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Mexico Increases Duty-Free Quotas

The Secretariat of Economy (SE) announced on June 4, 2002 in the Diario Oficial (Mexico's Federal Register) that it is increasing duty free quotas of U.S. poultry carcasses under NAFTA. The 2002 duty free tariff rates quotas (TRQs) for U.S. poultry carcasses for the second semester are for 4,904 MT. Chicken frames will be assigned by direct allocation to TIF plants producing cold cuts. According to the publication, SE will allocate 95 percent of the total quota to traditional importers and 5 percent to new importers. According to the industry, only one company, located in Nuevo Laredo, processes chicken frames in Mexico. Imports must be completed by December 31, 2002.

The SE mentions it is complying with the 2002 Budget, approved by legislators on January 1, 2002, that indicates that minimum and additional TRQ's for U.S. turkey parts and mechanically deboned meat (MDM) under NAFTA will be reduced 10 percent from last year's level. Since 2001 imports of U.S. chicken carcasses were 12,383 MT, the import volume for 2002 has now been reduced to 11,104.2 MT. the semester allocation for this TRQ was for 6,200 MT.

Source: USDA/Foreign Agriculture Service

China-ASEAN Launch Free Trade Area Talks

A trade negotiation committee set up by China and the Association of Southeast Asian Nations (ASEAN) held its first meeting in Beijing on 15-16 May launching discussions on a framework of understanding for the establishment of a free trade area between the eleven countries (China plus ten ASEAN members) within ten years. According to officials, the talks covered guidelines, principles, and scope and modalities for establishing the free trade area — including early harvest, special and differential treatment and flexibility.

The framework is expected to cover trade in goods and services, investment and human resources development. While officials characterized this meeting as "working level talks", more substantial progress is expected when China and ASEAN economic ministers meet in September 2002. The aim is to have the framework finalized at the China-ASEAN summit in Cambodia in November 2002.

Long Yongtu, Chinese vice-minister of foreign trade and economic co-operation indicated "China and ASEAN's bilateral trade volume grew 5.3 per year-on-year to US\$41.6 billion in 2001." Further he noted that "trade with ASEAN made up 8.2 per cent of China's total foreign trade last year" ranking fifth among the largest of China's trading partners.

Source: Bridges

U.S. Poultry Trade Update

The FY 2002 total poultry product exports are forecast at \$2.4 billion, down about \$160 million from the February projection and down 4 percent from FY 2001. The decrease in poultry exports is attributed to the slower sales to Asia and extended interruption in shipments Russia. China raised inspection issues on poultry products and exports to Hong Kong were down significantly.

Although Russia's import restrictions on U.S. poultry have been lifted, U.S. exports are recovering at a very slow pace. Russia is the largest market for U.S. poultry exports. Broiler meat exports are revised down to 2.4 million tons valued at \$1.6 billion, down 7 percent from FY 2001. Egg and egg products are forecast to remain unchanged at \$200 million.

Source: USDA's Economic Research Service and Foreign

FSIS Library of Export Requirements: Russia

Export requirements for Russia were updated on June 4, 2002. Poultry and poultry products (including bulk-packed ground turkey) are eligible for export to Russia. A number of changes were made in accordance with the March 31, 2002 protocol. These include establishing controls so the original veterinary certificate will be present for poultry product shipments from the U.S. to Russia, ensuring consignments arrive in Russia with original veterinary certificates. The Russian Veterinary Service will not allow product to enter without presentation of the original copy of the health certificate. Go to www.fsis.usda.gov/OFO/export/russia.pdf for the complete details.

Source: USDA/Food Safety and Inspection Service

Hungarian Producers Increase Focus on Turkey Exports

Hungarian producers are forecast to continue their efforts on expanding turkey exports in 2002. Cuts are predominately exported to the EU. Hungary's turkey exports in 2002 are forecast to reach 30,000 tons, double the mi-1990's level.

	1996	1997	1998	1999	2000	2001(p)	2002 (f)
Production	46	55	62	73	78	84	88
Imports	0	2	6	2	2	3	2
Consumption	32	40	48	49	57	59	60
Exports	14	17	20	26	23	28	30

(p) preliminary
(f) forecast

Source: USDA/FAS

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

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

	Week Ending June 01, 2002		Year-To-Date	
	2002	2001 /1	2002	2001
Liquid	181	103	7,504	4,826
Frozen	0	0	0	40
Dried	41	0	131	22
Total	222	103	7,635	4,888

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

	Week Ending June 01, 2002		Year-To-Date	
	2002	2001/1	2002	2001
Liquid	70	169	2,189	2,183
Frozen	9	11	1,437	612
Dried	100	0	1,767	240
Total	179	180	5,393	3,035

Inspected Shell Eggs

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

	Week Ending June 01, 2002		Year-To-Date	
	2002	2001 /1	2002	2001
Jumbo	0	0	1,078	87
Extra Large	1,585	240	10,779	17,319
Large	3,377	1,164	42,428	47,987
Medium	1,234	710	20,467	19,088
Ungraded	11,550	8,820	131,430	125,240
Misc	0	0	11,134	33,138
Total	17,746	10,934	217,316	242,859

/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 1-Jun-02
 (PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,555	1,132	2,687
LAST WEEK	1,809	1,422	3,231
SAME WEEK YR AGO	1,461	1,184	2,645
TO-DATE/2002	40,251	28,790	69,041
TO-DATE/2001	39,492	29,488	68,980

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	323	3	326
LAST WEEK	140	0	140
SAME WEEK YR AGO	525	17	542
TO-DATE/2002	6,963	31	6,994
TO-DATE/2001	10,887	165	11,052

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	1,878	1,135	3,013
LAST WEEK	1,949	1,422	3,371
SAME WEEK YR AGO	1,986	1,201	3,187
TO-DATE/2002	47,214	28,821	76,035
TO-DATE/2001	50,379	29,653	80,032

SOURCE: USDA/AMS PLTRY PROGRAMS, MRKT NEWS BR.

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.

07-JUN-2002

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

15-20%				
RANGE	12.00-15.00	10.00-13.00	2,083,200	678,000
WTD AVERAGE	12.38	11.14		
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

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.

07-JUN-2002

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.50	-	120,000	-
WTD AVERAGE	15.50			

CHICKEN, WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	12.00-15.00	13.00-15.00	1,539,900	422,000
WTD AVERAGE	14.75	13.71		

CHICKEN, WITH SKIN ADDED

15-20%				
RANGE	10.00-13.30	9.00-14.00	1,373,154	104,000
WTD AVERAGE	12.58	11.47		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

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 JUNE 2002.

Seller sentiment on fresh tom breast meat was steady to firm, however, some cautiousness was noted by other industry members. Demand moderate, best for prompt shipments, Offerings short to instances adequate with some noting supplies not as tight as previous weeks. Frozen tom breast meat undertone steady to fully steady. Demand light to fair with some in the West not seeing the activity that other parts of the country are. Destrapped tenderloin undertone at least steady with frozen finding little interest at higher offering price levels. Fresh wing meat demand fair at steady price levels, frozen slow with some sellers unable to attract buyer interest at lower prices. Scapula and breast trim steady. Undertone mostly steady on 4-8 lb. breasts with some supplies being held with decreased confidence in the market, while others offer at steady prices. The tom drum market was starting to note some unsettledness with some industry members not seeing the strength others are. Trading centered on a fair volume tom full-cut wings, balance light. Hen full-cut wings 22, fresh thigh meat 54 cents delivered export.

FRIDAY, JUNE 07, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	24.00-27.00		25.20	200	25.82	560
WINGS FULL-CUT - TOMS	23.00		23.00	40	23.00	40
WINGS, V-TYPE, TOM	27.25		27.25	156	27.25	156
TAILS						
MECHANICALLY SEPARATED 2/	17.00		17.00	40	15.86	372
THIGH MEAT - FROZEN	49.00		49.00	208	50.74	1,063

THURSDAY, JUNE 06, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	26.25	320
WINGS FULL-CUT - TOMS		F	24.00	54
WINGS, V-TYPE, TOM		F	29.75	52
TAILS		R	23.00	52
MECHANICALLY SEPARATED 2/		W	15.86	280
THIGH MEAT - FROZEN	45.00-60.00		50.20	390

WEDNESDAY, JUNE 05, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.00-27.00		26.25	320
WINGS FULL-CUT - TOMS		F	24.00	54
WINGS, V-TYPE, TOM		F	29.75	52
TAILS		R	23.00	52
MECHANICALLY SEPARATED 2/	15.00-16.00		15.86	280
THIGH MEAT - FROZEN	48.00-50.00		48.40	260

TUESDAY, JUNE 04, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	25.50	40
WINGS FULL-CUT - TOMS		F	24.00	54
WINGS, V-TYPE, TOM		F	29.75	52
TAILS		R	23.00	52
MECHANICALLY SEPARATED 2/	15.00		15.00	52
THIGH MEAT - FROZEN	53.00		53.00	5

MONDAY, JUNE 03, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	25.50		25.50	40
WINGS FULL-CUT - TOMS		F	24.00	54
WINGS, V-TYPE, TOM		F	29.75	52
TAILS		R	23.00	52
MECHANICALLY SEPARATED 2/		F	14.00	8
THIGH MEAT - FROZEN	53.00-59.00		56.60	200

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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