

# MEATS










## MARKET SUMMARY OUTLOOK FOR 2020



SEPTEMBER/2020



# MEATS: MARKET SUMMARY BY SEGMENT

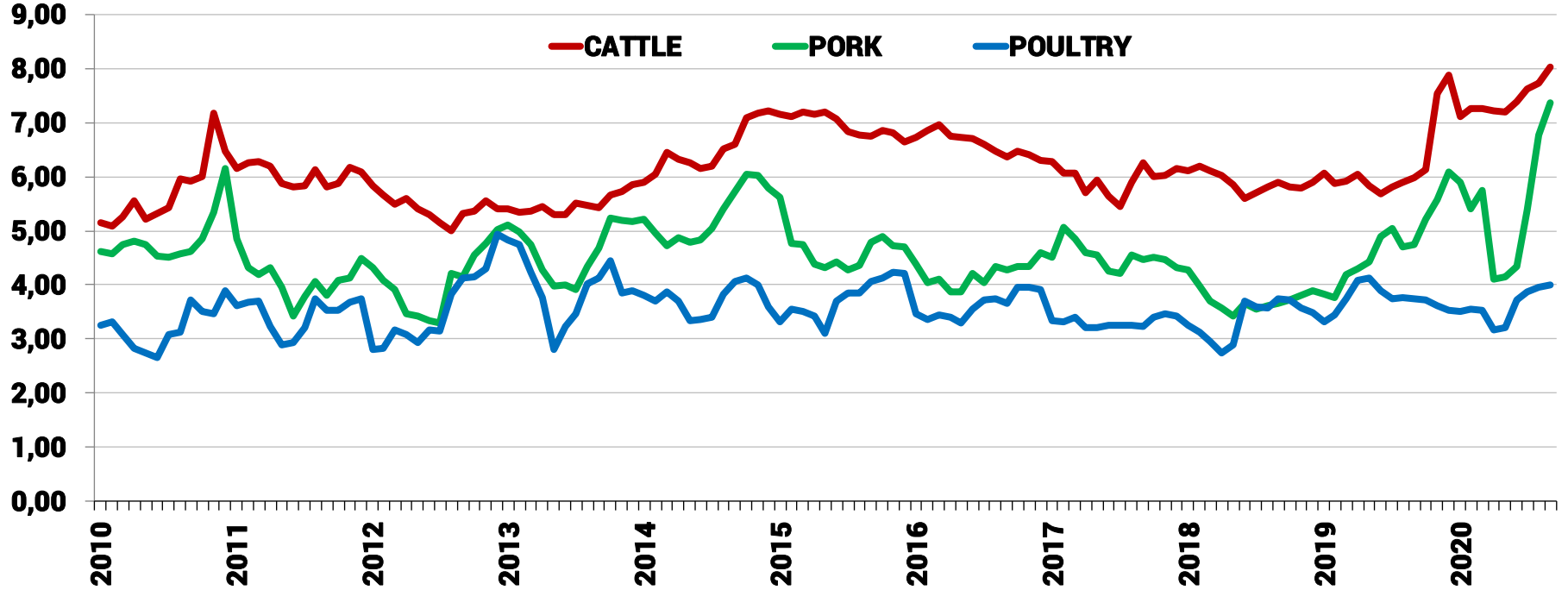
PROTEIN	PRODUCER	WHOLESALE
		
		
		

## MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	5,2%	2,6%	10,5%
YEAR TO DATE 2020	12,3%	25,0%	33,7%
LAST 12 MONTHS	52,7%	21,2%	76,6%



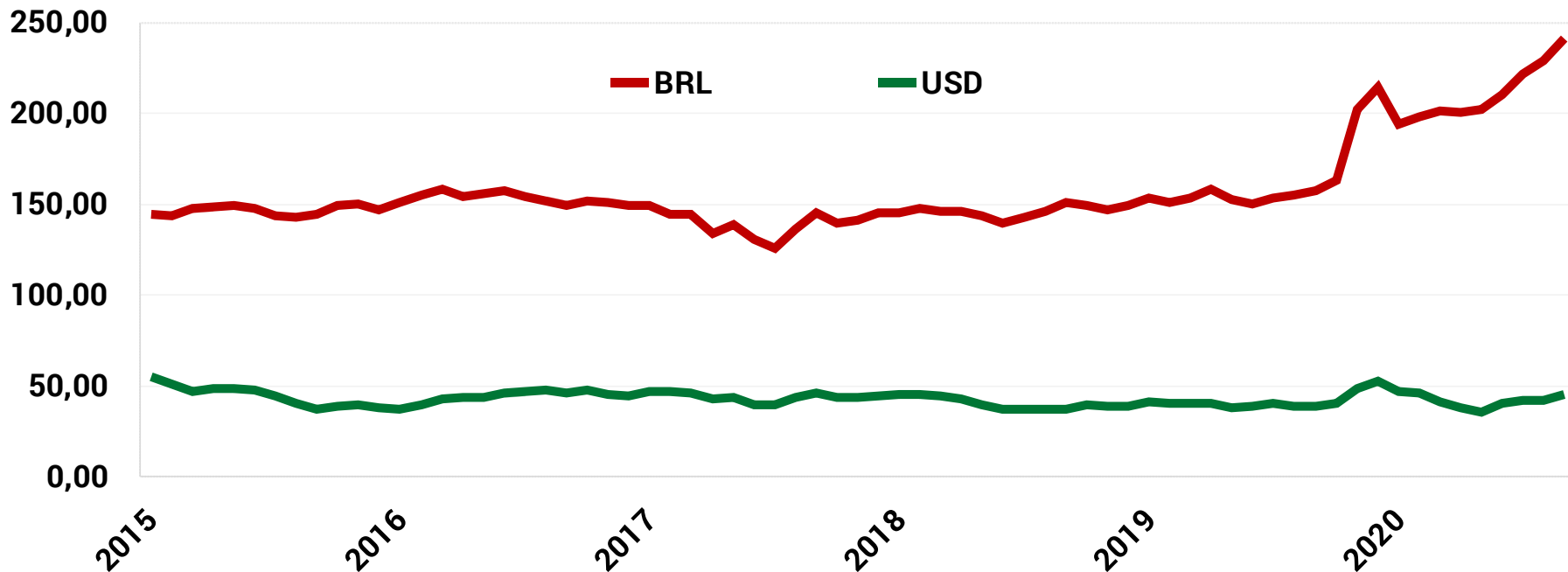
# MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- In São Paulo, the average price of live cattle reached a record, with nominal increases of 5.2% in the last 30 days and 52.7% in 12 months.
- The trend is for firm prices, given the limited supply of finished cattle.
- The 1<sup>st</sup> turn oxen are already reaching the slaughterhouses, but in less than ideal amounts, since the high production costs (corn and replacement) limited the increase in confinement.
- In addition, the 2<sup>nd</sup> turn of confinement started in September and the oxen should only be available from October / November.
- Prices in Brazil are floating between R\$ 225 and R \$230 per 15kg for the common ox and between R\$ 235 and R\$ 240 for the export-standard ox.
- From January to August, beef exports totaled 1.294 MMT, 11.6% higher than the same period in 2019 and a record for the period.
- Revenue amounts to US\$ 5.4 billion in the period, 22.7% more than January to August 2019 - also a record.
- While heated exports and the high exchange rate generate gains for industries, slaughterhouses that work only in the domestic market purchase cattle at record prices and with weakened beef demand.



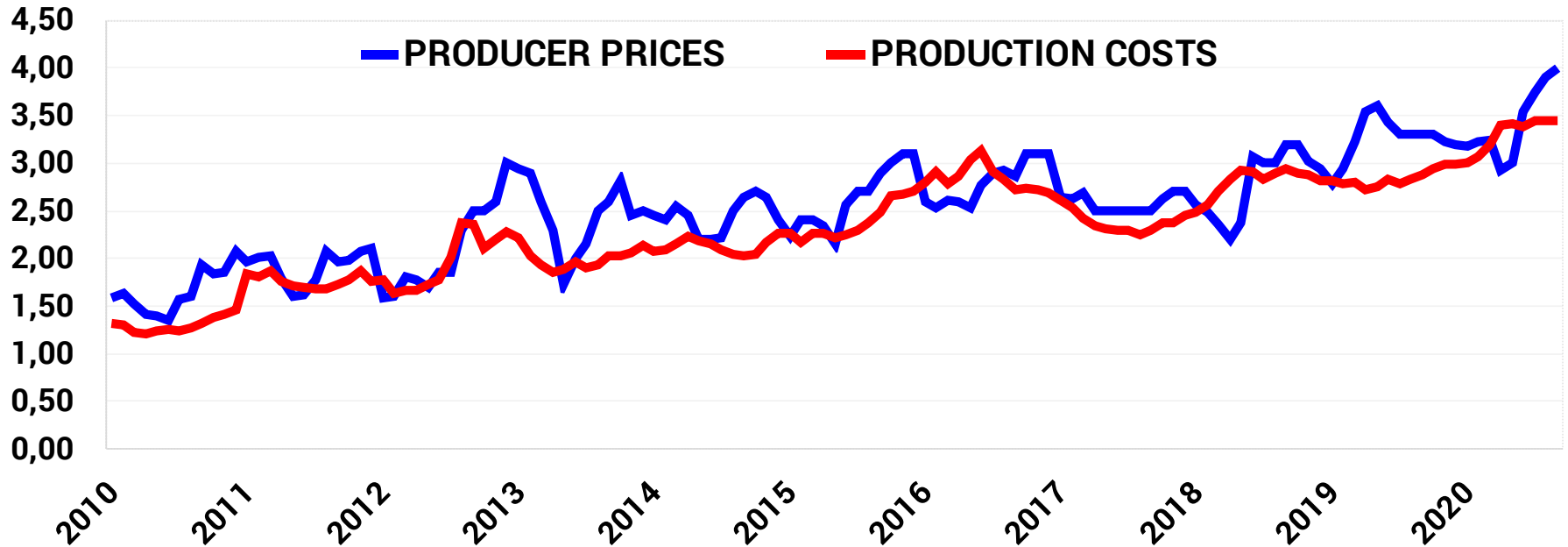
# CATTLE: PRODUCER PRICES PER 15 KG SÃO PAULO



- Live chicken prices rose 2.6% in the last 30 days, accumulating a nominal increase of 21.2% in the last 12 months.
- In the wholesale of São Paulo, the chicken meat average price is R\$ 5.22 / Kg, an increase of 5.5% in the last 30 days and 12.7% in the last 12 months.
- The prices of live chicken and chicken meat rose for the third consecutive month, due to the high competitiveness of the protein in the domestic market (in comparison to beef and pork) and heated shipments, which reached the 2nd highest volume of the year last August, although still with shy performance compared to swine and cattle.
- Total Brazilian chicken exports (fresh and processed meat) grew 1.8% in August compared to the same period in 2019 and reached 2.643 MMT between January and August 2020, 2.2% above the volume shipped in the same period of 2019 .
- The good liquidity of the meat, both in the domestic and foreign markets, boosted the prices of whole chicken, cuts and giblets.
- For live chicken, prices are up, as the industry has increased demand to supply the progress of production lines. The trend is for new hikes in the upcoming months, given the big lag in chicken prices compared to beef and pork.



# POULTRY: PRODUCER PRICES X PRODUCTION COSTS BRAZIL SOUTH REGION - R\$/KG (LIVE)

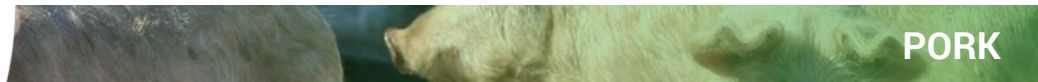




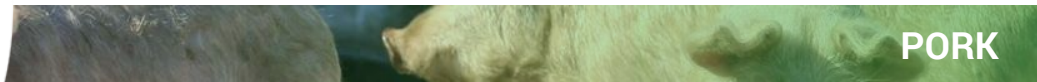
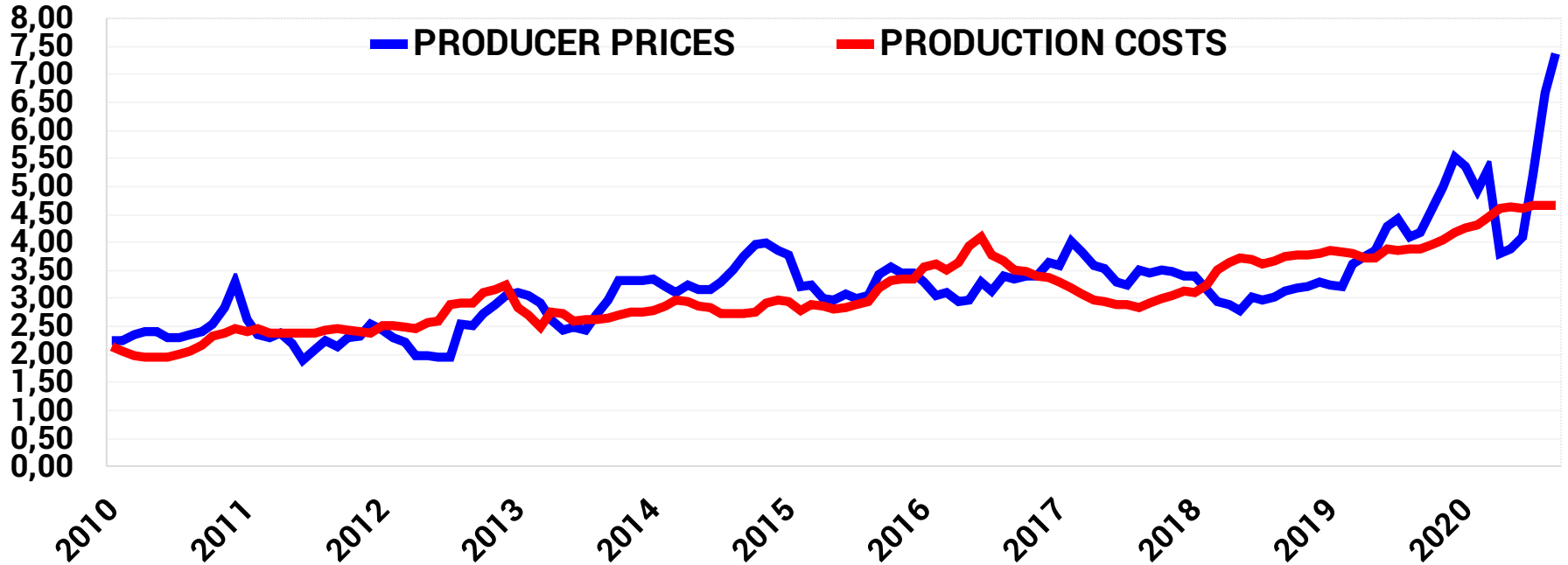
# CHICKEN MEAT: WHOLESALE PRICES SÃO PAULO - R\$/KG



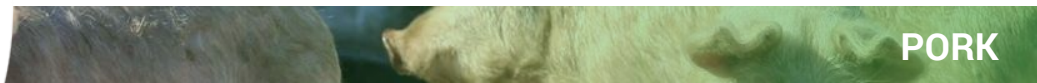
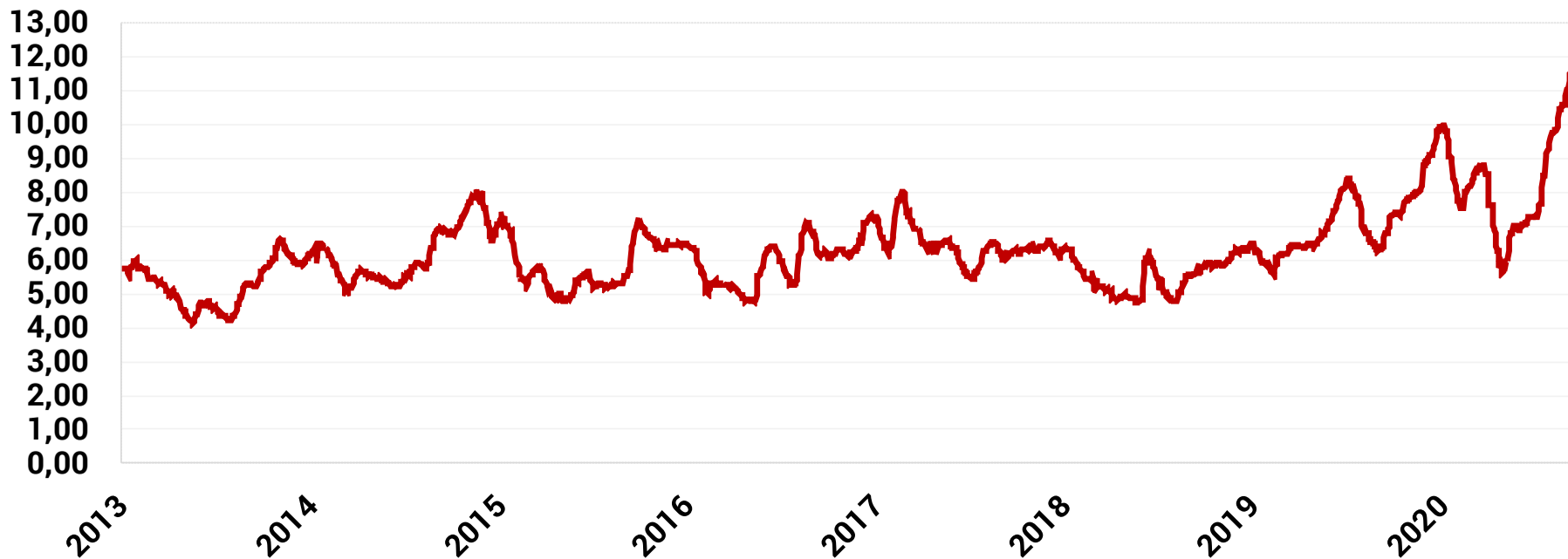
- Average prices for live hogs registered a strong increase of 10.5% in the last 30 days, reaching a record level and accumulating a nominal increase of 76.6% in the last 12 months.
- In the wholesale of São Paulo, pork carcass is quoted, on average, at R\$ 11.56 / Kg, with an increase of 16.4% in the last 30 days, accumulating a strong increase of 73.6% in the last 12 months .
- Live hog prices are record in most regions, with an upward trend, given the adjusted supply of pigs for slaughter and firm external demand, offsetting the weakening of consumption in the domestic market.
- Brazilian pork exports reached 87.7 thousand tonnes in August, an increase of 87.5% in relation to the same month of 2019.
- Between January and August 2020, pork exports reached a record of 599.2 thousand tonnes, 48.4% above what was shipped in the same period last year, driven by the very strong demand from China throughout the year 2020.
- Exports have been one of the main factors for the hikes in domestic prices, both for live hog and pork, as the industry continues to demand hogs for slaughter and keep adjusting carcass and cut prices to ensure positive margins.



# PORK: PRODUCER PRICES X PRODUCTION COSTS BRAZIL SOUTH REGION - R\$/KG (LIVE)



# SWINE CARCASS: WHOLESALE PRICES SÃO PAULO - R\$/KG





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