Why Brazil?

• Third largest agricultural producer behind the United States and China.
• Potential crop area expansion
• Technologically advanced
• 2\textsuperscript{nd} largest ag exporter behind the United States
Large Production Area
Brazil Biomes

- Amazonia - rainforest
- Cerrado – savannah/grassland
- Caatinga – dry lands
- Pantanal – wetlands
- Mata Atlântica – coastal forests
- Pampa - grassland
Agricultural Expansion 1950’s to the 1990’s

Expansion from the Coasts to the interior in the 70’s began an agricultural revolution

Only Recently an Agricultural Powerhouse
Brazilian Land in Use

- Native Area: 66%
- Pasture: 23%
- Crop Area: 7%
- Urban Area and Other Uses: 4%
Production
Grain Crop Expansion

1975

1999
Brazilian Productivity Gains Outpacing Crop Area Expansion

Source: USDA PSD
Brazil is now our largest agricultural competitor

2014 Exports in Billion U.S. Dollars
HS two and four digit categories (e.g., beef, poultry meat, fresh fruit, etc.)

Source: Global Trade Atlas
Large soy and corn crops are leading to increased pork and poultry production.
Largest Soy Competitor

Soybean Production (mmt)

- Brazil Soy
- U.S. Soybeans
Market Share of World Soy Exports

United States
Brazil
Argentina
Paraguay
Uruguay
All Others

Brazil is not without Challenges

Politics
Economics
Environment
Infrastructure
Brazil’s Economy
The Real

BRAZILIAN REAL

SOURCE: WWW.TRADINGECONOMICS.COM | OTC INTERBANK
Environmental Concerns
Infrastructure - Comparison of waterways

Source: http://lizardpoint.com/geography/usa-rivers-quiz.php
U.S. – Brazil Railroad Comparison

RAILROAD DENSITY  KM/1000KM²

Brazil: 3,4
USA: 29,8
BR – 163 NOVA MUTUM AND LUCAS DO RIO VERDE-MT
Expansion in the North
Soybean Production and Exports Outlook

Source: USDA
Brazil: Competitor or Partner

Similar challenges:
- Climate Change
  - Drought
  - Pest resistance
- Use of Biotechnology
- Multi-national companies
  - JBS, Cargill, Monsanto, etc.
Increased Global Demand

Households with real PPP incomes greater than $20,000 a year

- Developed Countries
- Developing Countries
Climate Change Collaboration

- U.S.-Brazil Climate Change Working Group
- The Global Open Data for Agriculture and Nutrition (GODAN) Initiative
- Brazil’s ABC Plan for Carbon Reduction
Shared Market Objectives

- Joint efforts to expand markets in China and EU
- Shared interest in science based decisions from international fora
- Current AgMinister is eager to expand two-way trade and bi-lateral trade agreements.
MARKET OPPORTUNITIES

• The U.S. is a trend setter
• Cultural exchange between Brazil and the U.S. (1 million visas per year)
• Variety / quality of U.S. food products
• Brazilian market is underserved
• Focus on Brazilian high-end consumers
U.S. Ag Export Markets by Value 2014

Source: USDA/FAS/GATS. CY data.
Brazil 2036

- Productivity up 250% in 20 years.
- Strong economic growth.
- But many problems.
- What can we expect in the future?
Thank You