BRAZIL'S
FRUIT
INDUSTRY:
Growing into
New Markets
Production Overview

Brazil's fruits agrifoods industry occupies an important position in international markets. It is:

• the leading producer of oranges and papaya;
• the second-leading producer of bananas;
• the third-largest producer of pineapples;
• an important producer of Tahitian limes, apples, tangerines and grapes;
• the second-largest producer of orange juice concentrate.

Brazilian fruit cultivation has undergone a number of transformations in recent years. It has increased its domestic and export markets, added value and thereby promoted the development of various regions of the country. According to data from the Brazilian Institute of Geography and Statistics (IBGE), overall fruit production in Brazil is approximately 38 million tonnes and covers an area of 2.3 million hectares.

Brazil is currently the world's third-largest producer of fruit, after China (140 million tonnes) and India (58 million). Approximately 45% of the 38 million tonnes of fruit produced are oranges (16.9 million tonnes). Bananas are in second place, at 6.8 million tonnes.
### Production by Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>North</td>
<td>6.1 %</td>
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<tr>
<td>Northeast</td>
<td>27.0 %</td>
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<tr>
<td>Center West</td>
<td>2.7 %</td>
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<tr>
<td>Southeast</td>
<td>49.8 %</td>
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<tr>
<td>South</td>
<td>14.4 %</td>
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</tbody>
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Brazil’s Fruit Industry: Growing into New Markets

Economic Importance

Brazil’s fruit cultivation generates annual sales of about $5.8 billion from fresh fruit alone. The industry generates medium to high value-added products, fruit for export and premium fruits.

Fruit cultivation is highly labor-intensive. Throughout its entire supply chain it generates jobs for between two and five workers for each hectare planted. This workforce requirement means that enterprises can be organized with average investments considerably smaller than those for agriculture as a whole. Where an agricultural investment on the order of $37,000 per hectare would normally be needed, the investment requirement for fruit cultivation is one sixth as much.

While it is true that fruit cultivation enterprises require smaller investments for a given workforce, this does not mean that the sector can do without modern technology. In fact, each and every segment of the fruit industry supply chain requires special technological qualifications. Specific skills and qualifications are required for producing, planting, raising crops, irrigation, disease monitoring and pest-control, packinghouse crating and cold storage, shipping, transportation, distribution and sales, industrialized agribusiness as well as the management of all these interlocking operations. Demanding technology requirements affect every stage, and nothing can be left to improvisation or trial and error.

Creation of added value is essential to the fruit industry because industrialization is essential to achieving competitiveness in fruit cultivation. It is also a way of increasing exports of nonperishable products while at the same time meeting substantial international demand.

Location in agro-industry is contingent primarily on availability of raw materials. Incorporation of added value must therefore be tailored to regional priorities and specific characteristics. The importance of adding value to fruit cultivation products using agro-industry methods is underscored by the fact that the international fresh fruit market is currently worth about $23 billion. The figure increases to $90 billion when we include industrialized agricultural products.
Mangoes
Consumption

Fruit is recognized everywhere as one of the most important sources of vitamins, fiber and minerals for a healthy diet. Fruit consumption in Brazil nevertheless falls below amounts recently recommended by the FAO and Brazilian Health Ministry. Fruit is still considered a food supplement.

Therefore, and considering the importance of fruit—not only in the realm of food security, but also in the fight against hunger—the preparation by government agencies and private institutions of a structured plan for increasing the consumption of fruit in Brazil is strongly recommended. As an instrument of broad public policy, the plan should reflect positions taken by NGO’s, civic and trade associations in the fields of education, health, social development and food security.

International Trade

Fresh fruit exports have grown substantially in recent years. From 1998 to 2004, Brazil increased its fruit sales on the international market from 296,000 to 850,000 tonnes, an increase of over 300%. The dollar value of these exports rose from $120 million to $370 million over this period.

Brazilian agriculture has in recent years devoted its best efforts toward meeting the requirements—and gaining the trust—of the demanding international market by continually supplying large quantities of high quality products.

Brazil’s primary export fruit products are: mangoes, melons, oranges, table grapes, papayas, apples, Key limes and bananas. Imports have been less than exports since 1999, and are comprised basically of temperate fruit tree crops such as pears, apples, peaches, nectarines and kiwi fruit.

The overarching goal of Brazilian fruit cultivation is to consolidate its position in the international market, not only as a seller of tropical fruit, but also as a source of many key fruits.
To achieve this, the sector stands able and ready to significantly expand its agricultural boundaries—in absolute and comparative terms—vis-à-vis the large international suppliers, without sacrificing reliability, continuity and diversity in exporting fruit to the world.

Export promotion efforts have targeted potential customers and purchasers, as well as final consumers, forging closer relations with international market players and giving consumers accurate information about Brazilian fruit cultivation and its products. One such initiative is the Brazilian Fruit Festival,
whose main purpose is to export promotion targeting commercial sales and incorporating Brazilian fruit consumption into consumer habits in many countries.

Another initiative is the Horizontal Project for Promoting Brazilian Fruit Exports and their Derivatives, which has taken Brazilian booths to many countries.

The primary purpose of having a Brazilian presence at international trade fairs is to publicize and promote Brazilian brands and companies, generate databases, put out feelers and steer trade to the presenters. Brazilian culture is showcased and the country itself displayed as being capable of shipping goods to meet all types of specifications.

To further consolidate successful Brazilian participation in international events there are also partnerships with Brazil’s embassies, bilateral chambers of commerce, international organizations, the Ministry of Agriculture and Provisions (MAPA), the Ministry of Development, Industry and Trade (MDIC), the Ministry of External Relations (MRE) and other institutions and companies engaged in promoting international trade.

Approximately 70% of Brazil’s fruit exports go to Europe and this is nevertheless a market that could be developed further. Varieties of seedless grapes, for instance, and premium quality melons, which have enjoyed considerably recent investment in Brazil, come to mind. The country is also paying attention to the markets in Eastern Europe, which has now joined the European Union, markets in Asia and in the Middle East.

In sum, Brazil’s fruit cultivation sector is capable of strategic planning, mobilizing companies and institutions to contribute to sustaining growth in agriculture, continuously generating employment and income while reducing poverty and social inequities.

Concerted efforts on the part of NGO’s and civic organizations, government agencies, companies, farmers, researchers and all other institutions that comprise the supply chain constitute the basis for achieving these goals and improving bottom-line performance. This rising fruit cultivation industry has played an important role in Brazil’s economy and is clearly ready to efficiently provide quality goods to satisfy both domestic and export markets.
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