



INTERNATIONAL EGG AND POULTRY REVIEW



South Korea

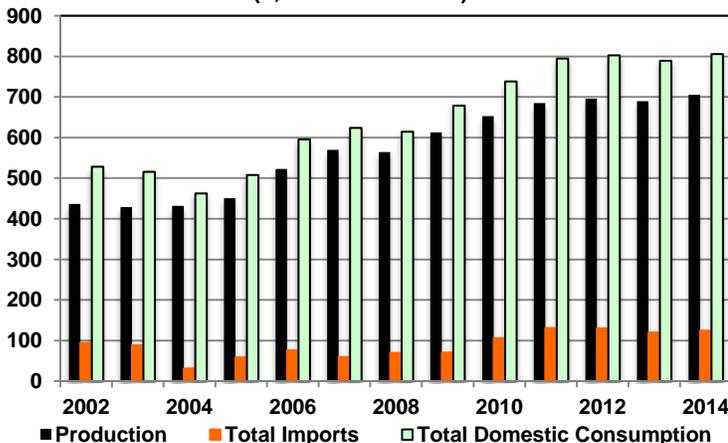
On January 16, 2014 a suspected case of Highly Pathogenic Avian Influenza (HPAI) was reported on duck breeding farm located in Gochang—gun, North Jolla Province in South Korea. The case was confirmed as HPAI (H5N8) on January 18, 2014. This is the first time this type of HPAI has been found in South Korea. Before this the last reported HPAI outbreak in South Korea was May 16, 2011. All the previous cases (2003-2004, 2006-2007, 2008 and 2010-2011) were of H5N1 type. At present there are no known cases of humans being infected by H5NA type of HPAI.

When the 2003-2004 HPAI outbreak occurred 2003 estimated broiler meat production dropped 2% from 2002, however estimated broiler meat production managed to increase 1% from 2003. Meanwhile, South Korea's estimated total broiler meat imports declined 5% from 2002 to 2003. Total estimated broiler meat imports continued to decline in 2004 and were down 66% since 2002 before starting to increase again in 2005. Total estimated domestic broiler consumption dropped 12% from 2002-2004 before consumption started to rise again.

The 2006-2007 HPAI outbreak had a more muted effect on production and consumption and a more pronounced negative effect on imports. Estimated broiler meat production increased 26% from 2005-2007 while total estimated broiler meat imports fell 21% from 2006-2007 before they started increasing again. Still, South Korea's total estimated broiler meat consumption increased 23% from 2005-2007.

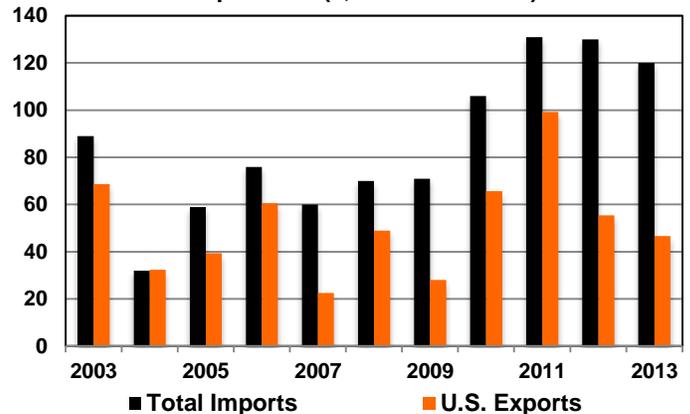
During the 2008 HPAI outbreak estimated broiler meat production and consumption declined 1% while total estimated broiler meat imports increased 17%. No decline in estimated broiler meat production or total estimated domestic broiler meat consumption occurred from 2008-2012, even during the HPAI outbreak from 2010-2011. Total estimated broiler meat imports rose from 2008-2011 before declining 1% in 2012.

South Korea Total Estimated Broiler Meat Production, Consumption & Import Comparisons (1,000 Metric Tons)



Source: USDA, Foreign Agricultural Service Official USDA PSD Online Estimates

Total Estimated South Korea Broiler Meat Imports & U.S. January-November South Korea Broiler Meat Export Comparisons (1,000 Metric Tons)



Sources: USDA, Foreign Agricultural Service Official USDA PSD Online Estimates; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics/USDA, Foreign Agricultural Service

On January, 25, 2014 South Korea found for the first time a chicken infected with H5N8 strain. The cases up to this point had all involved ducks. Chickens are considered to be more vulnerable than ducks to the outbreak. This is of concern because the number chickens grown currently far out number ducks grown in South Korea.

After first being discovered in North Jolla Province, it is thought to have spread to 5 other provinces in South Korea. Currently, it is believed only Gangwon Province, North Gyeongsang Province and the island of Jeju remain free of any suspected avian influenza cases. After South Korea first discovered HPAI, over 2 million animals, mostly ducks and geese, either have been or will be culled.

Because a lot of people will be traveling to visit their hometowns during Lunar Year holidays from January 30-February 1, 2014, concern was being expressed the large movement of people would lead to rapid proliferation of the HPAI.

Concerns were also being expressed about the discovery of HPAI in the South Jolla Province in South Korea and the possibility of resulting duck meat shortages. The province raises about 8 million ducks, which is over 40% of South Korea's supply.

Another concern is that HPAI has also been discovered in Gyenggi Province of South Korea. The province includes Seoul, South Korea's capital, and is also home to South Korea's largest number of chicken farms.

HPAI has also been found in migratory birds including bean geese. Bean geese are migratory birds that breed in Europe and Russia and winter in South Korea.

Sources: USDA/FAS GAIN Report KS1403; USDA, Foreign Agricultural Service Official USDA PSD Online Estimates; ThePoultrySite; various news sources.

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

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	47	0	143	96
Frozen	0	0	0	0
Dried	0	0	122	0
Total	47	0	265	96

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

Type	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Liquid	73	174	172	596
Frozen	48	48	78	115
Dried	0	0	0	0
Total	121	222	250	711

INSPECTED SHELL EGGS

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

	Year-To-Date*			2013
	2014	2013 /1	2014 /2	
Jumbo	0	0	0	0
Extra Large	1,500	0	10,530	240
Large	0	0	17,600	1,290
Medium	0	0	342	813
Ungraded	0	720	0	6,089
Misc	5,280	0	6,696	0
Total	6,780	720	35,168	8,432

/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 Jan 25, 2014 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,547	1,471	3,018
Last Week	1,755	1,488	3,243
Same week yr ago	1,545	1,353	2,898
To-date/2014*	6,634	5,843	12,477
To-date/2013*	6,890	6,112	13,002

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	489	0	489
Last Week	458	0	458
Same week yr ago	358	0	358
To-date/2014*	1,458	0	1,458
To-date/2013*	1,463	0	1,463

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	2,036	1,471	3,507
Last Week	2,213	1,488	3,701
Same week yr ago	1,903	1,353	3,256
To-date/2014*	8,092	5,843	13,935
To-date/2013*	8,353	6,112	14,465

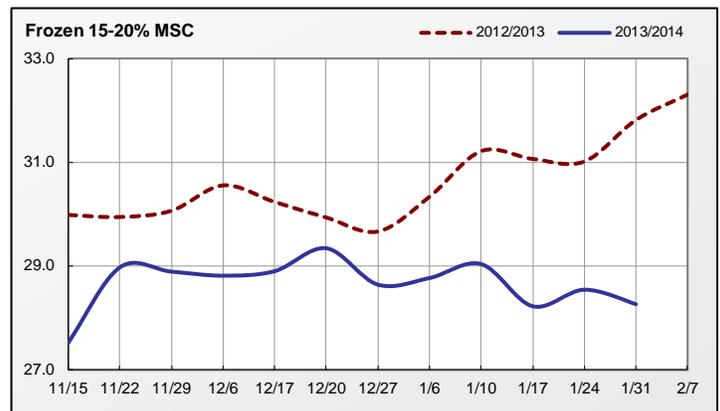
*Note: Year to-date totals reflect comparable time periods.

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 generally steady on all fat contents. Domestic and export demand is light to moderate. Supplies are mostly moderate. Schedules are normal to reduced due to disruptions relating to winter weather. Industry has been battling a variety of challenges from production downtime to limited truck availability to delivery delays this week. Many continue to keep a close on the spot marketplace while trying to manage these challenges and stay out front on business. In general, finished good movement is mixed as companies are seeing below average to above average movement for this time of year as consumption has been affected by cold temperatures and severe winter weather. Market activity is slow to moderate. Raw material supplies are moderate. Frame prices are steady with trading levels between 10-13 cents FOB, mostly 11-12 cents FOB.

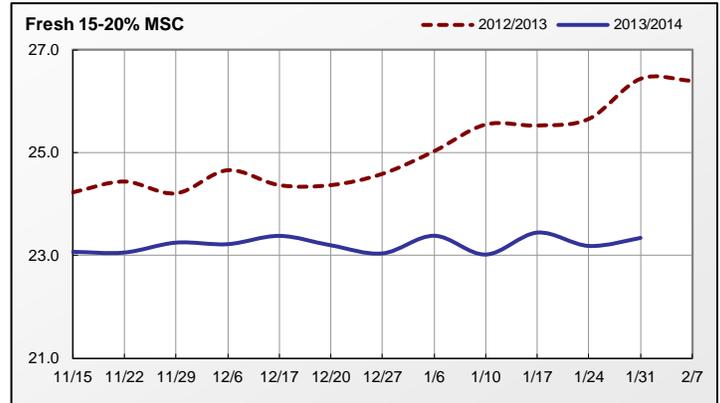
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	31-Jan-14	Last Week	Last Year	31-Jan-14	Last Week	Last Year
15% or Less						
Price Range	-	31.00	-	27.00 - 28.00	27.00 - 28.00	24.00-26.00
Wtd Avg Price	-	31.00	-	27.40	27.50	25.33
Volume Traded	-	40	-	102	163	184
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	26.00 - 31.00	26.00 - 31.00	30.00-32.00	20.00 - 27.00	20.00 - 27.00	23.00-27.75
Wtd Avg Price	28.27	28.55	31.07	23.34	23.19	25.53
Volume Traded	1,535	1,295	1,290	3,631	4,296	4,264
Volume Exported	1,455	1,215	1,250	734	530	775
20% or More						
Price Range	-	-	-	22.00	22.00 - 22.50	20.00
Wtd Avg Price	-	-	-	22.00	22.25	20.00
Volume Traded	-	-	-	41	82	41
Volume Exported	-	-	-	-	-	-



Record Monthly MSC Weighted Average Prices (cents/pound)

Fat Content	Frozen		Fresh	
	Low Price	High Price	Low Price	High Price
15% or Less				
Wtd Avg Price	10.45	34.00	11.50	32.66
Year Recorded	1998	2013	2002	2013
15-20%				
Wtd Avg Price	10.04	37.00	9.93	31.73
Year Recorded	1998	2012	1999	2013
20% or More				
Wtd Avg Price	11.75	23.00	9.00	26.69
Year Recorded	1985	1997	2002	1991



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 31 JANUARY 2014.

The market on bulk parts steady with frozen tom drums steady to weak. Demand and offerings was light to moderate. White meat and white trims market is steady. Demand and offerings light to moderate. The market on thigh meat and mechanically separated turkey generally steady. Demand light to moderate. Offerings of thigh meat light, MST is light to moderate. For domestic: fresh tom full-cut wings 66, tom necks 66, tails 57 cents, fresh scapula 143 cents, fresh wing meat 99 cents and frozen tails 59 cents delivered. For export: fresh thigh meat 155 cents delivered to Border.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, JANUARY 31, 2014						
DRUMSTICKS, TOMS		M	101.33	30	101.33	30
WINGS FULL-CUT - TOMS		M	68.00	10	68.00	10
WINGS, V-TYPE, TOM		M	64.83	162	64.83	162
TAILS		M	64.09	220	64.09	220
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	43.00	M	43.00 153.70	40 134	43.00 153.70	40 134
THURSDAY, JANUARY 30, 2014						
DRUMSTICKS, TOMS		M	101.33	30		
WINGS FULL-CUT - TOMS		M	68.00	10		
WINGS, V-TYPE, TOM		M	64.83	162		
TAILS		M	64.09	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	153.70	134		
WEDNESDAY, JANUARY 29, 2014						
DRUMSTICKS, TOMS		M	101.33	30		
WINGS FULL-CUT - TOMS		M	68.00	10		
WINGS, V-TYPE, TOM		M	64.83	162		
TAILS		M	64.09	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	153.70	134		
TUESDAY, JANUARY 28, 2014						
DRUMSTICKS, TOMS		M	101.33	30		
WINGS FULL-CUT - TOMS		M	68.00	10		
WINGS, V-TYPE, TOM		M	64.83	162		
TAILS		M	64.09	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	153.70	134		
MONDAY, JANUARY 27, 2014						
DRUMSTICKS, TOMS	100.00-102.00		101.33	30		
WINGS FULL-CUT - TOMS	68.00		68.00	10		
WINGS, V-TYPE, TOM	64.50-65.00		64.83	162		
TAILS	55.00-65.00		64.09	220		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	153.00-154.00		153.70	134		

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.