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## **Report Name:** Livestock and Products Semi-annual

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### **Report Highlights:**

In 2022, the Brazilian bovine sector is expected to expand its cattle production by 2.5 percent, driven by global demand, elevated beef prices, and the recovery phase that the sector is going through. Nevertheless, in 2022, increasing production costs, especially feed prices, general inflation, and unstable weather will pose serious challenges to cattle ranchers. Tracking with higher slaughter rates, Post forecasts increase in beef production motivated by higher prices and strong global demand. In 2022, Post forecasts beef exports to increase by 12 percent. As for swine, in 2022, Post forecasts swine production to increase by 1.8 percent, reaching 45.3 million tons (CWE). Despite the strong incentives for swine and pork production, challenges are expected: unstable and unfavorable weather conditions, elevated production costs and sanitary risks. In 2022, Post projects a 2.9 percent growth in pork exports, in part driven by China, but also by new importing markets.

## **EXECUTIVE SUMMARY**

In 2022, the Brazilian bovine sector is expected to expand its cattle production by 2.5 percent, driven by global demand, elevated beef prices, and the recovery phase that the sector is going through. Nevertheless, in 2022, increasing production costs, especially feed prices, general inflation, and unstable weather will pose serious challenges to cattle ranchers. The *La Niña*'s weather phenomenon is expected to negatively impact corn and soybean crops, as well as pasture conditions, both of which translate to higher feed prices.

Tracking with higher slaughter rates, Post forecasts increase in beef production motivated by higher prices and strong global demand. In 2022, Post forecasts beef exports to increase by 12 percent, while Brazil's beef imports continue at a relatively modest volume, supplied mostly by neighboring Mercosur-member countries. Meanwhile, domestic consumption is expected to increase modestly, given constrained incomes and high domestic meat prices.

Post forecasts that the swine sector will reduce its animal stock as the slaughter rates outpace animal production. The higher demand for pork meat in domestic and foreign markets have provided incentives for this increased pork production since 2020. For 2022, Post forecasts swine production to increase by 1.8 percent, reaching 45.3 million tons Carcass Weight Equivalent (CWE). Although the elevated demand provides a strong incentive for swine and pork producers, a few challenges are expected for 2022: unstable and unfavorable weather conditions, elevated production costs (especially feed costs), and sanitary risks. Post projects a 2.9 percent growth in pork exports for 2022, in part driven by China, but also by new importing markets.

# CATTLE

## Production, Supply and Distribution

Animal Numbers, Cattle	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2022	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<i>*(1000 Head)</i>						
Total Cattle Beg. Stks	244144	244144	252700	252700	264100	264238
Dairy Cows Beg. Stocks	43750	43750	44625	43095	46200	46200
Beef Cows Beg. Stocks	58100	58100	58970	58970	61250	61250
Production (Calf Crop)	51500	51500	52000	52000	53300	53300
Total Imports	0	0	0	0	0	0
Total Supply	295644	295644	304700	304700	317400	317538
Total Exports	329	329	62	62	120	120
Cow Slaughter	8550	8550	7600	7600	7400	7400
Calf Slaughter	200	200	300	300	300	300
Other Slaughter	30665	30665	28600	28400	30000	30000
Total Slaughter	39415	39415	36500	36300	37700	37700
Loss and Residual	3200	3200	4038	4100	3560	3560
Ending Inventories	252700	252700	264100	264238	276020	276020
Total Distribution	295644	295644	304700	304700	317400	317538

### 1.1 – Production

#### Cattle numbers

Post forecasts that in 2022, total cattle production will grow 2.5 percent, producing 53.3 million cattle head. As the beginning stock was 264,238 head, considering the production and slaughter numbers for the year, Post anticipates the 2022 ending stocks to be 276,020 head. This is in line with Post's forecast in the previous report ([BR2021-0032](#)) and represents the same percentage increase in overall cattle stock that occurred between 2020 and 2021.

The high prices of bovine animals and meat have provided a steady incentive for cattle growers to expand production through 2021; Post anticipates the same trend in 2022. In addition, the high demand for beef from other countries, especially from countries in Asia, should be an incentive for Brazilian farmers to increase calf production. Post also expects the slaughter rate to grow in 2022, leading to an increase in beef production. However, several challenges remain, such as the bovine sector's ongoing recovery from the livestock cycle's depression phase, input cost inflation, and sanitary risks associated with cattle production.

## **Factors Impacting Production**

The Post forecast for an increase in cattle production in 2022 is based on the current market conditions and trends that are expected to persist during this year.

### **Economic Recovery and Domestic Demand**

In 2022, Post anticipates production to increase in response to economic factors. The Brazilian economy has been greatly affected by the pandemic with the GDP falling 4.1 percent in 2020. The recovery was equally swift in 2021, as the Brazilian economy grew by 4.5 percent. To date, despite the general economic improvement, the demand for beef has not recovered. Although the government subsidies, known as the 'Corona voucher', allowed families to increase spending in 2020, cheaper proteins such as chicken were the main beneficiaries. Overall, bovine meat demand in the Brazilian market remained low in 2021, due to both less income available in the middle-lower classes and because of the high prices of meats at retail.

However, Post anticipates that as the economic recovery continues in the second half of 2022, families will begin to have income available for non-essential expenses, such as buying beef. Incomes may be further boosted by social welfare payments that the government may issue during the election season. Therefore, the domestic demand for meat is expected to increase slightly by the end of the year. Considering that domestic consumption accounts for around three fourths of beef produced in Brazil, it should have an important effect on the sector's production.

### **Global Demand**

Amid the economic havoc wreaked by the COVID 19 pandemic, the Brazilian domestic currency, the real (BRL) saw a contraction on the order of 38 percent. In February 2020, the BRL traded at 4.25 to the USD, in February 2022, the BRL averaged 5.14 to USD. The currency exchange rate has posed an advantage to Brazilian beef exports, but a challenge to cattle growers and ranchers. While the former enjoys profitable prices in the foreign market, given the weakness of the Real in 2021, the latter face steeper input costs, including fertilizer costs, which are mostly imported. In 2022, the Brazilian Central Bank forecasts the exchange rate to remain at BRL\$5 to the USD, boosting attractiveness of the Brazilian commodity exports, including beef.

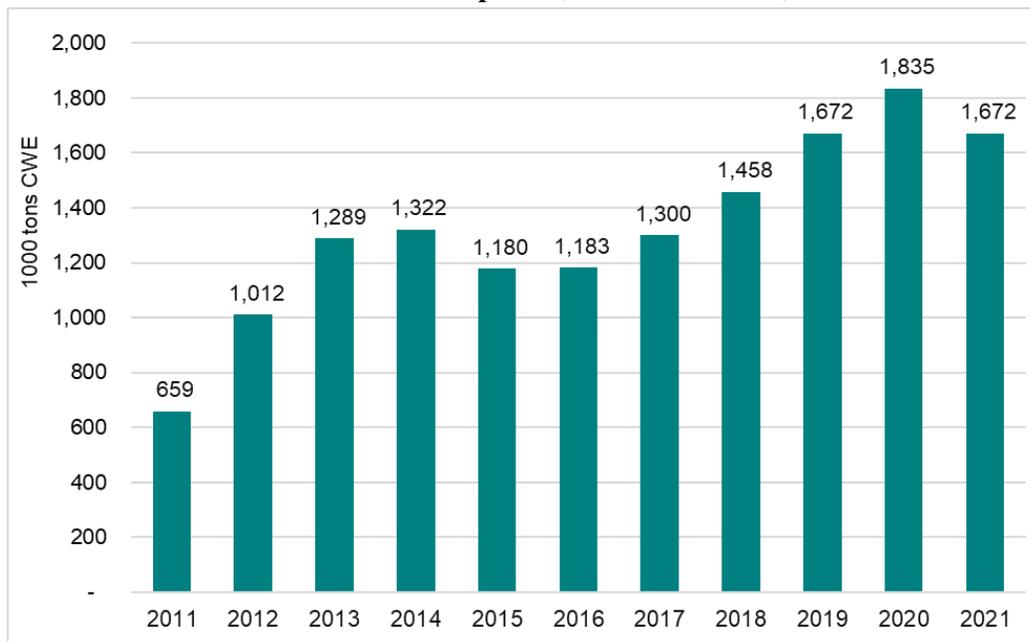
**Figure 1**  
**Exchange Rate of the Brazilian Currency**  
BRL Reais to US Dollars



Source: Trading Economics.

The foreign market has provided a constant demand for Brazilian beef, even during the Covid-19 pandemic crisis. China's ever-growing demand for beef, together with that from other Asian countries, has allowed the Brazilian bovine sector to enjoy a favorable revenue stream, received in U.S. Dollars. The devalued Brazilian currency, at an average of R\$ 5.5 per dollar during 2021, made the Brazilian beef products attractive in the global market. Considering the current economic condition of Brazil and the Presidential Elections to take place in October of 2022, most economists expect the currency exchange to remain around R\$ 5.2 to R\$ 5.5 per dollar during the year. In other words, in 2022 the beef exporters can continue relying on the foreign demand for selling their beef products.

**Figure 2**  
**Brazil's Beef Exports (in 1000 tons CWE)**



Source: Brazil Ministry of Economy, via Trade Data Monitor. Graph Source: OAA Brasilia.

### **Cattle Production Cycle**

Post forecasts a 2.5 percent cattle production growth in 2022, after a one percent year-on-year cattle production increase in 2021. Currently, the Brazilian bovine sector is at a recovery stage of the production cycle, where producers are increasing the number of animal head since 2020. The cattle availability is still relatively low; this scarcity supported high prices throughout 2021. Such prices act as an incentive for cattle ranchers to increase their stock, as they expect to receive those higher prices.

In 2022, Post forecasts the total slaughter rate to increase 3.9 percent, especially of 'other slaughter' (expected to reach 56 percent). In 2021, cattle growers held onto a part of their herds for fattening and in order to complete the animal's normal development cycle. As a result, the slaughter rate fell 7 percent in comparison to 2020. In 2022, however, cattle owners are expected to sell such cattle to the slaughterhouses.

### **Challenges and Risks Faced by the Bovine Sector**

Although Post anticipates the cattle production to grow in the coming year, producers will continue to face a number of challenges and risks in 2022.

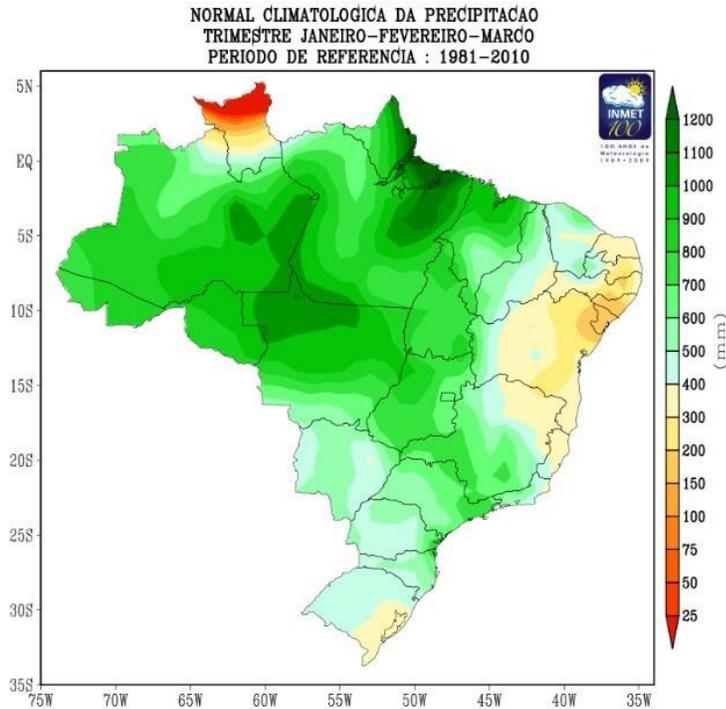
### **Weather conditions**

The effects of the *La Niña* weather pattern suffered by Brazilian agriculture in 2021 are expected to continue in 2022. This climate phenomenon caused significant droughts in the South of Brazil,

especially in the winter season, but also abundant and excess rain in the Southeast and Center-west of the country. The drought had two effects on cattle ranchers: poor pasture conditions reduced the natural feed available for the cattle; and the production losses caused to crops like corn and soybeans raised the feed costs for the ranchers. The poor pasture, together with high feed costs (corn and soybeans), pressured producers into holding their cattle longer until they could reach market weight. Many smaller cattle producers, however, lost significant amounts of animals (most died due to starvation), as they did not have the financial conditions for feeding their animals. Some of these cattle were culled and sold on the market, although the prices were not too favorable during this period.

Farmers are concerned that 2022 forecasts predict unfavorable weather for agriculture, especially in terms of erratic behavior, which can be damaging to crop farmers. The map below shows the rainfall forecast for the first quarter of 2022, where rainfall levels will be higher than the average of recent decades in most of the country, except in the Northeast region. Excessive rainfall is favorable to pasture development, which should bring relief to cattle growers. On the other hand, it can be harmful to crop growers, especially when the excess rain occurs during the harvesting period. If such weather does cause harm to soybean and corn growers in the country, the prices of these crops may rise, resulting in even higher production costs of cattle growers. Nonetheless, the *La Nina* effects are expected to be milder in 2022, compared to 2021.

**Figure 3**  
**Rainfall Forecast (mm)**  
**January - March 2022 (reference period: 1981-2010)**

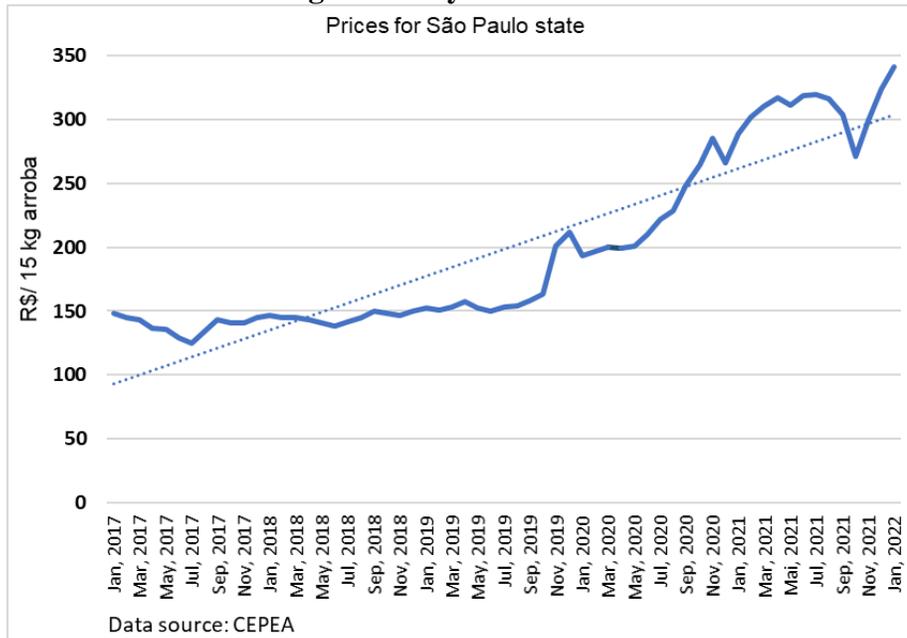


Data source: INMET Monthly Agri Climatological Report December 2021.

### **Inflation and Production Costs**

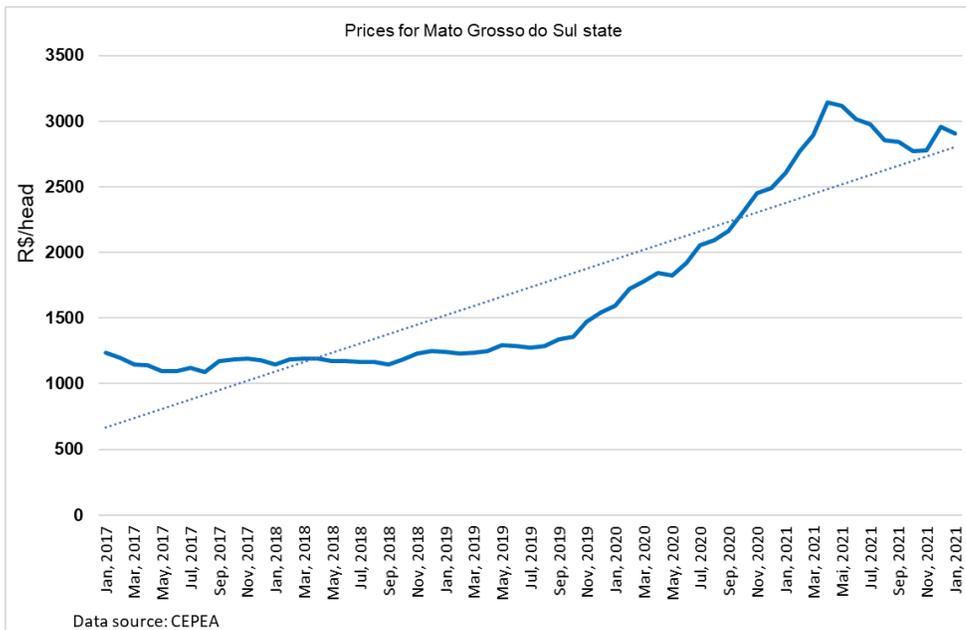
In 2021, cattle production costs, especially feed inputs, animal, and meat prices saw high inflation. This has a direct impact on cattle and beef prices, which remained elevated throughout 2021 and are expected to continue so for most of 2022. In 2021, the cattle prices increased from R\$ 289 in January to R\$ 323 in December, representing a 12 percent increase. The Brazilian market price of bovine meat is currently at record levels, registering around R\$ 340 per 'arropa' (unit of weight corresponding to 33 pounds)(USD 62 at the current exchange rate), in January 2022.

**Figure 4**  
**Average Monthly Fed Cattle Prices**



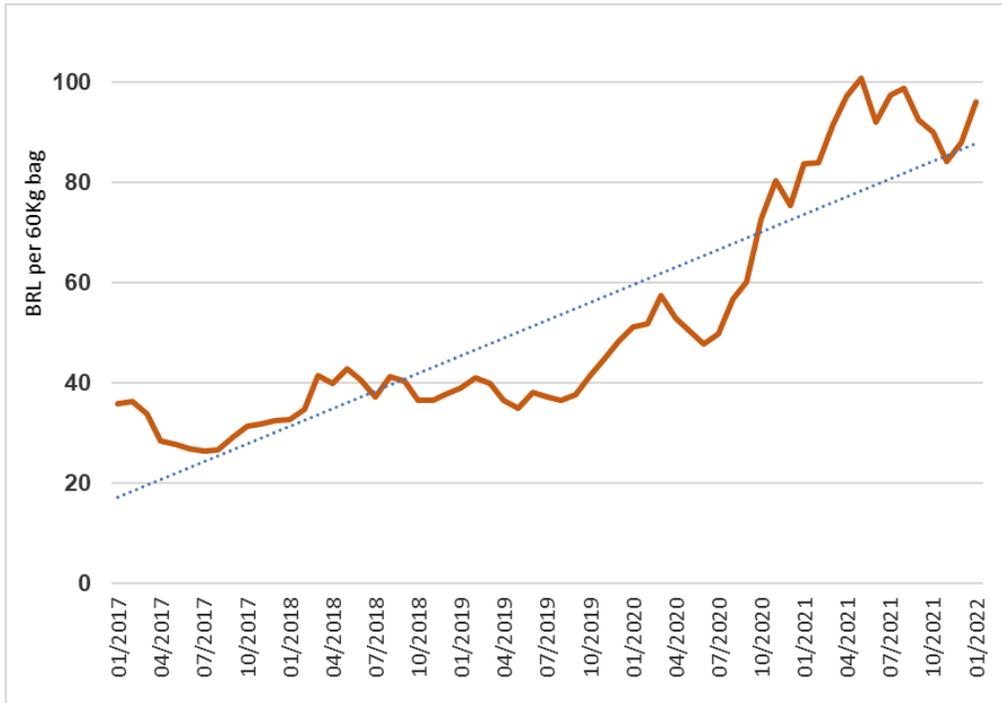
In Brazil, cattle and calf prices increased in part because of the devaluation of the national currency, the Real, during the 1<sup>st</sup> and 4<sup>th</sup> quarter of the 2021. Although the Real exchange rate gained value from April till June, reaching R\$ 4.09, by the end of 2021, it lost about 8 percent of its value in relation to January 1<sup>st</sup>. In January 2021, the price for the calf was R\$ 2,604 (USD 630, at the time; USD 482 at the current exchange rate), and by December it had reached R\$ 2,957 (USD 578, at the time; USD 548 at the current exchange rate). The price is expected to continue growing, though at a slower rate, during the first half of 2022, and then slowly decrease as cattle supplies increase in the market.

**Figure 5**  
**Average Monthly Calf Prices**



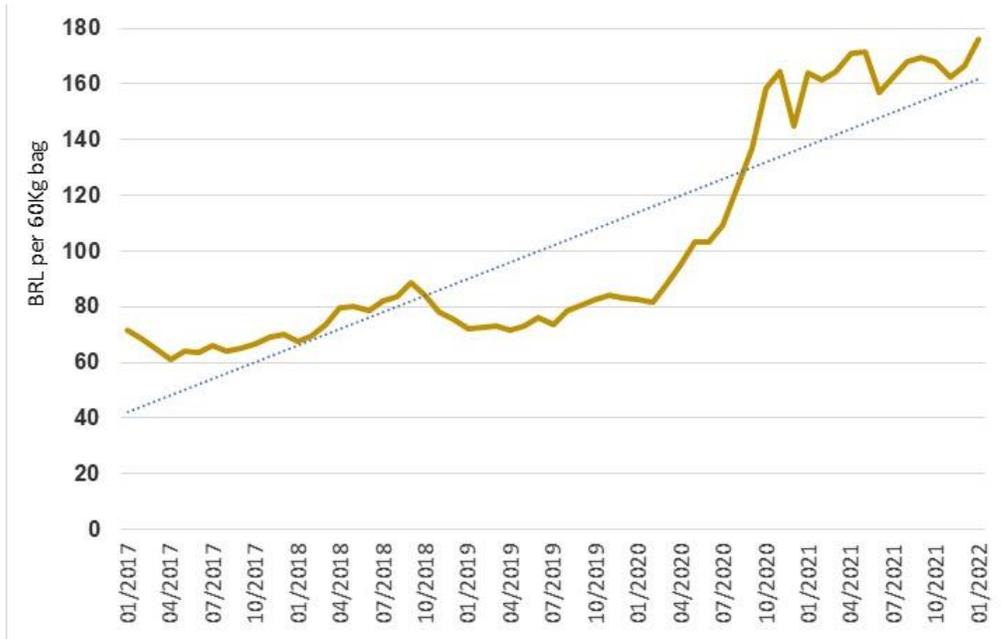
Although cattle and meat prices were favorable to cattle producers and slaughterhouses during 2021, their operational costs remained elevated during the period, thereby reducing profit margins. Notably the prices of corn and soybean crops have hit record highs in 2021 on crop losses experience due to inclement weather. In 2021, as shown in the graphs below, the feed prices have remained high: corn prices vacillated between around R\$ 84 to R\$ 100 per 60kg bag; soybean prices have remained relatively stable between R\$ 160 and R\$ 176 per 60 Kg bag; and soybean meal also plateaued around R\$ 2,450 per ton.

**Figure 6**  
**Corn Prices in Brazil (monthly)**



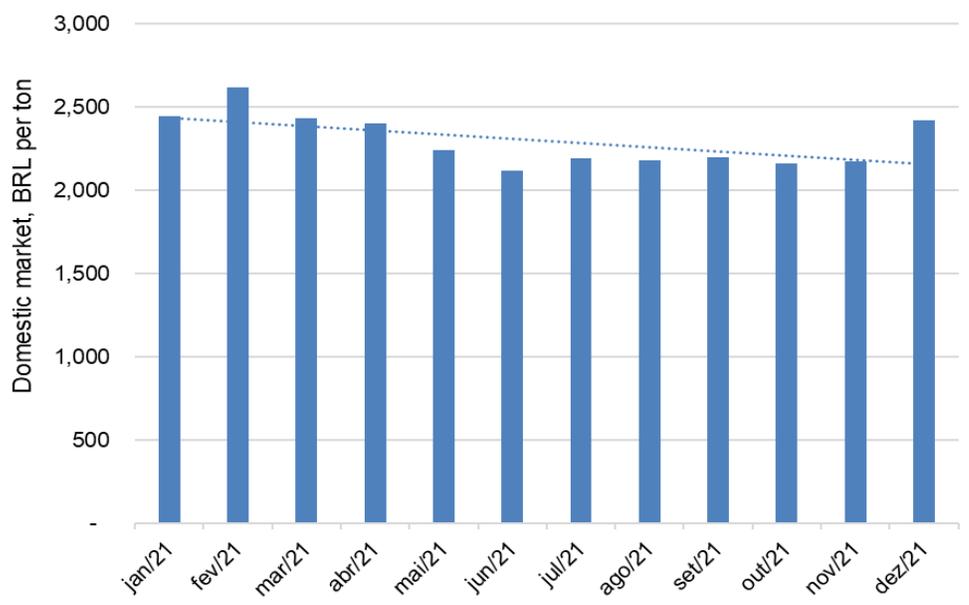
Data source: CEPEA, corn price indicator Esalq/BM&F-Bovespa.

**Figure 7**  
**Soybean Prices in Brazil (monthly)**



Data source: CEPEA, soybean price indicator Esalq -Parana

**Figure 8**  
**Soybean Meal Prices in Brazil**



Data source: ABIOVE, Brazilian Association of Oilseed Industries.

In addition to feed, fertilizer and pesticide costs increased significantly during 2021. Pesticide costs increased during the year, by varying amounts depending on the type. For example, glyphosate experienced the highest price increase: 127 percent in relation to 2020. In the case of the main fertilizers, the average costs doubled in 2021. While the price of urea grew 70 percent during the year, monoammonium phosphate (MAP) prices increased by 75 percent and potassium chloride (KLC) by 153 percent. Experts believe fertilizer prices should continue increasing in 2022, impacting pasture and feed costs.

Overall, according to the Center for Advanced Studies on Applied Economics (Cepea), comparing 2021 to 2020, the operational production cost (*Custo Operacional Efetivo* - COE) of cattle producers increased 22 percent in the case of cattle producers, and 18 percent in the case of cattle ranchers (cattle fattening), the main producing states. Anecdotal reports suggest that some cattle farms have been unable to operate with the resulting small profit margins, others have used pastures during the winter (although in poor conditions) to ‘hold out’ until the summer rains, while others have sought alternative feed crops. Confinement and semi-confinement feeding profitability are highly dependent on the price of animal feed – corn, for instance, represents almost 60 percent of the feed given to cattle. Nevertheless, despite these challenges, the Brazilian National Union for the Animal Nutrition Industry (Sindirações) forecasts that 2022 production of animal feed will grow by 4.5 percent.

### Sanitary Risks

Although relatively small, the risk of diseases breaking out in Brazil’s cattle is not completely negligible. Although there were no serious sanitary outbreaks or issues in 2021, there were two cases of ‘mad-cow disease’ (BSE) that were detected, but were considered the abnormal type, which poses no risk to other cattle or humans. However, China used this as a pretext for suspending imports of

beef from Brazil. As will be described below, the consequence was a 102 days export suspension and losses between US\$ 1 billion and US\$ 2 billion for the cattle sector. Other diseases, such as foot-and-mouth disease have been under control over the years, as both the private sector and government take the respective measures seriously.

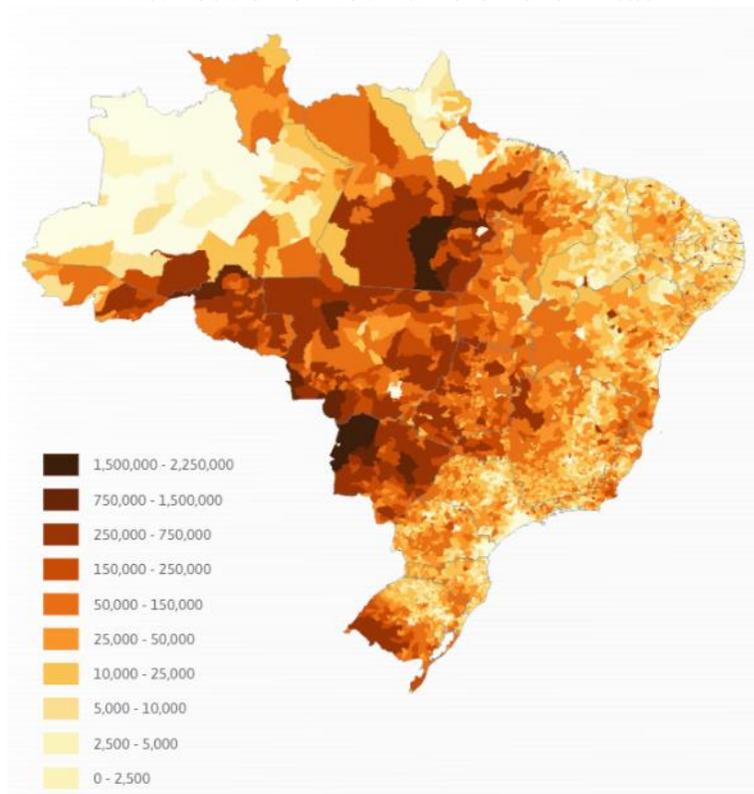
## Regional Context

Although different cattle growing regions of the country face similar conditions and challenges, each region faced particular situations in 2021. In the South, as reported by Post in the previous Gain report ([BR2021-0032](#)), cattle growers faced serious problems with the feed costs and operational costs. Indeed, a portion of the ranchers abandoned the activity, preferring to switch to crop growing, which is a more predictable and profitable activity. This was especially the case with small and medium-sized ranchers, mainly from the South and Southeast regions of Brazil, where the very high inputs and feed costs made cattle growing economically unviable.

On the other hand, in the Center-West region, the largest cattle-growing region that accounts for 35 percent of national production, producers managed to face the difficulties of 2021, in part because they are larger and have more financial resources. In addition, given that they rely more on pastureland for cattle grazing, and less on cattle feeding or confinement, the pressure from the high feed costs has been and will continue to be lower. However, the larger focus of these cattle ranchers is on exporting their products, which means that they face risks stemming from trade disruption. Such incident occurred in September of 2021, when China suspended its beef imports from Brazil. The Center West region of Brazil is the largest supplier of beef to China. In fact, this region coined the term ‘China beef’ to refer to the cattle produced according to the standards required by Chinese importers. The embargo incentivized these cattle ranchers to find alternative buyers, or hold on to their cattle for longer periods, until China resumed its imports. Although China resumed its imports in December, cattle growers in this region are concerned of possible future embargos.

The map below shows the distribution of bovine herds in Brazil; the largest cattle concentration is in the Center-West region, especially in Mato Grosso State and Mato Grosso do Sul State, as well as in Pará State, in the north. Post does not anticipate major shifts in production from these states in 2022.

**Figure 9**  
**Distribution of Bovine Herd 2020 - head**



Source: ABIEC Beef Report 2021

## Cattle Confinement Expansion to Remain Limited

Post anticipated that cattle confinement will increase in 2022, in line with the increase registered in 2021. Cattle confinement grew two percent in 2021 and reached 6.5 million animal head. The main states that use confinement are Mato Grosso, São Paulo and Goiás, with 1.38 million, 1.12 million and 1.07 million of bovine cattle, respectively. In 2021, confinement grew more in states where land availability is lower, i.e., there is more competition between agricultural (and urban) activities for the same land area.

Experts note that this volume could have been higher, around 6.7 million head, if the trend of previous years of five percent annual growth had continued. However, China's beef embargo prevented that, as it caused cattle prices to fall, which made confinement economically unviable. Another factor that prevented higher number of confined animals in 2021 was the high feed costs. Next year, Post anticipates that higher feed costs and risks of trade disruption will similarly contain meaningful expansion in cattle confinement.

## Slaughter and Supply

Post forecasts that in 2022 farmers who held onto cattle in pasture, seeking to gain higher premiums for the animals, will sell them this year. As such, the slaughter rates are expected to increase. Due to the drought experienced last year, some producers are fattening their herds in order to recover the animals' weight before selling them to the slaughtering plants. Most cattle producers are also avoiding fattening animals via supplemental feed because of the high costs of feed.

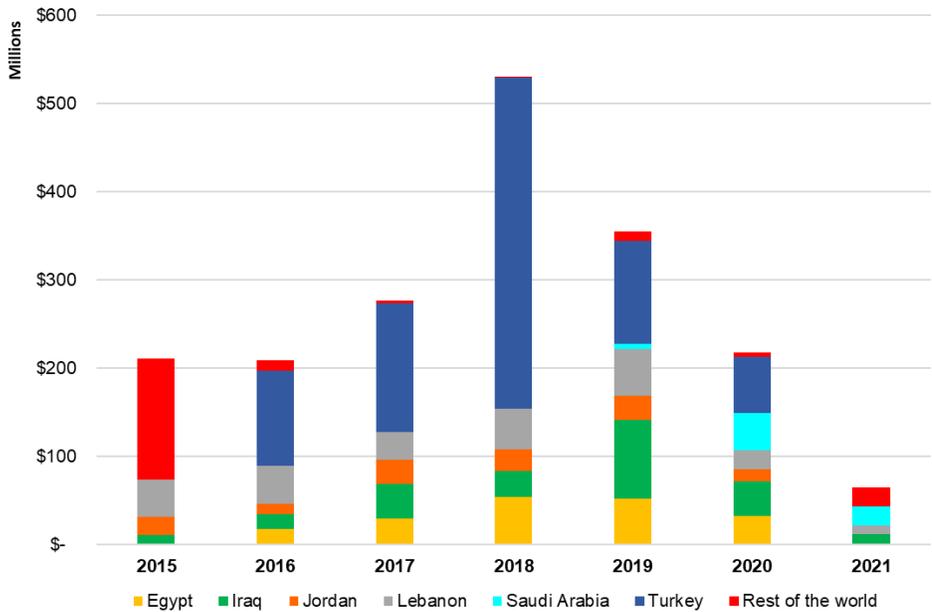
Considering that the beginning cattle stock in 2022 is 4.5 percent higher than in the previous year, and that calf production is expected to grow 2.5 percent, even though there should be high slaughter rates, the ending cattle stock of 2022 is expected to be 4.5 higher.

## 1.2 – Trade

### Exports

Brazil is the fifth largest exporter of live cattle in the world. In 2021, Brazil's exports of live cattle fell 69 percent, mainly because of the limited supply of cattle and higher cattle prices, as mentioned in the production section of this report. As the global economy continues to recover from the Covid 19 pandemic, the market in Brazil anticipates an increased demand for live cattle. Post believes exports of live cattle will increase around 40 percent in 2022, reversing the trend of decreasing export volumes since 2018. Brazil's exports are under tariff HS Code 0102.29.90 – 'Other live cattle', and sold mainly to developing countries, especially in the Middle East, as shown in the graph below.

**Figure 10**  
**Brazilian Exports – Bovine Animals**  
 (in USD million)



Data Source: Brazil Ministry of Economy, via Trade Data Monitor

Brazil's top markets for live cattle in recent years have been Turkey, Iraq, Lebanon, Egypt, and Saudi Arabia. In 2021 Vietnam and Denmark emerged as notable new buyers of live cattle from Brazil. In 2021, exports were down to all the top five markets. A possible reason for countries having reduced imports of live cattle broadly is the effects of the pandemic crisis, both in terms of sanitary precautions and logistics. It is worth noting that in 2021 Saudi Arabia was the main importer of live cattle from Brazil, whereby import volumes jumped more than five-fold from 2019 to 2020 yet fell by half in 2021.

## Imports

Brazil imports a very small volume of live animals, mostly for improved genetics for breeding. In 2021, all of the imports were supplied by the United States. This proportion was 88 percent in the previous year. These imports from the United States grew 87 percent from 2020 to 2021, following the trend of increasing live cattle imports since 2017. In 2020, Brazil imported 36 units of cattle from the United States, and 67 units in 2021, under the tariff HS Code 0102.21.90 ('Other pure-bred cattle, for breeding'). Brazil has also been a long-time importer of bovine genetics and a traditional market for U.S. cattle genetics exports. Genetic improvement by artificial insemination is a technique being used in Brazil to enhance productivity.

**Table 1**  
**Brazilian Imports – Live Cattle (in USD)**

Country	2016	2017	2018	2019	2020	2021
United States	98,015	10,000	24,000	113,458	429,679	805,464
Argentina	15,050	35,085	33,225	-	60,781	-
Uruguay	1,898,092	104,835	20,868	15,982	-	-
<b>Total</b>	<b>2,011,157</b>	<b>149,920</b>	<b>78,093</b>	<b>129,440</b>	<b>490,460</b>	<b>805,464</b>

Data Source: Brazil Ministry of Economy, via Trade Data Monitor

# BEEF

## Production, Supply and Distribution

Meat, Beef and Veal	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2022	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<i>* 1000 MT CWE</i>						
Slaughter (Reference) (1000 Head)	39415	39415	36500	36300	37700	37700
Beginning Stocks	0	0	0	0	0	0
Production	10100	10100	9325	9500	9750	9850
Total Imports	48	50	60	60	70	62
<b>Total Supply</b>	<b>10148</b>	<b>10150</b>	<b>9385</b>	<b>9560</b>	<b>9820</b>	<b>9912</b>
Total Exports	2539	2539	2320	2320	2680	2600
Human Dom. Consumption	7609	7611	7065	7240	7140	7312
Other Use, Losses	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	<b>7609</b>	<b>7611</b>	<b>7065</b>	<b>7240</b>	<b>7140</b>	<b>7312</b>
Ending Stocks	0	0	0	0	0	0
<b>Total Distribution</b>	<b>10148</b>	<b>10150</b>	<b>9385</b>	<b>9560</b>	<b>9820</b>	<b>9912</b>

### 2.1 – Production

Brazilian beef production in 2022 is expected to increase 3.7 percent in relation to 2021, reaching 9.85 million tons Carcass Weight Equivalent (CWE). The increase in production is projected due to the high beef prices in the global and the Brazilian market, and because of higher cattle availability for slaughter. It is expected that the average weight per animal that arrives at the slaughterhouses should increase slightly in the first half of 2022 as cattle ranchers have held cattle for longer periods to benefit from increasing prices of beef.

Despite China's beef embargo applied against Brazilian beef in September-December 2021, slaughterhouses in the Center-west region should continue producing the `Chinese standard` of cattle, i.e. to meet the preferences of Chinese importers of bovine meat. Such cattle produce a higher meat output and fetch better revenues due to the premiums received. Even if China reduces its beef imports from Brazil in 2022, Brazil should be able to export at least a portion of its beef to other countries.

The beef prices are expected to remain level in 2022 because the prices are already at a high level and because the supply of beef should grow during the year. Although the expected demand from China, United States, Egypt will increase the price, the higher slaughter rate will increase beef availability in the Brazilian market. Further, the restricted purchasing power of the Brazilian population in 2022 will limit the demand for beef at the retail level, pressuring the prices downwards.

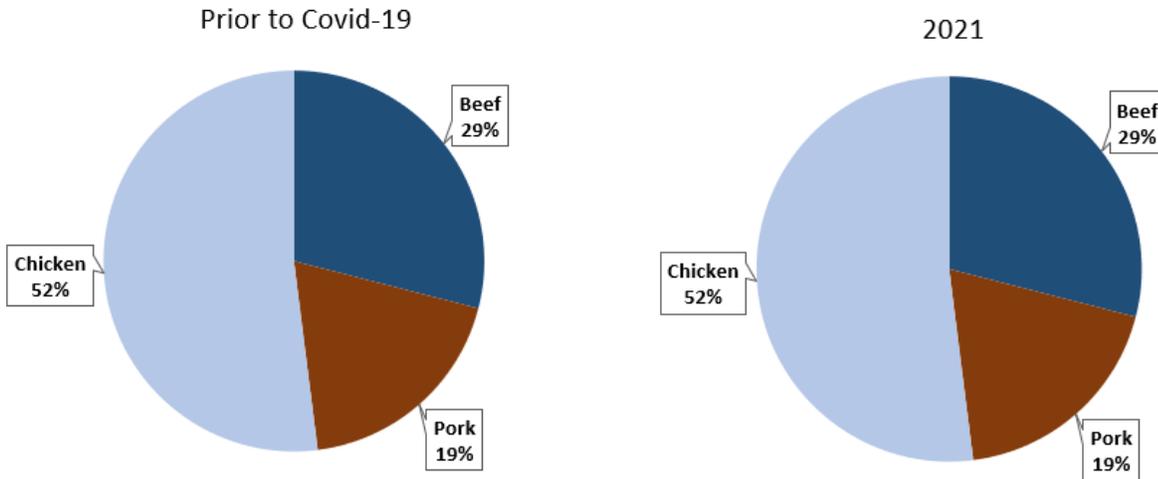
## 2.2 – Consumption

For 2022, Post forecast beef consumption to increase 1.1 percent, reaching 7.31 million tons (CWE). The two main factors that may allow for this small increase are: stable beef prices in the market, and the higher disposable income of most families in the country.

According to the National Supply Company (CONAB), in Brazil, meat consumption changed since the onset of the Covid-19 pandemic crisis, and there been a lower domestic demand for beef, as consumers look to other meats on the account of elevated beef prices. As the pandemic wore on, total meat consumption fell in Brazil to its lowest level since 1996, and currently beef consumption is at 26.9 Kg per person per year (IBGE), which is 8 percent lower than 2020's level. Pork consumption in 2021 was 16.8 Kg per person (IBGE), which is 5 percent higher than in 2020, when consumption was 16 Kg per person. Chicken consumption was 48 Kg per person in 2021, 2 percent higher than in 2020.

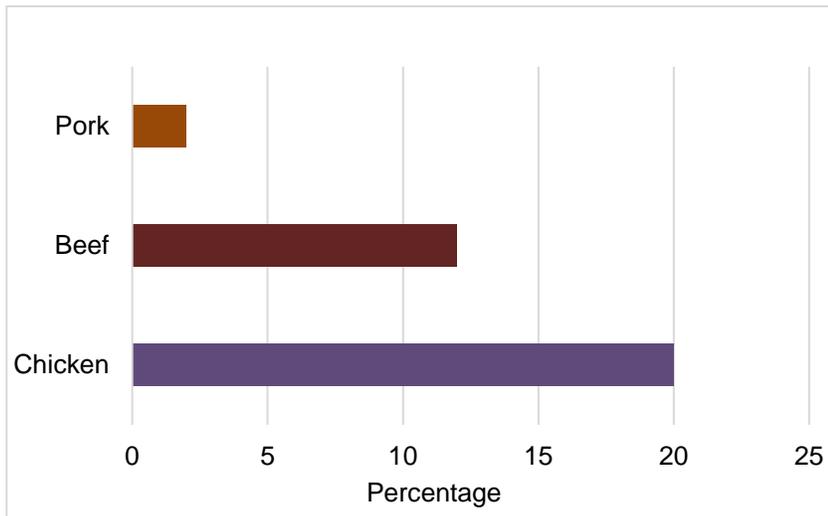
Before the pandemic, beef consumption represented 34 percent of total meat consumption, but as of 2021, this number dropped to only around 29 percent of the total meat consumption in Brazil. Chicken consumption, on the other hand, increased its share from 49 percent to 52 percent of all meat consumed, given that it is the less expensive protein option. Pork consumption increased from 17 percent to 19 percent. The financial hardship of most families during the pandemic crisis accounts for this change in consumer preference, and Post believes this behavior will continue until 2023.

**Figure 11**  
**Brazilian Meat Consumption**



Data: CONAB, for 2021 Post estimate. Chart Source: OAA Brasilia

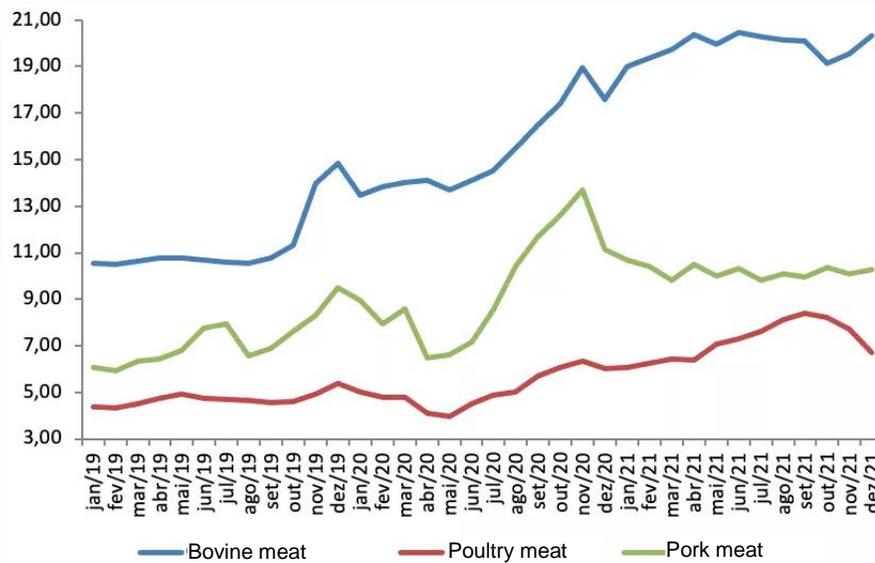
**Figure 12**  
**Domestic Retail Prices Increase - 2021**



Data Source: IBGE

As shown above, the retail prices of the three main proteins increased in 2021: pork increased 2 percent, beef prices rose by 12 percent and chicken prices increased by 20 percent. Despite the largest percentage increase, the retail price of chicken in 2020 remained the most affordable of the three main types of meat. In 2021, the price of pork stabilized, while that of beef continued to increase rising 17 percent.

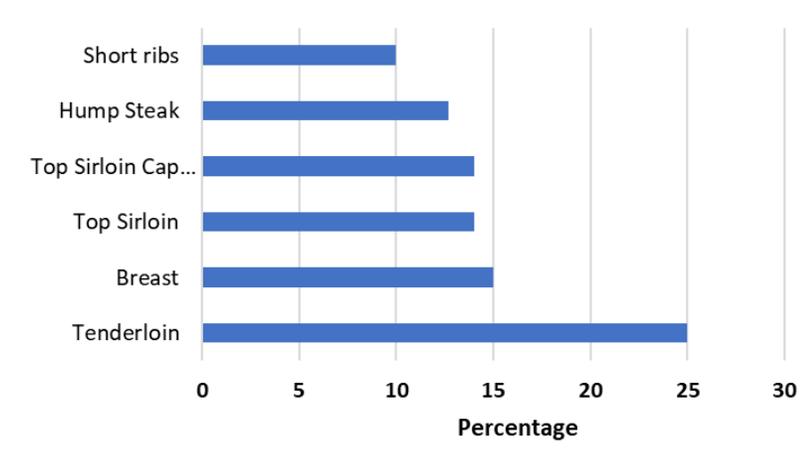
**Figure 13**  
**Prices of Bovine, Swine and Poultry Meats – Wholesale**  
**(Reais per Kg)**



Data Source: Cepea. Prepared by CNA.

According to the Brazilian Institute of Geography and Statistics (IBGE), the prices for meat cuts most consumed by lower-income families experienced increases between 10 percent and 25 percent. Post anticipates that prices are likely to remain elevated in 2022.

**Figure 14**  
**Domestic Retail Price Increase - 2021**



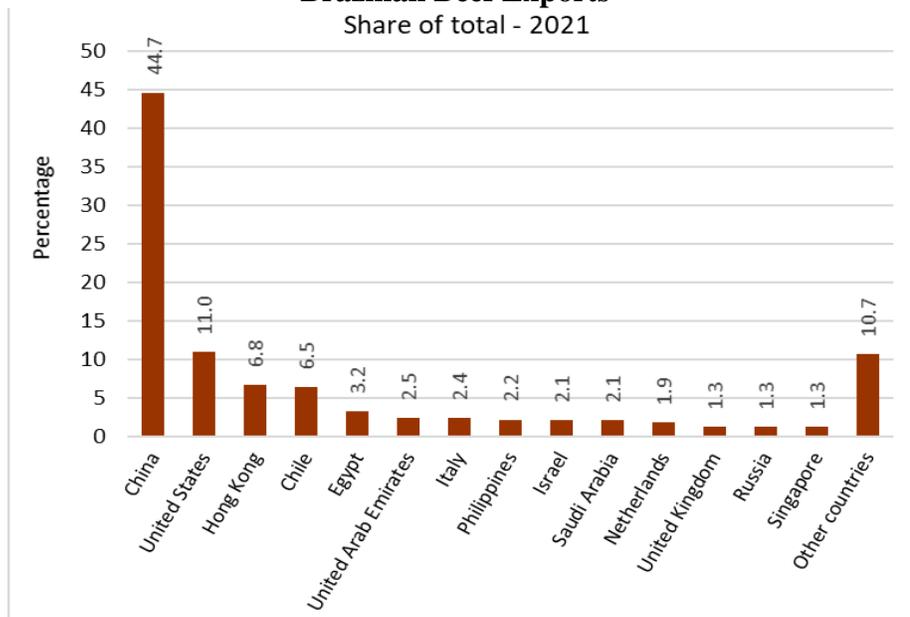
Data Source: IBGE

## 2.3 – Trade

### Exports

For 2022, Post forecasts a 12 percent increase in beef exports, mainly due to the growing global demand. In 2022, Post forecasts exports will represent 26.4 percent of total production. This proportion was 24.4 percent in 2021.

**Figure 15**  
**Brazilian Beef Exports**  
 Share of total - 2021



Data Source: Brazil Ministry of Economy, via Trade Data Monitor

In 2021, Brazil exported a total of 1.67 million tons CWE of beef and veal, which is 8.9 percent lower than 2020. However, the value of these exports reached US\$ 8.75 billion, which is a record figure, representing an 8.6 percent increase in value from the prior year. The top markets for Brazilian beef were, in order: China, United States, Hong Kong, Chile, Egypt and the United Arab Emirates. Chinese demand in 2021 accounted for 43.3 percent of the total exports, followed by the United States with 8.2 percent of all beef exports, and Hong Kong in the third position with 8.1 percent of all Brazilian beef exports. Exports to the United States surged 131 percent in 2021, as Brazil worked to rebuild its market share after its market access was reinstated in February 2021. Brazil’s beef market access was suspended since June 2017 due to abscess, related to FMD vaccination, found in the exported beef

On September 4, 2021, China suspended its beef imports from Brazil, after the latter reported two cases of atypical mad cow disease (BSE) in Mato Grosso and Minas Gerais. After 102 days of negotiations and requests from the Brazilian government, China lifted its suspension on December 15. In November, China had loosened its ban, allowing imports of Brazilian beef that had been certified prior to September 4, the original suspension date. China’s decision to suspend imports caused significant financial losses to Brazilian cattle growers and beef producers, with estimated damage in the range of \$1 billion to \$2 billion. China represents around 60 percent of Brazil’s beef exports.

China resumed imports of beef certified after December 15, for all types of meat cuts, without additional requirements. The previous requirements will apply to boneless beef products from cattle less than 30 months of age, with the International animal health certificate (CSI).

**Table 2**  
**Brazilian Exports – Beef (in 1000 tons CWE)**

	2016	2017	2018	2019	2020	2021
China	164.8	211.2	322.3	497.7	868.7	723.2
United States	32.4	37.6	31.5	38.2	59.1	136.7
Hong Kong	181.7	251	281.5	225.9	210.2	135.6
Chile	71	64.7	114.8	110.5	90.4	110.6
Egypt	168.4	147.4	173.3	154.3	121.5	68.5
United Arab Emirates	18.8	21.7	38.2	72.1	39.9	48.4
Philippines	20.4	9.7	27.3	35	39.7	46.3
Saudi Arabia	28.9	41.6	42.2	42	40.2	39.6
Israel	14.6	18.2	17.7	25.7	24.3	34.1
Italy	28.9	28.4	31.5	30.8	26.4	29
Russia	130.6	138	3.7	63.7	53.2	28
Singapore	16	18	18	20.7	20.7	25.2
Uruguay	2.4	4.3	13.7	28.2	26.4	22.9
United Kingdom	30.5	25.5	28.2	24.5	24.8	22.3
Other countries	273.5	282.7	314.3	302.8	189.4	201.8
<b>Total</b>	<b>1,183.1</b>	<b>1,299.9</b>	<b>1,458.1</b>	<b>1,671.8</b>	<b>1,834.7</b>	<b>1,672.0</b>

Data Source: Brazil Ministry of Economy, via Trade Data Monitor

In 2021, the volume of beef exports fell 8.9 percent, in relation to 2020, but revenues increased 8.6 percent due to the higher prices paid by importers. As shown in the graph below, the average price of beef exports increased during 2021, especially from January until September. The average price decreased in the following months, from US\$ 5.6 per Kg to US\$ 4.8 per Kg, because of China's suspension of Brazil's beef, which forced Brazilian exporters to find alternative buyers by offering discounts.

**Figure 16**  
**Bovine Monthly Exports, 2021**



Source: ABIEC Beef Report 2021.

The graph below shows Brazil's exports of fresh beef suffered a significant impact due to China's suspension. The export value fell from US\$ 1.08 billion in September to US\$ 0.42 billion in October, i.e. a 62 percent drop. Brazil's processed beef exports, however, suffered only a small impact from China's beef ban, as exports fell in October (by 40 percent in value), but recovered in the following months to the year's average monthly values. The reason being that China imports mostly fresh beef from Brazil. Nonetheless, processed beef only represents 5.5 percent of Brazil's total beef exports, whereas fresh beef accounts for 85 percent.

**Figure 17**  
**Fresh Beef Exports**

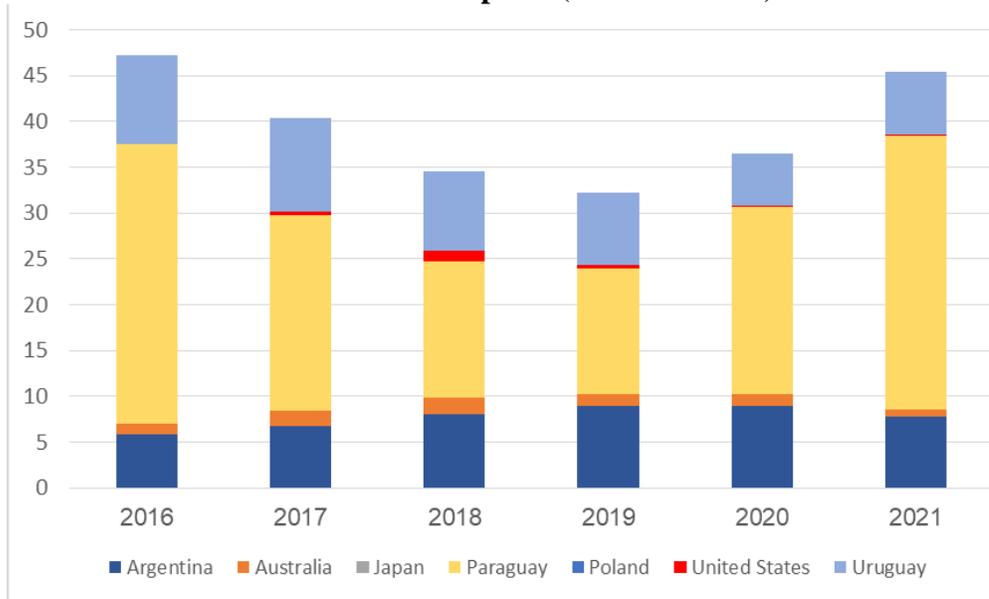


Source: ABIEC Beef Report 2021.

## Imports

Despite being the world's largest beef exporter, in 2021 Brazil imported just 0.8 percent of all its domestically consumed beef. In 2020, Brazil's beef imports were 0.5 percent of the total supply. Brazil's main suppliers of beef are the neighboring countries of Paraguay, Argentina, and Uruguay. Beef exports from these markets benefit from lower transportation costs, as well as Mercosur's duty-free import regime. Together, these three countries represented 98.2 percent of total imports in 2021. Brazil also imported beef from Australia, Japan, and the United States. The United States exported 60 tons of beef to Brazil, which represented 0.13 percent of total Brazilian beef imports in 2021, worth US\$ 0.68 million. In 2021, total import volume increased 24.7 percent, in relation to 2020, while the increase was 35 percent in terms of value. Imports are expected to increase slightly in 2022, around 10 percent, mainly due to the growing imports of high-quality gourmet and special cuts.

**Figure 18**  
**Brazilian Beef Imports (1000 tons CWE)**



Data Source: Brazil Ministry of Economy, via Trade Data Monitor

# SWINE

## Production, Supply and Distribution

<b>Animal Numbers, Swine</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>	
Market Begin Year	Jan 2020		Jan 2021		Jan 2021	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Beginning Stocks</b>	37850	37850	37350	37350	36350	35688
Sow Beginning Stocks	3005	3005	3010	3010	2980	2980
Production (Pig Crop)	43525	43525	44515	44515	45300	45316
Total Imports	2	2	2	2	2	1
<b>Total Supply</b>	<b>81377</b>	<b>81377</b>	<b>81867</b>	<b>81867</b>	<b>81652</b>	<b>81005</b>
Total Exports	3	3	2	2	2	3
Sow Slaughter	140	140	140	140	140	140
Other Slaughter	42710	42710	44260	44900	45400	45438
<b>Total Slaughter</b>	<b>42850</b>	<b>42850</b>	<b>44400</b>	<b>45040</b>	<b>45540</b>	<b>45578</b>
Loss and Residual	1174	1172	1115	1137	1060	1160
Ending Inventories	37350	37350	36350	35688	35050	34264
<b>Total Distribution</b>	<b>81377</b>	<b>81377</b>	<b>81867</b>	<b>81867</b>	<b>81652</b>	<b>81005</b>

Numbers in 1000 HEAD

### 3.1 – Production

#### Pig Numbers

In 2022, Post forecasts swine production to increase by 1.8 percent, reaching 45.3 million head. This production growth follows on from 2021, when the increase was 2.3 percent. The forecast is more conservative than that of the Brazilian Association of Animal Protein (ABPA), which is projecting a four percent expansion in swine production in 2022. The demand for pork meat is high and should remain so in 2022, however, Post’s forecast takes into account the elevated production costs, especially of animal feed, which represents over 80 percent of the total cost of production for swine producers in Brazil. Although the prices of corn and soybeans are stabilizing, many swine growers continue operating at a negative profit margin. The market anticipates that margins will not improve until 2023.

While the swine production in 2021 and 2022 grew around two percent year-on-year, the slaughter rate grew at around three percent during the same period, thereby resulting in decreasing ending inventories in both 2021 and 2022. As prices of swine and pork meat increased since 2020, swine

producers began increasing their production of piglets to benefit from this favorable market. This incentivized the swine population to increase in 2021, while the slaughter rate grew in both 2021 and 2022.

The Brazilian swine sector benefitted considerably from China's growing demand for pork meat due to the African Swine Fever (ASF) outbreak that contaminated its swine population in 2019 and caused a significant drop in its pork meat production. This growth in demand for pork increased world market prices of the meat, which ensured higher income to Brazilian swine producers and slaughterhouses. This swine demand and price trend continued throughout 2021, incentivizing Brazilian swine producers to increase their production. However, China's demand for pork in 2022 is far less certain; market analysts in Brazil generally believe that China has restored its sows and swine production, and so is likely to reduce pork imports.

### **Factors Impacting Production**

The Post forecast for an increase in swine production in 2022 is based on the current market conditions and recent trend.

### **Economy and Market demand**

As described in the Cattle section of this report, Brazil's economy recovered in 2021, growing 4.5 percent last year, after a 4.1 percent fall in 2020. The average household income fell in 2021 to R\$ 1,326, which is 4 percent lower than the 2020 value of R\$ 1,380. At the same time the inflation hit 10 percent in 2021, and the prices of many select food items grew even more. This reduced the purchasing capacity of many families, especially the poorer ones, forcing them to choose cheaper options in their regular food shopping at the retail stores. Economists expect that by 2022, the economy will recover to the same levels as before the Covid 19 pandemic, yet consumer spending will take longer to recover due to the debt accumulated during the period. Currently, the GDP forecast for 2022 is around one percent.

The Brazilian consumption of pork increased during the pandemic crisis: the higher beef prices made many consumers seek alternative meat options, including pork, which has lower prices at the retail level. While pork accounted for 17 percent of all meat consumption before the pandemic, currently it accounts for 19 percent. Although small, this 2 percent increase represents a large volume, as Brazilians are large consumers of meat. Additionally, in 2021, the prices of chicken increased 20 percent and beef prices increased 17 percent, whereas pork only increased 2 percent. In other words, pork prices remained below the inflation rate, making it even more affordable. Post anticipates that in 2022 most families will continue to buy the more affordable options of meat, namely pork or chicken. Consequently, the domestic demand for pork should expand in 2022, and Post forecasts a 3.1 percent increase.

### **Challenges and Risks Faced by the Swine Sector**

#### **Weather conditions**

As described in the Cattle section of this report, Brazil's agriculture is still suffering the effects of *La Niña*, which caused drought and excess rain in different regions of the country in 2021. Although the

effects are expected to be lighter in 2022, it remains unpredictable, as weather-related phenomena tend to be. The damage caused by *La Ninã* in 2021 to the production of corn and soybeans, also impacted the swine sector, which relies on the two crops for animal feed. Considering that such animal feed accounts for around 80 percent of swine production costs, any increase will have a direct impact of swine producers' operational costs.

In fact, the increasing prices of corn and soybeans since 2020 left many swine producers at a negative income margin, i.e. operating at a financial loss. Many remained in the sector, however, because the sector is going through a favorable period, especially in terms of demand, whether domestic or foreign.

### Production Costs

The Brazilian swine sector experienced high inflation rates in 2021 for production costs, especially for feed inputs, animal transportation costs and operation costs. In 2021, corn prices vacillated at around R\$ 84 to R\$ 100 per 60 kilogram (kg) bag, compared to the average of R\$ 40 per bag before the pandemic crisis; soybean prices have remained relatively stable between R\$ 160 and R\$ 176 per 60 Kg bag, compared to the average of R\$ 80 per bag before the pandemic crisis. Thus, in 2021, many swine producers did not manage to make a profit, given the high feed costs. As a result, swine and pork prices remained elevated in 2021 and are expected to continue so for most of 2022.

Brazil's general inflation reached 10 percent in 2021, with significant increases in electricity costs, transportation costs, feed prices, animal transportation costs, among other items relevant for livestock production. The table below shows the feed costs (corn and soybean meal) continued to increase in 2021, though by the end of the year the corn costs increased only 12 percent (from January until December), while soybean meal actually decreased by 20 percent. Hog prices decreased 6.3 percent during the year, from R\$ 6.66 per Kg to R\$ 6.24 per Kg. Nonetheless, the average production costs remained much higher in 2021 than in 2020, showing that swine producers faced significant challenges in maintaining any profit margins from their activities.

**Table 3**  
**Prices of Inputs and Production Costs - Swine**

Prices for Santa Catarina State - R\$/Kg													
	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hog Live Weight	2019	3.12	3.19	3.39	3.53	3.69	3.88	4.07	4.1	4.1	4.19	4.46	4.61
	2020	4.61	4.54	4.64	4.58	4.51	4.51	4.67	4.88	5.23	5.63	6.76	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
Corn	2019	0.64	0.65	0.66	0.61	0.59	0.63	0.64	0.64	0.64	0.68	0.71	0.76
	2020	0.81	0.84	0.84	0.83	0.83	0.82	0.86	0.94	1.01	1.22	1.42	1.35
	2021	1.46	1.48	1.52	1.71	1.77	1.61	1.73	1.79	1.72	1.67	1.61	1.64
Soybean Meal	2019	1.44	1.38	1.40	1.33	1.33	1.46	1.42	1.41	1.41	1.41	1.43	1.48
	2020	1.49	1.46	1.60	1.86	1.92	1.91	1.95	1.98	2.07	2.6	2.89	2.76
	2021	2.89	3.13	2.95	2.64	2.66	2.50	2.54	2.39	2.30	2.29	2.22	2.30
Production Costs (full cycle)	2019	3.89	3.83	3.81	3.73	3.71	3.88	3.87	3.88	3.88	3.96	4.04	4.17
	2020	4.27	4.32	4.44	4.6	4.64	4.62	4.73	5.04	5.37	6.17	6.77	6.56
	2021	6.63	6.88	6.87	7.03	7.30	6.82	7.10	7.12	6.87	6.80	6.65	7.00

Data Source: EMBRAPA Avian and Swine Central Intelligence

EMBRAPA’s index for swine production costs, called *ICPSuínos*, shows that, in the state of Santa Catarina, feed costs increased 5.5 percent in 2021. In the same year, swine producers saw their total cost of production increase a cumulative 6.8 percent, mainly due to the cost of animal feed. In the Brazilian pork industry, as most of the production is done intensively, nutrition costs accounted for 81.1 percent of total costs in December 2021. Post believes that the costs of production may reduce slightly during 2022, mainly due to an expected reduction in the cost of feed crops.

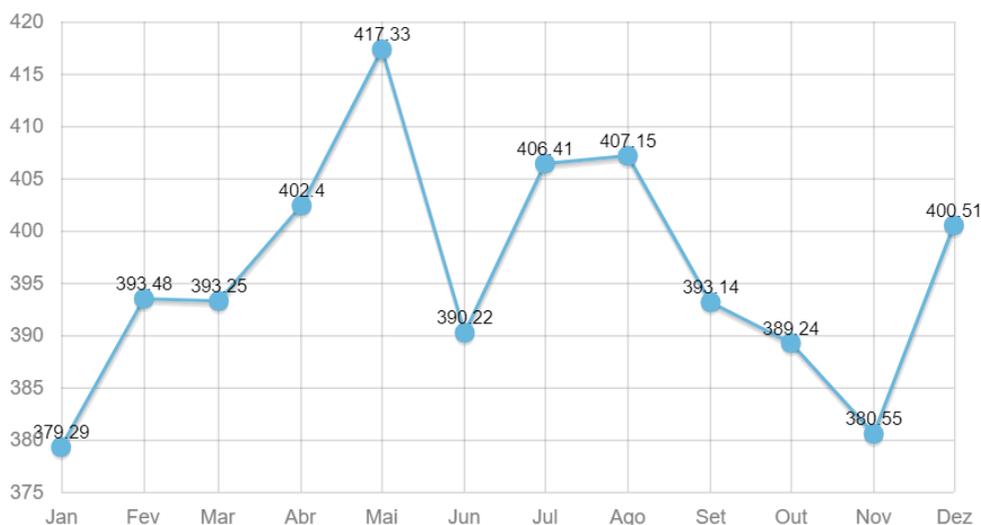
**Table 4**  
**Swine Production Costs - 2021**

Item	Value	Percentage of total
Nutrition (feed)	+5.51%	81.1%
Maintenance/ Financial/ Funrural	-0.27%	3.07%
Transportation	+0.28%	2.99%
Labor	0.48%	3.19%
Capital Cost	+0.32%	3.01%
Others	+0.14%	2.26%
Depreciation	+0.37%	2.34%
Sanitary	+0.24%	1.47%
Electric Energy/ Heating	+0.16%	0.57%
<b>Total</b>	<b>+6.76%</b>	<b>100%</b>

Data Source: EMBRAPA Swine and Poultry, ICPSuínos

As shown in the graph below, the ICP swine producer index increased slightly during 2021, from 379 to 400. The index oscillated between 380 and 417 during the year, as priced of animal feed varied according to the crop availability in the market and their respective prices. Since 2019, the private sector and the state-level governments have discussed ways of lowering animal feed expenses, given the sector’s importance to certain states, particularly in the Southern Brazil. Different measures and policies were proposed, however, so far, these have had very limited effects on the feed prices paid by producers, thereby having little impact in the attempt to lower their costs.

**Figure 19**  
**ICP Swine Producer Costs - 2021**



Data Source: EMBRAPA Swine and Poultry, ICPSuínos

Demand for animal feed should remain high during the year, given that the protein sector is experiencing good performance, especially in the international market. Different experts expect corn and soybean prices to stabilize in 2022. The high and steady global demand for pork and the relatively devalued Real have allowed for record export numbers of pork meat.

### Sanitary Risks

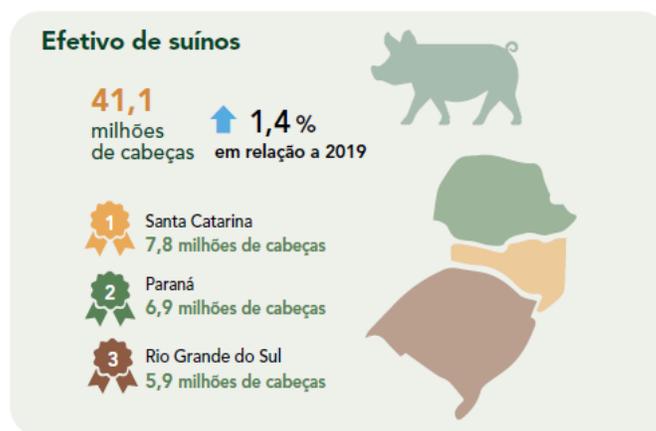
Similar to the case of cattle, although relatively small, the risk of diseases breaking out in Brazil's swine sector is not completely negligible. Although there were no serious sanitary outbreaks or issues in 2021, African Swine Fever (ASF) disease is a constant threat, given that it may arise at any time. Swine related diseases have been under control for many years, due to the rigorous vaccination, sanitary conditions required, the government control mechanism, and the investments made by the private sector. For instance, the last time ASF was detected in Brazil was in the early 1980s.

In August of 2021, ASF was detected in the Dominican Republic in July 2021, and there was a risk of it spreading to other countries in the Western Hemisphere. In response, the Brazilian Ministry of Agriculture implemented various measures to prevent the disease from entering the country. Additionally, the Ministry committed US\$ 500 thousand as part of a partnership program with the Inter-American Institute for Cooperation on Agriculture (IICA) to control the spread of the virus in Haiti and the Dominican Republic. During the same week that ASF was detected in Central America, the Brazilian Ministry of Agriculture launched the national plan to monitor Swine diseases (*'Plano Integrado de Vigilância de Doenças dos Suínos'*), seeking to strengthen the country's capacity of early detection of ASF, Classical Swine Fever and Porcine Reproductive and Respiratory Syndrome (PRRS).

## Geography of Brazil's Swine Production

In terms of the main swine production regions of Brazil, there has been no noticeable change during 2021, and Posts anticipates that this trend will persist in 2022. The three largest swine-producing states are in the South of the country: Santa Catarina, Paraná, and Rio Grande do Sul, respectively, as shown below. Together, they are responsible for half of the total pig crop in Brazil (as of 2020). In terms of slaughter, Embrapa's data indicates that these states are responsible for 68 percent of all swine slaughter in Brazil. In 2020, the South accounted for 60 percent of total animals, the Center-West and the Southeast for almost 20 percent each, with three percent in the Northeast. Goiás and Minas Gerais states have important swine and cattle production.

### Main Swine Producing States Supply (million head)



Data source: IBGE  
Livestock Production  
by Municipality 2020

## 3.2 – Trade

For 2022, Post forecasts that Brazil's live swine exports should remain similar to the value of 2021, while imports may continue the upward trend of previous years. Despite being among the top five producers of swine in the world, exporting live swine is not an important activity for the sector. Brazil primarily sends hogs to its most important traditional market, Argentina, as well as to other neighboring countries like Paraguay, Bolivia, Uruguay and, in 2021, to Venezuela.

**Table 5**  
**Brazilian Exports – Live Swine (in USD)**

Country	2016	2017	2018	2019	2020	2021
Argentina	1,460,607	2,931,910	4,243,501	5,333,750	2,537,214	2,777,161
Bolivia	229,085	555,494	162,828	302,351	238,648	328,910
Canada	5,748	-	-	-	-	-
Mexico	-	-	-	997	-	-
Netherlands	-	-	-	-	-	51,978
Norway	-	-	518	319	69	-
Panama	-	-	-	238	-	62
Paraguay	523,160	690,939	695,913	832,943	1,075,916	633,416
United States	3,382	-	-	-	-	-
Uruguay	-	-	-	49,676	-	68,559
Venezuela	0	0	0	0	0	434,486
<b>Total</b>	<b>2,221,982</b>	<b>4,178,343</b>	<b>5,102,760</b>	<b>6,520,274</b>	<b>3,851,847</b>	<b>4,294,572</b>

Data Source: Brazil Ministry of Economy, via Trade Data Monitor

## Exports

Brazil is the twelfth-largest exporter of live hogs, mostly for slaughter as well as for purebred breeding for genetic improvement. From the traditional markets where Brazil exports live swine, Argentina accounted for 74 percent of all exports in the past six years. In 2020, there was a significant decrease in Argentina’s imports of live swine, which Post believes was likely a consequence of the pandemic. However, Argentina’s imports grew 9.5 percent in 2021. Paraguay was the second largest importer of live swine from Brazil, accounting for 15 percent of the total export value in 2021. After a significant drop in 2020, exports increased by 11.5 percent in 2021, in relation to the previous year, most likely on account of increasing animal production in Brazil.

## Imports

Brazil imports a relatively small volume of live swine, being the 18<sup>th</sup> largest importer in the world. As with live cattle, Brazil’s imports of live swine are focused on genetic improvement. Brazil has only imported live swine for purebred breeding (HS Code 010310). It is worth noting that total imports grew 34 percent in 2021. Among Brazil’s traditional suppliers, the United States supplied over 46 percent of total imports over the past six years. However, the U.S. live swine exports fell 61 percent in 2021, and so only accounted for 15 of Brazil’s imports during the year.

**Table 6**  
**Brazilian Imports – Live Swine (in USD)**

Country	2016	2017	2018	2019	2020	2021
Denmark	314,064	313,236	-	991,774	658,165	1,452,422
Canada	130,486	178,106	164,283	231,884	425,390	701,542
United States	245,955	520,274	786,460	986,230	1,202,174	462,541
France	156,492	369,447	238,200	219,682	-	292,618
Norway	-	-	-	-	-	158,083
<b>Total</b>	<b>846,997</b>	<b>1,381,063</b>	<b>1,188,943</b>	<b>2,429,570</b>	<b>2,285,729</b>	<b>3,067,206</b>

Data Source: Brazil Ministry of Economy, via Trade Data Monitor

## PORK

### Production, Supply and Distribution

Meat, Swine	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2021	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) 1000 Head	42850	42850	44400	45040	45540	45580
Beginning Stocks	0	0	0	0	0	0
Production	4125	4125	4325	4365	4455	4477
Total Imports	2	2	3	3	3	3
<b>Total Supply</b>	<b>4127</b>	<b>4127</b>	<b>4328</b>	<b>4368</b>	<b>4458</b>	<b>4480</b>
Total Exports	1178	1178	1322	1322	1360	1390
Human Dom. Consumption	2949	2949	3006	3046	3098	3090
Other Use, Losses	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	<b>2949</b>	<b>2949</b>	<b>3006</b>	<b>3046</b>	<b>3098</b>	<b>3090</b>
Ending Stocks	0	0	0	0	0	0
<b>Total Distribution</b>	<b>4127</b>	<b>4127</b>	<b>4328</b>	<b>4368</b>	<b>4458</b>	<b>4480</b>

Numbers in 1000 MT CWE

### 4.1 – Production

In 2022, Post forecasts pork production to increase by three percent, reaching 4.48 million tons (CWE). This production growth is smaller than the 4.8 percent pork production growth that occurred in 2021, reaching 4.37 million tons. The Brazilian Association of Animal Protein (ABPA) had published a forecast in July of 2021 that indicated the production of 4.4 million tons CWE, and recently stated that the actual production volume for 2021 was close to this figure. The Post forecast is based on the slaughter volume projected for 2022, due to the relatively high demand for pork meat in the domestic and foreign markets.

Although China has been the main importer of Brazilian pork, Brazil has worked to increase its exports elsewhere, such as to Russia and other Asian countries. In 2021, Brazil continued benefitting from the increased world demand for pork and has been able to supply much of China's and Hong Kong's demand. Producers benefited from a favorable exchange rate in 2021. In 2022, the Brazilian currency exchange rate is expected to continue at a favorable level for Brazilian exporters.

## 4.2 – Consumption

Post forecasts 2022 domestic pork demand to grow two percent. Post's forecast is based on the expected economic recovery and because pork prices remained stable during 2021, unlike the alternative meats - beef and chicken. Further, due to the Presidential Elections in 2022, the GOB is expected to offer some form of income support relief to the poorer classes, which may allow them to afford consuming pork.

Pork consumption will also build of recent pork consumption trend in Brazil established during the pandemic. The onset of the pandemic crisis in Brazil brought a reduction in the demand for meats in general, both because of reduced social gatherings (at restaurants, hotels, etc.) and reduced average income. After quarantine restrictions were lifted during 2021, food consumption increased, but did not recover the level pre-Covid, due to the lack of disposable income in most families. The consumption of pork, nonetheless, increased during this period, given that it is a more affordable alternative to the more expensive beef option. Pork consumption in Brazil grew two percent from 2020 to 2021.

Post forecasts for consumption takes into account the market expectation that pork prices will likely increase slightly in 2022. Generally, market analysts anticipate price increase of around four percent, on the account of lower demand from China as their national production recovers. At the same time, pork production costs should stabilize, allowing for slightly lower prices in the market.

## 4.3 – Trade

### Exports

Post forecasts a 2.9 percent increase in exports in 2022. This forecast is higher than the previous Post forecast and is based on the current export statistics for 2021, which show a growing trend of pork export volumes. As shown in the table below, pork exports in 2021 increased by 12.2 percent in volume in relation to 2020, reaching 1,024 thousand tons - surpassing one million metric tons (CWE) for the first time in Brazilian history. In terms of value, the increase was 16.2 percent, in relation to 2020, reaching US\$ 2.49 billion. Although China became one of the top three export destinations in 2021, due to the drop in national swine production after the ASF outbreak in 2018, China's imports from Brazil only increased by 2.6 percent in 2021. Nonetheless, in 2021, China accounted for 50 percent of Brazil's pork exports. Other countries that also increased purchases of Brazilian pork (in value): Argentina, with a 97 percent increase; Chile, a 39 percent increase; Philippines, with a 638 percent increase, and the United States, which increased imports by 66 percent in 2021.

**Table 7**  
**Brazilian Exports – Pork Meat (in 1000 tons CWE)**

	2016	2017	2018	2019	2020	2021
China	87.6	48.9	155.9	250.6	498.1	511.0
Hong Kong	115.8	103.6	115.5	116.7	118.4	123.0
Chile	23.2	23.4	34.5	45.2	43.9	60.8
Singapore	32.6	31.9	43.9	35	52.1	46.3
Vietnam	1.6	0.4	7.4	12.6	38.5	43.8
Uruguay	28.3	30.5	35.3	39.8	37.7	41.2
Argentina	25	32.4	38.7	30	19.1	37.5
Philippines	1.8	1	9.3	3.4	3.9	28.5
Angola	22.6	22.6	26.6	17.4	19.7	18.4
Japan	1.8	1.7	1.7	5.8	11.3	14.9
Georgia	8.5	10.5	18	17.6	9.1	14.7
United States	2.5	3.7	5.1	6.3	7.9	13.1
Emirates	7.3	6.5	7.2	7.4	9.3	10.3
Russia	236.9	252.4	6.7	35.5	0.1	9.3
Other countries	44.2	35	55.6	45.7	44	51.3
<b>Total</b>	<b>639.6</b>	<b>604.5</b>	<b>561.4</b>	<b>668.9</b>	<b>913.2</b>	<b>1,024.2</b>

Data Source: Brazil Ministry of Economy via Trade Data Monitor

## Imports

Brazil is a small importer of pork, although it is the 4<sup>th</sup> largest pork exporter in the world. In 2021, Brazil only imported 2,451 tons of pork from five countries, worth USD 21.7 million. Though small, it was 64 percent larger than the volume of 2020, and almost 90 percent was HS Code 021019 (Meat of swine, nesoi, salted, in brine, dried or smoked), mostly coming from Italy and Spain.

**Table 8**  
**Brazilian Imports – Pork Meat (in Tons CWE)**

	2016	2017	2018	2019	2020	2021
Italy	659	804	750	946	762	1124
Spain	544	594	761	750	535	643
Paraguay	0	0	0	0	140	638
Portugal	60	57	56	71	51	42
France	2	2	3	2	5	4
Hungary	0	0	0	0	0	0
Argentina	0	0	0	0	0	0
Chile	45	139	0	0	0	0
<b>Total</b>	<b>1,310</b>	<b>1,596</b>	<b>1,570</b>	<b>1,770</b>	<b>1,492</b>	<b>2,451</b>

Data Source: Brazil Ministry of Economy via Trade Data Monitor

## Attachments:

No Attachments