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MINISTRY OF AGRICULTURE, LIVESTOCK AND FOOD SUPPLY Secretariat of Agribusiness International Relations

Mission

To promote the sustainable development and the agribusiness competitiveness in benefit of the Brazilian society.

Brazilian Agribusiness at a Glance

Brazil is a strategic partner when it comes to agribusiness products supply. At the same time, Brazilian agricultural commodities are recognized for their intrinsic technology and competitiveness. There are, still, some boundaries to surpass and opportunities to show, information and interest being vital for so.

In a time when natural resources, food security and renewable energy are being largely debated, this publication aims at providing brief information on Brazilian agricultural products, the country's capacity to produce and supply and, furthermore, its care in using sustainable procedures, in order to guarantee food, work and resources for our future generations.

The content of this material came from several lectures given by authorities and technicians of this Ministry in different places and occasions. Due to the high demand of hardcopies after each presentation, we consider that the information can be relevant to your acquaintance.

We hope this information can be useful as a way of making you interested in getting to know more about Brazil and its agricultural production.

Should you need further information, please contact us at: dpi@agricultura.gov.br.

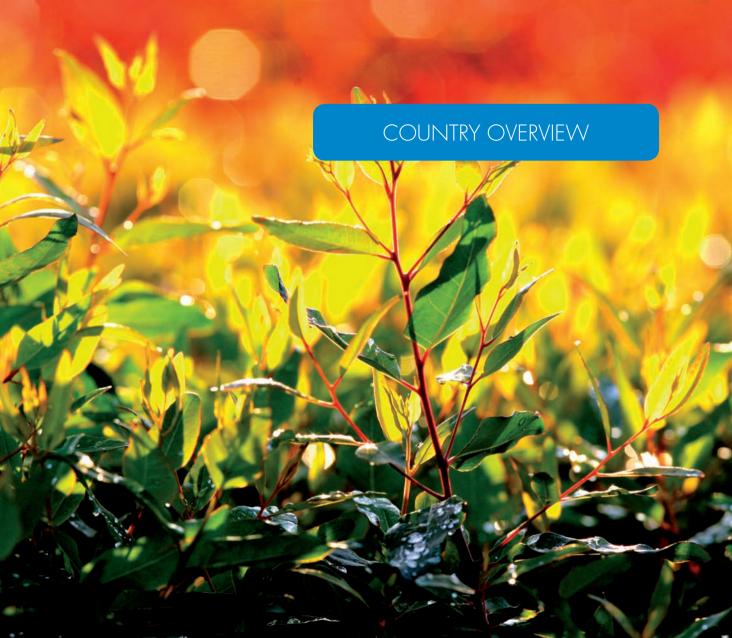
We will be delighted in hearing from you.

Minister of Agriculture, Livestock and Food Supply

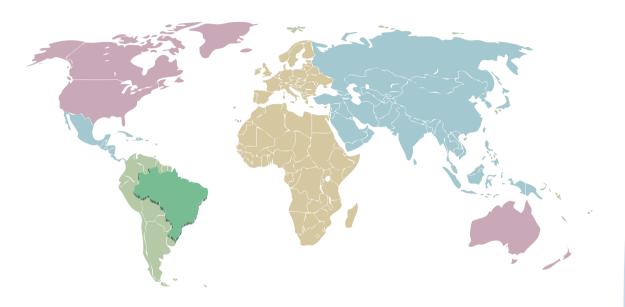


SUMMARY

COUNTRY OVERVIEW
GLOBAL DYNAMICS
TOP PRODUCTS HIGHLIGHTS
Grain 21
Meat
Sugarcane
Coffee
Milk
Fruits
SUSTAINABILITY: AGRICULTURE & ENVIRONMENT
FOREIGN INVESTMENT OPPORTUNITIES



Brazil's Profile

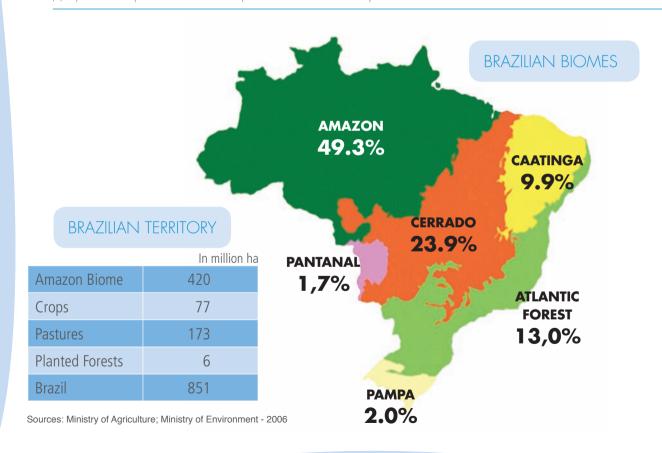


- Area: 8,514,000 km² (5th largest)
- Population: 191.3 million (5th biggest population)
- GDP: US\$ 1.6 trillion (8th biggest economy)
- Per capita income: US\$ 8 thousand
- 2009 exports: US\$159 billion
- 2009 imports: US\$136 billion

Brazil's continental dimensions gather different biomes (*), protected by national legistation.

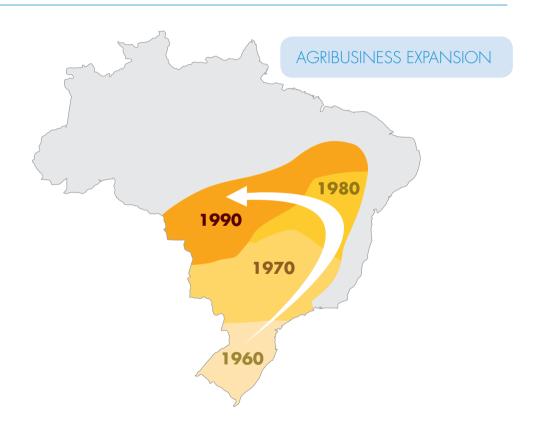
Agriculture and livestock areas make up around 30% of Brazil's territory, mainly concentrated in the southern and central regions of the country.

(*) any of several major life zones of interrelated plants and animals determined by the climate.



Agricultural production started primarily in the southern region and, later on, expanded to other areas towards the middle-west of the country.

High levels of productivity as a result of investments in tropical technology allow coexistence of expansion of food and energy production, along with environmental protection.





Brazil plays a leading role as a global supplier of agribusiness products, exporting for more than 180 markets.

Diversified product range ensures food security for the world.

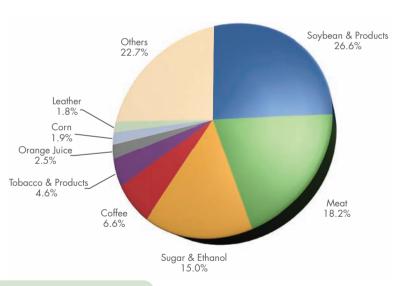
2009 Ranking: Brazilian Production and Exports

Main Products	Production	Exports	Number of Markets	Exports US\$ Billion
Sugar	1 st	1 st	124	8.378
Coffee	1 st	1 st	81	3.762
Orange Juice	1 st	1 st	75	1.619
Soybean	2 nd	2 nd	46	11.413
Beef	2 nd	1 st	142	4.118
Tobacco	2 nd	1 st	100	2.992
Ethanol	2 nd	1 st	48	1.338
Broiler	3 rd	1 st	146	5.307
Corn	4 th	3 rd	49	1.259
Pork	4 th	4 th	81	1.225

Sources: USDA, Ministry of Agriculture

Brazil exports a great deal of agricultural products, including traditional goods, such as coffee and sugar, besides recently introduced ones, such as corn and ethanol.

Brazilian Agribusiness Exports Main Products



Total: US\$ 64.8 billion

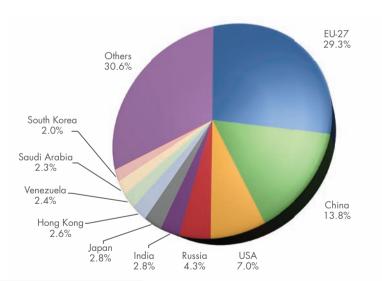
Source: Ministry of Development, Industry and Foreign Trade – 2009

Elaboration: Ministry of Agriculture

Brazil's diversified product portfolio enables strategic partnerships around the world.

Besides the capacity to assure food security, Brazilian agribusiness has recently been seen as an opportunity for foreign investment.

Brazilian Agribusiness Exports Main Destinations

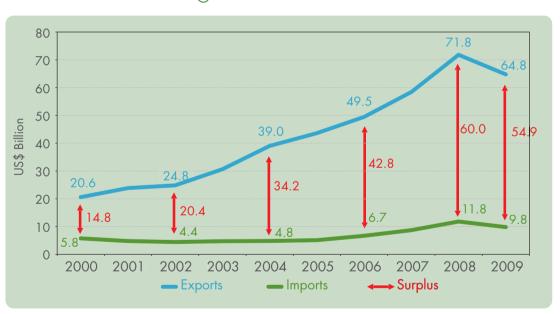


Total: US\$ 64.8 billion

Source: Ministry of Development, Industry and Foreign Trade – 2009 Elaboration: Ministry of Agriculture

Brazilian agribusiness trade balance evolution shows a 8-year surplus increasing trend (2000 to 2008). It reiterates the country's agricultural vocation.

Brazilian Agribusiness Trade Balance



Source: Ministry of Development, Industry and Foreign Trade

Elaboration: Ministry of Agriculture

The positive results of the Brazilian trade balance rely on agriculture. Solid institutional framework and resilient economy mitigate risk of agribusiness commodities exports setback.

Brazilian Trade Balance

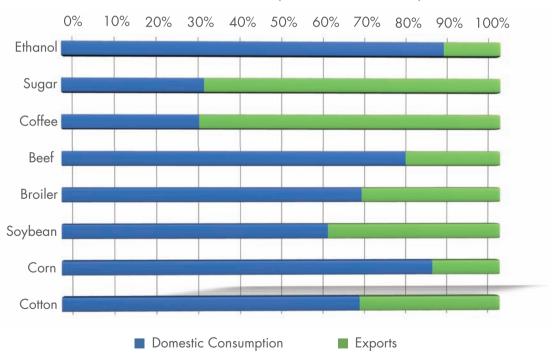


Source: Ministry of Development, Industry and Foreign Trade

Elaboration: Ministry of Agriculture

Roughly 70% of the Brazilian agricultural production aims the national market. Domestic demand ensures critical mass for market predictability, enabling expansion planning.

Domestic Consumption and Exports



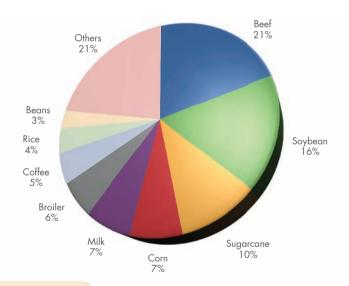
Sources: Ministry of Agriculture, Brazilian Institute of Geography and Statistics - 2009





Brazilian agricultural production has been reaching successive records in gross value. Worldwide leading products such as beef, soybean, sugar, broiler and coffee account for the majority of the production value.

Major Agricultural Products in Brazil Production – Gross Value



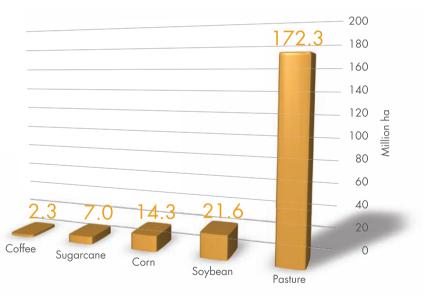
Total: US\$ 170 billion

Source: Brazilian Confederation of Agriculture and Livestock – June 2009

Pasture lands occupy nearly 70% of the total area dedicated to agricultural production.

Pasture productivity is still low -1 head per hectare. Improvements on cattle raising enable agriculture growth over these areas.





Sources: Ministry of Agriculture, Brazilian Institute of Geography and Statistics (Pasture – 2006)



Increase in grain production over the last 20 years has been a result of high levels of productivity. Grain volume has increased by 2.5 in the period, while the harvested area has grown less than 30%. Productivity in the area, therefore, doubled.

Grain - Production and Area



Source: National Company of Food Supply

Grain crops' increasing productivity allows supply of domestic market while Brazil stands out as a big exporter of soybean, corn and cotton.

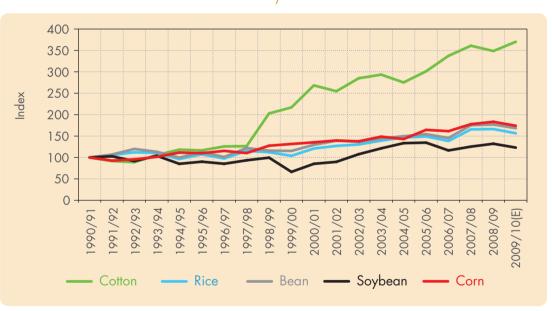
Main Grains

Product	Area (1,000 ha)	% of Total Grain Area	1,000 Tons
Soybean	21,743	42%	57,166
Corn	14,171	38%	51,004
Bean	4,147	3%	3,491
Rice	2,909	9%	12,602
Wheat	2,396	4%	5,884
Cotton	843	2%	1,891

Source: National Company of Food Supply - 2009

Grain productivity has been increasing in Brazil over the years, as a result of technology use and best practices dissemination.

Grain Productivity Evolution Index

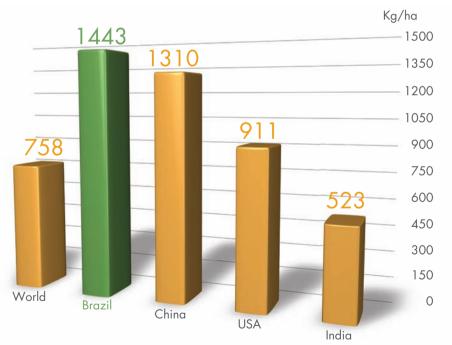


Source: National Company of Food Supply



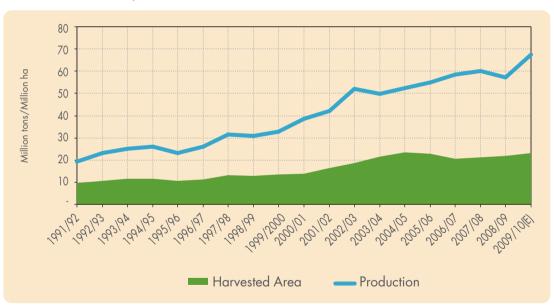
In 2008/2009 harvest, Brazilian cotton producers reached the highest productivity in the world, making a high-quality, competitive product that stands out from the top 5 global producers. That was a cornerstone to recover its leading position in this market.

Cotton Productivity



Source: USDA - 2008/09 Elaboration: Ministry of Agriculture Soybean is the major agricultural crop in Brazil. Its production increase has been a result of high levels of productivity. Over the last 20 years, soybean volume has increased by 3.5, filling up domestic consumption and enabling Brazil's leverage to second biggest world exporter position.

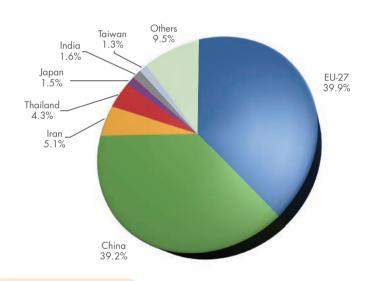
Soybean - Production and Area



Source: National Company of Food Supply

Although China and the European Union were the destinations for 79% of soybean and its products' exports in 2009, dozens of other markets also imported from Brazil, since these products compound both animal and human diets.

Soybean Exports – Grain, Meal and Oil Main Destinations



Total: US\$ 17.2 billion

Source: Ministry of Development, Industry and Foreign Trade – 2009

Elaboration: Ministry of Agriculture

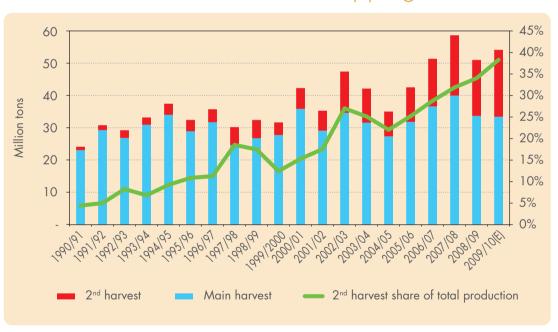
Since 2006, private representatives of the soybean segment declared "moratorium" to the soybean produced in the Amazon Biome - a comprehensive commitment prohibiting to buy or sell the product of such region. Satellite monitoring controls the origin of the product and ensures the Rain Forest protection.



Sources: Ministry of Agriculture, Brazilian Institute of Geography and Statistics

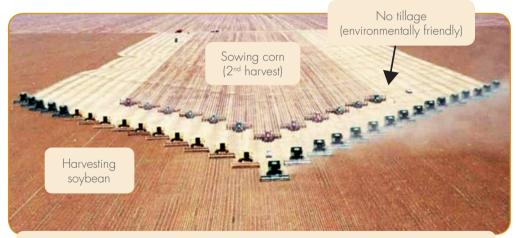
The increasing production of corn from double cropping, planted after the soybean summer crop, reduces fixed costs, boosts the growth of the meat industry in Brazil and, at the same time, allows Brazil to become a relevant exporter in these segments.

Corn - Double Cropping



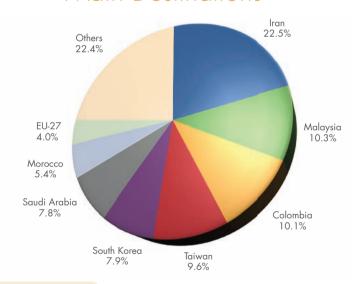
Source: National Company of Food Supply

Double Cropping Corn after Soybean



Scale, mechanization.
Two crops in the same year without irrigation.

Corn Exports Main Destinations



Total: US\$ 1.3 billion

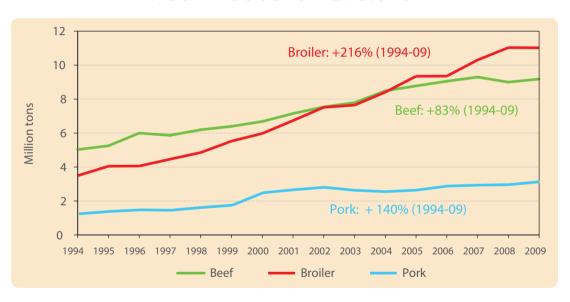
Source: Ministry of Development, Industry and Foreign Trade - 2009

Elaboration: Ministry of Agriculture



The combined expansion of the meat production and industrialization in Brazil leveraged the country to the #1 position in exports worldwide, while keeping up with the domestic market, which presents a high and growing *per capita* consumption (more than 80kg/inhabitant/year).

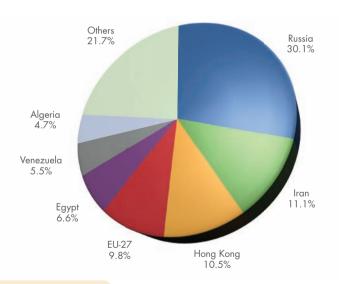
Meat Production Evolution



Sources: ABIEC, ABEF, UBA, ABIPECS Elaboration: Ministry of Agriculture

Brazil is the worldwide leading supplier of both beef and Halal beef. Brazilian beef is recognized as the "green beef", once cattle is raised free, in vast pastures. Vegetal feeding avoids harmful illnesses to human beings, such as the Mad Cow Disease.

Beef* Exports Main Destinations

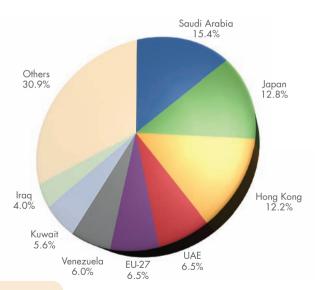


Total: US\$ 3.0 billion

^{*} In natura
Source: Ministry of Development, Industry and Foreign Trade – 2009
Elaboration: Ministry of Agriculture

Brazilian chicken is present in the meals of consumers of most markets in the world. The integration of the productive chain, from egg to tailored cuts, make the Brazilian chicken products competitive and adaptable to each and every market niche. Brazil is the biggest world exporter of both broiler and Halal broiler.

Broiler* Exports Main Destinations

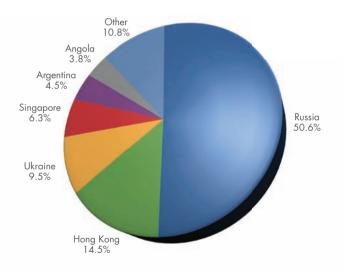


Total: US\$ 4.8 billion

^{*} In natura
Source: Ministry of Development, Industry and Foreign Trade – 2009
Elaboration: Ministry of Agriculture

The Brazilian integrated pork productive system results in high quality goods, according to the world's most rigid standards.

Pork* Exports Main Destinations



Total: US\$ 1.1 billion

^{*} In natura
Source: Ministry of Development, Industry and Foreign Trade – 2009
Elaborated by Mynistry of Agriculture



Sugarcane can be transformed in sugar and ethanol, besides other sub-products, such as fertilizer and electricity (from bagasse). In Brazil, production of food, fuel and energy can increase substantially, coexisting with all other food crops and environmental preservation.

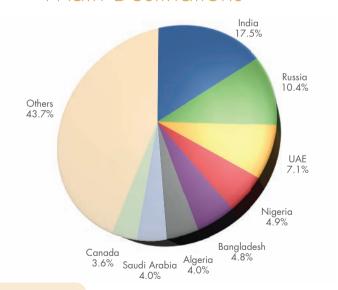
Sugar and Ethanol: Production and Area



Sources: Ministry of Agriculture, National Company of Food Supply

Brazil is the #1 exporter of sugar, accounting for almost half of the world's market.

Sugar Exports Main Destinations

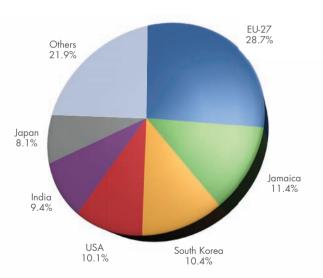


Total: US\$ 8.3 billion

Source: Ministry of Development, Industry and Foreign Trade -2009

Brazil leads the exports of ethanol, although 90% of its production is consumed domestically. The use of ethanol as fuel reduces the emission of pollutants.

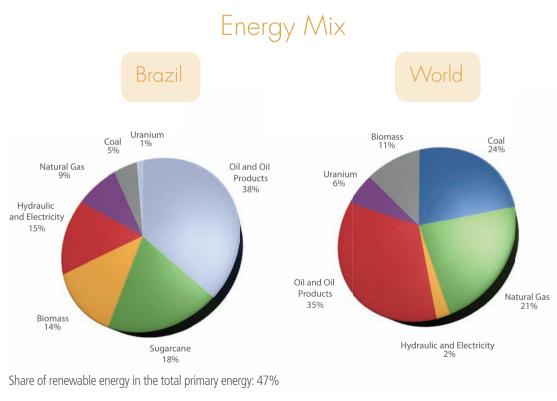
Ethanol Exports Main Destinations



Total: US\$ 1.3 billion

Source: Ministry of Development, Industry and Foreign Trade – 2009 Elaboration: Ministry of Agriculture

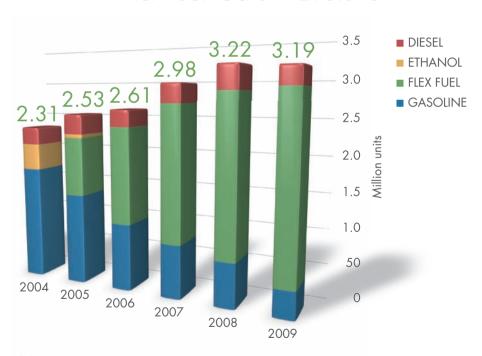
Almost half of the sources of the Brazilian energy matrix are renewable, sugarcane being the second most important one.



Source: Ministry of Energy and Mining - 2009

Flex-fuel technology allows the use of gasoline, ethanol or its mixture at any proportion. Currently, more than 10 million cars in Brazil have flex-fuel engines. Ethanol is also being used as fuel for Formula Indy competition cars, as well as trucks and airplanes.

Flex-fuel Cars - Evolution



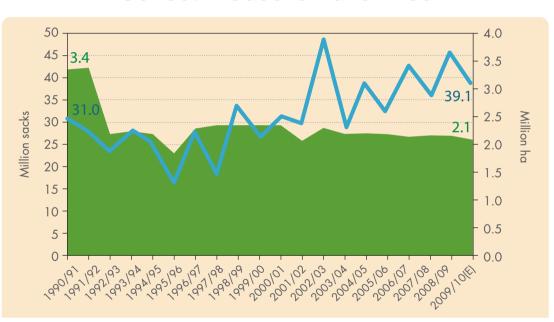
Source: Anfavea





Brazil is the world's leading exporter of coffee. Over the last 20 years, investment on technology has increased production by 26%, while area has decreased by 38%.

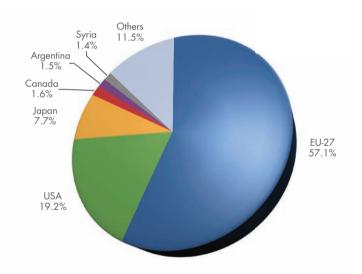
Coffee: Production and Area



Sources: USDA, Embrapa and National Food Supply Company (as of 1996) Elaboration: Ministry of Agriculture

Brazil exports mainly arabic coffee. Europe is its main market. Yet, under different brands and presentations, the Brazilian coffee can be savored by consumers all over the world.

Coffee Exports Main Destinations



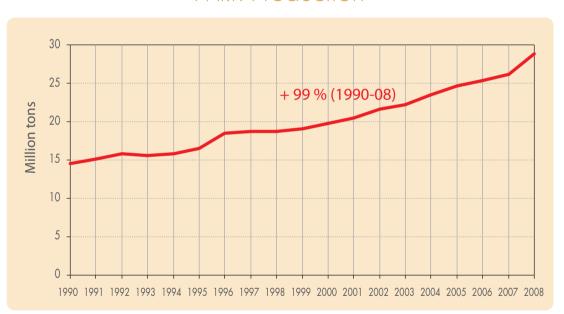
Total: US\$ 3.7 billion

Source: Ministry of Development, Industry and Foreign Trade – 2009 Elaboration: Ministry of Agriculture



The increasing milk production in Brazil made the country self-sufficient and exporter of dairy products.

Milk Production

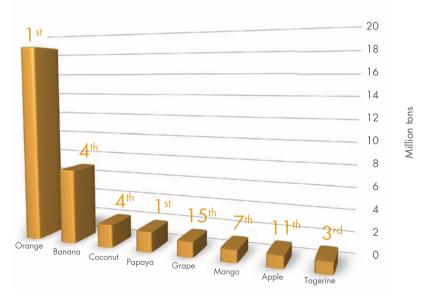


Source: Milk National Forum - Brazilian Confederation of Agriculture and Livestock



Brazilian climate diversity allows the production of several types of fruits in distinctive regions of the country. It is also possible to produce in different seasons of the year.

Fruits
Brazil's Production and Ranking in the World



Source: IBRAF - 2009

Fruits - Production Map



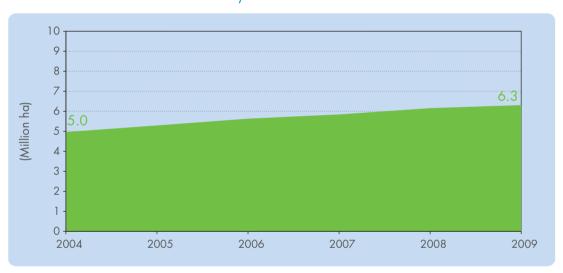




Brazil is a big exporter of wood, wood products and celulosis. It has leadership in the hardwood pulp market.

Wood and paper industries in Brazil are based on planted forests.

Forestry Planted Area



Source: ABRAF

- Brazil has the largest extension of arable lands of the world;
- Brazil contains the greatest diversity of ecosystems and unique biodiversity;
- Brazilian legislation protects preserved areas of all biomes.

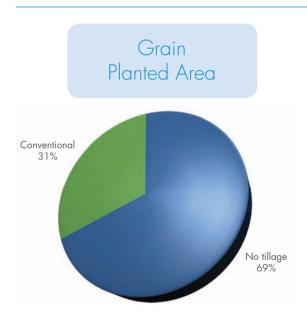
Legal Restrictions to Land Utilization

Region	Legal Reserve	Land Available for economical use	
Amazon Forest	80%	20%	
Savannas neighboring Amazon	35%	65%	
Other areas	20%	80%	

Moreover, it is mandatory to preserve river banks, areas around lagoons, lakes or water reservoirs, peaks, among others.



No tillage system is a way of growing crops without disturbing the soil through ploughing. It has increased fast in Brazil and is largely used in grain production.



No Tillage System Main Advantages

- reduces labor and machinery requirements
- saves fuel
- reduces soil erosion
- improves water retention and quality
- reduces release of carbon gases
- long term productivity improvements

Source: National Company of Food Supply - 2008/09

Good Agricultural Practices

- Use of varieties adapted to local soil and climate conditions;
- Integrated crop-livestock-forestry production systems;
- No Tillage System (saves energy, controls erosion);
- Use of clean energy sources:
 - agrienergy: biofuels, biodigesters, wind and solar energy;
- Use of alternative techniques that dispense agricultural chemicals (biological control and integrated pest management);
- Adoption of micro basins as the basic planning units for rural land use.



Global Trends

World population growth with increasing per capita income



Increasing demand for higher-quality, better, protein-intensive food (i.e.meat)



Continuous need of food production increase

Shortage of new lands for agricultural production



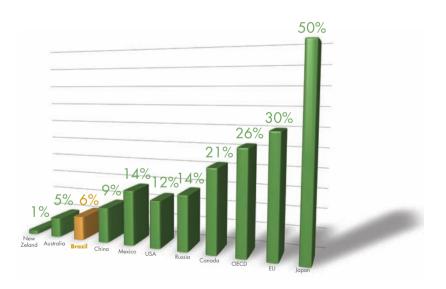
Challenges to food security

Brazilian Agribusiness Competitive Advantages

- Strong, thriving economy & institutional framework;
- Leadership in tropical technology;
- Abundance of natural resources (land, water, solar energy);
- Farming vocation combined with business entrepreneurship.

OECD shows that Brazilian governmental subsidies to farmers are among the smallests vis-a-vis other countries. Brazil's competitiveness in the international arena is due to a combination of the country's natural resources, investments on R&D and private entrepreneurship initiatives.

Producer Support Estimate (Public Support to Farmers)



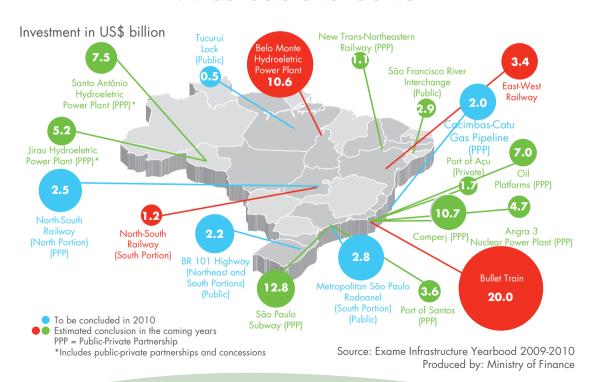
Source: Organization for Economic Cooperation and Development

Strong, Thriving Economy & Institutional Framework

New social and economic paradigms, with:

- Social inclusion and income distribution;
- Upgrowth of the middle class, ensuring solid and diversified domestic demand;
- Investment enhancement;
- Stable, consolidated democracy, legal and institutional framework;
- Infrastructure long-term investment program with strategic actions;
- Sustainable growth based on macroeconomic prudential policies;
- Inflation under control (efficient inflation target regime);
- Robust fiscal rules (primary surplus & continuous reduction of public deficit);
- Low external vulnerability.

Accelerated Growth Programme Infrastructure to Come



Leadership in Tropical Technology

- Continuous & persistent public and private investments on R&D;
- Opened partnerships with other countries;
- Expressive results on productivity;
- Efficient use of natural resources.

Foreign Investment in Agribusiness



The agribusiness productive chains offer several possibilities for foreign investors:

- Direct Investment on Projects (Transportation, Storage, Harbourage);
- Contract Farming (Payment in Products);
- Capital Markets (Stocks, Investment Funds);
- Partnerships and Joint Ventures.





Ministry of Agriculture, Livestock and Food Supply

