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Mexico

On July 2, 2010 Bachoco, Patsa, and Buenaventura submitted a petition to the government of Mexico for an antidumping investigation on fresh, chilled or frozen United States (U.S.) chicken leg quarters exported to Mexico. Mexico's Secretariat of Economy (SE) on January 19, 2012 issued a preliminary determination of its antidumping investigation stating sufficient evidence was found to indicate dumping conditions existed on U.S. imports of leg quarters.

During the first quarter of 2012 98% of Mexico's chicken and turkey imports came from the U.S. with the balance coming from Chile and Canada. Imports account for 17-18% of total broiler meat supplies (note – this does not include all poultry meat) resulting in any tariffs affecting only 8-9% of Mexico's total broiler meat supplies. In 2013, unlike recent years, production growth should outpace demand and lead to a slight reduction in imports.

On July 31, 2012 the SE announced its official determination related to the anti-dumping investigation. The SE concluded that U.S. exporters participated in unfair trade practices which demand the imposition of compensatory duties. However, because of the AI H7N3 outbreak, Mexico will not impose duties until further notice due to poultry prices having increased to unjustifiably high levels.

On June 13, 2012 Mexico detected avian influenza H7N3 in its poultry flocks. The outbreak has been concentrated in the Mexico State of Jalisco. The State of Jalisco has a total of nearly 90 million layers, breeders and broilers. Official Mexican 2011 figures rank Jalisco as the largest producer of poultry meat and eggs in Mexico. The State of Jalisco poultry meat production represents 11.5% and table eggs 50.3% of total Mexico domestic production.

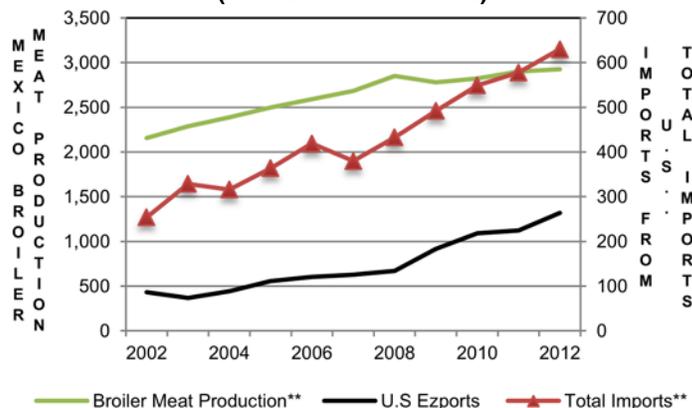
Approximately 6 million poultry have been destroyed of an affected 10.5 million bird population in response to the outbreak. Out of 384 production units sampled, 41 H7N3 isolates have been identified in poultry farms. Mexico aims to produce 80 million vaccinations to help put an end to the outbreak.

Egg prices in Mexico City, Mexico have climbed from the last week of June 2012 to the first week of July. From May 2, 2012 to August 8, 2012 wholesale prices have climbed 61% while retail prices have risen 71% in Iztapalapa, Mexico City, Mexico in response to the outbreak.

In order to help stabilize egg prices, the SE announced intentions to open a 221,000 metric ton tariff-free tariff rate quota to help stabilize egg prices. The lack of cold storage infrastructure could curb U.S. egg imports due to refrigeration requirements by Mexican and U.S. law. Instead, it is felt by some the U.S. could see increased powdered egg exports to Mexico for use by the food processing industry.

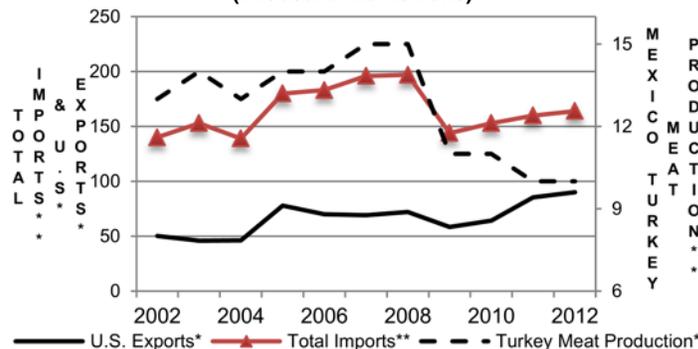
Sources: USDA, AMS, Poultry Market News & Analysis, International Egg & Poultry Review, February 14, 2012; USDA, FAS Gain Report Numbers MX2049, MX2058; Promed-mail. Avian Influenza (48): Mexico (JA) High Path H7N3, Poultry, Vac. ProMed Mail 2012, 30 Jul: 20120730.1220354. www.promedmail.org Accessed 08 August 2012; ThePoultrySite; Sistema Nacional de Informacion e Integracion de Mercados (SNIIM)

Mexico Broiler Meat Comparisons
U.S. Exports*, Total Imports** & Mexico Production**
(Thousand Metric Tons)



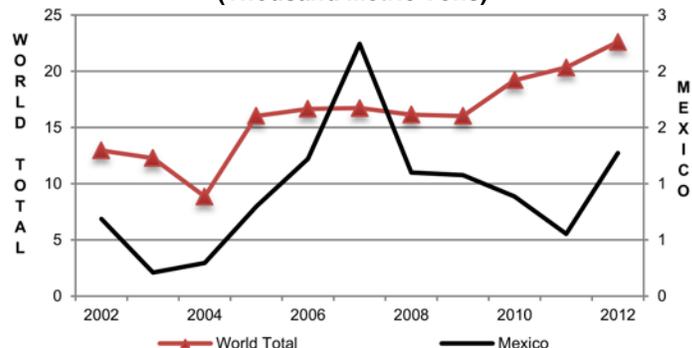
* January – June cumulative totals
** Official USDA Estimates
Sources: USDA, Foreign Agricultural Service Official USDA Estimates; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

Mexico Turkey Meat Comparisons
U.S. Exports*, Total Imports** & Mexico Production**
(Thousand Metric Tons)



* January – June cumulative totals
** Official USDA Estimates
Sources: USDA, Foreign Agricultural Service Official USDA Estimates; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

U.S. Egg Product Mexico & World Total Exports
January-June Comparisons
(Thousand Metric Tons)



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

INSPECTED EGG PRODUCTS –

U.S. & CANADA IMPORT/EXPORT TRADE

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

Type	2012		Year-To-Date*	
	2012	2011 /1	2012 /2	2011
Liquid	0	0	726	819
Frozen	0	0	0	0
Dried	0	0	51	139
Total	0	0	777	958

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

Type	2012		Year-To-Date*	
	2012	2011 /1	2012 /2	2011
Liquid	298	313	8,910	9,782
Frozen	48	10	775	580
Dried	0	0	0	48
Total	346	323	9,685	10,410

Inspected Shell Eggs

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

Type	2012		Year-To-Date*	
	2012	2011 /1	2012 /2	2011
Jumbo	0	0	0	0
Extra Large	1,770	450	55,841	45,079
Large	3,854	4,335	112,066	83,867
Medium	960	900	20,520	25,995
Ungraded	2,156	144	72,614	81,194
Misc	0	0	1,620	600
Total	8,740	5,829	262,661	236,735

/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

WEEKLY U.S./CANADIAN LIVE POULTRY

SLAUGHTERED UNDER INSPECTION

Week Ending 04-Aug-12

U.S. fowl slaughtered domestically

Thousands	Light	Heavy	Total
	Hens	Hens	
Head	1,034	1,793	2,827
Last Week	703	1,721	2,424
Same week yr ago	1,135	1,872	3,007
To-date/2012*	48,162	48,615	96,777
To-date/2011*	42,550	47,893	90,443

U.S. fowl slaughtered in Canada

Thousands	Light	Heavy	Total
	Hens	Hens	
Head	149	0	149
Last Week	345	0	345
Same week yr ago	379	0	379
To-date/2012*	8,780	36	8,816
To-date/2011*	11,798	285	12,083

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

Thousands	Light	Heavy	Total
	Hens	Hens	
Head	1,183	1,793	2,976
Last Week	1,048	1,721	2,769
Same week yr ago	1,514	1,872	3,386
To-date/2012*	56,942	48,651	105,593
To-date/2011*	54,348	48,178	102,526

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

NATIONAL MECHANICALLY SEPARATED CHICKEN

(F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound, delivery within 2 weeks)

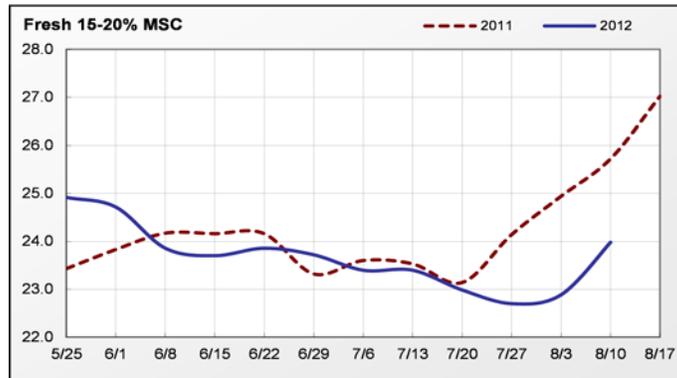
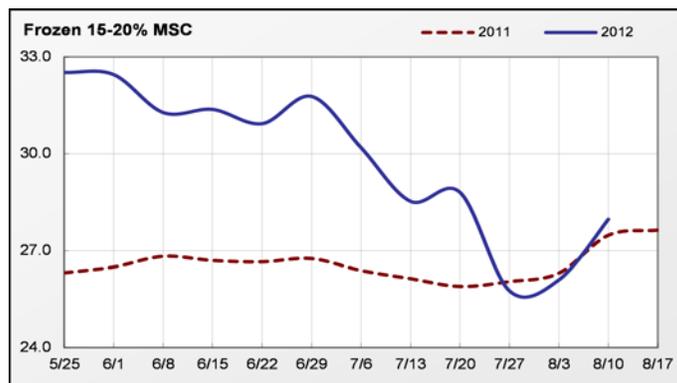
MSC prices are trending mostly steady on all fat contents. Demand into export and domestic channels are light to moderate. Supplies are moderate to heavy. Schedules are normal. Most dealers continue to stay out front on spot sales of MSC and frames. Industry as a whole continue to closely monitor the marketplace, especially the grain markets, to strategize possible company positions; however many continue to wait and see how market factors play out before entering contract negotiations. Market activity is slow to moderate. Supplies of raw materials are moderate to heavy. Spot frames traded between 10-14 cents FOB, mostly 11-12 FOB.

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

Fat Content	Frozen			Fresh		
	10-Aug-12	Last Week	Last Year	10-Aug-12	Last Week	Last Year
15% or Less						
Price Range	-	-	-	25.00 - 26.00	25.00 - 26.00	25.00
Wtd Avg Price	-	-	-	25.83	25.67	28.00
Volume Traded	-	-	-	245	122	82
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	26.00 - 30.00	22.00 - 29.00	25.00-32.00	22.00 - 26.00	18.50 - 26.00	22.00-28.25
Wtd Avg Price	27.96	26.09	27.47	23.98	22.88	25.72
Volume Traded	2,123	3,184	1,537	3,917	4,743	3,977
Volume Exported	1,963	2,624	1,297	82	326	694
20% or More						
Price Range	-	-	-	22.00	22.00	20.00-21.00
Wtd Avg Price	-	-	-	22.00	22.00	20.50
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-

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

Fat Content	Frozen			Fresh		
	Jul 2012	Jun 2012	Jul 2011	Jul 2012	Jun 2012	Jul 2011
15% or Less						
Wtd Avg Price	-	32.00	-	25.76	25.24	24.43
Volume Traded	-	160	-	510	653	571
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	27.83	31.55	26.21	23.15	23.93	23.56
Volume Traded	7,907	7,367	8,116	18,068	22,914	22,513
Volume Exported	6,091	6,987	7,486	1,591	1,591	2,122
20% or More						
Wtd Avg Price	-	-	-	22.20	22.33	20.00
Volume Traded	-	-	-	204	367	408
Volume Exported	-	-	-	-	-	-



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 10 AUGUST 2012.

The market on bulk parts was steady, instances firm. Demand and offerings were light to moderate. The market on fresh tom breast meat is steady to firm, balance of white meat steady. Demand on fresh tom breast meat was moderate, instances good, balance of white meat light to moderate. Offerings of fresh tom breast meat and the balance of white meat light to moderate. The market on thigh meat was steady, instances firm. Demand and offerings light to moderate. Trading was slow to moderate. For domestic: grade A breast non basted 14-16 lbs. 165 cents, plant grade non basted breast 16-18 lbs. 160 cents delivered. For export: fresh tom drum 52 cents, frozen hen drums 52 cents and frozen livers 28.5 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, AUG 10, 2012						
DRUMSTICKS, TOMS		R	63.00	108	63.00	108
WINGS FULL-CUT - TOMS		F	44.00	80		
WINGS, V-TYPE, TOM		R	96.00	54	90.00	162
TAILS	50.00		50.00	40	50.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	98.00		98.00	120	98.00	120
THURSDAY, AUG 09, 2012						
DRUMSTICKS, TOMS	63.00		63.00	108		
WINGS FULL-CUT - TOMS		F	44.00	80		
WINGS, V-TYPE, TOM	96.00		96.00	54		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
WEDNESDAY, AUG 08, 2012						
DRUMSTICKS, TOMS		F	57.00	40		
WINGS FULL-CUT - TOMS		F	44.00	80		
WINGS, V-TYPE, TOM	87.00		87.00	108		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
TUESDAY, AUG 07, 2012						
DRUMSTICKS, TOMS		F	57.00	40		
WINGS FULL-CUT - TOMS		F	44.00	80		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN						
MONDAY, AUG 06, 2012						
DRUMSTICKS, TOMS		F	57.00	40		
WINGS FULL-CUT - TOMS		F	44.00	80		
WINGS, V-TYPE, TOM						
TAILS						
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/ 15-20% fat with skin added.