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Report Highlights:

Both beef and pork production are forecast to increase in 2003 in response to continued export growth. Domestic meat consumption will be affected by competition from poultry meat, higher inflation, and a decline in consumer purchasing power. Anticipated higher feed costs will likely trim profit margins for hog producers. The uncertainties regarding the Brazilian economy and the volatility of the exchange rate are key factors that can affect the overall performance of the sector.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Executive Summary

The current economic indicators suggest a weakening of the Brazilian economy in the second half of 2002, although there are sectors of the economy that are doing quite well such as the export sector with an estimated US\$6 billion surplus in the balance of trade and the agricultural sector with record crop and livestock production. However, the overall growth of the economy has been reduced to about one percent; unemployment is above 7 percent, lower domestic purchasing power because real wages are expected to fall for the fourth successive year, and inflation around 8 to 9 percent is twice projected levels for 2002. The devaluation of the Brazilian currency, the Real, reached 48 percent during Jan-July 2002, and continues to increase in August despite the recently signed Brazil-IMF agreement of US\$30 billion. Much of these uncertainties derive from concerns of the international financial market about Brazil's capacity to roll over the large external debt of US\$ 210 billion, most of which is held by the private sector, and the ability to manage the large domestic debt. These uncertainties are fueled by the proximity of the October Presidential elections. The full ballot will also include every seat in House (Camara), two-thirds of the Senate, and all state governors and representatives.

The impact of these economic conditions on the meat sector is mixed. Although production and exports are growing, there are concerns about lower profit margins for producers due to higher feed costs, slowdown in domestic demand due to the drop in real wages, and high unemployment rates. The volatility of the exchange rate has also affected the availability of export credit financing for Brazilian beef and pork exporters. As a result, Brazil is aggressively seeking new export markets to support expansion of the sector in 2003.

Commodity Outlook, Cattle

Production

The calf crop is expected to increase in 2003 reflecting higher yields obtained by Brazilian livestock producers. These changes are the result of several factors which have contributed to the expansion of the cattle industry in Brazil. First, improvement in animal genetics, mostly through the use of crossbreeding programs in the center-west regions of the country. Brazilian cattlemen use imported bull semen, mostly Red Angus, Angus, Simental, and Limousin to cross with the "Nelore" breed. Semen imports in 2003 may decline because of the strong devaluation of the Real. Second, cattlemen are using more of the Program for Pasture Improvement (PROPASTO), which was created by the Federal Government in 2000. The amount of funds allocated for this program in 2003 total R\$360 million (approximately US\$120 million). The funds are used by cattle producers with subsidized interest rates. It is estimated that there are 180 million hectares with pastures in Brazil, of which 60 percent are cultivated (improved) pastures, while 40 percent are considered "native" pastures. Improved forage seed production will likely increase by 10 percent in 2003 to reach 220,000 metric tons due to the PROPASTO program. Third, weather conditions in beef production areas during 2003

are expected to improve. Fourth, cattle prices are expected to remain firm in Reais during 2003, but should drop in dollar value due to the recent devaluation of the Brazilian currency. The average price for live cattle, paid by "arroba" (15 kilograms), is estimated to be approximately US\$17.2 in 2003.

The following table provides a geographical distribution of the cattle herd in Brazil, by major regions, based on the ending inventories projected for 2003:

Region	Cattle Herd (1,000 head)	Share (%)
North	24,070	14.4
Northeast	22,232	13.3
Southeast	36,273	21.7
South	25,909	15.5
Center-West	58,671	35.1
TOTAL	167,155	100.0

Source: Office of Agricultural Affairs (OAA)

Animal Health

Update on Foot-and Mouth Disease (FMD). Brazil has made a significant progress in eradicating Foot-and-Mouth Disease (FMD). It is estimated that 42 percent of the Brazilian territory (12 states out of 26) is free of FMD, and 71 percent of the cattle herd is also free of FMD. Government officials expect that by 2005 the entire country will be free of FMD with vaccination and will meet the deadline established by the National Plan of Eradication of Foot-and-Mouth Disease (PNEFA). In 2001, Brazil had officially 37 "foci" of the disease identified, most of these were confined to the state of Rio Grande do Sul and in some states of the North/Northeast.

The state of Rio Grande do Sul is expected to be recognized as free of FMD with vaccination in October, 2002 by the Office of International Epizootics (OIE), since it has completed one year without any new "foci" of the disease. Federal and state officials used the "sanitary rifle," in the early stages of the second outbreak of the disease to eliminate most of the infected animals. Among the strategies to control the disease and to avoid FMD spreading to other states, Brazilian officials adopted severe restrictions on trade of bone-in meats from Rio Grande do Sul to other states and restricted imports of animals from Argentina, Uruguay, and Paraguay, such as blocking roads with the assistance of the Brazilian army. The state of Rio Grande do Sul was visited by veterinarian teams from the European Union and Chile and was relisted to export to these countries. Brazil is working closely with USDA/APHIS to gain approval to export fresh, chilled, or frozen beef to the United States.

Brazil-China Sanitary Agreement. The Ministry of Agriculture, Livestock, and Food Supply (MAPA) officially announced on August 9, 2002 a "Sanitary Equivalence Agreement" with China to allow beef and poultry exports to that country. On the reverse side, Brazil will allow imports of wheat, apple, pears, and animal products from China. Beef exports to China are allowed only from 12 states which are free of FMD with vaccination. A Chinese veterinary team visited several meat packers in Brazil during early August and a list of meat plants was approved for exports. Brazilian exporters expect to begin exports to China in September after the visit of a Brazilian team from the Ministry of Agriculture to China.

Brazil-Poland Phyto-Sanitary Agreement. The Brazilian Government and the Government of Poland signed an agreement early in the year to allow Brazilian exports of beef to Poland.

Brazil-European Union Sanitary Equivalence. According to the Ministry of Agriculture, Livestock, and Food Supply (MAPA) Brazil is currently negotiating a sanitary equivalence agreement with the European Union. According to press reports, the European Union has recently changed its "country risk assessment " for BSE to have five risk categories, instead of four. Brazil will be upgraded to "risk two" (countries that do not have the disease, but imported European cattle in the past seven years).

USDA FMD assessment of Brazil. The Brazilian Office for Agricultural Protection (SDA) officially delivered to APHIS the request for a risk assessment of FMD to allow export of fresh/chilled/frozen beef from Brazil. An APHIS review team was formed in early June to review the information provided by the Brazilian government. Recently, SDA has also requested that the assessment be expanded to include the three NAFTA countries.

Cattle Traceability. The Ministry of Agriculture, Livestock, and Food Supply (MAPA) published on January 10, 2002 in the *Diario Oficial* (Brazil's Federal Register) Normative Instruction Number 1, signed by the Minister of Agriculture, creating the Brazilian System of Identification and Certification of Bovine and Buffalo Origin - SISBOV, in Portuguese. The system was developed to monitor all bovine animals born in Brazil or imported. The animals registered under the SISBOV will be monitored by private certification entities accredited by MAPA. The identification shall include the following: a) identification of the farm of origin; b) identification of the animal; c) month of birth or of entry on the farm; d) sex of the animal; e) system of breeding and feeding; f) records of sales; g) additional information for the certification of the animal; h) sanitary information (vaccination, treatments); i) for imported animals, identification requires: country and farm of origin, date of import authorization and date of entry in Brazil, number of import license and farm of destination; and, j) in the case of slaughter, the meat packer is responsible for filing with MAPA the documents related to the identification of the animal. The cost, per animal, is estimated at US\$2.5, which implies a total cost of approximately US\$400 million to implement the system by 2007.

Normative Instruction Number 1/02 established the following deadlines for registration of all bovine animals: a) June 2002 for all farms producing beef cattle for slaughter to the European Union. After June 2002, only animals under the SISBOV can be slaughtered for the European Union. Note: MAPA officials have extended this deadline to September 2, 2002, but trade sources continue to believe that beef exporters will not meet any deadline until early 2003; b) December 2003 for all beef animals to be slaughtered for all other markets; c) December 2005 for all beef animals in produced in states free of FMD or in the process of being declared free of FMD; and, d) December 2007 for all beef animals in the entire country.

Policy

The new Agriculture and Livestock Plan for the 2002/2003 crop year announced in July by the Federal Government allocates about R\$21.7 billion (US\$7.2 billion) for rural credit, of which R\$3.0 billion (US\$1 billion) is for investment credit in the sector. Beef cattle producers can benefit from the following investment credit programs, designed to increase cattle productivity and beef production:

a) PROPASTO. Program for pasture improvement. Each livestock producer can borrow up to R\$150,000 (US\$50,000) with fixed subsidized interest rates at 8.75 per year (market rates are above 14 percent per year). The total amount of financial resources allocated to PROPASTO is R\$360 million (US\$120 million).

b) SILO/WAREHOUSE. This program allows livestock producers to build or rebuild silos and warehouses on their farms. Funds allocated to this program total R\$100 million (US\$33 million), and are limited to R\$100,000 (US\$33,000) per livestock producer, with a fixed subsidized interest rate of 8.75 percent per year.

c) MODERFROTA. Program aimed at modernization of farmers' agricultural machinery. Total funds allocated to this program were R\$ 1 billion (US\$333 million). Loans under this program are limited by the income of the producer: up to an annual income of R\$250,000 (US\$83,000), 100 percent of the purchase price of the machinery may be financed with a fixed subsidized rate of 8.75 per year for a 6 year term (for tractors), or 8 years (for harvesters). Producers with annual income above R\$250,000 (above US\$83,000) can finance agricultural machinery up to 90 percent of the purchase price.

d) FINAME. This program is offered outside of the rural credit lines referred to above, under the auspices of the BNDES (National Bank for Economic and Social Development), and includes long-term subsidized loans for breeding programs and seeds.

e) In addition to the federal programs above, producers and packers are entitled to state and municipal programs and subsidies, of which the most important are the pasture recuperation programs and at the packers level, subsidization of the state tax (ICMS), up to 70 percent, with terms of five to 10 years.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)*	Other Info
0102.10.10	Breeding Stock	0	
0102.90.90	Bovine for Slaughter	3.5	Free: Mercosul
0511.10.00	Bovine Semen	0	
0511.99.10	Bovine Embryos	0	

* Assessed on the CIF value of the product

Commodity Outlook, Beef

Production

Brazilian beef production is forecast to increase by 2.7 percent in 2003. Investments in the Brazilian cattle sector are likely to be hampered by a moderate growth in beef consumption and exports. The drop in real income of Brazilian consumers and competition from other meats, primarily chicken, are the main obstacles to increased beef production. The high price of domestic cattle and competition from Argentine beef are also adversely impacting beef exports, despite of a weaker Brazilian currency.

Consumption

Domestic beef production is expected to increase moderately in 2003 due to the drop in consumer real income, higher inflation rates and unemployment. Competition from chicken is expected to increase as production of chicken will be above beef production for the first time on record.

Trade

Post projects an increase of 10 percent in beef exports in 2003. Despite the competitive advantage of the Brazilian beef exporters mostly due to the on-going devaluation of Brazil's "Real" currency, competition from Argentina, and reduced demand from Europe will likely restrain beef exports from any significant growth. During Jan-June 2002, the devaluation of the Real reached 23 percent, but during Jan-July jumped to 40 percent. Just in the last month, the Real lost 20 percent of its value in relation to the dollar. Although a weaker currency favors Brazilian exporters in general, the current lack of export credits due to the liquidity crunch in the international markets and the increase in the Brazilian risk, plus competition from lower beef prices from Argentina, are forcing Brazilian exporters to revise downwards their estimates for beef exports in 2002 and 2003. Beef exporters are also diversifying their markets through market promotion activities (see marketing section).

Beef exports (fresh/frozen), during Jan-June 2002, increased by 27 percent in volume, and by 17 percent in value, but the average export price dropped by 8 percent from US\$2,155 to US\$1,981 per metric ton, compared to the same period in 2001. Processed beef exports, during Jan-Jun 2002, increased by 12 percent in volume, and by 8 percent in value, but the average price dropped by nearly 4 percent from US\$2,071 to US\$1,997 per metric ton, compared to the same period in 2001. Beef imports during the first half of 2002 increased by 66 percent in volume, and by 9 percent in value, because the average import price dropped from US\$1.876 per metric ton, during Jan-Jun 2001 to US\$1,196 during the same period in 2002.

Brazilian beef exporters have also diversified their product mix. Although the largest increase in exports of cuts during Jan-Jun 2002 was for boneless beef (hindquarters), trade sources indicate that other cuts (forequarters), are increasing their market share on the overall beef exports, mostly to markets in the Middle East and Eastern Europe. Brazil requested from the European Union an increase in the "Hilton" quota, currently at 5,000 metric tons. Brazilian exporters claim that the European Union increased the quota for Argentina from 28,000 to 38,000 metric tons, and

would like the same preferential treatment.

Note: Post revised beef exports for 2001 and 2002 based on the new conversion factors for HTS codes, as per the new reporting instructions. This implied lower beef exports for 2002 from the amount previously estimated in the semi annual report because of a lower conversion factor for processed beef. Brazilian trade sources use a 2.5 factor for conversion of processed beef into CWE, while the new reporting instructions call for a 1.79 factor.

Policy

The National Bank for Economic and Social Development (BNDES) provides meat packing houses (meat plants) subsidized long-term loans to build or modernize their meat packing houses. BNDES does not provide the loan directly to the producer or packer, but through other state and commercial private banks. Total funds allocated under BNDES for the livestock sector is estimated at US\$200 million in 2002. BNDES also offers the following programs aimed at financing exports, which are used by meat packers:

(1) ACC - Advance on Export Contracts and ACE - Advance of Exchange Delivered:

These programs represent an alternative for exporters to reduce the financial costs of their export operations. ACC enables an exporter to obtain a cash advance based on his export contract, prior to shipment of the product, while ACE is a cash advance after shipment of the product. Repayment terms are 180 days before or after shipment of the products. The cost to the exporters of obtaining ACC or ACE advances is equal to the international cost of financing exports (LIBOR plus a spread), now approximately 12 percent.

There are several ways of combining ACC with other export credit programs, but the two most important for agricultural and food exports are:

- ACC+PROEX. This program combines the benefits of ACC and PROEX programs described above. Established through Circular 2,825 of the Central Bank of Brazil on June 24, 1998, the program is mostly used by exporters of high-value food products or processed agricultural commodities.
- ACC + RURAL. This program allows exporters of coffee and soybeans to obtain cash advances (ACC) on their exports from the Bank of Brazil, using as collateral the Rural Promissory Note (CPR). The advance in cash is limited to 50 percent of the export value of the shipment.

(2) BNDES-Exim:

The main objective of this program is to expand Brazilian exports in general, including agricultural commodities, by making three types of credit lines available to the exporters at costs competitive with international financing. The most widely used line of credit is similar to a buyer's or supplier's credit. Financing covers 100 percent of the shipment and repayment terms vary between 181 days to 12 years with interest rates based on LIBOR plus a spread.

This program is also referred as the Brazilian "Eximbank" within BNDES. The amount allocated for this program in 2002 is US\$3.4 billion, of which meat plants (including poultry) may take up to US\$600 million.

Marketing

A private, non-profit organization, the Brazilian Beef Processors and Exporters Association (ABIEC) is comprised of the largest beef processors, packers, and exporters. In the past, ABIEC functioned mostly as a national lobbying group with few international market promotion activities. The association emphasized trading servicing, specifically related to the elimination of sanitary barriers to Brazilian beef in the European Union, Asia, and Russia. Since 2001, ABIEC initiated an aggressive market promotion program approved by the National Export Promotion Agency (APEX), in cooperation with the Office of Production and Marketing (SPC) of the Ministry of Agriculture, Livestock, and Food Supply (MAPA). The objective of this program is to promote the brand "Brazilian Beef", emphasizing the product as "natural" (grass-fed beef as opposed to grain-fed beef) and environmentally sound or beneficial.

ABIEC is expected to target markets worldwide but their primary focus is the European Union which accounts for nearly 60 percent of Brazilian beef exports. Other markets include the Middle East, Russia, Asia, Latin America (Chile), and the United States. Specific market development activities will concentrate on trade shows, trade servicing, and logistical support to the Brazilian government to remove non-tariff trade barriers to Brazilian beef. Activities also include publicity on CNN International and reverse marketing (travel to Brazil by foreign importers of beef and specialized journalists). So far, two foreign teams from the European Union visited Brazil during 2002 to evaluate cattle breeding and meat production. Two groups of foreign journalists also from the European Union and policy makers are expected to arrive in Brazil before the end of the year and tour cattle producing areas in the Center-West and meat packers in several states. The Hill and Knowlton company has been retained to carry out market promotion programs for ABIEC.

Nearly 60 percent of Brazil's beef exports originate from five major beef packers (Bertin, Friboi, Independencia, Minerva, and Frigotel). These meat packers have the following strategy to consolidate their market share in overseas markets. First, they are negotiating with the poultry and pork packers to form a "meat alliance" to discuss common policies in the international meat forums. Second, they plan to open offices in four "key" cities: Washington, Geneva, Brussels, and Tokyo. These offices, may evolve into export trading companies formed by the five largest beef exporters. This was the case of the two largest poultry producers in Brazil, Sadia and Perdigao, that formed BRF Trading Company to explore new and emerging export markets.

ABIEC's budget for market promotion is estimated at US\$2.2 million, of which APEX funds 50 percent. In the agreement with the federal government, ABIEC set up an export goal of 1 million metric tons by 2005, up from 840,000 tons this year.

Other marketing initiatives for beef include: a) certified "organic beef"; b) "Patanal" veal. The Pantanal is one of the most important ecological systems in the world, located in the center-west regions of Brazil; c) Supermarket Beef Certification of Origin Program, mostly carried out by French Grocer Carrefour and Brazilian Pao de Acucar; and, d) beef alliances, similar to the United States. The most popular beef alliances in Brazil are: "Montana Grill" which sells beef from young steers to steakhouses and supermarkets in Brazil; "Bassi"; "Wessel"; "Red Angus Beef" in the South of Brazil, and "Nelore Natural", mostly in the center-west regions of Brazil.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) *	Other Info
0201.10.10 0202.10.10	Fresh or Frozen Bone-in Beef Cuts or Carcasses	11.5	Duty-free from Mercosul
0201.30.00 0202.30.00	Fresh or Frozen Boneless Beef	13.5	Duty-free from Mercosul
0206.10.00	Bovine: Variety Meats	11.5	Duty-free from Mercosul
0210.20.00	Meat of Bovine Animals	11.5	Duty-free from Mercosul
1602.50.00	Processed Bovine Meat	17.5	Duty-free from Mercosul

* Assessed on the CIF value of the product.

Commodity Outlook, Pork

Production

Post projects pork production to increase by 3 percent in 2003, down from recent years. The declining rate in pork production is likely because of the projected higher costs of soybean meal and corn during the 2002/03 crop year, which will likely trim profit margins to producers. In addition, current high pork stocks and lower pork exports than previously estimated will lead to higher sow slaughter by the end of 2002. Pork production will increase in the center-west compared to the traditional southern region because of new investments in sow production, relatively lower feed costs, and local government credit and tax incentives.

Consumption

Domestic pork consumption is projected to increase marginally in 2003, despite the efforts of meat packers to promote domestic demand and higher exports. Although the national per capita pork consumption has increased from 9.5 to 11.2 kilograms/person/year in 2002, it is expected to be stagnant in 2003 due to the loss of consumer purchasing power.

Pork utilization in Brazil is estimated at 70 percent industrial/processing, and 30 percent fresh consumption. A promotional campaign to increase fresh pork for consumption, which started in the South, has expanded to other major cities in the Southeast. 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 exports are projected to increase in 2003, but at slower rate than this year. According to trade sources, pork exports are too concentrated in the Russian market and negotiations to open the European market for Brazilian pork may take more time than previously anticipated. Analysts say that expansion to other non-traditional markets require time, sanitary negotiations, and aggressive market promotion.

Although the volume of pork exports during Jan-Jun 2002 increased by 54 percent, overall exports for the entire year are expected to increase by nearly 20 percent compared to 2001. Most pork exports occurred during the first half of 2002, and, according to trade sources, Brazilian exporters are holding high stocks in the Russian market. The average price of pork exports during Jan-Jun 2002 reached US\$1,173, down 20 percent from the same period in 2001.

A recent report released by the European Union strongly criticizes the Brazilian inspection system for pork. This report is based on a technical visit by E.U. officials in March of 2002 to the state of Santa Catarina as part of the Brazilian effort to open the European market for pork. According to trade sources, the report calls the Brazilian inspection system as "inefficient and inoperative", lacking control over the transit of animals, monitoring of serological tests, identification of animals and farmers.

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 Brazilian Pork Processors and Exporters Association (ABIEPCS) and 50 percent comes from the Federal Government Export Promotion Agency (APEX).

ABIEPCS is a private, non-profit organization aimed at supporting pork exporters in overseas markets. Since pork processors and exporters in Brazil are also the poultry processors and exporters, ABIEPCS works jointly with ABEF (the poultry exporters association) in market promotion. They share the same offices and staff, but their market promotion budgets are separate. ABIEPCS' major goal is to develop new markets for Brazilian pork exports which was highly concentrated in two markets (Hong Kong and Argentina) but now has Russia as the major importer of Brazilian pork. Pork exports are concentrated among five major companies, which account for 74 percent of all exports: Seara (25%), Sadia (15%), Perdigao (14%), Chapeco (11%), and Aurora (9%).

Market promotional programs developed by ABIEPCS include: trade servicing, participation in trade shows (mostly FOODEX Japan, HOFEX Hong Kong, World Food Moscow, and ANUGA Germany), display and sampling of products, sales catalogs in foreign languages, trade missions, reverse trade missions, and publicity. Target overseas markets include: Asia, the European Union, and Latin America. Since Russia became the largest importer of Brazilian pork, ABIEPCS is targeting Russian retailers in their promotional efforts to avoid the high cost of doing business in Russia through European trading companies.

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	11.5	Duty-free from Mercosul
0201.30.00 0202.30.00	Fresh or Frozen Boneless Pork	11.5	Duty-free from Mercosul
0206.30.00	Pork: Variety Meats	11.5	Duty-free from Mercosul
0210.11.00	Pork meat	11.5	Duty-Free from Mercosul
1602.40.00	Processed Pork Meat	17.5	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	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Total Cattle Beg. Stks	150382	150382	156314	156097	164892	161463
Dairy Cows Beg. Stocks	30150	30076	31591	31219	0	32293
Beef Cows Beg. Stocks	42210	42107	44227	43707	0	45210
Production (Calf Crop)	41456	41355	45017	42927	0	44725

Intra EC Imports	0	0	0	0	0	0
Other Imports	11	8	10	10	0	12
TOTAL Imports	11	8	10	10	0	12
TOTAL SUPPLY	191849	191745	201341	199034	164892	206200
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	11700	11886	12300	13360	0	13560
Calf Slaughter	800	800	800	800	0	900
Other Slaughter	19360	19360	19140	19007	0	19740
Total Slaughter	31860	32046	32240	33167	0	34200
Loss	3675	3602	4209	4404	0	4845
Ending Inventories	156314	156097	164892	161463	0	167155
TOTAL DISTRIBUTION	191849	191745	201341	199034	0	206200
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					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	31860	32046	32240	33167	0	34200
Beginning Stocks	9	9	9	0	9	0
Production	6895	6895	7050	7136	0	7385
Intra EC Imports	0	0	0	0	0	0

Other Imports	43	43	30	58	0	62
TOTAL Imports	43	43	30	58	0	62
TOTAL SUPPLY	6947	6947	7089	7194	9	7447
Intra EC Exports	0	0	0	0	0	0
Other Exports	748	748	800	838	0	922
TOTAL Exports	748	748	800	838	0	922
Human Dom. Consumption	6190	6199	6280	6356	0	6525
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	6190	6199	6280	6356	0	6525
Ending Stocks	9	0	9	0	0	0
TOTAL DISTRIBUTION	6947	6947	7089	7194	0	7447
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	100	67	110	74	0	80

Animal Prices Matrix

Prices Table			
Country	Brazil		
Commodity	Animal Numbers, Cattle		
Prices in	US\$	per uom	15 Kilograms
Year	2000	2001	% Change
Jan	20.8	20.5	-1.44%
Feb	20	19.2	-4.00%

Mar	19.3	18.8	-2.59%
Apr	19.1	19	-0.52%
May	18.1	18.7	3.31%
Jun	17.2	19.1	11.05%
Jul	16.7	20.2	20.96%
Aug	17	21.6	27.06%
Sep	16.3	22.9	40.49%
Oct	17.2	22.8	32.56%
Nov	18.3	22.7	24.04%
Dec	19.9	22.1	11.06%
Exchange Rate	n/a	Local currency/US \$	

Swine Numbers PS&D Table

PSD Table						
Country	Brazil					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003

	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
TOTAL Beginning Stocks	32440	32440	32710	32710	32362	32655
Sow Beginning Stocks	3020	3020	3030	3025	0	3030
Production (Pig Crop)	29200	29196	29773	30093	0	30369
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	61640	61636	62483	62803	32362	63024
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	200	200	200	200	0	200
OTHER SLAUGHTER	26275	26560	27860	27898	0	28881
Total Slaughter	26475	26760	28060	28098	0	29081
Loss	2455	2166	2061	2050	0	1900
Ending Inventories	32710	32710	32362	32655	0	32043
TOTAL DISTRIBUTION	61640	61636	62483	62803	0	63024
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		Preliminary	2002	(1000 MT CWE)(1000 HEAD)	
	Revised	2001			Forecast	2003
	Old	New			Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	26475	26760	28060	28098	0	29081
Beginning Stocks	25	26	6	0	1	0
Production	2216	2230	2340	2360	0	2430
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	2241	2256	2346	2360	1	2430
Intra EC Exports	0	0	0	0	0	0
Other Exports	337	337	365	404	0	430
TOTAL Exports	337	337	365	404	0	430
Human Dom. Consumption	1898	1919	1980	1956	0	2000
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1898	1919	1980	1956	0	2000
Ending Stocks	6	0	1	0	0	0
TOTAL DISTRIBUTION	2241	2256	2346	2360	0	2430
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0