

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Brazil

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Market Fact Sheet

Report Categories:

Agriculture in the News

Agricultural Situation

Agriculture in the Economy

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Report Highlights:

This fact sheet is intended to provide a brief overview of Brazil's market situation for agricultural products including: general economic indicators, social class distribution, land use, overall trade environment and top import and export products, for both bulk and consumer oriented products.

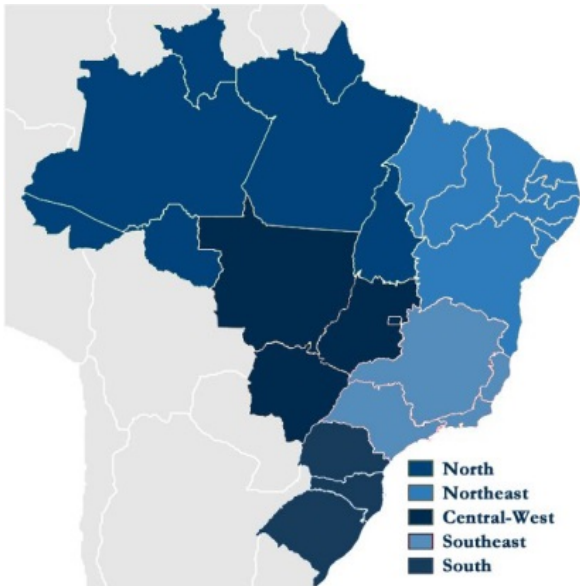
Brazil

Market Factsheet

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Imports of Consumer-Oriented Products

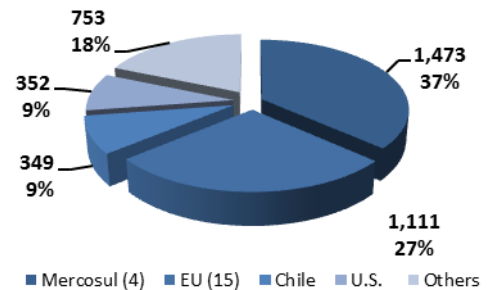
Brazil is an upper middle income country of continental proportions. In 2015, Brazilian GDP reached US\$2.2 trillion, positioning the country as the 7th largest economy in the world and the largest, most influential economy in Latin America. Alone, it represents 47 percent of land in South America and 49 percent its population. Brazil is a major producer of food and agricultural products and a leading player in the global marketplace. Producers, food processors, wholesalers, retailers, food service operators, and food importers are all part of a well-developed agribusiness sector, contributing to a domestic scenario that is competitive and dynamic. Although self-sufficient in agriculture, Brazil is also an important buyer for the rest of the world. In 2015, imports of agricultural products reached US\$8.7 billion, placing Brazil as the 33rd largest importer in the world and 1st in South America.



Despite the current economic situation, Brazil boasts a population of 205 million with 16 million high-end consumers of the high income class. These consumers are somewhat insulated from economic downturns, and remain a primary target for U.S. exporters. When approaching the Brazilian market, most imported foods and beverages will be positioned within the premium category.

In 2015, Brazilian imports of consumer-oriented products totaled US\$4 billion, down 12.7 percent from 2014. Mercosul countries and the European Union captured the lion's share of this market, registering 37 and 27 percent market share, respectively. U.S. exports reached US\$352 million, a 9 percent share of the market. Despite the decrease in Brazil's total imports of consumer oriented products, U.S. exports in the category only dropped by 6.6 percent, and increased market share by 1 percent in 2014 to 2015.

Imports of Consumer-Oriented Products (US\$ million)



Source: Secretariat of Foreign Trade (SECEX)

Note: Mercosur (4): Brazil, Argentina, Uruguay, Paraguay and *Venezuela (2012)
EU (15): Germany, Austria, Belgium, Spain, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, United Kingdom and Sweden.

U.S. Exports to Brazil (US\$ million)

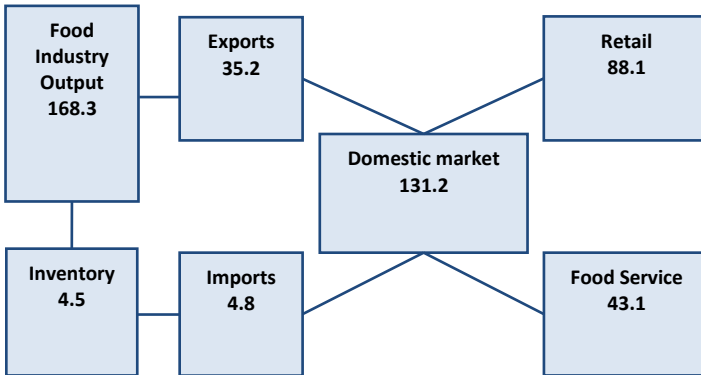
	2013	2014	2015
Bulk Total	1270.2	770.2	121.3
Intermediate Total	342.1	362.6	336.3
Consumer Oriented Total	287.2	288.6	232.6
1. Dairy Products	83.1	58	49.0
2. Prepared Food	66.6	65.3	45.8
3. Chocolate & Cocoa Products	20.5	44.3	28.3
4. Eggs & Products	15.6	14.5	22.4
5. Condiments & Sauces	14.2	15.4	15.8
6. Processed Vegetables	4.9	11.9	14.9
7. Wine & Beer	6.1	8.3	12.6
8. Distilled Spirits	3.1	9.1	12.2
9. Tree Nuts	15.4	17	7.5
10. Non-Alcoholic Bev. (ex.juices)	9.6	8.9	7.2
Grand Total	2,178.0	2,020.2	1,255.5

Source: USDA-BICO

Food Processing Industry

The Brazilian food industry is comprised of 45,000 registered companies; approximately 86 percent of them are small companies with less than 20 employees. Food processing sales are a major focus in the domestic market, which accounts for almost 80 percent of revenues. Food processing sales to the retail sector represent 67 percent of the domestic market, while the food service sector accounts for 33 percent.

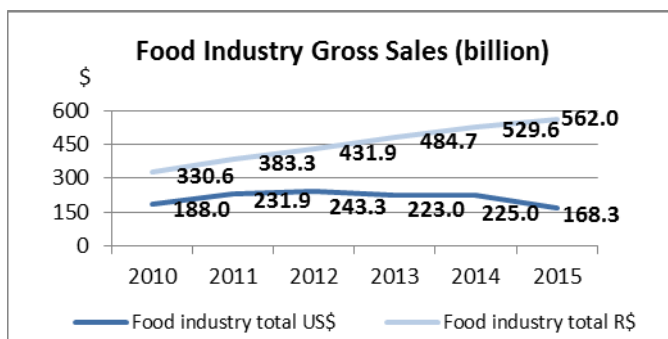
Sales of Food Industry by Channels (US\$ billion) 2015



Source: Brazilian Food Industry Association (ABIA)

In 2015, the Brazilian food processing industry grossed US\$168.3 billion, representing approximately 9.5 percent of the national GDP. In recent years, the food processing industry continues to grow as the Brazilian consumer base increases with the continued expansion of the middle class. The industry is expected to grow 1 percent in 2016.

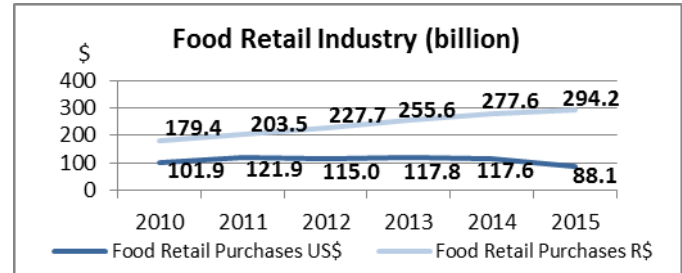
Food Industry Gross Sales (US\$ billion)			
	2013	2014	2015
Food Industry Revenues	223.4	225.0	168.3
- Food	171.5	173.8	131.2
- Beverage	117.8	117.6	88.1



Source: ABIA

Food Retail Industry

Brazilian food retail sales reached US\$133.8 billion in 2015. The growth forecast for 2016 follows the food industry trend at 1 percent expected growth. Despite a perceived slowdown in sales, the three largest retailers, Pão de Açúcar, Carrefour, and Walmart plan to maintain investments in the Brazilian market. Together, the three chains represent 23 percent of retail revenues.



Source: ABIA

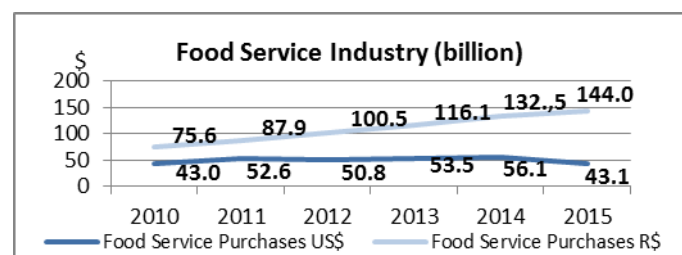
Top 5 Brazilian Retailers

Company	Ownership	Sales (R\$ bi)	# stores
1. Grupo Pao de Açúcar	France/ Brazil	76.9	2,181
2. Carrefour	France	42.7	288
3. Walmart	U.S.	29.3	485
4. Cencosud	Chile	9.3	222
5. Cia. Zaffari	Brazil	4.5	31

Source: Brazilian Association of Supermarkets (ABRAS)

Food Service Industry

The Brazilian foodservice industry gained ground in the past few years. From 2002 to 2014, the industry increased approximately 300 percent. The macroeconomic scenario highly impacted the industry performance; strong employment growth and increase of wages in real terms were the key drivers to accelerate demand from the foodservice sector. In 2015, the foodservice sector was valued at US\$105.1 billion. The food service industry is highly fragmented, and is characterized by the presence of many family-owned businesses and a high level of informality. The growing presence of restaurant chains is changing the industry profile, leading to higher productivity levels and greater profitability. To keep up with the development of the foodservice industry, most large food processing companies have created a foodservice department within their companies today.



Source: ABIA