THE SOUTH AMERICAN DRAGON: The factors of success and future challenges and opportunities for cattle production

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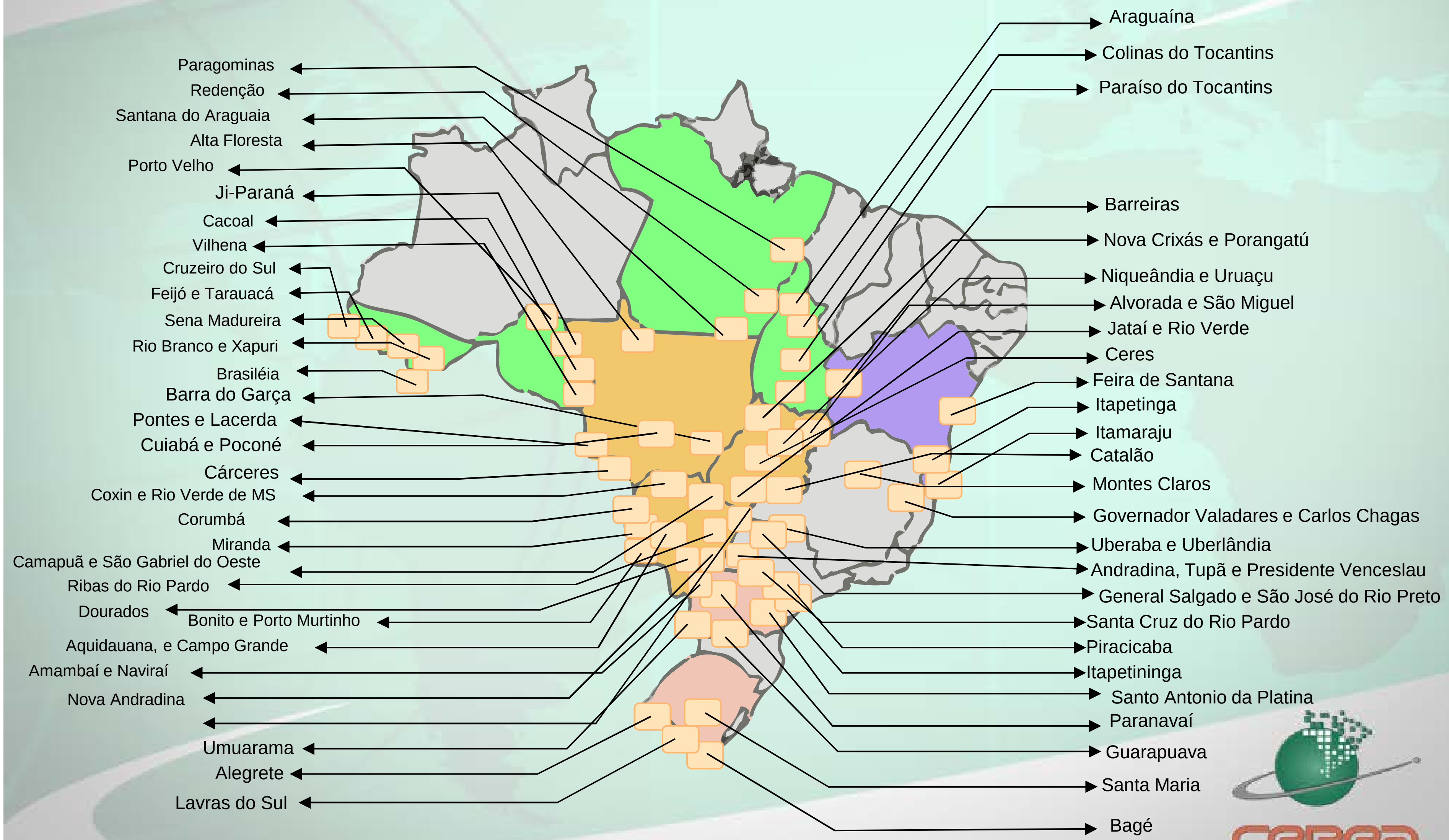
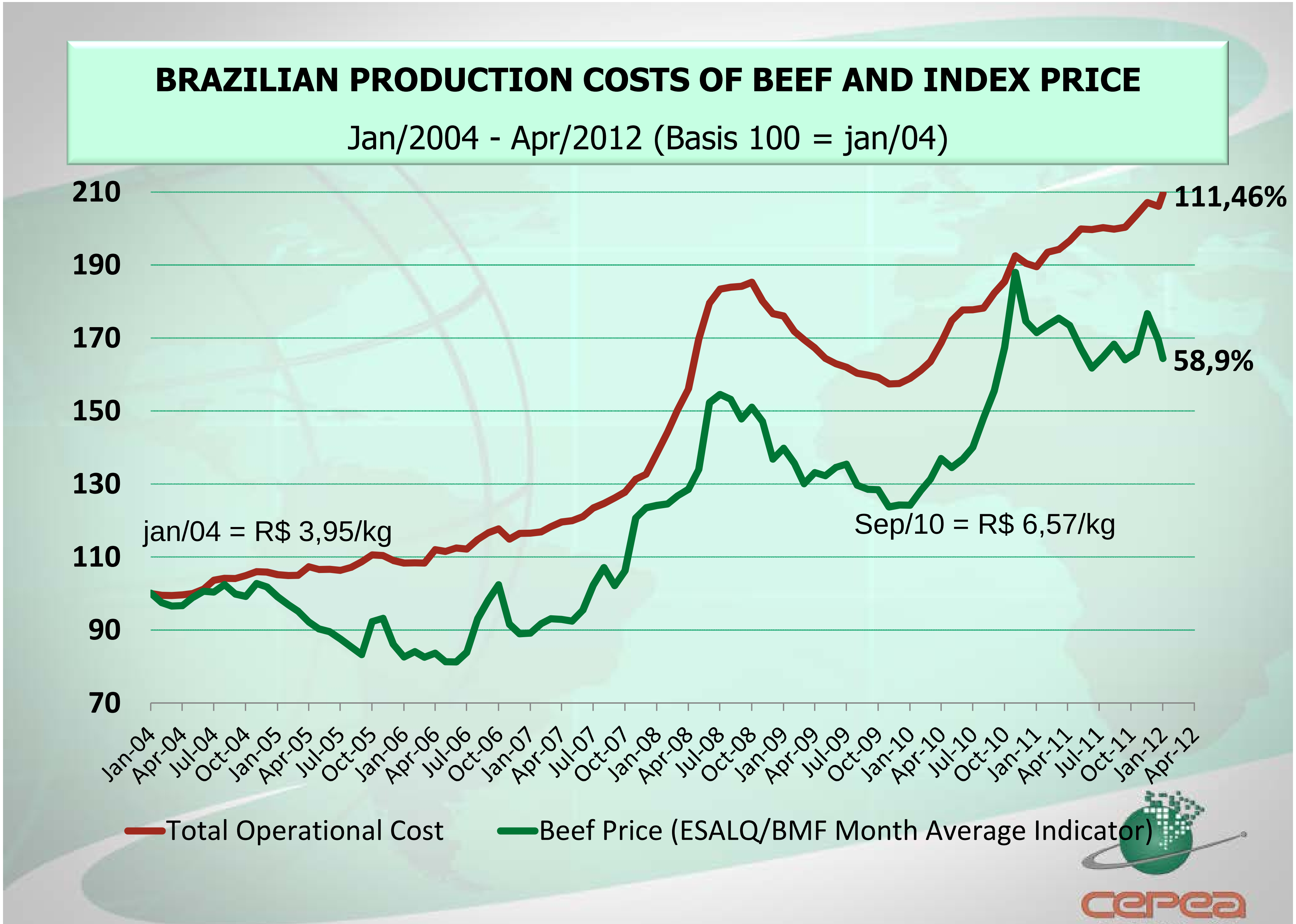
BRAZILIAN TYPICAL FARMS MAPPING



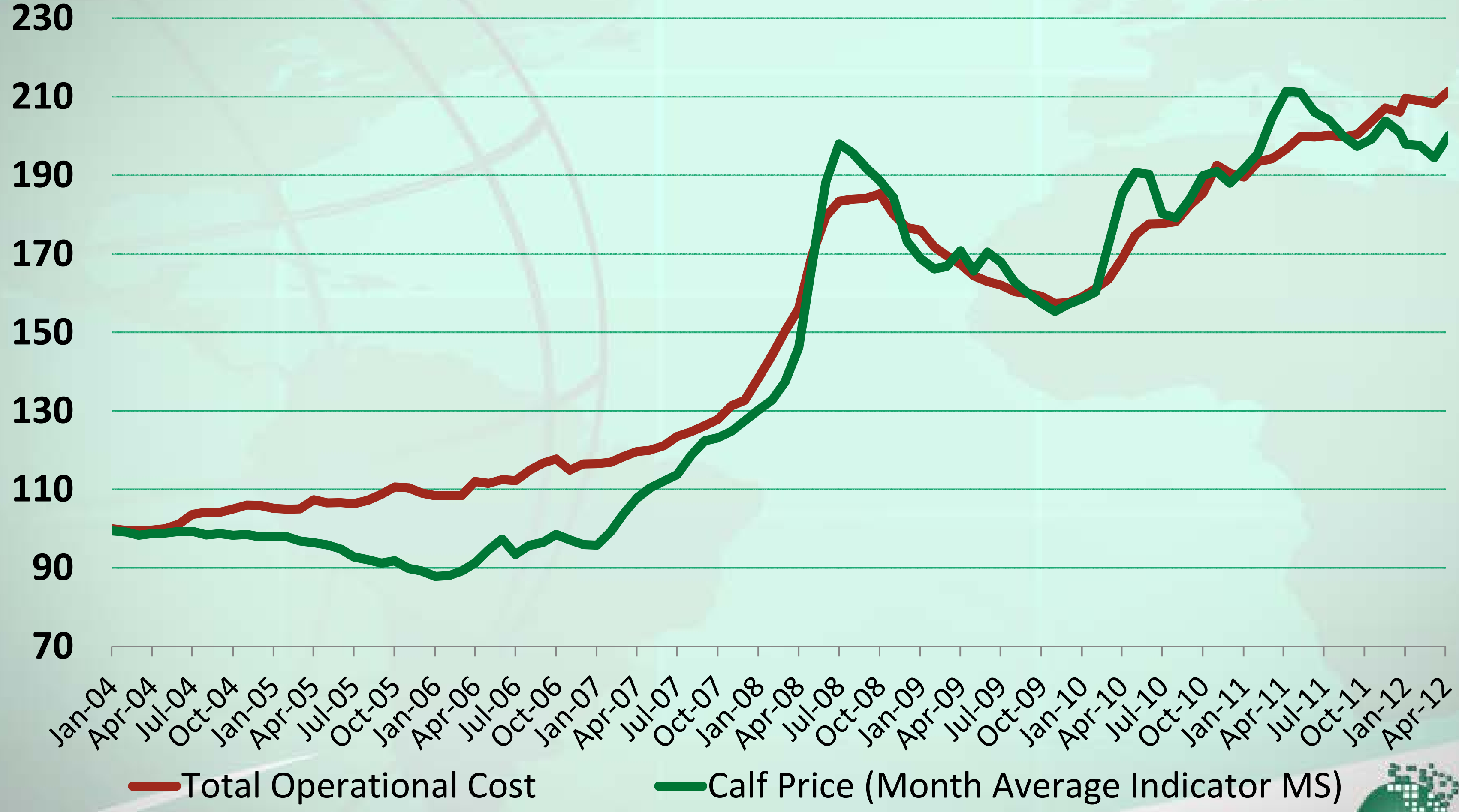
Source: CEPEA/USP and CNA.



Source: CEPEA/USP and CNA.

BRAZILIAN PRODUCTION COSTS OF BEEF AND CALF PRICE

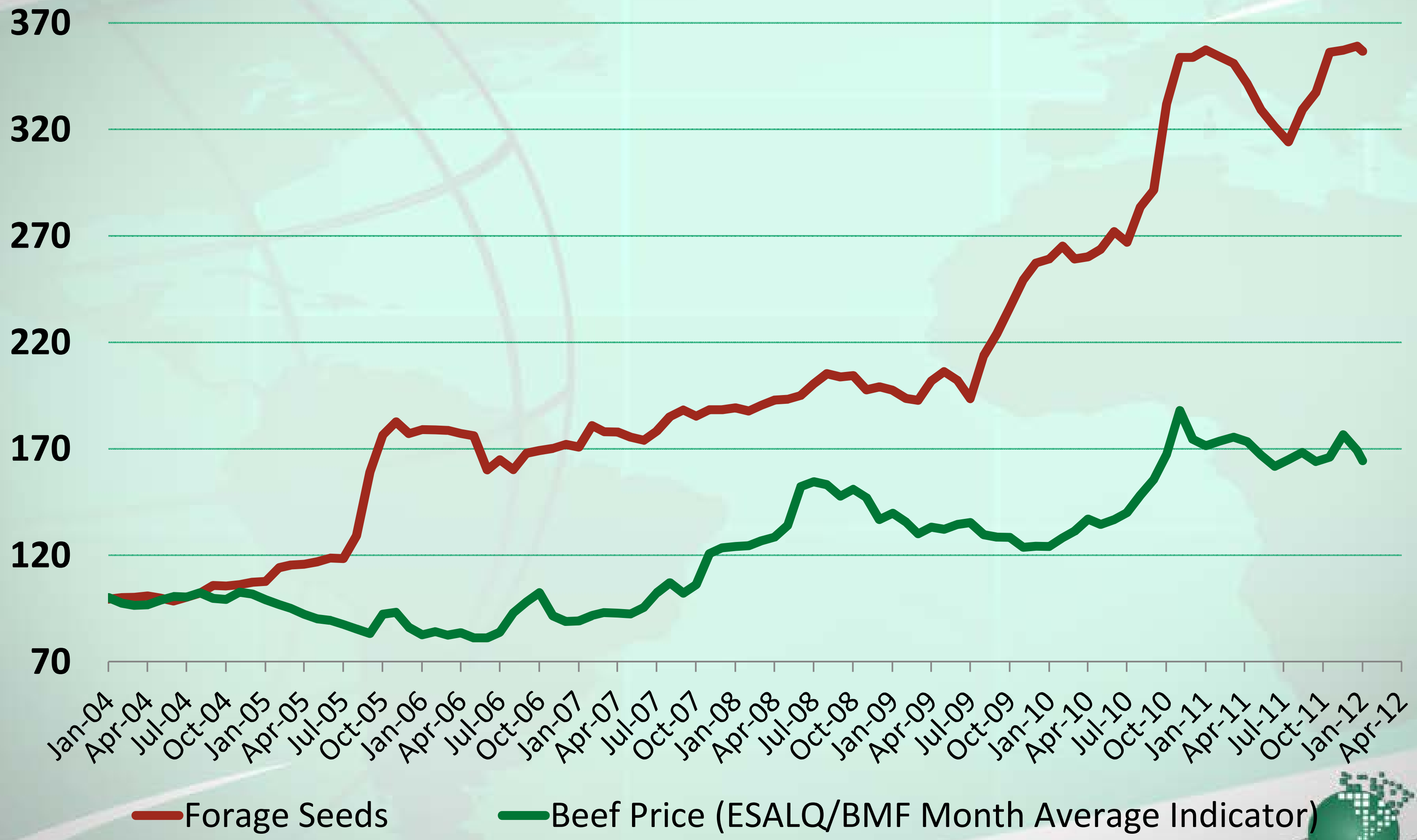
Jan/2004 - Apr/2012 (Basis 100 = jan/04)



Source: CEPEA/USP and CNA.

BRAZILIAN SEED PRICES AND INDEX PRICE

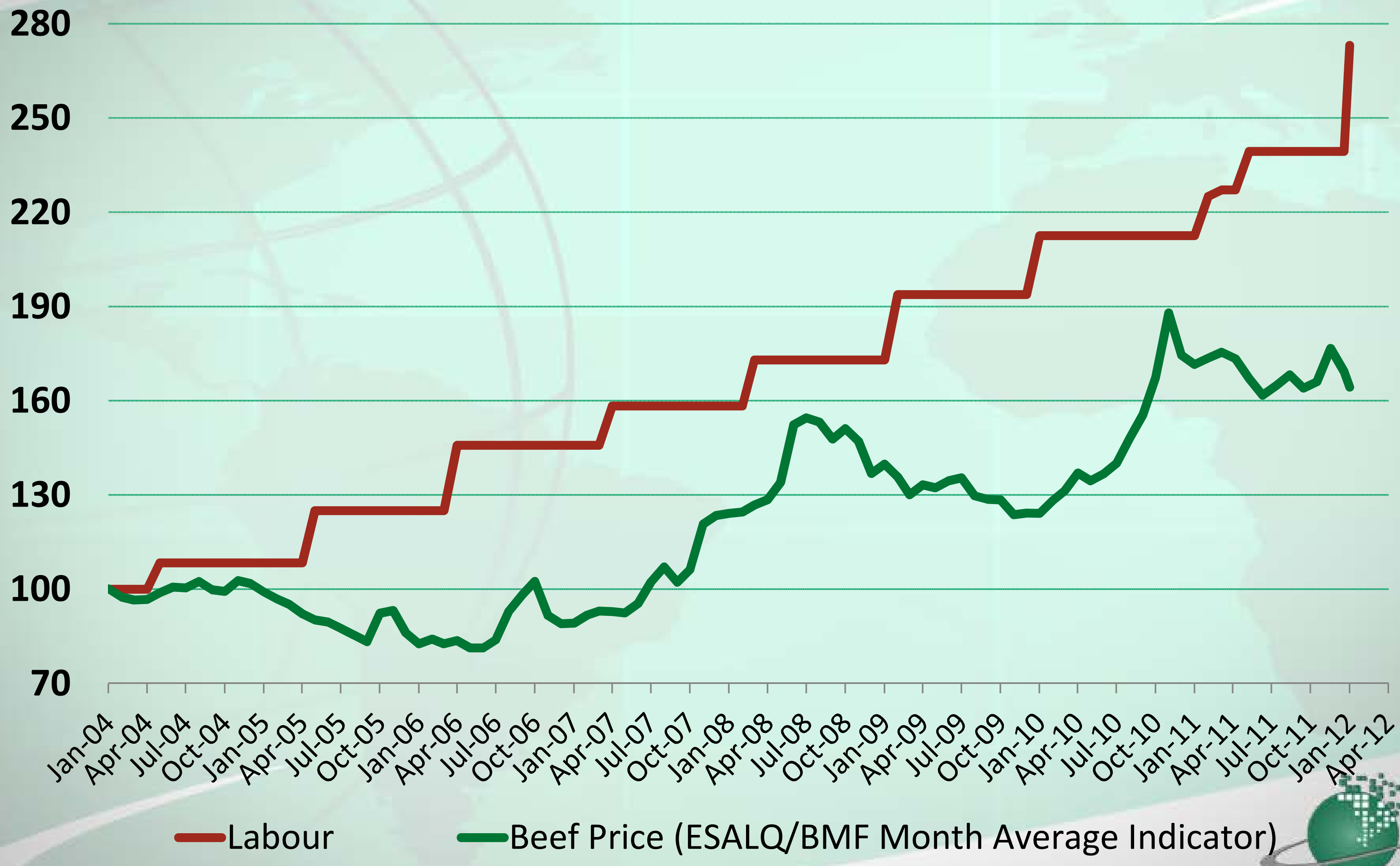
Jan/2004 - Apr/2012 (Basis 100 = jan/04)



Source: CEPEA/USP and CNA.

BRAZILIAN VARIATION OF LABOUR AND INDEX PRICE

Jan/2004 - Apr/2012 (Basis 100 = jan/04)



Source: CEPEA/USP and CNA.

BRAZILIAN MINERAL SUPPLEMENTARY FEEDING AND INDEX PRICE

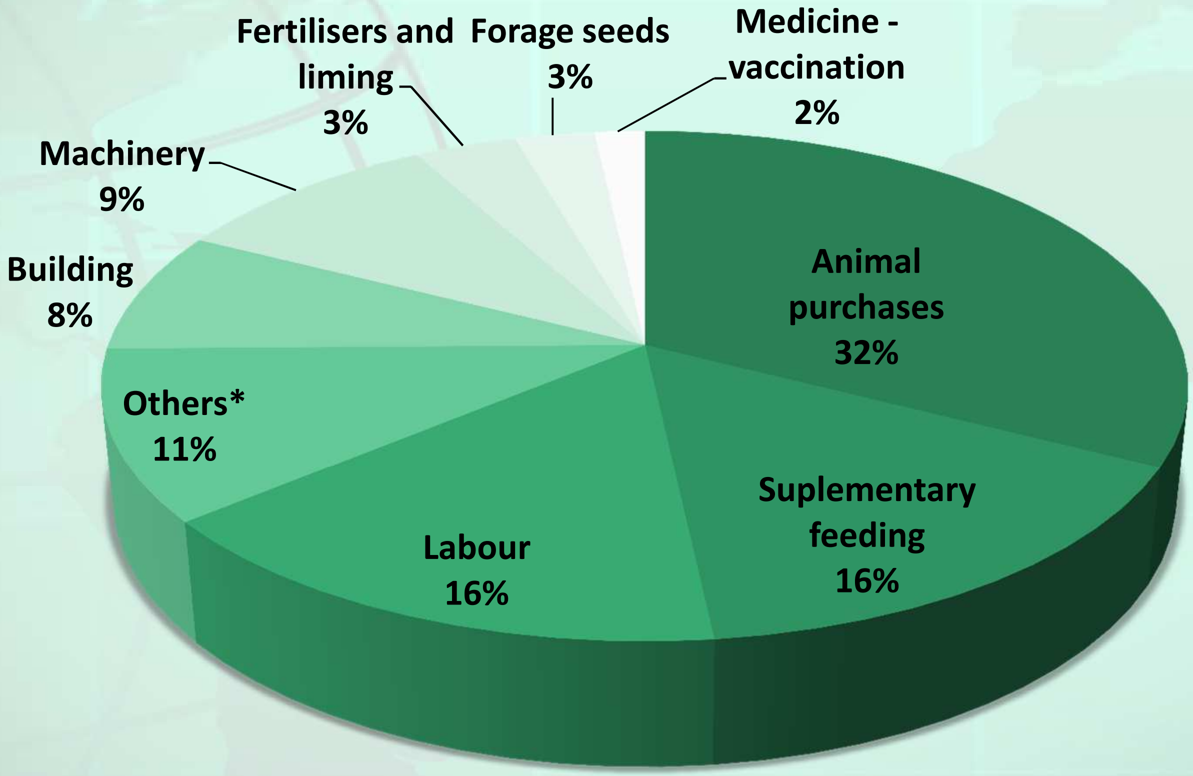
Jan/2004 - Apr/2012 (Basis 100 = jan/04)

Source: CEPEA/USP and CNA.

AVERAGE COMPOSITION OF BRAZILIAN COSTS

(INCLUDING COW CALF AND BEEF FINISH PRODUCTION)

(Period: Apr/2012)

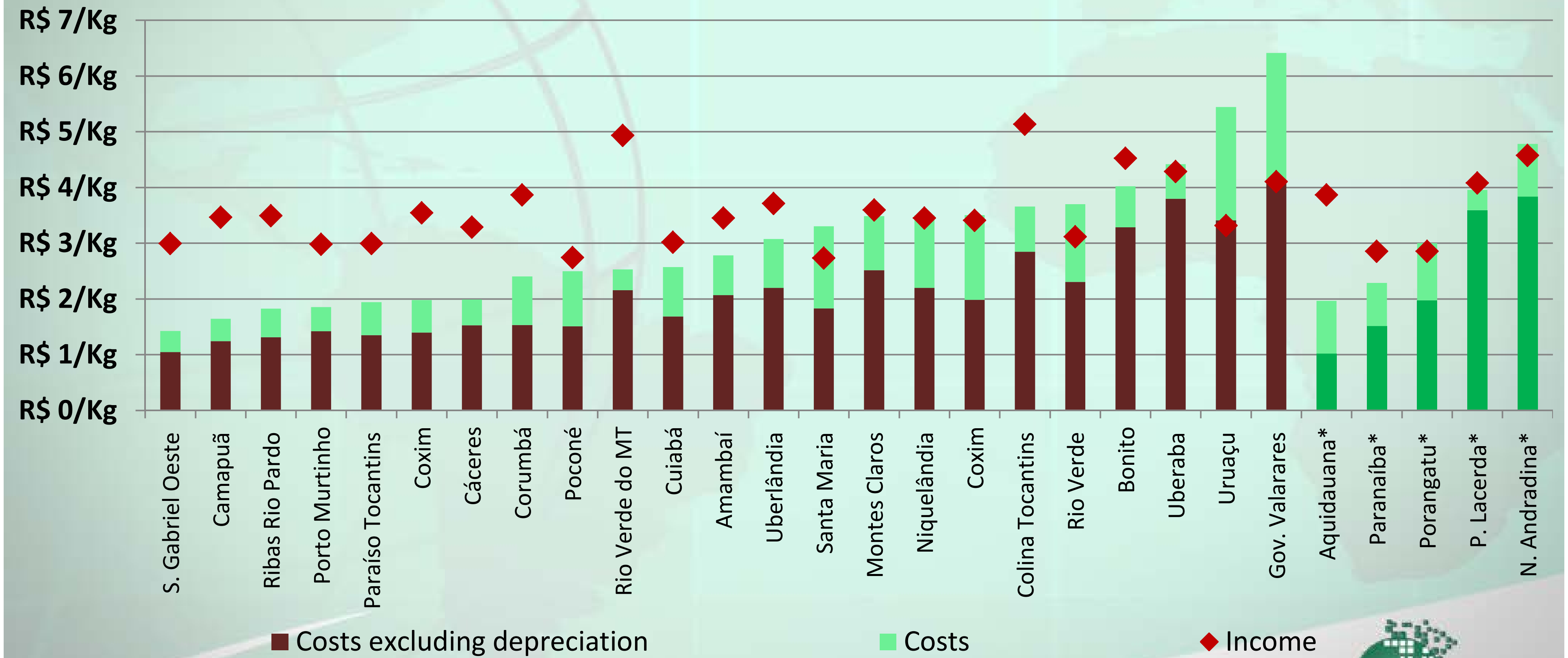


*Energy; Farm taxes and duties; Utilities; Agrochemicals; Medicine - general, parasite control, antibiotics; Insemination; Others.

Fonte: CEPEA/USP e CNA.

CASH COSTS, DEPRECIATIONS AND INCOME PER KILOGRAM FOR CALF PRODUCTION

(Period: Mar/2012)

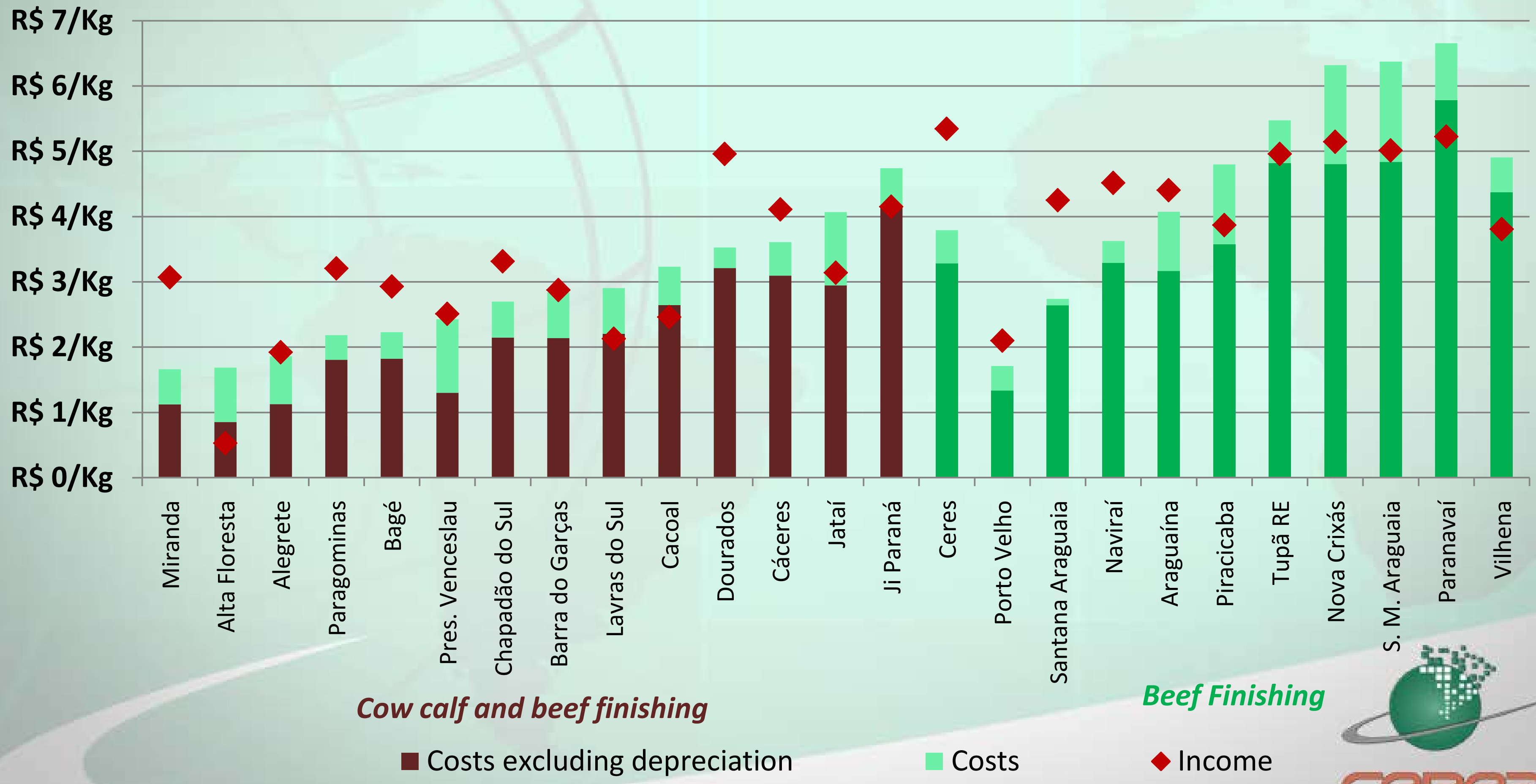


*In these panels, calves stay in the farm more 4 months after weaned

Source: CEPEA/USP and CNA.

CASH COSTS, DEPRECIATIONS AND INCOME PER KILOGRAM FOR BEEF FINISHING ONLY AND COW CALF AND BEEF FINISHING

(Period: Mar/2012)



Source: CEPEA/USP and CNA.

PICTURE: EXTENSIVE PASTURE – PARÁ STATE

Source:André Marra.

PICTURE: EXTENSIVE PASTURE – PARÁ STATE

Source:André Marra.

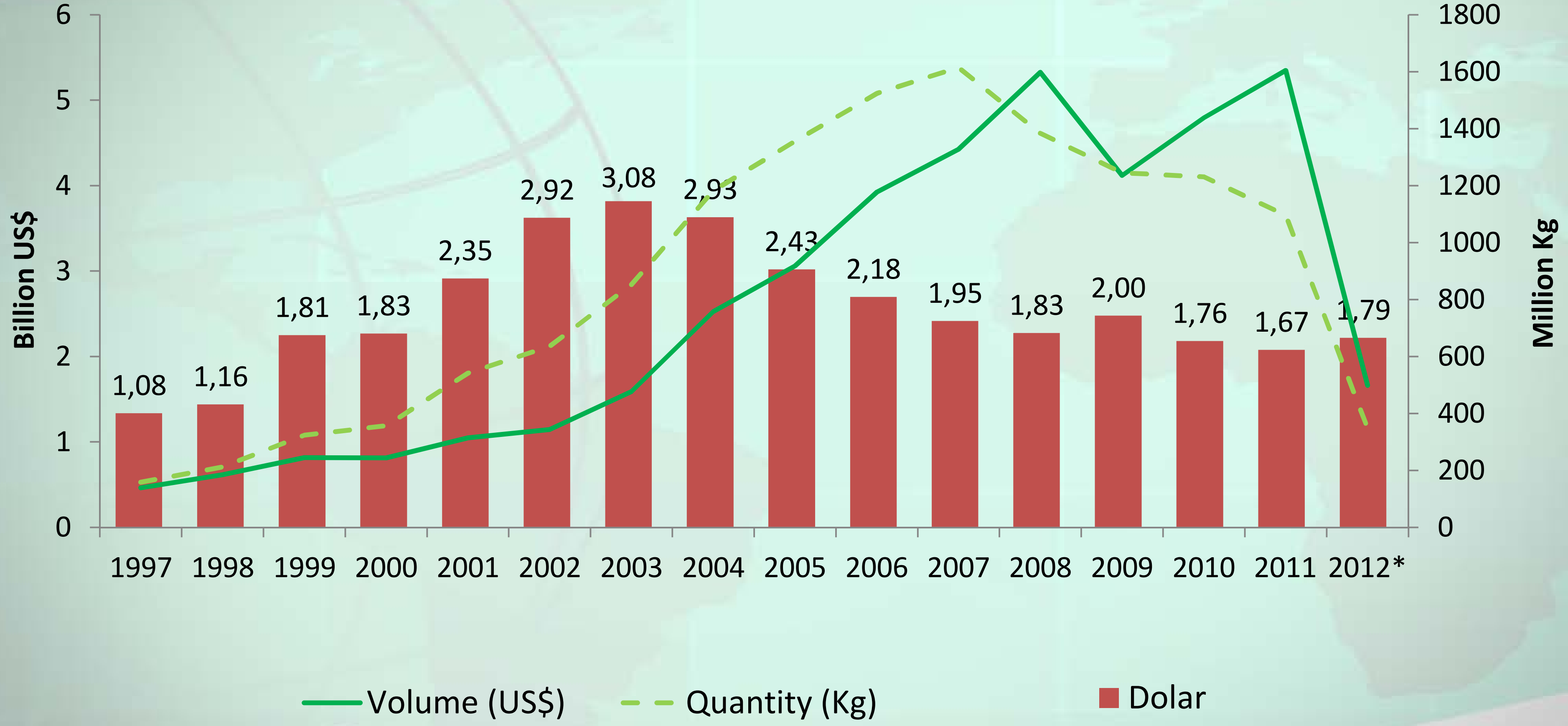
ROTATIONAL GRAZING IN THE REGION OF BARREIRAS IN BAHIA STATE

Source:André Marra.

PICTURE: ROTATIONAL GRAZING IN THE REGION OF BARREIRAS IN BAHIA STATE

Source:André Marra.

BRAZILIAN EXPORTS – BULK, AMONG AND ANUAL AVERAGE DOLAR



*Average values until April/12

Source: Secex and Ipea

THE BRAZILIAN AREAS (PRODUCING, FLORESTS AND URBAN)

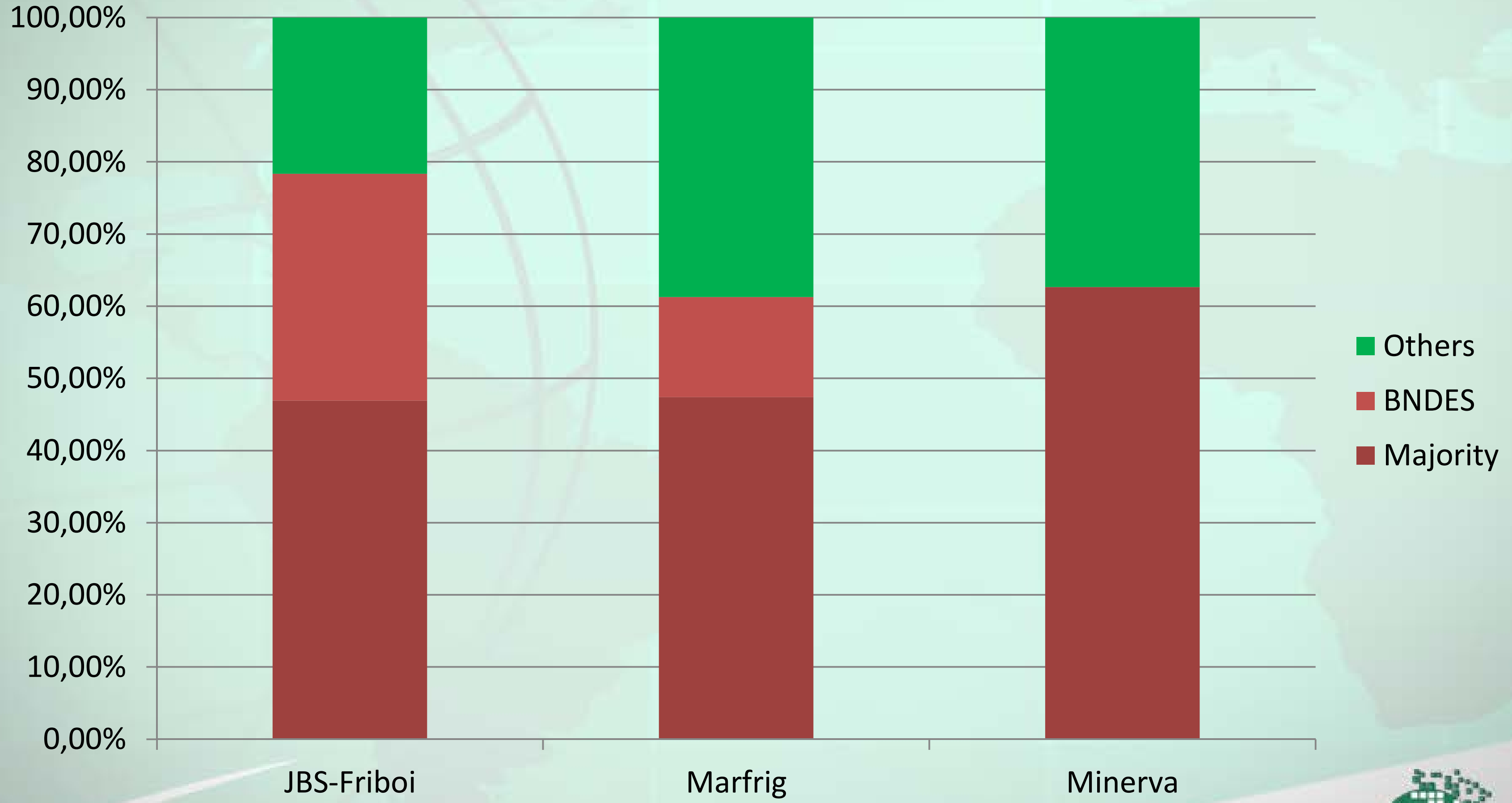
The country has 851 million hectares. Of this total:

- 50% (425 million hectares) are native area
- 11% (96 million hectares) are cities, infrastructure and others
- 28% (236 million hectares) are producing agricultural area
- 11% (94 million hectares) are preserved native area in farms

Reduction of 80 million hectares of production, the equivalent of 180 billion dollars per year

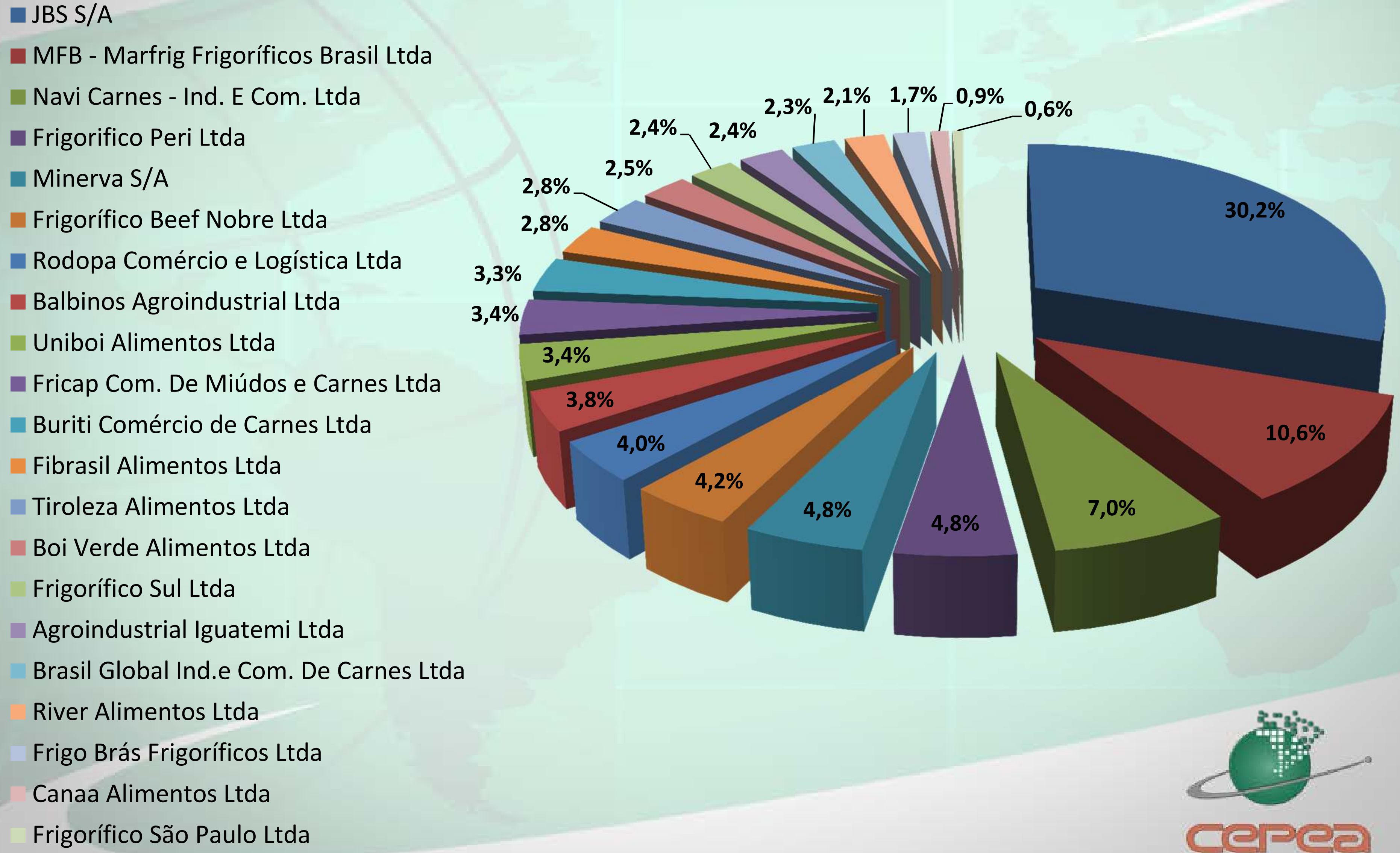
Source: Veja Magazine

SHAREHOLDING OF THE MAJOR BRAZILIAN SLAUGHTERHOUSES



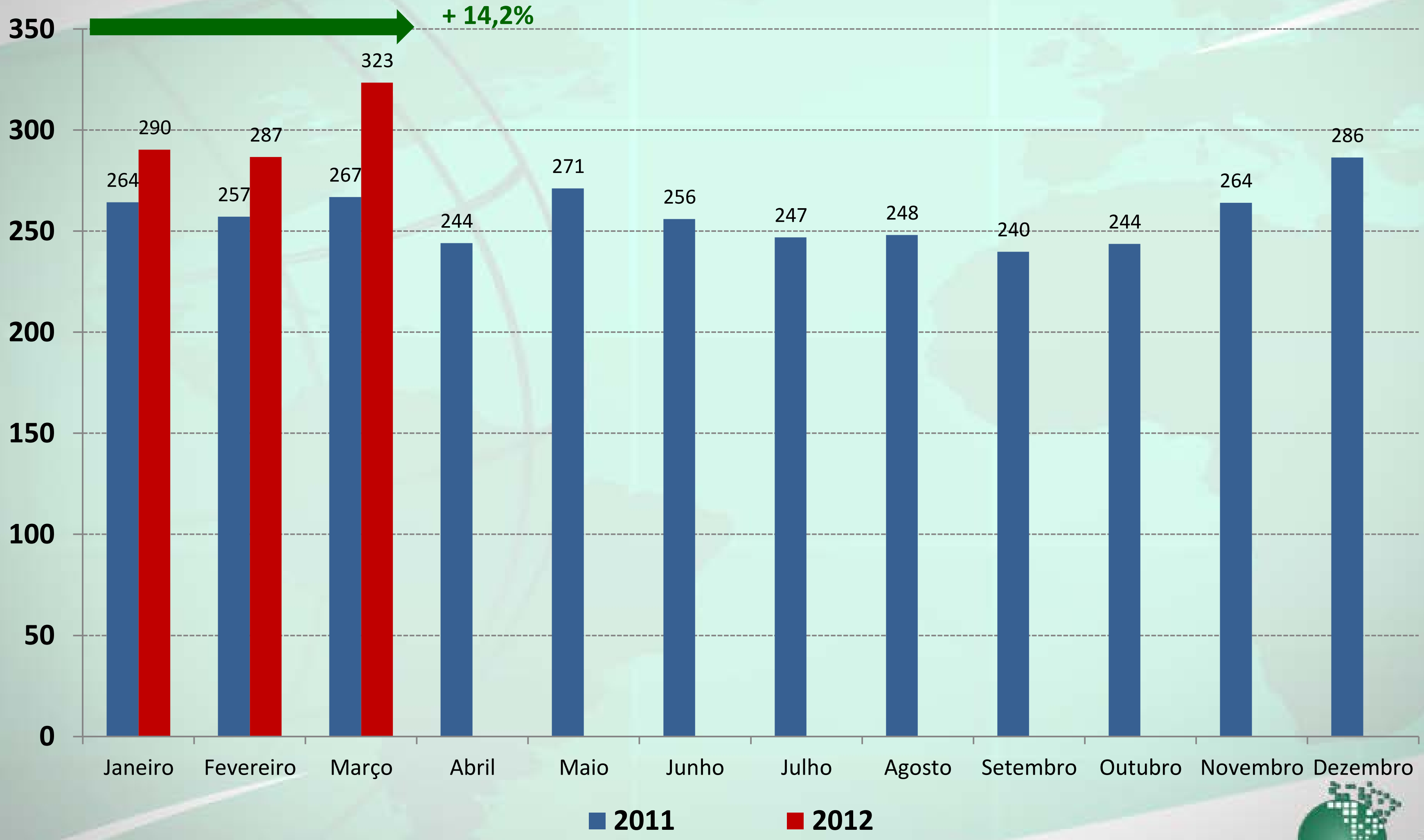
Source: Companies Websites

THE SHARE OF SLAUGHTER IN MATO GROSSO DO SUL STATE
(SLAUGHTERHOUSE WITH FEDERAL INSPECTION)



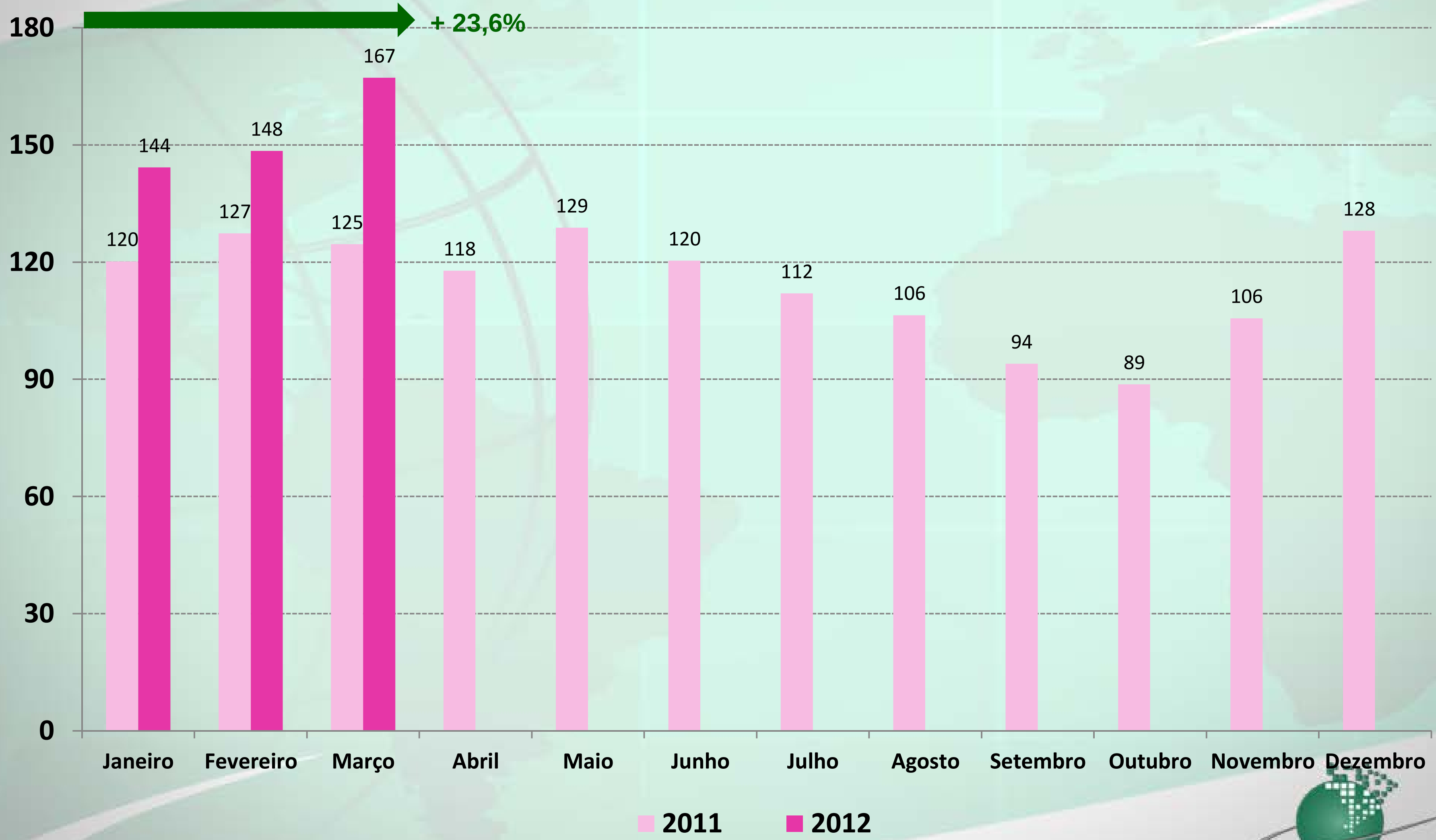
Source: SIPAG-DT/SFA-MS

THE SLAUGHTER OF MALES IN MATO GROSSO DO SUL STATE (SLAUGHTERHOUSE WITH FEDERAL INSPECTION)



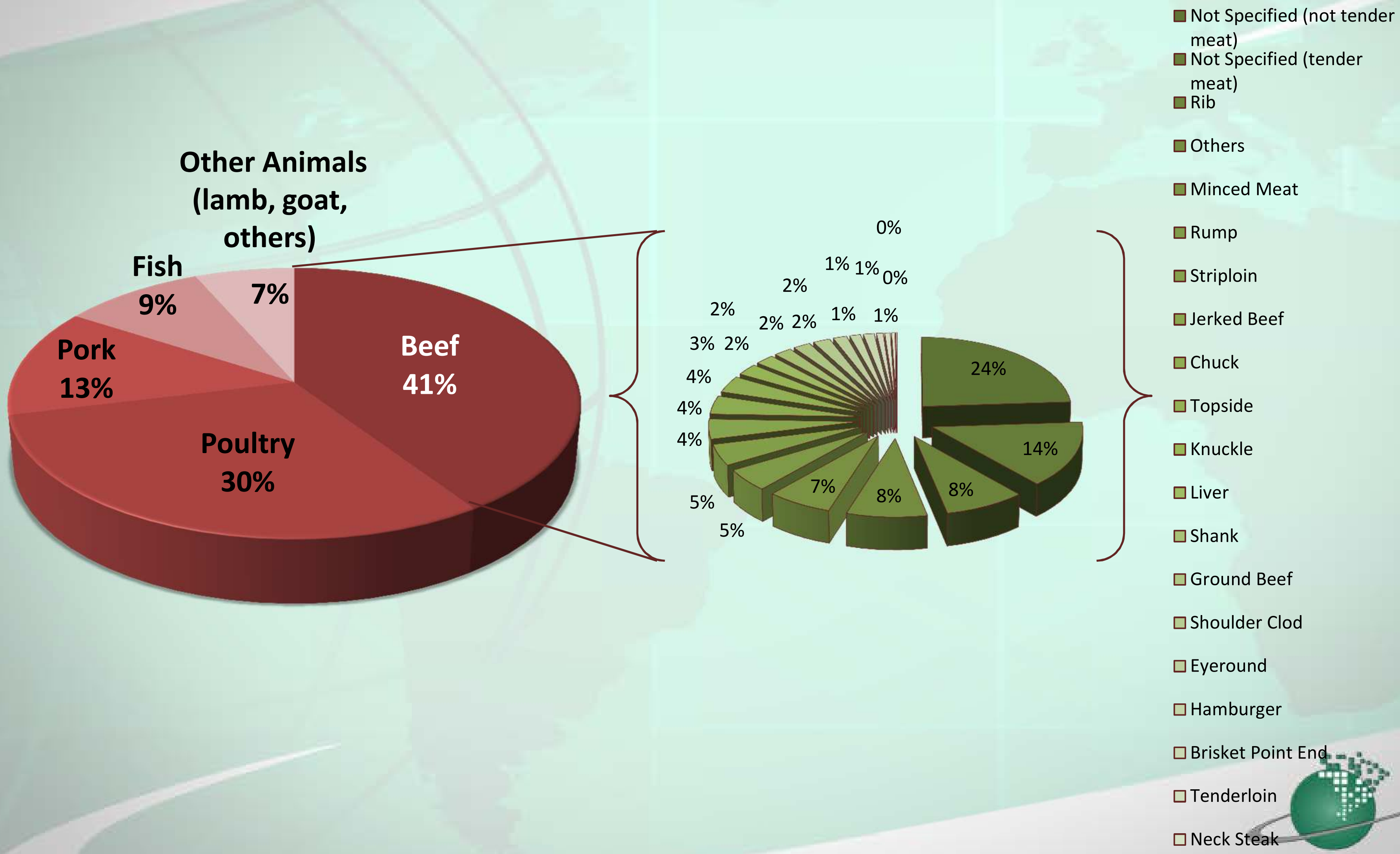
Source: SIPAG-DT/SFA-MS

THE SLAUGHTER OF FEMALES IN MATO GROSSO DO SUL STATE (SLAUGHTERHOUSE WITH FEDERAL INSPECTION)



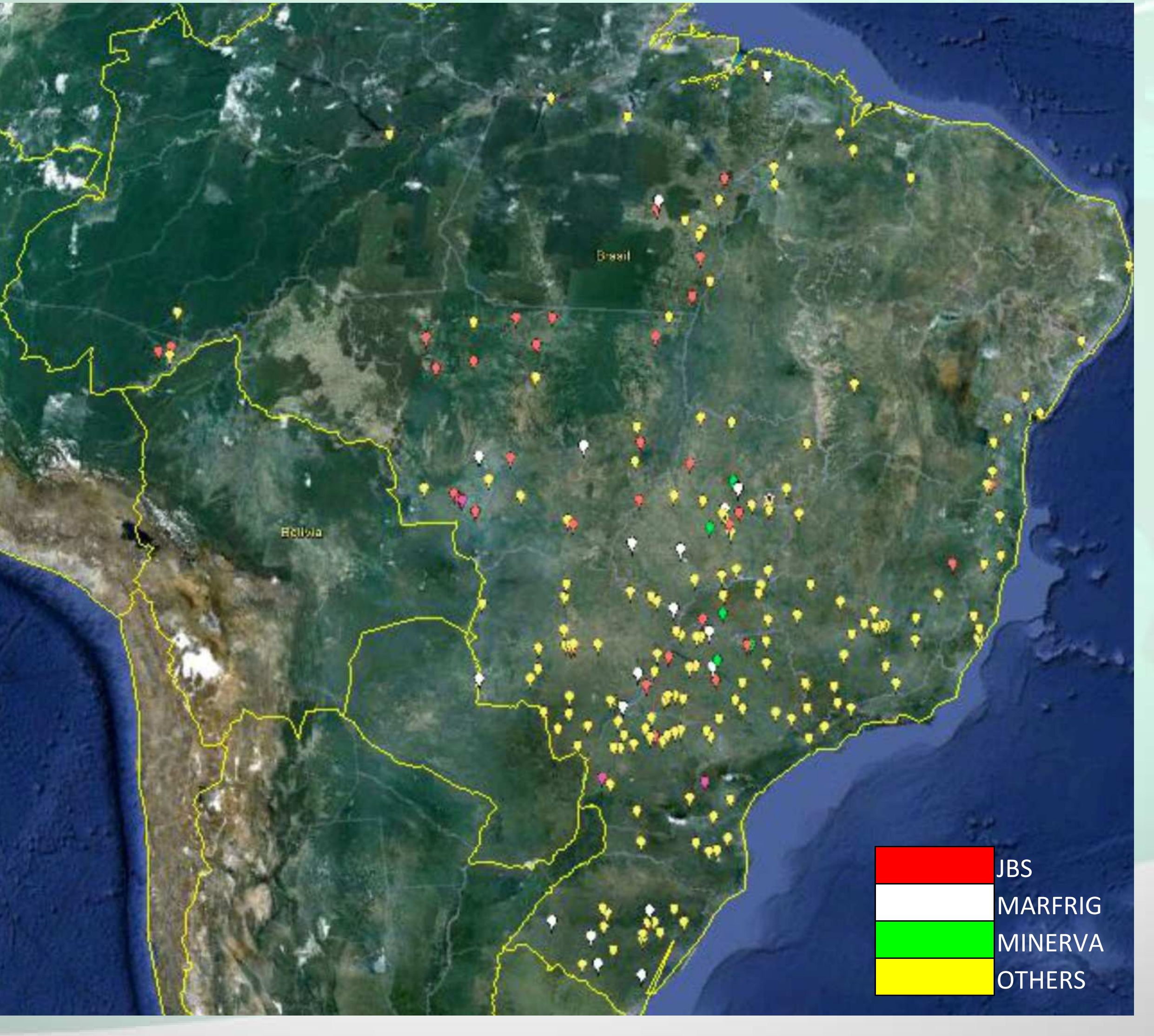
Source: SIPAG-DT/SFA-MS

BRAZILIAN ANNUAL HOUSEHOLD MEAT ACQUISITION PER CAPITA



Source: IBGE (2008/2009)

LOCATION OF BRAZILIAN SLAUTERHOUSES



Source: SIF

Domestic Consuption

MORE QUALITY THAN QUANTITY

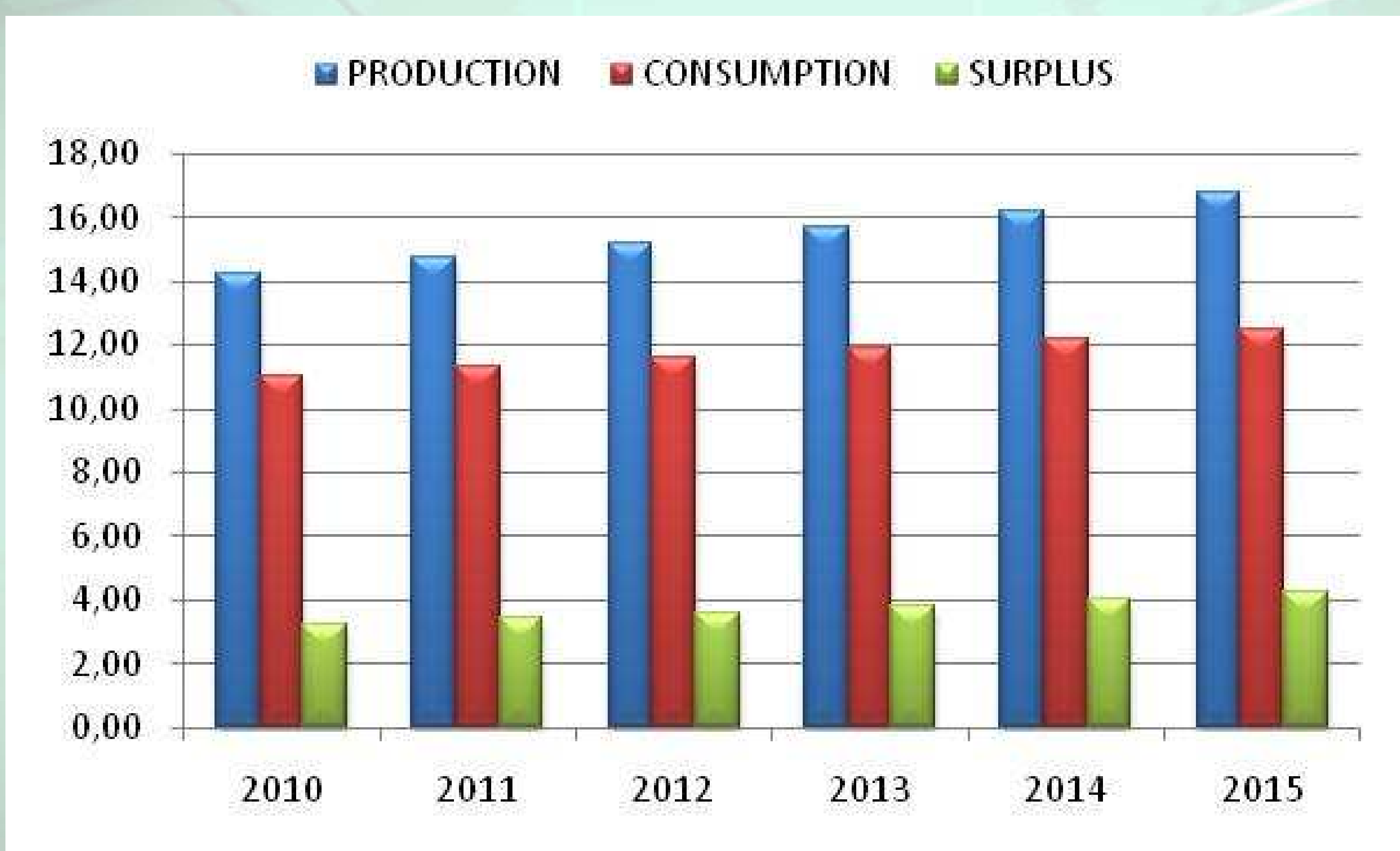
New Consumer

Fonte: Jornal Estado de São Paulo 23/03/2011

South America and World Suply

Expectation for growth of beef production in South American

(millions of tons)



Source: CEPEA

Expectation of production, consumption and the surplus of beef - BRAZIL

Years	Growth Rate of GPD	Production (tons)	Consumption (tons)	Surplus (tons)
		Growth Rate of Production 3,5%		
2.010	6,6%	9.501.300,00	7.450.803,95	**2.050.496,05**
2.011	5,5%	9.833.845,50	7.679.889,77	**2.153.955,73**
2.012	5,0%	10.178.030,09	7.904.257,43	**2.273.772,66**
2.013	5,0%	10.534.261,15	8.135.179,99	**2.399.081,15**
2.014	5,0%	10.902.960,29	8.372.848,95	**2.530.111,34**
2.015	5,0%	11.284.563,90	8.617.461,39	**2.667.102,50**

Source: CEPEA and Bacen

Growth rate of Production 3,5%: last 10 years

Expectation of production, consumption and the surplus of beef - ARGENTINA

Years	Growth Rate of GPD	Production (tons)	Consumption (tons)	Surplus (tons)
		Growth Rate of Production 2,15%		
2.010	2,8%	3.473.100,00	2.786.469,53	**686.630,47**
2.011	3,8%	3.547.771,65	2.827.266,34	**720.505,31**
2.012	3,5%	3.624.048,74	2.867.803,12	**756.245,62**
2.013	3,5%	3.701.965,79	2.908.921,11	**793.044,68**
2.014	3,5%	3.781.558,05	2.950.628,64	**830.929,42**
2.015	2,5%	3.862.861,55	2.989.951,67	**872.909,89**

Source: CEPEA and Global Finance

Growth rate of Production 2,15%: last 10 years

Expectation of production, consumption and the surplus of beef - URUGUAY

Years	Growth Rate of GPD	Production (tons)	Consumption (tons)	Surplus (tons)
		Growth Rate of Production 4,49%		
2.010	5,7%	568.425,60	175.936,76	**392.488,84**
2.011	4,5%	593.947,91	177.679,94	**416.267,97**
2.012	5,4%	620.616,17	179.600,51	**441.015,66**
2.013	6,0%	648.481,84	181.658,37	**466.823,46**
2.014	6,2%	677.598,67	183.763,49	**493.835,18**
2.015	6,5%	708.022,85	185.950,11	**522.072,74**

Source: CEPEA and Global Finance

Growth rate of Production 4,49%: last 10 years

Expectation of production, consumption and the surplus of beef - CHILE

Years	Growth Rate of GPD	Production (tons)	Consumption (tons)	Surplus (tons)
		Growth Rate of Production 1,47%		
2.010	5,5%	253.675,00	419.358,49	**-165.683,49**
2.011	4,5%	257.404,02	429.658,75	**-172.254,72**
2.012	4,5%	261.187,86	440.234,41	**-179.046,55**
2.013	4,5%	265.027,32	451.070,38	**-186.043,05**
2.014	4,5%	268.923,22	462.173,07	**-193.249,84**
2.015	4,5%	272.876,40	473.549,04	**-200.672,64**

Source: CEPEA and Central Bank of Chile

Growth rate of Production 1,47%: last 10 years

Expectation of production, consumption and the surplus of beef - PARAGUAY

Years	Growth Rate of GPD	Production (tons)	Consumption (tons)	Surplus (tons)
		Growth Rate of Production 6,68%		
2.010	5,3%	440.588,40	166.791,72	**273.796,68**
2.011	5,0%	470.019,71	173.707,94	**296.311,76**
2.012	3,5%	501.417,02	180.058,08	**321.358,94**
2.013	3,5%	534.911,68	186.640,35	**348.271,33**
2.014	3,5%	570.643,78	193.463,24	**377.180,54**
2.015	3,5%	608.762,78	200.535,56	**408.227,23**

Source: CEPEA and Global Finance

Growth rate of Production 6,68%: last 10 years

Expectation of production, consumption and the surplus of beef – WORLD

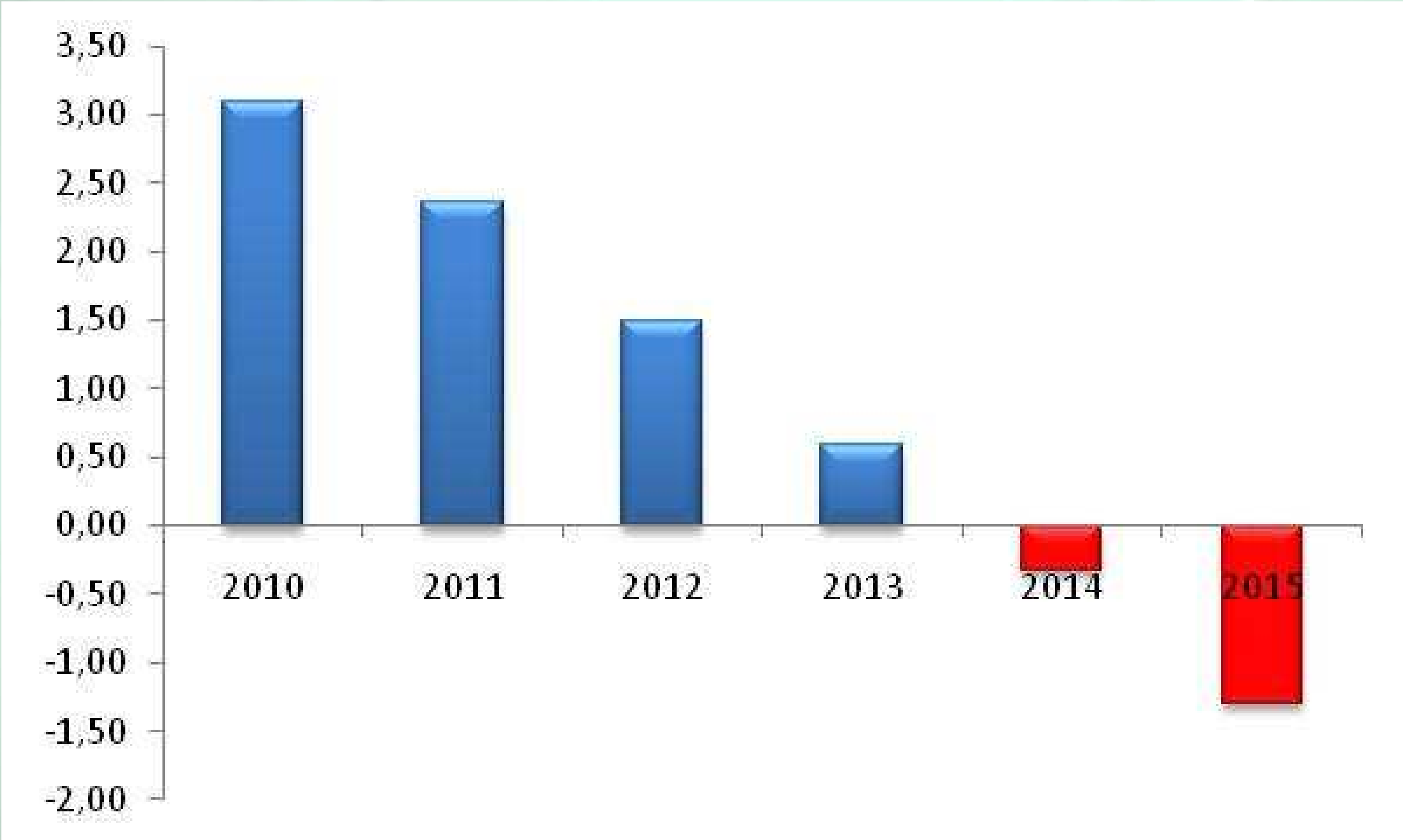
Years	Growth Rate of GPD	Production (tons)	Consumption (tons)	Surplus (tons)
		Growth Rate of Production 1,01%		
2.010	3,9%	57.592.871,70	57.741.333,22	**-148.461,52**
2.011	4,3%	58.174.559,70	59.224.844,51	**-1.050.284,81**
2.012	5,0%	58.762.122,76	60.880.410,50	**-2.118.287,75**
2.013	5,0%	59.355.620,20	62.582.256,04	**-3.226.635,84**
2.014	5,0%	59.955.111,96	64.331.674,81	**-4.376.562,85**
2.015	5,0%	60.560.658,59	66.129.996,68	**-5.569.338,09**

Source: CEPEA and FMI

Growth rate of Production 1,01%: last 10 years

Expectation of surplus of beef – WORLD

millions of tons



Source: CEPEA

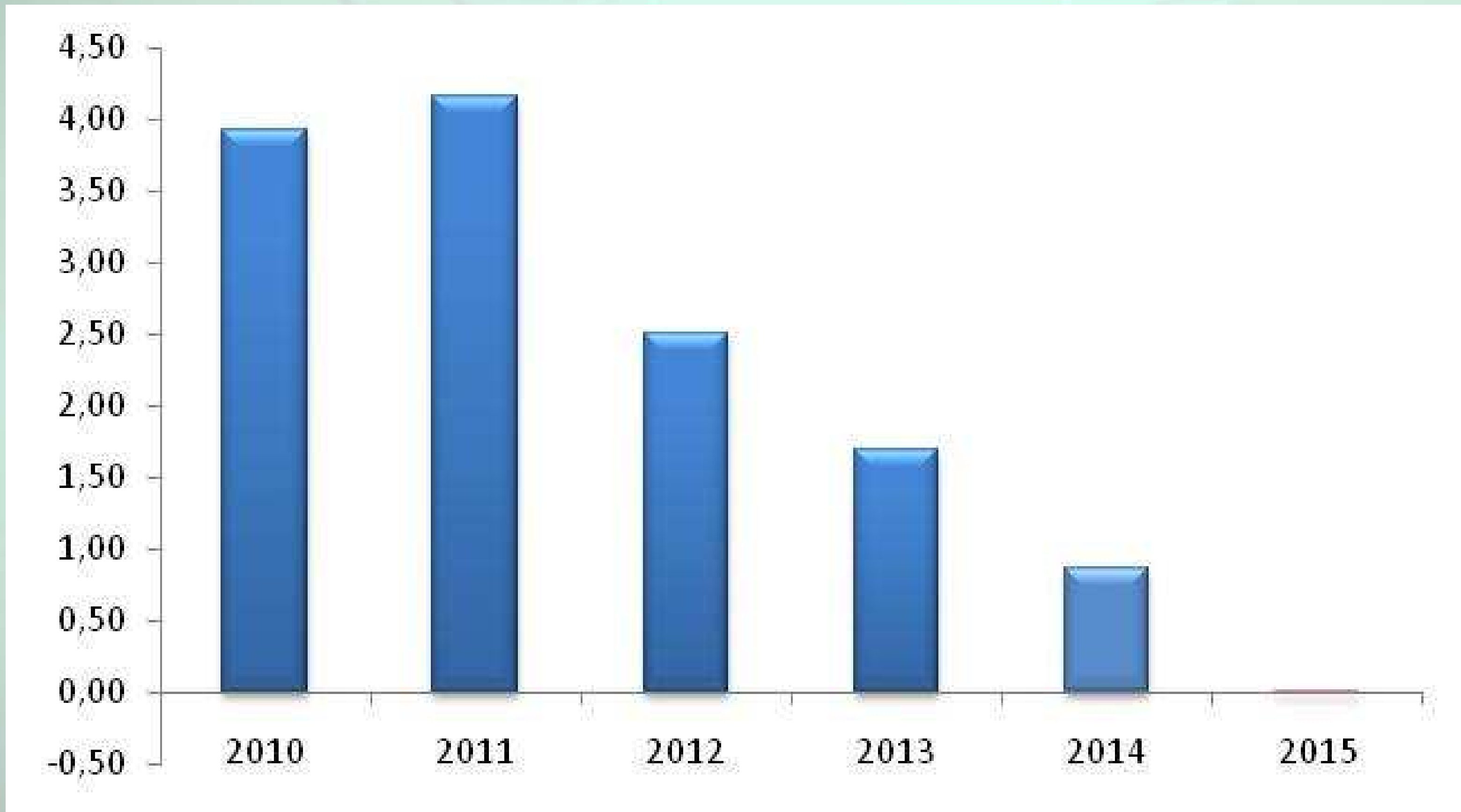
GROWTH SCENARIO OF SOUTH AMERICA PRODUCTION

	ACTUAL SCENARIO	GROWTH SCENARIO
Argentina	2,15%	7,00%
Brazil	3,50%	10,30%
Chile	1,47%	6,00%
Paraguay	6,68%	10,00%
Uruguay	4,49%	9,00%

Source: CEPEA

Expectation of surplus of beef – WORLD – Growth Scenario

millions of tons



Source: CEPEA

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