

BARRA NEWS

Barra Agropecuária Newsletter

December/2016



- ▼ 1st Place at the ABCZ's Weight-Gaining Contest in pasture, in 2016
 - ▼ The 1st place reached 1,022 gm/day
 - ▼ The last place reached 701 gm/day
 - 862 gm/day on average



*The completion of a **40-year selection** work
Raised in pastures and adapted to Cerrado*



THAT'S BRAZIL, THAT'S AGRIBUSINESS, THAT'S BARRA AGROPECUÁRIA

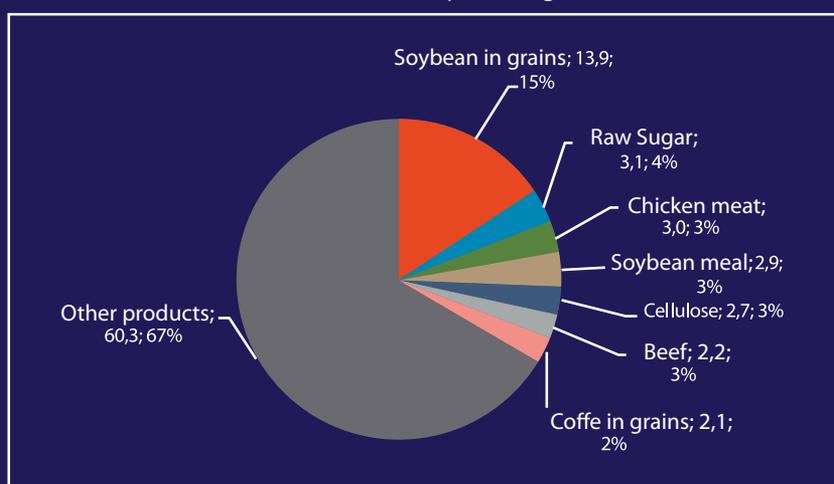
A country of Agribusiness, or the agribusiness of a country? We have great capacities, our technology industry has been developing year after year, the textile business is a world success. However, nothing compares to our farming capacity. Brazil has the vocation and the willingness for agribusiness, being in the agribusiness industry is to be efficient.

BEING IN THE AGRIBUSINESS INDUSTRY IS TO BE STRONG

The country has been facing a serious political and economic crisis today. If were not for this industry, the Brazilian Trade Balance of the first half of 2016 would be negative. In accordance with data of the Ministry of Industry, Foreign Trade and Services (MICS), Brazil had a surplus of 23.6 billion dollars in the trade balance in the first half of 2016, thanks to the export of agribusiness surplus products.

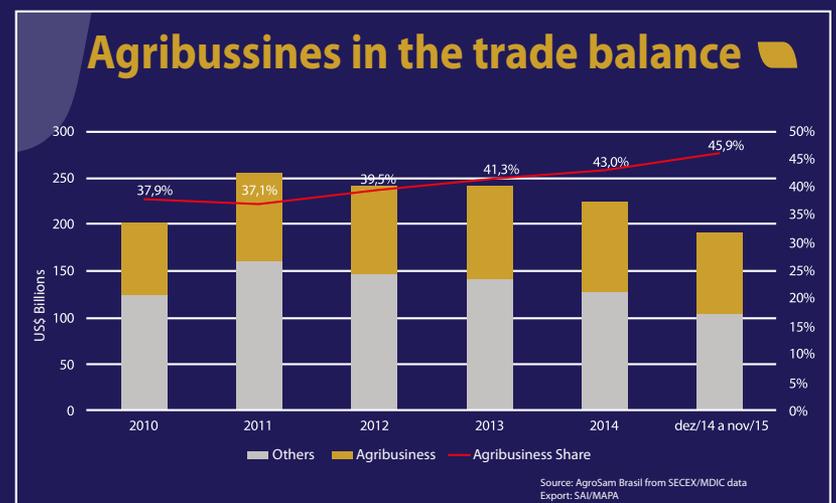
The agribusiness industry exported 41.6 billion dollars in this period of time, equivalent to 46% of the total value of foreign sales. Among the top 10 products exported by the country, 7 of them are from farms, namely: soybeans, raw sugar, poultry, soybean meal, cellulose, beef and coffee in grains.

Main agribusiness products exported by Brazil in the 1st half of 2016
USD billion and percentage share



Source: MDIC | Prepared by: SRI/CNA

The chart of the Ministry of Agriculture below shows the growth of the importance of this industry for the Brazilian Trade Balance.



The agribusiness GDP grew by 1.8% in 2015, while the manufacturing and the service industries had a fall. Being in the agribusiness industry is to be strong even in the crisis, an outcome of the dedicated work of men and women from all over Brazil, who manage to meet the increasing requirements of the domestic and foreign consumer markets.

BEING IN THE AGRIBUSINESS INDUSTRY IS TO BE SUSTAINABLE

The Brazilian agribusiness depends on the climate, and because of this it has been growing sustainably. The country evolved together with this industry. We are the only country that managed to increase its output without increasing deforestation. Being in the agribusiness industry is to be sustainable! Brazil has over 800 million farmable hectares, of which only 10% are used in agribusiness. The farmed area in Brazil grew only by 10% between 2002 and 2012, but the yield grew exponentially, around 150%. Thus, it became an example of sustainable production.

This is due to the investments in technologies, studies and much work of rural producers who have been making yield grow every year efficiently, resulting in higher performance per area. And it is possible to evolve much more, Barra Agropecuária supports this growth. The farm has 50% of its lands with protected reserves. We work with Agriculture Livestock Integration in the areas intended for farming production, in search of the sustainability of our soil and of the entire output. We also take care of the animal well-being, keeping forested pickets and extremely functional handling. The water for consumption by the animals is collected exclusively at the peak of Serra Azul – Roncador and sent to the drinking fountains in the pastures, in an underground network of more or less 70 km, in a slope 150-m high, specially to offer the cattle water with quality.

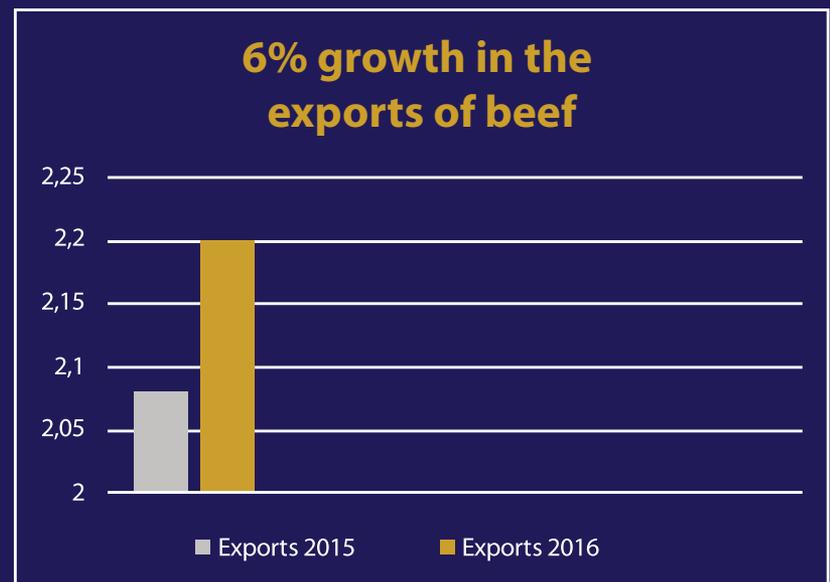
As for our swine raised for our own consumption, the excrement produced, as well as the liquid (urine), do not touch the soil. They are stored in decantation wells and transformed into organic manure. We have a biodigester that burns the methane, producing renewable energy, so that our cattle do not affect the environment. We aim at contributing always toward consistent development based on the preservation of Brazil's natural resources.

BEING IN THE AGRIBUSINESS INDUSTRY IS TO BE A WORKER

And this increase in the yield of the Brazilian agribusiness made this industry generate thousands of direct and indirect jobs in the entire production chain. From the raising of crops and cattle, the transport, the food-processing industry, until the sale to end consumers. Agribusiness was the only industry with a positive balance of employees in 2015. 9821 positions were created, while in the overall, 1.542.371 officially registered jobs were terminated. Being in the agribusiness industry is to be a worker.

BEING IN THE AGRIBUSINESS INDUSTRY IS TO FEED THE WORLD

The Brazilian agribusiness also feeds millions of people all over the world; being in the agribusiness industry is to be the world's barn. Rural producers offer Brazil and other countries healthful and balanced food. Brazil is one of the few countries



where most of population has access to beef. The Brazilian beef has winning more and more space in the international market, due to the excellence reached by our product. 2.2 billion were exported in the first half of 2016, 6% more than the same period in 2015.

Recognition for the dedication and investments of farmers in genetics, nutrition and handling in the tireless search for the evolution of the entire production chain. In 2015, the Brazilian beef recovered 100% of all the markets embargoed in 2012. It expanded its frontiers even more in 2016. For the first time China became the largest purchaser of Brazil's beef, and after many years of negotiations, the United States also opened its market for the Brazilian unprocessed beef.

We at Barra Agropecuária are proud to be part of all this, and we have been working continuously to produce more healthful and tastier beef for our consumers. We take care to have young and healthy animals in every part of the process. We concern about the animal well-being, we use the best genetics, we work with a cutting-edge team, and all the animals are monitored since their first day of life.

As regards our production of fowl/chicken, raised in closed pickets, to be consumed by our employees and family members, the meat also has a different taste. The fowl receive supplements with limestone and cornmeal, providing a different taste that only who eats it can know. Our mission is to make the Brazilian farming industry evolve more and more, because we achieve much more when we grow together.

THAT'S BRAZIL, THAT'S AGRIBUSINESS, THAT'S BARRA AGROPECUÁRIA!



POLLED NELLORE CATTLE CAUSE SURPRISE IN WEIGHT-GAINING CONTEST IN MATO GROSSO

A pioneer in the organization of Weight-Gaining Contests (PGP) in the area of Serra do Roncador, in Mato Grosso, Barra Agropecuária has been obtaining extraordinary results in the genetic enhancement of its polled Nellore cattle by means of sustainable work. The result beat records at the 39th PGP promoted by the farmer Cid Barros in the property, in spite of the harsh drought that hit the state during the year.

The 39th edition, finished in May, had an average daily gain (ADG) of 862 grams. “The outcome was excellent. Even this year, with the region drier because of the El Niño effect, the breeders reached weight gain above the average. This is the kind of animal the market wants, rustic, young and with good performance”, says ABCZ technician Emir Antônio de Queiroz, who conducted the test and has been working in the farm for many years. 32 animals were evaluated, offspring of one single bull. The animals entered the contest on July 27, 2015 and were handled for 294 days. The animal with the best evaluation had an average daily gain of more than one kilo a day (1022 grams), whereas the one who gained less weight had 701 grams a day

FARMING YIELD IN THE DROUGHT

Produce well in any climate or adverse situation. Keep the weight regardless of the pasture. These are characteristics desired in any model of cattle-raising, especially when it comes to beef cattle in Brazil. The diversity of climates, soils and contexts is huge in Brazil’s farming industry, what requires cattle ready to keep and gain more weight, whether with the sun burning the skin or in frost time. Both extremes appear in the same year in some specific regions. Nonetheless, it is necessary to raise and fatten the cattle.

The city of Barra do Garças, in the State of Mato Grosso, is an example. Located at the foot of Serra Azul, in Serra do Roncador, the region is washed by Rivers Araguaia and Garças. Although the annual average temperature is very high, the seasons of the year are quite defined: hot rainy summers with temperatures over 30° from October to April, and very dry and hot winters from May to September. It is not by chance that this region is traditional in the raising of zebu cattle.

The herds consisting in the Brazilian zebu cattle are majority in Brazil, precisely because such race was adapted quite well to Brazil’s oscillating conditions. This took place because of the animal rusticity, that can perform well in any scenario. Among all of them, Nellore is the race with the best adaptation and breeding in the beef cattle, accounting for over 80% of the Brazilian herd today. The polled Nellore cattle, especially, are recognized by their extreme rusticity, precocity and, above all, their fertility. One of the several properties in Barra do Garça can acknowledge such characteristic with certainty and accuracy. After an atypical 2016, which had a long drought beyond the usual for that region, the pasture dried and the food was short. However, the polled Nellore cattle continued fattening at Barra Agropecuária. When the farmer Cid Barros saw the cattle standing out and keeping the high standard of carcass right during the drought, he recognized the positive outcome of 40 years of selection.

The search for the increase in the output of quality beef per hectare at Barra Agropecuária is ceaseless. The main feature of the breeding stock is the approved productive rusticity.

on average.

More than two thousand animals have already been evaluated at Barra Agropecuária during such forty years of selection. The animals classified as Elite in the PGPs remain in the herd, used at the commercial herd. The test adds value to the herd because it is a bull quality certificate within a characteristic of high economic impact for the producer, gain of weight.

“The market for polled Nellore cattle is very busy. We have sold the entire output to area farmers. The buyer wants a quality guarantee, and the PGPs contribute to this”, says Barra Agropecuária’s administrative manager Rones Goulart de Paulo. The herd has 700 PO cows. The output of bulls beyond our needs is sold in the region. The property is among the first ones that adhered to ABCZ’s PMGZ, using the PGP, the Ponderal Development Control (CDP), the Production Certificate (CEP), Bull Summary, among other tools.

Because of this, the genetic evolution is evidently growing especially in the weight gain aspect, even during droughts. The property is a pioneer in the Weight-Gaining Contests (PGPs) in the region. It has organized 40 contests already. Only the animals with the best qualifications are employed in commercial herds, what ensures great performance upon fattening. One of the early properties to adhere to ABCZ’s Program for Genetic Enhancement of Zebu Cattle (PMGZ), it employs all the tools and technologies available to select the desired characteristics.

With the selection based on yield, rusticity and fertility, the property managed to build a herd with better genetics. Every head of cattle is chipped for purposes of more control, and the team is qualified to perform a serious job, in line with the needs of the Brazilian cattle-raising industry. Only this way, with such sum of factors, it is possible to obtain the ideal PO bulls to mate with commercial cows. With this formula, Barra Agropecuária achieves the desirable bull breeder of heavier calves upon the birth, what logically results in heavier beef oxen. The selection reached the goal of any property that is a real “beef plant”.



See our commercial bullocks, raised exclusively in the pasture, with average of 16 months in the agriculture/livestock integration system, with gains during the drought in the residual corn fodder of 0.320 kg/head day, totaling a gain of 4.89@/ha in a 98-day period, and which are going to mate this season.