

MEATS










MARKET OUTLOOK SUMMARY



MARCH/2021



MEATS: MARKET SUMMARY BY SEGMENT

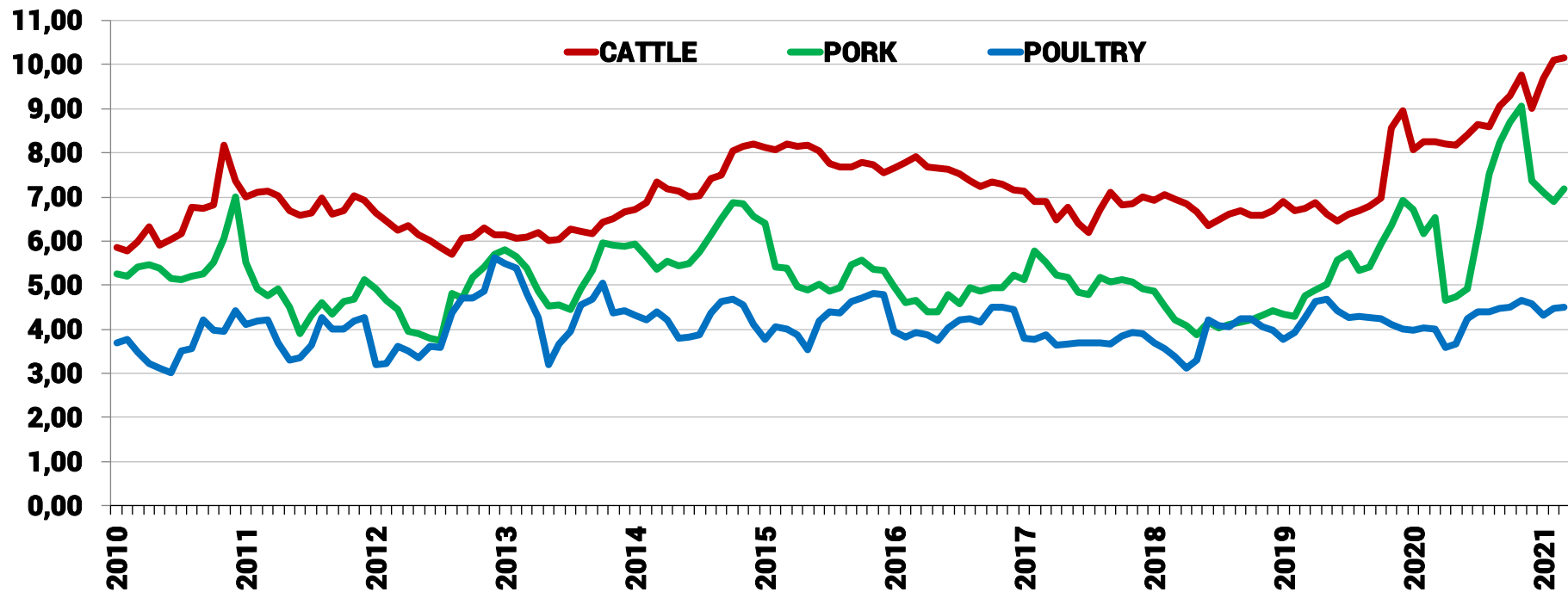
PROTEIN	PRODUCER	WHOLESALE
		
		
		

MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	0,8%	1,1%	4,4%
YEAR TO DATE 2021	14,2%	-0,4%	-1,1%
LAST 12 MONTHS	51,5%	38,5%	35,7%



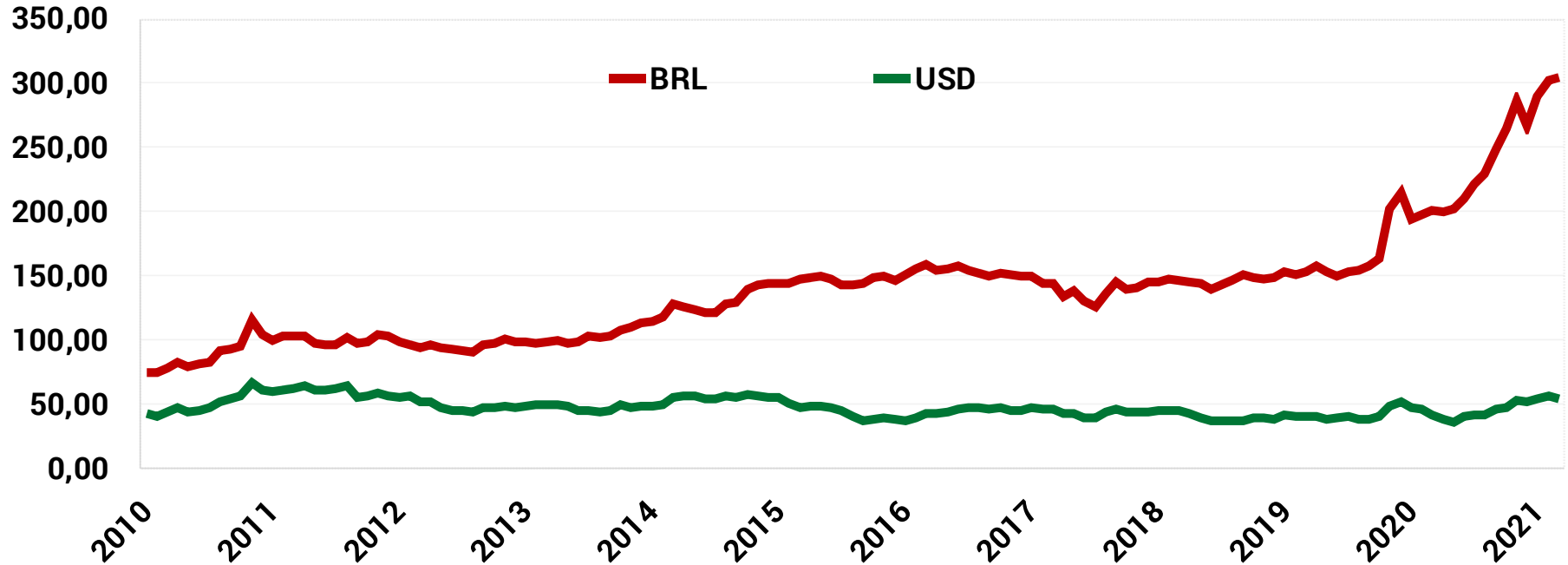
MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



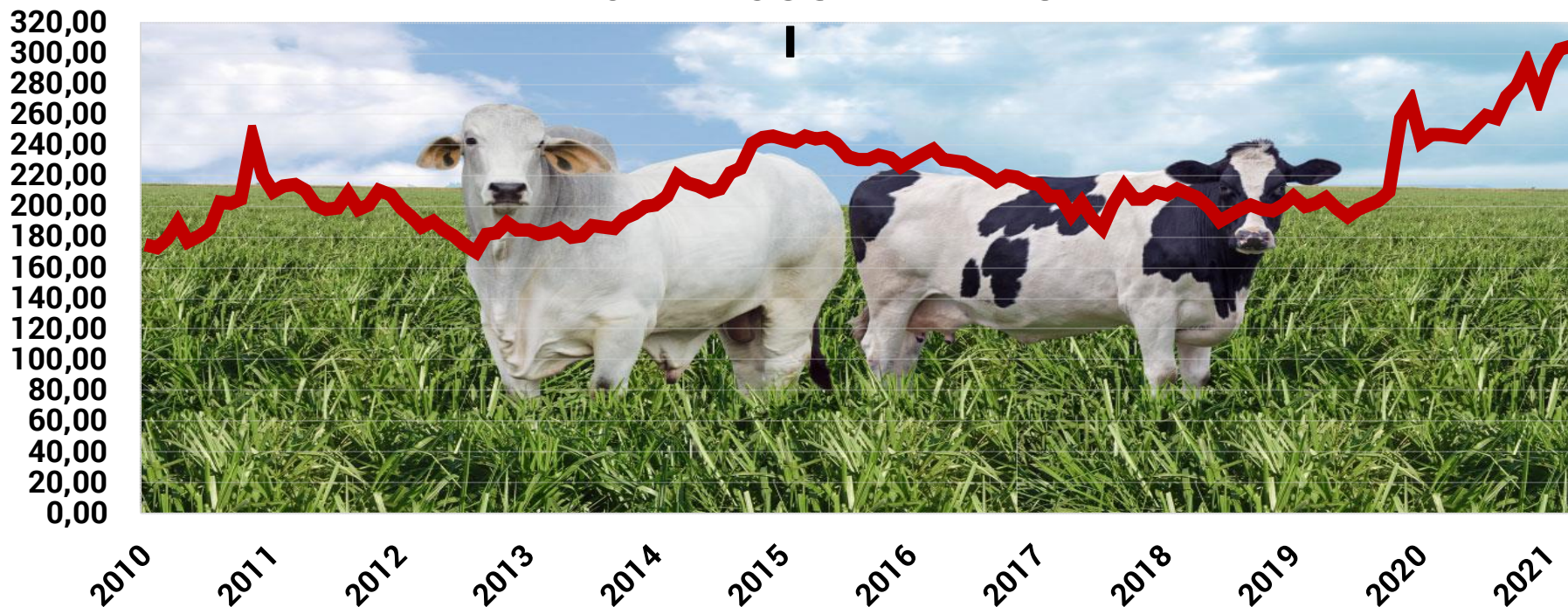
- Live cattle prices are on the rise, reaching record level, quoted in São Paulo at R\$ 304.50 for 15kg on average, with increases of 0.8% in the last 30 days, 14.2% between January and the partial of March 2021 and 51.5% in 12 months.
- Sales of finished cattle are evolving in a timely manner, mainly for exports, while the industries whose focus is the domestic market operate with tighter margins and await the improvement of consumption to act more actively in the acquisition of oxen.
- New batches of finished cattle are expected from this month of March.
- In the first two months of 2021, total beef exports (fresh and processed) reached 209.5 thousand tonnes, with a decrease of 7.9% in comparison with the same period in 2020.
- The scarcity of cattle sustains the price at high levels, which has been making it difficult to pass on the cost of slaughterhouses to final consumers.
- On the other hand, high sustained prices keeps the margins of ranchers positive, who are facing high input prices, such as corn and soybean meal, as well as replacement (lean beef / calf), which should be a challenge for terminators and confiners throughout this year 2021.



CATTLE: PRODUCER PRICES PER 15 KG SÃO PAULO



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

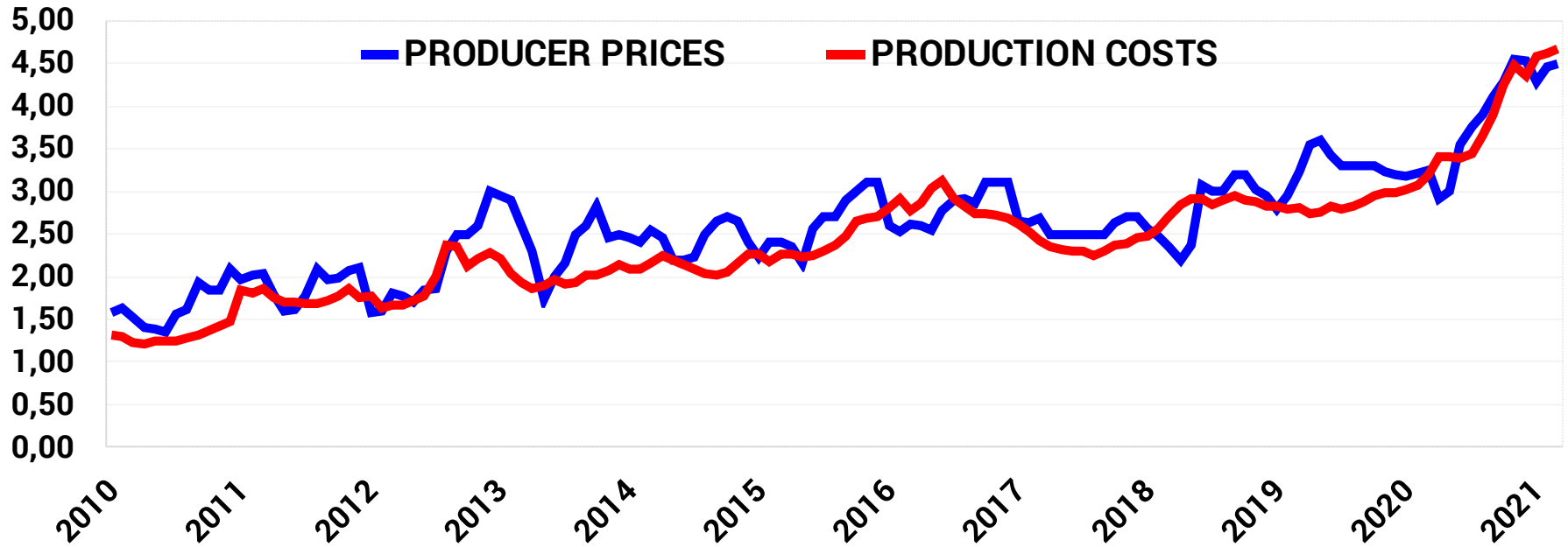


- Average quotations for live chicken increased by 1.1% in the last 30 days, accumulating a nominal advance of 38.5% in the last 12 months.
- In the wholesale of São Paulo, the chicken meat average price is R\$ 6.40 / Kg, an increase of 1.7% in the last 30 days, 6.5% between January and the partial of March 2021 and 30.3% in 12 months.
- Demand for chicken meat increased in the domestic market, leading to higher prices.
- This reaction is due to the high competitiveness of chicken in relation to other competing animal proteins, such as beef and pork.
- In the first two months of 2021, total Brazilian chicken exports (fresh and processed meat) reached 592.2 thousand tonnes, down 6.3% compared to the same period in 2020.
- However, in February, chicken exports performed well, which helped to maintain liquidity in the domestic market and reduce inventories.
- In addition to the increase in shipments, the rise in the price of exported items, which was reduced in 2020, and the rising dollar raised the income generated by exports.
- The production cost of live chicken accumulates an increase of 7.2% year to date and 46.2% in 12 months.



POULTRY: PRODUCER PRICES X PRODUCTION COSTS

BRAZIL SOUTH REGION - R\$/KG (LIVE)



CHICKEN MEAT: WHOLESALE PRICES

SÃO PAULO - R\$/KG

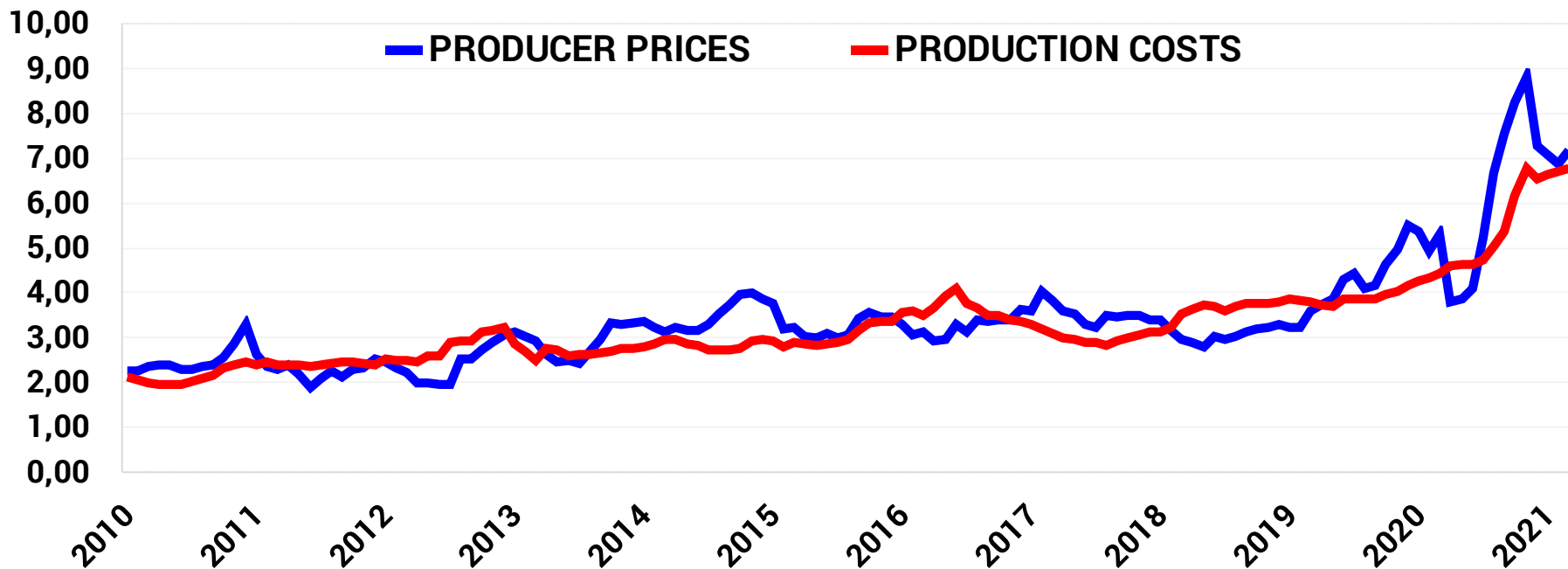


- Average prices for live hogs registered a 4.4% increase in the last 30 days, accumulating an increase of 35.7% in the last 12 months.
- In the wholesale of São Paulo, pork carcass is quoted, on average, at R\$ 11.24 / Kg, an increase of 20.1% in the last 30 days and 30.2% in the last 12 months.
- Liquidity in the live hog market decreased at the end of February and at the beginning of March
- There is difficulty in selling the meat on the domestic market, due to high prices, which halt negotiations, putting pressure on the pigs' values..
- The pace of pork exports this year will be decisive to reduce declines in the prices of live animals, especially in the coming months, when domestic consumption should be more retracted.
- The outlook is positive for exports, with China increasing purchases due to African Swine Fever.
- In the first two months of 2021, total pork exports (fresh and processed) reached 127.3 thousand tonnes, an increase of 8.5% in comparison with the same period in 2020.
- The production cost of live hogs increased by 3.1% between year to date and by 52.4% in 12 months.



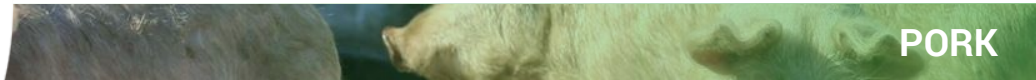
PORK: PRODUCER PRICES X PRODUCTION COSTS

BRAZIL SOUTH REGION - R\$/KG (LIVE)



SWINE CARCASS: WHOLESALE PRICES

SÃO PAULO - R\$/KG





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