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Brazil

Livestock and Products Semi-annual

Semi-annual Livestock 2012

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Report Highlights:

Post maintained production estimates for Brazilian beef and pork for 2012, but revised upwards both beef and pork exports to reflect new estimates made by trade sources. Post also revised the 2011 estimate to include final export and import data. While in general, domestic demand for both meats supported the expansion in production last year, trade sources believe that a sustained domestic consumption combined with a recovery in exports will contribute to higher production this year.

Commodities:

Animal Numbers, Cattle

Production:

Post forecasts an increase of 3 percent in cattle inventories in 2012 mostly due to government financial support for cattle herd rebuilding, genetic improvements, pasture improvements, and sustained cattle prices. Thus, cattle inventories are expected to reach nearly 204 million head by the end of the year.

Trade:

Post revised upwards the forecast for cattle exports in 2012 with increased shipments expected to Venezuela and Suriname due to competitive prices. Despite a drop in cattle exports of nearly 38 percent in 2011, the Brazilian Meat Packing Industry officially submitted to the federal government on January 31, 2012 a request for a 30 percent export tax on live cattle exports.

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Brazil	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	185,159	185,159	190,925	190,923	197,280	197,551
Dairy Cows Beg. Stocks	37,032	37,032	38,185	38,185	39,455	39,510
Beef Cows Beg. Stocks	51,845	51,845	52,250	53,458	52,500	55,230
Production (Calf Crop)	49,200	49,200	49,445	49,445	50,500	49,690
Total Imports	68	68	8	5	15	15
Total Supply	234,427	234,427	240,378	240,373	247,795	247,256
Total Exports	655	654	350	402	600	635
Cow Slaughter	11,600	11,600	11,050	10,750	10,750	10,750
Calf Slaughter	300	300	300	300	300	300
Other Slaughter	27,500	27,500	28,040	28,050	28,735	28,735
Total Slaughter	39,400	39,400	39,390	39,100	39,785	39,785
Loss	3,447	3,450	3,358	3,320	3,500	3,250
Ending Inventories	190,925	190,923	197,280	197,551	203,910	203,586
Total Distribution	234,427	234,427	240,378	240,373	247,795	247,256
1000 HEAD, PERCENT						

Commodities:

Meat, Beef and Veal

Production:

Post forecasts beef production to increase by about 2 percent in 2011 due to the following factors: a) increased exports, b) continued growth in domestic demand for beef as the Brazilian economy is expected to grow in 2012 at a rate of 3.3 percent, and c) higher consumer purchasing power which will lead to increased consumption of animal protein.

Trade:

Post revised beef exports to increase by 4 percent in 2012 as Brazilian beef exporters are optimistic about recoveries in their exports to the Russian Federation, despite the slow relisting of Brazilian plants. They are also optimistic about sales to other markets such as Egypt, China, Chile, Cuba, Iraq, and Morocco. Despite the financial crisis in the European Union, exporters also expect to increase exports to that market because more Brazilian cattle farms are enrolled in the EU's traceability program due to the flexibility in the EU's interpretation of Normative # 61 which lays out Brazil's traceability program. In addition, exporters also expect a continued recovery in processed beef exports to the United States.

Post slightly revised beef trade estimates for 2011 to include finalized import and export data.

Note: Differences between export data reported by Brazilian trade sources and those used by Post are due to the use of different conversion factors. Brazilian sources use a 2.5 percent factor for conversion of processed beef into Carcass Weight Equivalent (CWE), while post uses 1.79. The same applies for boneless beef, as Post uses 1.40 as the conversion factor, while Brazilian trade sources use 1.36. In addition, and as per FAS reporting instructions, variety meats (beef offals), HTS 0206 are not included for reporting purposes in our PSD and Trade Matrix tables.

Production, Supply and Demand Data Statistics:

Meat, Beef and Veal Brazil	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	39,400	39,400	39,390	39,100	39,785	39,785
Beginning Stocks	0	0	0	0	0	0
Production	9,115	9,115	9,030	9,030	9,210	9,210
Intra-EU Imports	0	0	0	0	0	0
Other Imports	35	35	45	40	50	60
Total Imports	35	35	45	40	50	60
Total Supply	9,150	9,150	9,075	9,070	9,260	9,270
Intra EU Exports	0	0	0	0	0	0
Other Exports	1,558	1,558	1,325	1,340	1,375	1,394
Total Exports	1,558	1,558	1,325	1,340	1,375	1,394
Human Dom. Consumption	7,592	7,592	7,750	7,730	7,885	7,876
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	7,592	7,592	7,750	7,730	7,885	7,876
Ending Stocks	0	0	0	0	0	0
Total Distribution	9,150	9,150	9,075	9,070	9,260	9,270

1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG

Brazil			
Commodity			
Meat, Beef and Veal			
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2010		2011
U.S.	0	U.S.	0
Others		Others	
Argentina	8.082		7.192
Paraguay	6.357		7.213
Uruguay	10.217		12.399
Australia	278		1.410
Total for Others	24.934		28.214
Others not Listed	78		24
Grand Total	25.012		28.238
HTS: 0201,0202,021020,160250			
Quantity in Product Weight Equivalent (PWE)			
Updated February 23, 2012			

Export Trade Matrix

Country: Brazil

Commodity: Meat, Beef

Time Period	Jan-Dec	Units:	Metric Tons
	2010		2011
U.S.	13.534	U.S.	12.313
Others		Others	
Angola	7.372		11.553
Algeria	30.359		7.361
Canada	3.372		1.767
Chile	21.394		35.480
Egypt	117.829		101.086
European Union	119.157		101.966
Hong Kong	66.869		73.956
Iran	191.181		130.649
Iraq	4.871		4.431
Israel	25.734		16.075
Lebanon	19.992		16.012
Libya	16.270		5.362
Japan	3.251		2.912
Jordan	10.381		8.815
Philippines	12.605		9.046
Russian Federation	285.007		228.897
Saudi Arabia	31.051		29.031
Singapore	5.150		5.777
Ukraine	3.691		3.704
UEA	9.625		8.780
Venezuela	40.125		70.901
Total for Others	1.025.286		873.561
Others not Listed	38.791		41.212
Grand Total	1.077.611		927.086

HTS:0201,0202,021020,160250

Quantity in Product Weight Equivalent (PWE)

Updated February 23, 2012

Commodities:

Meat, Swine

Production:

Post revised upward the forecast for pork production in 2012 by nearly 3 percent. Post projections reflect the current optimism of the pork industry for a sustained, strong domestic consumption combined with a recovery in the export market.

The major factor of concern to hog producers is the recent increase in feed prices, mostly for corn. According to the association of pork producers, the increase in corn prices could squeeze their margins, but the federal government will likely interfere in the market with subsidized corn auctions to protect the industry.

Trade:

Post forecasts pork exports to rebound by 5 percent in 2012 as demand from major importers is expected to increase (Hong Kong, Ukraine, Angola and Singapore). Brazilian pork exporters are also strategically focused on two new markets: China and the United States. The first pork shipments to China occurred in January 2012 and totaled 52 metric tons. Trade sources believe that exports to China will only be significant in 2013. Trade sources also expect that exports to the United States could pick up at the second half of 2012. The major uncertainties in 2012 are Argentina with their new import restrictions and the slow relisting of Brazilian plants to export to the Russian Federation.

Post slightly revised pork export estimates for 2011 to include final trade numbers.

Production, Supply and Demand Data Statistics:

Animal Numbers, Swine Brazil	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	35,122	35,122	36,652	36,652	38,282	38,282
Sow Beginning Stocks	2,890	2,890	2,925	2,925	2,900	2,900
Production (Pig Crop)	36,970	36,970	37,750	37,750	37,700	37,700
Total Imports	0	0	0	0	0	0
Total Supply	72,092	72,092	74,402	74,402	75,982	75,982
Total Exports	0	0	0	0	0	0
Sow Slaughter	90	90	95	95	80	80
Other Slaughter	34,200	34,200	34,775	34,775	35,246	35,246
Total Slaughter	34,290	34,290	34,870	34,870	35,326	35,326
Loss	1,150	1,150	1,250	1,250	1,200	1,200
Ending Inventories	36,652	36,652	38,282	38,282	39,456	39,456
Total Distribution	72,092	72,092	74,402	74,402	75,982	75,982
1000 HEAD, PERCENT						

Meat, Swine Brazil	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	34,290	34,290	34,870	34,870	35,326	35,326
Beginning Stocks	0	0	0	0	0	0
Production	3,195	3,195	3,227	3,227	3,295	3,311
Intra-EU Imports	0	0	0	0	0	0
Other Imports	1	1	1	1	1	1
Total Imports	1	1	1	1	1	1
Total Supply	3,196	3,196	3,228	3,228	3,296	3,312
Intra EU Exports	0	0	0	0	0	0
Other Exports	619	619	582	584	570	615
Total Exports	619	619	582	584	570	615
Human Dom. Consumption	2,577	2,577	2,646	2,644	2,726	2,697
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2,577	2,577	2,646	2,644	2,726	2,697
Ending Stocks	0	0	0	0	0	0
Total Distribution	3,196	3,196	3,228	3,228	3,296	3,312

1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG

Export Trade Matrix

Country

Brazil

Commodity

Meat, Swine

Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2010		2011
U.S.	0	U.S.	0
Others		Others	
Albania	4.349		9.091
Angola	22.686		28.703
Argentina	31.263		39.254
Armenia	3.000		5.571
Azerbaijan	593		3.081
Chile	2.534		3.222
Ecuador	2.402		3.585
European Union	127		23
Georgia	2.956		5.914
Kazakhstan	5.969		616
Haiti	2.064		3.282
Hong Kong	68.950		93.139
Moldova	5.066		3.217
Paraguay	826		1.091
Russian Federation	228.931		124.182
Singapore	26.254		23.547
South Africa	85		149
UAE	5.321		4.981
Ukraine	39.995		61.413
Uruguay	11.540		15.156
Venezuela	4.339		11.780
Total for Others	469.250		440.997
Others not Listed	6.878		8.123
Grand Total	476.128		449.120

HTS: 020311,020312,020319,020321,020322,020329,
and 021011,021012,021019,160241,160242,160249

Quantity in Product Weight Equivalent (PWE)

Updated February 10, 2012