



# INTERNATIONAL EGG AND POULTRY REVIEW

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U. S. Department of Agriculture    Agricultural Marketing Service    Poultry Programs    Market News Branch

### Outlook for U.S. Agricultural Trade

The forecast for fiscal 2003 livestock, poultry, and dairy product exports is lowered \$500 million to \$11.9 billion. Lower export volumes and unit values for poultry meat are the main factors, but lower prices for pork and dairy products also contribute to the downward revision. The forecast for U.S. broiler exports is 2.2 million tons valued at \$1.5 billion, down 100,000 tons and \$140 million from the February estimate. Lower broiler unit values are one factor, but some trade disruptions have resulted from disease outbreaks and inspection and quota issues with Russia. Exports of poultry meat to Russia in the first half of the year declined 36 percent in quantity and 53 percent in value.

Source: Economic Research Service, USDA

### Effects of SARS on International Trade

The recent outbreak of Severe Acute Respiratory Syndrome (SARS) has had a strong economic effect in Asia. In Hong Kong, occupancy rates at hotels were about 15 percent in May, down from 80 percent a year ago. Restaurant business slumped due to the lack of tourists and due to residents avoiding some restaurants. Some Chinese consumers are buying fewer meat products after rumors that SARS might come from animals.

The SARS outbreak is estimated to inflict a \$20.4 billion loss on China's travel and tourism economy in 2003. Restaurants account for about a quarter of meat sales in China, and with lowered demands, meat and poultry prices have dropped considerably. Even though Shanghai appears to have escaped a major outbreak, Shanghai's restaurant sales have dropped by 60 percent compared to early April.

Japan increased the volume of chicken imports from Thailand due to ongoing fears of SARS in China. Although Thailand's production cost is higher than China and the U.S., Thai chicken exports were expected to rise to 480,000 metric tons, up 20,000 mt from the previous estimate. The combination of SARS in China, and avian influenza in China, the Netherlands, Germany and Belgium, helped push export prices of Thai chicken to a record high of US\$3,000 per metric ton.

According to the World Health Organization, as of May 30, 2003, there were 8,317 cases of SARS worldwide, with 5,328 in China and 1,736 in Hong Kong.

Sources: Foreign Agricultural Service, USDA, World Health Organization, news wires

### Japan: Broiler Imports (Whole, cut and prepared/preserved)

in thousand metric tons

From	1995	1996	1997	1998	1999	2000	2001	2002
Brazil	94.6	112.7	97.8	70.3	99.2	113.1	109.4	168.6
China	210.5	230.9	239.4	242.9	273.3	329.4	297.5	258.7
Thailand	137.9	125.6	123.3	157.8	171.1	174.6	204.4	257.7
U.S.	136.1	138.1	109.6	114.8	119.3	101.8	95.1	53.4

Source: Foreign Agricultural Service, USDA

### U.S. - Middle East Free Trade Area

On May 21 the White House announced the United States and Bahrain will seek to negotiate a Free Trade Agreement, which would be a major step toward achieving a Middle East Free trade area within the next ten years. The U.S. already extends free trade benefits to Israel and Jordan. In a commencement speech at University of South Carolina, Bush told a graduating class that economic prosperity is critical to a lasting peace accord and that unrestricted U.S. trade with the Middle East could help the entire region prosper. The combined gross national product of all Arab countries is now smaller than that of Spain, he said.

U.S. Trade Representative Robert Zoellick and Secretary of State Colin Powell will engage in discussion with Middle Eastern leaders about trade issues during upcoming visit.

Source: White House Press Release, Washington File, news wires

### U.S. Poultry Meat Exports, Jan-Mar 2002 and 2003

	Volume in metric tons		Value in thousand dollars	
	2002	2003	2002	2003
Canada	21,520	21,348	30,478	33,348
Hong Kong	107,300	93,293	60,498	51,211
Korea	38,995	26,304	27,105	14,573
Mexico	77,899	55,460	44,257	43,014
Russia	244,875	187,699	147,730	85,016

Source: Foreign Agricultural Service, USDA

### U.S. Ban on Canadian Cattle - Update

On May 20, Canada received confirmation that a single cow from northern Alberta, Canada, had tested positive for bovine spongiform encephalopathy (BSE), or mad cow disease. The United States subsequently placed Canada under its BSE restriction guidelines, implementing a temporary ban on ruminants and ruminant products from Canada.

Tight supplies of live cattle resulted in new contract highs on the Chicago Mercantile Exchange for May and June live cattle futures. On Monday, June 2, August live cattle futures increased the limit, with buy orders left unfulfilled at the close. The cattle market watched for signs of a possible reopening of the Canadian border, which is certain to hurt U.S. cattle and beef market sentiment.

In 2002 the U.S. imported 389,949 metric tons of beef and 1,574,553 head of live animals. The U.S. imports about 9 percent of its beef supplies from Canada, with live cattle counting for about half the imports.

Source: USDA News Release, USDA International Meat Review, wire services

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

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

	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	463	301	5,678	7,776
Frozen	0	0	63	0
Dried	41	41	217	220
Total	504	342	5,958	7,996

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

	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	106	163	2,289	2,797
Frozen	42	69	1,524	1,548
Dried	80	122	560	2,134
Total	228	354	4,373	6,479

**Inspected Shell Eggs**

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

	Year-To-Date			
	2003	2002 /1	2003	2002
Jumbo	15	0	181	1,084
Extra Large	1,040	1,096	6,150	7,208
Large	3,685	4,224	27,436	46,893
Medium	750	900	25,728	20,818
Ungraded	0	9,360	20,046	113,075
Misc	0	0	3,072	12,094
Total	5,490	15,580	82,613	201,172

/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**

FAT CONTENT	30-MAY-2003			
	PRICES (Cents per Pound)		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

FAT CONTENT	30-MAY-2003			
	PRICES (Cents per Pound)		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	14.00-14.50	12.50-17.00	182,400	-
WTD AVERAGE	14.33	14.17		
15-20%				
RANGE	18.00-20.00	10.50-14.50	1,670,400	-
WTD AVERAGE	18.67	11.82		
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 24-May-03 (PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,624	1,463	3,087
LAST WEEK	1,493	1,313	2,806
SAME WEEK YR AGO	1,809	1,422	3,231
TO-DATE/2003	35,319	27,836	63,155
TO-DATE/2002	38,696	27,658	66,354

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	58	0	58
LAST WEEK	211	0	211
SAME WEEK YR AGO	140	3	143
TO-DATE/2003	5,475	68	5,543
TO-DATE/2002	6,697	31	6,728

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	1,682	1,463	3,145
LAST WEEK	1,704	1,313	3,017
SAME WEEK YR AGO	1,949	1,425	3,374
TO-DATE/2003	40,794	27,904	68,698
TO-DATE/2002	45,393	27,689	73,082

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

**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**

FAT CONTENT	30-MAY-2003			
	PRICES (Cents per Pound)		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

FAT CONTENT	30-MAY-2003			
	PRICES (Cents per Pound)		VOLUME	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75-18.50	-	520,000	520,000
WTD AVERAGE	17.13			
15-20%				
RANGE	16.50-17.00	11.00-15.50	2,028,000	468,000
WTD AVERAGE	16.78	12.00		
20% OR MORE				
RANGE	-	11.00-14.00	200,000	-
WTD AVERAGE		12.20		

\* 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 30 MAY 2003.**

Market activity was light on bulk meats. Fresh tom breast meat was available, demand was light and prices were close to steady. Light trading on fresh thigh meat was at slightly higher price levels. A fair volume of Grade A 4-8 lb breasts traded at steady values. Tom drums and wings were in a closer balance and offering prices were slightly higher than recent trading. Fresh wing meat sold at 45 cents delivered and fresh mechanically separated at 15-17 FOB. Export trading was heavy on thigh meat. Fresh thigh meat moved to the border at 50-52, and a large volume of fresh and frozen thigh meat at open prices for June shipment. Fresh tom drums moved to the border at 17-19 cents.

**FRIDAY, MAY 30, 2003**

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>	<b>WEEKLY WTD AVG PRICE</b>	<b>WEEKLY VOLUME (000)</b>
DRUMSTICKS, TOMS	20.00		20.00	240	19.02	816
WINGS FULL-CUT - TOMS		R	13.00	52	13.00	52
WINGS, V-TYPE, TOM	18.00-18.50		18.43	366	18.09	574
TAILS						
MECHANICALLY SEPARATED 2/	16.00		16.00	120	17.20	200
THIGH MEAT - FROZEN	49.00-67.00		60.69	640	58.16	1,400

**THURSDAY, MAY 29, 2003**

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
DRUMSTICKS, TOMS	19.50-20.00		19.88	160
WINGS FULL-CUT - TOMS	13.00		13.00	52
WINGS, V-TYPE, TOM		W	17.50	208
TAILS				
MECHANICALLY SEPARATED 2/		W	19.00	80
THIGH MEAT - FROZEN	45.00		45.00	52

**WEDNESDAY, MAY 28, 2003**

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
DRUMSTICKS, TOMS	17.50-19.50		18.13	416
WINGS FULL-CUT - TOMS		R	12.73	55
WINGS, V-TYPE, TOM	17.50		17.50	208
TAILS				
MECHANICALLY SEPARATED 2/	19.00		19.00	80
THIGH MEAT - FROZEN	43.00-67.00		57.38	65

**TUESDAY, MAY 27, 2003**

<b>EXPORT TRADING</b>	<b>PRICE RANGE</b>	<b>L.S.T. CODE 1/</b>	<b>WTD AVG PRICE</b>	<b>VOLUME (000)</b>
DRUMSTICKS, TOMS		F	19.64	110
WINGS FULL-CUT - TOMS		R	12.73	55
WINGS, V-TYPE, TOM		F	20.00	156
TAILS				
MECHANICALLY SEPARATED 2/		F	17.00	80
THIGH MEAT - FROZEN	50.00		50.00	52

**\*\*\*NOTICE\*\*\*  
DUE TO MEMORIAL DAY HOLIDAY  
MONDAY, MAY 26, 2003  
NO EXPORT TRADING REPORTED**

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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