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## Kazakhstan

Kazakhstan is the ninth largest nation in the world, about the size of Western Europe, with a population of 16.6 million. Kazakhstan's economy grew by 7.3% in 2010 and by 7.1% in the first half of 2011. In September 2002, Kazakhstan became the first country in the former Soviet Union to receive an investment-grade credit rating from a major international credit rating agency. The economy is dominated by the oil industry. Kazakhstan possesses enormous fossil fuel reserves and plentiful supplies of other minerals and metals. It also has a large agricultural sector; agriculture accounts for 6% of GDP and employs 22% of the labor force.

After the breakup of the Soviet Union, poultry and egg production rapidly declined due to the loss of government subsidies and the collapse of government-owned farms. Poultry production fell from 59.9 million birds in 1990 to 19.7 million in 2000. As of October 2011 there were 36 million birds. Egg production in 2010 was 3,720 million eggs, close to the level before the breakup.

### Total Poultry (million birds) Egg Production\* (millions)

Year	Total Poultry (million birds)	Egg Production* (millions)
1990	59.9	4,185.1
1995	20.8	1,840.8
2000	19.7	1,692.2
2005	26.2	2,514.0
2010	32.8	3,720.3

\*Covers all eggs collected during a year from all kinds of poultry, including those used for incubation, production of eggs powder and other purposes. Source: Kazakhstan Statistics Agency

Broiler meat production is expected to reach 120,000 tons in 2012, up from 65,000 tons in 2006. The goal is to reach 140,000 tons by 2014. Domestic production now accounts for half of all poultry consumed Kazakhstan. Most domestic production is consumed directly by households and does not make it into marketing channels. Poultry found in urban markets is primarily imported. Domestically produced poultry is typically sold as whole broilers; imported products are almost entirely leg quarters.

### Broiler Meat Situation, in thousand metric tons

	2006	2007	2008	2009	2010	2011	2012
Production	65	65	75	90	101	110	120
Imports	150	147	133	109	125	110	110
Exports	0	3	2	0	1	0	0
Consumption	215	209	206	199	225	220	230
Per Capita (KG)	14.11	13.67	13.43	12.92	14.55	14.20	14.80

Source: Foreign Agricultural Service, Official USDA Estimates

Domestic poultry production benefits from growing industrial capacity and strong domestic demand. Weaknesses include technologies that are outdated, low production efficiency, a lack of professional staff, high costs for domestically produced products, and a high dependence on imported inputs (premix feed additives, vaccines and breeding stock). The industry also faces strong competition from Russian and Ukrainian producers and low prices from poultry meat imports.

The Government is providing a number of different subsidies and other financial support to encourage growth. Subsidies include up to 45% for poultry feed production; 60-65 tenge (\$.40-\$.45) per kilo of poultry meat; and 2-2.5 tenge for each table egg (about \$.16-\$.21) per dozen. There are subsidies up to 50% for parent stock day-old chicks for egg production with a maximum of 45 tenge (\$.30) per chick and grandparent stock for meat production

with a maximum of 275 tenge (\$2.00) per chick. There are also subsidized and beneficial credit terms including for leasing of equipment. This includes subsidized interest rates of up to 80% of the interest amount and longer terms than private loans.

Beef is the primary meat consumed in Kazakhstan (39%), followed by poultry (21%), pork (20%), goat/sheep (14%) and horse (7%). Poultry meat is the cheapest animal meat, but import restrictions limit the amount available for consumption. About half of all poultry consumed is imported and nearly 90% is from the U.S. Within the framework of the Customs Union between Kazakhstan, Russia and Belarus, the quota amount for poultry was set at 110,000 tons in 2011, unchanged from 2010 (imports had been as high as 150,000 tons in the years before this quota was announced). Quotas for 2012 have not yet been announced.

### Meat Prices November 1, 2011, US\$ per kg (148 tenge/US\$)

	Beef	Goat	Pork	Horse	Chicken (whole)	Chicken (leg quarters)
Price	\$6.02	\$5.74	\$4.40	\$6.72	\$2.86	\$2.53

Source: KazAgroMarketing

U.S. poultry meat is almost entirely in the form of chicken leg quarters, which are shipped to Kazakhstan through the Baltic ports of Klaipeda in Lithuania and Riga in Latvia (in some trade figures these exports are shown as being destined for Latvia and Lithuania, although they are in fact being transshipped to Kazakhstan). These products then move by rail through Belarus, Ukraine and Russia in refrigerated wagons. In 2010, the Kazakhstan Customs Service reported imports from the U.S. at 105,000 tons, with a value of \$83 million. Before the introduction of tariff-rate quotas, Kazakhstan was a regional distribution center for Central Asia and shipped to Uzbekistan, Kyrgyzstan and Tajikistan, although this has now ceased.

Source: USDA/FAS GAIN Report; U.S. Department of State; the Agency of Statistics of the Republic of Kazakhstan; the World Bank; CIA World Factbook

	Kazakhstan Chicken Meat Imports in Tons				
	2005	2006	2007	2008	2009
Belgium				14	
Brazil	1,531	5,723	3,558	7,287	2,021
Canada		25	315	873	775
Denmark	41				
France	1		5	4	21
Germany	124	2,520	1,510	311	374
Hungary	1				-
Italy		1,056	1		
Latvia	47	360			
Lithuania					20
Netherlands		132	120	576	240
Poland	200	1,538	1,147	565	1,239
Republic of Moldova	43	34	43	28	8
Russian Federation	3	7	10	1,057	430
Ukraine			2,652	4,088	10,110
USA	106,665	140,646	136,951	116,945	92,882

Data copied 12 December 2011

<http://faostat.fao/site/537/DesktopDefault.aspx?PageID=537 FAOSTAT>,  
Statistics Division, Food and Agricultural Organization of the UN

**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
Liquid	50	48	2,282
Frozen	0	0	0
Dried	0	0	219
Total	50	48	2,501

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

Type	Year-To-Date*		
	2011	2010 /1	2011 /2
Liquid	353	248	14,261
Frozen	0	40	991
Dried	0	0	54
Total	353	288	15,306

**Inspected Shell Eggs**

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

Type	Year-To-Date*		
	2011	2010 /1	2011 /2
Jumbo	0	0	0
Extra Large	5,040	4,350	99,499
Large	9,030	9,839	195,361
Medium	990	1,076	39,001
Ungraded	534	9,212	220,194
Misc	0	0	1,440
Total	15,594	24,477	555,495

/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 Dec 17, 2011 (Preliminary)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,456	1,530	2,986
Last Week	1,155	1,477	2,632
Same week yr ago	1,177	1,594	2,771
To-date/2011*	65,478	75,031	140,509
To-date/2010*	66,370	69,396	135,766

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	293	12	305
Last Week	0	0	0
Same week yr ago	369	12	381
To-date/2011*	16,369	474	16,843
To-date/2010*	16,729	542	17,271

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	1,749	1,542	3,291
Last Week	1,155	1,477	2,632
Same week yr ago	1,546	1,606	3,152
To-date/2011*	81,847	75,505	157,352
To-date/2010*	83,099	69,938	153,037

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

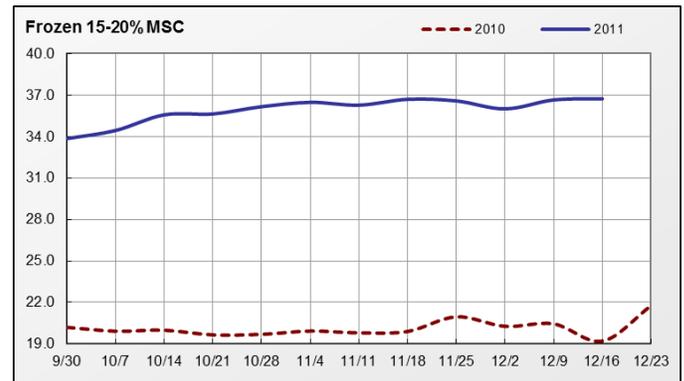
**National Mechanically Separated Chicken**

(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 all fat contents. Supplies were light to moderate. Schedules were normal. Domestic demand was moderate. Export demand was moderate to good with continued good interest on frozen 15-20%. The spot marketplace remains a bit stronger this week as buyers build inventories for the upcoming holidays and take advantage of cheaper contract pricing before the start of 2012. Industry breathes a heavy sigh, waiting to see how the marketplace develops in 2012; but for now it focuses on the fast approaching holiday and the many preparations associated. Contract negotiations for 2012 finalized on both a formula basis and at higher levels than 2011 and preceding years. Frame contracts also closed at much higher levels for 2012. Market activity was moderate to 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		
	16-Dec-11	Last Week	Last Year	16-Dec-11	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	-	-	32.00	31.00 - 32.00	18.00-19.00
Wtd Avg Price	-	-	-	32.00	31.80	18.50
Volume Traded	-	-	-	61	204	163
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	34.00 - 40.00	33.00 - 41.00	15.00-26.00	26.00 - 33.50	25.00 - 33.00	13.00-20.50
Wtd Avg Price	36.73	36.65	19.19	29.64	28.87	16.11
Volume Traded	1,640	1,474	1,794	4,264	3,683	3,994
Volume Exported	1,280	1,314	1,514	1,469	1,225	898
<b>20% or More</b>						
Price Range	-	-	-	22.50	22.50	18.00-20.00
Wtd Avg Price	-	-	-	22.50	22.50	19.33
Volume Traded	-	-	-	82	82	122
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Nov 2011	Oct 2011	Nov 2010	Nov 2011	Oct 2011	Nov 2010
<b>15% or Less</b>						
Wtd Avg Price	-	-	-	31.74	30.86	18.50
Volume Traded	-	-	-	469	592	530
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	36.48	35.47	20.04	27.39	28.01	15.85
Volume Traded	6,588	8,651	5,595	13,433	14,870	12,556
Volume Exported	5,465	7,811	4,755	2,285	3,182	2,856
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.55	-	19.38
Volume Traded	-	-	-	408	-	530
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 16 Dec 2011.

The market on bulk parts was steady. Demand was light. Offerings light to moderate. The market on white meat items is steady to weak. Demand was light. Offerings light to moderate, instances burdensome. The thigh meat market is steady. Demand and offerings light to moderate. Trading was slow to moderate with movement for export tom drums heavy. For domestic: fresh full cut wings 80 cents, hearts 44 cents, fresh tom necks 49 cents and fresh whole tenders 218 cents. For export: fresh mechanically separated turkey 33 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)
<b>Friday, December 16, 2011</b>						
Drumsticks, Toms	75.00		75.00	324	74.70	1,348
Wings Full-Cut - Toms		W	75.00	108	75.00	108
Wings, V-Type, Tom		M	85.00	108	85.00	108
Tails		R	51.00	54	51.00	132
Mechanically Separated 2/ Thigh Meat - Frozen		F W	30.00 148.00	160 54		
					148.00	54
<b>Thursday, December 15, 2011</b>						
Drumsticks, Toms	73.00-77.00		74.79	916		
Wings Full-Cut - Toms		W	75.00	108		
Wings, V-Type, Tom		M	85.00	108		
Tails	51.00		51.00	54		
Mechanically Separated 2/ Thigh Meat - Frozen		F W	30.00 148.00	160 54		
<b>Wednesday, December 14, 2011</b>						
Drumsticks, Toms		M	73.00	108		
Wings Full-Cut - Toms	75.00		75.00	108		
Wings, V-Type, Tom		M	85.00	108		
Tails	51.00		51.00	38		
Mechanically Separated 2/ Thigh Meat - Frozen	148.00	F	30.00	160		
			148.00	54		
<b>Tuesday, December 13, 2011</b>						
Drumsticks, Toms		M	73.00	108		
Wings Full-Cut - Toms						
Wings, V-Type, Tom		M	85.00	108		
Tails		M	51.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		F F	30.00 150.00	160 54		
<b>Monday, December 12, 2011</b>						
Drumsticks, Toms	73.00		73.00	108		
Wings Full-Cut - Toms						
Wings, V-Type, Tom	85.00		85.00	108		
Tails	51.00		51.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		F F	30.00 150.00	160 54		

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.