

# Brazilian Beef Strategy

Cepea/Esalq-USP

Center for Advanced Studies on Applied Economics

*Rildo Esperancini Moreira e Moreira*

# Topics



- Research
  - Research Center
  - Companies focused on agriculture and livestock research
- Strategies
  - Production (on the farm)
  - Market (out of the farm)



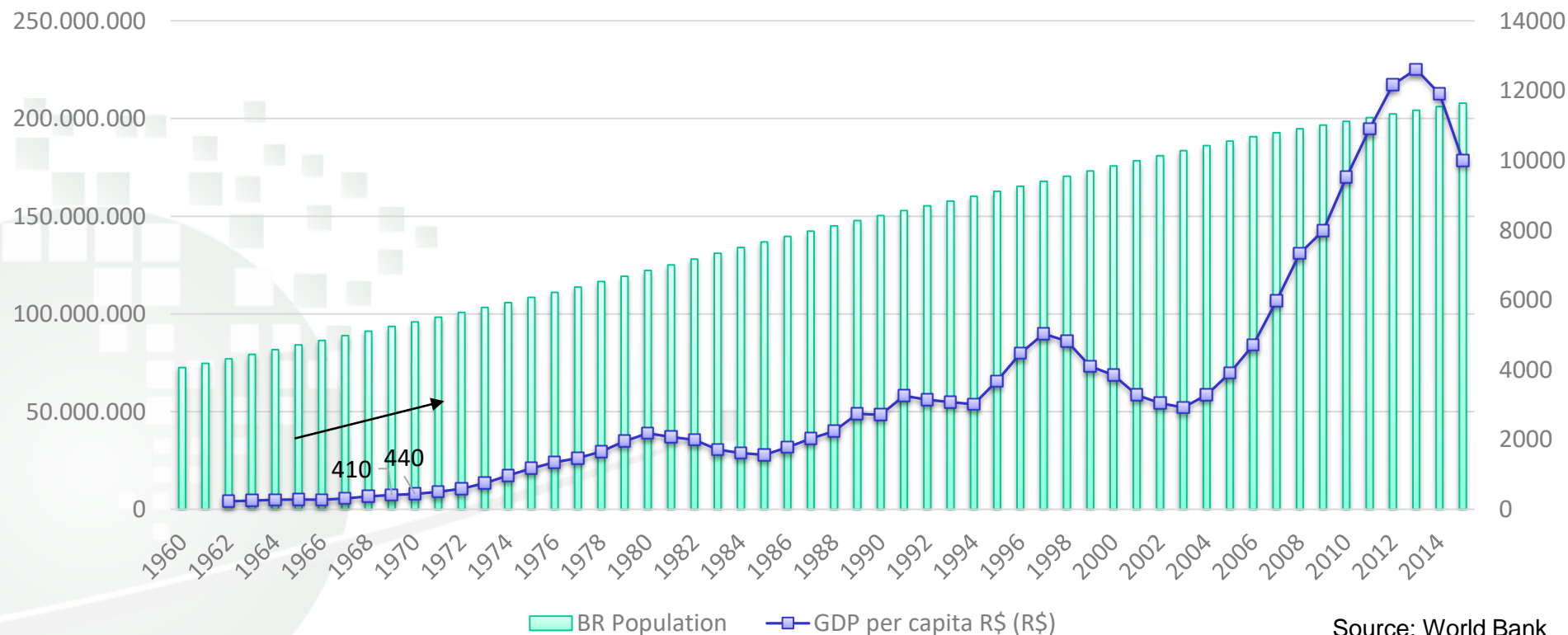
# Research

*Ministry of Agriculture and partner institutions; universities; research centers*

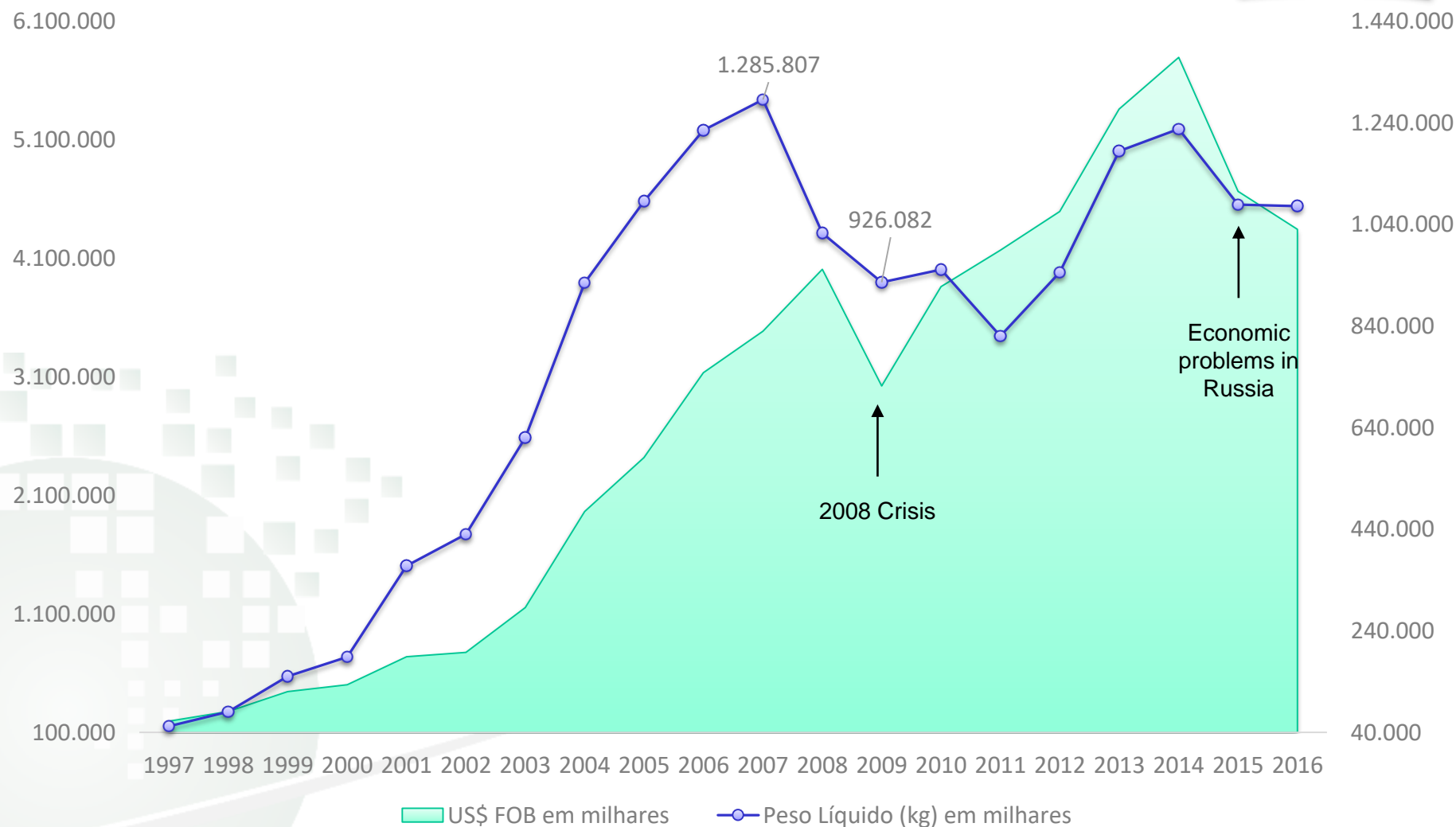
# Research Center

1970 – The Brazilian agriculture was intensified (populational growth and income increase; external market opening)

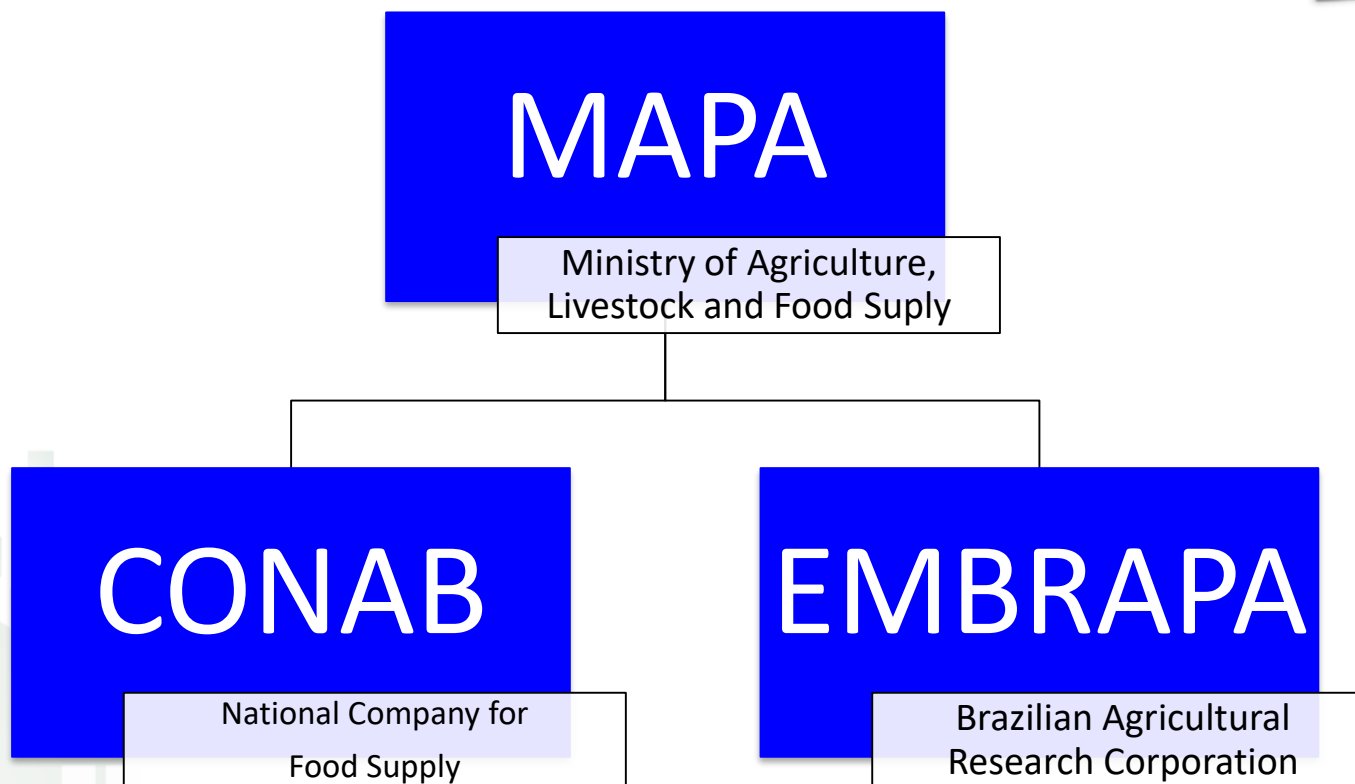
- ✓ Investments in agricultural sciences become a necessity, aiming to reduce the gap between demand increase and food supply



# Evolution of Brazilian beef exportations\*



# MAPA and partner institutions



# CONAB

National Company for Food  
Supply



Conab Companhia Nacional de Abastecimento

Agricultura e abastecimento em boa companhia

- ✓ Statistics and price survey
- ✓ Survey of agricultural production costs
- ✓ Expectation for the sowing and harvesting of grains
- ✓ Volume and location of public and private stocks of several products.



# EMBRAPA

Brazilian Agricultural  
Research Corporation



Empresa Brasileira de Pesquisa Agropecuária  
Ministério da Agricultura, Pecuária e Abastecimento

- ✓ It is focused on the technological innovation for the generation of knowledge and technology for the Brazilian agriculture
- ✓ The SNPA (National Agricultural Research System) aims at compatibilizing the guidelines and strategies of agricultural research with the defined development policies for Brazil and for each region.
  - It promote partnerships between institutions
  - It coordinates the research effort in order to provide support to the development of the Brazilian agriculture

# EMBRAPA

Brazilian Agricultural Research  
Corporation

## Main projects:

### ✓ *Suplementa Certo*

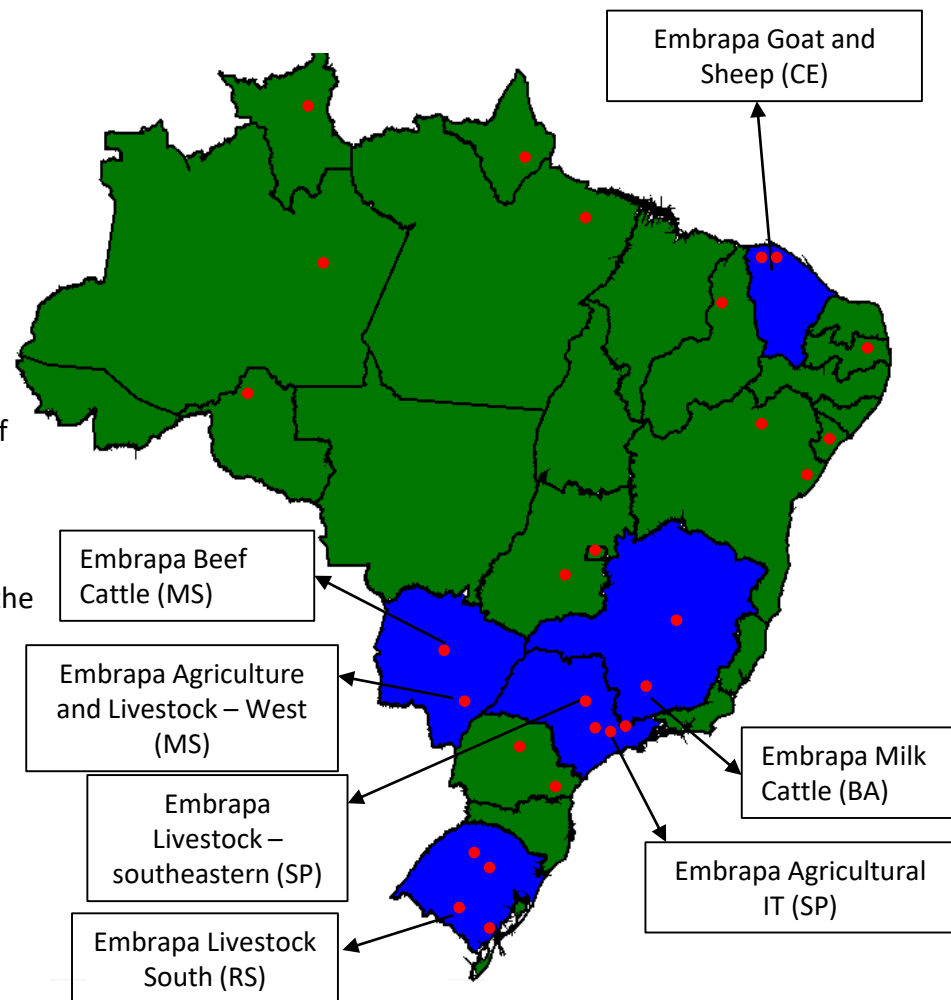
- Mobile app focused on calculating the cost/benefit of supplementation in drought.

### ✓ *BPA – Brazilian GAP*

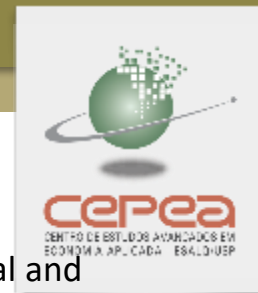
- A group of norms and procedures to be followed by producers and, with the help of technicians, correct the observed irregularities.

### ✓ *S.A.C Mobile*

- Digital media used for knowledge exchange with the growers community.







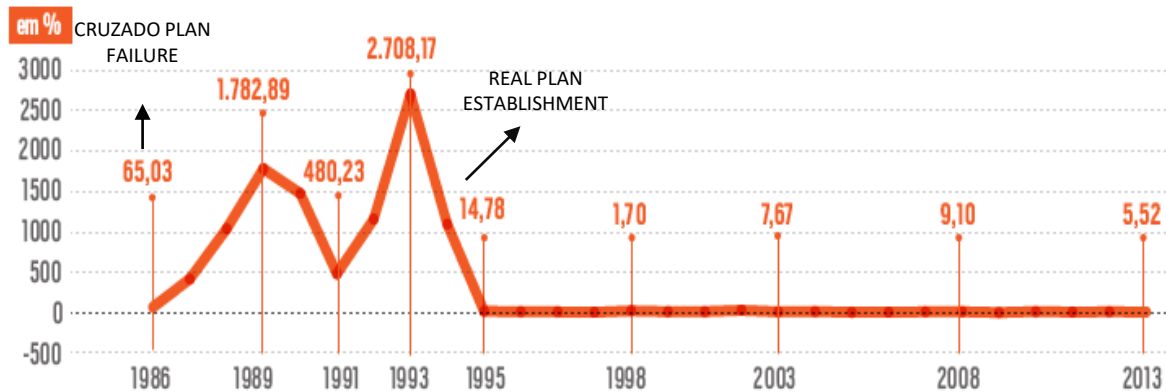
# Universities

The main state and federal agronomical, zootechnical and veterinarian universities also develop researches focused on beef cattle production.

The objective is to supplement the knowledge of producers for a better development of the sector through:

- ✓ Field survey in partnership with other institutions
  - For example: Feedlot Tour DSM/Tortuga and Cepea – Esalq/USP; Future Field Project– Cepea/ CNA
- ✓ Technological and sociological assistance services provision
  - For example: PDPL – UFV (Dairy Cattle Farming Development Program)
- ✓ Researches focused on the improvement of reproduction management in beef and milk cattle
  - For example: CONAPEC Jr. - Unesp
- ✓ Price indexes and production costs of beef cattle production for the analysis of the financial health of modal properties
  - For example: Finished beef cattle index Esalq/BM&FBOVESPA; Calf index Esalq/BM&FBOVESPA Mato Grosso do Sul - Cepea

# 1994 – Real Plan



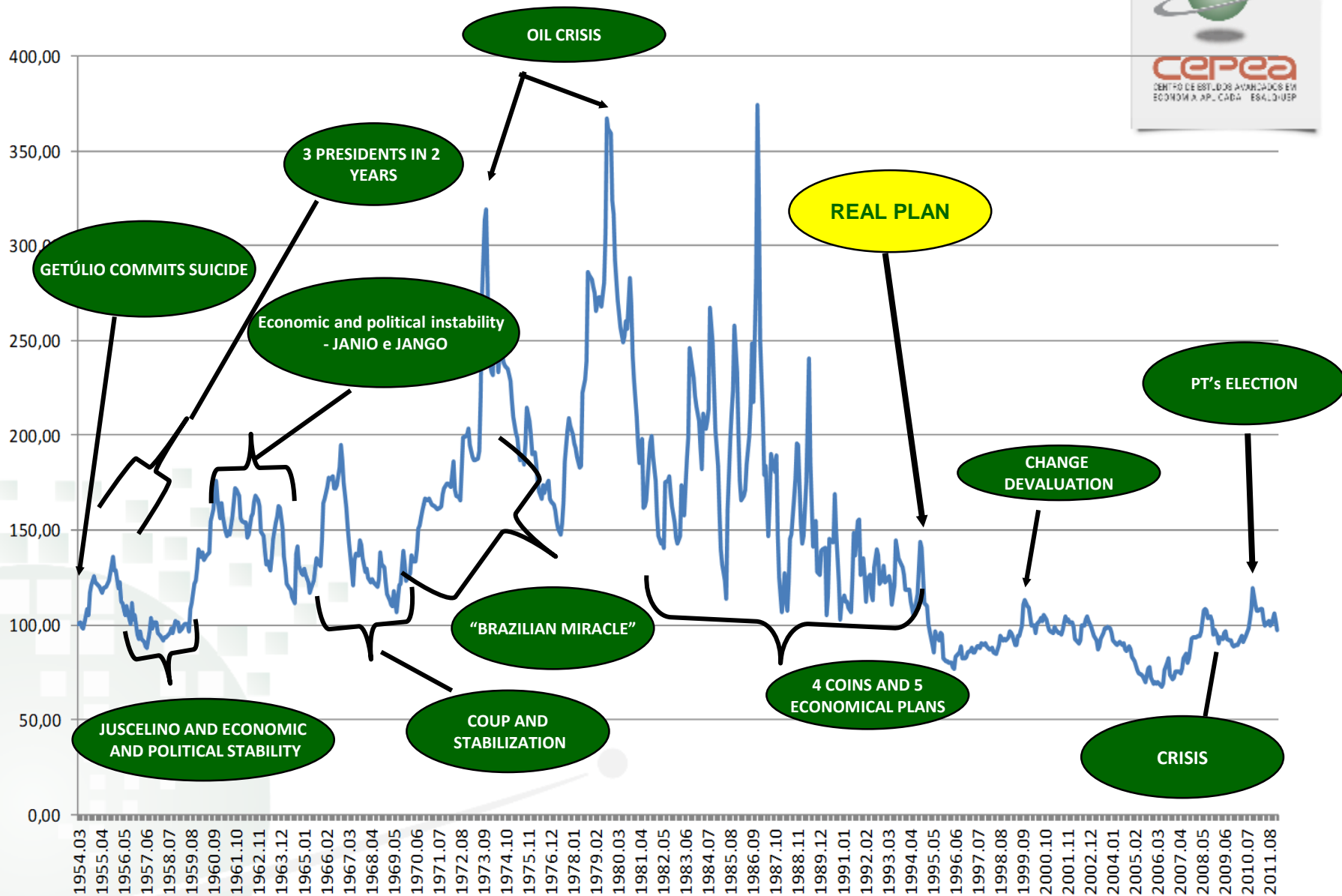
Source: IGP-DI (FGV)



In July 1994, during the government of the Finance Minister Fernando Henrique Cardoso, Real became the official Brazilian coin.

## Agricultural Market impact:

- ✓ Finished beef cattle stops being a store value and becomes a productive asset
- ✓ Relative prices improvement
- ✓ Productivity elevation





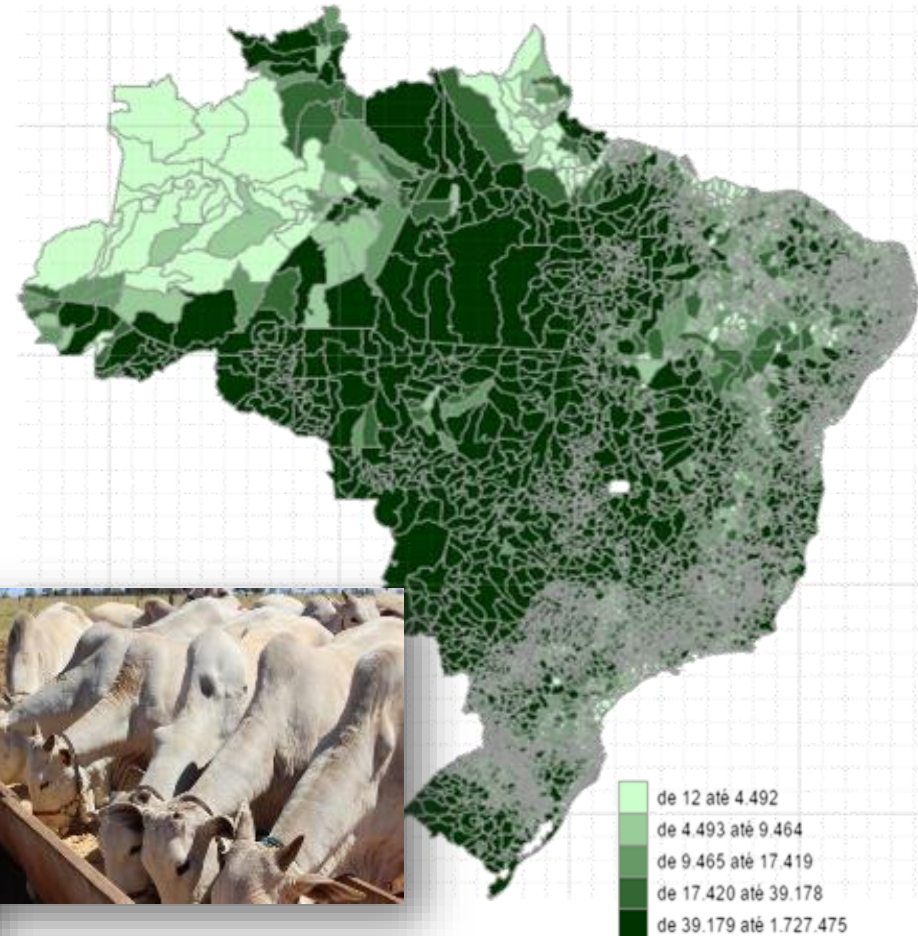
# Strategies

*Production, National and International Markets*

# Strategies

## ✓ Production (inside the property)

- Use of mineral supplement in animal diets in order to optimize the use of forage resource.
- **Pasture management** for better nutritive value  
*Important: 95% of the Brazilian cattle production is still on pastures*
- **Pasture deferral** in the end of the rain season
- **Semi-feedlot**





# Acre – Rio Branco

✓ *System: Complete Cycle*

## ○ Supplementation:

2011 – Mineral Salt (50g/animal/day)

2015 – Mineral Salt (40g/animal/day)

## ○ Pasture Management:

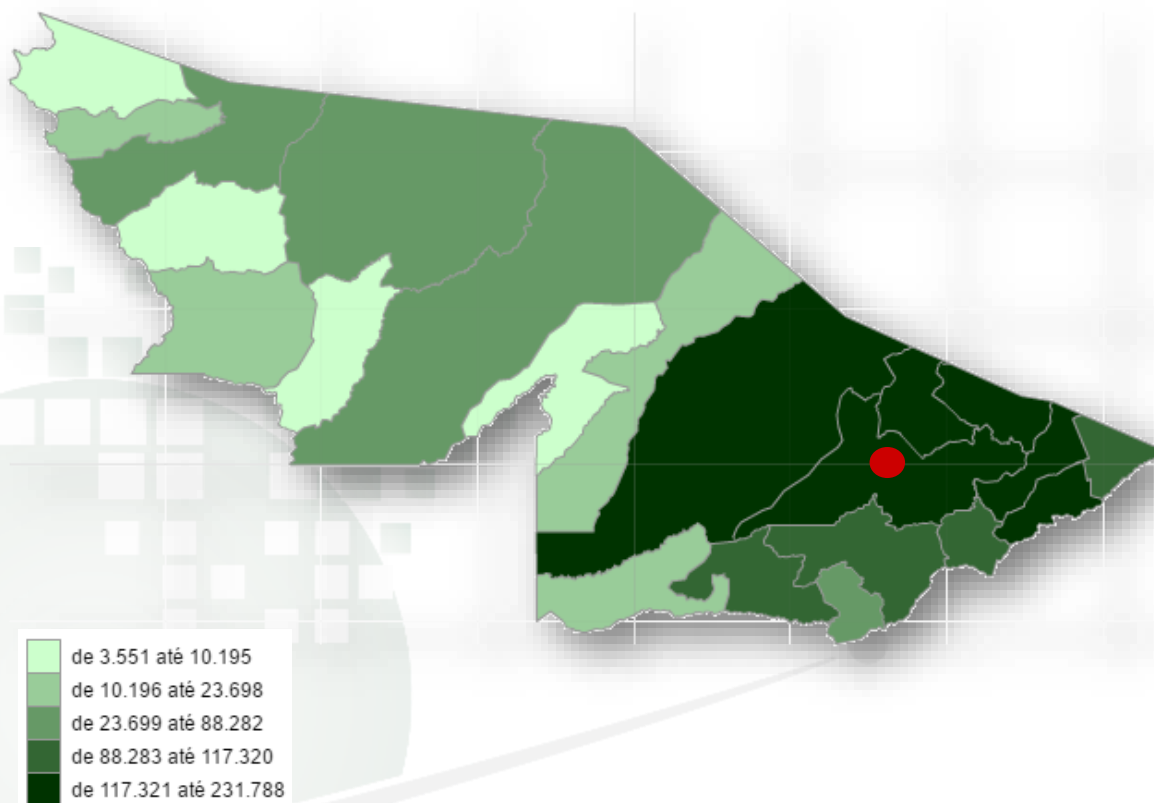
2011 – Herbicide use

2015 – Herbicide use

## ○ Pasture Area:

2011 – 700 ha with 20 paddocks (35 ha)

2015 – 998 ha with 22 paddocks (45 ha)



# Tocantins

✓ *Production System: Cow Calf Beef Finishing*

- Supplementation:

2011 – Mineral Salt

2015 – Mineral

- Pasture Management:

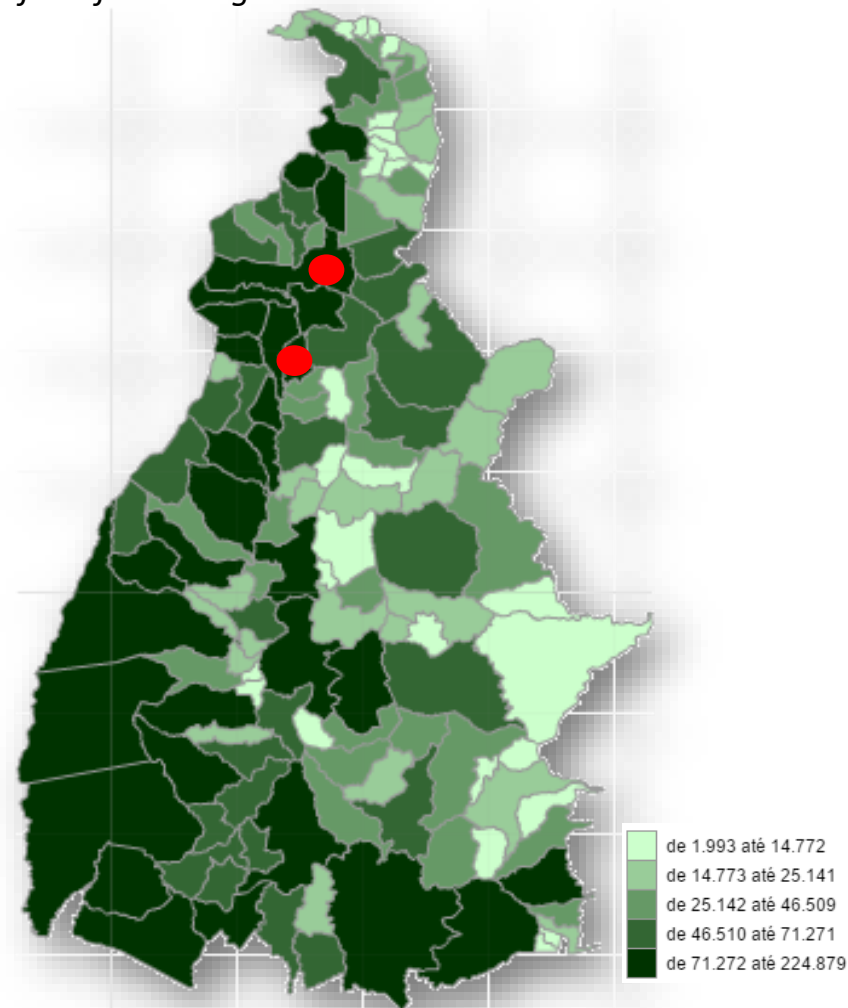
2011 – Fertilization and soil correction

2015 – Fertilization, soil correction and agricultural defensives

- Pasture Area:

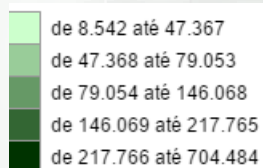
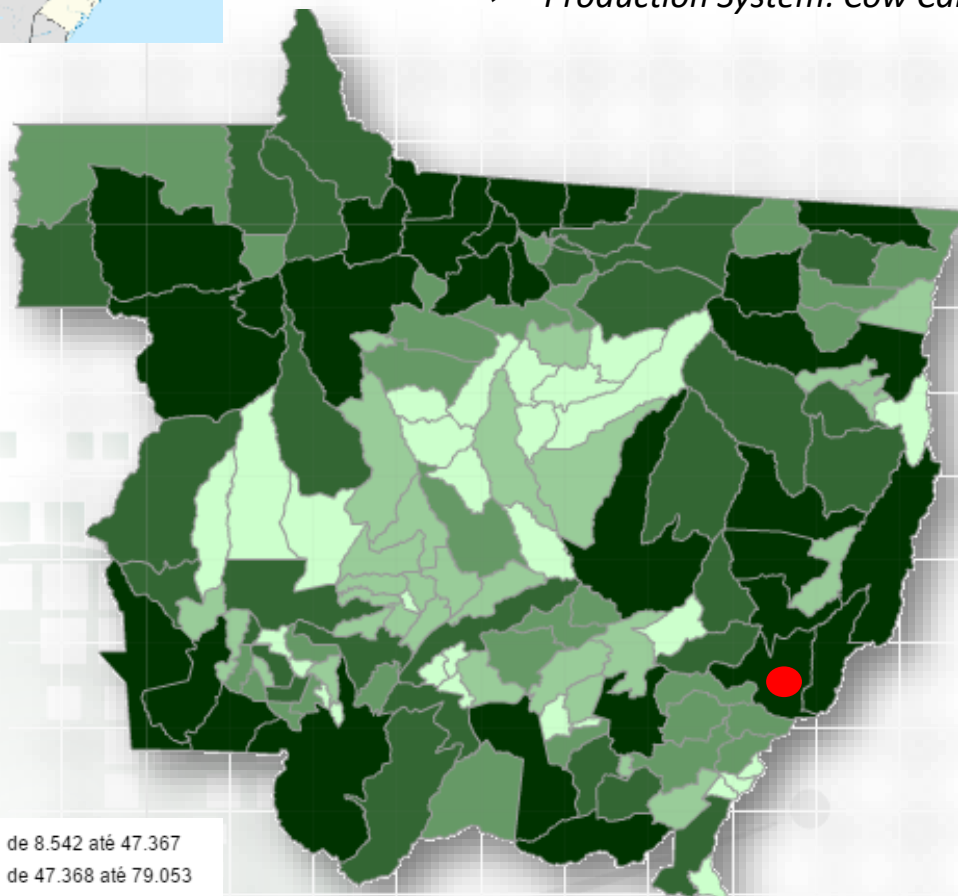
2011 – 1007 ha (20 paddock/50ha)

2015 – 784 ha in (18 paddocks/ 41 ha)



# Mato Grosso

✓ *Production System: Cow Calf Beef Finishing*



- Supplementation:

2010 – Mineral and Protein Salt  
2015 – Mineral and Protein Salt

- Pasture Management:

2010 – Soil Correction  
2015 – Agricultural defensives

- Pasture Area:

2010 – 1000 ha (17 paddocks 58ha)  
2015 – 637 ha (13 paddocks (47 ha)



# Goiás

✓ System: *Finishing(Feedlot)*

- Supplementation:

2008 – Mineral Salt

2016 – Mineral and Protein Salt, Grain  
Feed

- Pasture Management:

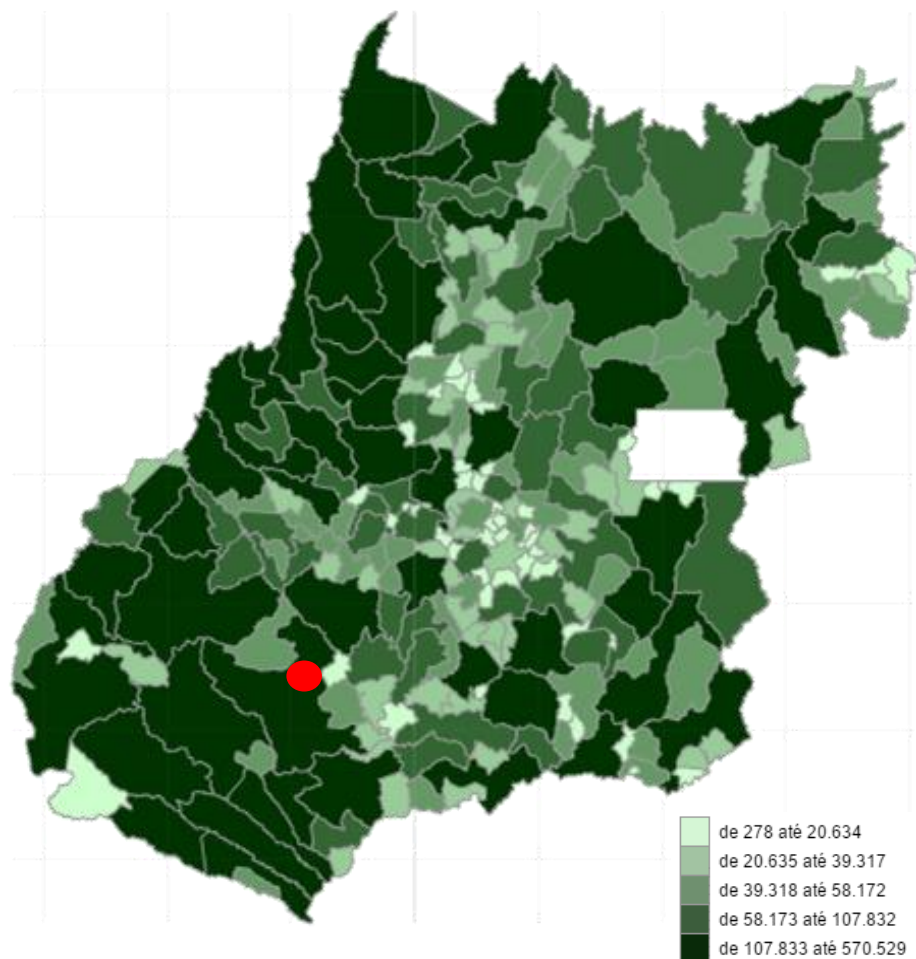
2008 – Only seed

2016 – Organic fertilizing

- Pasture Area:

2008 – 700 ha

2016 – 118 ha with 18 paddocks (11,8 ha)



# Mato Grosso do Sul

✓ *Production System: Cow Calf Beef Finishing*

- Supplementation:

2011 – Mineral and Protein Salt

2014 – Mineral and Protein Salt

- Pasture Management:

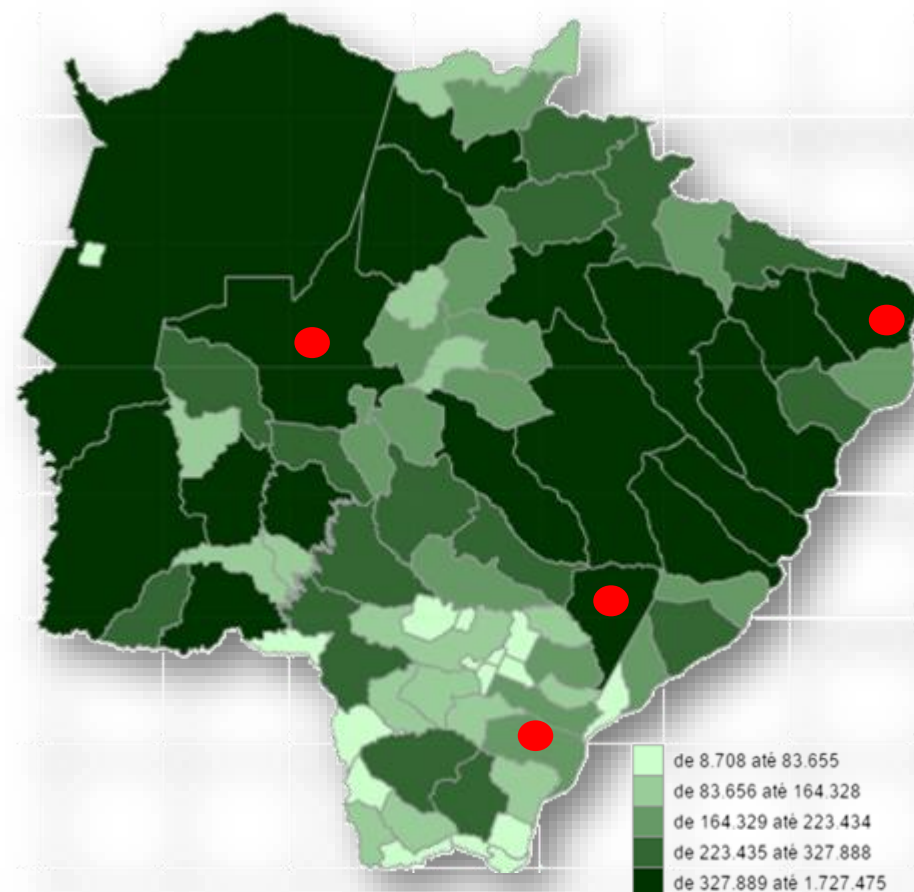
2011 – Fertilization and soil correction

2014 – Fertilization, soil correction and  
agricultural defensives

- Pasture Area:

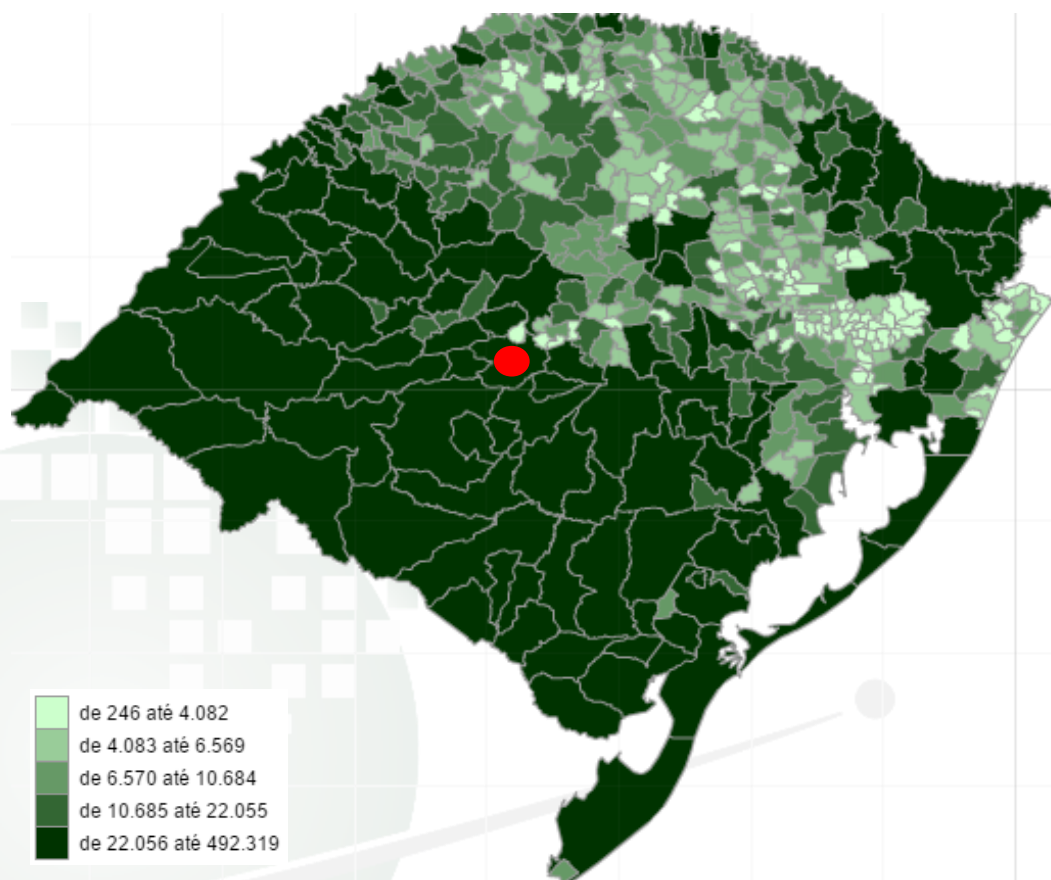
2011 – 1178 ha (18 paddock 73)

2014 – 542 ha (8 paddocks 65 há)



# Rio Grande do Sul

✓ *Production System: Cow Calf Beef Finishing*



## ○ Supplementation:

2010 – Mineral Salt

2014 – Mineral

## ○ Pasture Management:

2010 – Not implemented

2014 – Fertilization (through Agriculture)

## ○ Pasture Area:

2010 – 430 ha (10 paddocks 43 ha)

2014 – 350 ha (7 paddocks 50 ha)

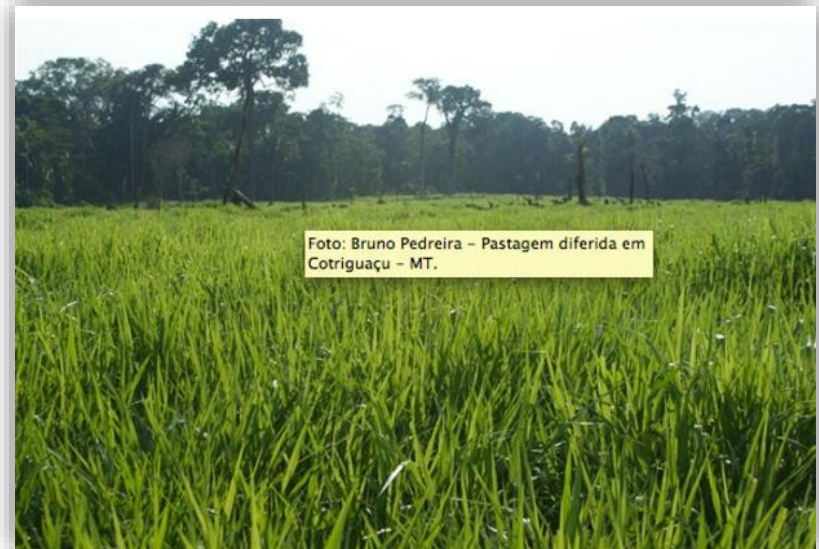
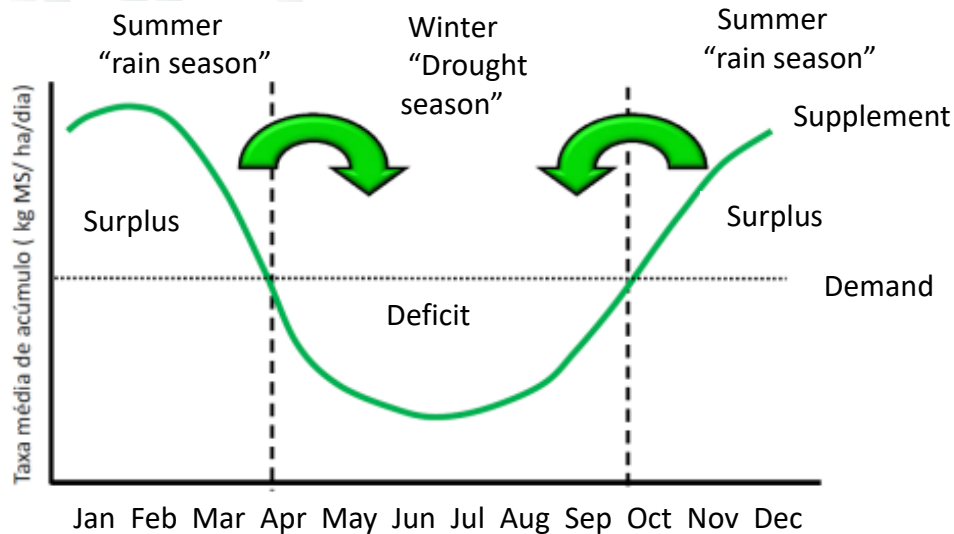
# Strategies

## ✓ Production(Inside the farm)

The **pasture deferral** technique is strictly correlated with the adequate offer of forage:

- ✓ Correct species choice (*Brachiaria* and *Cynodon*)
- ✓ Area management prior to deferral

Such strategy is practical and cheap, but must be accompanied with an adequate Protein supplementation





# Strategies

## ✓ Production (Inside the farm)

On semi feedlot systems, pasture, as a source of fiber, must:

- ✓ Be available in abundance
- ✓ Trough **pasture storage**, allows the system to function in the drought season
- ✓ Scenario:
  1. Mass accumulation through deferral: 4 to 6 tons of dry matter  
Semi feedlot period: approximately 60 days  
Animal Load: between 1 and 2 AU/ha
  2. Mass accumulation trough deferral for longer periods and Nitrogen fertilization: 8 tons of dry matter per hectare  
Semi feedlot period: approximately 80 days  
Animal Load: between 1 and 1,5 AU/ha

Cáceres-MT 2015





# Strategies

✓ Market (Outside the farm)  
Estratégias de comercialização

- Marketing alliances



One of the objectives is:  
To offer cattle meat with quality differential. *In exemple:*  
Programa No Ponto - JBS





## 1 New protocols

### "No Ponto" Beef Cattle

Acab.	Matur.	16-22@	22-26@
2	0-8	R\$ 2,0/@	
3 e 4	0-6	R\$ 5,0/@	
	8		

- Europe Bonus
  - ✓ Minimum of R\$ 1,0/@
- Hilton Bonus\*
  - ✓ R\$ 2,0/@
- CEPEA Base
- Contract trough Beef finishing contracts
- \*Minimum Classification Index of 50% grassfed beef.



\*Hilton Quota, subject to SIF approval.

# *Thank you!*

cepea@usp.br



Av. Pádua Dias, 11 - CEP 13.418-900 Piracicaba, SP - Brasil • +55 (19) 3429-8819 - [www.cepea.esalq.usp.br](http://www.cepea.esalq.usp.br)