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Report Highlights:

Both beef and pork production are forecasted to increase in 2001 in response to a booming export market. The recovery of the Brazilian economy will likely contribute to the improvement of the domestic demand for meat. Profit margins are expected to improve for cattle producers, but swine growers will likely face declining margins due to high feed costs.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

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Executive Summary

The economic indicators for the first semester (Jan-Jun) of 2000 suggest a substantial improvement of the economic conditions in Brazil, as compared to same period last year, which followed a major devaluation of the Brazilian currency - the Real. Inflation remains under control and is estimated to be less than 6 percent in 2000, and less than 4 percent in 2001. Brazil's GDP growth for 2000 is now estimated to increase above 3 percent, while domestic real benchmark interest rates are expected to be below 10 percent by the end of 2000. The unemployment rate is also declining and likely will close the year below 8 percent.

In the meat sector, beef producers are optimistic regarding the near future trend because of the recognition by the Office of International Epizooties (OIE) of the major cattle producing areas in Brazil as free of FMD with vaccination which likely will boost beef exports. Returns to cattle producers are higher than last year and production is projected to increase at an average rate of 3 percent over the next several years.

Although pork production is expected to increase in 2000 and 2001, pork producers remain concerned about the current high cost of feed, and the possibility of an oversupply of pork due to the large investments in sow production in the center-west regions of Brazil.

Commodity Outlook, Cattle

Production Factors

The calf crops for 2000 and 2001 were revised upwards to reflect higher yields obtained by Brazilian livestock producers. These changes are the result of several factors, among which the following are the most important:

- a). improved technology, such as crossbreeding programs used mostly in the center-west regions of the country. The use of artificial insemination (AI) in Brazil, after increasing by 20 percent in 1998 for the beef breeds and reaching 3.3 million doses, declined in 1999 by nearly 5 percent to 3.1 million doses. The decline in 1999 was due mostly to lower semen imports because of the devaluation of the Brazilian currency. In 2000, the market adapted to the new exchange rate level and traders expect imports of semen to grow 10 percent over 1999. Of significant importance in 1999 to the AI industry was the increase of 20 percent in the sales of Red Angus semen, which makes this breed the number one in Brazil in artificial insemination surpassing the Brazilian breed Nelore. Limousin and Simental beef breeds follow in importance after the Nelore breed. The base for crossbreeding is the Brazilian Nelore (Zebu) breed. The Brazilian Agricultural Research Company (EMBRAPA), under the Ministry of Agriculture and Food Supply (MAA), coordinates a national program to improve the productivity of the Nelore, a breed well suited to the dry season and variable pasture conditions in the center-west regions of Brazil, the most important cattle producing region in the country;
- b). the drop in the average slaughter age of animals from 42-48 months to 32-40 months;
- c). the availability of improved pastures due to higher investments by large breeders, mostly in the center-west regions of the country, and better pasture management;
- d). reductions in cattle death losses which increased ending inventories of cattle; and,
- e). cattle retention due to better prices for replacement cattle. Although cattle prices in 1999 dropped in U.S. dollar terms, due to the devaluation of the Real, prices remain very attractive in Brazilian currency. In local currency terms, the average price during Jan-Jun of 1999 was 7 percent above the same period in 1998, while in the second half of 1999 the average price for cattle was up by 14 percent when compared to the same period in 1998.

In 2001, the outlook is for continued improvement in the technology of cattle raising in Brazil, driven by producer optimism for exports and by the recovery of the economy.

The following table provides a geographical distribution of the cattle herd in Brazil, by major regions, based on the ending inventories projected for 2000:

Region	Cattle Herd (1,000 head)	Share (%)
North	18,102	12
Northeast	22,628	15
Southeast	34,696	23
South	25,645	17
Center-West	49,782	33
Center-West	150,853	100

Source: Office of Agricultural Affairs (OAA)

Production Factors

Two Foot-and-Mouth (FMD) outbreaks occurred in early 1999 in the southern area of the state of Mato Grosso do Sul (MS), close to the Paraguay border. MS has the largest cattle herd in Brazil (nearly 20 million head, or 13 percent of the Brazilian cattle herd), and it is part of the Center-West circuit of the Brazilian FMD eradication program, which has the goal of eradicating FMD from Brazil by 2004. The outbreak of FMD in MS has prompted an emergency program in which more than 500 animals were slaughtered. Thousands of retained animals were isolated for serological tests for the disease. According to government officials from the Ministry of Agriculture and Food Supply (MAA)'s Department of Animal Health (DDA), these two outbreaks are now under control and the origin of the outbreak was "clandestine" cattle imported from Paraguay. On July 7, 1999, the MAA published in the *Diario Oficial* (Brazil's Federal Register) Normative Instruction Number 9 which established MS as a buffer zone, and suspended MatoGrosso do Sul's transit of cattle to and from other states for 150 days beginning August 1, 1999.

In May 2000, Brazil obtained official recognition from the Office of International Epizooties (OIE) for the so-called Center-West circuit of the Brazilian FMD eradication program, which includes parts of the Southeast region and the states of Sao Paulo and Minas Gerais. It is estimated that close to 100 million cattle are now considered free of FMD, with vaccination, in Brazil.

For the two southern most states RS and SC, the Brazilian government has requested that the United States survey the animal health conditions of those two states with a view to exporting fresh-chilled and frozen beef to the United States. Two APHIS missions have surveyed the animal health conditions of those two states. Brazil anticipates conclusion of USDA's rule-making process and public comment

period to establish a "regionalized" disease free area which could eventually permit such exports to the United States from Brazil.

According to Brazilian government sources, outbreaks of Cisticercosis and Tuberculosis increased in Brazil during 1999.

A prohibition against the use of growth hormones in beef cattle has been in effect since 1991. Government officials followed the battle on the hormone issue between the United States and the European Union, but are not inclined to emulate the U.S. practice. The priority of Brazilian government officials in charge of animal health is to eradicate FMD (aftosa) by 2004 in order to increase beef exports, primarily to the EU. Recently, along with the debate in Brazil regarding genetically modified plant organisms (GMOs), such as Round-up Ready Soybeans, consumer groups have begun pressuring government officials to prohibit imports of beef from countries that allow hormones in raising beef cattle, such as Argentina. However, Brazilian officials have stated that beef from Argentina comes with a certificate indicating that the product is hormone-free.

Another Brazilian government priority is to eliminate the "clandestine" (unofficial slaughter) of cattle. Nearly all federally approved beef slaughter plants are required to pack and label their beef production before shipping to retail markets within Brazil. The goal of this policy is to make it more difficult for "clandestine" beef to enter the trade, thus discouraging slaughter of such animals and minimizing the threat of spreading disease.

Cattle Imports

Cattle imports for slaughter in 1999 increased by 155 percent, to 250,256 head over 1998, reflecting the difficulties faced by Rio Grande do Sul and Santa Catarina to source cattle from other areas of Brazil, in view of their status as FMD-free with vaccination. Most of the cattle was imported from Uruguay since Argentina was not price competitive.

While the United States is not competitive to export slaughter cattle to Brazil, the United States has a significant market share of Brazil's imports of bovine genetics. In 1999, Brazil imported US \$11.6 million in bovine breeding stock, semen and embryos, down 30 percent from 1998 because of the devaluation of the Real. However, the United States was able to maintain its market share for semen at 56 percent, embryos at 39 percent, and live breeding cattle at 24 percent. The major competitors of the United States in the Brazilian import market for bovine genetics are: Canada, the European Union, Uruguay, and South Africa.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) *	Other Info
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0102.10.10	Breeding Stock	0	
0102.90.90	Bovine for Slaughter	5	Free: Mercosul
0511.10.00	Bovine Semen	0	
0511.9910	Bovine Embryos	0	

* Assessed on the CIF value of the product.

Commodity Outlook, Beef

Production

Brazilian beef production is forecasted to increase by 3 percent in 2000 and 2001, reflecting current optimism among producers because of booming beef exports, and some increase in domestic consumption as a result of the economic recovery. Other factors contributing to this increase in production are:

- a). higher dressed carcass yields, up nearly 4 percent from two years ago;
- b). higher prices paid to producers;
- c). continued increase in all types of feedlots (full feedlot, semi-feedlot, etc); and,
- d). reduced level of beef imports from MERCOSUL suppliers, compared to three years ago.

Consumption

Domestic consumption of beef is also expected to increase in 2000 and 2001, although at lower rates than production. This reflects the drop in consumer real income. Competition from broilers and pork is also preventing any major hike in beef consumption. The strategy of beef packers and retailers is to increase their profit margins by targeting the upper income consumer groups with special beef cuts, mostly from young steers.

The so-called "partnerships" between groups of producers and some large Brazilian supermarkets are expanding. This idea started with the French hyper-market retailer Carrefour, which introduced the concept of meat marketing with "quality" and "guaranteed origin" assurances from producer to consumer. Other Brazilian supermarkets have followed this meat marketing concept. The goal is to provide retailers with a steady supply of quality meat throughout the year.

Trade

Beef exports during Jan-Jun, 2000 increased by 18 percent in volume reflecting the competitive advantage of Brazilian beef exporters since the devaluation of Brazil's "Real" currency in early 1999. However, fresh beef exports during the first half of 2000 increased by over 40 percent in volume, while

exports of processed beef exports decreased by 4 percent in volume. In value (US\$), Brazilian beef exports during the first semester of 2000 decreased by nearly three percent.

According to trade sources, Brazil's beef exports to the European Union increased by 13 percent during Jan-Jun, 2000. Additionally beef exports increased significantly to Chile (351 percent), Lebanon (208 percent), and Israel (206 percent).

Brazilian beef exporters plan to increase beef exports to the European Union, as a result of lower import tariffs, and to other markets in the 2001. Brazilian beef exporters are also making major in-roads into Argentine markets abroad due to the lower availability of Argentine beef for export and increased supplies of relatively lower priced Brazilian beef.

However, Brazil will continue to import beef from MERCOSUL partners (Argentina, Uruguay, and Paraguay) because of the lower availability and higher price of beef in the southern states of Brazil.

Stocks

Brazilian packers work on a very short slaughter schedule (20 days), and thus hold stocks only to meet export contracts. There are no government-owned stocks.

Policy

There are no federal government programs aimed at increasing beef production. Government actions are concentrated on animal health programs such as the FMD eradication program. However, funding for this program estimated at US\$ 1.2 million is derived from private sources (similar to the commodity check off programs in the United States).

As noted earlier in this report, the FMD eradication (with vaccination) program is moving progressively northward from the two southern-most states of Rio Grande do Sul (RS) and Santa Catarina (SC). The program's goal is to achieve national FMD eradication (with vaccination) by 2004. As of May 2000, the "center-west region cattle circuit" has been officially recognized by the OIE as free of FMD, with vaccination.

Brazilian animal health and trade officials are targeting the United States as their next market for fresh chilled / frozen beef export sales and are aggressively pursuing USDA's recognition of the two southern states (RS and SC) as FMD-free with vaccination.

The National Bank for Economic and Social Development (BNDES) is the only lender of long-term subsidized loans for pasture improvement and breeding programs. Such loans are available only for some Brazilian livestock producers. BNDES does not provide the loan directly to the producer, but through other state and commercial private banks. These loans carry interest rates of around 8 percent, much lower than commercial rates in Brazil, and have grace periods of at least 3 years.

Marketing

The Brazilian Minister of Agriculture and Food Supply (MAA) has established as one of his priorities the promotion of several high-value agricultural and food products. Beef, along with broiler and pork meat, and tropical fruit exports are the top priorities of the Minister, Pratini de Moraes, who was involved in national export promotion efforts (primarily the industrial sector) prior to becoming Minister in July, 1999. The meat export strategy is three-fold:

- 1). utilize MAA and other Ministries' staff resources to upgrade infrastructure (ports, roads), animal health conditions, and meat inspection services;
- 2). improve market access for Brazilian products overseas through bilateral and multilateral negotiations; and,
- 3). a market promotion program, similar to USDA's MAP, by increasing participation in world trade shows, trade missions, and other marketing activities.

However, beef exporters are lagging behind broiler and pork exporters who have their market promotion programs already approved by the Brazilian Export Promotion Agency (APEX). In order to obtain funds from the government, such a program for beef needs to be created, which is now expected to occur before the end of this year. Thus far, approximately US\$500,000 have been targeted for beef marketing programs abroad by private companies, mostly in Asian markets. APEX has also released nearly US\$1 million to the Brazilian Farm Bureau (CNA) for supporting the activities of the 13th World Meat Congress, which will be held in Belo Horizonte, Minas Gerais, September 18-21, 2000.

The devaluation of the "Real" currency has further reduced the marketing opportunities for the United States to export beef and beef products to this market, except for a niche market of special beef cuts. In addition, more restrictive and costly inspection procedures are creating additional difficulties for small U.S. beef exporters seeking to export to Brazil. The Brazilian Meat Inspection Service (DIPOA) has implemented new procedures for registration of foreign beef plants to export to Brazil.

The new system includes: first, recognition by Brazilian officials of the foreign country's inspection system; and, second, registration on a case by case basis of foreign plants.

In addition, another new regulation establishes new procedures for registration and pre-approval of foreign product labels before the product enters the retail market.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) *	Other Info
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0201.10.10 0202.10.10	Fresh or Frozen Bone-in Beef Cuts or Carcasses	13	Duty- free from Mercosul
0201.30.00 0202.30.00	Fresh or Frozen Boneless Beef	15	Duty- free from Mercosul
0206.10.00	Bovine: Variety Meats	13	Duty- free from Mercosul
1602.50.00	Processed Bovine Meat	19	Duty- free from Mercosul

* Assessed on the CIF value of the product.

Commodity Outlook, Pork

Production

Pork production is projected to increase 5.6 percent in 2001, slightly down from an estimated growth of 6.2 percent in 2000 compared to 1999. The following factors are contributing to increased growth in pork production in Brazil:

- a). firm demand, mostly from the export market and to a lesser extent from the domestic market;
- b). large investments in sow production in the center-west regions of Brazil, stimulated by fiscal incentives, subsidies from local governments, and lower production costs due to the proximity of feed suppliers in these areas.

This optimism, however, in Southern Brazil, may be tempered by relatively higher feed costs, which are reducing profit margins for swine producers.

Consumption

Domestic pork consumption remains firm despite the drop in consumer purchasing power. Demand for pork for industrial use, such as hams, has stayed firm as pork processors compete in price and quality for Brazilian consumers' expenditures. The fast food and HRI sectors are also demanding more pork products from processors.

Pork utilization in Brazil is estimated at 70 percent industrial/processing use, and 30 percent fresh consumption. A promotional campaign to increase fresh pork consumption, which started in the Southern States, has expanded to other major cities in the Southeast. Per capita pork consumption increased from 9.5 to 11.8 kilograms/person/year as a result of this campaign which started in early 1999.

Pork producers remain concerned about the seasonal trend of fresh pork consumption in Brazil which is concentrated during the winter months (June-August), and are trying to address this concern with their campaign to promote the benefits of pork consumption year-round. Pork producers are trying to close the gap between the regions of Brazil in terms of pork consumption. Currently, per capita pork consumption is concentrated in the South (18 kilograms) and Southeast (15 kilograms) regions, while the Center-West (11 kilograms) and Northeast (6 kilograms) regions consume less pork.

Trade

Pork exporters have reviewed their initial estimates for exports in 2000 at a more realistic goal of 85,000 to 90,000 metric tons, instead of 120,000 metric tons initially forecasted early in the year. However, for 2001, pork exporters project the volume to be exported at 120,000 metric tons. The reasons for this current optimism are:

- a). the implementation of Brazil's market promotion program for pork, similar to USDA's MAP; and,
- b). new export markets, such as Russia, which likely will reduce Brazil's dependence on pork exports to its traditional markets (Hong Kong and Argentina).

Marketing

In addition to the domestic campaign to increase consumption of fresh pork, Brazilian pork exporters initiated a marketing program to expand overseas sales of pork. The program has an annual budget of US\$3 million, of which 50 percent is provided by the pork exporter's association (ABIPECS) and 50 percent comes from the Federal Government Export Promotion Agency (APEX).

Pork exporters are targeting Russia, Asia, and other Latin America countries. The strategy is to intensify their participation in trade shows and trade missions to specific markets. Emphasis is also placed on promotional material in foreign languages.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) *	Other Info
0203.10.10 0203.20.10	Fresh or Frozen Bone-in Pork Cuts or Carcasses	13	Duty-free from Mercosul
0201.30.00 0202.30.00	Fresh or Frozen Boneless Pork	13	Duty-free from Mercosul
0206.30.00	Pork: Variety Meats	13	Duty-free from Mercosul
1602.40.00	Processed Pork Meat	19	Duty-free from Mercosul

* Assessed on the CIF value of the product.

TABLES

Cattle Numbers PS&D Table

PSD Table						
Country	Brazil					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Total Cattle Beg. Stks	143893	143893	143259	146272	143317	150853
Dairy Cows Beg. Stocks	28778	28778	28830	29254	0	30170
Beef Cows Beg. Stocks	40290	40290	40363	40956	0	42239
Production (Calf Crop)	33500	35829	34500	38323	0	41485
Intra EC Imports	0	0	0	0	0	0
Other Imports	66	250	58	158	0	120
TOTAL Imports	66	250	58	158	0	120
TOTAL SUPPLY	177459	179972	177817	184753	143317	192458
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	12160	11956	12874	11574	0	11700
Calf Slaughter	900	900	900	900	0	800
Other Slaughter	16340	16644	16726	17626	0	18503
Total Slaughter	29400	29500	30500	30100	0	31003
Loss	4800	4200	4000	3800	0	3500
Ending Inventories	143259	146272	143317	150853	0	157955
TOTAL DISTRIBUTION	177459	179972	177817	184753	0	192458
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Cattle Numbers Import Matrix

Import Trade Matrix				
Country	Brazil		Units:	Heads
Commodity	Animal Numbers, Cattle		Partial Begin	Jan
			Partial End	Jun
Imports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	0	0	0	0
Others				
Argentina	0	44	44	4183
Paraguay	71141	33754	7111	19535
Uruguay	26713	216458	216003	1651
Total for Others	97854	250256	223158	25369
Others not Listed	0	0	0	0
Grand Total	97854	250256	223158	25369

Beef PS&D Table

PSD Table						
Country	Brazil					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	29400	29500	30500	30100	0	31003
Beginning Stocks	5	5	0	2	10	5
Production	6050	6270	6300	6450	0	6645
Intra EC Imports	0	0	0	0	0	0
Other Imports	54	43	40	57	0	60
TOTAL Imports	54	43	40	57	0	60
TOTAL SUPPLY	6109	6318	6340	6509	10	6710
Intra EC Exports	0	0	0	0	0	0
Other Exports	550	556	650	638	0	765
TOTAL Exports	550	556	650	638	0	765
Human Dom. Consumption	5559	5760	5680	5866	0	5940
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	5559	5760	5680	5866	0	5940
Ending Stocks	0	2	10	5	0	5
TOTAL DISTRIBUTION	6109	6318	6340	6509	0	6710
Calendar Yr. Imp. from U.S.	3	1	2	1	0	1
Calendar Yr. Exp. to U.S.	98	118	120	120	0	125

Beef Export Matrix

Export Trade Matrix				
Country	Brazil		Units:	Metric Tons (PWE)
Commodity	Meat, Beef and Veal		Partial Begin	Jan
			Partial End	Jun
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	31178	47108	24018	19214
Others				
Canada	1479	2958	1337	1611
Chile	2333	18871	3360	15169
European Union	105959	153180	70504	79793
Hong Kong	3337	12782	5564	7141
Israel	7112	5704	2705	8300
Japan	625	1061	373	590
Lebanon	513	2843	750	2313
Saudi Arabia	1272	2882	1049	882
Singapore	1654	6212	2919	3036
Total for Others	124284	206493	88561	118835
Others not Listed	31476	35141	19216	17771
Grand Total	186938	288742	131795	155820

Beef Import Matrix

Import Trade Matrix				
Country	Brazil		Units:	Metric Tons (PWE)
Commodity	Meat, Beef and Veal		Partial Begin	Jan
			Partial End	Jun
Imports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	4214	958	585	31
Others				
Argentina	10729	9462	4608	3746
European Union	77	156	131	0
Paraguay	16024	9005	3164	7909
Uruguay	41843	17906	8022	10223
Total for Others	68673	36529	15925	21878
Others not Listed	163	0	2061	4171
Grand Total	73050	37487	18571	26080

Beef Prices Matrix

Prices Table			
Country	Brazil		
Commodity	Meat, Beef and Veal		
Prices in	US\$	per uom	15 kilograms
Year	1998	1999	% Change
Jan	24.1	20.2	-16.18%
Feb	24.1	15.8	-34.44%
Mar	23.9	16.6	-30.54%
Apr	24.1	18.5	-23.24%
May	22.9	17.9	-21.83%
Jun	22.8	17.1	-25.00%
Jul	23.6	17.7	-25.00%
Aug	23.9	17.1	-28.45%
Sep	24.7	18.6	-24.70%
Oct	23.9	19.9	-16.74%
Nov	23.8	21.3	-10.50%
Dec	23.6	22.1	-6.36%
Exchange Rate	US\$	Local currency/US\$	

Swine Numbers PS&D Table

PSD Table						
Country	Brazil					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	31427	31427	29713	31860	27290	31840
Sow Beginning Stocks	3143	3000	3250	3020	0	3050
Production (Pig Crop)	27538	28285	28261	28680	0	28980
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	58965	59712	57974	60540	27290	60820
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
Sow Slaughter	300	300	400	250	0	200
OTHER SLAUGHTER	23052	23052	24684	24350	0	25300
Total Slaughter	23352	23352	25084	24600	0	25500
Loss	5900	4500	5600	4100	0	3900
Ending Inventories	29713	31860	27290	31840	0	31420
TOTAL DISTRIBUTION	58965	59712	57974	60540	0	60820
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					
Commodity	Meat, Swine (1000 MT CWE)(1000 HEAD)					
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	23352	23352	5600	24600	0	25500
Beginning Stocks	5	5	8	5	10	5
Production	1775	1835	1950	1950	0	2060
Intra EC Imports	0	0	0	0	0	0
Other Imports	1	1	1	1	0	1
TOTAL Imports	1	1	1	1	0	1
TOTAL SUPPLY	1781	1841	1959	1956	10	2066
Intra EC Exports	0	0	0	0	0	0
Other Exports	75	75	85	85	0	120
TOTAL Exports	75	75	85	85	0	120
Human Dom. Consumption	1698	1761	1864	1866	0	1941
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1698	1761	1864	1866	0	1941
Ending Stocks	8	5	10	5	0	5
TOTAL DISTRIBUTION	1781	1841	1959	1956	0	2066
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 Export Matrix

Export Trade Matrix				
Country	Brazil		Units:	Metric Tons (PWE)
Commodity	Meat, Swine		Partial Begin	Jan
			Partial End	Jun
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	0	0	0	0
Others				
Argentina	28004	27401	11688	13564
European Union	1638	1750	803	1882
Hong Kong	36880	36588	18202	21488
Russia	15	24	0	1050
Uruguay	3942	5693	2016	2775
Total for Others	70479	71456	32709	40759
Others not Listed	2544	3951	1340	1774
Grand Total	73023	75407	34049	42533

Pork Import Matrix

Import Trade Matrix				
Country	Brazil		Units:	Metric Tons (PWE)
Commodity	Meat, Swine		Partial Begin	Jan
			Partial End	Jun
Imports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	0	0	0	0
Others				
European Union	619	399	390	6
Total for Others	619	399	390	6
Others not Listed	0	0	0	0
Grand Total	619	399	390	6

Pork Price Matrix

Prices Table			
Country	Brazil		
Commodity	Meat, Swine		
Prices in	US\$	per uom	15 Kilograms
Year	1998	1999	% Change
Jan	18.85	15.35	-18.57%
Feb	17.28	11.59	-32.93%
Mar	16.78	12.31	-26.64%
Apr	16.66	12.57	-24.55%
May	16.53	12.32	-25.47%
Jun	16.53	12.31	-25.53%
Jul	16.82	12.52	-25.56%
Aug	16.66	11.84	-28.93%
Sep	16.19	11.52	-28.84%
Oct	15.99	13.53	-15.38%
Nov	16.33	15.02	-8.02%
Dec	18.38	15.54	-15.45%
Exchange Rate	US\$	Local currency/US\$	

Strategic Indicator Table

FEED DEMAND				
STRATEGIC INDICATOR TABLE FOR:	BRAZIL			
MEAT PRODUCTION				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Poultry				
Poultry Meat:	4,956	5,641	6,088	6,395
Eggs:	12,596	13,600	13,872	14,560
Pork:	1,691	1,835	1,950	2,060
COMPOUND FEED SECTOR				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Compound Feed Capacity	n/a	n/a	n/a	n/a
Total Compound Feed Produced				
----- by integrated producers	n/a	n/a	n/a	n/a
----- by commercial producers	30,103	32,507	34,780	36,200
FEED GRAIN USE				
		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Corn (Domestic consumption: feed)	19,622	21,671	22,300	23,700
Other (specify)	10,566	11,346	11,494	12,800
PROTEIN - ENERGY USAGE				
		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Total Protein Meal (feed waste domestic consumption)	n/a	n/a	n/a	n/a
Soy Bean Meal (feed waste domestic consumption)	5,900	6,300	6,700	7,100

Other Protein Meal, e.g. Palm Kernel Meal, Rape Meal (feed waste domestic consumption)	3,700	3,900	3,100	3,300
Fish Meal	2,067	2,682	2,930	3,100
Palm Crude Oil (feed waste domestic consumption)	1,033	940	975	1,100
TRADE (Metric Tonnes)				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Corn				
Imports:	1,765	1,100	1,600	1,832
Exports:	0	0	0	0
Soy Beans				
Imports:	406	582	550	600
Exports:	9,275	8,912	8,500	8,900
Soy Bean Meal				
Imports:	160	78	50	60
Exports:	10,447	10,428	10,600	10,880
Fish Meal				
Imports:	1,167	1,782	1,830	1,900
Exports:	4,973	1,183	2,030	2,820
Palm Crude Oil				
Imports:	803	680	700	800
Exports:	32	150	160	180
PROTEIN PRODUCTS TARIFFS AND TAXES		Bound Rate	Applied Rate	Other
	Product	(%)	(%)	Import
Report Year:	Description 1/			Taxes/Fees
0505.90	FEATHER MEAL	45	11	0
1501.00.00.60	YELLOW GREASE	45	11	0
1502.00.00.40	INEDIBLE TALLOW	45	9	0
	1511 PALM OIL	55	13	10
1518	ANML/VG FTS & OILS	70	13	0
2301.10	MEAT AND BONE MEAL	55	9	0
	2301.20 FISH MEAL	55	9	0

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Notes: (1) All data in Metric Tons, except for eggs (in million units); (2) Post is working on compiling compound feed data.				