



# INTERNATIONAL EGG AND POULTRY REVIEW

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U. S. Department of Agriculture    Agricultural Marketing Service    Poultry Programs    Market News Branch

## Peoples Republic of China

In April the Chinese government signed a bilateral cooperative agreement which, among other things, indicates Chinese recognition of the U.S. certification system for meat and poultry. Coupled with tariff reductions, this agreement will significantly improve access for U.S. meat product access to all segments of the Chinese market.

### Summary of China's Poultry Situation

	1998	1999	2000
Poultry Meat Production in Million Metric Tons	10.7	10.9	11.4
Rate of Increase Over Preceding Year	3.1%	1.7%	4.6%
Share of Total Meat Production	20.0%	20.0%	20.0%

Source: USDA/Foreign Agricultural Service

## Hong Kong Supermarkets

It is a common practice for the major supermarket chains in Hong Kong to charge slotting fees for consumer food products, as is also done in the U.S. The Hong Kong retail market is dominated by two supermarket chains and their slotting fees are considered to be very high in this market. Small and medium size exporters find it hard to afford the slotting fees and obtain the shelf space. The two major supermarket chains charge a minimum slotting fee in Hong Kong of HK\$15,000 (US\$1940).

Due to the plentiful suppliers in the market, it is very difficult for a new supplier to open a new "supplier account" with the supermarket chains. Small and medium sized U.S. suppliers can work with a distributor, agent or consolidator who is already supplying products to the major supermarket chains in Hong Kong. These distributors/agents/consolidators have better access to the major supermarket chains. Some smaller retail outlets or supermarket chains do not charge slotting fees. These smaller stores provide a platform to gain limited entry into the Hong Kong market.

Source: USDA/Foreign Agricultural Service, Attaché Report



Source: Department of Commerce, Bureau of the Census

## Export Enhancement Program (EEP)

An invitation for offers for frozen poultry was issued on July 1, 1999. Eligible countries are Egypt, Jordan, Lebanon, Oman, United Arab Emirates and Yemen. U.S. Grade A or better whole frozen ready-to-cook broilers/fryers, or parts in natural proportion, are eligible. The maximum quantity is 20,210 metric tons. The export performance security is equal to 10 percent of the sales contract unit prices and 95 percent of the quantity of the eligible commodity for which the eligible exporter wishes to receive a CCC (Commodity Credit Corporation) bonus.

Source: USDA/Foreign Agricultural Service, <http://www.fas.usda.gov/excredits/gsm-508.html>

## Malaysia

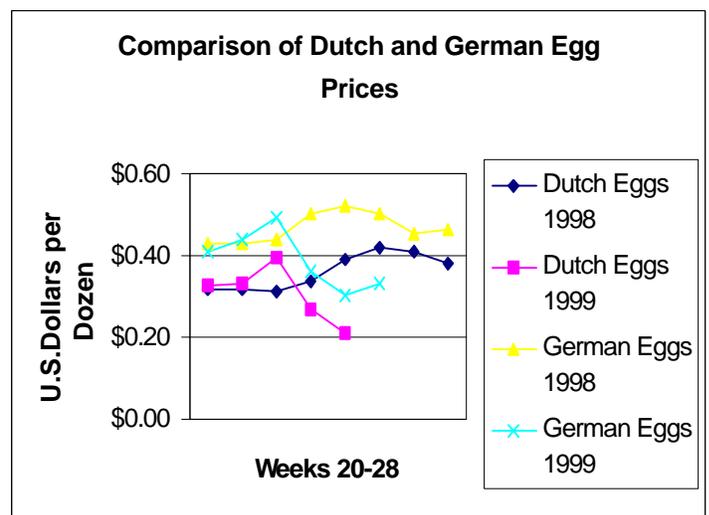
Egg production in Malaysia last year totaled 5,860 million or 7% less than in 1997. The latest forecast for 1999 points to a further reduction in output of almost 6% to 5,537 million eggs.

Source: International Egg Commission

## Dioxin and European Egg Prices

Egg prices dropped sharply in the Netherlands and Germany after the dioxin affair. All prices are for white eggs. Price quotes are based on weekly quotes and the comparison is for 1998 and 1999 weeks 20 through 28, approximately mid May through mid July.

Dutch eggs are ungraded and are equivalent to Class 2 nest runs. German eggs are graded and equivalent to the large size. Class 2 and large eggs both weigh 45 pounds per 30 dozen case.



**INSPECTED EGG PRODUCTS**

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

Type	Week Ending June 26, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	339	435	7,316	6,823
Frozen	0	0	6	50
Dried	0	4	276	314
Total	339	439	7,598	7,187

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

Type	Week Ending June 26, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	80	54	2,252	2,123
Frozen	1	3	129	129
Dried	0	0	128	225
Total	81	57	2,509	2,477

**Inspected Shell Eggs**

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

	Week Ending June 26, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	20	0	554	661
Extra Large	996	460	15,439	19,598
Large	2,039	1,574	58,424	52,667
Medium	323	960	25,107	29,216
Ungraded	67,966	9,890	264,135	113,825
Misc	120	0	3,468	2,560
Total	71,464	12,884	367,127	218,527

/1 Comparable Week, to-date figures may not total due to rounding. Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 26-Jun-99

PRELIMINARY

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

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	2,157	1,461	3,618
LAST WEEK	2,095	1,564	3,659
SAME WEEK YR AGO	2,043	1,363	3,406
TO-DATE/1999	54,610	33,902	88,512
TO-DATE/1998	52,852	31,856	84,708

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	537	0	537
LAST WEEK	549	0	549
SAME WEEK YR AGO	630	0	630
TO-DATE/1999	12,540	150	12,690
TO-DATE/1998	14,386	204	14,590

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

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

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	2,694	1,461	4,155
LAST WEEK	2,644	1,564	4,208
SAME WEEK YR AGO	2,673	1,363	4,036
TO-DATE/1999	67,150	34,052	101,202
TO-DATE/1998	67,238	32,060	99,298

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. July 02,1999

**CHICKEN PRICES**

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

0 pounds, this includes 0 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	-	19.00-21.00	15.00-17.50	21.00
WTD AVERAGE	-	20.00	16.08	21.00

387,600 pounds, this includes 244,800 pounds for export shipment.

15-20%				
RANGE	13.00	-	11.00-13.00	13.00-15.00
WTD AVERAGE	13.00		11.80	14.24

1,836,000 pounds, this includes 367,200 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	14.75
WTD AVERAGE				14.75

163,200 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

**EASTERN REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. July 02,1999

**CHICKEN PRICES**

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	16.00-17.50	16.50-17.00	18.00	18.00
WTD AVERAGE	16.42	16.75	18.00	18.00

1,028,000 pounds, this includes 320,000 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	14.00-15.00	-	-	17.00
WTD AVERAGE	14.55			17.00

1,096,000 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	12.00-17.00	14.00	12.00-13.50	13.00-16.25
WTD AVERAGE	15.62	14.00	12.92	14.67

3,891,680 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: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

JULY 02, 1999

Trade sentiment on thigh meat was barely steady to weak, tom drums were mixed, mostly steady, and scapula was steady to weak. Fresh tom breast meat was available from current week production. Hen parts were tight and strong. Export trading included two containers of hen v-type wings at 44 cents, one container of tom necks at 15 and a full and partial container of thigh trim at 21-21.75 cents. Holiday schedules disrupted trading patterns in areas.

**FRIDAY, JULY 02, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	16.00-19.00		18.31	558	18.12	1,854
WINGS FULL-CUT - TOMS		R	18.50	104	18.64	1,080
WINGS, V-TYPE, TOM	21.50		21.50	92	20.93	456
TAILS						
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	61.00-62.00		61.28	184	61.83	432

**THURSDAY, JULY 01, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	17.00-20.00		17.86	744
WINGS FULL-CUT - TOMS	18.50		18.50	104
WINGS, V-TYPE, TOM	20.50		20.50	52
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	60.00	R	22.58 60.00	264 104

**WEDNESDAY, JUNE 30, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	18.28	552
WINGS FULL-CUT - TOMS		M	18.66	976
WINGS, V-TYPE, TOM	21.00		21.00	104
TAILS		W	17.00	80
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		R M	22.58 63.86	264 144

**TUESDAY, JUNE 29, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	18.28	552
WINGS FULL-CUT - TOMS		M	18.66	976
WINGS, V-TYPE, TOM		M	20.75	208
TAILS		W	17.00	80
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		R M	22.58 63.86	264 144

**MONDAY, JUNE 28, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	18.00-19.00		18.28	552
WINGS FULL-CUT - TOMS	18.00-21.00		18.66	976
WINGS, V-TYPE, TOM	20.50-21.00		20.75	208
TAILS		W	17.00	80
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	63.50-64.00	R	22.58 63.86	264 144

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.

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