

# MEATS










## MARKET SUMMARY OUTLOOK FOR 2020



OCTOBER/2020



# MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		

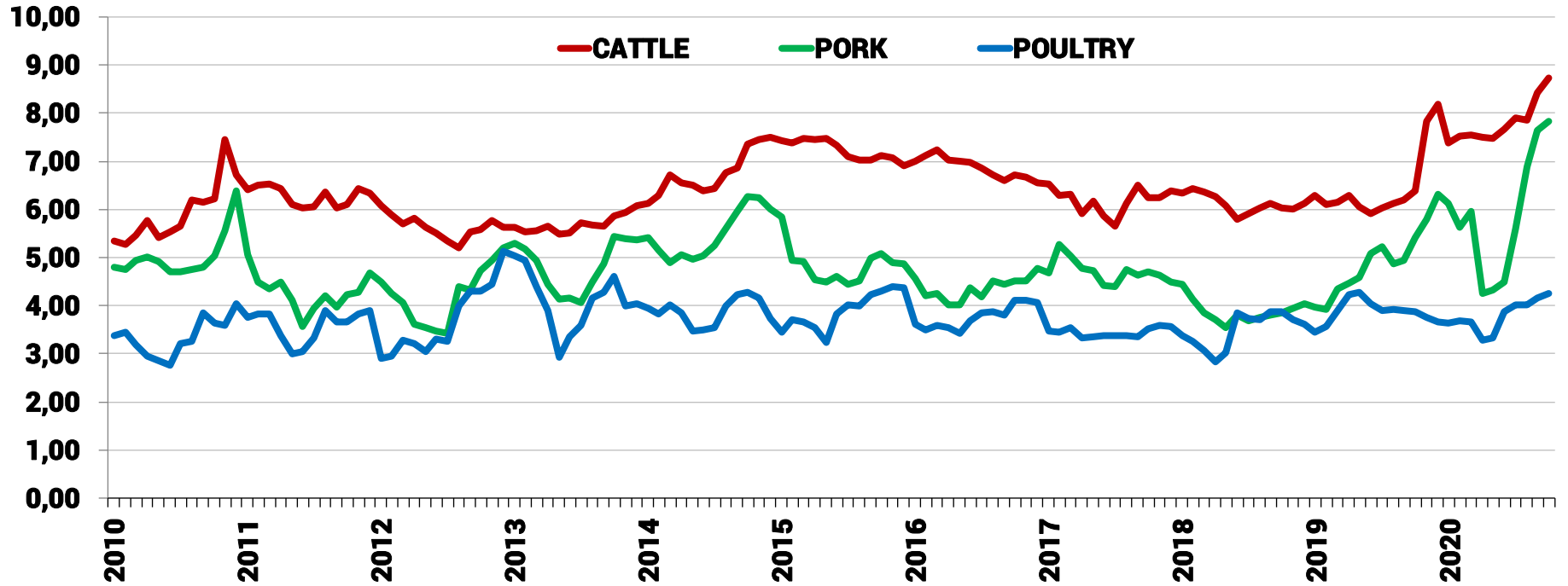


## MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	5,3%	3,7%	3,8%
YEAR TO DATE 2020	22,2%	32,8%	41,8%
LAST 12 MONTHS	60,8%	28,8%	69,5%



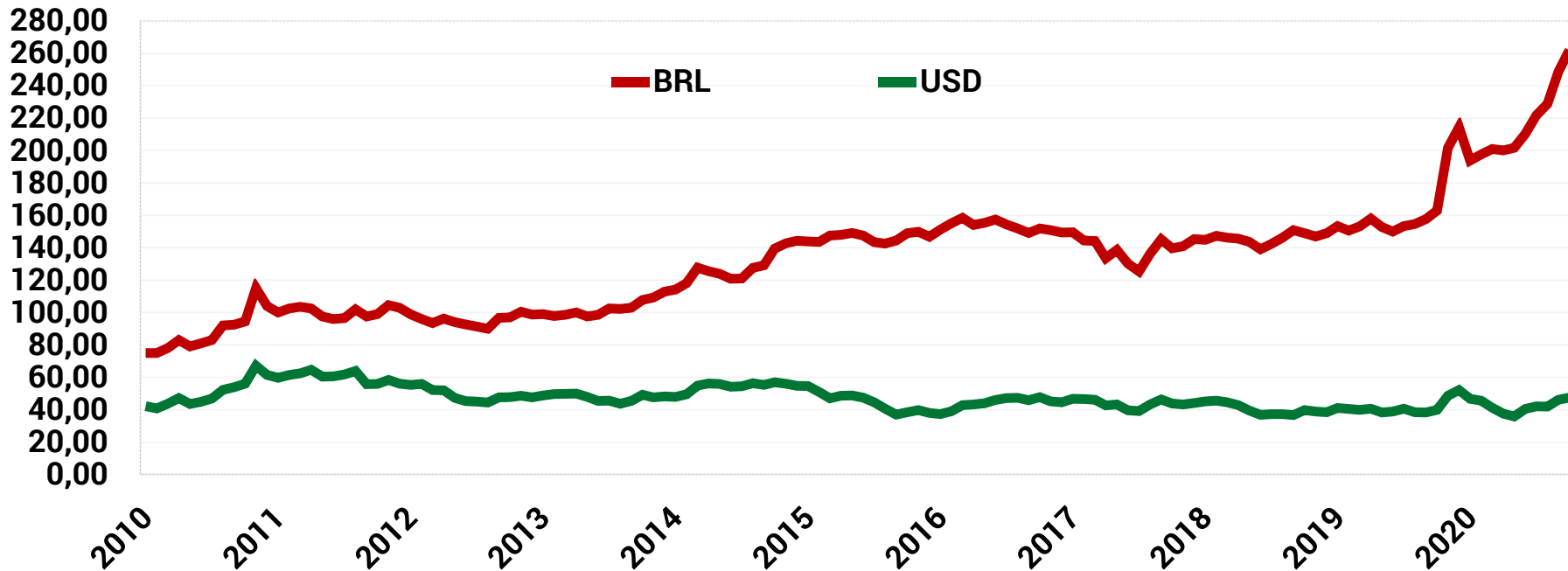
# MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- In São Paulo, the average price of live cattle reached a record of R\$ 262,03/15kg, with increases of 5.3% in the last 30 days and 60.8% in 12 months.
- The trend is for new highs, with heated demand, especially for exports and the low supply of cattle for slaughter.
- October is showing price records throughout the beef cattle production chain: live cattle, lean cattle, calves and wholesale beef.
- The entry of feedlot cattle will not bring much relief, as there will be no supply of finished cattle on pasture before the beginning of December.
- As the margins of the domestic market are under pressure, it would be unlikely that cattle prices would detach from the domestic meat market prices. If there are no further readjustments of the ox carcass, the slaughterhouses may reduce the price offers for cattle.
- In addition, exports remain heated, but with price readjustments below the variation in raw material prices.
- From January to September, beef exports totaled 1.460 MMT, 9.6% higher than the same period in 2019, with revenues of US\$ 6.1 billion, 19.6% above the same period last year. 57, 4% of exports went to China in 2020.



# CATTLE: PRODUCER PRICES PER 15 KG SÃO PAULO



# CATTLE: SP PRODUCER PRICE - R\$/15KG INFLATION-ADJUSTED BY IGP-DI



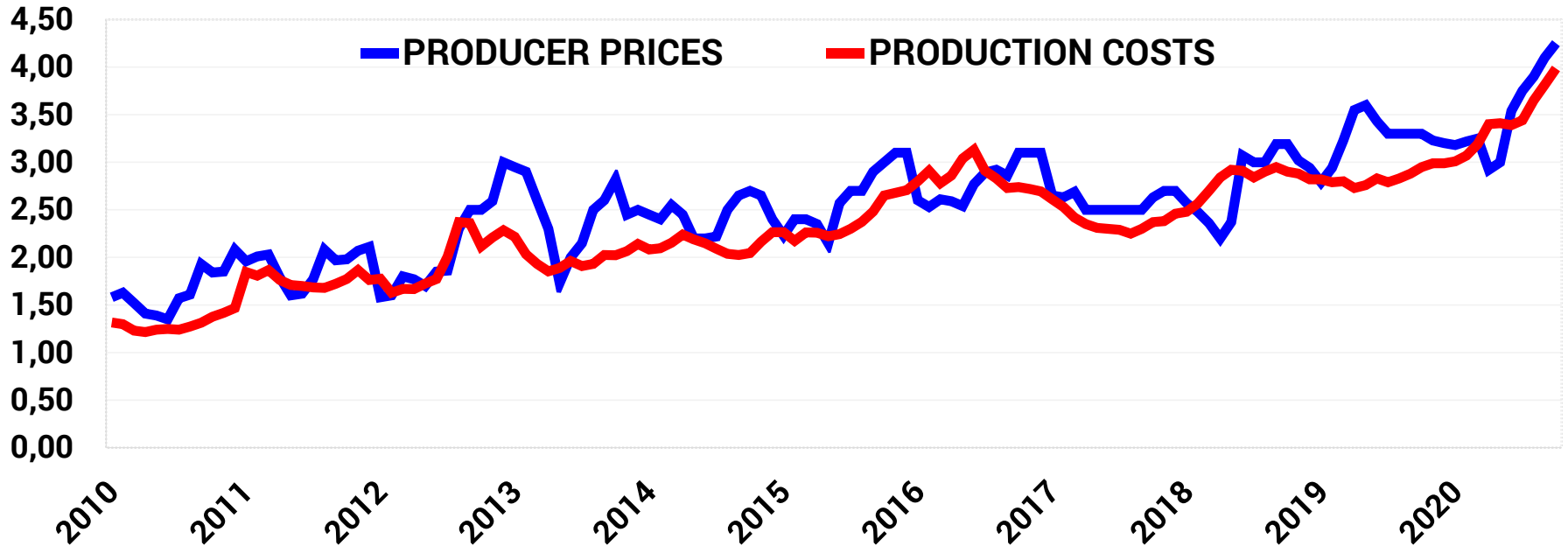


- Live chicken prices rose 3.7% in the last 30 days, accumulating a nominal increase of 28.8% in the last 12 months, but with an increase in the difference between the prices of this protein and that of its competitors (beef and pork).
- In the wholesale of São Paulo, the chicken meat average price is R\$ 5.99 / Kg, an increase of 9.5% in the last 30 days and 29.4% in the last 12 months.
- Sales of chicken meat in the domestic market remain heated and prices are in an upward trend, with the greater competitiveness of the protein in comparison to beef and pork competitors and the emergency aid continuation from the government.
- Total Brazilian chicken exports (fresh and processed meat) reached 3.178 MMT between January and September of 2020, which is 1.8% above the same period in 2019. The revenue of US \$ 4.619 billion, however, is 12.1% below what was recorded in the same period last year.
- The production cost accumulated a strong increase of 32.4% in 2020 and 33.3% in the last 12 months.
- The strong and continuous appreciation of corn and soybean meal prices should keep supporting the prices of chicken meat in the domestic market, with some plants already reducing production, awaiting the entry of the next harvest, starting in January / 2021.

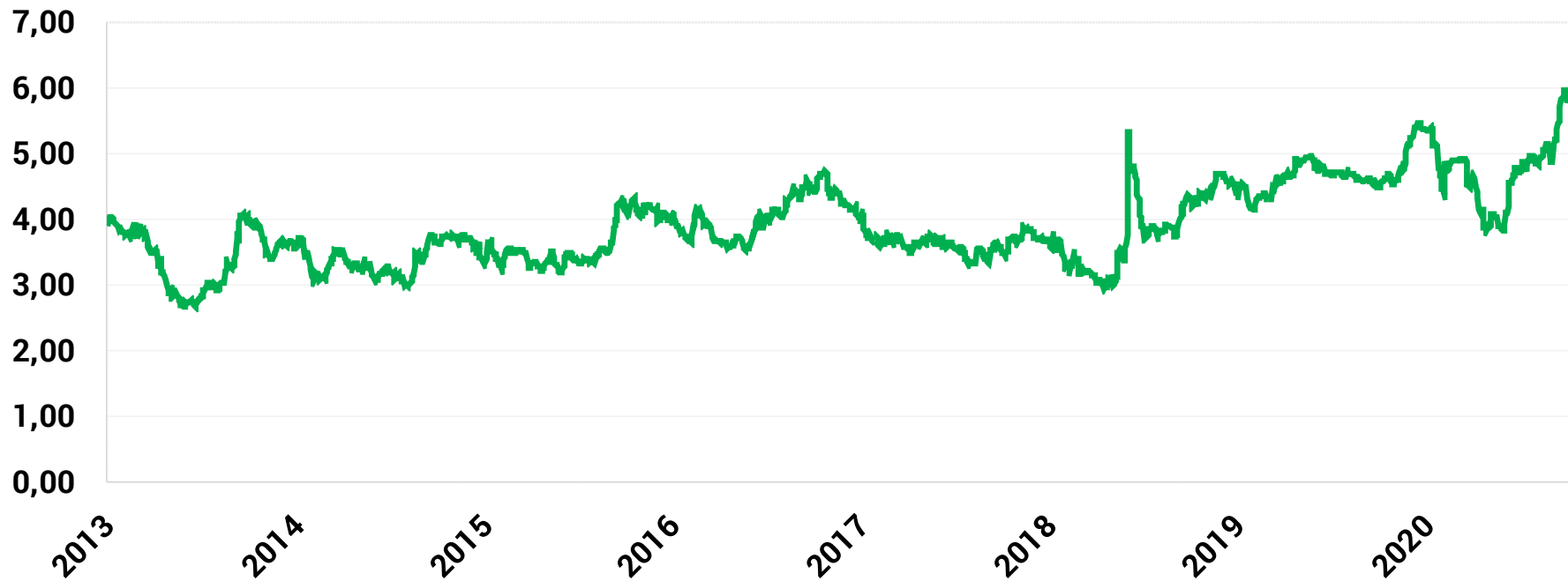




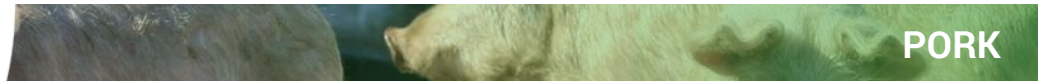
# POULTRY: PRODUCER PRICES X PRODUCTION COSTS BRAZIL SOUTH REGION - R\$/KG (LIVE)



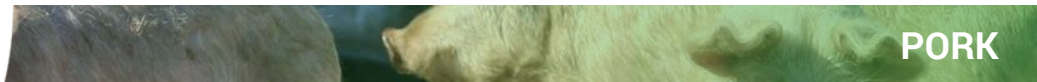
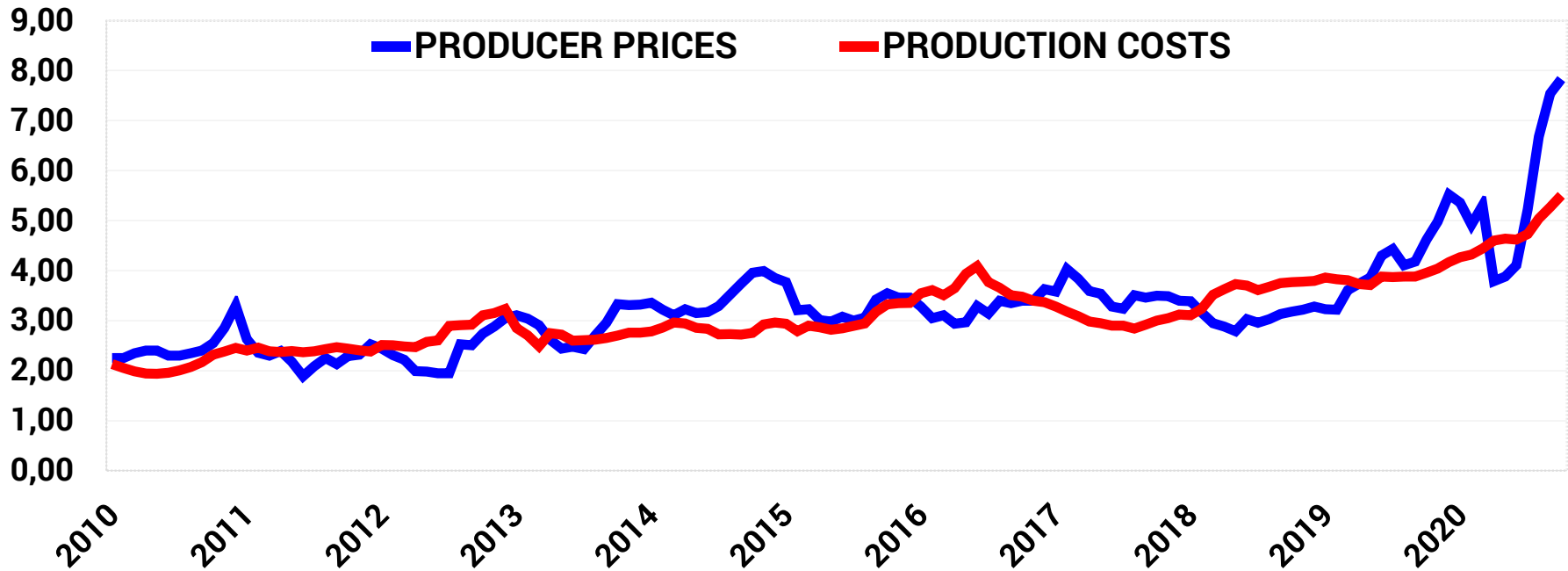
# CHICKEN MEAT: WHOLESALE PRICES SÃO PAULO - R\$/KG



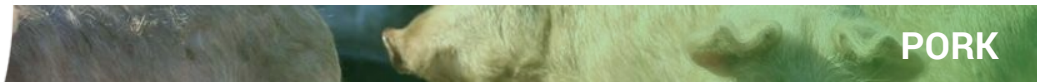
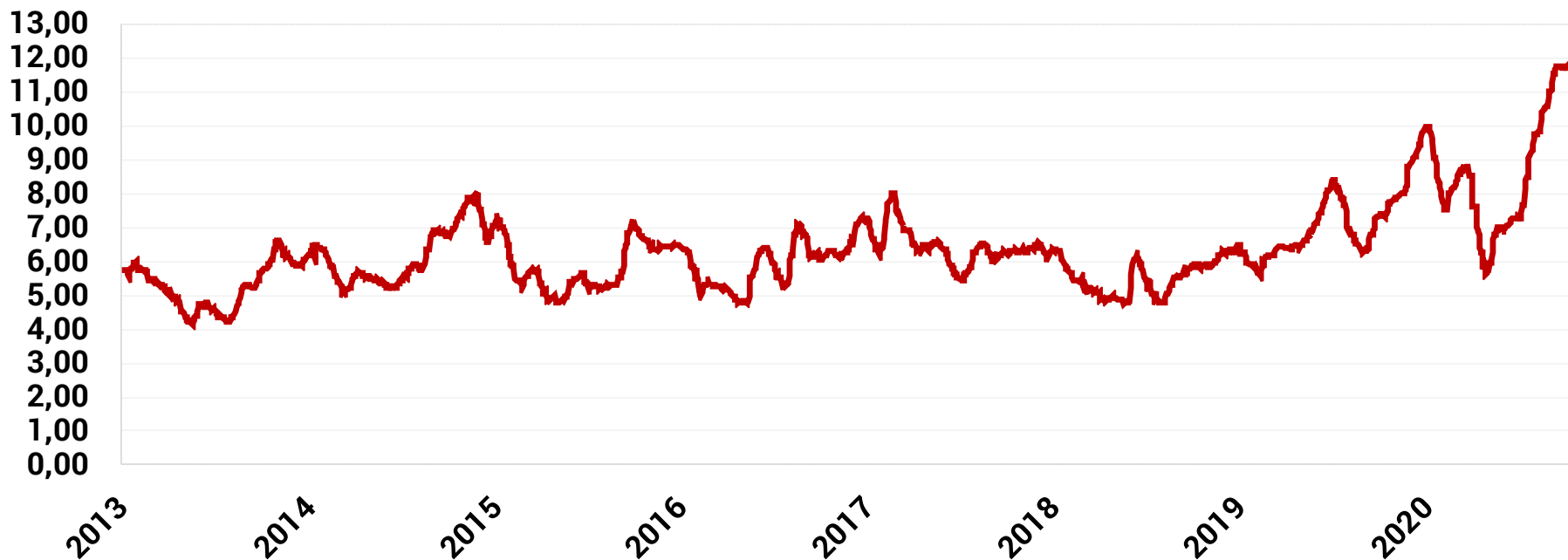
- Average prices for live hogs registered an increase of 3.8% in the last 30 days, reaching a record level and accumulating a nominal increase of 69.5% in the last 12 months.
- In the wholesale of São Paulo, pork carcass is quoted, on average, at R\$ 11.84 / Kg, with an increase of 0.9% in the last 30 days, accumulating a strong increase of 60.9% in the last 12 months .
- The trend is for firm prices, with heated demand (both domestically and for exports), a 133% increase in shipments to China in 2020, low inventories in industries and restricted supply of animals at slaughtering weight.
- The pork production cost accumulates a strong increase of 28.9% in 2020 and 36.2% in the last 12 months.
- Between January and September 2020, total pork exports (fresh and processed) reached 764.9 thousand tonnes, 42.9% above the total shipped in the same period of 2019 (534.9 thousand tonnes). This even already exceeded total exports of 2019, which were 750 thousand tonnes.
- This same performance can also be seen in the export revenue, which reached US\$ 1.677 billion between January and September 2020, surpassing by 51.9% the result from January to September 2019 and the total revenue of 2019 (US\$ 1.597 billion).



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



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





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