

Livestock Market in Latin America

Opportunities And Challenges

Kleber Gomes
CFO and IRO

Global challenge





Feed
10 billion
people worldwide
in 2050

Where is the greater
demand for food in the
world?









Potential
Crisis in the
supply of food



37%
food waste
from developing
countries
through logistics
problems



40%
2030



70%
2070

Demand
of food

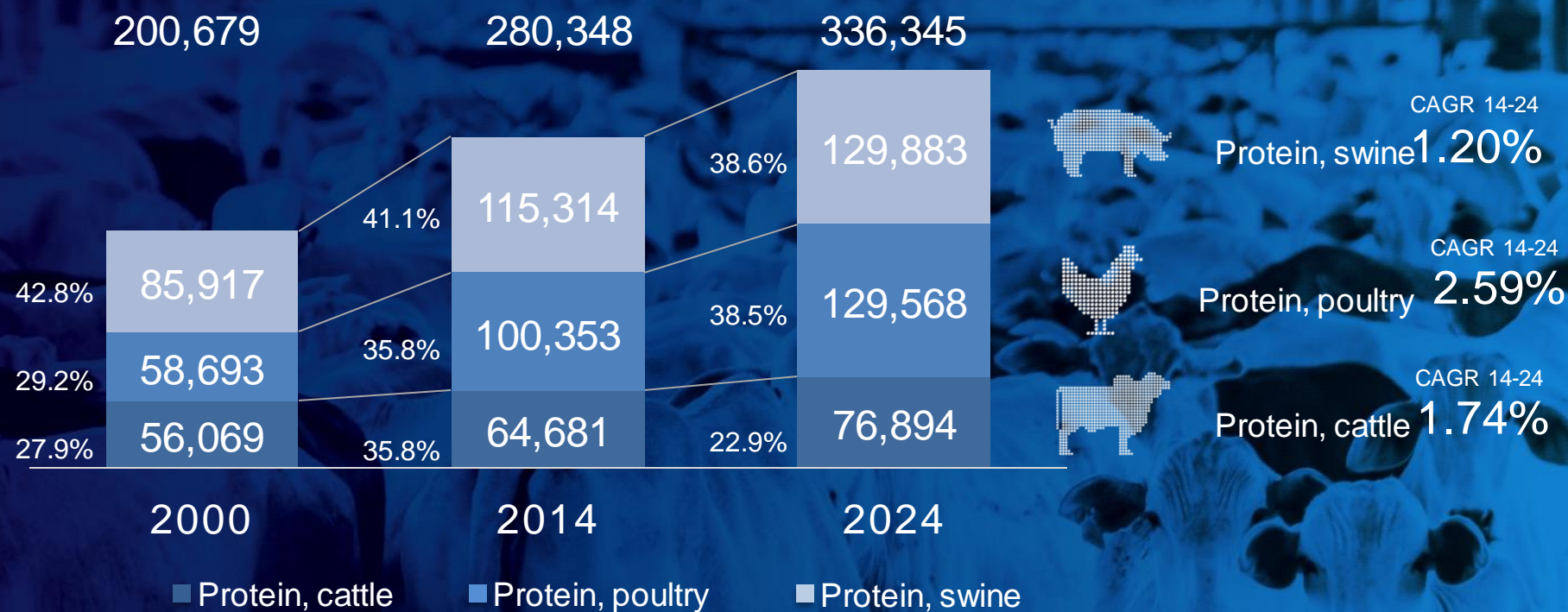


76%
2050

2005

Global Production
of meat

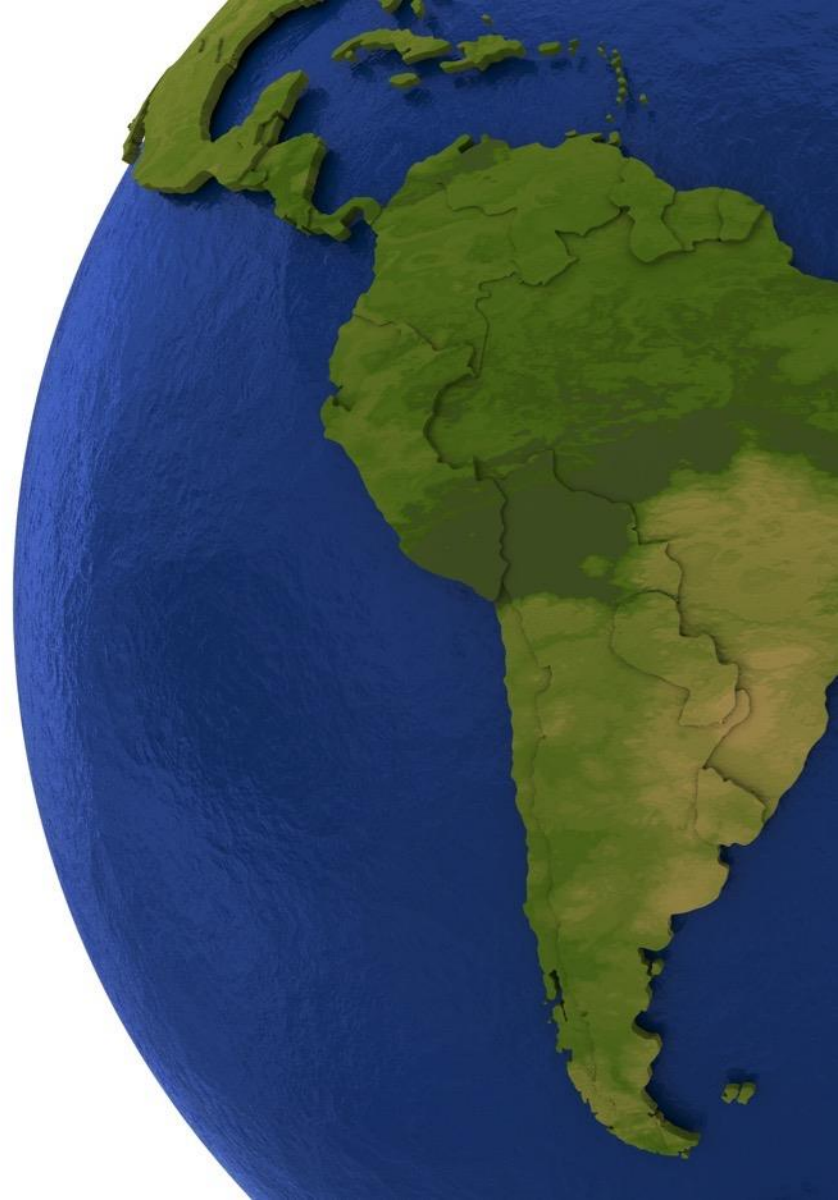
World Meat Production (th ton)



FAOSTAT, 2017 / OECD/FAO (2015), "OECD-FAO Agricultural Outlook"

LATIN AMERICA

	2014 Production	% World
Protein, cattle	18,183,109	28.11%
Protein, poultry	23,819,874	23.74%
Protein, swine	7,097,475	6.15%
Total	49,100,458	17.51%



Brazil, the country of food



	Brazil				% World Prod.		% Latam Prod.	
	2000	2014	Evol.	CAGR	2000	2014	2000	2014
Protein, cattle	6,650,000	9,793,947	47.3%	2.8%	11.86%	15.14%	48.06%	53.86%
Protein, poultry	6,114,000	12,914,433	111.2%	5.5%	10.42%	12.87%	49.70%	54.22%
Protein, swine	2,556,000	3,549,687	38.9%	2.4%	2.97%	3.08%	49.89%	50.01%
Total	15,320,000	26,258,067	71.4%	3.9%	7.63%	9.37%	49.01%	53.48%

9.37%

53.48%



The world is
changing.



All the time.

A person is sitting on a light-colored couch, holding a silver remote control in their right hand, pointing it towards a television. The television is mounted on a dark wooden stand against a brick wall. The screen shows a bright, colorful scene, possibly a movie or a game. The person's legs are visible, wearing blue jeans. The overall atmosphere is cozy and relaxed.

Netflix

Access to 1 million
movies and series,
without leaving
home. Netflix has
created a new way
to watch TV.

A close-up shot of a person's hands holding a black smartphone. The screen displays the Uber app interface, showing a map of Manhattan with a red pin indicating a pickup location near 207 Broadway. The app shows a price of 5.00 \$ and a button labeled 'BESTELLEN'. The background is a blurred city street with a yellow taxi and other vehicles, suggesting an urban environment.

Uber

Taxi like service of private driver.
With new cars and a
differentiated service, it operates
in 50 countries. Uber has
created a new way to commute.


A woman with blonde hair is lying in a bed with white linens, stretching her arms upwards. In the background, a shower head is visible against a wooden wall, suggesting a bathroom or a private accommodation. The scene is brightly lit, likely by natural light from a window.

Airbnb


Through Airbnb it is possible to find accommodation all over the world for very little. Users may get a bed or a whole house reserved. Airbnb has created a new way of lodging.

A man in a plaid shirt is standing in a field, holding a tablet. He is looking towards a herd of cows grazing in the distance. The scene is set during sunset, with a warm, golden glow. The text "Why not change Agribusiness as well?" is overlaid on the image.

Why not change Agribusiness as well?



Changes are
inevitable.
How do we adapt?



What will the
impacts to our
lives be?

A high-angle, blue-tinted photograph of a large crowd of people walking across a crosswalk with white stripes. The image is used as a background for the text.

How will we feed
in the future?

The background image shows three individuals wearing full-body white protective suits, including hoods and face masks. They are working in a laboratory or industrial setting, with various metal frames and equipment visible. The entire image has a strong orange-yellow color cast. The text is overlaid on the lower-left portion of the image.

Less than 4 decades ago,
Brazil was not self-sufficient in
food, it is currently the largest
exporter of the agro world.

Change in the
composition of the
choice of food.



Feeding X Income X Lifestyle





The 5 thousand
dollar hamburger

The 5 thousand dollar hamburger



The price is justified by the rare ingredients of its recipe.



Prepared with Kobe bovine beef.



First Lineage of Bovine.



They get VIP treatment before slaughter.



They listen to classical music.



They go through massage sessions to soften future steaks.



CHANGE

Understanding our individual health should be instinctual. But the commercialization and changing nature of food available to us has distracted and distanced us from our natural instincts of what to eat. The result has been advice without explanation, promise without solution, and benefit without pleasure.




Technological innovations have been revolutionizing the efficiency, productivity, and future of basic areas such as health, wellness and communication.





Challenges

- 
- A silhouette of a person rappelling down a rope is positioned on the left side of the slide. The person is facing right, looking up, and holding the rope with both hands. The background is a sunset or sunrise scene with a warm orange and yellow glow on the horizon, transitioning into a darker purple and blue sky. The overall mood is one of challenge and perseverance.
- Sustainability: reduce water use, soil recovery, emission of gases;
 - Economic and political instability;
 - Produce more with less;
 - Regulatory environment;
 - Food waste with logistic problems;
 - Reducing bureaucracy to improve the condition of access to technology;
 - Coordination of the productive chain;

Challenges

- 
- A silhouette of a person rappelling down a rope against a sunset sky. The person is positioned on the left side of the frame, with their body angled towards the right. The rope extends from the top left corner down to the bottom. The background is a gradient of orange and yellow, suggesting a sunset or sunrise. The person's silhouette is dark and detailed, showing their harness and rope. The overall mood is one of challenge and adventure.
- Communication of the sector with society;
 - Have strategic vision for the sector, defined policies;
 - Low labor preparation;
 - Outdated rural credit system;
 - Lack of professional management;
 - Food fashion;
 - Strong competition for land with agriculture.

Opportunity

- Invest and implement innovation and technology;
- China and India demanding food;
- Food production driven by consumer demand;
- Bilateral agreements for food production and trade;
- Growing world income above nutritional needs draws high-value protein consumption;



Opportunity

The background of the slide features a dramatic sunset scene. The sky is filled with soft, orange and yellow clouds, with the sun visible as a bright circle near the horizon. In the foreground, the dark silhouette of a steep cliff is visible. Two figures are climbing the cliff: one is higher up, leaning over and reaching down to assist the other, who is lower and pulling themselves up. Both figures are using ropes for support.

- Vision and consumer choice: traceability, certifications, animal welfare, sustainability, organic production, environmental concern;
- Focus on differentiation and not only on quality;
- Democratization of technology;
- Connection between the countryside and the urban area;
- New consumer niches, caring for the consumer of the future;

Opportunity

The background of the slide features a dramatic sunset scene. The sky is filled with soft, orange and yellow clouds, with the sun visible as a bright circle on the horizon. In the foreground, the dark silhouette of a steep cliff is visible. Two figures are climbing the cliff: one is higher up, leaning over and reaching down to assist the other, who is lower and pulling themselves up. Both figures are using ropes for support.

- Lifestyle leads to food habit;
- Agribusiness is the basis of the country's economic development;
- Investment in infrastructure;
- Increased dissemination and penetration of technologies in small producers;
- Companies ceasing to be familiar, seeking professionalization;
- Largest commercial herd in the world;
- The fastest growing country among the main producers.

Challenge

Recovery of pastures



Opportunity Livestock - Crop Integration



Credit:
JP Agropecuária
Fazenda Pontal
Nova Guaritá (ML)



Credit:
JP Agropecuária
Fazenda Pontal
Nova Guaritá (ML)



Credit:
JP Agropecuária
Fazenda Pontal
Nova Guaritá (ML)

Trends

- Consolidation, large enterprises involved in the chain, large farms;
- Search for healthy nutritional habits;
- People not cooking at home;
- More demanding consumer, with no time;
- Consumer of the future already chooses what to eat at 2 years of age.





Trends In Animal Health



Preventive
Medicine



Improvement
Nutrition
and
pasture



Infrastructure



Technology in
genetics
and
reproduction



Antibiotics
and
MRL – Codex

Global Veterinary Market

CAGR (04-14): 5.72%

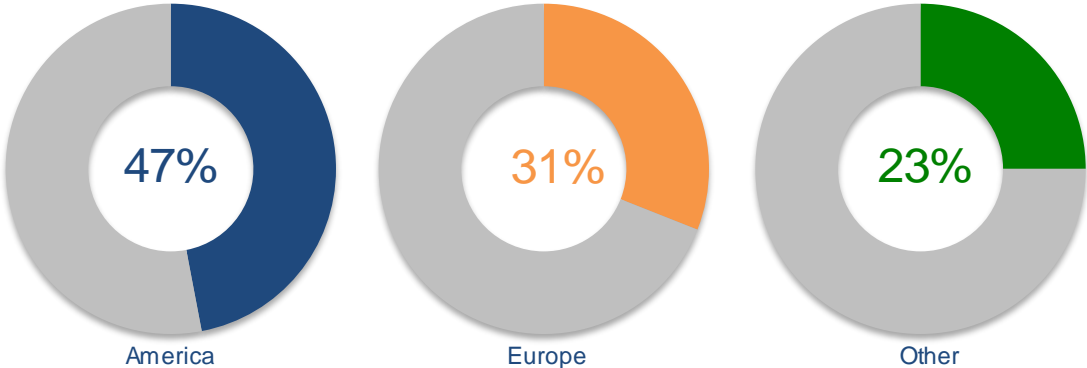
Global Veterinary Market (Net Sales in Nominal US\$ Bn)



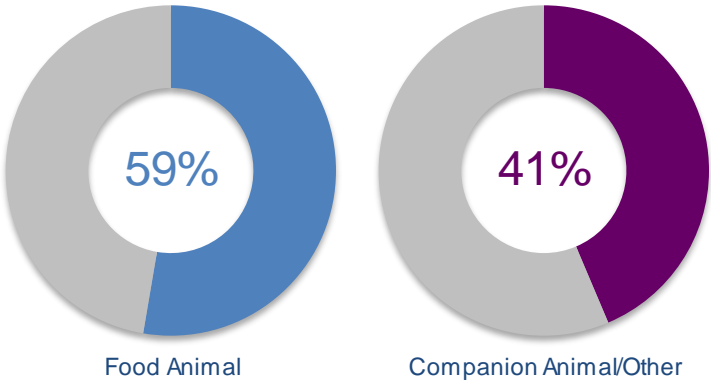
Source: Sindan/Vetnosis (Adapted)

Global Veterinary Market

Regional Sales Split



Species Sales Split

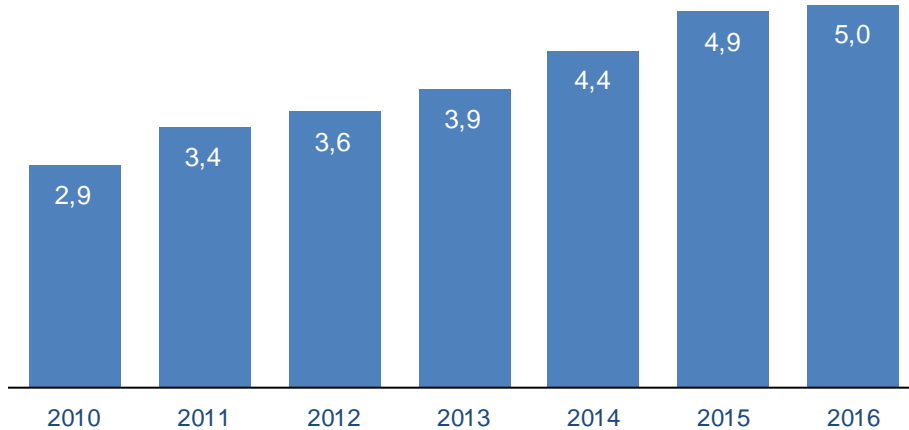


Source: Sindan/Vetnosis

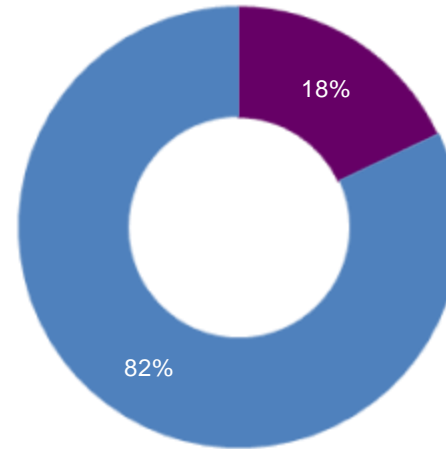
Brazilian Veterinary Market

CAGR (10-16): 9.5%

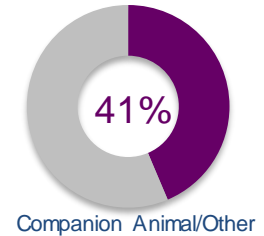
Brazilian Veterinary Market
(Net Sales in Nominal R\$ bi)



■ Companion Animal ■ Food Animal



➔ Trends



➔ Technological Balance

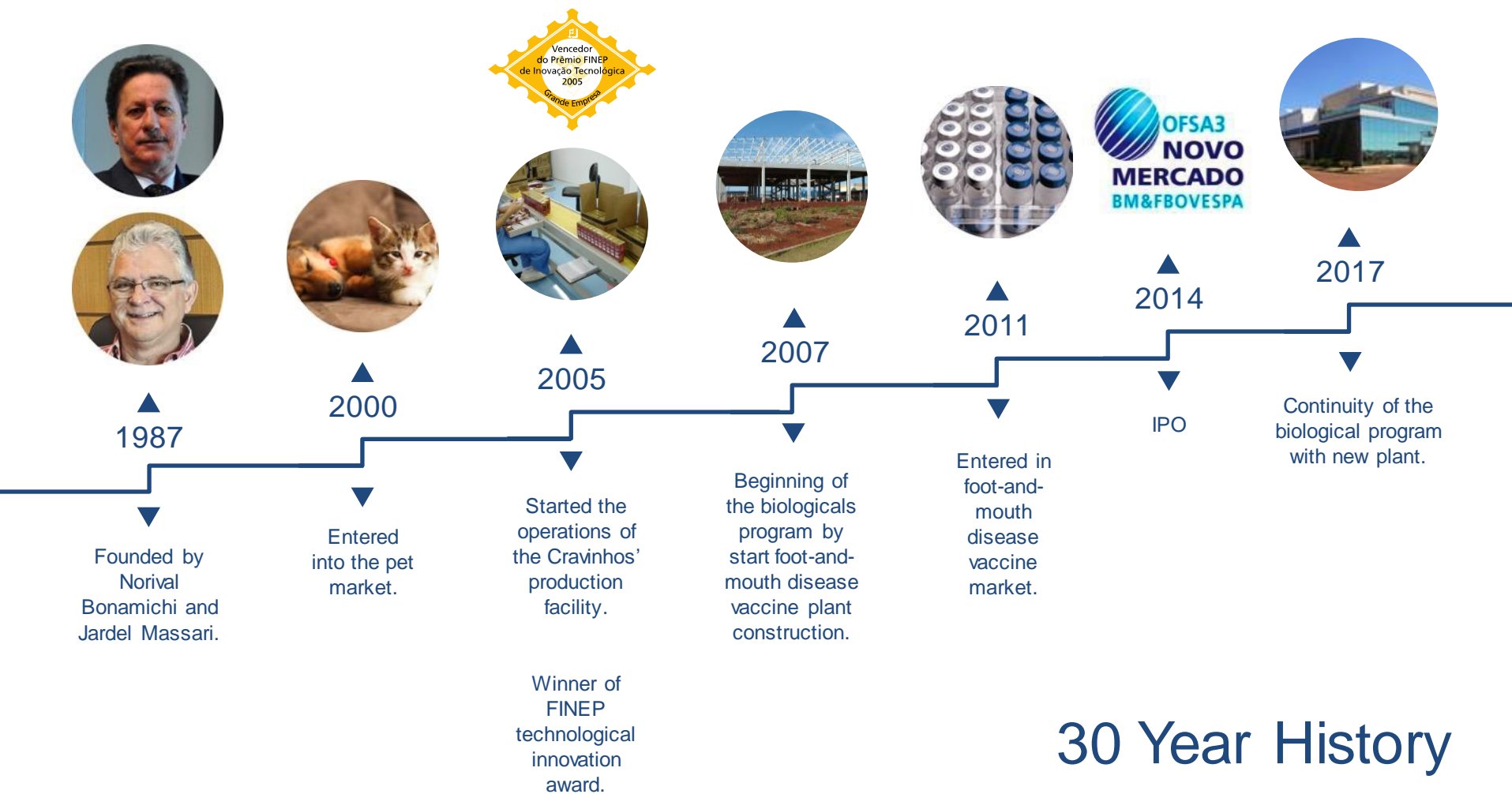
Source: Sindan



ourofino
saúde animal

30 Year History





Highlights

Leading position in the attractive Brazilian animal health market.

Strong corporate governance and a best-in-class management team.

Unique combination of a widely recognized brand, diversified client base and wide distribution network.

Expertise in product development with best-in-class R&D practices and extensive pipeline.

State-of-the-art production facilities.



Our Purpose

Purpose

Reimagining Animal Health

Our purpose translates the whole essence that we want to transmit to the animal health market. It is already embedded in our culture and will be implicit in our three pillars.





Our pillars



Integrated Innovation

(Ideas and solutions to meet the needs of the world of people and of markets).

Our pillars



Engage and Collaborate

(working collaboratively with our customers, partners and communities in a process of transformation and evolution for the sector).

Our pillars



Building and Nourishing Relationships

(Inspire, undertake, connect, collaborate and do business to build and nourish relationships in the generation of shared values).

Our three pillars inform and guide our actions and decisions.

Personality

Agile and Simple

Open and collaborative

Entrepreneurial Attitude

Transparent and Attractive

Brazilian

Our personality is the defining characteristic that accompanies us and defines our trajectory of entrepreneurship.



Thank you!