



# INTERNATIONAL EGG AND POULTRY REVIEW

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

## Argentina

The future looks promising for Argentina's poultry sector. Argentine poultry exports for 2005 are projected at a record 110,000 metric tons as a result of good profitability, new market opportunities, good sanitary conditions, investments in plant and equipment, and a stronger demand from existing markets.

Argentina, a country free of Avian Influenza and Newcastle Disease, has found markets in 34 countries as either a complementary or alternative supplier to the world large exporters. The quality of Argentine poultry products is attributed to the country's natural resources, excellent feed availability, modern processing plants, and the ability of its local exporters to produce almost anything demanded. Argentina is focusing on commodity type products as well as niche markets for value-added products.

Total poultry meat exports in 2003 for Argentina were as follows: whole broilers 36 percent, chicken paws 30 percent, processed meat from layers 5 percent, and other products (i.e. wings, nuggets, burgers, offal, breasts, etc.) 29 percent. The FOB price in Argentina for frozen whole broilers was US \$880 per ton in the first semester of 2004, 27 percent over 2003, and is expected to continue increasing in 2005 as the world recovers from the Asian Flu crisis.

Chile, forecast to be Argentina's number one poultry export market, is projected to increase its exports in 2005 equating to 20,000 tons of mostly frozen whole broilers. Venezuela will be importing for the first time 5,000 tons of large frozen broilers in the second semester of 2004 and monthly shipments of about 2,000 tons in 2005.

Argentina also exports to China (chicken paws and wings); Saudi Arabia (smaller frozen broilers); Europe (processed poultry meat and IQF boneless breast); South Africa (leg quarters, mechanically de-boned meat for further processing, whole broilers); Japan (high value products manually de-boned leg quarters and meat in cubes); and Russia (surplus leg quarters). At present, Argentine processors would like to see the Canadian and U.S. markets open, but their sanitary services are currently going through risk assessment. In July, Cuba indicated interest in Argentine imports and a letter of intent for purchase of poultry and other products was signed between officials from the Argentine Province of Entre Rios and a Cuban state-owned import company.

Poultry imports for Argentina are projected to be 4,000 tons in 2005. Average imports were 45,000 tons between 1998 and 2001. In 2002, imports dropped significantly as the devaluation of the peso made production costs in Argentina become very similar to those of Brazil, which until then, had encouraged inexpensive imports as Brazilian prices were very low.

However, poultry imports from the U.S. will not be benefitting from this projected increase in imports as poultry products are still prohibited due to the past outbreak of Newcastle Disease in California dating back to 2002. The two governments continue to work at lifting the ban, though should it be lifted and the market opened, the weak peso would limit imports of poultry meat due to its higher price.

Argentine poultry production is forecast to be a record 1 million metric tons for 2005. The increase is attributed to good profitability in the sector and excellent prospects in both the local and external markets. The local poultry sector increased almost two and a half times in the 1990's, but suffered a forced reduction in production after the country's economic crisis in 2002. Production finally started to recover in 2003 and in 2004 it will be practically at the same level as 2001, prior to the crisis.

Source: USDA FAS/Ag Exporter/Various News Sources

## Argentine Egg & Poultry Imports, Exports, & Production 1998-2002 (MT)

Year	Import		Export		Production	
	Eggs	Poultry	Eggs	Poultry	Eggs	Poultry
1998	2,643	65,215	584	18,936	307,620	930,247
1999	1,477	55,608	70	17,097	318,870	982,860
2000	2,394	45,683	30	19,187	326,935	1,000,260
2001	2,686	26,661	469	21,243	301,916	993,122
2002	29	1,196	274	30,501	330,000	972,870

Source: FAO

## German Egg Producers Losing Money

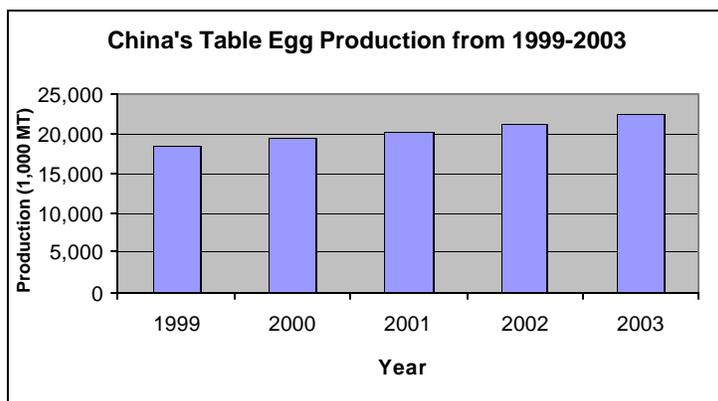
German egg prices remain very low and consumer demand is clearly weaker than last year. Despite falling feed prices, producers are still unable to cover their costs. The decline in prices below both 2002 and 2003 continued in June. At the beginning of July, discount retailers were paying 20%-30% less than at the same time in 2003. After remaining weak at the beginning of July prices rose slightly in mid-month but this trend did not continue. However, prices are not expected to weaken further.

Source: International Egg Commission

## More Eggs in China

Egg production in China totalled 26.1 million tons (mt) in 2003. Hen egg production amounted to 22.33 mt, which was a little over a million tons (5%) more than a year earlier. Output of other eggs amounted to 3.83 mt compared with 3.72 mt in 2002. The combined output of just 10 provinces, Shandong, Hebei, Henan, Jiangsu, Liaoning, Sichuan, Anhui, Hubei, Heilongjiang, and Jilin (each producing more than 900,000 tons), accounted for almost 80% of total poultry egg production last year.

Source: International Egg Commission/China's National Statistical Bureau



Source: FAO

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

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

Week Ending August 28, 2004		Year-To-Date		
TYPE	2004	2003 1/	2004 2/	2003
Liquid	209	411	9,767	10,876
Frozen	0	0	11	96
Dried	0	0	439	362
Total	209	411	10,217	11,334

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

Week Ending August 28, 2004		Year-To-Date		
TYPE	2004	2003 1/	2004 2/	2003
Liquid	290	118	5,194	3,738
Frozen	0	130	1,135	2,077
Dried	0	0	1,764	863
Total	290	248	8,093	6,678

**Inspected Shell Eggs**

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

Week Ending August 28, 2004		Year-To-Date		
TYPE	2004	2003 1/	2004 2/	2003
Jumbo	30	0	349	290
Extra Large	880	1,020	65,350	17,927
Large	2,812	3,100	147,938	72,436
Medium	1,370	2,250	68,112	40,857
Ungraded	9,702	8,600	195,906	87,716
Misc	0	6,000	15,504	11,862
Total	14,794	20,970	493,159	231,088

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

2/ Includes revisions to previous week (s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

**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.

<b>CHICKEN</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

<b>CHICKEN, WITH SKIN ADDED</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	-	15.00	40,800	-
WTD AVERAGE		15.00		
15-20%				
RANGE	13.75-20.00	11.00-17.00	1,875,200	652,800
WTD AVERAGE	15.43	13.08		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

<b>CHICKEN, WITH SKIN ADDED</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	-	16.50-24.00	710,000	260,000
WTD AVERAGE		17.67		
15-20%				
RANGE	17.00-23.00	16.00-21.00	2,598,000	1,668,000
WTD AVERAGE	18.84	18.11		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

<b>CHICKEN</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
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 28-Aug-04

(PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,296	1,571	2,867
Last Week	1,657	1,298	2,955
Same week yr ago	1,229	1,556	2,785
To-date/2004	46,227	45,123	91,350
To-date/2003	51,994	47,527	99,521

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

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	329	0	329
Last Week	123	0	123
Same week yr ago	78	0	78
To-date/2004	8,137	91	8,228
To-date/2003	8,356	118	8,474

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,625	1,571	3,196
Last Week	1,780	1,298	3,078
Same week yr ago	1,307	1,556	2,863
To-date/2004	54,364	45,214	99,578
To-date/2003	60,350	47,645	107,995

Source: USDA/AMS Poultry Programs, Market News Branch

**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.

<b>CHICKEN</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

<b>CHICKEN, WITH SKIN ADDED</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	16.50-24.00	22.00	710,000	260,000
WTD AVERAGE	17.67	22.00		
15-20%				
RANGE	17.00-23.00	16.00-21.00	2,598,000	1,668,000
WTD AVERAGE	18.84	18.11		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

<b>CHICKEN, WITH SKIN ADDED</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	16.50-24.00	22.00	710,000	260,000
WTD AVERAGE	17.67	22.00		
15-20%				
RANGE	17.00-23.00	16.00-21.00	2,598,000	1,668,000
WTD AVERAGE	18.84	18.11		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

<b>CHICKEN, WITH SKIN ADDED</b>	September 03, 2004			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT CONTENT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
15% OR LESS				
RANGE	16.50-24.00	22.00	710,000	260,000
WTD AVERAGE	17.67	22.00		
15-20%				
RANGE	17.00-23.00	16.00-21.00	2,598,000	1,668,000
WTD AVERAGE	18.84	18.11		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

\* 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 03 SEPTEMBER 2004.**

The market tone on breast trim, scapula and wing meat with skin was steady to firm, breast meat and destrapped tenderloins steady to instances weak. Instances of increased confidence was noted on frozen tom breast meat in response to the increased activity at the lower trending prices. Demand on tom breast meat and destrapped tenderloins light to instances fair, balance moderate. Offerings of tom breast meat adequate to ample, destrapped tenderloins adequate to fully adequate, balance of white meat light. The market tone on tom 2-joint wings was mostly steady, balance of tom bulk parts steady to firm. Demand slow to moderate. Offerings of tom 2-joint wings mixed, balance light and held with confidence. Domestic trading was heavy on open priced fresh tom drums, fair on hen necks, balance slow. For domestic: livers 22 shipping point, tom full-cut wings 41 delivered late September - early October, fresh wing meat with skin 109, fresh scapula 112 cents delivered.

**FRIDAY, SEPTEMBER 03, 2004**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	38.00		38.00	80	36.67	120
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	33.71	140		
MECHANICALLY SEPARATED 2/	16.50		16.50	104	17.78	164
THIGH MEAT - FROZEN	81.00		81.00	40	82.33	240

**THURSDAY, SEPTEMBER 02, 2004**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	34.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	33.71	140
MECHANICALLY SEPARATED 2/		W	20.00	60
THIGH MEAT - FROZEN	82.00-83.00		82.75	160

**WEDNESDAY, SEPTEMBER 01, 2004**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	34.00		34.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	33.71	140
MECHANICALLY SEPARATED 2/	20.00		20.00	60
THIGH MEAT - FROZEN	82.00		82.00	40

**TUESDAY, AUGUST 31, 2004**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	31.67	360
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	33.71	140
MECHANICALLY SEPARATED 2/		R	17.00	104
THIGH MEAT - FROZEN		F	83.50	80

**MONDAY, AUGUST 30, 2004**

**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	31.67	360
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	33.71	140
MECHANICALLY SEPARATED 2/		R	17.00	104
THIGH MEAT - FROZEN		F	83.50	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.