

## Agriculture Sectors: Food, Equipment & Services

### Agricultural Sectors: Food

Information on best prospects in Brazil's agricultural sector can be found at the link below:

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods\\_Sao%20Paulo%20ATO\\_Brazil\\_10-25-2011.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Sao%20Paulo%20ATO_Brazil_10-25-2011.pdf)

The main point of contact in Brazil for U.S. food exporters is the Agricultural Trade Office (ATO), located in São Paulo. The ATO's contact information is below:

U.S. Agricultural Trade Office  
U.S. Consulate General  
Rua Henri Dunant, 700  
04709-110 São Paulo – SP  
Tel: (55 11) 5186-7400  
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### Agricultural Equipment and Services Overview

(in US\$ million)	2010	2011 (est)	2012 (estimated)
Total Market Size	9,382	9,850	10,342
Total Local Production	9,716	10,201	10,711
Total Exports	2,313	2,428	2,549
Total Imports	1,979	2,077	2,180
Imports from the U.S.	1,325	1,391	1,460

Note: Figures include tillers, wheel tractors, crawler tractors, combines, loaders and backhoes.  
Source: ANFAVEA

Brazil has thirteen industrial production units owned by seven large agricultural equipment manufacturers. Most of the international agricultural equipment producers manufacture locally and export from Brazil to other South American countries, including Agco, Agrale, Caterpillar, John Deere, Komatsu, Valtra and CNH (Case, Fiat Allis and New Holland). Total installed production capacity in Brazil is 106,000 machines per year.

In 2010, according to Anfavea (Brazilian Automotive Vehicles Manufacturers Association), sales of agricultural machinery increased 23% in Brazil, in comparison with the previous year. Brazil produced 88,800 agricultural machines in 2010, 34% more than in 2009. Imports decreased 47% in 2010, reaching 854 units in 2010.

Exports of tillers, wheel tractors, crawler tractors, combines, loaders and backhoes were seriously affected by the devaluation of the Dollar against the Real and, in 2010, exports decreased 29% when compared to 2009, not even reaching 20,000 units. In 2011, the industry regained its growth momentum, resulting in a 5% increase in total exports

### Sub-Sector Best Prospects

Top U.S. export prospects in this sector include sophisticated, state-of-the-art machinery with higher efficiency levels including the following: post-harvest machinery, including field refrigeration units/storage for tropical fruits; fruit, grain, seed and vegetable cleaning, sorting and grading machinery; GPS and precision agriculture devices; and poultry equipment.

## Opportunities

Brazil is a major producer of a variety of agricultural commodities and is the world's largest producer of coffee, sugarcane and oranges. It is also the world's second largest producer of soybeans, cattle meat, poultry, tobacco leaves, bananas and brazil nuts; and the third largest producer of maize, pineapples, pepper and cashew nuts.

Besides being an agricultural powerhouse, Brazil is also one of the few countries still capable of increasing its planted area. In fact, Brazil has more unused, commercially viable agricultural land than any other country in the world.

This strength in Brazil's agricultural sector means there is growing demand for agricultural equipment that improves the quality and yield of crops and reduces costs. Moreover, since farms are generally large, the sector is ideally suited to incorporate a wide range of American agricultural machinery and technology.

Brazilian farmers enjoy a comparative advantage in many agricultural segments, particularly the grain, fruit, fiber, and animal protein sectors. This advantage is due to a temperate climate with plenty of light, the world's largest surface and ground fresh water reserves, excellent quality and diversity of soils and diverse agro-ecological systems.

## Web Resources

- Anfavea: [www.anfavea.com.br/](http://www.anfavea.com.br/)
- For more market research reports, please visit: <http://export.gov/mrktresearch/index.asp>

For more information about export opportunities in this sector, please contact US Commercial Service Industry Specialist [Igly.Serafim@trade.gov](mailto:Igly.Serafim@trade.gov)