MEATS, OILSEEDS AND GRAINS, BRAZILIAN PERFORMANCE, TRENDS AND FORECASTS

Gustavo Marin Monaco
Agronomist
FNP Consultoria & AgroInformativos
Brazil
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Agronomist: Gustavo Marin Monaco
FNP Consultoria & AgroInformativos
Brazil
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SPEAKER
educational background

• Graduated at ESALQ - ESCOLA SUPERIOR DE AGRICULTURA LUIZ DE QUEIROZ, UNIVERSITY OF SÃO PAULO - Brazil

• Specialization in grass management at MASSEY UNIVERSITY - NEW ZEALAND

• MBA in Business Management - IBMEC - Brazil
SPEAKER
professional history awards

- Seven years working as autonomous dairy & beef consultant in Minas Gerais, São Paulo, Mato Grosso and Espirito Santo States

- Two years working for ELANCO Animal Health in Minas Gerais State, developing mainly dairy operations

- Two years working as agronomist at CCPR- Dairy Farmers Central Cooperative - ITAMBÉ (Minas Gerais State)

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BRAZILIAN NUMBERS

• AREA: 8,5 million Km²
• POPULATION: 178 million
• TOTAL GDP*: US$ 493 billion
• AGRIBUSINESS GDP*: US$ 153 billion

* 2003

Source: IBGE / CNA / CEPEA-USP
Source: CNA / CEPEA-USP
HARVESTERS SOLD (thousands of units)

Source: Anfavea
WHEEL TRACTORS SOLD (thousand units)

Source: Anfavea
BRAZILIAN PORK PRODUCTION cwe. (million tons)

year

Source: IBGE / Conab

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BRAZILIAN SWINE EXPORTS BY DESTINATION
(US$ million)

Source: FNP / SECEX / DECEX
SOME REASONS FOR PORK PRODUCTION INCREMENT IN BRAZIL

- Brazilian currency devaluation
- Chinese market rising as a new client
- Cheap Land: possibility of low price grains cultivation
- Low domestic consumption
SOME CONSTRAINTS TO PORK PRODUCTION GROWTH IN BRAZIL

- Shortage of money at low interest rates
- High taxes
- Unstable economy
- High interest rates
- Low domestic consumption
BROILERS SLAUGHTERED (billion heads)

Year


Billion heads

2.0 | 2.4 | 2.8 | 3.2 | 3.6 | 4.0

Source: Abef / UBA
TOTAL BRAZILIAN POLTRY EXPORTS (thousand tons)

Source: FNP / SECEX / IBGE
POLTRY EXPORTS REVENUE (US$ million)

Source: SECEX / FNP
SOME REASONS FOR POULTRY PRODUCTION INCREMENT

• Russia as big brazilian chicken consumer

• EU increasing demand for brazilian chicken

• Low production costs when compared to other countries

• Avian Influenza in Asia
CONSTRAINTS TO POULTRY PRODUCTION GROWTH IN BRAZIL

• Weather disturbs, like severe drought decreasing the corn production.

• Increment in production costs, due to grains price
Source: Embrapa
BEEF SLAUGHTERING (million heads)

Source: FNP
SLAUGHTER RATE (%)

Source: FNP
BEEF EXPORTS REVENUE (US$ million)

Source: SECEX / DECEX / FNP

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BEEF, DOMESTIC & PER CAPTA CONSUMPTION (Retrospectives & Forecasts)

Source: FNP / CONAB
BEEF EXPORTS RETROSPECTIVE & FORECAST

Source: FNP Estimates & Forecasts

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Map showing county soybean production (tons) across Brazil. The legend indicates different production levels:
- 0 - 250 tons
- 251 - 1,500 tons
- 1,501 - 15,000 tons
- 15,001 - 50,000 tons
- 50,001 - 300,000 tons
- > 300,000 tons

Source: Embrapa
WORLD SOYBEAN CONSUMPTION (million tons)

Source: USDA / FNP
MAIN REASON FOR INCREMENT IN SOYBEAN PRODUCTION AND CONSUMPTION

- Expressive demand growth by the main soybean and its byproducts consumers around the world
- Entry of new countries in the world market and the establishment of commercial relationship among them
- Increasing biofuel demand around the world
County Corn Production (kg)

0 - 150
151 - 1.200
1.201 - 5.000
5.001 - 30.000
30.001 - 100.000
> 100.000

Source: Embrapa
WORLD CORN PRODUCTION (million tons)

Source: USDA / FNP
## WORLD CORN EXPORTS
(million tons)

<table>
<thead>
<tr>
<th>countries</th>
<th>02/03</th>
<th>02/03 market share</th>
<th>12/13</th>
<th>12/13 market share</th>
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<tr>
<td>USA</td>
<td>41</td>
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<td>43</td>
<td>48%</td>
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<tr>
<td>CHINA</td>
<td>14</td>
<td>18%</td>
<td>0</td>
<td>0%</td>
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<td>5%</td>
<td>18</td>
<td>20%</td>
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<tr>
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<td>16%</td>
<td>20</td>
<td>22%</td>
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<td>8%</td>
<td>9</td>
<td>10%</td>
</tr>
<tr>
<td>WORLD</td>
<td>77</td>
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<td>90</td>
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</tbody>
</table>

Source: USDA / FNP
SOME REASONS FOR BRAZILIAN CORN PRODUCTION INCREMENT

• Increasing in Human and Animal consumption around the world

• Biofuel production, USA is supposed to increase its domestic consumption, that creates an opportunity to countries like Brazil to export corn
THANK YOU, VERY MUCH

FURTHER CONTACTS:

GUSTAVO MARIN MONACO

phone: (55 11) 3339 1414
e-mail: gustavo.monaco@fnp.com.br

BRAZIL

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COTTON PRODUCTION (Thousand tons)

Cotton production

Source: conab / gepav / geame
<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
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<tbody>
<tr>
<td>China</td>
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<tr>
<td>India</td>
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<td>Pakistan</td>
<td>9.5</td>
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<tr>
<td>USA</td>
<td>6.8</td>
</tr>
<tr>
<td>Turkey</td>
<td>6.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>3.6</td>
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</table>
WORLD COTTON PRODUCTION

• 1993-2003: Cotton production has risen 22%

• China main producer in the world, 57% increment in the same period, responsible for 30% of the world production
BRAZILIAN COTTON PRODUCTION

• 1993-2003: Brazil has increased its production around 90%, reaching 850,000 tons
BRAZILIAN COTTON EXPORTS

- 2001: US$ 1.3 Billion
- 2003: US$ 1.47 Billion
- 2007*: US$ 4 Billion

* FNP Forecasts