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

## Mexico Classifies Chicken Saddles as Chicken Leg Quarters

On January 1, 2003, under NAFTA, Mexican tariffs on U.S. poultry exports fell to zero. Mexico was concerned about the volume of poultry products that would enter the country once tariffs were lifted. Under NAFTA, Mexico could have imposed an emergency import tariff up to 240 percent on U.S. poultry exports.

Instead, the United States and Mexico agreed that Mexico would allow 50,000 metric tons of U.S. chicken leg quarters into Mexico duty-free for a six month period. Mexico would apply a temporary safeguard tariff of 98.8 percent to leg quarter imports above that level. All other imports of U.S. poultry would enter the country duty free.

On July 25, 2003, the Secretariat of Economy (SE) published a degree imposing bilateral safeguard measures on imported U.S. chicken leg quarters, classified under tariffs 0207.13.03 and 0207.14.04. For the period July 25, 2003 to December 31, 2003 Mexico would issue import licenses providing duty free access for 46,950 MT of chicken leg quarters to the northern border line and the border region. The safeguard will be in effect for 5 years, with the tariff phased down to zero in 2008.

Year	TRQ (MT)	Tariff	Over Quota Tariff
2004	101,000	0	79.0
2005	102,010	0	59.3
2006	103,030	0	39.5
2007	104,060	0	19.8
2008	0	0	0

Some poultry importers tried to avoid the safeguard provision by importing chicken leg quarters joined by other parts of the chicken, like rumps or the tailbone (chicken saddles) and classifying them in other generic tariff numbers with a zero duty. In response to domestic concerns, on September 9, 2003, the Central Administrator of Mexican Customs sent notice requiring this type of chicken be imported under the tariff lines for chicken leg quarters even if they enter with other joined parts. If this requirement is not met, Customs will proceed according to law and make a 'preventive seizure' of the merchandise.

## U.S. Chicken Exports to Mexico in metric tons

	Jan-Aug	Jan-Aug	August	August
	2002	2003	2002	2003
Chicken, Other, Frozen	35,782	37,816	3,633	3,783
Chicken Cuts, Fresh/Chilled	48,663	45,345	4,088	5,094
Chicken Leg Quarters, Frozen	11,634	9,600	572	599
Chicken NES Fresh/Chilled	1,236	4,104	19	312
Chicken NES Frozen	516	2,790	102	24
Chicken, Young, Frozen	127	989	15	88
Chicken, Other Leg, Frozen	5,444	1,732	20	153

Source: USDA/Foreign Agricultural Service; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

## U.S. Exports of Chicken Leg Quarters to Select Countries

	in metric tons			
	Jan-Aug 2002	Jan-Aug 2003	Aug 2002	Aug 2003
China	12,147	23,427	1,311	3,162
Hong Kong	19,690	2,684	927	243
subtotal	31,836	26,111	2,238	3,405
Mexico	11,634	9,600	572	599
Russia	361,712	393,269	93,406	36,127
World total	775,073	936,491	137,537	109,511

## U.S. Exports of Poultry Meat to Select Regions, in metric tons

	Jan-Aug	Jan-Aug	Aug	Aug
	2002	2003	2002	2003
North America	227,074	225,575	23,375	26,070
Caribbean	80,535	105,763	9,037	13,023
*FSU	615,206	543,714	102,775	68,916
Middle East	44,846	68,663	4,365	12,299
Asia	520,267	459,577	66,164	63,177
World Total	1,713,523	1,692,584	240,574	219,586

\*Former Soviet Union

## U.S. Exports of Shell Eggs to Select Regions, in dozens

	Jan-Aug	Jan-Aug	Aug	Aug
	2002	2003	2002	2003
Caribbean	1,286,955	1,733,209	398,893	239,353
*EU	45,934	6,369,463	2,100	1,700
Middle East	490,336	424,934	2,880	1,620
Asia	18,488,944	13,328,279	2,847,263	1,407,737
World total	30,171,725	30,041,088	4,907,418	3,742,427

\*European Union

## U.S. Exports of Egg Products in metric tons

	Jan-Aug	Jan-Aug	Aug	Aug
	2002	2003	2002	2003
Frozen/Liquid Yolk	7,029	6,185	762	873
Frozen/Liquid Whole	2,706	3,005	749	227
Frozen/Liquid White	1,472	3,734	207	657
Dried Yolk	762	811	63	109
Dried Whole	2,908	1,844	469	204
Dried White	2,024	516	117	21

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

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

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

Week Ending October 04, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	450	659	13,066	15,637
Frozen	0	0	96	21
Dried	42	0	438	674
Total	492	659	13,600	16,332

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

Week Ending October 04, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	116	80	4,726	5,135
Frozen	127	124	2,899	2,893
Dried	40	95	1,024	4,064
Total	283	299	8,649	12,092

**Inspected Shell Eggs**

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

Week Ending October 04, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Jumbo	14	0	353	1,307
Extra Large	240	1,095	22,107	30,155
Large	4,760	4,243	89,845	113,728
Medium	810	288	50,933	39,583
Ungraded	10,880	17,994	135,170	273,245
Misc	0	0	13,862	14,017
Total	16,704	23,620	312,270	472,035

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 04-Oct-03

(PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,346	1,444	2,790
LAST WEEK	1,280	1,611	2,891
SAME WEEK YR AGO	1,892	1,622	3,514
TO-DATE/2003	59,053	56,102	115,155
TO-DATE/2002	70,243	56,084	126,327

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	266	0	266
LAST WEEK	302	8	310
SAME WEEK YR AGO	318	4	322
TO-DATE/2003	9,487	137	9,624
TO-DATE/2002	12,452	254	12,706

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	1,612	1,444	3,056
LAST WEEK	1,582	1,619	3,201
SAME WEEK YR AGO	2,210	1,626	3,836
TO-DATE/2003	68,540	56,239	124,779
TO-DATE/2002	82,695	56,338	139,033

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET 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.

**CHICKEN** 10-OCT-2003

PRICES (Cents per Pound) VOLUME

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

**CHICKEN, WITH SKIN ADDED** 10-OCT-2003

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	13.50-18.00	204,000	-
WTD AVERAGE		16.20		
15-20%				
RANGE	17.25-21.50	11.25-17.00	2,052,800	1,487,200
WTD AVERAGE	20.09	14.32		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN,

**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** 10-OCT-2003

PRICES (Cents per Pound) VOLUME

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

**CHICKEN WITH SKIN ADDED** 10-OCT-2003

PRICES (Cents per Pound) VOLUME

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	14.00-22.00	17.50	1,192,000	772,000
WTD AVERAGE	19.55	17.50		
15-20%				
RANGE	13.00-30.00	11.50-15.00	2,080,000	1,376,000
WTD AVERAGE	24.82	12.01		
20% OR MORE				
RANGE	-	11.50	40,000	-
WTD AVERAGE		11.50		

\* 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 10 OCTOBER 2003.**

The undertone on fresh tom breast meat and fresh destrapped tenderloins was steady to barely steady, wing meat steady to fully steady, breast trim and scapula steady to firm. Demand on fresh tom breast meat and fresh destrapped tenderloins was light to fair, balance of fresh white meat fair to good. Offerings of fresh tom breast meat and fresh destrapped tenderloins were mostly adequate for buyers' needs, balance of fresh white meat light at best. The undertone on frozen tom breast meat and frozen destrapped tenderloins was mostly steady, frozen breast trim and scapula fully steady to firm, frozen wing meat with skin mixed. Demand fair on breast trim and scapula, slow to fair on wing meat with skin, light on frozen tom breast meat and destrapped tenderloins. Frozen offerings of breast trim and scapula limited, destrapped tenderloins light to adequate, tom breast meat mixed with -6 months age ranging light to adequate and ample on older production. Frozen wing meat offerings were mixed with some inventories held confidence while instances were noted of others looking for inquiry. Trading light on all items. For domestic (fresh): wing meat 65, scapula 82, breast trim 83-85 mostly 85 cents delivered. Hearts traded at 21 cents delivered export.

**FRIDAY, OCTOBER 10, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	43.50		43.50	80	42.80	200
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		R	22.00	40	22.00	40
MECHANICALLY SEPARATED 2/		R	33.00	52	32.75	208
THIGH MEAT - FROZEN	94.00		94.00	40	93.06	372

**THURSDAY, OCTOBER 09, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	42.33	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	22.00		22.00	40
MECHANICALLY SEPARATED 2/	33.00		33.00	52
THIGH MEAT - FROZEN		W	92.50	240

**WEDNESDAY, OCTOBER 08, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	42.33	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	22.00	40
MECHANICALLY SEPARATED 2/		M	32.67	156
THIGH MEAT - FROZEN	90.00-96.00		92.50	240

**TUESDAY, OCTOBER 07, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	42.33	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	22.00	40
MECHANICALLY SEPARATED 2/		M	32.67	156
THIGH MEAT - FROZEN	95.00		95.00	52

**MONDAY, OCTOBER 06, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	42.00-43.00		42.33	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	22.00	40
MECHANICALLY SEPARATED 2/	32.00-33.00		32.67	156
THIGH MEAT - FROZEN	93.00		93.00	40

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.