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Brazil

Livestock and Products Annual

Annual Livestock 2013

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Report Highlights:

Post forecasts 2014 production and exports of beef to increase by 2.5 and 6 percent, respectively. This forecast is driven by greater availability of cattle for slaughter, stable domestic cattle prices, and the ongoing depreciation of the Brazilian currency. These factors will likely make Brazilian beef highly competitive in the world market. Pork production and exports are also forecast to increase in 2014 by two and three percent, respectively. Driving forces are lower feed costs due to record soybean and corn crops and higher exports due to the weaker Brazilian real and new export markets. In general, high indebtedness of Brazilian consumers is the main constraint for a smaller growth path for domestic demand for animal protein.

Commodities:

Animal Numbers, Cattle

Production:

Post forecasts an increase of 2.5 percent in cattle inventories and 1.5 percent in the calf crop in 2014. The expansion of the Brazilian cattle herd is supported by higher investments in productivity. Cattle producers have access to government programs at subsidized interest rates which encourage pasture improvements and higher use of quality genetics. In addition, due to sustainable cattle prices, cattle producers use more feed and other ingredients during the dry season to maintain cattle weights. The estimated increase of 4 percent in feedlots will likely contribute to larger cattle supplies. The sector also is benefiting from forecast higher cattle and beef exports due to ongoing depreciation of the Brazilian currency, the real.

During the past year, an estimated shift of three percent of pasture area into the production of soybean and corn occurred. However, higher productivity has offset the loss in pasture to soybeans and corn.

Trade:

Post forecasts an increase of nearly 9 percent in cattle exports in 2014 due to a continued increase in exports to Lebanon and to a lesser extent, to Venezuela. Other markets, such as Jordan, Turkey and Congo are expected to increase purchases from Brazil. In addition to the protests of Brazilian meat packers against live cattle exports for slaughter, governments from southern Brazilian states are also considering voluntary restrictions against “exports” of cattle from their area to packers in the Center-West of Brazil.

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Brazil	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	197,550	197,550	203,273	203,273		208,638
Dairy Cows Beg. Stocks	37,676	37,676	38,259	38,259		38,854
Beef Cows Beg. Stocks	52,669	52,263	52,986	52,986		53,809
Production (Calf Crop)	49,690	49,690	50,185	50,185		50,938
Total Imports	0	0	0	0		0
Total Supply	247,240	247,240	253,458	253,458		259,576
Total Exports	512	512	590	590		640
Cow Slaughter	11,170	11,170	11,490	11,490		11,622
Calf Slaughter	300	300	300	300		300
Other Slaughter	28,735	28,735	29,220	29,220		29,908
Total Slaughter	40,205	40,205	41,010	41,010		41,830
Loss	3,250	3,250	3,220	3,220		3,200
Ending Inventories	203,273	203,273	208,638	208,638		213,906
Total Distribution	247,240	247,240	253,458	253,458		259,576
1000 HEAD, PERCENT						

Commodities:

Meat, Beef and Veal

Production:

Post forecasts that beef production in 2014 will increase by 2.5 percent due mostly to international demand and a small increase in domestic demand. The appreciation of the Brazilian currency combined with higher cattle supplies is likely to maintain Brazilian beef at competitive prices. The depreciation of the “real” will also bring extra profit margins for packers.

Consumption:

Post projects domestic beef consumption to increase by only 1.5 percent in view of higher inflation rates in Brazil combined with higher indebtedness of Brazilian consumers.

Trade:

Post projects an increase of beef exports of six percent in 2014 due mostly to depreciation of the Brazilian currency that makes the Brazilian product highly competitive in the world market. Brazilian exporters are optimistic about continued shipments to major markets such as the Russian Federation, the European Union, Egypt and Iran, as well the reopening of other import markets that had banned Brazilian beef last year due to the BSE case in Parana, for example, Saudi Arabia and China.

Brazil is in the process of increasing the number of farms eligible to export to the European Union. The rules of the Brazilian traceability program (SISBOV) are being reformulated and will be integrated with other government controls of cattle movements due to the partnership between cattle producers through their Brazilian Confederation of Agriculture and Livestock (CNA) and the Ministry of Agriculture, Livestock and Food Supply (MAPA). This new program is likely to be responsible for increasing the current list of Brazilian suppliers at around 1,900 ranchers, which would allow packers to have greater supplies of cattle for the European Union. Brazilian packers continue to have problems in filling the “Hilton Quota” due to restrictions made by the European Union. In 2013, Brazil will probably fill only 28 percent of the quota.

Brazil is likely to reopen the Saudi beef market before the end of the year after the ban was put in place because of the BSE case in Parana. Brazilian and Saudi officials are close to signing an agreement on inspection requirements that would allow exports to that market.

China continues to be a potentially major market for Brazilian beef, but exports remain insignificant. Due to the BSE case in Parana, Chinese officials banned imports from Brazil and are delaying approvals of new Brazilian plants. Meanwhile, exports to Hong Kong have skyrocketed.

A major concern of Brazilian beef exports is ractopamine residue. According to trade sources, despite the suspension of its use in November 2012, there have been cases of violations found throughout the country, which jeopardizes beef exports to markets such as the Russian Federation, China, Iran, Egypt and Chile. Trade sources also indicated that the use of Ivermectin is another concern that has the potential to affect exports to the United States.

Production, Supply and Demand Data Statistics:

Meat, Beef and Veal Brazil	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	40,205	40,205	41,010	41,010		41,830
Beginning Stocks	0	0	0	0		0
Production	9,307	9,307	9,500	9,500		9,740
Total Imports	62	62	60	60		40
Total Supply	9,369	9,369	9,560	9,560		9,780
Total Exports	1,524	1,524	1,600	1,600		1,700
Human Dom. Consumption	7,845	7,845	7,960	7,960		8,080
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	7,845	7,845	7,960	7,960		8,080
Ending Stocks	0	0	0	0		0
Total Distribution	9,369	9,369	9,560	9,560		9,780

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

Import Trade Matrix

Country

Brazil

Commodity

Meat, Beef and Veal

Time Period

Jan-Jun

 Units:

Metric Tons

Imports for:

2012

2013

U.S.

0

 U.S.

0

Others Others

Argentina	3,437		2,920
Paraguay	8,290		10,414
Uruguay	5,979		6,751

Total for Others

17,706

20,085

Others not Listed

927

1,380

Grand Total

18,633

21,465

HTS: 0201,0202,021020,160250

Quantity in Product Weight Equivalent (PWE)

Updated: August 15, 2013

Export Trade Matrix

Country

Brazil

Commodity

Meat, Beef and Veal

Time Period	Jan-Jun	Units:	Metric Tons
	2012		2013
U.S.	8,610	U.S.	11,356
Others		Others	
Angola	6,211		7,320
Algeria	5,690		9,149
Canada	1,262		1,030
Chile	29,555		36,434
Egypt	51,680		51,122
European Union	48,514		55,610
Hong Kong	42,916		103,031
Iran	8,601		17,068
Iraq	3,056		178
Israel	7,140		9,519
Lebanon	6,388		6,976
Libya	9,054		7,048
Japan	654		0
Jordan	5,708		9,285
Phillippines	2,268		3,990
Russian Federation	137,717		152,206
Saudi Arabia	19,770		25
Singapore	2,479		5,347
Ukraine	1,752		1,386
UEA	4,693		7,303
Venezuela	41,664		60,781
Total for Others	436,772		544,808
Others not Listed	22,615		43,587
Grand Total	467,997		577,039

HTS:0201,0202,021020,160250

Quantity in Product Weight Equivalent (PWE)

Updated: July 25, 2011

Commodities:

Animal Numbers, Swine

Production:

Post forecasts hog production to increase by nearly two percent in 2014 to support higher pork exports and a small increase in domestic demand. Hog producers will likely benefit from record soybean and corn crops estimated for the 2013-14 crop year. In addition, government support programs at subsidized interest rates are available to hog producers to mitigate potential increase in feed costs.

Production, Supply and Demand Data Statistics:

Animal Numbers, Swine Brazil	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	38,336	38,336	38,578	38,578		38,648
Sow Beginning Stocks	2,920	2,920	2,920	2,920		2,910
Production (Pig Crop)	37,700	37,700	38,100	38,100		38,795
Total Imports	1	1	1	1		1
Total Supply	76,037	76,037	76,679	76,679		77,444
Total Exports	2	1	1	1		1
Sow Slaughter	150	150	150	150		150
Other Slaughter	36,107	36,108	36,680	36,680		37,350
Total Slaughter	36,257	36,258	36,830	36,830		37,500
Loss	1,200	1,200	1,200	1,200		1,200
Ending Inventories	38,578	38,578	38,648	38,648		38,743
Total Distribution	76,037	76,037	76,679	76,679		77,444
1000 HEAD, PERCENT						

Commodities:

Meat, Swine

Production:

Post forecasts an increase of two percent in pork production in 2014. This forecast reflects the current optimism of the pork industry with a continued recovery in export markets and a small increase in domestic demand. Packers are confident of lower feed costs and sustainable hog prices based on larger supplies of soybean and corn at lower prices than in 2012.

Trade:

Brazilian pork exports are forecast to increase by three percent in 2014, mostly due to the depreciation of the Brazilian currency. The following is a brief 2014 outlook for pork exports by major markets:

Russian Federation: Trade sources expect the Russian Federation to continue to be the main importer of Brazilian pork in 2014 with nearly 30 percent market share. The main concern of pork exporters is related to animal health, such as, violations on the use of Ractopamine.

Ukraine: Brazil recently reopened the market and exports are likely to rebound in 2014.

Hong Kong: Traders are optimistic that exports will continue to increase in 2014 and Hong Kong will continue to be the second largest importer of Brazilian pork.

Angola and Singapore: Traders foresee a continued increase of pork exports to these markets.

Argentina and Venezuela: Bureaucracy and import controls are the main problems affecting these markets for Brazilian pork.

Japan: The market was recently opened and first shipments began in August. For 2014, traders believe that Japan will become an important market for Brazil.

New priorities for market access in 2014: South Korea and South Africa.

Production, Supply and Demand Data Statistics:

Meat, Swine Brazil	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	36,257	36,258	36,830	36,830		37,500
Beginning Stocks	0	0	0	0		0
Production	3,330	3,330	3,370	3,370		3,435
Total Imports	1	1	1	1		1
Total Supply	3,331	3,331	3,371	3,371		3,436
Total Exports	661	661	620	620		640
Human Dom. Consumption	2,670	2,670	2,751	2,751		2,796
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	2,670	2,670	2,751	2,751		2,796
Ending Stocks	0	0	0	0		0
Total Distribution	3,331	3,331	3,371	3,371		3,436
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						

Export Trade Matrix**Country**

Brazil

Commodity

Meat, Swine

Time Period

Jan-Jun

Units:

Metric Tons

Exports for:

2012

2013

U.S.

0

U.S.

24

Others

Others

Albania	1,761		1,393
Angola	13,836		14,419
Argentina	5,909		7,994
Armenia	3,495		3,848
Azerbaijan	1,190		145
Chile	1,751		2,221
European Union	0		144
Georgia	4,478		5,324
Kazakhstan	353		133
Hong Kong	43,158		43,490
Japan	346		113
Moldova	1,008		1,763
Russian Federation	55,380		68,812
Singapore	13,394		13,302
South Africa	59		0
UAE	2,798		2,514
Ukraine	64,131		25,250
Uruguay	10,527		10,514
Venezuela	0		0

Total for Others

223,574

201,379

Others not Listed

9,282

6,965

Grand Total

232,856

208,368

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

Quantity in Product Weight Equivalent (PWE)

Updated: August 15, 2013