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China and Denmark Joint Venture

In 1997 Tiandou Egg Process Ltd. was established as a joint venture between China Shaanxi Tiandou Industry and Trade Ltd. Co. and Ovotec International A/S of Denmark. The company was set up to produce liquid, frozen and powdered egg in an area which already had a strong agricultural base and a good supply of feed. The area is also a tourist attraction and has a number of international style hotels. Tiandou egg products are transported to food industries in other cities inside China and the first export orders are being secured through Ovotec's network of contacts.

Phase I is in operation and was set up to processes 1500 metric tons of whole egg and yolk powder annually with the whites sold as liquid/frozen product. Phase II will consist of additional equipment to process egg white powder and premixed products.

Source: Poultry International, WATT Poultry

Panama Raises Tariffs

Last week the Panamanian government announced it would raise import duties on 44 different tariff schedules of food products. This action was taken due to President Mireya Moscosco's campaign promise to farmers to raise tariffs which had been unexpectedly dropped below WTO-pegged levels by the former government. The poultry industry had the highest increases, followed by dairy, sugar and rice groups. The measure was considered demagogical because Panama is conducting negotiations for free trade agreements with Mexico and Chile, is supposed to have a special interest in hosting a FTAA meeting next year, and knows that WTO is promoting a general decrease of tariff ceilings for the near future. Due to these factors, tariffs are not expected to last long. Enforcement of the decree left only four days for importers to make adjustments. Products in transit, or at the port, could be severely affected.

Modified Tariff Schedule, by Code and Description

		As of Date:			
		01/01/01	01/01/02	01/01/03	01/01/04
0207.13.19	chicken parts	Fresh, chilled, frozen			
		300%	293%	286%	280%
0207.14.19	chicken frozen				
		300%	293%	286%	280%
					273%

The new tariff schedules are drastically different from the direction Panama had been moving. In July, 1997, after a long lasting negotiation, Panama was approved accession to WTO, establishing tariff protection for all food products to be decreased in ten years to an average of 60%. Since January of that year, the Government of Panama lowered import duties to the 40-50% level and on January 1, 1998 to 15%, except for rice, which was established at 50%.

Source: USDA/Foreign Agricultural Service and various sources

Republic of South Africa

South Africa's poultry meat production exceeded the one million ton mark for the first time in 1998. Broiler production was 834,000 metric tons in 1998 and is estimated at 917,000 in 1999. The forecast for 2000 is 1,000,000mt of broilers and a total poultry production of 1,150,000.

South Africa, per capita meat consumption

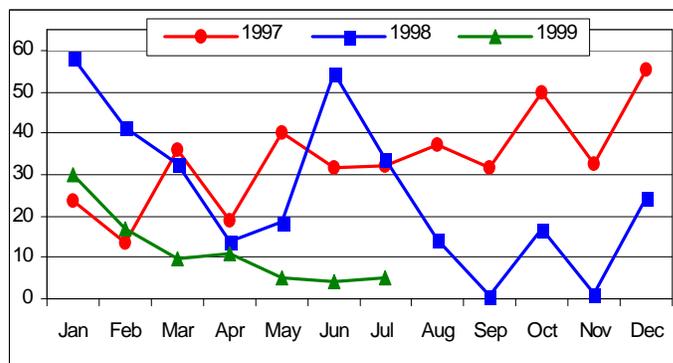
Kg. per annum	1996	1997	1998
Total red Meat	22.2	20.3	19.8
Poultry meat	21.2	20.9	25.2

Producer and retailer prices have been disappointing and imports are given the blame for the depressed price levels. Poultry meat imports decreased from 103,000 tons in 1997 to 85,850 tons in 1998. This was mainly due to a September 1997 increase in the import duty on bone-in dark chicken meat cuts, such as leg quarters, to US\$.16 cents per pound. Imports of this category decreased from 54,764 tons in 1997 to 33,798 tons in 1998 but it is still the subject of a special safeguard petition by the South African Poultry Association the Board of Tariffs and Trade. If tariffs are not drastically increased poultry meat imports are likely to exceed 80,000 tons again this year.

Imports of boneless chicken, excluding cuts, and mainly consists of Mechanically Deboned Meat (MDM) which is imported duty free. While the quantity involved is substantial the product is used in many processed foods and does not appear to be of major concern to the domestic industry as it plays an important role in supplying cheap protein to the people.

Frozen Leg Quarters Exported From the U.S. To Russia

1997, 1998, 1999



Source: Department of Commerce, Bureau of the Census

Inspected Egg Products-U.S. & Canada Export/Import Trade
U.S. Exports to Canada, in Pounds (000) (Preliminary)

Type	Week Ending October 9, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	257	619	10,875	11,987
Frozen	0	0	6	50
Dried	0	0	464	537
Total	257	619	11,345	12,574

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

Type	Week Ending October 9, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	33	41	3,642	3,338
Frozen	36	0	401	172
Dried	3	0	169	235
Total	72	41	4,212	3,745

Inspected Shell Eggs

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

Type	Week Ending October 9, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	0	0	1,131	1,295
Extra Large	1,530	0	33,719	29,491
Large	4,740	5,654	114,460	91,973
Medium	750	1,125	39,164	46,969
Ungraded	15,740	16,940	499,163	267,723
Misc	0	0	7,217	6,133
Total	22,760	23,719	694,854	443,584

/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. 15-OCT-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	-
WTD AVERAGE			14.00	
40,800 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	15.00	-	11.00-15.00	13.50-16.00
WTD AVERAGE	15.00		11.43	14.00
1,774,000 pounds, this includes 571,200 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 09-OCT-99 (PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT	HEAVY	TOTAL
HEAD	1,831	1,652	3,483
LAST WEEK	1,946	1,742	3,688
SAME WEEK YR AGO	1,701	1,380	3,081
TO-DATE/1999	83,893	56,170	140,063
TO-DATE/1998	82,484	50,577	133,061

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
-----THOUSANDS-----			
HEAD	434	0	434
LAST WEEK	390	0	390
SAME WEEK YR AGO	417	3	420
TO-DATE/1999	18,722	186	18,908
TO-DATE/1998	21,333	269	21,602

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

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

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
-----THOUSANDS-----			
HEAD	2,265	1,652	3,917
LAST WEEK	2,336	1,742	4,078
SAME WEEK YR AGO	2,118	1,383	3,501
TO-DATE/1999	102,615	56,356	158,971
TO-DATE/1998	103,817	50,846	154,663

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 15-OCT-99

CHICKEN PRICES

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
RANGE	16.00-18.00	18.50	17.00	18.00
WTD AVERAGE	17.20	18.50	17.00	18.00
1,466,000 pounds, this includes 320,000 pounds for export shipment.				

CHICKEN PRICES. WITH ADDED SKIN

15% OR LESS				
RANGE	-	17.00-17.50	15.00	16.00-17.00
WTD AVERAGE		17.25	15.00	16.67
480,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	15.75	-	13.00-16.00	13.00-15.00
WTD AVERAGE	15.75		13.25	14.65
1,900,000 pounds, this includes 0 pounds for export shipment.				

20% OR MORE

RANGE	-	-	13.50	-
WTD AVERAGE			13.50	

120,000 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

OCTOBER 15, 1999

Supplies of mechanically separated turkey were more available and the market tone was about steady. Breast meat was weak due to the fully adequate supplies, thigh meat mixed, mostly steady. Parts were tight, especially wings, and the tone was strong. Inquiries for 4-8 pound breasts went unfilled. Ground breast traded at 105. Fresh thigh meat moved to the border at 62 cents. A fair volume of toms drums were sold into export channels.

FRIDAY, OCTOBER 15, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	20.50-21.00		20.72	184	20.36	648
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 4/		R	20.00	104	20.00	104
THIGH MEAT - FROZEN	62.50		62.50	80	60.43	280

THURSDAY, OCTOBER 14, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	21.00		21.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/	20.00		20.00	104
THIGH MEAT - FROZEN		W	59.50	160

WEDNESDAY, OCTOBER 13, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00		20.00	320
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/				
THIGH MEAT - FROZEN	59.50		59.50	160

TUESDAY, OCTOBER 12, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00		20.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/				
THIGH MEAT - FROZEN	60.00		60.00	40

MONDAY, OCTOBER 11, 1999
EXPORT TRADING
NO REPORT ISSUED DUE TO COLUMBUS DAY 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.

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

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