Analyzing some relationships between the segments of the pork chain in Brazil

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Summary

Based on the assumption that the consumer is the main actor of a value chain, and that being able to give him the product he wants with the attributes he desires is the only way any agribusiness system (AGS) can survive (SAAB, 1999), this paper tries to make a brief description of the pork value chain in Brazil and find out which is (and where is) the main barrier that impedes the product to reach the consumer in the way he wants.

We start from a report made for the Q-Pork Chains Project, named “Pork consumption in Europe and Beyond: Comprehensive Report - Part B - Pork consumption in Brazil”, which makes an analysis of the results of a consumer survey made in Brazil about the consumption of pork meat and pork products.

Then we try to analyse the relationship between pork consumption in Brazil and the necessary actions in terms of the coordination of the value chain to improve the relationship among the different segments of the chain in order to increase overall consumption.

It is known that one of the main reasons for the low consumption of pork is the image of the product as unhealthy, fat and coming from a ‘dirty’ and fat animal fed with leftovers. Anyway, we believe that the biggest problem is the way this product is commercialized at the final point of sale: big and not convenient portions, that can only be consumed by a big family (which is not usual nowadays), and which take a long time to be prepared; a very low variety of cuts, what give short margins to the retail, who on the other side doesn´t have enough incentives to change it.

We finally introduce a marketing campaign that is underway in Brazil called “A new vision on pork meat”, where a pork producers association builds a bridge between the industry and the retail to offer the consumer the product he wants.

1. Introduction

In spite of being the world’s most consumed meat (16.5 kg/inhab/year, according to ABIPECS, 2008), pork meat consumption ranks only third place in Brazil. Reported annual pork consumption in 2007 was only 13.2 kg/inhab/year (MIELE; MACHADO, 2008), very low if compared to the country’s poultry and beef (36 and 37 kg/inhab/year respectively) consumption.

Nevertheless, pork consumption in Brazil has been increasing in the last years. From 1990 to 2006 the average annual growth was 4.9% (USDA-2007, in SAAB; ARMANDO; NEVES, 2007). Interestingly, about 65% of the Brazilian pork consumption is based on meat products (ROPPA, 2005), like sausages, salami and ham. The main reasons why fresh cuts are not preferred can be explained by cultural and historical aspects related to the image consumers have from the pork production system. Unfortunately, pork production is still perceived by most of the consumers as a ‘dirty’ activity, where an extremely fat animal is fed with leftovers (MIELE, 2007). Until half of the XX century the use of animal fat in human nutrition was common in Brazil. By that time, pork fat was as important as the loin or fresh ham. Pigs had only 40 to 45% of lean meat in the carcass and 5-6 centimetres of external fat. With the development of vegetal fat, such as margarines, pork fat was no longer used. New pig breeds were then selected to produce a lean meat type animal. The outcome was a revolutionary change in the Brazilian pork production chain, leading to the modern pig type found nowadays: an animal with 58 to 62% lean meat in the carcass, and only 1.2 to 0.8 centimetres of external fat (ROPPA, 2006).

In spite of all the technological improvements and animal genetic developments that the chain has been through (especially in regard to quality assurance and production of lean pork meat), producers and industry are not yet able to inform, innovate and captivate consumers (ALTMANN, 1997; WEYDMANN, 2004; MIELE, 2006; MIELE; WAQUIL, 2007).

Notwithstanding, since Brazil is a country of continental dimensions and has an estimated population of 189.3 million inhabitants (ANUALPEC, 2007) it can be seen as an important market for pork meat products. In 2007, nearly 2.5 million tons were internally consumed (MIELE; GIROTTO, 2008) and the country ranked 6th in world pork consumption. Brazil is also an important player in terms of global pork production being the 4th biggest producer (MIELE, 2007) and 4th biggest exporter (ABIPECS 2006, 2007).

2. Bibliography synthesis

1.1. The pork meat market in Brazil

Differently from Europe, the meat supply has been increasing in Brazil. High quality, industrial pig production (as opposed to subsistence pig production, mostly destined to the own farm's consumption) increased 4.5% in 2007 and accounts for 87% of the overall Brazilian pig production system (ABIPECS 2007, 2008). These results were mainly pushed by the significant increase in exports, since external markets demand higher quality levels (MIELE; GIROTTO, 2008). Subsistence production in fact has been decreasing, and accounted for only 13% of the pork production system in 2007, while it corresponded to 29% in 2002.

In 2008 some changes can be seen in the Brazilian swine scenery. The growth of the industrial production was smaller if compared to 2007, but it reached almost 90% of the total swine production in Brazil. Subsistence production kept on falling, approximately 3.5%, what strengthens the Idea of solidification of the industrial system. In a broad sense, the total swine production grew 1% compared to 2007. The increase in swine production presented through these years is related to the improvement in the efficiency of the production chain, base don nutrition, genetics, handling, sanity and equipment (CARVALHO, 2007).

The table below shows the evolution of the main numbers of the swine sector in Brazil:

	Year				
	2004	**2005**	**2006**	**2007**	**2008**
Total swine production (1000 MT)	2,620	2,708	2,943	2,998	3,029
Industrial production	2,101	2,269	2,531	2,644	2,686
Subsistence production	519	439	412	354	342
Industrial herd (Thousand heads)	1,374	1,406	1,471	1,476	1,526
Subsistence herd (Thousand heads)	975	937	917	887	865
Slaughter - SIF (Million heads)	20.6	22.4	23.4	24.3	25.8
Slaughter - Others certifications (Million heads)	9.6	9.1	10.3	10.1	9.7
Consumption - Brazil - per capita (kg)	11.89	11.59	13.28	13.01	13.44
Exports (MT)	510	625	528	607	529
Exports revenues (US$ millions)	777	1,168	1,037	1,231	1,492

Table 01: Swine production in Brazil
Source: elaborated by the authors, based in ABIPECS, 2009.

According to ABIPECS (Brazilian Pork Industry and Exporters Association), the numbers from 2008 continue the tendency of increase in the sows housed in the industrial herd, that has been identified since the end of 2004. A process of concentration is happening, reducing the number of pig producers dedicated to the activity, but keeping high growth production rates (SILVEIRA; TALAMINI, 2007). Also, the housing of subsistence sows is decreasing. Anyway, the biggest impulse in production occurs because of the growth in productivity of industrial sows (around 21.4).

Directly related to genetic improvements, artificial insemination is highly spread in the technically advanced production systems, being responsible for around 660,000 fecundations, what represents a total of 51% of the industrial sows. Artificial insemination allows the rapid diffusion of the desired characteristics through the herd, standardization of the production, better usage of superior hogs, among many other advantages.

The industrial pig production over the past three years has increased by 19.8%, from 26.4 million heads at the end of 2004, to 31.8 million heads in 2007. Also in this period, the average weight of slaughtered animals increased by about 5.0%. On the other hand, subsistence production (pork that is consumed on the rural property, occasionally selling excesses) continued its downward path (ABIPECS 2007, 2008). The tendency of growth of inspected slaughter (inspected by the SIF – Federal Inspection System) continues. From 2007 to 2008 there has been a growth of 6.17%. This reflects the concern of Brazilian producers to adequate themselves to the rules that guarantee the procedence of the meat. In 2008, 73% of national swine production were slaughtered under Federal Inspection (ABIPECS 2008, 2009).

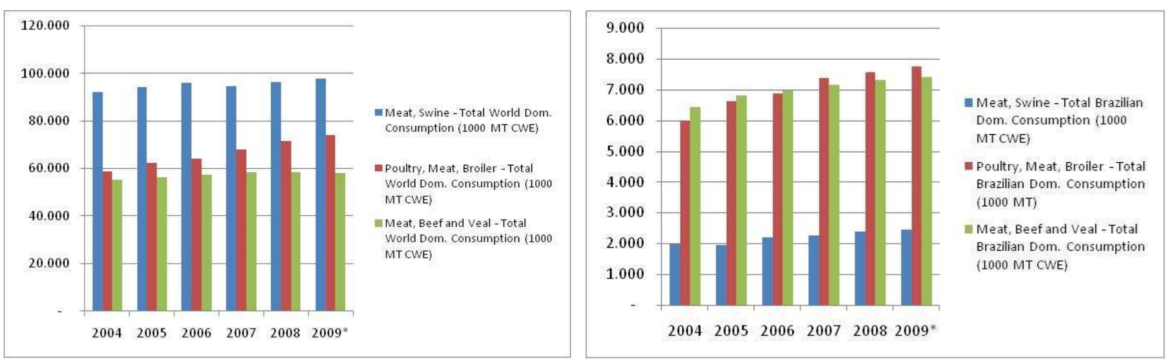

Chart 01- Pork consumption in Brazil and in the World
Source: USDA (United States Department of Agriculture), 2009.

The charts above show the evolution of pork consumption in the last years in the world and in Brazil, respectively. Nowadays, pork meat is the most popular and the main source of animal protein in the world (MIELE, 2007; USDA, 2009). China is the leader in pork consumption in the world, responsible for 47% of the total consumption, the European Union comes in the second place with 22%, followed by the United States in third, with 9% (USDA, 2009).

In Brazil, making a comparison between the consumption of beef, pork and chicken meat, it can be noticed that in the 70s pork represented 26% of consumer preference, while chicken represented 17% and beef, 57%. In the 80s, chicken consumption grew 15%, representing 32% of the consumption of the three meats, and most of this growth came from a reduction of the share of beef, which came to represent 44% in consumer choice. Pork was maintained next to 24%, but occupying the third place in consumption. In the 90s this tendency remained the same, being that chicken started to be the most consumed by the Brazilians approximately until the end of the decade, when beef reached the first place again. The participation of pork remained falling since then. In 2007, pork consumption stayed below 15% compared to the other meats. The consumption of beef and chicken was almost the same, but once again chicken assumed national preference (ABCS – Brazilian Association of Swine Producers -, 2009). In 2007 the Brazilian per capita consumption was 13.01 kg, increasing a little bit in 2008 to 13.44 according with data from ABIPECS, 2009.

Pork consumption in Brazil is marked by the consumption of processed products, and approximately 65% of per capita consumption is industrialized and sausage meat products like ham, mortadella and sausage (ROPPA, 2005). The growth potential of consumption of pork meat *in natura* is enormous in Brazil and in order for that to occur some changes are necessary to adapt the products to the final consumer´s taste (SAAB; NEVES, 2009).

In 2008 Brazil exported 529 millions of tons, presenting a fall of 12.8% in quantity and in volume. This fall was mainly influenced by the increase in internal market consumption and the international financial crisis, which negatively affected the exports. This fall didn´t affect exports in value, and they showed an increase of more than 20%, due to the good world prices and the strategy adopted by companies, reaching US$ 1.5 billion (ABIPECS 2008, 2009).

The main importers of pork were Russia, Hong Kong and Ucrania, being respectively responsible for 44%, 20%, 9% of pork exported from Brazil (ABIPECS 2008, 2009). China, the biggest pork consumer in the world, is not in this ranking because it has a big production. In 2008 the country consumed 44.8 million tons and produced 44.5 million tons, importing only 300 thousand tons (USDA, 2009). Important pork importers like the US, Mexico and Japan do not appear as destiny of Brazilian exports due to sanitary restrictions imposed on Brazilian *in natura* pork (MIELE, 2007). The chart below shows the main destinies of Brazilian pork.

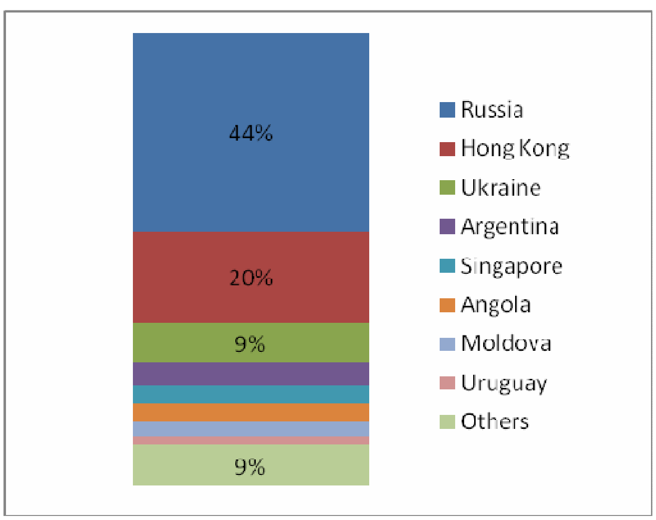

Chart 02 – main destinies of Brazilian pork
Source: ABIPECS, 2009.

The growth of Brazilian exports is the result of the new rules and conditions imposed by the sector, besides the great technological changes that occurred (SILVEIRA; TALAMINI, 2007). Besides that, the scenery for a restablishment of export levels is favorable, once countries, markedly the European Union and Asia, are close to their production limits, due to the food availability and environmental problems generated by swine production (CARVALHO, 2007). Brazilian offer is reaching the limit of its slaughter capacity, whose expansion may occur only in 2009, when the new investments already made will be really working (ABIPECS 2007, 2008).

Nutrition has also presented great progress, with lots of food analysis techniques, being a fundamental tool for swine production nowadays. The basis for feeding pigs in Brazil is corn and soy, supplemented by minerals and vitamins. The uncertainty of the prices of those cereals is a great vulnerability for swine production, as feed represents around 70% of the total of production costs.

2.2. Governance of the chain

The image of the pig as a fatty animal, raised under precarious hygiene conditions and inadequately fed is beginning to change. Small and unspecialized producers who had the activity as a secondary one are being confronted with the surge and strengthen of industrial and professional pig production. This has led to a big change, as industries started to demand a constant offer, with very well defined production patterns (MIELE, 2007). Producers are therefore challenged to adapt, in order to satisfy industry and consequently consumers' needs. Additionally, the marketing of pork meat as a healthy option and a good source of protein is being stimulated by the industry with campaigns and information to consumers.

The strong governance of the big industries created the possibility of a lot of changes. It began at the animal genetics level, creating the possibility to generate at the end of the production chain a product which had the same attributes consumers would like to have and for which they would be willing to pay. And it was possible to reduce the fattening period (from the animal birth to slaughter), the fat content of meat and also to create better sanitary conditions at production, transport, storage and commercialization levels (MIELE, 2007). In Brazil the slaughter/industrial sector is very much concentrated, and the three biggest industries are responsible for 44.13 % of total pig slaughter in the country. But this concentration, with strong and very well known brands, changed the traditional characteristic of local commercialization into nationally commercialized products. Such brands have a positive image in terms of consumers' trust and food safety, both in fresh and in processed meats.

Unbranded products such as fresh pork make it more difficult for the consumer to form quality expectations. Quality labels can give consumers another means of inferring experience and credence characteristics of food products (GRUNERT, 2002).

From a consumer perspective, brands are important quality cues and make it easier to infer quality (GRUNERT; VALLI, 2001). Traceability systems, branding and labelling can help reduce consumer's dependence on credence factors. Yet, brand name has little relevance for most consumers (BERNUÉS et al., 2003).

One of the basis of those leading companies is the constant innovation in processed products (ham, sausages, mortadella, salami) and ready to eat products, strongly based on the company´s trade mark. This same degree of innovation is not found in the valorization of fresh meat for the internal market, but the reach for more sophisticated markets as Europe and Japan may impose the necessity of investments in new production lines that might lead to source the internal market with noble cuts.

In order to obtain that, it is important to create a certification system that guarantees to the consumer the quality he wants, as is the case of the initiative to establish with ABNT (Brazilian Association of Technical Rules) the measurable characteristics of carcasses necessary to the production of noble cuts. Those are actions that demand resources (increase in costs), what should be accompanied by a promotion of the certification or of the trade mark, in order to capture better value trough higher prices.

After the great fall in 2006 caused by the foot and mouth disease in 2005, with 529 thousand tons exported, Brazil ended 2007 with 607 thousand tons, corresponding to 12% of world exports and representing a regain in the international market. According to ABIPECS, if it wasn´t for the foot and mouth disease (FMD), Brazil could account for more than 62% of the world market for pork, as the states that found the disease focuses had big difficulties to open new markets and increase exports. The fact that the medium price of meat increased by 33.2% in the last three years deserves some attention. This can be explained, among other factors, by the change in the meat exported, which used to be mainly half carcasses and nowadays is mostly noble cuts and processed ones.

3. Methods

The objective of this study is to analyse and deeper understand the campaign created by ABCS to stimulate the consumption of *in natura* pork in Brazil; “A new vision on pork meat”. The research of this paper has a qualitative and exploratory character, which have as characteristics to ease comprehension of perceptions, behavior and needs (HAIR JUNIOR ET AL, 2006).

Initially a research in secondary basis was made in order to elaborate a good scenery of Brazilian swine production, as USDA and ABIPECS, as well as other sources of bibliographical sources of specialists on the swine sector in Brazil.

In the applied part of the paper a research in secondary basis was also conduced on the data divulged by ABCS, creator of the campaign “A new vision on pork meat” in Brazil. In a second part a deep interview was conduced with the Marketing Director of ABCS and of the campaign, in order to understand how is its development and which are the steps to its future in the country.

4. Results

4.1 A new vision on pork meat

It is widely known that Brazilian consumer does not eat pork *in natura* due to some cultural factors, as the belief that it´s a fat and dirty meat, and the way it is commercialized (SAAB et al., 2008; ABCS, 2006; MIELE, 2007). According to field researches contracted by ABCS, the main points found were:

- Prejudice in relation to the impact on consumer health;
- Not practical cuts;
- Big cuts;
- Inadequate presentation at the point of sales;
- Perception of high price;

Based on the results of the researches, ABCS structured a national marketing campaign for pork meat, dividing it in two parts: (1) Preparation of the productive chain and (2) Insertion of the proposal in popular media. And the name chosen for the campaign was: “A new vision on pork meat”.

The objective of this campaign is to stimulate the consumption of *in natura* pork meat through the insertion of new cuts and packages that are compatible with the demand and profile of consumers identified by the research. Mr. Fernando Barros, Marketing Director of ABCS, believes that the new consumer prefers to buy protein that is correctly packaged in small portions (up to 400 grams) and preferably bringing some recipe of how to prepare it in a quick and easy way.

One of the main challenges for the applied part of this work is related to the break of the cultural barriers that pork meat has in Brazil. The Brazilian consumer is used to think about pork meat as a fatty meat, and most of the times it has to be consumed by a lot of people together because it is not usual to find it in small portions at the point of sale. When compared to beef and chicken meat, this is not observed.

So, the preparation of the productive chain is of fundamental importance in order to make the changes proposed by the campaign really happen. Knowing that, ABCS explored each one of the critical points indicated by the consumer on the interviews in order to propose solutions that can make viable the second part of the project, that is the “insertion of the campaign in popular media”. The main points to be attacked in the preparation of the industry are:

4.2 Pork meat and health

Culturally in Brazil pork meat is associated to a not healthy and fatty source of protein. Usually in health diets lean cuts of chicken and beef are used as a healthy option. According to the publication Argumento Suíno (2006), people associate pork to a heavy meat, but this fact is directly related to the amount of fat offered together with the meat and the way it is prepared. Knowing that, ABCS in partnership with specialists from the sector of health care made a work in order to spread the benefits of meat to the human health to try to surpass the prejudice and miths that badly affect the image of the product. To complete this work, an effort to make speaches, meeting and conferences with specialists of many fields was also made to divulge the campaign.

4.3 The price and the use of the carcass

Even putting pork in first place in flavor, among the three most consumed kinds of meat in Brazil (CARTILHA ABCS, 2006; SILVA; OLIVEIRA; GOMES, 2008), the consumer still does not have the choice of this as an usual option in ordinary meals, many times because of the lack of information about the nutritional value and the prejudices discussed above. Another fact that limits the choice of pork is the low variety of practical cuts (SAAB et al., 2008; CARTILHA ABCS, 2006; AGUMENTO SUINO, 2006). Besides the low variety of cuts, pork usually has a high price, what does not stimulate the consumer to buy. When compared to the price paid for the pork meat at the grange, retailers sell the product at a value that is around 20% above (ABCS, 2006). This happens because of the low turnover of the meat in retail, and this is the way retailers use to compensate for possible losses.

The issue of carcass utilization is directly related to the consumption and the price of pork in Brazil. As at most of the points of sale only a small number of cuts are known, and among them are the loin and the rib, those end up being more expensive to compensate for the small sale of the other cuts. Another fact that contributes to that is the seasonal consumption of specific cuts, like ham at Christmas time. So the sale in different sizes and cuts could stimulate the constant consumption of the meat. Summing up, if the carcass is better used, the turnover in retail will be bigger and the price can go down.

4.4 Industrial and special cuts

In a partnership with the Center of Meat Technology (CTC), from the Institute of Food Technology (ITAL), ABCS defined a series of cuts to be use don the campaign, among wich are filet-mignon, alcatra and picanha, creating a market of specialized cuts. After this definition, five categories of special cuts were created to be offered to consumers: Lean Cuts, Grill, Oven, Universal Cuts and Barbecue.

The category Universal Cuts associates the concept of lean meat, without fat, to the consumer health and to be used even in food diets. The second one, Grill, also works with the concept of health, linked to the easy-to-cook demand of the new consumer, increasingly more adept to grilled meats. The third category, oven, brings together the traditional cuts that most of the consumers already know and that generally have high sales for special events, once usually those cuts sold in big portions. The Universal Cuts generate a big potential for increasing the turnover of the carcass at the supermarket, once they are flavored and little known by the consumers. A good example of the category is pork minced meat. At last the fifth category, the cuts for barbecue, has the objective of offering prepared cuts in a practical way for one of the most traditional ways of preparing meat by Brazilians (ARGUMENTO SUÍNO, 2006).

4.5 Divulging the campaign

After this first step of preparation of the industry, the step of divulging the campaign began, with the help of the existent regional associations and the retailers that are partners on the project. The association and the regional ones were responsible for the costs of implementation of the campaign at the retailers, once this looks for the increase in the sales of the meat on the existing points.

According to a report published by ABCS (2009), the implementation of the campaign followed some steps. Initially the people involved at the campaign, from butchers and supermarkets, was trained through oral speeches and classes. Then the campaign should run for 30 days at the chosen places. Besides following the timetable, the supermarkets had to compromise themselves in commercialize between 15 and 20 new cuts of pork presented by the campaign. There also should occur the maintenance of the price politics usually practiced by the retailer and during the campaign there should happen some demonstration of the meat with degustation of the products and informative actions.

4.6 Some results of the campaign

One of the first results of the campaign happened in the partnership between ABCS, ACRISMAT (Association of Swine Producers of Mato Grosso) and the supermarket chain Modelo, the main supermarket chain in the state of Mato Grosso, with 14 stores. In the year before the implementation of the campaign, Modelo sold 235 tons of pork, and the projection of ABCS was that sales reached 400 tons at the final of 2006, when the campaign began. Initially 29 receipts were selected to be divulged at the stores of the chain, besides the building of a sales travelling stand to divulge the campaign at the stores (ARGUMENTO SUÍNO, 2006). Due to the pioneering and to the innovative concepts, the campaign did not reach wide acceptance, and only some concepts were introduced (ABCS, 2009).

A good result of the campaign was the participation of the CBD (Brazilian Company of Distribution) Group, represented by a total of 450 stores and owner of three important brands (Pão de Açúcar, Extra and Compre Bem). The campaign generated an increase of 50.85% in the Sales of pork in 2006, as compared to the year before. In 2007, from January to September, the increase in sales continued. It was more than 25%, compared with the numbers of 2006. The success of the campaign made possible the creation of a position to coordinate all the pork purchase of the group and another for the administration of pork development.

One store of the CBD Group, with the brand Compre Bem, located in the city of Campo Limpo, state of São Paulo, which has as public consumers of classes C and D, had an increase of 170% in sales of meat after the campaign. The campaign was able to get the curiosity of consumers, who became surprise with the amount of cuts that can be found for sale. Besides visually stimulated by the new cuts and the receipts for trying at the point of sale, consumers were also given nutritional and medical information by the promoters of (ARGUMENTO SUINO, 2007).

One of the problems identified during the elaboration of the campaign was the lack of commitment of the people involved in the campaign at the chosen places. That happened at one of the chosen stores of Wal-Mart in Brasília. The manager was not compromised with the campaign and that did not made it possible to be realized. In the first two weeks, some problems as the lack of pork and refrigeration problems at the supermarket damaged the development of the campaign. So the campaign was transferred to another store and the result presented was completely different. Due to the enthusiasm and commitment of the people involved, the campaign reached great success, as there was a record increase of 210% of sales of pork after the implementation of the campaign (ARGUMENTO SUINO, 2007).

The campaign presented good results also in the state of Rio Grande do Sul. In September, 2007, the partnership between ABCS, ACSURS (Association of Swine Producers of Rio Grande do Sul and SINDPOA (Sindicato de Hotelaria e Gastronomia de Porto Alegre), began a work of divulging it in the Public Central Market of Porto Alegre, that lasted 5 days. Besides building a stand of divulging the campaign and informing the population about the quality and the benefits of pork consumption, the butcheries of the market also commercialized the cuts promoted by the campaign. During that period some oral speeches were also made to inform about the benefits of the meat. In conjuction with this work at the Central Market the campaign also occurred at a supermarket of the Zaffari chain, that had Mabella slaughterhouse as the supplier of cuts (SUINOS.COM, 2007).

In the first year the campaign created great impact and had good results where it was applied. Initially implemented in eight Brazilian states in many stores of 10 chains, and among them the already cited CBD Group, besides Carrefour and Wal-Mart. The importance of the presence of the campaign in those retailers is that they have a large influence on consumer habits, and they shall continue to sell those cuts.

As a result of the first year there has been the renewal of the Protocolo de Fomento da Comercialização de Carne Suína no Brasil (a govermental protocol to incentive the commercialization of pork in Brazil), as well as an approximation of ABRAS (Brazilian Association of Supermarkets) with the campaign. After that, the campaign was also implemented in other states following the same steps.

The chart below shows the increase of Sales in the places where it was implemented in the first year.

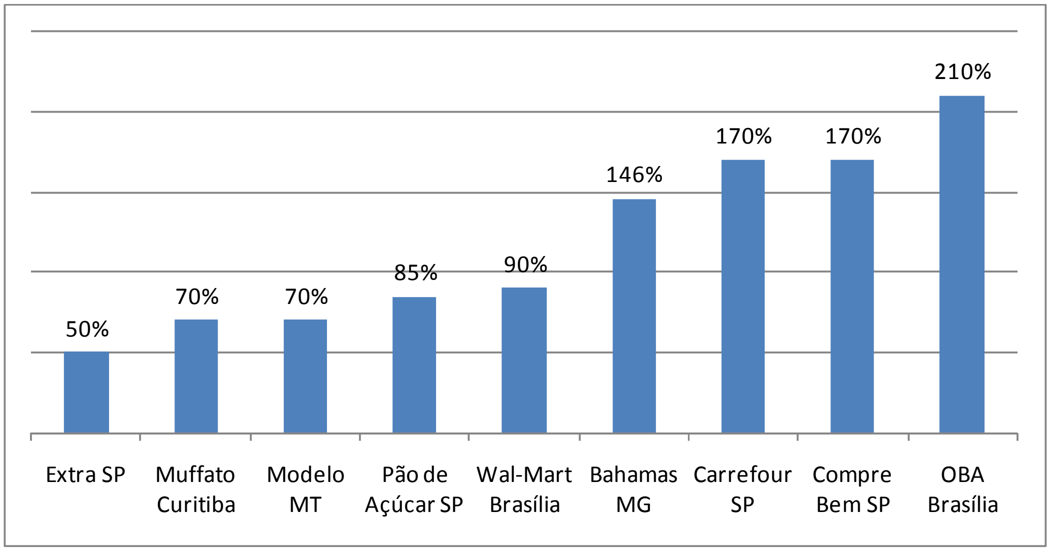

Chart 3 – Increase of sales in the stores that participated in the campaign
Source: ABCS, 2009 p. 12

The chart above confirms the success of the campaign. The worst result presented was an increase of 50% in the sales of pork after one month of implementation.

In spite of the big success of this first phase, some problems were identified, that didn´t allow the participant store to continue the selling of pork in the model presented by the campaign, and among them are (ABCS, 2009 p.12-13):

- Logistics: the slaughterhouses that participated in the campaign stopped supplying the cuts designed by the campaign, many times because of logistics problems;
- Carcass tipification: the carcasses have to present specific patterns for the supermarkets to have incentives to continue offering the cuts;
- Motivation, information of quality and training: the success and the long last of the campaign is related to the commitment of the people involved at the store;
- Distribution: one of the main markets the campaign can reach is formed by classes C, D and E. In order for that to happen it is necessary the creation of a distribution structure that takes the product to the peripheral neighborhoods;
- Quality of the cooling system: it is important that during the whole cooling chain of pork exists a quality pattern of quality that gives the product longer lasting;
- Packing: this point directly influences the presentation, quality and lasting ofthe product.

4.7 Next steps of the campaign

The results of the research conducted by Francisco Rojo Food Marketing (FRMA) in 2008 (ABCS, 2009), that had as the main objective to understand the concepts and prejudices of pork and identify the best way to increase consumption, markedly classes “C”, “D” and “E”, helped to determine the next steps of the campaign.

The research analysed the perception of pork by slaughterhouses, distributors, supermarkets and butchers of two of the most populated Brazilian states. It was possible to notice that swine consumption is basically influenced by the price, the lack of consumption habit, lack of information and divulging pork. Another point to be marked are the actions that were identified to enlarge the consumption of pork by the low income classes, what confirms the strategy adopted by ABCS. Among the factors that appeared in the answers were: (1) necessity of more information about the benefits of pork, (2) divulging and clarifying about the diseases and the actual quality of the meat, (3) work with packs that guarantee the quality of the meat, (4) work with the sales price and (5) generate actions like trying and informing at the point of sale (ABCS, 2009).

Based on the results reached by the campaign so far and this new research, a big project was created in conjunction with SEBRAE (Association of Small and Medium Enterprises) and CAN (Brazilian Confederation of Agriculture and Cattle Raising), with the objective of promoting actions to increase consumption of pork from 13 kg to 15 kg per capita/year.

In order to make it possible, a work will be made to increase quality, improve understanding of demand, divulge the new cuts, improvement in the ways of preparing the meat, increase in the availability of pork in many levels of retail, development of new Technologies that guarantee food safety. Some activities with the producer, industry and commerce will be developed.

In this new phase the campaign will not be restricted to food retailers, but will be extended to bars, butchers, restaurants, meal companies and other places in six states initially selected. This action intends to reach an increase of up to 25% in pork consumption in three years.

4.7 The opinion of ABCS

To complete the understanding about the importance of the campaign and which will be the next steps, a deep interview with the Director of Marketing and Communication of ABCS, Mr. Fernando Barros, was made. Some important points were discussed, like how the integration with the other associations throughout the chain occurred, the participation of the Brazilian government, the inexistent participation of the big Brazilian companies and the biggest problems of the campaign.

Some of the questions discussed at the interview are listed below:

- What is the importance of other associations related to the swine sector and which is their participation on the campaign?

Answer: Their importance is linked to the institutional side of the campaign. By means of an articulation of the Ministry of Agriculture, that passed to the Ministry of Development, Industry and Commerce and finally the National Secretary of Commerce and Services a document was created to incentive pork consumption in Brazil. It involved ABCS, APAS (Association of Supermarkets of the State of São Paulo), ABAD (Brazilian Association of Wholesalers and Distributors) and ABRAS (Brazilian Association of Supermarkets). As ABCS had the model of the campaign already ready, it was submitted to analysis and after approved, became the official model of the campaign. This way, the door to the success of the campaign was opened, once the participation of ABRAS facilitated the access of the campaign to the CBD Group in its many stores. The case of Pão de Açúcar gave institutional understanding to the other levels of the chain.

- Was the campaign realized at national level by chains like Pão de Açúcar, Wal-Mart and Carrefour?

At the beginning the project was a pilot in some of the stores of the Pão de Açúcar chain, involving some stores of the three brands (Pão de Açúcar, Extra and Compre Bem). After this pilot project, it was extended to the other stores of the group allowing the possibility to enlarge the results. In two years of campaign the sales of pork doubled in the chain. The number of persons involved in each project was very big, going from the buyer of the cuts for sale to the people responsible for the exposition and conservation of the product. The success of the campaign is closely related to the creation of a favorable environment for the commerce of pork meat in the group. As a result of the campaign, two new positions were created at the chain, to guarantee the quality and continuity of the sales after the campaign: the pork meat buyer, that make all the purchases of pork for the stores, and the National Manager of Pork Development, who controls, among other aspects, the quality of the products purchased, exposition and cuts. This involvement permitted the success of the campaign, with the contamination of on the consumers´ habits, once the influence of these chains in the habits of consumption are high in the country. Due to cases that happened during the campaign, that showed the way the consumer wants to eat pork, some changes in the way the product is distributed in the country started to happen. Supermarkets started to order supply of pork in smaller portions, prepared to keep product quality. Another important point is that it began to be offered in the freezing part of the store, what didn´t happen before.

- Why the other segments of the chain, closer to the consumer, and the big slaughterhouses, didn´t get involved in the campaign? Do they have an interest in this new phase?

The big slaughterhouses didn´t participate due to problems of logistics. They have some plants around the country, but far from the big centers of consumption, as São Paulo, where there are thousands of supermarkets and butcheries. So, the cost to distribute this meat is high and the life cycle of pork is short and the aggregated value is low as compared to sausage meat and industrialized meat. In this case the participation of small and better distributed slaughterhouses is easier once they are closer to the consumption centers and have less logistics problems.

- Which will be the next steps of the campaign?

The next phase is more complex because it has a goal, differently from the first one that had as objective to change the concept of pork meat. From the moment that the reasons why the product doesn´t reach the consumer were found or why he doesn´t have this habit, it became possible to elaborate the next steps of the campaign. So, this second phase will have a deeper action, involving even more participants of the chain, more levels, like the industry, the cooling chain, packaging and logistics. A study will be developed to enlarge the durability of pork, that is smaller compared to the other kinds of meat.
ABCS will also make a pilot project inside a slaughterhouse to possibilitate the action in many niches. Then it will be possible to find out what is the profile of many consumption levels, as well as the demands for each level to identify the formats that the product must have to reach the different kinds of consumers.

- What is your expectation about the new phase of the project?

To reach the goal of increasing per capita consumption in two kilos, in order to change the scenery of national swine production. Besides that, the campaign will create a considerable impact on the national economy. Among them are: creation of 12 thousand new direct employments and 60 thousand indirect throughout the chain, the need for an increase of 200 thousand sows, approximately R$ 1 billion of investment at the granges, among others.

5. Conclusions

The importance of the consumer consciousness, as well as the change in the way of presenting and offering pork meat to the consumers are shown as the big points to the increase in consumption of the product in Brazil. The first phase of the national campaign ABCS created achieved its results that were mainly to divulge and present the meat under a new vision to the consumer. The use of new cuts, flavored receipts and information about the healthy aspects of the product were big partners to achieve the expected results.

The participation and commitment of important retail chains in the country helped in the development of the campaign. Not less important was the participation of regional associations, that opened many doors to the implementation of the campaign in other states. As a result, the consumption increased at the places where it was applied, showing that the consumer, when correctly informed, becomes a great consumer of pork meat.

Some points were identified that served as basis for the second phase of the Project which has the objective to increase 2 kilos of per capita consumption of pork in Brazil. In order to achieve that, it will be necessary a bigger integration among the participants of the chain, led by an important national associations, ABCS. Then it will be possible to beneficiate all of the participant of this important agribusiness chain in Brazil.

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