

MEATS

MARKET OUTLOOK SUMMARY



NOVEMBER/2021












MEATS: PRODUCER PRICE CHANGES

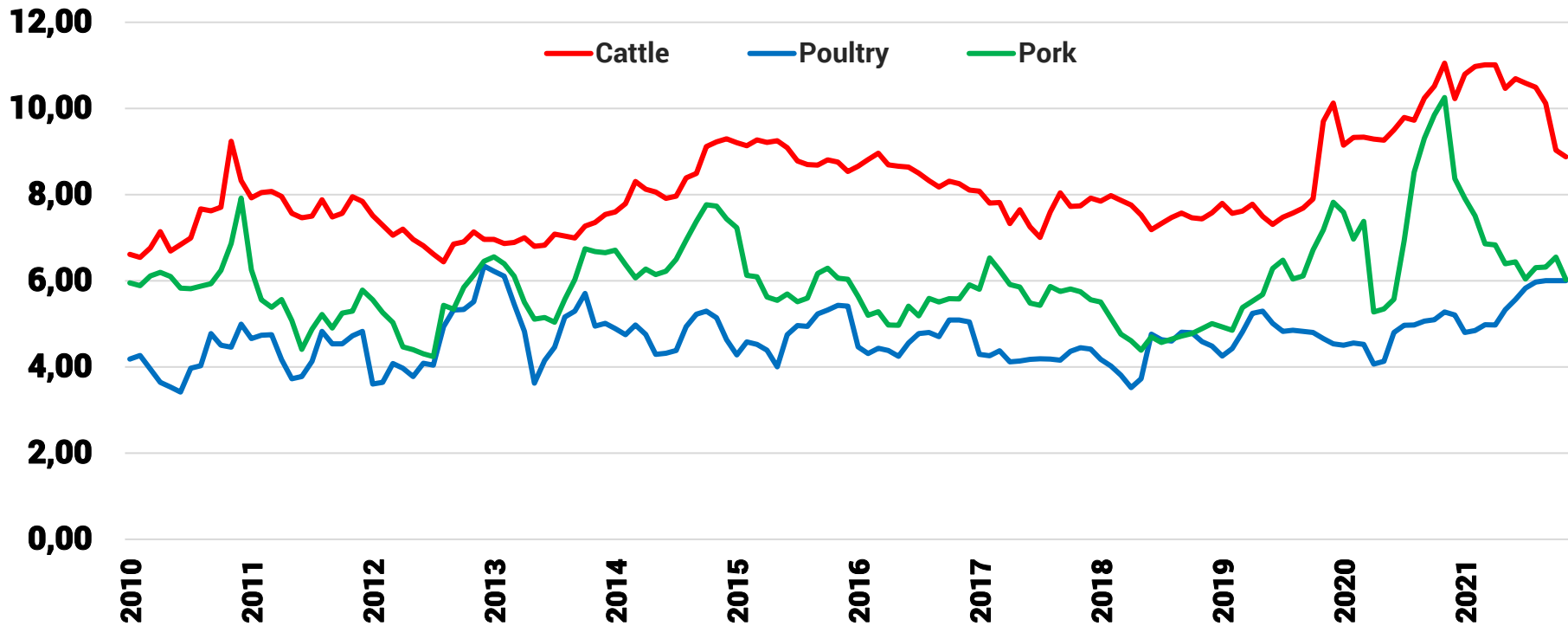
PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	-1,7%	0,0%	-7,9%
YEAR TO DATE 2021	-8,0%	39,9%	-14,7%
LAST 12 MONTHS	-6,8%	31,9%	-31,8%



MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		

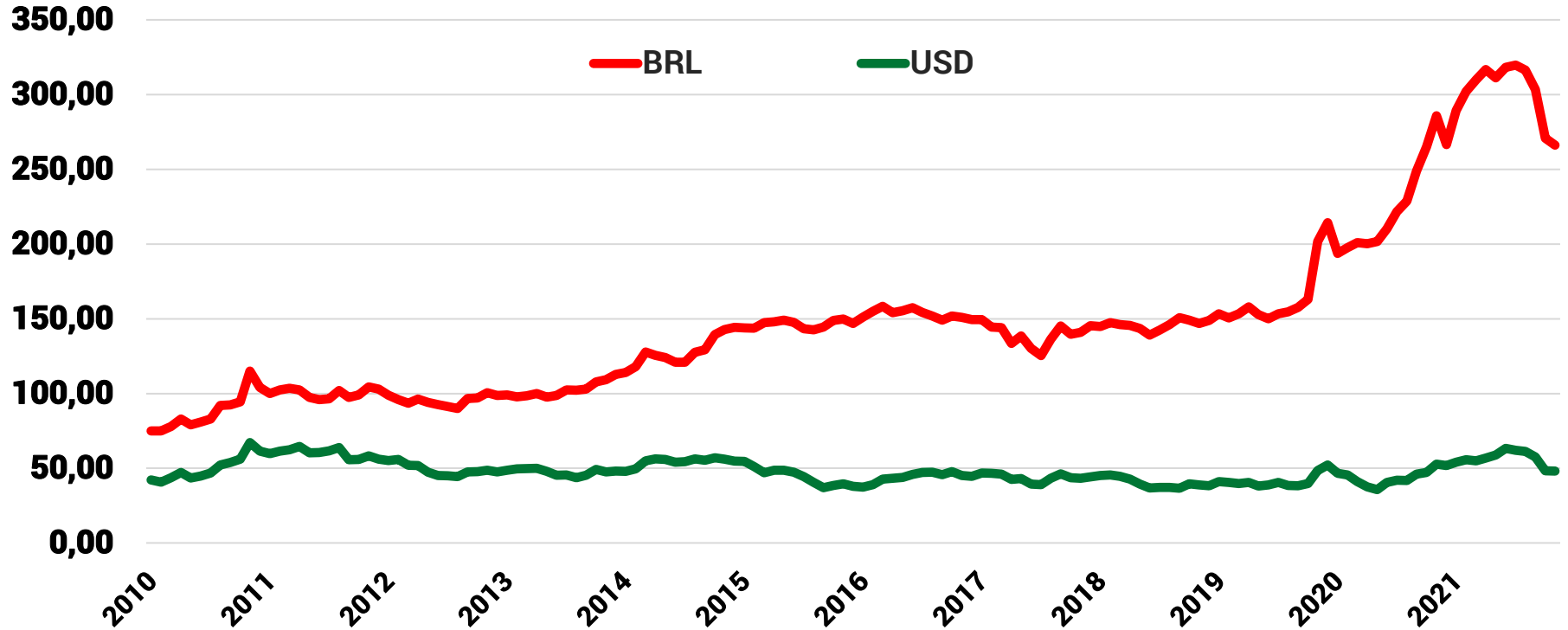
MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



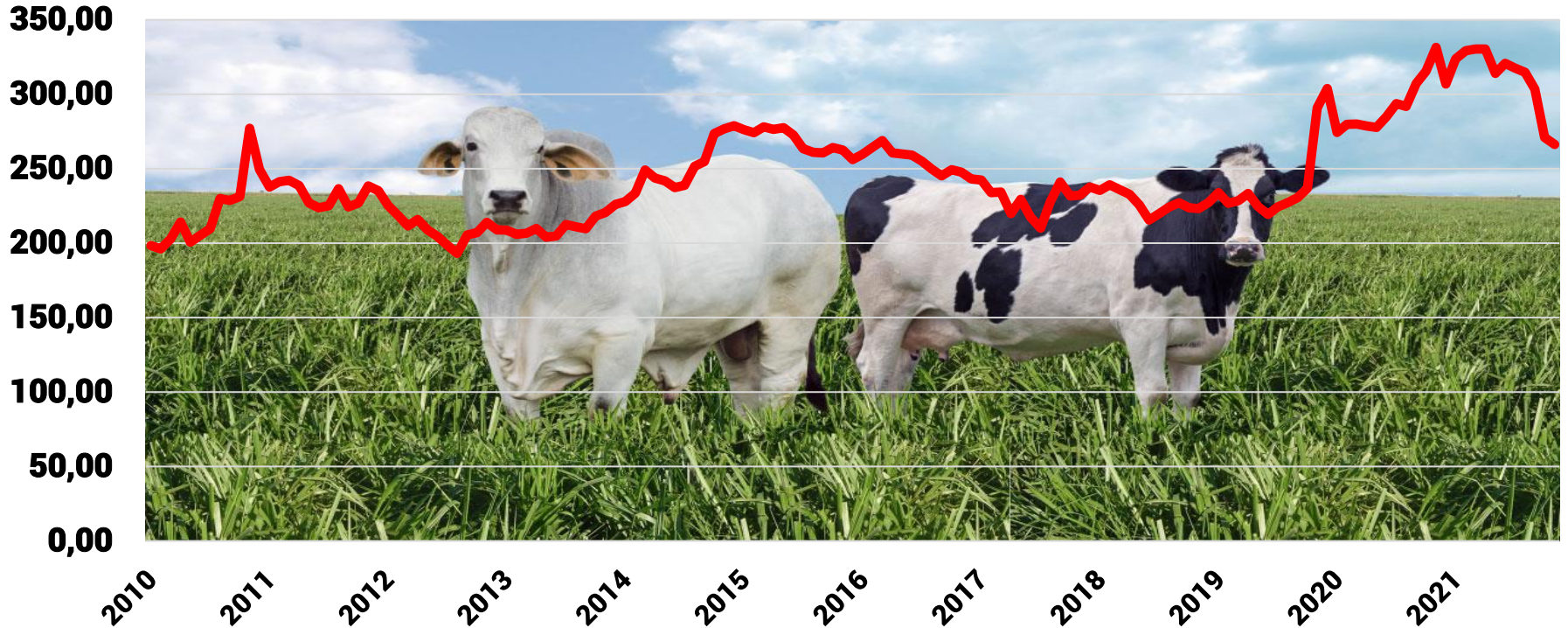
- Live cattle prices are still under downward pressure, quoted in São Paulo at an average of R\$ 266.28 per 15Kg, accumulating a low of 8.0% in 30 days and 6.8% in 12 months.
- However, at the beginning of the month, a warmer domestic market supports live cattle prices.
- The slaughterhouses are more active in the composition of their slaughter schedules, which dropped to a national average of 6 working days.
- More consistent domestic consumption in this final part of the year may help to minimize the losses generated by the absence of China.
- Between January and October 2021, total Brazilian beef exports (fresh and processed) totaled 1.352 MMT, 4.4% below the amount shipped in the same period last year.
- In October/2021, exports dropped 49.5% compared to October/2020, due to the absence of China, the largest importer of the Brazilian product.
- The expectation is that the Brazilian authorities will be able to advance in negotiations with China and that the country will return to buying Brazilian beef soon, since, seasonally, this is the time when the Asian country increases purchases to build stocks for Chinese New Year, celebrated early next year.



CATTLE: PRODUCER PRICES PER 15 Kg SÃO PAULO



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

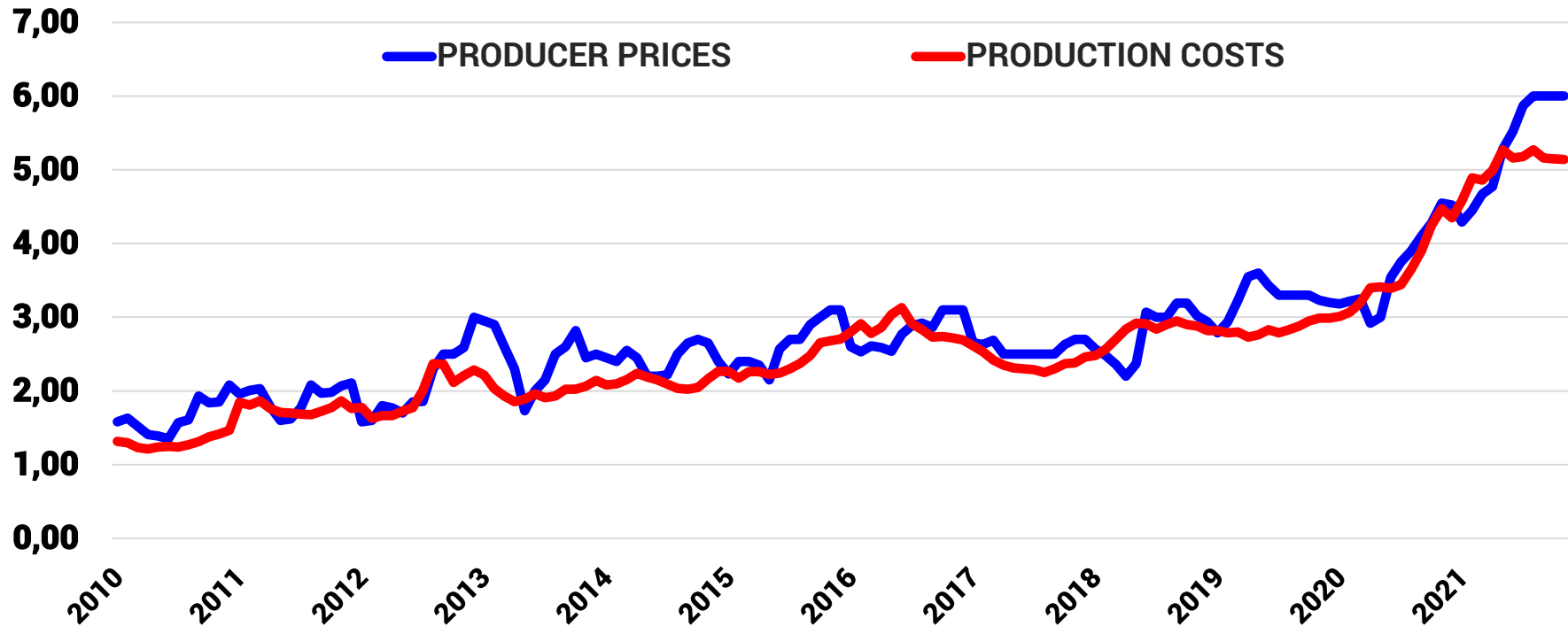


- Live chicken prices are stable, without changes in the last four months, but accumulating an increase of 39.9% between January and the partial of November 2021 and of 31.9% in the last 12 months.
- In São Paulo wholesale, the average price of chicken meat is R\$8.07/Kg, down 1.9% in 30 days, but with an increase of 32.9% between January and the partial price of November 2021.
- The production cost of live chicken accumulates an increase of 12.2% year to date and 15.0% in the last 12 months, but the margins remain positive in the activity since June/2021.
- Between January and October 2021, total exports of chicken meat (fresh and processed) reached 3.558 MMT, 9.0% above the amount shipped in the same period last year.
- Average prices for chicken meat on the domestic market are weaker, after a five-month high, due to slower sales throughout October.
- However, the current price is significantly above the same period in 2020, which is an encouragement to the sector, which worked with tight or even negative margins, due to high production costs, especially those related to food (feed cost) and electricity.



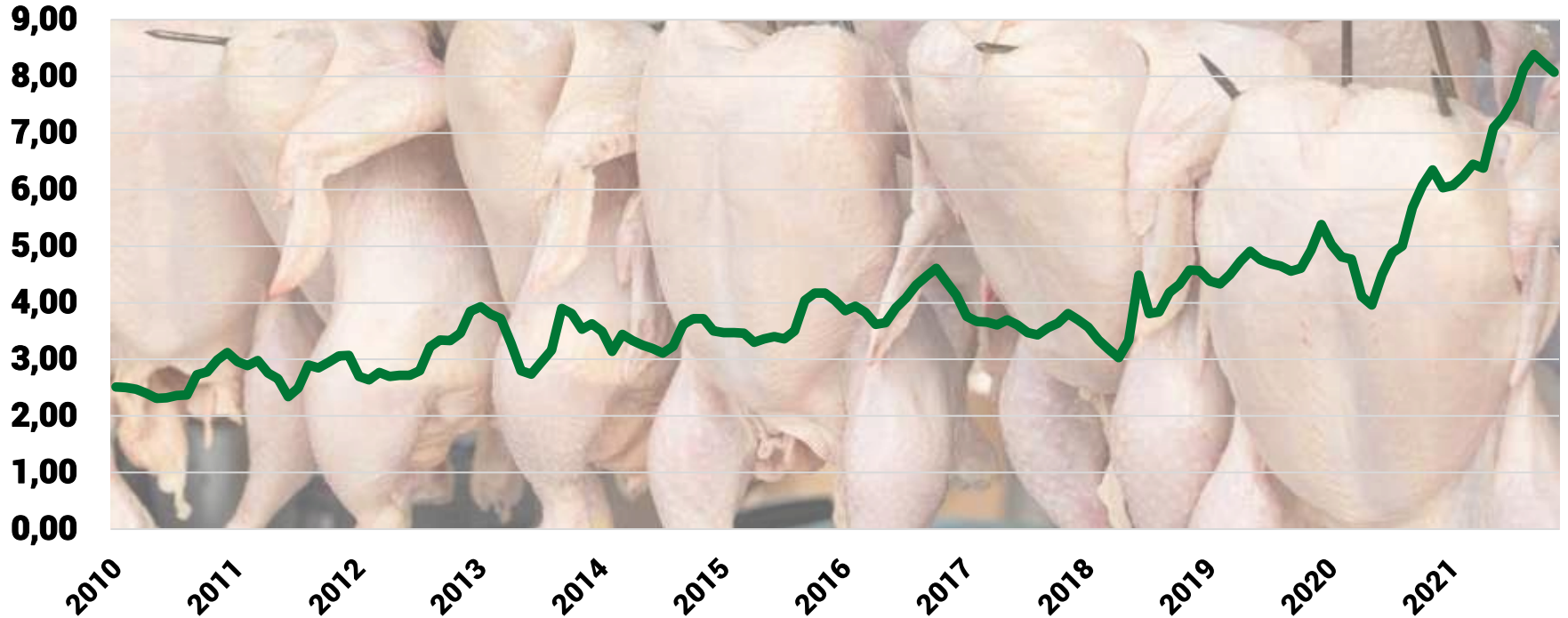
POULTRY: PRODUCER PRICES X PRODUCTION COSTS

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



CHICKEN MEAT: WHOLESALE PRICES

SÃO PAULO - R\$/KG

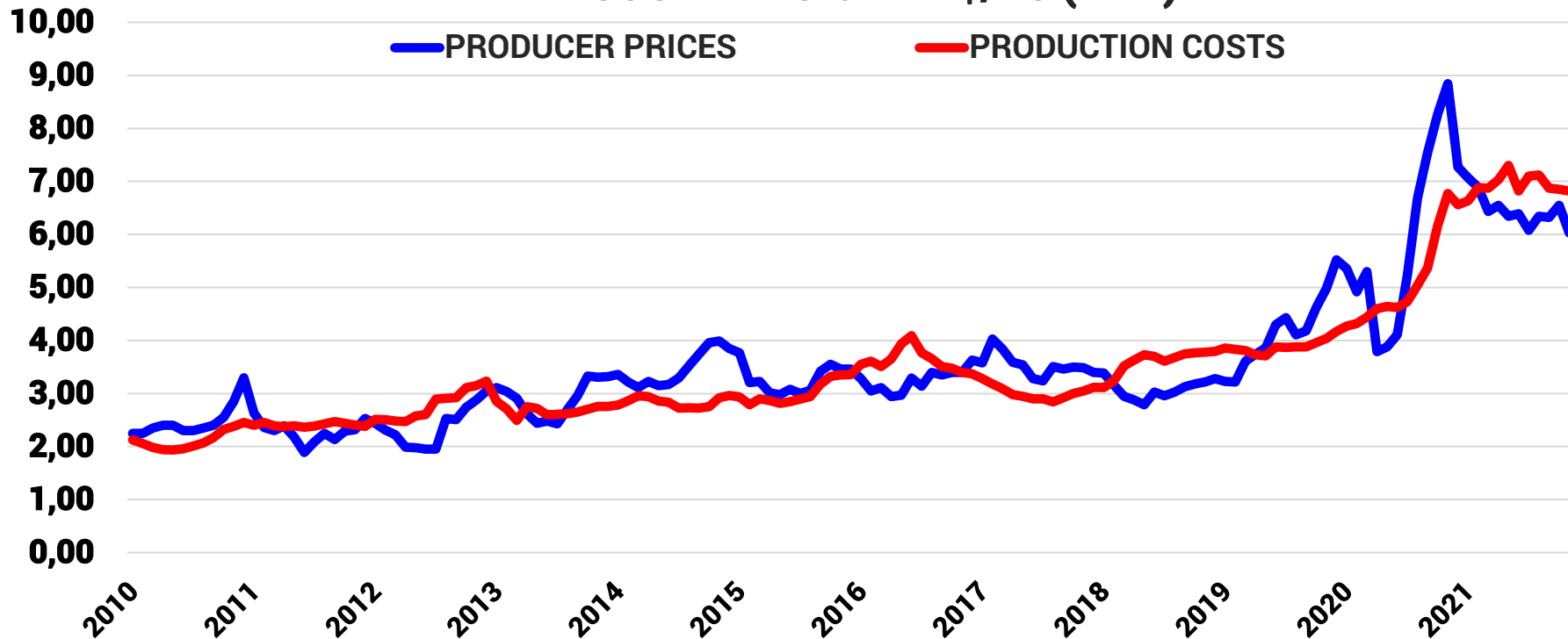


- The average prices of live hogs registered a decrease of 7.9% in the last 30 days, 14.7% between January and the partial of November 2021 and 31.8% in the last 12 months.
- In São Paulo wholesale, the average price of pork carcass is R\$9.41/Kg, down 9.2% in the last 30 days, 12.1% between January and the partial price of November 2021 and 31.4% in the last 12 months.
- The production cost accumulates an increase of 2.8% between January and October 2021 and of 10.5% in the last 12 months, remaining at levels above the average price paid to the pig farmer.
- Between January and October 2021, total pork exports (fresh and processed) reached 865.3 thousand tonnes, 15.0% above the amount shipped in the same period last year.
- Since the 2nd half of October, live pork prices have retreated again, pressured by the retraction of slaughterhouses, which limit purchases of new batches, due to the weakening of wholesale meat sales.
- Demand for wholesale meat is sluggish, due to a reduction in consumer income, reinforced by high inflation, which is reflected in downward pressure on live pork prices in most of the producing regions.



PORK: PRODUCER PRICES X PRODUCTION COSTS

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



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





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