



INTERNATIONAL EGG AND POULTRY REVIEW



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

Brazil and Argentina

Brazil is the dominant economy in Latin America and the eighth largest economy in the world. Broiler exports in 1997 reached 649,357 metric tons, up 14% from 1996, and represented 14.6% of total domestic broiler production. For 1998, poultry exports are expected to total 588,313 metric tons, due to a major drop in exports to Russia and a decline in exports to Asia, mostly to Japan. Increased competition from Thailand, due to the devaluation of the baht, and recent difficulties with new Argentine regulations for residue control have caused additional difficulties for exporters.

In November, 1998 Brazil received approval from the International Monetary Fund for a \$41.5 billion credit line. In return Brazil pledged to tackle its overspending in the public sector with widespread reform. A budget deficit close to 8% of the Gross Domestic Product was considered to be the root of Brazil's financial turmoil. On January 13, 1999 Brazil devalued its currency 8.6% against the dollar. On January 15 Brazil allowed its currency to float against the U.S. dollar. On January 22, it was reported that the real had lost 30% of its value in 10 days.

Argentina quickly announced that it was proposing a radical treaty with the United States to adopt the dollar and eliminate all risk of a devaluation like Brazil's. Argentina's Central Bank was studying the prospect of dollarization, which would replace the peso with the dollar as the national currency. The move would take two to three years to implement. In 1991 Argentina implemented the country's current one-for-one peso-dollar peg which ended Argentina's history of hyperinflation.

Source: USDA/FAS and various news sources

Saudi Arabia: An Important Market for U.S. Chicken Parts

While U.S. exporters have not been able to compete in the Saudi market for whole broilers due to competition from Brazil and France, the U.S. is very competitive in fryer parts and drumsticks. With the decline in demand from Russia, prices of U.S. fryer parts (leg quarters) have dropped significantly. Saudi importers are quoting prices ranging between \$580 and \$600 per metric ton (\$0.263 and \$0.272 per pound), CF Saudi ports. According to one trader, the prices 3-6 months ago were \$950-\$1,000 per MT (\$0.431-\$0.454 per pound). Saudi traders indicate that the Netherlands is the other significant supplier of fryer parts to Saudi Arabia.

Fryer parts are imported primarily for institutional use, destined mainly to the catering sector. Saudi Arabia hires many foreign nationals from South Asia and the Philippines to work in projects around the country. Saudi companies provide accommodations and food for millions of guest workers and fryer parts are a popular food item on the menu.

Most drumsticks are imported for institutional use, while some traders import retail packs for supermarkets and grocery stores. Brazil is a major competitor of the U.S. Traders indicate that U.S. drumsticks are larger in size than Brazilian drumsticks and this can hurt U.S. exporters when prices are high because end users pay per ton but sell per piece.

China is currently the primary supplier of boneless/skinless chicken breasts to Saudi Arabia, because of bargain prices. One source quoted prices from China at \$1,500/MT (CF) or \$0.681 per pound.

The shelf life for frozen poultry is 12 months. The customs duty on imported chicken is 20 percent ad valorem or SR 1.00 (\$0.267) per kilogram (\$0.121 per pound) whichever is higher.

Source: USDA/FAS

Thailand Monthly Exports of Broiler Meat 1998

THAILAND: Monthly Exports of Uncooked Broiler Meat Exports by Destination in 1998 (M.T.)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Jan-Oct
ASIA	9,221	12,789	12,675	11,453	12,863	13,909	14,130	14,253	14,202	12,797	128,292
EUROPE	3,896	5,249	5,680	3,557	3,861	4,734	5,050	4,562	4,697	3,852	45,138
MIDDLE EAST	91	209	130	207	216	206	152	146	23	69	1,449
AFRICA	0	12	35	23	23	0	0	0	0	11	104
TOTAL	13,208	18,259	18,520	15,240	16,963	18,849	19,332	18,961	18,922	16,729	174,983

THAILAND: Monthly Exports of Cooked Broiler Meat Exports by Destination in 1998 (M.T.)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Jan-Oct
ASIA	1,779	2,230	2,176	2,955	2,742	3,872	3,872	3,921	3,285	3,041	29,873
EUROPE	1,207	1,725	1,909	1,848	2,001	1,971	1,886	1,918	2,316	1,651	18,432
MIDDLE EAST	0	0	0	0	0	0	0	0	0	0	0
OTHERS	0	0	0	0	0	0	0	0	0	9	9
TOTAL	2,986	3,955	4,085	4,803	4,743	5,843	5,758	5,839	5,601	4,701	48,314

Source: USDA/FAS

INSPECTED EGG PRODUCTS

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

Type	Week Ending		Year-To-Date	
	1999	1998/1	1999	1998
Liquid	333	39	333	39
Frozen	6	0	6	0
Dried	0	0	0	0
Total	339	39	339	39

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

Type	Week Ending		Year-To-Date	
	1999	1998/1	1999	1998
Liquid	39	263	39	263
Frozen	0	0	0	0
Dried	0	0	0	0
Total	39	263	39	263

Inspected Shell Eggs

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

Type	Week Ending		Year-To-Date	
	1999	1998/1	1999	1998
Jumbo	0	0	0	0
Extra Large	0	0	0	0
Large	1,204	675	1,204	675
Medium	0	0	0	0
Ungraded	10,889	0	10,889	0
Misc	0	0	0	0
Total	12,093	675	12,093	675

/1 Comparable Week, to-date figures may not total due to rounding.

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. January 22, 1999

CHICKEN PRICES

FAT CONTENT	FROZEN		FRESH	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	-	-	-	-
WTD AVG	-	-	-	-

0 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	17.00-20.00	-	15.50	15.00
WTD AVERAGE	17.75		15.50	15.00

284,800 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	14.00	-	9.50-12.00	12.00-14.00
WTD AVERAGE	14.00		11.00	12.54

1,072,000 pounds, this includes 52,000 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	13.50
WTD AVERAGE				13.50

40,800 pounds, this includes 0 pounds for export shipment.
* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

LIVE POULTRY SLTRD UNDER INSPECTION W/E 09-JAN-99 (PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY (000'S)

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	2,136	1,390	3,526
LAST WEEK	1,836	1,051	2,887
SAME WEEK YR AGO	2,082	1,276	3,358
TO-DATE/1999	2,136	1,390	3,526
TO-DATE/1998	2,082	1,276	3,358

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	479	0	479
LAST WEEK	266	0	266
SAME WEEK YR AGO	535	0	535
TO-DATE/1999	479	0	479
TO-DATE/1998	535	0	535

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	2,615	1,390	4,005
LAST WEEK	2,102	1,051	3,153
SAME WEEK YR AGO	2,617	1,276	3,893
TO-DATE/1999	2,615	1,390	4,005
TO-DATE/1998	2,617	1,276	3,893

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. January 22, 1999

CHICKEN PRICES

FAT CONTENT	FROZEN		FRESH	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	15.00-16.00	16.00	-	17.00
WTD AVERAGE	15.52	16.00		17.00

660,000 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	14.00	16.00	-	-
WTD AVERAGE	14.00	16.00		

120,000 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	12.00	-	11.50-12.00	11.50-13.00
WTD AVERAGE	12.00		11.96	12.50

840,000 pounds, this includes 0 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.
* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

JANUARY 22, 1999

Undertone steady on close trimmed fresh tom breast meat, barely steady at best on regular trimmed. Trade sentiment barely steady to weak on tom drums and frozen thigh meat, steady on tom wings and steady to fully steady on tom 2-joint wings for export. Some improved export interest noted on tom drums for export to the Caribbean. Trading fair on open priced frozen 15-20% skin added mechanically separated turkey for February export shipments and light on sized frozen thigh meat. Offerings of breast trim, scapula and destrapped tenderloins light; wing meat available with buyers bidding lower.

FRIDAY, JANUARY 22, 1999

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	19.00		19.00	80	18.24	536
WINGS, V-TYPE, TOM	25.50		25.50	104	24.96	676
TAILS		W	19.00	40	19.00	40
MECHANICALLY SEPARATED 4/	15.00-16.00		15.33	60	15.33	60
THIGH MEAT - FROZEN	58.00		58.00	60	55.71	140

THURSDAY, JANUARY 21, 1999

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	18.11	456
WINGS, V-TYPE, TOM		W	24.00	260
TAILS		W	19.00	40
MECHANICALLY SEPARATED 4/		F	15.80	400
THIGH MEAT - FROZEN		T	54.00	80

WEDNESDAY, JANUARY 20, 1999

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-18.50		18.11	456
WINGS, V-TYPE, TOM	24.00		24.00	260
TAILS	19.00		19.00	40
MECHANICALLY SEPARATED 4/		F	15.80	400
THIGH MEAT - FROZEN		T	54.00	80

TUESDAY, JANUARY 19, 1999

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	21.74	184
WINGS, V-TYPE, TOM	24.75-26.00		25.58	312
TAILS		T	18.99	288
MECHANICALLY SEPARATED 4/		F	15.80	400
THIGH MEAT - FROZEN	54.00		54.00	80

MONDAY, JANUARY 18, 1999

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
HOLIDAY				

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
 2/ Product contains 15-20% fat with skin added.

INSPECTED EGG PRODUCTS

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

Type	Week Ending		Year-To-Date	
	1999	1998/1	1999	1998
Liquid	246	50	579	89
Frozen	0	0	6	0
Dried	0	40	0	40
Total	246	90	585	129

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

Type	Week Ending		Year-To-Date	
	1999	1998/1	1999	1998
Liquid	41	110	80	373
Frozen	19	11	19	11
Dried	0	0	0	0
Total	60	121	99	384

Inspected Shell Eggs

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

Type	Week Ending		Year-To-Date	
	1999	1998/1	1999	1998
Jumbo	0	0	0	0
Extra Large	750	725	750	725
Large	1,550	1,575	2,754	2,250
Medium	0	0	0	0
Ungraded	11,370	0	22,259	0
Misc	0	0	0	0
Total	13,670	2,300	25,763	2,975

/1 Comparable Week, to-date figures may not total due to rounding.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 16-JAN-99

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY (000'S)

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	2,252	1,470	3,722
LAST WEEK	2,136	1,390	3,526
SAME WEEK YR AGO	2,115	1,293	3,408
TO-DATE/1999	4,388	2,860	7,248
TO-DATE/1998	4,197	2,569	6,766

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	436	0	436
LAST WEEK	479	0	479
SAME WEEK YR AGO	495	8	503
TO-DATE/1999	915	0	915
TO-DATE/1998	1,030	8	1,038

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	2,688	1,470	4,158
LAST WEEK	2,615	1,390	4,005
SAME WEEK YR AGO	2,610	1,301	3,911
TO-DATE/1999	5,303	2,860	8,163
TO-DATE/1998	5,227	2,577	7,804