



INTERNATIONAL EGG AND POULTRY REVIEW



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

French Poultry

Since the economic turmoil that started in Russia in August 1998 halted exports to this region, only exports of mechanically deboned meat have resumed, but at a much lower price than before, and at about 50 to 60 percent of their pre-crisis level of 3,000 MT per month. Poultry exports to the traditional Middle East markets continued to slowly erode. However, booming exports of frozen chicken to Iran helped to maintain the total export figure to this region close to its CY 1997 level.

According to various preliminary data, French poultry meat production rose by 2.7 percent in CY 1998, driven mostly by a hike in chicken and turkey meat production. However, in the second half the trend changed as poultry companies saw their export figures plummet and limited the numbers of chicks placed and lengthened the sanitary time lapse between flocks. They also reduced the price paid to farmers for each chicken produced to about FF 5.19 per bird (USD 0.94). This infuriated farm unions but since farmers are highly integrated (the poultry company provides the chicks, the feed and often the building), they could do nothing about it. For CY 1999, analysts forecast a small decline in poultry and chicken meat production and a 4 percent drop in turkey meat production.

French Poultry Meat Exports, in MT, product weight basis

Country / Region	Jan/Oct 97	Jan/Oct 98
United Kingdom	84,454	73,892
Germany	83,627	65,088
Netherlands	20,623	19,931
Spain	69,699	42,923
Total EU-15	316,330	279,498
Russia	65,750	62,476
Sub-Sahara Africa	30,496	36,986
Iran	117	33,641
Saudi Arabia	83,870	80,477
United Arab Emirates	30,478	26,617
Oman	15,556	15,633
Yemen	28,412	29,605
Total Middle East	172,795	200,628
Hong-Kong	11,858	13,260
Total Asia	18,225	17,946
Cuba	4,704	5,708
Total Central & South America	4,783	5,846
Total third countries	317,240	353,635
Grand Total	633,569	633,133

Source CFCE (French Board for Foreign Trade)

After having benefitted from the BSE situation for the past two years, French poultry meat exports to other EU countries declined in CY 1998 as poultry meat exports to third countries rose, according to preliminary data from French Customs. As the EU internal market seems to be saturated with Dutch, British

and Danish poultry meat which is not exported to Russia, intra-EU competition is more intense than ever. No rebound is expected for CY 1999.

Before the Russian crisis, poultry exports were up by 15 percent. But, since August when the Russian market virtually closed for French poultry products, close to 7,000 MT a month of exports had to find new markets: a large share (mostly frozen whole chicken) was diverted to the Middle East while some turkey meat was exported to Cuba and sub-Sahara Africa. Note that, since French exporters exported on a FOB basis and payment was made before shipment, they did not lose much money when the rouble was devalued. They simply halted shipments.

Since the Russian crisis, BOURGOIN SA is the major exporter of mechanically deboned turkey meat to Russia. Its already very competitive prices have dropped (from about 4 FF per kilo FOB or USD 0.30 per pound before the crisis to about FF 2.50 or USD 0.18 per pound FOB) but exports are hampered by very high logistical costs (transporting poultry meat by truck to Russia is about 1 FF more per kilo than shipping to Jeddah, Saudi Arabia). According to trade sources, Moscow wholesale prices in ruble were about 7.50 roubles per kilo in the late fall 1998.

France's exports to the Middle East region in CY 1998 were boosted by large chicken meat shipments to Iran. The main exporters were DOUX SA and TILLY SABCO, a joint venture of UNICOPA and BOURGOIN. TILLY SABCO's export contract is valued at FF 126 million (USD 22.9 million) but the company had to invest FF 18 million (USD 3.3 million) to upgrade its slaughtering facilities to meet Iran's requirements. Exports of frozen whole chicken to Iran are expected to increase again in CY 1999.

CY 1999 French poultry exports forecasts look gloomy. French poultry exports within the EU are expected to suffer from stiff Dutch and German competition. If the economic situation does not change, exports to Russia will be limited to approximately 2000 MT a month of MDM turkey meat, far below the 80,000 MT a year of total poultry meat exports achieved in 1997. Exports to the Middle East will probably remain stable, since smaller shipments to Saudi Arabia and United Arab Emirates will likely be compensated by larger exports to Iran. French chicken meat exports in CY 1999 to this area could also suffer from the lower EU subsidies mandated by the Uruguay Round.

There is some uncertainty about the impact of the Brazilian economic turmoil on French poultry exports. While the Brazilian currency devaluation will make Brazilian poultry much more competitive, some analysts believe that Brazilian poultry companies will try to increase their profits by keeping their prices in USD stable. Others exporters forecast that Brazilian poultry companies, facing internal difficulties and increased production costs, will be less competitive on export markets.

Source: USDA/Foreign Agricultural Service

INSPECTED EGG PRODUCTS

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

Type	Week Ending		Year-To-Date		
	February 06, 1999	1998	1997 /1	1998	1997
Liquid	97	377	1,147	957	
Frozen	0	0	6	0	
Dried	0	0	0	40	
Total	97	377	1,153	997	

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

Type	Week Ending		Year-To-Date		
	February 06, 1999	1998	1997 /1	1998	1997
Liquid	105	73	405	585	
Frozen	5	0	56	11	
Dried	0	0	0	0	
Total	110	73	461	596	

Inspected Shell Eggs

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

	Week Ending		Year-To-Date		
	February 06, 1999	1998	1997 /1	1998	1997
Jumbo	0	0	0	0	
Extra Large	0	0	1,050	1,175	
Large	800	800	6,084	4,800	
Medium	0	717	300	1,667	
Ungraded	3,060	1,920	33,479	1,920	
Misc	0	0	0	0	
Total	3,860	3,437	40,913	9,562	

/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. February 12,1999

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	10.00-13.00	15.50-17.00	14.00-15.00	15.00
WTD AVERAGE	11.29	16.25	14.20	15.00

292,800 pounds, this includes 80,000 pounds for export shipment.

15-20%

RANGE	10.00-12.00	13.25-14.50	9.00-14.00	11.00-13.50
WTD AVERAGE	11.00	13.84	10.03	11.95

2,485,900 pounds, this includes 400,000 pounds for export shipment.

20% OR MORE

RANGE	-	-	-	13.50-14.75
WTD AVERAGE				14.50

408,000 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 06-Feb-99 (PRELIMINARY)

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	2,159	1,245
LAST WEEK	2,287	1,378	3,665
SAME WEEK YR AGO	1,877	1,396	3,273
TO-DATE/1999	11,242	6,694	17,936
TO-DATE/1998	10,216	6,340	16,556

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	567	0
LAST WEEK	588	20	608
SAME WEEK YR AGO	426	31	457
TO-DATE/1999	2,545	34	2,579
TO-DATE/1998	2,574	39	2,613

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	2,726	1,245
LAST WEEK	2,875	1,398	4,273
SAME WEEK YR AGO	2,303	1,427	3,730
TO-DATE/1999	13,787	6,728	20,515
TO-DATE/1998	12,790	6,379	19,169

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. February 12,1999

CHICKEN PRICES

FAT CONTENT	FROZEN		FRESH	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
RANGE	15.00-17.00	-	17.00	17.00
WTD AVERAGE	15.57		17.00	17.00

1,096,600 pounds, this includes 304,000 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

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

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

15-20%

RANGE	11.50-15.00	12.00-14.00	11.00-13.20	13.00-14.00
WTD AVERAGE	12.69	13.71	12.09	13.67

2,248,839 pounds, this includes 208,000 pounds for export shipment.

20% OR MORE

RANGE	-	-	-	13.00
WTD AVERAGE				13.00

164,200 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

FEBRUARY 12, 1999

Trade sentiment steady to fully steady on thigh meat and bulk parts, white meat steady to firm mostly fully steady to firm. Demand fair to good on white meat, thigh meat and bulk parts light to fair. Trade sentiment on 10 lb. and heavier breasts steady to firm with the strength due in part to the strong breast meat, 4-8 lb. breasts mixed. Some wing meat with skin noted at 65 cents shipping point for early March pick-up. Trading light on line run fresh 20 lb. and heavier at 57 cents delivered.

FRIDAY, FEBRUARY 12, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		T	19.00	120	19.00	120
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		R	26.50	104	26.50	104
TAILS	21.00		21.00	80	20.00	160
MECHANICALLY SEPARATED 2/	15.00-16.00		15.80	50	15.80	50
THIGH MEAT - FROZEN	43.00-45.00		43.68	297	42.30	1,701

THURSDAY, FEBRUARY 11, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	19.00	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	26.50		26.50	104
TAILS	19.00		19.00	80
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	42.00-45.00		42.47	332

WEDNESDAY, FEBRUARY 10, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	19.00	120
WINGS FULL-CUT - TOMS		W	17.00	312
WINGS, V-TYPE, TOM				
TAILS		W	19.18	224
MECHANICALLY SEPARATED 2/		W	13.97	692
THIGH MEAT - FROZEN	39.50-43.50		41.82	784

TUESDAY, FEBRUARY 09, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	19.00		19.00	120
WINGS FULL-CUT - TOMS		W	17.00	312
WINGS, V-TYPE, TOM				
TAILS		W	19.18	224
MECHANICALLY SEPARATED 2/		W	13.97	692
THIGH MEAT - FROZEN	42.00		42.00	208

MONDAY, FEBRUARY 08, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	16.00	40
WINGS FULL-CUT - TOMS		W	17.00	312
WINGS, V-TYPE, TOM		M	26.00	208
TAILS		W	19.18	224
MECHANICALLY SEPARATED 2/		W	13.97	692
THIGH MEAT - FROZEN	42.00		42.00	80

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.