

Competitiveness of Brazilian Beef Chain

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Competitiveness of the Brazilian Beef Chain

Abstract

A food chain is a complex organization, stretching a long way from input suppliers to farmers, until the final consumers at the end. In the middle, there are farmers, industry, wholesalers, retailers, food service and services providers, like storage companies, transport companies, banks, institutions and organizations. Brazil has become the main beef exporter and the second producer of the world. The Brazilian beef chain has to try to maintain its leadership through marketing strategies to guarantee more sales, markets diversification and aggregate more value to its products, giving than more convenience for the consumers. It is important to increase the promotion of the product abroad and in the internal market, as more premium and gourmet, in order to guarantee its competitiveness. Stronger integration between farmers and industry will guarantee products more adapted to a new marketing context, where consumers need more information about the sustainability of the production system. On the other side, the concentration of the distribution system of food in large corporations has substantially altered the bargaining power within the agro-industrial chains. In this context, it is also important that Brazilian companies from the beef sector that already have plants abroad and those who are exclusively exporters start to build better relationships with major restaurant chains and hotels or catering in order to seek to reduce the number of intermediaries in the transaction and to face the new scenario, characterized by significant increase of people having their meals outside of their homes.

Key words: Brazilian beef chain, international market, competitiveness

Competitiveness of the Brazilian Beef Chain

Executive Summary

A food chain is a complex organization, stretching a long way from input suppliers to farmers, until the final consumers at the end. In the middle, there are farmers, industry, wholesalers, retailers, food service and services providers, like storage companies, transport companies, banks, institutions and organizations. Inputs play a key role in a food chain. When properly produced and used, they help farmers to get good yields, produce high quality products and obtain larger revenues. They further enable consumers to put safer, tastier and cheaper food on the table. Furthermore consumers now demand the industry to offer healthier food, food products that enhance beauty and longevity while promoting their welfare, as well as products that are more than just products, but also bring convenience, culture, fun. The food industry also needs to attend to environmental concerns by promoting product recycling and substitution, fit into the food inclusion, wealth distribution and fair trade. The international trade and its barriers and also the power of the retailers have pressured the food suppliers to become more competitive globally. An analysis made in the Brazilian Beef Chain concerning its competitiveness was made through this study because Brazil has become the main beef exporter and the second biggest producer of the world. It is concluded that the Brazilian beef chain has to try to maintain its leadership through marketing strategies to guarantee more sales, diversifying markets and aggregating value to its products, giving than more convenience for the consumers. It is also important to increase the promotion of the product abroad and in the internal market as more premium and gourmet, in order to guarantee its competitiveness. Stronger integration between farmers and industry will guarantee products more adapted to a new marketing context, where consumers need more information about the sustainability of the production system.

When acquire beef producing plants abroad, the Brazilian beef industry took an important step towards accessing new markets. Currently, some companies seek to further advance and acquire meat distribution platforms in these markets in order to further expand access to consumers, further strengthening its relationship with retailers.

On the other side, the concentration of the distribution system of food in large corporations has substantially altered the bargaining power within the agro-industrial chains. In this context, it is also important that Brazilian beef companies from the beef sector that already have plants abroad and those who are exclusively exporters start to build better relationships with major restaurant chains and hotels or catering in order to seek to reduce the number of intermediaries in the transaction and to face the new scenario, characterized by significant increase of people having their meals outside of their homes.

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Introduction

In the last years, the process of globalization has shortened distances and also incremented the communication media and trade exchanges. International trade has intensified, trading barriers are becoming lower and major companies are increasingly exposed to international competition. Within this context, companies have sought to establish global marketing strategies in order to access or maintain new markets.

Brazilian food companies and the government have managed to overcome many of the barriers imposed by the international trade and according to the World Trade Organization (WTO, 2010), Brazil became the world's third leading food exporter, behind the United States and European Union only. A series of factors allowed Brazilian's agriculture and livestock to grow in the last years, namely: natural resources (soil, water and sunlight) in abundance, diversity of products, favorable exchange rates until 2006, increased demand by Asian countries and growth of farm productivity (WTO, 2010).

In accordance with projections for the next ten years, published by the Ministry of Agriculture, Cattle and Supply (BRASIL, 2011), Brazilian agribusiness has great potential for growth. The domestic market is significant for all products in question, whereas the foreign market has had an increase in consumption growth. Populated countries like China and India will have problems in fulfilling demands because their cultivable lands are becoming exhausted. Difficulties in replacing the worldwide stocks, increase in consumption, particularly grains such as corn, soybean and wheat, and the urbanization process all create conditions favoring countries like Brazil, who has immense potential of production and technology.

The growth of agricultural production in Brazil is expected to occur based on productivity and maintenance of the increase in total productivity of the factors. Brazilian agribusiness production is also expected to grow more than the cattle area, with projections indicating growth of agricultural production at an average annual rate of 2.67% between 2010 and 2020, while the cultivation area will increase by 0.45% yearly (BRASIL, 2010).

Although a considerable increase in Brazilian exports is expected in the next years, the domestic market will also be a significant factor of growth for agribusiness. The predicted increases of 52% and 80% in soybean and corn productions, respectively, will be driven to the domestic market. Therefore, a double pressure will be exerted on the national production as a result of the growth in the domestic market and exports trade. The meat sector will also be pressed by the domestic consumption. Of the expected increase in the poultry meat production, 65.3% will be driven to the domestic market, the same occurring with 77% and 80% of the pork and bovine meats, respectively. In this way, the domestic market is the final destination of the meat production despite the fact that Brazil is a major exporter of some these products (BRASIL, 2010). The grain production (soybean, corn, rice and bean) is expected to pass from 129.8 million tons in 2011 to 177.5 million tons in 2020. This means an increase of 47.7 million tons to the current production of grains in Brazil. The production of bovine, poultry and pork meats will increase by 8.4 million tons until 2020, representing a growth of 37.8% in relation to the 2009's

47 meat production. The other three products with high growth are sugar (more than 15.2 million
48 tons), ethanol (35.2 billion liters), and milk (7.4 billion liters).

49
50 There will be a significant shift in the Brazilian position with regard to the world market. The
51 ratio between Brazil's exports and world trade shows that Brazilian beef exports will account for
52 virtually half (50.6%) of the global market in 2018-2019, whereas pork and poultry meats will
53 account for 16% and 70%, respectively. These results indicate that Brazil is likely to keep its
54 position as the world's main exporter of beef, thus further increasing its share in these markets,
55 which is 31% today (BRASIL, 2010). The USA is the main purchaser of Brazilian agricultural
56 products, followed by the European Union and China. On the other hand, the main competitors
57 are the USA, China and Australia, all important exporters of agricultural products as well (WTO,
58 2010).

59
60 On the other hand, a food chain is a complex organization, stretching a long way from input
61 suppliers to farmers, until the final consumers at the end. In the middle, there are farmers,
62 industry, wholesalers, retailers, food service and services providers, like storage companies,
63 transport companies, banks, institutions and organizations. Inputs play a key role in a food chain.
64 When properly produced and used, they help farmers to get good yields, produce high quality
65 products and obtain larger revenues. They further enable consumers to put safer, tastier and
66 cheaper food on their table. Therefore consumers now demand the industry to offer healthier
67 food, food products that enhance beauty and longevity and promote their welfare, as well as
68 products that are more than just products, but also brings convenience, culture, fun. The food
69 industry also needs to attend to environmental concerns by promoting product recycling and
70 substitution, fit into the food inclusion, wealth distribution and fair trade (NEVES, 2011).

71
72 This study intends to analyze how the Brazilian beef chain can continuously maintain its
73 competitiveness, in a changing marketing ambient. How it could attend the consumer seeking, as
74 well as play in an extremely competitive world market, that still has many international barriers,
75 including sanitary and technical ones, much of them considered by researchers as new ways to
76 promote protectionism (CANTO GUINA, 2011). This paper proposes a strategic plan to the
77 chain, with the facts, the impacts and the acts necessary to guarantee their competitiveness.

78 79 *Brazil and the international beef trade*

80
81 Brazil has the largest commercial cattle herd on the planet, with 209 million heads (IBGE, 2011)
82 and the lowest production costs in the world, which brings great competitive advantage. Beef
83 cattle represent the largest share of the Brazilian agribusiness. According to a study realized
84 recently, the Brazilian beef chain in 2010 had a gross revenue of nearby US\$ 167.8 billion,
85 represented for the sum of all sales from the different segments, such as veterinary and
86 agriculture incomes, cattle sales, incomes to the industry, internal and external beef sales from the
87 industry and from the retail (MARKESTRAT, 2011).

88
89 The country in 2010 produced approximately 9,2 million tons of beef (carcass equivalent)¹, with
90 slaughtering of 43 million heads of cattle. Of this total, approximately 2 million tons were
91 exported (ABIEC, 2010). Brazil is the world's second producer and the world's first exporter of
92 bovine meat (ABIEC, 2010). In 2010, the country's exports of beef reached more than 180

93 countries and yielded a revenue of US\$ 11.8 billion (ABIEC, 2010). Russia is the main purchaser
 94 of this product, followed by the European Union, Egypt and Iran.

95
 96 Brazil became one of the major players in the international beef market since 2006, a fact
 97 reinforced by the statistical data presented, which lists the main exporters, importers and
 98 consumers of beef worldwide. Table 1 highlights Brazil as the world's second producer of bovine
 99 meat after the United States only.

100
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Table 1. Beef production in selected countries – 1,000 tons (carcass equivalent)

País	2006	2007	2008	2009	2010	2011	2012*	Increment taxes (2006- 2012)
USA	11.980	12.097	12.163	11.891	12.047	12.048	11.463	-4%
Brazil	9.025	9.303	9.024	8.935	9.115	9.030	9.210	2%
U E	8.150	8.188	8.090	7.900	8.022	8.050	8.000	-2%
China	5.767	6.134	6.132	5.764	5.600	5.550	5.520	-4%
Índia	2.375	2.413	2.650	2.750	2.842	3.060	3.285	38%
Argentina	3.100	3.300	3.150	3.375	2.620	2.500	2.600	-16%
Australia	2.183	2.172	2.159	2.129	2.087	2.140	2.180	0%
Mexico	1.550	1.600	1.667	1.700	1.751	1.830	1.845	19%
Paquistão	1.300	1.344	1.388	1.441	1.470	1.435	1.400	8%
Canada	1.329	1.278	1.289	1.252	1.272	1.155	1.200	-10%
Russia	1.430	1.430	1.490	1.460	1.435	1.405	1.385	-3%
Others	9.542	9.174	9.246	8.769	8.782	8.645	8.710	-9%
Total	57.731	58.433	58.448	57.366	57.043	56.848	56.798	-2%

102 Source:USA, 2011 * Projection

103
 104 Table 2 presents Brazil as the major beef exporter between 2006 and 2010. In 2011, USA
 105 assumes the top of the list, as main exporter, because of the major cow slaughtering of its
 106 livestock history, fact which will impact in the future production of the country. Brazil, in 2012,
 107 may recover the position of main exporter.

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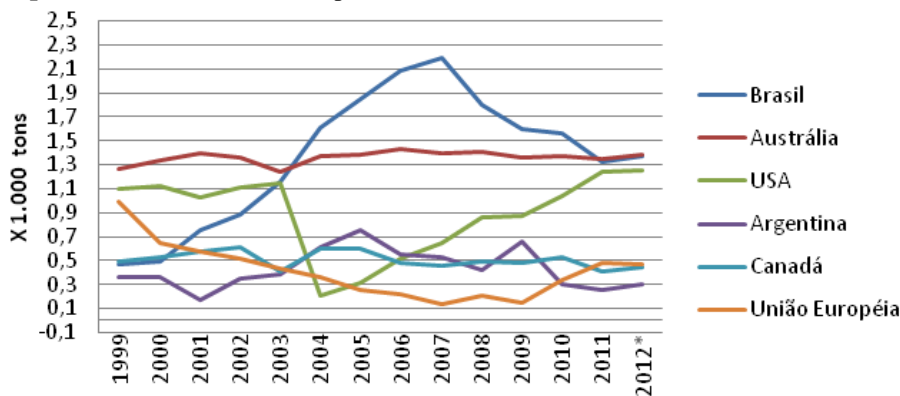
Table 2. Exporters of beef in selected countries- 1,000 tons (carcass equivalent)

Country	2006	2007	2008	2009	2010	2011*	2012*	Increase taxes (2006 - 2012)
Brazil	2.084	2.189	1.801	1.596	1.558	1.325	1.375	-34%
Australia	1.430	1.400	1.407	1.364	1.368	1.350	1.380	-3%
United States	519	650	856	878	1.043	1.241	1.250	141%
India	681	678	672	609	917	1.100	1.275	87%
Canada	477	457	494	480	523	415	450	-6%
New Zeland	530	496	533	514	530	501	504	-5%
Uruguai	460	385	361	376	347	310	320	-30%
Paraguai	240	206	233	254	296	200	200	-17%
Argentina	552	534	423	655	298	260	300	-46%
European Union	218	140	204	148	337	475	465	113%
Others	243	450	527	507	432	473	477	96%
Total	7.434	7.585	7.511	7.381	7.649	7.650	7.996	8%

125 Source: USA, 2012 * Projection

126
127 Graphic 1 presents the evolution of beef exports between the main players on the international
128 bovine meat market.

129
130 **Graphic 1.** Evolution of Beef exports



131 Source: USA, 2011.

132
133
134 Table 3 shows the United States as the main importer of beef, followed by Russia, Japan and
135 European Union. According to the European Commission, EU imported 117,121 tons of bovine
136 meat for 426.4 million euro in 2009, from Brazil. The country was the major exporter of meat to
137 the European Union in the same year (ABIEC, 2010). MERCOSUL (Brazil, Argentina and
138 Uruguay) was the main exporter of meat to the European bloc in 2009, accounting for 82% and
139 64% of bovine and poultry meats, respectively, imported by the EU last year. It should be also
140 emphasized that from the total of bovine beef consumed in Europe, 7% were from imports
141 (ABIEC, 2010). As shown in Table 3, Russia, Japan and the EU are among the main importers of
142 bovine meat after the USA.

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144
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Table 3. Beef imports - 1000 tons (carcass equivalent)

Country	2006	2007	2008	2009	2010	2011	2012*	Increase taxes (2006-2011)
EUA	1.399	1.384	1.151	1.191	1.042	911	948	-32%
Russia	939	1.087	1.200	1.005	1.020	1.050	1.060	13%
Japan	678	686	659	697	721	725	725	7%
UE-27	717	642	466	497	437	370	375	-48%
South Korea	298	308	295	315	366	410	420	41%
Mexico	383	403	408	322	296	280	270	-30%
Iran	93	103	131	132	296	225	235	153%
Vietnam	29	90	200	270	223	300	325	1021%
Canada	180	242	230	247	243	275	270	50%
Egypt	292	293	166	180	260	230	250	-14%
Others	1.869	1.791	1.736	1.725	1.854	1.906	2.022	8%
Total	6.877	7.029	6.642	6.581	6.758	6.682	6.900	0%

146 Source: USA, 2011

147

148 *The global beef consumer*

149

150 There is a failure in the introduction of new products, for several reasons. Research done in the
151 USA, with 11,000 products launched by 77 companies, discovered that only 56% of the products
152 survived five years after they were introduced. Companies that do not offer good service and
153 ignore information and insights that consumers bring with them cannot survive in the long run
154 (NEVES, 2011).

155

156 It is important to understand consumer behavior to be more capable to predict, with higher
157 chance of being correct, and to discover cause-and-effect relationship to product's purchase and
158 also to comprehend how the education process of this consumer happens during his relationship
159 with the company (NEVES, 2011).

160

161 In this context, the Brazilian beef sector must try to understand the new consumer, who is always
162 in a rush and is increasingly concerned about environmental issues, and try to always present him
163 a product which attends different types of consumers.

164

165 A recent research, through interviews with representatives of the Brazilian beef exporters, could
166 conclude that the overall image of Brazilian beef is positive overseas, including Europe. The
167 product is more positively viewed in some markets like the Middle East and Russia, whereas its
168 image varies among the EU countries. For example, the Brazilian beef image is extremely
169 negative in Ireland, whose economy depends on the bovine meat production, and in France,
170 whose people are very nationalist and tend to consume national products. In Holland, Brazilian
171 beef has an extremely positive image in view of the large number of foreign products. That is,
172 residence country and culture may or may not contribute to a more or less favorable image of the
173 Brazilian meat. Both Portuguese and Swedish consumers have a very positive image of the

174 Brazilian beef, the former thanks to their proximity to Brazil and the latter thanks to low-fat
175 content in the product. The preference for this type of meat is due to the fact that, during the
176 World War II, the Swedish soldiers had to eat pure fat stored in cans because of the lack of food.
177 As a result, there has been a collective aversion to high-fat content products in Sweden since then
178 (CANTO GUINA, 2011). There are significant differences in cultural patterns and consumption
179 habits among European consumers, which mostly determine their preference for a type of meat
180 instead of another.

181
182 Saab (1999) interviewed 188 beef consumers in supermarkets and butcher shops in Ribeirão
183 Preto, Brazil. Using the Conjoint Analysis statistical method, the research found out that color is
184 the most important attribute for the sample, followed by tenderness, price and packing, through
185 the composition mode. In this mode, the respondent is directly asked about the importance he
186 gives to each one of the attributes. Then a number of cards with complete profiles (a simulation
187 of products with the attributes presented in different levels) is given to the respondents and they
188 are asked to rank them according to the respondent's preferences. In this more real and practical
189 environment, that seems more like a real purchasing situation, price becomes the most important
190 attribute for 40.79% of the sample, followed by color (21.05%), tenderness (19.18%) and packing
191 (18.99%).

192
193 Considering the importance of the well-being of the animal and its origin, Schnettler et al. (2009)
194 conducted a survey with 700 regular beef consumers from two regions of Chile in order to
195 determine the importance of animal care prior to slaughtering. The results indicated that origin
196 and information on animal care were more important than price. In addition, cluster analysis
197 showed four segments, two of them consisting of consumers who considered product origin as
198 being the most important attribute. The group with the largest number of consumers gave great
199 importance to price (29% of the sample), thus being termed as price-sensitive consumers. The
200 second group in size (25.6%) gave great importance to product origin, followed by price and then
201 animal care. The third group (23.4%) also gave great importance to product origin, but price was
202 the least important attribute, whereas the fourth and smallest group (22%) considered animal care
203 as being the most important attribute.

204
205 Although is important to understand what kind of attribute is important to the consumers, is also
206 relevant to analyze which kind of country is increasing consumption of beef. Table 4 presents the
207 main consumers of beef. United States, EU and Brazil are the main consumers. Consumption in
208 Brazil is growing year by year, as can be seen in table 4. Internal market is responsible for 80%
209 of consumption of the total production.

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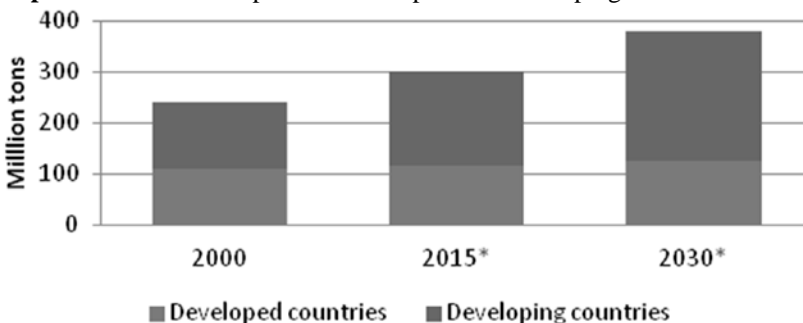
221 **Table 4.** Consumption of beef (1000 tons carcass equivalent)

	2006	2007	2008	2009	2010	2011*	2012* *	Increase taxes (2006- 2012*)
USA	12.833	12.830	12.452	12.239	11.932	11.750	11.158	-13%
UE-27	8.649	8.690	8.352	8.249	8.200	7.945	7.910	-9%
Brazil	6.969	7.144	7.252	7.374	7.510	7.750	7.885	13%
China	5.692	6.065	6.080	5.749	5.528	5.532	5.500	-3%
Argentina	2.553	2.771	2.731	2.722	2.303	2.242	2.302	-10%
Russia	2.361	2.392	2.441	2.177	2.235	2.451	2.441	3%
Índia	1.694	1.735	1.978	2.141	2.150	1.960	2.010	19%
Mexico	1.894	1.961	2.033	1.971	2.006	1.890	1.880	-1%
Paquistan	1.333	1.363	1.394	1.461	1.496	1.439	1.404	5%
Japan	1.159	1.182	1.173	1.210	1.207	1.208	1.233	6%
Canada	1.023	1.068	1.035	1.019	997	1.015	1.020	0%
Others	10.814	10.872	10.976	10.430	10.873	10.652	10.906	1%
Total	56.974	58.073	57.897	56.742	56.437	55.834	55.649	-2%

222 *Preliminary; **Estimative

223
224 While beef consumption in G8 is getting lower, it is growing considerably in the developing
225 countries. Some researches present that in the next twenty years the population which receive a
226 minimum income of US\$ 3,000 per year will be composed by 2 billion people. Today this
227 represents US\$ 200 million. In this aspect, beef consumption will grow 90%, specially because
228 of the participation of developing countries in the total beef consumption, as can be seen in
229 graphic 2.

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232 **Graphic 2.** Beef consumption in developed and developing countries

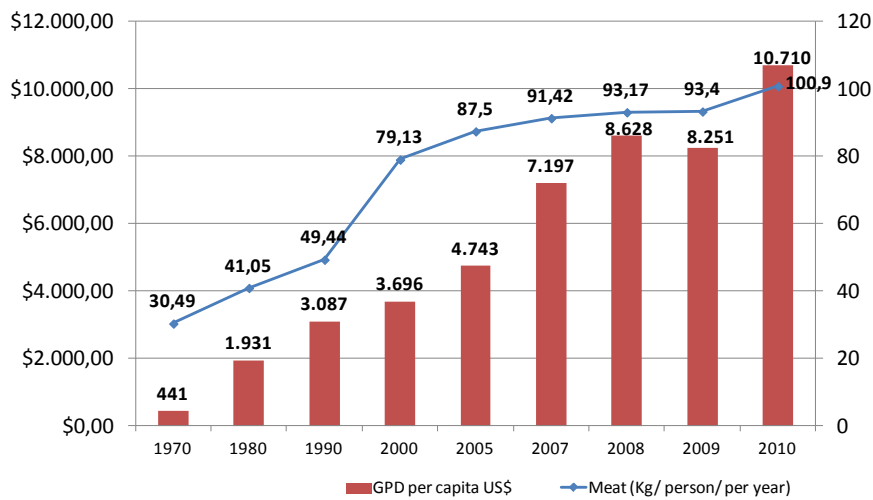


233
234 Source: FAO, 2011 *Estimatives

235
236 The expenditure with food still represents an important percentage of the income of Brazilian
237 consumer (25%), when compared to the American, which is 5% (Infomoney, 2011). Variations of
238 per capita income have great influence in the type of expenditure on food. Researches present
239 that as well as the mensal income grows, an inversion of food types consumed occurred.
240 Consumers tend to substitute the ingestion of vegetal origin products for animal protein, as can be
241 seen in graphic 2.

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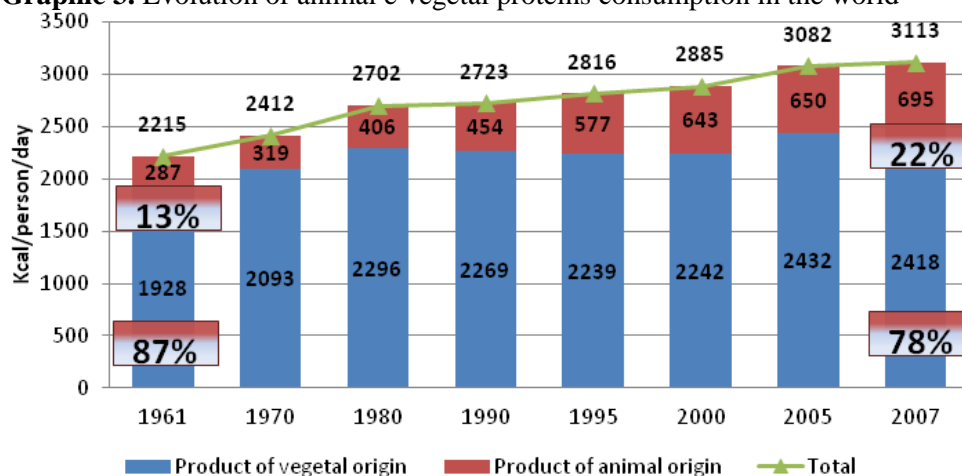
243 **Graphic 2.** Per capita income and beef consume



244
245 Source: OD Consulting, 2011.

246
247 Graphic 3 presents the evolution in the consumption of animal proteins and products of vegetable
248 origin in the last fifty years.

249
250 **Graphic 3.** Evolution of animal e vegetal proteins consumption in the world



251
252 Source: OD Consulting, 2011.

253
254 According to IBGE in Brazil, the families expenditures with high income (above US\$ 5,700) is
255 six times bigger than the lowest income (US\$ 460). The richest expend, at home and out of home,
256 by month, US\$ 665. The poorest expend US\$ 115. The average of expenditures from Brazilian
257 people is US\$ 234. Nowadays, the internal market consume more than 80% of the total beef
258 produced in Brazil.

259
260 Brazilian beef productive sector is trying to diversify their partners, in order to access new
261 markets, especially where beef consumption is growing very fast, such as Asia and the Middle
262 East. So far in 2011, the European Union is not the main destination of the Brazilian beef, as had
263 been since 2005. Iran and Egypt became the main importers of this product.

264

265 The price of Brazilian beef became more expensive in the world market and also in the
 266 internal market, because of the increment in the production costs and the increase of beef
 267 consumption in Brazil in the last years. This fact made the country lose competitiveness in the
 268 international market. On the other hand, consumption of beef decreased in EU and also in the
 269 USA because of financial crises. The next part of this study will present a brief strategic plan to
 270 the Brazilian beef chain, in order to keep their competitiveness in the international and market.

271

272 **Methods of empirical research**

273

274 Considering the complexity of the beef chain, it is important to analyze how much each one of
 275 the segments of this chain can influence the other ones.

276

277 This study was developed with the proposal of identifying the marketing environment concerning
 278 the Brazilian beef chain. A technique was developed by Neves (2011), which analyzes the
 279 important facts occurred to a determined chain as positive, negative or neutral, the consequent
 280 impacts in the marketing environment and the necessary acts, will be used to analyze this Chain.

281

282 **Results and discussions**

283

284 *Facts, impacts and acts*

285

FACTS	IMPACTS	NECESSARIES ACTS
Decrease in the consume of beef in European Union (7% in seven years)	Decrease of the Brazilian beef exporters to the EU, a market which pay more for the beef cuts.	Marketing in the EU with the aim of promote the Brazilian Beef in this market. Programs maintained by Brazilian beef exporter sector, to be developed in schools of countries in Europe, in order to stimulate the beef consume between children.
Decrease in the consume of beef in the USA USA still do not buy Brazilian fresh beef	Decrease of Brazilian processed beef to USA. /Australia and other producers, such as Argentina still have important participation in the sales of beef in USA	Negotiation between MERCOSUL and NAFTA in order to open the USA market to the Brazilian fresh Beef
Increase of types of cuts more “premium”, with more aggregate value, in developed countries.	Countries such as Australia and Argentina tend to have more opportunity on those markets, because have tradition in producing more differentiated beef.	Increase promotion acts in these markets, presenting cuts with more differentiation
Consume increase in developing markets.	Brazil tends to increase these Sales of beef to those markets.	Project implemented by the exporter industry, Government and exporter agencies in Brazil, in order to promote cuts with more aggregate value in these markets
Changes in the consume profile in developed and developing countries	Women in the labor market, without enough time to cook at home. Searching for products with more facility to be cooked.	Production increase of products with more facilities to be cooked and ready meals. More promotion of this kind of product on the supermarket. More research in order to permit less

FACTS	IMPACTS	NECESSARIES ACTS
Increase of meals out of home and decrease of Sales of fresh beef by the supermarket.	Increase in the Sales of fresh meat by wholesales, which normally make sales to restaurants.	use of conservatives in ready meals. More partnership projects between restaurants and wholesales.
India is increasing its beef production, with a competitive price.	Brazil tends to have a strong competitor in the future	To observe, with proximity, the plans of increasing production to be held in India.
Concentration of the retail (strong enterprises and buyers centrals).	Hard negotiation, increase of supermarkets proper brands, which can reduce the amount for producers. Difficulties in the prices negotiation	Diversification of distribution channels and the effort of strong brand which can guarantee more proximity with the final consumer..
Because of lack of strong marketing programs, the Brazilian beef still does not have a good value in the European market	Brazilian beef without a good position in the European market as a “premium” product.	Reversion of position, with elevation of prices and communication.
Great cuts of Brazilian beef are sold in Europe by importers, normally to retails or restaurants.	Great capture of value by the importers. The identity of the product, including its origin, normally is lost	Development of partnership between retails and exporter sector, in order to guarantee the maintenance of identity of the Brazilian beef. Financial incentives for the development of campaigns to promote the Brazilian beef by restaurants in Europe.
Movement of internationalization of Brazilian beef industry	Increase market access. Acquisition of production and distribution platforms in Europe and USA.	Investment in marketing plans for branding new and old brands acquired in these markets, in order to increment the final consumers understanding. Investment in marketing plans in order to promote global brands.
The beef has been more consumed as a Premium product in developed countries, valued by its quality, tasty and also History, tradition, produced region and guarantee of sustainability.	The beef producers will lose markets if do not be attempt to present this kind of information to consumers; More traceability in the livestock production will be necessary, in order to guarantee that this kind of information could be presented.	Programs of relationship between farmers and industry will be necessary, which guarantee better wages for animals which can offer a better meat and by which the produced method could guarantee sustainability. Campaigns to promote the Brazilian beef abroad should guarantee the presentation of the history of livestock in Brazil, traditions, regions and the sustainability actions.
Interest taxes in Brazil, Exchange rate and tributes, energy and fuel costs are incrementing the beef production costs.	Great increment of industrial and logistical costs in the country will reduce the competitiveness of Brazilian beef chain abroad and in the internal market. Consumers tend to buy cheaper meat.	Development of governmental programs with the aim of reduces tributes for industries. It will also permit that services such as energy and fuels became cheaper.
Increase the Outflow Infrastructures for external	Delay in the boarding of Brazilian beef is giving enormous injury and	Investment in new roads and ports in Brazil

FACTS	IMPACTS	NECESSARIES ACTS
markets (roads and ports).	lose of value of Brazilian beef. (The Brazilian beef could spend 45 days to arrive in the EU. After 20 days of its production, the beef could not be CUT to be commercialized in the supermarket. The beef must be sell to wholesale to t the promotion markets.	Investment for increase the capacity of outflows in Brazilian ports.
The concentration of the distribution system of food in large corporations.	Has substantially altered the bargaining power within the agro-industrial chains.	In this context, the Brazilian companies from the beef sector that already have plants abroad and those who are exclusively exporters start to build better relationships with major restaurant chains and hotels or catering in order to seek to reduce the number of intermediaries in the commercial transaction and to face the new scenario, characterized by significant increase of people having their meals outside of their homes.

Figure 1. Facts, impacts and acts.

Source: Developed by the authors.

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Conclusions

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Brazil tends to keep its position as the world's leading exporter of beef and other products from agribusiness, thus diversifying its trade partners, mainly in Asia, and increasing exports of beef to this continent. Therefore, it is essential to strengthen the image of Brazilian beef in markets such as European Union and USA, in order to improve the sales in those markets, which pay better prices as well as tend to buy more premium products. Actions should be developed and implemented by government and beef export and production sectors, in order to improve the communication of Brazilian beef overseas. Efforts must be done to promote the Brazilian beef abroad, in order to guarantee that the product becomes more well known, and consequently, give it more aggregate value.

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Meanwhile, investments should be increased not only to guarantee adequate conditions for raising the cattle, but also to comply with the environmental laws, implement cattle-tracking systems, and develop technologies aimed at increasing productivity and reducing the use of natural pastures in the country. On the part of the government, the outlet infrastructure for export products should be improved through investments to increase the capacity of the ports and construct more railways and motorways, including hydro-ways.

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The export sector should, still, be aware of the specificities of each market and how different types of consumers respond to the marketing stimuli.

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It is important to mention that the concentration of the distribution system of food in large corporations has substantially altered the bargaining power within the agro-industrial chains. In this context, the Brazilian companies from the beef sector that already have plants abroad and those who are exclusively exporters start to build better relationships with major restaurant chains and hotels or catering in order to seek to reduce the number of intermediaries in the commercial

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