



Brazilian Beef Strategy

Cepea/Esalq-USP

Center for Advanced Studies on Applied Economics

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Topics



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



Research

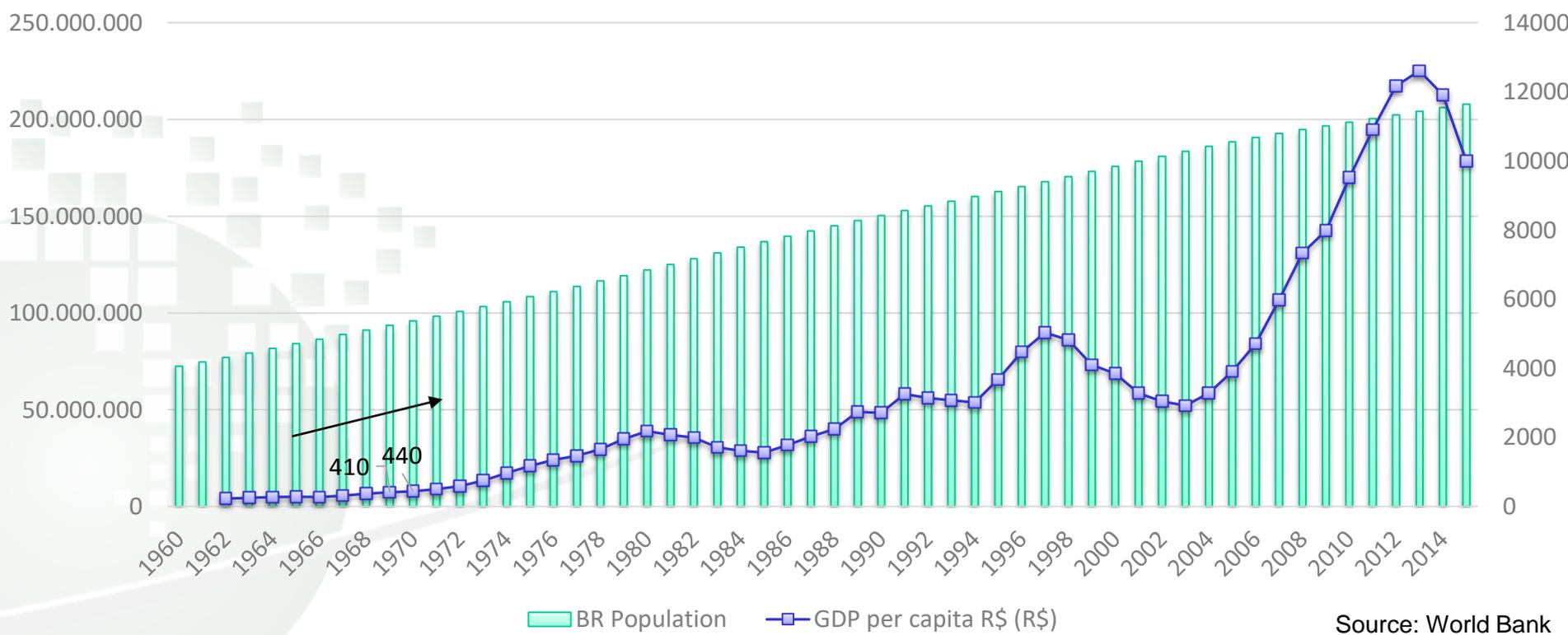
Ministry of Agriculture and partner institutions; universities; research centers



Research Center

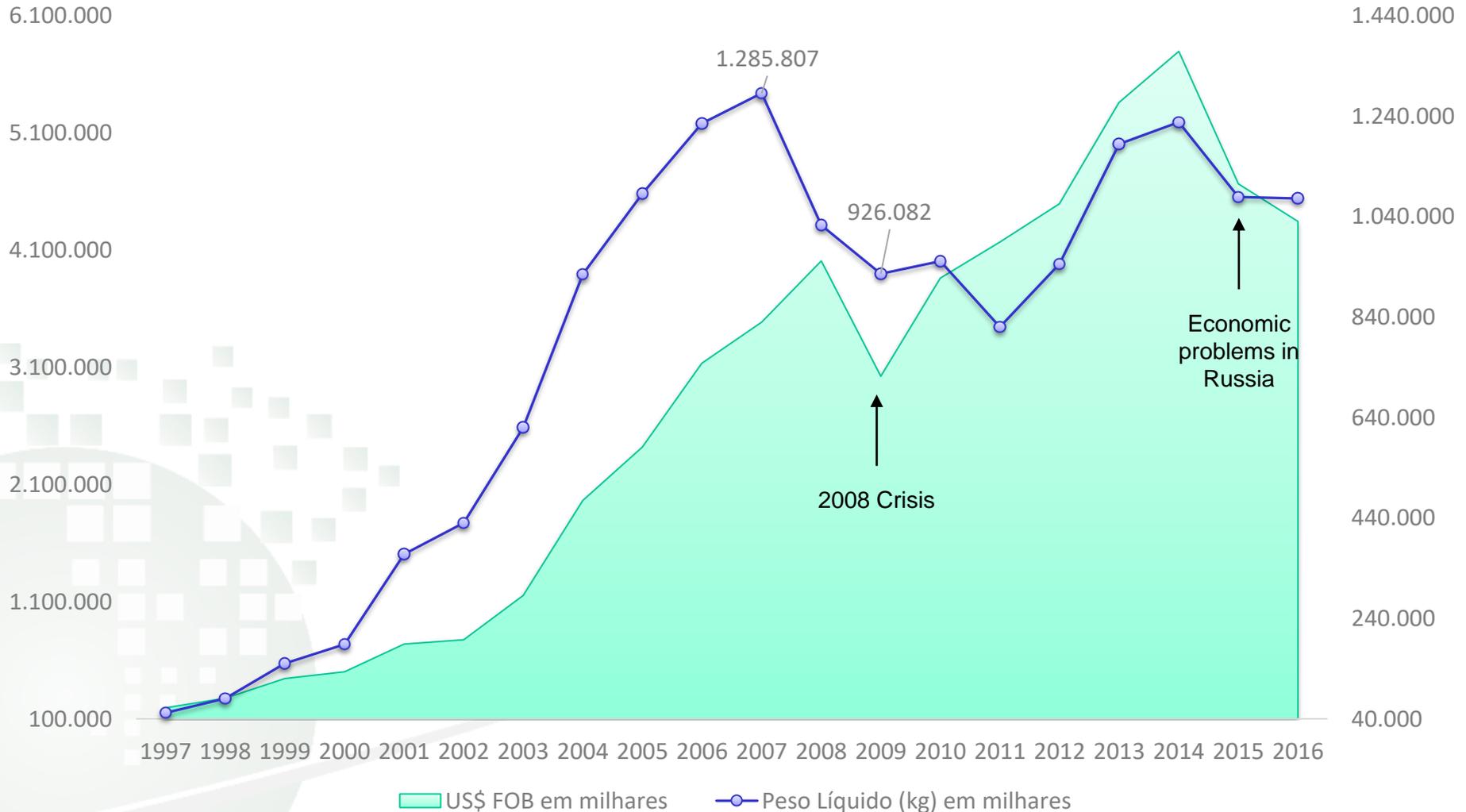
1970 – The Brazilian agriculture was intensified (populational growth and income increase; external market opening)

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



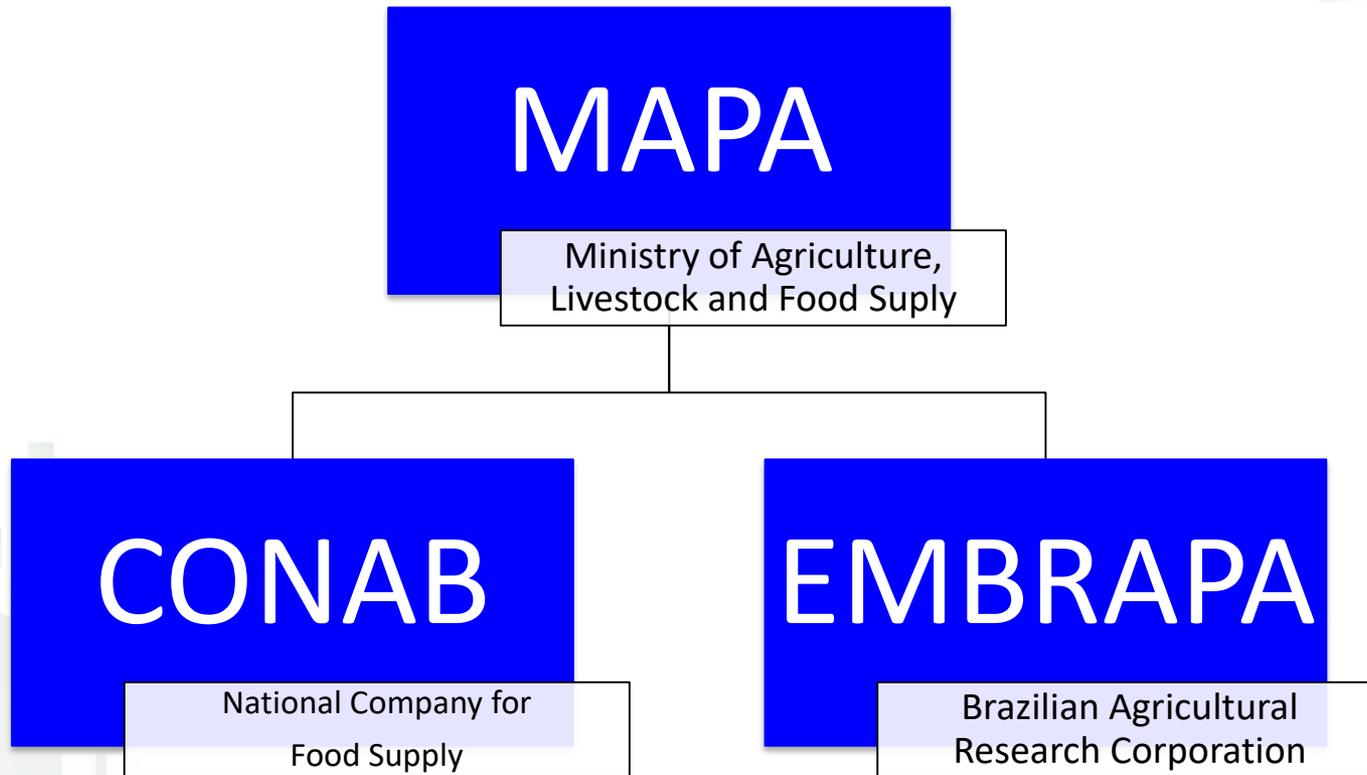


Evolution of Brazilian beef exportations*



* Bovine species animal meat, fresh or refrigerated to frozen

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*

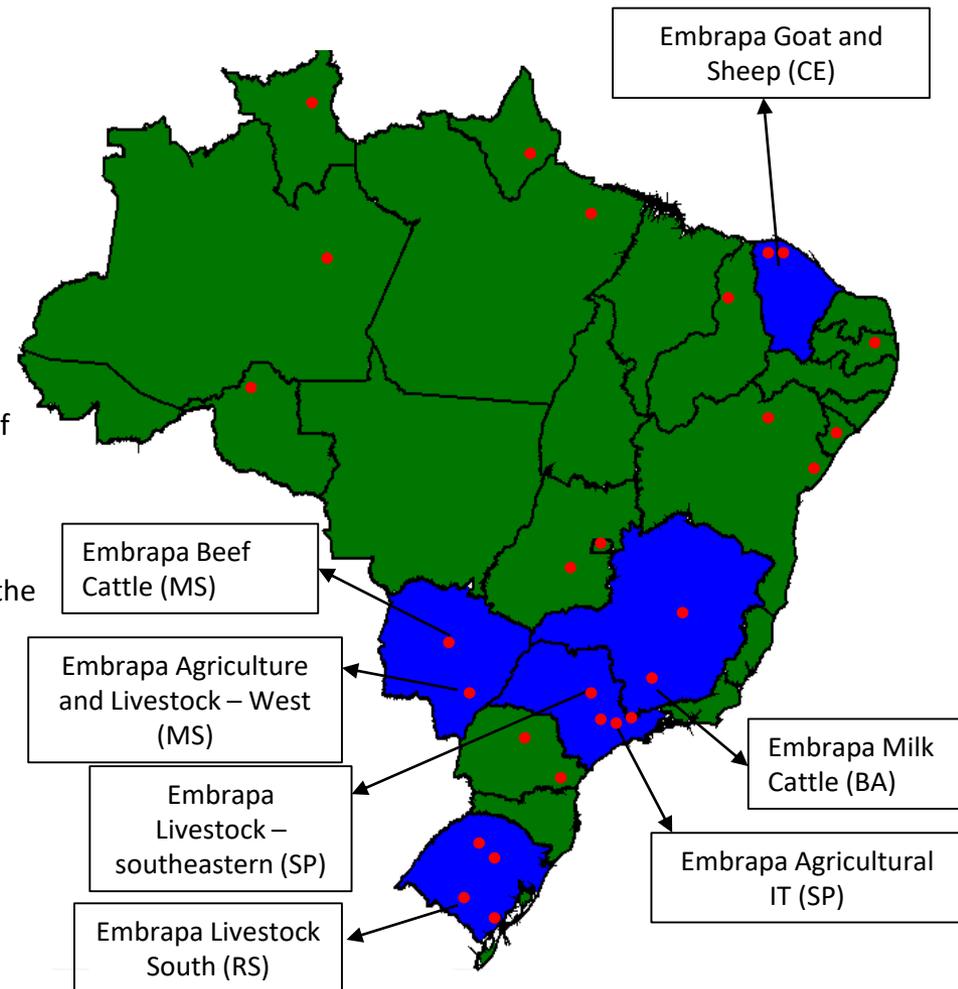
- Mobile app focused on calculating the cost/benefit of supplementation in drought.

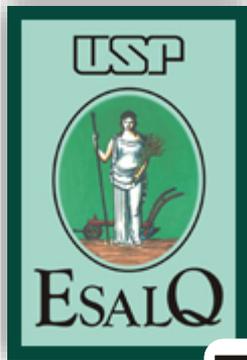
✓ *BPA – Brazilian GAP*

- 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.





CEPEA



USP

Universidade de São Paulo

UNIVERSIDADE DE SÃO PAULO



Universidade Federal
de Viçosa



unesp



Universities

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

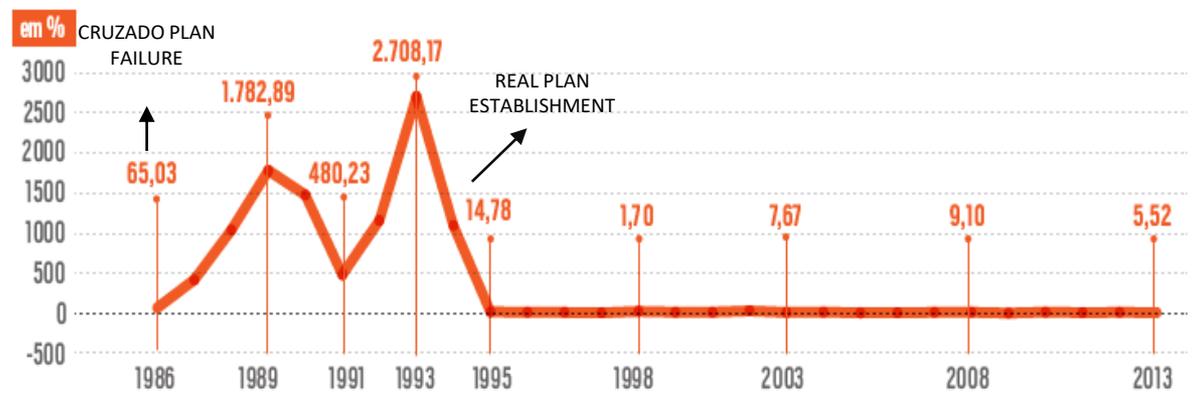
The objective is to supplement the knowledge of producers for a better development of the sector through:

- ✓ 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*



CEPEA
CENTRO DE ESTUDOS AVANÇADOS EM
ECONOMIA AP. CADA - ESALQ/USP

1994 – Real Plan



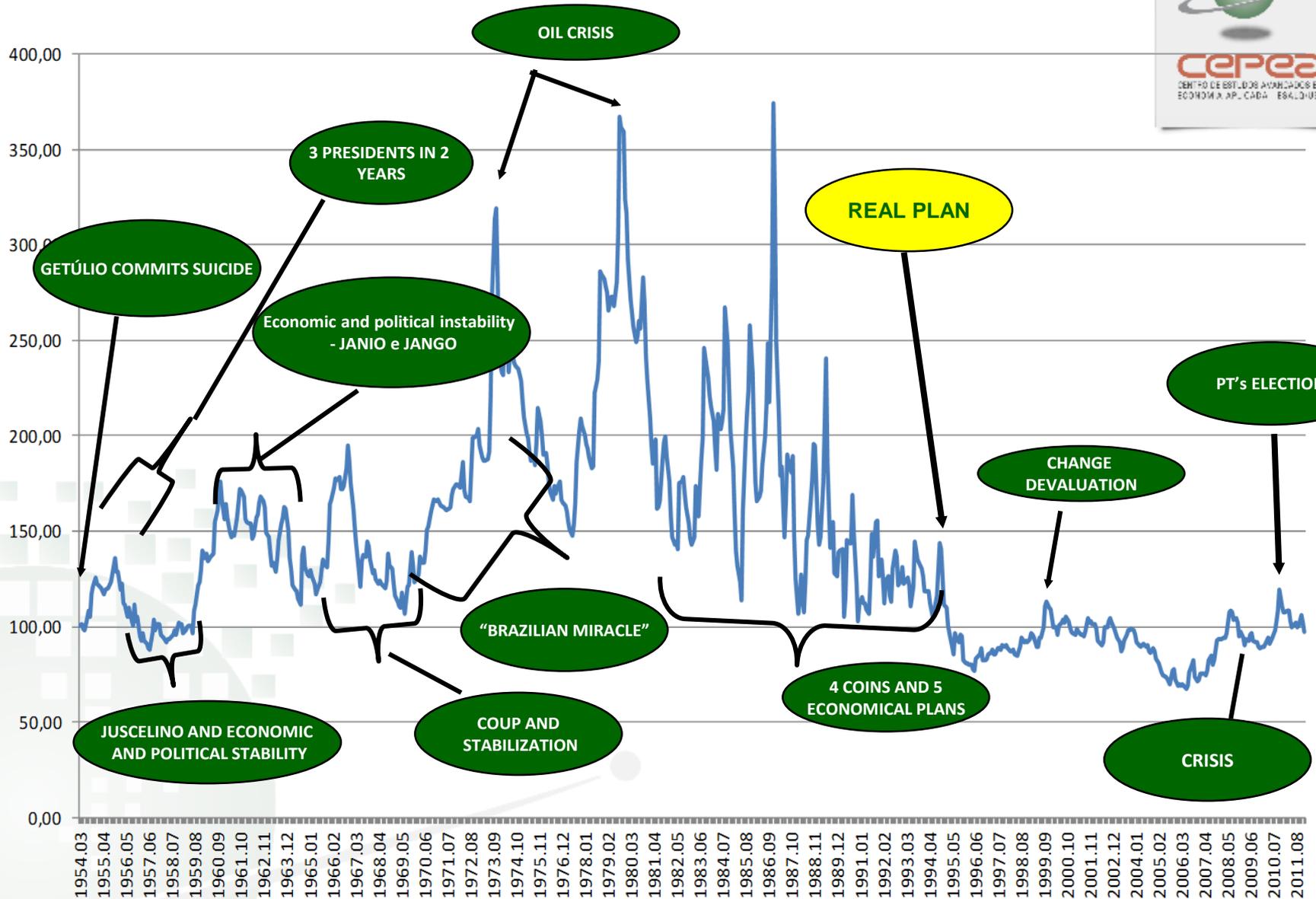
Source: IGP-DI (FGV)



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





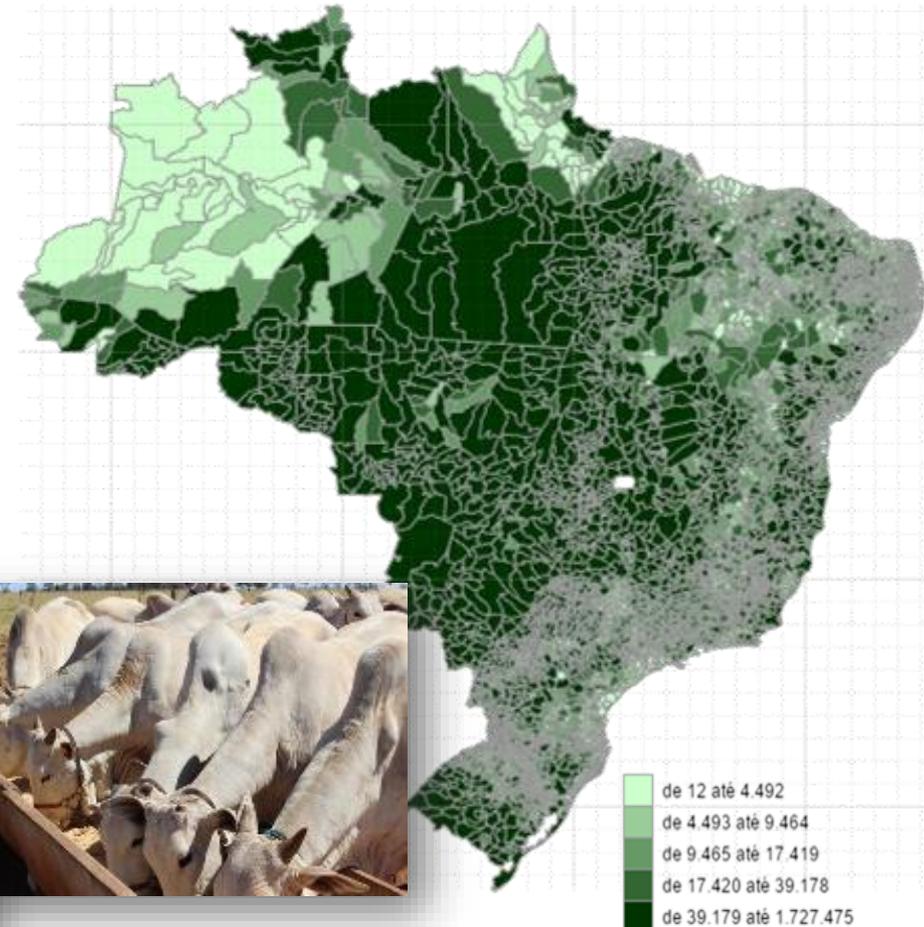
Strategies

Production, National and International Markets

Strategies

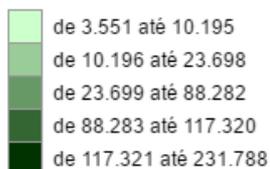
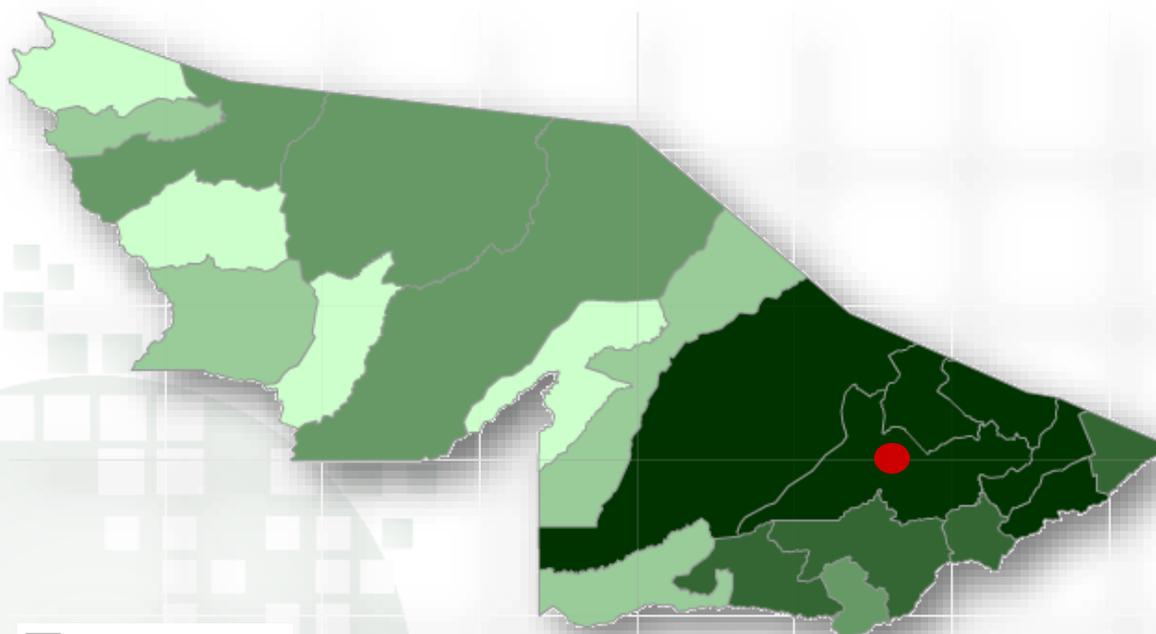
✓ Production (inside the property)

- 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:

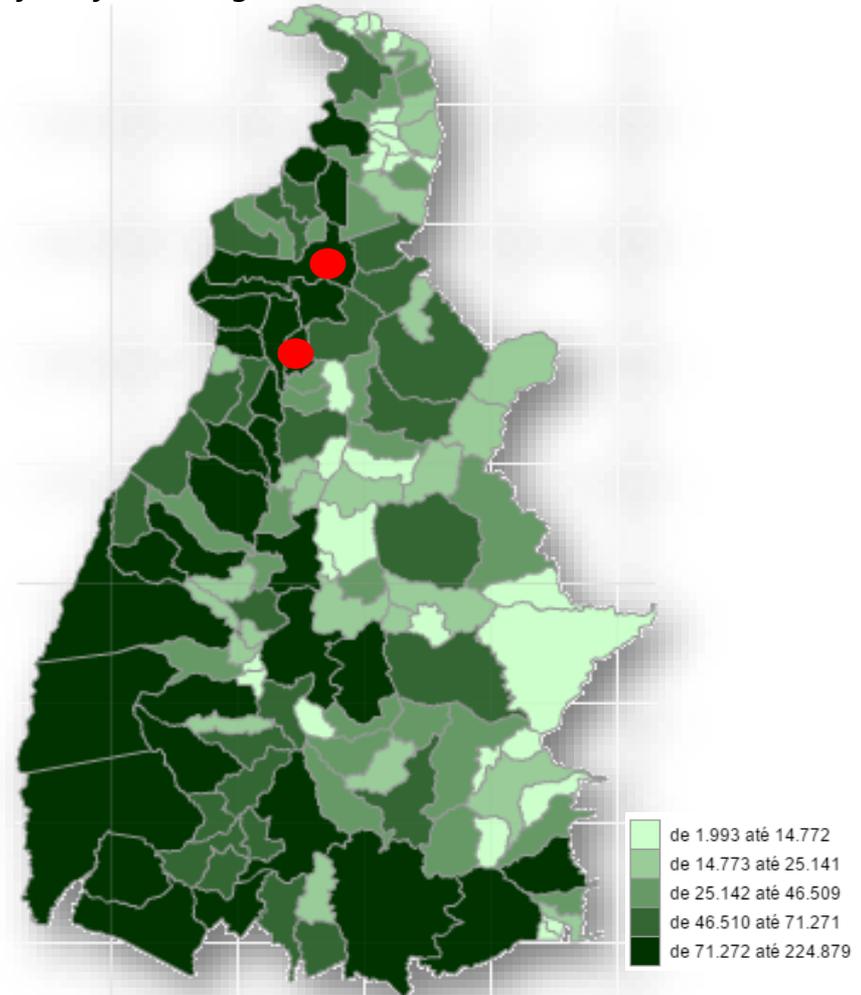
2011 – Fertilization and soil correction

2015 – Fertilization, soil correction and agricultural defensives

○ Pasture Area:

2011 – 1007 ha (20 paddock/50ha)

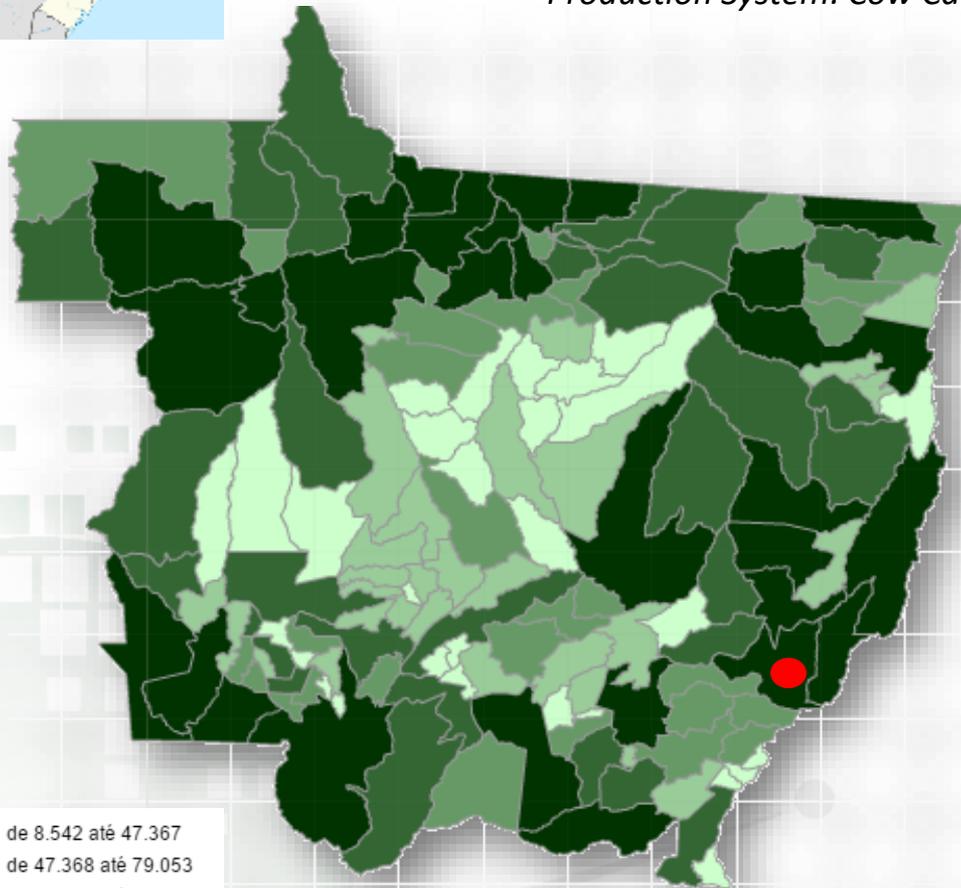
2015 – 784 ha in (18 paddocks/ 41 ha)





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:

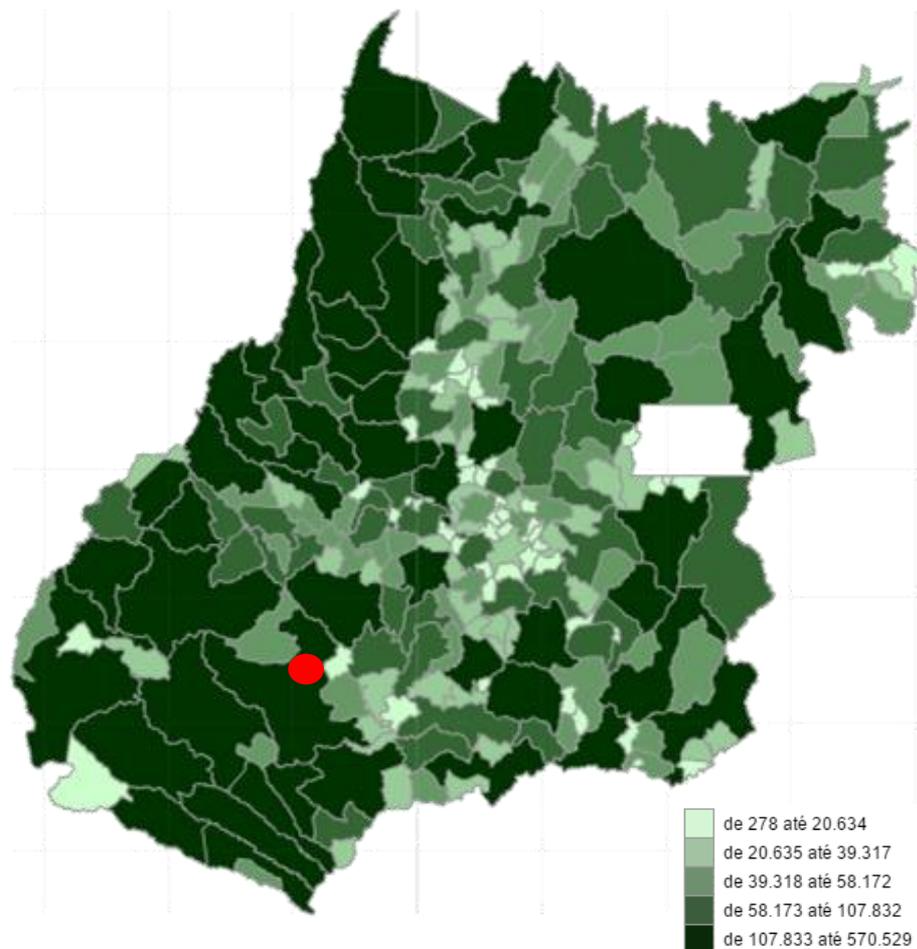
2008 – Only seed

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:

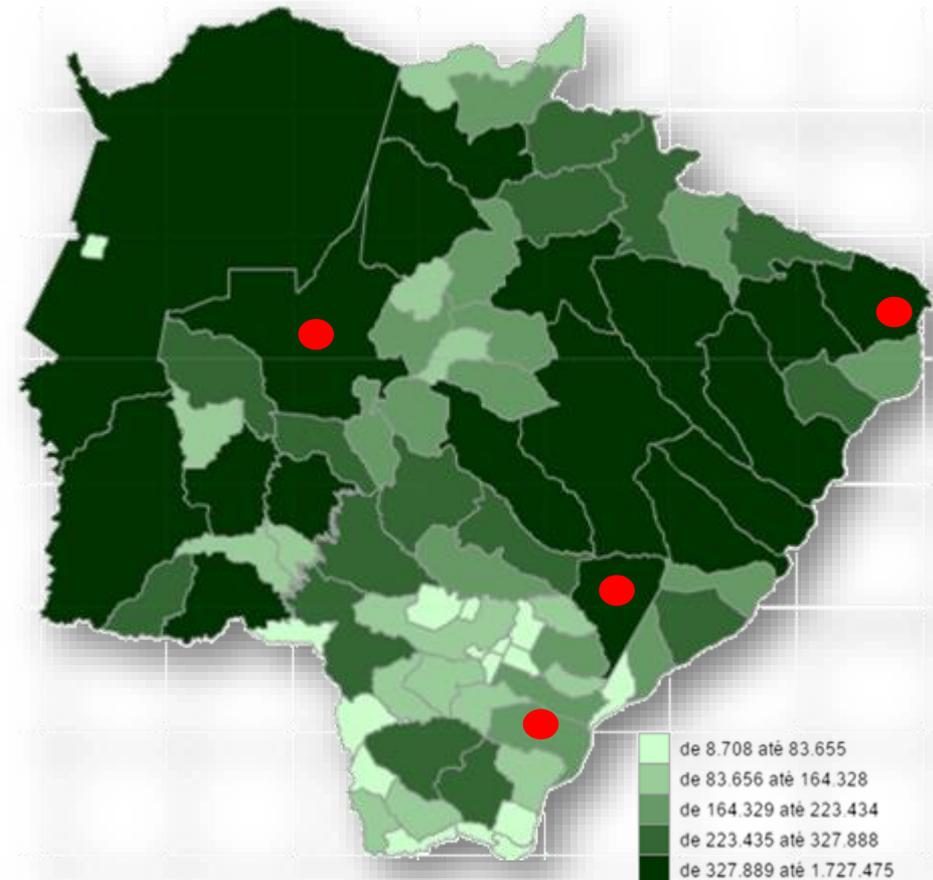
2011 – Mineral and Protein Salt
2014 – Mineral and Protein Salt

○ Pasture Management:

2011 – Fertilization and soil correction
2014 – Fertilization, soil correction and
agricultural defensives

○ Pasture Area:

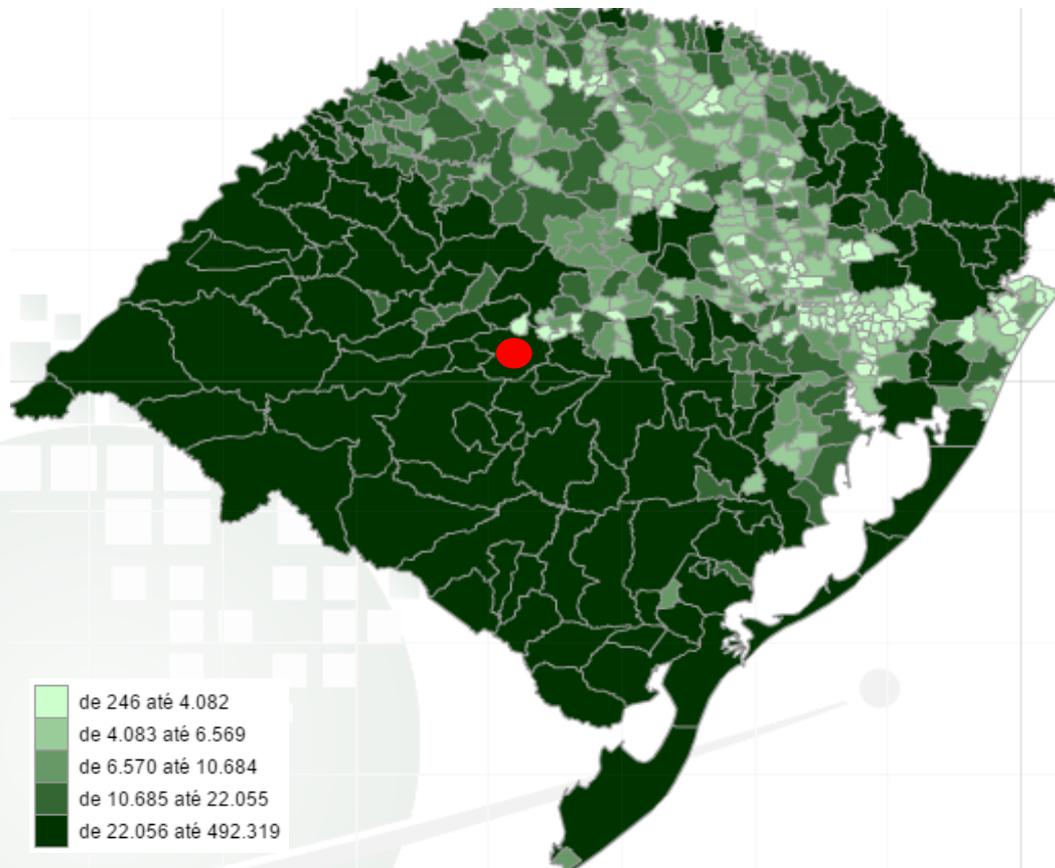
2011 – 1178 ha (18 paddock 73)
2014 – 542 ha (8 paddocks 65 há)





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)

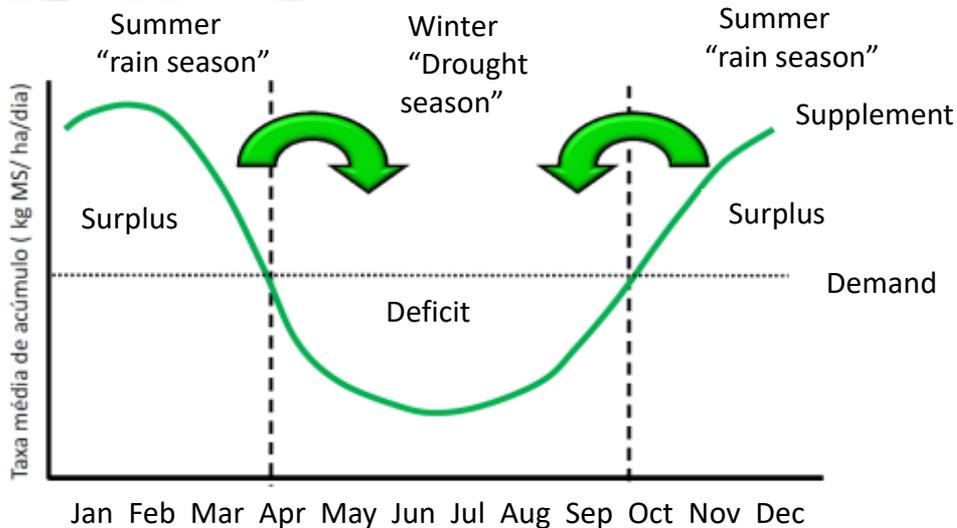
Strategies

✓ 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!

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