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Agricultural Outlook Forum  
U.S. Department of Agriculture

February 21-22, 2008

Brazilian Agribusiness

Edilson Guimaraes



# BRAZILIAN AGRIBUSINESS

**EDILSON GUIMARÃES**

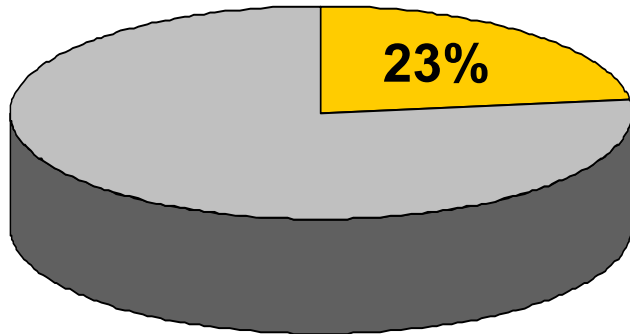
*Secretary of Agricultural Policy*

**Ministry of Agriculture, Livestock and Food Supply**

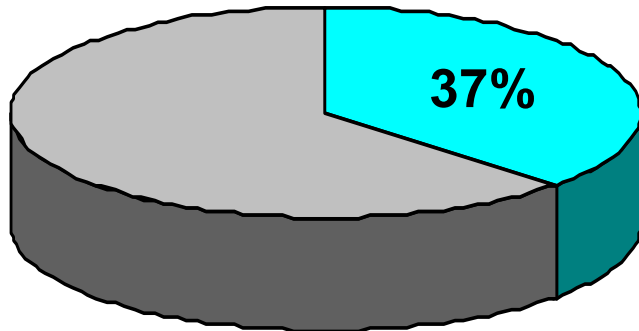
**February 22, 2008**



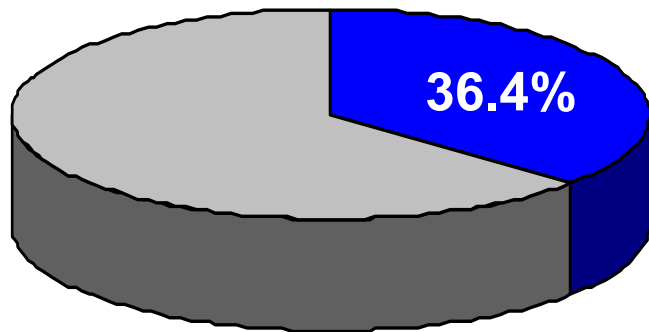
# Agribusiness



**TOTAL GDP (2006): US\$ 1.067 billion**



**JOBS (2006)**



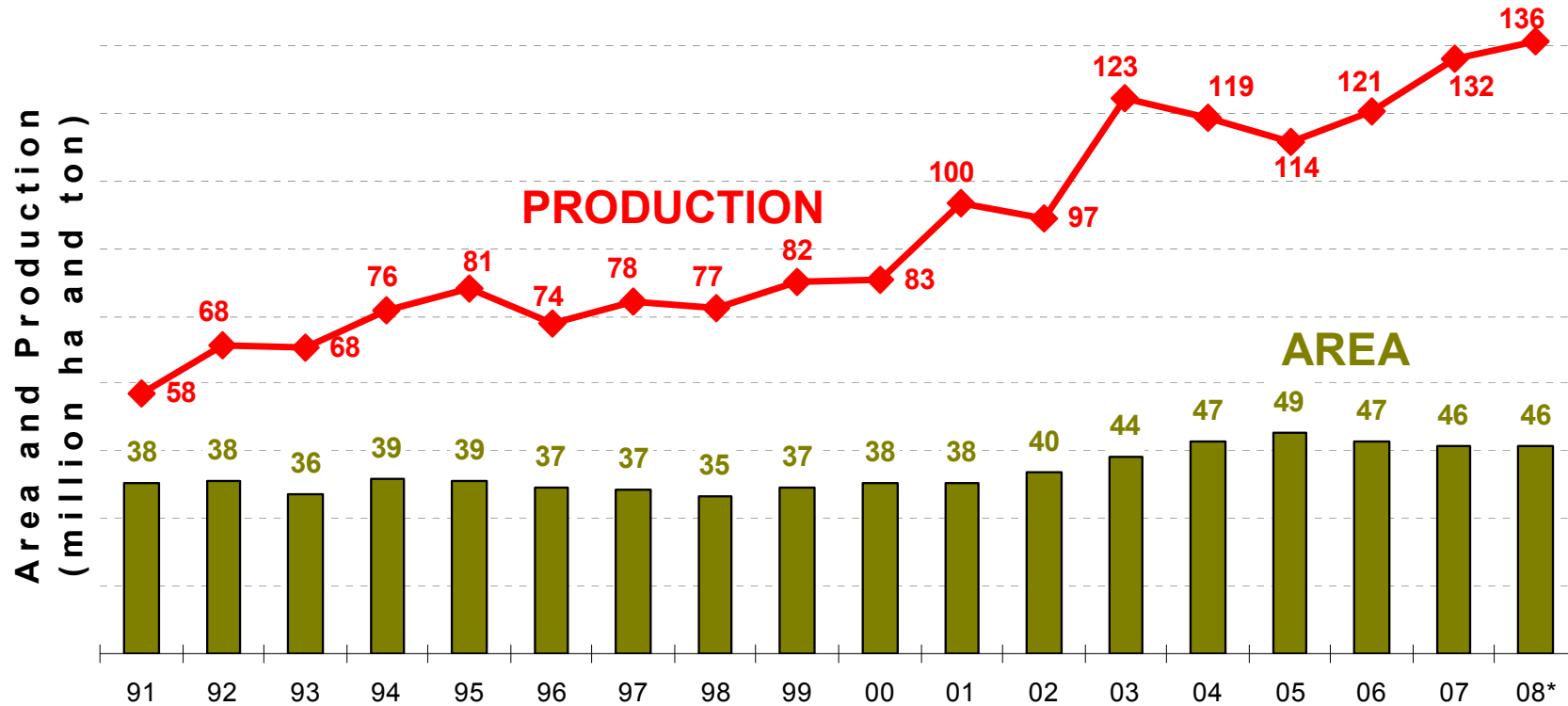
**TOTAL EXPORTS (2007): US\$ 160.6 billion**

Sources: CEPEA-USP/CNA, MAPA and IPEA

# ***Agricultural and Livestock Production***



# Grain Production

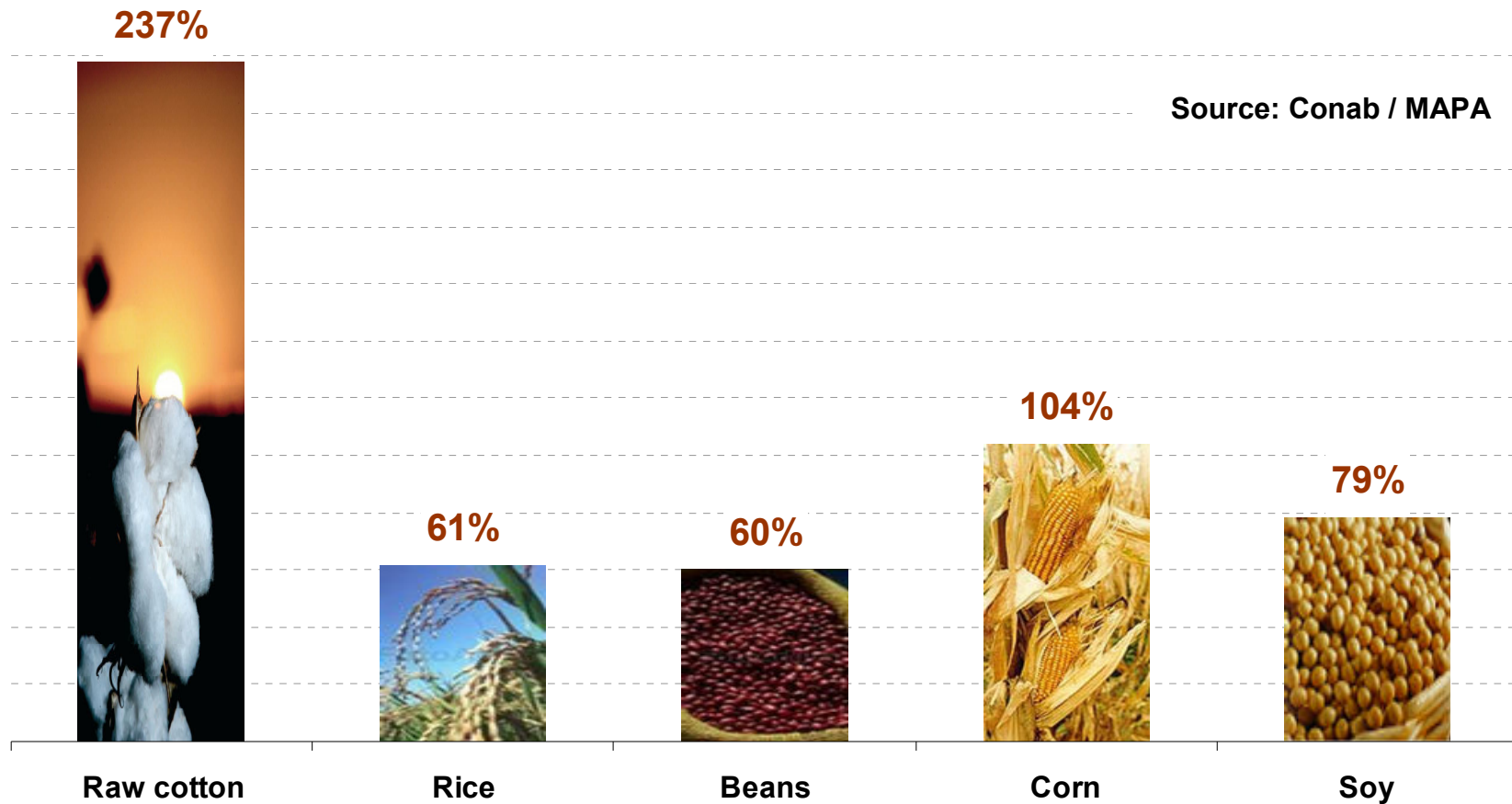


GRAINS: cotton, peanut, rice, oats, rye, barley, beans, sunflowers, castor bean, corn, soy, sorgum, wheat and triticale.

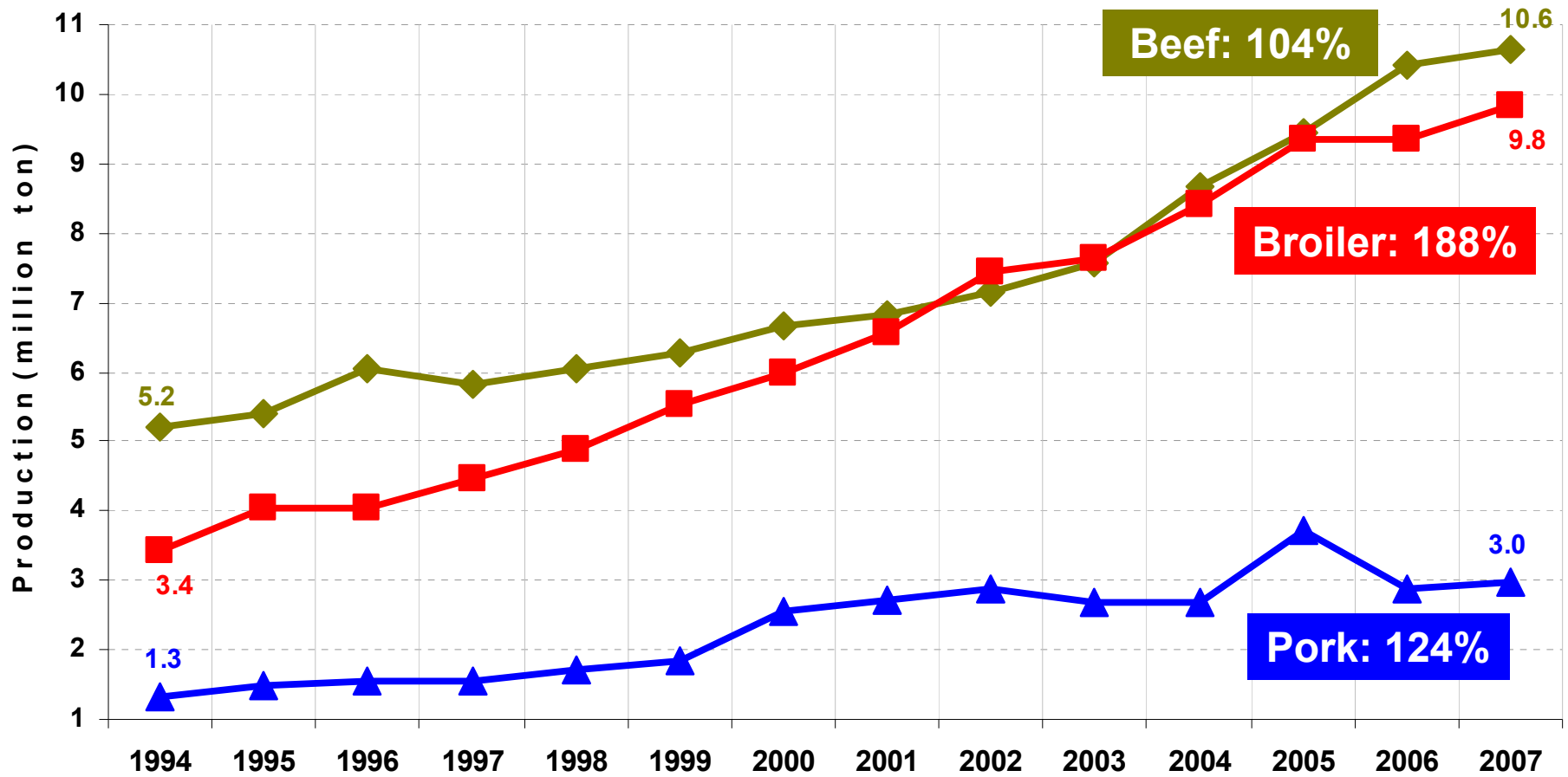
\* Estimate

Source: Conab / MAPA

# Average productivity growth (1991 and 2007)



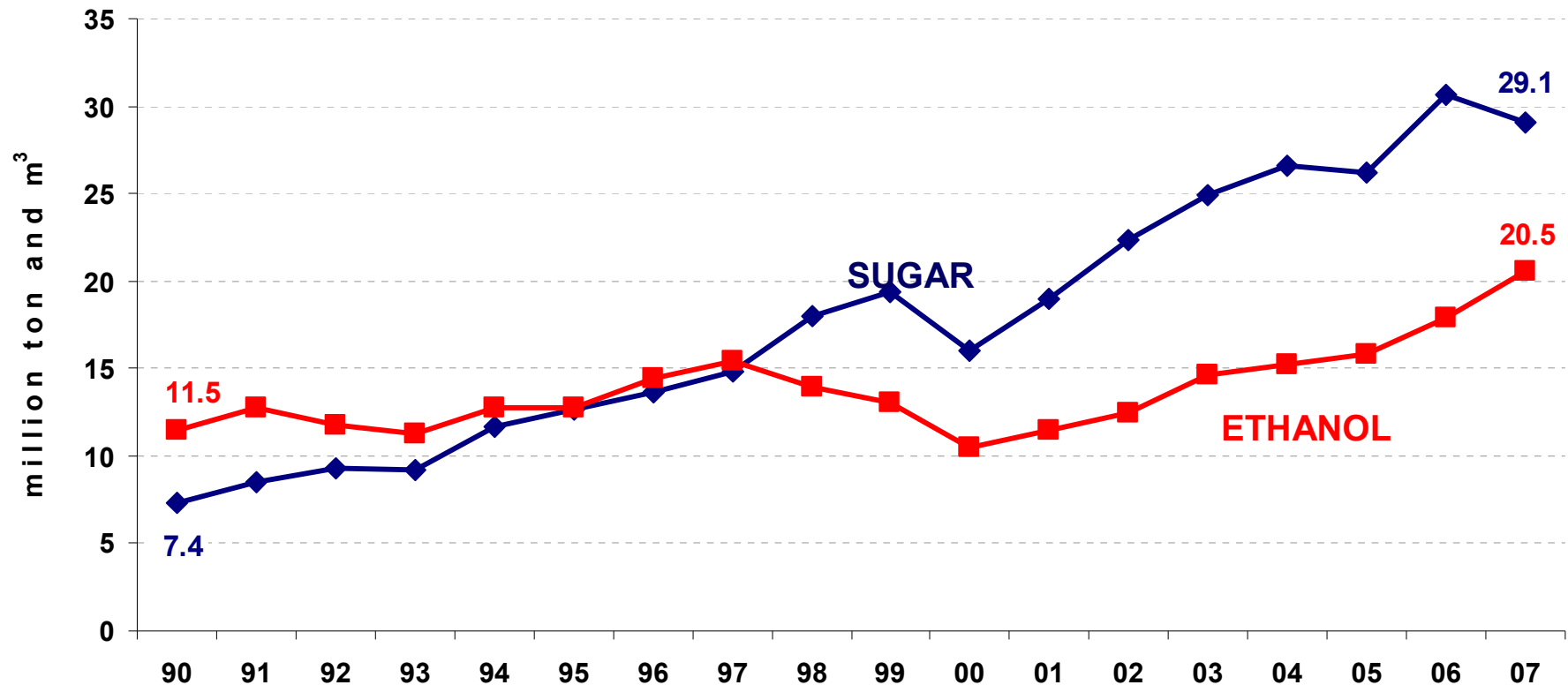
# Meat Production



Sources: APINCO, ABEF, ABIEC and ABIPECS

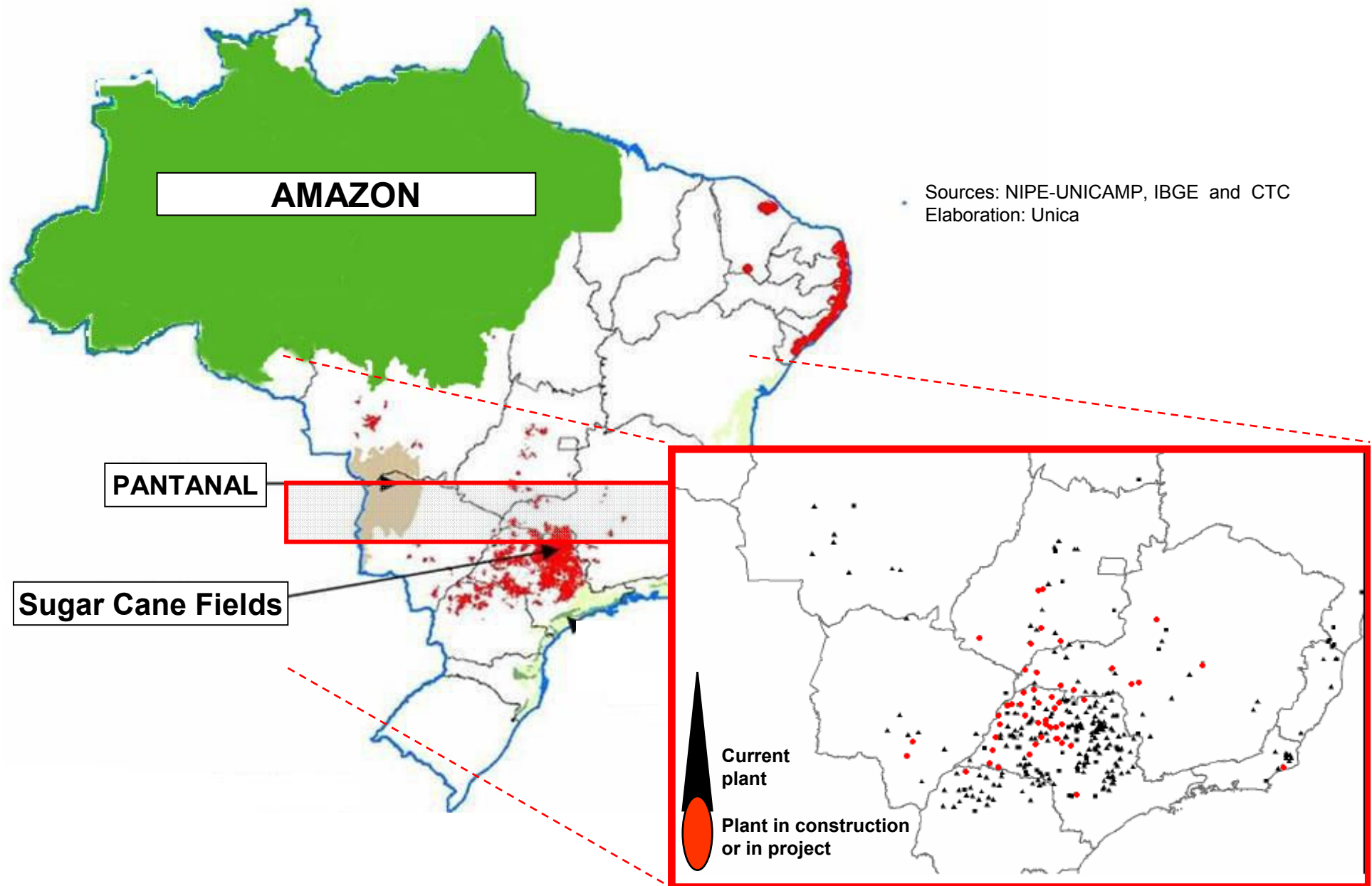


# Sugar and Ethanol Production



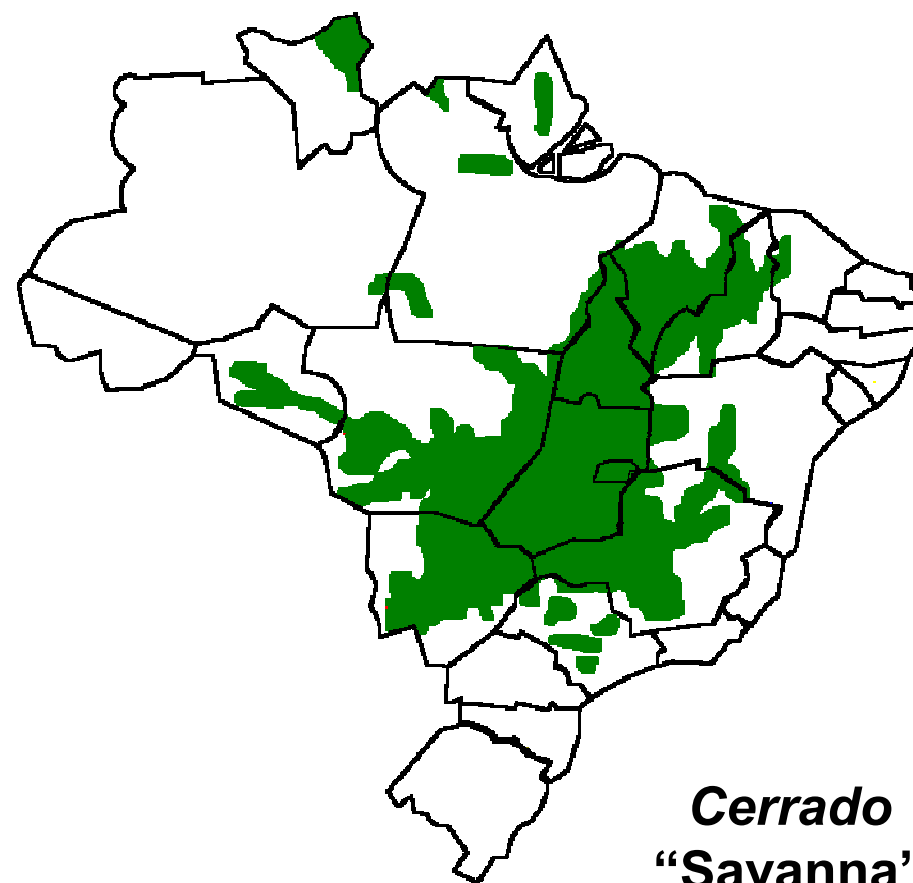
Source: MAPA

# Location of ethanol plants



# Land use in Brazil

|                    | Area       |             |
|--------------------|------------|-------------|
|                    | Million ha | %           |
| Amazon Forest      | 360        | 42%         |
| Pasture            | 210        | 25%         |
| Yearly crops       | 49         | 6%          |
| Perennial crops    | 15         | 2%          |
| Cultivated forests | 6          | 1%          |
| Non exploited      | 101        | 12%         |
| Cities             | 20         | 2%          |
| Protect areas      | 52         | 6%          |
| Others             | 38         | 4%          |
| <b>Total</b>       | <b>851</b> | <b>100%</b> |



Sources: IBGE and Conab \_ Adaptation: MAPA

# Potential Increase on Land Availability

## Livestock

| 2006   |                      |                           | Estimate                     |                      |                            |
|--|----------------------|---------------------------|------------------------------|----------------------|----------------------------|
| Livestock<br>(million heads)                   | Area<br>(million ha) | Productivity<br>(head/ha) | Livestock<br>(million heads) | Area<br>(million ha) | Productivity*<br>(head/ha) |
| 206  | 210                  | 0.98                      | 206                          | 147                  | 1.4                        |
| <b>Livestock Area Decrease - 63 million ha</b> |                      |                           |                              |                      |                            |

\* São Paulo

Sources: IBGE and IEA / SP

# ***Agricultural and Livestock Sound Practices***



# Food Quality

## Safe Food Program



## National System for the Certification of Warehouses



## Organic Products



## Fruit Integrated Production



## SISBOV Livestock Traceability

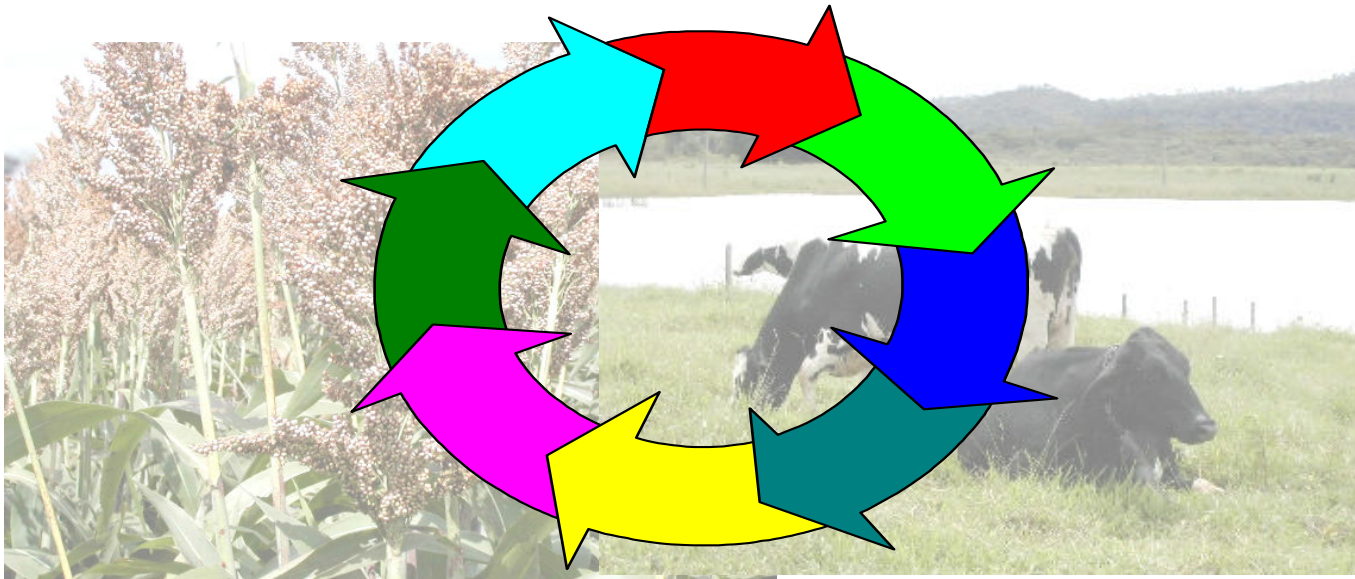




# *No Tillage*

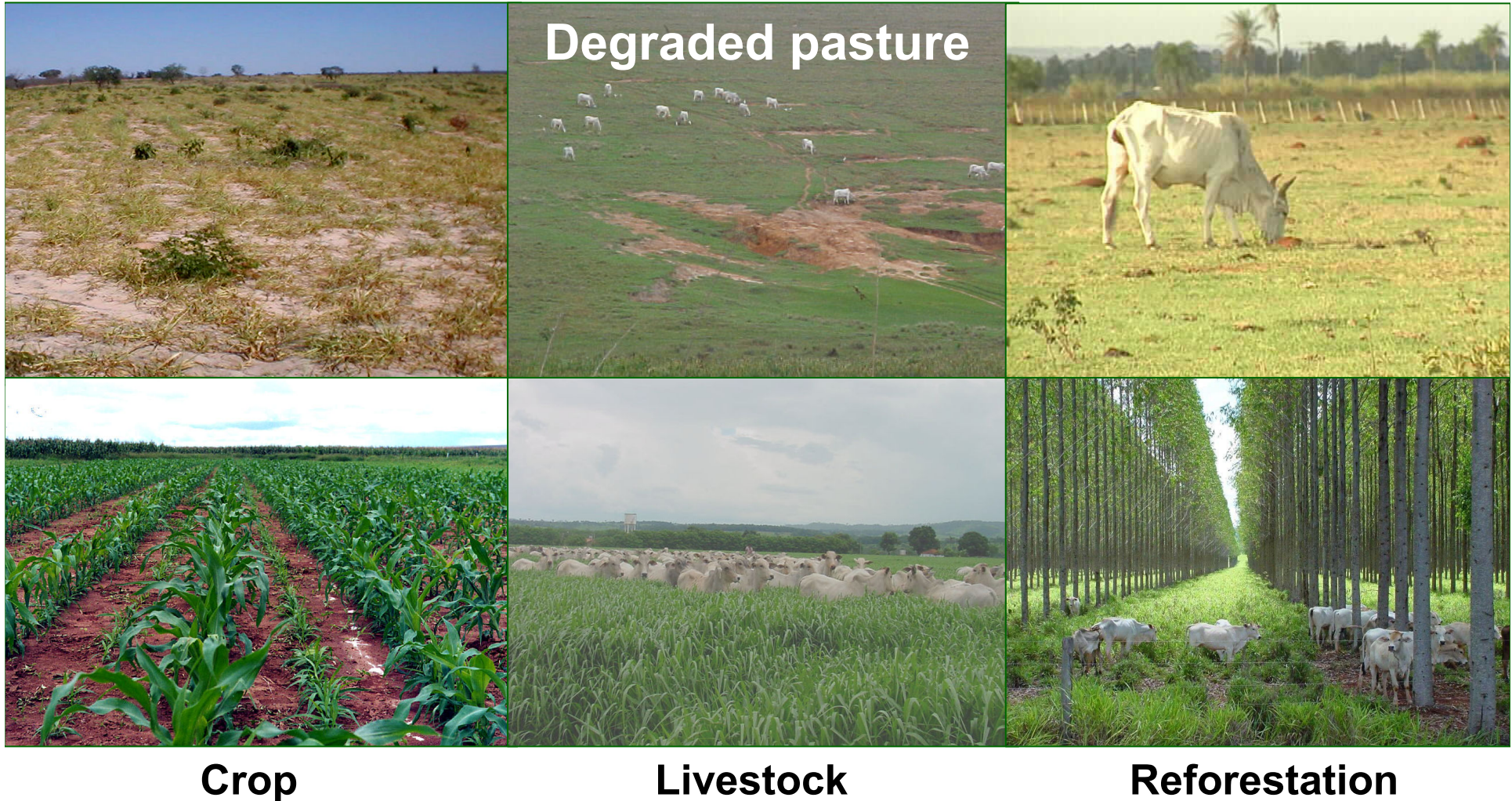


# ***Agriculture/Livestock/Reforestation Integration Program***





# *Agricultural/Livestock/Reforestation Integration Program*



# *Foreign Trade*

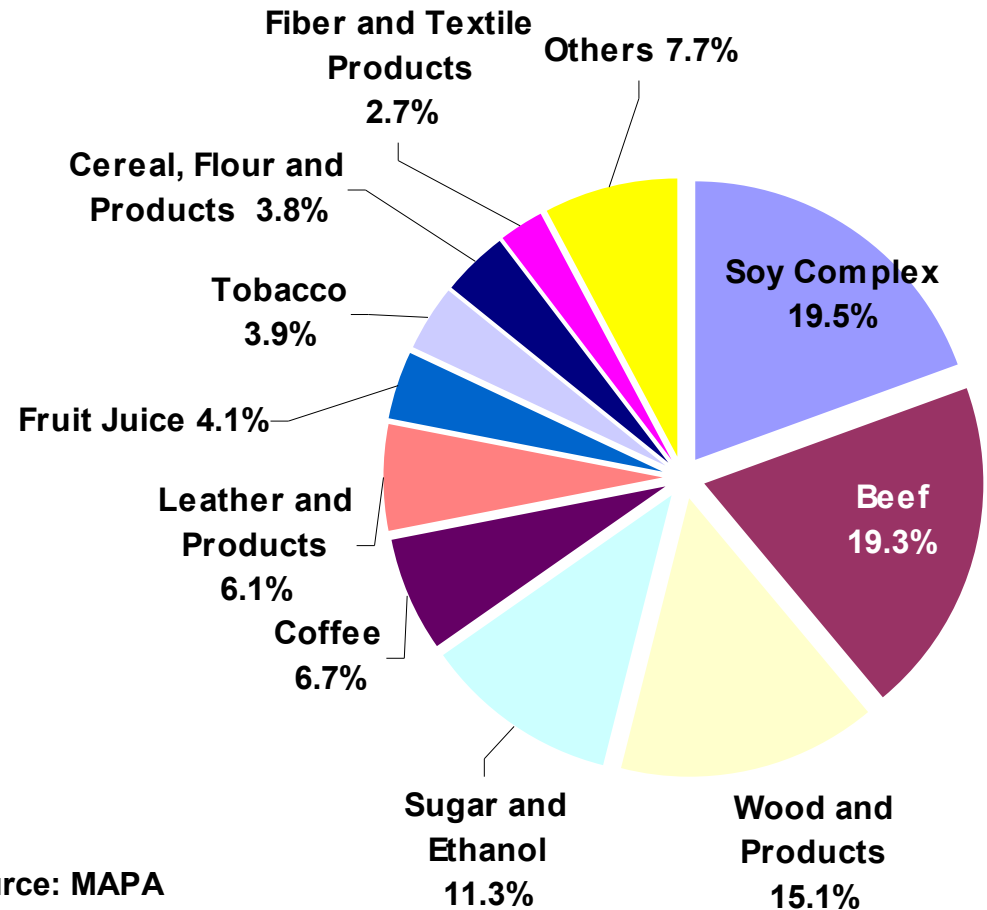
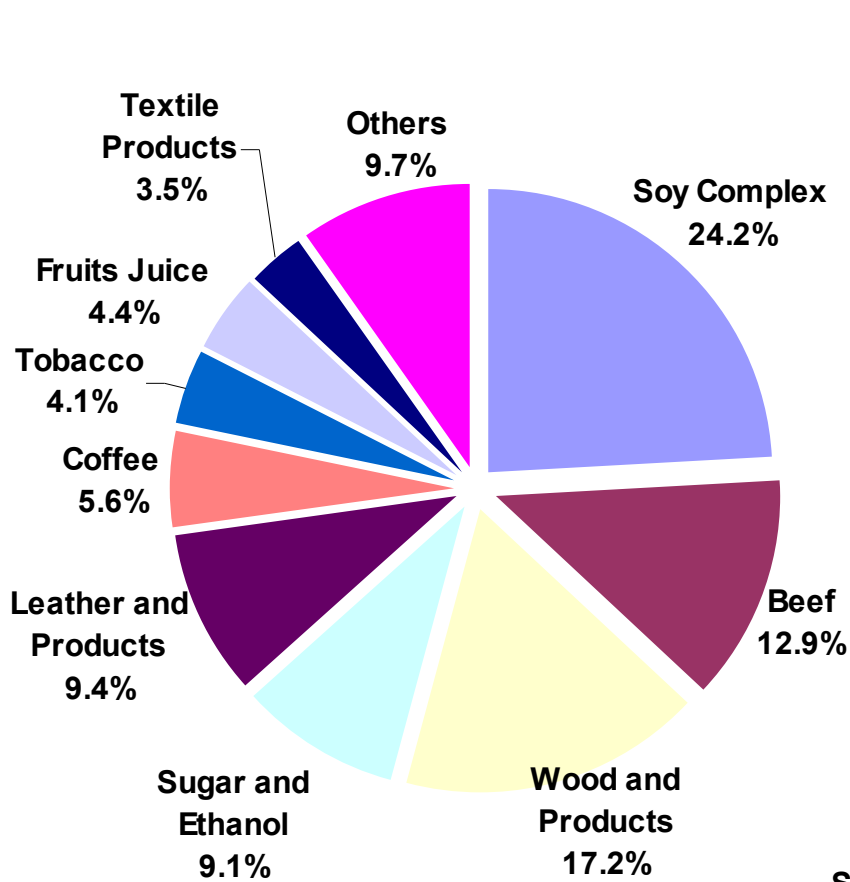




# Brazilian Agribusiness Exports (by value): Main Products

2002

2007

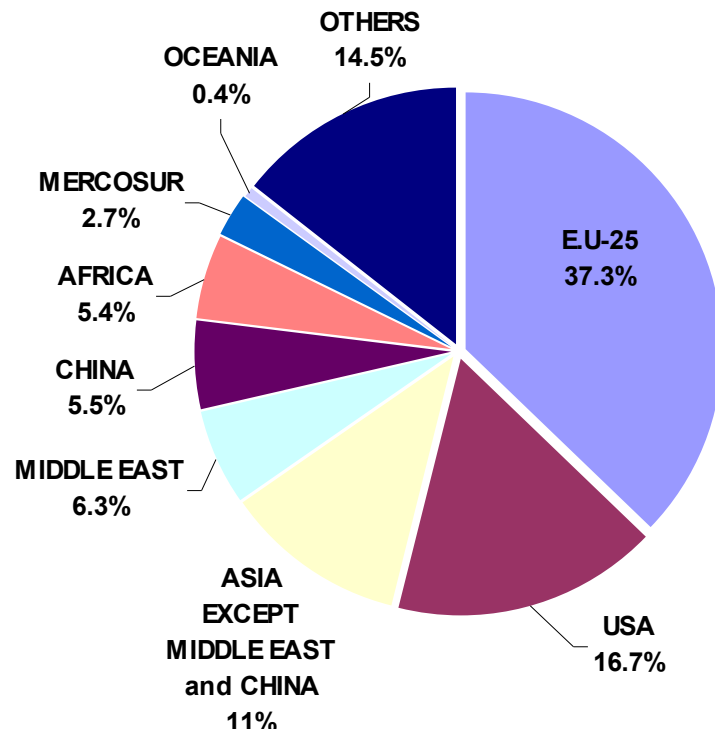


Source: MAPA

# Brazilian Agribusiness Exports (by value): Main Markets

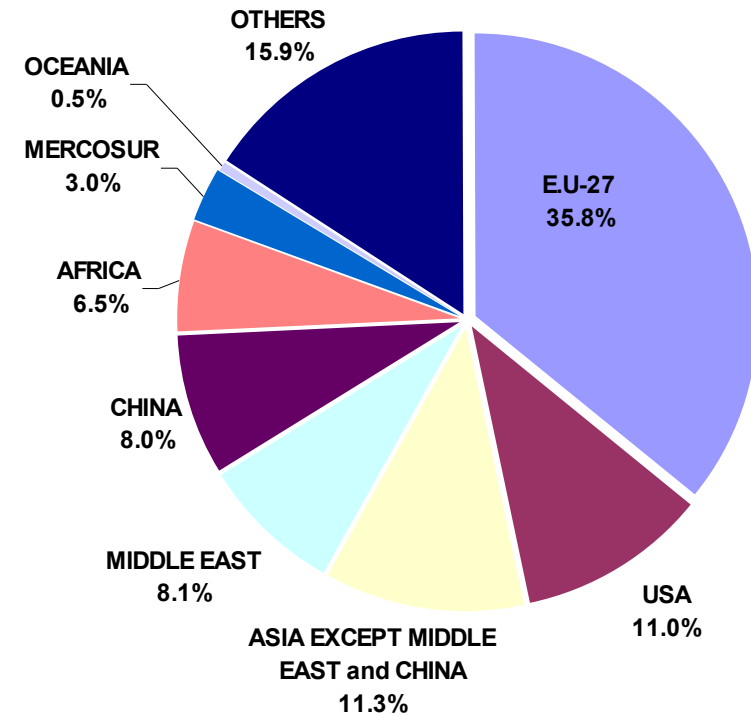
**2002**

**Total: US\$ 24.8 billion**



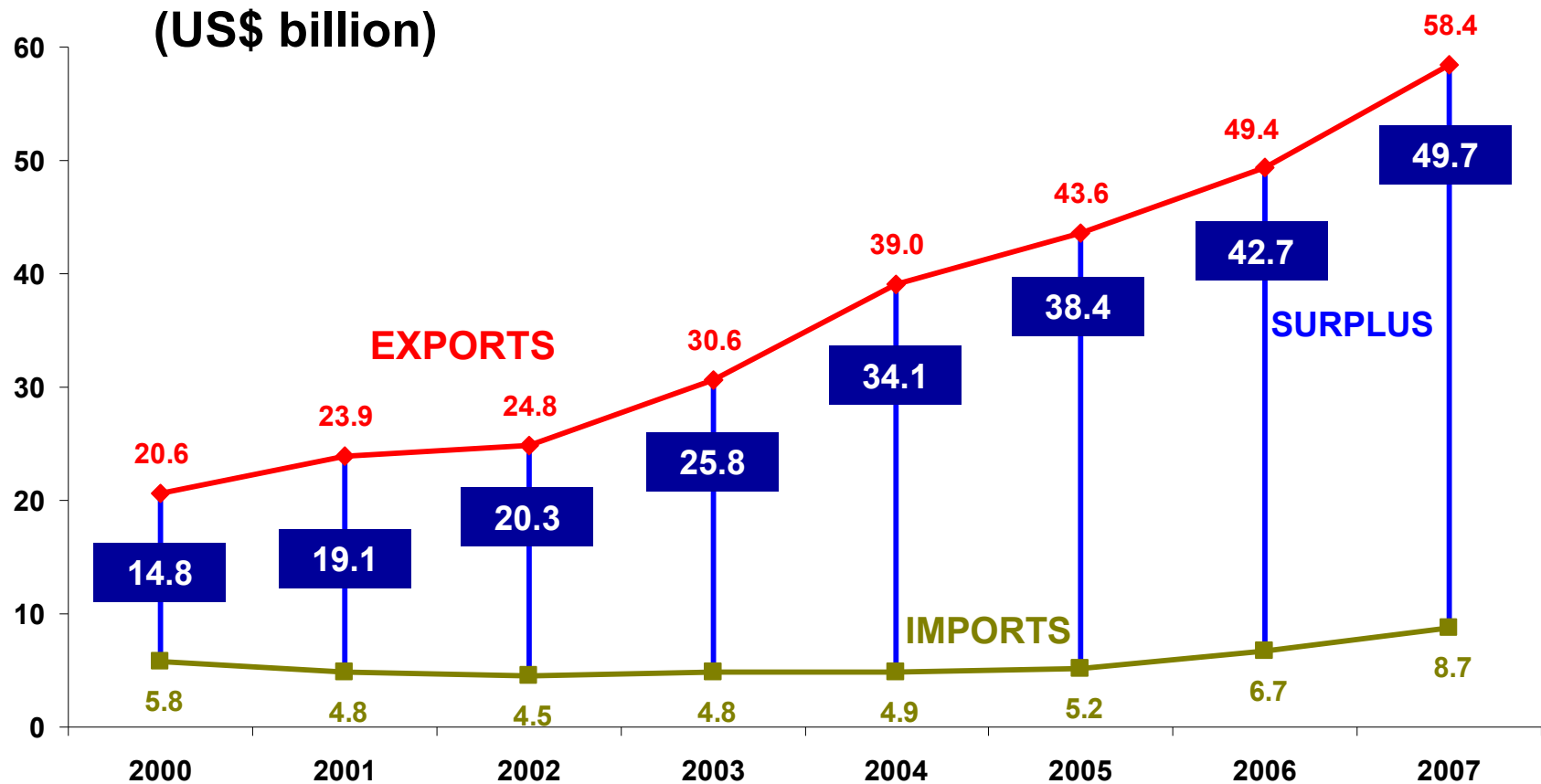
**2007**

**Total: US\$ 58.4 billion**



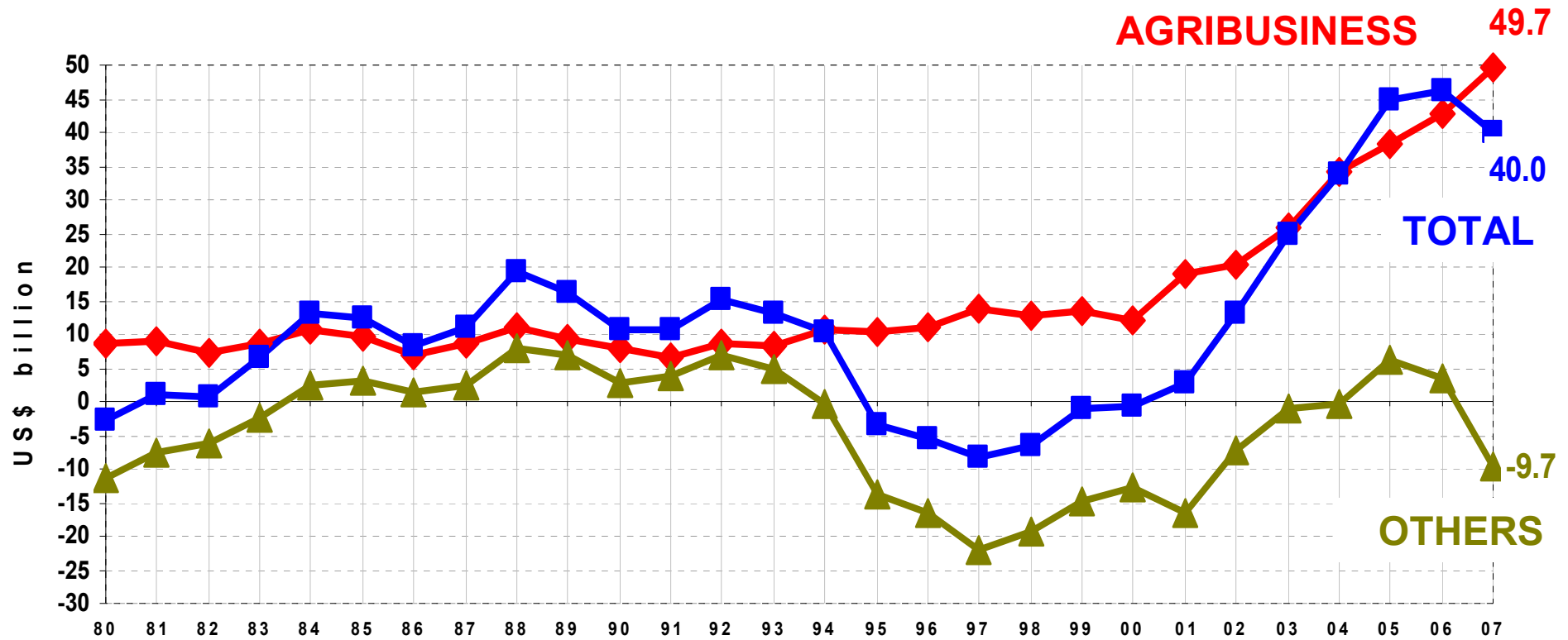
Source: MAPA

# Agribusiness Trade Balance



Source: MAPA

# Brazil Trade Balance



Source: MAPA

## **BRAZIL AGRICULTURAL EXPORTS**

| Main Products     | 2002              | 2007 | 2002                         | 2007   |
|-------------------|-------------------|------|------------------------------|--------|
|                   | Number of Markets |      | Total Exports (US\$ million) |        |
| Suggar            | 89                | 115  | 2,093                        | 5,100  |
| Coffee            | 105               | 130  | 1,385                        | 3,891  |
| Orange Juice      | 50                | 73   | 1,041                        | 2,252  |
| Soy and products  | 82                | 83   | 6,006                        | 11,381 |
| Beef              | 107               | 150  | 1,144                        | 4,424  |
| Wood and Products | 151               | 171  | 2,214                        | 4,090  |
| Ethanol           | 38                | 44   | 169                          | 1,478  |
| Broiler           | 102               | 153  | 1,393                        | 4,620  |
| Corn              | 27                | 39   | 260                          | 1,882  |
| Pork              | 48                | 77   | 486                          | 1,230  |

Source: MAPA

# *Concluding Remarks*





## ***ADVANTAGES***

- ✓ **Competitiveness**
- ✓ **Entrepreneurship**
- ✓ **Research infrastructure on tropical agriculture**
- ✓ **Land and water availability**
- ✓ **Bio-energy production**

## ***CHALLENGES***

- ✓ **Infrastructure**
  - **transportation**
  - **storage**
  - **seaports**
- ✓ **Limited financing resources**
- ✓ **Agricultural debit**
- ✓ **World economy scenario**

**THANK YOU!**

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**Secretary of Agricultural Policy**

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