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Implications of Russia's New Poultry Import Quotas

The Commission for Preventive Trade Measures in the Russian Ministry of Economic Development and Trade (MEDT) has recommended that a number of restrictive measures be imposed on meat imports starting in April 2003 and lasting for 3 years. Included in these measures was a proposal to impose an absolute quota on poultry meat imports. Beef and pork tariff-rate quotas (TRQs) took effect on April 1. Reportedly, the poultry quotas are due to take effect on May 1, but the date has been quite fluid. The original date for implementation of the poultry quota was February 15, and it was then delayed to April 1.

Size of Import Quota for Poultry Meat Quota levels

April 29 to December 31, 2003	744,000 metric tons
January 1 to December 31 2004	1,050,000 metric tons
January 1 to December 31 2005	1,050,000 metric tons
January 1 to April 29 2006	306,000 metric tons

Source: Interfax

Distribution of import quota for poultry meat (in thousand metric tons) among exporting countries in 2003

Country	'000 MT	Import quota shares
U.S.	553.5	74.0%
EU	139.9	19.0%
Brazil	33.3	4.0%
China	3.1	.4%
Other	14.2	1.9%

Source: Interfax

Prices of U.S. chicken leg quarters have been strongly tied to export sales to Russia. In recent years, for every 10 percent change in Russian poultry imports, domestic leg quarter prices changed in the same direction by about 1.5 percent. Furthermore, the response of prices to exports to Russia accounts for 35 percent of the variation in prices of domestic leg quarters.

Source: USDA/ERS Livestock, Dairy & Poultry Outlook

United Kingdom Egg Cutback Ahead?

Although December chick placings in the UK at 2.57 million were up by 29%, the total for the year of 31.51 million was only 3% higher than in 2001. However, a reduction of almost 10% to 8.1 million in egg settings in December points to a decline in hatchings early in 2003.

Rise in German Egg Imports

During the first 10 months of 2002 Germany imported 3.8 billion eggs, which was 9.7% up on 2001. Above-average increases were recorded for imports from Belgium (up 18.7% to 138m) and Spain (up 58.9% to 115m). Purchases from third countries, almost exclusively the Czech Republic and Poland, rose from less than 9m in 2001 to 46m. EU self-sufficiency is estimated to fall from 102% to 96% this year. Following the imposition of stricter bird management conditions on 1 January 2003, EU production could fall by 11 billion eggs.

Source: International Egg Commission

Japan: 2001 and 2002 Calendar Year Imports

Egg Products in metric tons

	Powdered Whole	Powdered Yolk	Powdered Albumen	Total
2001	3,008.0	2,266.3	9,801.1	15,075.4
2002	3,138.2	2,480.9	9,306.9	14,926.0
	Frozen Whole	Frozen Yolk	Frozen Albumen	Total
2001	2,336.8	11,710.2	2,159.4	16,206.4
2002	3,033.8	12,435.0	364.3	15,833.1

Frozen Broilers in metric tons

	U.S.	China	Brazil	Thailand	Total
2001	75,991	169,809	109,217	146,542	501,559
2002	49,646	115,391	168,158	183,296	516,491

Source: ALIC Monthly statistics

Free Trade Agreement with Chile

In January 2003 President Bush notified Congress of his intention to enter into a Free Trade Agreement with the Government of Chile. The draft for the Chile Free Trade Agreement was released on April 3, 2003 is available at www.ustr.gov.

In the agreement the schedule for chicken and turkey entering duty free shall not exceed the quantity specified for that year. The first two years will be zero, starting the third year the quantity will be 8,000 MT and will gradually rise to 10,721 MT for the ninth year. The quantities shall enter on a first-come, first-serve basis. Starting year 10 there will be no limit. The base rate of Customs Duty will be 25 percent on fresh, chilled and frozen cuts of chickens and turkeys.

Source: White House press release, US Trade Office

Avian Influenza in Belgium: Commission adopts control measures

Following a suspected outbreak of avian influenza Belgium on 15 April the Commission adopted a Decision on April 16 to reinforce the control measures already put in place by the Belgian authorities.

The Commission Decision specifies that no live poultry, hatching eggs and fresh, unprocessed poultry manure or litter may be dispatched from Belgium to other Member States or third countries. They may also not be transported within Belgium. However, in view of the specificity of poultry production, the Belgian veterinary authority may authorize certain movements of hatching eggs, day-old chicks, ready-to-lay pullets and poultry for immediate slaughter within Belgium. Strict rules will also apply for the collection, storage and transport of table eggs. The measures are applicable until 25 April 2003

As of April 14, the Netherlands had confirmed 212 outbreaks and culled 13.6 million poultry.

Source: European Commission Press Release

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

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

Week Ending April 12, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	303	454	2,832	5,268
Frozen	0	0	0	0
Dried	0	0	135	58
Total	303	454	2,967	5,326

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

Week Ending April 12, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	0	87	1,579	1,953
Frozen	0	75	1,169	1,168
Dried	40	120	247	1,216
Total	40	282	2,995	4,337

Inspected Shell Eggs

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

Week Ending April 12, 2003	Year-To-Date			
	2003	2002 /1	2003	2002
Jumbo	30	50	106	306
Extra Large	780	60	2,550	2,487
Large	3,690	1,020	9,433	23,139
Medium	735	1,137	15,957	16,330
Ungraded	2,826	16,080	4,296	32,490
Misc	330	4,710	3,312	10,384
Total	8,391	23,057	35,654	85,136

/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 12-Apr-03
(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TTL HENS
	THOUSANDS		
HEAD	1,955	1,221	3,176
LAST WEEK	1,801	1,347	3,148
SAME WEEK YR AGO	1,927	1,327	3,254
TO-DATE/2003	25,139	20,010	45,149
TO-DATE/2002	27,229	19,348	46,577

	LIGHT HENS	HEAVY HENS	TTL HENS
	THOUSANDS		
HEAD	281	8	289
LAST WEEK	331	0	331
SAME WEEK YR AGO	253	0	253
TO-DATE/2003	4,503	61	4,564
TO-DATE/2002	5,004	20	5,024

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

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

	LIGHT HENS	HEAVY HENS	TTL HENS
	THOUSANDS		
HEAD	2,236	1,229	3,465
LAST WEEK	2,132	1,347	3,479
SAME WEEK YR AGO	2,180	1,327	3,507
TO-DATE/2003	29,642	20,071	49,713
TO-DATE/2002	32,233	19,368	51,601

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.

18-APR-2003

CHICKEN — 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	-	17.00	81,600	-
WTD AVERAGE		17.00		
15-20%				
RANGE	12.00-14.00	11.00-14.50	1,591,200	530,400
WTD AVERAGE	13.00	12.13		
20% OR MORE				
RANGE	-	11.00-12.00	42,600	-
WTD AVERAGE		11.28		

* 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.

18-APR-2003

CHICKEN — 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	15.75-18.50	16.00-17.00	754,000	526,000
WTD AVERAGE	17.25	16.22		
15-20%				
RANGE	13.50-16.50	10.50-15.50	1,715,000	104,000
WTD AVERAGE	14.31	12.70		
20% OR MORE				
RANGE	-	11.00	120,000	-
WTD AVERAGE		11.00		

* 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 18 APRIL 2003.

The market on fresh tom breast meat and fresh 15-20% mechanically separated turkey (MST) was mostly steady. Demand was light to instances fair with some improved inquiry noted for next week for post holiday needs as plants restart from the long weekend. The market tone on the balance of white meat items was steady to barely steady. Demand was sluggish for the adequate to ample offerings. Domestic trading centered on light volumes of fresh MST and fresh tom breast meat. Part loads of Grade A basted 10-14 lb. breasts traded at 96, plant grade basted 16-18 lb. breasts 90, fresh wing meat 53 and fresh scapula 67 cents delivered. Export demand was slow to instances moderate. Trading light.

FRIDAY, APRIL 18, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	18.00-20.00		19.00	240	19.06	1,110
WINGS FULL-CUT - TOMS	14.00		14.00	156	12.38	660
WINGS, V-TYPE, TOM		M	20.83	312	20.83	312
TAILS		W	21.00	40	17.35	226
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	14.41	196	15.45	276
		R	47.08	836	50.00	1,512

THURSDAY, APRIL 17, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00		16.00	156
WINGS FULL-CUT - TOMS	11.00		11.00	312
WINGS, V-TYPE, TOM		M	20.83	312
TAILS		W	21.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	14.00-16.00		14.41	196
	43.00-63.00		47.08	836

WEDNESDAY, APRIL 16, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	18.00-22.00		19.86	412
WINGS FULL-CUT - TOMS	13.00-13.50		13.07	140
WINGS, V-TYPE, TOM		M	20.83	312
TAILS	21.00		21.00	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	18.00	80
		M	53.62	676

TUESDAY, APRIL 15, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	17.00-20.00		18.83	118
WINGS FULL-CUT - TOMS	14.00		14.00	52
WINGS, V-TYPE, TOM		M	20.83	312
TAILS	17.00		17.00	26
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	18.00		18.00	80
		M	53.62	676

MONDAY, APRIL 14, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00-20.25		20.11	184
WINGS FULL-CUT - TOMS		F	14.00	208
WINGS, V-TYPE, TOM	20.50-21.00		20.83	312
TAILS	16.50		16.50	160
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	46.00-62.50	F	14.50	104
			53.62	676

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.