

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 8/3/2015

**GAIN Report Number:** BR0973

## **Brazil**

**Post:** Brasilia

### **Agriculture Minister Optimizes Trade Opportunities**

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

Minister of Agriculture Kátia Abreu discussed expanding beef, poultry, dairy, fruit, and wheat trade with Russia, Myanmar, Japan, South Africa, and Argentina. In her meetings with each, Minister Abreu actualized months of work and is putting together the final steps to improving bilateral trade with each country. The new markets have the opportunity to add an estimated USD1.4 billion in revenue.

### **General Information:**

The following report is based on press reports and media interviews with the Ministry of Agriculture, Livestock, and Food Supply (MAPA) officials.

"We have the potential to further expand." These words summarize Minister Abreu's outlook on agriculture in foreign countries. When looking towards expansion, Abreu continued, "We have to be ready for these markets because they will need us. We will be on time to meet and expand our exports, but always mindful, of course, of sanitary and phytosanitary (SPS) [requirements]." Overall, new markets opened to Brazil have a potential of USD1.4 billion in exports for 2015 according to Brazilian secretary of International Relations of Agriculture, Tatiana Palermo. Among the newly opened markets are Russia, Argentina, South Africa, Japan, and Myanmar. All of these countries are either eliminating previous trade restrictions or restarting the importation of Brazilian products such as dairy, bovine, pork, poultry, and other types of beef. MAPA's estimates of this newfound exportation have the potential to be the equivalent of an 8.4% increase of this sector's aggregate total.

### **Myanmar**

During a recent interview and after a meeting with agriculture officials in Myanmar, Kátia Abreu announced a major victory for Brazil's agribusiness. Brazil is set to become the first country in history to export beef to the Asian country. The deal also includes opening exportation of poultry to Myanmar. This negotiation will occur within the next 90 days and is estimated to bring in USD87 million in revenue for the fiscal year. The press reports that the expected shipments will be 12-15 million metric tons each year. (USD36-45 million).

### **Russia**

In Russia, Katia Abreu explained to media that she would like to strengthen trade relations. Moscow reacted to western sanctions by imposing bans on agricultural imports from Western countries. Abreu saw this as an opportunity to break the yearlong trade restrictions and create a sense of agricultural permanence in the Russian market, saying "We have practically agreed upon it" referring to the opportunity to "compensate for the lack of products, subjected to embargo – mainly, meat, milk and fruit." Minister Abreu wants to strengthen trade relations with Russia to ensure that Brazil is not just a temporary supplier, saying "our aim is to build mature business relations with Russia." In her interview with Sputnik news, Abreu gave her explanation about the process between Brazil and Russia's agricultural trade. She claims that "the big opportunities are in meats, dairy, and fruits. Normally when a country wants to sell or wants to buy, the country that is going to receive the product sends their conditions.... So now the only thing missing is for Russia to actualize our conditions and send a list of companies to us."

### **Japan**

Abreu has a similarly progressive and positive outlook for Japan. The minister of Forestry and Fish of Japan, Yoshimasa Hayashi has agreed with Abreu that Brazil has "all of the conditions" to sell beef to Japan. This bilateral agreement is aimed at increasing agricultural trade between the two countries. This comes in addition to the Myanmar beef trade, as Japan has also never imported beef from Brazil. Abreu explained in the press that "we do not have any difficulty in adapting our SPS rules to Japan's. We are ready to comply and we have all the conditions to export [to Japan]."

