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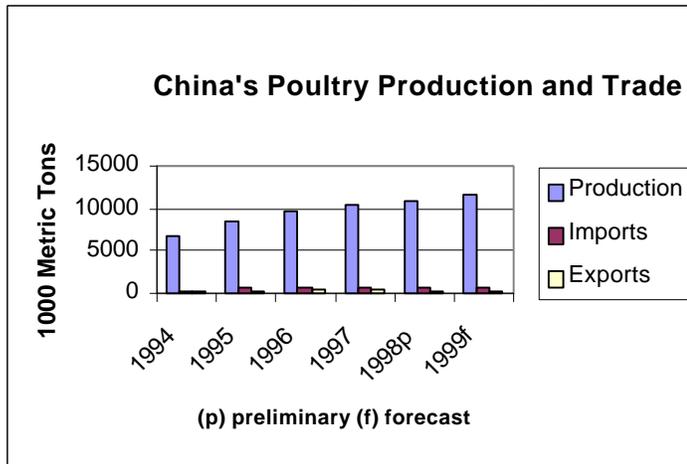
Poultry Programs

Market News Branch

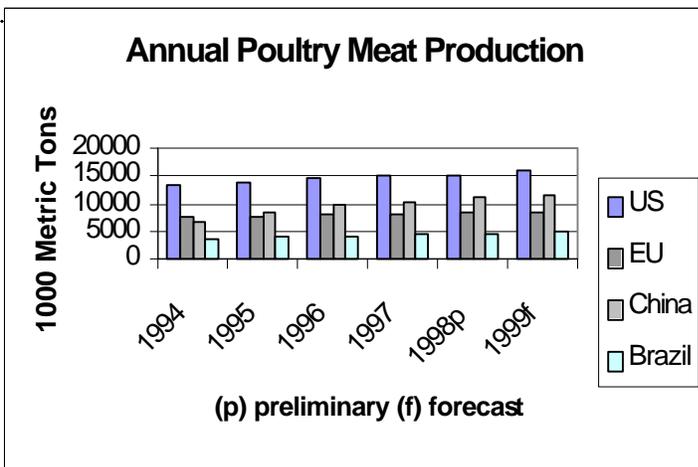
China Poultry and the WTO

On November 15, after 13 years of off-and-on negotiations, China and the United States reached a landmark agreement to open the economy of China to foreign competitors. Under the deal, Beijing would reduce tariffs on various industrial and agricultural products. Additionally, China had to commit itself to allowing foreign companies to take majority investments in many industrial and service sectors, including telecommunications companies. Foreign companies would finally be allowed to distribute their own goods within China. In exchange, the U.S. agreed to support China's bid for membership in the World Trade Organization. China still must complete agreements with the European Union, Canada, and some developing countries. Many analysts said farm trade could enjoy some of the biggest gains.

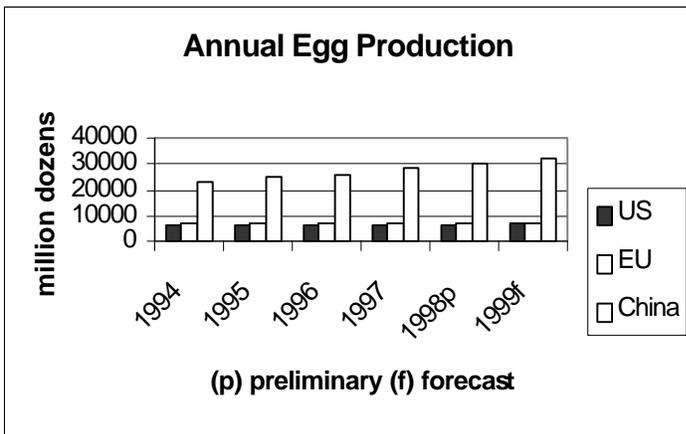
China is recognized as one of the world's largest markets for poultry meat both now and into the future. Domestic production rose steadily in 1998 growing 3 percent to total 10.70 metric tons. Forecasts for 1999 and 2000 are for poultry production to increase 2 percent annually. China is the second largest poultry producer in the world, surpassing the EU. China is both a major importer and exporter of poultry meat, overall being a net importer. In 1998 imports were estimated at 804,000 metric tons (includes Hong Kong re-exports). Exports for the same period were estimated at 367,000 metric tons, more than triple the volume exported in 1992.



The U.S. is still ranked the number one exporter to China, with 96,030 metric tons. The market share of U.S. poultry was 62.3 percent. Brazil was the second largest exporter in 1998, mainly due to the devaluation of Brazilian currency, and France was third. Most of the more expensive imported chicken parts, such as wings and legs, stay in Hong Kong. The less expensive parts, such as offal, gizzards, and particularly feet and paws, are the best selling items in the mainland Chinese market. Despite the Asian financial crisis and weak domestic household consumption over the food service industry in 1998, China took over 1,500 containers of imported chicken paws/feet and wings every month.



China produced about 40 percent of the world production in eggs, 22.2 million metric tons, and has been the world's largest egg producer since 1980. Fresh shell eggs are the most popular form of consumption for 90 percent of the chicken eggs and 10 percent of the duck eggs. Among all the processed eggs, only 10 percent of the chicken eggs are used for good processing, while 90 percent of the duck eggs are used for salty and preserved eggs. In general, China's oversupply of eggs makes it fully self-sufficient in egg consumption. The market potential for U.S. unprocessed eggs is extremely limited.



China exported 865 million shell eggs and 2.715 metric tons of egg products in 1998. Hong Kong, Macau and the U.S. were the top three shell-egg markets for China, with volumes of 676, 59 and 30 million eggs respectively in 1998. China also imported 6 million shell eggs and 70 metric tons of egg products in 1998. The U.S. was the number one exporter of processed egg products to China with a volume of 70 metric tons in 1998.

Source: FAS post reports, official statistics, and inter-agency analysis. USDA/Foreign Agricultural Service

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

Type	Week Ending November 13, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	297	234	11,898	13,493
Frozen	0	0	6	50
Dried	40	0	609	626
Total	337	234	12,513	14,169

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

Type	Week Ending November 13, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Frozen	125	77	530	3,713
Dried	41	11	210	235
	173	88	4,136	

Inspected Shell Eggs

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

Type	Week Ending November 13, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	0	0	1,204	1,348
Extra Large	2,190	1,600	40,425	32,508
Large	3,994	2,538	135,758	110,834
Medium	1,770	1,563	45,727	54,930
Ungraded	11,730	5,164	572,273	329,680
Misc	0	0	10,722	8,794
Total	19,684	10,865	806,109	538,094

/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 13-NOV-99
(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT	HEAVY	TOTAL
HEAD	1,848	1,550	3,398
LAST WEEK	1,785	1,416	3,201
SAME WEEK YR AGO	1,680	1,310	2,990
TO-DATE/1999	93,185	63,949	157,134
TO-DATE/1998	91,180	56,734	147,914

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
-----THOUSANDS-----			
HEAD	284	0	284
LAST WEEK	442	0	442
SAME WEEK YR AGO	249	17	266
TO-DATE/1999	20,668	249	20,917
TO-DATE/1998	22,845	305	23,150

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	2,132	1,550	3,682
LAST WEEK	2,227	1,416	3,643
SAME WEEK YR AGO	1,929	1,327	3,256
TO-DATE/1999	113,853	64,198	178,051
TO-DATE/1998	114,025	57,039	171,064

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 19-NOV-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	19.00	-	14.00-15.00	-
WTD AVERAGE	19.00		14.75	

204,000 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	15.00-16.00	18.00-18.50	11.00-13.00	13.50-17.50
WTD AVERAGE	15.50	18.38	11.32	14.07

2,358,000 pounds, this includes 510,000 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

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 19-NOV-99

CHICKEN PRICES

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	16.00-20.00	-	17.00-18.00	-
WTD AVERAGE	16.91		17.42	

1,120,000 pounds, this includes 320,000 pounds for export shipment.

CHICKEN PRICES. WITH ADDED SKIN

15% OR LESS				
RANGE	-	-	-	16.00-17.00
WTD AVERAGE				16.75

320,000 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	15.00-17.50	18.50	13.00-15.00	13.00-16.50
WTD AVERAGE	16.65	18.50	13.29	14.51

2,100,000 pounds, this includes 640,000 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

NOVEMBER 19, 1999

Trade sentiment on tom breast meat steady to barely steady with buyers the least optimistic, destrapped tenderloins about steady. Some processors have noted increased fresh tom breast meat activity for the upcoming holiday weekend. Trading fair on tom 2-joint wings at lower trending price levels and light on the balance of items. Offerings of bulk parts continue to become more available in the Midwest due in part to a reluctance by some export buyers to pay current asking price levels. Fresh destrapped tenderloins (8 loads) 130 cents delivered December.

FRIDAY, NOVEMBER 19, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		M	29.00	240	29.00	240
WINGS FULL-CUT - TOMS		M	30.00	40	30.00	40
WINGS, V-TYPE, TOM	24.75-27.00		25.20	520	25.20	520
TAILS		F	13.50	40		
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	63.00	F	21.00	248		
			63.00	59	63.09	459

THURSDAY, NOVEMBER 18, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	29.00	240
WINGS FULL-CUT - TOMS		M	30.00	40
WINGS, V-TYPE, TOM		F	27.00	156
TAILS		F	13.50	40
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	64.00	F	21.00	248
			64.00	40

WEDNESDAY, NOVEMBER 17, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	29.00	240
WINGS FULL-CUT - TOMS		M	30.00	40
WINGS, V-TYPE, TOM		F	27.00	156
TAILS		F	13.50	40
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	63.00	F	21.00	248
			63.00	40

TUESDAY, NOVEMBER 16, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	29.00	240
WINGS FULL-CUT - TOMS		M	30.00	40
WINGS, V-TYPE, TOM		F	27.00	156
TAILS		F	13.50	40
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	63.50	F	21.00	248
			63.50	80

MONDAY, NOVEMBER 15, 1999**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	29.00		29.00	240
WINGS FULL-CUT - TOMS	30.00		30.00	40
WINGS, V-TYPE, TOM		F	27.00	156
TAILS		F	13.50	40
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	62.00-63.00	F	21.00	248
			62.83	240

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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