



INTERNATIONAL EGG AND POULTRY REVIEW



MARCH 05, 2013
VOL. 16 NO. 10

ISSN 1522-5100

U.S. Department of Agriculture

Agricultural Marketing Service

Livestock, Poultry and Seed Programs

Market News

Mexico's Poultry Situation

On February 28, 2013 Mexico reported 11 outbreaks of highly pathogenic avian influenza (HPAI) H7N3 subtype (1 broiler, 5 breeder, and 5 commercial layer farms) in Guanajuato state to the World Organization for Animal Health (OIE). About 1,014,018 birds were affected. Depopulation and control measures are in place. As of February 4, 2013 the US has still not recognized Mexico or parts of Mexico as free of Exotic Newcastle Disease (END) despite Mexico's animal health authorities' declarations of such since February 2012. The matter remains under discussion by USDA APHIS.

According to FAS Gain Report MX0059, poultry production represented 63.3% of all Mexican livestock production in 2009 (chicken 34%, turkey 0.2%, and eggs 29.1%). Broiler meat production is concentrated in 14 states. Of total poultry production, broiler meat represents 92%. Turkey production is concentrated in 2 states: Yucatan (27%) and Chihuahua (16%). Mexican egg production (75%) is concentrated in 3 states: Jalisco, Puebla, and Sonora.

Mexico's Production, Supply, and Demand (Thousand Metric

Tons (TMT) and Kilograms (KG))

| Broiler Meat | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------|-------|-------|-------|-------|-------|-------|-------|
| Production | 2,683 | 2,853 | 2,781 | 2,822 | 2,906 | 2,945 | 2,950 |
| Imports | 380 | 433 | 492 | 549 | 578 | 630 | 640 |
| Exports | 2 | 5 | 9 | 7 | 11 | 11 | 12 |
| Dom. Cons. | 3,061 | 3,281 | 3,264 | 3,364 | 3,473 | 3,564 | 3,578 |

Turkey Meat

| | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|-----|
| Production | 15 | 15 | 11 | 11 | 13 | 14 | 13 |
| Imports | 196 | 197 | 144 | 153 | 152 | 170 | 155 |
| Exports | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Dom. Cons. | 211 | 212 | 155 | 163 | 164 | 183 | 167 |

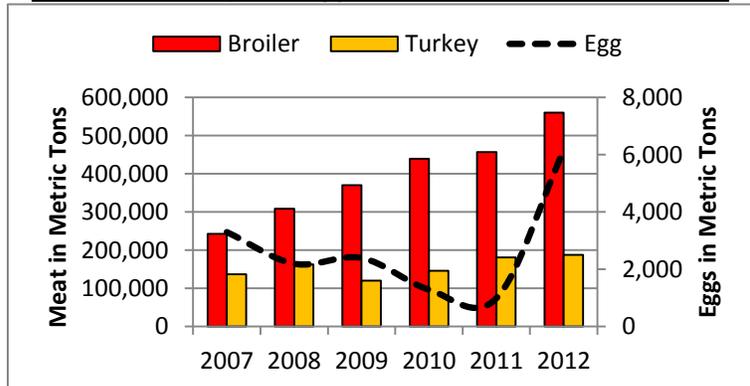
Note: Dom. Cons. = Domestic Consumption. Source: USDA FAS, PSD Online, Unofficial USDA Estimates

Broiler meat production in Mexico is projected to unofficially be 2.975 MMT (million metric tons) in 2013, slightly higher than 2012 (2.965 MMT) and higher than 2011 (2.906 MMT). Egg production in Mexico is projected to unofficially be 2.3 MMT in 2013. UNA estimates egg production in 2012 at 2.4 MMT. In 2011, about 11% of Mexico's domestic egg production was exported.

Broiler meat consumption in 2013 is unofficially forecast to be 3.607 MMT, higher than 2012 (3.568 MMT) and 2011 (3.484 MMT). Despite being higher, consumption growth is slowing and per capita consumption levels are relatively flat. Per capita annual egg consumption in Mexico was estimated at 22.5 kg (330 eggs) per person; however consumption was lowered to 20.6 kg (291 eggs) per person as a result of the HPAI outbreak.

Imports are unofficially forecast at 640,000 MT in 2013, higher than 2012 (610,000 MT) and 2011 (578,000 MT). The US is expected to continue as Mexico's main supplier in 2013. US imports represented 98% of total chicken and turkey imports in the second half of 2012 and 2011. Remaining imports came from Canada and Chile. Imports are primarily mechanically deboned meat and chicken leg quarters

US Broiler, Turkey, and Egg Exports to Mexico in Metric Tons



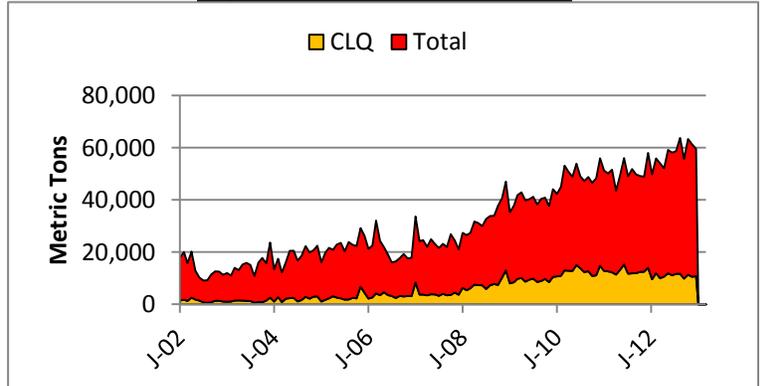
Mexico Poultry Slaughter by State (2009)

| State | Head | % Total | State | Head | % Total |
|------------|-------|---------|-----------------|------|---------|
| Jalisco | 128.9 | 18.0% | Hidalgo | 37.0 | 5.2% |
| Comarca* | 87.7 | 12.2% | Chiapas | 38.5 | 5.4% |
| Queretaro | 81.7 | 11.3% | Aguascalientes | 27.7 | 3.9% |
| Puebla | 65.1 | 9.1% | San Luis Potosi | 22.6 | 3.2% |
| Sinaloa | 76.9 | 10.7% | Sonora | 15.0 | 2.1% |
| Yucatan | 58.0 | 8.1% | Nayarit | 3.2 | 0.5% |
| Nuevo Leon | 17.4 | 2.4% | Chihuahua | 1.0 | 0.1% |
| Guanajuato | 38.8 | 5.4% | Veracruz | 18.0 | 2.6% |
| Total | 764.2 | 100.0% | | | |

Note: Head in Millions. % of Total Slaughter=Percentage of Total Slaughter. Comarca*=Comarca Lagunera. Source: USDA FAS Gain Report MX0059/National Poultry Men's Union (UNA)

(CLQ). Broiler meat imports represented 17% (0.610 MMT) of Mexico's total broiler meat supplies (3.575 MMT) in 2012. Of broiler meat imports, about 40% (0.244 MMT) is comprised of chicken leg quarters from the US (7% of Mexico's total broiler meat supplies). However Mexico has yet to impose any duties on US CLQs as part of the final resolution of the antidumping case. Egg and egg product imports from the US increased substantially in 2012 due to HPAI outbreaks in 2012 in Jalisco, the largest producing state of poultry meat and eggs. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/ USDA FAS Gain Reports MX3011 & MX0059/USDA FAS, PSD Online, Unofficial USDA Estimates/OIE/Promed/News Wires

Total US Broiler Meat and US Chicken Leg Quarter (CLQ) Exports to Mexico in Metric Tons



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

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

| Type | Year-To-Date* | | | |
|--------|---------------|---------|---------|------|
| | 2013 | 2012 /1 | 2013 /2 | 2012 |
| Liquid | 97 | 0 | 530 | 151 |
| Frozen | 0 | 0 | 0 | 0 |
| Dried | 16 | 0 | 19 | 0 |
| Total | 113 | 0 | 549 | 151 |

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

| Type | Year-To-Date* | | | |
|--------|---------------|---------|---------|-------|
| | 2013 | 2012 /1 | 2013 /2 | 2012 |
| Liquid | 334 | 408 | 1,917 | 2,594 |
| Frozen | 8 | 16 | 237 | 230 |
| Dried | 0 | 0 | 4 | 0 |
| Total | 342 | 424 | 2,158 | 2,824 |

INSPECTED SHELL EGGS

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

| Type | Year-To-Date* | | | |
|-------------|---------------|---------|---------|--------|
| | 2013 | 2012 /1 | 2013 /2 | 2012 |
| Jumbo | 0 | 0 | 0 | 0 |
| Extra Large | 2,790 | 1,140 | 9,560 | 6,390 |
| Large | 4,860 | 5,840 | 10,980 | 8,036 |
| Medium | 750 | 30 | 4,078 | 3,330 |
| Ungraded | 720 | 1,440 | 9,419 | 9,246 |
| Misc | 0 | 0 | 0 | 0 |
| Total | 9,120 | 8,450 | 34,037 | 27,002 |

/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 Feb 23, 2013 (Preliminary)

| | U.S. Fowl Slaughtered Domestically | | Total Hens |
|---------------------|------------------------------------|------------|------------|
| | Light Hens | Heavy Hens | |
| -----Thousands----- | | | |
| Head | 1,495 | 1,171 | 2,666 |
| Last Week | 1,310 | 1,433 | 2,743 |
| Same week yr ago | 1,302 | 1,457 | 2,759 |
| To-date/2013* | 12,659 | 11,480 | 24,139 |
| To-date/2012* | 12,192 | 12,371 | 24,563 |

| | U.S. Fowl Slaughtered in Canada | | Total Hens |
|---------------------|---------------------------------|------------|------------|
| | Light Hens | Heavy Hens | |
| -----Thousands----- | | | |
| Head | 87 | 0 | 87 |
| Last Week | 200 | 0 | 200 |
| Same week yr ago | 182 | 0 | 182 |
| To-date/2013* | 2,262 | 0 | 2,262 |
| To-date/2012* | 2,062 | 36 | 2,098 |

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

| | Total U.S. Fowl Slaughtered in the U.S. and Canada | | Total Hens |
|---------------------|--|------------|------------|
| | Light Hens | Heavy Hens | |
| -----Thousands----- | | | |
| Head | 1,582 | 1,171 | 2,753 |
| Last Week | 1,510 | 1,433 | 2,943 |
| Same week yr ago | 1,484 | 1,457 | 2,941 |
| To-date/2013* | 14,921 | 11,480 | 26,401 |
| To-date/2012* | 14,254 | 12,407 | 26,661 |

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

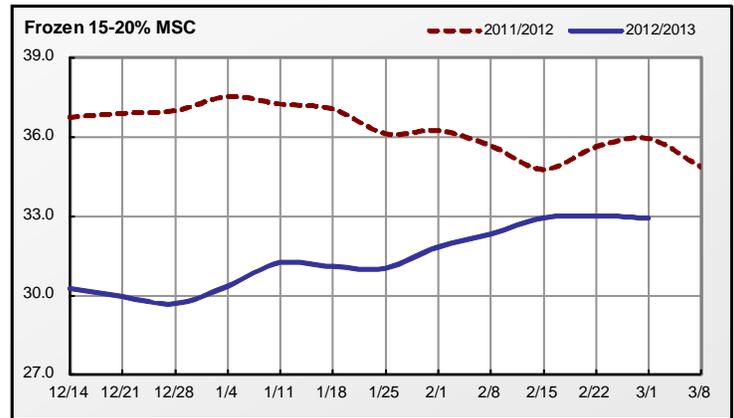
NATIONAL MECHANICALLY SEPARATED CHICKEN

(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 to firm on all fat contents with Fresh 15-20% MSC in the best position. Supplies are light to moderate. Schedules are mostly normal with a few disruptions and reductions noted. Demand is mixed, ranging light to good into both domestic and export channels. Industry remains cautious and ever watchful of the interesting dynamics in the current Lenten marketplace. Most sellers continue to stay out front on spot sales of MSC. Market activity is moderate to active. Supplies of raw materials are light and sought after. Frames are firm trading mostly between 14-15 cents FOB.

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

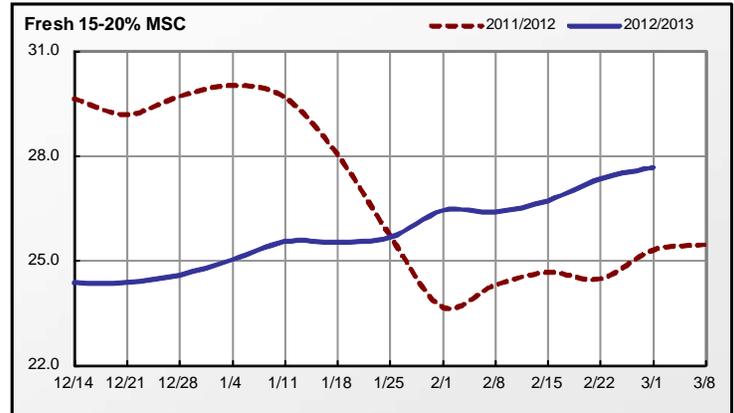
| Fat Content | Frozen | | | Fresh | | |
|--------------------|---------------|---------------|-------------|---------------|---------------|-------------|
| | 1-Mar-13 | Last Week | Last Year | 1-Mar-13 | Last Week | Last Year |
| 15% or Less | | | | | | |
| Price Range | | 30.00 | - | 27.00 - 29.00 | 26.00 - 28.00 | 26.00-27.00 |
| Wtd Avg Price | | 30.00 | - | 28.00 | 26.80 | 26.71 |
| Volume Traded | - | 40 | - | 82 | 102 | 143 |
| Volume Exported | - | - | - | - | - | - |
| 15-20% | | | | | | |
| Price Range | 31.00 - 35.00 | 31.00 - 35.00 | 34.00-38.00 | 24.50 - 31.00 | 24.00 - 31.00 | 22.00-30.00 |
| Wtd Avg Price | 32.91 | 32.99 | 35.92 | 27.67 | 27.35 | 25.31 |
| Volume Traded | 1,265 | 1,875 | 1,685 | 3,896 | 3,815 | 3,835 |
| Volume Exported | 1,265 | 1,675 | 1,605 | 449 | 775 | 816 |
| 20% or More | | | | | | |
| Price Range | - | - | - | 22.00 | 22.00 | 22.50 |
| Wtd Avg Price | - | - | - | 22.00 | 22.00 | 22.50 |
| Volume Traded | - | - | - | 82 | 41 | 82 |
| Volume Exported | - | - | - | - | - | - |



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

| Fat Content | Frozen | | | Fresh | | |
|--------------------|----------|----------|----------|----------|----------|----------|
| | Feb 2013 | Jan 2013 | Feb 2012 | Feb 2013 | Jan 2013 | Feb 2012 |
| 15% or Less | | | | | | |
| Wtd Avg Price | 30.00 | 30.00 | - | 26.43 | 25.13 | 27.56 |
| Volume Traded | 40 | 80 | - | 714 | 653 | 653 |
| Volume Exported | - | - | - | - | - | - |
| 15-20% | | | | | | |
| Wtd Avg Price | 32.59 | 30.97 | 35.46 | 26.70 | 25.48 | 24.33 |
| Volume Traded | 5,957 | 4,923 | 7,800 | 17,289 | 17,411 | 15,773 |
| Volume Exported | 5,357 | 4,563 | 6,839 | 2,815 | 5,834 | 2,693 |
| 20% or More | | | | | | |
| Wtd Avg Price | - | - | - | 22.00 | 20.00 | 22.38 |
| Volume Traded | - | - | - | 245 | 204 | 163 |
| Volume Exported | - | - | - | - | - | - |

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



Source: USDA AMS Livestock, Poultry & Grain Market News (www.ams.usda.gov/lpsmarketnewspage)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 01 MARCH 2013.

The market on tom breast meat and destrapped tenderloins is steady to weak with some finding lower trending tom breast meat prices into export channels. The market on scapula is steady with a steady to firm undertone, balance of white trims steady. The market on tom bulk parts is steady with a steady to firm undertone with some finding continued strength into export channels. Demand light to mostly moderate. Offerings light to moderate. The market on thigh meat is steady to weak with lower buyer bids reported. Demand light to moderate at best. Offerings moderate with supplies held with varied degrees of confidence. Trading light to moderate with activity centered on 4-8 lb. breasts.

EXPORT TRADING

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) | WEEKLY WTD AVG PRICE | WEEKLY VOLUME (000) |
|------------------------------|-------------|----------------|---------------|--------------|----------------------|---------------------|
| FRIDAY, MARCH 1, 2013 | | | | | | |
| DRUMSTICKS, TOMS | 63.50 | | 63.50 | 324 | 63.33 | 486 |
| WINGS FULL-CUT - TOMS | | | | | | |
| WINGS, V-TYPE, TOM | | M | 85.42 | 648 | 85.42 | 648 |
| TAILS | 53.00 | | 53.00 | 40 | 53.71 | 228 |
| MECHANICALLY SEPARATED 2/ | | F | 30.00 | 14 | | |
| THIGH MEAT - FROZEN | 115.00 | | 115.00 | 378 | 115.60 | 675 |

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|------------------------------------|---------------|----------------|---------------|--------------|
| THURSDAY, FEBRUARY 28, 2013 | | | | |
| DRUMSTICKS, TOMS | | M | 63.00 | 162 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | M | 85.42 | 648 |
| TAILS | | W | 53.00 | 80 |
| MECHANICALLY SEPARATED 2/ | | F | 30.00 | 14 |
| THIGH MEAT - FROZEN | 115.00-118.00 | | 116.00 | 81 |

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|-------------------------------------|-------------|----------------|---------------|--------------|
| WEDNESDAY, FEBRUARY 27, 2013 | | | | |
| DRUMSTICKS, TOMS | | M | 63.00 | 162 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | M | 85.42 | 648 |
| TAILS | 53.00 | | 53.00 | 80 |
| MECHANICALLY SEPARATED 2/ | | F | 30.00 | 14 |
| THIGH MEAT - FROZEN | | M | 116.50 | 216 |

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|-----------------------------------|-------------|----------------|---------------|--------------|
| TUESDAY, FEBRUARY 26, 2013 | | | | |
| DRUMSTICKS, TOMS | | M | 63.00 | 162 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | | M | 85.42 | 648 |
| TAILS | | M | 54.50 | 108 |
| MECHANICALLY SEPARATED 2/ | | F | 30.00 | 14 |
| THIGH MEAT - FROZEN | | M | 116.50 | 216 |

| | PRICE RANGE | L.S.T. CODE 1/ | WTD AVG PRICE | VOLUME (000) |
|----------------------------------|---------------|----------------|---------------|--------------|
| MONDAY, FEBRUARY 25, 2013 | | | | |
| DRUMSTICKS, TOMS | 63.00 | | 63.00 | 162 |
| WINGS FULL-CUT - TOMS | | | | |
| WINGS, V-TYPE, TOM | 82.00-89.00 | | 85.42 | 648 |
| TAILS | 54.00-55.00 | | 54.50 | 108 |
| MECHANICALLY SEPARATED 2/ | | F | 30.00 | 14 |
| THIGH MEAT - FROZEN | 115.00-118.00 | | 116.50 | 216 |

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.