

MEATS

MARKET OUTLOOK SUMMARY



JANUARY/2022












MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	5,7%	18,0%	-24,8%
YEAR TO DATE 2021	5,7%	18,0%	-24,8%
LAST 12 MONTHS	18,1%	37,5%	-36,6%

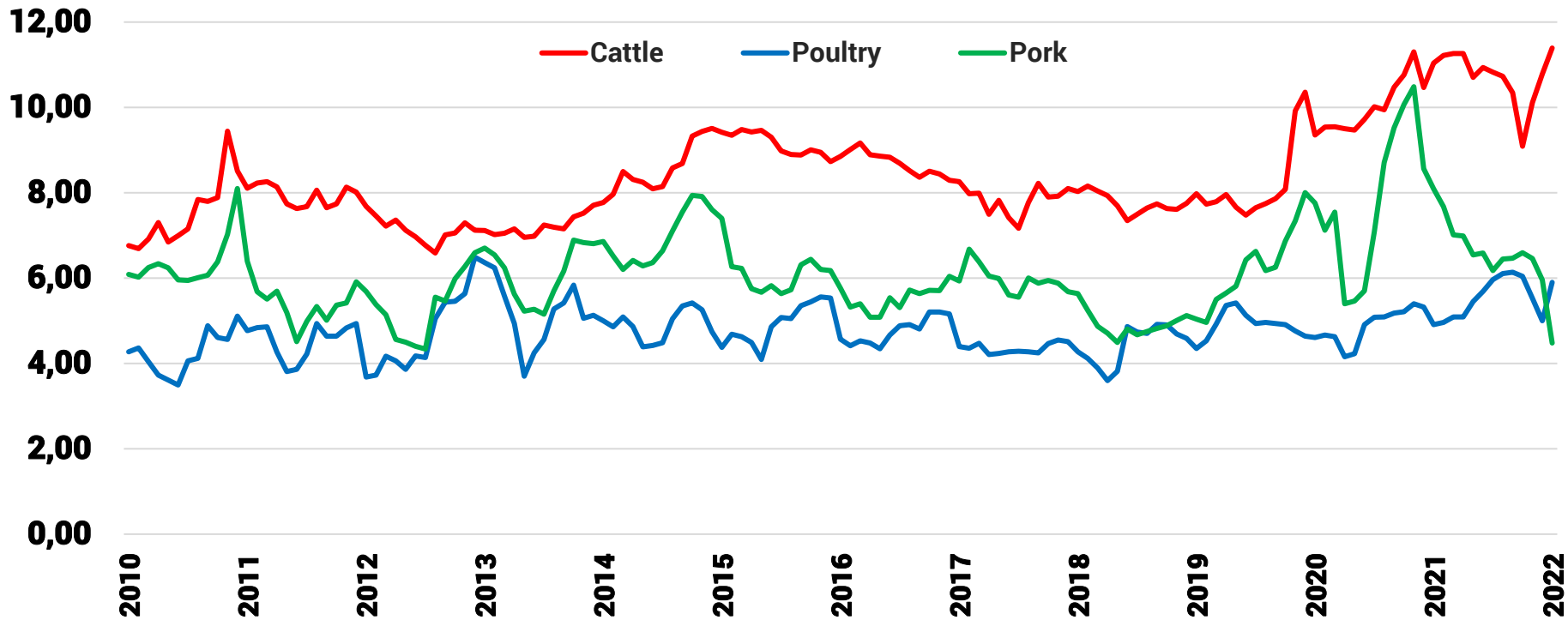


MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		



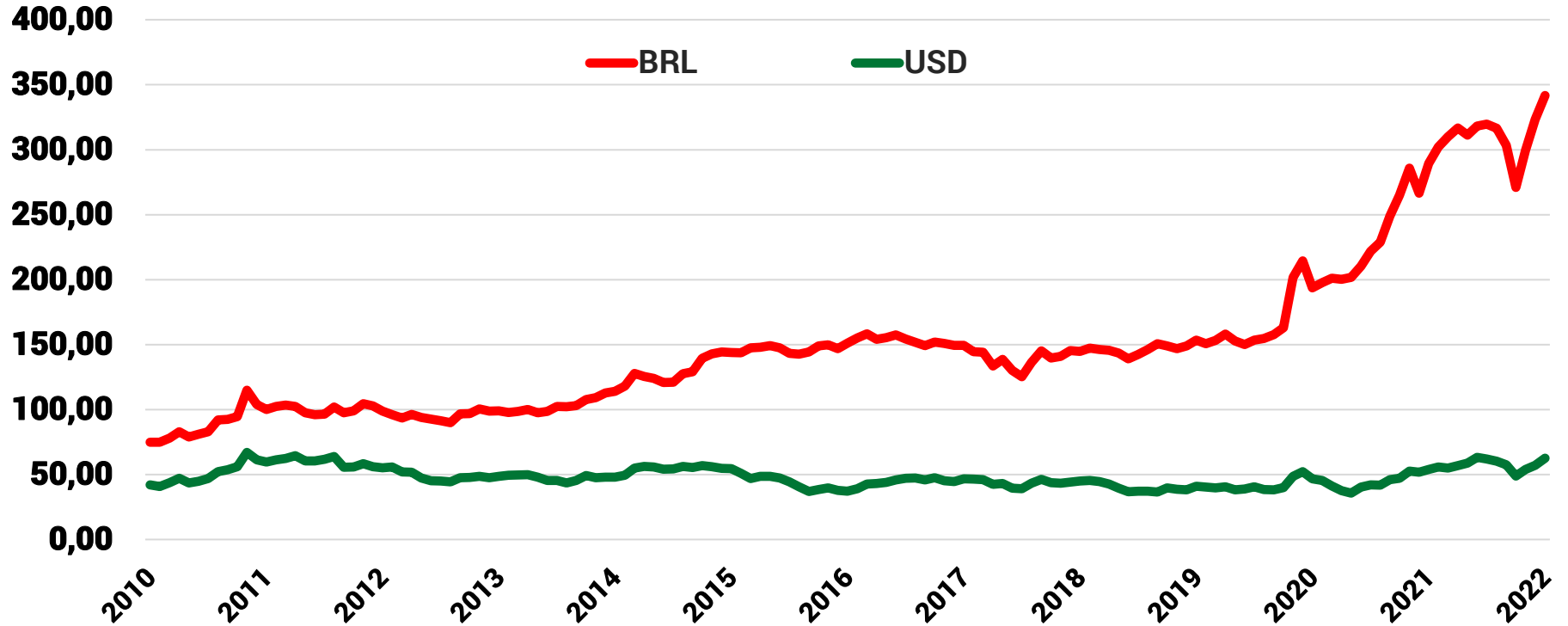
MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- Live cattle prices are sustained at high levels, quoted, in São Paulo, at an average of R\$ 341.74, accumulating a rise of 5.7% in 30 days and 18.1% in 12 months. .
- Weak retail demand for beef does not threaten the firmness of live cattle prices, as the supply of finished cattle is restricted, while exports signal sustained demand in the short term.
- The supply does not grow and the difficulty of forming lots prevents the absence of buyers from exerting pressure on the prices of cattle, despite the fact that the rotation in the industries are longer, but not completely filled.
- Between January and December 2021, total exports of beef (fresh and processed) totaled 1.560 MMT, 9.5% below the amount shipped in the same period of the previous year.
- Brazilian exports of fresh beef could hit a record in January/2022 if the pace of shipments observed so far continues, reaching 140,000 tonnes, 30% above January/2021.
- From the second half of February, seasonality should start to weigh on live cattle prices, as there is normally an increase in supply, with the increase in the slaughter of females, but this does not mean that there will be an high volume of animals available for slaughter.



CATTLE: PRODUCER PRICES PER 15 Kg SÃO PAULO



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

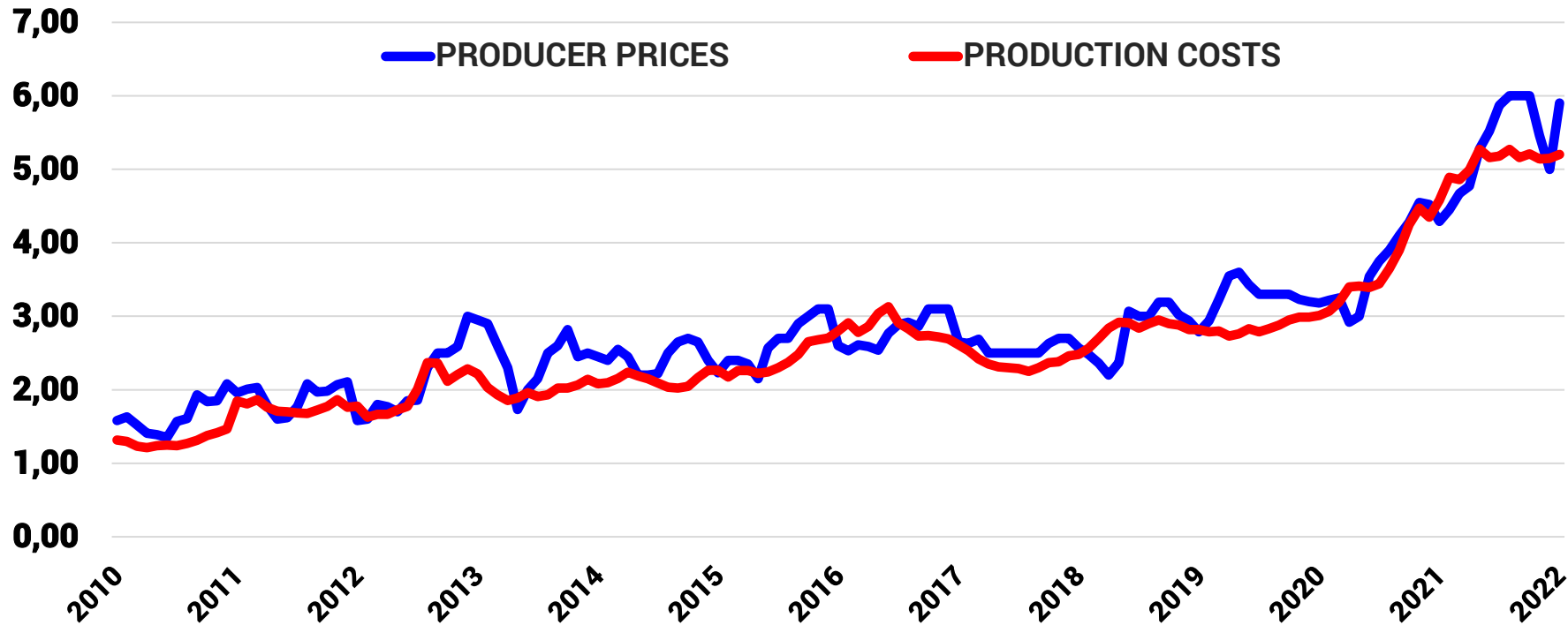


- Live chicken prices are on the rise, with the average price in São Paulo of R\$ 5.90, accumulating an increase of 18.0% in the last 30 days and 37.5% in the last 12 months.
- In the wholesale of São Paulo, however, the average price of chicken meat is R\$ 5.93/Kg, with a decrease of 12.3% in the last 30 days and 2.3% in the last 12 months.
- The production cost of live chicken accumulates a high of 12.2% in the last 12 months, but the margins remain positive in the activity. However, the trend is for increasing prices of main feed inputs (corn and soybean meal).
- Between January and December 2021, total exports of chicken meat (fresh and processed) reached a record 4.246 MMT, 7.8% above the amount shipped in the previous year.
- Domestic demand for chicken meat has been decreasing since October/2021, putting pressure on prices, which have been falling continuously in the last four months.
- The difference between the prices of whole chicken and bovine carcass, which is R\$ 15.67 per kg, in January 2022, is the largest in the historical series.
- This increases the competitiveness of chicken against beef, but does not increase consumption of the former.



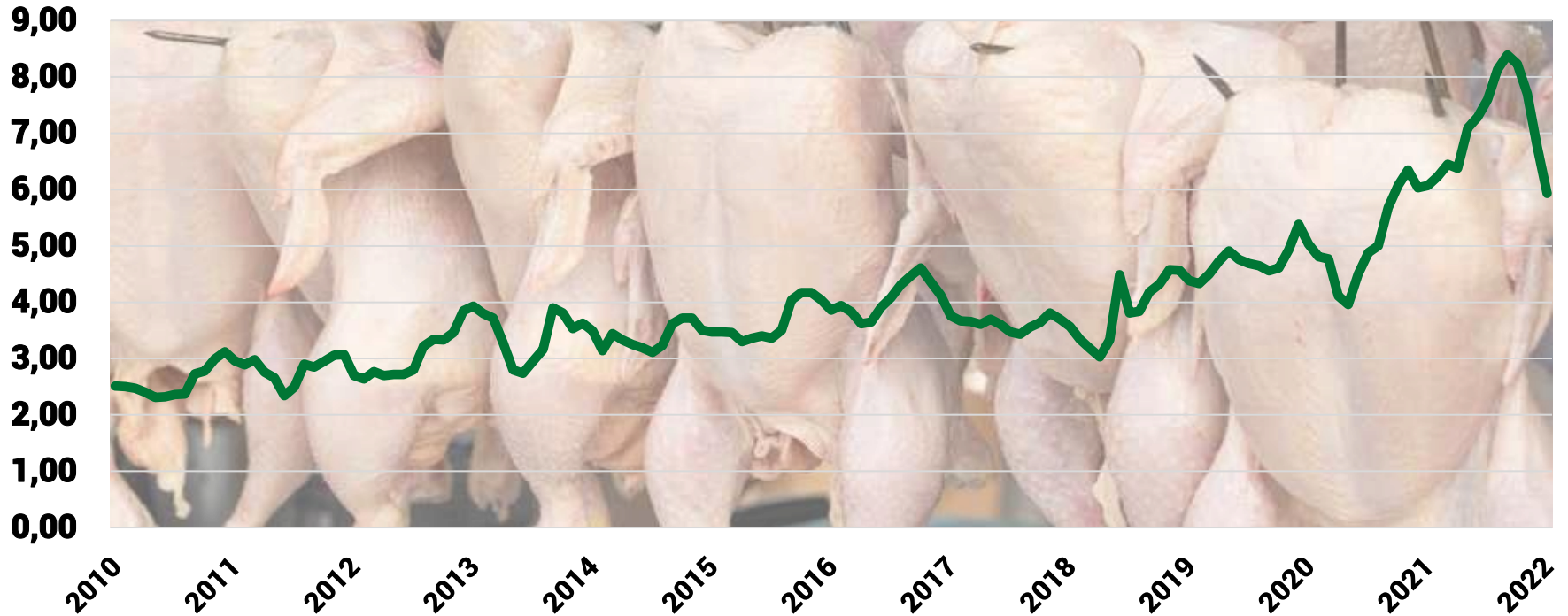
POULTRY: PRODUCER PRICES X PRODUCTION COSTS

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



CHICKEN MEAT: WHOLESALE PRICES

SÃO PAULO - R\$/KG

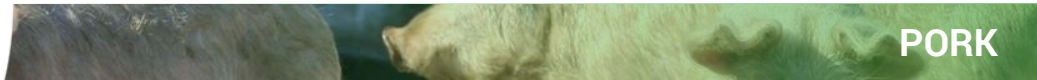
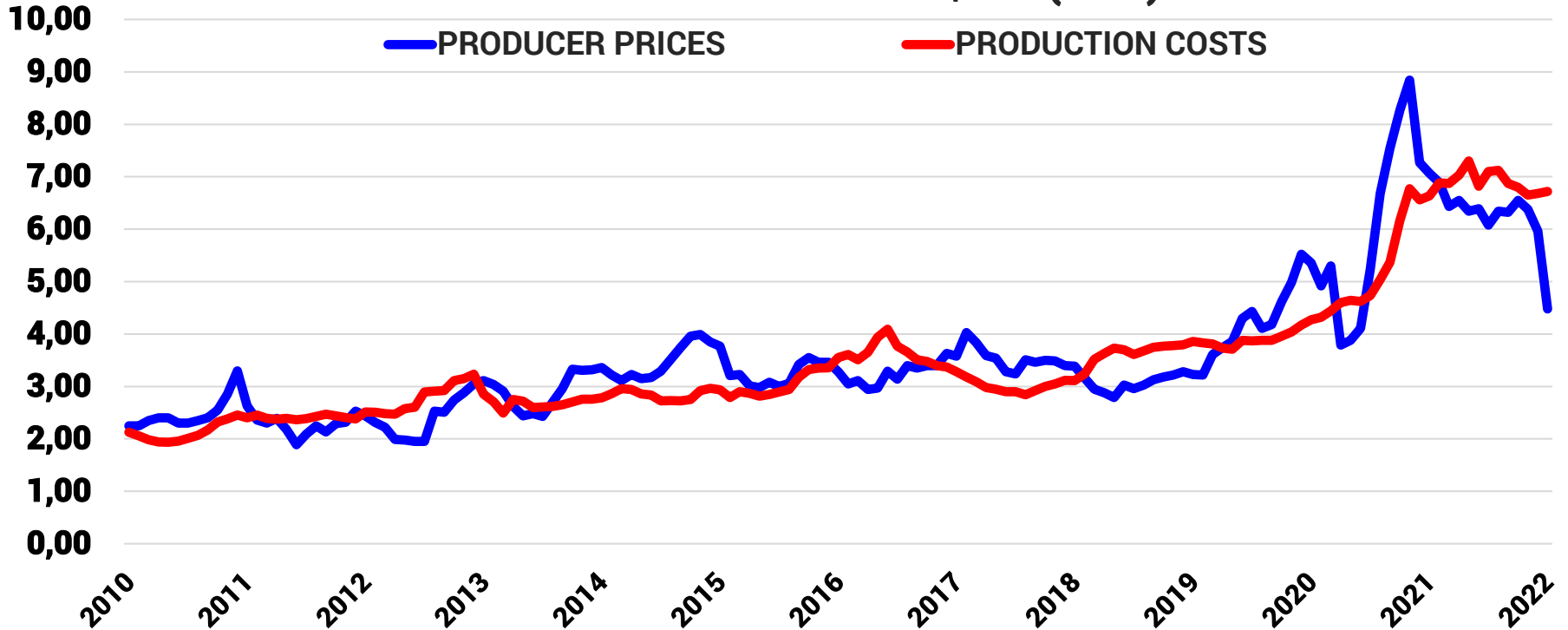


- The average prices of live hogs recorded a strong drop of 24.8% in the last 30 days, accumulating a decrease of 36.6% in the last 12 months.
- This drop is caused by a combination of slow sales and a high supply of pigs for slaughter.
- In the wholesale of São Paulo, the average price of pork carcass is R\$ 7.78/Kg, with a strong drop of 23.3% in the last 30 days and 27.3% in the last 12 months.
- The production cost of live swine accumulates an increase of 1.3% in 12 months, remaining at levels above the average price paid to the swine farmer.
- Between January and December 2021, total exports of pork (fresh and processed) reached a record 1.015 MMT, 12.7% above the amount shipped in the previous year.
- The high supply, the difficulty of selling the hogs ready for slaughter and the low demand, typical for the month of January, have continuously pressured the prices of live hogs in the independent market.
- The expressive devaluation is combined with the sharp rise in the prices of the main inputs of the activity, corn and soybean meal, which drastically reduces the purchasing power of pig farmers. In the case of corn, it is the lowest purchase power in the historical series.



PORK: PRODUCER PRICES X PRODUCTION COSTS

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



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





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