

Discussion of: Brazil's Agribusiness: More Opportunities from NAFTA Expansion?

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Integration Workshop: Achieving NAFTA Plus
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**The Agricultural and Food Policy Center
at Texas A&M University**

Focus of Paper

- “..examines the impact **on Brazil** from achieving broader economic integration within the Western Hemisphere.”

Selected Demographic and Economic Data

	U.S.	Mexico	Canada	Brazil
Population (2006)	298,444,215	107,449,525	33,098,932	188,078,227
Pop. Growth Rate (2006)	0.91%	1.16%	0.88%	1.04%
GDP per capita	\$42,000	\$10,100	\$32,900	\$8,400
Unemployment Rate (2005)	5.1%	3.6%	6.8%	9.9%
Population Below Poverty Line (2003)	12%	40%	15.9%*	22%
Public Debt (% of GDP (2005))	64.7%	39.1%	38.7%	50.2%

Source: CIA, The World Factbook

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- Soybeans, sugar, ethanol, and meats (beef, poultry and pork meat)
- “improvements in Brazilian **income distribution** and growth of per capita income will continue to positively impact on domestic consumption, **making Brazil a customer for NAFTA-member products.**”



Colombia

Venezuela

Surinam

French Guiana

Peru

Rio Branco

Porto Velho

Manaus

Amazonas

Santarem

Macapa

Belem

Sao Luis

Fortaleza

Natal

Olinda

Recife

Maceio

Salvador (Bahia)

Ilheus

Belo Horizonte

Vitoria

Rio de Janeiro

Santos

Curitiba

Blumenau

Porto Alegre

Bolivia

Cuiaba

Aragarcas

Corumba

Londrina

Paraguay

Argentina

Pantanal

Uberaba

Brazilia

Araxa

Atlantic Ocean

U.S and Brazil Exports, Imports, and Trade Balance, All Products, \$1,000s, 2001-2005.

	2001	2002	2003	2004	2005
Imports from Brazil	14,466,418	15,780,597	17,910,336	21,159,921	24,436,571
Exports to Brazil	15,879,452	12,375,978	11,211,008	13,897,252	15,345,489
Trade Balance	1,413,034	-3,404,619	-6,699,328	-7,262,669	-9,091,082

Source: U.S. Census, Foreign Trade Statistics

Canada and Brazil Exports, Imports, and Trade Balance, All Products, \$1,000s, 2001-2005.

	2001	2002	2003	2004	2005
Imports from Brazil	988,765	1,213,134	1,423,315	1,797,741	2,594,535
Exports to Brazil	618,320	488,069	635,015	730,646	910,382
Trade Balance	-370,445	-725,065	-788,300	-1,067,095	-1,684,153

Source: Statistics Canada

Selected U.S. Agricultural Product Exports to Brazil, \$1,000s, 2001-2005.

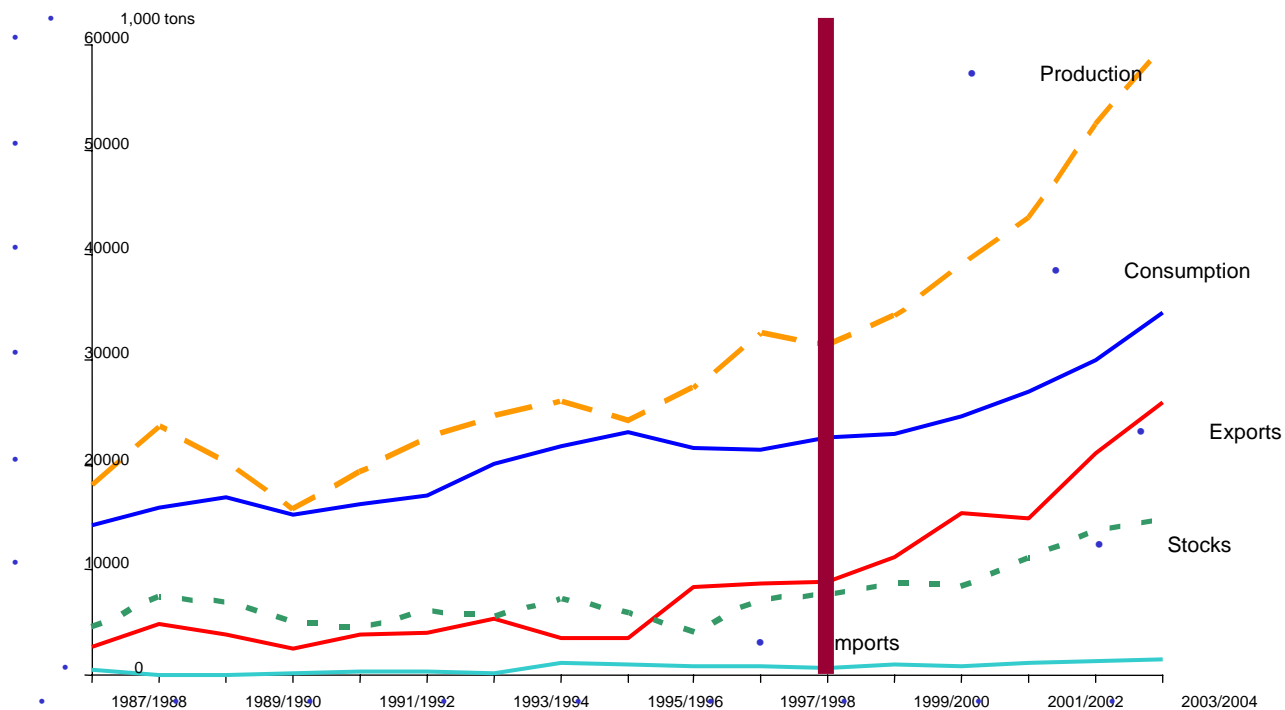
	2001	2002	2003	2004	2005
Wheat	9,933	95,763	63,269	8,053	4,658
Rice	438	6,636	81,276	172	383
Animal Feeds	22,439	23,629	25,304	21,750	20,058
Meat, Poultry, etc	7,623	7,387	7,135	12,022	16,863
Dairy Products and Eggs	6,458	4,302	1,755	1,398	4,050

Source: U.S. Census, Foreign Trade Statistics

Model Results of Tariff Elimination

- GE model, using 1997 as base year
- Adds very little to paper

• Brazil: Soybean production, consumption, stocks, and trade



Closing Comments

- The Brazilian ag industry tries to play the – we don't subsidize card

Ag Commentary

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The Brazilian Government Has Announced a Set of Supporting Measures to the Next Crop Season

5/30/2006

[G.Bastos](#)

The latest breaking news in Brazil last week: the announcement of the plan for advertisement the

2006/07 crop season and the results of the soybean private options auction.

The Brazilian Minister of Agriculture has announced a series of supporting measures to agriculture of R\$ 60 billion (U\$ 26.1 billion) on May 25th. These measures constitute an emergency attempt to mitigate the effects of the revenue crisis affecting Brazilian grain

Closing Comments

- How much longer will Brazil be able to designate itself a developing country in terms of trade agreements?