

MEATS

MARKET OUTLOOK SUMMARY



JUNE/2022












MEATS: PRODUCER PRICE CHANGES

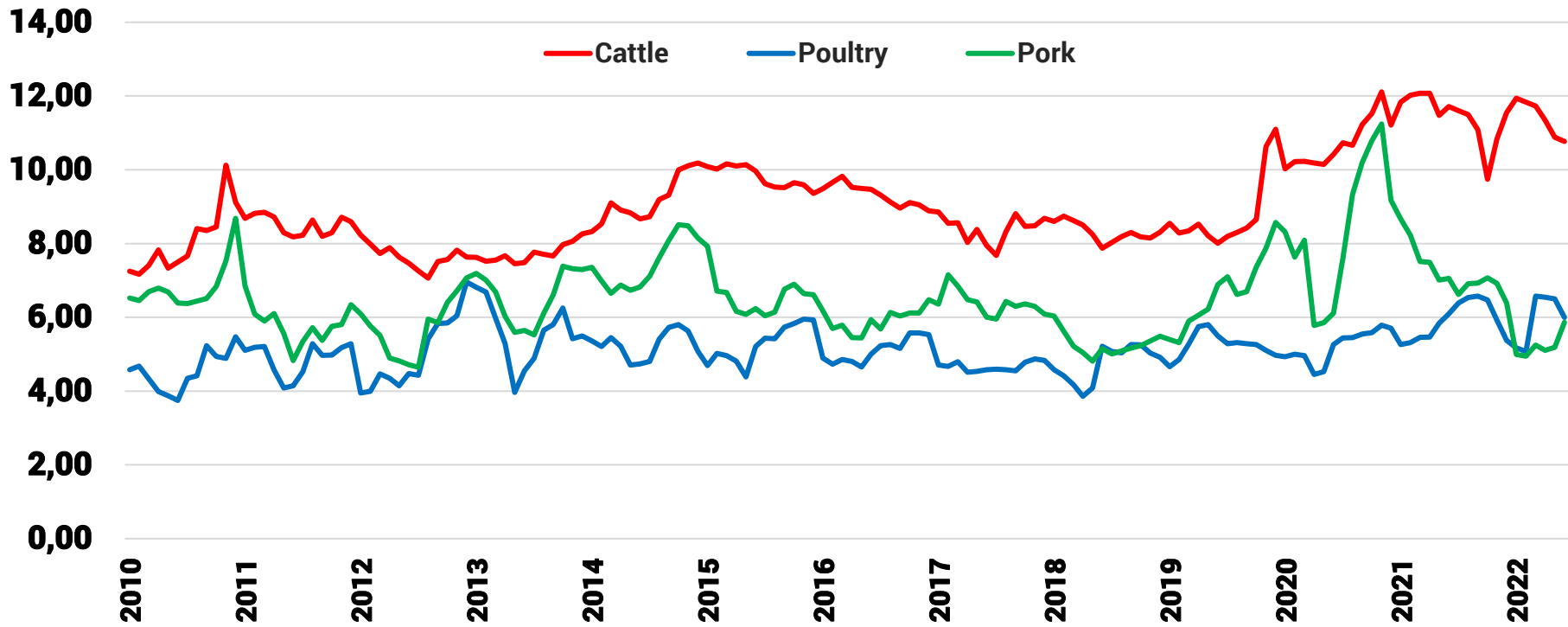
PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	-1,0%	-7,7%	12,9%
YEAR TO DATE 2022	-0,1%	19,6%	-1,7%
LAST 12 MONTHS	1,5%	8,7%	-8,3%



MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		

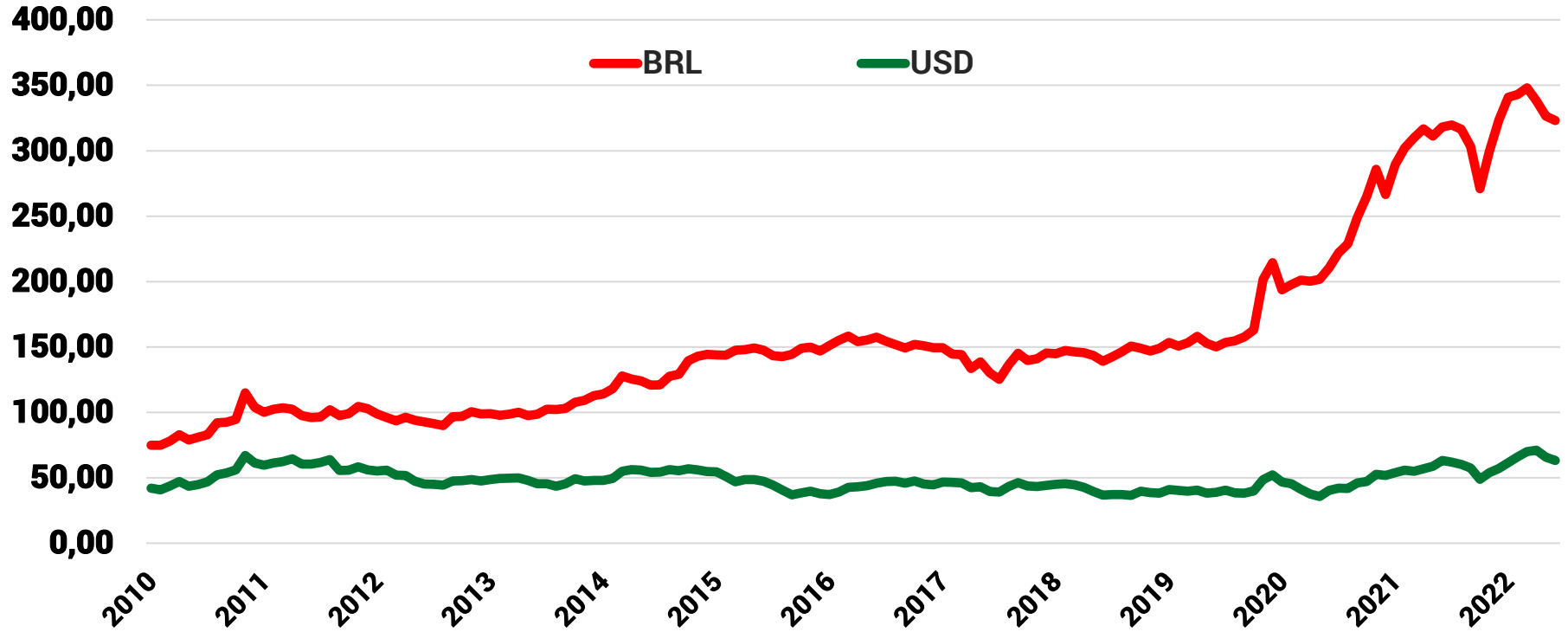
MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- Live cattle prices are stable, with quotes in São Paulo, at an average of R\$ 323.09 per 15kg, with a slight decrease of 1.0% in 30 days, but accumulating a nominal advance of 1.5 % in 12 months and a sharp 53.6% in 24 months.
- The slowdown in sales of live cattle whose meat is destined for the domestic market continues in the country's livestock regions, with stable prices, supported by strong exports.
- The slaughterhouses are able to extend schedules with the supply of finished cattle and for this reason they have little activity in the physical market and the trend is still for stable prices in the short term.
- The pressure stems from the growth in the supply of oxen, which is typical at this time of year, when the pastures begin to deteriorate and the availability of meat for slaughter increases, in order to avoid expenses with feed.
- In addition, domestic demand is weak, and in May, wholesale meat sales were so sluggish, that the cattle carcass devalued by 6.3% in the month: this is the biggest drop in any given month, since January 2020.
- Between January and May 2022, total Brazilian exports of beef (fresh and processed) totaled 779.7 thousand tonnes, a sharp 30.9% above the amount shipped in the same period of the previous year.



CATTLE: PRODUCER PRICES PER 15 Kg SÃO PAULO



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

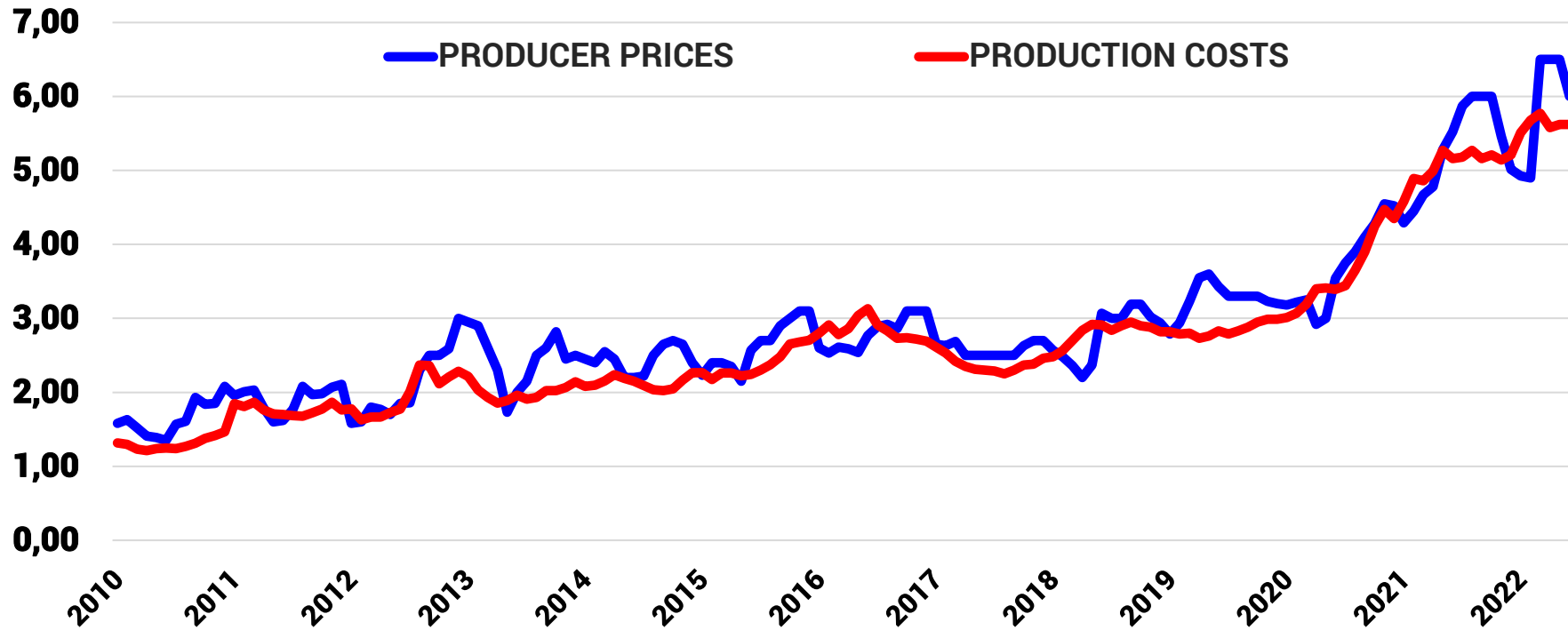


- Live chicken prices lost steam and retreated to an average of R\$ 6.00/kg in São Paulo, down 7.7% in the last 30 days, but with an accumulated advance of 8.7% in the last 12 months.
- In the wholesale of São Paulo, the average price of chicken meat is R\$ 7.67/Kg, a decrease of 0.9% in the last 30 days, but increasing 5.2% in 12 months.
- The prices of chicken meat at levels still considered high in the domestic market inhibit consumption, as the low purchasing power of the Brazilian population, weakened mainly by the advance of inflation in the country, limits the sales of the protein in wholesale and retail.
- Between January and May 2022, total exports of chicken meat (fresh and processed) reached 1.829 MMT, 7.4% above the amount shipped in the same period of the previous year.
- Opposite to the local situation, which is the weakening of wholesale chicken meat prices, in the foreign market there is a strong appreciation of quotations, as a result of the war and the high production costs.
- In addition to the losses resulting from Avian Influenza (H5N1), Europe suffers from the increase in agricultural input prices caused by the conflict in Eastern Europe, since Ukraine was, until then, the largest exporter of corn and chicken meat to the EU.

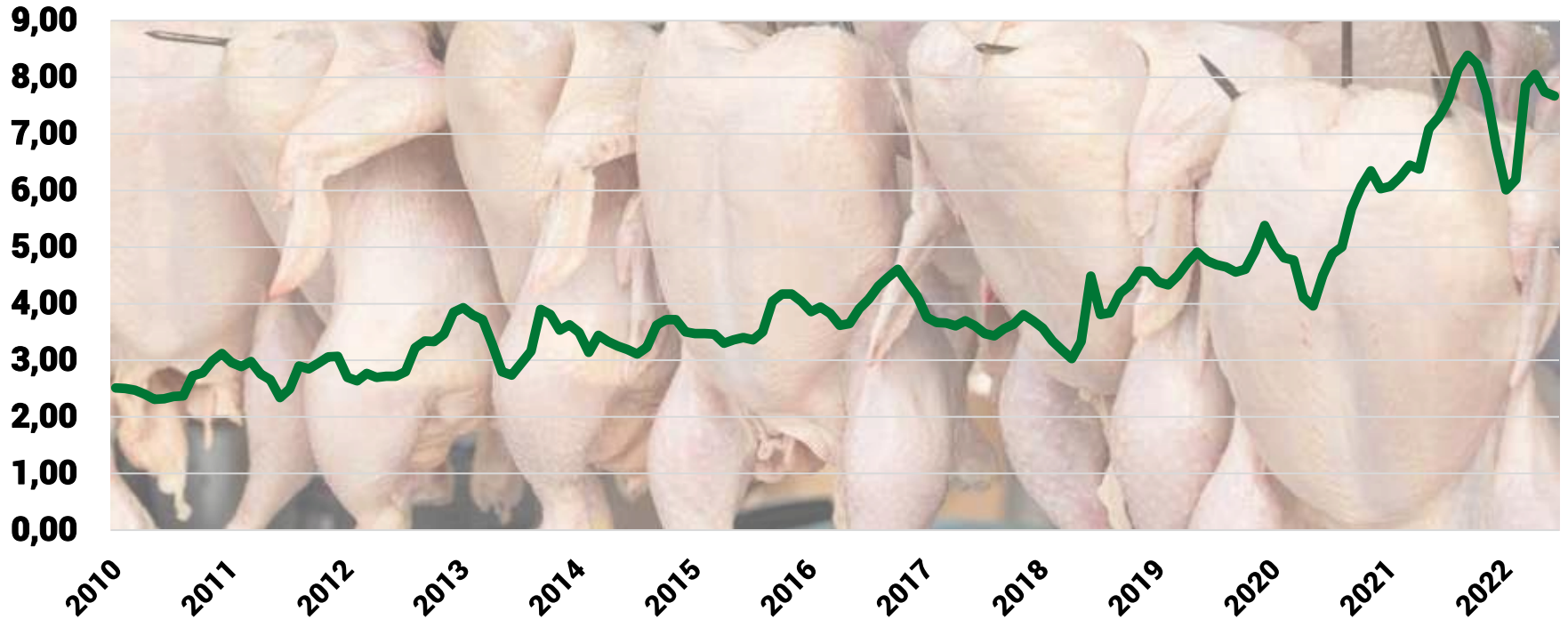


POULTRY: PRODUCER PRICES X PRODUCTION COSTS

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



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

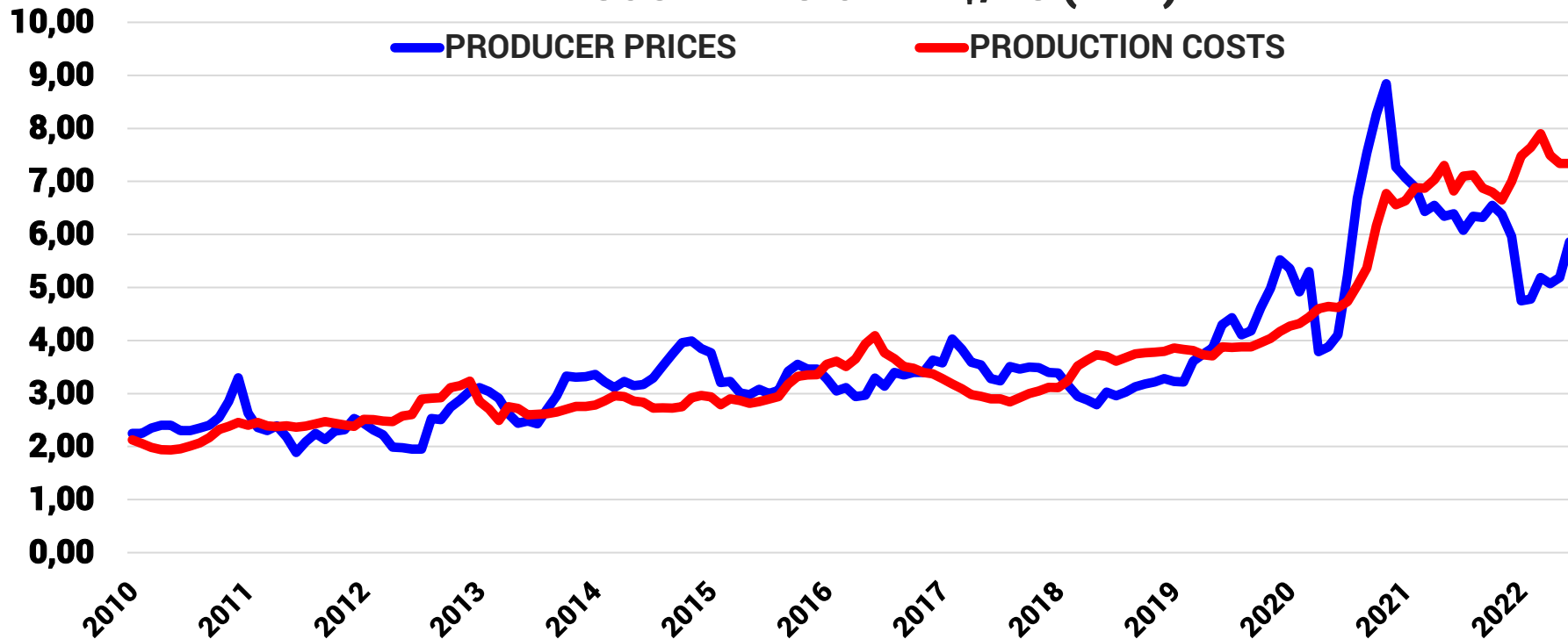


- The average prices of live hogs are rising, accumulating a high of 12.9% in the last 30 days, but with a decline of 8.3% in 12 months.
- In the wholesale of São Paulo, the average price of pork carcass is R\$ 9.29/Kg, with a slight increase of 0.5% in the last 30 days, but with an accumulated decrease of 10.0% in the last 12 months.
- The scenario is still of cost above the prices received, growing concern about excess production, in addition to the slow internal demand for pork and the weaker pace of Brazilian exports in the accumulated of 2022.
- Between January and May 2022, total exports of pork (fresh and processed) reached 374.6 thousand tonnes, 7.0% below the amount shipped in the same period of the previous year.
- As a result, live pork prices in the spot market began to operate below those observed for pork from integrated production, highlighting that, historically, quotations in the independent market operate above those of integrated production, due to higher costs.
- To stop the losses, pig farmers – both integrated and independent – are reducing the herds, in order to equalize the volume to be produced with exports and domestic consumption.



PORK: PRODUCER PRICES X PRODUCTION COSTS

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



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





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