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Agricultural Marketing Service

Poultry Programs

Market News and Analysis

<u>Brazil</u>

Brazil's broiler meat production is estimated to reach 13.3 million metric tons (MMT) in 2012, driven mostly by domestic demand and a small recovery in exports. Broiler meat production is influenced by the world economic uncertainties impacting some major Brazilian export markets, as well as issues with some trade partners. Other important factors include an overvalued Brazilian currency, a slowdown in the growth rate of domestic consumption, and higher costs of production due to higher corn prices. Corn comprises about 66-70% of poultry feed rations; wholesale corn prices have risen from US\$12.14/60/kg in 2010 to US\$18.84/60/kg for Jan-Jun 2011. Corn feed use for poultry in 2011/2012 is estimated at 25 MMT.

Broiler Meat Supply and D	<u>Demand</u>
in 1 000 Metric Tons (read	v-to-eat)

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	2007	2008	2009	2010	2011	2012
Production	10,305	11,033	11,023	12,312	12,863	13,250
Exports	2,922	3,242	2,992	3,181	3,219	3,315
Consumption						
Domestic	7,384	7,792	8,032	9,132	9,645	9,936
Per Capita*	38.08	39.69	40.41	45.41	47.40	48.30
*Dan Canita Ca		انا ما ما ما				

Per Capita Consumption is in kilograms.

Chicken paws are excluded

Source: Foreign Agricultural Service, Official USDA Estimates

Domestic consumption of broiler meat is projected to increase at a slower rate in 2012, up 3% to 9.9 million metric tons due to increases in disposable incomes of Brazilian consumers and broiler meat's competitive price compared to other meats. Broiler meat consumption grew 14% in 2010 and 6% in 2011.

Brazil Broiler Meat Exports in metric tons

	2010	2011	Change
Angola	71,816	99,491	38%
Canada	19,728	12,491	-37%
China	121,522	195,844	61%
Cuba	39,293	35,085	-11%
Egypt	124,451	72,075	-42%
European Union	281,878	296,749	5%
Hong Kong	331,466	339,364	2%
Ghana	27,729	37,544	35%
Iran	44,984	40,400	-10%
Iraq	104,469	132,590	28%
Japan	386,476	444,346	15%
Jordan	51,179	42,341	-17%
Kuwait	174,670	155,024	-11%
Oman	45,015	50,161	11%
Philippines	18,806	24,230	29%
Qatar	48,771	52,891	8%
Russian Federation	144,328	60,366	-58%
Romania	12,628	12,018	-5%
Saudi Arabia	550,969	622,643	13%
Singapore	72,312	63,849	-12%
South Africa	181,445	195,416	8%
South Korea	32,674	25,562	-22%
UAE	208,333	214,771	3%
Yemen	64,232	51,983	-19%
Venezuela	164,408	176,641	7%
Total for Others	3,323,582	3,453,875	4%
Others not Listed	306,019	295,836	-3%
Grand Total	3,629,601	3,749,711	3%
Make It is about a LITC	0 0007 4	4. 0007 40. 0007	40. 0007 44.

Note: It includes HTS Codes: 0207.11; 0207.12; 0207.13; 0207.14; and 1602.32. Quantity in Product Weight Equivalent (PWE)

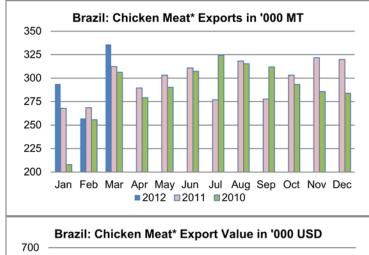
Updated February 10, 2012

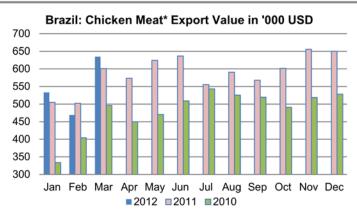
Broiler meat exports are expected to grow 3% in 2012, to 3.3 MMT. The growth in exports is likely to be driven by higher sales of whole broilers in general, and chicken parts, in particular, to China and Hong Kong. Trade sources also expect higher exports to Egypt and Iraq in 2012.

The total volume of broiler meat exports in 2011, including chicken feet and paws, reached 3.7 million metric tons, an increase of 3.3% from 2010. (Note: The Supply & Demand table excludes chicken feet and paws exports to China and Hong Kong, as per USDA export methodology.) The value of exports increased 22% to US\$7.6 billion due to the increase in the average price of broiler meat in the world market.

Broiler export markets with major increases in 2011 were China (up 61%), followed by Angola (up 38%) and Iraq (up 28%), while markets with major declines were the Russian Federation (down 58%) and Egypt (down 42%). The decline in exports to the Russian Federation was a result of significant number of Brazilian poultry plants delisted by Russian officials, while the decline in Egypt was due to logistical problems associated with the political instability in the country last year. South Africa applied antidumping tariffs on Brazilian broilers of 62.92 percent on whole broilers and 46.59 percent on chicken parts. South Africa was the 7th largest market for Brazilian broiler exports in 2011 with shipments of 195,416 metric tons (PWE).

Source: USDA/FAS GAIN Report BR 0801; BR 0714; BR 0803





*Carne de Frango "in Natura"

Source: MDIC/SECEX

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE			U.S./CANADIAN LIV	E POULTRY SLA	UGHTERED UNDE	R INSPECTION		
U.S. Exports to Canada, in Pounds (000) (Preliminary)			Week Ending Apr 28	8, 2012 (Prelimin	ary)			
Week Ending Apr 28, 2012 Year-To-Date*			U.S	S. Fowl Slaughte	ered Domestically	1		
Type	2012	2011 /1	2012 /2	2011		Light Hens	•	Total Hens
Liquid	0	0	431	386		Thousa	nds	
Frozen	0	0	0	0	Head	1,998	1,429	3,427
Dried	10	64	10	64	Last Week	1.969	1.483	3,452
Total	10	64	441	450	Same week yr ago	1,576	,	-, -
•		da, in Pounds	` '`	• /	To-date/2012*	27,979	•	52,868
Week Ending			Year-To-			•	•	•
Type	2012	2011 /1	2012 /2	2011	To-date/2011*	24,559	•	49,550
Liquid	164	284	5,949	5,815			tered in Canada	
Frozen	15	9	370	261		Light Hens		Total Hens
Dried	0	0	0	0		Thousa	nds	
Total	179	293	6,319	6,076	Head	412	0	412
		PECTED SHEL	Lasi Week 771			0	447	
•	S Exports to Canada, In 30-Dozen Cases (Preliminary) Same week			Same week yr ago	312	20	332	
Week Ending	, ,		Year-To-		To-date/2012*	5,325	36	5,361
	2012	2011 /1	2012 /2	2011	To-date/2011*	6.632	153	6.785
Jumbo	0	0	0	0	Data Source: Agricult	- ,		-,
Extra Large	1,320	1,500	26,820	25,609		•		•
Large	6,770	1,580	62,062	44,870		rowi Slaughtere Light Hens	ed in the U.S. and Heavy Hens	Total Hens
Medium	60	3,060	11,193	11,785		•	n eavy nens nds	
Ungraded	4,080	12,068	41,688	41,246	Head	2,410		
Misc	0	0	0	0	Last Week	2,416	•	•
Total	12,230	18,208	141,763	123,510		1,888	,	•
		te figures may n	ot total due to ro	bunaing.	Same week yr ago To-date/2012*	33.304	•	•
/2 Includes revisions to previous week(s) *Note: Year to-date totals reflect comparable time periods.			To-date/2012 To-date/2011*	,	,	, -		
Note: Year to	o-date totals re	enect comparable	e ume periods.		10-uate/2011	31,191	25,144	56,335

NATIONAL MECHANICALLY SEPARATED CHICKEN

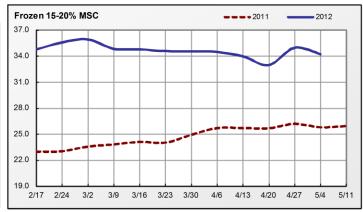
(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

MSC prices are trending steady on all fat contents. Supplies are moderate. Schedules are normal to instances reduced due to scheduled maintenance. Domestic and export demand is light to moderate. Overall, spot marketplace demand is below seasonal expectations for many. In light of the current lukewarm buyer interest and conservative finished good production and movement, many in industry are maintaining a cautious future outlook of the marketplace. Industry continues to utilize all options available to stay ahead on future spot sales of MSC. Market activity is light to moderate. Supplies of raw material are moderate to heavy. Spot trading of frames is between 11-15 cents FOB, mostly 11-13 FOB.

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

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

		Frozen		Fresh			
Fat Content	4-May-12	Last Week	Last Year	4-May-12	Last Week	Last Year	
15% or Less							
Price Range			-	24.00 - 25.00	25.25	25.00	
Wtd Avg Price			-	24.80	25.25	25.00	
Volume Traded	-	-	-	204	82	204	
Volume Exported	-	-	-	-	-	-	
15-20%							
Price Range	30.00 - 37.00	32.00 - 37.00	24.00-28.00	24.00 - 27.00	22.50 - 35.00	20.00-27.50	
Wtd Avg Price	34.22	34.96	25.79	25.38	25.12	23.09	
Volume Traded	1,160	1,175	1,790	3,253	4,002	3,600	
Volume Exported	1,040	935	1,510	245	691	-	
20% or More							
Price Range	-	-	-	22.50	22.50	18.00-20.00	
Wtd Avg Price			-	22.50	22.50	19.00	
Volume Traded	-	-	-	41	82	82	
Volume Exported	-	-	-	-	-	-	



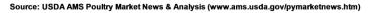
*Note: Year to-date totals reflect comparable time periods.

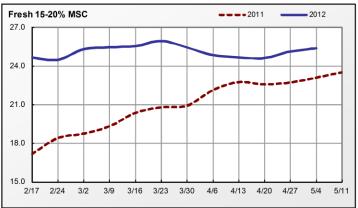
Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

	Frozen			Fresh			
Fat Content	Apr 2012	Mar 2012	Apr 2011	Apr 2012	Apr 2011		
15% or Less							
Wtd Avg Price	-	-	28.00	25.39	26.92	23.86	
Volume Traded	-	-	80	367	775	714	
Volume Exported	-	-	-	-	-	-	
15-20%							
Wtd Avg Price	33.93	34.92	25.64	24.83	25.56	22.23	
Volume Traded	6,532	9,964	9,019	14,195	19,562	17,678	
Volume Exported	5,292	8,629	7,939	1,997	4,264	245	
20% or More							
Wtd Avg Price	-	-	-	22.50	22.30	19.20	
Volume Traded	-	-	-	245	408	612	
Volume Exported	-	-	-	-	-	-	

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

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NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 04 MAY 2012.

The market on bulk parts was steady. Demand and offerings was light to moderate. The white meat market is steady to weak. Demand was light. Offerings light to heavy. The market on thigh meat was barely steady to weak. Demand was light. Offerings light to heavy. The market on mechanically separated turkey was fully steady. Demand and offerings light to moderate. Trading was slow to moderate. For domestic: fresh scapula 104.50, fresh tails 52 cents, frozen tails 52 cents, fresh breast trim 81 cents, frozen non basted grade A breast 8-10 lbs.167 cents and 12-16 lbs. 177 cents delivered. For export: livers 28-29 cents, frozen hen drums 72 cents, frozen hearts 47 cents, hand defatted tom gizzards 102 cents, frozen scapula 97 cents and fresh thigh meat 110 cents.

EXPORT TRADING

FRIDAY, MAY 04, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	69.00-73.00	.,	70.98	218	72.49	650
WINGS FULL-CUT - TOMS	55.00		55.00	110	57.86	418
WINGS, V-TYPE, TOM	-	R	106.00	162	106.00	162
TAILS		R	51.00	80	51.00	80
MECHANICALLY SEPARATED 2/		R	34.00	54	33.46	74
THIGH MEAT - FROZEN		F	117.00	40		
	PRICE	L.S.T.	WTD AVG	VOLUME		
THURSDAY, MAY 03, 2012	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	73.00-75.00		74.00	324		
WINGS FULL-CUT - TOMS	58.00-60.00		58.43	254		
WINGS, V-TYPE, TOM	106.00		106.00	162		
TAILS	51.00		51.00	80		
MECHANICALLY SEPARATED 2/	34.00		34.00	54		
THIGH MEAT - FROZEN		F	117.00	40		
	PRICE	L.S.T.	WTD AVG	VOLUME		
WEDNESDAY, MAY 02, 2012	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS	71.00		71.00	108		
WINGS FULL-CUT - TOMS	61.00		61.00	54		
WINGS, V-TYPE, TOM		R	107.25	108		
TAILS		F	52.00	40		
MECHANICALLY SEPARATED 2/		M	32.00	20		
THIGH MEAT - FROZEN		F	117.00	40		
	PRICE	L.S.T.	WTD AVG	VOLUME		
TUESDAY, MAY 01, 2012	RANGE	CODE 1/	PRICE	(000)		
DRUMSTICKS, TOMS		F	70.07	174		
WINGS FULL-CUT - TOMS		F	55.00	120		
WINGS, V-TYPE, TOM		R	107.25	108		
TAILS		F	52.00	40		
MECHANICALLY SEPARATED 2/		M	32.00	20		
THIGH MEAT - FROZEN		F	117.00	40		
MONDAY, APRIL 30, 2012	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS		F	70.07	174		
WINGS FULL-CUT - TOMS		F	55.00	120		
WINGS, V-TYPE, TOM		R	107.25	108		
TAILS		F	52.00	40		
MECHANICALLY SEPARATED 2/	32.00		32.00	20		

^{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.

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THIGH MEAT - FROZEN

40

117.00