

# MEATS

## MARKET OUTLOOK SUMMARY



JUNE/2023












## MEATS: PRODUCER PRICE CHANGES

PERIOD	CATTLE	POULTRY	PORK
LAST 30 DAYS	-7,2%	-1,9%	-11,2%
YEAR TO DATE 2023	-16,2%	-5,2%	-22,5%
LAST 12 MONTHS	-22,9%	-21,0%	-6,7%

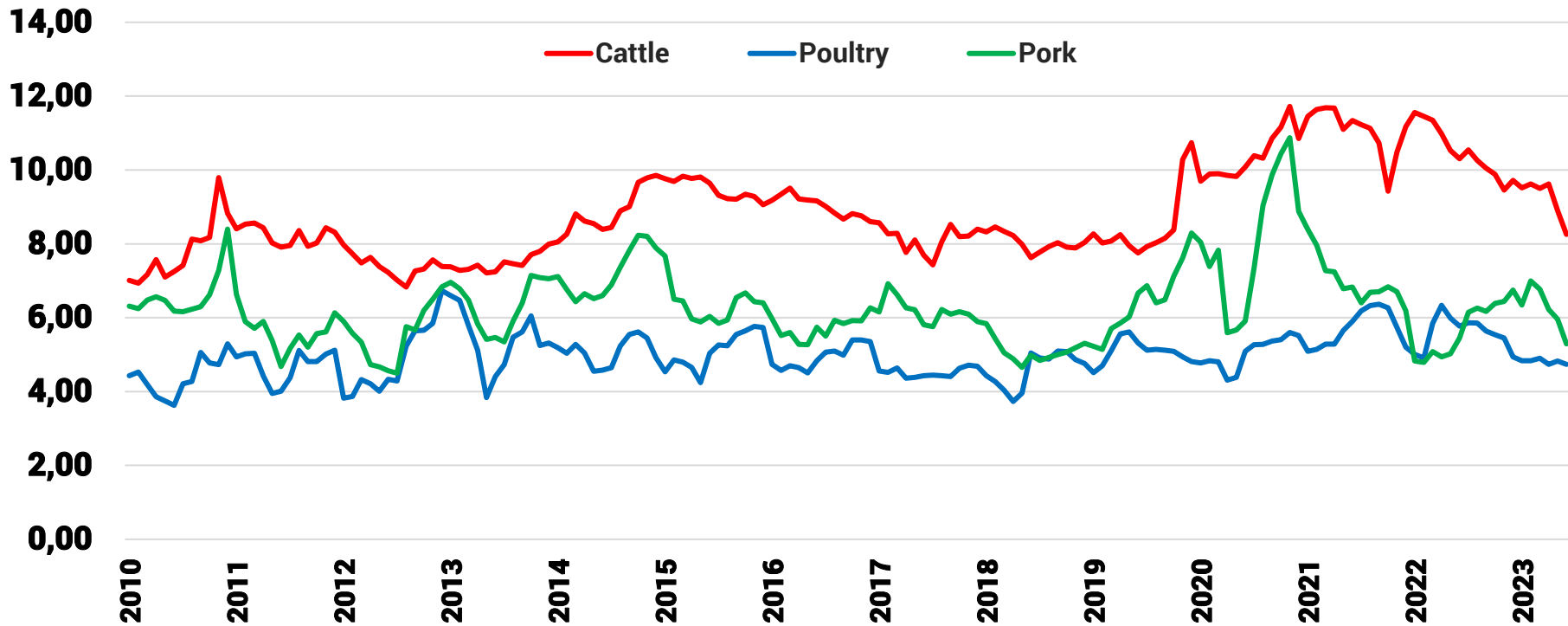


# MEATS: MARKET SUMMARY BY SEGMENT

PROTEIN	PRODUCER	WHOLESALE
		
		
		



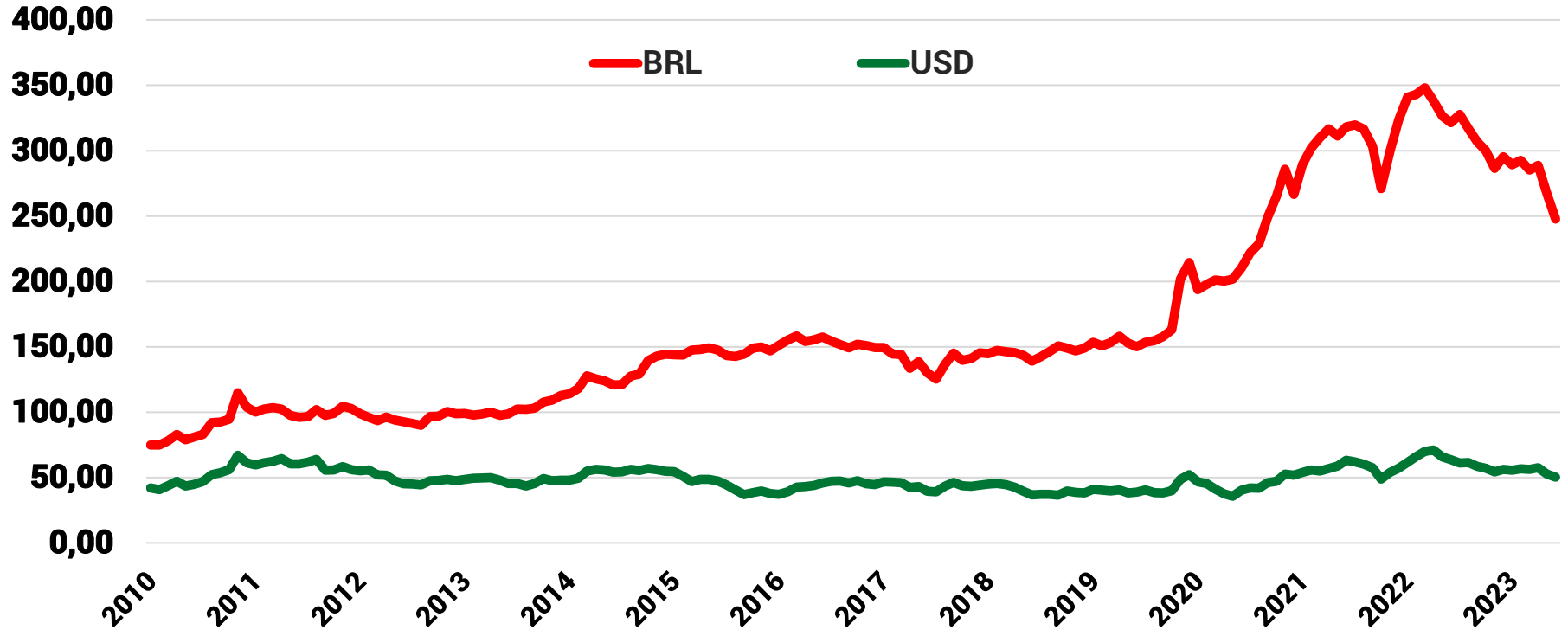
# MEATS: PRODUCER PRICES IN BRAZIL - R\$/KG CARCASS (LIVE) INFLATION-ADJUSTED BY IGP-DI



- Live cattle prices are down, with the forward arroba, in São Paulo, quoted at R\$ 247.67, accumulating a retreat of 7.2% in the last 30 days and 22.9% in the last 12 months.
- The loss of support capacity of pastures, with the advance of the dry period of the year, keeps the supply of finished animals high, giving little difficulty for the industry to acquire lots.
- There should be a better balance between supply and demand from the end of June, when the surplus lots should have all been disposed of, but producers who only feed cattle will not be able to wait for higher prices.
- YTD, 49% of the cattle slaughtered are females, compared to 40% in the same period last year, and the greater contribution of females in slaughter contributes to depressing the price of live cattle.
- The culling of females has slowed down, but remains at high levels and cows have been sent to slaughter due to the drop in the price of calves, which ends up not compensating for the maintenance of a large breeding herd on rural properties.
- Between January and May 2023, total Brazilian beef exports (fresh and processed) reached 689.9 thousand tonnes, 11% below 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



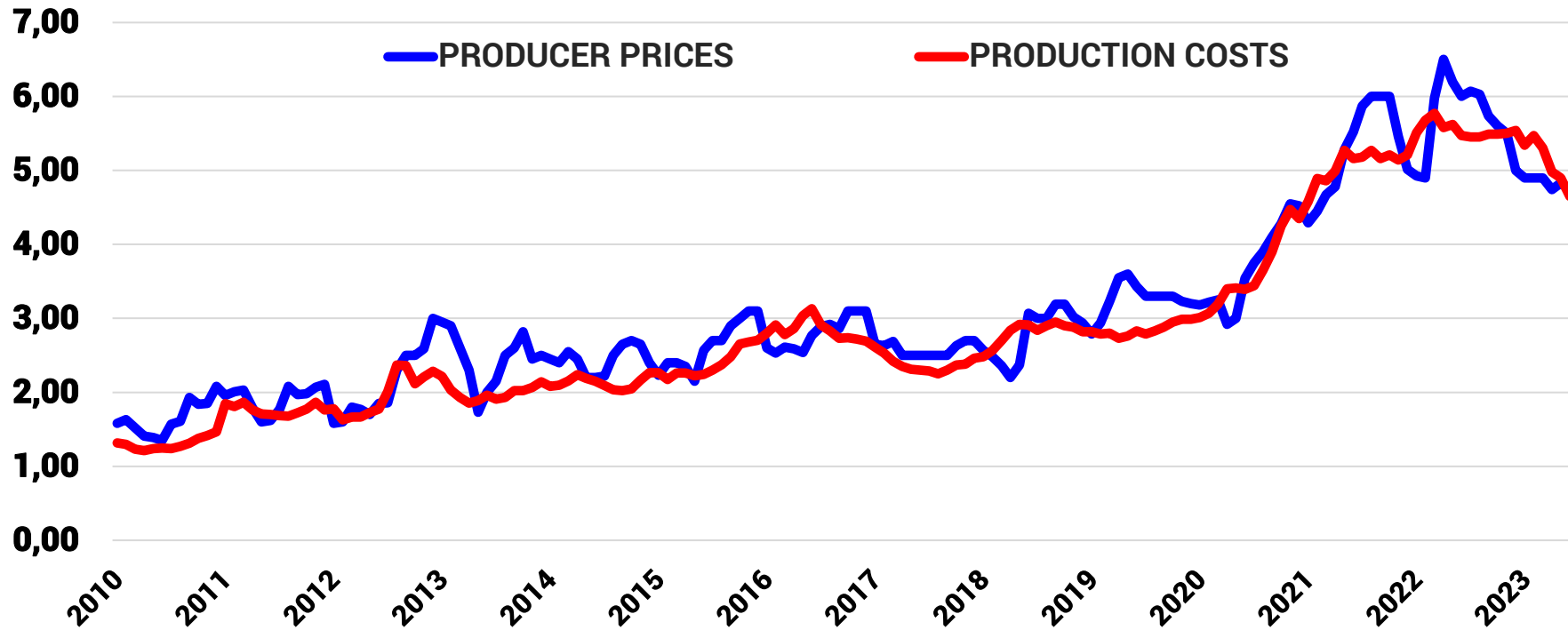
- The price of live chicken on the São Paulo independent market is quoted at R\$4.74/kg, down 1.9% in the last 30 days and 21.0% in the last 12 months.
- In the wholesale in São Paulo, the average price of chilled chicken is R\$ 5.99/Kg, with a sharp decrease of 9.0% in the last 30 days and 22.4% in 12 months.
- The decline in domestic chicken meat prices reflects weakened demand.
- With lowering production costs and high exports, the scenario for poultry is favorable for 2023.
- Between January and May 2023, chicken meat exports (fresh and processed) reached 2.035 MMT, with a significant increase of 11% compared to the same period of 2022.
- With the sharp decline in grain prices, especially corn due to the increased supply of the 2<sup>nd</sup> harvest of 2023, the earnings of poultry farmers tend to grow this year, but the sector remains attentive to the risk of avian flu reaching commercial herds.
- Until now, only wild birds have been found with the disease in Brazil, but, in the event of a closure of exports, the supply of meat on the domestic market would increase, potentially putting pressure on prices.





# POULTRY: PRODUCER PRICES X PRODUCTION COSTS

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



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

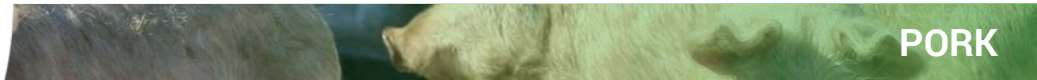
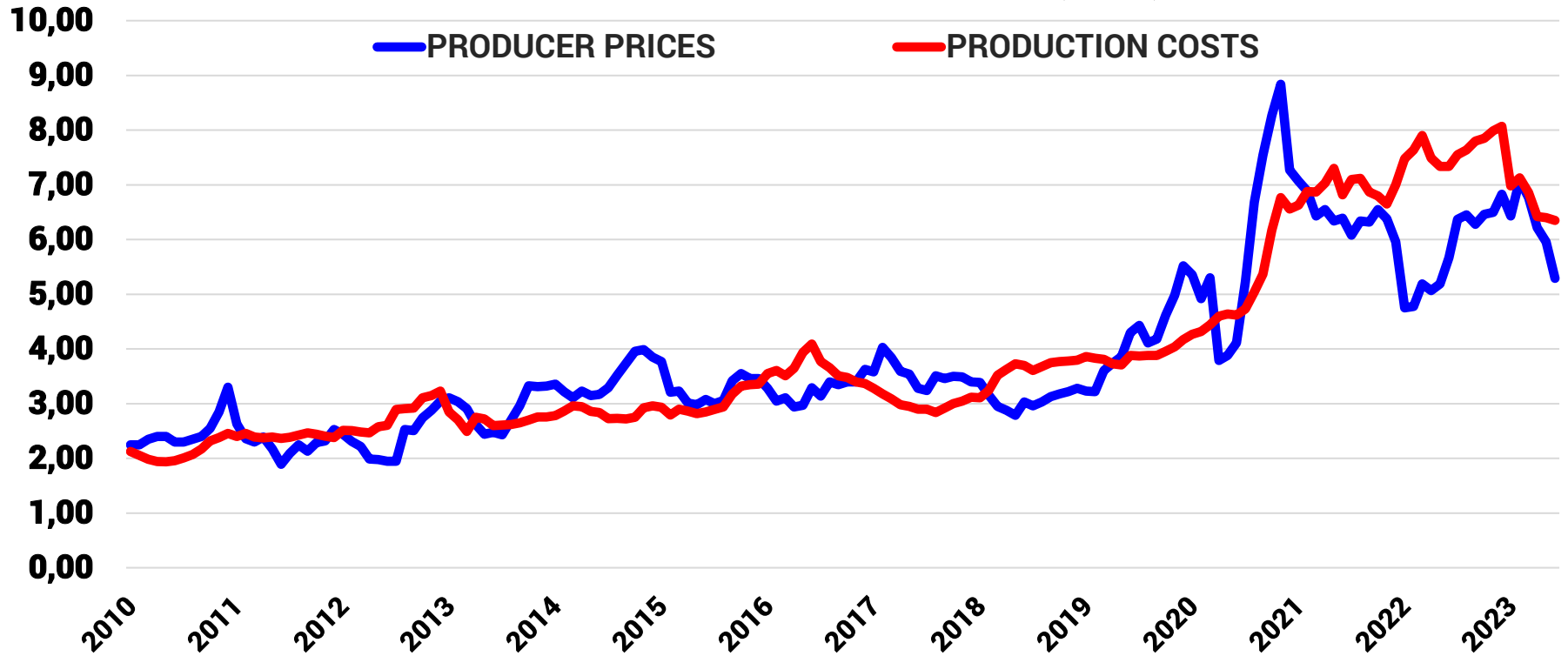


- The price of live hogs in Santa Catarina is R\$ 5.29/Kg, with a sharp decrease of 11.2% in the last 30 days and 6.7% in 12 months.
- In the wholesale in São Paulo, the average price of pork carcass is R\$ 8.80/Kg, with a sharp decrease of 8.9% in the last 30 days and 6.2% in the accumulated of the last 12 months.
- The combination of weakened demand and high supply have pressured prices, which are at the lowest nominal levels of the year.
- In addition to the weak demand, the high supply of hogs ready for slaughter reinforces the price drops.
- Between January and May 2023, total pork exports (fresh and processed) reached 429.3 thousand tons, a significant increase of 15% compared to the amount shipped in the same period of 2022.
- China remains the main destination for Brazilian pork exports, with volumes returning to the levels of previous years.
- As with poultry farming, pig farming has been recovering margins in 2023, with a significant drop in production costs, due to the lowering of corn and soybean meal, and the increase in exports, which have played a role in reducing surpluses on the domestic market.



# PORK: PRODUCER PRICES X PRODUCTION COSTS

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



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





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