



INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News and Analysis

U.S. Initiates Dispute Against China

On September 20, 2011 the United States requested WTO consultations with China to challenge China's measures imposing anti-dumping and countervailing duties on broiler products from the U.S. The request formally initiates a dispute; if consultations fail to resolve the dispute after 60 days the U.S. may request adjudication by a panel.

The U.S. is challenging China's duties as inconsistent with several provisions of the GATT 1944, the AD Agreement and the SCM Agreement. In a press release, the U.S. Trade Representative (USTR) stated the U.S. was concerned that "China seems to have failed to observe numerous transparency and due process requirements, failed to properly explain the basis for its findings and conclusions, incorrectly calculated dumping margins, incorrectly calculated subsidy rates and made unsupported finds of injury to China's domestic industry."

After China imposed the duties, total U.S broiler meat exports to China fell 86%, from 613,682 metric tons (MT) in 2009 to 85,285 MT in 2010. Exports of chicken paws/chicken feet fell from 377,805 MT to 48,219 MT, a decrease of 87%.

Other countries were only able to replace a portion of the lost volume of broiler meat imported by China. Brazil's exports to China increased by 1,028% and Argentina broiler meat exports rose by 190%. Even with increased imports from other countries, total broiler meat imports in 2010 were 28% lower compared to 2009.

	Jan-Dec		Jan-Jul		Jan-Jul % change
	2009	2010	2010	2011	
Brazil	27,793	285,688	157,344	164,164	4.33
Argentina	68,435	129,927	102,149	32,323	-68.36
United States	613,682	85,897	58,867	20,440	-65.28
Chile	12,217	12,909	6,480	7,783	20.11
France	610	2,313	74	2,255	0.00
Other	29	439	81	454	460.49
Total	722,766	517,173	324,995	227,419	-30.02

HS Code: 020711, 020712, 020713, 020714, and 160232 Note: Chicken claw imports under HS Code 02071422 for China are included in this table, but excluded in the PS&D table.

Source: Global Trade Atlas

History

China's Ministry of Commerce (MOFCOM) initiated anti-dumping and countervailing investigations on U.S. broiler products on September 23, 2009 and anti-subsidy investigations on September 27, 2009. China began collecting deposits on anti-subsidy/countervailing duties on February 13, 2010 and anti-dumping duties on April 30, 2010. The final anti-dumping duties were set at 50.3% to 53.4% for U.S. producers and exporters who participated in the investigation and 105.4% for all others. The final countervailing duties vary from 4.0% to 12.5% for participating U.S. producers and exporters and 30.3% on all others.

Source: United States Trade Representative press release; USDA/AMS PMNA; USDA/FAS GAIN Report; news wires

U.S. Trade Mission to Vietnam

Acting Under Secretary for Farm and Foreign Agricultural Services Michael Scuse led USDA's first-ever agricultural trade Mission to Vietnam in the cities of Hanoi and Ho Chi Minh City from Sept. 26 to 29. Vietnam is one of the world's fastest-growing economies and an important market for U.S. agricultural products. Two-way agricultural, fish and forestry trade with Vietnam reached nearly \$3.4 billion in 2010.

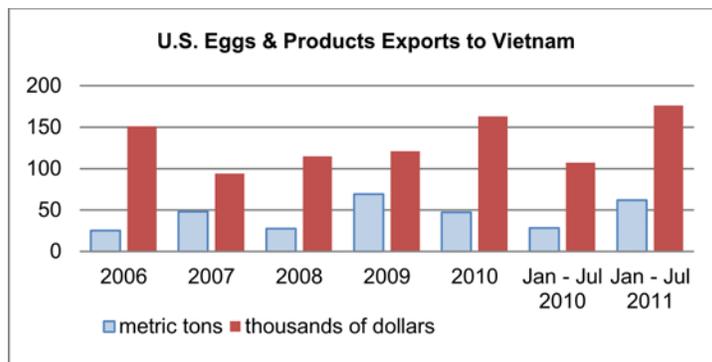
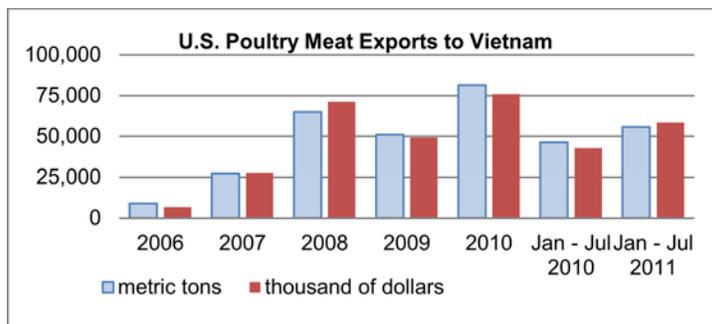
Vietnam's poultry meat imports experienced spectacular growth in 2010. Vietnam favors dark-meat chicken (leg quarters, drumsticks and wings) and also provides a market for spent hens. The current domestic Avian Influenza situation combined with strong growth in domestic demand, high inflation and high feed costs have led to high prices for domestic chicken meat. These high prices have led to even more opportunity for U.S. broiler meat exports to Vietnam and helped provide a thriving market for U.S. chicken dark meat.

Due to the sluggish economy in 2009, U.S. poultry meat exports to Vietnam in 2009 were only \$48 million, a year-on-year decrease of 33.4 percent from 2008. However, these exports in 2010 reached a new record of \$75 million, an increase of 65 percent over 2009

U.S. Share of the Vietnam Import Market for Poultry Meat (Value in thousands of USD)

Import Duty	20%-40%
2009's estimated Vietnam Import	116,000
Full year 2009 U.S. Exports	49,200
Full year 2010 U.S. Exports	52,612
% Growth	24.0%
2009 Market share of U.S. (%)	42.4%
Competing Country	Brazil

Source: USDA Office of Communications News Release; USDA/FAS GAIN Report



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 Sep 24, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	145	97	1,594	3,008
Frozen	0	0	0	88
Dried	0	0	139	345
Total	145	97	1,733	3,441

U.S. Imports From Canada, in Pounds (000) (Preliminary)
Week Ending Sep 24, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	250	395	11,674	14,772
Frozen	9	15	749	412
Dried	0	0	48	151
Total	259	410	12,471	15,335

Inspected Shell Eggs

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)
Week Ending Sep 24, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,070	3,030	60,289	60,001
Large	2,470	3,390	116,376	101,315
Medium	1,936	1,790	31,231	33,802
Ungraded	1,728	6,639	125,216	175,231
Misc	840	0	1,440	900
Total	9,044	14,849	334,552	371,249

/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 24, 2011 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,187	1,685	2,872
Last Week	1,585	1,602	3,187
Same week yr ago	1,564	1,485	3,049
To-date/2011*	51,870	58,723	110,593
To-date/2010*	53,525	53,592	107,117

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	290	24	314
Last Week	388	0	388
Same week yr ago	351	27	378
To-date/2011*	14,115	408	14,523
To-date/2010*	12,967	373	13,340

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	1,477	1,709	3,186
Last Week	1,973	1,602	3,575
Same week yr ago	1,915	1,512	3,427
To-date/2011*	65,985	59,131	125,116
To-date/2010*	66,492	53,965	120,457

*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.)

Prices trended steady to lower on fresh 15-20% and mostly steady on the remainder of fat contents. Supplies of MSC were light to moderate. Schedules were normal. Domestic demand was moderate. Export demand was moderate to good with best interest on frozen for Asia, Central America, and the Caribbean. Industry is a flurry of conversation these days with everyone trying to earnestly predict the ever changing future and present spot marketplace in regards to production, frame and MSC availability, input costs, demand, and MSC prices. In recent weeks, the spot marketplace has slowed and appears to be trying to return to a more seasonal pattern. Mexico has also slowed its buying and currently battles a weakened Peso against the US dollar. Contract negotiations for 2012 have officially begun for some in industry this week with more set to kick off in coming weeks. Market activity was moderate to instances active with some slowing noted. Supplies of raw materials were light. Frames traded between 12-14 cents FOB.

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

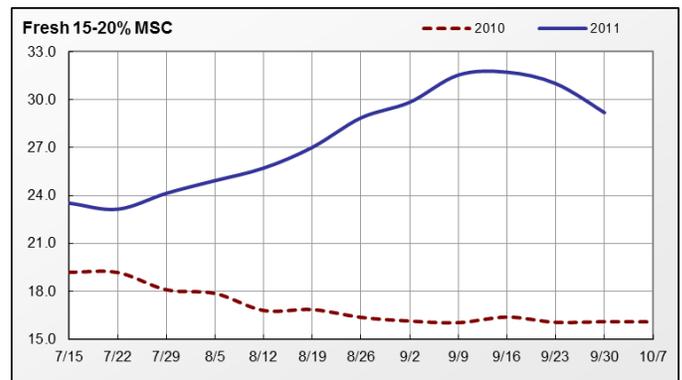
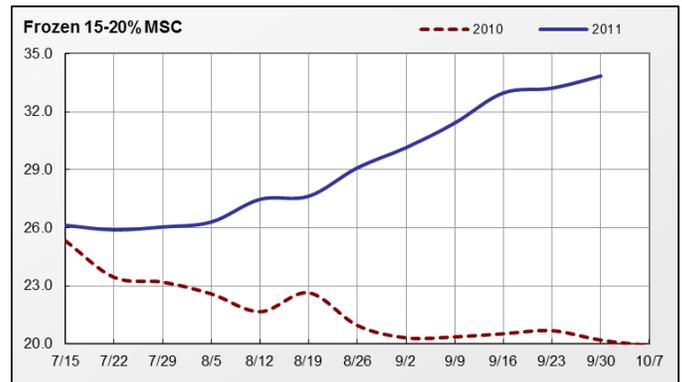
Fat Content	Frozen			Fresh		
	30-Sep-11	Last Week	Last Year	30-Sep-11	Last Week	Last Year
15% or Less						
Price Range			-	30.00 - 32.00	34.00	18.00-19.00
Wtd Avg Price			-	31.33	34.00	18.57
Volume Traded	-	-	-	122	146	143
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	31.00 - 38.00	30.00 - 38.00	15.00-22.00	25.00 - 33.00	27.00 - 35.00	14.00-18.00
Wtd Avg Price	33.85	33.22	20.19	29.19	31.01	16.10
Volume Traded	2,024	1,893	1,037	3,070	3,733	2,591
Volume Exported	1,824	1,653	937	571	898	571
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 30 Sep 2011.

The market on fresh white meat is steady, frozen tom breast meat steady to firm, balance of white meat steady. The undertone on frozen breast trim is steady to weak. Demand light to moderate. Offerings of fresh tom breast meat are light to moderate and becoming more available, frozen tom breast meat extremely light, wing meat with skin very light and light on the balance of white meat. The market on hen and tom bulk parts is steady to firm. Demand moderate to good. Offerings very light to light. The market on thigh meat is steady to firm. Demand moderate to good for the very light to light offerings. Trading light to moderate. For domestic: 12-16 lb. rib breasts – Grade A 170 and plant grade 165, fresh tom full-cut wings 82, mixed machine defatted gizzards 92, fresh wing meat 160, fresh breast trim 184 cents delivered. For export: tom necks 50, thigh trim 78, hen drums 85, frozen scapula 190-197 cents delivered.

Export Trading

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Friday, September 30, 2011						
Drumsticks, Toms		R	102.00	108	102.00	108
Wings Full-Cut - Toms						
Wings, V-Type, Tom		R	116.00	120	116.00	120
Tails	48.00		48.00	40	48.00	40
Mechanically Separated 2/ Thigh Meat - Frozen	135.00		135.00	54	135.00	54
Thursday, September 29, 2011						
Drumsticks, Toms	102.00		102.00	108		
Wings Full-Cut - Toms		R	82.00	60		
Wings, V-Type, Tom	116.00		116.00	120		
Tails		F	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		R	39.00	120		
Wednesday, September 28, 2011						
Drumsticks, Toms		R	104.00	324		
Wings Full-Cut - Toms		R	82.00	60		
Wings, V-Type, Tom		R	116.00	282		
Tails		F	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		R	39.00	120		
		W	135.00	80		
Tuesday, September 27, 2011						
Drumsticks, Toms		R	104.00	324		
Wings Full-Cut - Toms		R	82.00	60		
Wings, V-Type, Tom		R	116.00	282		
Tails		F	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		R	39.00	120		
		W	135.00	80		
Monday, September 26, 2011						
Drumsticks, Toms		R	104.00	324		
Wings Full-Cut - Toms		R	82.00	60		
Wings, V-Type, Tom		R	116.00	282		
Tails		F	47.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		R	39.00	120		
		W	135.00	80		

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.