



## SENAR to assist developing countries become more efficient and sustainable

Developing countries, all over the world, can now have access to the advanced rural technical and managerial assistance methodology developed by the National Rural Learning Service (SENAR). That is because the CNA/SENAR System and the Brazilian Cooperation Agency (ABC) signed a memorandum of understanding (MoU) to promote the exchange of knowledge, information and experiences with other developing nations.

The signing took place at CNA's headquarters, in Brasilia, on September 26. The agreement will benefit small farmers in Africa and Latin America and promote the intensification of sustainable production systems. CNA/SENAR will also encourage the application of its support programs in areas such as rural vocational training, social promotion, family farming and food security.

According to the President of CNA, João Martins, Brazil has many similarities with the African and Latin American countries, including the climate and the soil. "We can offer technical assistance and deep knowledge in family farming, an area that we are experts in. Almost 80% of the producers we serve today are small farmers," he added. Mr. Martins also pointed out that this partnership is a two-way street. "We can strengthen the relationships between African and Brazilian farmers. In the near future we will be better prepared to feed the world together."

According to ABC's Director, João Almino, the MoU defines general points of cooperation and expands the partnership that already exists between the CNA/SENAR System and ABC. "Agriculture and food security are very important for Brazil's international cooperation, and CNA and SENAR are exemplary entities in these fields. I believe SENAR's technical assistance and training courses will be a priority within our cooperation projects," says Mr. Almino.

SENAR is increasingly attuned to the needs of men and women in the countryside, and prepared to bring innovation and technology to farmers. One of the main focuses of the institution is to solve one of the great challenges of humanity - adaptation to climate change. SENAR contributes to this solution by carrying out rural vocational

training actions, social promotion activities, middle-level technical education, and by offering an innovative model of technical and managerial assistance. The technical and managerial assistance of SENAR is an unprecedented model that has been developed since 2013, based on technology transfer and management with meritocracy that aims to help farmers to adapt to climate change. These actions contribute to a scenario of increasing development of sustainable production, competitiveness and social advances in the field.

This is a new step for the CNA/SENAR System, which intends to consolidate its actions in the national and international scenario as an executor of International Cooperation in the area of rural development.



CNA's President, João Martins, SENAR's Executive Secretary, Daniel Carrara, and ABC's Director, João Almino, signed the MoU | Source: CNA

## Trade Balance – Agribusinesses at the frontier of Brazilian Economy

### 1. Brazilian Trade Balance Surplus Reaches the Highest Value in the Historical Series<sup>1</sup>

Brazilian trade balance of the first eight months of 2017 recorded a surplus of US\$ 48.11 billion, which is 48.6% higher

than the balance seen in the same period of 2016. This growth continues to be fueled by the agribusiness sector, a sector

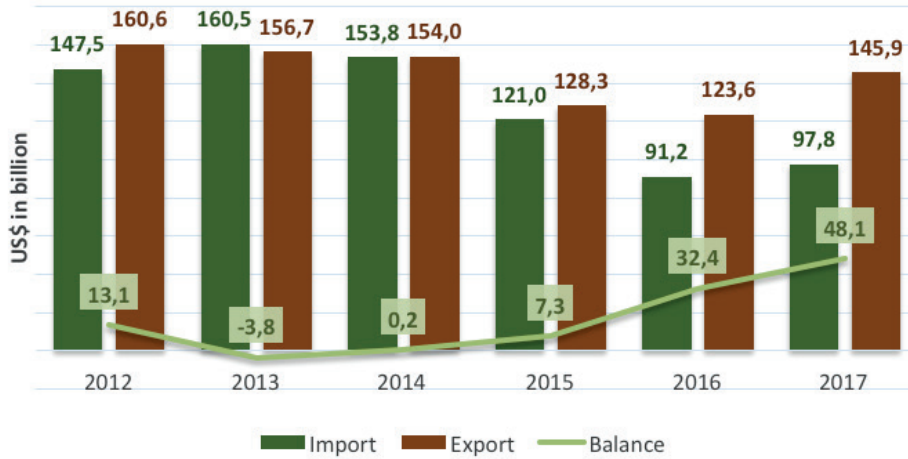
<sup>1</sup> The historical series started from 1997 to now, given that the oldest trade data collected by the Ministry of Trade was in 1997.

that, alone, recorded a surplus of US\$ 55.89 billion in the period. The surplus compensated a deficit of US\$ 7.8 billion in other economic sectors, in addition to maintaining the highest value in the 20-year period analyzed.

**Growth of Brazilian trade** - Brazilian imports of foreign goods summed up US\$ 97.84 billion from January to August. This value is 7.3% (or US\$ 6.64 billion) higher than in 2016 and can be attributed to a surge in the imports of petroleum-derived products. Brazilian exports reached

US\$ 145.94 billion, which is 18.1% (or US\$ 22.38 billion) higher than the recorded value in the same period of 2016. The main contributors to the growth in exports were **crude oil, iron ore and its concentrates, soybean, and raw cane sugar**.

Brazilian trade balance (January to August)

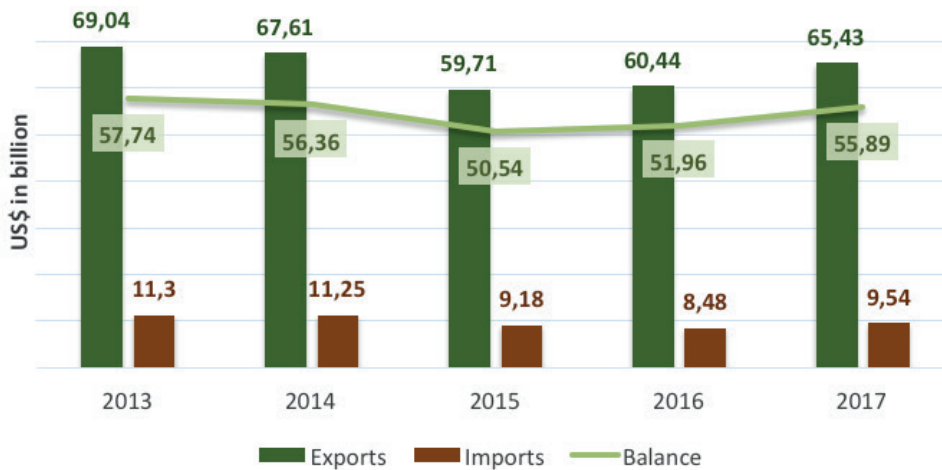


Source: AliceWeb/MDIC | Made by SRI/CNA.

**2. Surplus of Agribusinesses increased by 7.6% in 2017**

Brazilian agribusinesses achieved a surplus of US\$ 55.9 billion in the first eight months of 2017, surpassing the result of 2016 by 7.6%. Exports increased 8.3%, reaching US\$ 65.4 billion, while imports increased 12.5%, summing US\$ 9.5 billion. These values guaranteed the highest surplus for the Brazilian agribusinesses sector since 2014.

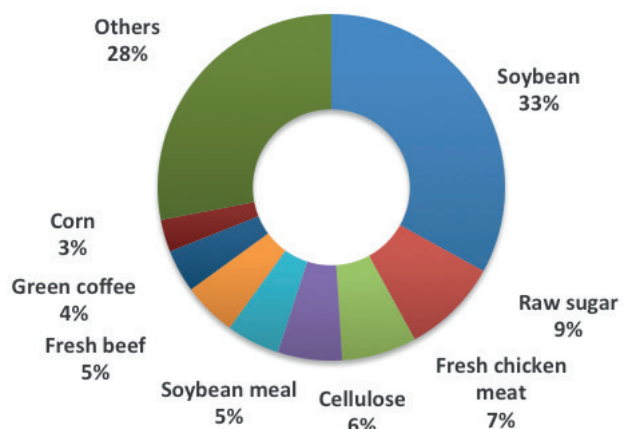
Trade balance of Agribusinesses (January to August)



Source: AliceWeb/MDIC | Made by SRI/CNA.

Sales of **soybean** contributed most to the increase of agribusiness exports between January and August of 2017. The product marked an increase of US\$ 3.53 billion (20%), adding up to US\$ 21.44 billion in the first eight months of the year. Ranked second was **raw cane sugar**, whose exports increased 23%, reaching US\$ 5.93 billion in the period. The higher sale in this period mainly resulted from a higher international price in 2016 when major producers such as Thailand and India recorded a lower production because of unfavorable weather conditions.

Composition of Brazil's Agribusiness Exports (January to August of 2017)



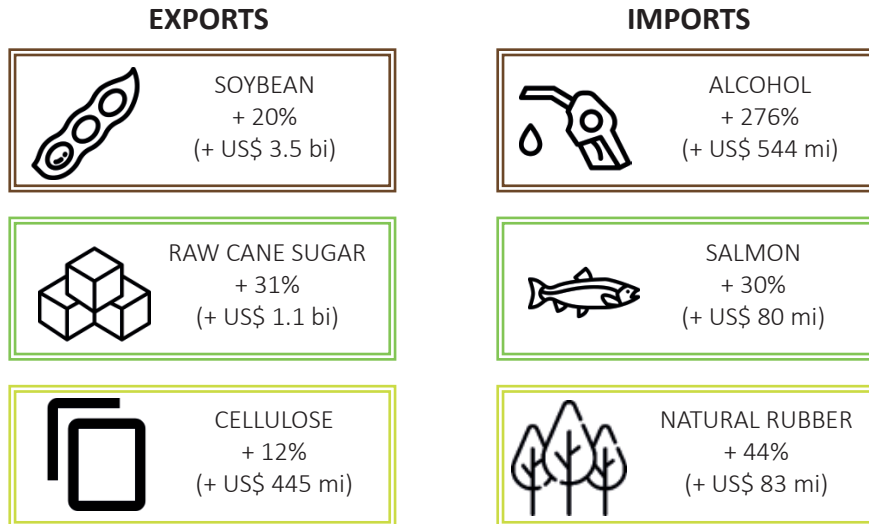
Source: AliceWeb/MDIC | Made by SRI/CNA.

On the import side, the most prominent products were wheat, ethyl alcohol, paper, live salmon and clothes. The **ethyl alcohol** is the product that presented the highest growth (276%) compared to the first eight months of 2016. Its imports reached US\$ 741 million in 2017, while the year before it summed up US\$ 197

million. Production in North America pressured the international price of alcohol down and facilitated imports of this product.

The imports of **salmon** increased by US\$ 80 million (a 30% growth) when compared with the same period of 2016. The

increased imports of salmon occurred in order to refill national stocks. Consumption of this product tends to increase in the period prior to Easter, and the variation is viewed as normal.

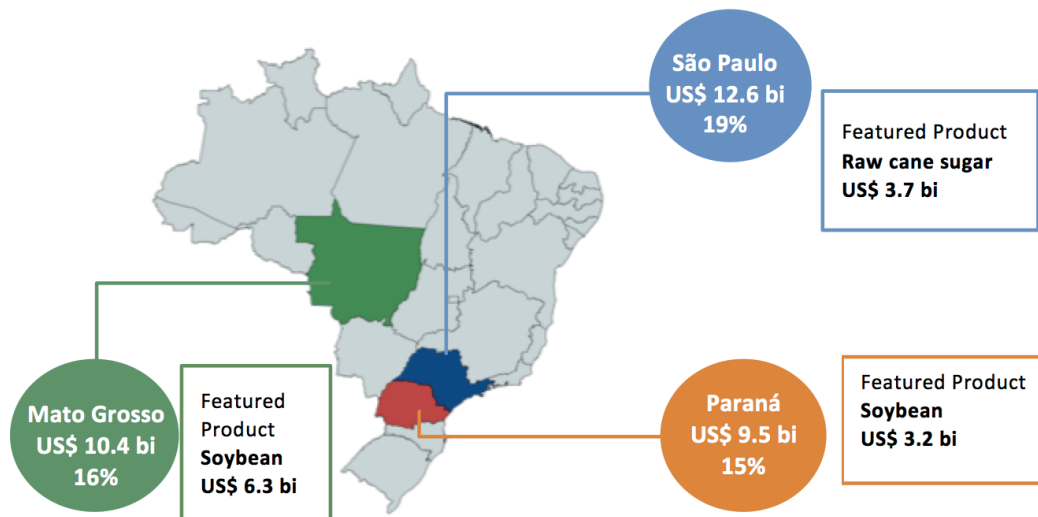


Source: Agrostat/MAPA | Made by SRI/CNA | Icons: Flaticon

**3. The states of São Paulo, Mato Grosso and Paraná represent 50% of Brazil’s agribusiness exports.**

The states of São Paulo, Mato Grosso and Paraná recorded US\$ 32.52 billion in foreign sale of agricultural products in the first eight months of 2017. This value represents 50% of Brazil’s total exports in the period. This share had already been reached in the same period of 2016 by the same states, but the result of this year was US\$ 2 billion higher.

**Exports by states (January to August of 2017)**



Source: Agrostat/MAPA | Made by SRI/CNA

Nearly 40% of the exports coming from the State of São Paulo are raw and refined cane sugar. The state has been a national leader in sugar exports since 1997 and continues to maintain this competitive position.

In Mato Grosso, the main exports were soybean, which alone represents 61% of

total agribusinesses exports of the state. Because of extensive cultivation areas, constant investments in technology and expansion of cultivation area over degraded pastures, the state is always able to maintain a high production level. Good weather conditions also have allowed Brazil to break the production record of corn and soybean in this harvest.

Paraná exported US\$ 3.2 billion in soybeans, which represents 34% of its agribusiness exports. The state stands out in terms of productivity and grows 3.7 tons of soybeans per hectare, according to data released by CONAB. USDA data shows that this productivity is 12% higher than the average level in the United States.

**4. Where do our products go?**

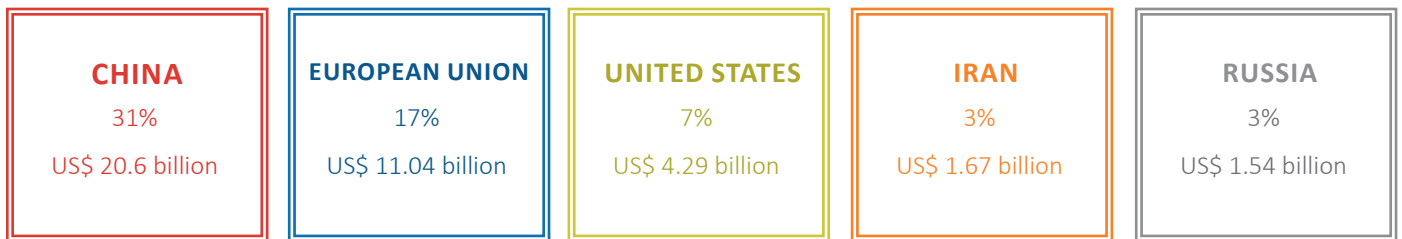
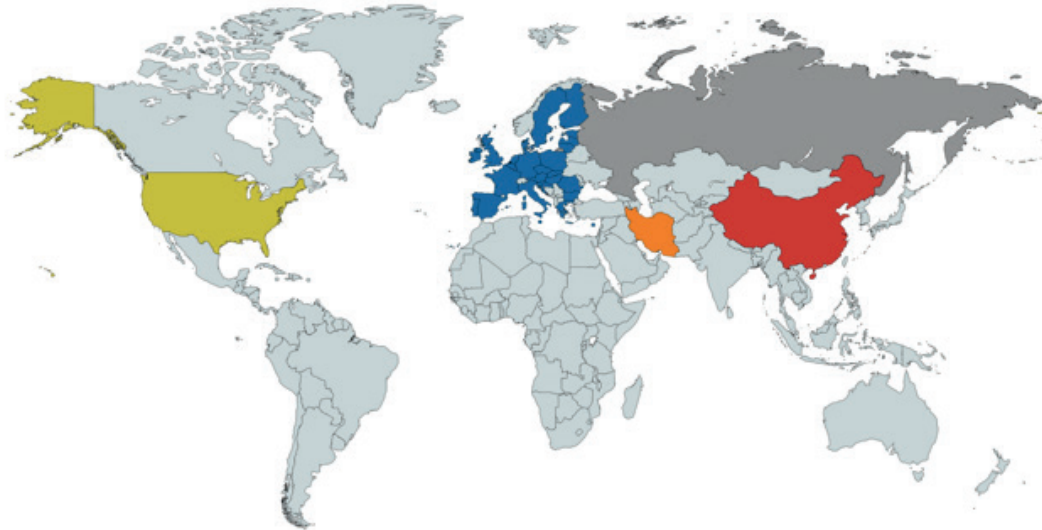
Nearly one-third (31.4%) of the agribusiness products from Brazil went to China in the first eight months of 2017. Historically, China is the destination of a large portion of Brazilian exports, and from

January to August 2017, US\$ 20.6 billion in agricultural products were sold to the Asian country.

Another important destination of Brazilian products is the European Union, which already imported US\$ 11.04 billion

in agribusiness products from Brazil this year and represented 17% of the total shipments.

**Major destinations of Brazilian agribusiness products (January to August of 2017)**



Source: Agrostat/MAPA | Made by SRI/CNA | Map: Maptochart

# AgroBrazil Exchange Program takes foreign agricultural attachés to Mato Grosso do Sul

Between July 17 and 21, agricultural attachés of South Africa, Argentina, China, South Korea, Indonesia, Myanmar, and Thailand attended the second edition of the AgroBrazil Exchange Program, in the state of Mato Grosso do Sul. The attachés visited rural properties and institutions in the cities of Campo Grande (the State capital), Miranda and Sidrolândia, specializing in research, grain production and bovine farming. The second edition of the Program is the result of a partnership between the Brazilian Confederation of Agriculture and Livestock (CNA) and the Federation of Agricultural and Livestock of Mato Grosso do Sul (Famasul). The first edition of the Program took place in April, in a fruit and sparkling wine production region bathed by the waters of

the famous São Francisco River.

The AgroBrazil Exchange Program is an initiative of CNA's International Rela-

tions Office to promote the interaction between Brazilian rural producers and foreign agricultural attaches stationed in Brazil.



Participants in front of FAMASUL's headquarter | Source: João Carlos Castro (FAMASUL)

Agribusinesses is the economic engine of Mato Grosso do Sul. The state is ranked second in terms of beef production, fourth in maize and sugarcane, and fifth in soybeans, nationwide. The region has been developing agriculture in an efficient, competitive, and sustainable way, with a focus not only on management and sanitation, but also on genetic and nutritional improvement.

The technical visit started at Famasul, where the attachés learned about the actions adopted in Brazil to promote a sustainable development in agriculture and livestock farming. Some of the actions include no-till farming, implantation of bio-digesters in production systems, pasture recovery, planted forests, production systems that integrate crop and livestock production, and systems that combine crop and livestock farming with forest-related cultures. Upon accumulating knowledge about agriculture and livestock farming in Mato Grosso do Sul, attachés developed a better understanding of both the production system in Brazil and sustainable actions that guide its agribusinesses.

During the visits, Maurício Saito, the president of Famasul, mentioned that entrepreneurial rural producers, the scientific community and the partnership among different agribusinesses institutions constitute the three pillars that make it possible to develop sustainable production in Mato Grosso do Sul. He emphasized that productivity is measured on a sustainable basis and that, according to statistics released by Embrapa, the state has preserved 87% of the Pantanal Biome. This was possible thanks to the hard work of the people of Pantanal. The Secretary of State for Environment, Economic Development, Production, and Family Farming (Semagro), Jaime Verruck, talked about the progress in internationalization of regional agricultural products, as well as how this process improved sanitary and quality standards in the state's production.

The second stop of the visit was the Embrapa Gado de Corte. The visit to Embrapa provided an opportunity for attacheés



FAMASUL President Mauricio Saito presents Mato Grosso do Sul's agricultural sector  
Source: João Carlos Castro (FAMASUL)

to build on knowledge obtained at Famasul about the production of grains and livestock, its challenges and the techniques that have made the Brazilian production stand out both in productivity and in quality.

The Crop-Livestock Integration System, which lies in an integrated exploration of agricultural activities and livestock farming in the same area, was the subject of presentations at Embrapa and could be seen in practice at BR Pec Farm. This model leads to a more efficient use of natural resources, creates less environmental impacts, and presents a high potential in carbon sequestration in the agricultural production.



Participants at São Francisco Farm  
Source: João Carlos Castro (FAMASUL)

BR Pec was the first farm visited by the group and impressed visitors by its size (about 132,000 hectares), the quality of its agricultural and livestock production and, mainly, by its high standards of he-

alth, employee safety, and environmental preservation. The farm creates 272 direct jobs and has about 30,000 hectares of preserved areas that include legal reserve, permanent preservation areas and ecological corridors. This preserved area is as big as the European Island-Nation of Malta.

**San Francisco Farm**, which was the second site visited by the group, is located in the South Pantanal Region. The property invested in cutting-edge technologies to develop the farm, focusing on livestock production and rice plantation. The farm has 15,000 hectares, of which 5,000 hectares are dedicated to rice production based on the irrigated farming system. Another 2,500 hectares are dedicated to livestock. The farm also started to offer agro-ecotourism services after noticing that the rich food chain of the irrigation canals and the preparation of soil for cultivation attracted a variety of native birds and animals of the Pantanal.

**Recanto Farm**, which is located in the city of Sidrolândia, nearly 70 km away from Campo Grande, was the last site visited by AgroBrazil. The farm has 3,700 hectares of crops, including cotton and soybeans during the summer harvest; maize during its second harvest period (known as safrinha), along with wheat and beans in winter harvest. All with the use of the no-till system. The possibility of rotating diverse crops throughout the year, the technology, the organization, and the beauty of the farm instilled a very positive impression on the guests.



Recanto Farm | Source: Clovis Tolentino (FAMASUL)



Recanto Farm | Source: Clovis Tolentino (FAMASUL)

The field trip to Mato Grosso do Sul concluded the visit calendar of AgroBrazil for 2017. Javier Dufourquet, agricultural attaché from Argentina in Brazil, highli-

ghed the importance of programs like AgroBrazil. “For us, who are now living in Brazil and are responsible for negotiating with the country, accurate information

about local production is essential” he added.

## Training and Learning with Rural Producer: One Year of the InterAgro Network

Almost one year ago, representatives of thirteen state Federations of Agriculture and Livestock and officers of the CNA System met in Brasilia to discuss instruments that could strengthen actions of Brazilian rural producers in the international trade. Between August 16 and 17, 2016, specialists from Apex-Brasil, ministries of Industry and Trade (MDIC), Agriculture (MAPA), External Relations (MRE), and Planning (MP), as well as private consulting firms, such as Barral M Jorge, and the CNA System shared knowledge about trade of the agribusiness sector. The state Federations brought with them the demands and necessities of rural producers in their regions. **This was the keynote of the first year of the InterAgro Network: the mutual learning between rural people and specialists of trade.**

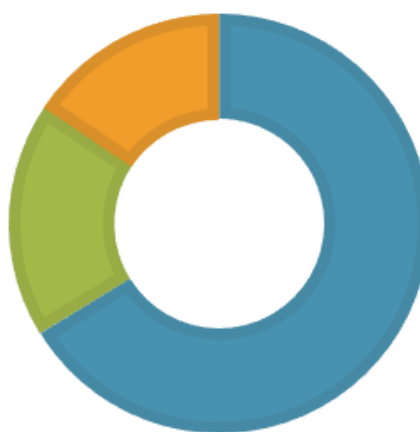
**The beginning:** The Agriculture and Livestock Foreign Trade Network, also known as InterAgro, was created as a joint initiative between CNA, Apex-Brasil, and state Federations of Agriculture and Livestock to raise rural producers’ awareness of trade-related topics. In the last few years, diminishing domestic demand, Brazilian commercial openness, and growth of agribusiness exports have made international trade a more relevant issue to Brazilian rural producers. The InterAgro Network was formed as an instrument to enable rural entrepreneurs and their supportive professionals, such as the members of state Federations and lo-

cal farmers’ unions, to adopt better practices in international trade.

**InterAgro’s actions:** InterAgro organized four foreign trade seminars and participated in a workshop of trade intelligence hosted by CNA. From March 2017, the network attended 363 rural producers

and professionals, two-thirds of whom never exported before. The network of information already reached 600 people. In addition to getting in touch with the right audience, the events received positive feedback: the average score given by the attendants is 4.4 out of 5.

Public export profile (2017)



Never exported before 66%  
Exported via traders 18%  
Exported directly 16%

Source: InterAgro/CNA

These numbers alone are not sufficient to show the importance of making this connection with producers and hearing about directly from growers and livestock farmers the reality of rural foreign trade. In the seminar about Flowers, which took place in Holambra, producers demonstrated their interest in opening imports of germinative materials.

In Ceará and Mato Grosso do Sul, we heard about the importance of the sectorial organization, and in Bahia, about producers’ challenges in logistics. In all events, however, one could hear from producers and cooperatives that, despite the difficulties, the export market has been vital to their businesses.



Conversations with producers in events of Bahia (left) and Ceará (right)

**The future** - In the following months, InterAgro will continue to support the performance of Brazilian rural producers in the international market. Supportive

actions to promote Brazilian agricultural products internationally, especially flowers and coffee, will continue with all-out efforts. Through these actions, rural

producers become increasingly more engaged in international trade! 🌱