

## THE CAUSES OF THE FOOD PRICE CRISIS: MEAT

### SUMMARY OF WORLD MEAT MARKET DEVELOPMENTS

In beef, consumption growth in Russia, China and India is strong, but production response is even stronger in Brazil and Argentina, while other major exporters also increase their exports replacing the gap left by declining production in the EU. Thus growth in this market does not generate major price pressures, especially because a significant part of the growth in the cattle herd is grass fed and the overall level of world production and consumption growth is moderate at around 1.3%.

The growth in pork and poultry consumption, on the other hand, is stronger, particularly in China. Exporters have in general responded to this growth, and in some cases with a speed that readjusts prices at lower levels. But the price impact is felt in feed costs, which are increasing both because of the general increase in production costs and because of the additional demand for feed (mainly maize and soybean meal). In both of these meats, production has clearly kept pace with consumption, with an implied annual increase in feed at between 15-18 mio mt.

### MAIN WORLD MARKET TRENDS

#### Production

- Meat world production met consumption growth in all meat sectors. Beef production grew at a modest (1.3%) annual rate, with production declining in the EU since the mid 1990s and more recently, but temporarily, in the US (disease outbreaks). Despite the increase in the combined level of the EU and US deficit, Brazil has added an exportable surplus currently standing at 2 mio mt, and growing. Similar impressive production growth by Brazil was witnessed in pork and poultry. From the other players, China has also increased its production, but starting from much lower levels.

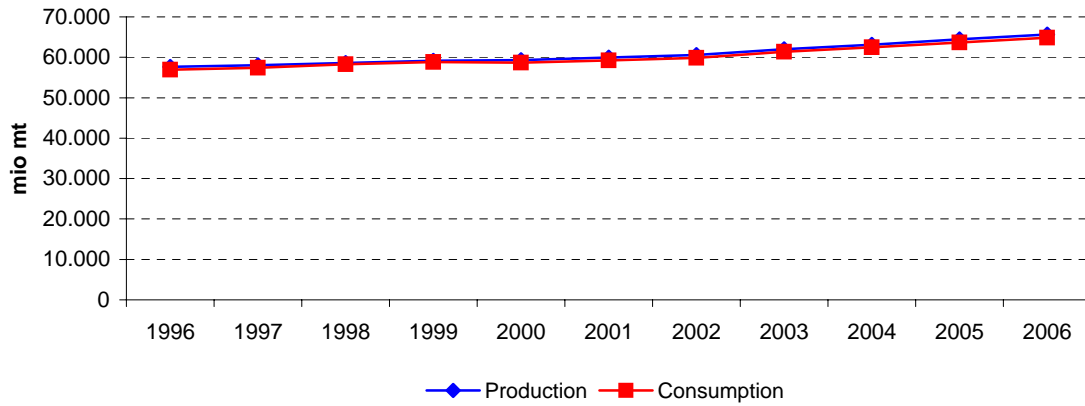
#### Consumption

- Meat consumption is strongly increasing in all three sectors in China and the US, beef in India (a net exporter), and at more moderate levels in the EU to impact on world consumption in the EU and other major exporters.

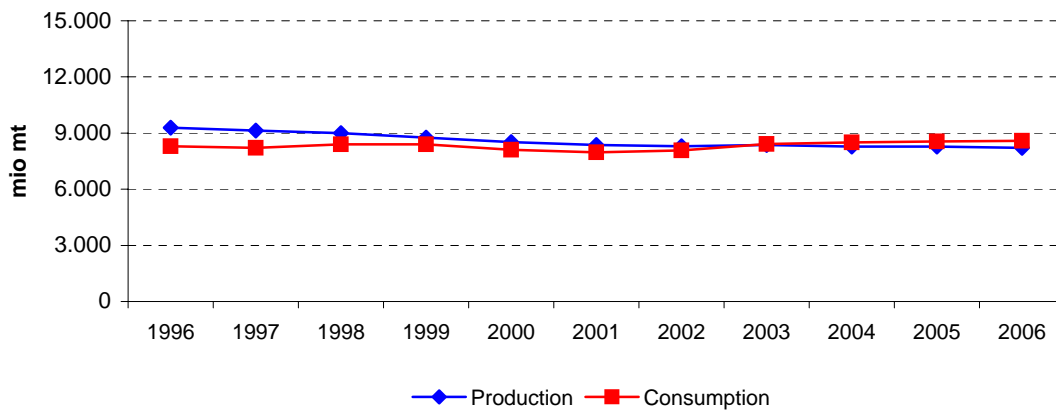
#### Trade

- Beef exports in the US and the EU have dropped because of BSE. Both are now net importers of 1, with their trade deficit (amounting to a combined 1.5 mio mt) compensated by Brazil which has increased its trade surplus from 1.5 mio mt in 2004 to 2.3 in 2007. Pork exporters responded strongly to consumption growth (EU, US, Canada and in particular Brazil). In poultry, Brazil increased its exports remarkably compensating the US and the EU.

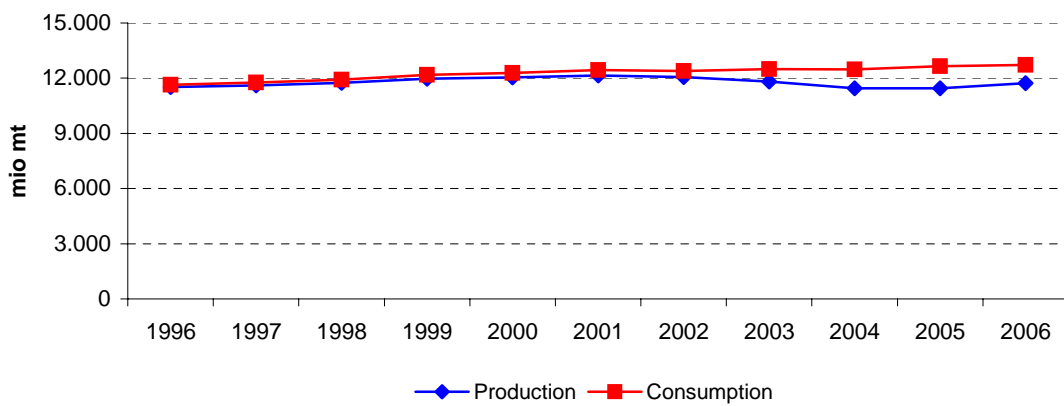
### World beef - 3 year moving average 1995-2007



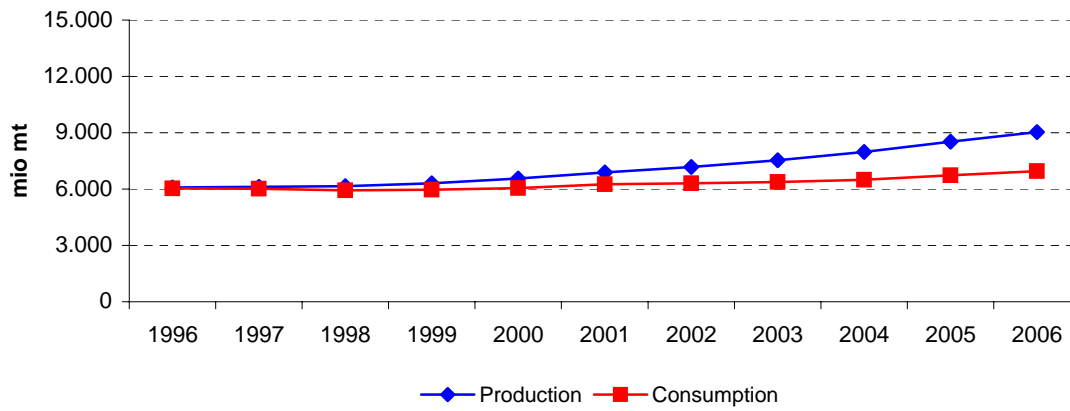
### EU beef - 3 year moving average 1995-2007



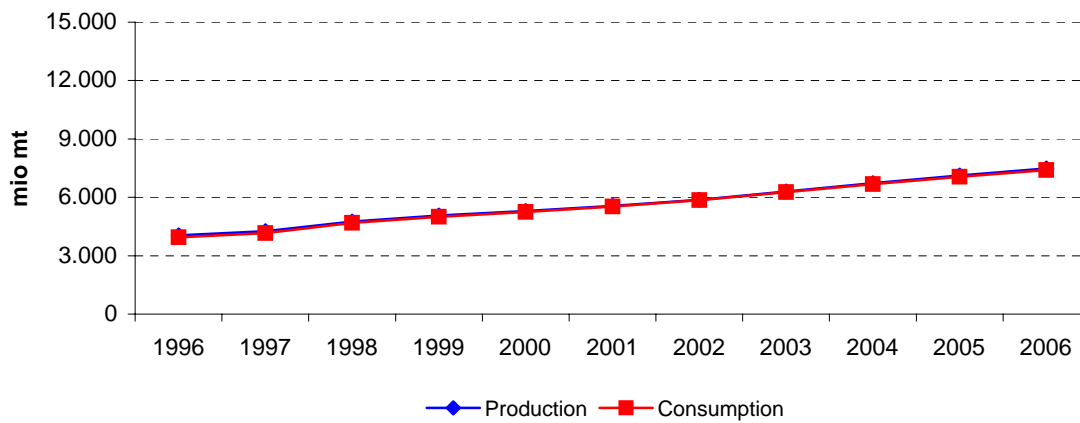
### US beef - 3 year moving average 1995-2007



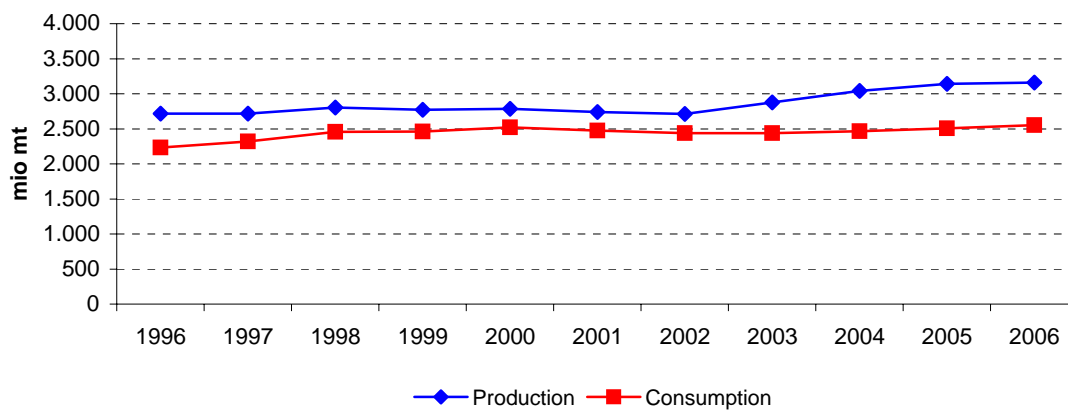
### Brazil beef - 3 year moving average 1995-2007



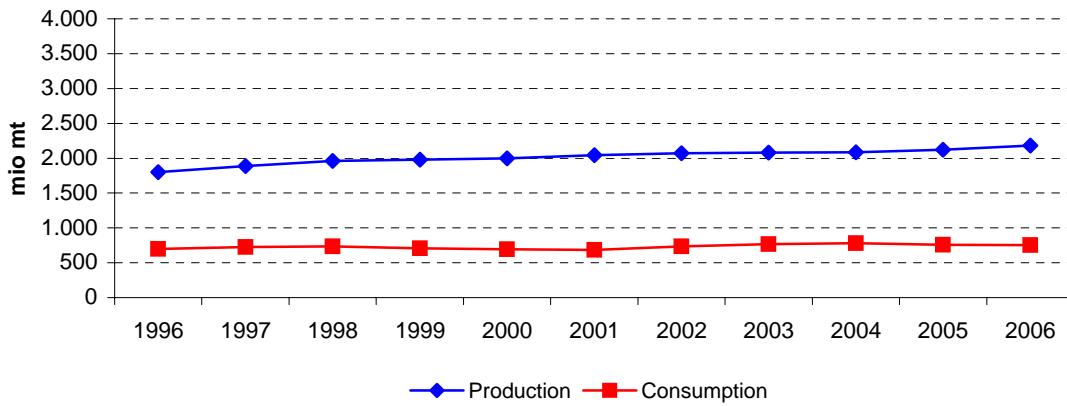
### China beef - 3 year moving average 1995-2007



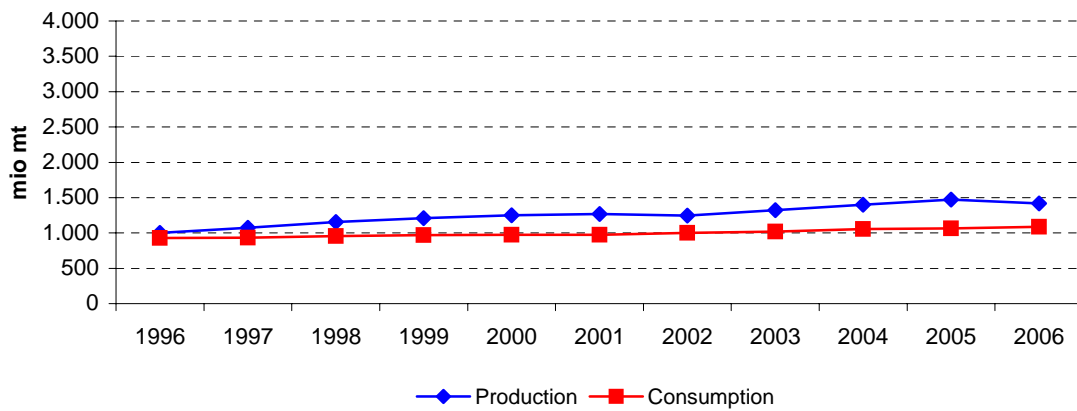
### Argentina beef - 3 year moving average 1995-2007



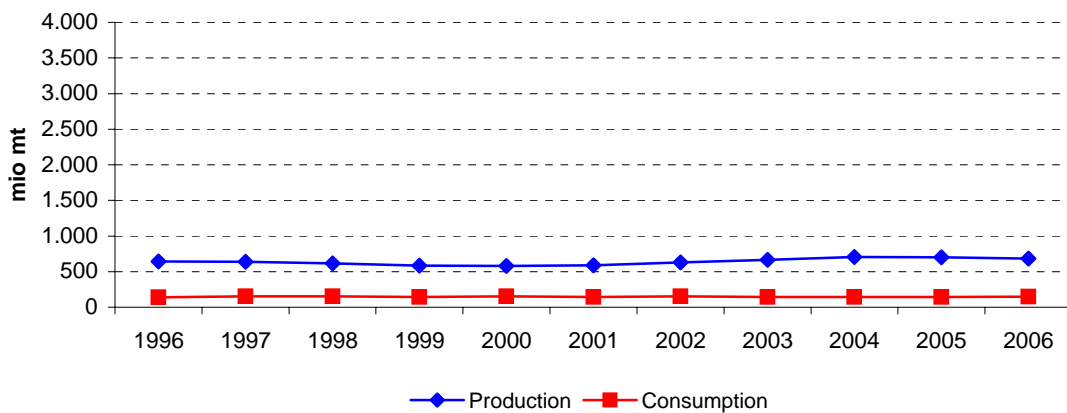
### Australia beef - 3 year moving average 1995-2007



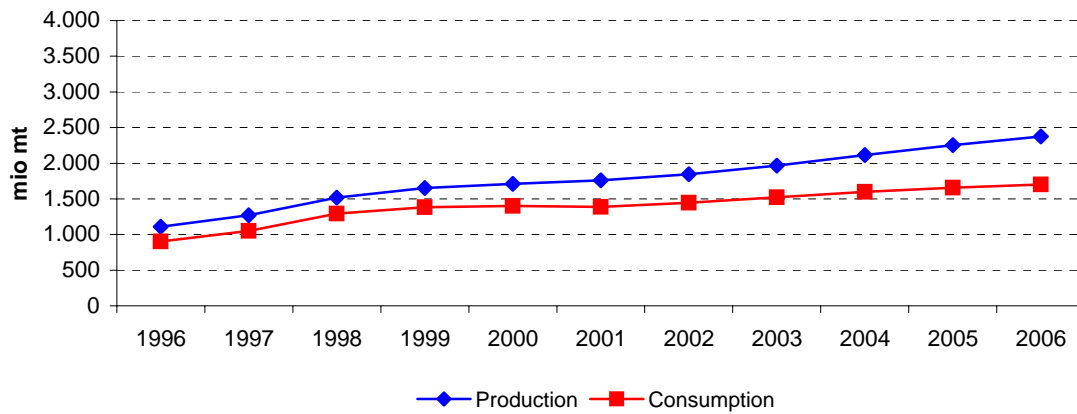
### Canada beef - 3 year moving average 1995-2007



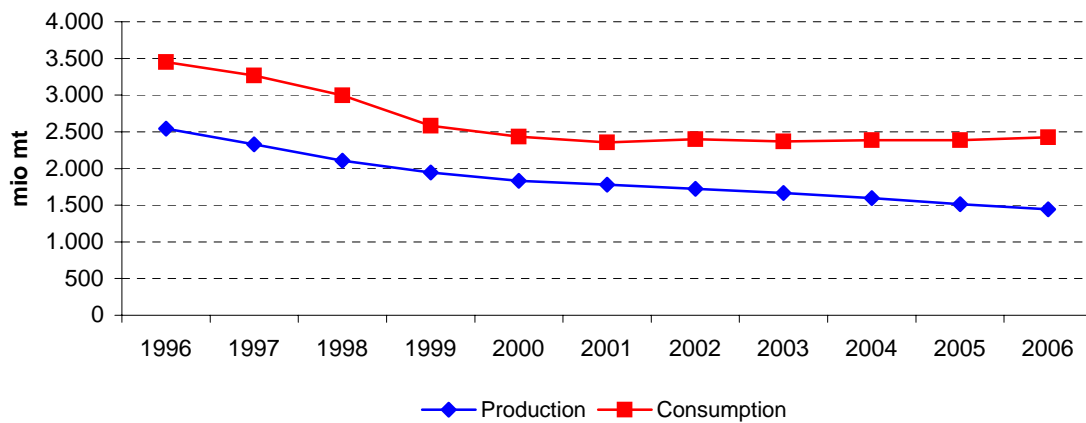
### New Zealand beef - 3 year moving average 1995-2007



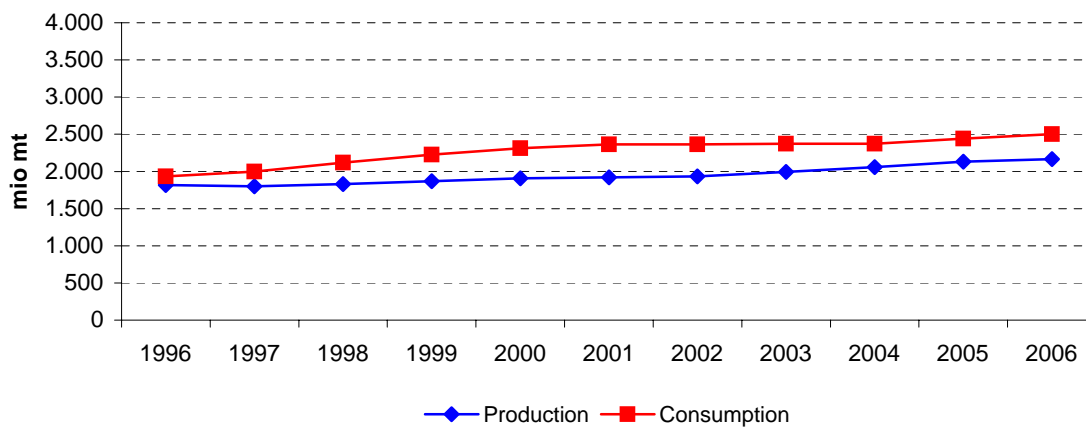
### India beef - 3 year moving average 1995-2007



### Russia beef - 3 year moving average 1995-2007



### Mexico beef - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
<b>World</b>														
<b>Production (mio mt)</b>	57.335	57.226	58.344	58.477	59.015	59.868	58.934	60.983	61.704	63.286	64.350	65.686	66.896	1,3%
Ending Stocks (mio mt)	837	1.228	1.512	1.427	1.039	1.066	1.354	1.279	1.003	964	893	942	931	0,9%
Total Trade (mio mt)	618	489	398	319	503	509	565	607	671	880	804	841	750	1,6%
<b>Consumption (mio mt)</b>	56.855	56.317	57.651	58.234	58.877	59.302	57.942	60.422	61.294	62.444	63.619	64.889	66.155	1,3%
Price (\$/mt)*	190,70	178,52	185,62	172,57	184,34	193,21	212,93	210,48	197,97	251,26	261,69	254,73	260,30	2,6%
<b>European Union**</b>														
<b>Production (mio mt)</b>	9.352	9.237	9.249	8.925	8.824	8.518	8.221	8.373	8.276	8.418	8.163	8.270	8.206	-1,1%
Ending Stocks (mio mt)	96	546	766	686	282	270	606	564	330	330	330	330	330	10,8%
Net import (mio mt)	827	752	841	589	629	365	249	190	36	-123	-302	-361	-456	:
<b>Consumption (mio mt)</b>	8.658	8.036	8.188	8.416	8.598	8.166	7.536	8.206	8.474	8.540	8.465	8.631	8.663	0,0%
<b>United States</b>														
<b>Production (mio mt)</b>	11.441	11.578	11.562	11.685	12.017	12.196	11.890	12.334	11.947	11.181	11.243	11.910	12.027	0,4%
Ending Stocks (mio mt)	235	171	211	178	187	238	275	314	235	289	259	286	272	1,2%
Net import (mio mt)	-128	-88	-95	-214	-209	-256	-406	-349	-221	-1.460	-1.316	-880	-778	16,2%
<b>Consumption (mio mt)</b>	11.582	11.730	11.617	11.932	12.218	12.400	12.259	12.645	12.247	12.587	12.589	12.764	12.819	0,8%
<b>New Zealand</b>														
<b>Production (mio mt)</b>	630	631	664	620	562	575	609	589	693	720	705	678	660	0,4%
Ending Stocks (mio mt)	89	80	75	67	53	27	0	0	0	0	0	0	0	:
Net export (mio mt)	490	494	503	481	427	462	471	457	536	584	569	521	503	0,2%
<b>Consumption (mio mt)</b>	112	146	166	147	149	139	165	132	157	136	136	157	157	2,9%
<b>Australia</b>														
<b>Production (mio mt)</b>	1.717	1.736	1.942	1.989	1.956	1.988	2.049	2.089	2.073	2.081	2.102	2.183	2.261	2,3%
Ending Stocks (mio mt)	22	34	43	57	26	36	38	70	100	50	16	31	91	12,6%
Net export (mio mt)	1.100	1.019	1.178	1.263	1.245	1.312	1.372	1.339	1.235	1.360	1.377	1.421	1.444	2,3%
<b>Consumption (mio mt)</b>	639	705	755	712	742	666	675	718	808	771	759	747	757	1,4%

	High prices			Low prices				High prices			Very high prices		CHG (%) 1995-07	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
<b>Argentina</b>														
<b>Production (mio mt)</b>	2.600	2.580	2.975	2.600	2.840	2.880	2.640	2.700	2.800	3.130	3.200	3.100	3.175	1,7%
Ending Stocks (mio mt)	27	26	20	27	27	26	0	0	0	0	0	0	0	:
Net export (mio mt)	530	486	446	263	336	336	151	336	370	611	749	547	520	-0,2%
<b>Consumption (mio mt)</b>	2.064	2.095	2.535	2.330	2.504	2.545	2.515	2.364	2.430	2.519	2.451	2.553	2.655	2,1%
<b>Brazil</b>														
<b>Production (mio mt)</b>	6.080	6.150	6.050	6.140	6.270	6.520	6.895	7.240	7.385	7.975	8.592	9.020	9.470	3,8%
Ending Stocks (mio mt)	60	20	10	5	2	0	0	0	0	0	0	0	0	:
Net export (mio mt)	77	43	87	204	408	417	697	795	1.100	1.558	1.797	2.056	2.375	33,1%
<b>Consumption (mio mt)</b>	5.993	6.147	5.973	5.941	5.865	6.105	6.198	6.445	6.285	6.417	6.795	6.964	7.095	1,4%
<b>Canada</b>														
<b>Production (mio mt)</b>	928	998	1.075	1.150	1.238	1.246	1.262	1.294	1.184	1.496	1.523	1.391	1.345	3,1%
Ending Stocks (mio mt)	25	23	23	26	32	26	33	33	49	42	41	49	49	5,8%
Net export (mio mt)	0	91	138	196	250	273	289	317	109	480	445	297	255	:
<b>Consumption (mio mt)</b>	934	909	937	951	982	979	966	977	1.059	1.023	1.079	1.086	1.090	1,3%
<b>India</b>														
<b>Production (mio mt)</b>	1.100	925	1.300	1.593	1.660	1.700	1.770	1.810	1.960	2.130	2.250	2.375	2.500	7,1%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net export (mio mt)	196	204	215	245	220	344	365	411	432	492	617	681	725	11,5%
<b>Consumption (mio mt)</b>	904	721	1.085	1.348	1.440	1.356	1.405	1.399	1.528	1.638	1.633	1.694	1.775	5,8%
<b>China</b>														
<b>Production (mio mt)</b>	4.154	3.557	4.409	4.799	5.054	5.328	5.488	5.846	6.305	6.759	7.115	7.492	7.850	5,4%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net export (mio mt)	103	99	93	77	43	38	47	21	24	47	74	83	94	-0,8%
<b>Consumption (mio mt)</b>	4.051	3.458	4.316	4.722	5.011	5.290	5.441	5.825	6.281	6.712	7.041	7.409	7.756	5,6%

	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
<b>Russia</b>														
<b>Production (mio mt)</b>	2.734	2.570	2.326	2.090	1.900	1.840	1.760	1.740	1.670	1.590	1.525	1.430	1.380	-5,5%
Ending Stocks (mio mt)	203	180	75	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-607	-871	-1.055	-680	-764	-400	-632	-701	-699	-710	-967	-931	-1.042	4,6%
<b>Consumption (mio mt)</b>	3.402	3.464	3.486	2.845	2.664	2.240	2.392	2.441	2.369	2.300	2.492	2.361	2.422	-2,8%
<b>Mexico</b>														
<b>Production (mio mt)</b>	1.850	1.800	1.795	1.800	1.900	1.900	1.925	1.930	1.950	2.099	2.125	2.175	2.200	1,5%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net import (mio mt)	-54	-98	-197	-301	-361	-421	-428	-493	-369	-277	-303	-344	-355	17,0%
<b>Consumption (mio mt)</b>	1.904	1.898	1.992	2.101	2.261	2.321	2.353	2.423	2.319	2.376	2.428	2.519	2.555	2,5%

Source:

Fapri - World Agricultural Outlook; (\*) World Bank; (\*\*) OECD

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>World</b>															
Production (mio mt)	57.635	59.073	62.581	66.291	57.635	58.015	58.612	59.120	59.272	59.928	60.540	61.991	63.113	64.441	65.644
Ending Stocks (mio mt)	1.192	1.221	1.035	937	1.192	1.389	1.326	1.177	1.153	1.233	1.212	1.082	954	933	922
Total Trade (mio mt)	502	474	741	795	502	402	407	444	526	561	615	720	785	842	798
Consumption (mio mt)	56.941	58.589	61.945	65.522	56.941	57.401	58.254	58.805	58.707	59.222	59.886	61.387	62.452	63.651	64.887
Price (\$/mt)*	185	191	230	258	185	179	181	183	197	206	207	220	237	256	259
<b>European Union**</b>															
Production (mio mt)	9.279	8.622	8.308	8.238	9.279	9.137	8.999	8.756	8.521	8.371	8.290	8.356	8.286	8.283	8.213
Ending Stocks (mio mt)	470	461	388	330	470	666	578	413	386	480	500	408	330	330	330
Net import (mio mt)	807	458	-50	-409	807	727	686	528	414	268	158	34	-130	-262	-373
Consumption (mio mt)	8.294	8.179	8.422	8.647	8.294	8.213	8.401	8.393	8.100	7.969	8.072	8.407	8.493	8.546	8.586
<b>United States</b>															
Production (mio mt)	11.527	11.947	11.676	11.969	11.527	11.608	11.755	11.966	12.034	12.140	12.057	11.821	11.457	11.445	11.727
Ending Stocks (mio mt)	206	219	274	279	206	187	192	201	233	275	274	279	261	278	272
Net import (mio mt)	-104	-271	-837	-829	-104	-132	-173	-226	-290	-337	-325	-677	-999	-1.219	-991
Consumption (mio mt)	11.643	12.202	12.517	12.791	11.643	11.760	11.922	12.183	12.292	12.435	12.383	12.493	12.474	12.647	12.724
<b>New Zealand</b>															
Production (mio mt)	642	592	677	669	642	638	615	586	582	591	630	667	706	701	681
Ending Stocks (mio mt)	81	37	0	0	81	74	65	49	27	9	0	0	0	0	0
Net export (mio mt)	496	460	537	512	496	493	470	457	453	463	488	526	563	558	531
Consumption (mio mt)	141	150	140	157	141	153	154	145	151	145	151	142	143	143	150
<b>Australia</b>															
Production (mio mt)	1.798	1.996	2.086	2.222	1.798	1.889	1.962	1.978	1.998	2.042	2.070	2.081	2.085	2.122	2.182
Ending Stocks (mio mt)	33	39	59	61	33	45	42	40	33	48	69	73	55	32	46
Net export (mio mt)	1.099	1.298	1.328	1.433	1.099	1.153	1.229	1.273	1.310	1.341	1.315	1.311	1.324	1.386	1.414
Consumption (mio mt)	700	699	764	752	700	724	736	707	694	686	734	766	779	759	754

	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Argentina</b>															
Production (mio mt)	2.718	2.740	2.958	3.138	2.718	2.718	2.805	2.773	2.787	2.740	2.713	2.877	3.043	3.143	3.158
Ending Stocks (mio mt)	24	20	0	0	24	24	25	27	18	9	0	0	0	0	0
Net export (mio mt)	487	272	517	534	487	398	348	312	274	274	286	439	577	636	605
Consumption (mio mt)	2.231	2.474	2.441	2.604	2.231	2.320	2.456	2.460	2.521	2.475	2.436	2.438	2.467	2.508	2.553
<b>Brazil</b>															
Production (mio mt)	6.093	6.456	7.798	9.245	6.093	6.113	6.153	6.310	6.562	6.885	7.173	7.533	7.984	8.529	9.027
Ending Stocks (mio mt)	30	2	0	0	30	12	6	2	1	0	0	0	0	0	0
Net export (mio mt)	69	432	1.313	2.216	69	111	233	343	507	636	864	1.151	1.485	1.804	2.076
Consumption (mio mt)	6.038	6.027	6.486	7.030	6.038	6.020	5.926	5.970	6.056	6.249	6.309	6.382	6.499	6.725	6.951
<b>Canada</b>															
Production (mio mt)	1.000	1.224	1.374	1.368	1.000	1.074	1.154	1.211	1.249	1.267	1.247	1.325	1.401	1.470	1.420
Ending Stocks (mio mt)	24	29	41	49	24	24	27	28	30	31	38	41	44	44	46
Net export (mio mt)	76	252	338	276	76	142	195	240	271	293	238	302	345	407	332
Consumption (mio mt)	927	970	1.035	1.088	927	932	957	971	976	974	1.001	1.020	1.054	1.063	1.085
<b>India</b>															
Production (mio mt)	1.108	1.681	2.038	2.438	1.108	1.273	1.518	1.651	1.710	1.760	1.847	1.967	2.113	2.252	2.375
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net export (mio mt)	205	294	488	703	205	221	227	270	310	373	403	445	514	597	674
Consumption (mio mt)	903	1.387	1.550	1.735	903	1.051	1.291	1.381	1.400	1.387	1.444	1.522	1.600	1.655	1.701
<b>China</b>															
Production (mio mt)	4.040	5.167	6.506	7.671	4.040	4.255	4.754	5.060	5.290	5.554	5.880	6.303	6.726	7.122	7.486
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net export (mio mt)	98	51	42	89	98	90	71	53	43	35	31	31	48	68	84
Consumption (mio mt)	3.942	5.116	6.465	7.583	3.942	4.165	4.683	5.008	5.247	5.519	5.849	6.273	6.678	7.054	7.402

Russia	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Production (mio mt)</b>	2.543	1.898	1.631	1.405	2.543	2.329	2.105	1.943	1.833	1.780	1.723	1.667	1.595	1.515	1.445
Ending Stocks (mio mt)	153	0	0	0	153	85	25	0	0	0	0	0	0	0	0
<i>Net import (mio mt)</i>	-844	-619	-769	-987	-844	-869	-833	-615	-599	-578	-677	-703	-792	-869	-980
<b>Consumption (mio mt)</b>	3.451	2.535	2.401	2.392	3.451	3.265	2.998	2.583	2.432	2.358	2.401	2.370	2.387	2.384	2.425

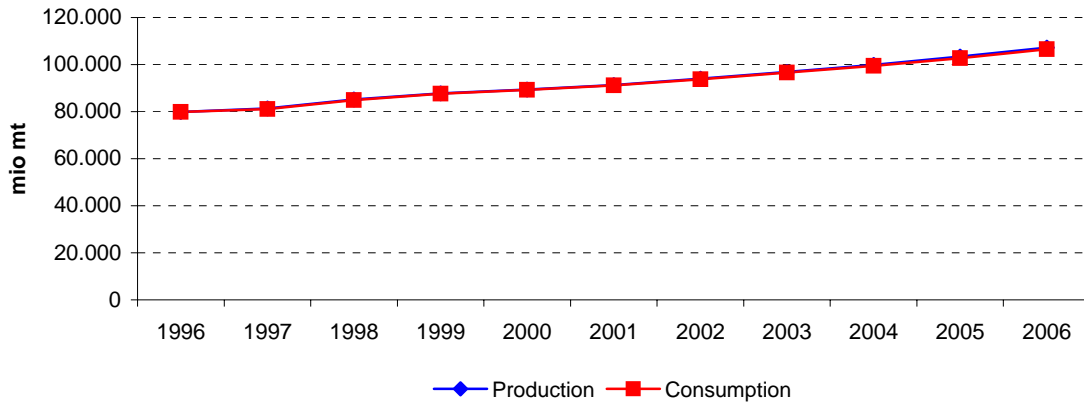
  

Mexico	Averages				3 year moving average										
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Production (mio mt)</b>	1.815	1.881	2.026	2.188	1.815	1.798	1.832	1.867	1.908	1.918	1.935	1.993	2.058	2.133	2.167
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Net import (mio mt)</i>	-116	-378	-361	-350	-116	-199	-286	-361	-403	-447	-430	-380	-316	-308	-334
<b>Consumption (mio mt)</b>	1.931	2.259	2.387	2.537	1.931	1.997	2.118	2.228	2.312	2.366	2.365	2.373	2.374	2.441	2.501

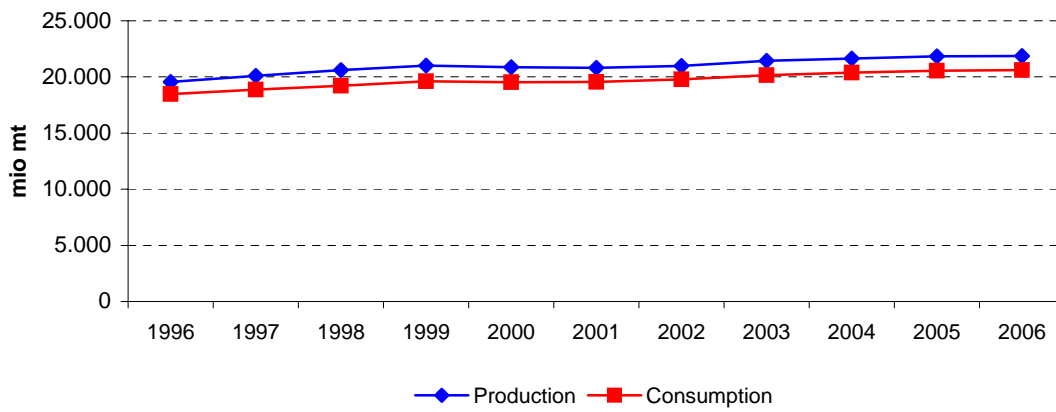
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Fapri - World Agricultural Outlook; (\*) World Bank; (\*\*) OECD

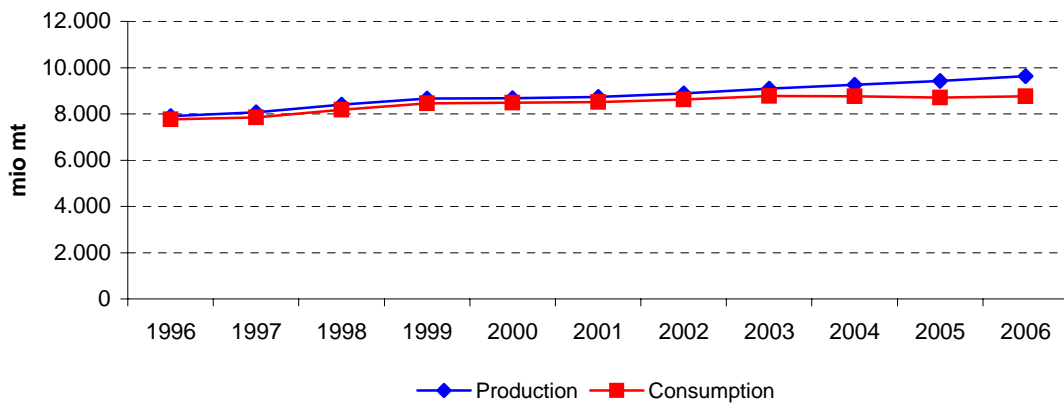
### World pork - 3 year moving average 1995-2007



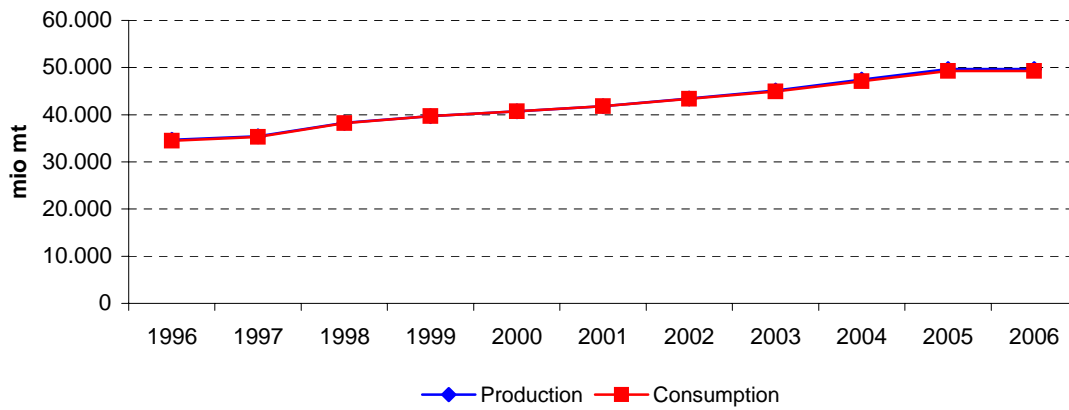
### EU pork - 3 year moving average 1995-2007



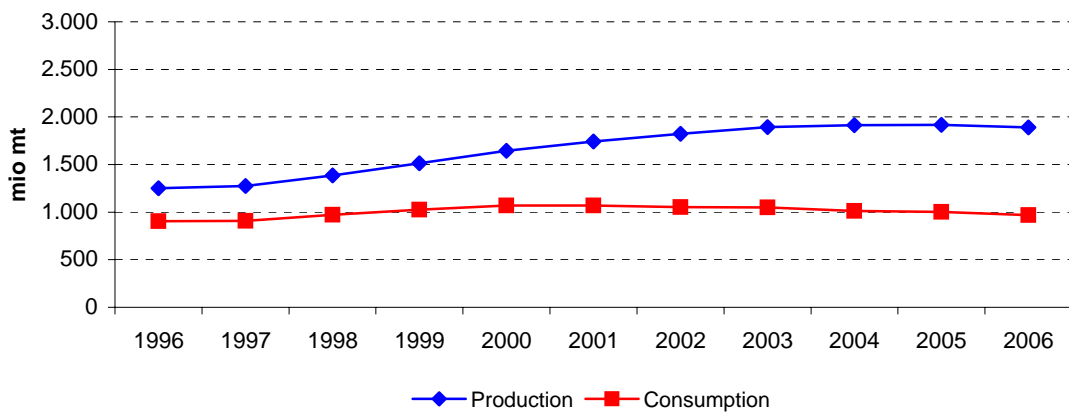
### US pork - 3 year moving average 1995-2007



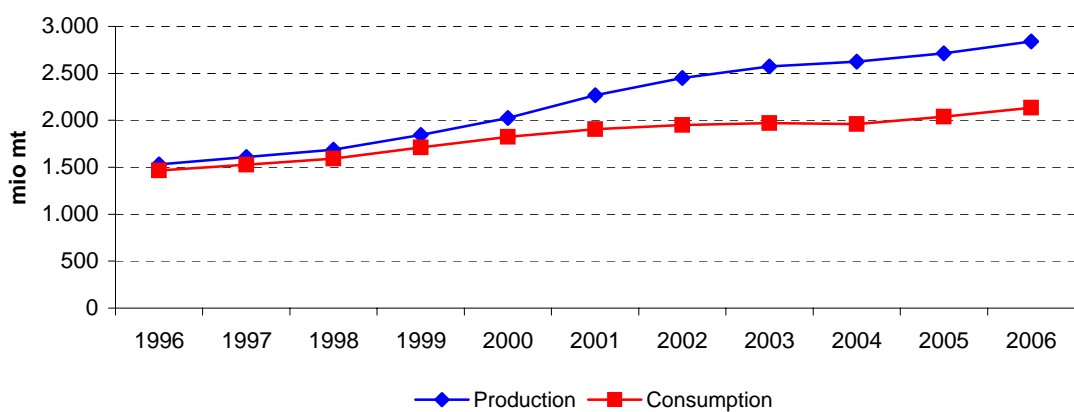
### China pork - 3 year moving average 1995-2007



### Canada pork - 3 year moving average 1995-2007



### Brazil pork - 3 year moving average 1995-2007



	High prices			Low prices				High prices			Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
<b>World</b>														
<b>Production (mio mt)</b>	81.726	77.063	80.841	86.240	88.326	88.852	90.982	94.240	96.797	99.514	103.336	107.423	110.816	2,6%
Ending Stocks (mio mt)	654	731	702	710	681	724	786	846	802	815	912	882	878	2,5%
Total Trade (mio mt)	363	568	753	338	474	374	157	345	562	884	1.248	1.213	58	-14,2%
<b>Consumption (mio mt)</b>	82.081	76.834	80.498	86.103	88.136	88.677	90.802	94.013	96.519	99.087	102.593	106.621	110.576	2,5%
Price (\$/mt)														
<b>European Union*</b>														
<b>Production (mio mt)</b>	19.395	19.806	19.498	20.990	21.344	20.729	20.524	21.134	21.323	21.813	21.809	21.858	21.912	1,0%
Ending Stocks (mio mt)	215	215	215	215	215	215	215	215	215	215	215	215	215	0,0%
Net export (mio mt)	856	1.069	1.384	1.259	1.545	1.385	1.098	1.211	1.297	1.326	1.217	1.245	1.266	3,3%
<b>Consumption (mio mt)</b>	18.538	18.737	18.114	19.732	19.800	19.345	19.426	19.923	20.026	20.487	20.592	20.613	20.646	0,9%
<b>United States</b>														
<b>Production (mio mt)</b>	8.096	7.764	7.835	8.623	8.758	8.596	8.691	8.929	9.056	9.312	9.392	9.559	9.960	1,7%
Ending Stocks (mio mt)	180	166	185	265	222	217	243	242	241	246	224	233	254	:
Net export (mio mt)	357	440	473	558	204	145	276	246	241	490	744	900	979	8,8%
<b>Consumption (mio mt)</b>	8.059	7.619	7.631	8.305	8.597	8.456	8.388	8.684	8.816	8.817	8.670	8.650	8.960	0,9%

	High prices			Low prices				High prices				Very high prices		CHG (%)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07
<b>Canada</b>														
<b>Production (mio mt)</b>	1.272	1.225	1.257	1.337	1.564	1.640	1.731	1.858	1.882	1.936	1.920	1.898	1.850	3,2%
Ending Stocks (mio mt)	15	13	20	34	33	33	45	54	49	50	59	50	50	:
Net export (mio mt)	335	342	361	368	489	592	637	773	884	867	944	936	880	8,4%
<b>Consumption (mio mt)</b>	937	885	889	955	1.076	1.048	1.082	1.076	1.003	1.068	967	971	970	0,3%
<b>Brazil</b>														
<b>Production (mio mt)</b>	1.450	1.600	1.540	1.690	1.835	2.010	2.230	2.565	2.560	2.600	2.710	2.830	2.980	6,2%
Ending Stocks (mio mt)	14	5	0	5	5	26	0	0	0	0	0	0	0	:
Net export (mio mt)	36	79	77	104	108	162	337	590	603	621	761	639	715	28,3%
<b>Consumption (mio mt)</b>	1.400	1.530	1.468	1.581	1.727	1.827	1.919	1.975	1.957	1.979	1.949	2.191	2.265	4,1%
<b>China</b>														
<b>Production (mio mt)</b>	36.484	31.580	35.963	38.837	40.056	40.314	41.845	43.266	45.186	47.016	50.106	51.972	47.000	2,1%
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net trade (mio mt)	206	174	158	143	34	-75	53	73	132	368	403	505	310	3,5%
<b>Consumption (mio mt)</b>	36.280	31.408	35.819	38.740	40.022	40.389	41.792	43.193	45.054	46.648	49.703	51.467	46.690	2,1%

Source:

Fapri - World Agricultural Outlook; (\*) OECD

<b>World</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>79.877</b>	<b>88.600</b>	<b>98.472</b>	<b>109.120</b>	<b>79.877</b>	<b>81.382</b>	<b>85.136</b>	<b>87.806</b>	<b>89.387</b>	<b>91.358</b>	<b>94.006</b>	<b>96.850</b>	<b>99.883</b>	<b>103.424</b>	<b>107.192</b>	
Ending Stocks (mio mt)	696	725	844	880	696	714	698	705	730	785	811	821	843	870	890	
<i>Total Trade (mio mt)</i>	<i>561</i>	<i>335</i>	<i>760</i>	<i>636</i>	<i>561</i>	<i>553</i>	<i>521</i>	<i>395</i>	<i>335</i>	<i>292</i>	<i>355</i>	<i>597</i>	<i>898</i>	<i>1.115</i>	<i>840</i>	
<b>Consumption (mio mt)</b>	<b>79.804</b>	<b>88.429</b>	<b>98.053</b>	<b>108.599</b>	<b>79.804</b>	<b>81.145</b>	<b>84.912</b>	<b>87.639</b>	<b>89.205</b>	<b>91.164</b>	<b>93.778</b>	<b>96.539</b>	<b>99.399</b>	<b>102.767</b>	<b>106.597</b>	
Price (\$/mt)																

<b>European Union*</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>19.566</b>	<b>20.897</b>	<b>21.520</b>	<b>21.885</b>	<b>19.566</b>	<b>20.098</b>	<b>20.611</b>	<b>21.021</b>	<b>20.866</b>	<b>20.796</b>	<b>20.994</b>	<b>21.424</b>	<b>21.648</b>	<b>21.827</b>	<b>21.860</b>	
Ending Stocks (mio mt)	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215	
<i>Net export (mio mt)</i>	<i>1.103</i>	<i>1.322</i>	<i>1.263</i>	<i>1.256</i>	<i>1.103</i>	<i>1.237</i>	<i>1.396</i>	<i>1.396</i>	<i>1.342</i>	<i>1.231</i>	<i>1.202</i>	<i>1.278</i>	<i>1.280</i>	<i>1.263</i>	<i>1.243</i>	
<b>Consumption (mio mt)</b>	<b>18.463</b>	<b>19.575</b>	<b>20.257</b>	<b>20.629</b>	<b>18.463</b>	<b>18.861</b>	<b>19.215</b>	<b>19.625</b>	<b>19.523</b>	<b>19.565</b>	<b>19.792</b>	<b>20.145</b>	<b>20.368</b>	<b>20.564</b>	<b>20.617</b>	

<b>United States</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>7.899</b>	<b>8.667</b>	<b>9.172</b>	<b>9.760</b>	<b>7.899</b>	<b>8.074</b>	<b>8.405</b>	<b>8.659</b>	<b>8.682</b>	<b>8.739</b>	<b>8.892</b>	<b>9.099</b>	<b>9.253</b>	<b>9.421</b>	<b>9.637</b>	
Ending Stocks (mio mt)	177	237	238	244	177	205	224	234	227	234	242	243	237	234	237	
<i>Net export (mio mt)</i>	<i>424</i>	<i>296</i>	<i>430</i>	<i>940</i>	<i>424</i>	<i>490</i>	<i>412</i>	<i>302</i>	<i>208</i>	<i>222</i>	<i>254</i>	<i>326</i>	<i>492</i>	<i>712</i>	<i>875</i>	
<b>Consumption (mio mt)</b>	<b>7.770</b>	<b>8.437</b>	<b>8.747</b>	<b>8.805</b>	<b>7.770</b>	<b>7.851</b>	<b>8.177</b>	<b>8.453</b>	<b>8.481</b>	<b>8.510</b>	<b>8.630</b>	<b>8.772</b>	<b>8.767</b>	<b>8.712</b>	<b>8.760</b>	

<b>Canada</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>1.251</b>	<b>1.568</b>	<b>1.899</b>	<b>1.874</b>	<b>1.251</b>	<b>1.273</b>	<b>1.386</b>	<b>1.514</b>	<b>1.645</b>	<b>1.743</b>	<b>1.824</b>	<b>1.892</b>	<b>1.913</b>	<b>1.918</b>	<b>1.889</b>	
Ending Stocks (mio mt)	16	36	53	50	16	22	29	33	37	44	49	51	53	53	53	
<i>Net export (mio mt)</i>	<i>346</i>	<i>522</i>	<i>867</i>	<i>908</i>	<i>346</i>	<i>357</i>	<i>406</i>	<i>483</i>	<i>573</i>	<i>667</i>	<i>765</i>	<i>841</i>	<i>898</i>	<i>916</i>	<i>920</i>	
<b>Consumption (mio mt)</b>	<b>904</b>	<b>1.040</b>	<b>1.029</b>	<b>971</b>	<b>904</b>	<b>910</b>	<b>973</b>	<b>1.026</b>	<b>1.069</b>	<b>1.069</b>	<b>1.054</b>	<b>1.049</b>	<b>1.013</b>	<b>1.002</b>	<b>969</b>	

<b>Brazil</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>1.530</b>	<b>1.941</b>	<b>2.609</b>	<b>2.905</b>	<b>1.530</b>	<b>1.610</b>	<b>1.688</b>	<b>1.845</b>	<b>2.025</b>	<b>2.268</b>	<b>2.452</b>	<b>2.575</b>	<b>2.623</b>	<b>2.713</b>	<b>2.840</b>	
Ending Stocks (mio mt)	6	9	0	0	6	3	3	12	10	9	0	0	0	0	0	
<i>Net export (mio mt)</i>	<i>64</i>	<i>178</i>	<i>644</i>	<i>677</i>	<i>64</i>	<i>87</i>	<i>96</i>	<i>125</i>	<i>202</i>	<i>363</i>	<i>510</i>	<i>605</i>	<i>662</i>	<i>674</i>	<i>705</i>	
<b>Consumption (mio mt)</b>	<b>1.466</b>	<b>1.764</b>	<b>1.965</b>	<b>2.228</b>	<b>1.466</b>	<b>1.526</b>	<b>1.592</b>	<b>1.712</b>	<b>1.824</b>	<b>1.907</b>	<b>1.950</b>	<b>1.970</b>	<b>1.962</b>	<b>2.040</b>	<b>2.135</b>	

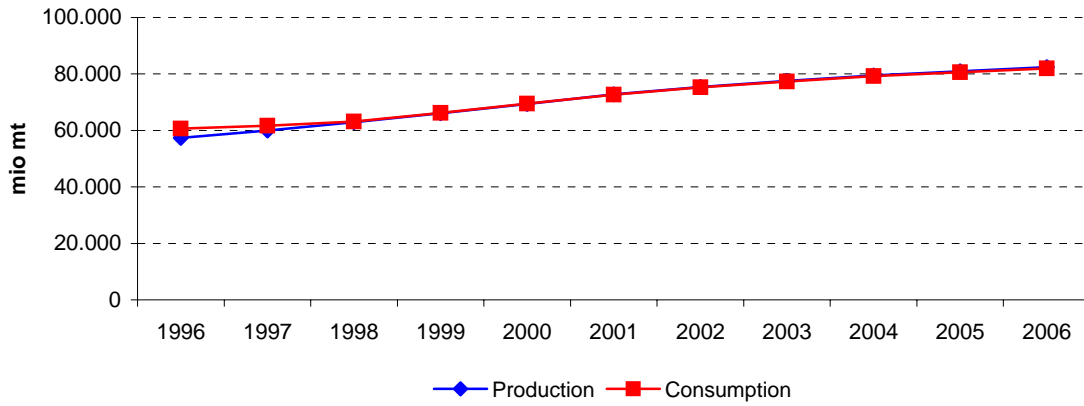
  

<b>China</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>34.676</b>	<b>40.263</b>	<b>46.394</b>	<b>49.486</b>	<b>34.676</b>	<b>35.460</b>	<b>38.285</b>	<b>39.736</b>	<b>40.738</b>	<b>41.808</b>	<b>43.432</b>	<b>45.156</b>	<b>47.436</b>	<b>49.698</b>	<b>49.693</b>	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Net trade (mio mt)</i>	<i>179</i>	<i>39</i>	<i>244</i>	<i>408</i>	<i>179</i>	<i>158</i>	<i>112</i>	<i>34</i>	<i>4</i>	<i>17</i>	<i>86</i>	<i>191</i>	<i>301</i>	<i>425</i>	<i>406</i>	
<b>Consumption (mio mt)</b>	<b>34.502</b>	<b>40.236</b>	<b>46.150</b>	<b>49.079</b>	<b>34.502</b>	<b>35.322</b>	<b>38.194</b>	<b>39.717</b>	<b>40.734</b>	<b>41.791</b>	<b>43.346</b>	<b>44.965</b>	<b>47.135</b>	<b>49.273</b>	<b>49.287</b>	

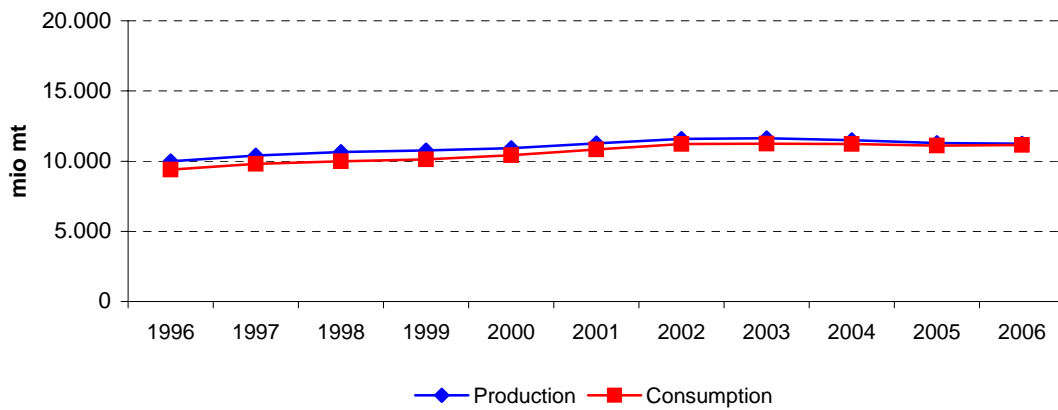
Source:

Fapri - World Agricultural Outlook; (\*) OECD

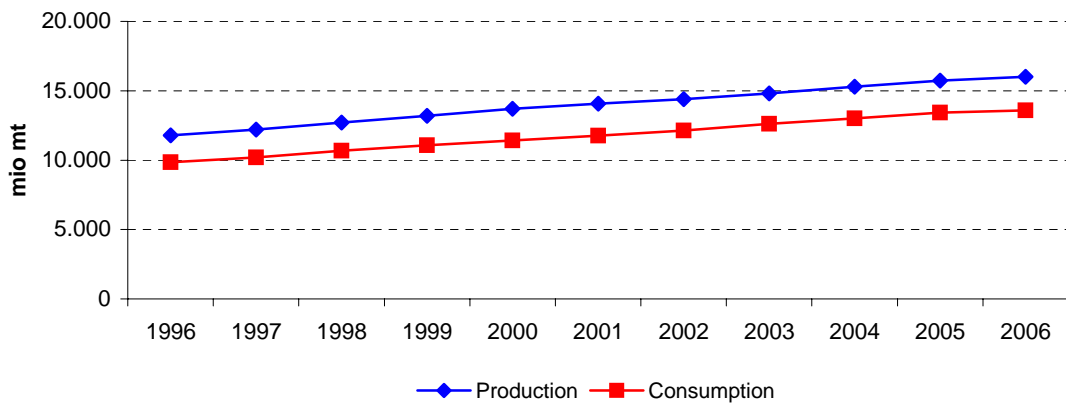
### World poultry - 3 year moving average 1995-2007



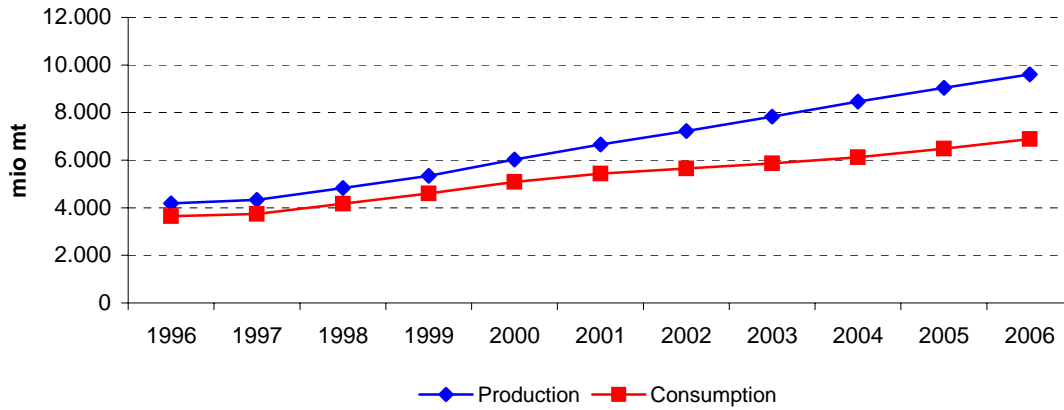
### EU poultry - 3 year moving average 1995-2007



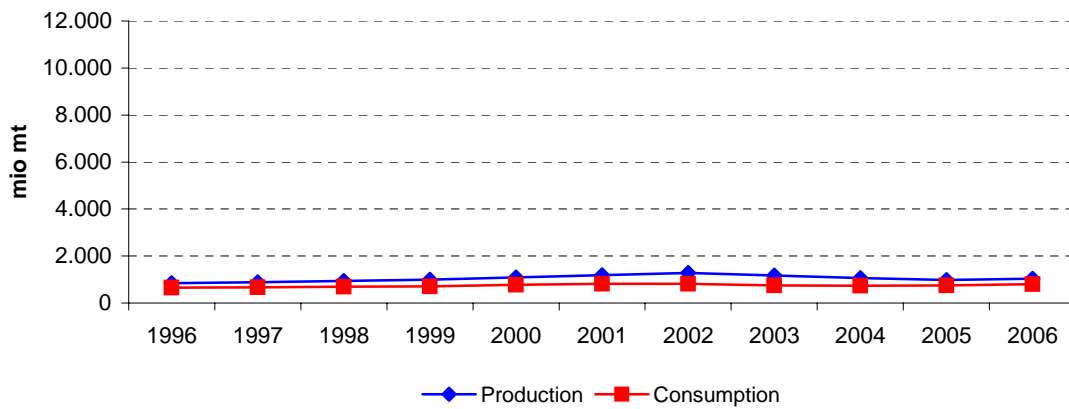
### US poultry - 3 year moving average 1995-2007



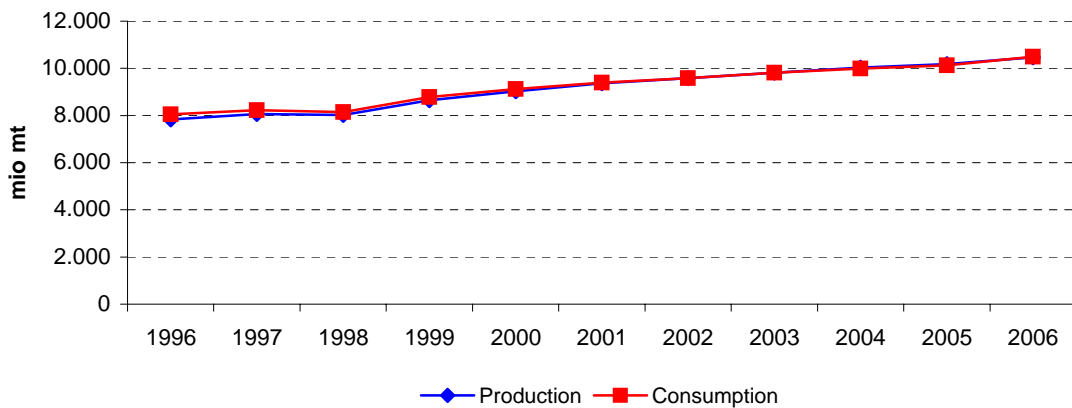
### Brazil poultry - 3 year moving average 1995-2007



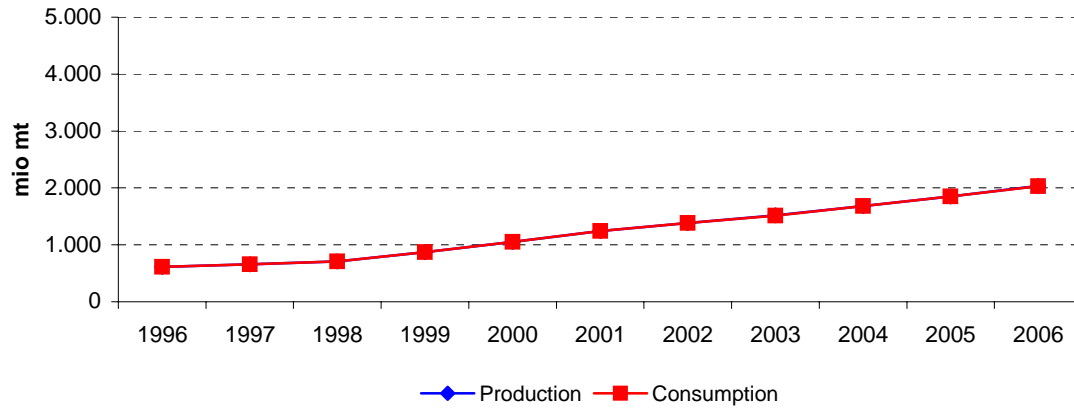
### Thailand poultry - 3 year moving average 1995-2007



### China poultry - 3 year moving average 1995-2007



### India poultry - 3 year moving average 1995-2007



	High prices			Low prices				High prices				Very high prices		CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
<b>World</b>															
<b>Production (mio mt)</b>	54.963	56.795	60.291	62.760	65.844	69.545	72.706	75.971	77.594	79.002	81.920	81.940	83.269	3,5%	
Ending Stocks (mio mt)	1.079	1.109	1.124	1.146	1.223	1.284	1.325	1.427	1.319	1.395	1.391	1.270	1.336	1,8%	
Total Trade (mio mt)						-397	-192	147	102	127	240	203	471	196	:
<b>Consumption (mio mt)</b>			60.626	62.765	66.168	69.679	72.520	75.770	77.576	78.685	81.433	81.590	83.007	:	
Price (\$/mt)															
<b>European Union*</b>														CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
<b>Production (mio mt)</b>	9.525	10.035	10.433	10.758	10.725	10.815	11.239	11.765	11.736	11.358	11.397	11.081	11.220	1,4%	
Ending Stocks (mio mt)	500	500	500	500	500	500	500	500	500	500	500	500	500	0,0%	
Net export (mio mt)					682	582	261	454	351	327	160	45	50	:	
<b>Consumption (mio mt)</b>	8.888	9.485	9.838	10.070	10.043	10.233	10.978	11.311	11.385	11.031	11.237	11.035	11.171	1,9%	
<b>United States</b>														CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
<b>Production (mio mt)</b>	11.261	11.850	12.266	12.525	13.367	13.703	14.033	14.467	14.696	15.286	15.869	16.043	16.099	3,0%	
Ending Stocks (mio mt)	254	291	275	323	361	362	323	346	276	324	419	338	306	1,6%	
Net export (mio mt)	1.766	2.005	1.997	1.978	2.078	2.228	2.514	2.175	2.226	2.158	2.345	2.340	2.558	3,1%	
<b>Consumption (mio mt)</b>	9.449	9.810	10.286	10.502	11.251	11.474	11.558	12.269	12.540	13.080	13.430	13.784	13.572	3,1%	
<b>Brazil</b>														CHG (%)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1995-07	
<b>Production (mio mt)</b>	4.050	4.052	4.461	4.498	5.526	5.980	6.567	7.449	7.645	8.408	9.350	9.355	10.105	7,9%	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:	
Net export (mio mt)	428	560	628	594	735	870	1.226	1.576	1.903	2.416	2.738	2.502	2.905	17,3%	
<b>Consumption (mio mt)</b>	3.622	3.492	3.833	3.904	4.791	5.110	5.341	5.873	5.742	5.992	6.612	6.853	7.200	5,9%	
Price (\$/mt)															

<b>Thailand</b>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
	<b>Production (mio mt)</b>	780	840	900	930	980	1.070	1.230	1.275	1.340	900	950	1.100	1.050
Ending Stocks (mio mt)	10	25	33	31	0	0	0	0	90	140	63	91	31	9,9%
Net export (mio mt)	177	171	195	274	259	304	392	427	485	197	240	261	315	4,9%
<b>Consumption (mio mt)</b>	<b>593</b>	<b>654</b>	<b>697</b>	<b>658</b>	<b>721</b>	<b>766</b>	<b>838</b>	<b>848</b>	<b>765</b>	<b>653</b>	<b>787</b>	<b>811</b>	<b>795</b>	<b>2,5%</b>

<b>China</b>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
	<b>Production (mio mt)</b>	<b>7.419</b>	<b>8.673</b>	<b>7.406</b>	<b>8.120</b>	<b>8.550</b>	<b>9.269</b>	<b>9.278</b>	<b>9.558</b>	<b>9.898</b>	<b>9.998</b>	<b>10.200</b>	<b>10.350</b>	<b>10.850</b>
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net export (mio mt)	-284	-315	-66	-104	-181	-125	40	2	-65	67	112	-21	-160	-4,7%
<b>Consumption (mio mt)</b>	<b>7.703</b>	<b>8.988</b>	<b>7.472</b>	<b>8.224</b>	<b>8.731</b>	<b>9.394</b>	<b>9.238</b>	<b>9.556</b>	<b>9.963</b>	<b>9.931</b>	<b>10.088</b>	<b>10.371</b>	<b>11.010</b>	<b>3,0%</b>

<b>India</b>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	CHG (%) 1995-07
	<b>Production (mio mt)</b>	<b>578</b>	<b>665</b>	<b>596</b>	<b>710</b>	<b>820</b>	<b>1.080</b>	<b>1.250</b>	<b>1.400</b>	<b>1.500</b>	<b>1.650</b>	<b>1.900</b>	<b>2.000</b>	<b>2.200</b>
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	:
Net Trade (mio mt)	0	0	0	0	0	0	0	0	4	2	1	0	0	:
<b>Consumption (mio mt)</b>	<b>578</b>	<b>665</b>	<b>596</b>	<b>710</b>	<b>820</b>	<b>1.080</b>	<b>1.250</b>	<b>1.400</b>	<b>1.496</b>	<b>1.648</b>	<b>1.899</b>	<b>2.000</b>	<b>2.200</b>	<b>11,8%</b>

Source:

Fapri - World Agricultural Outlook; (\*) OECD

<b>World</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>57.350</b>	<b>67.714</b>	<b>78.622</b>	<b>82.605</b>	<b>57.350</b>	<b>59.949</b>	<b>62.965</b>	<b>66.050</b>	<b>69.365</b>	<b>72.741</b>	<b>75.424</b>	<b>77.522</b>	<b>79.505</b>	<b>80.954</b>	<b>82.376</b>	
Ending Stocks (mio mt)	1.104	1.245	1.383	1.303	1.104	1.126	1.164	1.218	1.277	1.345	1.357	1.380	1.368	1.352	1.332	
<i>Total Trade (mio mt)</i>		<i>-147</i>	<i>168</i>	<i>334</i>			<i>-397</i>	<i>-295</i>	<i>-147</i>	<i>19</i>	<i>125</i>	<i>156</i>	<i>190</i>	<i>305</i>	<i>290</i>	
<b>Consumption (mio mt)</b>	<b>60.626</b>	<b>67.783</b>	<b>78.366</b>	<b>82.298</b>	<b>60.626</b>	<b>61.695</b>	<b>63.186</b>	<b>66.204</b>	<b>69.456</b>	<b>72.656</b>	<b>75.289</b>	<b>77.344</b>	<b>79.232</b>	<b>80.569</b>	<b>82.010</b>	
Price (\$/mt)																

<b>European Union*</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>9.998</b>	<b>10.884</b>	<b>11.564</b>	<b>11.151</b>	<b>9.998</b>	<b>10.409</b>	<b>10.639</b>	<b>10.766</b>	<b>10.926</b>	<b>11.273</b>	<b>11.580</b>	<b>11.620</b>	<b>11.497</b>	<b>11.279</b>	<b>11.233</b>	
Ending Stocks (mio mt)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	
<i>Net export (mio mt)</i>		<i>508</i>	<i>323</i>	<i>48</i>			<i>682</i>	<i>632</i>	<i>508</i>	<i>432</i>	<i>355</i>	<i>377</i>	<i>279</i>	<i>177</i>	<i>85</i>	
<b>Consumption (mio mt)</b>	<b>9.404</b>	<b>10.331</b>	<b>11.241</b>	<b>11.103</b>	<b>9.404</b>	<b>9.798</b>	<b>9.984</b>	<b>10.115</b>	<b>10.418</b>	<b>10.841</b>	<b>11.225</b>	<b>11.243</b>	<b>11.218</b>	<b>11.101</b>	<b>11.148</b>	

<b>United States</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>11.792</b>	<b>13.407</b>	<b>15.079</b>	<b>16.071</b>	<b>11.792</b>	<b>12.213</b>	<b>12.719</b>	<b>13.198</b>	<b>13.701</b>	<b>14.068</b>	<b>14.399</b>	<b>14.816</b>	<b>15.284</b>	<b>15.733</b>	<b>16.004</b>	
Ending Stocks (mio mt)	273	342	341	322	273	296	320	348	348	344	315	315	340	360	354	
<i>Net export (mio mt)</i>	<i>1.923</i>	<i>2.199</i>	<i>2.226</i>	<i>2.449</i>	<i>1.923</i>	<i>1.993</i>	<i>2.018</i>	<i>2.095</i>	<i>2.273</i>	<i>2.306</i>	<i>2.305</i>	<i>2.186</i>	<i>2.243</i>	<i>2.281</i>	<i>2.414</i>	
<b>Consumption (mio mt)</b>	<b>9.848</b>	<b>11.196</b>	<b>12.830</b>	<b>13.678</b>	<b>9.848</b>	<b>10.199</b>	<b>10.679</b>	<b>11.075</b>	<b>11.428</b>	<b>11.767</b>	<b>12.122</b>	<b>12.630</b>	<b>13.016</b>	<b>13.431</b>	<b>13.595</b>	

<b>Brazil</b>	<b>Averages</b>				<b>3 year moving average</b>											
	<b>1995-97</b>	<b>1998-01</b>	<b>2002-05</b>	<b>2006-07</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	
<b>Production (mio mt)</b>	<b>4.188</b>	<b>5.643</b>	<b>8.213</b>	<b>9.730</b>	<b>4.188</b>	<b>4.337</b>	<b>4.828</b>	<b>5.335</b>	<b>6.024</b>	<b>6.665</b>	<b>7.220</b>	<b>7.834</b>	<b>8.468</b>	<b>9.038</b>	<b>9.603</b>	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Net export (mio mt)</i>	<i>539</i>	<i>856</i>	<i>2.158</i>	<i>2.704</i>	<i>539</i>	<i>594</i>	<i>652</i>	<i>733</i>	<i>944</i>	<i>1.224</i>	<i>1.568</i>	<i>1.965</i>	<i>2.352</i>	<i>2.552</i>	<i>2.715</i>	
<b>Consumption (mio mt)</b>	<b>3.649</b>	<b>4.787</b>	<b>6.055</b>	<b>7.027</b>	<b>3.649</b>	<b>3.743</b>	<b>4.176</b>	<b>4.602</b>	<b>5.081</b>	<b>5.441</b>	<b>5.652</b>	<b>5.869</b>	<b>6.115</b>	<b>6.486</b>	<b>6.888</b>	
Price (\$/mt)																

Thailand	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	840	1.053	1.116	1.075	840	890	937	993	1.093	1.192	1.282	1.172	1.063	983	1.033	
Ending Stocks (mio mt)	23	8	73	61	23	30	21	10	0	0	30	77	98	98	62	
Net export (mio mt)	181	307	337	288	181	213	243	279	318	374	435	370	307	233	272	
Consumption (mio mt)	648	746	763	803	648	670	692	715	775	817	817	755	735	750	798	

China	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	7.833	8.804	9.914	10.600	7.833	8.066	8.025	8.646	9.032	9.368	9.578	9.818	10.032	10.183	10.467	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net export (mio mt)	-222	-93	29	-91	-222	-162	-117	-137	-89	-28	-8	1	38	53	-23	
Consumption (mio mt)	8.054	8.897	9.885	10.691	8.054	8.228	8.142	8.783	9.121	9.396	9.586	9.817	9.994	10.130	10.490	

India	Averages				3 year moving average											
	1995-97	1998-01	2002-05	2006-07	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Production (mio mt)	613	965	1.613	2.100	613	657	709	870	1.050	1.243	1.383	1.517	1.683	1.850	2.033	
Ending Stocks (mio mt)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Trade (mio mt)	0	0	2	0	0	0	0	0	0	0	1	2	2	1	0	
Consumption (mio mt)	613	965	1.611	2.100	613	657	709	870	1.050	1.243	1.382	1.515	1.681	1.849	2.033	

Source:

Fapri - World Agricultural Outlook; (\*) OECD