



U.S. Department of Agriculture	Agricultural Marketing Service	Poultry Programs	Market News and Analysis Branch
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Government of Russia Agricultural Development Forecast

Russia's Forecast of Socioeconomic Development for 2012 and planning period of 2012-2014 (the Forecast) offers a comprehensive outlook for Russia's agricultural development in 2012-2014. The Forecast takes into account the goals and priorities of Russia's social and economic development outlined by President Medvedev in his 2010 state-of-the-nation address and Russia's Strategy-2020. This forecast is based on the statistics of Russia's social and economic development through January-July 2011 and development forecasts of Russia's federal and local government bodies and the Central Bank of Russia. The document outlines different scenarios but recommends the moderately optimistic scenario that GDP should stabilize at the level of 3.3-3.25 in 2011-2014.

Meat and Meat Products Supply and Distribution, MMT

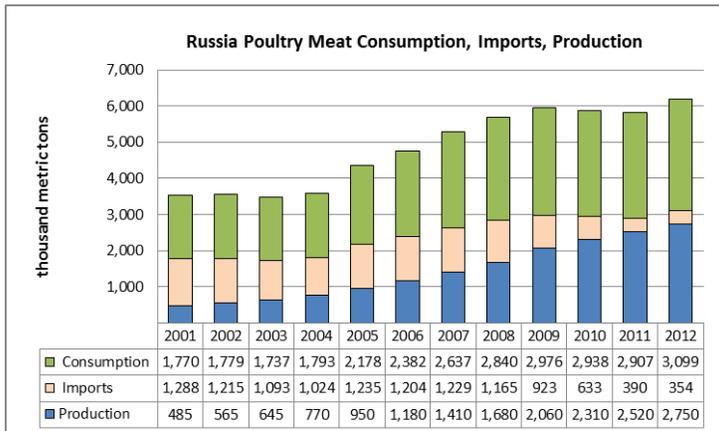
	2010a	2011e	2012f	2013f	2014f	2014/ 2010%
Meat supply, total	10.6	10.5	10.6	10.8	11.0	103.8
Production	7.2	7.5	7.9	8.2	8.6	119.5
Imports	2.6	2.3	2.1	1.9	1.9	70.4
Use	9.9	9.9	10.0	10.2	10.4	105.6
Domestic consumption	9.8	9.8	9.8	10.0	10.2	104.7

The Ministry of Economic Development (MED) estimates that production of livestock and poultry for slaughter (in slaughter weight) should grow by 4.9% year-over-year in 2011, mainly due to production of poultry and pork benefiting from an expected decline in imports and consumption growth.

In the future, given the "saturation" of Russia's meat market, insufficient infrastructure and existing problems with sales, production growth in key sub-sectors of livestock production will slow down. Production of poultry and pork in 2014 over 2010 should grow by 33% and 21% respectively. For comparison, poultry production increased 1.8 times in 2010 over 2006 and pork -1.4 times.

According to MED, "saturation" of the market with pork and poultry products will signal producers to redirect investment flows into construction of infrastructure facilities, technology improvement, and market research. Over the medium term, MED expects that the share of pork imports in its supply in supply in 2014 will account for 17.3% versus 25% in 2010, for poultry -8.3% versus 18.2%.

Source: USDA Foreign Agricultural Service GAIN Report RS1158



Source: Foreign Agricultural Service, Official USDA Estimates

Customs Union 2012 Meat and Poultry TRQs

Russia and Belarus are close allies with several interstate institutions, including the Union State, which provides many trade preferences. The two countries agreed to the 2012 supply and demand forecast of the Union State for some agricultural products, including import quotas for dairy, meat and poultry products, and refined sugar. They have a long-standing history of managing trade of dairy and sugar; 2012 will be the second year of planned exports of meat and poultry products. Belarus' quota to export meat and poultry products to Russia in 2012 is 270,000 MT, up 29% from the 2011 quota of 210,000 MT. Quotas were higher for beef and delicatessen, unchanged for pork and poultry. Russia's quota to export meat and meat products to Belarus is 1,200 MT, down from the 2011 quota of 1,500 MT.

Belarus' Meat and Poultry Quotas to Export to Russia

	2011	2012		2011	2012
Pork	20,000	20,000	Beef	130,000	135,000
Poultry	15,000	15,000	Delicatessen	45,000	100,000

On December 15, 2011, the Russia-Belarus-Kazakhstan Customs Union (CU) published Decision 865, establishing meat and poultry TRQ quantities for 2012. Compared to 2011 market access, total volumes are lowered for Russia (pork and poultry), increased for Kazakhstan (pork and beef) and unchanged for Belarus. Russia's TRQ tariffs, volumes, and definitions will change again to meet its WTO commitments as soon as it becomes a full-fledged member sometime in mid-2012.

A draft Ministry of Economic Development Resolution suggests Russia will break-out poultry into three separate quotas as defined in July 2011. It also suggests country-specific allocations will be issued for chilled beef, frozen beef, and boneless chicken meat.

Belarus' Deputy Minister of Agriculture stated Belarus will distribute quota among processors (not importers) with no country-specific allocations. Quota holders will decide themselves, based on a tender, where to source product.

Tariff Quotas Imposed on the Import of Poultry Products to the Territory of Customs Unions Member Countries

Volume of Tariff Quotas for 2012
Thousand MT

Description of Goods	Belarus	Kazakhstan	Russia
Poultry meat and byproducts under position 0105, fresh, chilled and frozen (CU HS 0207)	15	110	-
Frozen deboned chicken meat (CU HS 0207 14 200 1)			70
Frozen bone-in chicken legs and cuts from them (CU HS 0207 14 600 1)			250
Frozen deboned turkey meat (CU HS 02070270100 1)			10

Russia, Belarus and Kazakhstan signed a Declaration of Eurasian Economic Integration in November 2011, and a treaty forming the Eurasian Economic Commission in December 2011. The Eurasian Economic Commission will work towards creating the Eurasian Economic Union and a common economic system between the three countries. A Common Economic Space became effective January 1, 2012 and allows free movement of services, labor and capital within the Customs Union. Free movement of goods was already in effect.

Source: USDA Foreign Agricultural Service GAIN Reports RS1158, RS1164, RS1159, RS1081; news wires

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	50	0	2,479	4,844
Frozen	4	0	4	140
Dried	0	40	267	555
Total	54	40	2,750	5,539

Notice

The following report for Week Ending Dec 31, 2011,

U.S./Canadian Live Poultry Slaughtered Under Inspection

Will be updated as soon as data becomes available.

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

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Liquid	60	180	14,652	18,321
Frozen	40	0	1,038	683
Dried	0	0	54	200
Total	100	180	15,744	19,204

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	3,800	7,475	109,299	105,734
Large	14,235	9,246	222,846	183,321
Medium	750	577	39,773	42,485
Ungraded	9,960	192	238,950	312,958
Misc	0	0	1,440	1,710
Total	28,745	17,490	612,308	646,208

/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

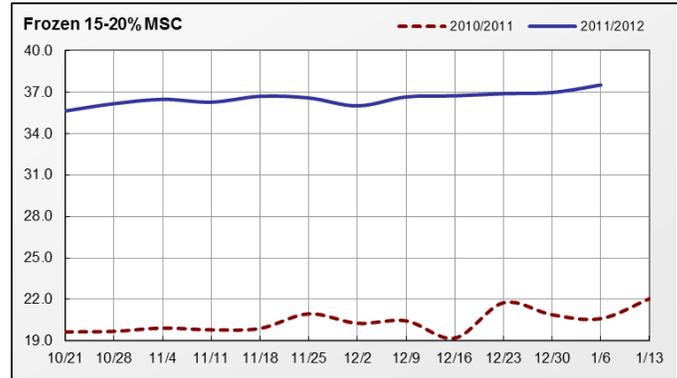
National Mechanically Separated Chicken

(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 for all MSC fat contents trended steady to firm. Supplies were light to moderate. Schedules were reduced for the New Year's Day holiday. Domestic demand was moderate. Export demand was moderate to good with good interest into Mexico, Central America, and the Caribbean. The spot marketplace remained strong coming off of the holiday; yet many wonder what the next few weeks will bring once things settle into a regular routine, especially since many buyers built up inventories in late 2011. After concluding the first week of new and significantly higher priced contracts, preparations paid off for most with smooth transitions. However many continue to be cautious both in the short and long term, vigilantly watching market developments in these unique and uncertain times. Market activity was moderate to active. Supplies of raw materials were light and sought after. Spot frame trading for this week was between 15-17 cents FOB.

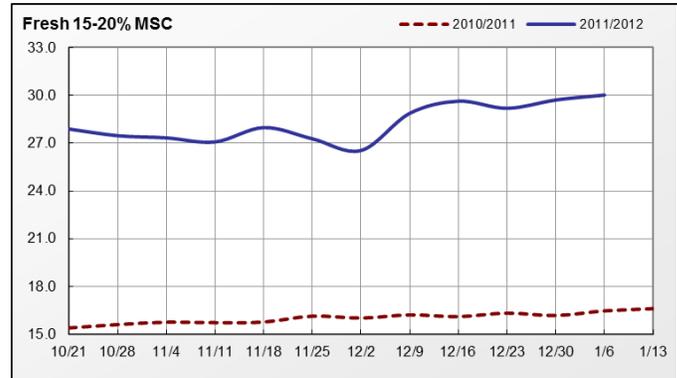
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	6-Jan-12	Last Week	Last Year	6-Jan-12	Last Week	Last Year
15% or Less						
Price Range			-	32.00	32.00	18.00-19.00
Wtd Avg Price			-	32.00	32.00	18.50
Volume Traded	-	-	-	184	163	245
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	35.50 - 40.00	34.00 - 40.00	15.00-26.00	27.00 - 34.00	26.00 - 33.00	13.00-20.50
Wtd Avg Price	37.51	36.97	20.60	30.02	29.71	16.47
Volume Traded	1,597	1,157	1,730	3,437	4,330	3,723
Volume Exported	1,517	1,037	1,450	530	938	408
20% or More						
Price Range	-	-	-	22.50	22.50	18.00-20.00
Wtd Avg Price	-	-	-	22.50	22.50	19.00
Volume Traded	-	-	-	82	41	163
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Dec 2011	Nov 2011	Dec 2010	Dec 2011	Nov 2011	Dec 2010
15% or Less						
Wtd Avg Price	-	-	-	31.89	31.74	18.48
Volume Traded	-	-	-	714	469	592
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	36.64	36.48	20.34	28.89	27.39	16.16
Volume Traded	6,422	6,588	7,720	19,182	13,433	17,110
Volume Exported	5,542	5,465	6,300	5,183	2,285	2,938
20% or More						
Wtd Avg Price	-	-	-	22.59	22.55	19.29
Volume Traded	-	-	-	449	408	571
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 06 Jan 2012.

The market on tom bulk parts is steady, instances weak on full cut wings. Demand and offerings light to moderate. The market on white meat is barely steady to weak. Demand limited. Offerings moderate. Trading was slow. For domestic: fresh scapula 137-138 cents, fresh Mechanically separated turkey 21-22 cents pet food, fresh full-cut wings 73-77 cents, fresh hen breast meat 225 cents, fresh tom necks 49 cents and fresh tails 49 cents. For export: fresh thigh meat 147 cents, frozen livers 31 cents and fresh tom drums 73-75 cents delivered to port or border.

Export Trading

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
Friday, January 06, 2012						
Drumsticks, Toms	74.00-76.00		74.67	120	74.67	120
Wings Full-Cut - Toms						
Wings, V-Type, Tom	95.00		95.00	162	95.00	162
Tails	51.00		51.00	216	51.94	256
Mechanically Separated 2/ Thigh Meat - Frozen		W F	34.00 148.34	108 242	34.00	108
Thursday, January 05, 2012						
Drumsticks, Toms		F	77.00	40		
Wings Full-Cut - Toms						
Wings, V-Type, Tom		F	100.00	208		
Tails		W	57.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		W F	34.00 148.34	108 242		
Wednesday, January 04, 2012						
Drumsticks, Toms		F	77.00	40		
Wings Full-Cut - Toms						
Wings, V-Type, Tom		F	100.00	208		
Tails	57.00		57.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen	34.00	F	34.00 148.34	108 242		
Tuesday, January 03, 2012						
Drumsticks, Toms		F	77.00	40		
Wings Full-Cut - Toms						
Wings, V-Type, Tom		F	100.00	208		
Tails		R	51.00	56		
Mechanically Separated 2/ Thigh Meat - Frozen		F	148.34	242		

No Export Trading Reported Monday, January 02, 2012, Due to New Year's 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.