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Poultry Programs

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Japan

On August 7, 2001, The Ministry of Agriculture, Forestry, and Fisheries (MAFF) lifted the import ban on Chinese poultry meat, excepting live duck chicks and duck meat. It will take up to a month for poultry meat shipments from China to resume due to strengthened quarantine controls, compliance requirements in both countries, and changes to health certificates. Trade volume will likely reach a normal pace during the fourth quarter of this year, assuming no quarantine problems reoccur in China. July monthly ending stocks were estimated 30% below last July at 80,000 - 90,000 MT, according to press reports.

Exports of U.S. boneless leg, for use in Japanese style fried chicken, increased somewhat due to the halt in Chinese shipments to Japan during the last two month period. Some HRI/HMR sector end users reportedly switched to U.S. product this fall due to lower U.S. prices. Uncertainties over the safety of Chinese poultry meat also appear to be favoring U.S. poultry parts.

Tightened consumer spending is the greatest impediment to expanded poultry sales in 2002. Private and public sectors are undergoing serious reforms, some leading to job cutting. Japan's jobless rate, at a historic high of 4.9% this year, will likely remain high in 2002. The market will not favor expensive imports.

During 2001, table egg consumption fell in Japan due to hot weather. Although domestic egg production is forecast to rise only slightly from a year ago, wholesale egg prices plunged during the first half of 2001 and weak sales during July and August led to even lower prices. As a result, deficiency payments have been paid to member producers since June from the funds of two national voluntary poultry associations.

Japanese Imports of Egg Products (January - December) Metric tons (shell egg equivalent)

	1998	1999	%chg	2000	%chg
Dried Whole Egg	9,707	10,355	7%	11,065	7%
Dried Albumin	71,888	87,708	18%	81,183	-4%
Frozen Yolk	8,214	10,234	25%	12,525	22%
Other	89,809	105,297	17%	104,773	n/c

FAS/Japan forecasts a 9% fall in imports during 2001 due to Japan's egg surplus situation and increased domestic output of processed egg products. The weak yen and excess supplies may impact imports of U.S. egg yolk (frozen and powder) and whole egg (powder). Domestic end users - confections, desserts and bakery - will likely seek less expensive alternatives. Japan's domestic egg producers may need to reduce egg production next year to boost wholesale egg prices. Assuming more favorable weather conditions prevail, FAS/Japan projects slightly increased table egg consumption and imports of egg products in 2002.

Source: USDA/Foreign Agricultural Service

Indonesia

Still recovering from the financial upheaval that struck the country in 1997, both poultry production and consumption are forecast to grow around six percent in 2001 and 2002. Similarly, egg production and use are expected to grow at about a five percent rate annually through 2002. Despite persistent efforts to seek a resolution, Indonesia continues to maintain a ban on poultry parts imports. This protectionism trade barrier stopped growing U.S. leg quarter shipments to Indonesia and has prevented Indonesian consumers from having access to a relatively affordable source of alternative meat protein. Imports account for a relatively insignificant portion of total consumption and exports are also insignificant.

Poultry and Egg Production, in metric tons

	1999	2000	2001	2002
Poultry Meat	622,430	817,740	870,000	920,000
Egg	524,565	642,000	675,000	706,000

Source: USDA/Foreign Agricultural Service

Colombia Revokes Free Port Status for Poultry

On August 9, 2001, the Colombian customs Agency issued a resolution revoking the free import status for certain poultry products and sugar for the ports in the area of Uraba in northwestern Colombia. Before the resolution, poultry products could be imported into the region without being subject to absorption requirements and without Colombian basic and Andean Community variable duties, which are normally are either 42 or 91 percent, depending on the product. The justification for the measure was apparent abuses on the free zone status for these imports, in that the importers were shipping out of the region to larger urban markets in Colombia. According to Colombian law, products allowed special import status in the free zone must be consumed within the zone. Any product shipped after the date of the resolution will be subject to the normal Colombian import requirements.

Source: USDA/Foreign Agriculture Service

JAPANESE FROZEN BROILER IMPORTS (IN TONS)

	United States	China	Brazil	Thailand	Total
2000					
May	8,272	18,804	11,660	10,072	48,808
Jan-May Total	32,549	89,421	45,603	52,578	220,151
2001					
May	8,037	22,293	6,387	9,302	46,019
Jan-May Total	28,408	85,898	34,086	46,937	195,329

Source: ALIC Monthly statistics

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

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

Week Ending Aug 25, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Liquid	310	329	7,493	4,669
Frozen	0	0	78	126
Dried	0	0	40	340
Total	310	329	7,611	5,135

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

Week Ending Aug 25, 2001	Year-To-Date			
	2001	2000/1	2001	2000
Liquid	134	57	3,621	3,874
Frozen	90	45	937	556
Dried	26	0	401	654
Total	250	102	4,959	5,084

Inspected Shell Eggs

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

Week Ending Aug 25, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Jumbo	0	0	87	1,247
Extra Large	1,854	1,250	39,361	32,604
Large	2,159	4,440	81,782	95,097
Medium	750	473	31,978	23,969
Ungraded	10,200	17,280	246,800	239,644
Misc	2,250	0	63,279	7,887
Total	17,213	23,443	463,287	400,448

/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 25-Aug-01

U.S. FOWL SLAUGHTERED DOMESTICALLY (PRELIMINARY)

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,696	1,421	3,117
LAST WEEK	1,795	1,466	3,261
SAME WEEK YR AGO	1,823	1,311	3,134
TO-DATE/2001	59,932	46,786	106,718
TO-DATE/2000	66,223	48,758	114,981

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	408	0	408
LAST WEEK	359	8	367
SAME WEEK YR AGO	437	38	475
TO-DATE/2001	15,260	227	15,487
TO-DATE/2000	16,375	451	16,826

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,104	1,421	3,525
LAST WEEK	2,154	1,474	3,628
SAME WEEK YR AGO	2,260	1,349	3,609
TO-DATE/2001	75,192	47,013	122,205
TO-DATE/2000	82,598	49,209	131,807

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN 31-AUG-2001

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED 31-AUG-2001

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.50	18.00-19.00	142,800	81,600
WTD AVERAGE	17.50	18.67		
15-20%				
RANGE	15.00-18.00	11.00-18.00	1,227,200	196,800
WTD AVERAGE	16.21	14.61		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

CHICKEN 31-AUG-2001

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	21.00	-	240,000	-
WTD AVERAGE	21.00			

CHICKEN, WITH SKIN ADDED 31-AUG-2001

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	16.50-20.00	18.00-20.00	999,960	260,000
WTD AVERAGE	17.81	18.93		
15-20%				
RANGE	16.00-19.00	15.00-18.00	1,326,360	468,000
WTD AVERAGE	16.88	16.34		
20% OR MORE				
RANGE	17.50	13.00	88,000	-
WTD AVERAGE	17.50	13.00		

* INCLUDES THE STATES of 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 AS OF 31 AUGUST 2001.

The undertone was mostly steady on fresh and frozen tom breast meat. Demand was fair to good for the light to adequate offerings. The undertone on wing meat with skin, scapula and regular breast trim was strong for the limited offerings. The trade sentiment on tom bulk parts was steady to firm with drums and wings in the strongest position. The good ground turkey movement and wing meat demand has caused increased deboning of wings and drums resulting in less product available to satisfy domestic and export inquiries. Offerings of tom necks light. Hen parts were generally held with confidence, except for hen necks due to spot availability noted in the Midwest. Domestic trading was heavy on frozen tom breast meat, fair on fresh tom breast meat, and light on the balance of items. Export trading centered on a light volume of frozen thigh meat for export.

FRIDAY, AUGUST 31, 2001

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		W	32.00	80	31.47	392
WINGS FULL-CUT - TOMS		F	29.00	104		
WINGS, V-TYPE, TOM		M	29.00	104	29.00	104
TAILS	27.00		27.00	52	27.00	52
MECHANICALLY SEPARATED 2/	20.00		20.00	104	17.86	556
THIGH MEAT - FROZEN	63.00-65.00		64.61	304	63.96	1,432

THURSDAY, AUGUST 30, 2001

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS			W	32.00		80
WINGS FULL-CUT - TOMS			F	29.00		104
WINGS, V-TYPE, TOM			M	29.00		104
TAILS			F	28.00		104
MECHANICALLY SEPARATED 2/		18.00		18.00		120
THIGH MEAT - FROZEN	63.50-64.00			63.89		184

WEDNESDAY, AUGUST 29, 2001

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	32.00		32.00	80
WINGS FULL-CUT - TOMS		F	29.00	104
WINGS, V-TYPE, TOM		M	29.00	104
TAILS		F	28.00	104
MECHANICALLY SEPARATED 2/		T	17.36	280
THIGH MEAT - FROZEN	61.00-65.00		62.84	224

TUESDAY, AUGUST 28, 2001

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	33.00		33.00	104
WINGS FULL-CUT - TOMS		F	29.00	104
WINGS, V-TYPE, TOM		M	29.00	104
TAILS		F	28.00	104
MECHANICALLY SEPARATED 2/	17.00-19.50		17.36	280
THIGH MEAT - FROZEN	61.00-65.00		63.93	600

MONDAY, AUGUST 27, 2001

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-31.00		30.50	208
WINGS FULL-CUT - TOMS		F	29.00	104
WINGS, V-TYPE, TOM	29.00		29.00	104
TAILS		F	28.00	104
MECHANICALLY SEPARATED 2/	16.00		16.00	52
THIGH MEAT - FROZEN	62.00-66.00		64.67	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.