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Poultry Programs

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## US Poultry Sales to China

China's import of US poultry is significant for US-China trade. Between 1997 and 2001, the import grew from 100,815 MT to 564,505 MT, an increase of 460 percent. Any change in the modus operandi of the import business will have a marked impact on the poultry industry in the United States.

### China's Import of US Poultry Products, 1997-2001 in metric tons

1997	1998	1999	2000	2001	% Increase
100,815	87,016	497,325	664,575	564,505	459.9

Source: World Trade Atlas

Currently, China restricts the importing of poultry products by a quota system, a non-tariff barrier to import, and by using a network of select accredited importers. Only accredited importers are eligible to bring poultry products into China. The precondition for a trader to become an accredited importer is the trader having the import and export right (authority).

About 70 percent of US poultry products enter China through Guangdong, in South China, a 90- minute train ride from Hong Kong. From Guangdong, the products are redistributed to other parts of China. Despite State sponsorship and media promotion, Shanghai handles only 10 percent of US poultry products.

According to Hong Kong Customs, reexports of US poultry products from Hong Kong to China reached 278,005 MT in the first three quarters of 2002. With China's direct imports of 49,492 MT in the same period, the total imports in China reached 327,497 MT. However, according to China Customs, China imported 386,181 MT of poultry products from the United States in the same period, 58,684 MT more than China's direct imports plus Hong Kong reexports to China.

It is probable that some poultry products imported to China were not from the United States but products shipped to Hong Kong from other countries. They are repackaged and relabeled in Hong Kong and reexported to China as US products. No one knows the exact amount of these relabeled products. While the practice of relabeling has diminished, it is still in operation despite government crackdown on smuggling.

Source: Foreign Agricultural Service, USDA

### U.S. Dollar Weakens Against World Currencies

The dollar has fallen 11 percent against the Euro this year, 2 percent against the Japanese yen and 19 percent against the Brazilian real. A weak dollar helps make U.S. exports more competitive, while U.S. imports become more expensive.

	Currency per \$US		
	June 13, 2003	January 2, 2003	June 13, 2002
Euro	.84960	.95330	1.0597
Yen	117.46	119.86	125.12
Real	2.8560	3.5425	2.6350

Source: www.oanda.com, Federal Reserve Bank of NY, wire services

## USDA Announces \$110 Million to Promote U.S. Food and Agricultural Products Overseas

Agriculture Secretary Ann M. Veneman announced fiscal year 2003 allocations of \$110 million to 65 U.S. trade organizations to promote U.S. agricultural products overseas under the Market Access Program (MAP). The 2002 Farm Bill provides for significant increases to MAP, more than doubling funding to \$200 million annually by 2006, the first increases to the program since 1996. The USA Poultry and Egg Export Council was allocated \$2,709,601.

Veneman said that exports are expected to reach \$56 billion this year, which support 840,000 jobs and that for every \$1 billion more, 15,000 new jobs are created.

MAP uses funds from USDA's Commodity Credit Corporation to enter into agreements with U.S. agricultural trade organizations, state regional groups and cooperatives. The CCC funds are used to share the costs of overseas marketing and promotional activities for both brand and generic promotions targeting marketing constraints and opportunities.

MAP is one of several USDA programs included under a unified application and review process designed to ensure the most effective and results-oriented utilization of government resources available to the agriculture industry for developing overseas markets for U.S. products.

Source: USDA News Release, [www.fas.usda.gov/mos/programs/mapprog.html](http://www.fas.usda.gov/mos/programs/mapprog.html).

### European Farmers See Future in U.S.

Affordable land, less restrictive environmental regulations and the ability to expand production are attracting interest from dairy farmers in Europe, especially farmers from the Netherlands.

The Netherlands has a \*population of 16,150,511 and a total land area of 16,033 square miles. The population density is 1,007 persons per square mile. In Iowa, the population is 2,939,760 with a total land area of 56,276 square miles.

Land can sell for as much as \$20,000 an acre in Holland compared to the average price of farmland in Iowa at \$2,120 in 2002. Farm land in other states in the Corn Belt included Ohio at \$2,750, Indiana at \$2,640 and Illinois at \$2,750.

The Dutch have a quota system makes it almost impossible to increase production. To expand, the farmer must buy production quotas from another farmer in the Netherlands. Thus, the average farm size is 50-60 cows and 150 cows would be a large farm.

\*2003 estimate

Sources: Encarta, Illinois Farm Bureau, NASS/USDA, Iowa State Extension News, Progressive Farmer, AgriNews

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

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

	2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	407	452	6,548	8,627
Frozen	0	0	3	0
Dried	14	41	232	302
Total	421	493	6,783	8,929

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

	2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	150	115	2,599	2,982
Frozen	43	43	1,614	1,600
Dried	0	227	681	2,461
Total	193	385	4,894	7,043

**Inspected Shell Eggs**

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

	2003		Year-To-Date	
	2003	2002 /1	2003	2002
Jumbo	0	17	211	1,101
Extra Large	1,190	930	8,540	9,665
Large	5,513	4,420	36,568	54,634
Medium	1,500	450	28,338	22,632
Ungraded	3,720	15,060	22,866	140,435
Misc	0	0	3,852	12,094
Total	11,923	20,877	100,375	240,561

/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** 13-JUN-2003

PRICES (Cents per Pound) VOLUME

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

**CHICKEN, WITH SKIN ADDED** 13-JUN-2003

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	14.00	15.00-17.00	96,800	-
WTD AVERAGE	14.00	16.44		
15-20%				
RANGE	14.50-18.00	10.00-16.00	1,813,600	203,200
WTD AVERAGE	16.30	12.08		
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 07-Jun-03 (PRELIMINARY)**

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,569	1,465	3,034
LAST WEEK	1,369	1,217	2,586
SAME WEEK YR AGO	1,850	1,515	3,365
TO-DATE/2003	38,257	30,518	68,775
TO-DATE/2002	42,101	30,305	72,406

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	292	9	301
LAST WEEK	60	6	66
SAME WEEK YR AGO	349	0	349
TO-DATE/2003	5,827	83	5,910
TO-DATE/2002	7,380	31	7,411

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	1,861	1,474	3,335
LAST WEEK	1,429	1,223	2,652
SAME WEEK YR AGO	2,199	1,515	3,714
TO-DATE/2003	44,084	30,601	74,685
TO-DATE/2002	49,481	30,336	79,817

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** 13-JUN-2003

PRICES (Cents per Pound) VOLUME

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

**CHICKEN, WITH SKIN ADDED** 13-JUN-2003

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75-18.50	13.50-15.75	832,000	520,000
WTD AVERAGE	17.35	15.00		
15-20%				
RANGE	14.25-16.50	11.00-15.50	1,904,000	312,000
WTD AVERAGE	15.28	12.31		
20% OR MORE				
RANGE	-	11.00	40,000	-
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 13 JUNE 2003.**

The market tone on fresh white meat was steady to barely steady, frozen steady to weak. Some processors noted increased add-on business to fresh tom breast meat contracts, otherwise, fresh white meat demand light for the adequate to ample offerings. Frozen white meat demand was slow with only very limited buyer interest noted. Offerings of frozen white meat ranged adequate to burdensome. The undertone was mostly steady on thigh meat with sellers resisting the lower buyer bids for some export destinations. Trading centered on light volumes of tom drums for export, balance slow. Tom necks traded at 16.50 cents delivered export.

**FRIDAY, JUNE 13, 2003**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	21.50-24.00		22.53	248	21.29	864
WINGS FULL-CUT - TOMS		R	13.50	108	13.38	460
WINGS, V-TYPE, TOM		T	21.00	52	21.00	52
TAILS						
MECHANICALLY SEPARATED 2/	18.00		18.00	20	18.00	20
THIGH MEAT - FROZEN	51.50-52.00		51.86	72	46.30	696

**THURSDAY, JUNE 12, 2003**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	21.50-22.00		21.86	148
WINGS FULL-CUT - TOMS	13.50		13.50	108
WINGS, V-TYPE, TOM		T	21.00	52
TAILS		R	17.50	40
MECHANICALLY SEPARATED 2/		F	13.50	208
THIGH MEAT - FROZEN	44.50		44.50	324

**WEDNESDAY, JUNE 11, 2003**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	22.00		22.00	52
WINGS FULL-CUT - TOMS		T	16.00	40
WINGS, V-TYPE, TOM		T	21.00	52
TAILS		R	17.50	40
MECHANICALLY SEPARATED 2/		F	13.50	208
THIGH MEAT - FROZEN	51.50		51.50	40

**TUESDAY, JUNE 10, 2003**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	19.50-21.00		20.25	208
WINGS FULL-CUT - TOMS	16.00		16.00	40
WINGS, V-TYPE, TOM	21.00		21.00	52
TAILS		R	17.50	40
MECHANICALLY SEPARATED 2/		F	13.50	208
THIGH MEAT - FROZEN		M	46.20	260

**MONDAY, JUNE 09, 2003**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00-20.50		20.25	208
WINGS FULL-CUT - TOMS	13.00		13.00	312
WINGS, V-TYPE, TOM		F	21.33	624
TAILS		R	17.50	40
MECHANICALLY SEPARATED 2/		F	13.50	208
THIGH MEAT - FROZEN	46.00-47.00		46.20	260

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.