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USDA FAS Outlook Forecasts for Broiler Meat in 2012

Globally, broiler meat production is forecast to reach 83.1 million metric tons (MMT), about 3% higher in 2012. The increase is attributed to strong domestic demand in Brazil and China; however the rate of increase is expected to be slightly lower than that of the preceding 2 years, due to high input costs and reductions in US production. World exports of broiler meat are projected to increase 5% to a record 9.6 MMT, due to rising demand from Sub Saharan Africa, Southeast Asia, and the Middle East.

Production in Brazil, the world's leading exporter, is forecast to be 13.6 MMT (5% higher). The increase is credited to the competitive pricing of poultry to other meats, strong domestic demand, economic growth, enlarging disposable incomes, an expanding middle class, and steady production costs resulting from ample feed supplies. Exports are projected to increase 5% in 2012 to 3.5 MMT. Increased shipments to the Middle East and Venezuela, as well as anticipated economic growth and a rising population are credited as being the primary drivers. Brazilian imports are also expected to increase to the UAE with the construction of a new Brazilian processing facility in the country.

Chinese production is forecast at 13.8 MMT (5% higher) in 2012. Production expansion is supported by larger breeding stock inventories, poultry's competitive pricing, robust domestic demand, increasing disposable incomes, economic growth, a growing middle class, reduced rates of reported diseases, and improving economies of scale through vertical integration. The rising broiler meat prices are expected to be more than offset by relatively high feed costs. In 2012, exports are expected to grow 9% to 445,000 MT. China will continue to export primarily prepared and preserved products, due to its history and current status of disease outbreaks and their subsequent restrictions. Japan, Hong Kong, and Malaysia will remain major import markets for Chinese poultry.

Broiler exports from the EU are projected to reach 1.1 MMT (2% higher). The slight rise in 2012 exports is due to high feed costs, increased competition, and reduced shipments to Russia.

In 2012, Mexican broiler meat production is predicted to drop 1% to 2.9 MMT. High production costs are credited with being the cause of the reduction.

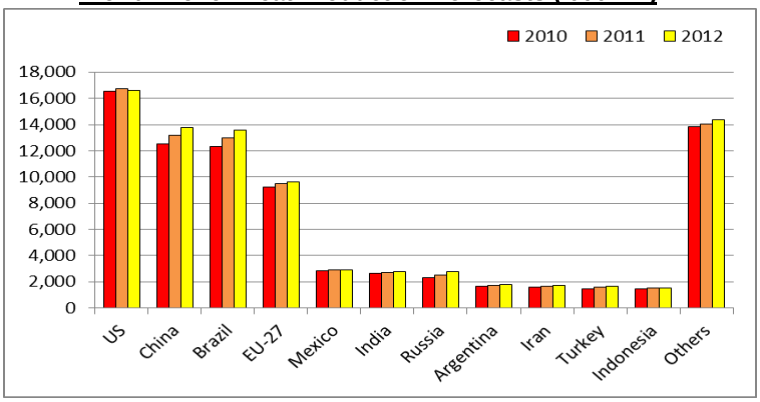
Broiler production in Russia is projected 9% higher to 2.8 MMT in 2012. Subsidized feed costs, import restrictions, and continued investment are helping to drive the increase. Russia continues to reduce its tariff rate quota (TRQ) volumes limiting imports and supporting domestic production.

US, the world's largest broiler meat producer, is projected to drop 1% in 2012 to 16.6 MMT due to constrained profitability resulting from low broiler prices in the face of high input costs. US exports are projected to rebound 2% in 2012 to 3 MMT. The rise in broiler meat shipments is fueled by strong demand from Mexico, Asia (primarily South Korea and Hong Kong), and emerging markets in Sub Saharan Africa despite declining exports to Russia, due to a reduced TRQ.

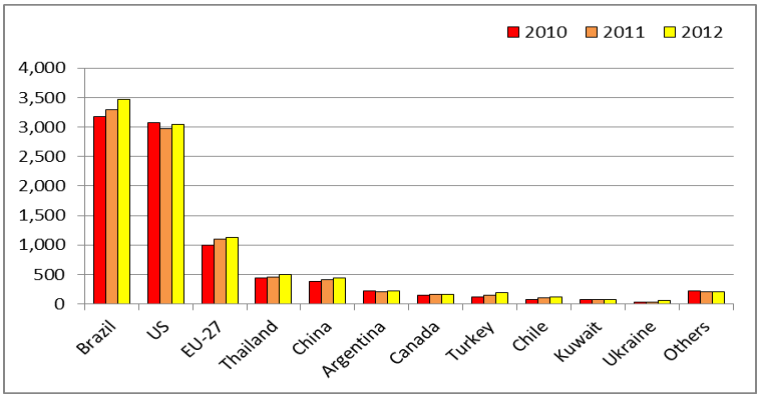
Broiler production is also forecast higher in Argentina, Thailand, Turkey, and Ukraine in 2012 due to strong domestic and foreign demand, increasing investment, and good profitability. Thailand is expected to export 500,000 MT of broiler meat in 2012, which is 9% higher than the previous year. Shipments will continue to be prepared and preserved products to mostly Asian markets, as well as to the EU.

Broiler meat exports from Turkey are expected to reach 193,000 MT in 2012, which is an increase of 27%. Strong demand from the Middle East, mostly Iraq and Iran, will support the expansion of domestic production and generate the rise in broiler meat exports.

World Broiler Meat Production Forecasts ('000 MT)



World Broiler Meat Export Forecasts ('000 MT)



World Production, Consumption, and Export Forecasts ('000 MT)

Production	2009	2010	2011	2012*	%
Beef	57,148	57,043	56,848	56,798	-0.1%
Pork	100,405	102,745	101,127	103,433	2.3%
Poultry	79,326	83,608	86,345	88,378	2.4%
Total	*236,879*	*243,396*	*244,320*	*248,609*	*1.8%*
Domestic Consumption					
Beef	56,485	56,243	55,834	55,649	-0.3%
Pork	10,257	102,546	100,849	102,898	2.0%
Poultry	78,713	82,454	84,958	86,837	2.2%
Total	*145,455*	*241,243*	*241,641*	*245,384*	*1.5%*
Exports					
Beef	7,432	7,752	7,870	8,231	4.6%
Pork	5,659	6,043	6,574	6,545	-0.4%
Poultry	8,846	9,490	9,764	10,195	4.4%
Total	*21,937*	*23,285*	*24,208*	*24,971*	*3.2%*

Note: Poultry = Broiler and Turkey Meat. % = Percentage Change from 2011 to 2012. Beef and Pork data is reported as Carcass Weight Equivalent in thousands of Metric Tons (TMT), whereas Poultry is reported as Ready to Cook Equivalent in thousands of Metric Tons (TMT). Source: USDA FAS, Office of Global Analysis, Livestock and Poultry: World Markets and Trade, October 2011/USDA FAS, PSD Online, Official USDA Estimates.

email: PYMNDSM@ams.usda.gov TEL 515.284.4471 FAX 515.284.4468 website: http://www.ams.usda.gov/pymarketnews.htm LA

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

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

Week Ending Oct 22, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	98	193	1,888	3,250
Frozen	0	0	0	88
Dried	40	0	179	424
Total	138	193	2,067	3,762

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

Week Ending Oct 22, 2011 Year-To-Date*

Type	2011	2010 /1	2011 /2	2010
Liquid	217	229	12,544	15,940
Frozen	45	45	853	566
Dried	0	0	48	151
Total	262	274	13,445	16,657

Inspected Shell Eggs

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

Week Ending Oct 22, 2011 Year-To-Date*

	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,160	1,350	72,469	67,381
Large	6,320	4,290	142,874	118,705
Medium	1,590	540	35,311	35,512
Ungraded	15,012	7,320	164,636	218,353
Misc	0	0	1,440	900
Total	25,082	13,500	416,730	440,851

/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 Oct 22, 2011 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	1,231	1,677	2,908
Last Week	1,249	1,710	2,959
Same week yr ago	1,208	1,391	2,599
To-date/2011*	57,179	65,456	122,635
To-date/2010*	59,044	59,338	118,382

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	75	15	90
Last Week	244	13	257
Same week yr ago	113	12	125
To-date/2011*	14,717	436	15,153
To-date/2010*	14,118	410	14,528

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	1,306	1,692	2,998
Last Week	1,493	1,723	3,216
Same week yr ago	1,321	1,403	2,724
To-date/2011*	71,896	65,892	137,788
To-date/2010*	73,162	59,748	132,910

*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 firm on frozen 15-20% and steady on the balance of fat contents. Supplies of MSC were light to instances heavy with fresh 15-20% in the longest position. Schedules were normal. Domestic demand was light to moderate. Export demand was moderate to good with prevailing good interest on frozen 15-20% for Asia, Central America, and the Caribbean. 2012 contract negotiations continue to be at the forefront of industry conversations and thoughts. A few contracts have been locked down for 2012 at higher levels than this year. However a huge disparity exists between buyers and sellers regarding pricing structure and level with a vast majority of contracting yet to be finalized. Many influencing factors hold sway on the direction of the marketplace making it more unpredictable from years past. Market activity was moderate to instances active. Supplies of raw materials were light. Frames traded between 13-15 cents FOB.

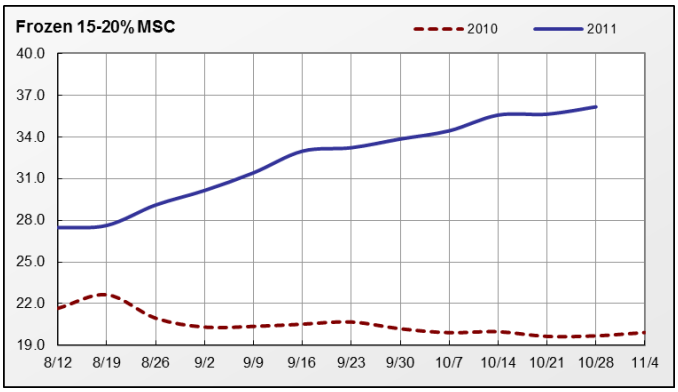
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

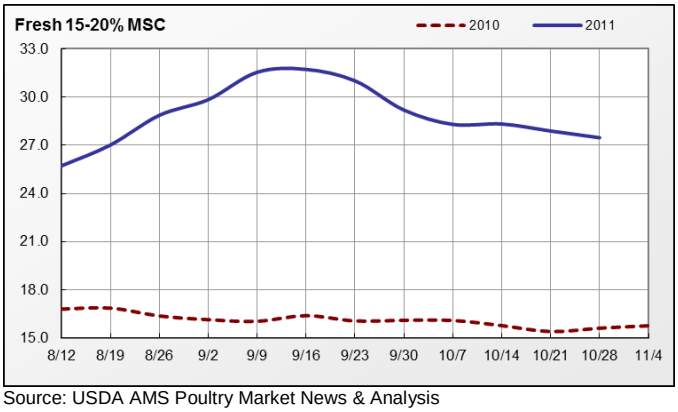
	Frozen			Fresh		
Fat Content	28-Oct-11	Last Week	Last Year	28-Oct-11	Last Week	Last Year
15% or Less						
Price Range			-	30.00 - 31.00	30.00 - 31.00	18.00-19.00
Wtd Avg Price			-	30.67	30.78	18.56
Volume Traded	-	-	-	122	184	184
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	34.00 - 40.00	32.00 - 40.00	14.50-22.00	21.00 - 32.00	21.00 - 33.00	13.00-18.00
Wtd Avg Price	36.16	35.64	19.68	27.47	27.89	15.61
Volume Traded	2,265	2,367	1,326	3,539	3,498	3,203
Volume Exported	2,105	2,087	1,126	816	653	694
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)

	Frozen			Fresh		
Fat Content	Sep 2011	Aug 2011	Sep 2010	Sep 2011	Aug 2011	Sep 2010
15% or Less						
Wtd Avg Price	-	-	-	32.06	27.24	18.80
Volume Traded	-	-	-	839	592	408
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	32.48	27.62	20.43	30.69	26.57	16.14
Volume Traded	8,432	6,288	6,576	17,023	16,134	12,811
Volume Exported	7,872	5,888	6,336	4,406	2,489	1,999
20% or More						
Wtd Avg Price	-	-	-	-	20.67	17.75
Volume Traded	-	-	-	-	245	163
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 28 Oct 2011.

The market on tom breast meat is steady to firm with strength noted into export channels. Demand is light to moderate, instances good with some buyers canceling spot loads in response to a seasonal slow down in further processed demand while others hear of people looking for product. The market on wing meat is at least steady and steady on the balance of white meat. Demand light to moderate. Offerings of breast trim light to moderate, balance of white meat very light to instances moderate with muscle meats held with the most confidence. The domestic market on tom drums is steady to firm with trading reported at steady to higher price levels. However, tom drums into export markets is showing signs of weakness with some sellers unable to get previous asked for premiums resulting in product being diverted into domestic channels. The market on the balance of tom bulk parts is steady to firm. Demand moderate to good. The market on thigh meat is steady to firm. Demand moderate to good. Open priced trading heavy on fresh tom drums, balance light. For domestic: livers 21 shipping point and fresh MST 23 delivered pet food, frozen breeder hen breast meat 227 cents delivered. For export: hen drums 90 cents delivered.

Export Trading

Friday, October 28, 2011	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Drumsticks, Toms	110.00		110.00	108	108.57	756
Wings Full-Cut - Toms		R	94.00	108	94.00	108
Wings, V-Type, Tom						
Tails		W	51.00	48	51.00	48
Mechanically Separated 2/	35.00		35.00	108	35.00	108
Thigh Meat - Frozen		R	147.00	40	147.00	40

Thursday, October 27, 2011	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)
Drumsticks, Toms	105.00-115.00		108.33	648
Wings Full-Cut - Toms	94.00		94.00	108
Wings, V-Type, Tom		R	119.25	324
Tails		W	51.00	48
Mechanically Separated 2/				
Thigh Meat - Frozen	147.00		147.00	40

Wednesday, October 26, 2011	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)
Drumsticks, Toms		R	111.17	162
Wings Full-Cut - Toms				
Wings, V-Type, Tom		R	119.25	324
Tails	51.00		51.00	48
Mechanically Separated 2/				
Thigh Meat - Frozen				

Tuesday, October 25, 2011	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)
Drumsticks, Toms		R	111.17	162
Wings Full-Cut - Toms				
Wings, V-Type, Tom		R	119.25	324
Tails		F	51.00	40
Mechanically Separated 2/				
Thigh Meat - Frozen				

Monday, October 24, 2011	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)
Drumsticks, Toms		R	111.17	162
Wings Full-Cut - Toms				
Wings, V-Type, Tom		R	119.25	324
Tails		F	51.00	40
Mechanically Separated 2/				
Thigh Meat - Frozen				

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.