

# MEATS










## MARKET SUMMARY OUTLOOK FOR 2020



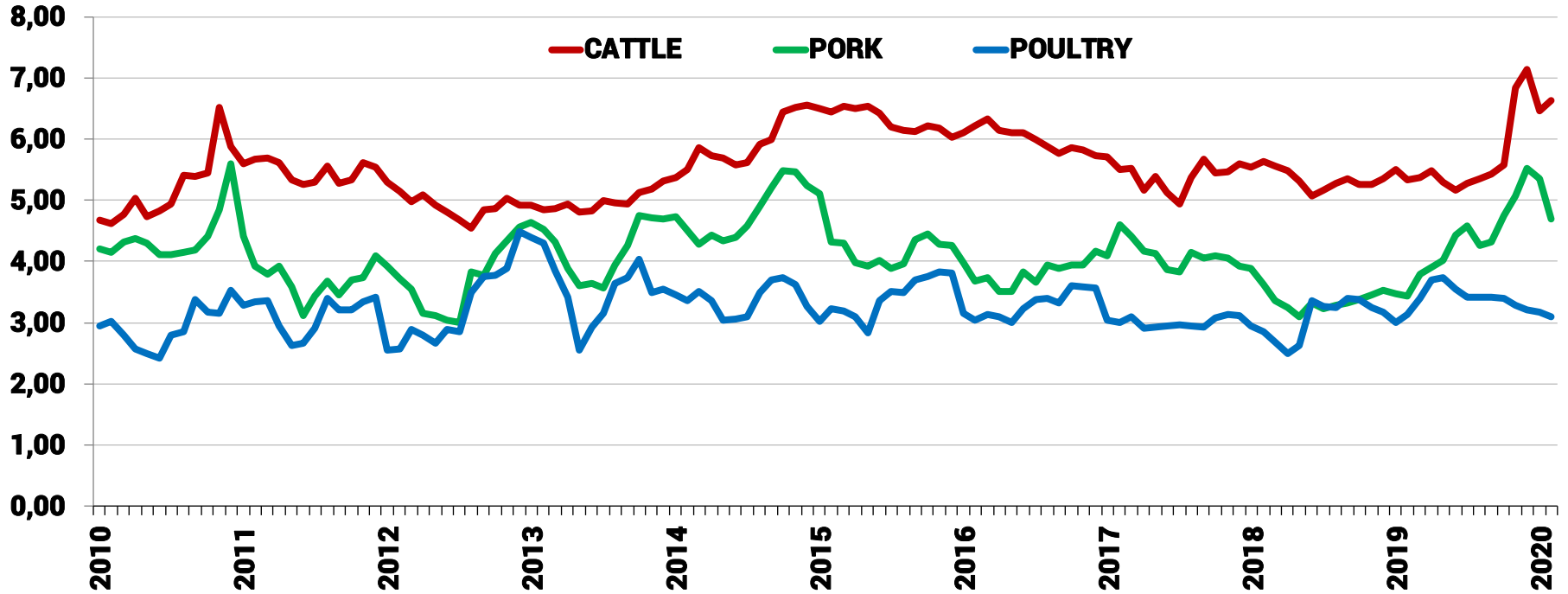
FEBRUARY/2020



# MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		

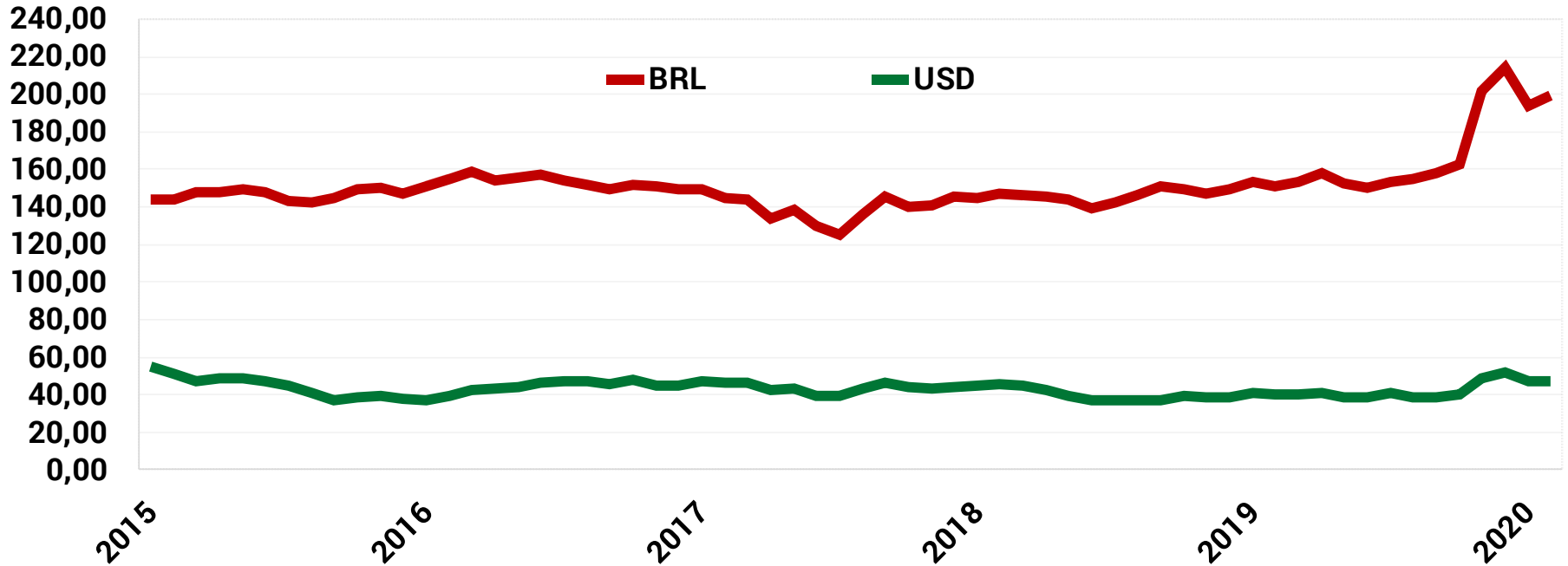
# MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI JAN/2020



- After the sharp fall observed between December/2019 and January/2020, beef price resumed to rise in early February, driven by the increase in beef exports.
- In São Paulo state, the average price of live cattle has increased 2.7% in the last 30 days, a nominal increase of 32.1% in 12 months.
- At São Paulo's wholesale market, ox carcass registered an increase of 4.0% in the last seven days, quoted at R\$ 13.31/Kg, with slaughterhouses running low on stock and facing livestock shortages.
- In general, animal supply for slaughter is not significant, influenced, among other aspects, by the heat in some regions, in addition to slaughterhouses purchasing needs for export.
- In January, Brazilian beef exports, including fresh and processed products, grew 9.8% in relation to the same month of the previous year, reaching 135.3 thousand tons.
- Revenue had an strong increase of 37.9%, reaching U\$ 633.2 million, reflecting the price increase, with emphasis on the advance of shipments to China, which in January imported 53.2 thousand tons, 126% more than in the same month of 2019.



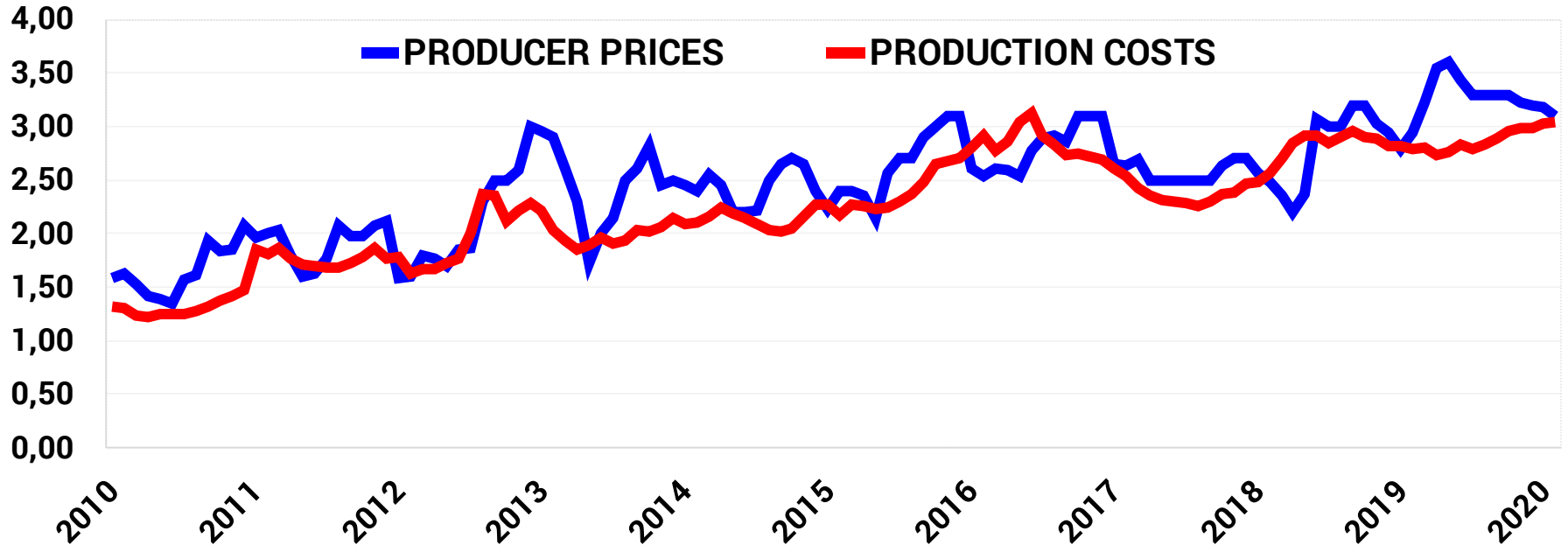
# CATTLE: PRODUCER PRICES PER 15 KG SÃO PAULO



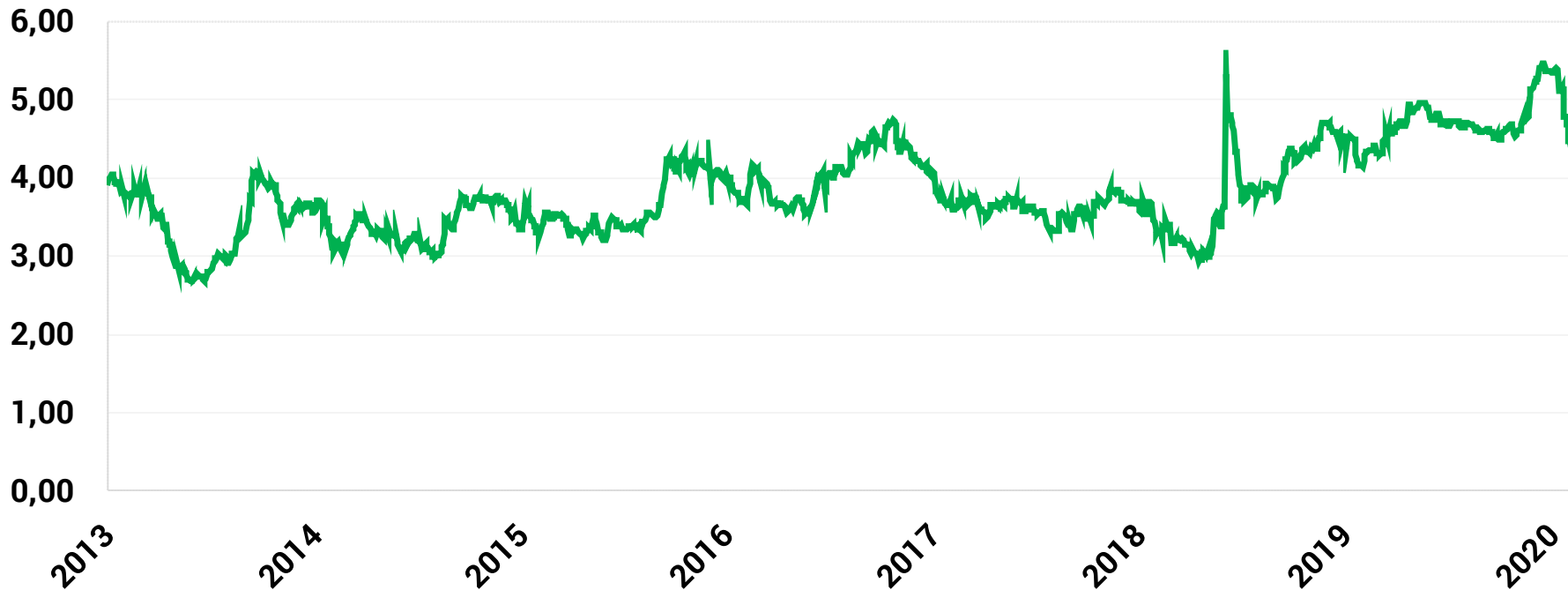
- Live chicken prices fell 2.5% in the last 30 days, but still accumulate a nominal increase of 5.4% in 12 months.
- At São Paulo's wholesale market, the prices of chicken meat are falling, with the product quoted, on average, at R\$ 4.74/Kg, accumulating a sharp drop of 11.9% in the last 30 days, but still with 10.0% accumulated increase in the last 12 months.
- With weakened domestic demand and increased domestic production, the performance of exports, which started 2020 quite heated, especially to China, is avoiding an even stronger downward pressure on prices.
- In January, Brazilian exports of chicken meat (fresh and processed) grew 14.9% in relation to the same month of the previous year, reaching 323.8 thousand tons, with a 16.5% expansion in revenue, which reached U\$ 529.1 million.
- Chicken production in China, which had been increasing to fill part of the gap left by falling swine production after African Swine Fever (ASF), is now compromised by bird flu, which should halt poultry production expansion.
- Demand for chicken from Brazil is expected to grow due to the combination of these two problems (ASF and avian influenza). In January imports from China grew 87%.



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



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

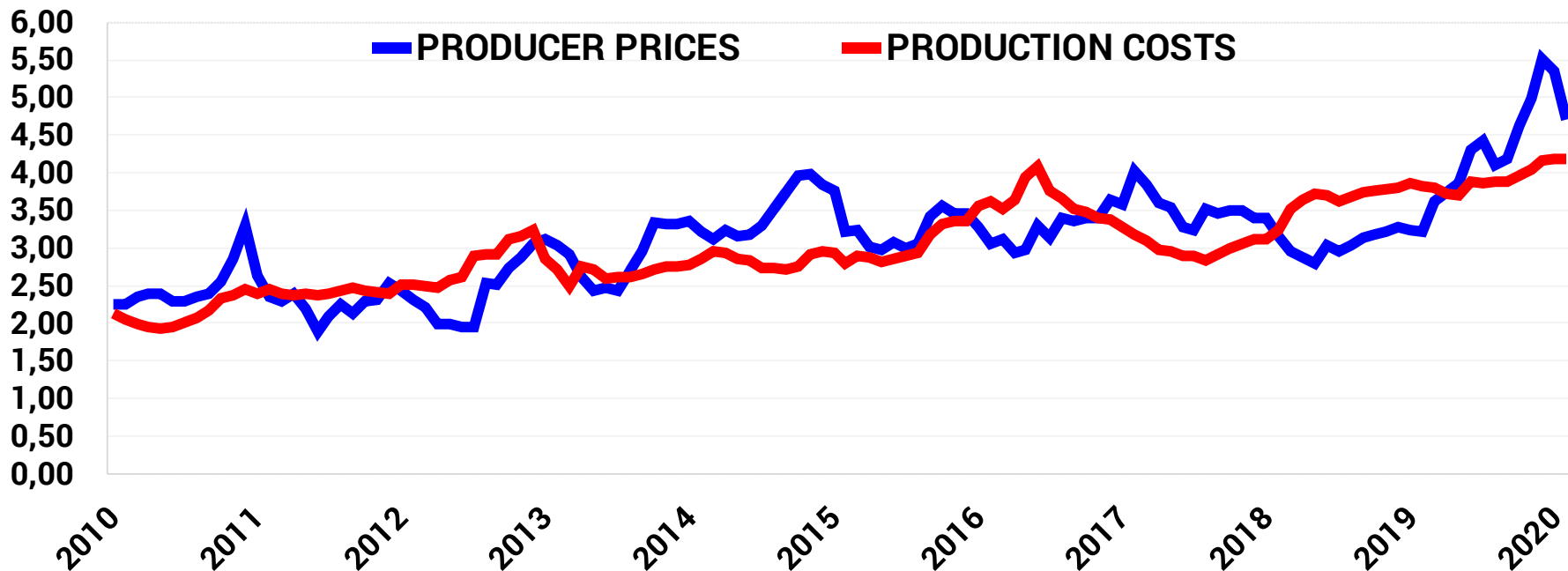




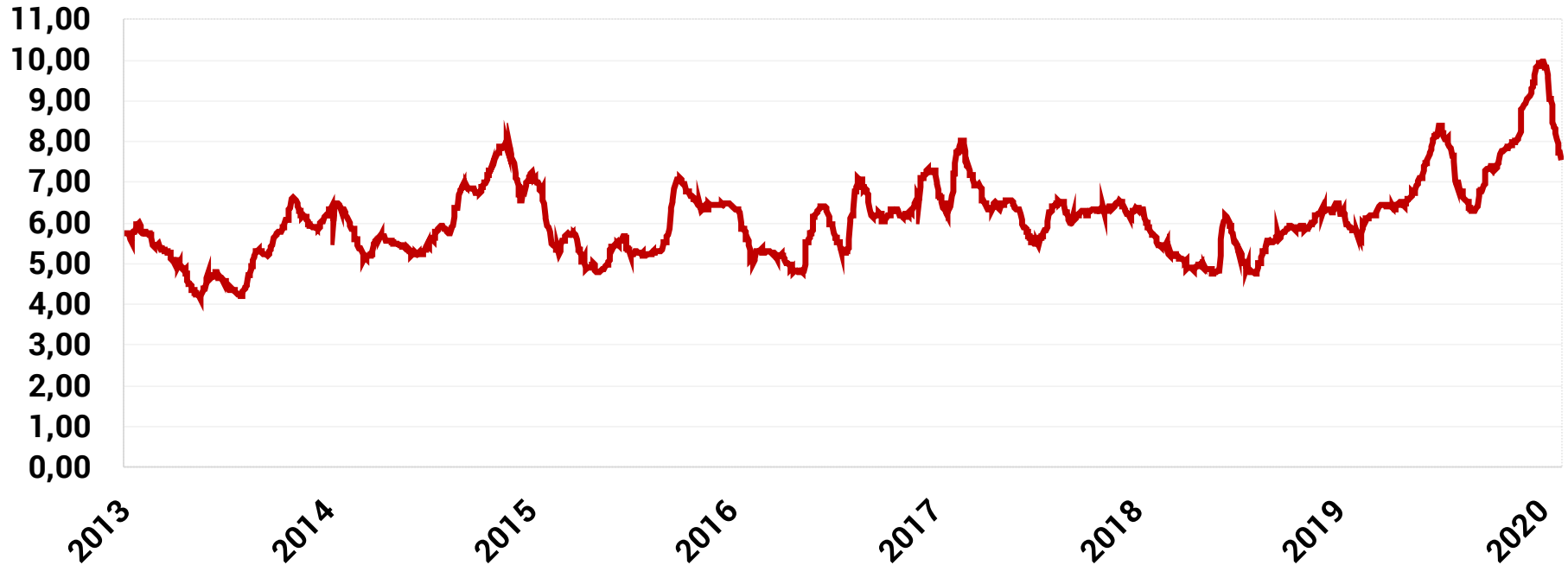
- The average prices of live hogs registered a strong decrease of 12.3% in the last 30 days, but still accumulate a significant nominal increase of 46.0% in the last 12 months.
- At São Paulo's wholesale market, the pork carcass is quoted, on average, at R\$ 7.54/Kg, with a sharp drop of 24.3% in the last 30 days, but still accumulating a nominal increase of 33.0% in the last 12 months.
- With weak internal demand, the prices of pork meat and live hogs continue to fall in the domestic market, with consecutive decreases since the beginning of this year.
- In January/2020, total Brazilian pork exports (fresh and processed) registered the best January result ever.
- In January/2020, Brazil exported 68 thousand tons of pork, a strong increase of 42.4% compared to January 2019, with an average price of U\$ 2.41/Kg, the second highest of the last two years.
- The average export price of Brazilian pork is on the rise, since the external demand for the national product remains heated and the global hog supply has been drastically affected by the African Swine Fever (ASF), which affects three continents, with no signs of control in the evolution of outbreaks in the short term.



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



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





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