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## **Brazil**

### **Livestock and Products Semi-annual**

#### **Report 2010**

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**Report Highlights:**

Post forecasts beef production and exports to rebound in 2010 at an average rate of 4 and 5 percent, respectively. Pork production and exports are also forecasted to increase in 2010 by 2 percent after a good performance in 2009. Domestic demand will remain steady in 2010 due to the forecasted growth of 5.3 of the Brazilian economy. The export market is expected to rebound for beef in 2010 due to shipments to new markets.

**Executive Summary:**

The outlook for the Brazilian economy in 2010 calls for a rebound in economic growth at 5.3 percent, with inflation rate at 4.9 and a continued increase in consumer purchasing power. Brazilian meat exporters are also optimistic about the recovery of the world economy in 2010 and expect Brazilian exports of beef and pork to increase in their major markets. Post forecasts beef and pork production to increase an average of 4 percent in 2010, supported by an increase in export growth and firm domestic demand for animal proteins.

Post revised production and export estimates for Brazilian beef and pork for 2009 to reflect final export data.

**Commodities:**

Animal Numbers, Cattle  
Select

**Production:**

The Brazilian beef industry is still facing lower availability of finished cattle for slaughter. And, the situation is aggravated by the lack of payment by some packers which filed a bankruptcy procedure to stall payments to producers. However, this situation is beginning to change and Post expects an increase of nearly 4 percent in the cattle slaughter in 2010 boosted by higher export and domestic demand for beef

**Trade:**Cattle exports are expected to increase by 11 percent in 2010, because of lower exports to Venezuela due to payments defaults. Venezuela remains the main destination for Brazilian cattle, followed by Lebanon. The state of Para in the Amazon region is the main source of live cattle for exports. Brazilian beef packers and exporters continue to criticize exports of live cattle principally during the current period of lower availability of cattle for slaughter. The hides and skins industry also supports beef exporters' complaints about live cattle exports.

## Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Brazil	2008		2009		2010		
	2008		2009		2010		
	Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
		Data		Data		Data	
Total Cattle Beg. Stks	175,437	175,437	179,788	179,540	185,243	185,325	(1000 HEAD)
Dairy Cows Beg. Stocks	35,090	35,090	35,960	35,908	37,050	37,148	(1000 HEAD)
Beef Cows Beg. Stocks	49,122	49,122	50,340	50,271	51,870	52,007	(1000 HEAD)
Production (Calf Crop)	49,298	49,050	49,563	49,150	50,937	49,400	(1000 HEAD)
Intra-EU Imports	0	0	0	0	0	573	(1000 HEAD)
Other Imports	70	70	35	520	40	0	(1000 HEAD)
Total Imports	70	70	35	520	40	573	(1000 HEAD)
Total Supply	224,805	224,557	229,386	229,210	236,220	235,298	(1000 HEAD)
Intra EU Exports	0	0	0	0	0	0	(1000 HEAD)
Other Exports	414	414	515	515	620	573	(1000 HEAD)
Total Exports	414	414	515	515	620	573	(1000 HEAD)
Cow Slaughter	13,325	13,325	12,316	12,304	11,056	12,120	(1000 HEAD)
Calf Slaughter	400	400	350	350	300	300	(1000 HEAD)
Other Slaughter	26,713	26,713	26,810	26,812	28,110	28,480	(1000 HEAD)
Total Slaughter	40,438	40,438	39,476	39,466	39,466	40,900	(1000 HEAD)
Loss	4,165	4,165	4,152	3,904	4,152	3,567	(1000 HEAD)
Ending Inventories	179,788	179,540	185,243	185,325	191,230	190,258	(1000 HEAD)
Total Distribution	224,805	224,557	229,386	229,210	236,220	235,298	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

**Commodities:**

Meat, Beef and Veal

**Production:**

Post forecasts beef production to increase by 3 percent in 2010 due to the following factors: a) increased exports; b) higher availability of cattle for slaughter; and c) firm domestic demand for beef as the Brazilian economy is expected to rebound in 2010 with an estimated economic growth of over 5 percent.

Post revised 2009 beef numbers to include final export numbers.

**Trade:**

Post forecasts beef exports to increase by 3 percent in 2010 as Brazilian beef exporters are optimistic about the economic recovery in their major markets, and new exports to markets recently opened such as Indonesia, Chile, China and South Africa. They also expect a continued recovery of the European beef market as more Brazilian cattle farms are enrolled in its traceability program. Traders are also optimistic that Iran will become the largest importer of beef from Brazil in 2010.

Post revised beef exports in 2009 to include final export-import data. Total beef exports dropped by 11 percent in volume to nearly 1.1 million metric tons (PWE), mostly due to reduced exports to Venezuela (-59%), Russia (-14.5%), and the European Union (-6.2%). The decline in these markets was somehow offset by major increases in exports to Hong Kong, Iran, Egypt, and Algeria. In addition, beef exporters complain that the valuation of the Brazilian currency affected their export profitability, which dropped by an estimated 25 percent.

**Production, Supply and Demand Data Statistics:**

Meat, Beef and Veal Brazil	2008		2009		2010		
	2008		2009		2010		
	Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
		Data		Data		Data	
Slaughter (Reference)	40,438	40,438	39,476	39,466	40,570	40,900	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	9,024	9,024	8,935	8,935	9,290	9,205	(1000 MT CWE)
Intra-EU Imports	0	0	0	0	0	0	(1000 MT CWE)
Other Imports	29	30	30	35	25	40	(1000 MT CWE)
Total Imports	29	30	30	35	25	40	(1000 MT CWE)
Total Supply	9,053	9,054	8,965	8,970	9,315	9,245	(1000 MT CWE)
Intra EU Exports	0	0	0	0	0	0	(1000 MT CWE)
Other Exports	1,801	1,801	1,555	1,596	1,870	1,675	(1000 MT CWE)
Total Exports	1,801	1,801	1,555	1,596	1,870	1,675	(1000 MT CWE)
Human Dom. Consumption	7,252	7,253	7,410	7,374	7,445	7,570	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
Total Dom. Consumption	7,252	7,253	7,410	7,374	7,445	7,570	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
Total Distribution	9,053	9,054	8,965	8,970	9,315	9,245	(1000 MT CWE)
CY Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
CY. Exp. to U.S.	120	94	85	78	105	78	(1000 MT CWE)

# Import Trade Matrix

## Country

Brazil

## Commodity

Meat, Beef and Veal

Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2008		<b>2009</b>
U.S.	0	U.S.	0

Others		Others	
Argentina	6,713		8,542
Paraguay	3,936		4,960
Uruguay	10,034		10,440

Total for Others	20,683		23,942
Others not Listed	226		701
Grand Total	20,909		24,643

HTS: 0201,0202,021020,160250

# Export Trade Matrix

## Country

Brazil

## Commodity

Meat, Beef and Veal

Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2008		<b>2009</b>
U.S.	52,692	U.S.	43,522
Others		Others	
Angola	22,058		15,596
Algeria	48,432		51,138
Chile	3,967		5,989
Egypt	68,707		74,134
European Union	130,451		122,341
Hong Kong	68,699		101,258
Iran	81,202		88,996
Iraq	310		4,854
Israel	32,644		28,086
Lebanon	20,017		26,668
Libya	25,331		19,277
Japan	3,396		4,553
Jordan	7,964		14,512
Phillippines	15,236		13,478
Russia	382,859		327,398
Saudi Arabia	37,563		31,124
Singapore	9,141		5,238
Ukraine	25,380		2,794
UEA	13,799		11,523
Venezuela	96,827		39,925
Vietnam	1,345		5,388
Total for Others	1,095,328		994,270
Others not Listed	81,073		55,423
Grand Total	1,229,093		1,093,245

HTS:0201,0202,021020,160250

Quantity in Product Weight Equivalent (PWE)

**Commodities:**

Meat, Swine

**Production:**

Post forecasts pork production to continue to increase in 2010 at an average rate of nearly 4 percent. Our projections reflect current optimism of pork exporters for increasing exports during next year and assume that the worst of the global financial turmoil is over. However, traders remain cautious about the impact of the valuation of the Brazilian currency and access to credit for main importers, such as Russia.

On the other hand, hog producers currently enjoy stability in feed prices, mostly corn. Post also forecasts an increase in domestic pork demand because pork prices are currently competitive with beef prices.

**Trade:**

Post forecasts pork exports to increase by 12 percent in 2010 as demand from major Brazilian clients remain firm. Brazilian pork exporters are also focusing their strategies in new markets in Asia, such as China, and continue to advocate for access to the US and Mexican markets.

Post revised pork exports in 2009 to include final export date. Total Brazilian pork exports in 2009 increased by 13 percent (PWE). The increase reflects higher shipments to Russia (up 18%), Singapore (28%), Angola (17%), Ukraine (15%) and Albania (177%). Argentina and Uruguay also increased their imports of Brazilian pork in 2009 by 17 and 21%, respectively.

## Production, Supply and Demand Data Statistics:

Animal Numbers, Swine      Brazil	2008		2009		2010		
	2008		2009		2010		
	Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
		Data		Data		Data	
Total Beginning Stocks	32,947	32,947	33,892	33,892	35,122	35,122	(1000 HEAD)
Sow Beginning Stocks	2,970	2,970	2,960	2,960	2,980	2,980	(1000 HEAD)
Production (Pig Crop)	34,845	34,845	35,890	35,890	37,265	37,265	(1000 HEAD)
Intra-EU Imports	0	0	0	0	0	0	(1000 HEAD)
Other Imports	1	0	0	0	0	0	(1000 HEAD)
Total Imports	1	0	0	0	0	0	(1000 HEAD)
Total Supply	67,793	67,792	69,782	69,782	72,387	72,387	(1000 HEAD)
Intra EU Exports	0	0	0	0	0	0	(1000 HEAD)
Other Exports	1	0	1	0	0	0	(1000 HEAD)
Total Exports	1	0	1	0	0	0	(1000 HEAD)
Sow Slaughter	60	60	80	80	90	90	(1000 HEAD)
Other Slaughter	32,640	32,640	33,430	33,430	34,610	34,610	(1000 HEAD)
Total Slaughter	32,700	32,700	33,510	33,510	34,700	34,700	(1000 HEAD)
Loss	1,200	1,200	1,149	1,150	1,150	1,150	(1000 HEAD)
Ending Inventories	33,892	33,892	35,122	35,122	36,537	36,537	(1000 HEAD)
Total Distribution	67,793	67,792	69,782	69,782	72,387	72,387	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

Meat, Swine Brazil	2008		2009		2010		
	2008		2009		2010		
	Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
		Data		Data		Data	
Slaughter (Reference)	32,700	32,700	33,510	33,510	34,700	34,700	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	3,015	3,015	3,123	3,130	3,249	3,250	(1000 MT CWE)
Intra-EU Imports	0	0	0	0	0	0	(1000 MT CWE)
Other Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Supply	3,015	3,015	3,123	3,130	3,249	3,250	(1000 MT CWE)
Intra EU Exports	0	0	0	0	0	0	(1000 MT CWE)
Other Exports	625	625	645	707	700	790	(1000 MT CWE)
Total Exports	625	625	645	707	700	790	(1000 MT CWE)
Human Dom. Consumption	2,390	2,390	2,478	2,423	2,549	2,460	(1000 MT CWE)
Other Use, Losses	0		0	0	0	0	(1000 MT CWE)
Total Dom. Consumption	2,390	2,390	2,478	2,423	2,549	2,460	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
Total Distribution	3,015	3,015	3,123	3,130	3,249	3,250	(1000 MT CWE)
CY Imp. from U.S.	0	0	0		0	0	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0		0	0	(1000 MT CWE)

**Export Trade Matrix**

**Country**

Brazil

**Commodity**

Meat, Swine

Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2008		<b>2009</b>
U.S.	0	U.S.	0
Others		Others	
Albania	2,719		7,532
Angola	20,039		24,927
Argentina	20,945		24,603
Armenia	4,526		4,454
European Union	0		0
Georgia	4,012		4,583
Kazakhstan	3,101		4,511
Hong Kong	82,061		87,498
Moldova	16,242		7,947
Russia	220,285		260,571
Singapore	21,864		28,040
South Africa	123		14
UAE	6,308		5,253
Ukraine	48,985		56,506
Uruguay	8,829		10,695
Venezuela	2,404		2,481
Total for Others	462,443		529,615
Others not Listed	18,680		13,954
Grand Total	481,123		543,569

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

Quantity in Product Weight Equivalent (PWE)