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OECD Discussion on Export Credits Falters

The ongoing discussion at the OECD on the use of export credits in agricultural commodity trade broke down over disagreement between the U.S. and several Cairns Group countries on state trading enterprises and the amortization periods for export loans. Presently, US rules allow debtors three years to pay back state-guaranteed loans used to purchase US farm commodities. At the OECD talks, the US conceded that it could reduce this time to 18 months, but Canada and Australia, for example, both argued that this payback term was still uncompetitive and should be further reduced to 12 months. Also, the U.S. wanted Canada and Australia to report on the credit terms extended by their state-trading enterprises even though these loans are not state-guaranteed.

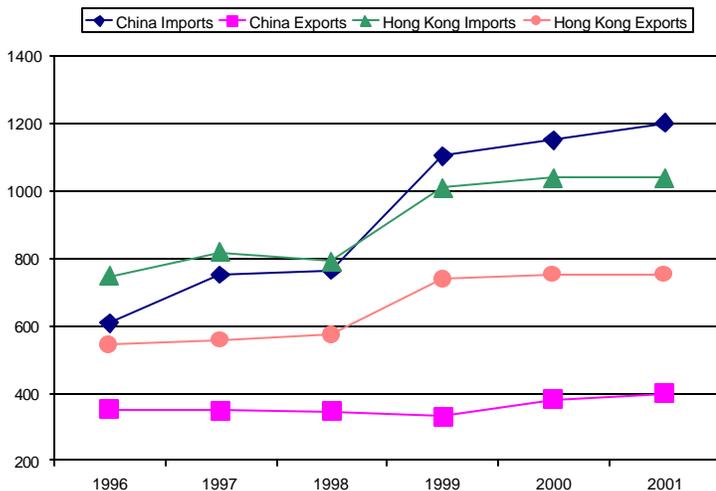
BRIDGES Weekly Trade News Digest (bridges@iatp.org)

Hong Kong Farm Cleared of Avian Influenza

In October during routine testing of chicken flocks, antibodies to the H5 virus were detected at one farm. A month long government investigation into the case concluded that chickens on the farm did not have avian influenza virus and posed no risk to the public. The Agriculture, Fisheries and Conservation Department has kept a close watch on all poultry farms since the 1997 avian influenza H5N1 outbreak in which more than 1.6 million chickens were slaughtered to stop the disease spreading.

Source: Various New Sources

Hong Kong and China Broiler Meat Imports and Exports



Units in thousand metric tons

Source: USDA/Foreign Agricultural Service

Canada and Trade Policy

Canada will not participate in the Cairns group proposal on market access. With regard to Tariff Rate Quotas (TRQ's), Canada's separate market access proposal calls for the elimination of tariffs within quota. The Canadian proposal calls for commitments on over quota tariffs which take into account the extent of the liberalization provided through the tariff quota. Where in quota tariffs are high enough to preclude the TRQ from filling, lowering to zero would allow additional imports. However, it is unclear whether the Canadian proposal would result in any additional market access for over quota tariffs.

The Cairns Group of food exporting nations generally offers farmers minimal subsidies and supports genuinely free trade in all farm and food commodities. Largely because of a desire to protect producers of supply-managed commodities, Canada has not always been able to fully support Cairns Group positions. The decision not to participate in the current submission is partly due to its lack of compatibility with Canada's stand on supply management. There are other reasons as well, relating for example to assurance of real and effective (rather than merely cosmetic) improvement in access for such commodities as pork to the EU market.

Source: USDA/Foreign Agricultural Service

Recovery in Russia

Egg production in Russia next year is forecast to increase to between 33.5 and 34 billion from the latest estimate for this year of around 32 billion, according to a report in East Europe.

Source: International Egg Commission

Higher Leg Quarter Prices Affect China Market

Increasing leg quarter prices, along with higher transportation costs for chicken paws, may combine to limit future U.S. chicken exports to China, according to a report from USA Poultry & Egg Export Council (USAPEEC). Several Hong Kong traders said that when CIF prices for leg quarters exceed \$.30 per pound into Hong Kong, they can no longer compete effectively with the low broiler prices in South China. It was also noted that the quality of China-produced chicken is continually improving, both in terms of packaging, sizing and soldier packs. Sources said that competing proteins, especially pork, have Chinese consumers looking at alternatives to chicken if the prices get too high. The market for U.S. poultry being sold directly into Hong Kong is more positive, however. Distributors into the wet markets and supermarkets of Hong Kong say the market is much better than for product destined for China.

Source: WATTNETT

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

	Week Ending Nov 18, 2000		Year-To-Date	
	2000	1999/1	2000	1999
Liquid	141	103	6,844	12,001
Frozen	0	0	198	6
Dried	0	0	503	609
Total	141	103	7,545	12,616

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

	Week Ending Nov 18, 2000		Year-To-Date	
	2000	1999/1	2000	1999
Liquid	59	169	4,560	4,224
Frozen	8	45	809	575
Dried	40	0	820	210
Total	107	214	6,189	5,009

Inspected Shell Eggs

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

	Week Ending Nov 18, 2000		Year-To-Date	
	2000	1999/1	2000	1999
Jumbo	30	60	2,191	1,264
Extra Large	1,008	6	46,596	40,467
Large	2,560	1,868	130,147	137,626
Medium	1,950	1,921	33,795	47,648
Ungraded	8,500	9,370	368,834	581,643
Misc	950	0	11,837	10,722
Total	14,998	13,225	593,400	819,370

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. 24-NOV-00

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	-	21.00	13.00-14.00	-
WTD AVERAGE		21.00	13.67	
142,800 pounds, this includes 81,600 pounds for export shipment.				
15-20%				
RANGE	15.50-21.00	19.00-23.00	11.00-13.00	13.00-14.00
WTD AVERAGE	18.28	20.91	12.00	13.37

1,473,000 pounds, this includes 838,400 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

LIVE POULTRY SLTRD UNDER INSPECTION W/E 18-Nov-00 (PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	-----THOUSANDS-----		
HEAD	1,858	1,411	3,269
LAST WEEK	2,016	1,530	3,546
SAME WEEK YR AGO	2,080	1,512	3,592
TO-DATE/2000	87,441	66,942	154,383
TO-DATE/1999	95,265	65,461	160,726

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	-----THOUSANDS-----		
HEAD	220	0	220
LAST WEEK	273	12	285
SAME WEEK YR AGO	474	0	474
TO-DATE/2000	20,647	365	21,012
TO-DATE/1999	21,155	267	21,422

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	-----THOUSANDS-----		
HEAD	2,078	1,411	3,489
LAST WEEK	2,289	1,542	3,831
SAME WEEK YR AGO	2,554	1,512	4,066
TO-DATE/2000	108,088	67,307	175,395
TO-DATE/1999	116,420	65,728	182,148

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 24-NOV-00

CHICKEN PRICES

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

440,000 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	15.75-20.00	23.00	-	-
WTD AVERAGE	17.07	23.00		
436,000 pounds, this includes 356,000 pounds for export shipment.				
15-20%				
RANGE	13.00-20.75	-	12.00	13.00-16.00
WTD AVERAGE	17.67		12.00	14.91

2,024,000 pounds, this includes 1,264,000 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	13.00
WTD AVERAGE				13.00

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 24, 2000

Market activity mostly on the quiet side with most processors working holiday processing schedules. Trading centered on light volumes of fresh tom breast meat for domestic shipments and on tom 2-joint wings for export. Some wing meat with skin traded at 62 cents delivered for export.

FRIDAY, NOVEMBER 24, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		W	27.44	352	26.88	456
WINGS FULL-CUT - TOMS		T	25.50	40	26.63	160
WINGS, V-TYPE, TOM	25.00		25.00	156	25.67	468
TAILS		W	26.00	240	22.36	500
MECHANICALLY SEPARATED 4/	26.50		26.50	40	26.50	40
THIGH MEAT - FROZEN	75.00		75.00	120	73.00	240

*****NOTICE*****
THURSDAY, NOVEMBER 23, 2000
THANKSGIVING DAY HOLIDAY
NO EXPORT TRADING REPORTED

WEDNESDAY, NOVEMBER 22, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	24.25-31.00		27.44	352
WINGS FULL-CUT - TOMS		T	25.50	40
WINGS, V-TYPE, TOM		T	26.00	312
TAILS	25.00-27.00		26.00	240
MECHANICALLY SEPARATED 4/		F	22.67	312
THIGH MEAT - FROZEN		M	71.00	120

TUESDAY, NOVEMBER 21, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	25.00		25.00	104
WINGS FULL-CUT - TOMS	25.50		25.50	40
WINGS, V-TYPE, TOM	26.00		26.00	312
TAILS		M	19.00	260
MECHANICALLY SEPARATED 4/		F	22.67	312
THIGH MEAT - FROZEN		M	71.00	120

MONDAY, NOVEMBER 20, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	25.83	312
WINGS FULL-CUT - TOMS	27.00		27.00	120
WINGS, V-TYPE, TOM		R	26.00	104
TAILS	19.00		19.00	260
MECHANICALLY SEPARATED 4/		F	22.67	312
THIGH MEAT - FROZEN	71.00		71.00	120

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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