



### Iraq

Iraqi broiler meat production is estimated to reach 160 TMT (thousand metric tons) in 2013, up 10 TMT or 7% compared to 2012 levels; production forecasts for 2014 continue flat at 160 TMT. Total domestic consumption continues to grow annually and is forecast to reach 860 TMT by 2014. Broiler meat imports are estimated grow 7% in 2013 (655 TMT) compared to 2012 (612 TMT), and an additional increase of 7% in 2014 (700 TMT).

#### Iraq Broiler Meat in '000 MT

	2009	2010	2011	2012	2013	2014
Production	110	160	150	150	160	160
Imports	397	522	598	612	655	700
Consumption	507	682	748	762	815	860

Source: Foreign Agricultural Service, Official USDA Estimates

High flock mortality rates combined with high feed costs will continue to constrain industry growth, curtailing producer returns through 2013 and well into the first half of 2014. Losses are countrywide, but most prevalent in conflict prone central and southern Iraq. The Iraqi Poultry Producers Association (IPPA) estimates flock losses ranging from 35 to 70 percent or more.

Domestic poultry production is also held back by Iraq's onerous import regulations. Iraq continues to enforce a seasonal ban on the importation of feed products (i.e., soybean meal, corn and barley). Iraq's measures are protectionist, geared to protecting domestic feed producers.

Domestic feed wheat, corn, and barley production will increase in 2013. Iraqi corn production is estimated at 125 TMT; production in 2014 may expand to 200 TMT. Largely harvested and shucked by hand, Iraqi corn is of poor quality. Most of the local production is sold to the MoA's Mesopotamian State Company for Seeds. The combination of poor shelling with limited drying capacity and inadequate storage increases the probability of aflatoxin contamination. The Ministry of Agriculture still provides 40 percent of poultry producers feed corn needs; however, the larger integrated poultry producers distrust the quality and opt not to utilize it.

With limited Iraqi oilseed production, local protein meal availability remains low. Sunflower and sesame production is almost entirely destined for food use (i.e., confectionary use). With cotton production recovering, cottonseed is increasingly being utilized as livestock feed.

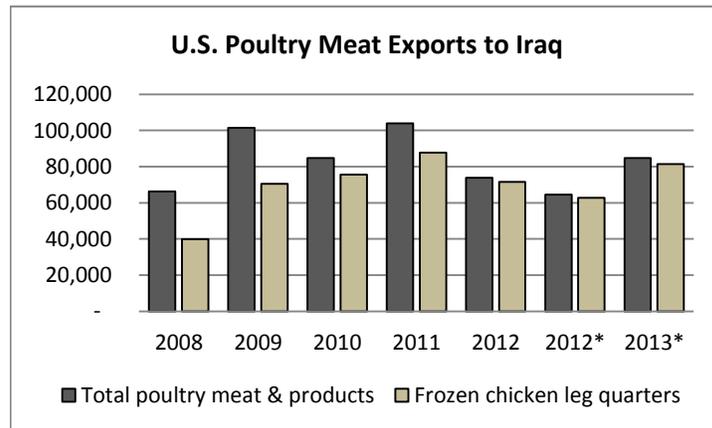
Feed importers routinely complain about Iraq's onerous import regulations. However, an added concern now is the disruption caused by the insurrection in neighboring Syria. Iraqi feed importers have traditionally relied on feed either processed or trans-shipped from Syria. With the Syrian situation showing scant possibility of improving in the near term, feed importers are already passing on to end users a significant uptick in costs.

Iraq's corn, soybean meal, and feed pellets imports are largely in the form of 50 kilogram (kg) bags. In July 2013, the IPPA reported that imported feed corn prices run \$440/ metric ton (MT); soybean meal (44 percent protein) imports command a price of \$750/MT. While feed corn is sourced from the Ukraine, Russia, and Turkey, soybean meal is shipped mainly from Argentina and the United States.

Domestic per capita consumption of poultry in 2013 is estimated to remain at the 24 kg/capita level recorded in 2012. Given the local poultry industry's problems, imports account for a larger market share. The outlook for higher red meat (i.e. beef and mutton) prices and lower international poultry prices will give imported poultry a price advantage in 2014.

FAS forecasts are for imports to reach 700 TMT in 2014, up 45 TMT or almost 7% compared to 2013 levels. Poultry demand should continue to expand in response to population growth and rising income levels fueled by the Iraqi oil sector's takeoff. Imported poultry prices are roughly one-third the price of domestically produced and imported beef and mutton.

Total imports (including third country transshipments) in 2013 are expected to reach 655 TMT, up 43 TMT or 7% from 2012 levels. Pre-import certification requirements, as well as increased competition from regional trade partners such as Turkey will limit expansion of U.S. poultry exports to Iraq. U.S. broiler meat exports to Iraq are dominated by frozen chicken leg quarters.



\*January through October

Data Source: U.S. Census Bureau Trade Data

Iraq requires pre-shipment inspection and certification in the country of origin by a (private sector) third-party. Iraq's Kurdish Regional Government (KRG) has opted not to implement the burdensome pre-import certification requirement for food and agricultural products. Poultry is increasingly being shipped directly and or transhipped through neighboring Turkey.

The pre-import certification program initiated by the Ministry of Planning's Central Organization for Standards and Quality Control (COSQC) was approved by the Council of Ministers in December 2010 with an implementation date of July 1, 2011. The program grants Bureau Veritas, TUV Rhineland Middle East, Baltic Control, and Cotecna responsibility to inspect and certify in the country of origin that inbound shipments meet Iraq's import requirements. Imports in compliance are issued certificates of conformity. Unlike the 15 central and southern provinces ruled by the central government in Baghdad, the autonomous KRG does not to require this certification for inbound food and agricultural products.

The program aims to prevent the import of substandard and unsafe products. However, Iraq's outdated food import standards complicate the pre-certification process. FAS Baghdad finds that this certification program is ineffective for controlling quality or the safety of imports. As with other pre-shipment inspection and certification programs, this program is really a technical barrier to trade that unnecessarily hinders imports of affordable U.S.-origin poultry in this case and only adds to the cost of the final product to Iraqi consumers.

Source: USDA/FAS GAIN Report

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

**U.S. Exports to Canada, in Pounds (000) (Preliminary)**  
 Week Ending Dec 14, 2013 Year-To-Date\*

Type	2013	2012 /1	2013 /2	2012
Liquid	0	0	5,256	1,605
Frozen	0	0	40	0
Dried	0	0	246	317
Total	0	0	5,542	1,922

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**  
 Week Ending Dec 14, 2013 Year-To-Date\*

Type	2013	2012 /1	2013 /2	2012
Liquid	11	20	9,582	10,907
Frozen	38	11	1,374	1,181
Dried	0	0	50	50
Total	49	31	11,006	12,138

**INSPECTED SHELL EGGS**

**U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**  
 Week Ending Dec 14, 2013 Year-To-Date\*

	2013	2012 /1	2013 /2	2012
Jumbo	0	0	0	0
Extra Large	780	6,000	167,647	122,472
Large	0	26,240	348,361	244,846
Medium	0	800	27,734	30,335
Ungraded	672	16,500	533,749	299,654
Misc	0	1,440	3,720	3,840
Total	1,452	50,980	1,081,211	701,147

/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 Dec 14, 2013 (Preliminary)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,649	1,568	3,217
Last Week	1,746	1,501	3,247
Same week yr ago	1,770	1,644	3,414
To-date/2013*	73,011	74,274	147,285
To-date/2012*	73,611	78,874	152,485

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

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	229	0	229
Last Week	103	0	103
Same week yr ago	445	0	445
To-date/2013*	16,383	0	16,383
To-date/2012*	13,584	36	13,620

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	1,878	1,568	3,446
Last Week	1,849	1,501	3,350
Same week yr ago	2,215	1,644	3,859
To-date/2013*	89,394	74,274	163,668
To-date/2012*	87,195	78,910	166,105

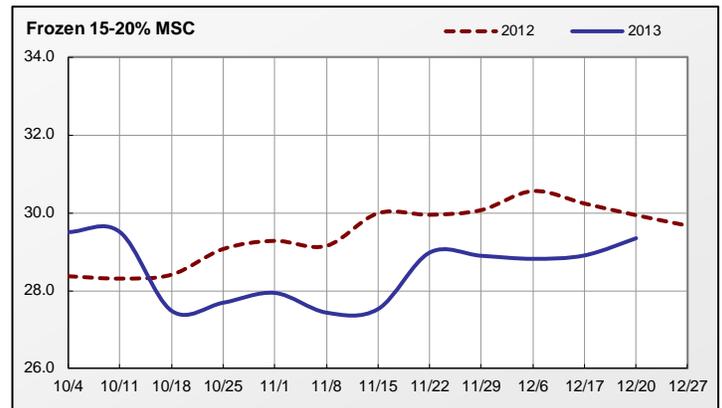
\*Note: Year to-date totals reflect comparable time periods.

**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.)

Prices of MSC are trending steady to weak on all fat contents. Demand into domestic and export channels is light to moderate. Supplies are moderate to heavy. Schedules are normal. Industry continues to watch the spot marketplace for any developments, however the marketplace appears to be in its usual seasonal pattern with many making preparations for next week's Christmas holiday. Negotiations for 2014 contracts are starting to wind down as most have committed both MSC and frames, however some are still finalizing terms; contracts with Mexico persist for a majority of companies. Flat pricing on MSC and frames have been confirmed at levels below those in 2013 in addition to some formula pricing. Market activity is slow to moderate. Supplies of raw materials are moderate to heavy. Frame prices are steady to weak with trading levels between 10-15 cents FOB, mostly 10-12 cents FOB.

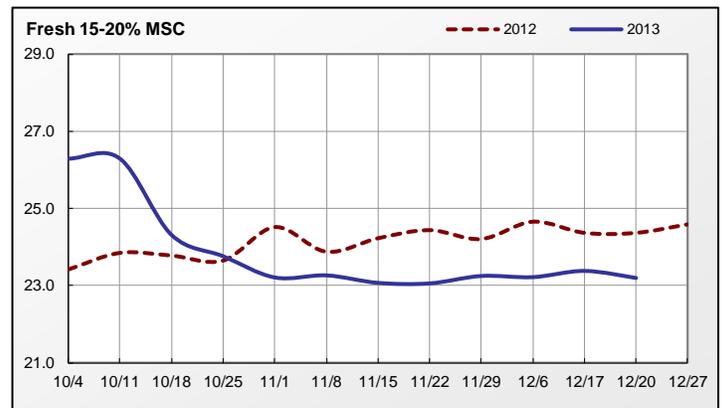
**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	20-Dec-13	Last Week	Last Year	20-Dec-13	Last Week	Last Year
<b>15% or Less</b>						
Price Range	-	32.00	-	28.00	27.00 - 28.00	23.50-26.50
Wtd Avg Price		32.00	-	28.00	27.75	25.21
Volume Traded	-	40	-	122	163	143
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	27.00 - 31.00	27.00 - 31.00	29.00-32.00	20.00 - 26.00	20.00 - 26.00	22.00-28.00
Wtd Avg Price	29.35	28.90	30.56	23.20	23.38	24.66
Volume Traded	1,405	1,622	1,750	3,386	2,509	4,182
Volume Exported	1,165	1,542	1,510	1,020	816	775
<b>20% or More</b>						
Price Range	-	-	-	22.00	22.00	20.00
Wtd Avg Price	-	-	-	22.00	22.00	20.00
Volume Traded	-	-	-	82	82	82
Volume Exported	-	-	-	-	-	-



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

Fat Content	Frozen			Fresh		
	Nov 2013	Oct 2013	Nov 2012	Nov 2013	Oct 2013	Nov 2012
<b>15% or Less</b>						
Wtd Avg Price	32.50	33.00	30.00	27.53	28.17	25.04
Volume Traded	80	40	40	734	245	938
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	28.01	27.60	29.74	23.17	24.01	24.24
Volume Traded	10,769	5,090	8,995	14,982	6,294	20,460
Volume Exported	9,449	4,730	7,875	2,489	1,142	2,447
<b>20% or More</b>						
Wtd Avg Price	-	-	-	22.00	22.00	22.10
Volume Traded	-	-	-	286	82	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 DECEMBER 2013.

Bulk parts market was steady. Demand and offerings light to moderate. The market on white meat and trims is steady. Demand was light. Offerings was light to moderate. The market on thigh meat was steady. Demand and offerings was light to moderate. Trading was slow as buyers kept inventories close due to the approaching holidays and shortened work schedules. For domestic: frozen tails 59 cents and fresh wing meat 97 cents delivered. For export: frozen tom necks 66 cents and fresh thigh meat 155 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, DECEMBER 20, 2013</b>						
DRUMSTICKS, TOMS	100.00		100.00	162	100.09	430
WINGS FULL-CUT - TOMS	64.00		64.00	54	64.00	54
WINGS, V-TYPE, TOM	65.00		65.00	162	65.00	540
TAILS	59.50		59.50	40	58.67	60
MECHANICALLY SEPARATED 2/		R	39.00	20	39.00	20
THIGH MEAT - FROZEN		W	151.50	80	152.00	120
<b>THURSDAY, DECEMBER 19, 2013</b>						
DRUMSTICKS, TOMS	100.00		100.00	120		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		M	65.00	378		
TAILS	57.00		57.00	20		
MECHANICALLY SEPARATED 2/	39.00		39.00	20		
THIGH MEAT - FROZEN		W	151.50	80		
<b>WEDNESDAY, DECEMBER 18, 2013</b>						
DRUMSTICKS, TOMS	101.00		101.00	40		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		M	65.00	378		
TAILS						
MECHANICALLY SEPARATED 2/		F	45.00	40		
THIGH MEAT - FROZEN	151.00-152.00		151.50	80		
<b>TUESDAY, DECEMBER 17, 2013</b>						
DRUMSTICKS, TOMS		M	100.00	108		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		M	65.00	378		
TAILS						
MECHANICALLY SEPARATED 2/		F	45.00	40		
THIGH MEAT - FROZEN		M	153.00	40		
<b>MONDAY, DECEMBER 16, 2013</b>						
DRUMSTICKS, TOMS	100.00		100.00	108		
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	65.00		65.00	378		
TAILS						
MECHANICALLY SEPARATED 2/		F	45.00	40		
THIGH MEAT - FROZEN	153.00		153.00	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.