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Report Highlights:

The Brazilian Food Processors' Association reported 2023 Brazilian food processing sector revenues at US\$231 billion, a growth of 7.2 percent compared to the previous year. Brazil heavily relies on foreign suppliers to fulfill its food ingredient demands, which offers U.S. companies opportunities to provide high-value ingredients. Brazilian food manufacturers and ingredient importers seek innovative products from new suppliers. To learn more, contact us at atosaopaulo@usda.gov.

Market Fact Sheet: Brazil

Executive Summary

Brazil is the largest economy in Latin America and one of the largest in the world. In 2023, Brazil's gross domestic product (GDP) increased 2.9 percent compared to the previous year, driven by strong domestic demand and exports. Analysts expect the economy to grow to a lesser degree in 2024.

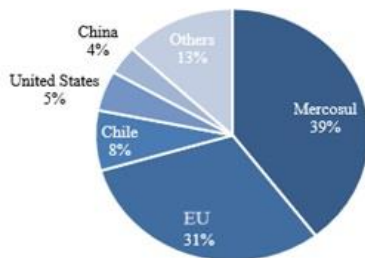
Food Processing Industry

According to the Brazilian Food Processors Association (ABIA), the country's food processing sector registered revenues of US\$231 billion in 2023, an increase of 7.2 percent compared to 2022. The result represents 10.8 percent of national GDP. The sector is comprised of over 38,000 companies, of which the vast majority are small and medium-sized enterprises.

Imports of Consumer-Oriented Products

In 2023, imports of consumer-oriented products by Brazil increased 12 percent over the previous year, reaching US\$ 5.8 billion. U.S. exports to Brazil increased 7 percent, hitting US\$ 298 million. The United States is the 5th largest exporter of consumer-oriented products to Brazil.

Imports of Consumer Oriented Products 2023



Source: Trade Data Monitor (TDM)

Food Retail Industry

The Brazilian Supermarket Association (ABRAS) reported supermarket revenues at US\$135 billion in 2022. Brazil's retail sector includes 95,000 stores and serves more than 28 million consumers daily. The southeastern region of Brazil, which is the country's economic hub, hosts 51 percent of the market.

Quick Facts CY 2023

Imports of Consumer-Oriented Products by Brazil:
US\$ 5,825 million

Top 10 Imported Growth Products in 2023

Malt, Not Roasted	Dairy Products
Animal Fats and Oil	Wheat and Products
Feed Additives	Enzymes
Hops Pellets and Extracts	Edible Fats and Oils
Odoriferous Substances	Protein Concentrates

Source: SECEX

Food Industry by Channels (U.S. Billion \$) in 2022

Food Industry Output	\$208
Domestic Market	\$149
Retail	\$109
Food Exports	\$59
Food Service	\$40
Food Imports	\$7

Source: ABIA

Top 10 Brazilian Retailers in 2022

1) Carrefour	6) Irmãos Muffato
2) Assai Atacadista	7) Grupo Pereira
3) Grupo Mateus	8) Cencosud Brasil
4) Grupo Pão de Açúcar	9) Mat Minas & Dom
5) Supermercados BH	10) DMA Distribuidora

Source: ABRAS

Strengths

High demand for innovative products

The United States is seen as supplier of high-quality ingredients

U.S. exporters tend to negotiate only high volumes

Weakness

Brazilian import procedures are complex

Exchange rate fluctuations decrease competitiveness

Brazilian importers usually start with small quantities

Population (millions): 215

GDP (trillion USD): 2.17

GDP per capita (USD): 8,996

Exchange rate (Avg 12-month): US\$1/R\$5.02

Source: Brazilian Institute of Geography and Statistics

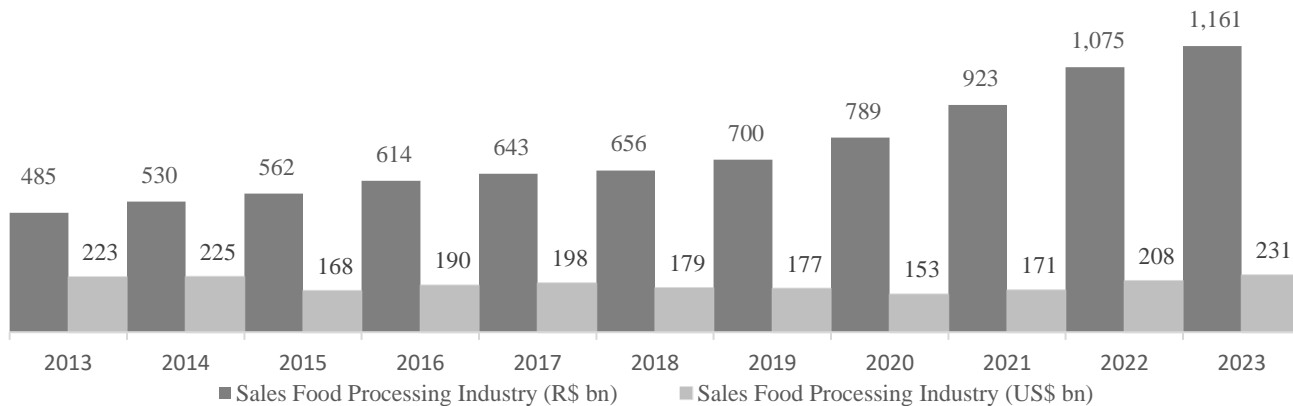
SECTION I: MARKET SUMMARY

Country Overview

In 2023, Brazil's gross domestic product (GDP) reached US\$2.17 trillion, growing by 2.9 percent over the previous year. Brazil's vast geography, large population, and abundant natural resources make it one of the world's most important agricultural producers and exporters, and an attractive hub for foreign investment. Analysts maintain a positive outlook for steady yet moderate economic expansion in 2024, albeit with less optimism than in 2023.

According to the Brazilian Food Processors' Association (ABIA), the country's food processing sector registered revenues of US\$231 billion in 2023, an increase of 7.2 percent compared to 2022 (Figure 1). Per the Brazilian Association of Food Ingredients and Additives, the market for food ingredients is 2 percent of the total processing sector. Food processing makes up 10.8 percent of national GDP, based on the strong domestic market and high export volumes. Despite a modest GDP growth projection for 2024, the outlook for the food industry remains favorable. ABIA anticipates expansion of 1.2 percent next year, despite persistent high production costs.

Figure 1: Food Processing Industry Sales in 2023



Source: FAS/Sao Paulo, based on ABIA data

Table 1: Advantages and Challenges in the Brazilian Market

ADVANTAGES	CHALLENGES
Multinational companies have demand for innovative and high-performance ingredients not present in the market.	Brazilian import procedures are very complex, causing difficulties for small to medium new-to-market U.S. companies.
The United States is known as a consistent supplier of high-quality products.	Short-term profits are rare; exporters must invest more long-term.
The Brazilian food industry values U.S. research and development.	Importers tend to buy small quantities to test the market, while U.S. companies are usually not predisposed to sell small volumes.
The shift away from a solely price-oriented approach to a cost-benefit approach makes U.S. products more competitive.	Strong competition from other European products

SECTION II. ROAD MAP FOR MARKET ENTRY

The import process can be divided into three major phases: pre-shipment, shipment, and customs clearance. The number of procedures within each step may vary according to the product category.

Entry Strategy

As a first step, U.S. exporters must determine if their product has access to the Brazilian market. The Agricultural Trade Office (ATO) in Sao Paulo is the primary contact for U.S. companies to clarify this. U.S. exporters should consider the ATO as an initial source of information and market guidance. U.S. companies can test the market through ATO marketing activities and profit from its market intelligence. Another way to test the market is through the various activities developed by State Regional Trade Groups and trade associations. Please see the [2023 Brazil Exporter Guide](#) for more information.

Note that the first importation of a product might require registration. Exporters routinely find the first import is the most challenging, with subsequent shipments becoming easier.

Import Procedures

Oversight of imported food and beverage products is primarily under the responsibility of the Ministry of Agriculture, Livestock, and Food Supply (MAPA) and the Brazilian Health Regulatory Agency (ANVISA). These two government bodies ensure the safety of the food supply and enforce regulations related to food and beverage products throughout the supply chain. To fulfill local requirements, the importer must work with the exporter, particularly in the initial phase, when the documents for shipment are prepared. Upon product arrival, most import companies contract a customs agent who will be responsible for clearance formalities. Exporters must observe the most updated set of rules each administrative agency releases prior to shipment. Depending on the product, U.S. companies should contact the FAS Office of Agricultural Affairs, located in Brasilia, which is responsible for initiating the plant registration process with MAPA. Please see the [2023 Brazil FAIRS Report](#) for more information on import and certification requirements.

Trade Shows

One of the most effective strategies for entering the Brazilian market involves participating in trade shows. There are numerous trade shows in Brazil throughout the year focused on ingredients that attract buyers from throughout South America (Table 2).

Table 2: 2024 Brazil Trade Show Schedule

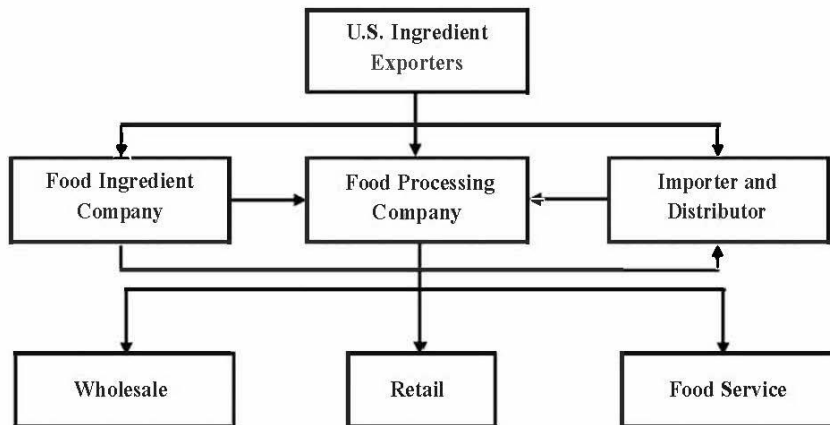
Show Name	Show Date	Products Featured
Nutri Ingredients Summit	April 23-24	Ingredients and Additives
Fenagra	June 5-6	Feed Ingredients
Food Ingredients South America	August 6-8	Ingredients and Additives
PET South America	August 14-16	Pet Food

Source: FAS/Sao Paulo

Distribution Channels

Ingredients and additives are mostly brought into Brazil by a local importer, distributor, or food ingredient company (Figure 2). Large food processing companies also import directly.

Figure 2: Distribution Channels for Foreign Foods and Ingredients

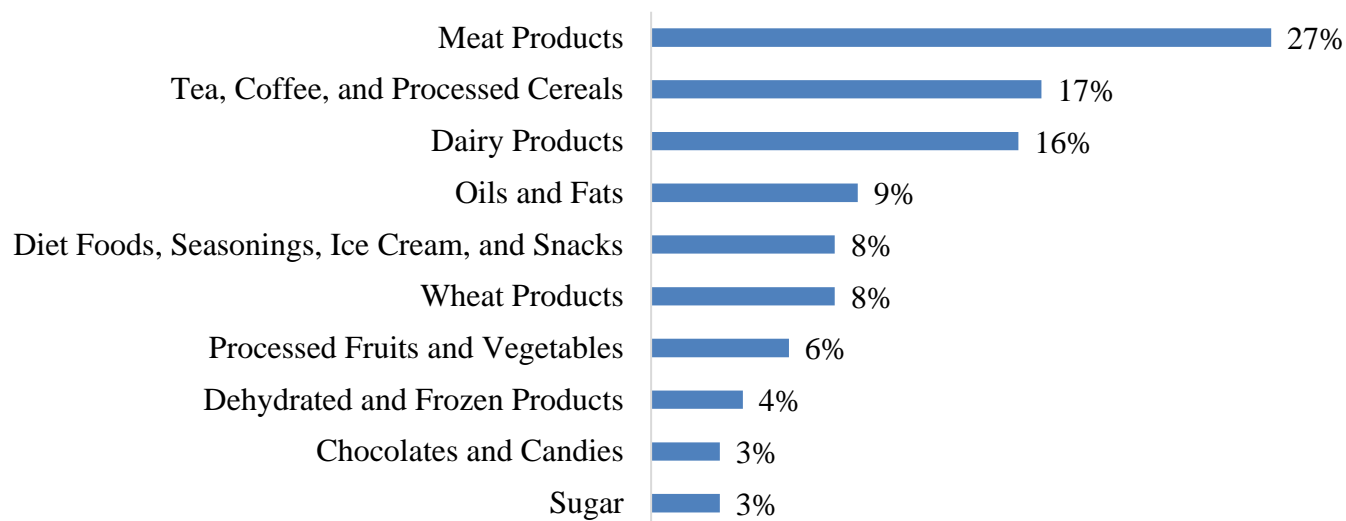


Source: FAS/Sao Paulo

Major Segments

The United States has the potential to supply the Brazilian feed and food industries with advanced ingredients. Strong opportunities exist for dairy ingredients (including whey protein, milk albumin, and casein for infant nutrition), alternative proteins for plant-based items (including pea, soy, and rice), fibers (soluble and insoluble), emulsifiers and stabilizers, flavorings and enhancers, and vegetable fats (Figure 3 and Table 3).

Figure 3: Share of Major Segments in the Brazilian Food Processing Industry by Gross Sales in 2023 (%)



Source: ABIA

Note: Based on Brazilian market segments

Table 3: Largest Food Processing Companies Operating in Brazil

Company Name	Products	Origin
JBS	Meat Products	Brazil
Ambev	Beer and Soft Drinks	Brazil
Marfrig	Meat Products	Brazil
BRF	Meat Products	Brazil
Minerva Foods	Meat Products	Brazil
Aurora Alimentos	Meat Products	Brazil
Nestlé	Food and Beverage Products, including breakfast cereals, coffee and tea, confectionery, dairy products, ice cream, frozen food, pet foods, and snacks	Switzerland
Coca-Cola	Beverage Products	Brazil
Camil	Grains, Sugar, Canned Products	Brazil
M. Dias Branco	Bakery Products	Brazil

Source: Valor Economico

Sector Trends

Brazil closely follows global food trends and explores innovative products. For example, there is a notable increase in plant-based options and products aimed at “boosting immunity” following the COVID-19 pandemic. The demand for ingredients that enable products to be labeled as “natural,” “organic,” and “gluten-free” is growing, along with the desire for detailed information on ingredient sourcing and manufacturing. In a drive to promote “transparent” labels, producers are increasingly labeling consumer products with ingredient origins for marketing purposes, which favors high-quality suppliers such as the United States.

SECTION III. COMPETITION

Brazil is a major market for food ingredients and additives, driven by its considerable population and increasing demand for processed food. However, its limited production of food ingredients makes it import dependent. China and several European countries are key suppliers, in addition to the United States.

Price sensitivity among Brazilian companies positions China as a strong competitor, particularly for certain types of additives like antioxidants, food colorings, vitamins, and minerals. European product pricing is on par with the United States. Key European competitors include the Netherlands, Denmark, and Germany.

In light of a highly competitive international market for food ingredients, Brazilian firms are prioritizing both quality and cost when importing. With the food industry's continued expansion in Brazil, the demand for these ingredients and additives is rising, underscoring the importance for Brazilian businesses to secure reliable and economically viable sources for these products.

Regarding macro ingredients such as hops, malt, tree nuts, and olive oil, the United States encounters strong competition from Mercosul countries and the European Union (Table 4). Portugal and Spain dominate the olive oil market, while Argentina and Uruguay offer competitive advantages in other products, such as malt, benefiting from proximity and duty-free status. Indonesia is Brazil's leading palm oil supplier. While total U.S. agricultural and related exports declined by 30 percent from 2022 to 2023, this was largely due to a decrease in U.S. ethanol exports. U.S. exports in other categories, including animal feed, hops, dairy ingredients, and tree nuts grew or remained stable.

Table 4: Brazil Imports of Food Processing Products by Country in 2023 (US\$ Thousands)

	2019	2020	2021	2022	2023
Argentina	525,200	585,800	608,500	670,500	643,900
Uruguay	261,300	260,500	314,100	376,800	431,900
Indonesia	208,600	261,500	578,000	654,200	397,000
Portugal	267,200	285,700	276,600	314,100	361,900
United States	796,100	615,900	449,700	458,400	324,700
Others	1,226,500	1,425,600	1,744,100	1,889,400	1,755,500
Total	3,284,900	3,434,900	3,971,000	4,363,400	3,914,000

Source: TDM

SECTION IV. BEST PRODUCTS PROSPECTS

Table 5: Products Present in the Market which have Good Sales Potential (US\$ Thousand, 2023)

HS Code	Product	Brazil Total Imports	Imports from U.S.	U.S. Market Share (%)
230990	Animal Feed Preparations other than Dog or Cat Food	324,900	51,900	16%
210690	Food Preparations	345,800	33,500	10%
330129	Essential Oils	180,900	64,700	36%
330210	Odoriferous Substances	90,300	38,000	42%
350220	Milk Albumin, including Concentrates of Two or More Whey Proteins	96,200	58,100	60%
130239	Mucilages and Thickeners	34,900	1,900	5%
121020	Hop Cones, in the Form of Pellets	28,600	12,600	44%
080212	Almonds	20,400	16,300	80%
080252	Pistachios	8,200	6,400	79%

Source: TDM

Products Not Present in the Market which have Good Sales Potential

- Malt, not roasted
- Other nuts (walnuts, hazelnuts)
- Other dairy ingredients (caseinate and lactose)
- Pea protein and fibers (as plant-based ingredients)
- Natural flavors and fragrances

Products not Present Because They Face Significant Barriers

The process of approving new ingredients in Brazil is bureaucratic and time-consuming. The Brazilian government requires new ingredients to go through an approval process, which may delay the local industry's adoption period of new additives or ingredients. Post suggests that U.S. companies contact the ATO office for assistance in analyzing the market conditions and regulatory framework for specific food products.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Please do not hesitate to contact the offices below for questions or comments regarding this report or to request export assistance:

Agricultural Trade Office (ATO)

U.S. Consulate General, Sao Paulo
Rua Thomas Deloney, 381
04709-110 São Paulo, SP
Tel: (55-11) 3250-5400
Fax: (55-11) 3250-5499
E-mail: atosaopaulo@usda.gov
Website: www.usdabrazil.org.br

Office of Agricultural Affairs (OAA)

U.S. Embassy Brasilia
Av. das Nações, Quadra 801, Lote 3
70403-900 Brasília, DF
Tel: (55-61)3312-7000
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Attachments:

No Attachments