



# INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture	Agricultural Marketing Service	Poultry Programs	Market News and Analysis
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## FAO Food Outlook

### Production

World poultry meat production is expected to increase 2% to 103.5 million metric tons (MMT) in 2012. The suppressed growth is attributed to high feed costs, avian influenza (AI) outbreaks, and ongoing trade disputes. Much of the increase will be provided by Asia (China, India, Japan, Republic of Korea, and Turkey), however AI outbreaks in 7 Asian countries in early 2012 blurs the regions outlook. Bangladesh closed an estimated 6,000 farms since the beginning of 2012 due to AI and feed costs.

Poultry production is expected to be stable in developed countries with slight gains in the EU and reduced outputs from the US in light of falling chick placements. Russia is projected to increase production 6% in 2012 (3.0 MMT) due to 10 new investment projects. Brazil will see an increase of 3% (12.0 MMT), while Mexico will increase 2% (2.9 MMT) as a result of vertical integration and higher priced competing proteins. Despite investments in Africa, high feed costs and rising imports are hindering production in Ghana, Angola, Benin, Congo, and Namibia. Likewise AI outbreaks in Egypt will hamper its domestic production; whereas production in South Africa will continue to increase in 2012 owing to imposed anti-dumping duties on US and Brazilian poultry imports.

### Imports

World poultry imports are projected to increase 3% in 2012 despite several import trade restrictions. Most of the increase will come from Hong Kong (SAR), Vietnam, Indonesia, Saudi Arabia, and United Arab Emirates (UAE). However the status of a government fodder subsidy granted to poultry operations in 2011 in Saudi Arabia will influence its imports; the reduction of the subsidy is pushing up poultry prices and stimulating import demand.

Russia, once the largest import market, is expected to increase its imports due to a World Trade Organization (WTO) induced increase in poultry tariff-rate quota. Increased poultry imports to Africa (Egypt, Angola, Benin, and Ghana) are a result of increased domestic demand. Imports now comprise 24% of domestic demand, which is up from 2009 (18%). Imports to Latin America and the Caribbean will be led by Chile, Mexico, and Venezuela. Due to anti-dumping duties imposed on US poultry, China may buy less in 2012; however some of the poultry being shipped to Hong Kong is likely to be re-exported to China. South Africa's anti-dumping tariffs on Brazilian poultry are

### World Meat Market at a Glance in Million Metric Tons (MMT)

WORLD BALANCE	2010	2011(e)	2012(f)	% Change
<b>Production</b>	<b>294.6</b>	<b>297.2</b>	<b>302.0</b>	<b>1.6</b>
Bovine Meat	67.5	67.5	67.5	-
Poultry Meat	98.2	101.6	103.5	1.8
Pigmeat	109.9	109.0	111.7	2.6
Ovine Meat	13.5	13.5	13.6	0.9
<b>Trade</b>	<b>26.6</b>	<b>28.5</b>	<b>29.2</b>	<b>2.4</b>
Bovine Meat	7.7	7.8	8.1	4.0
Poultry Meat	11.6	12.6	13.0	3.1
Pigmeat	6.2	7.1	7.0	-0.7
Ovine Meat	0.8	0.7	0.7	1.4

### SUPPLY AND DEMAND INDICATORS

#### Per caput food consumption

World (kg/year)	2010	2011	2012*	% Change
<b>World (kg/year)</b>	<b>42.5</b>	<b>42.3</b>	<b>42.5</b>	<b>0.5</b>
Developed (kg/year)	79.2	78.9	78.4	-0.5
Developing (kg/year)	32.4	32.3	32.8	1.5

Note: 2011(e)=Estimate. 2012(f)=Forecast.

FAO Meat Price Index (2002-2004=100)	2010	2011	2012*	% Change
<b>FAO Meat Price Index (2002-2004=100)</b>	<b>152.0</b>	<b>157.0</b>	<b>179.0</b>	<b>3.3</b>

Note: 2012\* = January-April.

Source: Food and Agriculture Organization of the United Nations, Food Outlook, May 2012

expected to negatively influence Brazilian poultry imports. Japan is also projected to import less as a result of increased domestic production.

### Exports

Despite the slow relisting of plants by Russia, Brazilian poultry exports are expected to increase 2% in 2012 with the help of a more favorable exchange rate. Thailand's exports are projected to increase in 2012 as a result of the EU's April 3, 2012 decision to lift an 8-year ban on raw poultry shipments effective July 1, 2012. Shipments by Turkey are forecast to rise after gaining access to the Saudi Arabian marketplace following a 6-year ban. Strong demand from Chile and Venezuela, as well as other regional countries, will continue to support Argentina's growing poultry exports. Conversely, US exports are projected to grow less than 1% in 2012 due to limited domestic production and more restricted market access. Poultry shipments from the EU in 2012 are also forecast to decline.

Source: Food and Agriculture Organization of the United Nations, Food Outlook, May 2012.

### Poultry Meat Statistics in Thousands of Metric Tons (TMT)

	PRODUCTION		IMPORTS		EXPORTS	
	2011(e)	2012(f)	2011(e)	2012(f)	2011(e)	2012(f)
<b>ASIA</b>	<b>36,128</b>	<b>37,374</b>	<b>6,921</b>	<b>7,309</b>	<b>2,524</b>	<b>2,798</b>
China	17,858	18,378	2,052	2,344	1,390	1,600
Hong Kong	46	47	1,501	1,800	777	954
India	2,900	3,200	2	1	9	10
Indonesia	1,728	1,760	1	1	-	-
Iran	1,723	1,775	63	65	26	26
Japan	1,345	1,385	1,098	1,054	4	10
Korea	600	630	145	130	27	28
Kuwait	47	49	200	200	1	1
Malaysia	1,420	1,450	41	42	24	27
Saudi Arabia	580	585	750	800	3	5
Singapore	95	95	137	145	11	12
Thailand	1,260	1,300	2	3	695	715
Turkey	1,620	1,720	90	95	242	270
Yemen	147	149	105	100	-	-
<b>AFRICA</b>	<b>4,813</b>	<b>4,882</b>	<b>1,479</b>	<b>1,569</b>	<b>20</b>	<b>19</b>
Angola	8	8	280	300	-	-
South Africa	1,537	1,550	351	350	11	10
<b>C. AMERICA</b>	<b>4,175</b>	<b>4,247</b>	<b>1,354</b>	<b>1,438</b>	<b>52</b>	<b>56</b>
Cuba	34	35	185	190	-	-
Mexico	2,798	2,854	739	782	19	23
<b>S. AMERICA</b>	<b>17,572</b>	<b>18,071</b>	<b>484</b>	<b>531</b>	<b>4,415</b>	<b>4,522</b>
Argentina	1,724	1,800	14	15	271	300
Brazil	11,641	11,990	2	3	4,004	4,084
Chile	650	670	81	90	117	118
Venezuela	950	980	280	310	-	-
<b>N. AMERICA</b>	<b>21,000</b>	<b>20,654</b>	<b>309</b>	<b>308</b>	<b>4,114</b>	<b>4,129</b>
Canada	1,220	1,230	209	211	182	182
US	19,780	19,424	94	92	3,931	3,947
<b>EUROPE</b>	<b>16,615</b>	<b>16,922</b>	<b>1,520</b>	<b>1,529</b>	<b>1,472</b>	<b>1,461</b>
EU	12,075	12,147	809	803	1,335	1,319
Russia	2,876	3,048	429	440	19	20
Ukraine	1,001	1,041	63	60	50	50
<b>OCEANIA</b>	<b>1,292</b>	<b>1,322</b>	<b>67</b>	<b>68</b>	<b>46</b>	<b>54</b>
Australia	1,117	1,142	8	8	39	45
New Zealand	150	155	1	1	7	9
<b>WORLD</b>	<b>101,594</b>	<b>103,473</b>	<b>12,133</b>	<b>12,752</b>	<b>12,643</b>	<b>13,039</b>
Developing	59,029	60,845	8,411	9,041	6,980	7,360
Developed	42,566	42,627	3,722	3,711	5,663	5,680

Note: 2011(e)=Estimate. 2012(f)=Forecast. C.AMERICA=Central America. S.AMERICA=South America. N.AMERICA=North America.

Source: Food and Agriculture Organization of the United Nations, Food Outlook, May 2012.

**INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE**

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

Type	Year-To-Date*			
	2012	2011 /1	2012 /2	2011
Liquid	48	46	479	481
Frozen	0	0	0	0
Dried	0	0	10	64
Total	48	46	489	545

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

Type	Year-To-Date*			
	2012	2011 /1	2012 /2	2011
Liquid	248	304	6,219	6,361
Frozen	5	52	383	321
Dried	0	0	0	0
Total	253	356	6,602	6,682

**INSPECTED SHELL EGGS**

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

Type	Year-To-Date*			
	2012	2011 /1	2012 /2	2011
Jumbo	0	0	0	0
Extra Large	2,670	2,040	32,160	30,079
Large	4,680	5,160	69,432	53,526
Medium	1,620	2,880	12,903	15,655
Ungraded	5,760	11,016	51,768	64,844
Misc	0	0	1,620	0
Total	14,730	21,096	167,883	164,104

/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 May 12, 2012 (Preliminary)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	2,025	1,598	3,623
Last Week	1,870	1,511	3,381
Same week yr ago	1,622	1,361	2,983
To-date/2012*	31,874	27,998	59,872
To-date/2011*	27,726	27,915	55,641

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

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	347	0	347
Last Week	242	0	242
Same week yr ago	542	0	542
To-date/2012*	5,914	36	5,950
To-date/2011*	7,673	153	7,826

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	2,372	1,598	3,970
Last Week	2,112	1,511	3,623
Same week yr ago	2,164	1,361	3,525
To-date/2012*	37,788	28,034	65,822
To-date/2011*	35,399	28,068	63,467

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

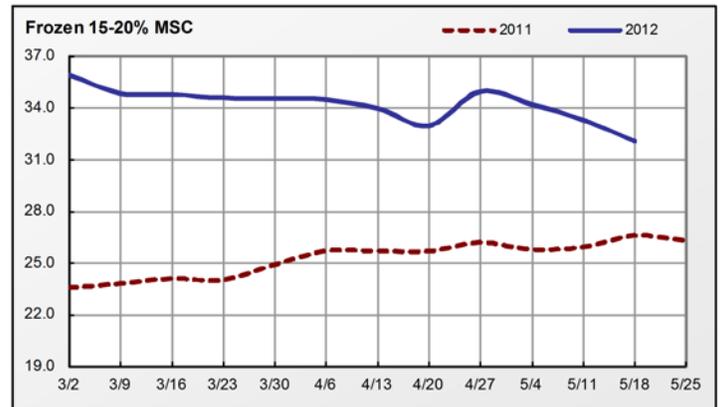
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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 about steady on all fat contents. Supplies are moderate. Schedules are normal. Domestic and export demand is light to moderate. Spot marketplace demand, as well as finished good production and movement are below seasonal expectations for many in industry. Many sellers continue to utilize all options and stay ahead on MSC sales in light of this lukewarm interest as well as the fast approaching Memorial Day holiday. Industry maintains a watchful eye and an attitude of caution with regard to the marketplace ahead. Market activity is light to moderate. Supplies of raw material are moderate to heavy. Spot frames traded between 11-15 cents FOB, mostly 12-14 FOB.

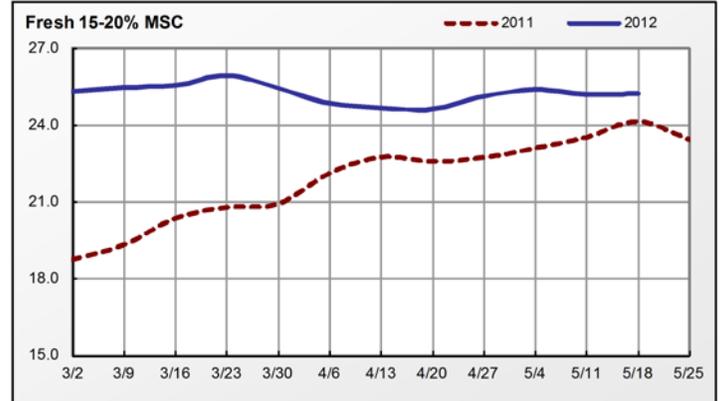
**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	18-May-12	Last Week	Last Year	18-May-12	Last Week	Last Year
<b>15% or Less</b>						
Price Range	28.00 - 30.00	-	-	27.00	26.00	25.00
Wtd Avg Price	28.60	-	-	27.00	26.00	25.00
Volume Traded	200	-	-	122	122	122
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	28.00 - 36.00	29.00 - 38.00	25.00-29.00	22.00 - 28.00	23.00 - 29.00	20.50-27.00
Wtd Avg Price	32.08	33.29	26.59	25.23	25.19	24.14
Volume Traded	2,595	2,049	1,534	3,716	3,837	3,498
Volume Exported	2,155	1,729	1,472	408	530	163
<b>20% or More</b>						
Price Range	-	-	-	22.50	22.50	20.00
Wtd Avg Price	-	-	-	22.50	22.50	20.00
Volume Traded	-	-	-	41	41	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Apr 2012	Mar 2012	Apr 2011	Apr 2012	Mar 2012	Apr 2011
<b>15% or Less</b>						
Wtd Avg Price	-	-	28.00	25.39	26.92	23.86
Volume Traded	-	-	80	367	775	714
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	33.93	34.92	25.64	24.83	25.56	22.23
Volume Traded	6,532	9,964	9,019	14,195	19,562	17,678
Volume Exported	5,292	8,629	7,939	1,997	4,264	245
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.50	22.30	19.20
Volume Traded	-	-	-	245	408	612
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 ([www.ams.usda.gov/pymarketnews.htm](http://www.ams.usda.gov/pymarketnews.htm))

**NATIONAL YOUNG TURKEY PARTS**

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 18 MAY 2012.

The market on white meat is steady to weak with trading reported at unchanged to lower prices. Demand light to moderate. Offerings light to heavy, mostly moderate to heavy. The market on tails is steady with the balance of tom bulk parts steady to weak, mostly steady. Demand light to moderate. Offers light to heavy, mostly light to moderate. For domestic: Grade A non-basted breasts - 8-10 lb. 167, 12-14 lb. 177-180, 14-16 175-177, 16-18 lb. breasts 175, 18-20 lb. 165, plant grade basted 16-18 lb. 161, frozen mature destrapped tenderloins with age 160, hen hand defatted gizzards 92, fresh tom necks 46-50 and tom wings 53, body chopping skin 41 cents delivered. For export: frozen mature destrapped tenderloins +6 months age 155 cents shipping point, fries 230-244 cents shipping point.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, MAY 18, 2012</b>						
DRUMSTICKS, TOMS	69.00		69.00	164	69.66	488
WINGS FULL-CUT - TOMS	54.00		54.00	218	55.33	326
WINGS, V-TYPE, TOM						
TAILS		R	51.00	108	51.00	108
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	99.00-104.0		102.25	336	102.08	390
<b>THURSDAY, MAY 17, 2012</b>						
DRUMSTICKS, TOMS		W	70.00	324		
WINGS FULL-CUT - TOMS	58.00		58.00	108		
WINGS, V-TYPE, TOM						
TAILS	51.00		51.00	108		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	101.00		101.00	54		
<b>WEDNESDAY, MAY 16, 2012</b>						
DRUMSTICKS, TOMS	70.00		70.00	324		
WINGS FULL-CUT - TOMS		R	50.38	432		
WINGS, V-TYPE, TOM		W	101.25	432		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	102.00	200		
<b>TUESDAY, MAY 15, 2012</b>						
DRUMSTICKS, TOMS		R	71.00	54		
WINGS FULL-CUT - TOMS		R	50.38	432		
WINGS, V-TYPE, TOM		W	101.25	432		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	102.00	200		
<b>MONDAY, MAY 14, 2012</b>						
DRUMSTICKS, TOMS		R	71.00	54		
WINGS FULL-CUT - TOMS		R	50.38	432		
WINGS, V-TYPE, TOM		W	101.25	432		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	102.00	200		

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):

M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ 15-20% fat with skin added.