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Poultry Programs

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Canada – Avian Influenza Update

The Canadian Food Inspection Agency has halted the cull of 19 million birds in the Fraser Valley, British Columbia with only 12-13% remaining alive. Most of the remaining birds, about 2 million, are in the Chilliwack area and are mostly broiler-breeders and some egg laying flocks. The H7 strain has not been found in the area and the fact that most of the remaining flocks are expensive broiler-breeders has played a factor in the decision. The Canadian Food Inspection Agency will continue to kill all birds within 3 km. of known infected farms, including backyard flocks.

Source: various news sources

Russia

A growing number of wild birds in the Russian Far East Region of Khabarovsk are catching Newcastle disease. Birds of several species, including grouse, are catching the disease. Khabarovsk is adjacent to the northeastern border of the Chinese province Heilongjiang.

In 2003, Russia had 2 outbreaks of Newcastle disease in their western frontiers. One outbreak was in Lipetskaya oblast and the other in Belgorodskaya oblast.

Source: various news sources

Philippines

Pork prices have climbed from R110 a kilo a year ago to R140 in response to the bird flu scare that was prevalent in Asia early this year. As a result of the high pork prices, consumers have switched back to poultry causing them to rise in price from R90 – R95 a kilo a month ago to R110 in supermarkets and R155 per kilo in wet markets.

Even though the poultry industry had assured the government that they could meet demand, prices still increased. In response to the tight supplies, The Trade and Industry undersecretary attempted to lower tariffs and increase chicken imports, but was rebuffed by the Department of Agriculture. The Department of Agriculture indicated that the upward trend in poultry prices may be temporary and supplies may soon stabilize at a sufficient level.

Currently, importers pay a 40% duty. The country's 2004 minimum access volume is 22,968 metric tons of which 33% has already been utilized.

U.S Poultry Exports To Philippines
(January-March)

Value (Dollars, 1000s)	2000	2001	2002	2003	2004
Poultry Meat	5,905	1,983	826	1,374	1,637
Chicken Leg Quarters	2,844	1,496	69	509	1,397

Volume (Metric tons)

Poultry Meat	8,795	3,096	1,586	3,011	2,726
Chicken Leg Quarters	4,734	2,617	144	1,124	2,255

Source: USDA/FAS and various other sources

Japan

Japan's meat market continues to be disrupted by ongoing meat bans of U.S. beef in response to the discovery of bovine spongiform encephalopathy (BSE) and Avian influenza (AI) in Asia and the U.S. Japan's two main suppliers, China and Thailand, remain absent from the market on raw commodity poultry product. Recently Japan relaxed its ban to allow cooked imports from Thailand. Consumers, meanwhile, have turned their attention to pork and lamb and also increased their demand for domestic, Australian and New Zealand beef.

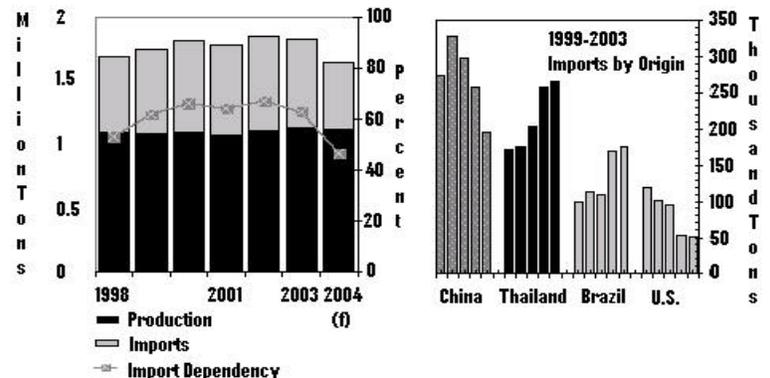
Japan's total broiler consumption for 2004 is projected to be 9% lower for 2004 as supplies from non-AI countries will be limited and concerns about AI persist. Imports are forecast to be down 25% in 2004 from 2003 due to restrictions on major supplying countries (Thailand, China, U.S. and Indonesia) because of AI outbreaks.

Even though agriculture officials in Japan have declared the AI problem as being over, egg and poultry meat industries remain nervous of another outbreak. Egg prices continued to remain low due in part to over production. There are approximately 200 million egg layers for a 125 million human population.

January-March U.S. Poultry Exports To Japan (Metric Tons)

	2000	2001	2002	2003	2004
Poultry Meat	21,477	13,572	8,289	5,714	4,179
Egg Products	3,719	2,896	1,466	3,041	1,325

Japan's Broiler Imports Forecast to Fall Short in 2004 Due to Avian Influenza



Sources: USDA/FAS and various other news sources

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	Week Ending May 15, 2004		Year-To-Date	
	2004	2003 /1	2004	2003
LIQUID	303	512	3,061	5,215
FROZEN	0	0	0	63
DRIED	35	0	238	176
TOTAL	338	512	3,299	5,454

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

Type	Week Ending May 15, 2004		Year-To-Date	
	2004	2003 /1	2004	2003
LIQUID	256	66	1,540	1,926
FROZEN	4	53	616	1,320
DRIED	80	40	1,219	480
TOTAL	340	159	3,375	3,726

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

Type	Week Ending May 15, 2004		Year-To-Date	
	2004	2003 /1	2004	2003
JUMBO	33	0	116	166
EXTRA LARGE	1,530	810	10,247	4,960
LARGE	3,300	2,783	25,973	23,631
MEDIUM	2,310	890	24,660	22,282
UNGRADED	6,060	2,340	96,635	20,046
MISC	800	0	9,614	3,432
TOTAL	14,033	6,823	167,245	74,517

/1Comparable Week, to-date figures may not total due to rounding.

Data Source: Agriculture Canada, Poultry Development Division.
 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	PRICES		VOLUME	
	(Cents per Pound)		May 21, 2004	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN, WITH SKIN ADDED	PRICES		VOLUME	
	(Cents per Pound)		May 21, 2004	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	14.00-16.00	122,400	-
WTD AVERAGE		15.00		
15-20%				
RANGE	13.75-18.00	12.00-16.00	1,995,200	489,600
WTD AVERAGE	14.87	13.48		
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 Slaughtered Under Federal Inspection W/E 15-May-04 (PRELIMINARY)

	U.S. Fowl Slaughtered Domestically		TOTAL HENS
	LIGHT HENS	HEAVY HENS	
HEAD	1,410	1,214	2,624
LAST WEEK	1,328	1,354	2,682
SAME WEEK YR AGO	1,493	1,313	2,806
TO-DATE/2004	24,795	24,173	48,968
TO-DATE/2003	32,516	25,246	57,762

	U.S. Fowl Slaughtered in Canada		TOTAL HENS
	LIGHT HENS	HEAVY HENS	
HEAD	310	8	318
LAST WEEK	163	0	163
SAME WEEK YR AGO	211	0	211
TO-DATE/2004	4,519	61	4,580
TO-DATE/2003	5,248	64	5,312

	Total U.S. Fowl Slaughtered in the U.S. and Canada		TOTAL HENS
	LIGHT HENS	HEAVY HENS	
HEAD	1,720	1,222	2,942
LAST WEEK	1,491	1,354	2,845
SAME WEEK YR AGO	1,704	1,313	3,017
TO-DATE/2004	29,314	24,234	53,548
TO-DATE/2003	37,764	25,310	63,074

Data Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

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	PRICES		VOLUME	
	(Cents per Pound)		May 21, 2004	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN, WITH SKIN ADDED	PRICES		VOLUME	
	(Cents per Pound)		May 21, 2004	
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	13.50-16.00	16.00	1,120,000	520,000
WTD AVERAGE	14.91	16.00		
15-20%				
RANGE	16.00-20.00	12.75-18.00	2,420,800	1,020,000
WTD AVERAGE	18.00	14.58		
20% OR MORE				
RANGE	-	12.00	200,000	-
WTD AVERAGE		12.00		

* 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 21 MAY 2004.

Trade sentiment on hen bulk parts was mostly steady. Demand light to fair for the adequate offerings. The trade sentiment on tom bulk parts was steady on 2-joint wings, balance steady to instances weak. Demand slow to moderate. Offerings adequate to instances burdensome. Some industry members noted increased grinding of fresh necks for mechanically separated turkey. Demand was moderate on fresh tom breast meat, balance of white meat light to fair. Domestic trading centered on a moderately heavy volume of fresh tom breast meat and on a fair volume of fresh mechanically separated turkey, balance light. Frozen whole tenderloins traded with -6 months age and frozen young tom thigh meat current production delivered domestic. Firm priced export trading light. Open priced trading was heavy on frozen thigh meat, light on fresh for June export shipments. For domestic(part loads): frozen young hen breast meat 161, fresh wing meat with skin 106, fresh scapula 104-110, fresh breast trim 114 cents delivered. For export: livers 21, hen drums 31, fresh tom drums 34 cents delivered.

FRIDAY, MAY 21, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	35.00		35.00	40	35.09	264
WINGS FULL-CUT - TOMS		F	45.00	52		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	83.00	M	35.50 83.00	40 40	35.50 75.55	40 1,704

THURSDAY, MAY 20, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	36.00		36.00	104
WINGS FULL-CUT - TOMS		F	45.00	52
WINGS, V-TYPE, TOM				
TAILS		R	35.50	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	71.50-87.00	M	35.50 75.38	40 1,664

WEDNESDAY, MAY 19, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	35.00		35.00	80
WINGS FULL-CUT - TOMS		F	45.00	52
WINGS, V-TYPE, TOM				
TAILS		R	35.50	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	35.50	40
		F	88.00	80

TUESDAY, MAY 18, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	33.00		33.00	40
WINGS FULL-CUT - TOMS		F	45.00	52
WINGS, V-TYPE, TOM				
TAILS		R	35.50	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	35.50	40
		F	88.00	80

MONDAY, MAY 17, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	34.42	190
WINGS FULL-CUT - TOMS		F	45.00	52
WINGS, V-TYPE, TOM				
TAILS		R	35.50	80
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	35.50		35.50	40
		F	88.00	80

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.