



# INTERNATIONAL EGG AND POULTRY REVIEW

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## World Trade Organization

In 1995 the WTO became the successor to the General Agreement on Tariffs and Trade (GATT), which was established in the wake of the Second World War. The WTO is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible. There are over 130 members, accounting for over 90% of the world trade. The top level decision-making body is the Ministerial Conference which meets at least once every two years. The ninth round of international trade talks will be in Seattle from November 29 through December 3, 1999.

Over three-quarters of WTO members are developing or least-developed nations. Special provisions for these members are included in all the WTO agreements. Provisions include longer time periods to implement agreements and commitments, measures to increase trading opportunities, the requirement for all WTO members to safeguard the trade interests in developing countries, and to help them build the infrastructure for WTO work.

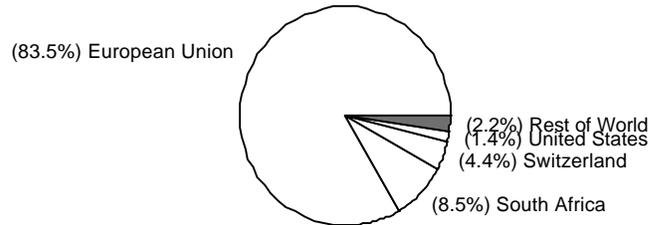
The concept of multifunctionality of agriculture is expected to be an issue that will have to be addressed as part of the continuing discussions of distortions affecting agricultural markets and trade. Benefits such as open space, wildlife habitat, biodiversity, flood prevention, cultural heritage and viable rural communities are issues that can also be used to maintain distortionary domestic agricultural policies.

Japan, the EU, Norway, Switzerland, South Korea and Hungary want the Seattle ministerial declaration to include an explicit commitment to pursue "non-trade concerns," such as food security and environment stewardship, as mandated by WTO Agreement on Agriculture (AoA). Japan criticized the first draft as "totally committed to food exporters' interests." Major agricultural exporters, including the U.S. and the Cairns Group (which includes Canada and Australia), reject negotiating non-trade concerns. Both believe that this issue would enable the EU and Japan to protect their farmers in the name of implementing animal welfare, landscape and environment improvements.

## Export Subsidies

The EU is willing to negotiate further reductions in agricultural export subsidies but will not promise to eliminate them, as the U.S. has proposed. They prefer a long term process of agricultural reform. Brazil is one of the countries calling for the dismantling of agricultural subsidies, especially in the EU. With a land mass larger than the continental U.S., Brazil is Latin America's largest agricultural producer. The EU relies on export subsidies to export its commodities because it supports high internal prices. The U.S. initiated the Export Enhancement Program in May 1985 as a targeted response to high export subsidies provided by the EU. The competitive aspects of credit guarantee commercial credit for sales of agricultural products have come under increasing scrutiny.

## Share of 1996 Export Subsidy Value



By U.S. estimates the EU accounts for about 85 percent of the farm export subsidies used in the world. The U.S. has halted most farm export subsidies, except for a small volume of dairy products. However, the U.S., in the past two years, has had farm aid packages of \$6 billion and \$9 billion. Some countries question U.S. commitment to free trade in agriculture since the emergency aid payments shield farmers from low prices that discourage production.

Source: USDA/Economic Research Service, The Institute for Agriculture and Trade Policy, and various sources

## JAPANESE POWDERED EGG IMPORTS (IN TONS)

Month	Powdered			Total
	Whole Eggs	Powdered Yolks	Powdered Albumen	
1998				
January	133.7	192.2	598.4	924.3
February	234.6	220.2	698.0	1,152.8
March	296.2	235.4	553.9	1,085.5
April	118.9	250.9	786.0	1,155.8
May	101.7	169.0	500.1	770.8
June	152.9	187.1	655.6	995.6
July	204.0	211.1	807.2	1,222.3
August	183.8	133.8	519.2	836.8
1998 To-Date	1,425.8	1,599.7	5,118.4	8,143.9
1999				
January	200.2	269.1	912.5	1,381.8
February	201.6	251.3	566.2	1,019.1
March	233.3	121.9	740.6	1,095.8
April	249.6	175.8	881.1	1,306.5
May	130.9	136.0	874.5	1,141.4
June	164.4	53.3	809.7	1,027.4
July	209.9	145.1	707.8	1,062.8
August	177.3	230.5	881.2	1,289.0
1999 To-Date	1,567.2	1,383.0	6,373.6	9,323.8

Source: ALIC Monthly Statistics

**Inspected Egg Products-U.S. & Canada Export/Import Trade**

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

Type	Week Ending November 20, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	103	225	12,001	13,718
Frozen	0	0	6	50
Dried	0	0	609	626
Total	103	225	12,616	14,394

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

Type	Week Ending November 20, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	169	30	4,224	3,743
Frozen	45	9	575	197
Dried	0	0	210	235
Total	214	39	5,009	4,175

**Inspected Shell Eggs**

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

Type	Week Ending November 20, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	60	34	1,264	1,382
Extra Large	6	255	40,431	32,763
Large	1,868	6,090	137,626	116,924
Medium	1,921	3,378	47,648	58,308
Ungraded	9,370	8,288	581,643	337,968
Misc	0	204	10,722	8,998
Total	13,225	18,249	819,334	556,343

/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 20-NOV-99 (PRELIMINARY)**

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT	HEAVY	TOTAL
	THOUSANDS		
HEAD	2,080	1,512	3,592
LAST WEEK	1,848	1,550	3,398
SAME WEEK YR AGO	1,692	1,450	3,142
TO-DATE/1999	95,265	65,461	160,726
TO-DATE/1998	92,872	58,184	151,056

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

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
THOUSANDS			
HEAD	409	0	409
LAST WEEK	284	0	284
SAME WEEK YR AGO	271	17	288
TO-DATE/1999	21,077	249	21,326
TO-DATE/1998	23,116	322	23,438

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	2,489	1,512	4,001
LAST WEEK	2,132	1,550	3,682
SAME WEEK YR AGO	1,963	1,467	3,430
TO-DATE/1999	116,342	65,710	182,052
TO-DATE/1998	115,988	58,506	174,494

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 26-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	-	-	14.00-15.00	-
WTD AVERAGE			14.67	
91,200 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	-	-	11.00-14.00	13.00-14.50
WTD AVERAGE			11.32	13.59

1,594,200 pounds, this includes 530,400 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. 26-NOV-99

**CHICKEN PRICES**

FAT CONTENT	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
15% OR LESS				
RANGE	16.00-18.00	-	17.00-18.00	-
WTD AVERAGE	16.63		17.56	

1,000,000 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	16.00-17.50	-	12.00-13.00	13.00-15.00
WTD AVERAGE	17.05		12.54	14.43

1,586,920 pounds, this includes 680,000 pounds for export shipment.

20% OR MORE

RANGE	-	-	13.50	-
WTD AVERAGE			13.50	

160,000 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 26, 1999

Market activity was limited as many in the industry enjoyed a long holiday weekend. Trading centered on mixed loads of parts and meat. Trucking availability was expected to improve next week and some previously sold product will finally be shipped. Export trading was active on tom v-type wings, light on mechanically separated turkey.

**FRIDAY, NOVEMBER 26, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		W	28.50	200	28.50	200
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	25.00-26.00		25.50	832	25.50	832
TAILS						
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	20.00	F	20.00 63.00	40 59	20.00	400

**THURSDAY, NOVEMBER 25, 1999  
NO PRICES REPORTED  
THANKSGIVING HOLIDAY**

**WEDNESDAY, NOVEMBER 24, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	28.50		28.50	200
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	25.20	520
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	20.00	F	20.00 63.00	280 59

**TUESDAY, NOVEMBER 23, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	25.20	520
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		M F	20.00 63.00	80 59

**MONDAY, NOVEMBER 22, 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	25.20	520
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	20.00	F	20.00 63.00	80 59

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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