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## **Brazil**

## **Livestock**

## **1998 Livestock Annual Report**

## **1998**

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### Report Highlights:

The slowdown of the economy in Brazil in 1998, is reflected in the meat industry which faces weak demand mostly for beef, which affects producer returns by keeping beef prices soft. These prices explain the marginal increase in beef production in 1998, as well as lower beef imports. However, beef exports are up due mostly to an increase in sales to Europe. Pork production is up by almost 4 percent due to record exports, including first time shipments to Russia.

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## **EXECUTIVE SUMMARY**

Despite recent signs of recovery, and the very recent reduction of domestic interest rates to normal levels, (following October 1997's doubling of interest-rates, in response to the Asian economic crisis) the Brazilian economy is expected to grow at only 1 percent in 1998.

Although some macro-economic factors, such as the level of foreign reserves, have improved since the Asia turmoil, internal interest rates remain high, and consumer credit remains tight, contributing to slow economic activity and increased unemployment. The economy is thus somewhat stagnant, with weak overall consumer demand and confidence, and high inventories in industry and retailing.

This macro-economic picture characterizes the meat industry, which faces weak demand, primarily for beef. The resultant soft beef prices are impacting producer-returns. This also explains the small increase in beef production this year, and lower beef imports. One bright spot is higher beef exports, mostly caused by increased sales to Europe.

Pork production is up by almost 4 percent mostly due to record exports, including Brazil's first pork export shipments to Russia.

## COMMODITY OUTLOOK BEEF

### Production

Beef production is up marginally in 1998 (by only 1 percent.) This has allowed higher beef exports, though domestic demand remains weak. Imports are down.

Increases in beef production will continue to be moderate through 1999, continuing the liquidation phase of the cattle cycle which intensified in 1995-96. Cow slaughter is expected to drop in 1998 after reaching a record in 1997.

Beef production in Brazil is still heavily dependant on pasture, though breeders are looking for alternatives in order to raise productivity and returns. Total beef animal production under some type of confinement in 1998 is expected to reach 4.1 million head, up nearly 5 percent from 1997. However, animals in feedlots (comparable to feedlots in the United States) will total only 1.5 million head.

Crossbreeding programs are an area of increased breeder investment. Total sales of semen for beef breeds in 1997 increased 27 percent. Imported semen accounted for 77 percent of this increase. Genetic improvement programs use primarily Simmenthal, followed by Limousine, and Red Angus. The base for crossbreeding is the Brazilian Nelore (zebu) which takes 36 months to mature, but is a hardy breed well suited to arid pasture. Another program to increase productivity is the young steer fattening slaughter program, where producers receive a tax rebate for slaughtering younger animals.

The prohibition against the use of growth promotants, implemented in 1991, remains in place. The Ministry of Agriculture and Food Supply (MAA) is reluctant to approve hormones in Brazil fearing it would jeopardize Brazilian beef exports to the European Union. However press accounts suggest use of growth promotants is frequent, reflecting porous borders, particularly with Mercosul countries.

### Consumption

Lower income groups enjoyed a purchasing power boost as a result of the Real Plan, which beginning in 1994 stabilized the national currency. This led to higher domestic beef demand during 1995-97. However, beef consumption has begun to stabilize, as consumers have moved on to other alternatives such as broilers and pork. Most analysts expect beef consumption to increase at a slower rate from now on, despite the intense price competition among supermarkets.

There are no government programs to increase beef production. Some leading producers and packers have teamed with supermarket chains to implement beef quality marketing programs aimed at increasing consumption of special beef cuts, mostly from young steers. (A program aimed at the export market is described in the Marketing Section of this report.)

So called "clandestine slaughter" (outside approved slaughter plants) and improved domestic consumer beef quality were the targets of Directive 304 (issued in 1996 by the Brazilian MAA) which established new conditions for packers regarding the mandatory cutting and packaging of beef for retail markets (butcher shops and supermarkets.) Directive 304 is being gradually

extended to all of Brazil, and in 1998 it will apply to approximately 123 cities.

### **Trade**

Beef export volume during the first half of 1998 is up more than 20 percent, largely reflecting greater fresh / frozen beef exports to the European Union, which accounts for nearly 60 percent of all Brazilian beef exports. Trade contacts give two reasons for Brazil's expanded beef exports in 1998:

- a) lower availability of Argentine beef for export; and
- b) more rapid, though still gradual, devaluation of Brazil's "Real" currency in the past 8 months.

These same factors have contributed to lower beef imports, which during the first half of '98 dropped by more than 30 percent.

Office of Agricultural Counselor (OAC) is including in this report for the first time an import estimates for live cattle, mostly from Argentina and Uruguay. About 170,000 slaughter cattle are thought to have entered Brazil in 1997 from Mercosul partners, and the trend will likely increase because Rio Grande do Sul State (RS), and Santa Catarina State (SC), Brazil's two southern-most states, now FMD free, can no longer purchase live cattle from other Brazilian states. Similarly, bone-in beef imports into RS and SC are also prohibited. Cattle prices in these two states have thus risen, relative to other Brazilian states. Prices are now nearly equal to prices in Argentina and Uruguay, varying from US\$1.00 to US \$ 1.18 per kilogram (live-weight).

### **Stocks**

Brazilian packers work on a very short slaughter schedule, and thus hold stocks only to meet export contracts. There are no government-owned beef-stocks.

### **Policy**

Brazil's federal government has no policies intended directly to increase beef production, but concentrates on animal health improvement programs. In 1998, the Brazilian government obtained disease-free status with vaccination for Foot and Mouth Disease (FMD) from the Office International des Epizooties (OIE), the international animal disease control organization, for the two Southern states mentioned above, RS, and SC. The program which achieved this is part of a strategy to extend FMD-free status progressively northward and achieve national FMD-free status by the year 2002.

Current efforts focus on extending this status to four states north of Santa Catarina. This would bring much of the Center-West of Brazil into the international market.

Beef producers can get long-term credit, primarily for pasture improvement and breeding programs, through the National Development Bank (= Banco Nacional de Desenvolvimento Economico e Social, BNDES.) However high failure rates have forced the bank to be very selective.

## **Marketing**

Brazil's vast pastures and large beef herd, limit beef export market opportunities in Brazil for U.S. beef. However, a niche market has been developed in Brazil by the US Meat Export Federation (USMEF.) There is strong demand here for a special barbecue cut called "picanha" (beef top sirloin cap or culotte muscle.) U.S. exports more than doubled last year, but are expected to increase more moderately in 1998. Brazil's import duty for fresh/frozen beef was temporarily increased from 10 to 13 percent, while for processed beef products increased from 16 to 19 percent for all countries, except Mercosul members, as part of temporary measures in reaction to the Asian crisis.

Brazilian beef producers are also becoming more aggressive in efforts to sell into the international market. We estimate that more than US \$ 300,000 were devoted to Brazil's beef export marketing programs, mostly in the European Union. Brazilian beef producers were very receptive to the E.U. labeling requirements. In fact, Brazil is already marketing its beef in the European Union under a "Brazilian Beef" brand which shows the Federal Inspection Number (SIF), place and date of slaughter, lot number, sex, and age of the animal, and the producer's name. Beef exporters plan to improve their label with more information about the animal.

Beef producers are also looking to Asia as their next export marketing target. Several trade teams have visited China, Japan and Korea in this scheme.

## COMMODITY OUTLOOK, PORK

### Production

Pork production is expected to rise by 4 percent in 1998, and may well continue at this rate in 1999. This reflects good returns to producers and strong demand from the export market, despite the Asia set back. Feed costs have declined, softening the Asia effect on producers, though non-integrated producers in particular still face a cost - price squeeze on returns. Expectations are that feed costs will continue stable due to a large soybean crop, and a better (than earlier - expected) winter corn crop.

Long - term prospects are good for pork production in Brazil as recent and planned investment in pork operations come on stream, primarily in the Center-West region, but also in the North East. In 1997 and thus far in 1998, several large existing pork processors in Brazil have announced more than US \$ 100 million in investments in new pork plants in the Center-West, and upgrades in old ones in the South. Some of Brazil's western states are providing financial or tax incentives for processing plant location decisions in the form of rebates of state taxes (ICMS=Imposto sobre a Circulacao de Mercadorias e Servicos) to encourage investment and infra-structure development.

### Consumption

In 1998 Brazilian pork consumption is estimated to increase by 2 percent due to larger supplies, and competitive prices. To boost consumption, the swine breeders association jointly with the pork processors association launched marketing campaigns using a US \$ 1.2 million fund initially targeted at raising fresh pork consumption in Brazil's major urban centers. These efforts closely mimic the "other white meat" concept used in the United States, and aim to change old consumer perceptions of pork as a fatty meat that may aggravate serum cholesterol levels.

Fresh pork consumption growth in Brazil is constrained by two factors:

- Retailers, mostly supermarkets, traditionally take high profit margins (estimated at 65 percent) on sales of fresh pork, and still higher margins (76 percent) for sales of processed pork products.
- Second, consumer tradition favors processed pork, which accounts for 70 percent of the total, in contrast to the 30 percent traditionally consumed as fresh pork.

### Trade

Pork exports are expected to rise by 40 percent in 1998, and to reach an all time record. This reflects new exports to Russia, and smaller increases in exports to Argentina and Hong Kong. Trade analysts expect that Brazil will export about 20,000 metric tons to Russia since the execution of a bilateral sanitary agreement covering this trade. (See policy section).

Brazil's pork exporters are targeting an eventual 10 percent market share in Russia. Market development efforts are aimed at Russia, the European Union (mostly Italy), and South Africa. In the longer term, Asia, primarily Japan, is also a target.

Imports: Although small in volume, pork imports are expected to rise by 16 percent, reflecting major in-roads by Canada into a niche in the Brazilian market. The United States is also expected

to increase exports in 1998 to Brazil.

### **Stocks**

The government holds no pork stocks in Brazil. Private stocks are primarily pork products to meet export contracts and seasonal supermarket demand.

### **Policy**

No federal government programs are aimed at increasing pork production. However, some states in the South have programs to minimize the environmental impact of swine industry waste, and there are other programs to improve swine genetics.

In the Center-West region of Brazil, states are in a bidding war to attract new pork operations by offering fiscal incentives, and infrastructure. These new plants are near soybean and corn producing areas, and may stimulate increases in production of these crops.

The federal government program to eradicate FMD (aftosa) is paying off. The Brazilian government was able to conclude a long negotiated sanitary agreement with the government of Russia which allows Brazil to export pork to that market. Shipments in the first semester of 1998 are estimated at more than 10,000 metric tons.

In November 1997, Brazil's import tariff for fresh/frozen pork increased from 10 to 13 percent, while for processed pork the duty increased from 16 to 19 percent. These increases were to be temporary in response to the Asian economic crisis.

### **Marketing**

Import demand for pork oscillates, mirroring annual fluctuations in domestic production. Canada is already established here in a niche market. Local processors and importers consider U.S. pork too fatty. However some importers believe there is a market niche in Brazil for U.S. pork picnics and pork loin trimmings. Thus Brazil offers a limited export market opportunity for U.S. pork exports, constrained by Canada's hold on its niche, by local competition, and total demand.

There are no official restrictions against U.S. pork exports to Brazil, but the U.S. plant must be registered with the Brazilian MAA. Only U.S. plants registered with USDA/FSIS can apply for registration with the Brazilian government.

## COMMODITY OUTLOOK, HIDES AND SKINS

### Production

Hides and skins production is expected to increase by only 1.5 percent in 1998, reflecting the small increase in cattle slaughter. This modest increase is expected to continue in 1999.

Domestic demand from the shoe industry remains weak, reflecting declining exports and a slow growing domestic shoe market. Another problem impacting the hide and skin industry is the increasing use of synthetic raw material, which is estimated to reach 60 percent of shoe production in 1998. This is making the hide and skin trade more dependent on the export market.

### Trade

Exports of hides and skins will continue to expand basically due to three factors:

- a) the end of Government restrictions on exports of "wet blue" type;
- b) increased availability of hides and skins for export due to lower demand from the local shoe industry; and
- c) intensification of market development efforts by Brazilian hide and skin interests.

The hide and skin industry's export goal is US\$ 1 billion by the year 2000, targeting primarily Italy, Portugal, Spain, Hong Kong, and the United States. The sector has been identified by the Brazilian government as one of the 42 sectors of the economy which will receive special attention in the government's export market development program.

Imports of hides and skins is expected to be relatively stagnant due to large domestic availability of raw material. In November 1997, Brazil's import tariff for hides and skins was increased from 10 to 13 percent.

## COMMODITY OUTLOOK, TALLOW

### Production

Tallow production data available from trade or government sources is not reliable. OAC's best estimate for tallow production calls for a small increase in production reflecting a small increase in slaughter and weaker demand from the soap industry.

### Trade

Imports: Uruguay is the major supplier of tallow to Brazil. In November 1997 the import duty for tallow increased from 9 to 12 percent.

**TABLES****Cattle Numbers PS&D Table**

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin						
Total Cattle Beg. Stks	146110	146110	144500	144670	0	142965
Dairy Cows Beg. Stocks	29422	29422	28900	28900	0	28593
Beef Cows Beg. Stocks	41190	41190	40460	40460	0	40030
Production (Calf Crop)	33895	33895	33700	33700	0	33740
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	170	0	180	0	190
TOTAL Imports	0	170	0	180	0	190
TOTAL SUPPLY	180005	180175	178200	178550	0	176895
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Cow Slaughter	13281	13281	12800	12816	0	12102
Calf Slaughter	1200	1200	1100	1100	0	1100
Other Slaughter	15033	15033	16302	15889	0	17054
Total Slaughter	29514	29514	30202	29805	0	30256
Loss	5991	5991	5182	5780	0	5560
Ending Inventories	144500	144670	142816	142965	0	141079
TOTAL DISTRIBUTION	180005	180175	178200	178550	0	176895
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

**Beef PS&D Table**

PSD Table						
Country:	Brazil			1.36	<-Conversion factor for CWE	
Commodity:	Cattle					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Slaughter (Reference)	29514	29514	30202	29805	0	30256
Beginning Stocks	20	20	10	10	0	10
Production	6050	6050	6160	6140	0	6263
Intra EC Imports	0	0	0	0	0	0
Other Imports	110	113	100	90	0	80
TOTAL Imports	110	113	100	90	0	80
TOTAL SUPPLY	6180	6183	6270	6240	0	6353
Intra EC Exports	0	0	0	0	0	0
Other Exports	275	290	285	335	0	385
TOTAL Exports	275	290	285	335	0	385
Human Dom. Consumption	5895	5883	5975	5895	0	5958
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	5895	5883	5975	5895	0	5958
Ending Stocks	10	10	10	10	0	10
TOTAL DISTRIBUTION	6180	6183	6270	6240	0	6353
Calendar Yr. Imp. from U.S.	0	4	0	5	0	6
Calendar Yr. Exp. to U.S.	0	60	0	58	0	60

**Beef Export Matrix**

Export Trade Matrix		Meat		
Country:			Units:	1000 MT CWE
Commodity:			Partial Begin:	Jan
			Partial End:	Dec
Exports for	1996	1997	1997	1998
	Full	Full	Partial	Partial
U.S.	46	60		68
Others				
Canada	5	6		7
European Union	151	170		200
Israel	2	6		8
Jamaica	5	8		9
Japan	2	2		2
Puerto Rico	7	7		8
Middle East	27	27		30
Total for Others	199	226	0	264
Others not listed	29	4		3
Grand Total	274	290	0	335

**Cattle Numbers Import Matrix**

Import Trade Matrix		Animal Numbers		
Country:			Units:	1000 MT CWE
Commodity:			Partial Begin:	Jan
			Partial End:	Dec
Exports for	1996	1997	1997	1998
	Full	Full	Partial	Partial
U.S.	0	0		0
Others				
Argentina	3	1		1
Paraguay	15	33		35
Uruguay	11	12		12
Total for Others	29	46	0	48
Others not listed		0		
Grand Total	29	46	0	48

**Beef Import Matrix**

Import Trade Matrix		Meat		
Country:			Units:	1000 MT CWE
Commodity:			Partial Begin:	Jan
			Partial End:	
Exports for	1996	1997	1997	1998
	Full	Full	Partial	Partial
U.S.	2	4		5
Others				
Argentina	70	38		35
European Union	10	0		0
Paraguay	3	8		6
Uruguay	34	62		43
Total for Others	117	108	0	84
Others not listed	25	1		1
Grand Total	144	113	0	90

**Beef Prices Matrix**

Prices Table					
Country:					
Commodity:					
Year:	1997				
Prices in (currency)	US\$	per (uom)	15 kilograms		
Year	1996	1997	% Change		
Jan	22.1	23.1	4.5%		
Feb	22.3	24.1	8.1%		
Mar	22	24.2	10.0%		
Apr	22	24.7	12.3%		
May	21.2	24.1	13.7%		
Jun	21.4	24.1	12.6%		
Jul	23.4	24.9	6.4%		
Aug	24.2	24.6	1.7%		
Sep	24	24.1	0.4%		
Oct	24.8	25.2	1.6%		
Nov	23	24.8	7.8%		
Dec	23.1	25	8.2%		

**Swine Numbers PS&D Table**

PSD Table						
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin						
TOTAL Beginning Stocks	31369	31369	31427	31427	0	31682
Sow Beginning Stocks	3137	3137	3143	3143	0	3160
Production (Pig Crop)	27291	27291	27970	27970	0	27965
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	58660	58660	59397	59397	0	59647
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	
TOTAL Exports	0	0	0	0	0	0
Sow Slaughter	500	500	400	400	0	300
OTHER SLAUGHTER	20365	20365	20760	20760	0	21705
Total Slaughter	20865	20865	21160	21160	0	22005
Loss	6368	6368	6555	6555	0	6200
Ending Inventories	31427	31427	31682	31682	0	31442
TOTAL DISTRIBUTION	58660	58660	59397	59397	0	59647
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

**Pork PS&D Table**

PSD Table						
Country:	Brazil				<-Conversion factor for CWE	
Commodity:	Swine					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Slaughter (Reference)	20865	20865	21160	21160	0	22005
Beginning Stocks	5	5	0	0	0	0
Production	1540	1540	1570	1603	0	1667
Intra EC Imports	0	0	0	0	0	
Other Imports	5	6	2	7	0	8
TOTAL Imports	5	6	2	7	0	8
TOTAL SUPPLY	1550	1551	1572	1610	0	1675
Intra EC Exports	0	0	0	0	0	0
Other Exports	57	64	50	90	0	120
TOTAL Exports	57	64	50	90	0	120
Human Dom. Consumption	1493	1487	1522	1520	0	1555
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1493	1487	1522	1520	0	1555
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1550	1551	1572	1610	0	1675
Calendar Yr. Imp. from U.S.	0	1	0	1	0	2
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

**Pork Export Matrix**

Export Trade Matrix		Meat		
Country:			Units:	Metric Tons
Commodity:			Partial Begin:	Jan
			Partial End:	Dec
Exports for	1996	1997	1997	1998
	Full	Full	Partial	Partial
U.S.	0	0		0
Others				
Argentina	29622	25605		30726
European Union	1130	2690		3766
Hong Kong	26402	25606		26700
Russia	0	0		18500
Uruguay	4507	4620		5544
Total for Others	61661	58521	0	85236
Others not listed	2735	5306		4994
Grand Total	64396	63827	0	90230

**Pork Import Matrix**

Import Trade Matrix		Meat		
Country:			Units:	Metric Tons
Commodity:			Partial Begin:	Jan
			Partial End:	Dec
Exports for	1996	1997	1997	1998
	Full	Full	Partial	Partial
U.S.	53	691		1100
Others				
Canada	451	4407		4800
European Union	341	420		380
Total for Others	792	4827	0	5180
Others not listed	492	2		470
Grand Total	1337	5520	0	6750

**Pork Price Matrix**

Prices Table					
Country:					
Commodity:					
Year:	1997				
Prices in (currency)	US\$	per (uom)	15 Kilograms		
Year	1996	1997	% Change		
Jan	17.16	20.31	18.4%		
Feb	15.51	21.48	38.5%		
Mar	14.21	23.12	62.7%		
Apr	13.59	25.15	85.1%		
May	14.02	21.08	50.4%		
Jun	17.22	19.56	13.6%		
Jul	17.19	19.65	14.3%		
Aug	17.81	19.81	11.2%		
Sep	17.17	19.97	16.3%		
Oct	17.49	19.79	13.2%		
Nov	21.26	19.69	-7.4%		
Dec	20.46	19.24	-6.0%		

**Bovine Hides & Skins PS&D Table**

PSD Table						
Country:	Brazil				<MT piece conversion	
Commodity:	Hides & Skins, Bovine					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Beginning Stocks	0	0	0	0	0	0
Production In MT	605	605	602	614	0	627
Production In Pieces	0	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
Other Imports	30	13	40	13	0	13
TOTAL Imports	30	13	40	13	0	13
TOTAL SUPPLY	635	618	642	627	0	640
Intra EC Exports	0	0	0	0	0	0
Other Exports	180	216	185	220	0	230
TOTAL Exports	180	216	185	220	0	230
Domestic Consumption	455	402	457	407	0	410
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	635	618	642	627	0	640
Calendar Yr. Imp. from U.S.	0	1	0	2	0	2
Calendar Yr. Exp. to U.S.	0	0	0	1	0	1

**Bovine Hides & Skins Export Matrix**

Export Trade Matrix			
Country:		Units:	Metric tons
Commodity:			
Time period:	1997		
Exports for	1997		1998
U.S.	998	U.S.	1200
Others		Others	
Colombia	2130		2500
China	1200		1312
European Union	157200		160200
Hong Kong	23140		21200
Korea	7200		4500
Paraguay	2100		2000
South Africa	3100		3500
Taiwan	2600		2500
Total for Others	198670		197712
Others not listed	16824		21400
Grand Total	216492		220312

**Bovine Hides & Skins Import Matrix**

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	1997		
Imports for	1997		1998
U.S.	1479	U.S.	1890
Others		Others	
Argentina	4115		4700
Australia	998		720
Bangladesh	60		50
European Union	713		500
Hong Kong	243		180
Paraguay	356		320
Uruguay	2980		3100
Total for Others	9465		9570
Others not listed	1636		1740
Grand Total	12580		13200

**Bovine Hides & Skins Price Matrix**

Prices Table					
Country:					
Commodity:					
Year:	1997				
Prices in (currency)	US\$	per (uom)	Kilogram		
Year	1996	1997	% Change		
Jan	0.48	0.71	47.9%		
Feb	0.51	0.72	41.2%		
Mar	0.51	0.72	41.2%		
Apr	0.54	0.72	33.3%		
May	0.57	0.75	31.6%		
Jun	0.62	0.74	19.4%		
Jul	0.67	0.74	10.4%		
Aug	0.67	0.77	14.9%		
Sep	0.69	0.76	10.1%		
Oct	0.68	0.76	11.8%		
Nov	0.69	0.74	7.2%		
Dec	0.71	0.68	-4.2%		

**Tallow PS&D Table**

PSD Table						
Country:	Brazil					
Commodity:	By-Products, Tallow & Grease					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Beginning Stocks	0	0	0	0	0	0
Production	460	460	458	467	0	478
Intra EC Imports	0	0	0	0	0	0
Other Imports	22	16	32	13	0	12
TOTAL Imports	22	16	32	13	0	12
TOTAL SUPPLY	482	476	490	480	0	490
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Domestic Consumption	482	476	490	480	0	490
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	482	476	490	480	0	490
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

**Tallow Import Matrix**

Import Trade Matrix			
Country:		Units:	metric tons
Commodity:			
Time period:	1997		
Imports for	1997		1998
U.S.	0	U.S.	300
Others		Others	
Argentina	23		1200
Paraguay	975		980
Uruguay	14,533		10720
Total for Others	15531		12900
Others not listed	0		0
Grand Total	15531		13200

**Tallow Price Matrix**

Prices Table					
Country:					
Commodity:					
Year:	1997				
Prices in (currency)	US\$	per (uom)	Kilogram		
Year	1996	1997	% Change		
Jan	0.36	0.38	5.6%		
Feb	0.45	0.39	-13.3%		
Mar	0.49	0.42	-14.3%		
Apr	0.51	0.55	7.8%		
May	0.49	0.54	10.2%		
Jun	0.49	0.53	8.2%		
Jul	0.49	0.48	-2.0%		
Aug	0.49	0.42	-14.3%		
Sep	0.46	0.41	-10.9%		
Oct	0.41	0.41	0.0%		
Nov	0.42	0.47	11.9%		
Dec	0.42	0.51	21.4%		