



# INTERNATIONAL EGG AND POULTRY REVIEW



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Agricultural Marketing Service

Livestock, Poultry and Seed Programs

Market News

## Mexico

### Egg Certification Policy Changes

Effective September 28, 2013 USDA AMS will be issuing new export certificates for further processed eggs and egg products shipped to Mexico. Any exporters interested in shipping egg products to Mexico need to contact AMS to register for the new program, schedule an audit, and submit a documented Quality Manual to AMS as soon as possible. Once AMS verifies the company meets all requirements it will be listed as eligible to export. USDA AMS with the help of other government agencies (FDA, USDA FAS) and industry representatives developed a program to verify a wide range of products containing eggs (i.e. omelets, frozen egg patties, crepes, hard boiled eggs, mayonnaise, food containing egg extracts) for export. The export certificates issued by USDA APHIS will cease upon implementation of the new program.

### Bird Flu

In August 2013, Mexico reported two new outbreaks of H7N3 highly pathogenic avian influenza (HPAI) to the World Organization of Animal Health (OIE). The first outbreak was reported August 12, 2013 in a backyard flock of quails in the state of Guanajuato. A total of 5 birds were destroyed and the situation is described as resolved. The second occurred August 19, 2013 in a commercial layer flock (10,000 birds) in the state of Jalisco. The case is ongoing and a total loss has not yet been reported. Control measures previously applied are still ongoing, including vaccination and surveillance.

### Eggs

FAS unofficially projects table egg production in Mexico to reach 2.6 MMT in 2014, while UNA estimates production to be 2.5 MMT in 2013 and 2.4 MMT in 2012. Imports of table eggs and egg products increased considerably in 2012 following outbreaks of HPAI; imports are expected to remain strong in 2013 and 2014 as well. Hatching egg imports also increased in 2012 and 2013. However Mexico's Secretariat of the Economy (SE) announced a tariff rate quota for eggs from several countries, excluding Colombia and a few other countries. The US has duty free and unlimited access under NAFTA. Per capita consumption of eggs in Mexico is expected to be 20.8 kilograms (kg) in 2013 and 2012 and 22.4 kg in 2011.

### 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	2,958	2,975
Imports	380	433	492	549	578	616	640
Exports	2	5	9	7	11	5	8
Dom. Cons.	3,061	3,281	3,264	3,364	3,473	3,569	3,607

### 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

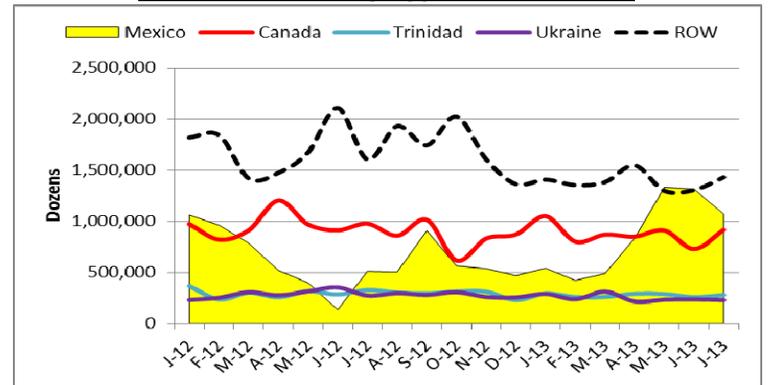
Note: Dom. Cons. = Domestic Consumption. Source: USDA FAS, PSD Online, Unofficial USDA Estimates

### Broiler

FAS unofficially forecasted Mexican broiler meat production at 3.05 million metric tons (MMT) in 2014, 3.0 MMT in 2013, and unchanged in 2012 from its previous estimates. According to SIAP, the 5 largest producing states in 2012 are Jalisco (389,612 MT), Durango (357,267 MT), Veracruz (351,038 MT), Aguascalientes (333,782 MT), Queretaro (270,905 MT). Steady long term growth is projected. Lower grain prices have been offset by increased biosecurity costs. Imports have gradually increased in the past few years and are projected to unofficially reach 690,000 MT in 2014, 675,000 MT in 2013, and unchanged in 2012. Export forecasts aren't as strong (5,000 MT in 2014, 5,000 MT in 2013, 2012 unchanged) since Mexico is limited to exporting processed products, which have received thermal processing, due to issues with HPAI. Consumption is recovering and

consumers continue to seek more animal protein in their diets. FAS unofficially forecasts consumption to be 3.73 MMT in 2014, 3.67 MMT in 2013, and unchanged in 2012.

### US Chicken Hatching Egg Exports (Dozens)

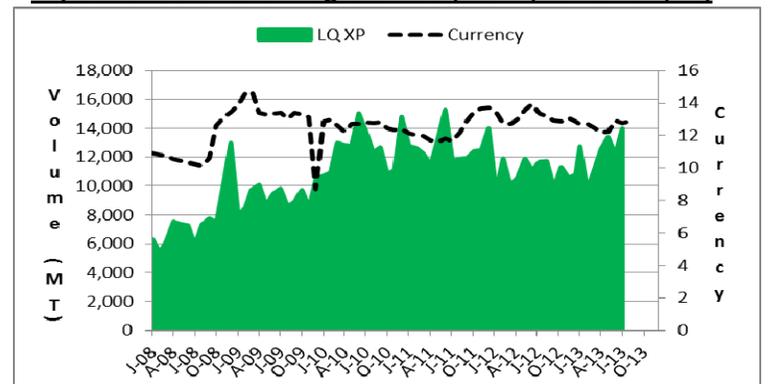


Note: All data is HSS0407110000. ROW=Rest of the world.

### Turkey

Mexican turkey meat production is unofficially estimated to be 10,000 MT in 2014 and 2013 and 14,000 MT in 2012. According to SIAP, the 5 largest producing states in 2012 are Chihuahua (5,816 MT), Yucatan (5,678 MT), Mexico (3,523 MT), Puebla (3,091 MT), and Tabasco (1,964 MT). About 60% of turkeys are sold raw for processing with the remainder for manufacturing, cutting, and smoking. Imports are estimated to be 166,000 MT in 2014 and 164,000 MT in 2013. Smoked turkey imports are expected to remain seasonal, while imports of Mechanically Separated Turkey (MST) to prepare deli meats and related products are anticipated to continue growing. Mexican exports are unofficially forecast as stable in 2014 (1,000 MT) and unchanged in 2013 and 2012. About 98% of Mexico's chicken and turkey meat exports are from the US with the remainder from Chile and Canada. Exports from Brazil are expected in the future as 3 slaughter and processing facilities were recently approved. Consumption of turkey meat is unofficially projected at 175,000 MT in 2014 and 173,000 MT in 2013. Source: USDA FAS Gain Reports MX3068 and MX3066/Promed/OIE/Various News Wires

### Mexican Peso (MXN) Value against US Dollar (USD) with Exports of US Chicken Leg Quarters (LQ XP) to Mexico (MT)



Note: All data is January-December. The average August 2013 currency exchange for 1 USD = 12.8701 MXN. Source: Department of Commerce, US Census Bureau, Foreign Trade Statistics/USDA FAS/Oanda FX Trade.

### US Poultry Meat and Egg and Egg Product Exports to Mexico (MT)

	2009	2010	2011	2012	2012*	2013*	%
Broiler	369,935	437,762	456,255	561,130	311,227	384,357	23%
Turkey	120,172	145,308	180,872	187,652	106,267	101,303	-5%
Eggs*	2,389	1,285	982	6,151	1,505	8,113	439%

Note: All data is from January-December except 2012\* and 2013\*, which is January-July. %=Percentage Change. Eggs\*=Eggs and Egg Products. Source: USDA FAS

**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	0	100	2,831	970
Frozen	0	0	40	0
Dried	0	40	206	139
Total	0	140	3,077	1,109

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

Type	Year-To-Date*			
	2013	2012 /1	2013 /2	2012
Liquid	76	160	7,893	9,990
Frozen	72	40	1,082	925
Dried	46	0	50	0
Total	194	200	9,025	10,915

**INSPECTED SHELL EGGS**

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

	Year-To-Date*			
	2013	2012 /1	2013 /2	2012
Jumbo	0	0	0	0
Extra Large	4,050	2,840	93,381	70,351
Large	12,843	1,300	203,907	134,376
Medium	780	1,620	22,604	24,420
Ungraded	13,488	18,000	236,547	107,864
Misc	0	0	0	1,620
Total	31,161	23,760	556,439	338,631

/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 Sep 14, 2013 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,370	1,838	3,208
Last Week	1,331	1,472	2,803
Same week yr ago	1,496	1,754	3,250
To-date/2013*	56,960	55,188	112,148
To-date/2012*	57,047	59,767	116,814

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	492	0	492
Last Week	332	0	332
Same week yr ago	394	0	394
To-date/2013*	12,983	0	12,983
To-date/2012*	9,919	36	9,955

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
	-----Thousands-----		
Head	1,862	1,838	3,700
Last Week	1,663	1,472	3,135
Same week yr ago	1,890	1,754	3,644
To-date/2013*	69,943	55,188	125,131
To-date/2012*	66,966	59,803	126,769

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

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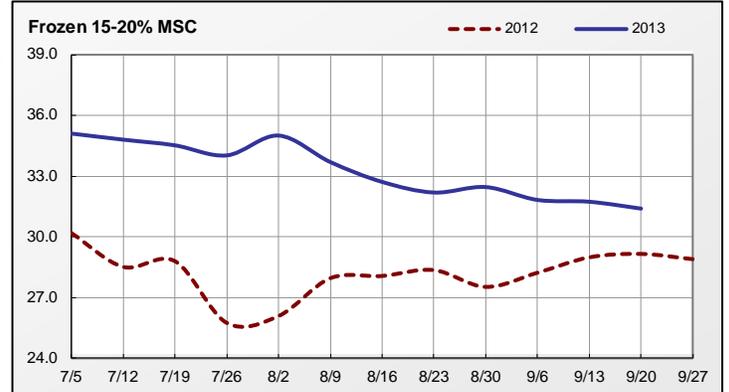
\*Note: Year to-date totals reflect comparable time periods.

**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 steady to mostly weak on all fat contents. Demand is light to moderate into both domestic and export channels. Supplies are moderate to heavy. Schedules are normal. MSC is currently following its traditional seasonal trend. Industry is focused on all market developments as companies make preparations and strategize for impending contract negotiations. Market activity is slow to moderate. Raw material supplies are moderate to heavy. Frame prices are steady to weak and trading between 12-15 cents FOB, mostly 12-14 cents FOB.

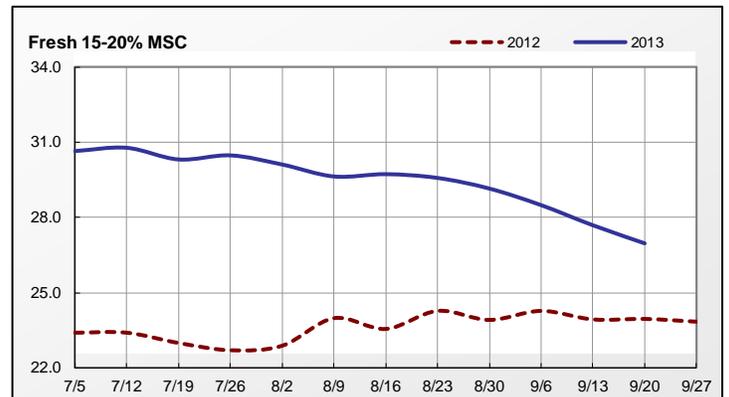
**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	20-Sep-13	Last Week	Last Year	20-Sep-13	Last Week	Last Year
<b>15% or Less</b>						
Price Range	33.00	-	30.00	30.00 - 31.00	30.00 - 31.00	24.00-26.00
Wtd Avg Price	33.00	-	30.00	30.57	30.50	25.56
Volume Traded	40	-	40	143	163	184
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	29.00 - 34.00	28.00 - 36.00	26.50-31.00	23.00 - 33.00	23.00 - 32.00	20.00-27.75
Wtd Avg Price	31.40	31.74	29.16	26.97	27.69	23.95
Volume Traded	1,630	1,881	2,130	3,449	3,947	4,039
Volume Exported	1,390	1,441	2,090	612	1,142	408
<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	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Aug 2013	Jul 2013	Aug 2012	Aug 2013	Jul 2013	Aug 2012
<b>15% or Less</b>						
Wtd Avg Price	33.00	34.00	30.00	31.80	32.65	25.65
Volume Traded	80	40	40	816	755	877
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	33.04	34.61	27.43	29.62	30.56	23.70
Volume Traded	7,232	5,020	11,085	13,676	12,301	21,571
Volume Exported	6,036	4,740	10,205	1,877	1,142	1,468
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.00	22.00	22.20
Volume Traded	-	-	-	326	245	408
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](http://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 20 SEPTEMBER 2013.

The market on bulk parts was steady to firm. Demand was moderate. Offerings light. The market on white meat is steady. Demand and offerings light to moderate. Thigh meat market was steady to firm. Demand was light to moderate. Offerings light. Mechanically separated turkey market was fully steady. Demand was mixed and ranged from light to good. Offerings light. Trading was slow to moderate. For domestic: frozen tails 58 cents, Grade A breasts non-basted 8-10 lbs. 130-135 cents, 10-14 lbs. 140-145 cents, 14-16 145 cents, 16 lbs. and up 150 cents, frozen hand cut defatted tom gizzards 90 cents, fresh tom full-cut wings 73 cents delivered. For export: fresh tom drums 76 cents and frozen tom breast meat 188 cents delivered port or Border.

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
<b>FRIDAY, SEPTEMBER 20, 2013</b>						
DRUMSTICKS, TOMS		F	91.62	282		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		R	73.50	162	74.13	216
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	122.00-123.00		122.84	256	122.04	456
<b>THURSDAY, SEPTEMBER 19, 2013</b>						
DRUMSTICKS, TOMS		F	91.62	282		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	73.50		73.50	162		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	122.00		122.00	80		
<b>WEDNESDAY, SEPTEMBER 18, 2013</b>						
DRUMSTICKS, TOMS		F	91.62	282		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	76.00		76.00	54		
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	121.00		121.00	40		
<b>TUESDAY, SEPTEMBER 17, 2013</b>						
DRUMSTICKS, TOMS		F	91.62	282		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	70.71	336		
TAILS		T	58.25	216		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	121.00		121.00	40		
<b>MONDAY, SEPTEMBER 16, 2013</b>						
DRUMSTICKS, TOMS		F	91.62	282		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		F	70.71	336		
TAILS		T	58.25	216		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	119.00	M	37.75	160		
			119.00	40		

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.