

# MEATS










## MARKET OUTLOOK SUMMARY



FEBRUARY/2021



# MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		

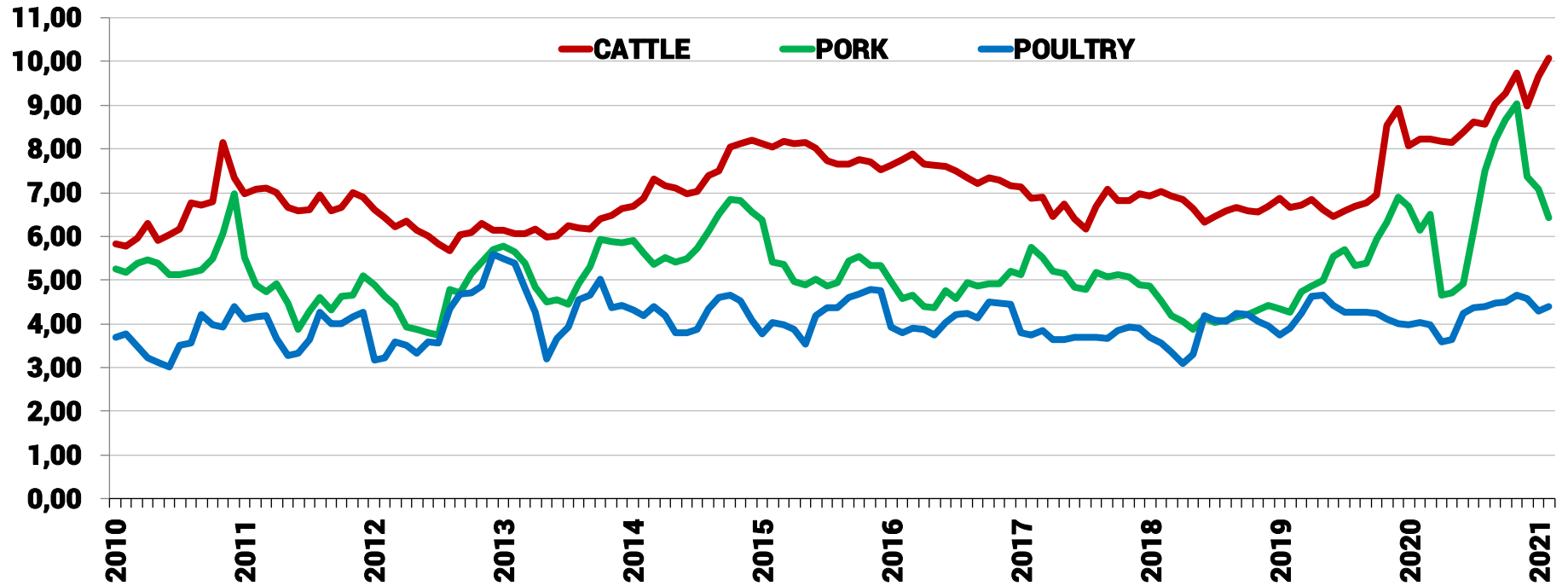


## MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	4,4%	2,6%	-9,1%
YEAR TO DATE 2021	13,3%	-2,7%	-11,6%
LAST 12 MONTHS	52,8%	36,6%	30,7%



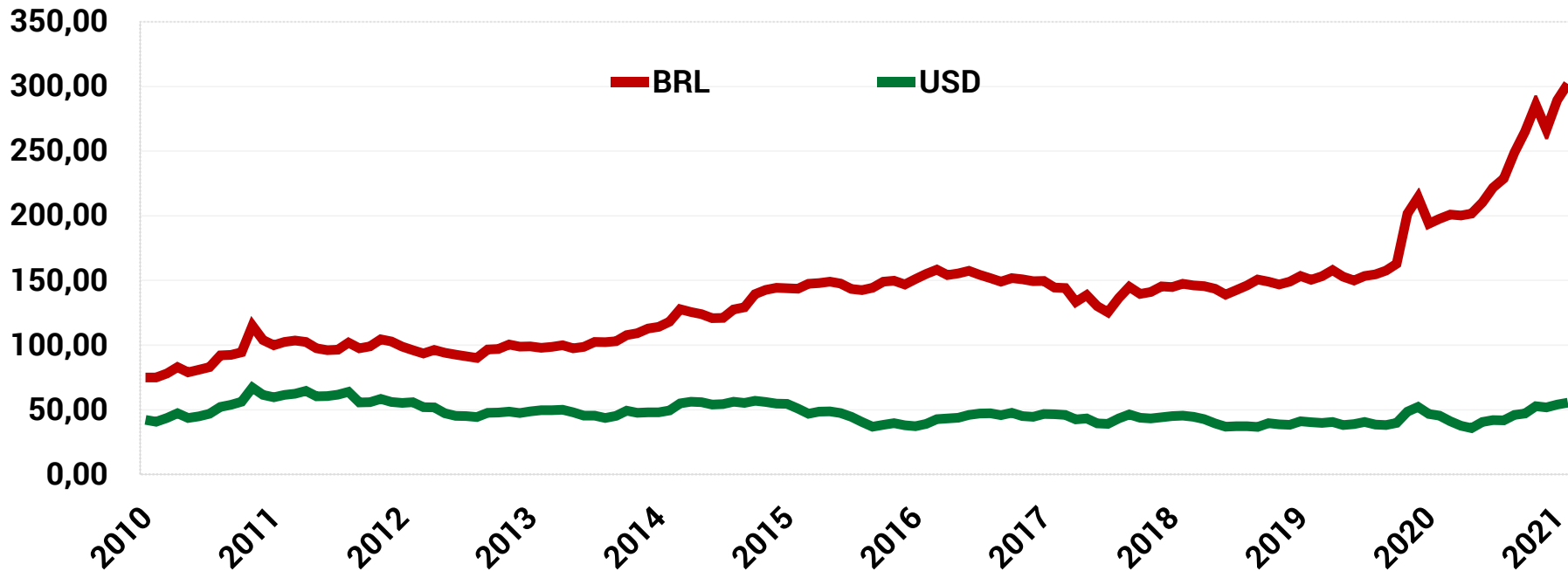
# MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



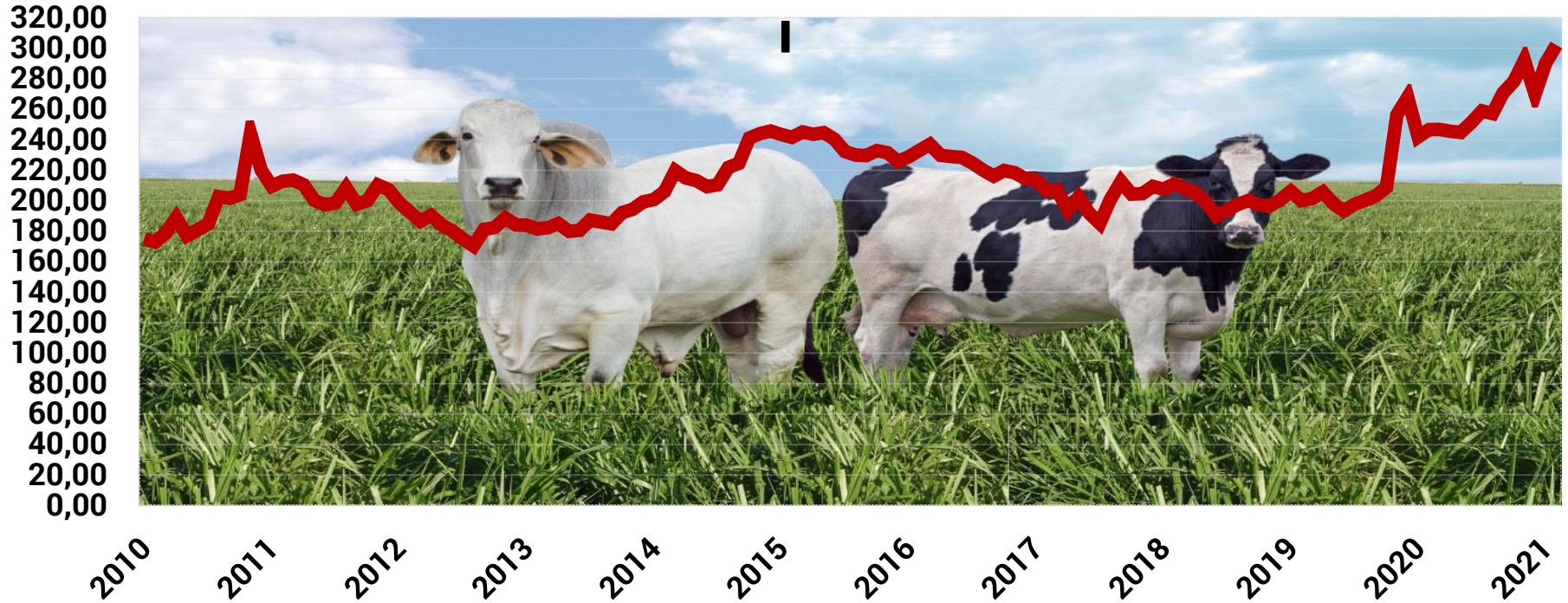
- Live cattle prices are on the rise, reaching record levels in both nominal and real terms, quoted in São Paulo at R\$ 302.14 for 15kg on average, with an accumulated increase of 4.4% in the last 30 days and 52.8% in 12 months.
- The prices of live cattle and beef should remain sustained, given the limited supply of finished cattle and the delay in the recovery of pastures affected by the unfavorable weather.
- In addition, the scenario for 2021 is female retention cycle maintenance, as livestock farmers try to take advantage of the remuneration of the calf activity, with the price of the calf still rising.
- In January / 2021, total beef exports (fresh and processed) reached 127,139 tonnes, 6.19% below the volume shipped in January / 2020.
- However, the outlook is positive for export beef shipments in 2021.
- For the second half of 2021, two factors will influence prices: the advance of African Swine Fever in China and the evolution of immunization against Covid-19, which will signal how Chinese demand for Brazilian beef will be and the resumption of internal consumption.
- The weak domestic consumption continues to erode the operating margins of the slaughter units.



# CATTLE: PRODUCER PRICES PER 15 KG SÃO PAULO



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

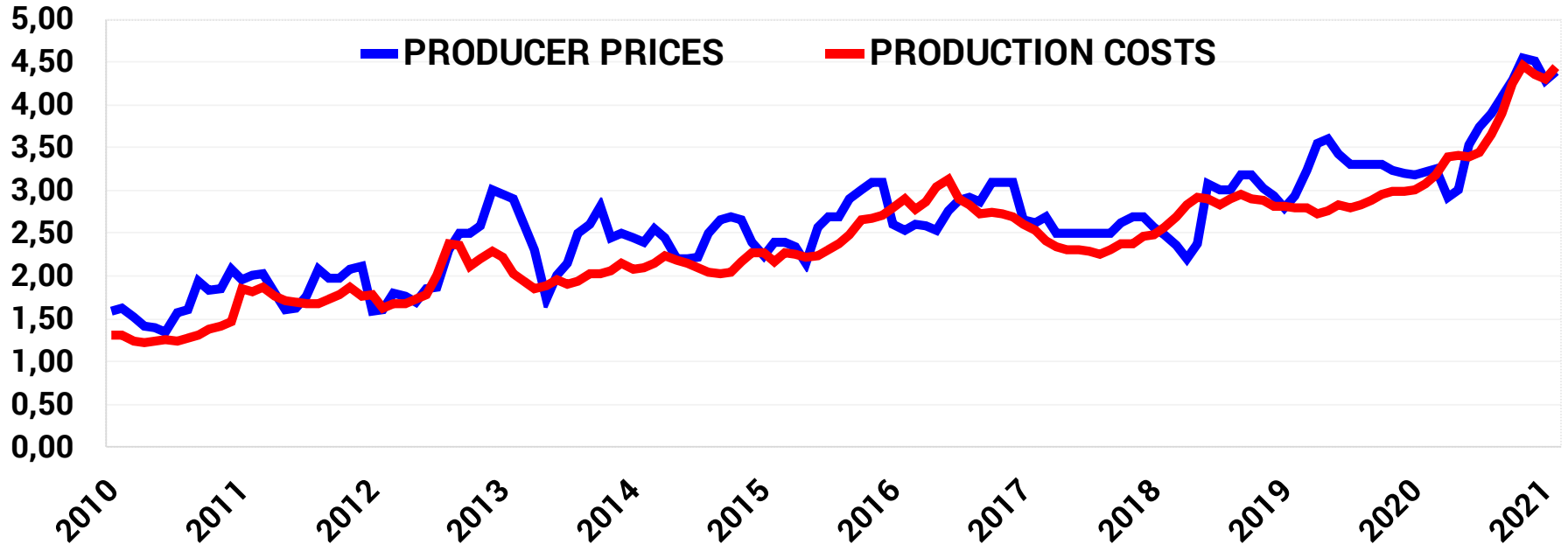


- Average quotations for live chicken increased by 2.6% in the last 30 days, accumulating a nominal advance of 36.6% in the last 12 months.
- The increase reflects the movement of the wholesale market, with increasing prices.
- In the wholesale of São Paulo, the chicken meat average price is R\$ 6.29 / Kg, an increase of 6.3% in the last 30 days and 32.7% in the last 12 months.
- In January / 2021, total Brazilian chicken exports (fresh and processed meat) reached 291.6 thousand tonnes, 9.9% below the January / 2020 shipments.
- The poultry segment is expected to be favored by the strengthening of domestic demand in 2021, given the protein competitiveness against beef and pork.
- The economic crisis scenario in the country and the confirmation of the withdrawal of emergency aid tend to make chicken meat the most accessible option.
- A possible excess supply of chicken should be contained by the maintenance of high production costs.
- The production cost of live chicken has accumulated a strong increase of 45.0% in the last 12 months. The expected high grain prices in 2021 should remain a challenge, both for the productive and industrial sectors.





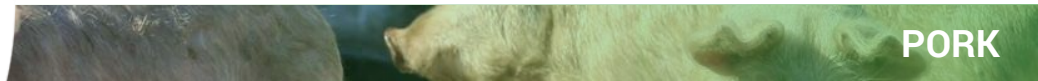
# POULTRY: PRODUCER PRICES X PRODUCTION COSTS BRAZIL SOUTH REGION - R\$/KG (LIVE)



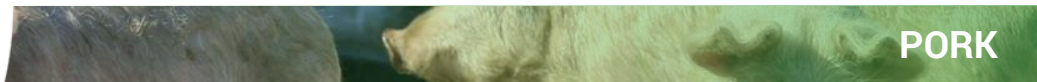
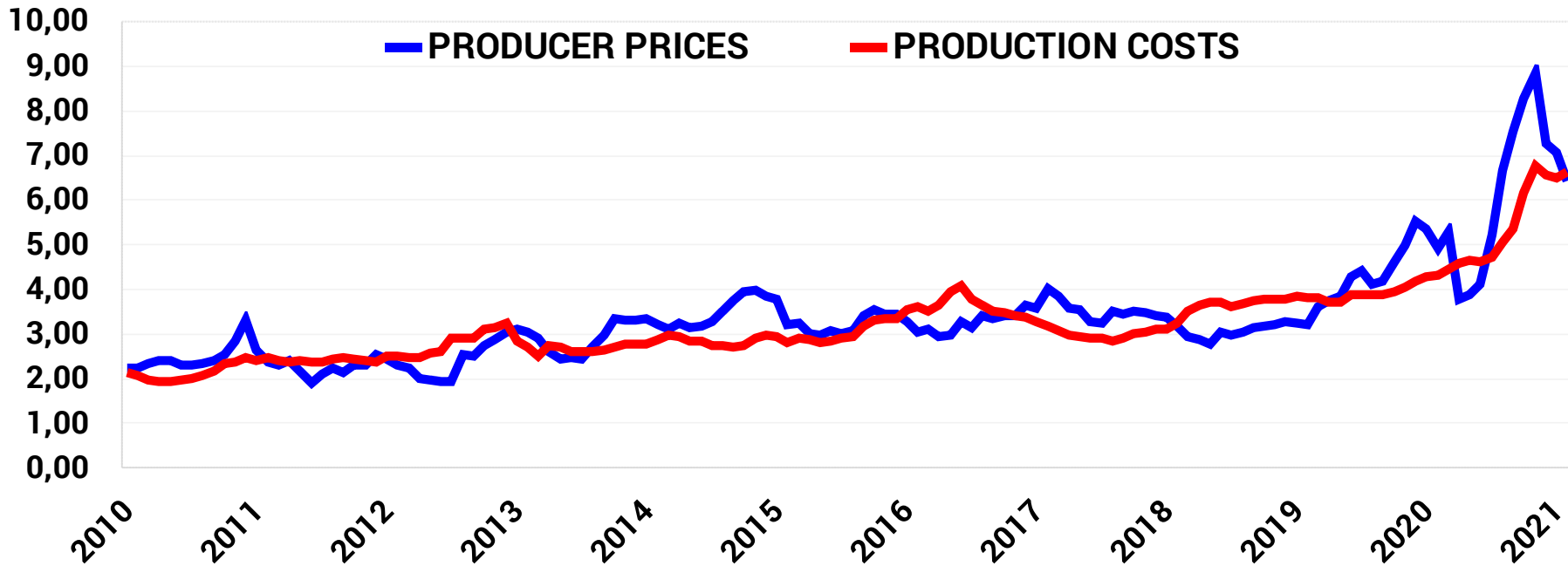
# CHICKEN MEAT: WHOLESALE PRICES SÃO PAULO - R\$/KG



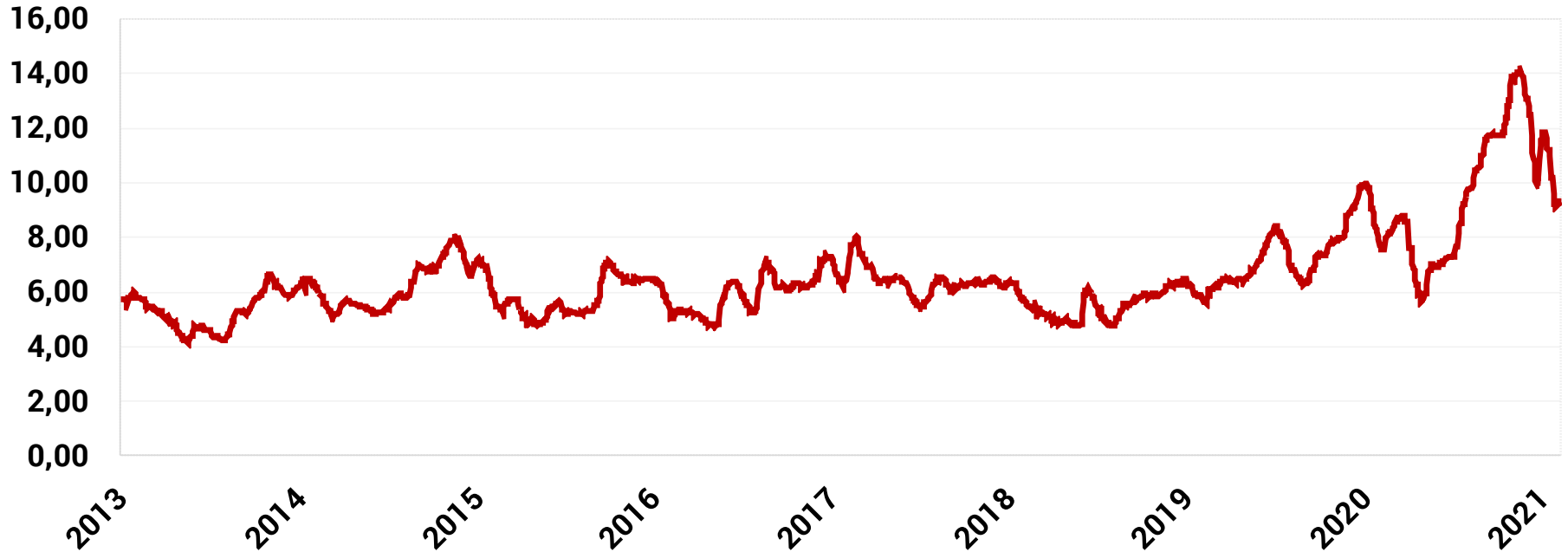
- Average prices for live hogs registered a 9.1% strong decrease in the last 30 days, but accumulating an increase of 30.7% in 12 months.
- In some regions, the average price of live hogs has fallen to the lowest level since July / 2020.
- In the wholesale of São Paulo, pork carcass is quoted, on average, at R\$ 9.30 / Kg, a strong 21.7% decrease in the last 30 days.
- In January / 2021, total pork exports (fresh and processed) reached 63.1 thousand tonnes, a decrease of 7.8% in relation to January / 2020 shipments.
- The sharp drop in demand for pork meat, both on internal and external markets, causes a decrease in industry demand for new batches of pigs produced independently.
- This slow sales of live hogs, especially seen in the Southeast Region, resulted in widespread falls in hog prices for slaughter throughout January and early February.
- The production cost of live pigs has accumulated a strong increase of 53.9% in the last 12 months and is expected to remain at high levels throughout 2021, which will imply the need to recover the prices of live animals and pork to maintain segment profitability.



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



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





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