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## **Brazil**

### **Poultry and Products Semi-annual**

#### **Poultry Report**

**Approved By:**

Robert Hoff, Agricultural Counselor

**Prepared By:**

Joao F Silva, Agricultural Specialist

**Report Highlights:**

Post revised downward broiler production estimates for 2012 to 13.3 million metric tons, still a new record and up 3 percent from 2011. The increase in production is mostly driven by domestic demand and a small recovery in exports. It reflects a conservative estimate by our industry sources in view of world economic uncertainties impacting some major Brazilian export markets, as well as some issues with some trade partners. Post also revised 2011 broiler and turkey production estimates to reflect final production and export data.

**Commodities:**

Poultry, Meat, Broiler

**Production:**

Broiler production is now estimated to grow by only 3 percent in 2012, as compared to an initial forecast of 5 percent growth. Production estimated at 13.3 million metric tons reflects the current view of industry leaders given the world economic uncertainties derived from the European Union financial crisis and its impact on Brazilian broiler export markets. In addition, the production growth has slowed due to an overvalued Brazilian currency and restrictions from trade partners. Another important factor is a slowdown in the rate of growth of domestic consumption combined with higher costs of production due to higher corn prices. Post revised 2011 broiler production to 12.8 million metric tons, 4.5 percent higher than 2010 to show new data obtained from the industry.

**Consumption:**

Domestic consumption of broiler meat in 2012 is projected to increase by 3 percent to 9.9 million metric tons, which is below our initial forecast of 10.1 million metric tons. Post's estimate reflects continuing increases in disposable income of Brazilian consumers. Broiler meat still remains the most affordable lower-income consumers compared to beef and pork. However, high debt-to-income ratios among Brazilian consumers have been reported as a growing concern among our trade contacts. This situation could inhibit further increases in consumption.

**Trade:**

Post also revised downward from 5 to 3 percent the outlook for broiler exports in 2012. The growth in exports is likely to be driven by higher sales of whole broilers in general, and chicken parts, in particular, to China and Hong Kong. Trade sources also expect higher exports to Egypt and Iraq. Nonetheless, Brazilian exporters have currently three major concerns affecting the outlook for broiler exports in 2012: 1) the continued overvaluation of the Brazilian currency, although this factor did not prevent record exports last year; 2) uncertainties derived from the world financial crisis, mostly in Europe, and its impact on importing markets; and 3) specific issues with major trading partners such as the Russian Federation (slow relisting of Brazilian poultry plants) and South Africa (application of antidumping tariffs on Brazilian broiler of 62.92% on whole broilers and 46.59% on chicken parts). South Africa was the 7<sup>th</sup> largest market for Brazilian broiler exports in 2011 with shipments of 195,416 metric tons (PWE).

Post updated trade data for 2011 to include final official export numbers. In 2011, the total volume of broiler meat exports, including chicken feet and paws, reached 3.7 million metric tons, an increase of 3.3 percent from 2010. However, the value of exports increased by 22 percent to US\$ 7.6 billion due to the increase in the average price of broiler meat in the world market.

Broiler export markets with major increases in 2011 were China (up 61%), followed by Angola (up 38%) and Iraq (up 28%), while markets with major declines were the Russian Federation (down 58%) and Egypt (down 42%). The decline in exports to the Russian Federation was a result of significant number of Brazilian poultry plants delisted by Russian officials, while the decline in Egypt was due to logistical problems associated with the political instability in the country last year.

*Note: The S&D table excludes chicken feet and paws exports to China and Hong Kong, as per USDA export methodology.*

## Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler 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
<b>Inventory (Reference)</b>	50	0	54	53	55	55
<b>Slaughter (Reference)</b>	6,050	0	6,352	6,305	6,670	6,495
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	12,312	0	12,954	12,863	13,602	13,250
<b>Total Imports</b>	1	0	1	1	1	1
<b>Total Supply</b>	12,313	0	12,955	12,864	13,603	13,251
<b>Total Exports</b>	3,181	0	3,300	3,219	3,465	3,315
<b>Human Consumption</b>	9,132	0	9,655	9,645	10,138	9,936
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	9,132	0	9,655	9,645	10,138	9,936
<b>Total Use</b>	12,313	0	12,955	12,864	13,603	13,251
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	12,313	0	12,955	12,864	13,603	13,251
MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						

## Export Trade Matrix

<b>Country</b>	Brazil		
<b>Commodity</b>	Poultry, Meat, Broiler		
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2010		2011
U.S.	0	U.S.	0
Others		Others	

Angola	71.816		99.491
Canada	19.728		12.491
China	121.522		195.844
Cuba	39.293		35.085
Egypt	124.451		72.075
European Union	281.878		296.749
Hong Kong	331.466		339.364
Ghana	27.729		37.544
Iran	44.984		40.400
Iraq	104.469		132.590
Japan	386.476		444.346
Jordan	51.179		42.341
Kuwait	174.670		155.024
Oman	45.015		50.161
Phillippines	18.806		24.230
Qatar	48.771		52.891
Russian Federation	144.328		60.366
Romania	12.628		12.018
Saudi Arabia	550.969		622.643
Singapore	72.312		63.849
South Africa	181.445		195.416
South Korea	32.674		25.562
UAE	208.333		214.771
Yemen	64.232		51.983
Venezuela	164.408		176.641

Total for Others	3.323.582		3.453.875
Others not Listed	306.019		295.836
Grand Total	3.629.601		3.749.711

Note: Includes HTS Codes: 0207.11; 0207.12; 0207.13; 0207.14; and 1602.32

Quantity in Product Weight Equivalent (PWE)

Updated February 10, 2012

**Commodities:**

Poultry, Meat, Turkey

**Production:**

Post also updated 2011 data to reflect final numbers for production and trade. The outlook for 2012 remains unchanged.

## Production, Supply and Demand Data Statistics:

Poultry, Meat, Turkey 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
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	45	0	46	45	47	46
Beginning Stocks	0	0	0	0	0	0
Production	485	0	505	500	531	525
Total Imports	0	0	0	0	0	0
Total Supply	485	0	505	500	531	525
Total Exports	158	0	140	141	142	145
Human Consumption	327	0	365	359	389	380
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	327	0	365	359	389	380
Total Use	485	0	505	500	531	525
Ending Stocks	0	0	0	0	0	0
Total Distribution	485	0	505	500	531	525
MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						

**Export Trade Matrix**

**Country**

Brazil

**Commodity**

Poultry, Meat, Turkey

Time Period

Jan-Dec

Units:

Metric Tons

Exports for:

2010

**2011**

U.S.

0

U.S.

0

Others

Others

Angola	9.326		9.483
Argentina	1.260		1.997
Benin	8.901		10.994
Congo	3.356		4.022
Congo, D.R.	1.610		1.223
Gabon	2.882		1.643
Guinea, E.	2.266		3.316
European Union	87.241		74.738
Hong Kong	2.499		1.527
Peru	2.567		1.805
Russian Federation	7.923		7.290
Saudi Arabia	1.262		1.389
South Africa	16.006		11.608
Switzerland	2.791		2.662
Total for Others	149.890		133.697
Others not Listed	7.930		7.476
Grand Total	157.820		141.173

Note: It includes HTS Codes: 02072400; 02072500; 02072600; 02072700; 16023100. Quantity in Product Weight Equivalent (PWE)  
 Updated February 10, 2012