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Brazil Creates New Company to Export to Russia

On September 28, 2001, the Brazilian Minister of Agriculture Marcus Vinisius Pratini de Moresa visited Russia to present a new Brazilian company, BRF International Food. The audience consisted mainly of Russian meat traders and importers. The main purpose of the presentation was to announce that BRF will export food products to Russia and other Eastern European countries. According to the minister, BRF Trading Company was created by Sadia and Perdigao, Brazil's first and second largest processors and exporters of poultry and swine meat. In Brazil the two companies combined have 21 percent of poultry production and 50 percent of poultry exports. They also have 19 percent of the pork production and 30 percent of pork meat exports.

Both companies have established export markets worldwide, including Europe, Asia, the Middle East, and Africa. BRF International Foods was founded for increasing Brazilian meat exports to developing countries, and is looking to take its turnover to \$500 million in the next five years.

During 2001 Brazil became the third largest meat exporter to Russia, shipping some 60,000 MT of pork and 28,000 MT of poultry in the first half of the year. The opportunities for Brazilian meat exports to Russia have improved in the recent year, as they have for other meat suppliers, as the Foot and Mouth disease, and BSE problems have cast a pall over products from Europe and as the EU has removed export subsidies on pork to Russia.

Reaction to the new Brazilian initiative was mixed, as the Brazilian delegation failed to address the central issue of concern to Russian importers: credit financing. During a lunch reception following the presentation, AgAttache learned from importers and traders that two contradictory marketing regulations in Russia and Brazil hinder trade between the two countries; Russian importers by law are restricted from transferring money to foreign accounts without first depositing an amount of money in the Russian bank equal to the value of the transaction.

Meanwhile, Brazilian regulations specify that prepayment terms must be met before the goods can be exported. Hence, Russian traders and other brokers make a living by charging a fee for facilitating transactions through offshore bank accounts. However, representatives from the Brazilian delegation later said that they are trying to work with the Brazilian banking system to fix the problem. For the time being, the trade believes that while imports from Brazil will likely grow, it will not be as a significant result from the new initiative.

The average exchange rate for this year is estimated at US\$2.40 per Real, against an average of US\$2.20 per Real projected earlier in the year, and an average exchange rate of US\$1.83 per Real for 2000.

Source: USDA/Foreign Agricultural Service

German Cage Ban

The German Upper House, the Bundesrat, has voted in favor of the proposal to ban all laying cages but this could lead to legal problems, according to the German Farmers' Union (DBV) and the Central Association of German Poultry Producers (ZDG). The country's laws on animal welfare accept the use of cages provided that appropriate standards are enforced. The German Agriculture Minister, Renata Kunast, was hoping to push a vote through the Parliament which would ban conventional cages from 2007 (five years earlier than the EU Directive) and enriched cages from 2012. The new law was expected to come into force early next year after the EU Commission has been notified. New hen housing must allow hens to carry out natural behavior. Buildings must be a minimum of 2 meters high and there must be at least one square meter of space for every nine hens. Flocks will be limited to a maximum of 6,000 hens. When the law comes into force, no more new cage systems will be allowed - including enriched cages.

Flaws in such proposals are said by legal experts to relate to the consequences of banning egg production in cages, such as finding suitable locations and compensation for producers. A previous Government had encouraged investment in enriched cages with 20 year low interest loans. The DBV and ZDG predicted that the "extremely short" transition period would spark off numerous compensation claims against both the federal and Lander authorities. German egg production would slump and domestic market share would be taken over by imports of eggs from hens kept in battery cages. Germany is already the biggest egg importer in the world. Renata Kunast said that over 90 percent of German consumers were opposed to battery farming and were prepared to pay more for barn and free range eggs. She hailed the Bundesrat's decision as "a small step for hens but a giant step for animal welfare and consumers."

Source: International Egg Commission

Japan: Dried Egg Imports (in Metric Tons)

Month	Dried Whole Eggs	Dried Yolks	Dried Albumen	Total
2000				
June	175.2	149.7	776.4	1101.3
July	171.8	158.9	743.2	1073.9
August	258.4	227.0	825.7	1311.1
Year to Date	1651.0	1279.1	6412.6	9,342.7
2001				
June	278.0	158.5	728.1	1164.6
July	197.3	229.9	786.3	1213.5
August	360.4	213.3	757.4	1331.1
Year to Date	1,941.0	1,477.0	6,383.8	9,801.8

Source: ALIC Monthly Statistics

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

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

Week Ending Dec 01, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Liquid	227	91	12,408	7,108
Frozen	0	0	78	239
Dried	40	74	362	577
Total	267	165	12,848	7,924

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

Week Ending Dec 01, 2001	Year-To-Date			
	2001	2000/1	2001	2000
Liquid	190	54	5,527	4,683
Frozen	46	23	1,555	852
Dried	0	20	614	840
Total	236	97	7,696	6,375

Inspected Shell Eggs

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

Week Ending Dec 01, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Jumbo	0	80	87	2,271
Extra Large	2,360	1,100	66,402	48,746
Large	4,133	3,910	132,214	137,587
Medium	1,193	2,058	43,251	37,113
Ungraded	9,430	6,750	420,610	381,584
Misc	750	0	70,364	11,837
Total	17,866	13,898	732,928	619,138

/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 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.

CHICKEN 07-DEC-2001
 — PRICES ——— VOLUME ———
 (Cents per Pound)

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

CHICKEN, WITH SKIN ADDED
 — PRICES ——— VOLUME ———
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	13.00-14.00	142,000	-
WTD AVERAGE		13.43		
15-20%				
RANGE	11.00-12.00	9.50-12.00	1,305,600	734,400
WTD AVERAGE	11.50	10.50		
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

LIVE POULTRY SLTRD UNDER INSPECTION W/E 01-Dec-01
 (PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,932	1,419	3,351
LAST WEEK	1,174	931	2,105
SAME WEEK YR AGO	1,876	1,346	3,222
TO-DATE/2001	85,190	66,154	151,344
TO-DATE/2000	90,451	69,232	159,683

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	335	0	335
LAST WEEK	393	11	404
SAME WEEK YR AGO	442	11	453
TO-DATE/2001	19,607	294	19,901
TO-DATE/2000	21,770	601	22,371

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	2,267	1,419	3,686
LAST WEEK	1,567	942	2,509
SAME WEEK YR AGO	2,318	1,357	3,675
TO-DATE/2001	104,797	66,448	171,245
TO-DATE/2000	112,221	69,833	182,054

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 07-DEC-2001
 — PRICES ——— VOLUME ———
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	17.00	182,800	-
WTD AVERAGE		17.00		

CHICKEN, WITH SKIN ADDED
 — PRICES ——— VOLUME ———
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	14.00-17.00	14.00	1,221,000	418,000
WTD AVERAGE	15.69	14.00		
15-20%				
RANGE	13.50-15.50	10.00-13.75	1,392,300	208,000
WTD AVERAGE	14.28	12.36		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* 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 7 DECEMBER 2001.

The undertone on bulk parts ranged from steady at best on drums and tails to barely steady to instances weak on the balance of items. Domestic demand was slow for current shipments. Export demand ranged light to instances fair. Some industry members are watching with interest the increased export trading being noted for Russia on various broiler items for January shipments. Domestic trading centered on moderately light volumes of fresh 15-20% mechanically separated turkey and frozen destrapped tenderloins, balance slow. Grade A 4-8 lb. breasts traded at 98.75 cents delivered January, Grade A non-basted 12-14 lb. breasts 110 and plant grade basted 18-20 lb. breasts 105 cents delivered current. Export trading centered on a fair volume of tom drums, balance light.

FRIDAY, DECEMBER 07, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	29.00		29.00	456	29.17	774
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	27.50		27.50	104	27.00	260
TAILS		W	28.17	120	28.42	172
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	14.00-15.50 80.00		14.50 80.00	200 160	13.97 79.21	540 960

THURSDAY, DECEMBER 06, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	29.50-29.75		29.55	102
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		M	26.67	156
TAILS		W	28.17	120
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	13.00-15.00 76.00-80.00		13.32 78.29	248 280

WEDNESDAY, DECEMBER 05, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	28.00-29.00		28.28	144
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		M	26.67	156
TAILS	27.50-29.00		28.17	120
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	14.57	92
	79.00-81.00		79.46	520

TUESDAY, DECEMBER 04, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	31.44	72
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		M	26.67	156
TAILS		M	29.00	52
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	14.57	92
		F	75.00	160

MONDAY, DECEMBER 03, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-32.00		31.44	72
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	26.00-27.00		26.67	156
TAILS	29.00		29.00	52
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	14.00-15.00		14.57	92
		F	75.00	160

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.