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The animal feed industry in Brazil

A look at its structure, developments
and opportunities



Title	The animal feed industry in Brazil A look at its structure, developments and opportunities
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Date	May 2006
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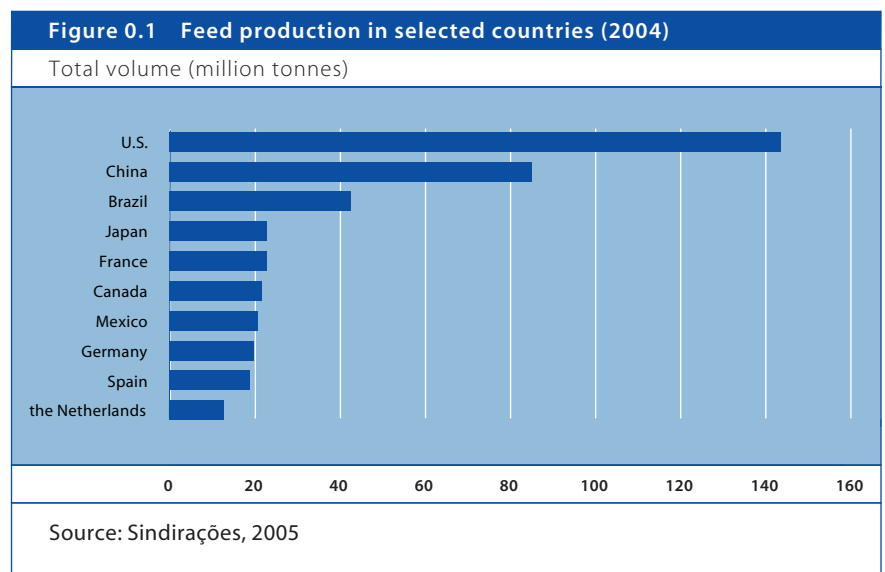
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Introduction

The Brazilian animal feed industry is among the largest in the world

The Brazilian animal feed industry is among the largest in the world in terms of volume. It ranks behind only the United States (U.S.) and China (Figure 0.1). Such volume is due to the fact that Brazil is a global leader in the production of grains and oilseeds, the main feed ingredients, as well as animal proteins.



Only a small volume of feed is actually in the hands of commercial feed companies

Owing to the way in which the consuming segments are organised, the largest ones being poultry and pork integrators, only a small volume of feed is actually in the hands of commercial feed companies that supply microingredients, premix, supplements or commercial compound feed.

Historically, the Brazilian feed industry first started developing in the 1970s. Growth was driven by investments by multinational companies producing compound feed. A short time later, the government started financing poultry and pork integration projects that included feed manufacturing. This series of investments resulted in Brazil having significant production capacity for feed manufacturing.

Over time, the strategies have changed

Over the years, integrators have introduced technology and become more efficient, while the role of commercial feed companies has shifted. They used to be complete suppliers of compound feed for a wide range of species. Today they are more easily described as suppliers of ingredients, premixes, supplements and compound feed. They supply fewer species than they used to do. Correspondingly, over time the strategies in the Brazilian feed industry, required to gain market share, have changed.

This report analyses the Brazilian feed industry from different perspectives along its supply chain. As Figure 0.2 illustrates, the feed supply chain comprises many segments. Also analysed are the industry's players and the various integration arrangements. The report concludes with a strategic analysis of the sector that notes trends, key success factors and a SWOT analysis.

