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## **Report Name:** Poultry and Products Annual

**Country:** Brazil

**Post:** Brasilia

**Report Category:** Poultry and Products

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### **Report Highlights:**

Brazil is the second-largest chicken meat producer in the world after the United States and the largest chicken meat exporter in the world. Post forecasts chicken meat production will increase one percent in 2025 due to high external demand, socio-economic performance, and improved costs of production. Brazil continues to maintain its status as free from Highly Pathogenic Avian Influenza (HPAI) in commercial plants. This report considers current status quo for its forecasts. Post forecasts consumption at 10.1 MMT both in 2024 and 2025. Chicken meat exports are forecast to increase three percent in 2025, as Brazil opens new markets and consolidates and diversifies exports to existing markets. Brazil is diligently negotiating regionalization clauses to its current health certificates, with the objective of protecting its exports in case of HPAI or additional Newcastle Disease outbreaks.

# EXECUTIVE SUMMARY

## Production

Brazil is the second-largest chicken meat producer in the world after the United States. Chicken meat production in 2025 is forecasted at 15.1 million metric tons (MMT), a one percent increase from the estimated 15 MMT in 2024. This is a record high for Brazil and the forecast is based on strong external demand, socio-economic performance, and improved costs of production. Brazil's commercial plants continue to be free from Highly Pathogenic Avian Influenza (HPAI); these projections assume they will continue to be so.

## Consumption

Post forecasts domestic chicken consumption in 2025 at 10.1 MMT, stable from 2024, as increased consumption of other animal protein sources is expected. Post anticipates that around 67 percent of the Brazilian chicken production will be consumed domestically in 2024 and 2025.

## Trade

Brazil is expected to remain the world's largest exporter of chicken meat in 2025 and is forecast to export five MMT, an increase of three percent. These values do not include chicken paws. The government of Brazil is working to open new markets, increase product diversity in existing markets, and negotiate regionalization clauses to its current health certificates to avoid market closure should HPAI and Newcastle Disease hit a commercial operation. Brazil continues to focus exports to halal markets. Post forecasts chicken meat imports at 2,000 MT in 2025, coming from Argentina and Chile.

## Figure 1

### *Chicken Meat Production, Supply, and Distribution*

Meat, Chicken Market Year Begins	2023		2024		2025	
	Jan 2023		Jan 2024		Jan 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Brazil</b>						
<b>Beginning Stocks</b> (1000 MT)	0	0	0	0	0	0
<b>Production</b> (1000 MT)	14900	0	15100	15000	0	15100
<b>Total Imports</b> (1000 MT)	2	0	1	3	0	2
<b>Total Supply</b> (1000 MT)	14902	0	15101	15003	0	15102
<b>Total Exports</b> (1000 MT)	4767	0	4925	4900	0	5000
<b>Human Consumption</b> (1000 MT)	10135	0	10176	10103	0	10102
<b>Other Use, Losses</b> (1000 MT)	0	0	0	0	0	0
<b>Total Dom. Consumption</b> (1000 MT)	10135	0	10176	10103	0	10102
<b>Total Use</b> (1000 MT)	14902	0	15101	15003	0	15102
<b>Ending Stocks</b> (1000 MT)	0	0	0	0	0	0
<b>Total Distribution</b> (1000 MT)	14902	0	15101	15003	0	15102
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

Source: Not Official USDA Data

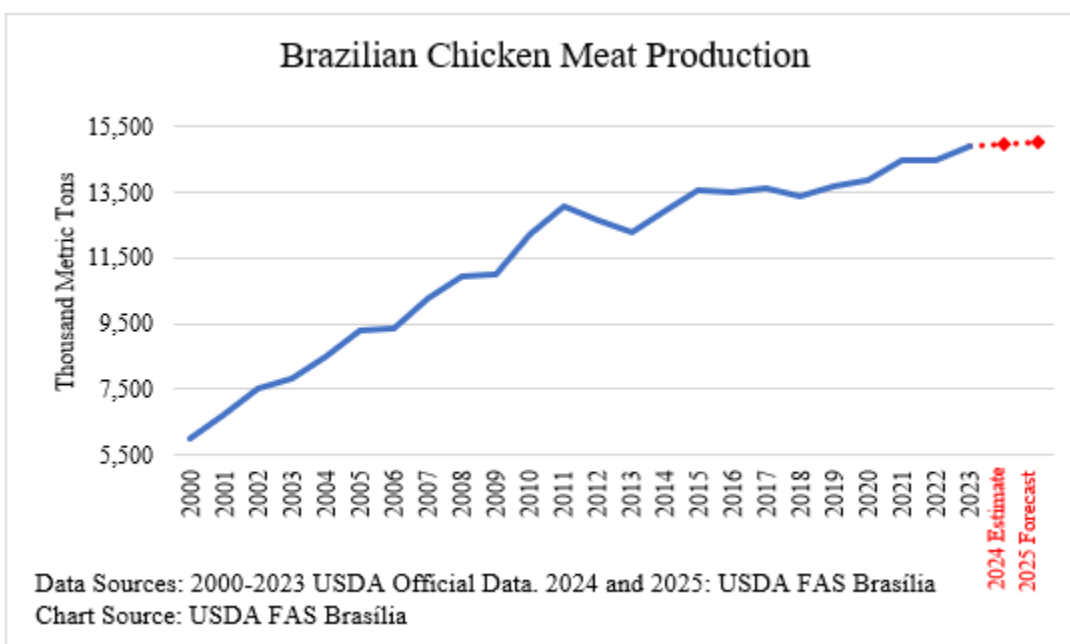
# POULTRY

## 1. Production

Brazil is the second-largest chicken meat producer in the world, behind the United States, per official USDA data. Post estimates chicken meat production in 2024 to slightly increase from 2023, reaching 15 million metric tons (MMT). For 2025, Post forecasts chicken meat production will reach 15.1 MMT, a one percent increase from 2024. This forecast represents a historical high for Brazil. Post forecasts are based on strong external demand, the socio-economic performance expected for the country, and improved costs of production. Post forecasts that production in 2025 will reach record levels, as presented in the following graph.

**Figure 2**

*Brazilian Chicken Meat Production, 2010-2023 and Projections for 2024 and 2025*



### 1.1. Socio-Economic Factors to Weigh on Production

The economic scenario in Brazil affects production, consumption, and export decisions to varying degrees – therefore Post would like to draw attention to several of the economic factors that drive Brazilian producers’ decision-making, and hence, the entire industry.

For 2024, the Brazilian Central Bank (BCB) estimates GDP to grow three percent and 1.92 percent in 2025. The Central Bank Focus Survey published on September 27<sup>th</sup> anticipates inflation at 4.37 percent for 2024 and 3.97 percent in 2025.

The exchange rate for Brazilian Real to U.S. dollars is forecasted at R\$5.40 for 2024, and R\$5.35 for 2025 to US\$1.00. The Real has been devalued recently, impacting production and exports, and the exchange rate reached a peak of R\$ 5.76 for the year in the beginning of August. As a comparison, the last BCB Focus Survey of 2023 had forecasted 2024's exchange rate at R\$ 4.90 to the dollar.

The Institute of Geography and Statistics (IBGE) latest data shows that Brazil had 7.5 million unemployed people in the second quarter of 2024, which represents a 6.9 percent unemployment rate. However, there are an additional 3.3 million people that have stopped looking for work. The total underutilized rate for the first quarter of 2024 is 16.4 percent.

#### Brazilian Central Bank Assessment

On September 24<sup>th</sup>, the Brazilian Central Bank Monetary Policy Committee (Copom) published the minutes of its September meeting and noted that “the committee continues to assess that the domestic economic activity and the labor market have been more dynamic than expected. (...) This activity growth pace makes more challenging the process of inflation convergence to the target.”. Furthermore, the Committee “reinforced its view that the slowdown in structural reform efforts and fiscal discipline, the increase in earmarked credit, and uncertainties over the public debt stabilization have the potential to raise the economy's neutral interest rate, with deleterious impacts on the power of monetary policy and, consequently, on the cost of disinflation in terms of activity”.

#### Brazilian Tax Reform and Implications to the Agricultural Sector

On July 7<sup>th</sup> 2023, the Brazilian Chamber of Deputies approved a major tax reform in an attempt to simplify the Brazilian federal and state tax codes. The idea is that the federal, state, and local taxes – which often overlap – will be replaced by simplified value added taxes (VAT). The bill was passed on December 21, 2023, and the government has to prepare bills to fully implement the reform. The implementation of tax reform was a concern for parts of the agricultural sector which currently benefit from certain tax exemptions that were slated to be removed with the establishment of the VAT.

On July 10, 2024, after a year of the initial approval of the tax reform, Congress approved an implementation bill. One of the main changes within the reform is that the PIS and Cofins taxes will no longer be charged cumulatively (i.e. on the raw material, at the retail level, and then again at the consumer level). Without the tax-on-tax scenario Brazil currently experiences, costs should be lowered and the efficiency of the production chain should increase. The changes will be implemented slowly, and full reform is expected by 2033.

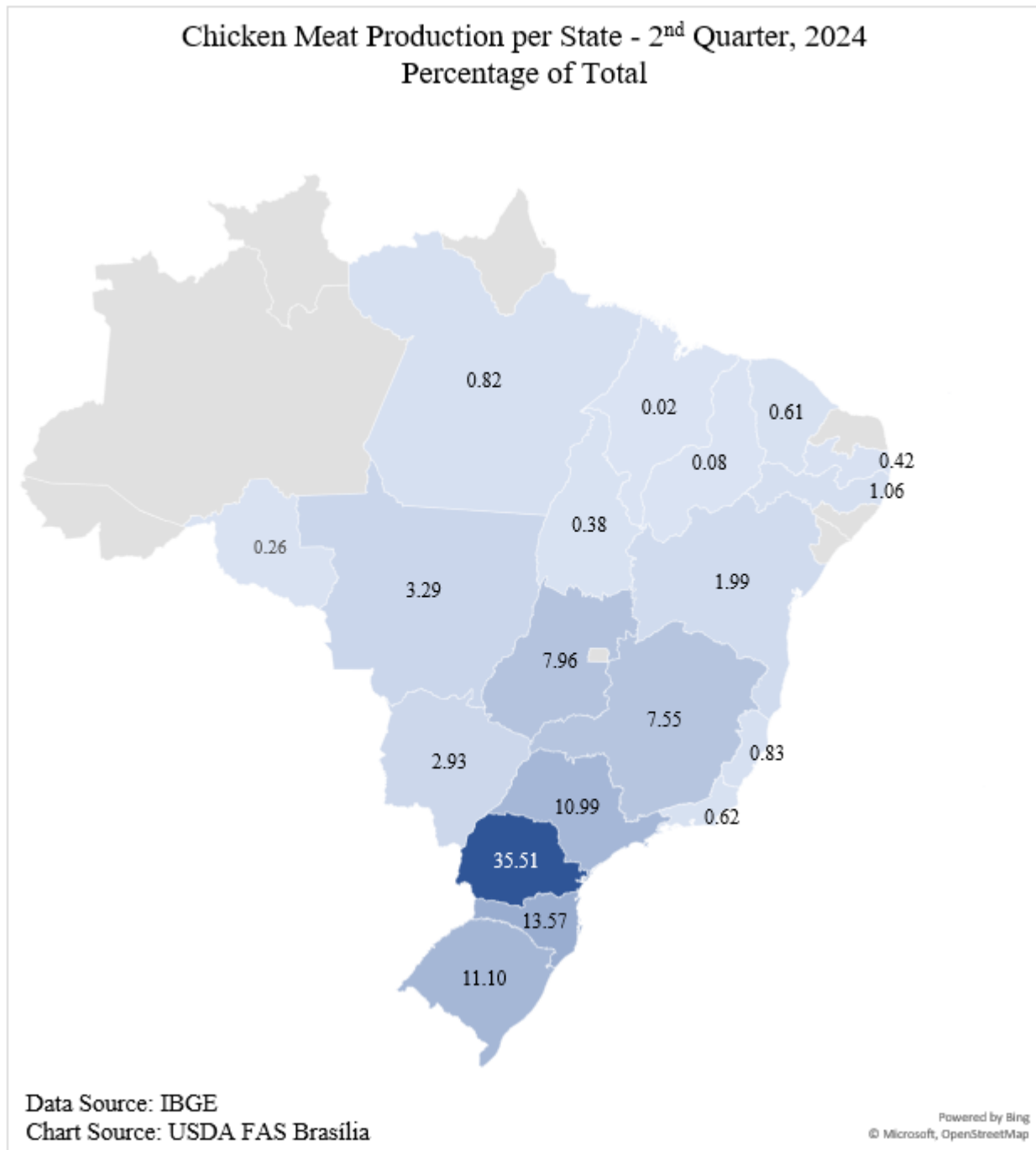
For the animal proteins sector, the implementation that was approved this July was a win. A point of great discussion and heated debate between the Executive and Legislative branches was the inclusion of certain food items under the basic food basket. The basic food basket is granted more tax breaks. Meat was one of the items of interest, with the President of the Republic making public statements in favor of the exemption, while the economic team of the government and the president of the Chamber of Deputies were against the exemption. The bill text originally proposed did not include meats on the exemption list. According to the industry, the inclusion of meat proteins to the tax exemption will have an impact of 0.5 percent on the overall VAT, which will need to be paid by all consumers. Despite the impact, on July 10<sup>th</sup>, during the voting session, the sponsor of the bill was able to negotiate with his peers and add all proteins to the tax exemption list. The decision was celebrated by the animal proteins sector, as all meats, fisheries, and certain dairy products will be exempted.

## 1.2. Production by States

The following map shows chicken meat production across Brazil for the second quarter of 2024, the latest official IBGE final data available. States marked in gray mean there was no chicken meat production in that quarter. The South region of Brazil – composed of the states of Paraná, Santa Catarina, and Rio Grande do Sul – continue to lead the country in chicken production, representing over 60 percent of the national production. Paraná state is the single largest producer, responsible for 35.5 percent of total chicken meat coming out of Brazil in the second quarter of 2024, followed by Santa Catarina, Rio Grande do Sul, and São Paulo.

**Figure 3**

*Brazilian Chicken Meat Production by State – Second Quarter of 2024 – Percentage of Total*



In the second quarter of 2024, the production levels of several states returned to regular levels, with the three southern-most states leading in the rankings.

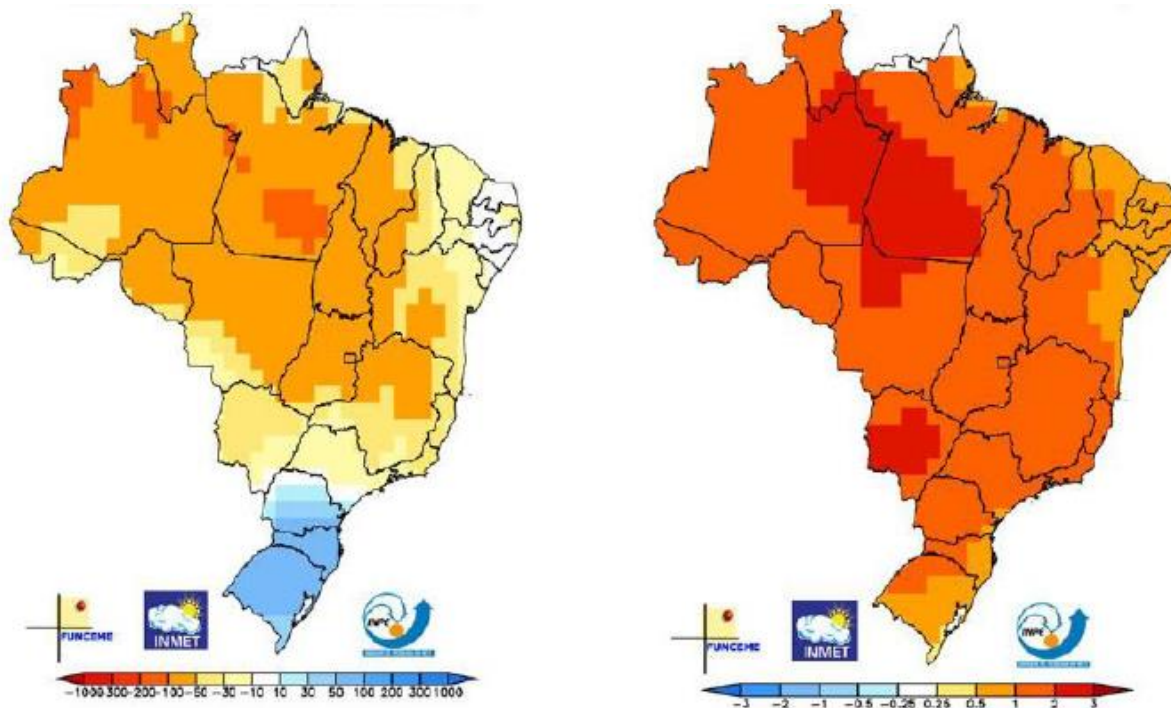
## Weather Conditions

Climate is an important factor in chicken production. The ideal temperature for chicken production varies between 18°C to 24°C (64° to 75°F). Temperatures outside of this range impact the chickens' thermal balance. Subject to higher temperatures, chickens tend to drink more water and eat less feed – hence gaining less weight and producing fewer eggs. Subject to lower temperatures, the chickens tend to pile up, not eating or drinking enough to gain adequate weight for slaughter and becoming more susceptible to respiratory diseases. Humidity in the poultry house should also be controlled for the thermal comfort of the animals, and should range from 40 to 70 percent.

Forecasts from the National Meteorology Institute (INMET) show that rainfall in the South region of Brazil will be above average in the months of September, October, and November 2024. Temperatures are also forecasted above average for the period in most of the region, mainly in Paraná, west of Santa Catarina and northeast of Rio Grande do Sul. INMET notes the possibility of polar air masses in the region, which could lead to temperature drops, and perhaps frosts in higher altitude locations. As these are the states with the largest poultry production in Brazil, careful attention should be given to temperature changes, due to the possible impacts highlighted above.

### Figure 4

*Rainfall (L) and Temperature (R) Abnormalities Forecast – September to November, 2024.*



Data Source: INMET Monthly Agri Climatological Report September 2024.

The National Oceanic and Atmospheric Administration (NOAA) reports that La Niña is favored to emerge in September-November with a 71 percent chance and is expected to persist through January-March, 2025. La Niña normally impacts producers in the South of Brazil, producing droughts that can compromise crops – and hence, the availability of feed. This scenario has the potential to impact producers with increased deaths due to the weather and increased expenditures for electricity to guarantee the thermal comfort of the animals.

### 1.3. Price and Profitability Outlook

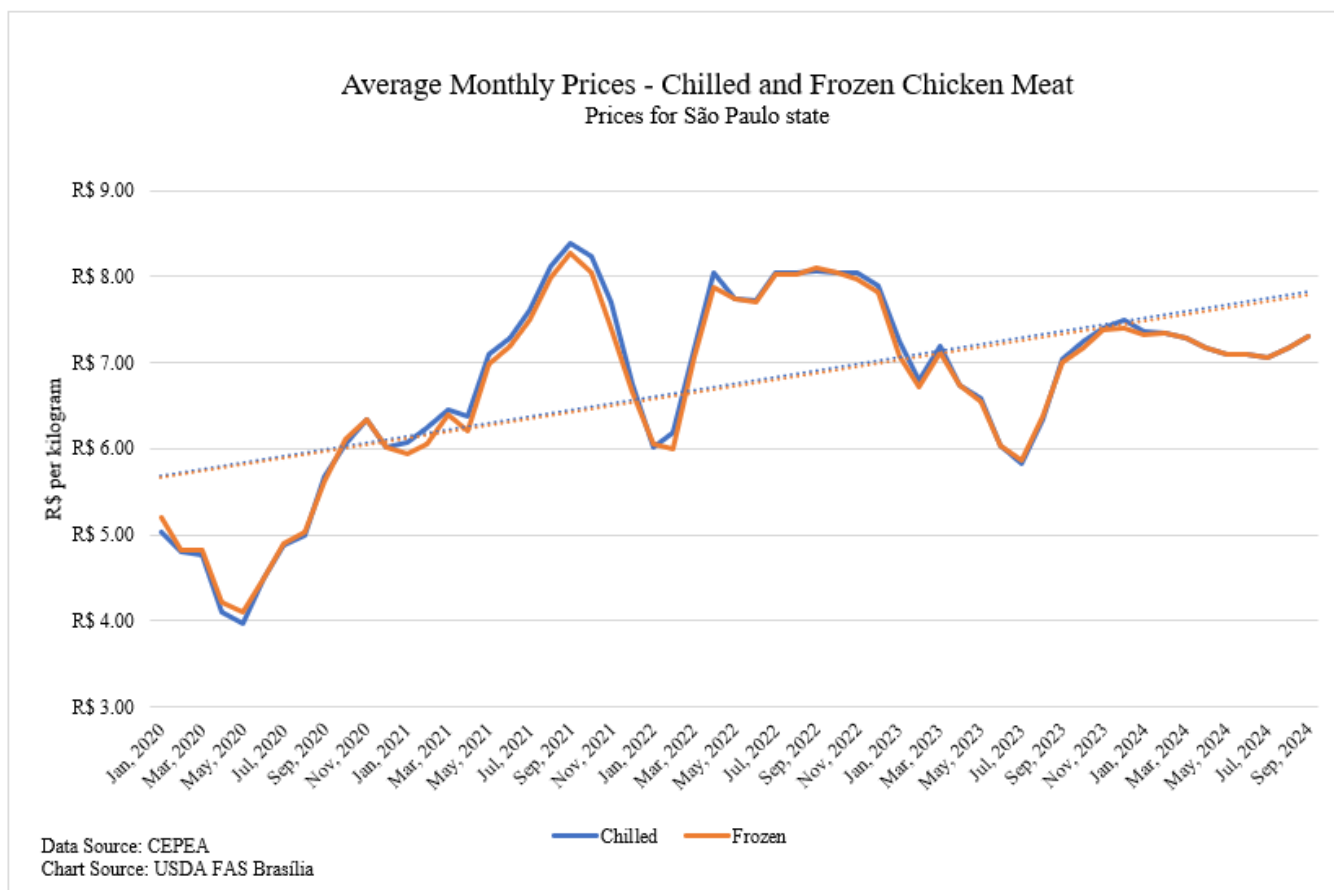
Post forecasts poultry prices will be moderate in the remainder of 2024 and in 2025 due to high supply. The forecast is based on overall decreased input costs – such as sanitary, electricity, and transportation costs, domestic inflation, and external demand. The average price per kilogram of chilled chicken meat in the period of January to September, 2024 was R\$7.21 (US\$1.37), and frozen chicken was sold at an average price of R\$7.21 (US\$1.37). In comparison, the average prices in the same period in the previous year was close to nine percent lower.

The following graph shows the average monthly prices for chilled and frozen chicken since January 2020. The graph demonstrates a recovery in prices, which was intentional as production decreased to force an adjustment in prices paid to the producers.



**Figure 5**

*Average Monthly Prices – Chilled and Frozen Chicken Meat*

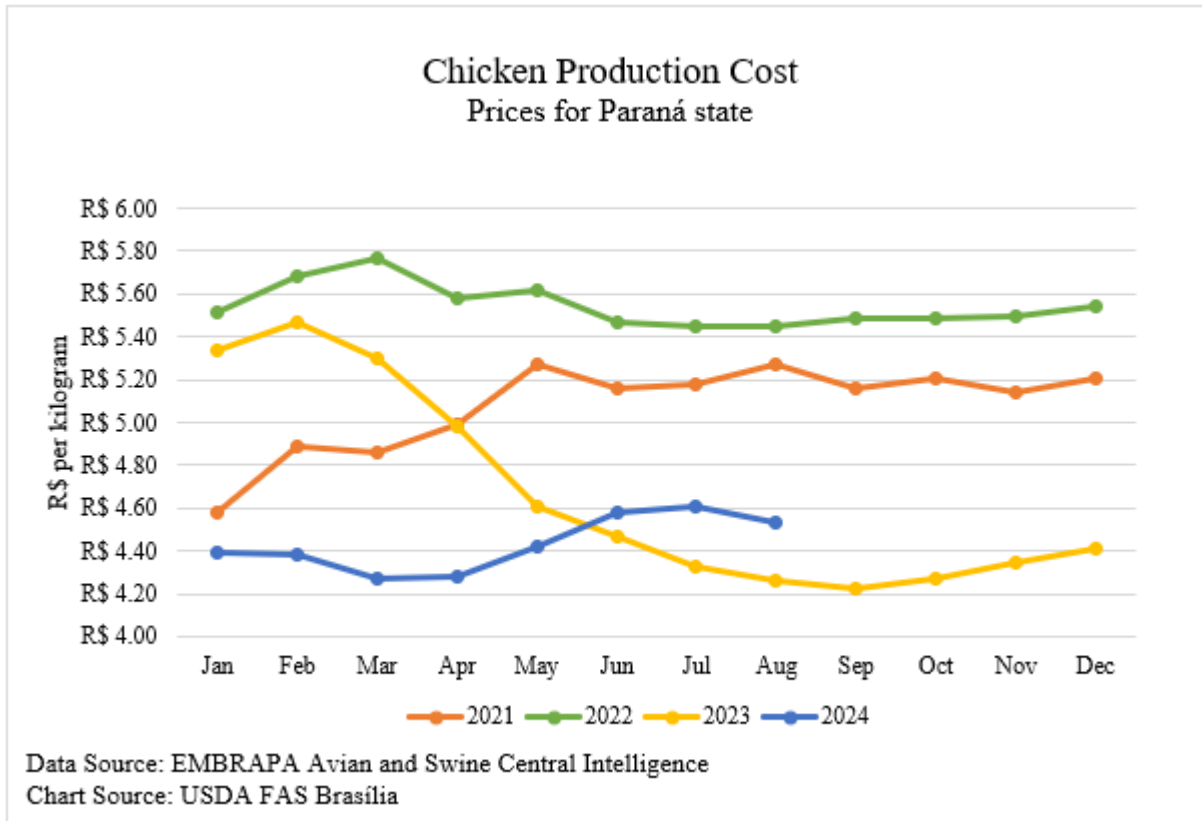


In 2024, producers adjusted production levels, and therefore, their profitability was corrected up. Given the short lifecycle of chickens, producers are more able to balance demand and production levels more quickly than other animal protein producers – such as cattle and swine, whose lifecycles are much longer than that of chickens.

The state of Paraná serves as a national reference for poultry costs, due to the size of its operations, as noted above in subsection 1.2 Production by States. The table below shows that Paraná producers saw the lowest production costs in the past four years reaching levels below 2021, when production was a record – See more details in Figure 9 Poultry Production Costs. In 2024, production costs ranged from R\$4.28 (per US\$0.81) to R\$4.61 (per US\$0.88), and in the first five months of 2024 were lower than in the same period in 2023. Post estimates production costs will remain within the current levels until the end of the year. For 2025, Post forecasts production costs to stay relatively stable from 2024, as improvements are forecasted in the corn and soybean crops.

**Figure 6**

*Chicken Production Cost for Paraná State*



## 1.4. Production Costs

### 1.4.1. Cost of Feed

The National Union for Animal Feed Industry (Sindirações) forecasts a 2.4 percent increase in feed production in Brazil for 2024. For broilers the expected growth in feed demand is 1.8 percent, and for layers it is 6.5 percent. For both broilers and layers the top macro ingredient used for feed is corn, followed by soybean meal. The feed industry is highly dependent on the animal protein sector – especially poultry and swine production. It is important to note that sources point to idle capacity in the feed industry, meaning they could ramp production up if needed.

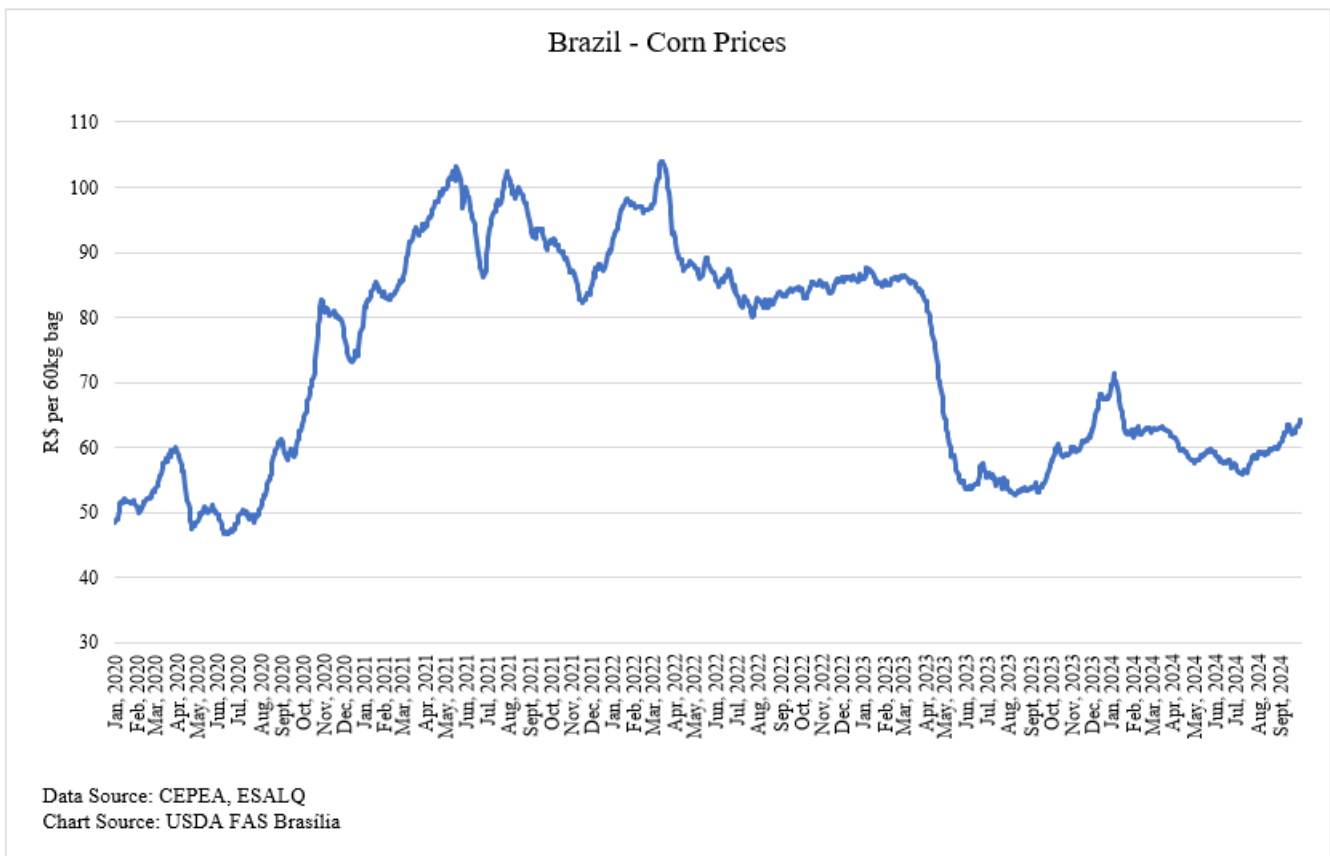
As a major producer of both corn and soybean meal, Brazil has a competitive advantage when producing animals for subsequent slaughter, decreasing the cost of feed. For crop season 2024/2025, USDA forecasts increased crops from the previous harvest.

## Corn

The USDA World Agricultural Supply and Demand Estimates (WASDE) forecasts corn production for MY 2024/25, as of September 12<sup>th</sup>, at 127 MMT. The forecast is based on improved weather conditions, with an end to the El Niño phenomenon which severely impacted corn productivity in the 2023/24 crop cycle. Brazil is expected to remain the third-largest corn producer in the world, behind the United States and China. Corn prices remain low when compared to historical levels, as seen on the following graph.

**Figure 7**

*Brazil – Corn Prices*

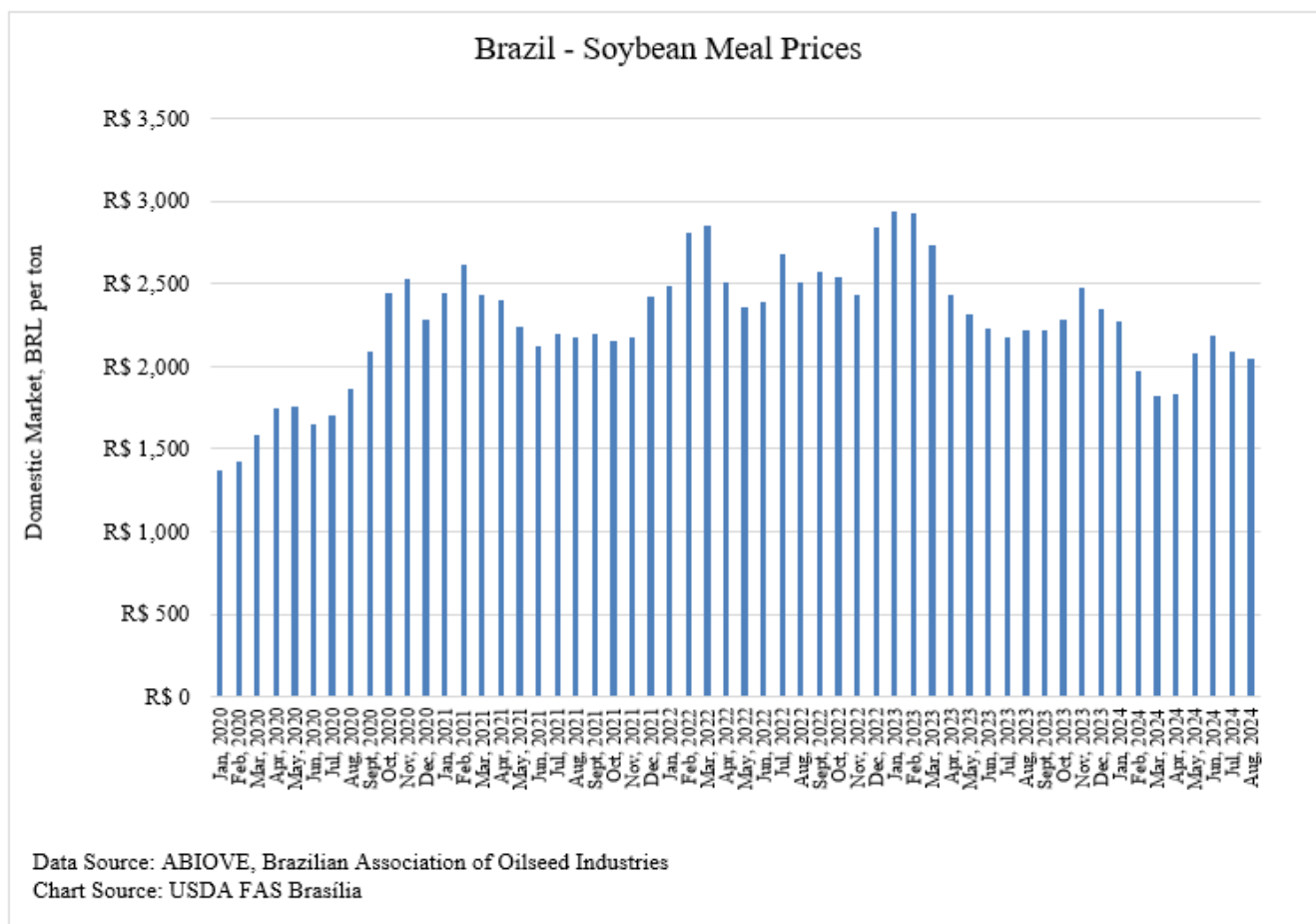


## Soybean Meal

As of September 12<sup>th</sup>, the WASDE currently forecasts MY 2024/25 soybean production at 169 MMT, up 10 percent from the MY2023/24 crop of 153 MMT. Brazil remains the world's largest soybean producer.

**Figure 8**

*Brazil – Soybean Meal Prices*



### Impact of Feed Costs on Production

In the first eight months of 2024, chicken meat producers saw relatively stable feed prices, growing only 0.77 percent in the year. The price of corn and soybeans started to recover but remained below historical levels. For 2025, Post forecasts that the large corn and soybean crops will continue to positively impact the poultry industry, lowering feed costs and making it easier for producers to balance other production costs, as seen in the following subsection.

### 1.5.2. Other Production Costs

The Brazilian Company of Agricultural Research, EMBRAPA, compiles an index for poultry production costs, called *ICPFrango*. In August 2024, feed costs accounted for over two thirds of total production

costs in the state of Paraná. Other expenses such as investments in genetics, cost of labor, electricity, bedding, heating, and transportation also compose production costs. The following table shows that, in August 2024, the largest increase in costs for the sector was for labor.

For the remainder of 2024, the price for electricity will increase. A decision published on September 27<sup>th</sup> by the Brazilian Electric Energy Agency, the regulating authority in Brazil, increased the price of the kilowatt. Close to 48 percent of the Brazilian energy matrix is hydroelectrical and the reservoirs are currently low. The price of energy contracted was not matching energy production costs, and the prices to consumers needed to be adjusted. As of October 1<sup>st</sup>, consumers will pay R\$7.87 (US\$1.44) for 100 kilowatts/hour, whereas in the past the price was R\$4.46 (US\$0.81), marking over a 75 percent increase. If this situation persists until 2025, overall cost of production may also increase.

**Figure 9**

*Poultry Production Costs*

Poultry Production Costs - August, 2024			
Item	Value difference in the year	Value difference compared to previous 12 months	Percentage of total
Feed	+0.77%	+6.27%	66.60%
Genetics	+6.40%	+5.25%	15.52%
Labor	+17.62%	+19.88%	4.79%
Sanitary	-16.38%	-16.38%	0.86%
Electric Energy/ Bed/ Heating	-0.90%	+4.40%	2.43%
Maintenance/ Insurance	0.00%	0.00%	0.73%
Transportation	-8.24%	+0.04%	1.52%
Funrural - Assistance Fund for Rural Workers	0.00%	0.00%	0.17%
Others	+3.88%	+6.15%	0.24%
Depreciation	+7.84%	+10.11%	2.73%
Capital Cost	+11.46%	+1.61%	4.42%
<b>Total</b>	<b>+2.62%</b>	<b>+6.20%</b>	<b>100%</b>

Data Source: EMBRAPA Swine and Poultry, ICPFrango

Chart Source: USDA FAS Brasilia

The following table presents the prices of live chickens, soybean meal, and corn for Paraná state from January 2020 to September 2024. As shown in the table, the average prices of live chickens for 2024 have been below those experienced in previous years. The average prices for live chicken, soybean

meal, and corn thus far in 2024 have been the lowest compared to the same months in the past three years.

**Figure 10**

*Prices for Paraná State*

Prices for Paraná state - R\$/kilogram													
	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Live Chicken</b>	2021	4.62	4.74	4.9	4.79	5.03	5.12	5.36	5.6	5.91	5.91	5.87	5.41
	2022	5.08	5.09	5.36	5.69	5.58	5.58	5.53	5.47	5.39	5.23	5.19	5.14
	2023	5.00	4.98	4.91	4.86	4.77	4.54	4.40	4.48	4.46	4.47	4.53	4.63
	2024	4.59	4.55	4.53	4.46	4.45	4.32	4.45	4.64	4.66			
<b>Soybean Meal</b>	2021	3.18	3.15	2.72	2.60	2.56	2.36	2.40	2.38	2.37	2.40	2.29	2.36
	2022	2.73	3.00	3.18	2.79	2.59	2.54	2.73	2.66	2.78	2.85	2.81	3.03
	2023	3.15	3.09	2.88	2.57	2.41	2.32	2.44	2.41	2.40	2.40	2.63	2.51
	2024	2.28	2.12	1.98	2.01	2.28	2.31	2.24	2.15	2.25			
<b>Corn</b>	2021	1.34	1.34	1.44	1.65	1.68	1.49	1.63	1.70	1.58	1.54	1.46	1.50
	2022	1.64	1.68	1.67	1.46	1.51	1.48	1.38	1.40	1.41	1.42	1.43	1.40
	2023	1.44	1.42	1.38	1.21	0.96	0.92	0.91	0.88	0.85	0.88	0.90	0.98
	2024	0.99	0.96	0.94	0.96	0.97	0.97	0.96	0.98	1.00			

Data Sources: EMBRAPA Avian and Swine Central Intelligence and Paraná Secretariat of Agriculture and Food Supply - DERAL  
 Chart Source: USDA FAS Brasilia

As previously reported in Post’s Semi-Annual Poultry and Products Report, [BR2024-0002](#), Post contacts relayed that the industry was working to adjust production by decreasing placement, in an effort to increase profitability margins for producers – a successful move that can be observed in the prices of chicken in 2024. Post contacts also note that during the pandemic, the industry at large made substantial investment to increase production. These investments point to idle capacity in production, which can be utilized if profit margins increase for producers.

For 2025, Post forecasts Brazil will have one percent growth in production. As idle capacity is available, producers will continue to balance placement levels, international and domestic demand to production levels. Furthermore, it is important to note that the forecasts in this report consider Brazil’s current sanitary status.

## 1.5. Sanitary Status

### 1.5.1. Avian Influenza

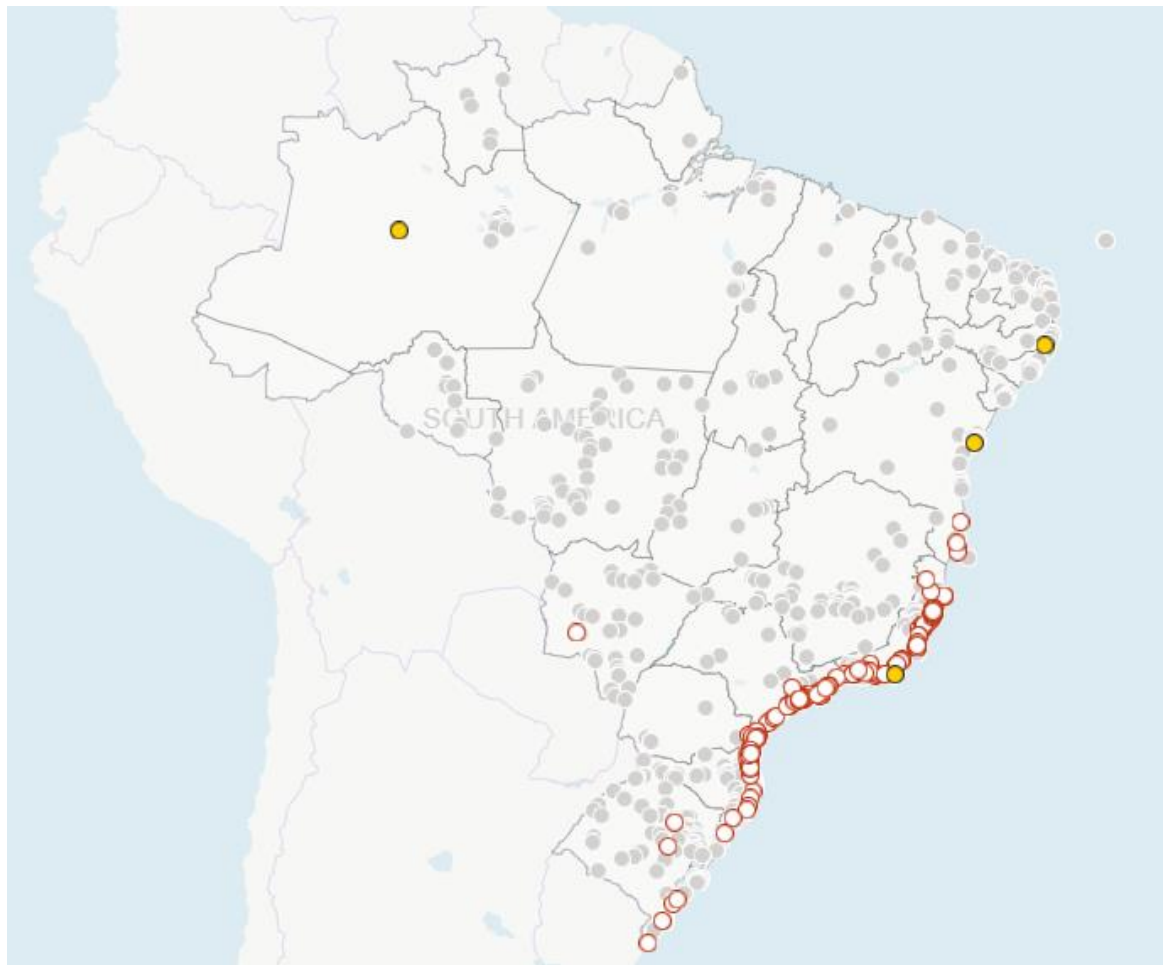
On May 15, 2023, Brazil reported the first discovery of infected wild birds to the World Organization for Animal Health (WOAH). The animals were Cabot's Terns (*Thalasseus acufavidus*) in the state of Espírito Santo. From there, the disease has spread and reached seven other states: Bahia, Mato Grosso do Sul, Paraná, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, and São Paulo.

As of October 2nd, Brazil had 166 cases of Highly Pathogenic Avian Influenza (HPAI), three in backyard flocks and the rest in wild birds, and none in commercial plants – which assures Brazil's sanitary status as free of HPAI for commercial purposes. The map below, prepared by the Ministry of Agriculture and Livestock (MAPA), shows the locations (white circle with red border) where HPAI cases have been confirmed. Gray circles are cases where laboratory testing dismissed possible cases; yellow circles are active investigations; and red circles are active cases. MAPA has prepared a complete public-facing [dashboard](#) to track all cases and investigations. In the dashboard, one can zoom in and see more details for each case.

For further information on details regarding the discovery of the disease in Brazil and the initial measures taken by the Government of Brazil in response to the discovery and planning future actions, please refer to Post's 2023 **Error! Hyperlink reference not valid.**, section 1.6. Avian Influenza.

## Figure 11

*Brazil HPAI Cases – As of October 2, 2024.*



Data Source: Brazilian Ministry of Agriculture and Livestock, Poultry Respiratory and Nervous Syndrome Dashboard.

As seen from the map, most cases were on, or close to, shorelines. This corresponds with the migratory routes of wild birds that pass through Brazil.

### 1.5.1.1. Government Measures

Since the discovery of the disease in May 2023, the Brazilian government and state-level authorities have taken several measures to prevent further spread of the disease. Brazil endeavored:

- To suspend the performance of exhibits, tournaments, fairs, and other events with live poultry animals;
- To suspend raising free range poultry with access to paddocks without screens;



- To declare a state of zoo-sanitary emergency at the federal level so as to make certain federal-level funds available to assist in prevention and coordination among different ministries and organizations;
- To start an Emergency Operations Center at MAPA to coordinate, plan, evaluate, and control national actions regarding HPAI;
- To release R\$200 million (close to US\$41.6 million) to MAPA for actions targeted at preventing the disease from reaching commercial production;
- To incentivize states to declare themselves in a zoo-sanitary emergency to be able to access funds for prevention measures, from increasing surveillance to using specific machinery for disinfection of plants;
- To liaise with industry on the issue and providing information on the need to reinforce biosecurity measures, notify cases immediately, control plant access and monitoring;
- To enhance monitoring and surveillance, and provide appropriate training; and,
- To create marketing campaigns to inform the public at large.

Although the disease has not reached commercial plants at this point, the industry and the government together have implemented crisis management protocols which have proven to be effective. Monitoring and biosafety measures have been strengthened at all levels, from government measures to industry investments and media campaigns to inform the general public. During the Western Hemisphere summer break, the government created media campaigns targeting tourists going to beaches in Brazil, asking them to report if dead animals are found and to not touch them.

For further information on the details of the discovery of the disease in Brazil and the initial measures taken by the government in response, please refer to Post's Report [BR2023-0022](#), section 1.6. Avian Influenza.

#### 1.5.2. Newcastle Disease

On July 17<sup>th</sup>, 2024, MAPA confirmed an outbreak of Newcastle Disease (NCD) in a commercial poultry plant located in Anta Gorda, in the state of Rio Grande do Sul. The last cases of the disease in Brazil were in 2006 in backyard birds in the states of Amazonas, Mato Grosso and Rio Grande do Sul.

The positive diagnostic was confirmed by the São Paulo Agricultural Defense Federal Laboratory, which is recognized by WAHO as the international reference lab for NCD diagnostics. The investigation was conducted by the Secretariat of Agriculture, Livestock, Sustainable Production and Irrigation of the state of Rio Grande do Sul (SEAPI), which sent the samples to the lab.

Post contacts have all expressed that the case is isolated and likely a consequence of hail that broke the ceiling of the poultry house, killing 7,000 animals, and opening the door for disease to spread. After the disease was confirmed, another 7,000 chickens were culled.

Other Post contacts have mentioned that the unprecedented floods in the state of Rio Grande do Sul earlier in late April-early May, 2024 might have reduced the immune response of the animals, leading to susceptibility to disease. Other consequences from the disastrous rainfall in Rio Grande do Sul have been reported by Post via Report [BR2024-0009](#). International trade was impacted, which will be detailed in section 3 of this report, Trade.

#### 1.5.2.1. Government Measures

At the outset of the outbreak, MAPA clarified that any affected establishment would face immediate shutdown, including the suspension of movement of birds. MAPA's Agricultural Defense Secretariat, along with SEAPI, applied all of the outbreak eradication procedures established through its Avian Influenza and Newcastle Disease Contingency Plan. The WAHO report on the case, available [here](#), shows that Brazil has applied the following control measures at the focus area: disinfection; official disposal of carcasses, by-products, and waste; stamping out; movement control; surveillance within the restricted zone; zoning, and traceability measures. A complementary investigation on a 10 km radius from the focus area was also performed.

MAPA highlighted in public communiqués that the consumption of poultry products inspected by the Official Veterinary Services remains safe and there are no counterindications of consumption.

Furthermore, MAPA published an ordinance in which it declared a state of zoo-sanitary emergency in the state of Rio Grande do Sul, as a result of the finding. The measure will be valid for a period of 90 days, which ends on October 18, 2024. The declaration assists in a more agile epidemiological surveillance with the application of focus eradication procedures. Among the actions established by the Contingency Plan, are the culling or slaughter of all birds where the focus was confirmed, cleaning and disinfection of the site, adoption of biosecurity measures, marking of protection zones and surveillance of all properties in a 10km radius from the focus area, definition of sanitary barriers, etc.

The government also added Newcastle Disease tracking to the dashboard, now called Poultry Respiratory and Nervous Syndrome dashboard.

## 2. Consumption

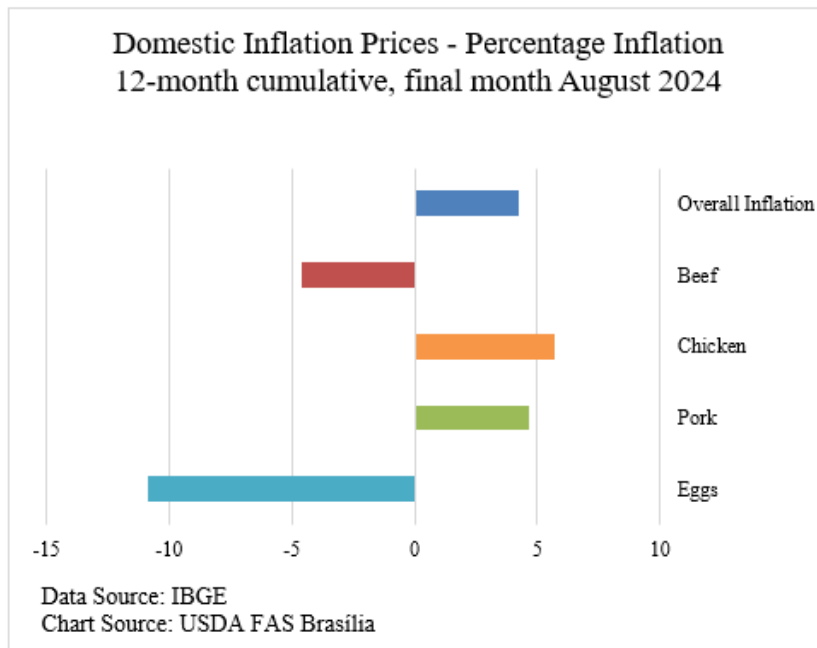
Post forecasts domestic chicken consumption in 2025 at 10.1 MMT RTC and estimates 2024 domestic consumption at the same level. Post anticipates that 67 percent of the Brazilian chicken production will be destined for the domestic market in 2024 and 2025.

The Brazilian Central Bank (BCB) forecasts moderate economic performance in 2025, with GDP growth at 1.92 percent, per the latest data available from the BCB Focus Bulletin. The inflation rate is forecasted at 3.97 percent in 2025. Domestic consumption can potentially benefit from social aid programs to the population in most need, as well as from an increased minimum wage. The Institute of Geography and Statistics (IBGE) reports 7.5 million unemployed people in the second quarter of 2024 and an additional 3.3 million people who have stopped looking for a job. These factors may negatively impact households' purchasing power and thus consumption.

Chicken remains the most widely consumed animal protein in Brazil, as it is commonly the substitute for preferred, but more expensive, beef. As seen in the following table, inflation in the domestic retail market for chicken has been decreasing in the past 12-month cumulative, per official IBGE data.

**Figure 12**

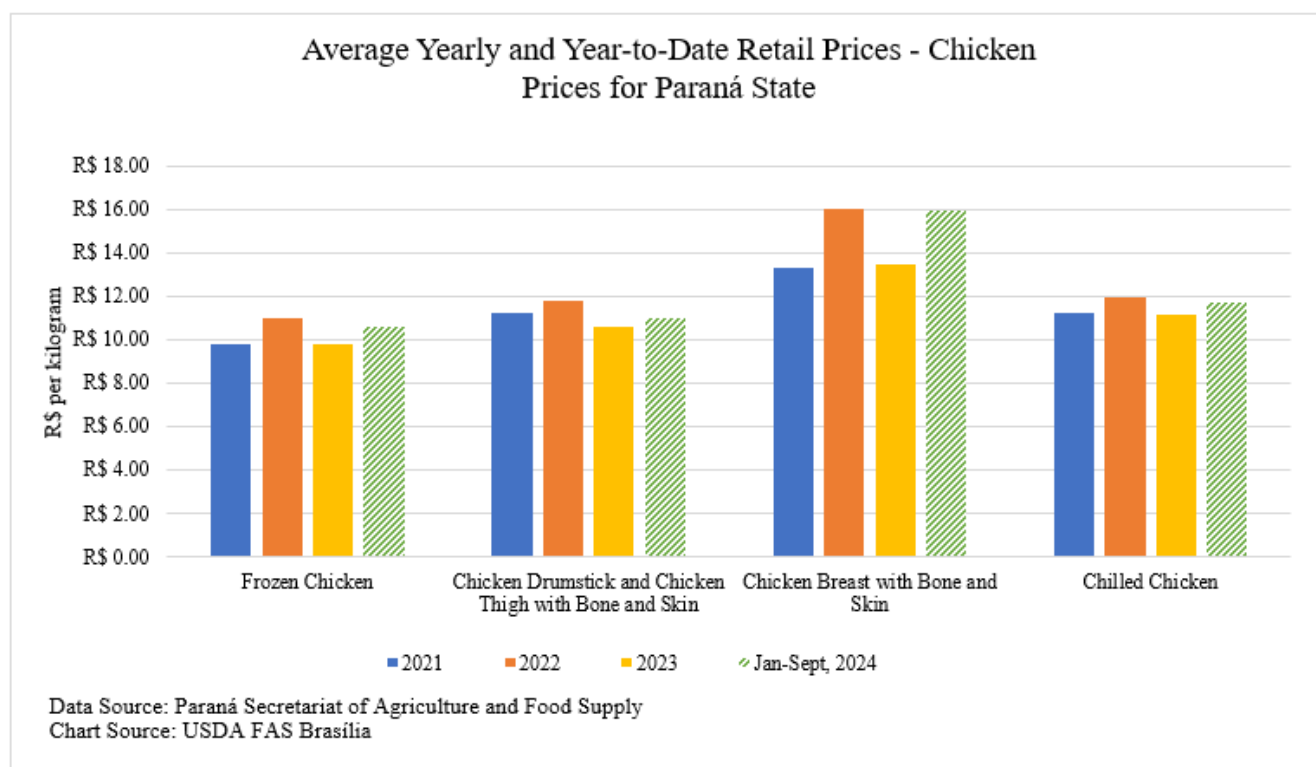
*Domestic Retail Prices Percentage Inflation*



The state of Paraná serves as the reference for chicken production in Brazil. The state's Secretariat of Agriculture and Supply monitors different cuts compared to IBGE surveys, and their data shows the variation in prices, as demonstrated in the following graph.

**Figure 13**

*Average Yearly and Year-to-date Retail Prices – Chicken – Paraná state*



As seen from the previous graph, 2024 prices increased in every category. In the period January to September 2024, retail prices increased compared to 2023. The increased price to consumers supports Post's expectations for stable domestic consumption in 2024 and 2025, as recovering prices make it more expensive for consumers. Additionally, chicken meat competes with other animal protein sources, and both beef and pork consumption are forecasted to increase in 2024. See Post's Livestock and Products Semi-Annual Report [BR2024-0023](#).

### 3. Trade

#### 3.1. Exports

Post forecasts Brazil will remain the world's largest exporter of chicken meat in 2025, as it will in 2024. Chicken meat exports are forecast at 5 MMT RTC in 2025, which represents a two percent increase from 2024. Post estimates 2024 exports at 4.9 MMT RTC, a two percent increase from the previous year. Post forecasts exports will account for 33 percent of all production in Brazil in 2025. Note that

Post and official USDA forecasts do not include chicken paws, but official Brazilian statistics do, as Brazil does not currently have an HS Code designated for chicken paws.

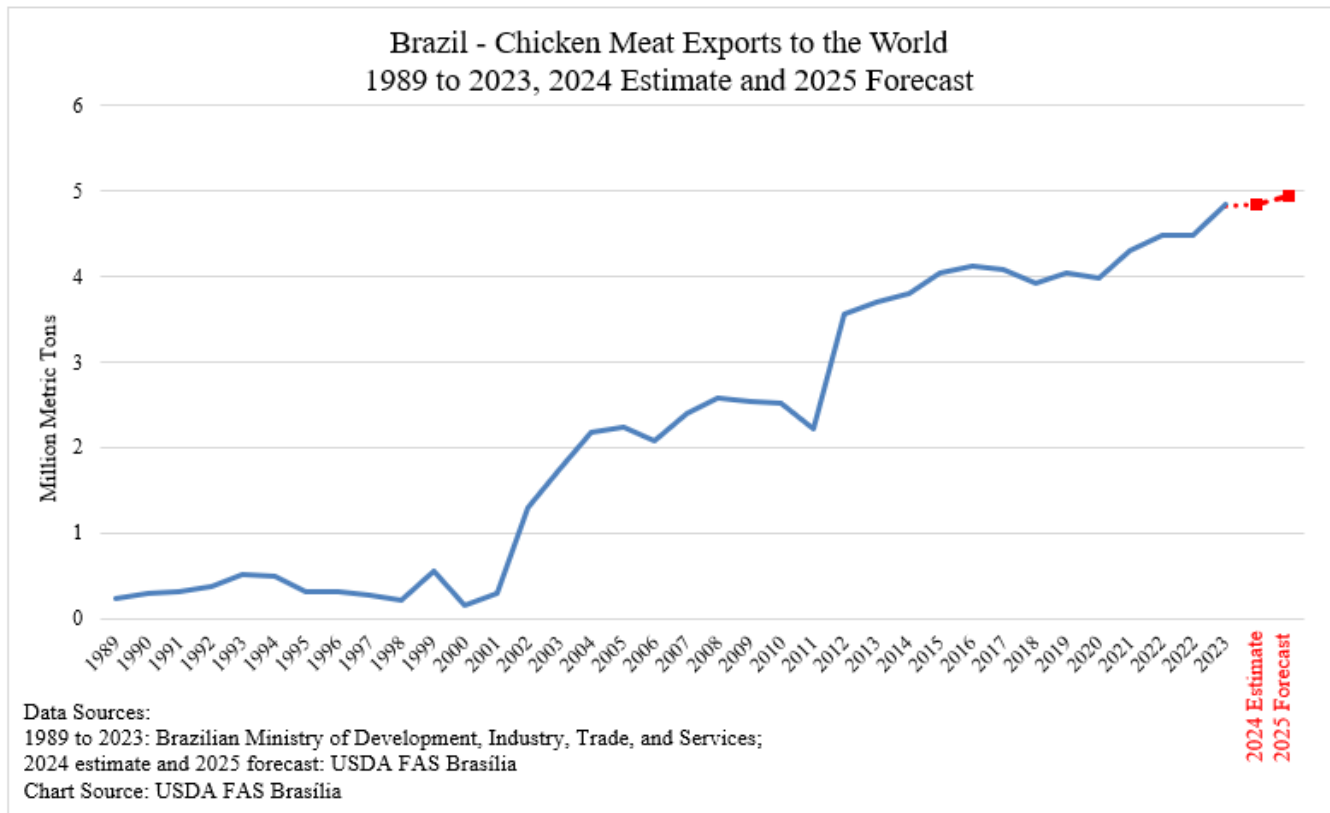
These forecasts are based on: increased production; year-to-date exports; high external demand likely boosted by the recent Chinese decision to lift antidumping measures against Brazil; Brazil’s sanitary status as free from HPAI in commercial plants; price competitiveness; and, competitor exporters facing challenges with production due to animal disease.

Official Brazilian government data from the Ministry of Development, Industry, Trade, and Services (MDIC) indicate that from January to August 2024 Brazil exported 1.19 percent less than in the same period of 2023. This decrease can be explained by producers adjusting placement to raise profitability. In the first eight months of 2024, Brazil exported 3.25 MMT (including paws), worth US\$ 5.97 billion, and is set for another record year in exports.

The following graph shows the evolution of Brazil’s exports of chicken meat to the world since the beginning of the historical series.

**Figure 14**

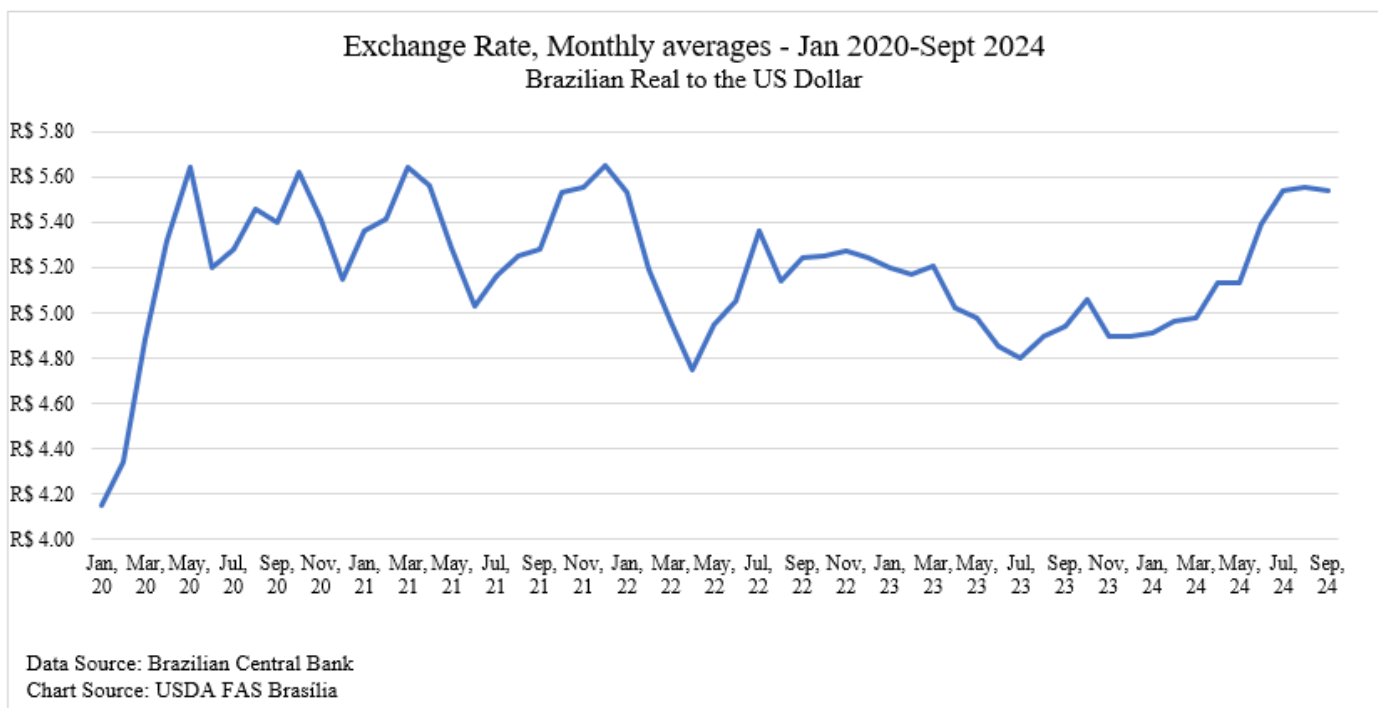
*Brazilian Chicken Meat Exports to the World*



Post’s 2024 and 2025 forecast results of high external demand, stable domestic consumption, and devalued – although improving – local currency, which incentivizes producers to export, and hence gain more for the investments they have made in increasing production capacity during the pandemic. The following graph shows the fluctuation of the exchange rate in the last few years.

**Figure 15**

*Average Monthly Exchange Rate, January 2020 to September, 2024*



Per official USDA data, Brazil will be responsible for over 31 percent of global exports of chicken meat by the end of 2024. Brazil is followed by the United States and the European Union as the top three largest exporters. Together the United States and the EU account for an additional 30 percent of global exports.

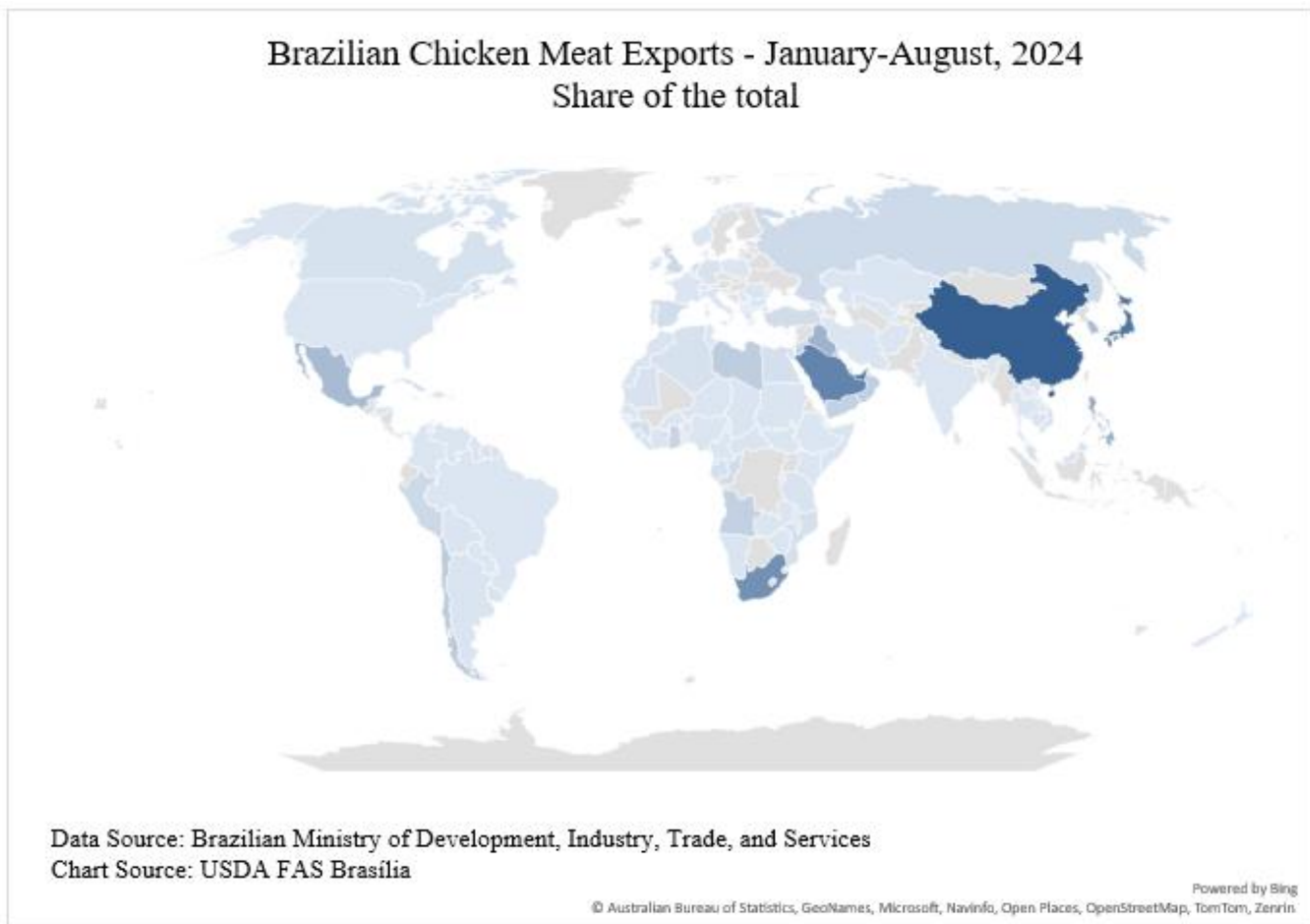
### Trading Partners

In terms of trading partners, Brazil’s main market since 2019 is China. In the period January-August 2024, China was the destination of nearly 11 percent of all exports, although Brazilian exports to China decreased by 28.5 percent from the same period in 2023.

Different from other animal protein where exports are more concentrated in specific countries, Brazil's exports of chicken meat are diversified. In the first eight months of 2024, Brazil exported chicken meat and chicken products to 161 countries. The following map shows Brazil's chicken meat exports to the world. The darker the color, the more exports to that country.

**Figure 16**

*Brazilian Chicken Meat Exports – Share of the Total, January-August, 2024*

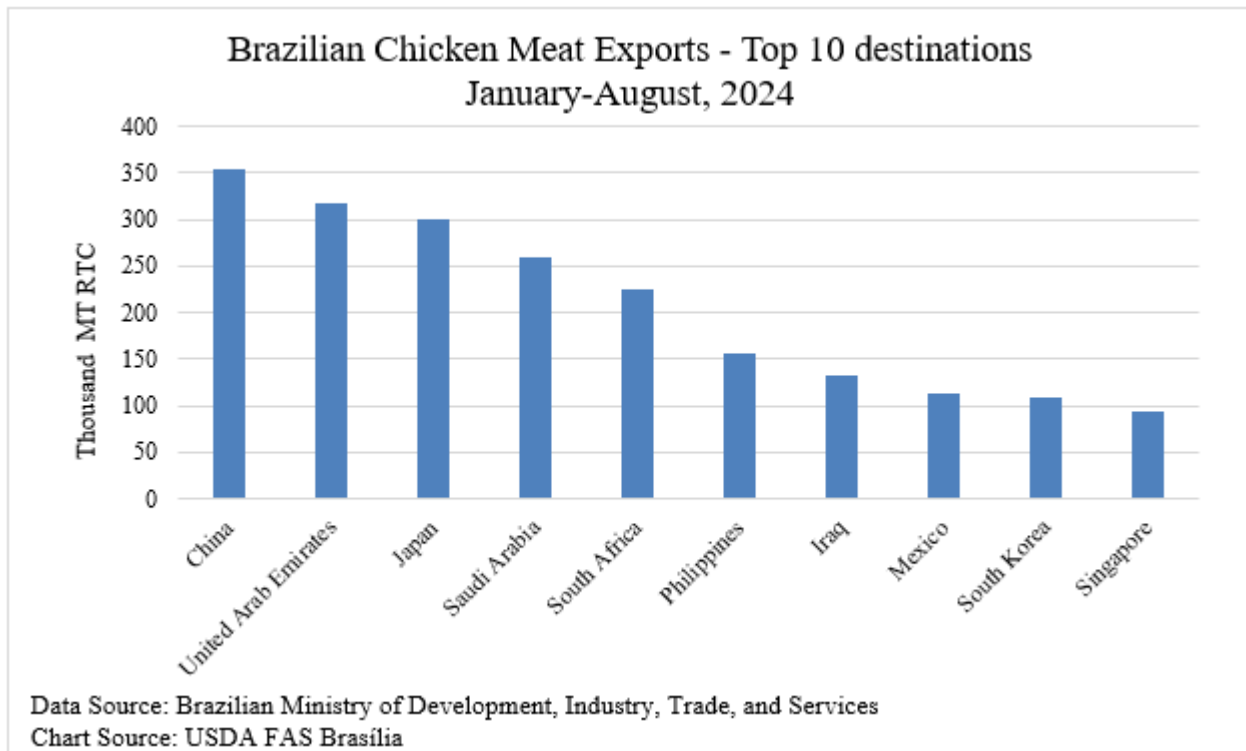


China, the United Arab Emirates, Japan, Saudi Arabia, and South Africa compose the top five destinations to which Brazil exported chicken meat in the period January-August, 2024. Brazil exported 1.45 MMT to these countries during the period, accounting for close to 45 percent of all exports.

The top 10 destinations are seen in the following graph. The represented countries have been consistent and reliable export destinations for Brazil.

**Figure 17**

*Brazilian Chicken Meat Exports – Share of the Total – Top 10 destinations, January to August 2024*



For the remainder of 2024, Post forecasts that these countries are likely to remain the top destinations for Brazilian chicken meat. Contacts have previously told Post that Brazil is increasing exports, taking advantage of its current sanitary status, whereas its major competitors face challenges with HPAI. For 2025, Post does not foresee any major changes in the composition of Brazil’s main trading partners.

#### People’s Republic of China (PRC)

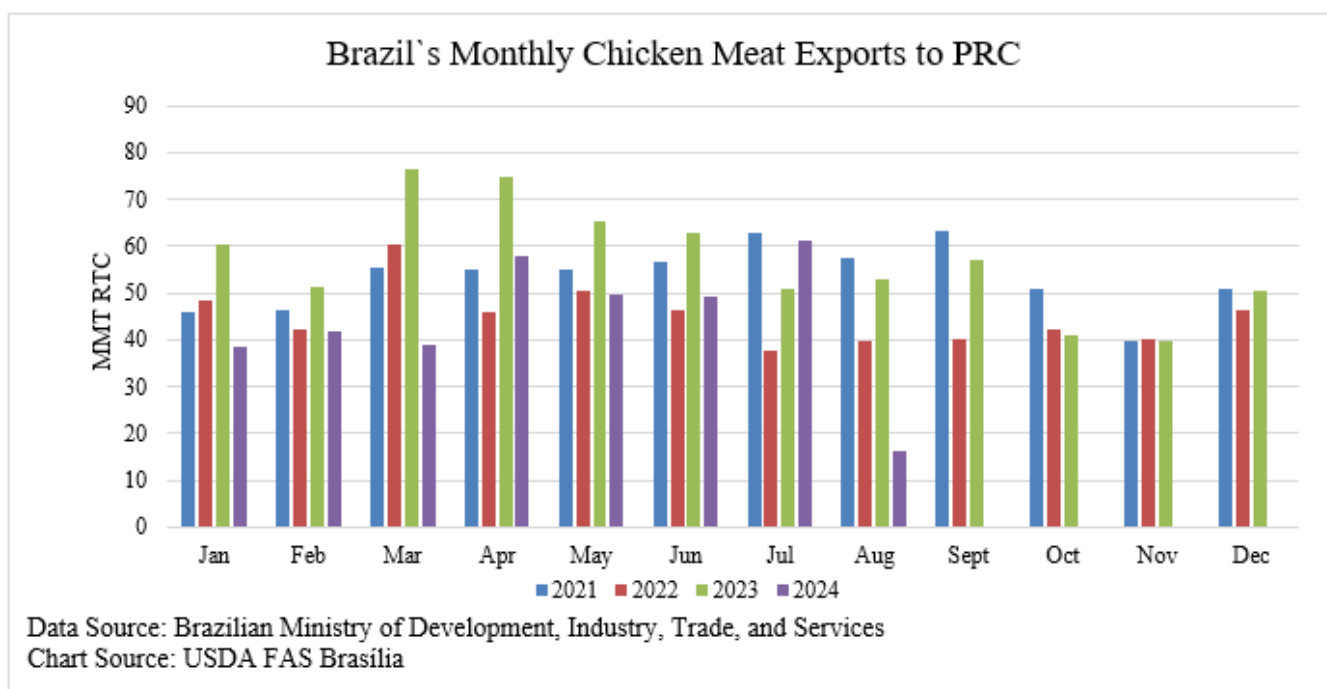
On February 27, 2024, PRC announced to the Brazilian government that the antidumping tariffs imposed on Brazilian chicken meat in 2019 were rescinded. The tariffs ranged from 17.8 to 34.2 percent, depending on the exporting company. The announced decision was made retroactive to February 17<sup>th</sup>, when the tariffs were eliminated. The Brazilian Ministry of Development, Industry, Trade, and Services also reported that 14 Brazilian companies had agreed on “price commitments” with PRC, which implied pre-established price levels, and hindered competitiveness. Currently, this is no longer the case: all companies compete on a level playing field.



The decision was celebrated by poultry producers and associations who expect exports to the PRC would likely be increased in 2024. However, as seen from the following graph, exports to PRC have decreased in nearly every month of 2024. As noted by Post Beijing on their Poultry and Products Annual Report, [CH2024-0108](#), PRC has increased domestic production, and for 2025, the forecast is for decreased imports – a scenario that directly impacts Brazil, as PRC constitutes Brazil’s major trading partner for chicken meat.

**Figure 18**

*Brazilian Monthly Chicken Meat Exports to PRC*



Another factor that has impacted Brazil’s exports to PRC – and one can clearly see in August export data – Brazil’s self-imposed restrictions for exports to PRC after Newcastle Disease was detected in Rio Grande do Sul in mid-July. Post Beijing reports that the Chinese General Administration of Customs (GACC) and Ministry of Agriculture and Rural Affairs (MARA) jointly published an announcement that, starting on August 2<sup>nd</sup>, 2024, poultry and poultry products imports originating directly or indirectly from Rio Grande do Sul were prohibited.

On August 24<sup>th</sup>, Brazil’s Ministry of Agriculture and Livestock held a technical meeting with GACC in which they discussed the review and update of sanitary and phytosanitary protocols between both countries. In that meeting, poultry exports were discussed, with the inclusion of offal, as well as

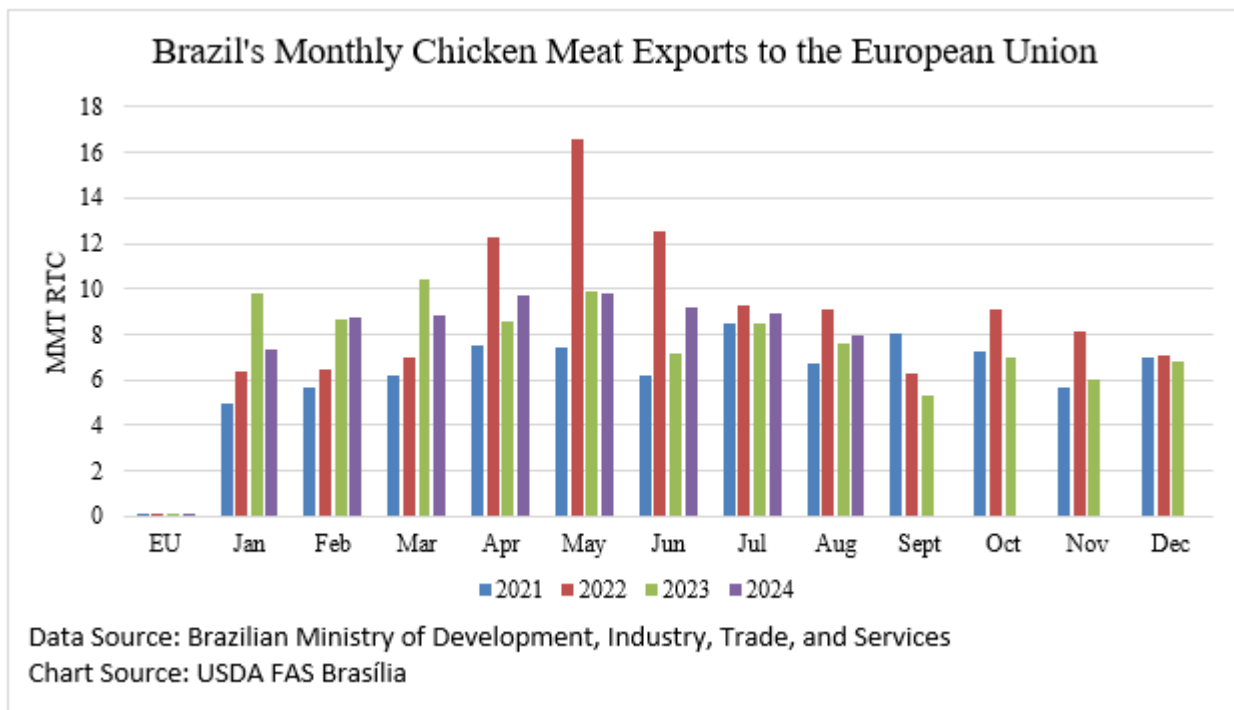
regionalization for HPAI and NCD. It is important to note that Rio Grande do Sul has been expanding its exports to PRC, and in the period of January to August of 2024 the state was responsible for 11.4 percent of all chicken meat exports to PRC. Formalizing an agreement to regionalize exports in case of diseases would be extremely beneficial to Brazil, as well as to PRC: securing exports for Brazil and assuring that the chicken meat supply in PRC meets their domestic demands.

### European Union

As previously reported by Post in its Semi-Annual Report, the European Union has implemented an electronic health certificate for poultry exports to the region. Brazil’s first cargo certified electronically was on February 26, 2024. The Brazilian Association of Animal Protein celebrated the decision and increased exports were expected. As seen in the graph below, Brazil’s chicken meat and products exports to the region have, with the exception of March 2024, increased when compared to the same months in the previous year. As the system consolidates and producers become more familiar with the process for electronic certification, the expectation is to continue expanding exports to the Europe.

**Figure 19**

*Brazilian Monthly Chicken Meat Exports to the European Union*



## Diversifying trading partners

### New Markets Opening

The Brazilian Ministry of Agriculture and Livestock, along with the Brazilian Ministry of External Affairs continue to expand the consumer pool for Brazil – by opening new markets or by diversifying products to existing markets.

As of early October 2024, Brazil reached a historical milestone: it opened 246 new markets in over 60 countries in the current administration. These new markets are for all agricultural products, not limited to poultry and poultry products. Minister of Agriculture and Livestock Carlos Fávaro notes that “this is a reflex of our commitment to strengthen Brazil’s agriculture and open new opportunities for agricultural and livestock producers”. Specifically related to poultry and poultry products, Brazil has opened 20 new markets so far in 2024. They are: live poultry to Saudi Arabia; avian-origin chewables to Canada; edible poultry offal to Chile; poultry feathers to Hong Kong; poultry flour and fats to South Korea; egg and egg products to Cuba; poultry fats and oils to Ecuador; poultry meat to El Salvador; eggs to El Salvador; poultry meat to Lesotho; fertile eggs to Lesotho; day-old chicks to Lesotho; live layers to Lesotho; poultry oil for animal feed to Mexico; day-old chicks to Mexico; poultry meat and offal to Panama; Poultry meat and chicken mechanically separated meat to Papua New Guinea; egg and egg products to Russia; pet food from cloven-hoofed animals or poultry to Taiwan, and egg products for animal feed to for Türkiye.

### Singapore

Another relevant market for Brazil is Singapore. In early December 2023, Brazil received the approval of its pre-listing for animal protein exports to Singapore. This was a decision celebrated by industry as the country is a strategic and high-value-added market. As of August 2024, exports to the country have increased three percent.

### Cuba

Earlier in 2023, Cuba granted pre-listing status for Brazilian chicken meat. Exports to Cuba have increased 72.5 percent by August, 2024. Despite the significant growth, the Cuban market is still dominated by U.S. exports. Official data shows that Brazil had 12.5 percent of the market, and the United States had 76 percent of the Cuban market in the period of January to July, 2024.

### Chile

Chile also granted pre-listing status for Brazilian chicken meat in 2023. Exports to Chile by August 2024 have increased over 33 percent. Brazil holds 75 percent of the Chilean chicken meat market, and the United States holds the other 25 percent, in the period of January-July 2024.

#### Russia

In late December 2023, Russia announced the opening of a new import quota of 140,000 MT for chicken meat for further processing. Although the quota is not exclusive to Brazilian exporters, Brazil is likely to benefit from them, due to size of its export reach and capacity to adapt to the needs of its global importers. As of August 2024, Brazil has exported close to 32,000 MT of chicken meat to Russia, nearly 25 percent more from the same period in the previous year. As for Belarus, Brazil did not export to that country in 2024.

#### Indonesia

Regarding Indonesia, since 2014, Brazil has had an open case at the World Trade Organization (WTO) on measures imposed by the country to block Brazil's access to its chicken meat market. Brazil won the case, but Indonesia requested a reasonable deadline to adopt the measures suggested by the WTO. In December 2020, Indonesia appealed into the void to the WTO Dispute Settlement Appellate Body, delaying even further the adoption of the recommendations, as the body has not been functional due to the lack of appointed members. For more on this case, please refer to Post's 2022 and 2023 Poultry and Products Annual Report, Report number [BR2022-0051](#) and Report number [BR2023-0022](#). Post continues to monitor the case.

#### Halal Markets

Brazil continues to focus its exports on halal markets, such as the United Arab Emirates and Saudi Arabia. The two countries have been long-term and firm partners of Brazil.

#### HPAI and NCD Trade Implications

In 2023, due to the first cases of HPAI in Brazil, government authorities acted quickly to avoid further spread of the disease from wildlife animals to animals destined for commercial production. The country has been successful thus far in that regard, but there were three cases of HPAI in backyard flocks. As a trade implication, the Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF) authorities closed the market to the states where the cases took place – Espírito Santo, Santa Catarina, and Mato

Grosso do Sul. In all instances, after a period of quarantine, the Japanese authorities lifted the embargos. Japan was the only country to impose suspensions derived from the backyard findings.

In July 2024, Brazil had its first case of Newcastle disease since 2006. Brazil immediately voluntarily suspended exports. The suspension was established at different levels. For some markets the government imposed a total restriction of exports, and for others it applied regional restrictions either by state, by 10-km radius, or by municipality. The government also differentiated its suspension by type of products. For certain countries such as Argentina, South Africa, and Chile, the trade restrictions did not apply to thermal-processed poultry products. The Brazilian government acted quickly through its agricultural attachés worldwide to inform trading partners about the case and share the actions taken.

The following were all cited in media reports as having applied restrictions – either in full or partially: Albania, Argentina, Bolivia, Canada, Chile, China, Cuba, Dominican Republic, East Timor, Egypt, Euroasia Economic Union, European Union, French Polynesia, Georgia, Hong Kong, India, Israel, Japan, Jordan, Kazakhstan, Kosovo, Macedonia, Mauritius, Montenegro, Morocco, Myanmar, Namibia, Pakistan, Paraguay, Peru, Philippines, Saudi Arabia, South Africa, South Korea, Sri Lanka, Tajikistan, Thailand, Ukraine, United Kingdom, Uruguay, Vanuatu, and Vietnam. Among these, several suspensions have been lifted, while others are still in place – such is the case for China, who has accepted to regionalize its suspension, impacting only the state of Rio Grande do Sul.

Industry contacts note that they do not foresee large disruptions from HPAI and NCD findings, even if the disease is found at commercial plants. Industry is expecting isolated suspensions, by location and on a temporary basis, without severe negative impacts to the flow of trade. The Brazilian Ministry of Agriculture and Livestock, as well as the Brazilian Ministry of External Affairs have done intensive work along with importing nations to maintain transparency and share information about the cases and measures taken.

### Regionalization

MAPA continues to diligently work in negotiating regionalization agreements with major importing countries to mitigate any potential outbreak of HPAI or NCD in commercial plants. MAPA is working towards negotiating health certificate modifications individually, where needed.

For certain countries, regionalization will be applied to a specific kilometer radius from the focus areas, with an additional radius for monitoring; for other trading partners, regionalization has been secured at the state-level, and for others at the municipality-level. A list of which countries with which Brazil has been able to secure such agreements and at what level is not publicly available. Also, some health certificates do not mention HPAI or NCD specifically, so importers would need to decide for each occurrence what course of action to take, and whether suspension is warranted or not. Clearly such decisions need to take into account the level of dependence the importing country has on Brazilian chicken meat for its food security. As the world's largest exporter - and especially considering the

sanitary status of other global players which have impacted their export capacities – some countries would have no other choice but to regionalize imports from Brazil to maintain their internal food supply.

### 3.2. Imports

Post forecasts chicken meat imports for 2025 at 2,000 MT and estimates 3,000 MT for 2024, based on high availability of domestic supplies. From January-August 2024, Brazil imported 3,226 MT in frozen chicken cuts and edible offal. In January, the only providers of chicken meat to Brazil were Argentina and Chile. Argentina accounts for over 82 percent of the total share.

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## Annex 1



### Attachments:

No Attachments