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

Australia: Meat Outlook to 2007-08

Growing poultry meat demand in the wake of high red meat prices has resulted in poultry producers being able to pass on some of their increased feed grain costs to consumers in the form of higher prices. As a result, poultry meat production is forecast to continue expanding in 2003-04, but at a slower rate than in previous years, to 766,000 tons (up less than 2 percent). Beyond 2003-04, lower feed costs are expected to improve poultry growers' profitability and poultry meat production is projected to rise on average by around 3 percent a year to 877,000 tons in 2007-08.

With domestic consumption of poultry meat projected to continue rising, exports are forecast to grow only marginally to reach 40,000 tons in 2007-08 and the industry will remain primarily domestically focused.

Poultry Meat Outlook 2000-2008

Year	Production metric tons	Per Capita Consumption kilograms	Exports metric tons
2000-01	657	32.5	21.4
2001-02	704	34.5	20.9
2002-03	752	36.5	22.4
2003-04	766	36.6	23.6
2004-05	800	37.6	27.0
2005-06	833	38.8	30.0
2006-07	868	40.0	33.0
2007-08	877	40.0	33.0

Source: www.abareconomics.com

Avian influenza in the Netherlands: Some restrictions lifted

The Standing Committee on the Food Chain and Animal Health voted in favor of a European Commission proposal to lift some of the restrictions put in place after outbreaks of avian influenza in the Netherlands.

As from 28 March, day-old chicks hatched outside the surveillance zone and at least 25km from any suspected or infected holding can be exported to other Member States or third countries. Live poultry and hatching eggs from holdings in the surveillance zone can be transported to a slaughterhouse or a hatchery within the same zone. Furthermore, to avoid further spread of the disease outside the "Gelderse Vallei" area, a buffer zone will be created at the north and south border of this area. To this end, the Netherlands shall preventively empty about 30 poultry holdings situated in those two zones. The outbreaks are thus concentrated in the "Gelderse Vallei" in the province of Gelderland.

The measures will be reviewed at the next meeting of the Committee, scheduled for 8 and 9 April 2003. In total, 254 holdings, with approximately 5 million birds, have been culled since the start of the epidemic.

Source: European Commission press release

Brazilian Competitiveness

Chicken production in Brazil had a 9.6 percent annual growth from 1990 to 2002 and exports have grown at an annual rate of 12.6 percent since 1990. Exports in 2002 represented over 20 percent of Brazil's poultry production and totaled 1.6 million tons.

Ninety percent of the chicken industry is integrated and production costs are very competitive. Production costs for live weight poultry are 18.95 cents per pound in Brazil compared to 24.86 in the U.S., and 27.55 cents in Thailand, due to Brazil's low labor and feed costs. Brazil also has a favorable exchange rate and has entered new markets.

In 2003 Brazil will export chicken to Canada and China, markets that had been closed to Brazil. However, exports to Russia will suffer due to the quota allocations. Brazil was only allocated 5 percent, or 33,000 tons, of the poultry import quota for the May-December period. The allocated volume is 11 percent of what Brazil exported to Russia in 2002. Russia is Brazil's main market.

Shipments to the EU fell 33 percent in January, compared to a year ago, due to what the Brazilian poultry industry describes as protectionist measures. Chicken meat exports in 2003 are forecast at 1.55 million tons, a 2 percent decline from 2002.

Price Comparisons, US cents/lb FOB port

	USA	Brazil	Thailand
Breast meat	1.40	.55/.90	.80
Grade A Broilers	.55	.285 (sized)	.54
Chicken Leg Quarters	.20	.25	.29

Brazil's Major Markets 2002

Asia	23%
Middle East	31%
Russia	19%
Europe	18%
Africa	5%
Mercosur	1%
Others	3%

World Market Share by Country

Poultry Meat Exports 2001

US	41%
Brazil	20%
Hong Kong	12%
China	5%
France	4%
Others	18%

Brazilian Chicken Exports

	Feb 02-Jan 03		Feb 01-Jan 02	
	Value	Volume	Value	Volume
Chicken parts	885,276	952,924	815,876	688,498
Whole chicken	463,756	695,411	499,748	581,863
Further processed	57,899	25,006	43,650	17,294
Total	1,406,931	1,673,341	1,359,274	1,287,655

Source: Agricultural Outlook Forum 2003, Ministry of Finance, Brazil, AJC International and various news wires, USDA/FAS

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

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

	Week Ending March 22, 2003		Year-To-Date	
	2003	2002 /1	2003	2002
Liquid	204	403	2,131	3,961
Frozen	0	0	0	0
Dried	0	0	135	51
Total	204	403	2,266	4,012

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

	Week Ending March 22, 2003		Year-To-Date	
	2003	2002 /1	2003	2002
Liquid	72	114	1,381	1,677
Frozen	44	137	967	992
Dried	40	139	127	870
Total	156	390	2,475	3,539

Inspected Shell Eggs

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

	Week Ending March 22, 2003		Year-To-Date	
	2003	2002 /1	2003	2002
Jumbo	0	0	0	256
Extra Large	60	768	240	2,367
Large	360	3,870	5,593	18,559
Medium	774	1,500	9,658	13,663
Ungraded	0	0	1,470	0
Misc	390	60	1,782	5,644
Total	1,584	6,198	18,743	40,489

/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 22-Mar-03
 (PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TTL HENS
	THOUSANDS		
HEAD	1,597	1,280	2,877
LAST WEEK	1,558	1,356	2,914
SAME WEEK YR AGO	1,812	1,360	3,172
TO-DATE/2003	19,403	16,051	35,454
TO-DATE/2002	21,342	15,508	36,850

	LIGHT HENS	HEAVY HENS	TTL HENS
	THOUSANDS		
HEAD	139	0	139
LAST WEEK	190	3	193
SAME WEEK YR AGO	357	0	357
TO-DATE/2003	3,652	53	3,705
TO-DATE/2002	4,350	20	4,370

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.
TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TTL HENS
	HEAD	1,736	1,280
LAST WEEK	1,748	1,359	3,107
SAME WEEK YR AGO	2,169	1,360	3,529
TO-DATE/2003	23,055	16,104	39,159
TO-DATE/2002	25,692	15,528	41,220

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.

28-MAR-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	40,800	-
WTD AVERAGE		17.00		
15-20%				
RANGE	12.00-16.00	11.00-17.00	1,978,400	652,800
WTD AVERAGE	14.00	12.87		
20% OR MORE				
RANGE	-	12.00	20,400	-
WTD AVERAGE		12.00		

* 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.

28-MAR-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	15.00-17.00	15.20-16.00	994,000	424,000
WTD AVERAGE	16.00	15.49		
15-20%				
RANGE	13.60-14.00	11.00-15.00	1,526,400	-
WTD AVERAGE	13.70	13.18		
20% OR MORE				
RANGE	-	12.50	80,000	-
WTD AVERAGE		12.50		

* 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 28 MARCH 2003.

New negotiations were slow to develop on bulk meats and parts. Fresh and frozen breast meat and thigh meat were available. Supplies of necks continued tight, tom full cut and v-type wings were fully adequate. Supplies of tom drums were mixed and prices were in a wide range. Tails traded at 19 cents delivered and hen drums at 15 cents FOB. Export sales included hen drums 16 cents delivered port and fresh tom drums 22 cents delivered border. Trucks were tight in some areas.

FRIDAY, MARCH 28, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	22.00	26	21.33	386
WINGS FULL-CUT - TOMS		R	14.93	182	14.93	182
WINGS, V-TYPE, TOM						
TAILS		R	20.00	40	20.00	40
MECHANICALLY SEPARATED 2/	22.00		22.00	52	20.20	260
THIGH MEAT - FROZEN	51.00		51.00	80	52.53	448

THURSDAY, MARCH 27, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	22.00		22.00	26
WINGS FULL-CUT - TOMS	14.50-15.50		14.93	182
WINGS, V-TYPE, TOM				
TAILS	20.00		20.00	40
MECHANICALLY SEPARATED 2/	20.50		20.50	104
THIGH MEAT - FROZEN	50.50		50.50	80

WEDNESDAY, MARCH 26, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	21.00-23.50		21.28	360
WINGS FULL-CUT - TOMS		F	15.50	80
WINGS, V-TYPE, TOM				
TAILS		F	18.00	80
MECHANICALLY SEPARATED 2/		T	19.00	104
THIGH MEAT - FROZEN	50.00-62.00		55.22	184

TUESDAY, MARCH 25, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	23.00	80
WINGS FULL-CUT - TOMS		F	15.50	80
WINGS, V-TYPE, TOM				
TAILS		F	18.00	80
MECHANICALLY SEPARATED 2/	19.00		19.00	104
THIGH MEAT - FROZEN		M	50.50	104

MONDAY, MARCH 24, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	23.00	80
WINGS FULL-CUT - TOMS		F	15.50	80
WINGS, V-TYPE, TOM				
TAILS		F	18.00	80
MECHANICALLY SEPARATED 2/		F	19.75	40
THIGH MEAT - FROZEN	50.50		50.50	104

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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