

MEATS

MARKET OUTLOOK SUMMARY



JANUARY/2023












MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	-5,2%	0,0%	-0,9%
YEAR TO DATE 2023	-5,2%	0,0%	-0,9%
LAST 12 MONTHS	-19,4%	1,5%	42,5%

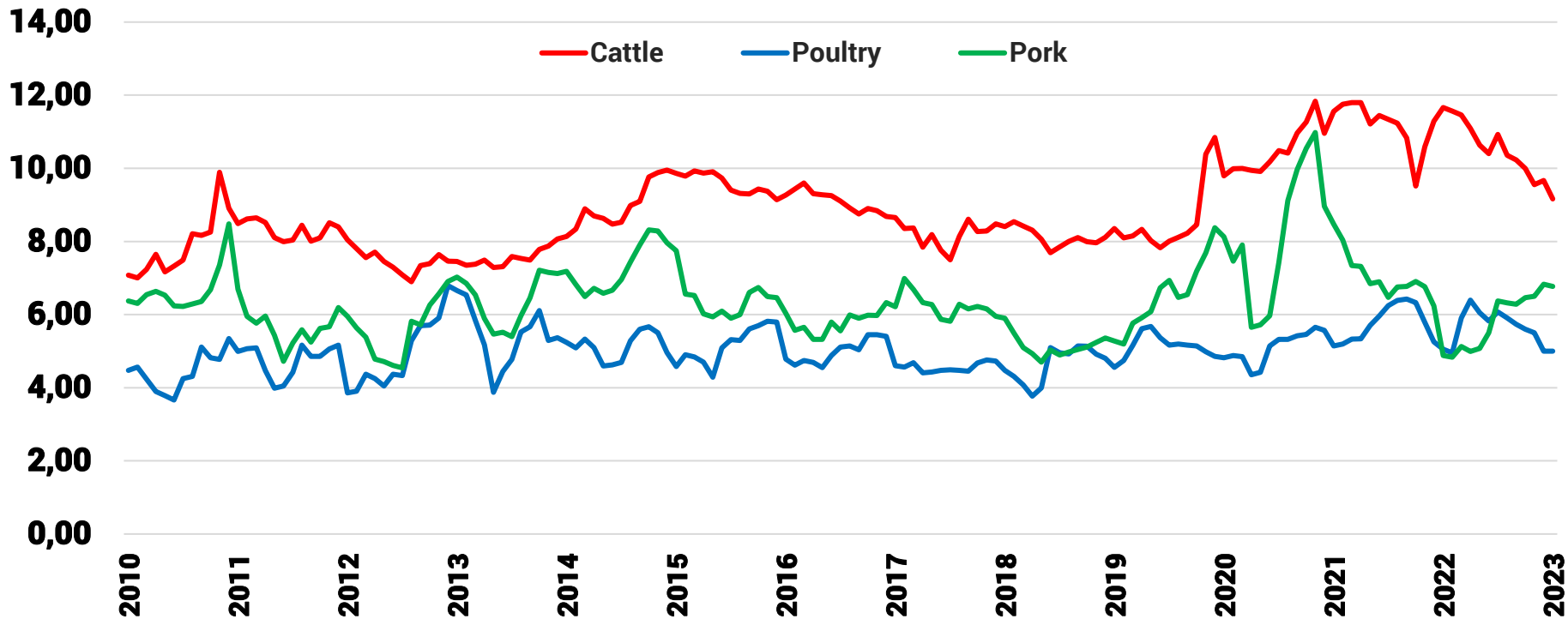


MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		



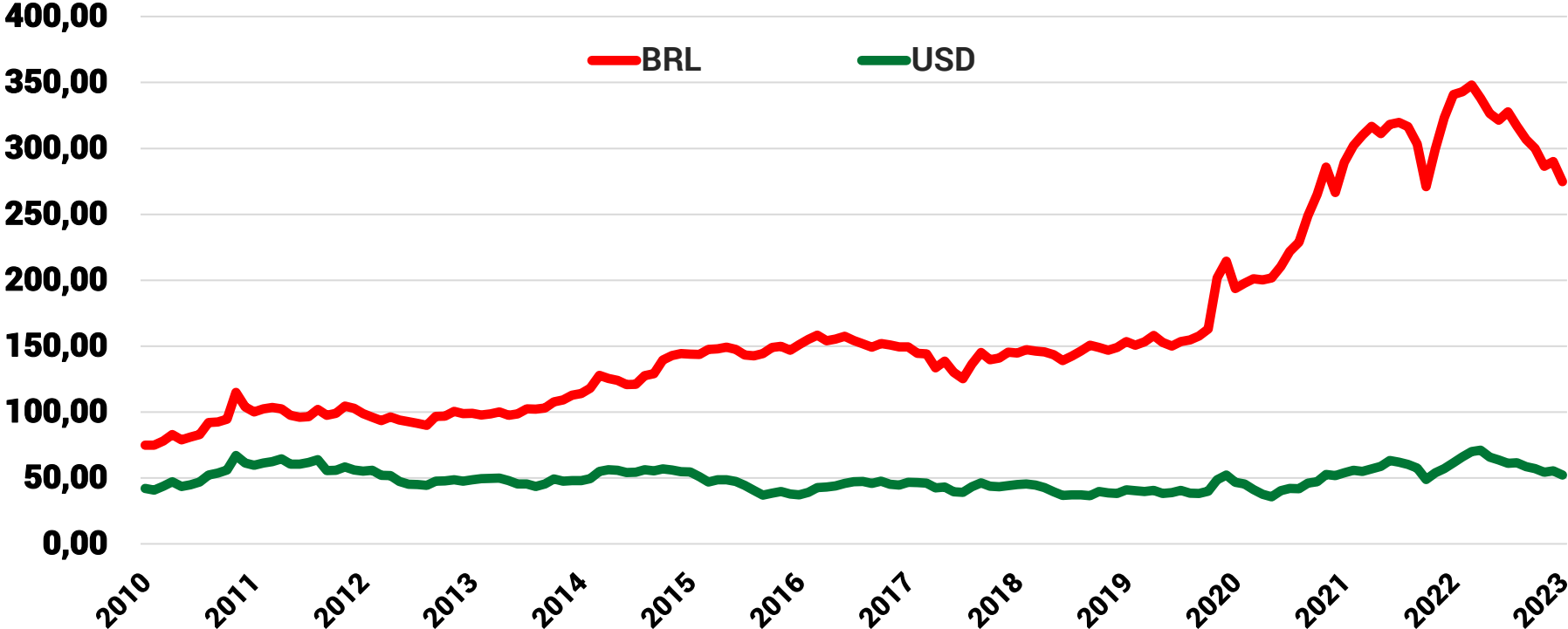
MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- Livestock prices are low at the beginning of the year, with quotations in São Paulo at R\$ 274.89 per 15kg, accumulating a decrease of 5.2% in the last 30 days and 19.4% in 12 months.
- Downward pressure prevails in the spot market, given the weak flow of beef at wholesale and retail and the prospect that sales will remain slow throughout January, with comfortable slaughter scales in the industries.
- The consumption of beef, traditionally, retreats in the first month of the year, when the population's expenses with taxes and with the purchase of school supplies increase.
- In 2023, again, foreign sales should continue to influence domestic prices, but domestic demand and, above all, the trend towards recovery of supply in the field tend to be important foundations for the behavior of live cattle prices.
- In the accumulated of 2022, between January and December, total Brazilian exports of beef (fresh and processed) reached a record of 1.991 MMT, expressive 27.6% above the amount shipped in the same period of the previous year.
- The new political-economic scenario may increase beef consumption, given the possible reduction in the pace of inflation and new social stimuli.



CATTLE: PRODUCER PRICES PER 15 Kg SÃO PAULO



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

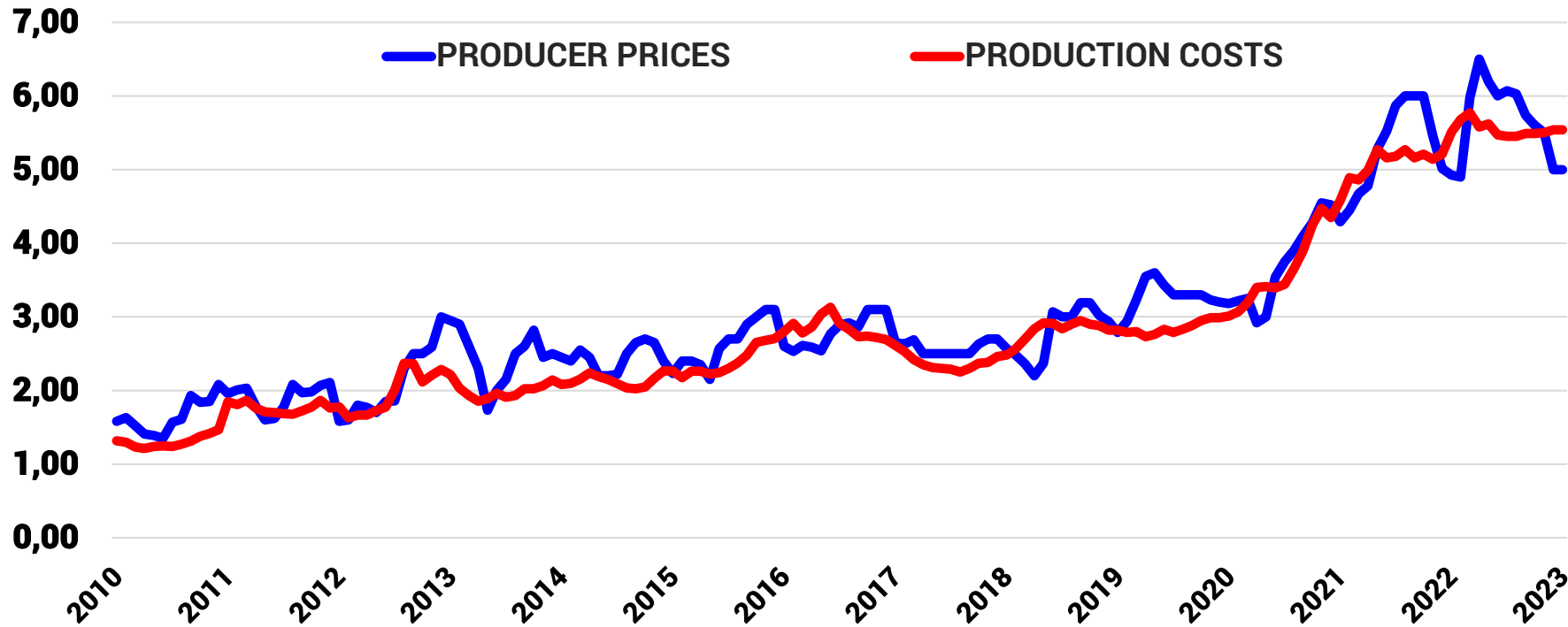


- The price of live chicken on the independent market in São Paulo has stabilized at R\$5.00/Kg in the last 30 days, up 1.5% in 12 months.
- In the wholesale in São Paulo, the average price of chicken meat is R\$ 7.53/Kg, with a decrease of 4.6% in 30 days, but with gains of 25.3% in 12 months.
- Despite the risk of an economic recession influenced by major world powers and uncertainties related to the national situation, in particular regarding the conduct of fiscal policy, the prospects for the Brazilian meat poultry market are positive for 2023 and sector agents are optimistic.
- In the accumulated of 2022, between January and December, chicken exports (fresh and processed) reached a record of 4.423 MMT, an increase of 4.2% compared to the same period of 2021.
- Domestic demand should remain strong in 2023, as well as chicken meat exports, with health problems (avian flu) in important players such as the US and the EU and a reduction in Ukraine's presence as a supplier to the European market.
- Domestic consumption of chicken meat should remain firm, due to low economic growth and high inflation, which should keep the population's purchasing power weakened.



POULTRY: PRODUCER PRICES X PRODUCTION COSTS

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



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

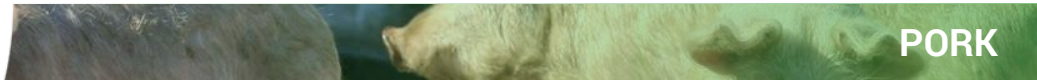
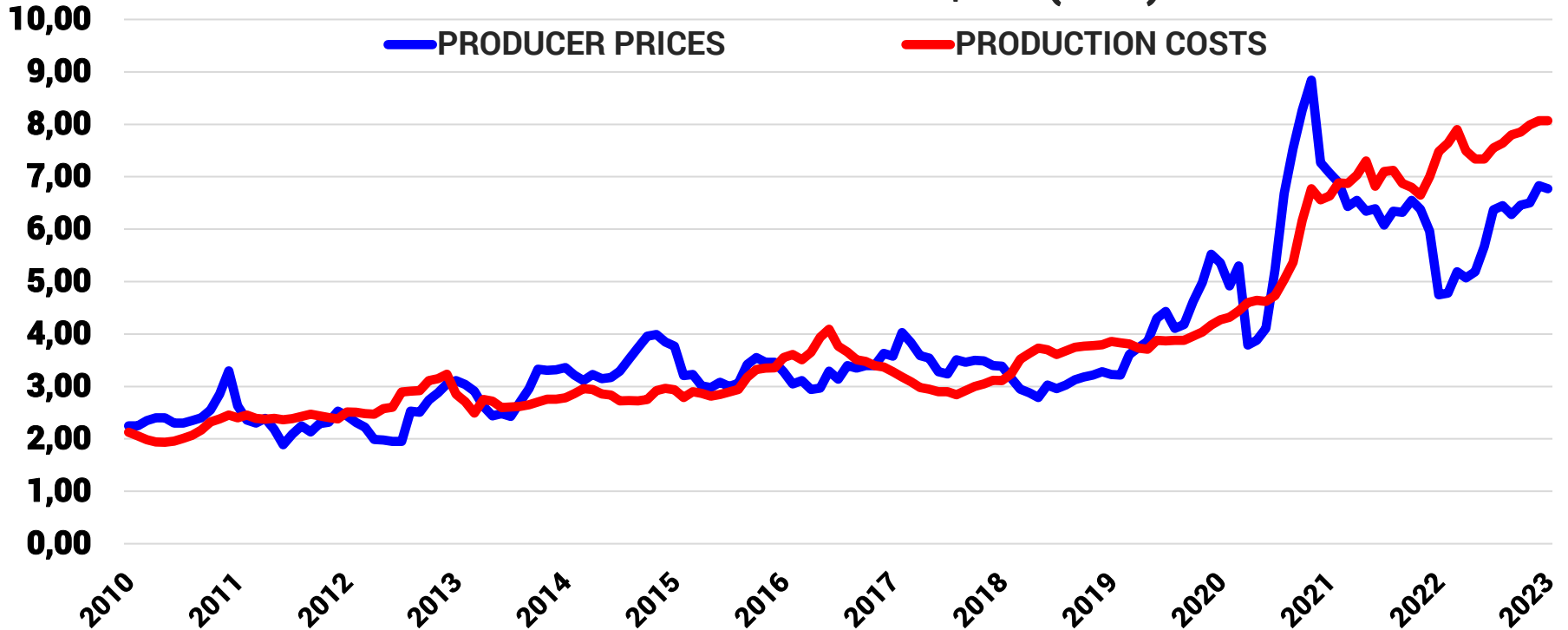


- Live hog prices in Santa Catarina have been relatively stable over the last 30 days, but with an advance of 42.5% over the last 12 months.
- In the wholesale in São Paulo, the average price of the pork carcass is R\$ 10.90/Kg, with a decrease of 3.7% in the last 30 days, but with an accumulated increase of 31.3% in the last 12 months.
- In 2023, the purchasing power of Brazilians tends to remain fragile. This, in turn, ends up heating up domestic demand for pork, which is more competitive than other proteins, such as beef, which should maintain a greater adjustment between supply and demand.
- Currently, pork is more competitive than its main substitutes, beef and chicken.
- In the accumulated of 2022, between January and December, total exports of pork (fresh and processed) reached 1.013 MMT, just 0.1% below the amount shipped in 2021.
- The monthly average of exports in volume recorded in the 2nd half of 2022 is the highest in history, having contributed to the year's shipments reaching numbers close to those registered in 2021 – a historic record year for the sector: this scenario allows for projecting an excellent performance for foreign sales in 2023, helping the recovery of the sector in Brazil.



PORK: PRODUCER PRICES X PRODUCTION COSTS

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



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





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