



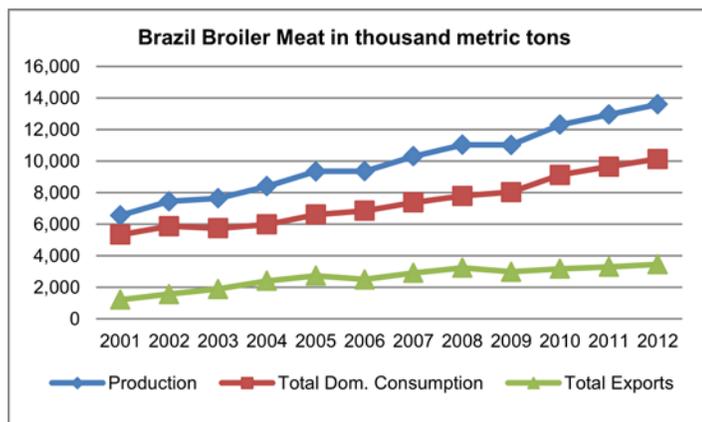
INTERNATIONAL EGG AND POULTRY REVIEW



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

Brazil

Broiler production in Brazil has grown at an annual rate of 2.95% between 2001 and 2011. Increased production is supported by strong domestic demand and by increased exports. Brazil's economy grew by 7.5% in 2010, fueling rising household income and supporting demand for animal proteins. Brazil's central bank posted market expectations of a 3.51% increase for 2011 and 3.70% in 2012.



Source: Foreign Agricultural Service, Official USDA estimates

Production is forecast to reach 13.60 million metric tons (MMT) in 2012, up 5% from 2011 (12.95 MMT). Broiler producers are expected to have positive returns as feed costs are likely to remain stable. The federal government can use estimated higher corn stocks through auctions, where the government subsidizes the transportation costs from the major producing areas in the Center-West to the poultry producing areas in the Northeast, thus reducing the pressure on corn prices to the main poultry producing areas of the Southeast of Brazil. Trade sources estimate up to 75% of the corn crop is likely to be biotech which is expected to increase yields. US\$ 67 billion in credit lines at subsidized interest rates was announced for the upcoming 2011/2012 crop season (Oct 2011 – Sep 2012.)

Broiler Production Cost and Wholesale Prices* (Sao Paulo state)

Year	Broiler Cost		Wholesale Prices		
	(Live weight)	Live Weight	RTC	Corn	Soybean Meal
2000	0.47	0.50	0.68	7.78	0.18
2001	0.38	0.41	0.53	4.64	0.19
2002	0.39	0.39	0.50	6.26	0.18
2003	0.47	0.47	0.54	6.54	0.21
2004	0.51	0.51	0.54	6.31	0.23
2005	0.56	0.56	0.55	7.33	0.21
2006	0.54	0.54	0.65	8.00	0.21
2007	0.72	0.80	1.07	11.99	0.28
2008	0.97	0.89	1.27	13.89	0.39
2009	0.83	0.82	1.21	10.45	0.41
2010	0.87	0.94	2.02	12.14	0.36
2011 (Jan-Jul)	1.12	1.15	2.45	18.84	0.40

*Prices are in US\$/KG except corn which is US\$/60/KG

Broiler exports in 2011 were higher than expected due to higher exports to Saudi Arabia, Japan, China and the EU. The value of those exports in 2011 will likely increase by over 20% as the average export price of chicken rose from US\$1,660 per MT in 2010 to US\$2,020 per MT in 2011. Exports are forecast to grow an additional 5% in 2012, driven by higher sales to the Middle East. The Brazilian antitrust regulator (CADE) approved the merger of Sadia and Perdigão, Brazil's two largest food processors, to create Brazil Foods S.A. (BRF). The new company will hold approximately 35% of the domestic market share and more than half of the export market. Brazil Foods is

constructing a processing plant in the UAE with a total processing capacity of 80,000 metric tons. The strategy in the Middle East, which accounts for nearly 32% of the company's exports, is to produce further processed broiler products.

Broiler Meat Exports in metric tons

	Jan-Dec 2010	Jan-Jun 2010	Jan-Jun 2011
Saudi Arabia	550,969	249,069	296,872
Japan	386,476	186,789	224,642
Hong Kong	331,466	175,191	159,894
European Union	281,878	127,435	154,249
United Arab Emirates	208,333	111,266	112,938
South Africa	181,445	95,152	100,926
Kuwait	174,670	87,368	95,492
Venezuela	164,408	81,055	75,465
Russia	144,328	48,076	43,149
Others	1,205,628	560,102	577,714
Total	3,629,601	1,721,503	1,841,341

Includes HTS codes: 0207.11; 0207.12; 0207.13; 0207.14; and 1602.32. Quantity in Product Weight Equivalent (PWE). Updated July 25, 2011

Recently the South African poultry industry requested an investigation into alleged dumping of frozen meat of chickens, whole birds (HS 0207.12.90) and boneless cuts (HS 0207.14.10), originating in or imported from Brazil, South Africa's leading supplier of poultry meat. The International Trade Administration Commission (ITAC) of South Africa agreed to investigate the imports and preliminary findings are expected in early 2012.

The U.S. was the leading supplier of chicken meat to South Africa until South Africa imposed anti-dumping duties on bone-in broiler meat imports in 2000. In 2005 the duty was extended to 2011. The current 5-year anti-dumping duty on chicken meat portions imported from the U.S. expires in November 2011, but a Sunset Review has been initiated and the protections will continue until the Sunset Review is complete.

South Africa Broiler Meat Imports in metric tons

	1998	% of total	2010	% of total
United States	39,567	45%	3,278	1%
Brazil	6,232	7%	178,191	74%
United Kingdom	13,108	15%	6,318	3%
Argentina	-	-	27,340	11%
Canada	4,058	5%	14,737	6%
Others	24,212	28%	10,318	4%
Total	87,177	-	240,182	-

Brazil is concerned about currency exchange rates and the potential impact on international trade. In September Brazil submitted a proposal to the WTO asking for the examination of possible trade tools for responding to currency fluctuations. The proposal was submitted to the WTO's Working Group on Trade, Debt and Finance, and asked for a workshop to take place in 2012 to examine "available tools and trade remedies in the existing multilateral system, if any, to compensate for or otherwise redress those currency fluctuations that may impair commitments undertaken by Members in successive rounds of negotiations." In a speech on October 6, 2011, WTO Director-General Pascal Lamy addressed concerns about monetary policies, saying "This is why we need the G-20 to make headway on the issue of reform of the international monetary system, in which Germany and Brazil have taken the lead."

Source: USDA GAIN Reports; Bridges Weekly Trade News Digest, Volume 15, Numbers 32 and 35; Banco Central do Brasil; U.S Department of State; White House Press Release; World Trade Organization; newswires

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	48	193	1,984	3,733
Frozen	0	0	0	88
Dried	40	0	219	447
Total	88	193	2,203	4,268

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

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Liquid	175	223	12,985	16,448
Frozen	11	5	909	575
Dried	0	0	54	151
Total	186	228	13,948	17,174

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	3,000	5,060	78,289	77,501
Large	11,850	4,890	160,054	128,485
Medium	900	840	37,051	37,192
Ungraded	12,888	19,652	190,640	257,657
Misc	0	0	1,440	900
Total	28,638	30,442	467,474	501,735

/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 Nov 05, 2011 (Preliminary)

	U.S. fowl slaughtered domestically		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,304	1,120	2,424
Last Week	1,241	1,657	2,898
Same week yr ago	1,097	1,356	2,453
To-date/2011*	59,724	68,233	127,957
To-date/2010*	61,237	62,063	123,300

	U.S. fowl slaughtered in Canada		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	464	0	464
Last Week	140	13	153
Same week yr ago	435	0	435
To-date/2011*	15,321	449	15,770
To-date/2010*	14,972	455	15,427

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	1,768	1,120	2,888
Last Week	1,381	1,670	3,051
Same week yr ago	1,532	1,356	2,888
To-date/2011*	75,045	68,682	143,727
To-date/2010*	76,209	62,518	138,727

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

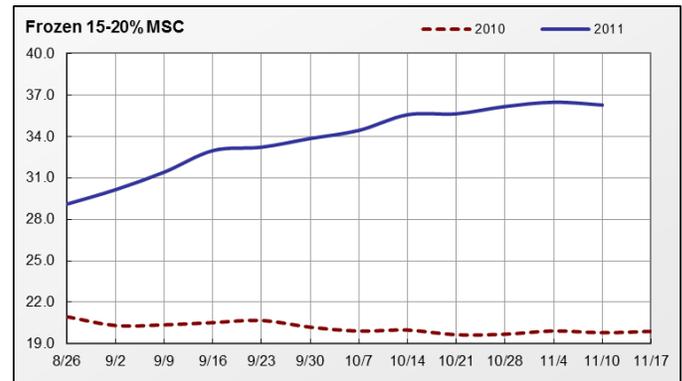
National Mechanically Separated Chicken

(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 steady to firm on frozen 15-20% and steady on the balance of fat contents. Supplies were mostly moderate on fresh 15-20% with the balance light to moderate. Schedules were normal. Domestic demand was light to moderate. Demand into export channels remains moderate to good with continued strong interest on frozen 15-20%, especially into Asia and Central America. Negotiations for 2012 contracts drag on for many; however some contracts have been confirmed at either higher levels or on a formula basis. Quite a bit of product remains to be finalized and the disparity between buyers and sellers persists regarding ideas of pricing structure and level for next year. For many, the uncertainty of the marketplace for 2012, all of the influencing factors, and the many possible outcomes weigh heavy on the minds of both buyers and sellers making for one of the most challenging contract seasons. Market activity was moderate to instances active. Supplies of raw materials were light. Frames traded between 13-17 cents FOB.

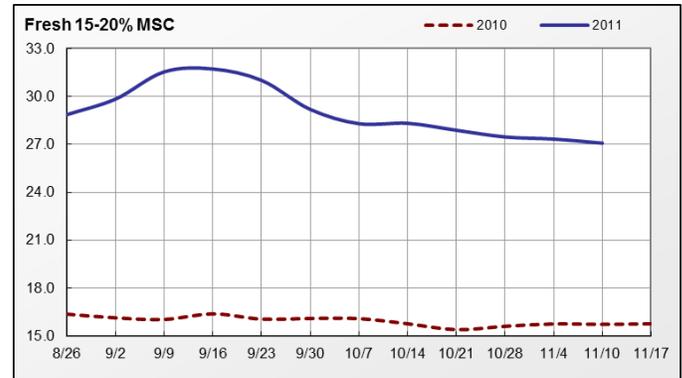
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	10-Nov-11	Last Week	Last Year	10-Nov-11	Last Week	Last Year
15% or Less						
Price Range			-	31.00 - 32.00	32.00	18.00-19.00
Wtd Avg Price			-	31.71	32.00	18.56
Volume Traded	-	-	-	143	61	184
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	34.00 - 39.00	34.00 - 39.00	15.00-22.00	21.00 - 32.00	22.50 - 32.00	12.00-18.00
Wtd Avg Price	36.27	36.47	19.79	27.08	27.33	15.73
Volume Traded	1,987	1,768	1,368	3,835	3,580	2,897
Volume Exported	1,587	1,328	1,128	1,020	857	530
20% or More						
Price Range	-	-	-	22.50	-	18.00-20.00
Wtd Avg Price	-	-	-	22.50	-	19.33
Volume Traded	-	-	-	122	-	122
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Oct 2011	Sep 2011	Oct 2010	Oct 2011	Sep 2011	Oct 2010
15% or Less						
Wtd Avg Price	-	-	-	30.86	32.06	18.55
Volume Traded	-	-	-	592	839	775
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	35.47	32.48	19.86	28.01	30.69	15.79
Volume Traded	8,651	8,432	7,428	14,870	17,023	14,895
Volume Exported	7,811	7,872	6,668	3,182	4,406	3,305
20% or More						
Wtd Avg Price	-	-	-	-	-	18.00
Volume Traded	-	-	-	-	-	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

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National Young Turkey Parts

Including bulk meat and frozen (unless specified), cents per lb., delivered first receivers, part and full trucklots as of 10 Nov 2011.

The market on bulk parts is steady. Demand was light to moderate. Offerings light. The market on white meat is steady. Demand and offerings light to moderate. The market on thigh meat is steady to firm. Demand moderate to good. Offerings light. Trading was slow. For domestic: tails 53 cents.

Export Trading**No Export Trading Reported on Friday, November 11, 2011, Due to Veteran's Day Holiday**

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Thursday, November 10, 2011						
Drumsticks, Toms						
Wings Full-Cut - Toms		W	95.00	54	95.00	54
Wings, V-Type, Tom		R	106.50	162		
Tails		R	51.50	40		
Mechanically Separated 2/ Thigh Meat - Frozen		W	146.00	40	146.00	40
Wednesday, November 09, 2011						
Drumsticks, Toms						
Wings Full-Cut - Toms	95.00		95.00	54		
Wings, V-Type, Tom		R	106.50	162		
Tails		R	51.50	40		
Mechanically Separated 2/ Thigh Meat - Frozen	146.00		146.00	40		
Tuesday, November 08, 2011						
Drumsticks, Toms						
Wings Full-Cut - Toms						
Wings, V-Type, Tom		R	106.50	162		
Tails		R	51.50	40		
Mechanically Separated 2/ Thigh Meat - Frozen		F	162.00	80		
Monday, November 07, 2011						
Drumsticks, Toms						
Wings Full-Cut - Toms						
Wings, V-Type, Tom		R	106.50	162		
Tails		R	51.50	40		
Mechanically Separated 2/ Thigh Meat - Frozen		F	162.00	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.