



# INTERNATIONAL EGG AND POULTRY REVIEW

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Poultry Programs

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## Brazil Annual Poultry Report

Brazil ranks third in world poultry production and is a major poultry exporter, consistently ranking second or third in the world since the late 1970's. Nearly 98 percent of the poultry meat produced in Brazil is broiler meat and the balance is mostly turkey meat. Brazil's economic recovery after the adoption of the floating exchange rate in mid-January surprised most economic analysts. The poultry sector benefited from the devaluation of the Real in mid-January which boosted Brazilian broiler exports.

In 1999, the ten largest poultry processors in Brazil are expected to account for nearly 50 percent of total broiler slaughter, up from 48 percent in 1998. The French company Doux is buying the fourth largest broiler processor in Brazil and the Argentine group Macri recently announced the acquisition of the fifth largest Brazilian broiler processor.

Brazilian broiler exports to Asia and Europe increased by 36 and 20 percent, respectively, compared to the same period in 1998. According to trade sources exports of broilers to Russia declined substantially in 1999 due to the lack of export credit, and competition from the United States. Export volume is estimated to increase 17 percent for 1999.

### Poultry Meat Export

	<u>Chicken</u>		<u>Turkey</u>	
	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>
Argentina	62,364	44,348	1,056	610
Bahrain	7,655	15,310		
European Union	70,552	85,367	11,715	14,900
Hong Kong	72,444	94,177	983	1,050
Japan	73,360	95,368	91	120
Qatar	13,868	16,641		
Russia	16,582	1,652		
Saudi Arabia	167,994	184,793	373	450
Singapore	20,942	27,224		
UAE	24,527	29,432		
Cayman Islands			292	390
Peru			1,920	1,500
South Africa			1,630	1,530
Total	530,288	594,312	18,060	20,550
Others not listed	82,190	105,998	1,306	3,550
Grand Total	612,478	700,310	19,366	24,100

Turkey production is estimated to increase by nearly 13 percent in 1999, reflecting higher productivity, lower production costs (due to lower prices of feeds), and firm demand, both domestic and from the export market. Frozen Ready to Cook (RTC) turkey consumption remains highly seasonal in Brazil. Trade sources estimate 85 percent of whole turkey sales to occur during the

pre-Christmas period, because consumer habits in Brazil favor turkey consumption during this holiday season. However, processed turkey products, such as sliced loaf, nuggets, etc., are consumed throughout the year. This is part of Sadia's business strategy to increase consumption of processed turkey products and to expand the consumption of whole turkeys to other major seasonal holidays in Brazil. Sadia controls over 90 percent of turkey production in Brazil.

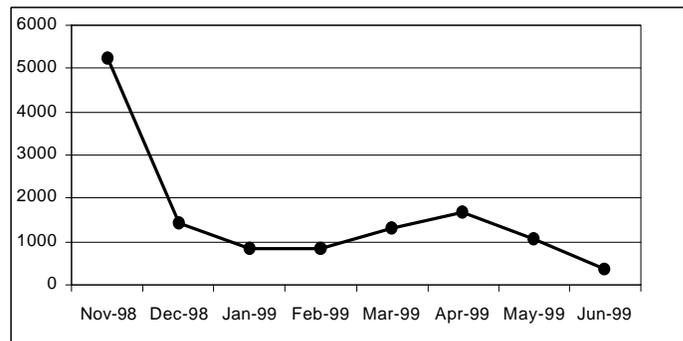
Brazilian turkey exports are almost entirely turkey parts (both breasts and legs). Over the last 5 years, 60 percent of exports have been to the European Union, with the balance going to several other markets such as Japan and South Africa. The Italian company PARMALAT, which is already the second largest dairy company in Brazil, has announced its interest in producing turkey in Brazil. Production for domestic and export consumption is expected to begin by the end of the year. Most of PARMALAT strategies in Brazil include acquisitions of Brazilian companies.

Production of table eggs in 1999 was revised upward, reflecting attractive returns to producers, lower feed costs, and higher consumption of table eggs. Demand for table eggs is expected to increase in 1999 due to its relative lower price versus other animal origin products. Producers have also diversified their products by offering consumers eggs with lower levels of cholesterol. Demand for processed eggs from the HRI food service sector remains important as consumers eat more outside of their home.

Note: There is no official data on production in Brazil. Poultry data provided in this report is derived from interviews with trade sources from different locations in Brazil. Turkey data is derived from interviews with sources from SADIA who accounts for slightly over 90 percent of turkey production, while the remaining balance is produced by independent producers, mostly for local farm consumption. Egg data is derived from interviews with sources from the Sao Paulo Poultry Association (APA).

Source: USDA/Foreign Agricultural Service, Economic Research Service

### Frozen Leg Quarters Exported to China



Source: Department of Commerce, Bureau of the Census

**INSPECTED EGG PRODUCTS**

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

Type	Week Ending August 28, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	328	138	9,214	9,648
Frozen	0	0	6	50
Dried	0	0	384	415
Total	328	138	9,604	10,113

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

Type	Week Ending August 28, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	244	50	3,310	2,746
Frozen	9	8	251	152
Dried	0	0	166	235
Total	253	58	3,727	3,133

**Inspected Shell Eggs**

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

Type	Week Ending August 28, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	0	0	833	958
Extra Large	690	0	24,449	24,567
Large	4,272	3,200	87,450	72,947
Medium	510	263	33,852	39,226
Ungraded	27,006	5,040	395,300	176,163
Misc	750	0	5,358	6,133
Total	33,228	8,503	547,242	319,994

/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.

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 03-SEP-99

**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	-	14.00-16.00	-	-
WTD AVERAGE		15.32		
123,600 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	13.00-14.50	15.00-21.00	10.00-14.00	13.00-14.00
WTD AVERAGE	14.00	15.86	11.07	13.50

1,876,800 pounds, this includes 652,800 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

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 28-Aug-99

PRELIMINARY

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	1,812	1,546
LAST WEEK	1,952	1,564	3,516
SAME WEEK YR AGO	1,984	1,243	3,227
TO-DATE/1999	72,642	46,745	112,513
TO-DATE/1998	71,416	42,933	107,748

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	418	0
LAST WEEK	354	0	354
SAME WEEK YR AGO	483	27	510
TO-DATE/1999	16,321	181	16,502
TO-DATE/1998	18,537	266	18,803

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	HEAD	2,230	1,546
LAST WEEK	2,306	1,564	3,870
SAME WEEK YR AGO	2,467	1,270	3,737
TO-DATE/1999	88,963	46,926	129,015
TO-DATE/1998	89,953	43,199	126,551

**EASTERN REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 03-SEP-99

**CHICKEN PRICES**

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	16.00-18.00	-	16.00-18.00	-
WTD AVERAGE	16.22		17.61	

1,286,000 pounds, this includes 320,000 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	15.00	-	-	16.00-17.00
WTD AVERAGE	15.00			16.88
520,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	14.00-17.00	14.00-15.50	13.00-16.00	13.00-15.00
WTD AVERAGE	15.95	14.38	14.26	14.00

2,116,000 pounds, this includes 454,000 pounds for export shipment.

20% OR MORE

RANGE	-	-	13.50	-
WTD AVERAGE			13.50	

80,000 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

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**

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

SEPTEMBER 03, 1999

Trade sentiment at least steady on fresh tom breast for next week's holiday processing schedules and on fresh destrapped tenderloins. Frozen tom breast meat trade sentiment barely steady with the lower trending price levels starting to apply pressure to the frozen destrapped tenderloin market. Demand fair to good on frozen mechanically separated turkey (MST) for September-early October shipment and on tom drums for export, fresh MST light. Grade A 10-12 lb. breasts (part load) 130, fresh destrapped tenderloins (1 load) 175 cents delivered. For export (spot containers): livers 16, defatted gizzards 69.25.

**FRIDAY, SEPTEMBER 03, 1999**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	16.00-21.00		17.57	1,032	17.28	2,288
WINGS FULL-CUT - TOMS		R	19.00	40	16.48	248
WINGS, V-TYPE, TOM	21.50-22.00		21.70	260	21.33	780
TAILS	16.00		16.00	40	13.06	248
MECHANICALLY SEPARATED 2/	16.00-19.50		18.36	616	18.36	616
THIGH MEAT - FROZEN	56.00-60.00		57.55	184	57.55	184

**THURSDAY, SEPTEMBER 02, 1999**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-19.00		17.50	344
WINGS FULL-CUT - TOMS	19.00		19.00	40
WINGS, V-TYPE, TOM	20.00-21.50		20.50	156
TAILS		T	12.50	208
MECHANICALLY SEPARATED 2/		F	17.94	1,000
THIGH MEAT - FROZEN		F	55.11	288

**WEDNESDAY, SEPTEMBER 01, 1999**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-17.50		16.93	624
WINGS FULL-CUT - TOMS	16.00		16.00	208
WINGS, V-TYPE, TOM	22.00		22.00	52
TAILS		T	12.50	208
MECHANICALLY SEPARATED 2/		F	17.94	1,000
THIGH MEAT - FROZEN		F	55.11	288

**TUESDAY, AUGUST 31, 1999**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	16.72	288
WINGS FULL-CUT - TOMS		F	16.00	1,020
WINGS, V-TYPE, TOM		M	21.33	312
TAILS	12.50		12.50	208
MECHANICALLY SEPARATED 2/		F	17.94	1,000
THIGH MEAT - FROZEN		F	55.11	288

**MONDAY, AUGUST 30, 1999**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	15.50-17.00		16.72	288
WINGS FULL-CUT - TOMS		F	16.00	1,020
WINGS, V-TYPE, TOM	21.00-22.00		21.33	312
TAILS		F	15.00	40
MECHANICALLY SEPARATED 2/		F	17.94	1,000
THIGH MEAT - FROZEN		F	55.11	288

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.