter; 207140025 chicken other leg; 207140050 chicken offal excluding liver; 207140090 other chicken; 207270010 turkey legs with bone; 207270025 mechanically deboned turkey, nob; 207270045 turkey breast; 207270090 other turkey.

Fresh/Chilled: 207120020 young chickens

U.S. MSC* Exports to Peru in metric tons

H.S. Code	Jan-Jun						
	2006	2007	2008	2009	2010	2010	2011
1602320035	-	508	47	63	24	24	75

*mechanically separated chicken

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

U.S. poultry meat exports to Peru reached 5,326 MT valued at \$5.5 million in 2010. U.S. chicken leg quarter (CLQ) exports totaled 2,343 MT, up 439% from 2009. The U.S. now has a 26% market share for CLQ. Frozen chicken meat exports reached 2,157 MT in 2010, up 403% from the previous year.

The increase in CLQ exports is due to the Tariff Rate Quota (TRQ), which allows a certain quantity of CLQs into Peru duty-free. CLQs are subject to a 6% import tax when entering Peru. Under PTPA, U.S. exports of CLQs were granted duty-free access for the first 12,960 MT in year two. Until the PTPA, Peru imported the majority of CLQ from Chile due to Chile's more competitive prices. Frozen chicken meat is subject to a 6% import tax; duties will be removed in five linear steps.

Retail

Peru's total food retail sales in 2009 reached more than \$11 billion. The implementation of the U.S. – Peru Trade Promotion Agreement created opportunities to expand exports of poultry meats and their products into retail markets. In 2009, net imports of poultry meat to the three food sectors (food service, retail and food processing) totaled 17,852 tons valued at \$21.57 million. Chile accounted for 31% of Peru's imports; Brazil 23%; Italy 20%; Argentina 12%; U.S. 10%; Bolivia 5%. Imports are mainly chicken and turkey parts.

Poultry Products in the Food Service Market

Product	Market Size	Imports	Avg Annual
	2009 est.	2009	Growth 2004-09
Turkey HS 020725 020726, 020727	21,200 MT	4,171 MT (\$1.4 million)	HS 020725 37.8% HS 020726 00.5% HS 020727 25.0%
Poultry Cuts HS 020711, 020712	\$1,230 Million	7,242 MT (\$7.5 million)	40.50%
Chicken Leg Quarters HS 020713, 020714		5,575 MT (\$4.3 million)	41%

Turkey: TPA 5 years. Major exporters are Brazil (44 %); Chile (31%); U.S. (26%). Poultry meat cuts: TPA 10 years. Major exporters are Argentina (35%); Brazil (34%); Chile (20%); Bolivia (12%). Chicken Leg Quarters: TPA: 17 years, 12,000 MT quota with 8% annual increase; mechanically deboned meat (MDM), 3 years. The sausage industry demands the product as a lower cost ingredient.

Source: USDA/FAS GAIN Report 12/27/2010 and GAIN Report 8/3/2011; U.S.-Peru Trade Promotion Agreement Fact Sheet

Peru Chicken Meat and Hen Egg Production in tons

	2006	2007	2008	2009
Chicken Meat	710,428	770,444	877,171	964,407
Hen Eggs	245,451	257,621	266,541	268,707

[] = Official data Data copied: 12 August 2011

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Peru: Imports and Exports in metric tons

Import Quantity	2005	2006	2007	2008
Chicken meat	5,653	6,457	7,673	8,730
Eggs Dried	5	2	0	10
Eggs Liquid	466	145	127	93
Hen eggs, in shell	213	145 *	65	54
Meat of Chicken Canned	35	13	85	26
Turkey meat	2,706	2,867	3,230	3,781

Export Quantity	2005	2006	2007	2008
Chicken meat	35	155	90	135
Eggs Dried	9	10	21	10
Eggs Liquid	131	0 *	124	462
Hen eggs, in shell	1,782	2,268	2,445	3,150
Meat of Chicken Canned	294	374	400	692
Turkey meat	847	1,264	1,343	1,895

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

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

Peru: Chicken Meat Imports by Country

	2005	2006	2007	2008
Argentina	612	1,333	1,326	793
Bolivia	52	879	1,046	840
Brazil	1,673	1,291	2,062	2,209
Chile	3,316	2,905	2,289	4,692
USA	-	49	951	195

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Food Supply Quantity (kg/capita/yr)

	2001	2002	2003	2004	2005	2006	2007
Bovine Meat	3.51	3.60	3.79	3.88	4.00	4.09	4.06
Pigmeat	2.81	2.74	2.71	2.83	2.97	3.10	3.28
Poultry Meat	8.03	8.52	8.72	8.55	9.49	10.23	10.98

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

Inspected Egg Products-U.S. & Canada Import/Export Trade

U.S. Exports to Canada, in Pounds (000) (Preliminary)
 Week Ending Sep 03, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	146	50	1,305	2,664
Frozen	0	0	0	88
Dried	0	0	139	294
Total	146	50	1,444	3,046

U.S. Imports From Canada, in Pounds (000) (Preliminary)
 Week Ending Sep 03, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	231	322	11,030	13,718
Frozen	39	10	693	354
Dried	0	0	48	151
Total	270	332	11,771	14,223

Inspected Shell Eggs

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)
 Week Ending Sep 03, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,670	570	53,119	55,021
Large	4,614	5,050	105,591	93,785
Medium	60	30	27,735	29,912
Ungraded	12,270	17,343	117,392	142,630
Misc	0	0	600	900
Total	19,614	22,993	304,437	322,248

/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 Sep 03, 2011 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,387	1,379	2,766
Last Week	1,231	1,438	2,669
Same week yr ago	1,329	1,432	2,761
To-date/2011*	47,805	53,857	101,662
To-date/2010*	49,510	49,340	98,850

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	281	0	281
Last Week	298	23	321
Same week yr ago	264	0	264
To-date/2011*	13,167	371	13,538
To-date/2010*	11,929	322	12,251

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	1,668	1,379	3,047
Last Week	1,529	1,461	2,990
Same week yr ago	1,593	1,432	3,025
To-date/2011*	60,972	54,228	115,200
To-date/2010*	61,439	49,662	111,101

*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 firm to higher on all fat contents. MSC supplies were light to moderate. Schedules were seasonally reduced for the Labor Day holiday this week. Demand was good into both domestic and export channels. The spot marketplace remains strong following the holiday despite traditional seasonal patterns. Good demand and higher prices have been attributed to: strong export interest, good finished product sales domestically and abroad, increased production preparations for the hurricane season, traditional increases into pet food channels, limited MSC availability due to industry cutbacks, high grain prices, and others. Industry is closely monitoring the spot marketplace throughout September to see its reaction, especially after next week's Mexican Independence Day holiday, in order to tweak contract strategies before entering negotiations for 2012. Market activity was active with a majority of buyers seeking fresh 15-20%, especially for Mexico. Supplies of raw materials remain tight. Frames traded between 12-16 cents FOB.

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

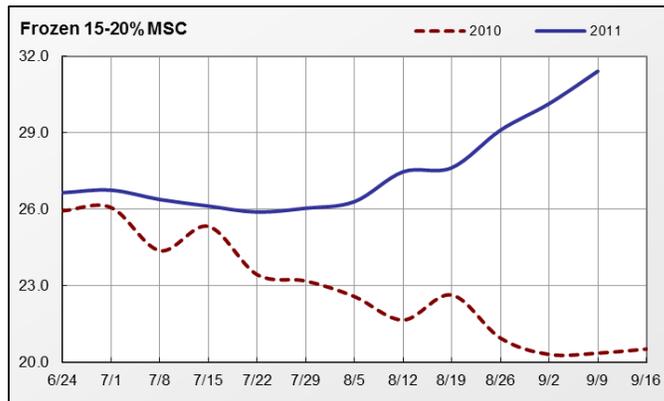
Fat Content	Frozen			Fresh		
	9-Sep-11	Last Week	Last Year	9-Sep-11	Last Week	Last Year
15% or Less						
Price Range			-	32.00	30.00 - 32.00	18.00-19.00
Wtd Avg Price			-	32.00	31.60	18.50
Volume Traded	-	-	-	163	204	163
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	29.00 - 35.00	26.00 - 32.00	15.50-24.00	27.00 - 36.00	25.00 - 34.00	13.00-19.00
Wtd Avg Price	31.41	30.14	20.36	31.55	29.84	16.04
Volume Traded	1,502	1,437	1,795	2,499	3,590	3,713
Volume Exported	1,442	1,377	1,755	734	938	653
20% or More						
Price Range	-	-	-	-	-	18.00
Wtd Avg Price	-	-	-	-	-	18.00
Volume Traded	-	-	-	-	-	41
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Aug 2011	Jul 2011	Aug 2010	Aug 2011	Jul 2011	Aug 2010
15% or Less						
Wtd Avg Price	-	-	-	27.24	24.43	21.51
Volume Traded	-	-	-	592	571	628
Volume Exported	-	-	-	-	-	200
15-20%						
Wtd Avg Price	27.62	26.21	21.80	26.57	23.56	16.91
Volume Traded	6,288	8,116	6,995	16,134	22,513	12,159
Volume Exported	5,888	7,486	6,067	2,489	2,122	2,122
20% or More						
Wtd Avg Price	-	-	-	20.67	20.00	18.57
Volume Traded	-	-	-	245	408	286
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 09 Sep 2011.

The market on bulk parts was steady to firm. Demand was in a full range, light to good. Offerings light. White meat market was steady to firm, except breast trim is steady to barely steady. Demand was moderate to good, except breast trim light. Offerings were light to moderate. The market on thigh meat is steady. Demand and offerings was light to moderate. For domestic: fresh scapula 188-193 cents. For export: hen drums 84 cents, fresh thigh meat 133-134 cents and fresh tom drums 80 cents.

Export Trading

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Friday, September 09, 2011						
Drumsticks, Toms	109.00		109.00	216	109.00	216
Wings Full-Cut - Toms		W	82.00	40	82.00	40
Wings, V-Type, Tom	115.00		115.00	108	111.84	228
Tails		T	47.00	40	47.00	40
Mechanically Separated 2/ Thigh Meat - Frozen	133.00		133.00	108	133.46	122
Thursday, September 08, 2011						
Drumsticks, Toms		F	100.00	600		
Wings Full-Cut - Toms		W	82.00	40		
Wings, V-Type, Tom		T	109.00	120		
Tails		T	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		W	137.00	14		
Wednesday, September 07, 2011						
Drumsticks, Toms		F	100.00	600		
Wings Full-Cut - Toms	82.00		82.00	40		
Wings, V-Type, Tom		T	109.00	120		
Tails		T	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen	137.00		137.00	14		
Tuesday, September 06, 2011						
Drumsticks, Toms		F	100.00	600		
Wings Full-Cut - Toms		F	83.00	270		
Wings, V-Type, Tom	109.00		109.00	120		
Tails	47.00		47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		W	135.00	40		

No trading reported on Monday, September 05, 2011 – Due to Labor Day 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.