



# INTERNATIONAL EGG AND POULTRY REVIEW



## Saudi Arabia

Saudi Arabia's poultry consumption has been growing steadily growing at an average annual rate of 5% over the last 2 decades. Despite the steady growth in poultry consumption, Saudi Arabia's domestic poultry production has not kept pace with demand. In 2007 Saudi Arabia's poultry production satisfied about 51% of its consumption needs. However, in 2011 poultry production had declined to 420,000 metric tons (MT) from 490,400 MT in 2007 resulting in domestic production satisfying 35% of Saudi Arabia's needs and Saudi Arabia increasing poultry imports 60%.

Broiler meat consumption is expected to keep growing in Saudi Arabia over the next few years due several reasons which include chicken meat currently being the most competitive animal protein source and a growing preference by increasingly diet conscious consumers for chicken meat.

Brazil has been the leading broiler meat exporter to Saudi Arabia over the last several years. In 2011 79% of Saudi Arabia's imports came from Brazil. Ranking after Brazil for exporting poultry meat to Saudi Arabia, is France while Argentina and Uruguay are a distant third and fourth. For 2011 it is estimated Saudi Arabia imported 786,248 MT, an increase of about 16% from 2010.

In 2013 Saudi Arabia's total broiler meat imports are forecasted to drop 4% from 750,000 MT in 2012 to 720,000 MT in 2013 due to an expected increase in 2013 production. Some feel broiler meat imports will continue its decline through 2015 when the country's major poultry producers complete their expansion plans.

The Saudi Arabian government encourages the establishment of new poultry farms and the expansion of existing ones in order to attain the maximum possible broiler meat production self-sufficiency. However, the country's poultry farms entirely depend on imported production equipment, labor and feed. Saudi Arabia provides interest free loans to new viable poultry farms, and various subsidies for animal feed based on energy and protein levels, buy select poultry equipment, build cold storage facilities and various other items to compensate for the higher production costs.

In an effort to halt soaring domestic poultry prices the Saudi Ministry of Commerce and Industry issued a decree on October, 3, 2012 banning the export of locally produced broilers. Saudi Arabia poultry importers and local producers are blaming the price hikes to the rising cost of feed ingredients with some rising as much as 40%. Also, the Ministry of Agriculture has indicated there has been a significant decline in poultry production this year due to a higher than normal mortality rate and outbreaks of diseases on many farms.

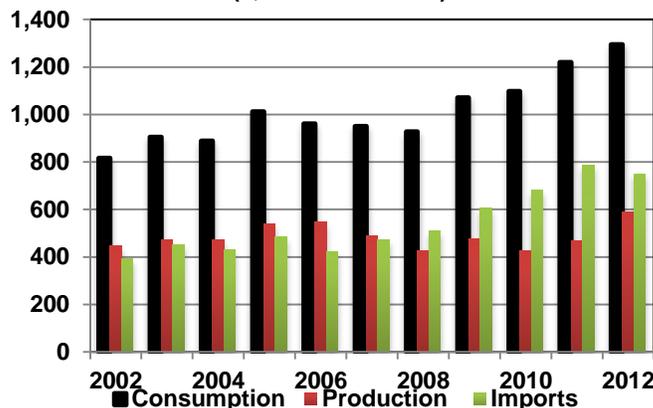
The customs duty on imported chicken is 5% ad valorem duty. In order to protect local food processors and production from competitively priced imports, Saudi Arabia ties import duties to the level of local production of similar products. As a general rule, the maximum import tariff rate of 40% is applied when local production of food or agricultural product exceeds self-sufficiency level.

Poultry shipments must be accompanied by a "Halal" slaughter certificate issued by an Islamic center in the country of origin. The slaughtering must have taken place in an officially licensed plant in accordance with Islamic procedures. A certificate must also be included stating the poultry slaughtered were not fed with feed containing animal protein, animal-fats, animal manure and that the animals were not treated with growth hormones.

Imported poultry meat and products must meet all existing Saudi poultry quality standards and specifications which also include biotech labeling, production & expiration date regulations and Arabic labeling requirements.

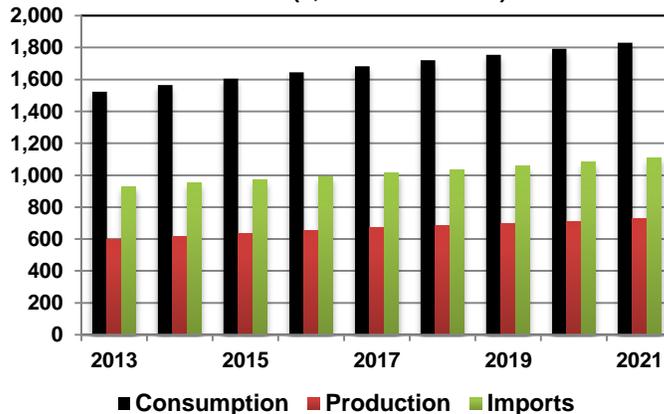
Sources: USDA, Foreign Agricultural Service Gain Report Numbers SA1113, SA1213, SA2009; USDA, Foreign Agricultural Service Gain Report Saudi Arabia Agricultural Biotechnology Annual 2012

**Saudi Arabia Total Poultry Meat Comparisons  
2002-2012 Domestic Consumption, Production & Imports  
(1,000 Metric Tons)**



Source: USDA, Foreign Agricultural Service, Official USDA Estimates

**Saudi Arabia Total Broiler Meat  
2013-2021 Domestic Consumption, Production & Import  
Forecasts (1,000 Metric Tons)**



Source: USDA, Economic Research Service, International Baseline Projections

**U.S. Poultry Exports to Saudi Arabia  
January-September Comparisons  
(Metric Tons)**

	2008	2009	2010	2011	2012
<b>Broiler Meat</b>	4,152	1,966	2,622	3,133	6,263
<b>Turkey Meat</b>	373	204	200	724	190
<b>Egg Products</b>	161	611	338	247	114
<b>Total</b>	<b>4,686</b>	<b>2,781</b>	<b>3,160</b>	<b>4,104</b>	<b>6,567</b>

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	Year-To-Date*			
	2012	2011 /1	2012 /2	2011
Liquid	3	0	1,555	1,984
Frozen	0	0	0	0
Dried	0	0	277	219
Total	3	0	1,832	2,203

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

Type	Year-To-Date*			
	2012	2011 /1	2012 /2	2011
Liquid	64	263	10,738	13,248
Frozen	27	14	1,102	923
Dried	0	0	50	54
Total	91	277	11,890	14,225

**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	3,030	3,660	95,442	81,949
Large	2,400	11,550	184,146	171,604
Medium	800	60	27,935	37,111
Ungraded	16,590	15,894	236,834	206,534
Misc	0	0	1,620	1,440
Total	22,820	31,164	545,977	498,638

/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 10, 2012 (Preliminary)

	U.S. Fowl Slaughtered Domestically		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,181	1,406	2,587
Last Week	892	1,368	2,260
Same week yr ago	1,155	1,464	2,619
To-date/2012*	66,623	72,232	138,855
To-date/2011*	60,879	69,697	130,576

	U.S. Fowl Slaughtered in Canada		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	187	0	187
Last Week	312	0	312
Same week yr ago	140	13	153
To-date/2012*	11,885	36	11,921
To-date/2011*	15,164	439	15,603

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	1,368	1,406	2,774
Last Week	1,204	1,368	2,572
Same week yr ago	1,295	1,477	2,772
To-date/2012*	78,508	72,268	150,776
To-date/2011*	76,043	70,136	146,179

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

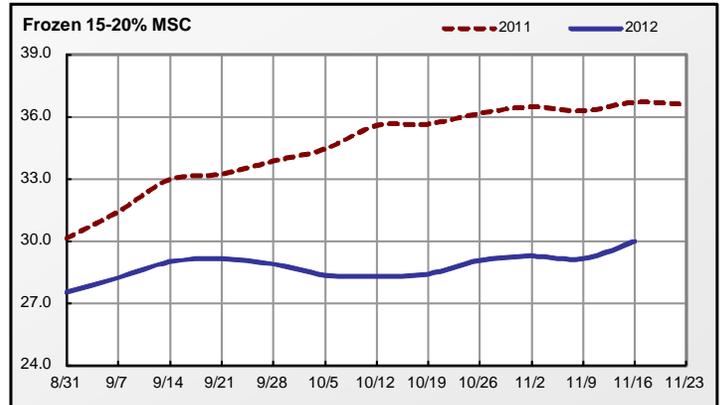
**NATIONAL MECHANICALLY SEPARATED CHICKEN**

(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 are trending steady on all fat contents. Supplies are mostly moderate. Schedules are normal. Domestic and export demand is light to moderate as most of the Industry maintains a close eye on the marketplace as producers continue to stay ahead on sales of MSC and frames. Contract negotiations for 2013 persist at price levels similar to lower than last year, as well as some formula based pricing. Market activity is slow to moderate. Raw material supplies are moderate. Spot frames traded between 11-13 cents FOB, mostly 12-13 FOB.

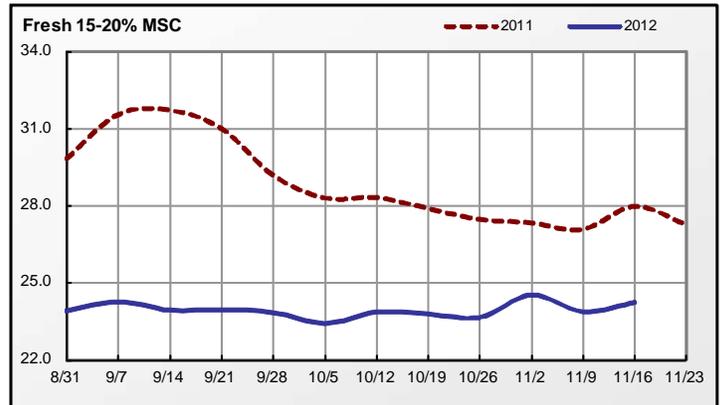
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	16-Nov-12	Last Week	Last Year	16-Nov-12	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	-	-	24.00 - 26.00	24.00 - 26.00	31.00-32.00
Wtd Avg Price	-	-	-	24.62	25.50	31.67
Volume Traded	-	-	-	265	163	122
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	28.00 - 34.00	27.00 - 31.00	34.00-40.00	21.00 - 27.00	20.00 - 27.00	22.00-35.00
Wtd Avg Price	29.99	29.15	36.69	24.23	23.88	27.98
Volume Traded	1,945	1,620	1,325	4,345	4,610	3,040
Volume Exported	1,505	1,300	1,162	490	490	204
<b>20% or More</b>						
Price Range	-	-	-	22.00	22.00	22.50
Wtd Avg Price	-	-	-	22.00	22.00	22.50
Volume Traded	-	-	-	82	82	122
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Oct 2012	Sep 2012	Oct 2011	Oct 2012	Sep 2012	Oct 2011
<b>15% or Less</b>						
Wtd Avg Price	31.00	30.00	-	25.16	25.50	30.86
Volume Traded	80	80	-	632	653	592
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	28.54	28.84	35.47	23.66	24.00	28.01
Volume Traded	7,585	8,600	8,651	15,891	17,085	14,870
Volume Exported	5,985	8,080	7,811	1,510	2,203	3,182
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.00	22.29	-
Volume Traded	-	-	-	245	286	-
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 16 NOVEMBER 2012.

The market on bulk parts was steady. Demand and offerings was light to moderate. The market on tom breast meat not fully tested, undertone is steady to weak. Demand was light. Offerings moderate to heavy. Thigh meat market was steady, instances firm. Demand was light to moderate. Offerings light. Trading was slow. For domestic: fresh tails 53 cents, fresh mechanically separated turkey 17.5-20 cents for pet food, fresh tom necks 46 cents, fresh full cut wings 43 cents, frozen grade A breast basted 8-10 lbs. 140 cents, 10-12 lbs. 145 cents, non-basted 8-10 lbs. 158 cents, 10-12 lbs. 163-165 cents, 12-14 lbs. 170 cents, 14-16 lbs. 173-175 cents, 16-18 lbs. 175 cents delivered. For export: livers 29 cents, fresh thigh meat 138.25 cents, fresh tom drums 58 cents delivered to border or port.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, NOVEMBER 16, 2012</b>						
DRUMSTICKS, TOMS	72.00		72.00	80	70.39	134
WINGS FULL-CUT - TOMS	43.00-45.00		43.54	148	43.71	168
WINGS, V-TYPE, TOM		T	92.50	324	92.50	324
TAILS	54.00		54.00	108	53.46	148
MECHANICALLY SEPARATED 2/	36.00		36.00	54	36.00	54
THIGH MEAT - FROZEN		F	143.00	162		
<b>THURSDAY, NOVEMBER 15, 2012</b>						
DRUMSTICKS, TOMS		T	68.00	54		
WINGS FULL-CUT - TOMS		T	45.00	20		
WINGS, V-TYPE, TOM		T	92.50	324		
TAILS		T	52.00	40		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN		F	143.00	162		
<b>WEDNESDAY, NOVEMBER 14, 2012</b>						
DRUMSTICKS, TOMS		T	68.00	54		
WINGS FULL-CUT - TOMS		T	45.00	20		
WINGS, V-TYPE, TOM		T	92.50	324		
TAILS		T	52.00	40		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN		F	143.00	162		
<b>TUESDAY, NOVEMBER 13, 2012</b>						
DRUMSTICKS, TOMS	68.00		68.00	54		
WINGS FULL-CUT - TOMS	45.00		45.00	20		
WINGS, V-TYPE, TOM	92.00-93.00		92.50	324		
TAILS	52.00		52.00	40		
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN		F	143.00	162		
<b>MONDAY, NOVEMBER 12, 2012</b>						
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/						
THIGH MEAT - FROZEN						

No Trading Reported due to Veteran's Day Holiday.

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.