



# Brazil: the country of unlimited growth in beef production?

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# Challenges to increase production

- Land and production factors increase productivity;
- Industry capacity;
- Infrastructure;
- Sustainability;

A silhouette of a cowboy riding a horse, holding a lasso aloft. The scene is set against a bright, golden sunset or sunrise, with a hazy, dusty atmosphere. The cowboy is wearing a hat and is in profile, facing right. The horse is also in profile, facing right. The lasso is a large loop of rope held high in the air. The background shows a line of trees and a bright sky. The overall mood is dramatic and evocative of a traditional cowboy scene.

How Brazilian farms work???

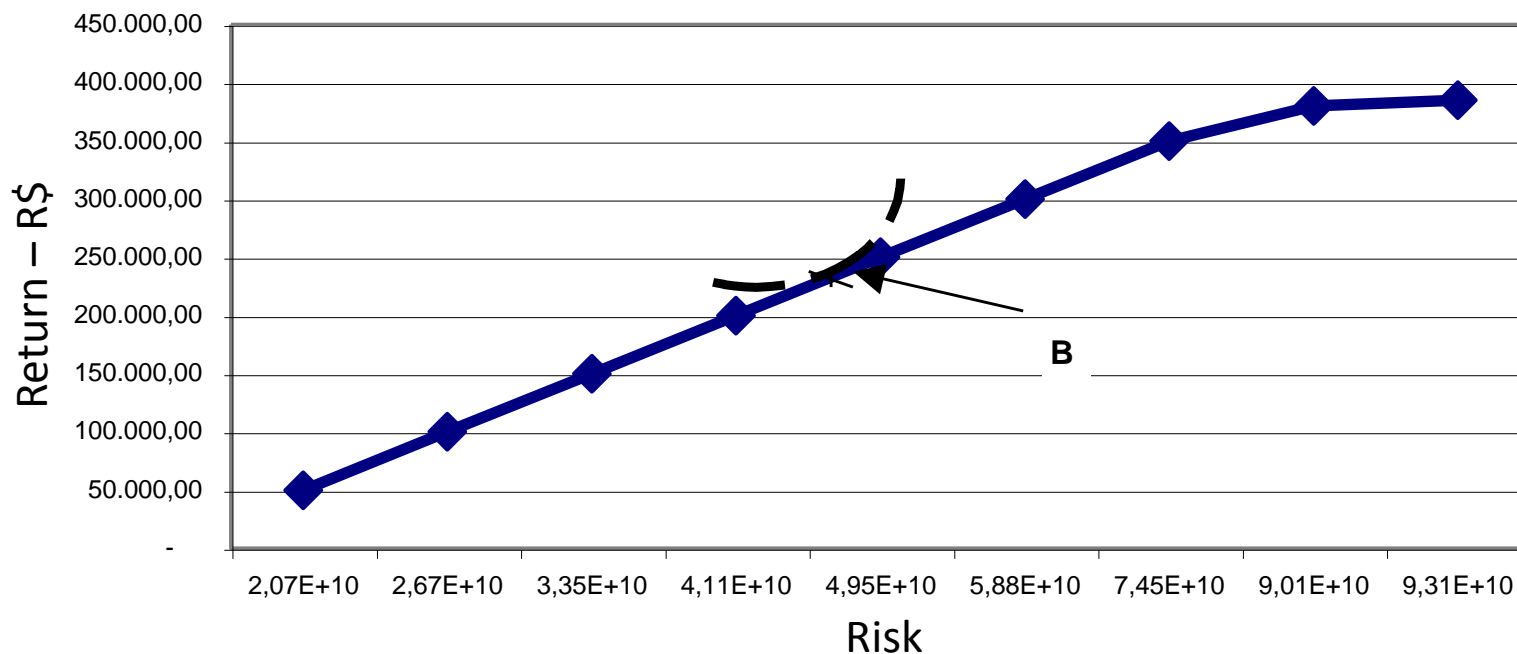
The image shows two silhouetted figures, likely farmers, standing in a field at sunset. They are looking at a corn plant that is being held up between them. The background is a bright orange and yellow sky, suggesting the sun is low on the horizon. The overall scene is peaceful and focused on agricultural work.

How Brazillian farms work???

# Typical Farm in Tangará da Serra/MT

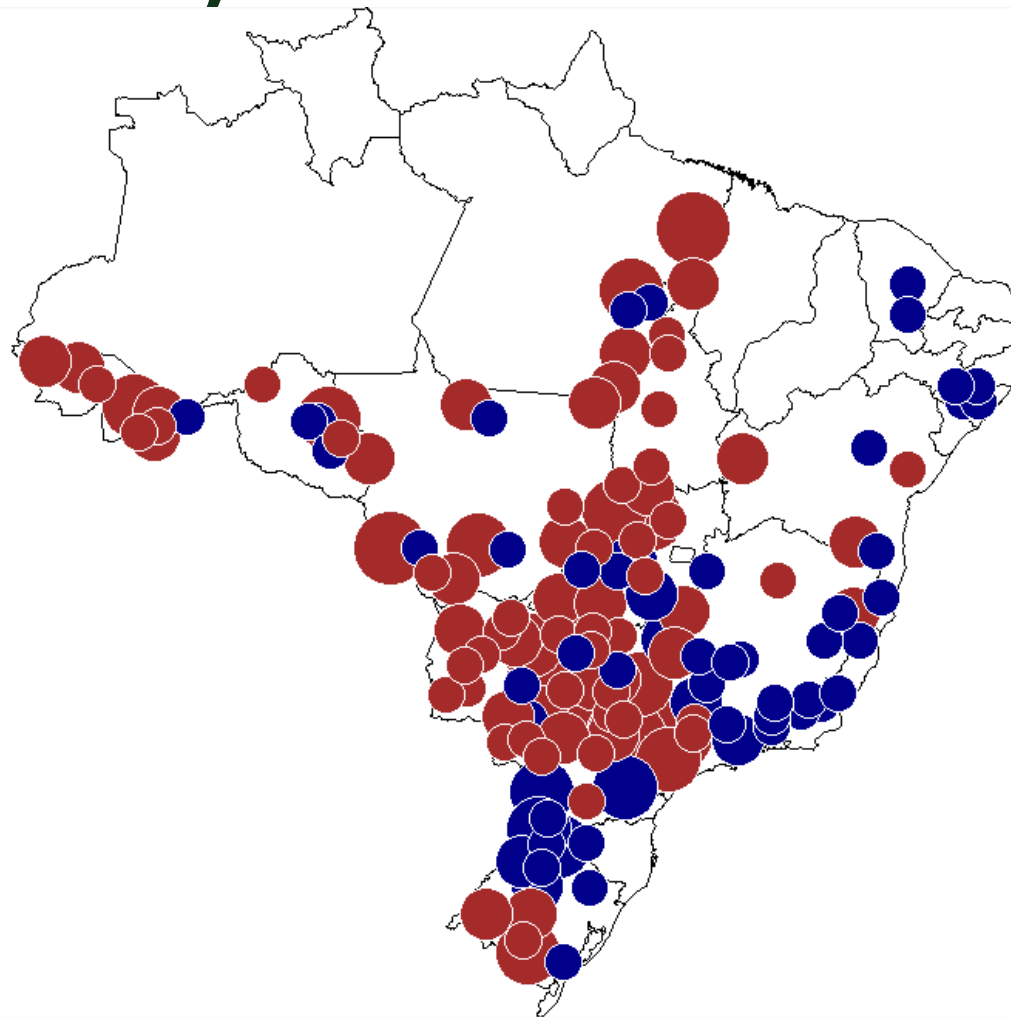
Land Use	Area (Hectares)
Agriculture	2.000
Cotton	400
Rice	0
Conventional Cultivation Corn	0
Direct Seeding Corn	0
Late Harvest Corn ( <i>milho safrinha</i> )	150
Conventional Cultivation Soybean	300
Direct seeding Soybean	1.050
Cattle	1.000
Source: Cepea/Esalq/USP	

# Efficiency Frontier Tangará da Serra/MT



# Land and Farms

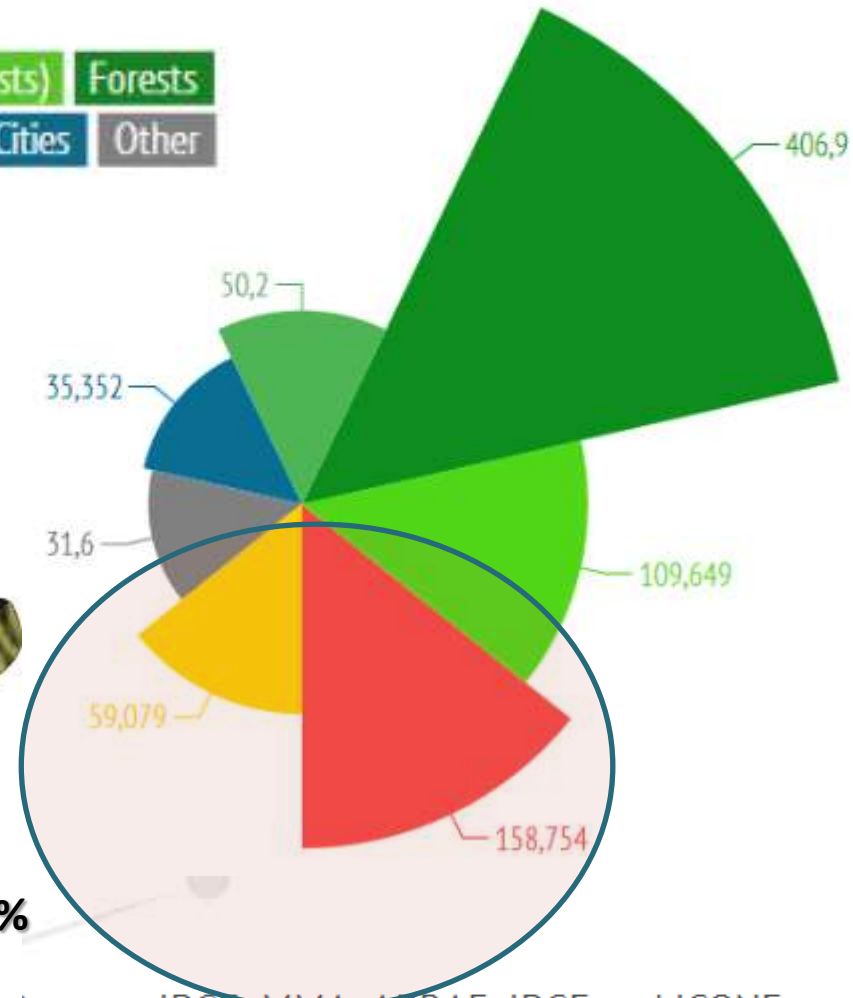
# Beef and Milk Typical Farms – Cepea (2003 – 2014)



Elabo

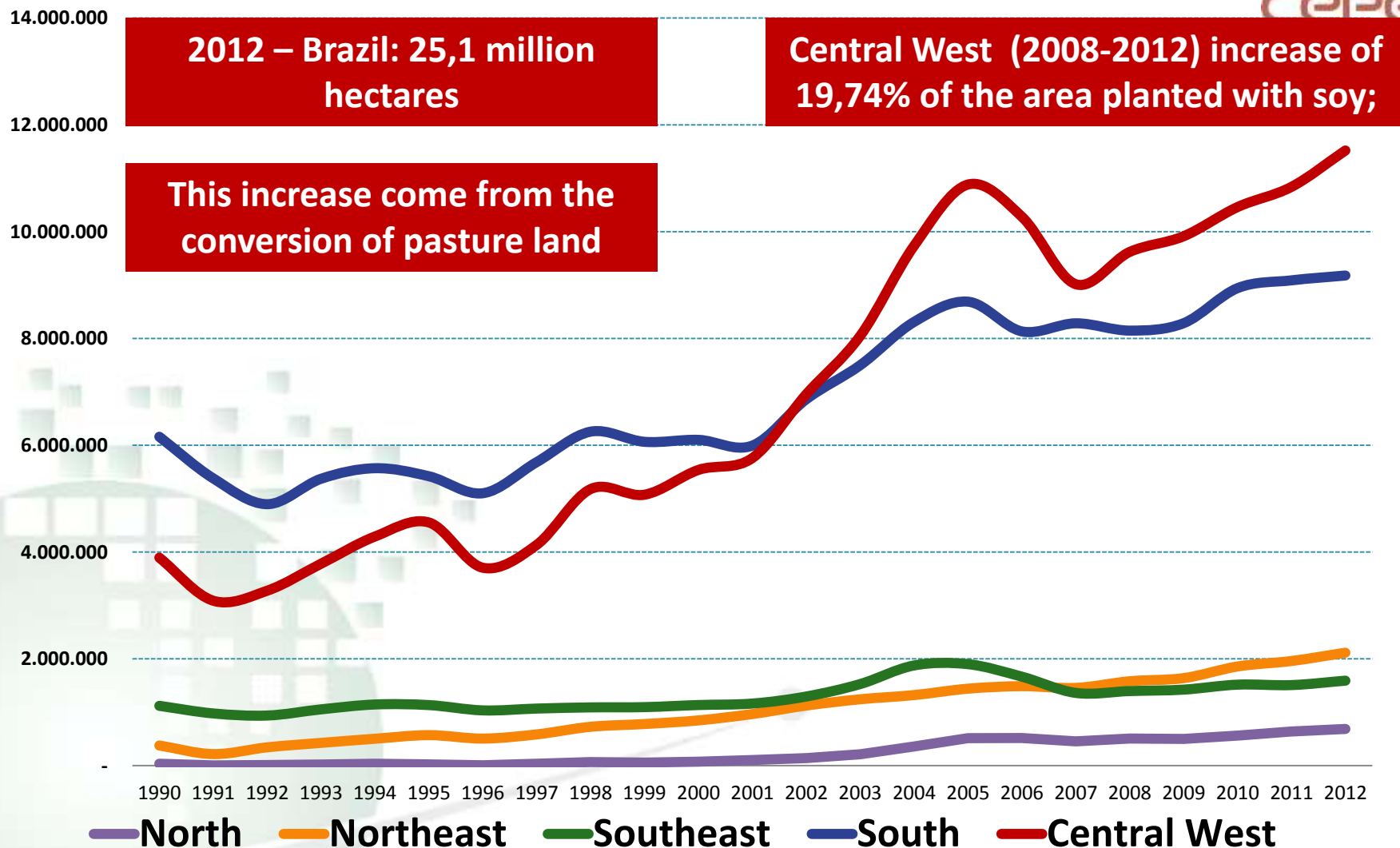


# Brazilian Areas (million hectares)



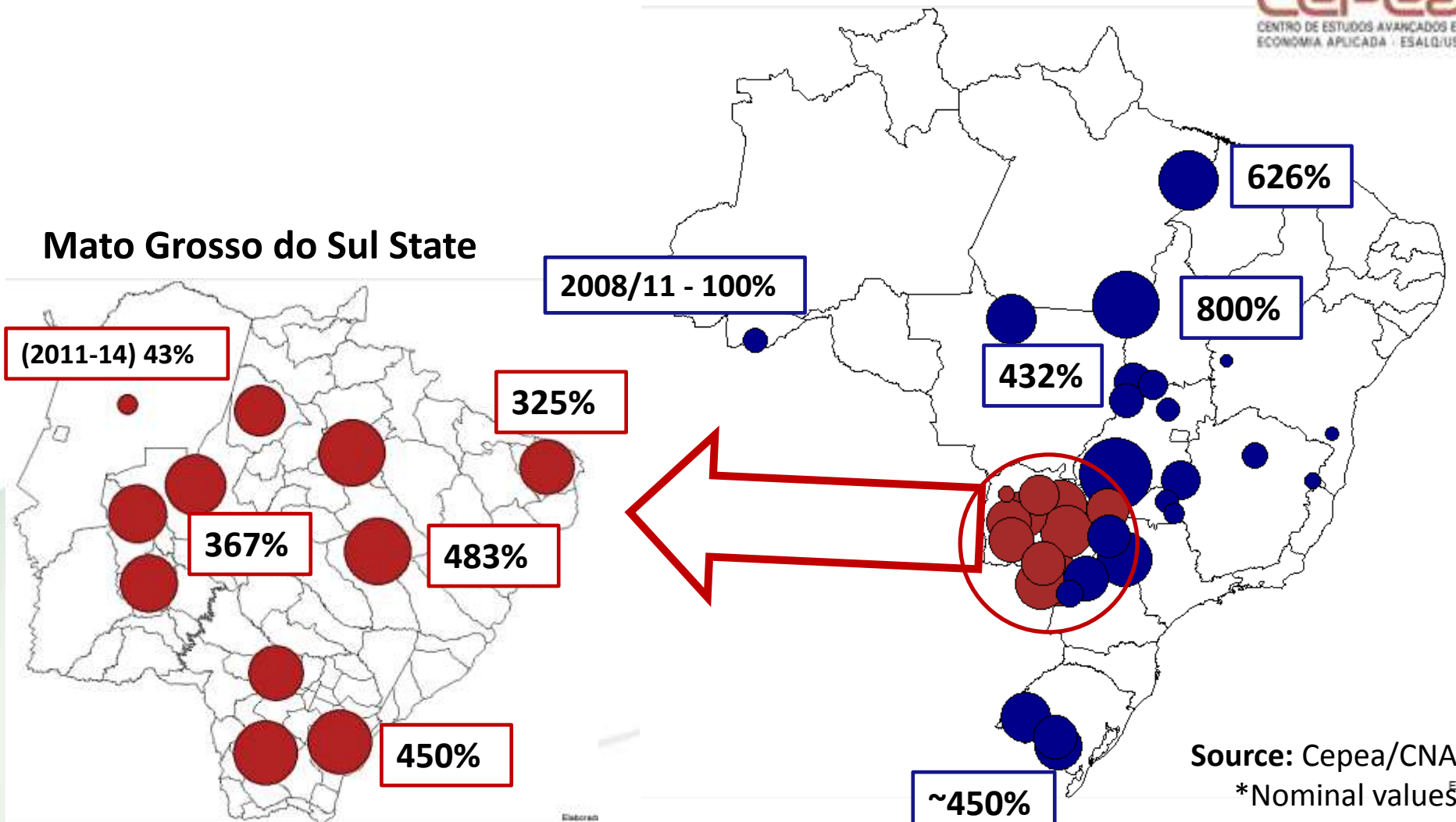
Sources: IBGE, MMA, ABRAF, IBGE and ICONE.

# Evolution of the Land Area Planted with Soy/hectares



# The Increase in Land Price (2003-2014)

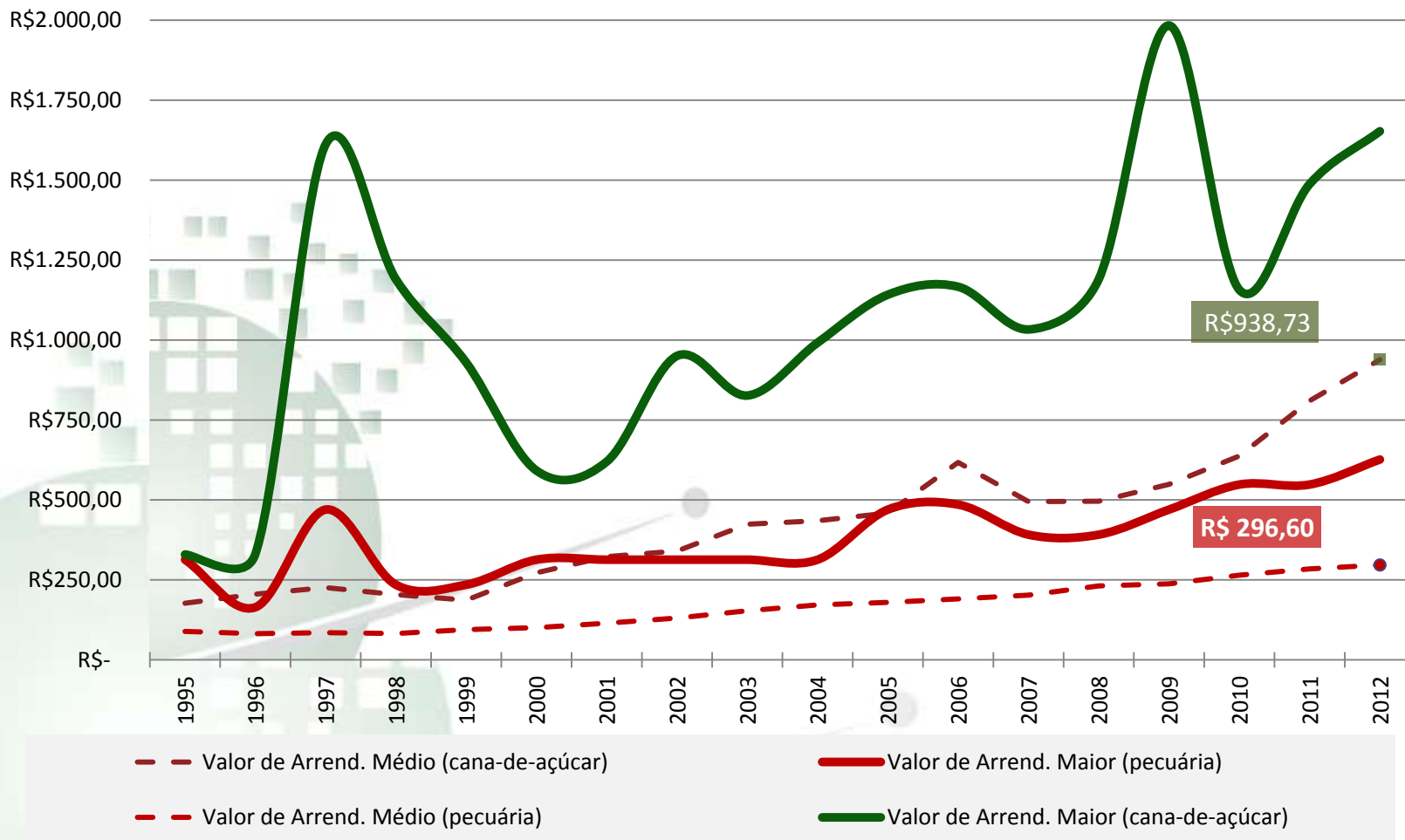
## Mato Grosso do Sul State



Source: Cepea/CNA  
\*Nominal values<sup>El</sup>

# Opportunity cost – São Paulo State

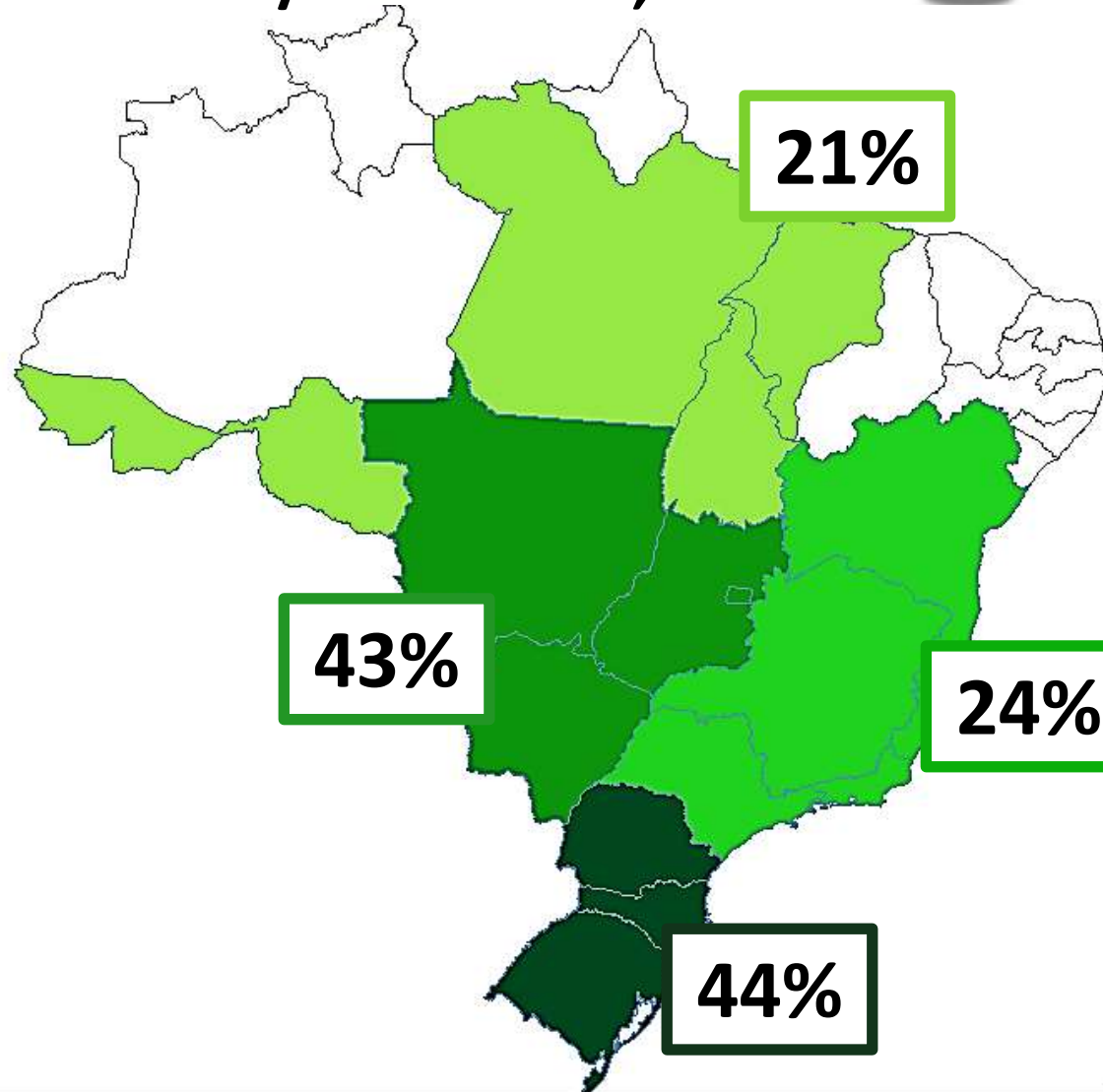
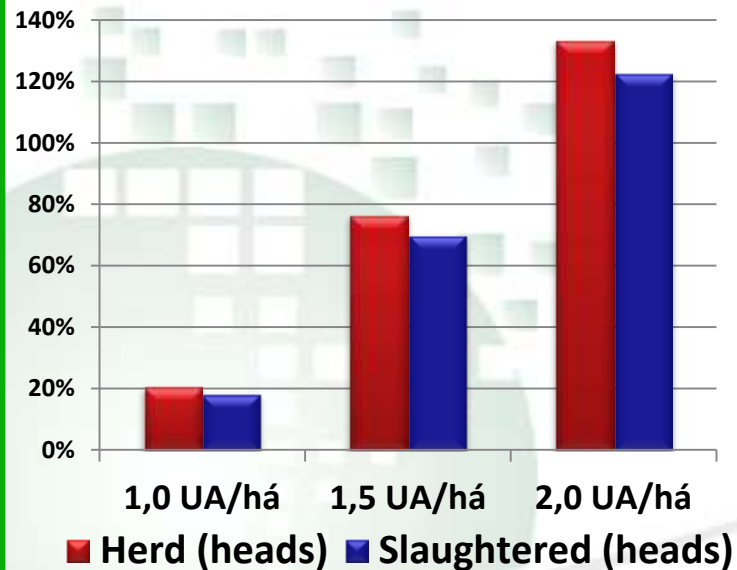
## Cattle Beef x Sugar Cane





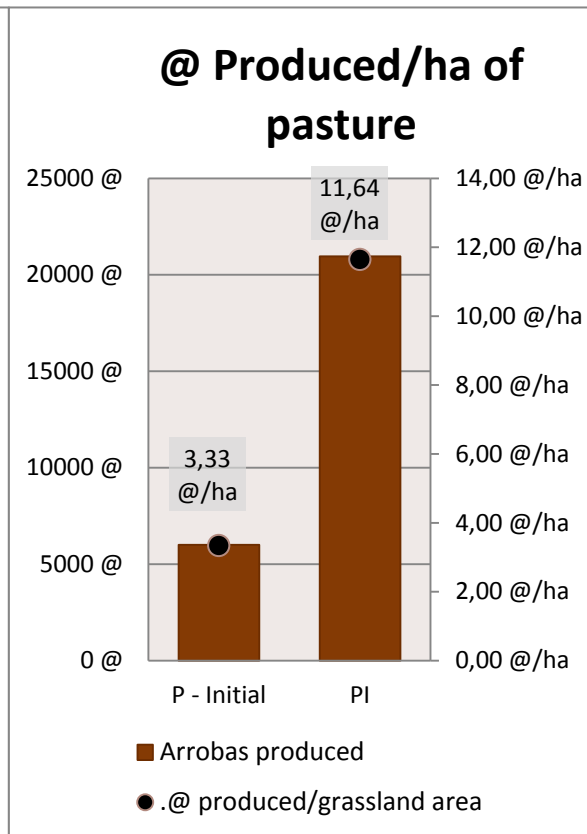
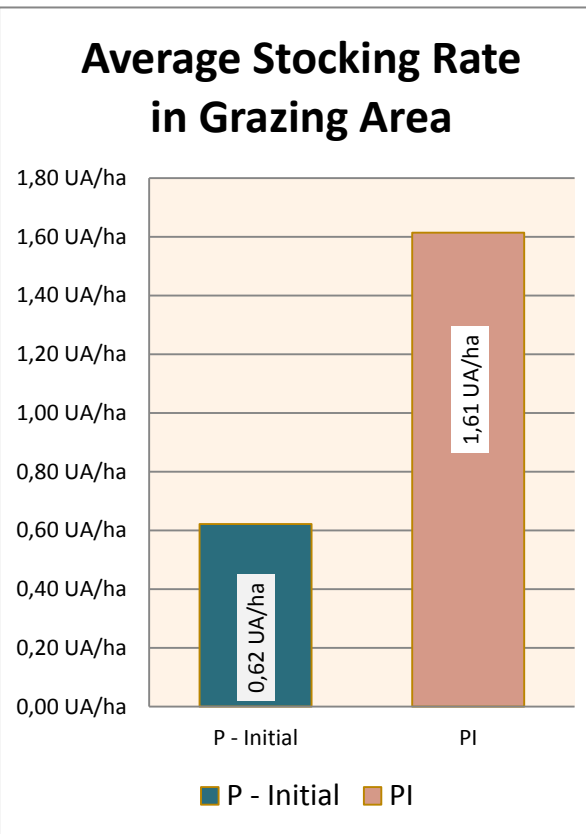
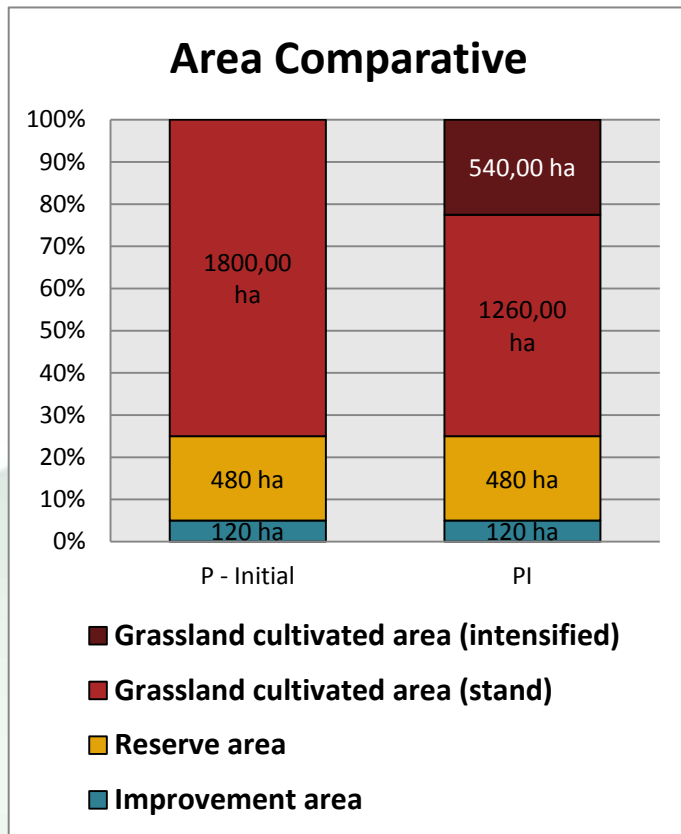
# Livestock Reaction: Stocking Rate Increase (Animal Unit (450 kg)/hectare) 2003-2008/2009-2013;

Even productivity has increased so far, there is still gap for further improvement in properties



# Sustainability

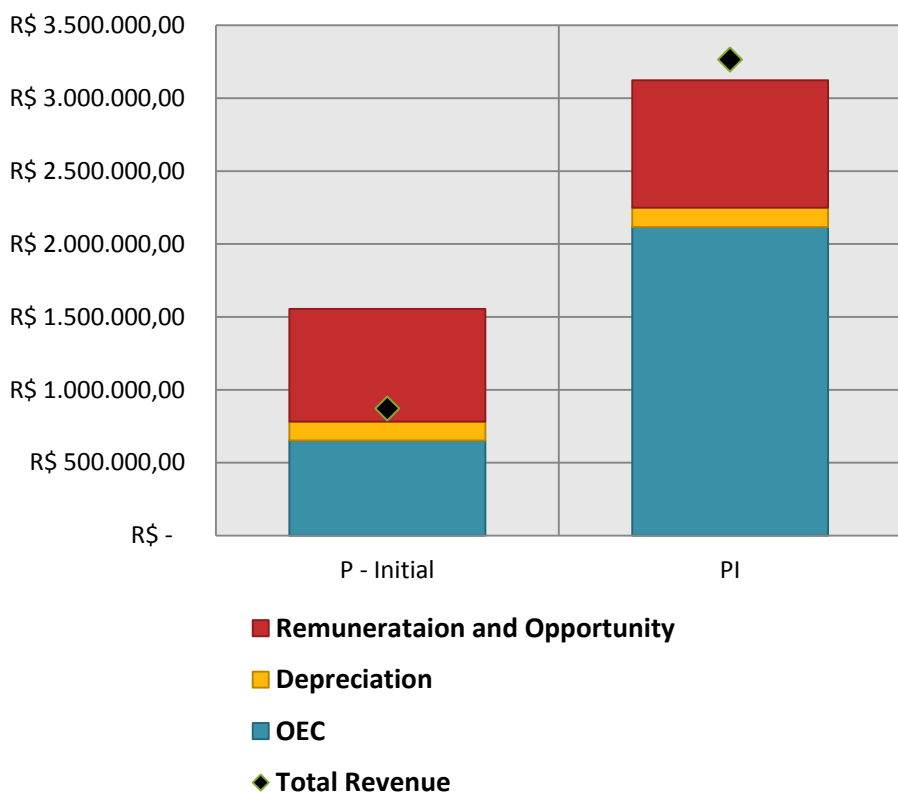
# Technical Comparative – Nova Andradina-MS - Beef Finishing



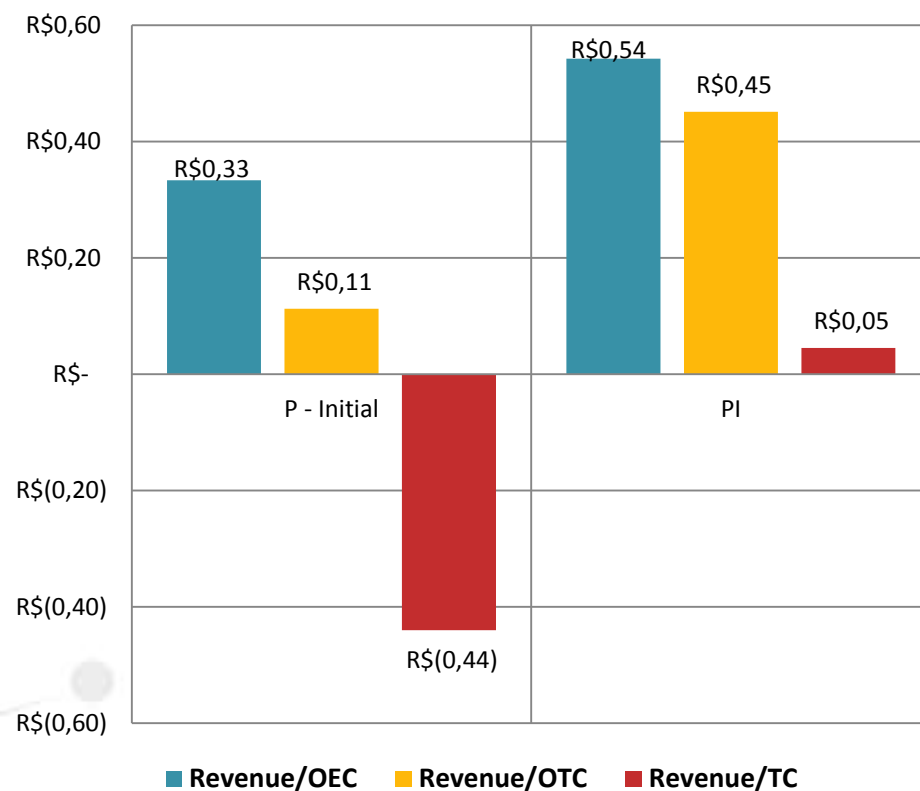
@ = 15 kg of Carcass Weight

# Economic Comparative – Nova Andradina- MS - Beef Finishing

## Rentability



## Return per Real (R\$) Invested





# Comparative: Livestock x Agriculture



**CEPEA**  
CENTRO DE ESTUDOS AVANÇADOS EM ECONOMIA APLICADA - ESALQ/USP

<b>Livestock (Nova Andradina/MS)</b>	
Production System	Beef Finishing
Grassland Stand Area	540,0 ha
Cost per hectare	R\$ 905,22
Useful lifetime	30 years
Intensified Grassland Area	1260,0 ha
Cost per hectare	R\$ 1.769,93
Useful lifetime	30 years
Total Revenue (sale of animals)	R\$ 1.949,00
Effective Operational Cost (EOC)	R\$ 1.420,48
Operational Total Cost (OTC)	R\$ 1.498,66
Total Cost (TC)	R\$ 1.989,19

<b>Agriculture (Naviraí/MS)</b>	
Type of Area	Leased
Medium Lease Value (R\$/ha)	R\$ 717,00
Soya area	800 ha
Productivity	48 sc/ha
Corn Area 2° Harvest	680 ha
Productivity	80 sc/ha
Revenue - Soya	R\$ 2.868,17
EOC - Soya	R\$ 1.395,08
OTC - Soya	R\$ 1.580,23
TC- Soya	R\$ 2.128,20
Revenue - Corn 2° Harvest	R\$ 1.699,32
EOC- Corn 2° Harvest	R\$ 1.260,20
OTC - Corn 2° Harvest	R\$ 1.461,96
TC - Corn 2° Harvest	R\$ 1.931,71

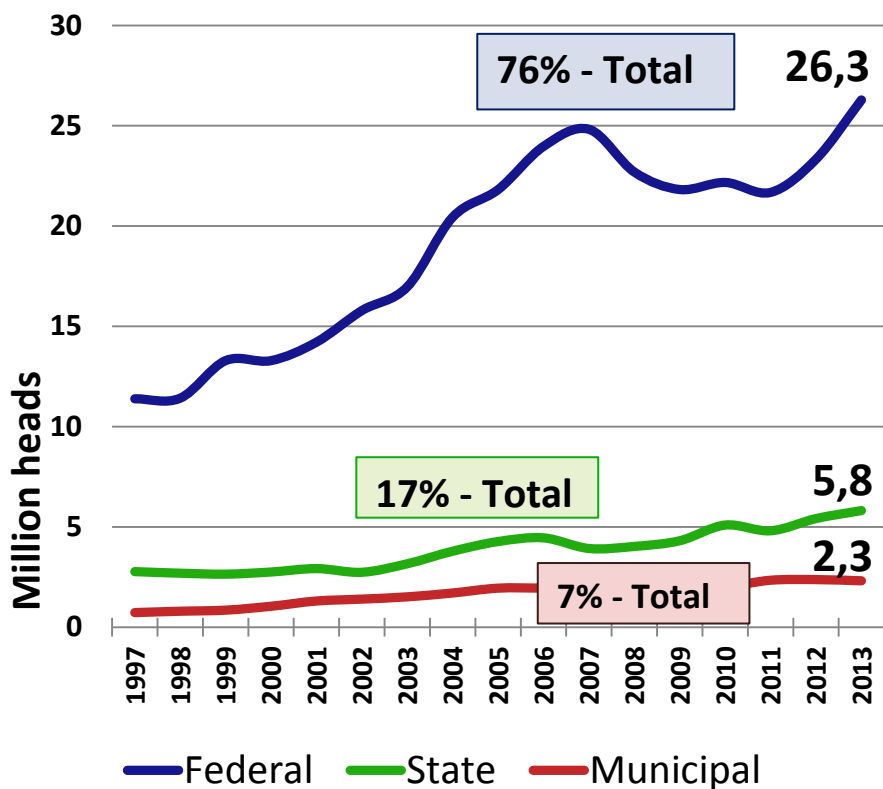
	<b>Livestock</b>	<b>Agriculture</b>
Gross Margin (Revenue-EOC)	R\$ 528,52	R\$ 1.912,21
Net Margin (Revenue-OTC)	R\$ 450,34	R\$ 1.525,30
Lucro (Revenue-TC)	-R\$ 40,19	R\$ 507,58

TOTAL - REVENUE	R\$ 4.567,49
TOTAL - EOC	R\$ 2.655,28
TOTAL - OTC	R\$ 3.042,19
TOTAL - TC	R\$ 4.059,91

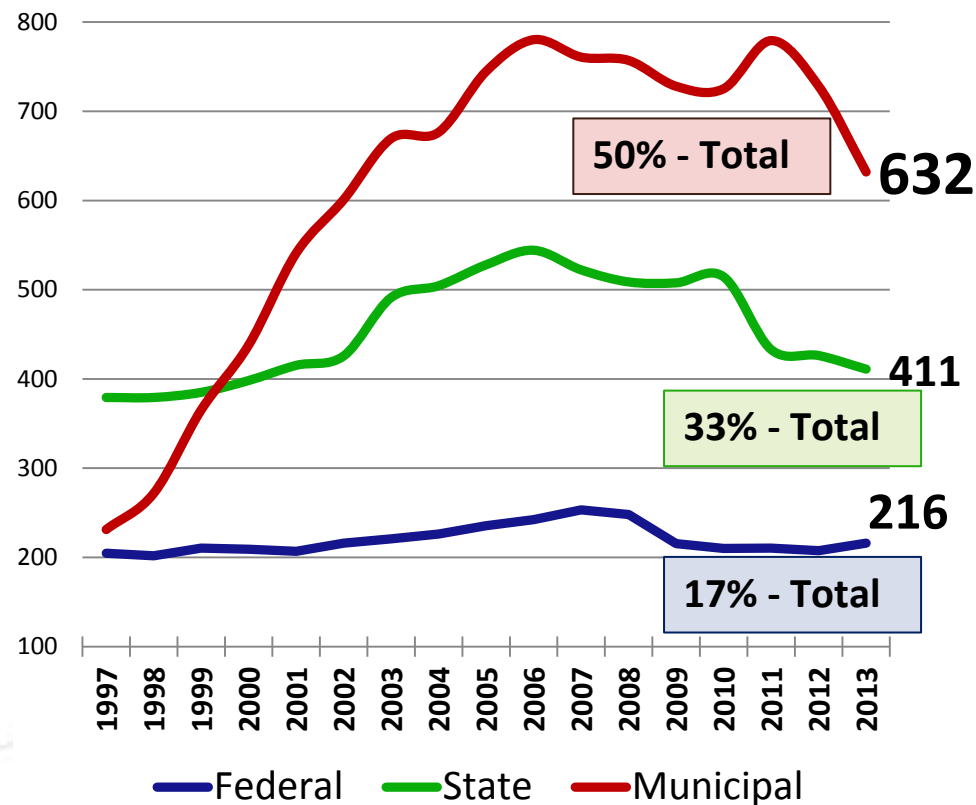
# Industry

# Slaughterhouse in Brazil

## Number of slaughtered animals



## Number of industries



# Infrastructure



Amazonas

North



Maranhão

Northeast



Minas Gerais

Southeast



Pará

South

Rio Grande do Sul



Bahia

Central West

Mato Grosso



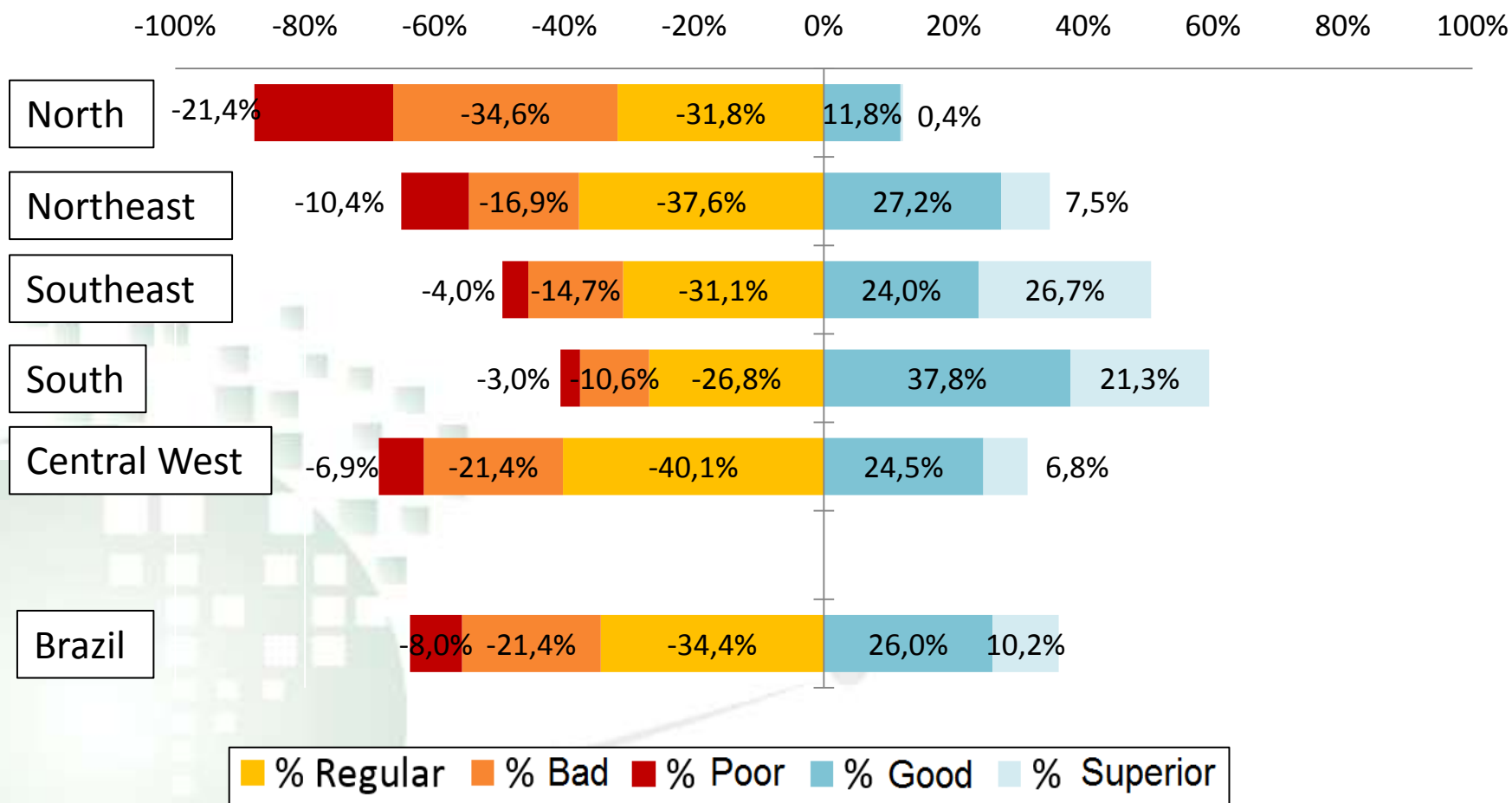
São Paulo

Paraná

Goiás



# Brazilian roads quality



States	Distance between the Farmer and the Slaughterhouse (km)
ES	250
GO	400
MG	400
MS	350
MT	350
PR	350
RO	300
RS	350
SP	300

**Distance that our cattle need to travel...**

# The country of unlimited growth in beef production?

- No!
- There are potential to grow, but it depends on:
  - Farm Management – Better use of the resources; it relies on human capacity;
  - Infrastructure –
    - How to drain the production?
    - Energy out of the farm needs investment;
  - Sustainability: produce more with less land.

**WITH THE SAME AREA, WE COULD PRODUCE TWO TIMES MORE.**



## Aves da minha terra

O faisão é meu amigão,  
Ele não teme a situação,  
Se não tiver água na região,  
O orvalho é sua solução.

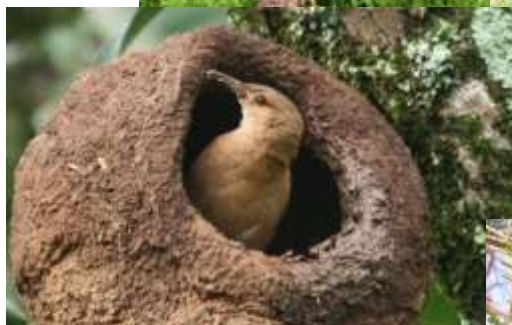
A seriema é desconfiada,  
E quanto se sente ameaçada,  
Abre as asas enfezada,  
E enfrenta a meninada.

O joão-de-barro é o construtor,  
E o canário, o aproveitador.  
A garça, a vida simboliza,  
O corvo, para a morte aterrissa.

O uirapuru,  
Canta pra chuchu.  
A arara azul,  
Embeleza a América do Sul.

Onde posso ver tanta variedade?  
Se não é na minha terra, ó gente!  
Essa que me traz tamanha felicidade!

Renata Schiavon





# OBRIGADO Grazzie Thank you!!!!

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