

## Trade Analysis - Food Sector in Brazil - 2009

**General Context:** The sector has consolidated itself as a dynamic sector in the local economy not only due to natural conditions but also to the level of specialized labor used in the field and the development of state-of-the-art technology in tropical agriculture and livestock management techniques.

**Brazilian Food Market Potentialities:** In recent years, Brazilian internal market, stimulated by the increasing income per capita, economic stability, a public program of income transference and, among other factors, the possibility to obtain credit with more facility, have grown, putting, mainly those persons and families that were excluded from a constant and adequate consumption, in a new level of contribution to the increase of a robust internal market.

**International Trade:** In 2008, Brazil imported more than US\$ 7,87 billion in food and beverages, a 36,28% growth when compared to the previous year, US\$ 5,77 billion. The main suppliers were Argentina, United States, Uruguay, Paraguay and Chile. The Arab Countries, when considered as one, were the 27<sup>th</sup> main supplier for Brazil in the sector exporting to Brazil a total amount of US\$ 30,49 million, representing only 039% of Brazilian international purchases abroad.

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**Brazilian Imports from the World**  
USD Million  
January - December

HS	Description				% Share			% Change
		2006	2007	2008	2006	2007	2008	- 08/07 -
	<b>World</b>	4272,15	5776,36	7872,27	100	100	100	36,28
	<b>Food Sector</b>	4.272,15	5.776,36	7.872,27	100,00	100,00	100,00	36,28
10	Cereals	1.286,59	1.825,32	2.367,50	30,12	31,60	30,07	29,70
11	Milling; Malt; Starch	269,20	487,40	847,09	6,30	8,44	10,76	73,80
15	Fats and Oils	297,50	460,36	743,28	6,96	7,97	9,44	61,46
03	Fish and Seafood	427,42	542,88	658,25	10,01	9,40	8,36	21,25
07	Vegetables	187,96	252,61	460,03	4,40	4,37	5,84	82,11
08	Edible Fruit and Nuts	287,84	333,92	403,82	6,74	5,78	5,13	20,93
20	Preserved Food	184,33	242,60	330,10	4,32	4,20	4,19	36,07
22	Beverages	246,01	299,55	322,33	5,76	5,19	4,10	7,61
04	Dairy, Eggs, Honey	170,88	172,50	231,59	4,00	2,99	2,94	34,26

Source of data: SECEX - Foreign Trade Secretariat



## Brazilian Imports from Arab Countries

### Food Sector

USD Million

January - December

Rank	Country				% Share			% Change
		2006	2007	2008	2006	2007	2008	08/07 -
0	World	4.272,15	5.776,36	7.872,27	100,00	100,00	100,00	36,28
1	Arab Countries	33,50	31,69	30,49	0,78	0,55	0,39	(3,79)
2	Morocco	22,38	18,95	22,67	0,52	0,33	0,29	19,65
3	Syria	8,56	8,37	3,20	0,20	0,15	0,04	(61,78)
4	Egypt	1,21	1,88	1,69	0,03	0,03	0,02	(9,78)
5	Tunisia	0,49	1,33	1,34	0,01	0,02	0,02	1,45
6	United Arab Emirates	0,45	0,48	0,76	0,01	0,01	0,01	56,94
7	Lebanon	0,37	0,58	0,69	0,01	0,01	0,01	19,23
8	Sudan	0,04	0,07	0,09	-	-	-	26,48
9	Jordan	0,00	0,03	0,03	-	-	-	15,91
10	Somalia	-	0,01	0,01	-	-	-	22,95

Source of data: SECEX - Foreign Trade Secretariat

**Opportunities:** There is a scenario of good perspectives for foreign suppliers of food products and some agriculture as well. As from the Arab Countries, Brazil may be an interesting market for the following products.

#### ✓ **Fertilizers**

By far the most potential items in the agri-food sector for exporting to Brazil. The great agriculture and food demand local and internationally require significant amounts of fertilizers. Imports in 2008 achieved reached USD 9,30 billion with a growth of 105,46 growth over 2007, USD 4,52 billion. In 2008, the Arab countries together were the 4<sup>th</sup> supplier to Brazil.

#### ✓ **Olive Oil**

Olive oil enjoyed increased sales because it is considered a healthy dressing. The product has gained shelf space in medium-sized and large retailers, and importers are investing in product sampling and promotions at points of sale. In large cities such as São Paulo, the specialist stores offering olive oil, such as L'Occitane and Olivier & Co, are growing. Olive oil consumption increases mostly due to a larger offering of extra-virgin varieties and sophisticated packaging, such as glass. Euromonitor predicts that olive oil will perform better among consumers belonging to the upper- and upper-middle income groups, who better understand the potential benefits of a healthy Mediterranean diet, which supposedly fights heart problems as well as ageing. Importers should probably introduce more premium olive oil products and conduct taste-testing among potential consumers in Southeast Brazil, especially São Paulo, where income level per capita is higher. Due to the great tradition of importing olive oil from Portugal and Spain, the Arab products need marketing. Information campaigns, approach to importers and participation in key events may be important initial marketing tools. Quality and sophistication may be good appeals for the market. In 2008, Brazil imported USD 231,20 million of Olive Oil (HS 1509) from the World, a 35,90% growth over the previous year, USD 170,12 million. The main reasons appointed for the market growth were that Brazilians are seeking more and more sustainable products and the olive oil price which either dropped or remained stable, opposite to what happened to soy and other kinds of oils. Although the Arab countries as a suppliers were the 6<sup>th</sup> supplier among olive oil exporters to Brazil, with US\$ 591 thousand in 2008, which presented a 59,40% growth over the previous year, the Arab product is not well known in the market however there is a great number of Arab Immigrants (around 8 million) in Brazil, whose descendants also keep their habits.



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Tunisia, Syria and Lebanon are the main Arab suppliers, but the Arab share does not surpass 0,22% of Brazilian imports.

**More information:**

Oliva - Brazilian Association of Producers, Importers and Traders of Olive Oil  
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www.oliva.org.br  
Email: azeite@oliva.org.br

✓ **Canned Food**

There is a great variety of canned food and even drinks which may find market niches in Brazil. Having an Arab population of approximately 12 million inhabitants, typical Arab canned food may succeed in the market.

✓ **Spices, Coffee and Tea**

In 2008, Brazil imported USD 41,47 million in spices from the World, a 20,86% growth over the previous year, USD 34,31 million. India, Switzerland, Argentina were the main suppliers in that year. The Arab Countries when considered as one, were the 4<sup>th</sup> main supplier for Brazil of these products. Syria, Egypt, United Arab Emirates, Morocco and Lebanon were the main Arab suppliers for Brazil of these products.

✓ **Fish and Seafood**

In 2008, Brazil imported USD 658,24 million from the World of Fish and Seafood, amount which showed 21,25% of growth when related to the previous year, USD 542,88 million. The Arab Countries were the 07<sup>th</sup> main supplier for Brazil of these products, accumulating USD 21,34 million in 2008, showing a 20,51% growth over 2007, USD 17,715 million. Morocco is the only Arab country responsible for supplying these products to Brazil.

**More information:**

Secretariat of Aquiculture and Fishing – SEAP  
Phone: (5561) 3218-3838/ Fax: (5561) 3224-5049  
E-mail: comunicacao@seap.gov.br

✓ **Dates**

Having a strong Arab influence in its eating habits, especially on dishes and ingredients originally from Lebanon and Syria, the Brazilian market for Arab products has a promising potential. If considered both immigrants and its descendants, the market for such products represents a minimum of 12 million people, excluded other Brazilian populations that also appreciate the Arab cuisine. As for the nuts and fruits such as dates, the Brazilian population mainly consumes them at holidays in which food becomes the opportunity for a family reunion or a community gathering. These occasions are usually celebrated at midyear during Easter and mainly at the end of the year, during Christmas and New Year. In 2008 Brazil imported USD 921 thousand in dates from the World. As for the main origins, the Arab Countries supplied 93,73% of the Brazilian imports of dates, or USD 864 thousand in 2008. The main Arab exporters of dates to Brazil were Tunisia and Lebanon.

**More Information**

**Arab Brazilian Chamber of Commerce**

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- **Marketing and Events Department**

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**Brazil-Arab News Agency**

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