

Required Report: Required - Public Distribution

Date: September 01, 2023

Report Number: BR2023-0017

Report Name: Livestock and Products Annual

Country: Brazil

Post: Brasilia

Report Category: Livestock and Products

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Report Highlights:

The Brazilian economy is slowly recovering from the negative impacts of the COVID pandemic on its GDP growth, employment rates, and in most sectors of the economy. Post forecasts cattle production will increase one percent in 2023, reaching 48.5 million head of cattle and decrease by four percent in 2024. Cattle slaughter rates are forecasted to increase in 2023 and 2024. Beef production is forecasted to increase eight percent in 2023 and two percent in 2024. Brazil will remain as the world's largest exporter of beef, exporting 3.35 MMT CWE in 2023 and 3.40 MMT CWE in 2024, which accounts for 30 percent of Brazil's production. Post forecasts a five percent increase in swine production in 2023 and 2024, stimulated by record crops for corn and soybean. Post forecasts pork production to increase seven percent in 2023 and five percent in 2024. Pork consumption will increase as a result of increased availability. Post forecasts exports to increase eight percent in 2023 and seven percent in 2024.

EXECUTIVE SUMMARY

General Economic Conditions

The Brazilian economy is slowly recovering from the negative impacts of the COVID pandemic on its GDP growth, employment rates, and in most sectors of the economy. For 2023, the Brazilian Central Bank (BCB) forecast GDP to grow 2.31 percent and 1.33 percent in 2024. Inflation is decreasing, and BCB forecasts 4.90 percent for 2023 and 3.87 percent in 2024, which should benefit consumption. Agriculture remains as a strong performer in the economy, and structural economic reforms are underway.

Cattle

Post forecasts cattle production will increase one percent in 2023, reaching 48.5 million head of cattle and decrease by four percent in 2024. Calf and cattle prices are lower than previous years. Record crops for corn and soybean can stimulate confinement and semi-confinement production. Brazil is at the bottom of the cattle cycle and is liquidating inventories. Slaughter is forecasted to increase seven percent in 2023 and two percent in 2024. Industry reports an increase in the slaughter of cows, which should impact birth rates for 2024. Animal disease is not expected to be an issue in 2023 or 2024. Post forecasts exports of live cattle at 375 thousand head of cattle for 2023 and 455 thousand head of cattle for 2024. For both 2023 and 2024, Post forecasts imports will remain minimal and focused on genetic improvement.

Beef

Post forecasts beef production at 11.16 million metric tons (MMT) carcass weight equivalent (CWE) for 2023, which represents an eight percent increase from 2022. For 2024, Post forecasts beef production at 11.38 MMT CWE, accounting for a two percent increase. Post forecasts beef consumption in 2023 at 7.86 MMT CWE and 8.04 MMT CWE in 2024. These forecasts are based on increased availability of beef in the domestic market, caused by increased slaughter rates and improving economic scenario. Post forecasts Brazil will remain as the world's largest exporter of beef, exporting 3.35 MMT CWE in 2023 and 3.40 MMT CWE in 2024. Exports will account for 30 percent of production. This forecast considers increased production, strong external demand for beef, and competitors facing challenges with production. Post forecasts beef imports for 2023 at 57 thousand metric tons CWE and 60 thousand metric tons CWE in 2024.

Swine

Post forecasts a five percent increase in production, reaching 47.05 million head in 2023 and 49.62 million head in 2024. Sows inventories are up by two percent. In 2023 and 2024, industry will benefit from decreased cost of production, especially feed, and the sector should see improved profit margins after two years of negative balances. Post forecasts five percent increase in slaughter for 2023 and four percent increase in 2024, concentrated in the South region of Brazil. These slaughter forecasts consider increased production and positive external demand for the pork products globally. Post forecasts exports of live swine animals at 4 thousand heads for 2023 and 2024. Post forecasts imports of live swine animals at 5 thousand heads in 2023 and 4 thousand heads in 2024. Swine imports are focused on genetic improvement.

Pork

Post forecasts pork production to increase seven percent in 2023 and five percent in 2024. The forecast considers high external demand, new market accessed throughout the year, improved economic conditions locally, record corn and soybean crops leading to improved availability and a reduction in feed prices, and increased swine production. Post forecast pork consumption in Brazil will increase six percent in 2023 to 3.22 MMT CWE and four percent in 2024 to 3.35 MMT CWE, due to improved availability of pork domestically and cheaper prices to the consumers. Post forecasts exports to increase eight percent in 2023 and seven percent in 2024. Post`s forecasts for improved exports are based on increased pork availability, high external demand, potential purchases from new markets, and increased exports to existing consumers. Post forecasts exports will represent 31 percent of total production. Post forecasts pork imports at 2 MMT CWE for 2023 and 2024, stable from 2022 numbers.

1. CATTLE

Figure 1
Cattle Production, Supply, and Distribution

Animal Numbers, Cattle Market Year Begins Brazil	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	193780	193780	194365	194365	0	192025
Dairy Cows Beg. Stocks (1000 HEAD)	38720	38720	38960	38960	0	37790
Beef Cows Beg. Stocks (1000 HEAD)	54900	54900	55280	55280	0	53200
Production (Calf Crop) (1000 HEAD)	47836	47836	48458	48460	0	46480
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	241616	241616	242823	242825	0	238505
Total Exports (1000 HEAD)	195	150	325	375	0	455
Cow Slaughter (1000 HEAD)	10050	10050	10500	11600	0	11845
Calf Slaughter (1000 HEAD)	300	300	300	310	0	300
Other Slaughter (1000 HEAD)	31900	31900	33000	33650	0	34325
Total Slaughter (1000 HEAD)	42250	42250	43800	45560	0	46470
Loss and Residual (1000 HEAD)	4806	4851	4448	4865	0	4770
Ending Inventories (1000 HEAD)	194365	194365	194250	192025	0	186810
Total Distribution (1000 HEAD)	241616	241616	242823	242825	0	238505
(1000 HEAD)						

Source: USDA Official Data, World Agricultural Supply and Demand Estimates

1.1. Production

Brazil is the third-largest cattle producer in the world, behind China and India, respectively, per official USDA data. Post forecasts cattle production will increase one percent by the end of 2023 from the previous year and reach close to 48.5 million head of cattle. In 2024, Post forecasts cattle production will reach 46.5 million head of cattle, a four percent decrease from the 2023 forecast. In 2023, Post estimates the beginning cattle herd at 194.4 million, and for 2024, Post estimates 192 million head – an inventory decrease of three percent caused by increased slaughter in 2023. As a cycle commodity, Brazil is currently facing the bottom of the cattle cycle, which is expected to last for the next 18 to 24 months, with producers liquidating previously held inventories. Post forecasts are based on the socio-economic performance expected for the country, the cycle of cattle, improved costs of production, expected foreign demand, and on slaughter trends.

Socio-Economic Factors to Weigh on Production

Post forecasts moderate economic performance in 2023 and 2024. The Brazilian economy is slowly recovering from the negative impacts of the COVID pandemic on its GDP growth, employment rates, and in most sectors of the economy. For 2023, the Brazilian Central Bank (BCB) forecast GDP to grow 2.31 percent and 1.33 percent in 2024. The Central Bank Focus survey published on August 25th anticipates inflation at 4.90 percent for 2023 and 3.87 percent in 2024. The exchange rate from Brazilian Reals to U.S. dollars is forecasted at 4.98 for 2023, and 5.00 for 2024.

The Institute of Geography and Statistics (IBGE) reports that Brazil had 9.4 million unemployed people in the first quarter of 2023, which represents a 8.8 percent unemployment rate. However, there are an additional 3.9 million people that have stopped looking for a job. The total underutilized rate for the first quarter of 2023 is 18.9 percent.

On August 1st, the Brazilian Central Bank Monetary Policy Committee (Copom) noted that the recent set of indicators suggests a scenario of gradual deceleration of activity. “Apart from the strong performance of agriculture, (...) [i]n general, there is some retraction in the trade sector, stability in industry and some accommodation in the services sector, after a stronger growth pace in previous quarters. The labor market remains resilient but with some moderation at the margin.” The minutes to the meeting also highlighted that “structural reforms and the predictability of public accounts are essential to increase the economy’s productivity, raise the potential growth, and improve the confidence of business, investors, and households”, without which there are harmful impacts on the economy.

On July 7th, the Brazilian Chamber of Deputies approved a major tax reform in an attempt to simplify the Brazilian federal and state tax codes. The idea is that the federal, state, and local taxes – which often overlap – will be replaced by a simplified value added tax (VAT). The bill is currently with the Senate for evaluation and is likely to return to the Chamber of Deputies with modifications, which need to be approved or rejected by the Chamber. The agricultural sector is concerned about the measure, as the sector currently benefits from certain tax exemptions that may be removed with the establishment of the VAT. The Agricultural Caucus has presented 12 priorities of the sector on the tax reform.

Production Costs

Calf and Cattle Prices

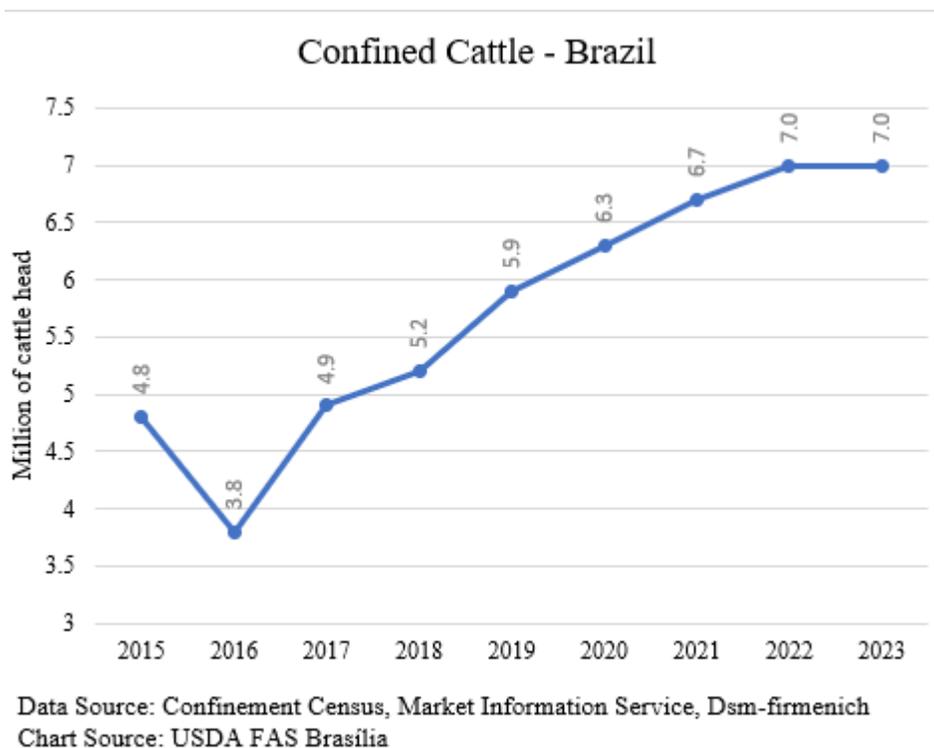
A key factor that drives cattle production’s profitability is the cost of production. The price of calves and fed cattle is impacting the sector with lower values than those experienced in 2022. Calf prices are forecasted to remain lower than 2022 in both 2023, and in the first semester of 2024. Fed cattle prices are about 20 percent lower than 2022, and the over availability of supplies in 2023 and 2024 due to increased slaughter points to a slow recovery in prices.

Confinement

Although Brazil still primarily grass-feeds its cattle, industry sources indicate there is a natural stimulus to increase feedlots and semi-feedlots to increase the time of production. Whereas in the past these feeding arrangements were not as widespread in Brazil, as pasture land is converted for grain production – due to the profitability of having two to three crops per year – these techniques are becoming more common. With less pasture, there is higher concentration, and hence finishing animals on semi-feedlots become more profitable. Normally Brazilian cattle that are receiving supplemental feed, receive such treatment from 80 to 120 days, an average of 105 days.

A specialized company has established a Confinement Census in 2015. Together with researchers of the Luiz de Queiroz College of Agriculture of the Center for Advanced Studies on Economics (CEPEA ESALQ), their data shows that in average confined animals gained about 136 kilos in 122 days, which demonstrate that the investment in nutritional supplementation has an evident return on investment. Other benefits seen were the quality of the finishing, carcass yield, decreased sickness, and better absorption of the feed. The five states which confined the most in preliminary results for 2023 were Mato Grosso, São Paulo, Goiás, Minas Gerais, and Mato Grosso do Sul, in order.

Figure 2
Confined Cattle – Brazil



Cost of Feed

The National Union for Animal Feed Industry (Sindirações) forecasts 2023 bovine animal feed production at 12.3 million tons. For both beef and dairy cattle, the top macro ingredient used for feed is corn. Soybean meal is also an important product in the feed mix. The feed industry is highly dependent on the animal protein sector – not just cattle, but specially poultry and swine production – and are forecasting a two percent increase for 2023 and 2024. It is important to note that sources point to idle capacity in the feed industry, meaning they could vamp production up if needed.

As a major producer of both corn and soybean meal, Brazil has a competitive advantage when producing cattle for subsequent slaughter, decreasing the cost of feed. Post currently forecasts corn production for MY 2023/24 at 131, up 1.6 percent from the current season, creating a record harvest – please see Grain and Feed Update Report [BR2023-0013](#). Brazil is forecasted to surpass the United States and become the largest corn producer in the world. However, the record crop has had a toll on prices, which affect corn producers profitability in one hand, but on the other, benefits animal protein producers with decreased production costs.

Figure 3
Brazil – Corn Prices



Data Source: CEPEA, ESALQ
Chart Source: USDA FAS Brasilia

Post forecasts production of soybeans at 159 million metric tons for 2023/24 and soybean meal production at 41.6 million metric tons, also forecasted as a record crop – please see Oilseed and Products Update Report [BR2023-0014](#). Soybean meal prices have decreased, which further incentivizes cattle producers who are considering feedlots and semi-feedlot options.

Figure 4
Brazil – Soybean Meal Prices



Data Source: ABIOVE, Brazilian Association of Oilseed Industries
Chart Source: USDA FAS Brasilia

Slaughter

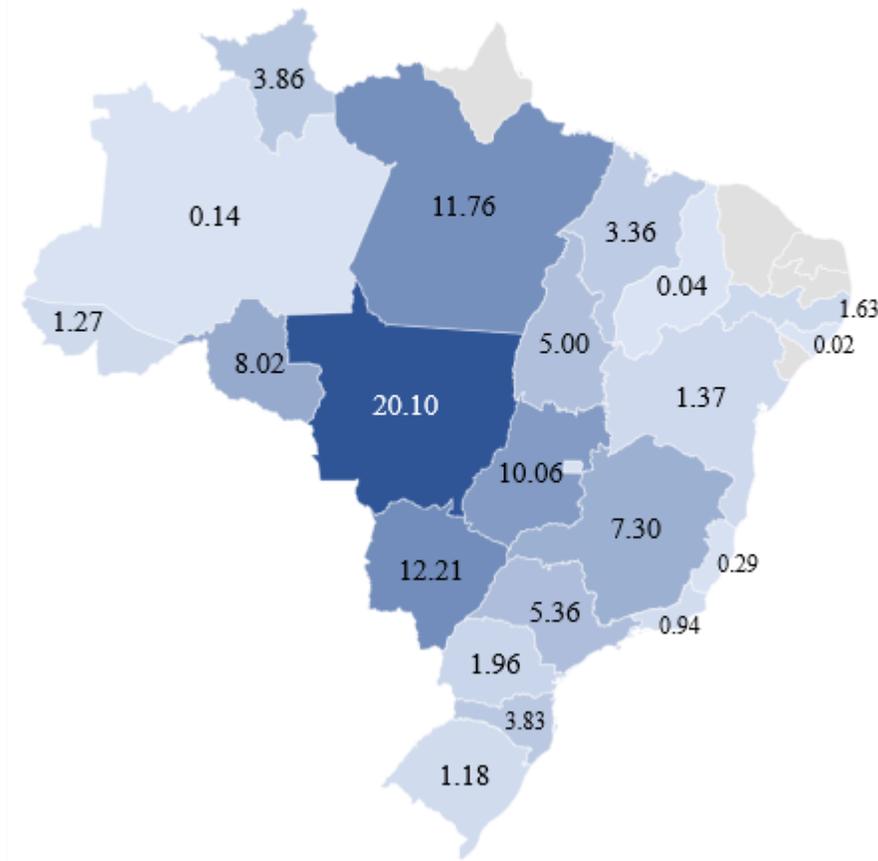
Post forecasts a seven percent increase in slaughter by the end of 2023 compared to 2022, with 45.5 million head slaughtered, and a two percent increase in 2024, with 46.4 million head slaughtered. This forecast is based on increased slaughter of cows and expected low prices for cattle.

The Brazilian Ministry of Agriculture and Livestock (MAPA) data for federally inspected slaughters show that in the first seven months of 2023 the state of Mato Grosso had the highest volumes of slaughter, followed by Mato Grosso do Sul, and Pará states. The map below indicates the percentages of total federally inspected slaughters per state in the period.

Figure 5

Total Slaughter per State – Percentage of Total

Total Slaughter per State - Percentage of Total January to July, 2023



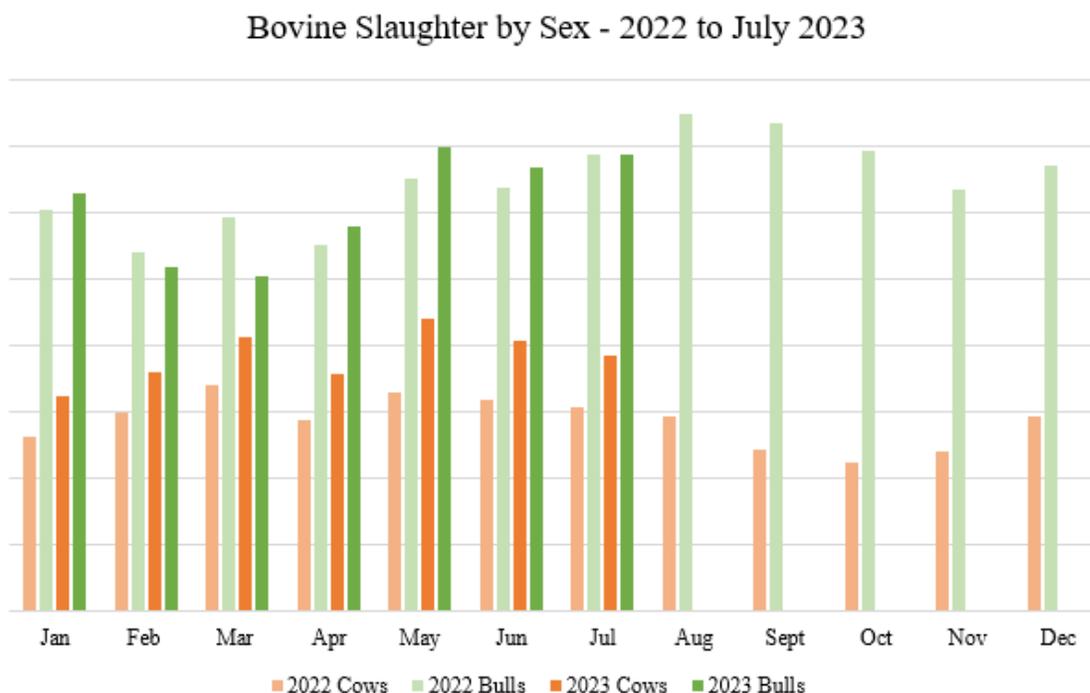
Data Source: Brazilian Ministry of Agriculture and Livestock
Chart Source: USDA FAS Brasília

Powered by Bing
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From January to July 2023, the Brazilian cattle industry has started to liquidate of the cattle inventory, increasing supply of cows for slaughter, as seen on the graph below, which compares cows and bulls slaughter in 2022 and 2023 – as with the previous figure, these are for slaughters under federal inspection.

Figure 6

Bovine Slaughter by Sex – 2022 to July 2023



Data Source: Brazilian Ministry of Agriculture and Livestock

Chart Source: USDA FAS Brasilia

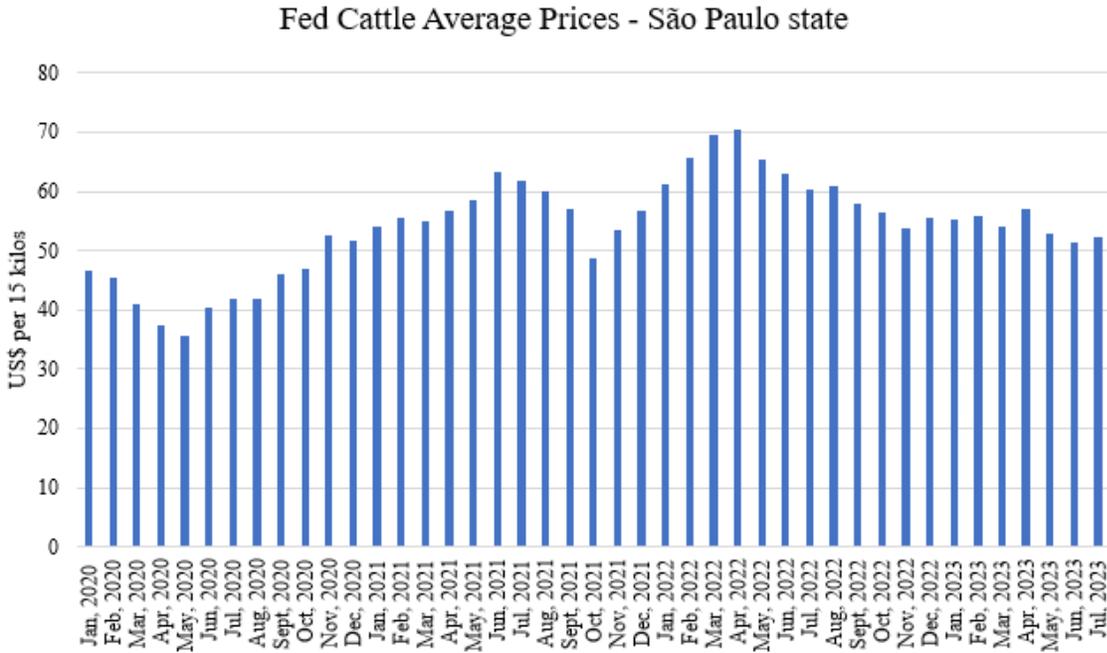
Cow slaughter from January to July 2023 has increased from 21 to 33 percent when compared to the same month in the previous year, according to official Brazilian Ministry of Agriculture and Livestock data. On average, MAPA data reports slaughter has increased over 8.5 percent in 2023 thus far. This increased slaughter can also be observed when considering the replacement market prices.

Until cow and calf prices increase, this liquidation cycle should be expected to continue. In conversations with industry, Post has learned that foreign markets are demanding younger animals. To supply this demand, producers have made investments to shorten the cattle cycle – such as in improved genetics, pastureland, animal feed, and management techniques. Analysts report that whereas the average age of slaughter was 48 months about five years ago, this average is now 36 months. This increased productivity also supports the increased offer of finished animals for slaughter.

The high slaughter at this moment is pressuring prices down, as seen on the following graph “Fed Cattle Average Prices – São Paulo state, 2020 to July 2023”. Whereas in late March 2022, fed cattle prices reached a record of R\$ 352 per 15 kilos (around US\$ 73), the same weight was being traded exactly a year later at R\$ 283 (close to US\$57). In sum, producers are experiencing about a twenty percent decrease in values received for the same weight.

Figure 7

Fed Cattle Average Prices – São Paulo state, 2020 to July 2023



Data Source: CEPEA ESALQ

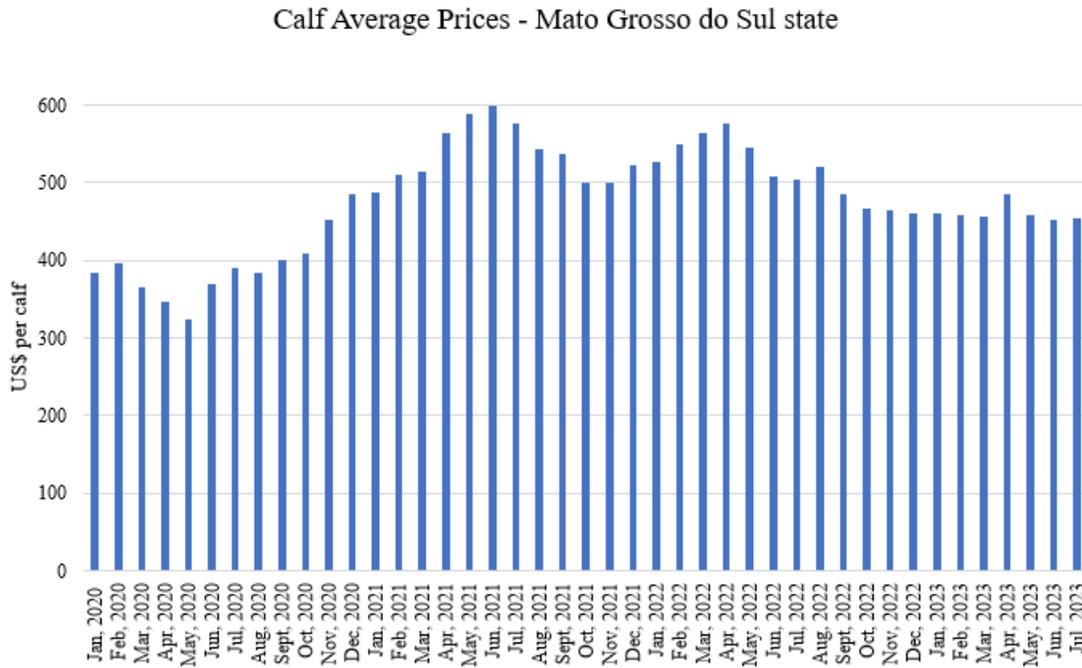
Chart Source: USDA FAS Brasilia

The cattle liquidation cycle will likely have future consequences to the industry. With fewer cows, birth rates are expected to decrease – which Post is accounting in 2024 as a four percent decrease in production. With decreased birth rates, the availability of animals at the replacement market is also expected to decline, and thus possibly creating prices to increase. As prices start to improve for producers, replacement producers are likely to start retaining their calf production, and hence further decrease the availability of animals for slaughter.

For the remainder of 2023 producers are expected to increase purchases of calves to take advantage of the lower prices, versus the prices experienced in 2022, as demonstrated by the graph “Calf Average Prices – Mato Grosso do Sul state, 2020 to July 2023”.

Figure 8

Calf Average Prices – Mato Grosso do Sul state, 2020 to July 2023



Data Source: CEPEA ESALQ
Chart Source: USDA FAS Brasilia

As the tendency is for diminished calf production in 2024, due to the increased slaughter of cows in 2023, Post anticipates calf prices in 2024 will likely improve in the second semester of 2024.

Weather conditions

Climate is an important factor in cattle production, specially considering Brazil’s reality of mostly open lot production. In June, 2023 media outlets widely reported on the death of over 1.5 thousand cattle head in the state of Mato Grosso do Sul due to cold weather. Most of the affected cattle were in the Pantanal region, which at this time of the year is flooded, increasing air humidity and leaving little natural coverage in the plateau for the cattle to hide from the cold winds.

Based on data from the National Meteorology Institute (INMET), weather temperatures in the Center-West region of Brazil, where over 40 percent of total slaughters concentrated in the first seven months of 2023 – as seen on the previous map “Total Slaughter per State – Percentage of Total,” – will be above average in the months of July, August and September, 2023. Decreased water availability is expected in the region, as well as in the Southeast region of Brazil. In the south, INMET forecasts rain above average in the states of Rio Grande do Sul and Santa Catarina. Temperature is also expected to be above average in the region.

INMET reports that the La Niña phenomenon has concluded in March 2023, after a three-year period. In June, the National Oceanic and Atmospheric Administration (NOAA) has reported that the El Niño has restarted. Forecast point to 90 percent assurance that the conditions imposed by the El Niño will continue until the end of 2023. Consequences of the phenomenon in Brazil could include excess rainfall in the southern region of Brazil, diminished rainfall in the north and northeast regions of Brazil. This abnormal rainfall has a direct impact in grain production, and potentially on pastureland. The higher temperatures during the southern hemisphere autumn and winter makes frosts less likely but the thermal stress on cattle could affect productivity. The phenomenon is currently still weak, but should warmer weather continue until the summertime in 2023/24 in Brazil, meteorologists believe it could become moderate to strong. As the phenomenon has just restarted, Post will continue monitoring developments and impact to industry.

Animal Disease

Post forecasts that animal disease will not negatively impact cattle production in 2023 or 2024.

In May 2023, the World Organization for Animal Health (WOAH) made a decision that Bovine Spongiform Encephalopathy (BSE) has turned from a public health emergency of international concern to a disease with contained presence and sanitary impact. Today the incidence of BSE has dropped to nearly zero, as the successful implementation of effective control measures have been adopted worldwide – a scenario that is not different in Brazil. According to Dr. Etienne Bonbon, president of the Terrestrial Animal Health Standards Commission in an interview WOA “[i]n the past, the uncertainty around the epidemiology of BSE justified an important level of precaution taken to handle the disease. Today, its quasi-zero incidence worldwide minimizes the risk of disease and calls for a different level of precaution to face a novel scenario”.

WOAH has made the decision to remove the atypical form of BSE, which occurs spontaneously in cattle populations at a very low rate and which have only been identified in older cattle, from the list of diseases that require a compulsory notification to WOA. The classical BSE continue to be of mandatory reporting to WOA.

In the past 23 years, Brazil has reported 6 cases of atypical BSE, the last one recently on March in a nine-year-old animal in the state of Pará. The case had been formally reported to WOA, abiding by the then requirement. The decision to remove atypical BSE from the compulsory notification list was celebrated by producers as well as the Secretary of Agricultural Defense of MAPA, which was quoted by the media saying that this "[i]t is a very positive gain for countries like Brazil, as it can favor future technical discussions in the revision of protocols with importing countries." Brazil has suffered trade impact on beef exports due to these notifications in the past, and recently this year – more on this on the following Chapter 2 – Beef.

In regards to Foot-and-Mouth Disease (FMD), WOAHA recognizes Brazil as a country free from FMD with vaccination, and portions of the country are recognized as free from FMD without vaccination. This includes the states of Santa Catarina, Paraná, Rio Grande do Sul, and a zone block including the states of Acre and Rondônia and 14 municipalities in the state of Amazonas and five municipalities in the state of Mato Grosso. The last case of FMD in Brazil was in 2006. On March 31, 2023, MAPA has issued [Ordinance 574](#), which prohibits storage, trade, and use of FMD vaccination in the Federal District, and in the states of Espírito Santo, Goiás, Minas Gerais, Mato Grosso, Mato Grosso do Sul, and Tocantins. This measure is a step forward in the Strategic Plan 2017-2026 of the National Program for FMD Eradication, which has the end goal of making the entire country free from FMD without vaccination, for posterior recognition by WOAHA. The herd in the area now excluded from vaccination requirements represents 48 percent of the total cattle herd in Brazil, according to MAPA.

Sustainability

Brazil is frequently attacked both abroad and at home for its sustainable practices, and the cattle industry is often the target. The largest cattle slaughterhouses in Brazil have long started working on improved traceability, some for over 15 years. For example, one of the largest beef producers in Brazil has one-hundred percent of its direct supply chain traced, and has made a commitment to have all the indirect supply chain traced by 2030. Investments made on this topic already reach R\$ 1 billion. Brazil has been working diligently to try to defend its environmental sustainability of cattle ranching and agriculture at-large. EMBRAPA published a response on attacks in which it states that “Brazilian agricultural research possesses a wealth of knowledge and technologies that ensure a balance between food production and supply and environmental conservation. Needless to say, Brazilian agricultural production is carried out mainly outside the Amazon biome.” Industry sources have expressed concern with the new European Union deforestation law and its impacts in the entire global supply chains. Packers and banks have started their own internal programs to push for sustainability, but a clearer guidance/investment from the government would be appreciated. The concern with the new EU legislation refers to the possible implications on trade.

1.2. Live Cattle Trade

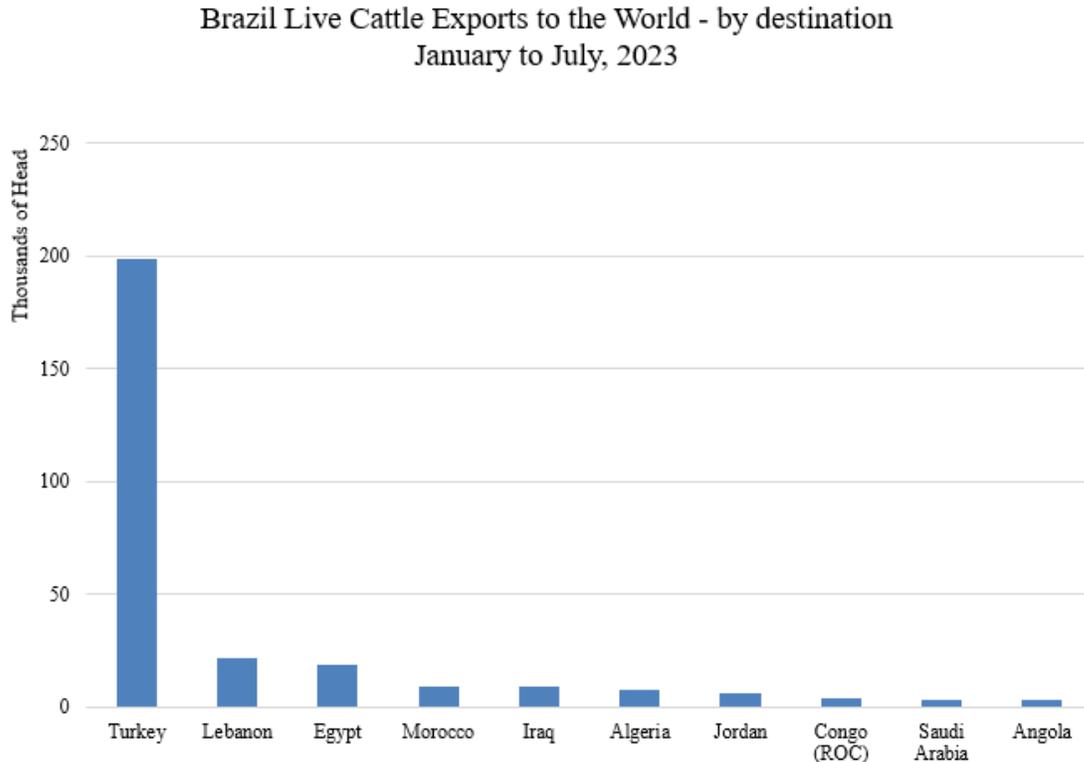
Exports

Post forecasts exports of live cattle at 375 thousand head of cattle for 2023. Thus far, from January to July 2023, Brazil has exported close to 282 thousand head of cattle – as demonstrated by the following graph. This represents a 220 percent increase when compared to the same period in 2022 - explained by a boost in exports to the Middle East, especially to Turkey, which had not imported a single animal in the same period in 2022. The average travel time from Brazil to Turkey by sea is from 18 to 20 days. As reported by Post Ankara in Report [TU2023-0013](#), Turkey is experiencing elevated prices for meat and

milk products due to several reasons, amongst which insufficient cattle inventories, and has therefore the expectation of doubling imports of live cattle.

Figure 9

Brazil Live Cattle Exports to the World – by destination

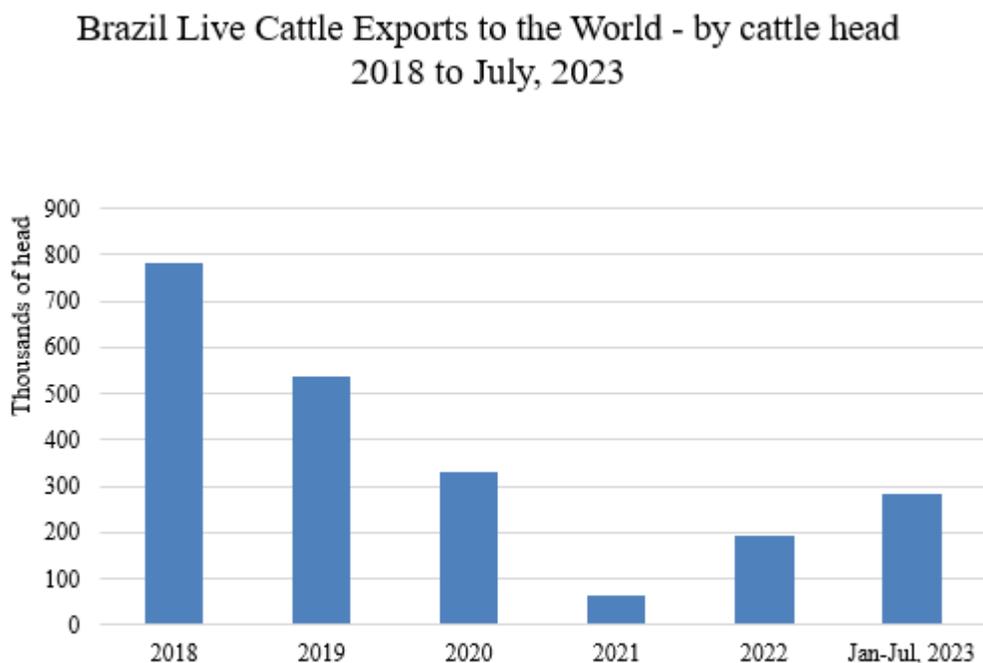


Data Source: Brazilian Ministry of Development, Industry, Trade, and Services
Chart Source: USDA FAS Brasilia

Specialized analysts indicate that live cattle exports in Brazil is normally one to one and a half percent of total supply. As economies continue recovering from the economic effects of the pandemic, Post forecasts that in 2024 Brazil will export up to 455 thousand heads. This will regain lost opportunities during the pandemic years. The improved forecasted exports take Brazil back to numbers closer to its pre-pandemic export levels, as seen on the following graph.

Figure 10

Brazil Live Cattle Exports to the World - by cattle head



Data Source: Brazilian Ministry of Development, Industry, Trade, and Services

Chart Source: USDA FAS Brasilia

In April 2023, a São Paulo state court ruling decided, after a motion that had been filed in 2017 by the National Forum for Animal Protection, that exportation of live cattle via ships was no longer authorized. The decision was appealed and its effects suspended until the case is appreciated at a higher instance, with no expectation of when that will happen.

The Ministry of Agriculture and Livestock monitors live cattle exports closely. The Agricultural Surveillance inspectors of MAPA verify animal condition prior to embarking them onto ships, and verify the actual ship and the circumstances in which the animals will be taken abroad. The inspectors verify the vertical and horizontal space where the animals will be conditioned, the presence of anti-slippery flooring, absence of cutting objects in the area reserved for the animals, the presence of veterinarian bays and adequate pharmaceuticals, shall an animal become sick and need to be isolated from others, adequate ventilation, as well as the availability of feed and water. The World Organization of Animal Health Terrestrial Animal Health Code is considered during the process to make sure the animals' welfare is taken into accounting, assuring them the five freedoms - freedom from hunger, thirst and malnutrition; freedom from fear and distress; freedom from physical and thermal discomfort; freedom from pain, injury and disease; and freedom to express normal patterns of behavior.

Imports

For both 2023 and 2024, Post forecasts imports will remain minimal, not significant enough to be included on the official Production, Supply, and Distribution table, which is at the thousand heads. Brazil’s imports of live animals are focused on genetic improvement, as Brazil only imports “cattle, live, purebred breeding”, HS Code 010221. In 2023, from January to July, 2023, Brazil has imported 43 cattle heads, almost seven percent lower than the same period in 2022. In value terms, Brazil’s imports in 2023 until July sum up close to US\$ 244 thousand – a 42 percent decrease from the same period in 2022. Brazil’s only supplier of live cattle is the United States, which is firming up as a strong partner in genetic improvement of the Brazilian herd, both in live cattle, as well as in genetic material for artificial insemination.

2. BEEF

Figure 11

Beef and Veal Meat Production, Supply, and Distribution

Meat, Beef and Veal Market Year Begins	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Brazil						
Slaughter (Reference) (1000 HEAD)	42250	42250	43800	45560	0	46470
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	10350	10350	10650	11160	0	11385
Total Imports (1000 MT CWE)	72	72	63	57	0	60
Total Supply (1000 MT CWE)	10422	10422	10713	11217	0	11445
Total Exports (1000 MT CWE)	2898	2898	3050	3350	0	3400
Human Dom. Consumption (1000 MT CWE)	7524	7524	7663	7867	0	8045
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	7524	7524	7663	7867	0	8045
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	10422	10422	10713	11217	0	11445

(1000 HEAD) ,(1000 MT CWE)

Source: USDA Official Data, World Agricultural Supply and Demand Estimates

2.1. Production

Post forecasts beef production at 11.16 million metric tons (MMT) carcass weight equivalent (CWE) for 2023, which represents an eight percent increase from 2022. For 2024, Post forecasts beef production at 11.38 MMT CWE, accounting for a two percent increase.

These forecasts are consistent with increased cattle slaughter noted in Chapter 1 of this report, average carcass weight, improved economic conditions for consumers positively affecting domestic consumption, diminished competition abroad, and firm external demand, specially from China.

Another element that is working in favor of the increased Brazilian beef production is that the main competitors, such as the United States, European Union, Argentina, and Uruguay, are either scaling back production for 2023 or having less than one percent growth forecasted, per official USDA data. The over availability of cattle for slaughter together with exports will help drive production upwards in 2023 and 2024.

2.2. Consumption

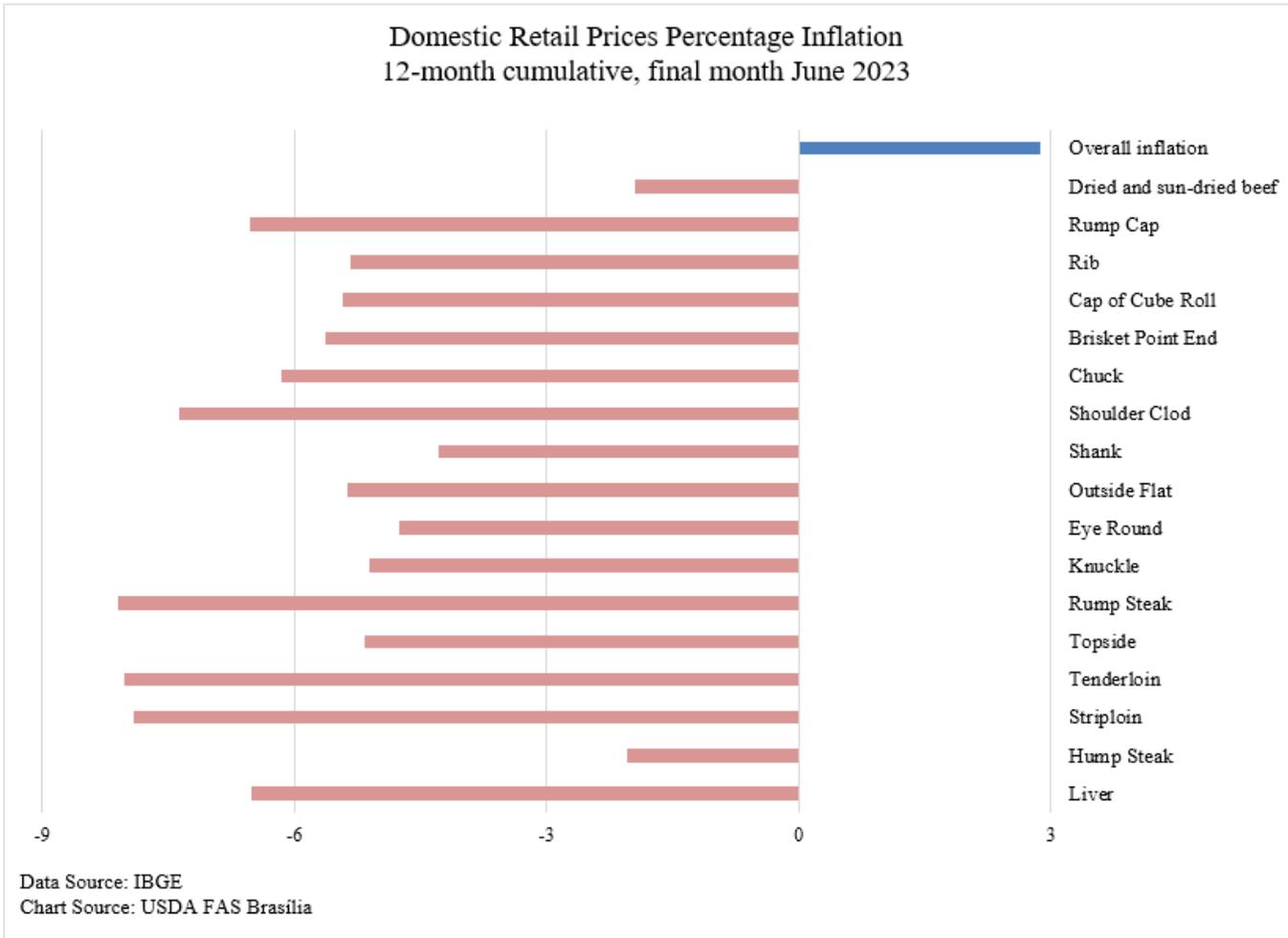
Post projects domestic beef consumption in 2023 at 7.86 MMT CWE, a five percent increase from 2022. For 2024, the forecast is that the Brazilian population will increase consumption by another two percent, reaching 8.04 MMT CWE. These forecasts are based on increased availability of beef in the domestic market, caused by increased slaughter rates and improving economic scenario.

Although inflation is expected to reach 4.90 percent by the end of 2023 according to the latest data available from the Brazilian Central Bank, this number has been decreasing – in the first Focus survey of 2023, the expectation was for a 5.62 inflation rate. In the last COPOM meeting, the Committee decided that the anticipation is for cuts of 0.50 percentage point in the next meetings. As interest rates are forecasted lower, the tendency is for quality-of-life improvement.

As seen on the following table, inflation on domestic retail prices of beef have been decreasing in the past 12-month cumulative, per official IBGE data. The expectation for the remainder of the year is to have prices relatively low for beef cuts, favoring consumption. For 2024 prices tend to improve in the second semester, when a lot of the disposals from inventories will have already taken place, moving towards an end of this phase of the cycle.

Figure 12

Domestic Retail Prices Percentage Inflation – Meat Cuts



This scenario, along with increased availability and governmental social benefit paying programs, tend to favor domestic consumption, as beef remains as the preferred source of animal protein for Brazilians. However, it is important to caveat that despite the forecasted increase in domestic consumption, poultry and pork meat remain more affordable. Therefore, shall the economic situation of the country deteriorate, beef would normally be on the first list of items to be cut by Brazilian consumers.

2.3. Trade

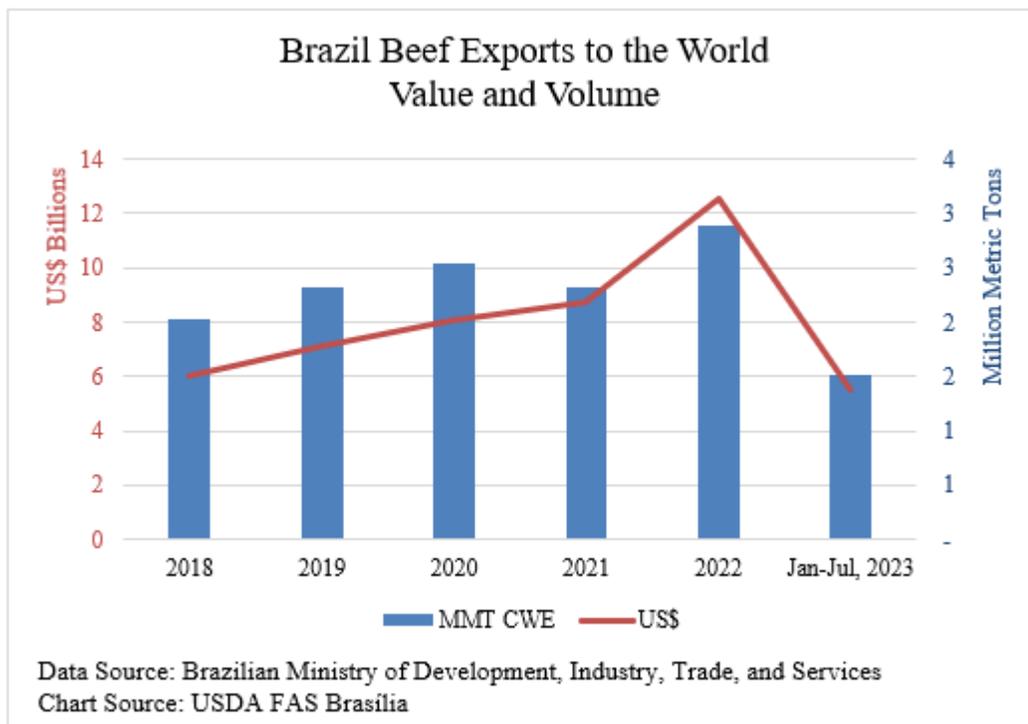
Exports

Post forecasts Brazil will remain the world's largest exporter of beef in 2023 and 2024. Beef exports are forecast at 3.35 MMT CWE in 2023, and 3.40 MMT CWE in 2024. For both years, Post forecasts exports will account for 30 percent of all production in Brazil.

The optimistic forecast considers the increased availability of cattle, which is boosting beef production, strong external demand for beef, and competitor exporters facing challenges with production. In conversations with industry, Post has learned that their plan is to increase exports, despite an unfavorable trend on prices received from exports, as seen on the following graph, which compares volume exported to dollars received.

Figure 13

Brazil Beef Exports to the World – Value and Volume



Per official USDA data, Brazil currently holds over 21 percent of global exports of beef. Together at the top five exporters, Brazil is followed by India, the United, Australia – all with ten percent of global exports, and by Argentina, with 5.8 percent of total share.

In terms of trading partners, Brazil's main market since 2009 is China, and the expectation is for the Asian giant to remain as Brazil's top destination for beef – and other animal protein – for a long time. In 2022, China was the destination of over 72 percent of all exports. For 2023, until July, China received over 54 percent of all Brazilian beef exports.

Post contacts relay that for this year there is good demand expected from China for Brazilian beef, in tonnage, but not as much at the moment on value. However, industry remains very optimistic about Chinese imports for the next years. The Chinese population is becoming more familiar with beef, and as consumption of this protein increases, Brazil's exports should also benefit.

Earlier this year, Brazil had a detection of an atypical BSE case in the state of Pará – the case mentioned in the subsection “Animal Disease” under Chapter 1.1. Cattle, Production. Brazil's agreed upon health certificate with China demands a voluntary suspension of exports when any case – typical or atypical – of BSE is confirmed. Brazil quickly notified the Chinese authorities and voluntarily suspended exports. When the results come in demonstrating the case was of atypical BSE, Brazil worked with the Chinese government to reinstate exports. Unlike in the past when it took China several months to reopen the market for Brazil, this time China reinstated exports after one month. One of the reasons why the decision to make atypical BSE a non-reportable disease was so celebrated by the Brazilian authorities was because now Brazil would be able to go back to the negotiations with nations around the world – especially China, and potentially remove this conditionally from the health certificates for atypical BSE. This would remove a significant barrier to trade.

Because of its dependence from the Chinese market, Brazilian authorities are working to try to diversify the pool of beef importers from Brazil. Brazil has recently opened new markets, such as Indonesia, Thailand, Mexico, the Dominican Republic, and earlier this month, Singapore opened the market for processed beef from Brazil. Some of the target markets for Brazil to consolidate its presence are Indonesia, Taiwan, Korea, and Japan.

Industry contacts mentioned that Brazil is taking advantage of its competitors challenges to supply certain markets, and is starting to get more access to markets previously dominated by other competitors, such as Australia and the United States. This is the case of some Caribbean countries, where Brazil is replacing US beef, replacing them with cheaper alternative and large volumes. Australia is also, according to Post contacts, focusing more on other parts of the world, opening a void in some Asian markets, where Brazil is coming in to substitute it.

The overall scenario for Brazil's competitors, who are facing challenges with production domestically, the strong demand from China, the constant work to increase customer pool and open new market support Post's forecasts for improved exports in both 2023 and 2024.

Imports

Post forecasts beef imports for 2023 at 57 thousand metric tons CWE, revising down prior estimates to reflect a 21 percent decrease in imports. This forecast considers the imported volumes by the end of July 2023, and an average for the remainder of the year. For 2024, Post forecasts beef imports nominally stable at 60 thousand metric tons CWE. These forecasts consider the increase availability of beef domestically, at lower prices, as seen earlier in this report.

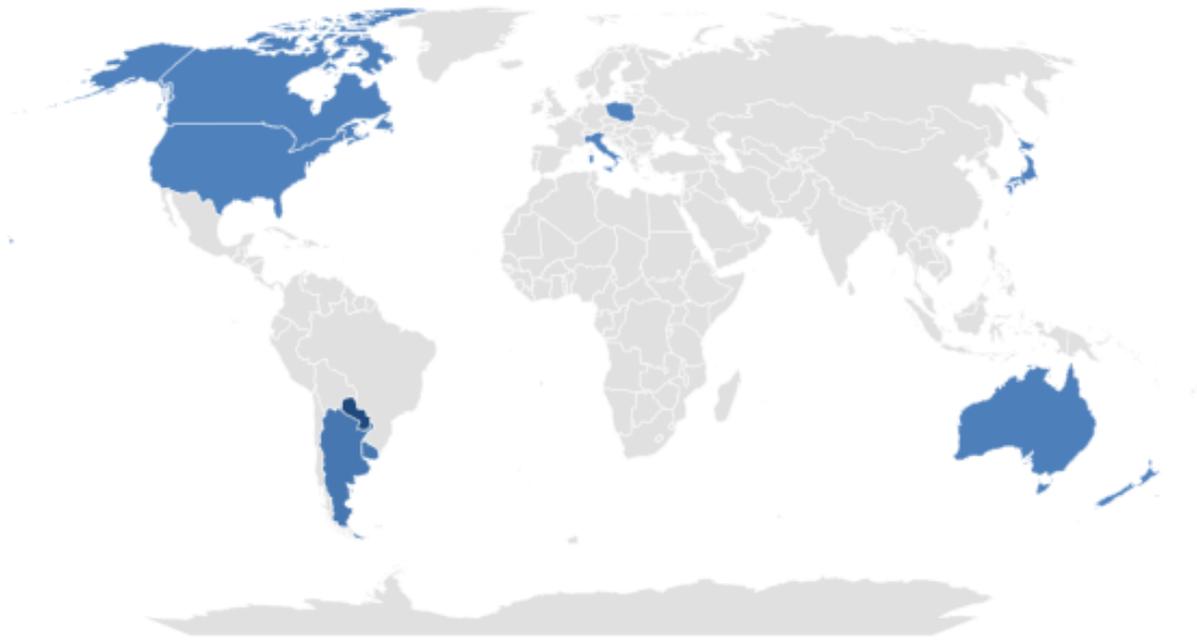
Brazil normally imports specialty cuts. As these tend to be more expensive, taking into account the economic scenario in the country, which is still facing challenges from the pandemic, and also the increased availability of beef in the domestic market for 2023 and 2024, this paints a hard scenario for imports.

In the first seven months of 2023, the largest provider of beef to Brazil was Paraguay, accounting for over 71 percent of all imports. From Paraguay, Brazil imports tenderloins and medallions, among other cuts. Paraguay is followed by Argentina and Uruguay. Together, the three Mercosur partners account for over 97 percent of total beef imports into Brazil. Australia is the fourth largest provider of beef to Brazil, accounting for 2.5 percent of the total. The United States currently ranks in the fifth position, with 0.09 percent of total imports, with 29 tons exported to Brazil from January to July 2023. The following graph shows in blue the countries from which Brazil imported beef from January to July 2023.

Figure 14

Brazil Beef Imports from the World – January to July, 2023

**Brazil Beef Imports from the World
January to July 2023**



Data Source: Brazilian Ministry of Development, Industry, Trade, and Services

Chart Source: USDA FAS Brasília

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3. SWINE

Figure 15

Animal, Swine Production, Supply, and Distribution

Animal Numbers, Swine Market Year Begins Brazil	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks (1000 HEAD)	35688	35688	34250	34250	0	32656
Sow Beginning Stocks (1000 HEAD)	2980	2980	3015	3040	0	3050
Production (Pig Crop) (1000 HEAD)	44850	44850	46300	47050	0	49620
Total Imports (1000 HEAD)	2	2	4	5	0	4
Total Supply (1000 HEAD)	80540	80540	80554	81305	0	82280
Total Exports (1000 HEAD)	3	3	4	4	0	4
Sow Slaughter (1000 HEAD)	150	150	140	140	0	140
Other Slaughter (1000 HEAD)	45000	45000	45550	47410	0	49160
Total Slaughter (1000 HEAD)	45150	45150	45690	47550	0	49300
Loss and Residual (1000 HEAD)	1137	1137	1073	1095	0	1110
Ending Inventories (1000 HEAD)	34250	34250	33787	32656	0	31866
Total Distribution (1000 HEAD)	80540	80540	80554	81305	0	82280
(1000 HEAD)						

Source: USDA Official Data, World Agricultural Supply and Demand Estimates

3.1. Production

Per official USDA data, Brazil is currently the fifth largest swine producer in the world. Post forecasts a five percent increase in production, reaching 47.05 million head in 2023 and 49.62 million head in 2024. Sow inventories are forecasted to be up by two percent to reach 3.04 million head by the end of 2023 – a movement that is not ideal for the industry, which has suffered with tight margins, and is only now starting to see good return on investments made. Brazilian producers have experienced negative profit margins in the past two years. For 2024, Post forecasts industry will maintain virtually the same production of sows as in the previous year and stabilize sow stocks by not increasing offer.

Socio-Economic Factors to Weigh on Production

Moderate economic performance is expected for 2023 and 2024 in Brazil, as the Brazilian economy slowly recovers from the negative economic consequences of the pandemic. The Brazilian Central Bank forecasts GDP growth at 2.31 percent in 2023 and 1.33 percent in 2024. BCB reports inflation will decrease in 2024 from 4.90 percent forecasted for 2023 to 3.87, and the exchange rate to dollars will be in average R\$4.99 to US\$ 1.00 in both years. Structural reforms are under progress and results should

not be immediate. For more details, please reference the subsection with this same title under chapter 1.1.

Production costs

A key factor that impacts swine production in Brazil is the cost of feed. For the swine industry, feed represents at least 70 percent of all costs. The National Union for Animal Feed Industry (Sindirações) forecasts its 2023 swine feed production at 21.4 million tons. Sindirações forecasts the feed industries will need over 17 million tons of corn and 3.4 million tons of soybean meal just to supply feed to the swine producers. The expected record crops for both corn and soybeans in Brazil will alleviate the burden of negative margins that the swine industry has been suffering for the past two years, as more resources will become available domestically and hence an expected reduction in production costs. Posts' industry contacts have shared if feed costs decrease, producers are more likely to further advance production, as international demand for pork is high.

The Brazilian Agricultural Research Corporation (EMBRAPA) has an entire unit dedicated to swine and poultry studies. Besides other attributions, the Swine and Poultry unit tracks production costs for major producing states. The below table has the overall costs for swine production in July 2023 and demonstrates the difference in price when compared to the previous 12 months. As shown, overall production costs have increased 5.51 percent in July 2023.

Figure 16

Swine Production Costs – July, 2023

Swine Production Costs - July, 2023		
Item	Value difference compared to previous 12 months	Percentage of total
Nutrition (feed)	+1.27%	73.24%
Sanity	+10.66%	2.20%
Labor	+0.00%	2.84%
Transportation	+0.06%	2.69%
Depreciation	-0.64%	3.70%
Capital Cost	+3.42%	8.06%
Electric Energy/ Bed/ Heating	-1.32%	1.02%
Maintenance/ Financial/ Furrural	-4.55%	2.44%
Diverse/ Others	+11.12%	3.81%
Total	+5.51%	100%

Data Source: EMBRAPA Swine and Poultry, ICPFrango

Chart Source: USDA FAS Brasilia

Another significant cost in the swine industry is the live hog itself. As seen on the following graph, the price of live hogs is a large percentage in the proportion of costs to produce swine in Santa Catarina state, which serves as reference state for swine and pork production, as it is the largest producer in Brazil.

Figure 17

Prices for Santa Catarina state – R\$/kilogram

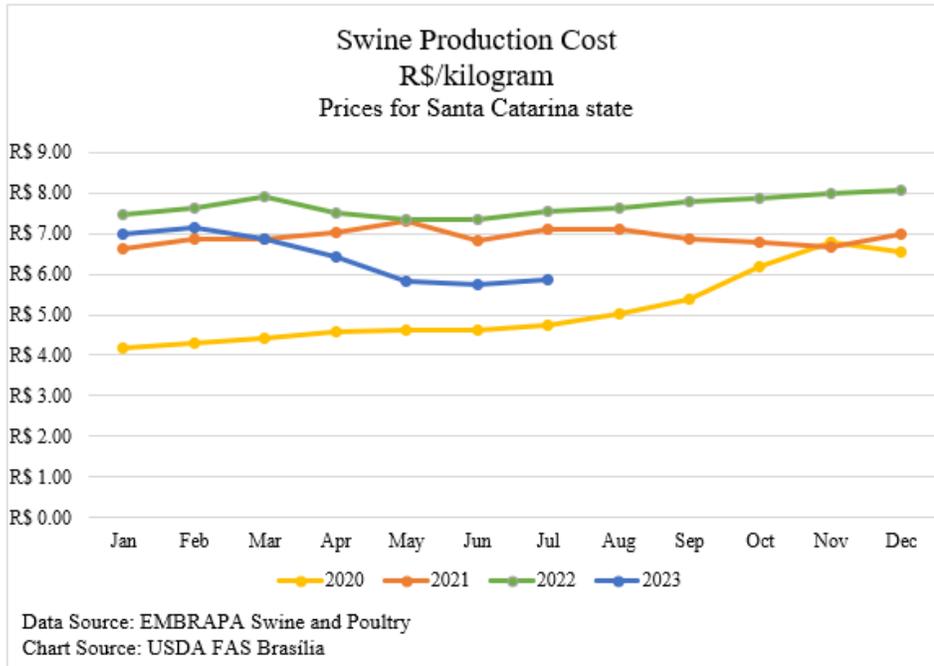
Prices for Santa Catarina state - R\$/kilogram													
	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Live Hog	2020	4.61	4.54	4.64	4.58	4.51	4.51	4.67	4.88	2.53	5.63	6.77	6.84
	2021	6.66	6.44	6.37	6.17	6.41	6.36	6.45	6.45	6.41	6.35	6.27	6.24
	2022	5.91	5.27	5.1	5.5	5.1	5.1	5.61	5.72	5.73	5.74	5.93	5.95
	2023	5.71	5.86	6.09	6.07	5.95	5.54						
Soybean Meal	2020	1.48	1.46	1.60	1.86	1.93	1.91	1.95	1.98	2.07	2.60	2.89	2.76
	2021	2.64	3.13	2.95	2.64	2.66	2.50	2.54	2.39	2.30	2.29	2.22	2.30
	2022	2.61	2.85	3.00	2.80	2.61	2.65	2.69	2.66	2.78	2.81	2.80	2.93
	2023	2.84	2.97	2.87	2.67	2.35	2.33						
Corn	2020	0.81	0.84	0.84	0.83	0.83	0.82	0.86	0.94	1.00	1.22	1.41	1.35
	2021	1.46	1.48	1.51	1.71	1.77	1.61	1.73	1.79	1.72	1.67	1.61	1.64
	2022	1.78	1.78	1.78	1.61	1.60	1.59	1.53	1.57	1.58	1.60	1.61	1.60
	2023	1.62	1.62	1.50	1.33	1.10	1.05						

Data Source: EMBRAPA Swine and Poultry
 Chart Source: USDA FAS Brasilia

Post`s expectation for improved production in 2023 and 2024 considers that overall production costs in 2023 are trending below the previous two years, which furthers the incentives for production. However, as seen on the following graph, the overall production costs for 2023 are still above pre-pandemic times levels.

Figure 18

Overall Swine Production Costs



Furthermore, it is important to note that production costs may affect swine producers differently depending on the region, the size of production, and the type of production – independent or vertically integrated. In the vertical integration model the producer receives the feed from the large companies that will be slaughtering, processing, and selling the end-products, therefore increases in the price of feed do not affect these producers as much as independent producers. Producers who are closer to where corn is produced are positively impacted as feed becomes cheaper for them, due to decrease transportation costs.

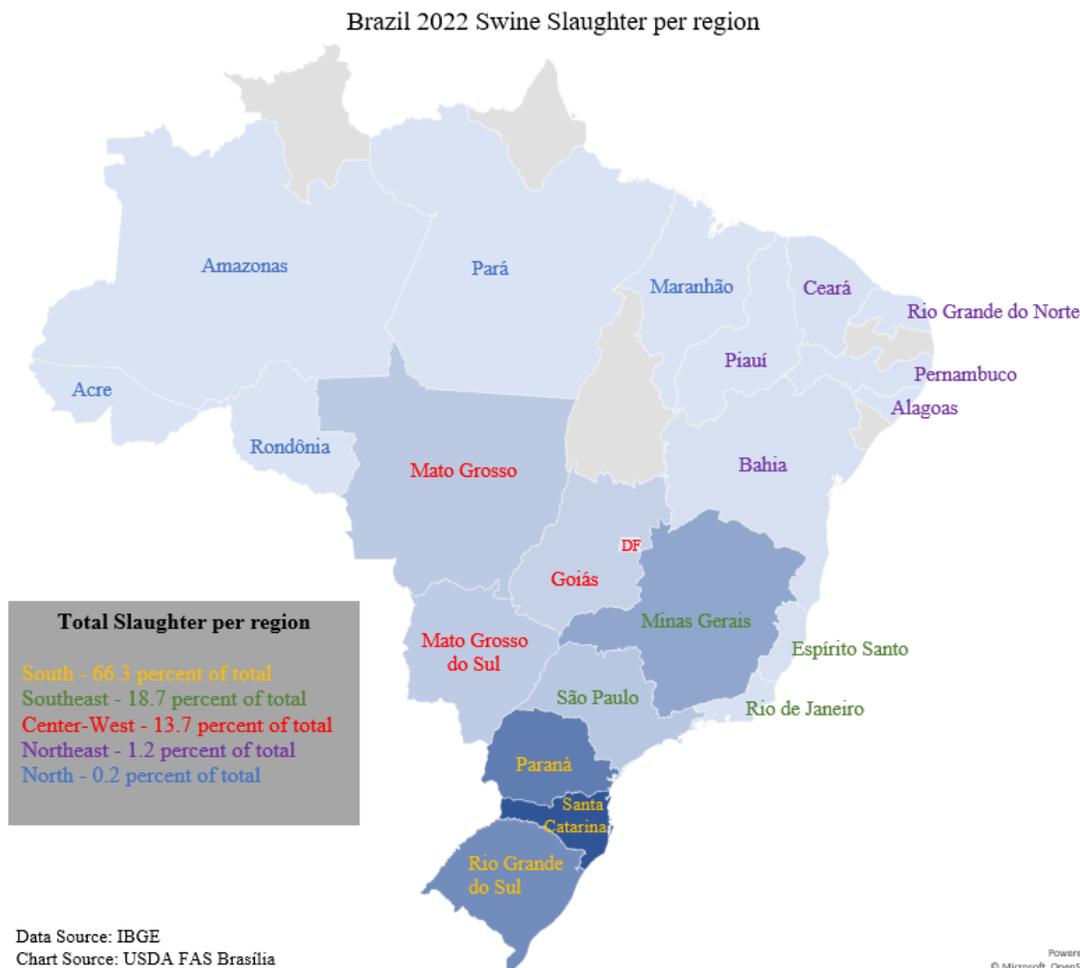
In conversations with industry, Post has learned that the use of ractopamine in feed is closely controlled by MAPA, which keeps a list of those who utilize the substance in order to increase rate of gain, improve feed efficiency and increase carcass leanness in swine production. As different regions of the world have banned the acceptance of the use of such substance, production is segregated in Brazil between those who use or do not use ractopamine in the feeding of their animals. The producers who still use ractopamine are the smaller, independent ones who do not service the large slaughterhouses. The large companies do not accept production that use ractopamine in order to avoid problems with foreign markets. Post contacts estimate that only 20 to 30 percent of the national production still use ractopamine and that all production that uses ractopamine are destined for the domestic market.

Slaughter

Post forecasts a five percent increase in slaughter for 2023 and four percent increase in 2024. These forecasts consider increased production and positive external demand for the pork products globally. In 2022, over 66 percent of the national production was located in the southernmost region of Brazil. According to IBGE, the state of Paraná was responsible for a 28.5 percent of slaughter in Brazil in 2022, followed by Paraná with a 20.4 percent, and Rio Grande do Sul with 17.3 percent. The top five producing states are completed by Minas Gerais and São Paulo. The following map shows the states in Brazil where swine slaughters took place in 2022. The darker the blue, the higher the slaughter rate. States in gray have not slaughtered swine in 2022. For 2023 and 2024, Post does not forecast any significant changes in the distribution of slaughters throughout the country.

Figure 19

Brazil 2022 Swine Slaughter per Region



Animal Disease

Brazilian swine producers understand that their differential to their competitors is its high commitment to sanitary issues related to animal disease, such as African Swine Fever, Classical Swine Fever, and Porcine Reproductive and Respiratory Syndrome. As such, the Brazilian government and the producers make heavy investments in training, providing constant updates to employees in the production chain, in order for them to be able to safeguard production at all different levels. MAPA enforces heavy monitoring and control of any signs of such diseases through their official veterinarian service that is spread-out in all states and in the Federal District. Both MAPA and the industry make investments in securing production. As demonstrated by Figure 16 - Swine Production Costs – July, 2023, there was a 10 percent increase in costs related to sanity in July 2023, when compared to the past 12 months. In regard to Foot-and-Mouth Disease, Brazil has some states that are considered by WOAHA as free of the disease without vaccination, as previously detailed in the Cattle portion of this report.

Weather conditions

Based on data from the National Meteorology Institute (INMET), weather temperatures in the South region of Brazil, where over 66 percent of total slaughters concentrated in 2022 – as seen on “Figure 19 - Brazil 2022 Swine Slaughter per Region,” – will be above average in the months of July, August and September, 2023. INMET forecasts rain above average in the states of Rio Grande do Sul and Santa Catarina, and below average in Paraná. Rainfall is at or above average in most of the areas of the region, favoring winter crops. As previously mentioned in the Cattle Chapter, Post will monitor the El Niño phenomenon which started in June.

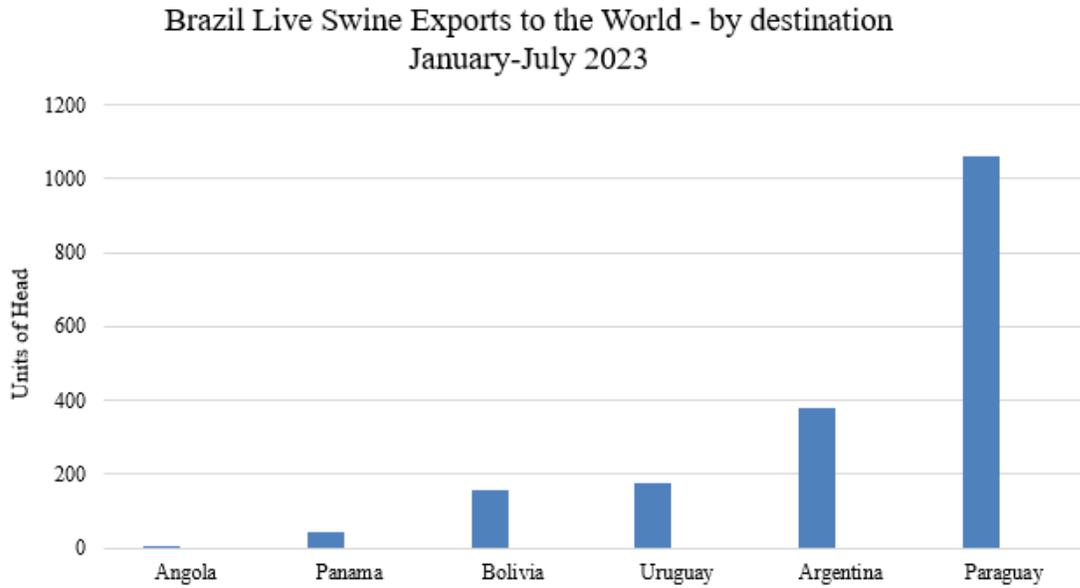
3.2. Live Swine Trade

Exports

Post forecasts exports of live swine animals at 4 thousand heads for 2023 and 2024. Thus far, from January to July 2023, Brazil has exported close to 1824 heads – as demonstrated by the following graph. In 2023, Argentina has resumed exports after an entire year of not importing from Brazil, as previously reported by Post on its semi-annual report. In 2023, Brazil has exported live swine to six countries – Paraguay, Argentina, Uruguay, Bolivia, Panama, and Angola. Together, the Mercosur partners account for over 88 percent of all total exports. With the resumption of imports from Argentina, Post forecasts that 2023 and 2024 exports will be improved when compared to 2022 numbers. Figures 20 and 21, in sequence, show Brazilian live swine exports to the world, both by destination and by world totals in the past few years.

Figure 20

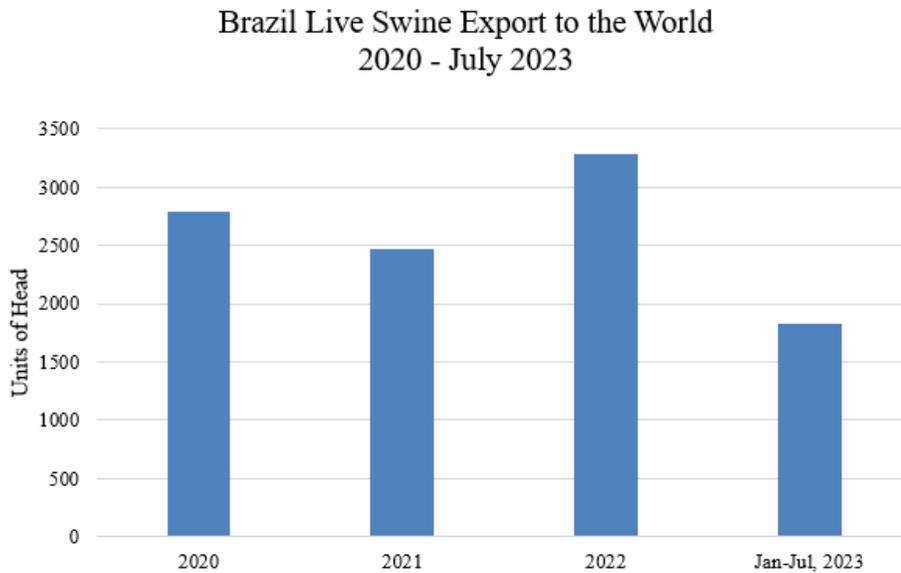
Brazil Live Swine Exports to the World – by destination



Data Source: Brazilian Ministry of Development, Industry, Trade, and Services
Chart Source: USDA FAS Brasilia

Figure 21

Brazil Live Swine Exports to the World – 2020 to July 2023



Data Source: Brazilian Ministry of Development, Industry, Trade, and Services
Chart Source: USDA FAS Brasilia

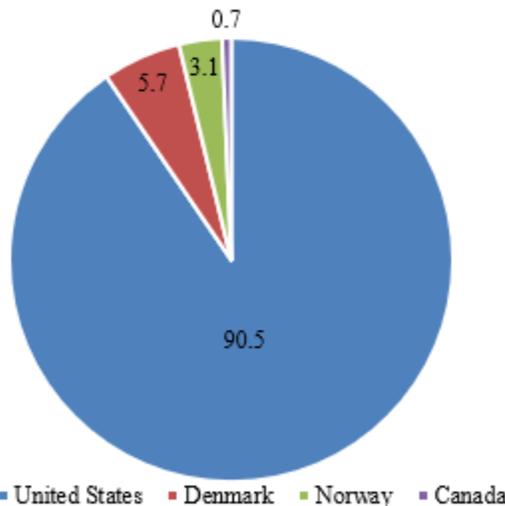
Imports

Post forecasts imports of live swine animals at 5 thousand heads in 2023 and 4 thousand heads in 2024. As with cattle, Brazil’s imports of live animals are focused on genetic improvement, as Brazil only imports “swine, live, purebred breeding animals”, HS Code 010310. In 2023, from January to July, 2023, Brazil has imported 4.8 thousand head, over 295 percent above the same period in 2022. Brazil normally imports live swine from the United States, Denmark, Norway, Canada, and France for the genetic improvement of the Brazilian herd. The graph below shows imports from the world, and the proportion. The U.S. was responsible for almost 90.5 percent of total live swine imported by Brazil in the first seven months of 2023, with 4.4 thousand head. The forecast for 2023 and 2024 consider the improved exports seen in the beginning of this year.

Figure 22

Brazil Live Swine Imports to the World – January to July 2023

**Brazil Live Swine Imports from the World
Jan-Jul, 2023
Percentage of Total**



Data Source: Brazilian Ministry of Development, Industry, Trade, and Services
Chart Source: USDA FAS Brasília

4. PORK

Figure 23

Meat, Swine Production, Supply, and Distribution

Meat, Swine Market Year Begins Brazil	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	45150	45150	45690	47550	0	49300
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	4350	4350	4465	4650	0	4875
Total Imports (1000 MT CWE)	2	2	2	2	0	2
Total Supply (1000 MT CWE)	4352	4352	4467	4652	0	4877
Total Exports (1000 MT CWE)	1319	1319	1500	1430	0	1530
Human Dom. Consumption (1000 MT CWE)	3033	3033	2967	3222	0	3347
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	3033	3033	2967	3222	0	3347
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	4352	4352	4467	4652	0	4877
(1000 HEAD) ,(1000 MT CWE)						

Source: USDA Official Data, World Agricultural Supply and Demand Estimates

4.1. Production

Post forecasts pork production to increase seven percent at 4.65 million metric tons carcass weight equivalent (MMT CWE) in 2023 and five percent in 2024, reaching 4.87 MMT CWE. The forecasted increase is motivated by high external demand, new market accessed throughout the year, improved economic conditions locally, record corn and soybean crops leading to improved availability and a reduction in feed prices, and increased swine production, as mentioned in Chapter 3 of this report.

In conversations with industry, Post has learned that the big players are making significant investments in order to boost production of pork – counting on improved domestic and international markets. As Post mentioned in the previous chapters of this report, the economic situation of the country is slowly improving, and Brazil is adjusting production accordingly. Some of the challenges still faced by the sector are taxation issues, logistics – as some of the corridors used to send product abroad are the same as those for grains, - strengthening Brazil`s image abroad, and protectionism.

4.2. Consumption

Post forecast pork consumption in Brazil will increase six percent in 2023 to 3.22 MMT CWE and four percent in 2024 to 3.35 MMT CWE, due to improved availability of pork domestically and cheaper prices to the consumers.

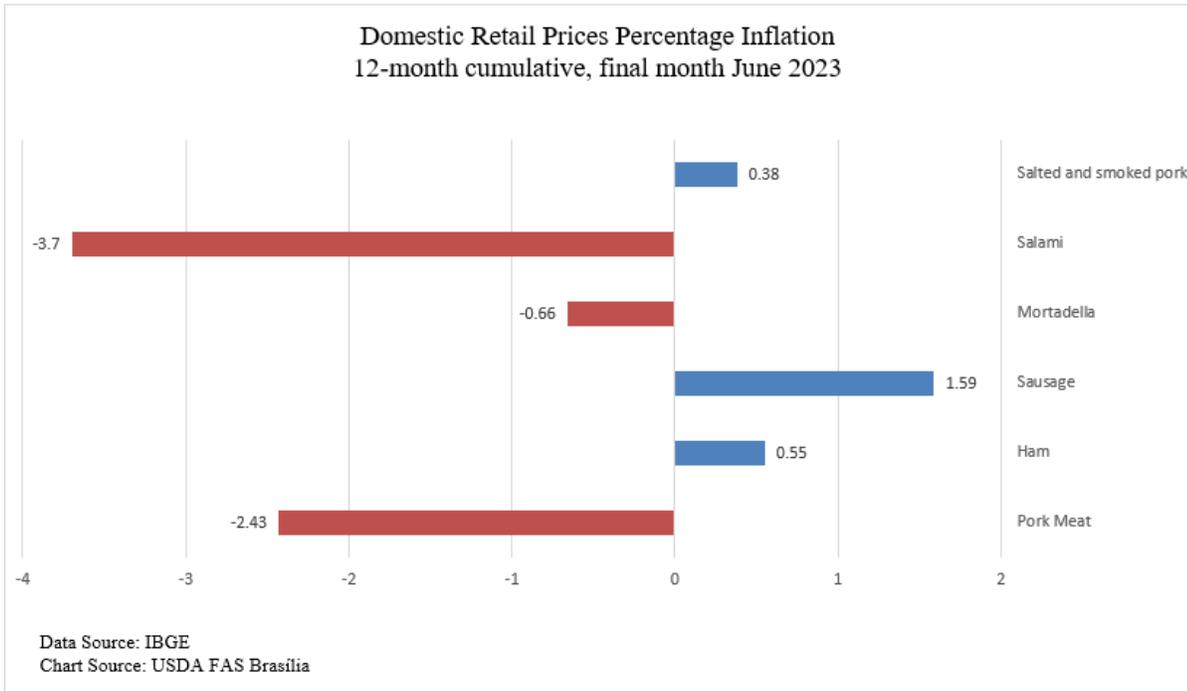
Pork remains as the third option of preference between the animal proteins. The preference amongst Brazilians is beef, chicken, and then pork – this preference is based on the taste of meat. As pork prices at the local market have decreased, there is an additional incentive for the consumption of pork. The increased consumption forecasted is not necessarily related to the actual taste of the meat, but rather an economic one. Although some parts of Brazil tend to eat more pork because of cultural preferences, the pork industry continues to work diligently in market campaigns to incentivize pork consumption throughout Brazil. In some regions, where production is more concentrated, prices are smaller, so consumption is also improved there.

A challenge faced by the pork industry is that pork prices are still more expensive than chicken prices. Therefore, the prices paid by final consumer is of great importance when deciding which animal protein to purchase. Another factor influencing domestic consumption of pork is seasonality. Brazilian consumers tend to increase consumption of pork during the end of year, for Christmas and New Year`s celebrations. According to industry sources, per capita consumption in Brazil is about 18 kilos per person.

The following graph demonstrates domestic retail prices percentage inflation to the end consumer. The graph shows pork meat and pork products.

Figure 24

Domestic Retail Prices Percentage Inflation – 12-month cumulative, final month June 2023



The availability of pork domestically improved, caused by increased production facilitated by improved feed prices, slightly improved domestic economy, and decreased inflation on pork meat support Post's forecast for improved consumption in 2023 and 2024.

4.3. Trade

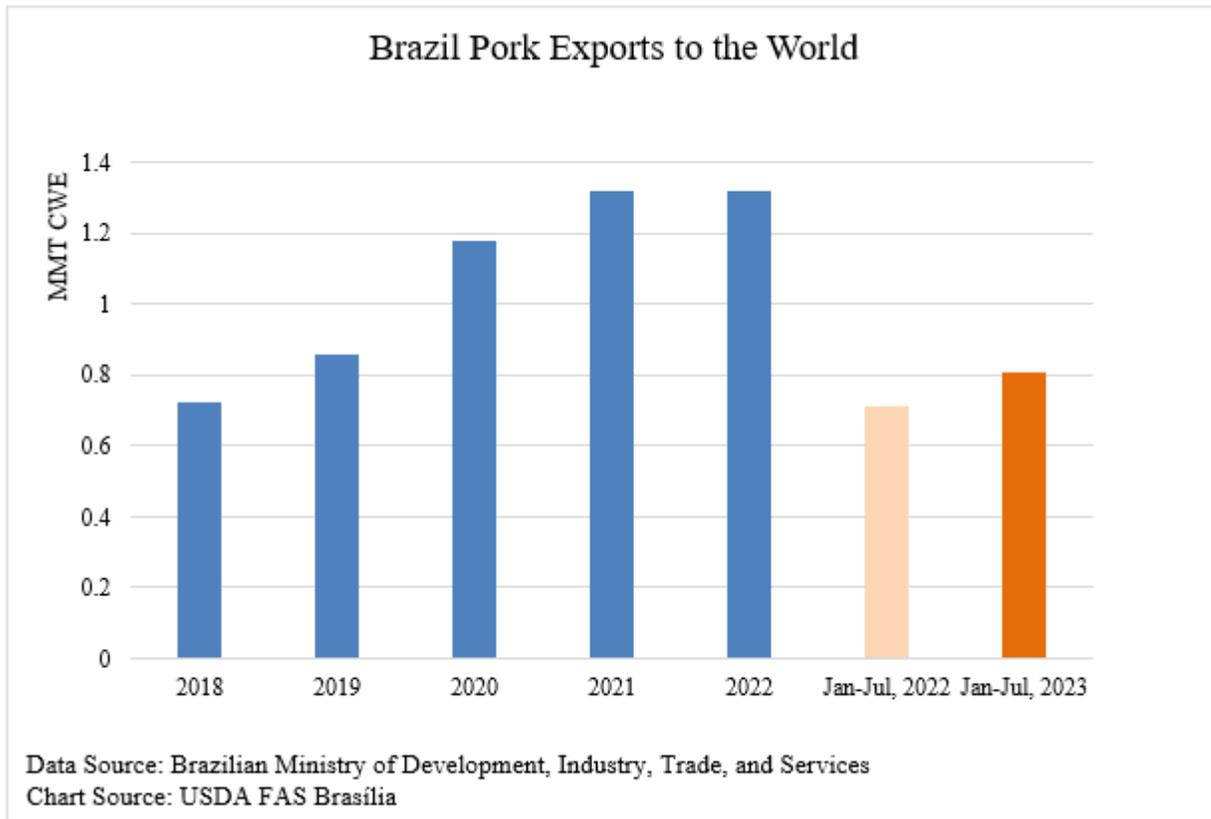
Exports

Post forecasts exports to increase eight percent in 2023 and seven percent in 2024. Post's forecasts for improved exports are based on increased pork availability, high external demand, potential purchases from new markets, and increased exports to existing consumers. Post forecasts exports will represent 31 percent of total production.

In the period of January to July, 2023, Brazil has exported 806.5 MMT CWE to the world. The following graph demonstrates Brazil has been increasing exports globally in the past few years.

Figure 25

Brazil Pork Exports to the World

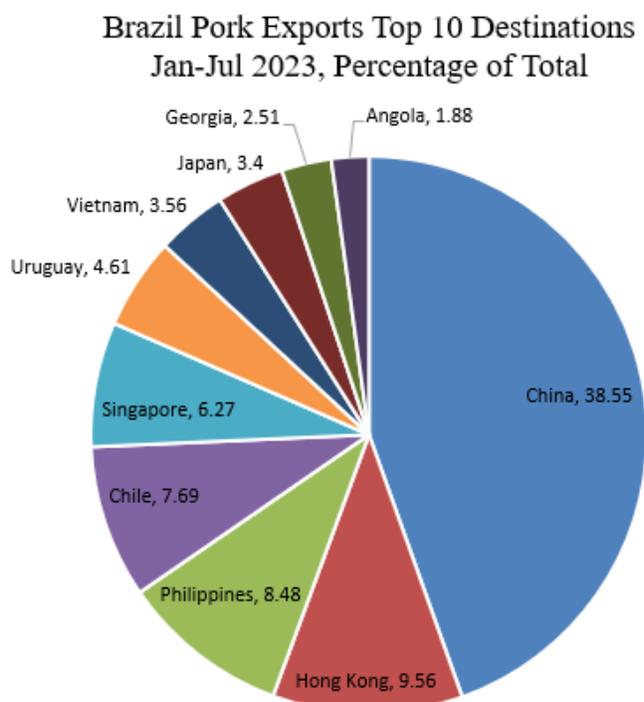


Brazil is doing an intensive job on securing new markets for pork. Recently, Brazil has secured market access to Peru, Canada, Mexico, the Dominican Republic, and Singapore, to name some. This is a very important and intensive work done together by the Ministry of Agriculture and Livestock and the Ministry of External Affairs.

Market opening is a key component for the industry, as Brazil “has learned from the example of Russia, which had a high demand for pork, but then became self-sufficient”, relayed a contact. Therefore, Brazil is diligently working on market access to other commercial partners. Some of the destination countries that are priorities for the Brazilian pork industry are China, Hong Kong, Chile, Mexico, Japan, Singapore, the Philippines, and – still closed to Brazil’s pork – Thailand. In the period of January to July 2023, Brazil has exported pork to 90 countries. The below graph shows the top 10 destinations in the period, and the percentage of total exports.

Figure 26

Brazil Pork Exports Top 10 Destinations, January to July, 2023 – Percentage of Total



Data Source: Brazilian Ministry of Development, Industry, Trade, and Services
Chart Source: USDA FAS Brasília

As mentioned in Chapter 1 of this report, under “Animal Disease”, the entire country of Brazil is considered free from FMD with vaccination. However, WOAHP has granted recognition as free from FMD without vaccination for certain areas of Brazil. The expectation is that as more countries adopt WOAHP’s understanding, this will further exports from different states, since a good portion of exports come from Santa Catarina state, which received this recognition in 2007.

In regards to China, Post Beijing forecasted a four percent increase in imports of pork for 2023 – please reference [CH2023-0032](#) for more details. Brazil is the second largest exporter of pork to China, behind Spain. In the period of January to July, 2023, Brazil has exported 310.9 MMT CWE to China, and Spain has exported 291.6 MMT CWE. As widely reported in the media, some European competitors are facing challenges with animal disease, and their exports may be negatively impacted, granting Brazil additional

market share in other parts of the world. The expectation from the industry is that this will be the case with China.

Imports

Post forecasts pork imports at 2 MMT CWE for 2023 and 2024, stable from 2022 numbers. In the first seven months of 2023, Brazil has imported 1 MMT CWE. Post forecasts consider this volume, and an average for the remainder of the year. In the period, the Brazilian market was serviced by the following countries: France, Italy, Portugal, and Spain. Italy responds to 52.5 percent of the products imported into Brazil, and Spain for 44.3 percent in the period. From Italy, close to 98 percent of the products imported are under HS Code 021019 – Meat of swine, nesoi, salted, in brie, dried or smoked. From Spain, close to 87 percent of the products imported are under the same HS Code, and the remainder is mostly ham.

Attachments:

No Attachments