

Meatingplace

By Anna Flávia Rochas on 8/6/2015

INDUSTRY NEWS - AM

Minerva exec says U.S. cattle lobbyists may delay Brazilian beef exports

The CEO of Brazil's third-largest meat processing company is warning that the start of Brazilian fresh beef shipments to the United States might take longer than initially expected by the Brazilian industry as U.S. cattle producers oppose the market opening.

"There is a chance that the opening process could take more time than initially estimated," Minerva SA CEO Fernando Galletti de Queiroz told analysts during a conference call this week. He believes, however, that the shipments will "surely" be able to start until the end of 2015.

In late June, the Brazilian government announced it reached an agreement to start shipping fresh beef to the U.S. market. Brazil's leading trade association for beef exporters at that point estimated that the shipments would start in September, after all the necessary formal approvals.

Minerva Foods CEO said that despite the opposing lobby from some American cattle producers, the U.S. meat processing industry in the country is in favor of the market opening.

"The price of cattle (in the U.S.) is twice here," he said, adding that the U.S. meat processing industry is already trying to establish relationships with Brazilian fresh beef exporters in advance of the expected shipments. Currently, Brazil is only allowed to export processed beef to the U.S. market.

When the market for Brazilian fresh beef officially opens up, Brazilian slaughterhouses will compete to export within the annual quota of 64,000 metric tonnes, specifically from a group of countries mainly from Central America.

Galletti de Queiroz said he believes Brazil could manage a large slice of this quota, when the market opening takes effect. Sanitation authorities from the U.S. are expected to inspect some slaughterhouses in Brazil this year as part of the approval process.

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