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Brazil

Poultry and Products

Semi-Annual Poultry Report

2009

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Report Highlights:

Post revised downward production and trade estimates for 2009 to reflect the current outlook among trade sources who project fewer broiler meat exports and slower growth of the Brazilian economy due to the world economic crisis and the credit crunch.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Brasilia [BR1]
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Executive Summary

Post revised broiler production and trade in 2009 to reflect new estimates made by trade sources. Broiler production is likely to increase by only 3 percent in 2009, as compared to a seven percent increase in 2008. Although industry leaders forecast a 5 percent increase in broiler exports in 2009, post revised exports to increase by only 2 percent in 2009. Export growth is forecast significantly below 2008's double-digit increase. Our new estimates reflect the concerns of broiler packers with the current over supply of poultry meat and reduced international demand for Brazilian broilers.

The outlook for the Brazilian economy in 2009 is mixed with most market analysts forecasting an economic growth at 1 to 2 percent, while the government maintains its optimistic view of an increase in GDP of 4 percent. Domestic demand for animal protein is expected to increase, but at a slower pace than in previous years, as the unemployment rate is expected to increase.

Post also revised turkey production and exports to reflect above changes and final production and export data for 2008.

Commodity Outlook, Broilers

Production

Post revised downward broiler production in 2009 to 11.3 million metric tons, nearly 3 percent higher than last year's record production of 11 million metric tons. Broiler growers are responding to industry leader's exhortations to cut back production by 20 percent during the first quarter of 2009 in order to adjust supply and demand. The latest industry data indicates that broiler growers placed 15.5 percent fewer chicks for meat production in January, 4.5 percent less than the 20 percent target. Market analysts indicate that the current low price of corn in Brazil kept growers from making further cuts in production.

Consumption

Post revised downwards broiler consumption in 2009 to reflect slower growth in the Brazilian economy combined with a higher rate of unemployment. However, the current retail price of broilers in the local market is competitive with pork and beef and will offset somewhat competition from these other animal proteins.

Trade

Post also revised downward broiler exports for 2009 in order to reflect the impact of the credit crunch on broiler demand from most traditional markets for Brazilian broilers, such as Japan, Saudi Arabia, Russia, and Hong Kong. Industry leaders, however, remain optimistic and forecast a 5 percent increase in broiler exports this year and believe that world market demand will improve in the second half of 2009. Despite the progress made by Brazilian officials to open new markets in China and India, it remains uncertain if Brazilian exporters will actually begin exporting to these markets in 2009. Therefore, exports to these new markets have not been included in our PSD table.

Post also updated trade data for 2008 to include final official export numbers. In 2008, total Brazilian broiler exports set another record in both volume and value. Total volume exported increased by 11 percent from 2007 to 3.6 million metric tons, including further processed

and salted broilers. Total export value increased by 40 percent from 2007 to nearly US\$ 7 billion in 2008, reflecting a 26 percent increase in the average export price.

Broiler export markets with major increases in 2008 were Venezuela (+ 98%), Japan (+27 percent), and Hong Kong (+ 16%), while markets with major declines were European Union (-27%), followed by South Africa (-24%), and Russia (-18%).

Commodity Outlook, Turkey

Post made some slight changes in turkey production and exports to reflect new numbers obtained from trade sources. Post also update 2008 data to reflect final numbers for production and trade.

Tables

PSD Table, Poultry, Meat, Broiler

	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Inventory (Reference)	42	41	42	50	42	48	56		53	(MIL HEAD)
Slaughter (Reference)	5,152	4,860	5,152	5,560	5,100	5,469	5,785		5,585	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	0		0	(1000 MT)
Production	10,305	10,105	10,305	10,895	10,550	11,033	11,417		11,360	(1000 MT)
Whole, Imports	1	0	0	0	0	0	0		0	(1000 MT)
Parts, Imports	0	0	0	0	0	0	0		0	(1000 MT)
Intra-EU Imports	0	0	0	0	0	0	0		0	(1000 MT)
Other Imports	0	0	0	0	0	0	0		0	(1000 MT)
Total Imports	1	0	0	0	0	0	0		0	(1000 MT)
Total Supply	10,306	10,105	10,305	10,895	10,550	11,033	11,417		11,360	(1000 MT)
Whole, Exports	850	850	1,167	1,253	850	1,336	1,275		1,366	(1000 MT)
Parts, Exports	2,072	2,055	1,755	2,077	2,210	1,906	2,385		1,940	(1000 MT)
Intra EU Exports	0	0	0	0	0	0	0		0	(1000 MT)
Other Exports	0	0	0	0	0	0	0		0	(1000 MT)
Total Exports	2,922	2,905	2,922	3,330	3,060	3,242	3,660		3,306	(1000 MT)
Human Consumption	7,384	7,200	7,383	7,565	7,490	7,791	7,757		8,054	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	0		0	(1000 MT)
Total Dom. Consumption	7,384	7,200	7,383	7,565	7,490	7,791	7,757		8,054	(1000 MT)
Total Use	10,306	10,105	10,305	10,895	10,550	11,033	11,417		11,360	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0		0	(1000 MT)
Total Distribution	10,306	10,105	10,305	10,895	10,550	11,033	11,417		11,360	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0		0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0		0	(1000 MT)

Export Trade Matrix, Broiler Exports, Jan-Dec 2007-08

Export Trade Matrix

Country	Brazil		
Commodity	Poultry, Meat, Broiler		
Time Period	Jan-Jul	Units:	Metric Tons
Exports for:	2007		2008
U.S.	0	U.S.	0
Others	Others		
Angola	44561		44310
China	12319		980
European Union	441266		322548
Hong Kong	357048		415246
Japan	331574		422181
Kuwait	122889		163632
Russia	194241		159872
Saudi Arabia	380457		400374
Singapore	88569		75628
South Africa	192584		147311
UAE	195389		208416
Venezuela	160088		316621
Total for Others	2520985		2677119
Others not Listed	641431		759530
Grand Total	3162416		3436649

Note: Includes HTS Codes: 0207.11; 0207.12; 0207.13; 0207.14; and 1602.32

PSD Table, Poultry, Meat, Turkey

	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Inventory (Reference)	0	0		0	0	0	0			(MIL HEAD)
Slaughter (Reference)	36	38		37	40	40	45		43	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	0		0	(1000 MT)
Production	458	395		510	438	438	550		465	(1000 MT)
Whole, Imports	0	0		0	0	0	0		0	(1000 MT)
Parts, Imports	0	0		0	0	0	0		0	(1000 MT)
Intra-EU Imports	0	0		0	0	0	0		0	(1000 MT)
Other Imports	0	0		0	0	0	0		0	(1000 MT)
Total Imports	0	0	0	0	0	0	0		0	(1000 MT)
Total Supply	458	395	0	510	438	438	550		465	(1000 MT)
Whole, Exports	4	4		5	5	4	5		5	(1000 MT)
Parts, Exports	173	173		205	198	201	230		215	(1000 MT)
Intra EU Exports	0	0		0	0	0	0		0	(1000 MT)
Other Exports	0	0		0	0	0	0		0	(1000 MT)
Total Exports	177	177	0	210	203	205	235		220	(1000 MT)
Human Consumption	281	218		300	235	233	315		245	(1000 MT)
Other Use, Losses	0	0		0	0	0	0		0	(1000 MT)
Total Dom. Consumption	281	218	0	300	235	233	315		245	(1000 MT)
Total Use	458	395	0	510	438	438	550		465	(1000 MT)
Ending Stocks	0	0		0	0	0	0		0	(1000 MT)
Total Distribution	458	395	0	510	438	438	550		465	(1000 MT)
CY Imp. from U.S.	0	0		0	0	0	0		0	(1000 MT)
CY Exp. to U.S.	0	0		0	0	0	0		0	(1000 MT)
Balance	0	0	0	0	0	0	0		0	(1000 MT)
Inventory Balance	0	0	0	0	0	0	0		0	(1000 MT)
Production Change	30	12	30	11	11	0	8		6	(PERCENT)
Import Change	0	0	0	0	0	0	0		0	(PERCENT)
Export Change	13	13	13	19	15	0	12		7	(PERCENT)

Export Trade Matrix, Turkey Exports, Jan-Dec 2007-08

Export Trade

Matrix

Country

Brazil
Poultry, Meat,
Turkey

Commodity

Time Period

Jan-Aug

Units:

Metric Tons

Exports for:

2007

2008

U.S.

0

U.S.

0

Others

Others

Angola	3505		5660
Benin	2782		10408
European Union	110347		121461
Gabon	7931		5515
Peru	1940		2237
Russia	7367		13466
South Africa	15175		17272
Total for Others	149047		176019
Others not Listed	28284		28233
Grand Total	177331		204252

Note: It includes HTS Codes: 02072400; 02072500; 02072600; 02072700; and 16023100