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U.S Department of Agriculture
Agricultural Outlook Forum 2004
February 19 & 20, 2004

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

Gustavo Marin Monaco
Agronomist
FNP Consultoria & AgroInformativos
Brazil



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

**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)**

BRAZILIAN NUMBERS

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

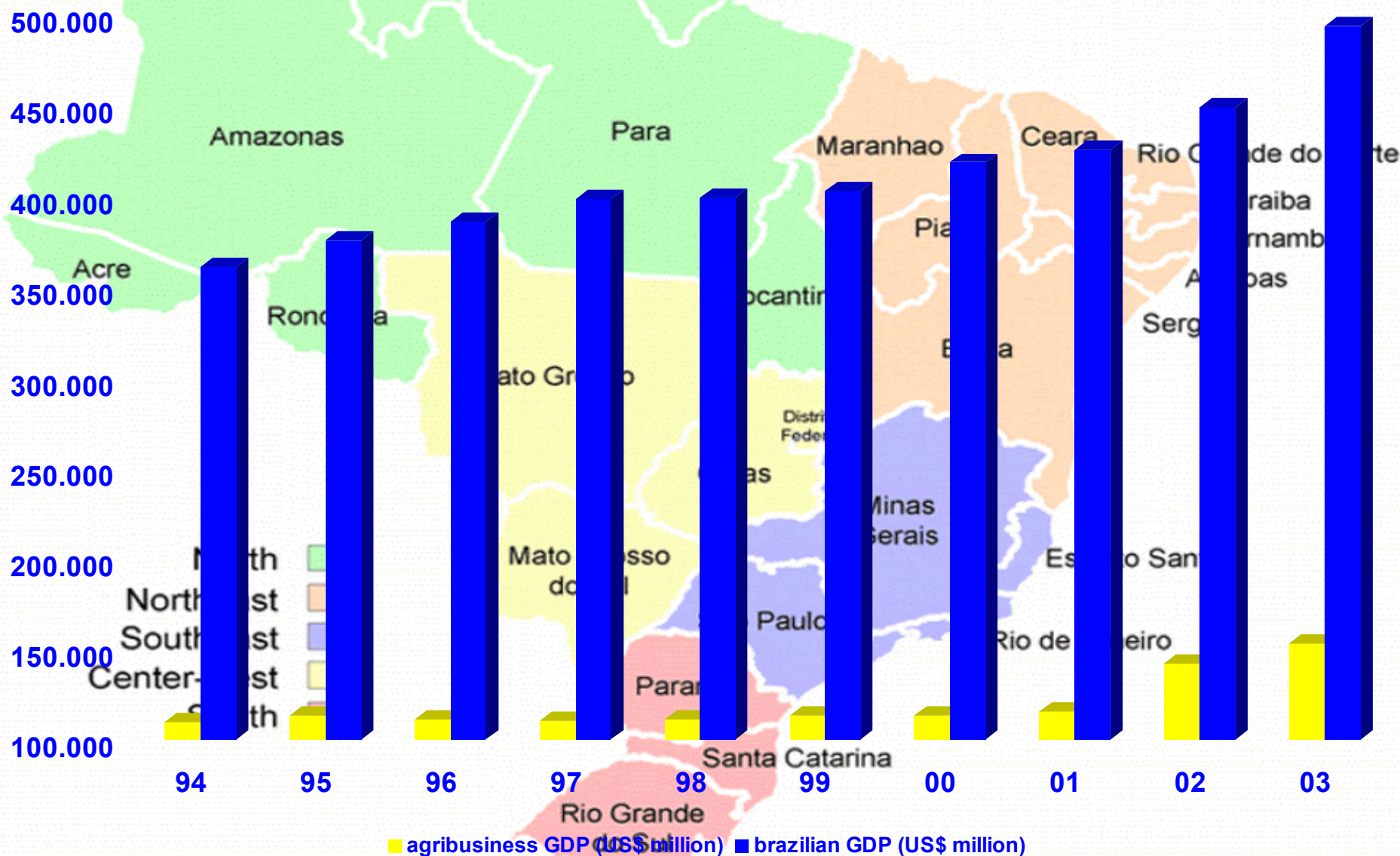


* 2003

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BRAZILIAN & AGRIBUSINESS GDP (US\$ million)



■ agribusiness GDP (US\$ million) ■ brazilian GDP (US\$ million)

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Source : CNA / CEPEA-USP

HARVESTERS SOLD (thousands of units)



■ harvesters

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AGRICULTURAL EQUIPMENT SOLD (thousands of units)



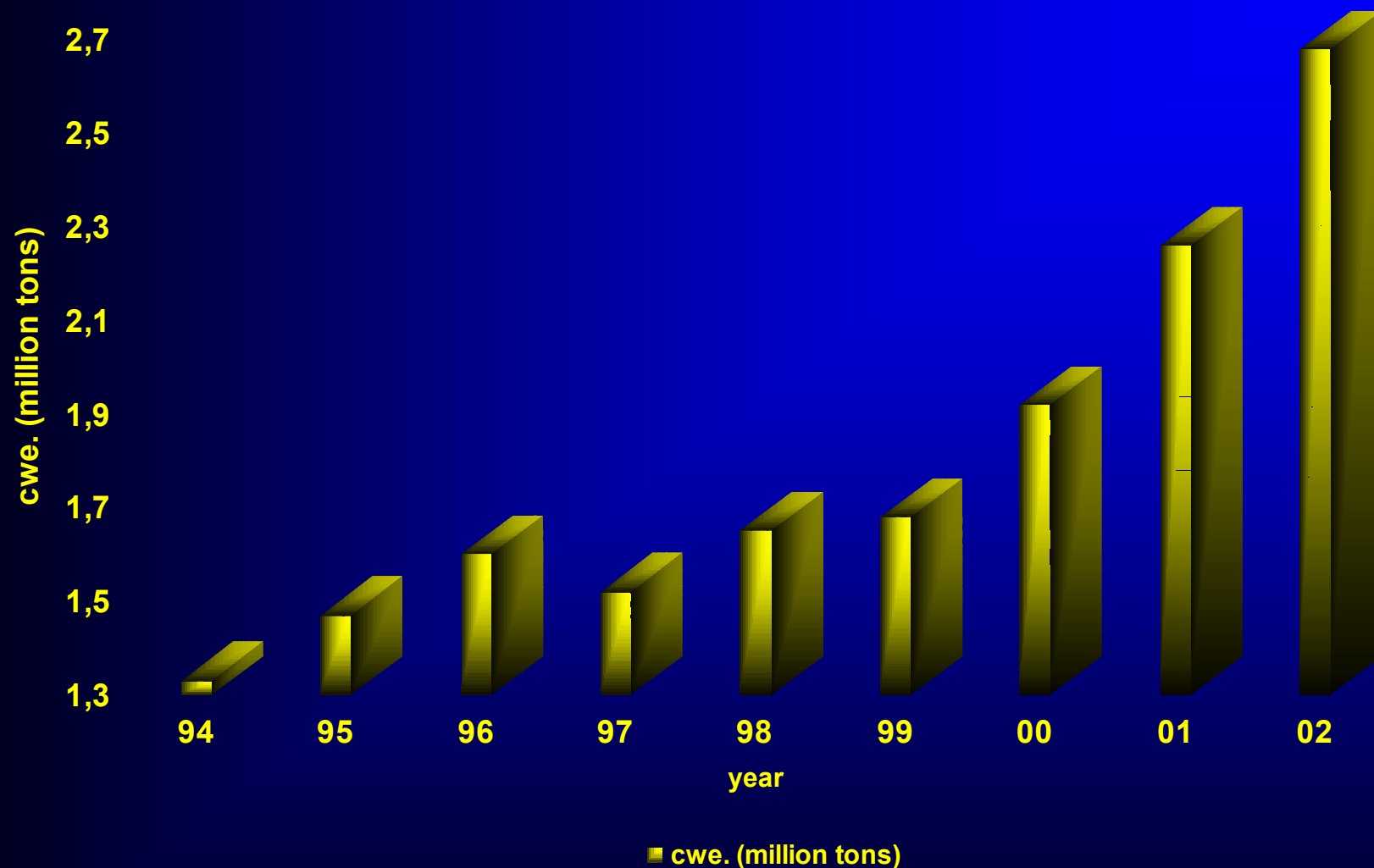
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WHEEL TRACTORS SOLD (thousand units)



BRAZILIAN PORK PRODUCTION cwe. (million tons)

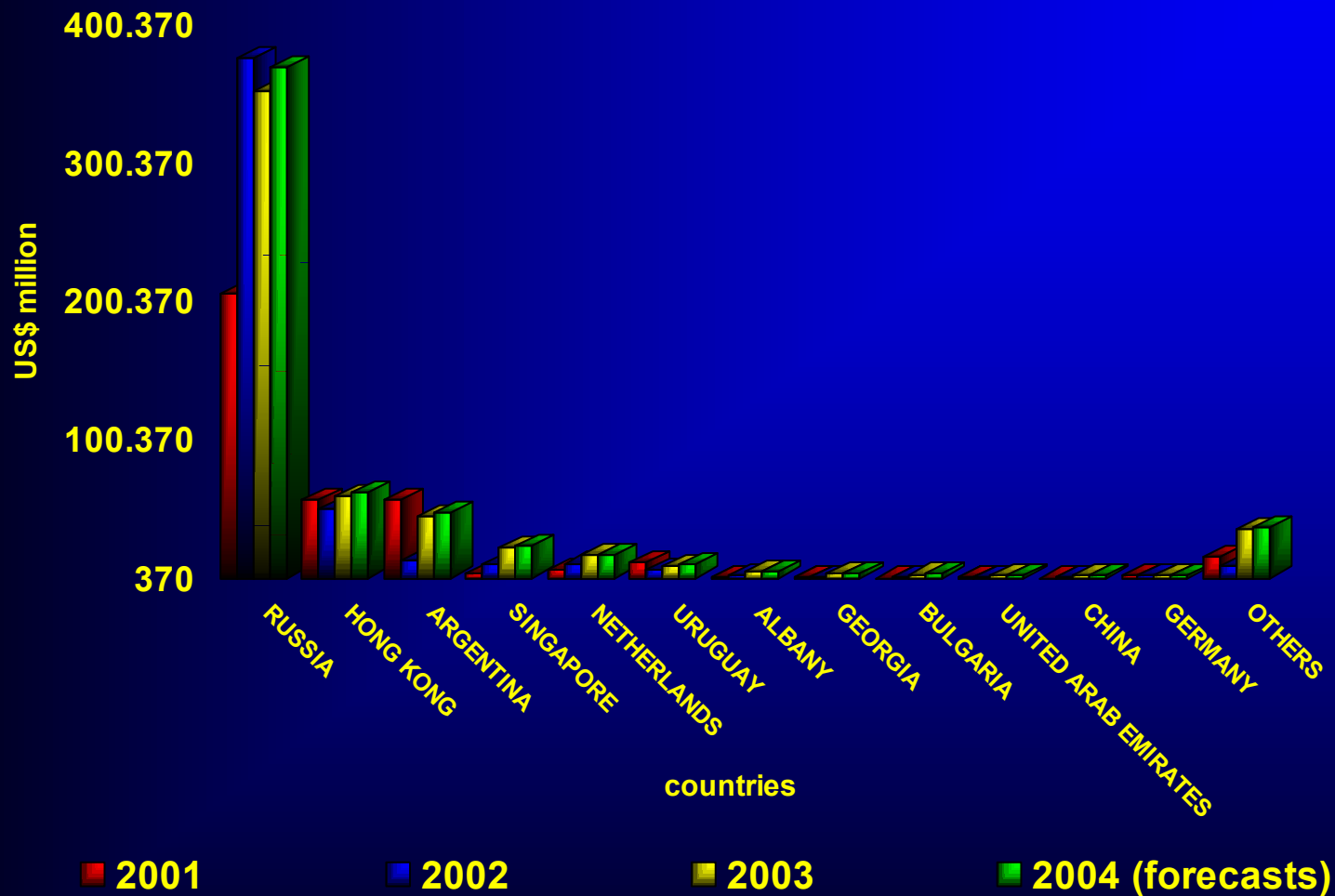


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BRAZILIAN SWINE EXPORTS BY DESTINATION

(US\$ million)



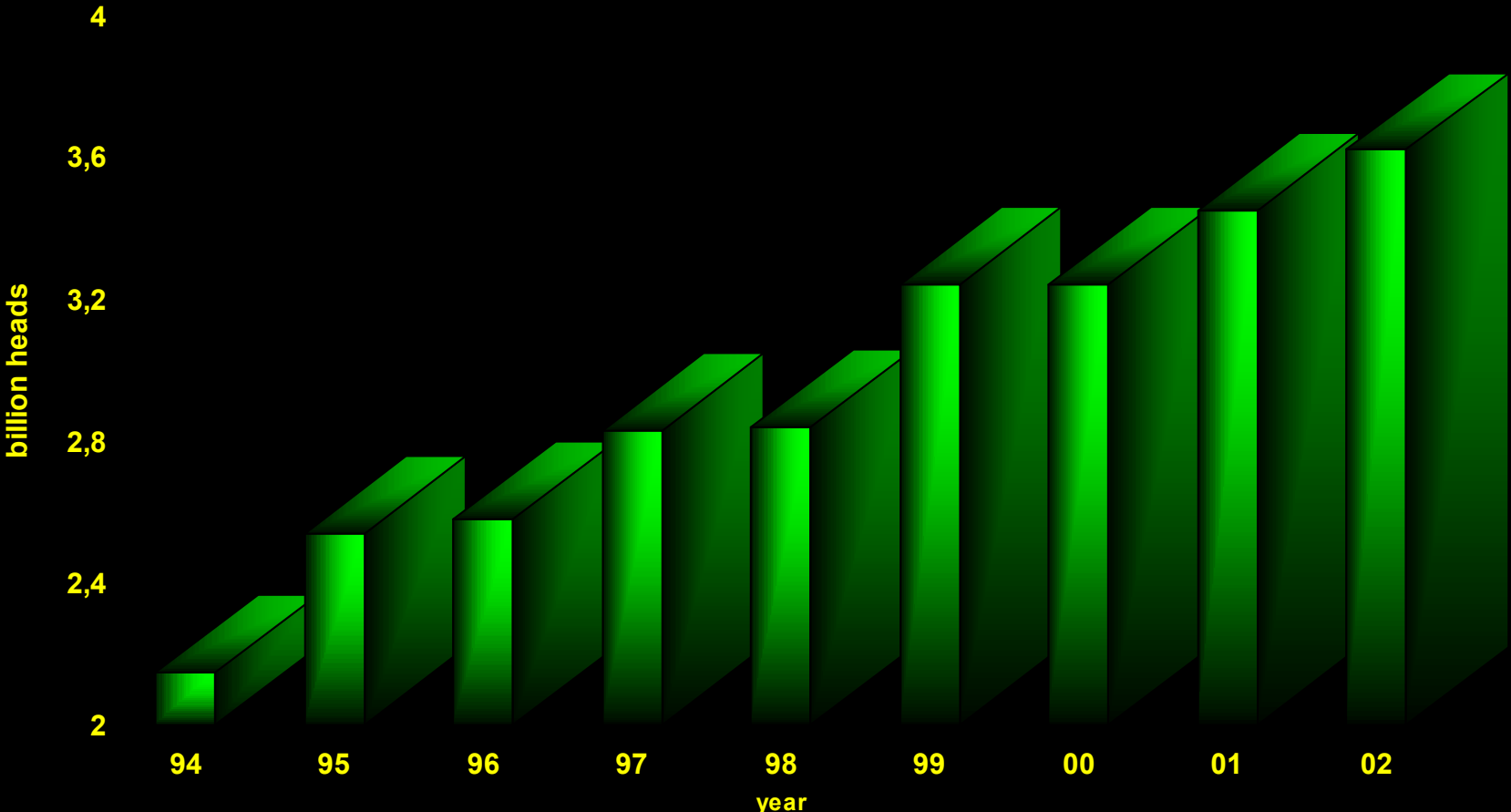
SOME REASONS FOR PORK PRODUCTION INCREMENT IN BRAZIL

- **Brazilian currency devaluation**
- **Chinese market rising as a new client**
- **Cheap Land : possibility of low price grains cultivation**
- **Low domestic consumption**

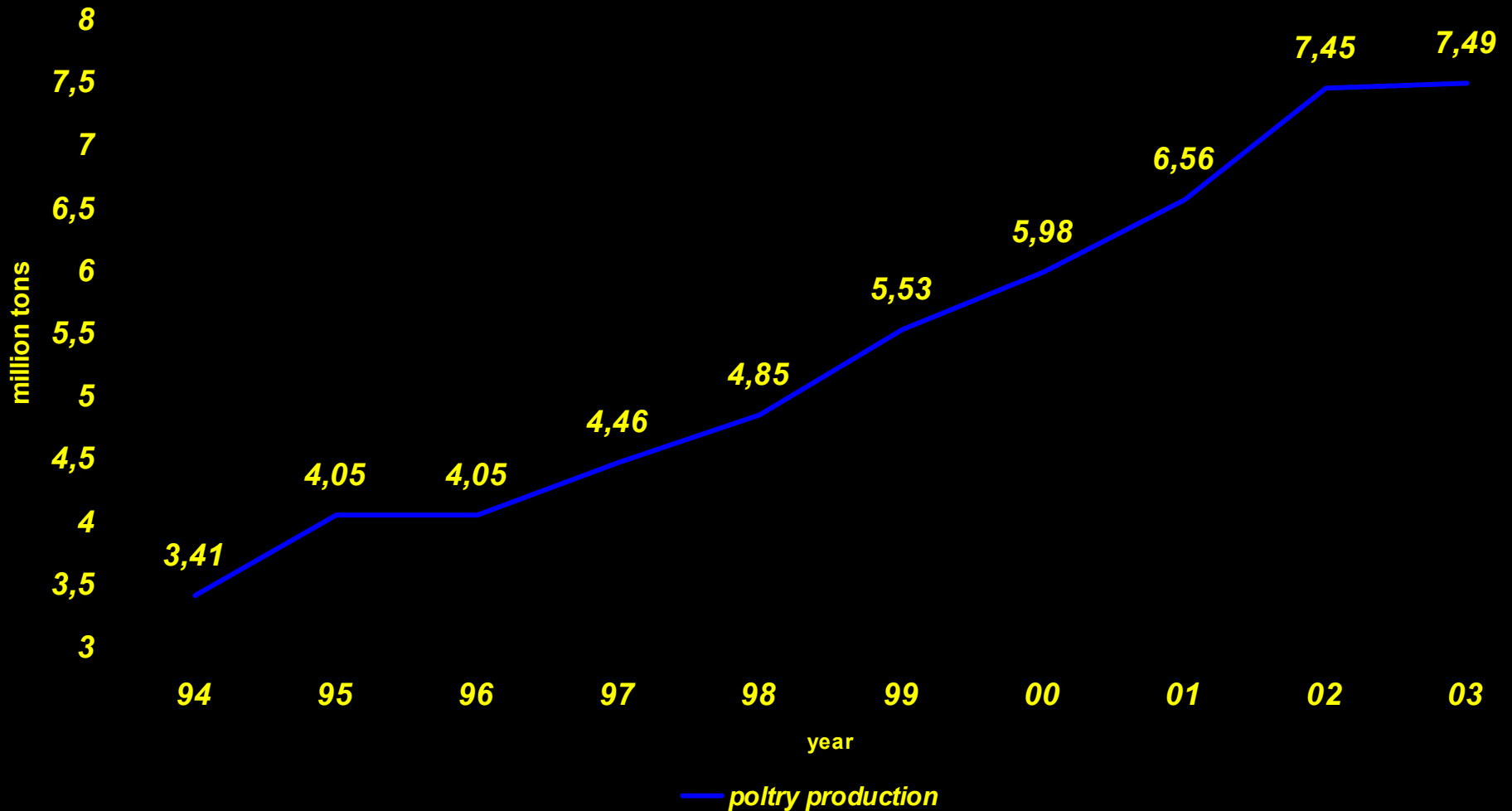
SOME CONSTRAINTS TO PORK PRODUCTION GROWTH IN BRAZIL

- **Shortage of money at low interest rates**
- **High taxes**
- **Unstable economy**
- **High interest rates**
- **Low domestic consumption**

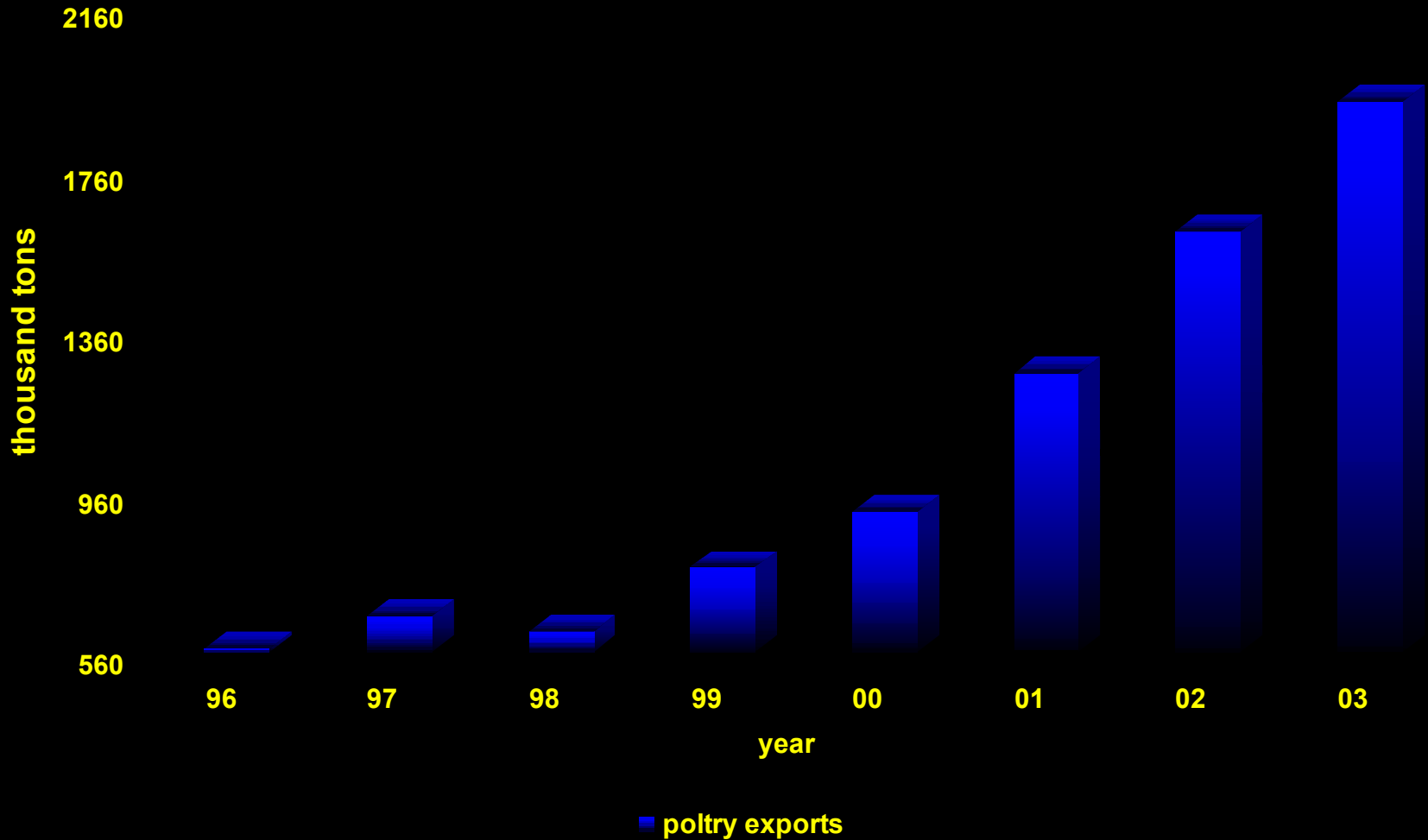
BROILERS SLAUGHTERED (billion heads)



POLTRY PRODUCTION (million tons)



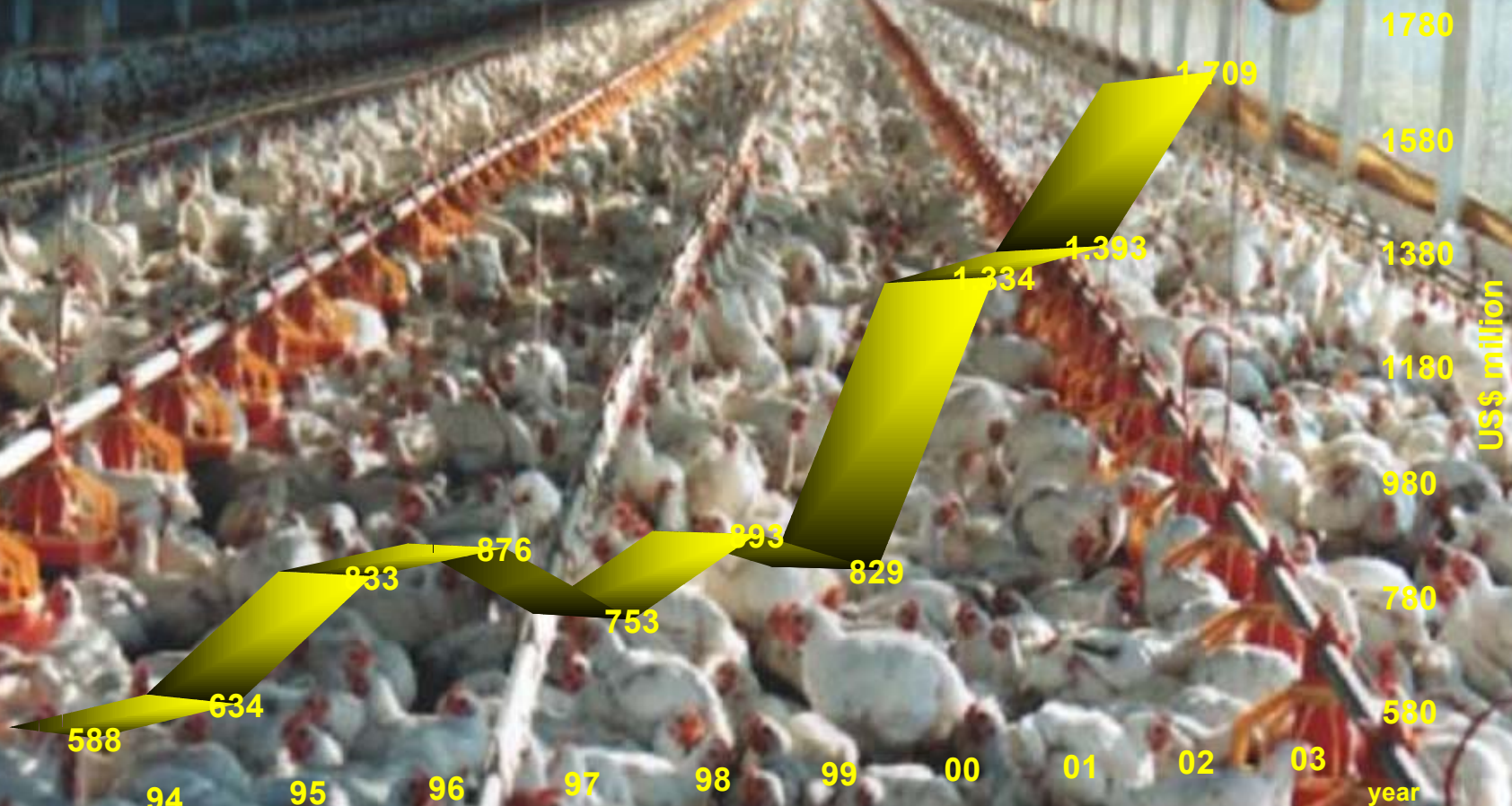
TOTAL BRAZILIAN POLTRY EXPORTS (thousand tons)



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POLTRY EXPORTS REVENUE (US\$ million)



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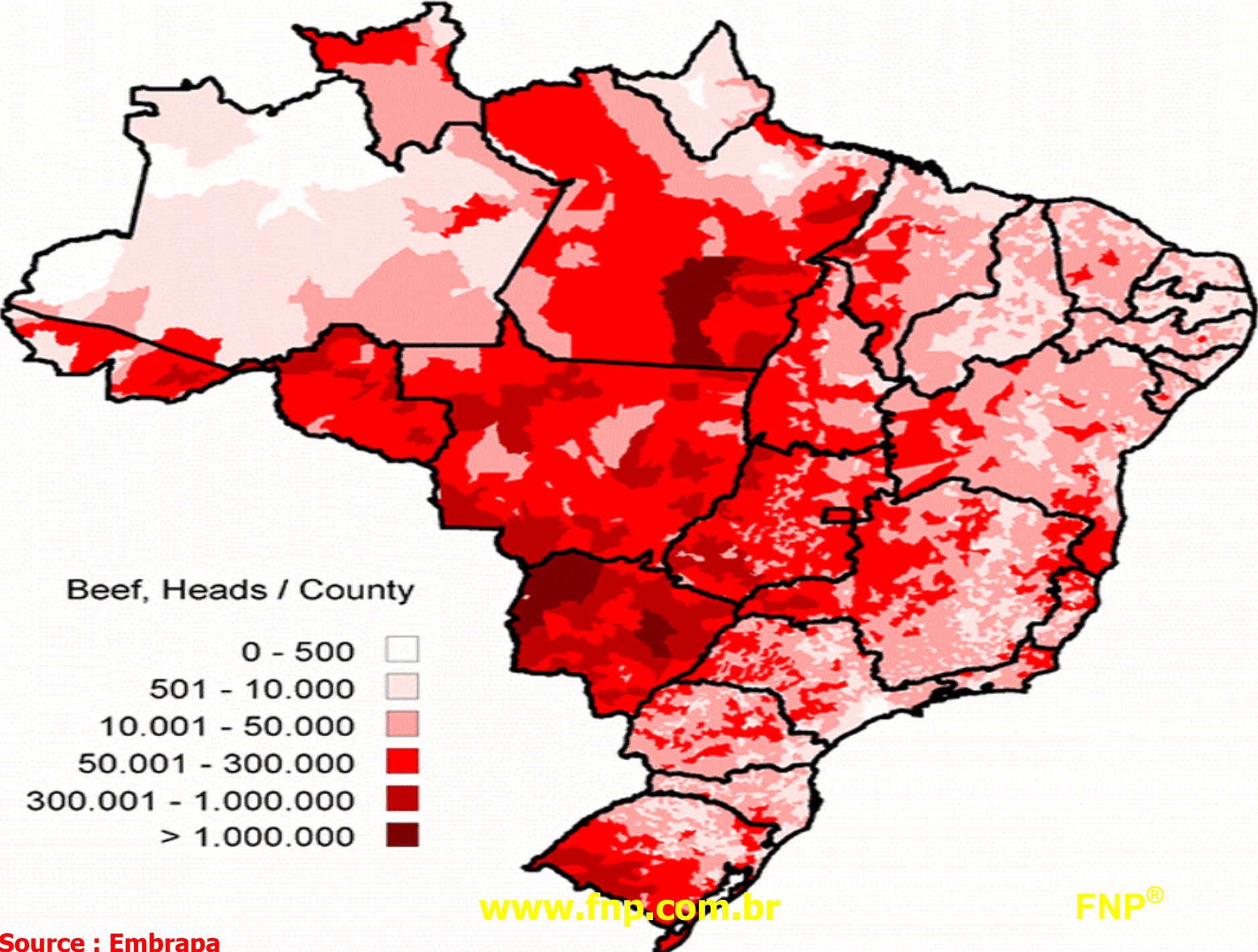
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SOME REASONS FOR POULTRY PRODUCTION INCREMENT

- **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**



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Source : Embrapa

LIVESTOCK INCREMENT (million heads)



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BEEF SLAUGHTERING (million heads)



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SLAUGHTER RATE (%)

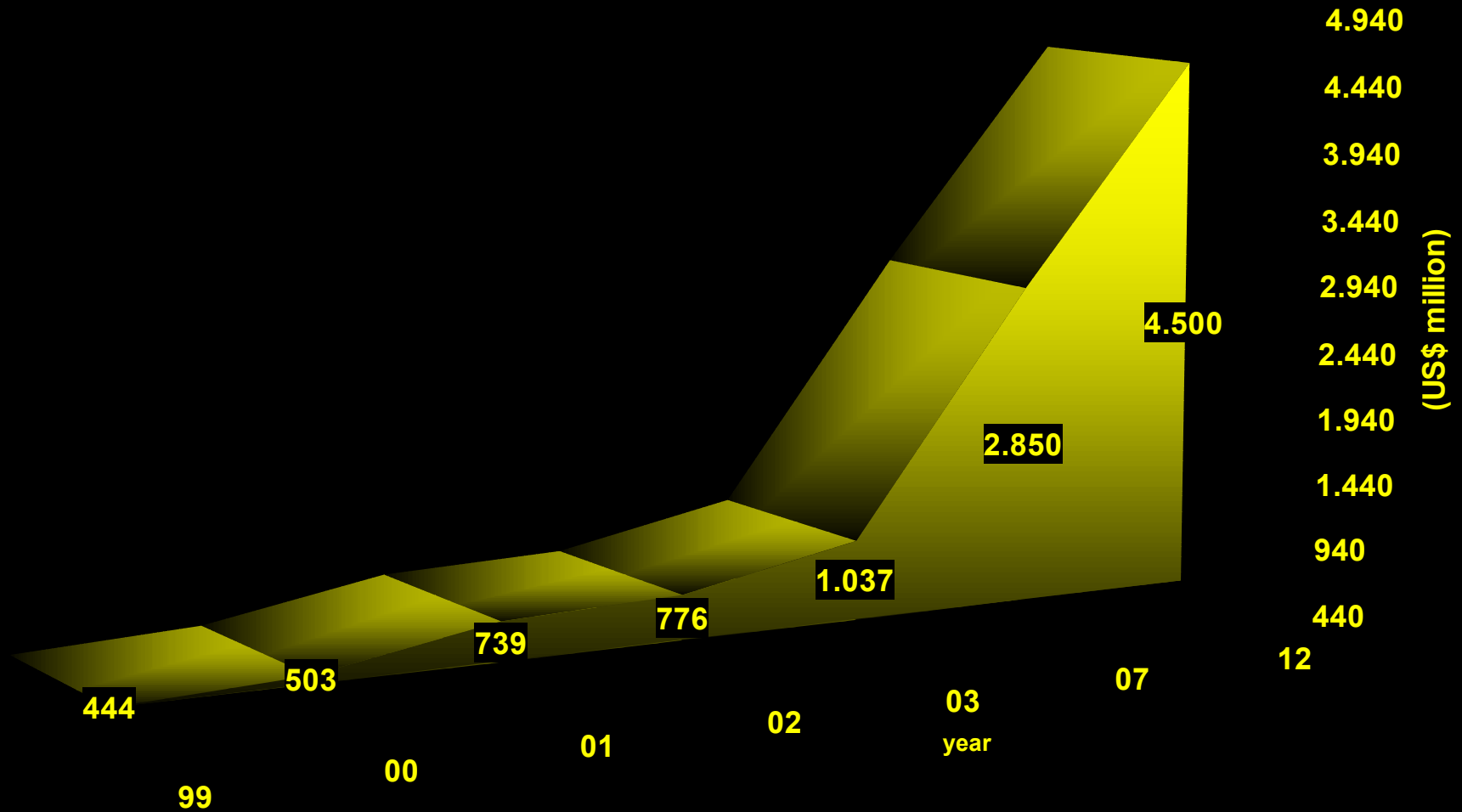


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Source : FNP

BEEF EXPORTS REVENUE (US\$ million)



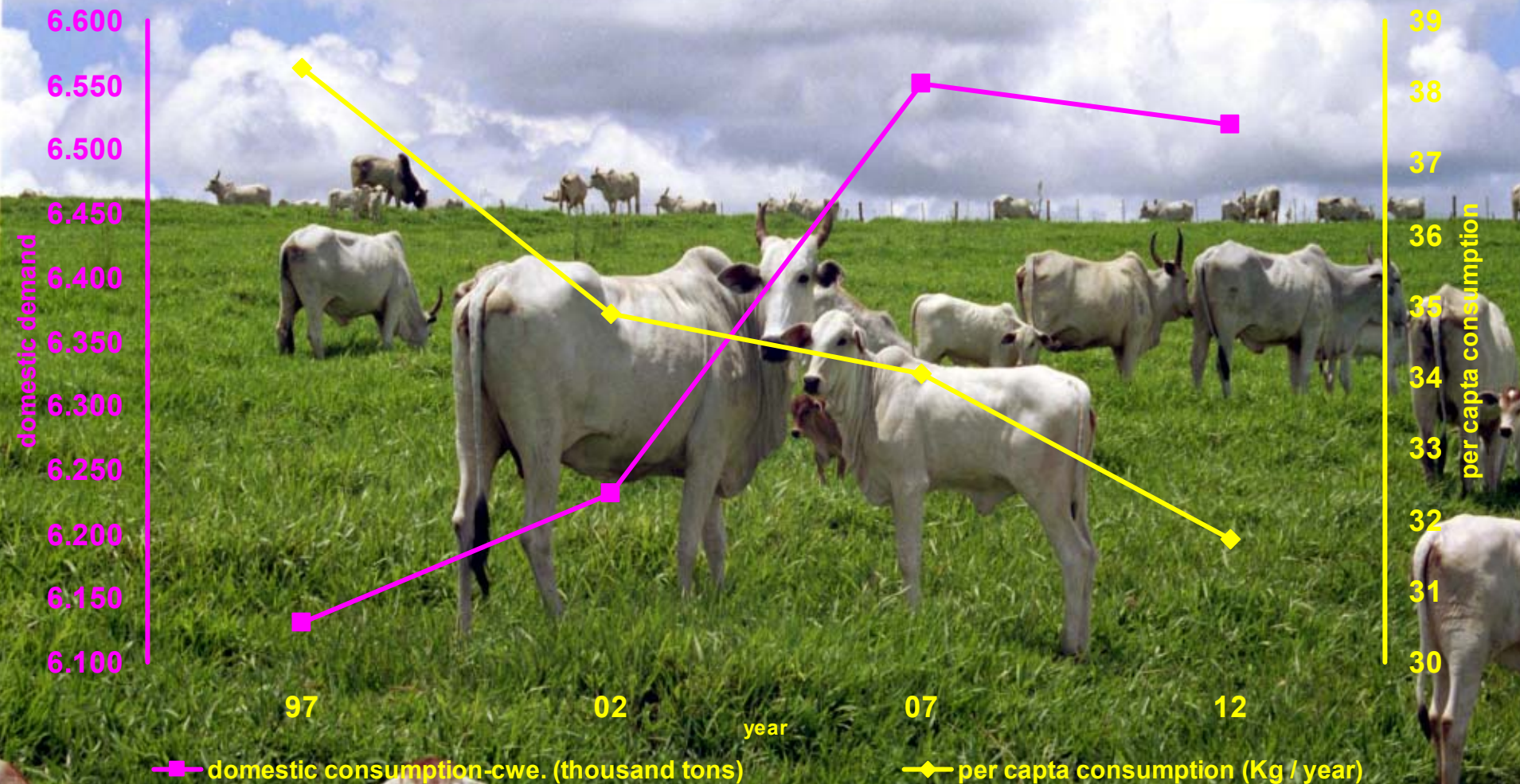
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Source: SECEX / DECEX / FNP

BEEF, DOMESTIC & PER CAPTA CONSUMPTION

(Retrospectives & Forecasts)

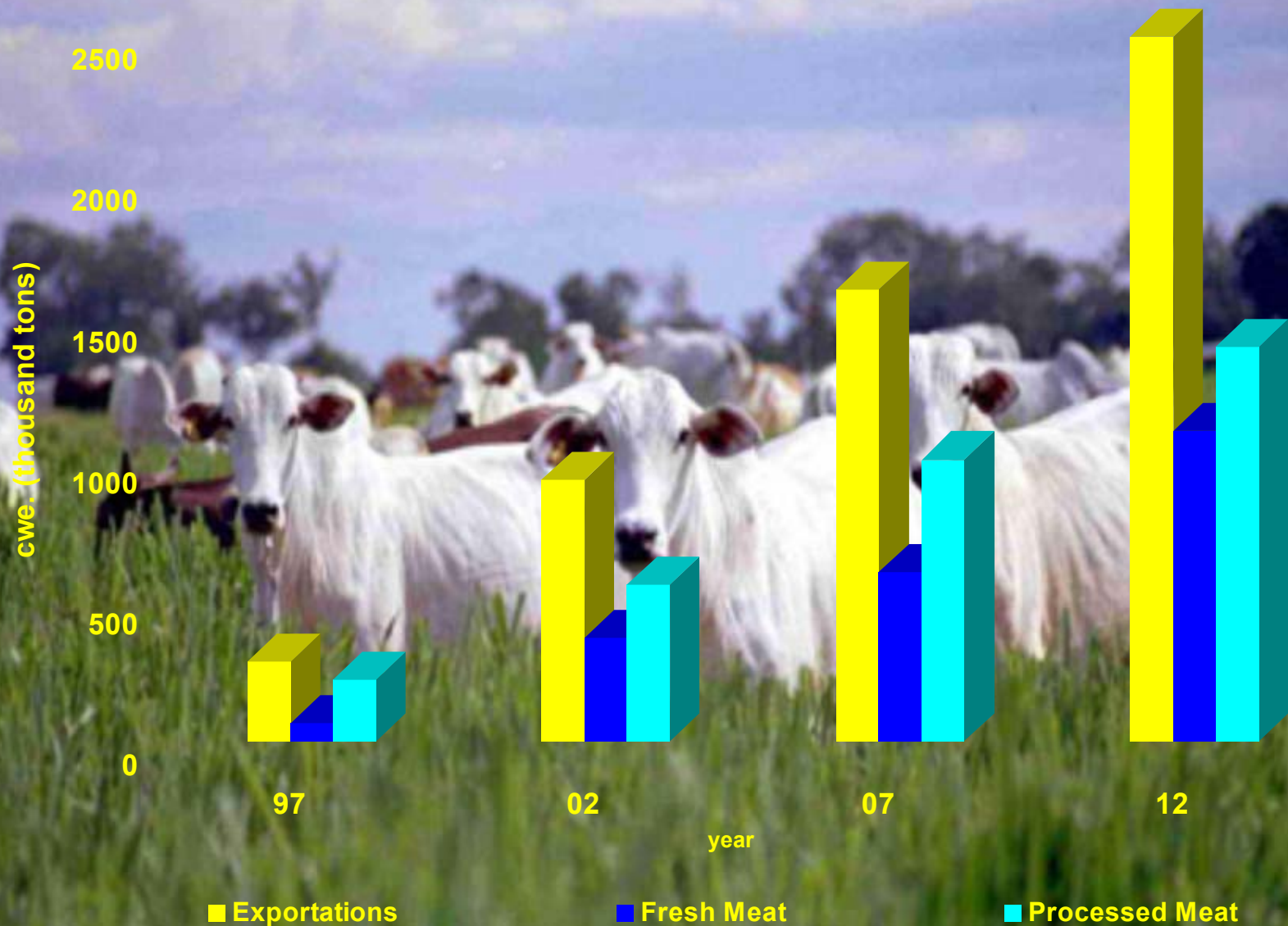


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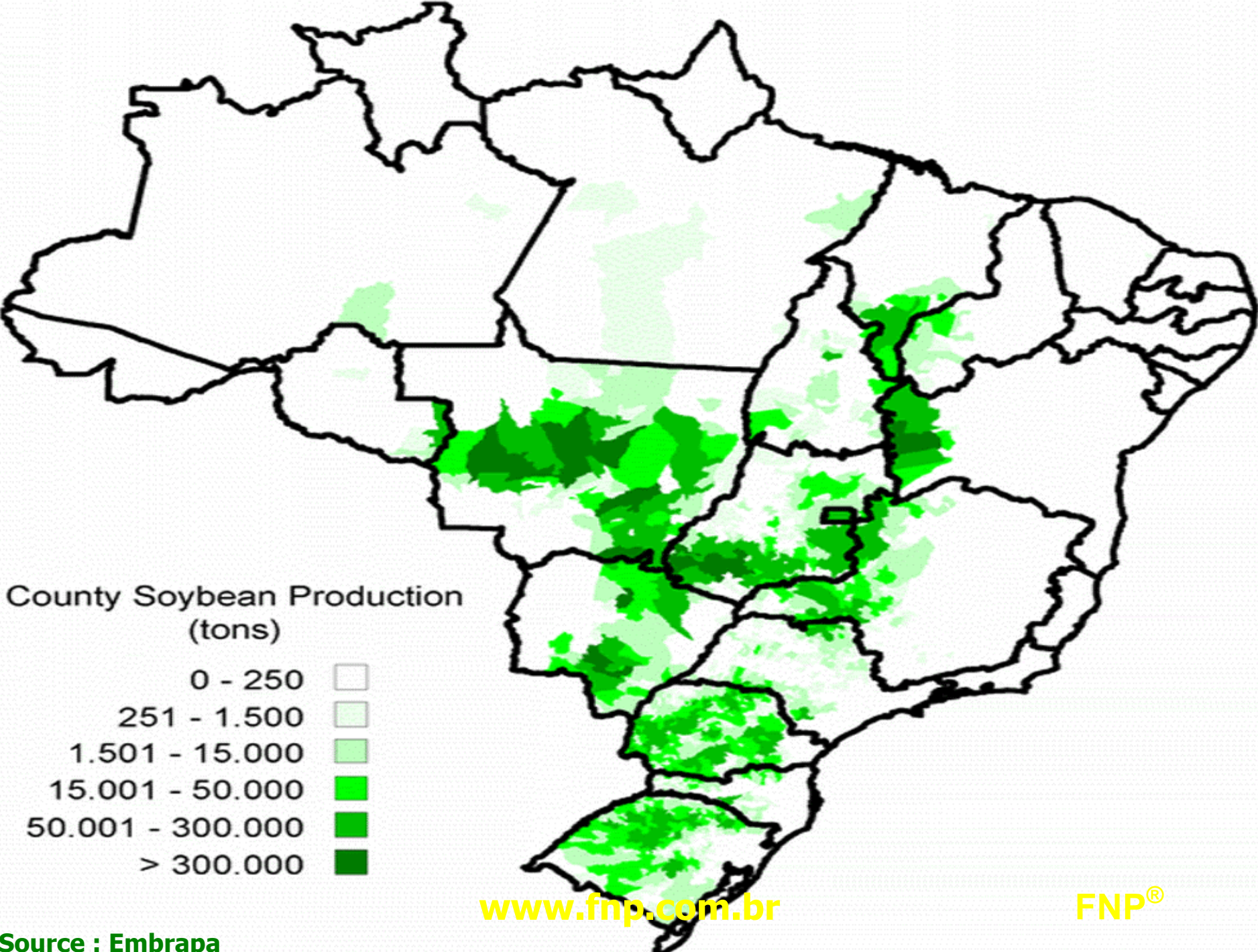
Source : FNP / CONAB

BEEF EXPORTS RETROSPECTIVE & FORECAST



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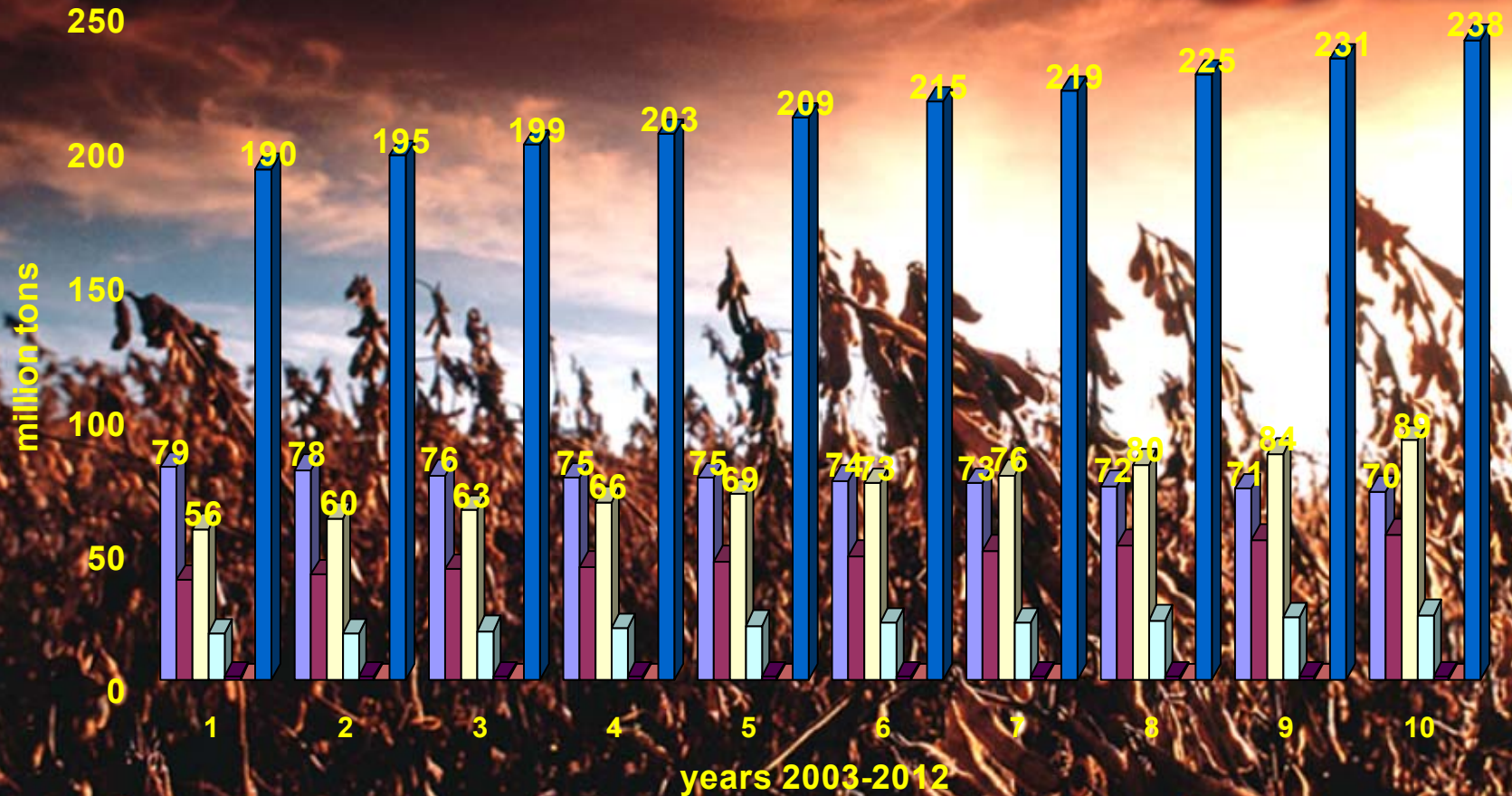
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County Soybean Production (tons)

- 0 - 250
- 251 - 1.500
- 1.501 - 15.000
- 15.001 - 50.000
- 50.001 - 300.000
- > 300.000

WORLD SOYBEAN PRODUCTION (million tons)



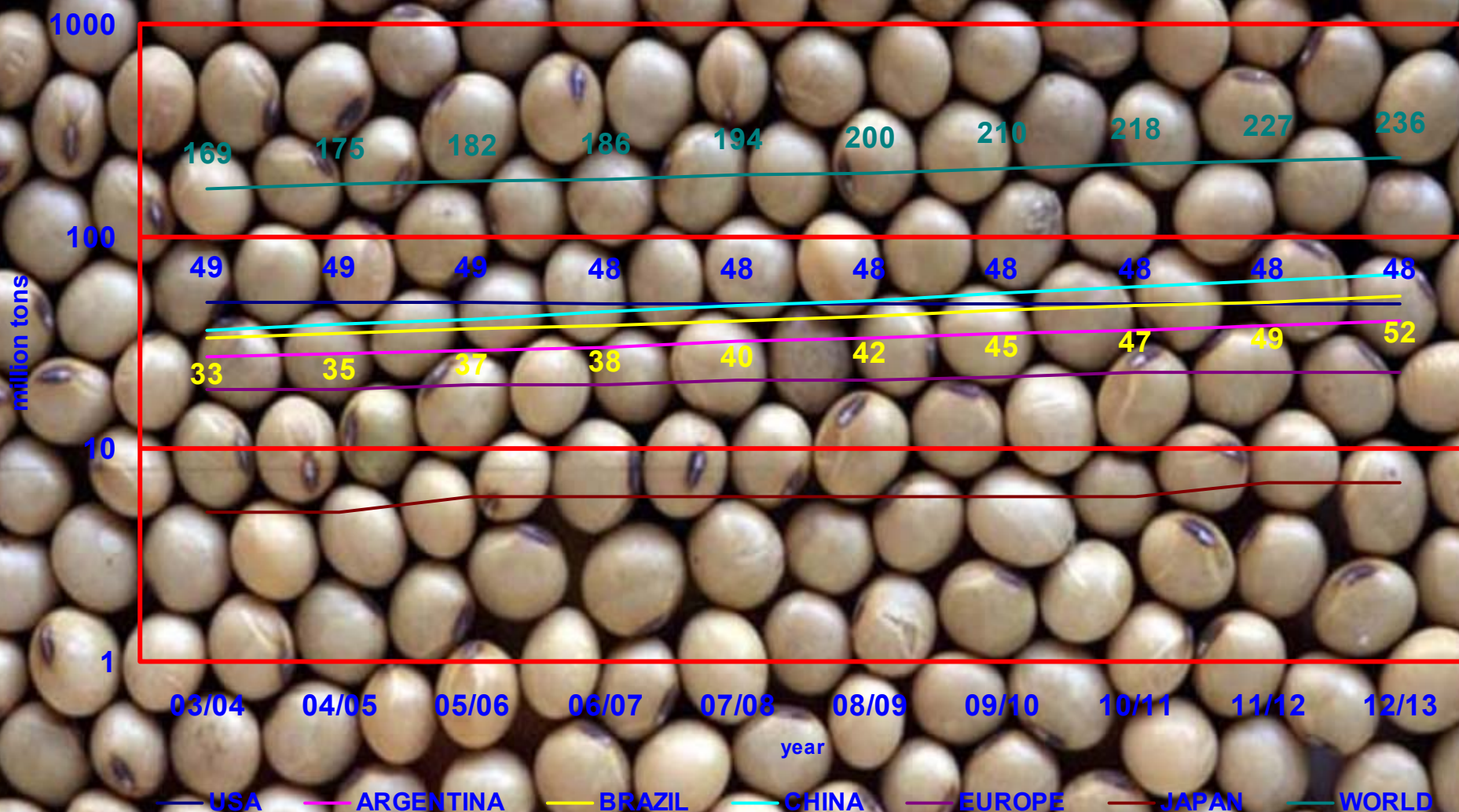
■ USA
 ■ ARGENTINA
 ■ BRAZIL
 ■ CHINA
 ■ EUROPE
 ■ JAPAN
 ■ WORLD

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Source : USDA / FNP

WORLD SOYBEAN CONSUMPTION (million tons)



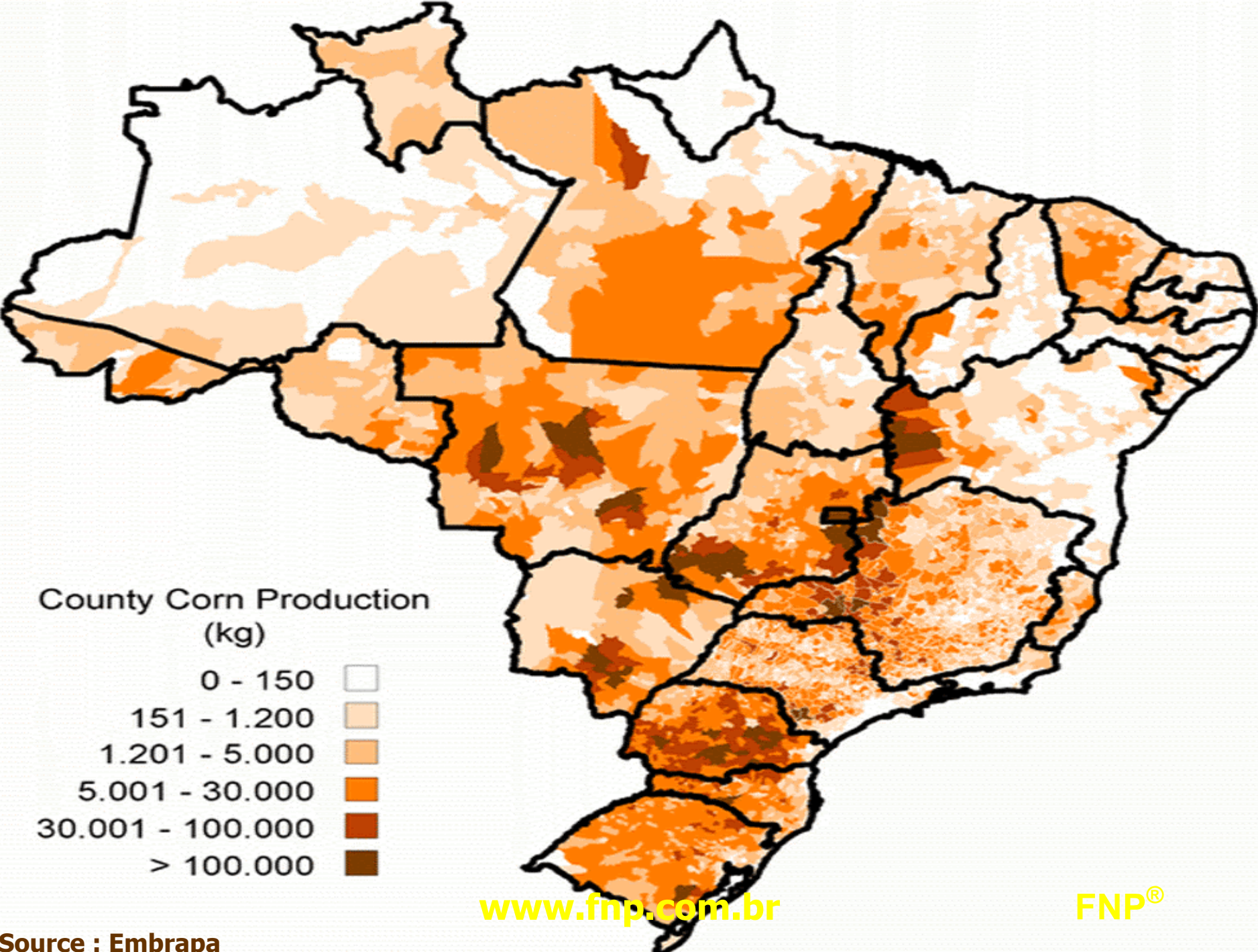
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Source : USDA / FNP

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**

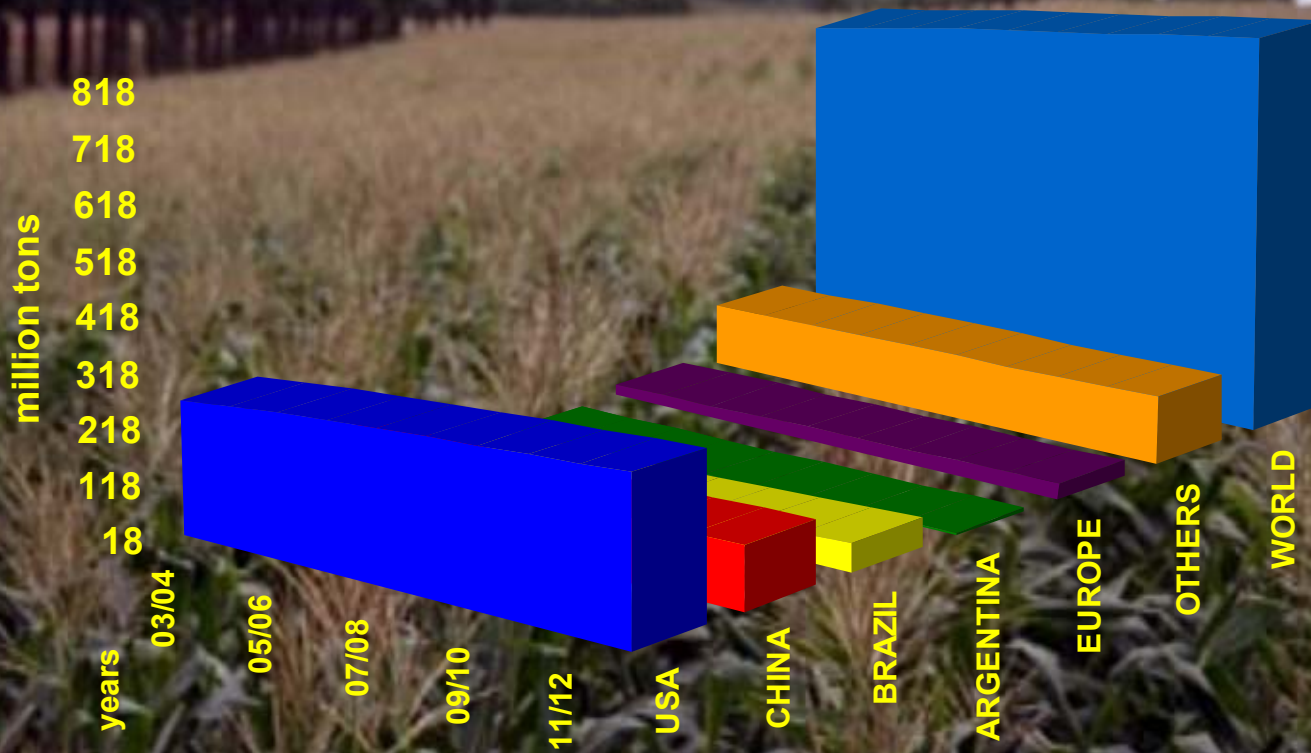


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Source : Embrapa

WORLD CORN PRODUCTION (million tons)



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Source : USDA / FNP

WORLD CORN EXPORTS

(million tons)

countries	02/03	market share	12/13	market share
USA	41	53%	43	48%
CHINA	14	18%	0	0%
BRAZIL	4	5%	18	20%
ARGENTINA	12	16%	20	22%
OTHERS	6	8%	9	10%
WORLD	77		90	

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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

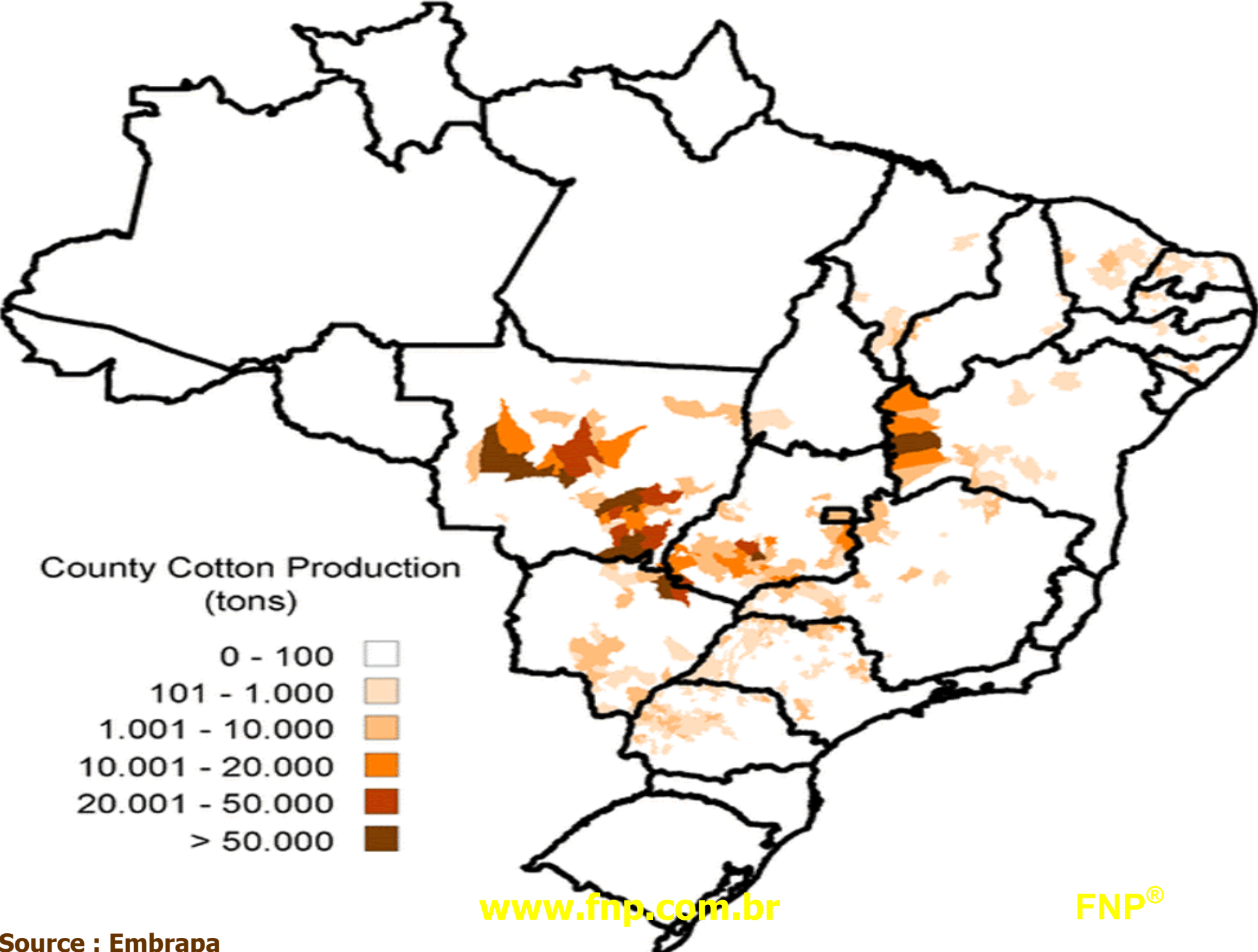
phone: (55 11) 3339 1414

e-mail: gustavo.monaco@fnp.com.br

BRAZIL

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COTTON PRODUCTION (thousand tons)



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Source : conab / gepav / geame

WORLD COTTON PRODUCTION



	%
CHINA	30
INDIA	13,8
PAQUISTAN	9,5
USA	6,8
TURQUEY	6,5
BRAZIL	3,6

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



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Guyana

Suriname

French Guiana

Venezuela

Ecuador

Peru

Brazil

Bolivia

Paraguay

Argentina

Uruguay

Chile

Pacific Ocean

Atlantic Ocean

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