



Insper

**BRASIL-CANADA AGRICULTURE FORUM**  
Brazil-Canada Trade in the Agri-Food Sector (Session 2)

**GLOBAL CHALLENGES FOR BILATERAL TRADE**  
**(KEYNOTE SPEECH)**

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Professor of Global Agribusiness

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# BIO

- ✓ Senior Professor of **Global Agribusiness** and coordinator of **Insper Agro Global**.
- ✓ Chair Professor of the **Luiz de Queiroz Chair** on Integrated Agri-Food Systems at **ESALQ-USP (2019/2020)**
- ✓ President of the **Asia-Brazil Agro Alliance (ABAA)**, an initiative to represent the Brazilian trade associations in Asia, located in Singapore (2017-19)
- ✓ Vice-President of Corporate Affairs and Business Development of **BRF Asia-Pacific** (2013-16)
- ✓ CEO of the **Brazilian Sugarcane Industry Association (UNICA)** – (2007-12)
- ✓ President of the **Brazilian Institute for International Trade Negotiations (ICONE)** - 2002-07
- ✓ **Associate Professor** at the University of São Paulo's (USP) Colleges of Economics (FEA), Agricultural Sciences (ESALQ) and International Relations (IRI) – 1989-2007
- ✓ **Board Member** of RUMO Logistics, COMERC Energy, Agrottools and at Minerva and Cargill Global Committees on Sustainability and Forest Protection.
- ✓ **Education:** Tenure in Agricultural Economics at ESALQ-USP, Doctorate in Business Economics at USP Scholl of Economics and Business (FEA), M.Sc. in Ag Policy in Montpellier-France, and a B.Sc. degree in Agronomy at ESALQ

# Canada & Brazil

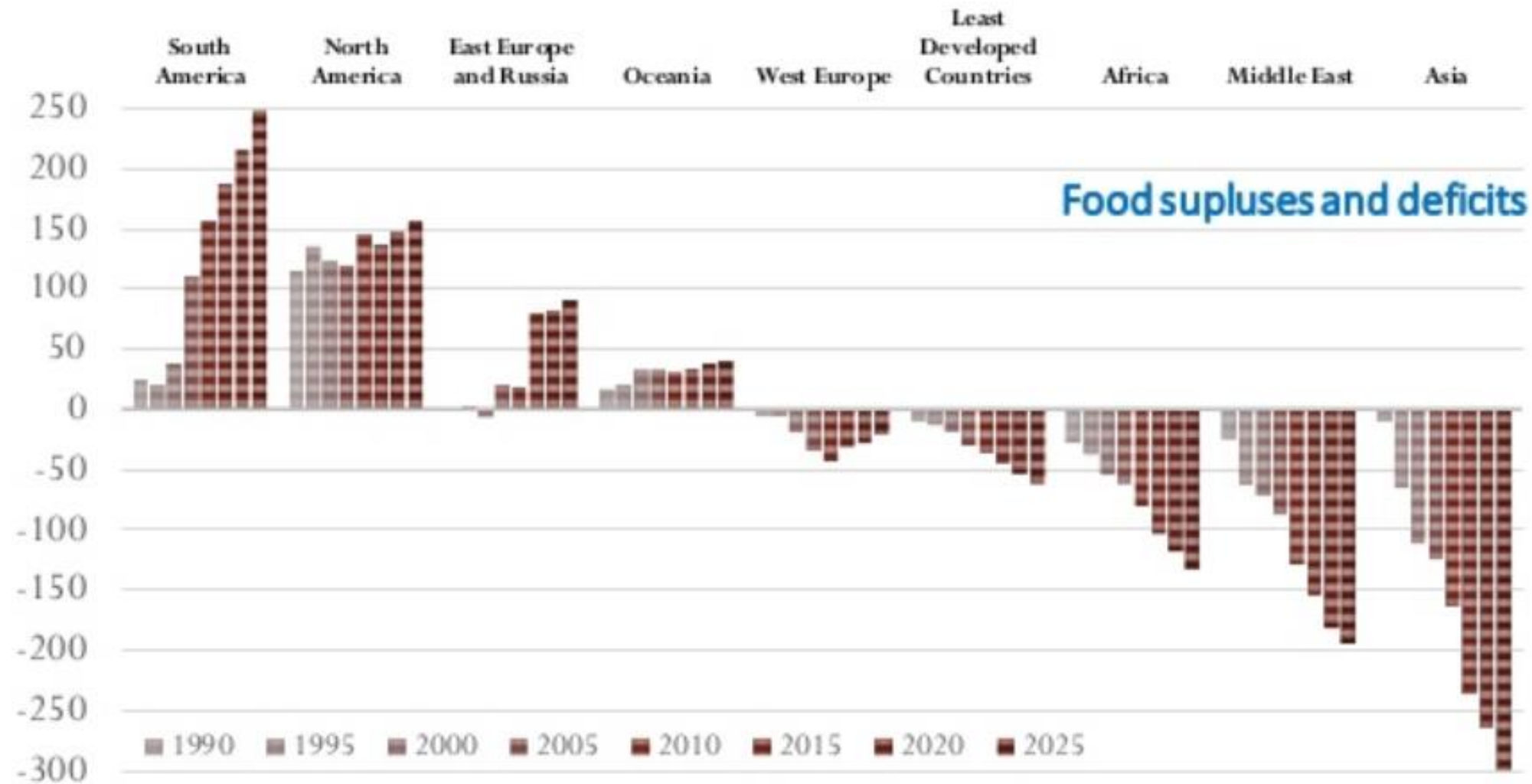
## Competitive Advantages in the Agri-Food Sector

CANADA	BRAZIL
<ul style="list-style-type: none"><li>• <b>5<sup>th</sup></b> ag exporter and <b>9<sup>th</sup></b> in total ag area.</li><li>• <b>Trade agreements covering most ag exports:</b> market access, lower tariffs.</li><li>• <b>Reputation and differentiation:</b> quality, food safety, traceability.</li><li>• <b>Long-term international presence</b> → government and private sector.</li><li>• <b>Commodity based exports, value-added products</b> and branding.</li><li>• <b>Food Chain</b> organization.</li><li>• <b>Regulatory system:</b> simple, focused.</li></ul>	<ul style="list-style-type: none"><li>• <b>3<sup>rd</sup></b> ag exporter and <b>5<sup>th</sup></b> in total ag area.</li><li>• Availability of <b>natural resources:</b> land, water, climate conditions.</li><li>• <b>“Tropicalization”:</b> genetic improvement (soy, grasses, zebu), double cropping, crop-livestock integration, no-till, large scale farming systems, integrated supply chains</li><li>• Benchmark in <b>biofuels</b> (ethanol biodiesel).</li><li>• <b>Commodity based exports:</b> volumes and low costs, value-added still a challenge.</li><li>• <b>Farmers:</b> young entrepreneurs, motivated, risk takers, intense internal migrations.</li><li>• <b>New agricultural frontiers</b>, especially pasture conversions and MAPITOBA).</li></ul>

More complementarities than competition!

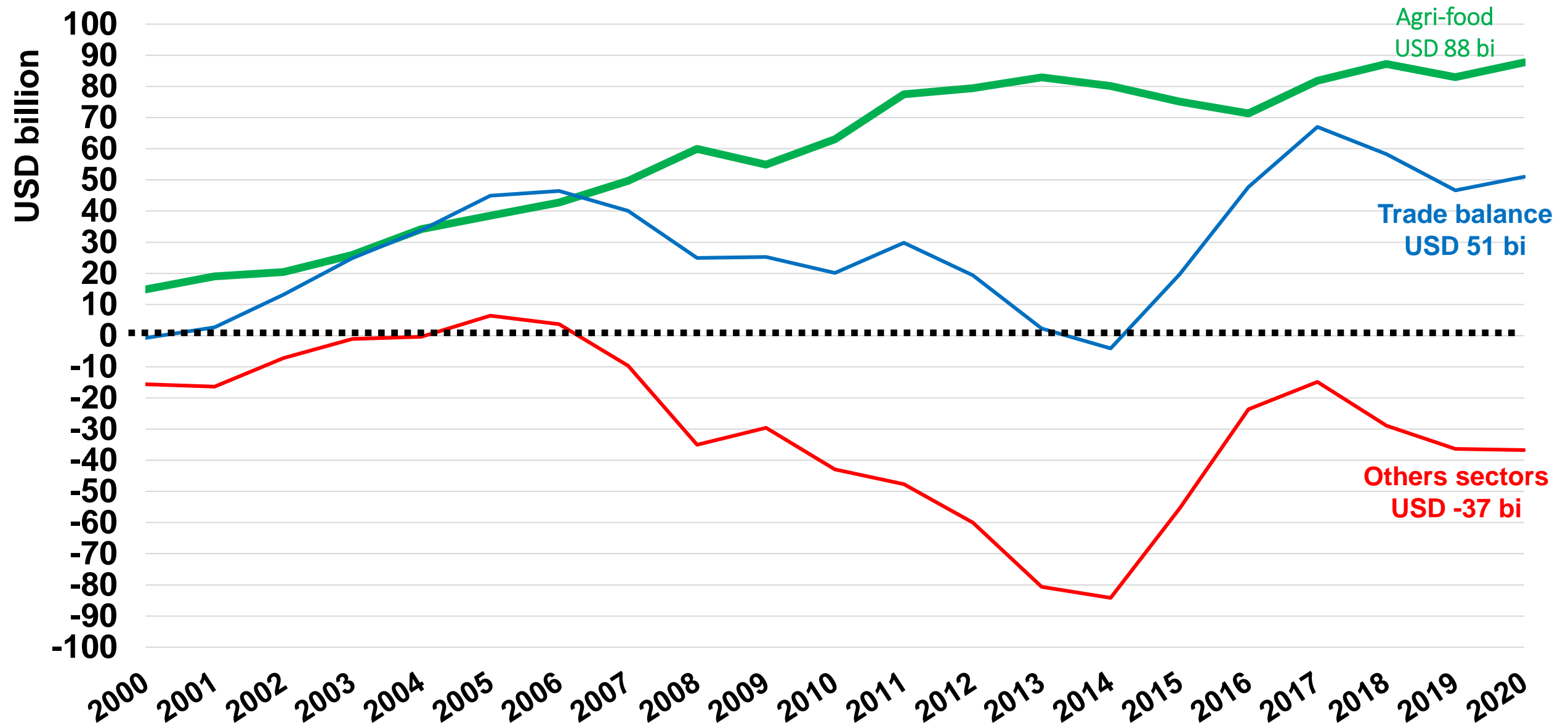
# Agricultural trade balances by region

Food surpluses and deficits (contant value 1990–2025)



# Brazilian Trade Balance

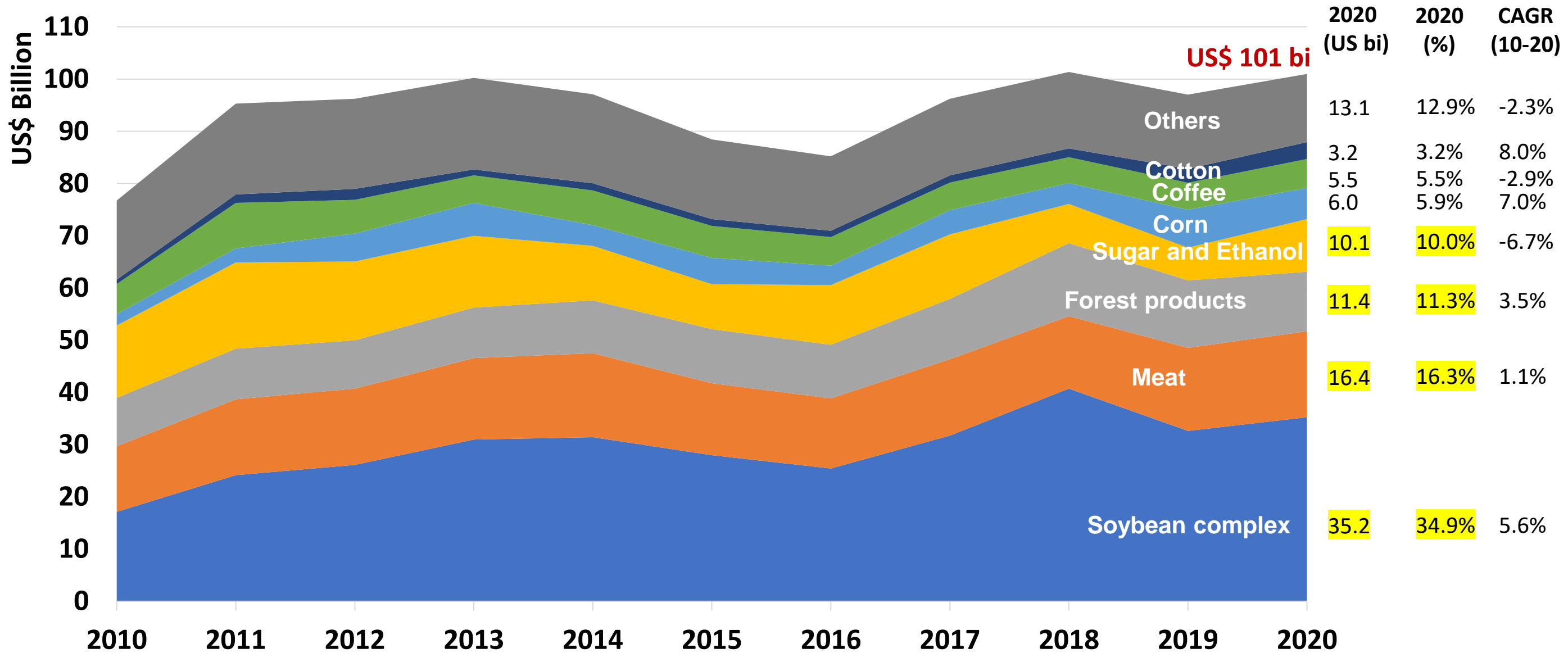
2000-2020



Agribusiness is responsible for the positive results of the Brazilian trade balance throughout the period, avoiding a crisis in the external accounts.

# Brazil: Agri-Food Exports by products

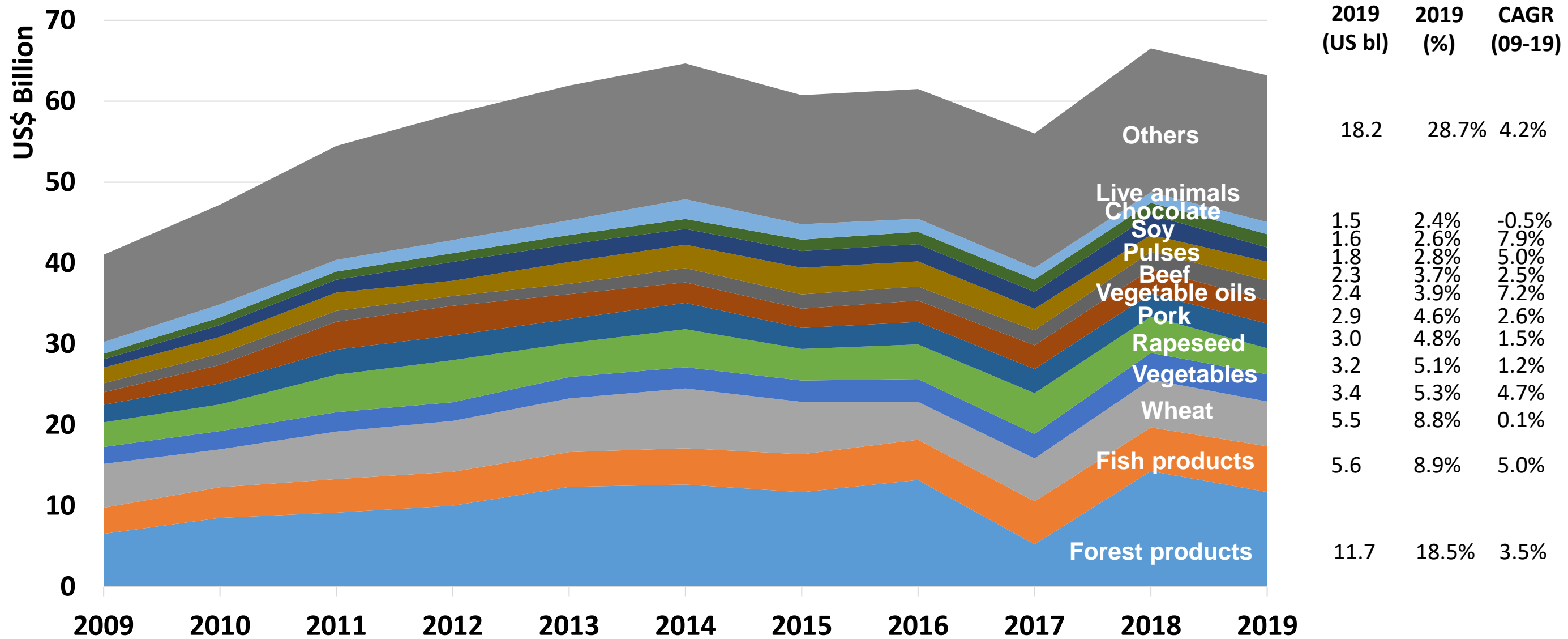
Value, 2010 to 2020 (USD billion)



Top 4 agri-food chains → 73%

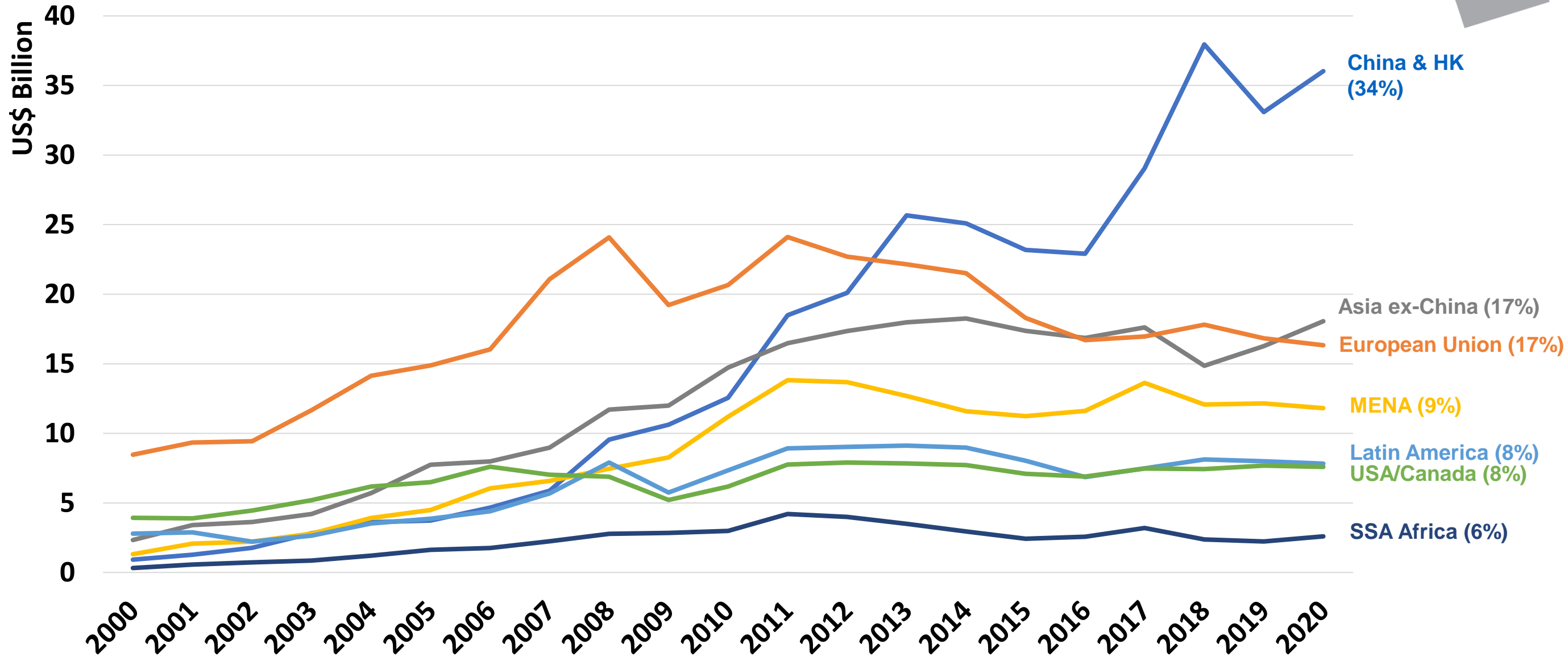
# Canada: Agri-Food Exports by products

Value, 2009 to 2019 (USD billion)



# Brazil: Agri-Food Exports by destination

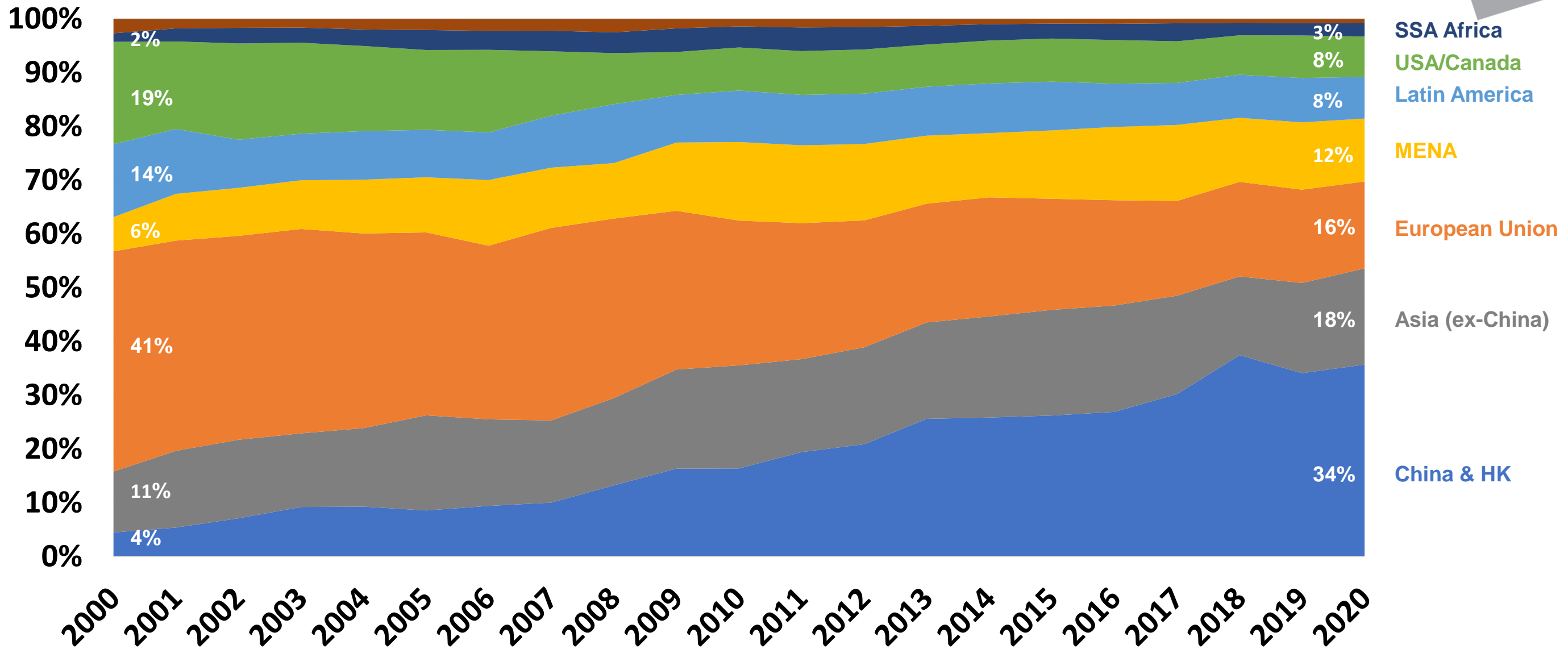
## Value, 2000 to 2020 (USD billion)





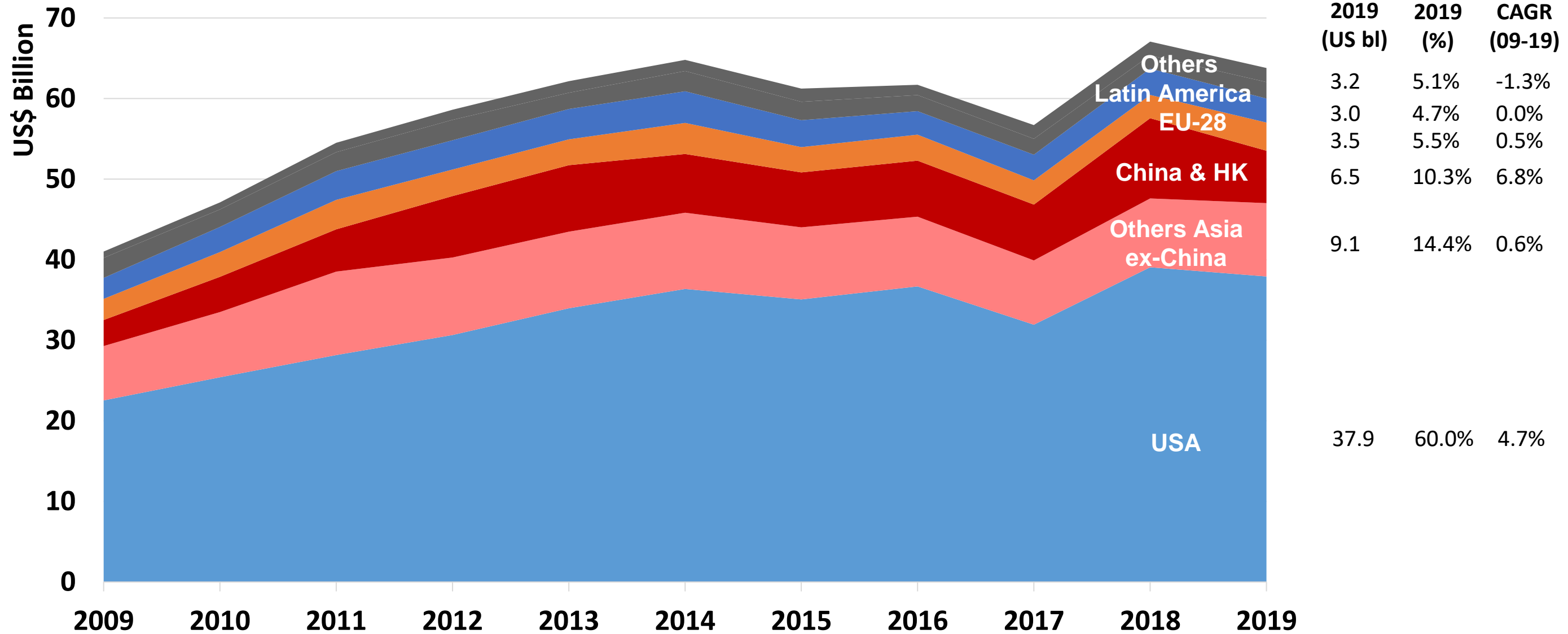
# Brazil: Agri-Food Exports by destination

## Share, 2000 to 2020 (%)



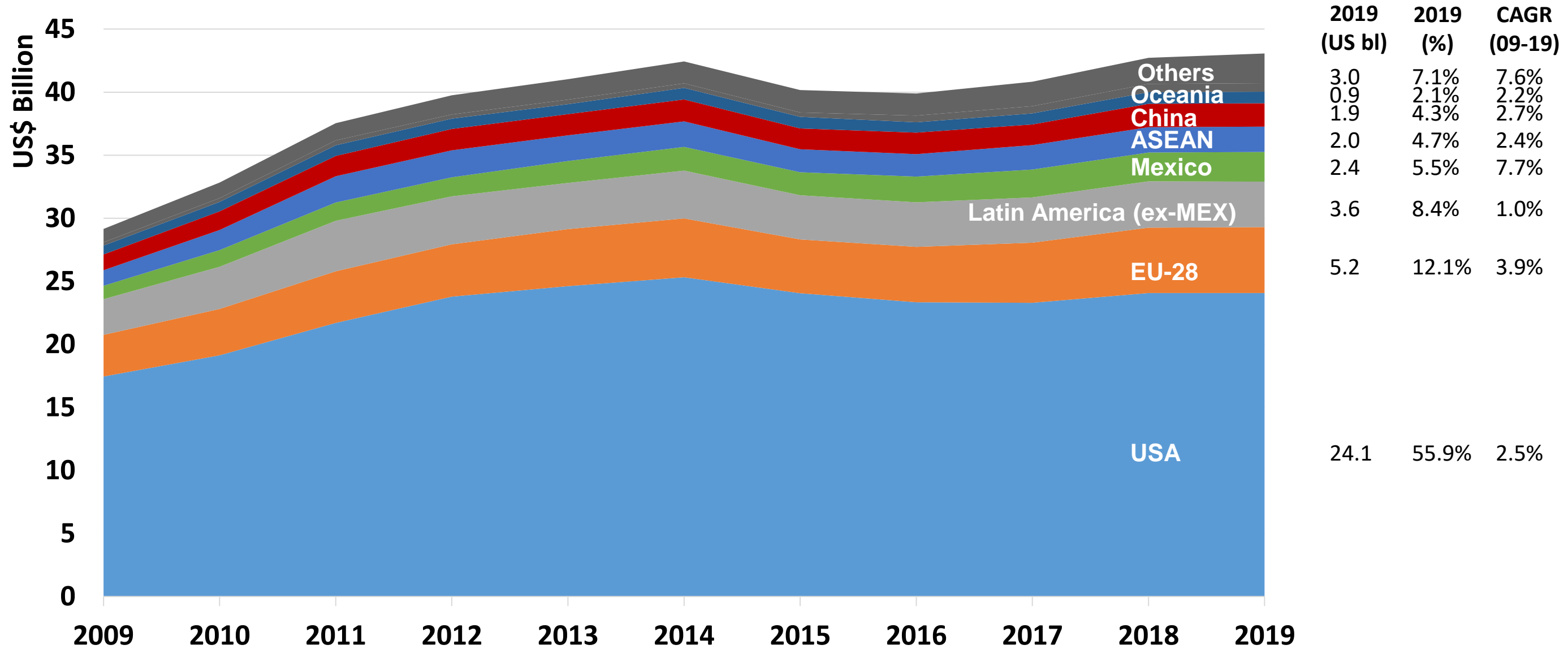
# Canada: Agri-Food Exports by destination

Value, 2009 to 2019 (USD billion)



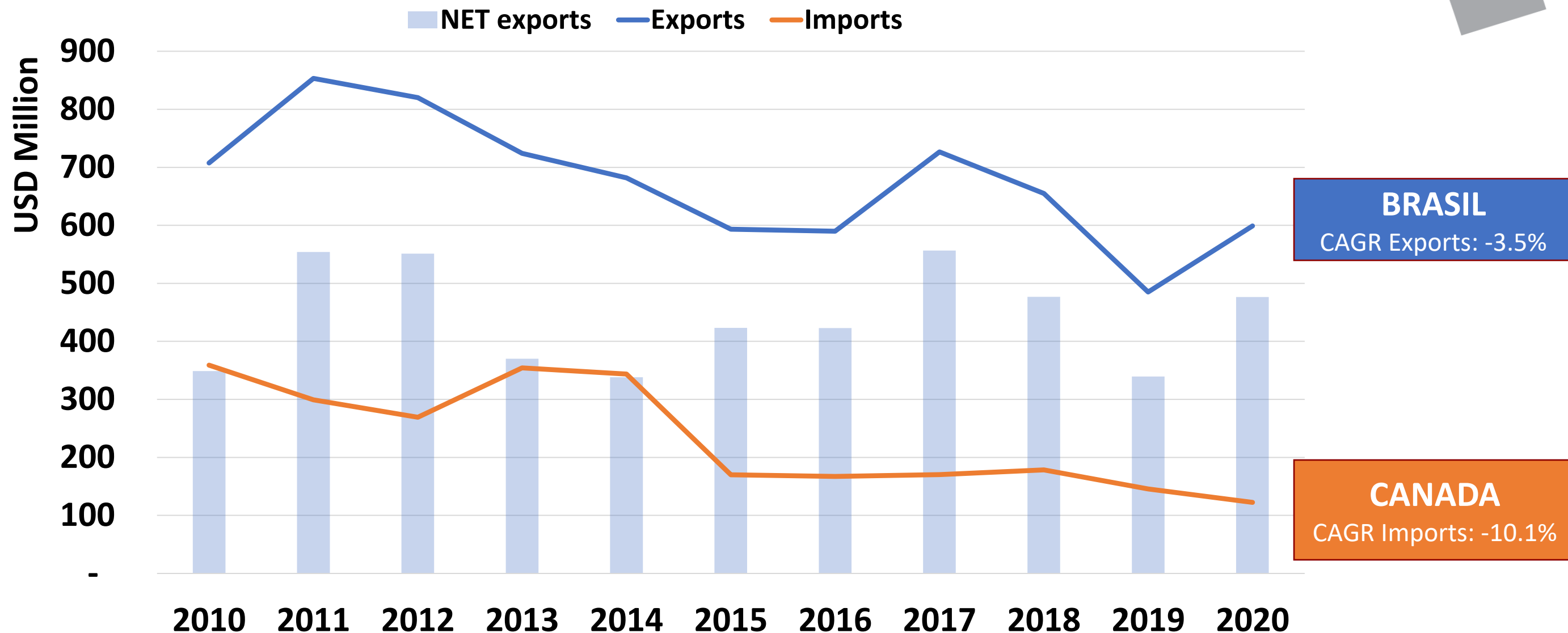
# Canada: Agri-Food Imports by origin

Value, 2009 to 2019 (USD billion)



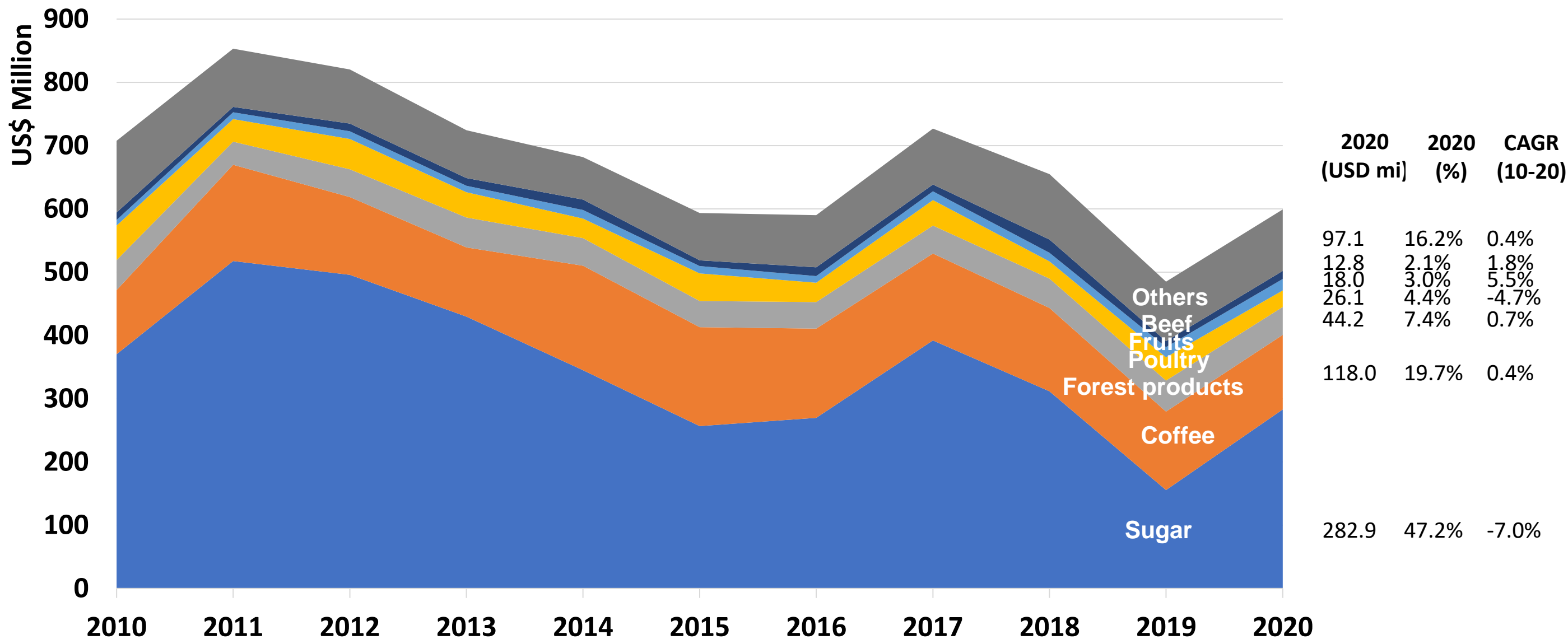
# Brazil-Canada Agri-Food Trade

Value, 2009 to 2019 (USD billion)



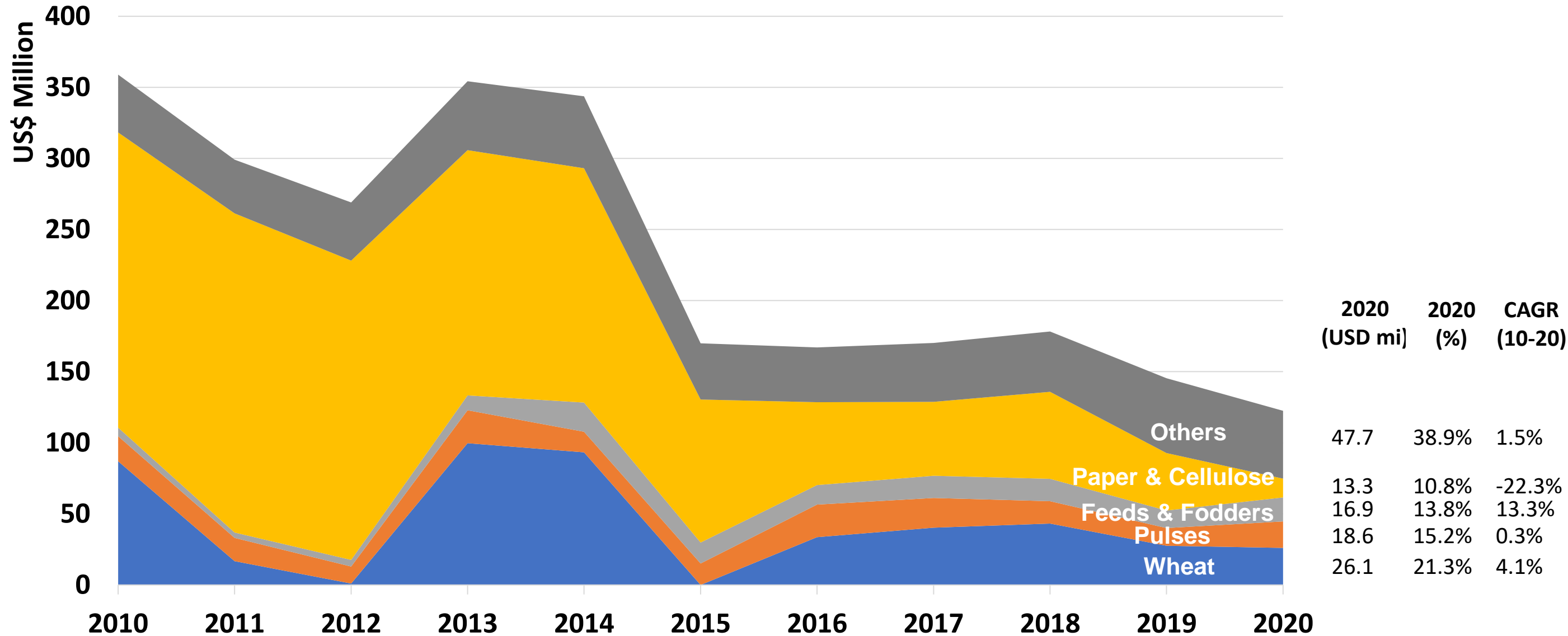
# Brazil: Agri-Food Exports to Canada

Value, 2009 to 2019 (USD billion)

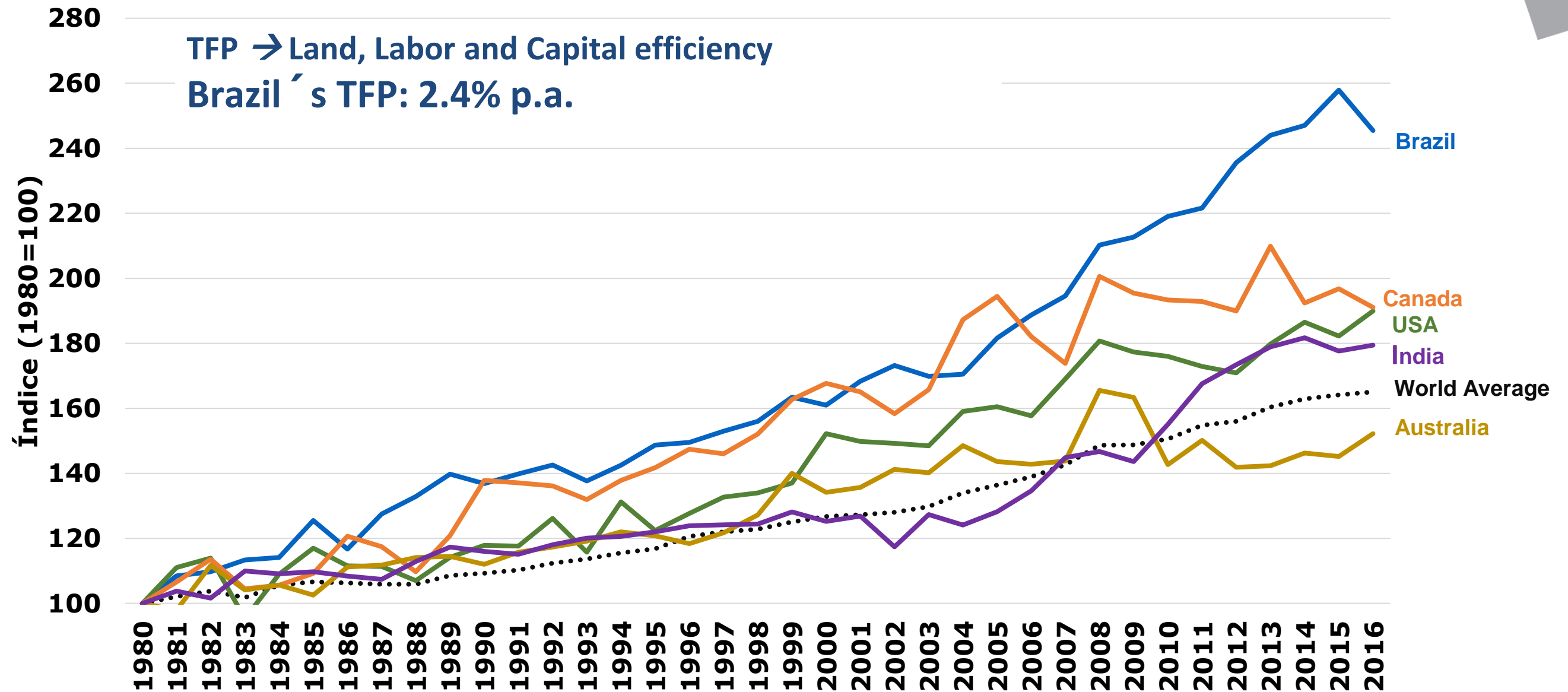


# Brazil: Agri-Food Imports from Canada

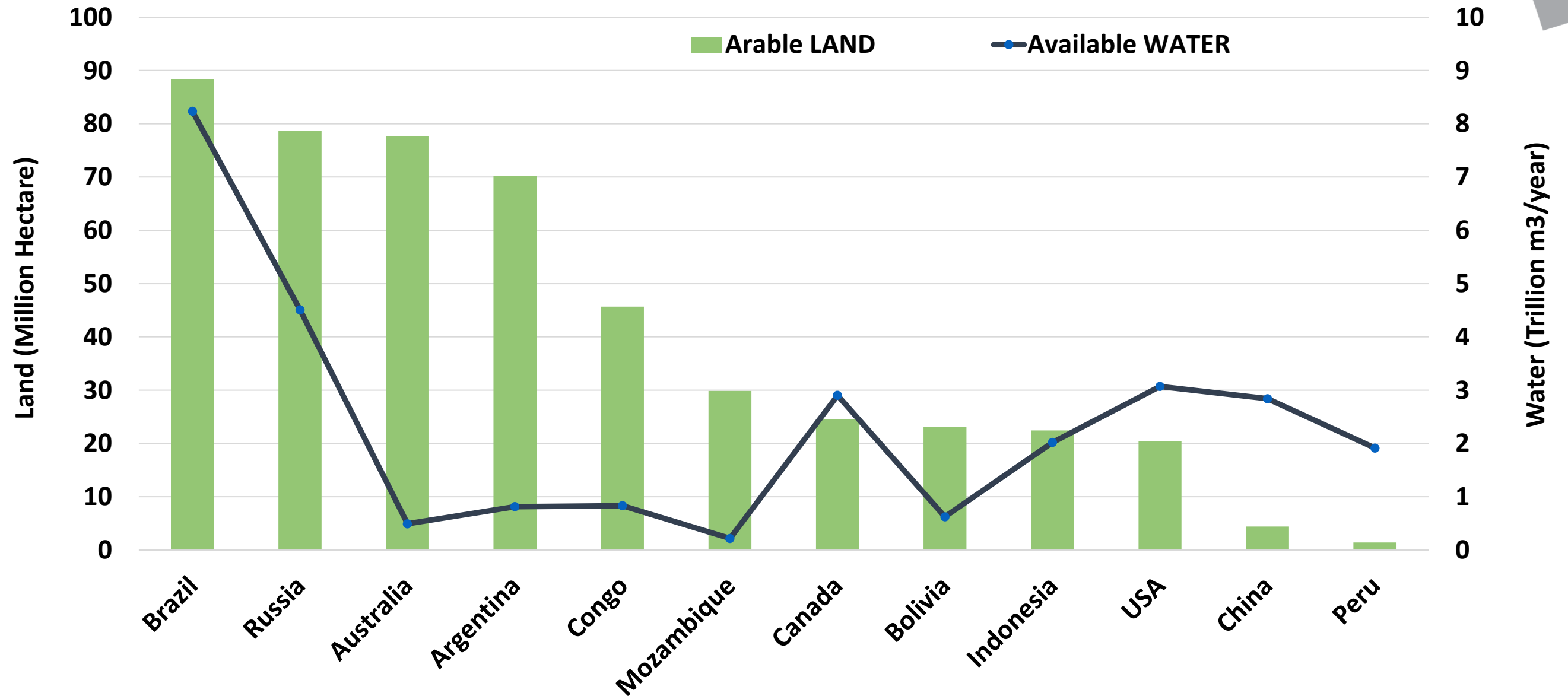
Value, 2009 to 2019 (USD billion)



# Total Factor Productivity (TFP) growth in Agriculture



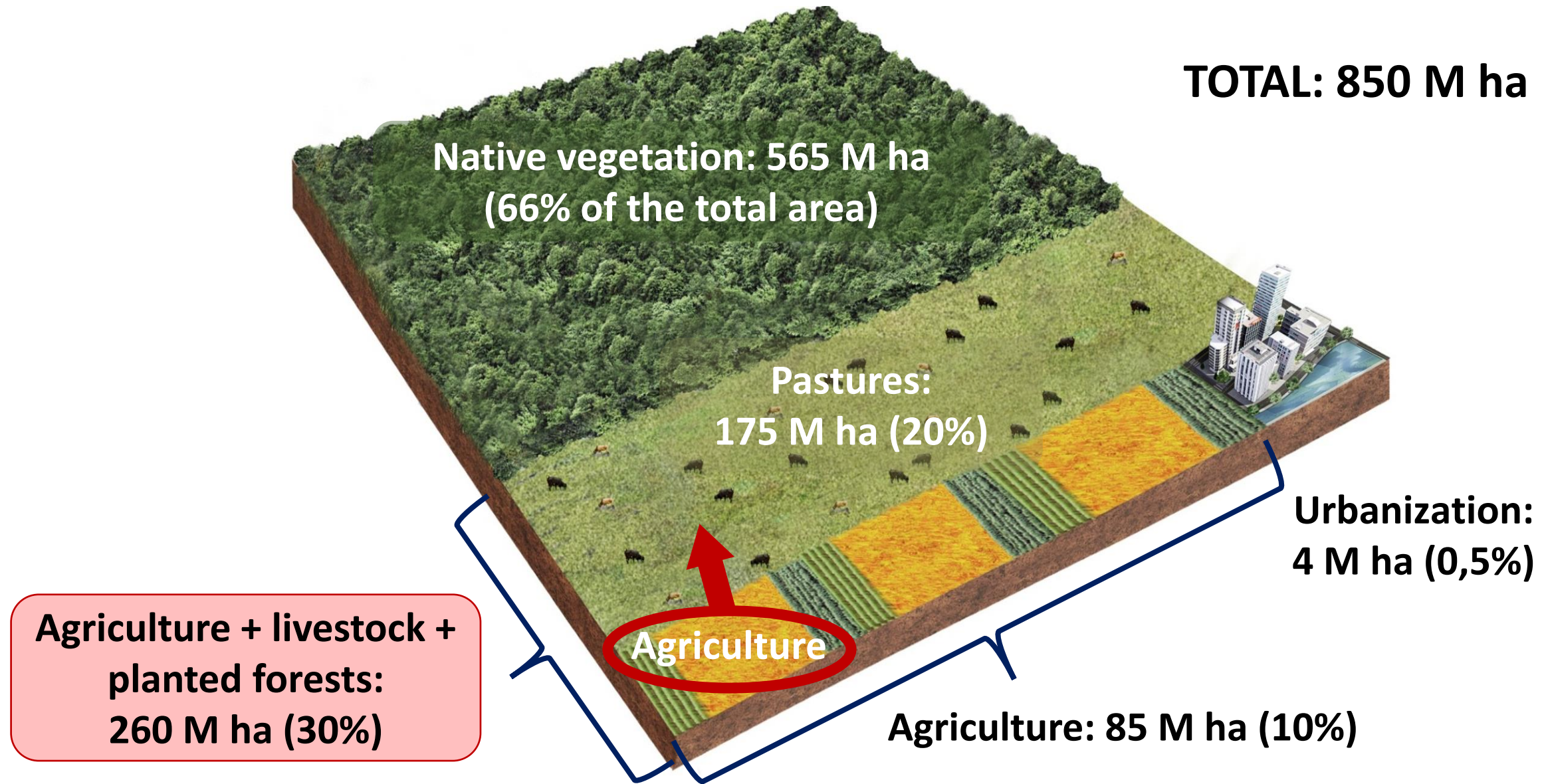
# Land Potential and Water Availability





# Land Use in Brazil

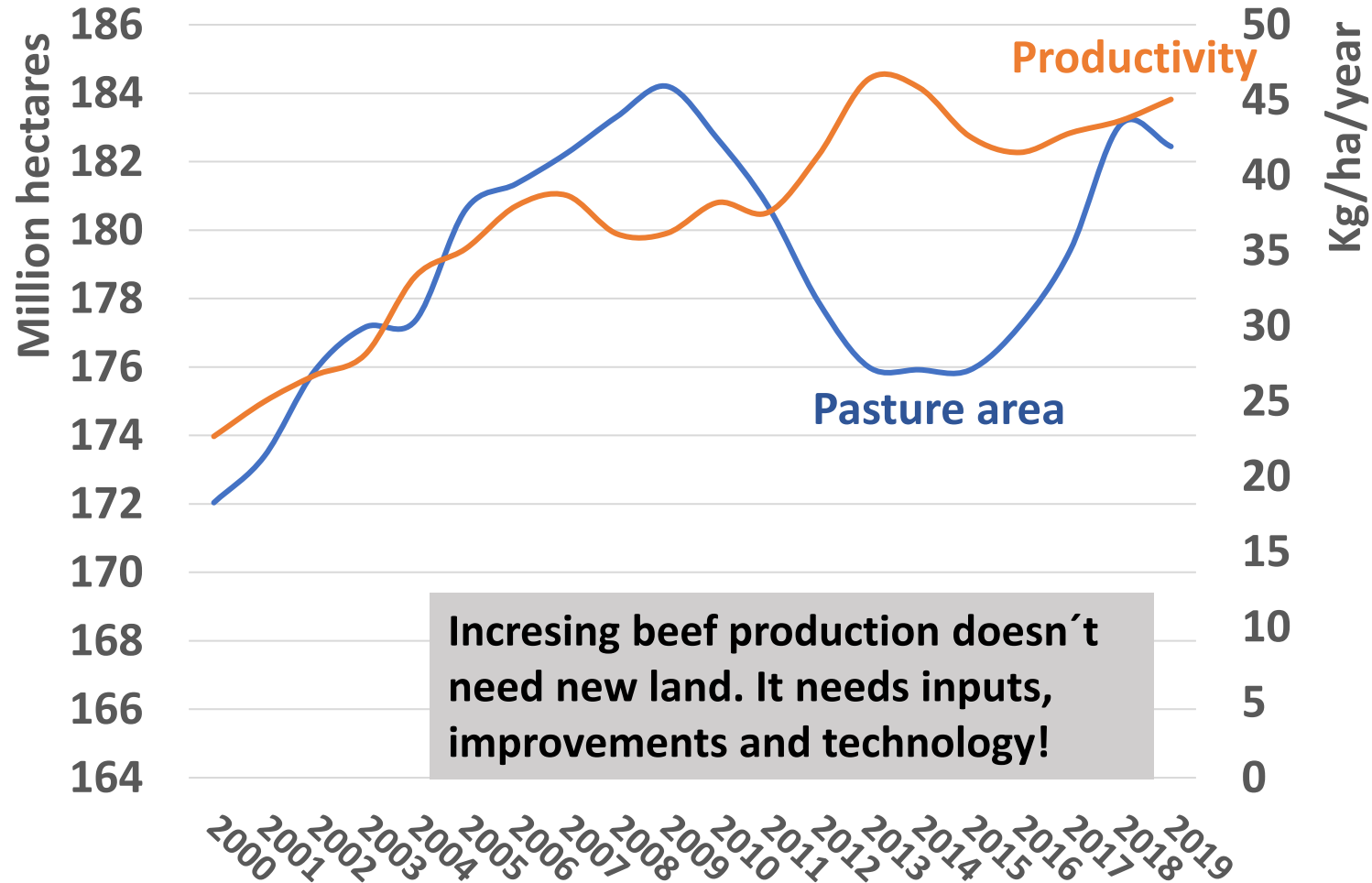
## Current sustainability challenges



# Sustainability governance

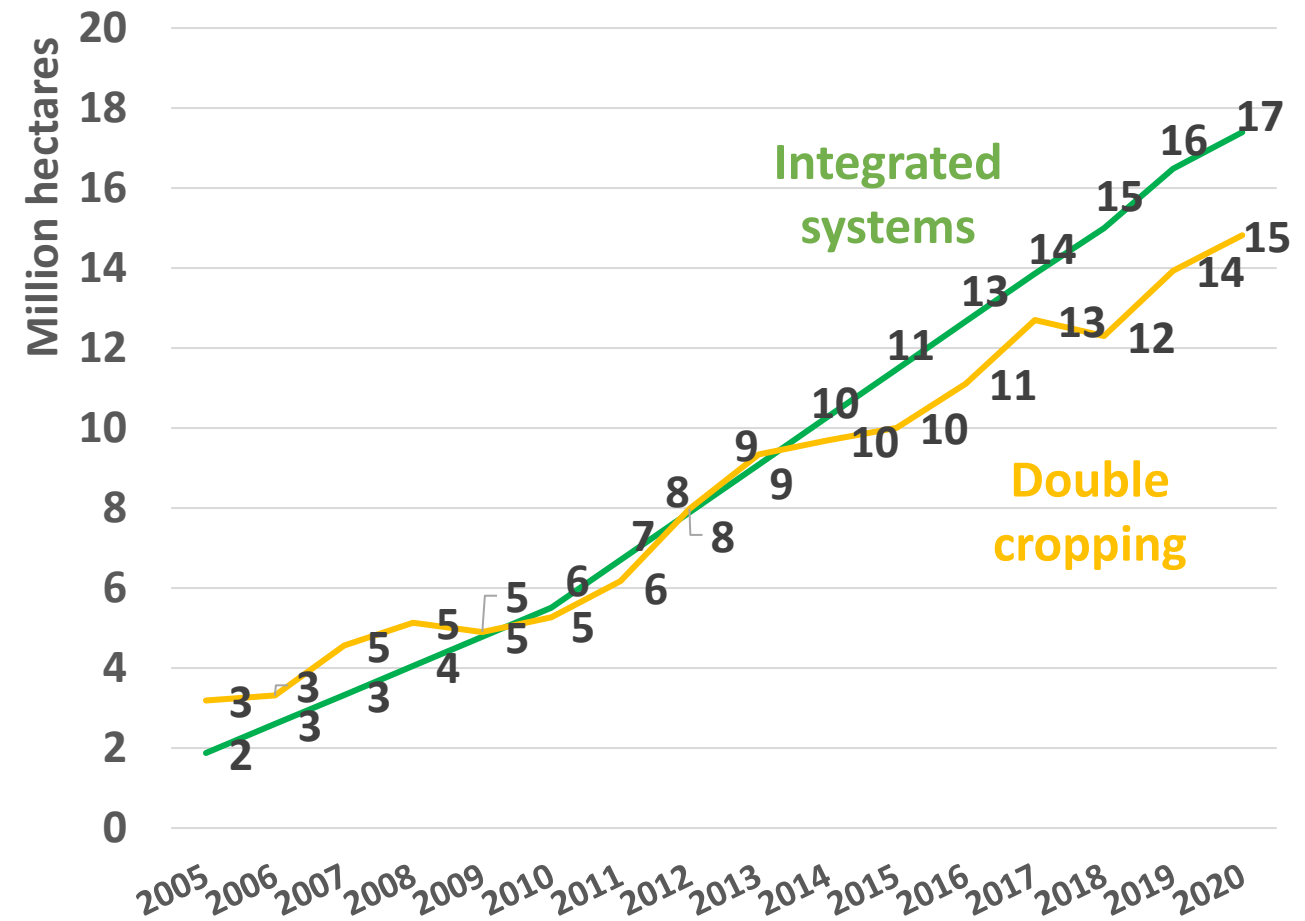
## Productivity gains and the proliferation of integrated systems

### Pasture area and productivity



**Increasing beef production doesn't need new land. It needs inputs, improvements and technology!**

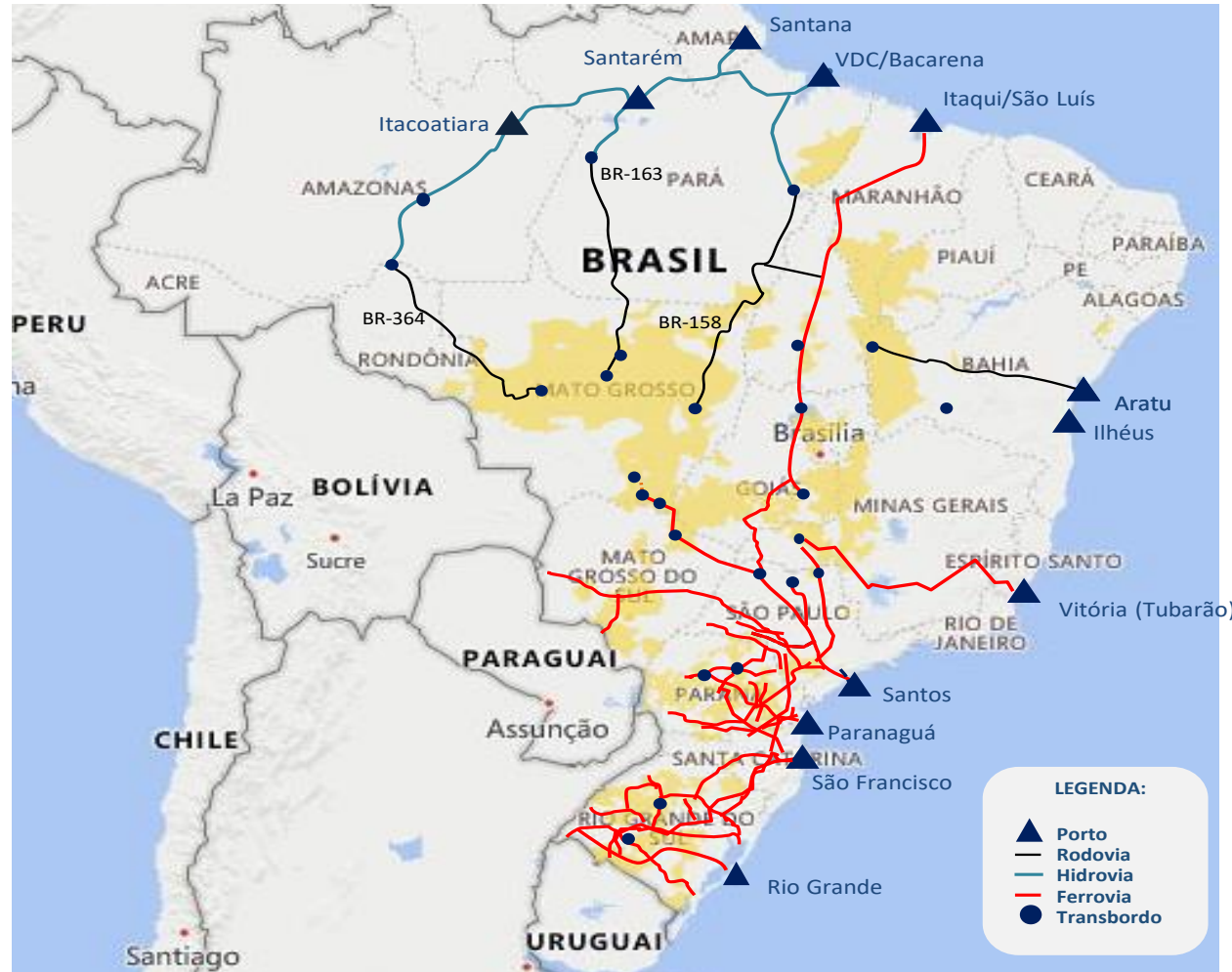
### Crop-Livestock-Forest Integration and double cropping



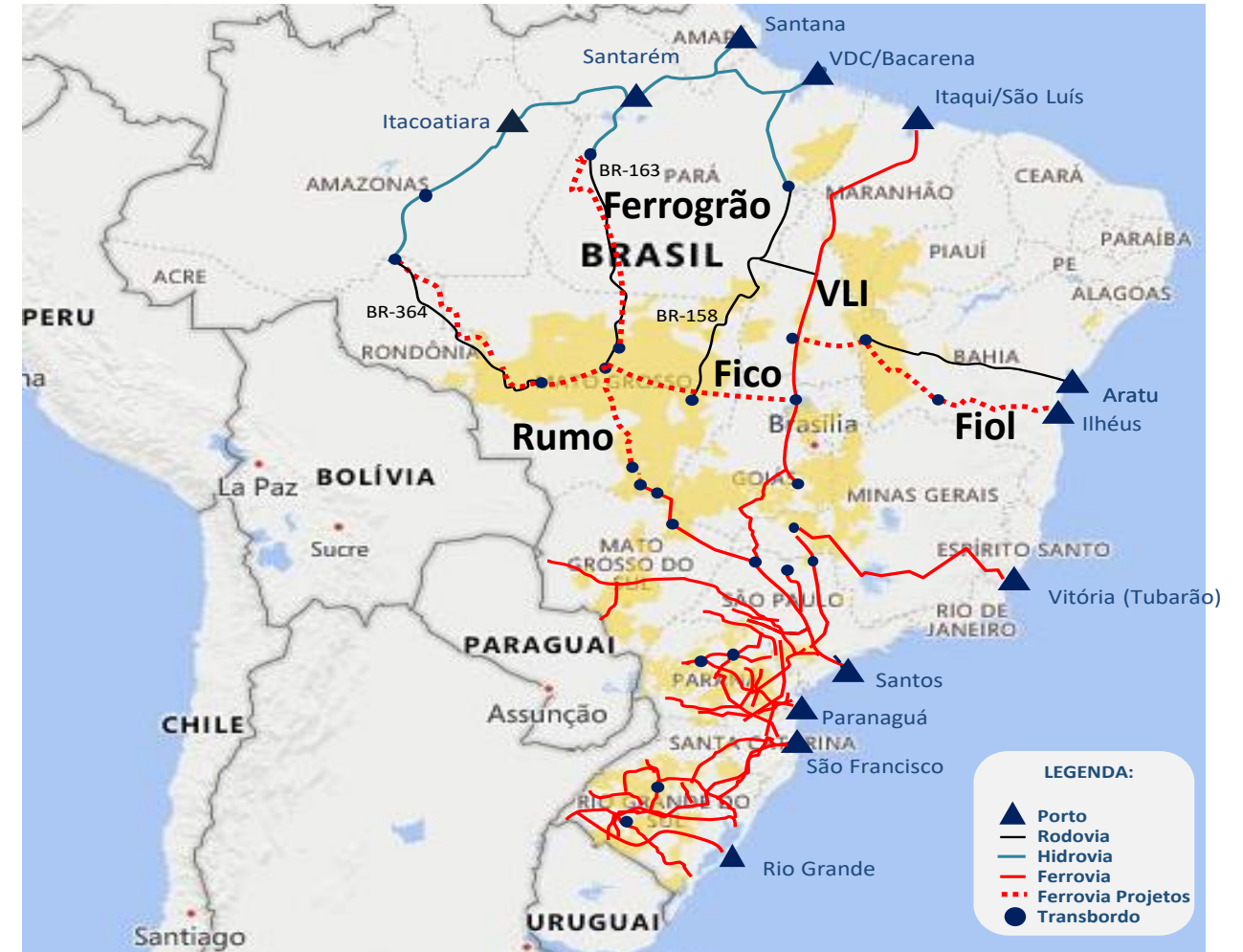
# Logistics Infrastructure

## Railways expansion projects

*Current*

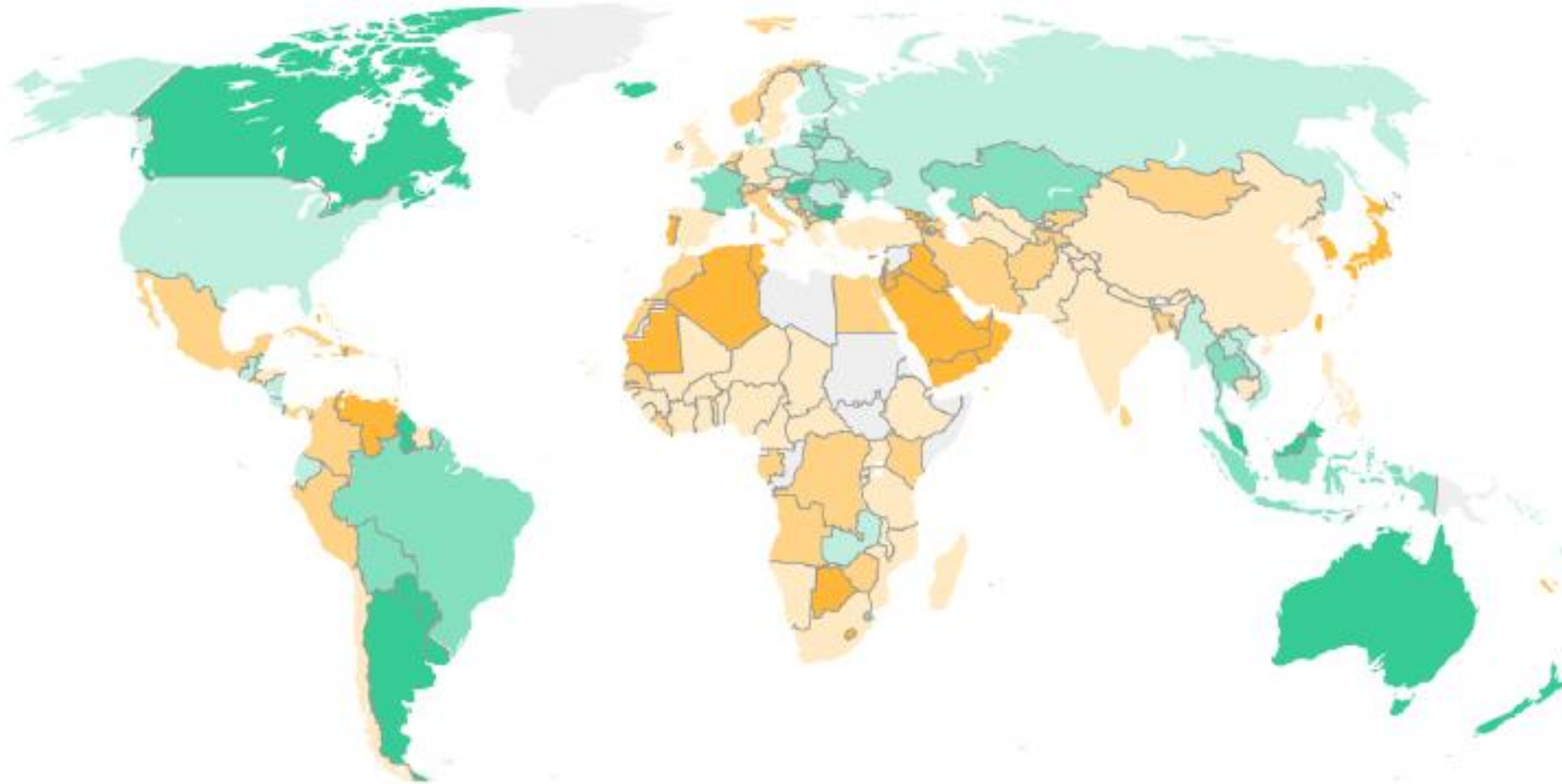
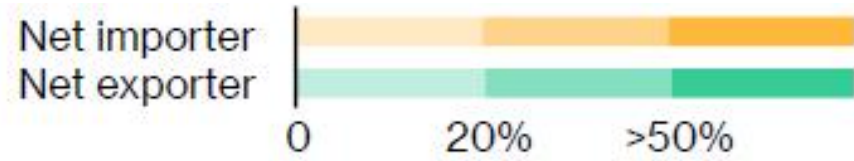


*Projected*

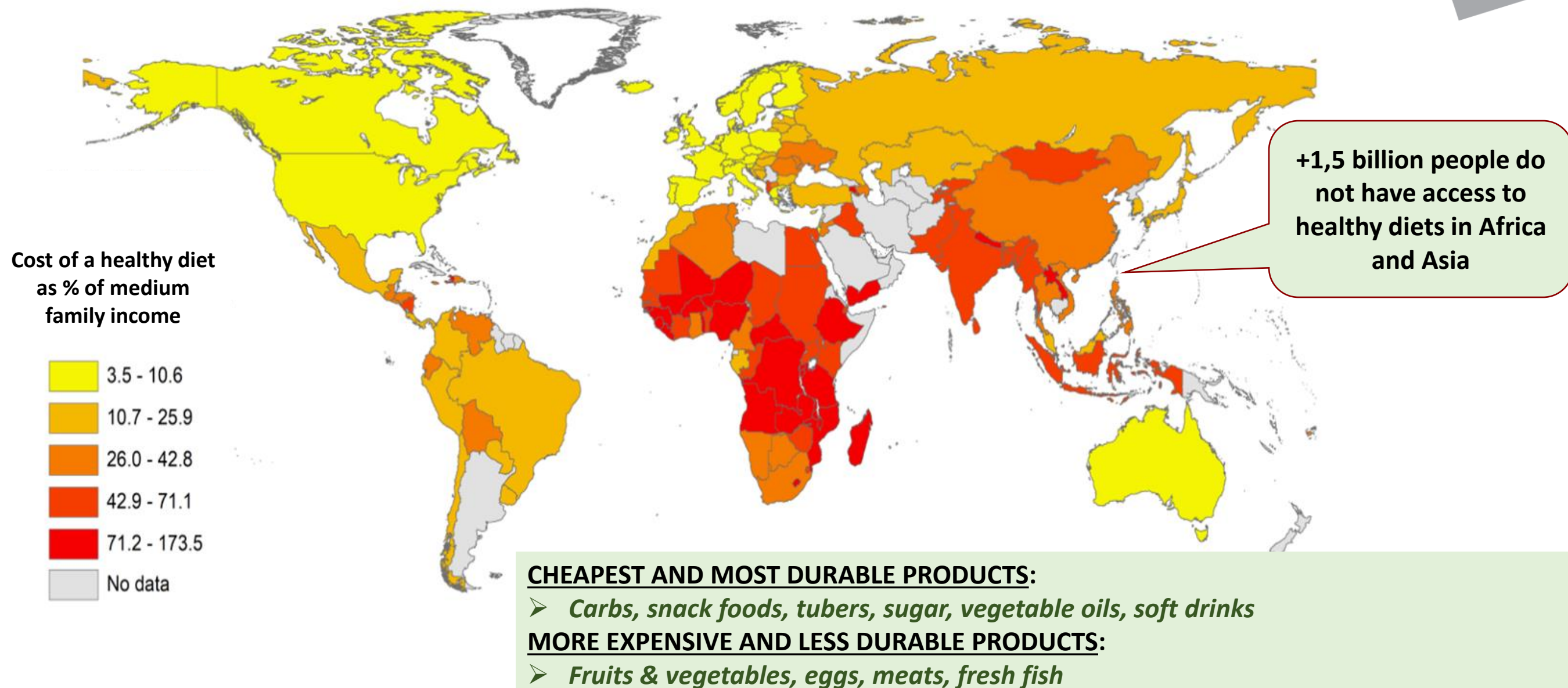


# Food Dependence

Trade as a share of domestic food supply

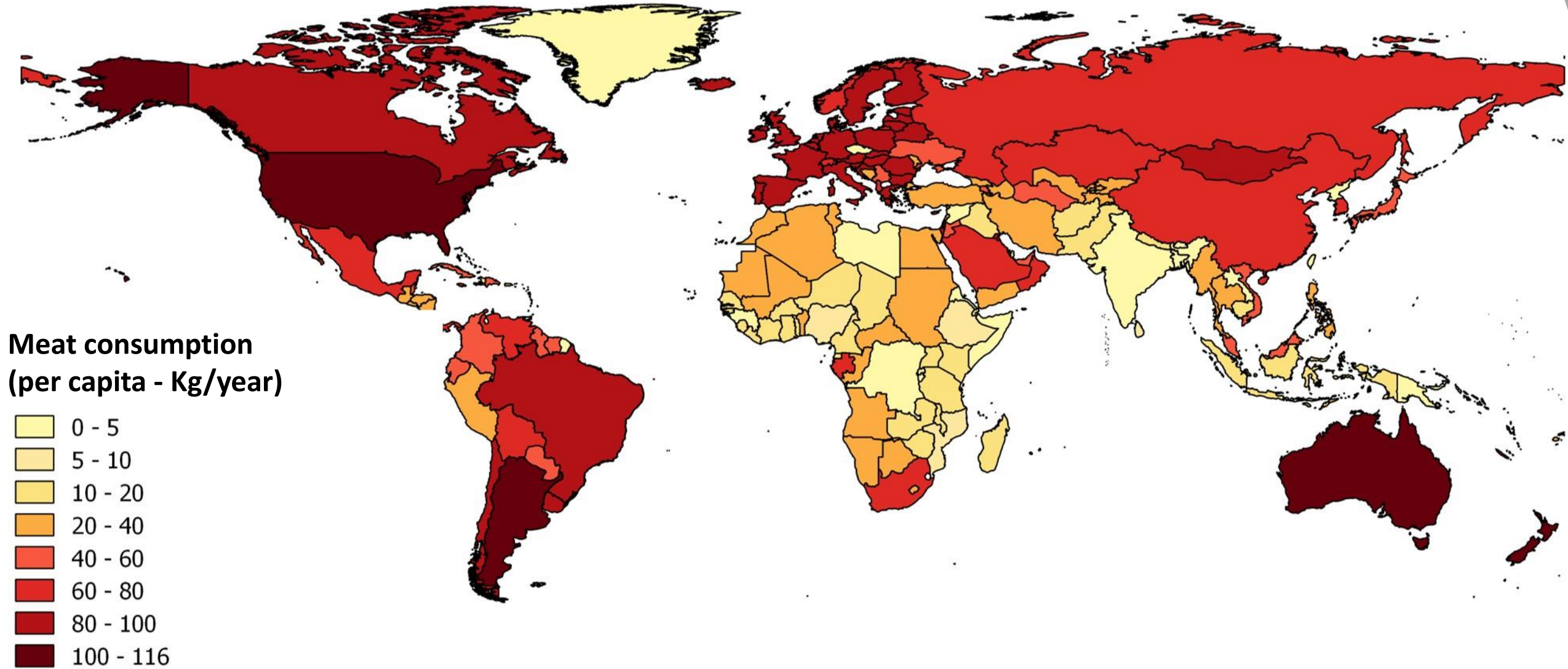


# Challenge: access to healthy diets



# Meat Consumption

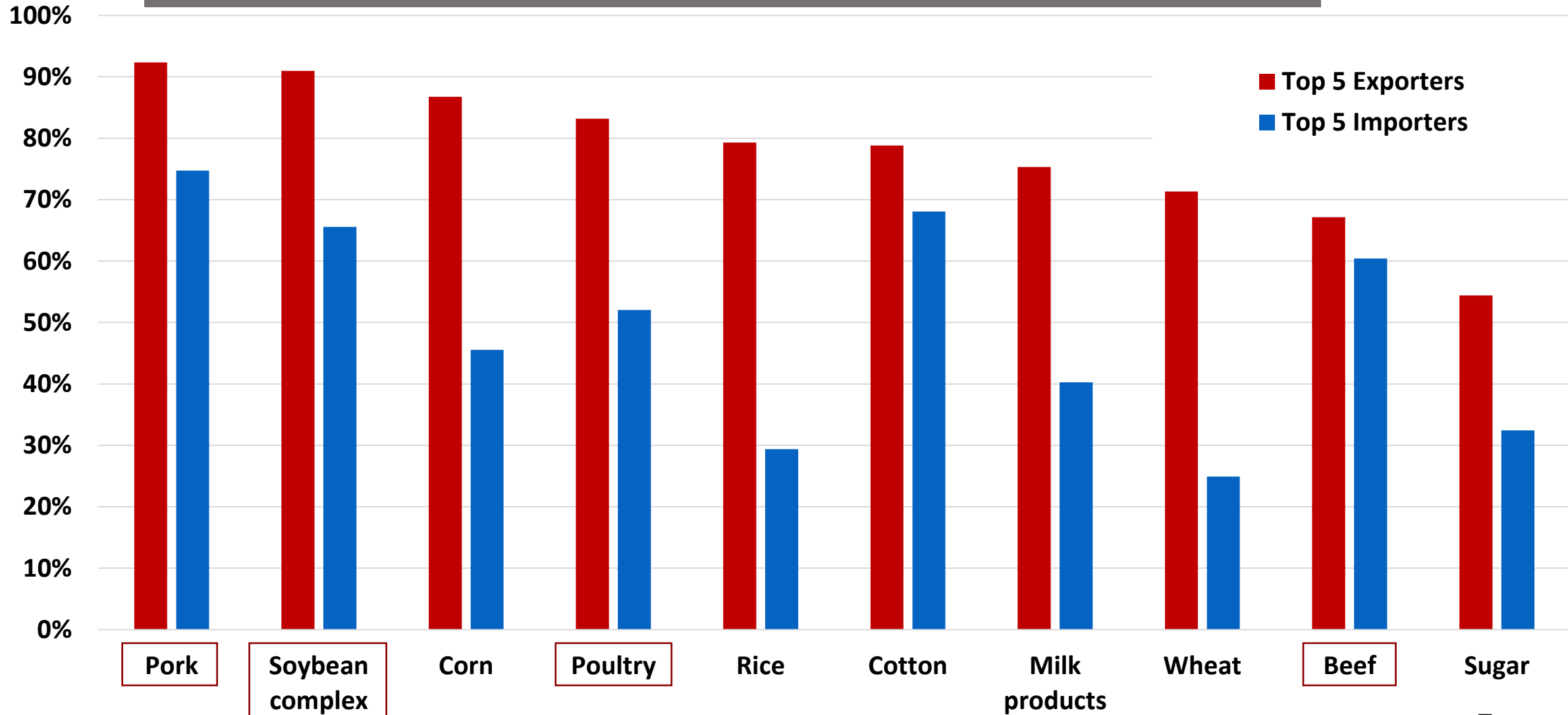
## Annual Average (Kg/year)



# Top 5 exporters and importers

## Share by commodity (2017-2019)

Top net exporters: US, Brazil, Argentina, Canada, Australia, NZ, Indonesia, Thailand, India  
 Top net importers: China/HK, Japan, Korea, EU, Middle East, Mexico, US, Russia



# Top priority issues are challenging trade-offs

How to achieve?



**...with import restrictions and self-sufficiency policies?**

**Trade is still very limited in the agri-food sector...**



# Final Remarks

## Canada-Brazil Potential Areas of Bilateral Cooperation

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- 1. Fighting global ag protectionism:** reinforce the WTO, coalitions on sectoral agendas (grains, animal protein, etc.)
- 2. WTO Reform** and work on **bilateral trade negotiations (Canada-Mercosur agreement).**
- 3. Research and innovation:** genetics, biotechnology, mechanization, geo-technologies, precision agriculture, big data, drones, blockchains.
- 4. Value-added products and branding.**
- 5. Food safety, quality, traceability.**
- 6. Sustainability, climate-smart agriculture, bioenergy.**
- 7. Building integrated agri-food value chains to address global food security and food safety challenges:** exploring competitive advantages, cross-investments, consolidation.



# Insper

**Thank you / Obrigado**

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