

## Market Overview

Brazil is ranked as the 7<sup>th</sup> largest economy in the world with a GDP of \$2.2 trillion USD in 2014. During the same year Brazil entered a recessionary period, which has only been intensified by corruption scandals and rising inflation. As a result, overall imports have decreased; nonetheless, U.S. companies are still targeting the food and agriculture sector. Now, U.S. companies are focusing energies on advertising campaigns and performing market research in order to target new buyers, considering that consumption patterns change in periods such as recessions.

In 2014, the U.S. exported to Brazil \$377 million USD worth in consumer oriented agricultural products. In the following year, from January to October (2015), the U.S exported \$299 million USD in consumer oriented agricultural products. This decrease is not as severe as it seems considering that since the end of 2014 the Brazilian Real depreciated approximately 40% against the U.S. Dollar. In spite of the recession, the food sector has been less affected compared to other sectors of the economy.

Brazil remains a promising market due to its large middle class; approximately half of Brazil's population of 200 million is considered middle class. In turn, a considerable percentage of the population has a degree of purchasing power. The main U.S. food categories exported to Brazil are: meat products, eggs and products, dairy products, fresh fruit, processed fruit, processed vegetables, fruit and vegetable juices, tree nuts, chocolate and cocoa products, snack foods, breakfast cereals, condiments and sauces, prepared food, wine, beer, distilled spirits, nonalcoholic beverages (ex. juices), and fish products.

### Opportunities and Advantages

- Brazilian importers are frequently searching for new-to-market products as they must update their portfolio from time to time in order to gain market share.
- Price is not always the determining purchasing criteria for high-end consumers.
- Retailers offer foreign goods to differentiate themselves from the competition, to develop new niche markets and gain high-end consumers' attention.

### Market Challenges

- Brazil is self-sufficient in food supply. Imported products are considered a luxury item, as the price of such items are much higher than domestic produced goods.
- Importers tend to buy small quantities to test the market. U.S. companies are not always willing to go through foreign trade bureaucracy to sell restricted quantities.

### SUSTA Sponsored Events in Brazil: Brazil Inbound Trade Mission

- [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide\\_Sao%20Paulo%20ATO\\_Brazil\\_1-4-2016.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Sao%20Paulo%20ATO_Brazil_1-4-2016.pdf)
- Euromonitor, Passport Site-Country Profile: Brazil

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