

MEATS










MARKET OUTLOOK SUMMARY



JANUARY/2021



MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		

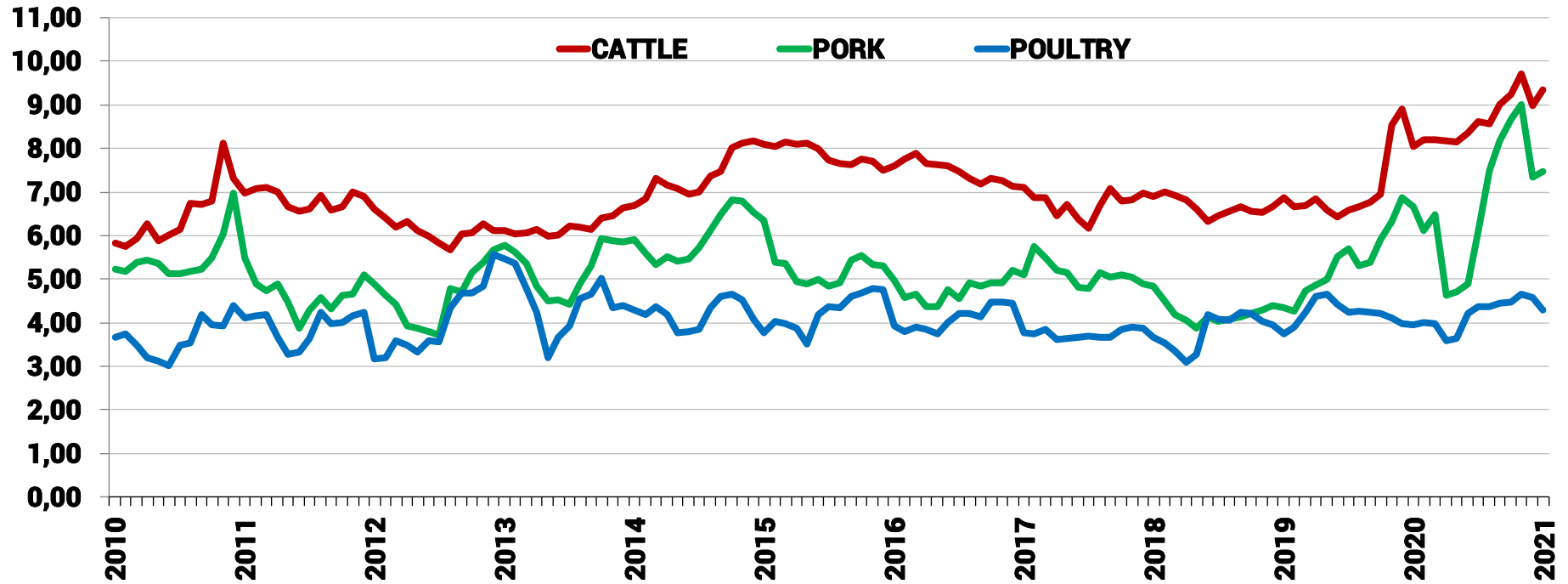


MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	5,2%	-4,9%	2,6%
YEAR TO DATE 2021	5,2%	-4,9%	2,6%
LAST 12 MONTHS	44,7%	35,2%	39,2%



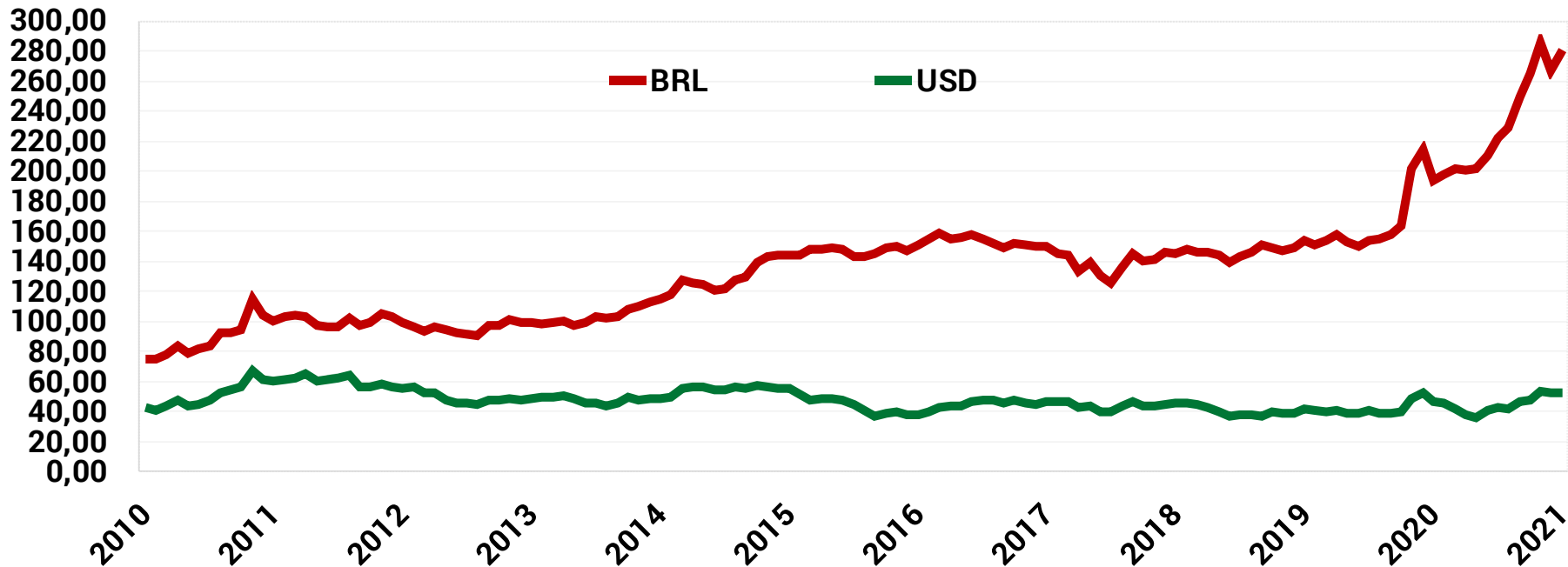
MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- Live cattle prices are stable in São Paulo, at an average of R\$ 277.31 for 15kg, with an accumulated increase of 4.0% in the last 30 days and 43.1% in 12 months.
- The live cattle and beef market is expected to continue with high price levels in 2021, given the continued restriction in the offer of cattle ready for slaughter, valued inputs with strong grain exports and the maintenance of replacement prices at record levels.
- However, the price of live cattle in 2021 is expected to rise less than in 2020, in light of the weaker domestic consumption scenario this year.
- In 2020, total Brazilian beef exports (fresh and processed) reached 1.724 MMT, 9.9% higher than in 2019.
- The increase in meat should be limited by the price difference for competing proteins, such as chicken and pork, which should stay more stable, with the change in eating habits already seen in 2020, with part of the consumption shifted to chicken meat and eggs.
- The female retention movement initiated in 2020 should persist, keeping the low availability of finished animals, with intensified confinement activity, due to the drought seen in 2020, which will affect the fattening of cattle on pasture.



CATTLE: PRODUCER PRICES PER 15 KG SÃO PAULO



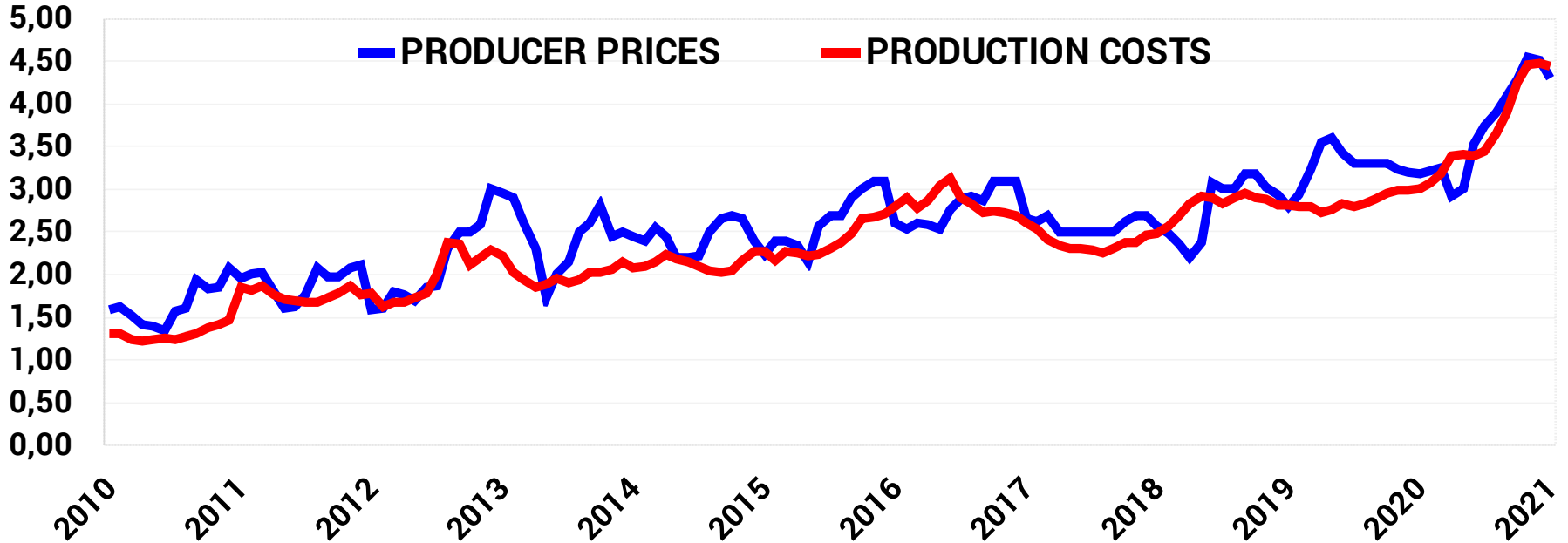
CATTLE: SP PRODUCER PRICE - R\$/15KG INFLATION-ADJUSTED BY IGP-DI



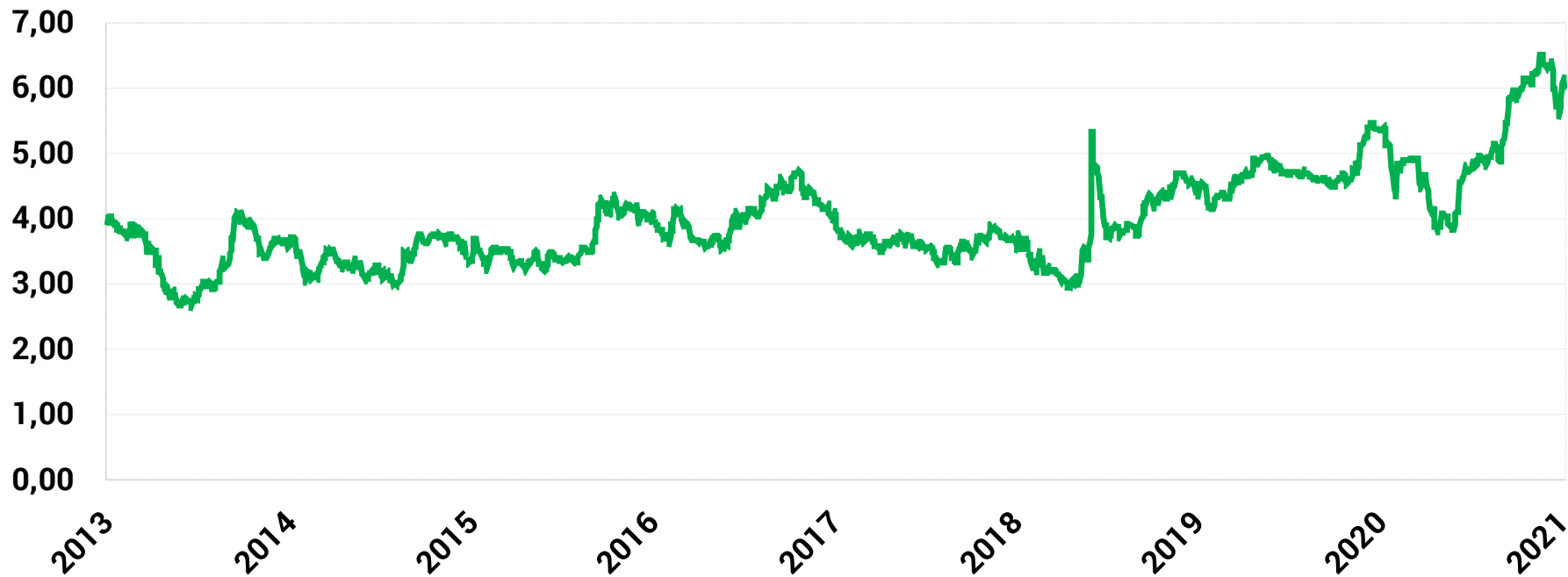
- Live chicken prices dropped 4.9% in the last 30 days, but still accumulate a nominal increase of 35.2% in the last 12 months.
- In the wholesale of São Paulo, the chicken meat average price is R\$ 6.13 / Kg, an increase of 2.3% in the last 30 days and 13.7% in the last 12 months.
- Domestic consumption of chicken tends to be favored in 2021 over competing proteins, especially beef.
- The conjuncture of high unemployment and still sustained meat prices in the country should keep the competitiveness favorable to chicken meat.
- Despite this, in this first quarter, seasonality indicates prices normally more accommodated for chicken meat in wholesale and retail.
- The production cost of live chicken has accumulated a strong increase of 47.8% in the last 12 months. The expected high grain prices in 2021 should remain a challenge, both for the productive and industrial sectors.
- Total Brazilian chicken exports (fresh and processed meat) reached 4.230 MMT in 2020, volume 0,4% higher than in 2019.
- Export performance in 2021 will be an important factor in maintaining balanced supply and demand.



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



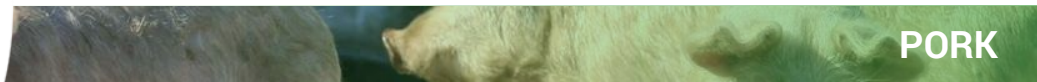
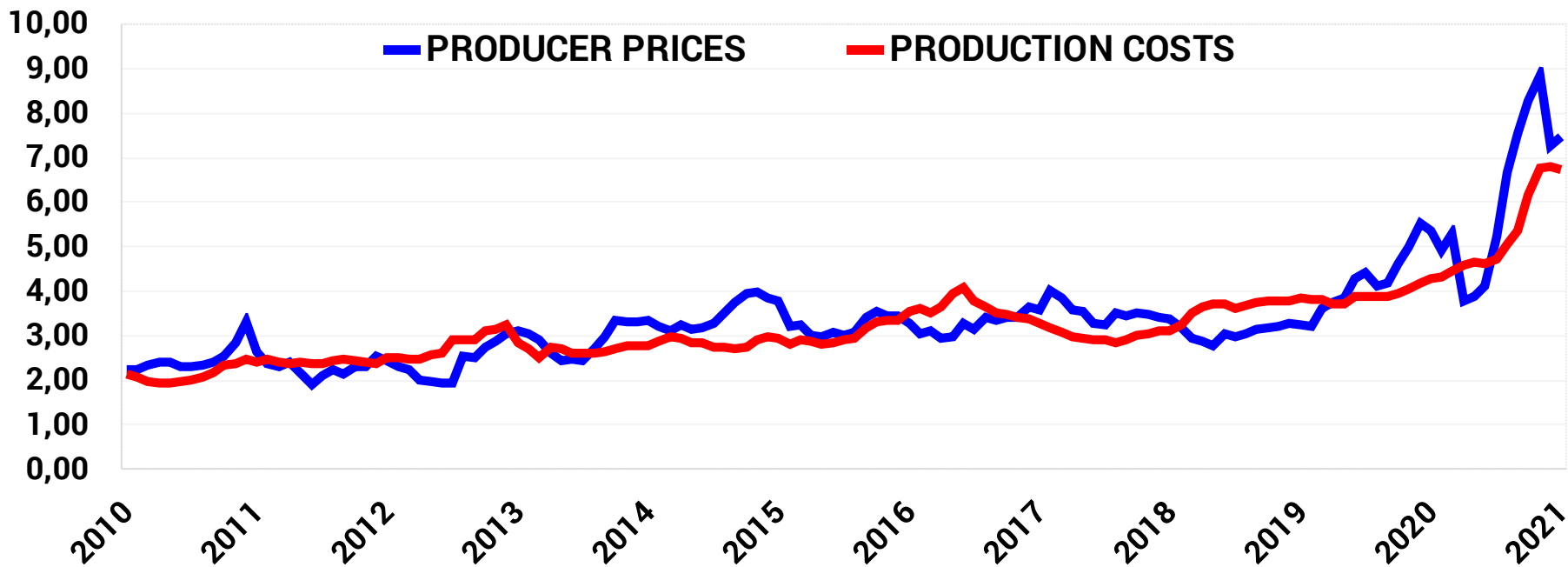
CHICKEN MEAT: WHOLESALE PRICES SÃO PAULO - R\$/KG



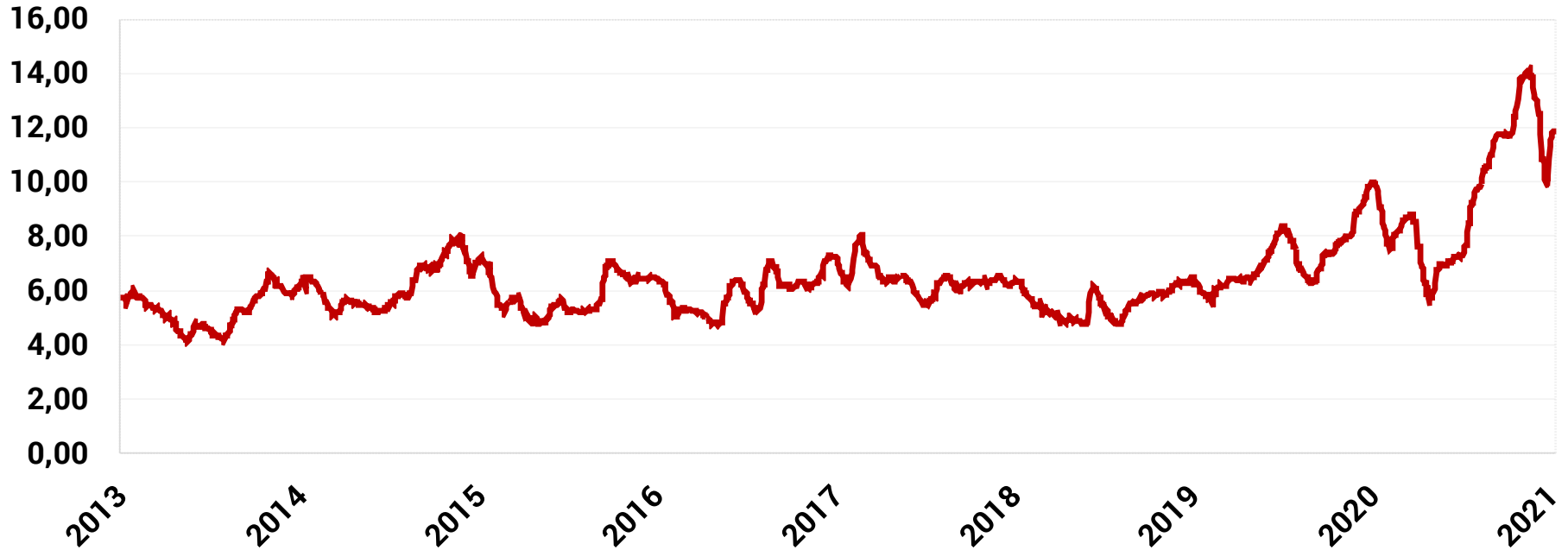
- Average prices for live hogs registered an increase of 2.5% in the last 30 days, accumulating a nominal increase of 39.0% in 12 months.
- In the wholesale of São Paulo, pork carcass is quoted, on average, at R\$ 11.85 / Kg, a 16.1% increase in the last 30 days and 22.9% in 12 months.
- The pork production cost accumulates a strong increase of 58.1% in the last 12 months.
- In 2020, total pork exports (fresh and processed) reached a record 1.021 MMT, 36.1% above the total shipped in 2019.
- External demand for pork should remain strong, supported by Chinese purchases, while domestic demand should be favored by the possible economic recovery in 2021.
- In addition to the continued good shipments pace to China, there is an expectation of increased sales to other destinations, especially in Asia.
- Although commercialization with China remains heated, the Asian country signals a gradual resumption of the recomposition of the swine herd, which was wiped out by the African Swine Fever (ASF). This trend has left Brazilian pig farmers on alert, given the possible implications in the medium and long 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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