

**INSTITUTE OF APPLIED RESEARCH IN SUSTAINABLE ECONOMIC
DEVELOPMENT – IPADES**

THE IMPORTANCE OF AGRIBUSINESS TO THE BRAZIL

Francisco Barbosa

Associate President – IPADES

Emeleocípio Andrade

Technical Director – FUNAGRI

The term agribusiness has been defined by researchers John Davis and Ray Goldberg at Harvard University, USA, in 1957. The concept involves the set of all productive chains of animal and vegetable origin and its various segments, positioned upstream (suppliers of inputs) and upstream (processing plants, processing, distribution, marketing and consumer end) production areas, which interact with the public institutional environments (research, teaching, promotion, technical assistance, etc.) and private organizations (unions, cooperatives, banks, etc.). All interacting in an integrated manner, offer different products that feed the globalized market, where consumption patterns become increasingly stringent and, with the strength of the demand of final consumers, establish the rules governing and alter the requirements, in accordance with the interests of this segment, today consisting of a most exquisite feeling of environmental and socio-political consciousness.

According to the Food and Agriculture Organization-FAO of the United Nations, the world has enormous challenges with regard to food and energy production, due to the increase of income, the rate of urbanization and population growth. These variables result in increased demand for these goods, especially in emerging countries and in development. So that the world population has access to food, the offer will need to increase by 70% worldwide until 2050. Given this, the global demand for grains and vegetable oils intended for human or animal consumption and energy production

should be elevated in 1.52 billion tons, which leads to the conclusion that the world needs to produce more grain and vegetable oils in this period than occurred in the last 10,000 years.

In that context, Brazil is, admittedly, a powerhouse in the production of grain, fiber, meat and biofuels and in the generation and dissemination of knowledge and technology in the industry. The good performance of national agribusiness is revealed through the technology employed in the field of production efficiency, rural credit system official and private, and the presence of national and global companies and large well structured. The country is one of the most important players in world agriculture, competing on equal terms with temperate countries, large agricultural areas and with vast accumulated experience on agriculture.

For the Brazilian economy agribusiness is of fundamental importance due its participation in GDP, balance of trade and jobs generated. From 2000 to 2010 its evolution was responsible for 22% of the generation of wealth in the country, which represented an amount of R \$ 917,65 billion (CEPEA, 2012). This wealth came from the production of agricultural commodities, such as soybeans, corn, coffee, orange, sugar, alcohol, cellulose, paper, aside from meat (porcine, bovine and poultry) and leather.

Brazilian agribusiness exports in 2013, totaled \$ 99.96 billion, growth of 4.3% compared to the same period in 2012, and represented 41% of the total of exports, according to data from the International Relations Department of Agribusiness, the Ministério da Agricultura, Pecuária e Abastecimento (SRI/MAP).

The agricultural products totaled, in 2012, \$ 104,59 billion. Being that those of animal origin totaled \$ 21,68 billion and those of plant origin \$ 78,68 billion. The balance of trade of agribusiness was \$ 82,91 billion, while for the other productive sectors of the economy, the negative balance was \$ 80,35 billion. The Brazilian trade balance surplus, of \$ 2.56 billion, was thus to agribusiness (FGV, 2013).

It should be recognized that the incorporation of 204 million hectares of Cerrado in Brazilian agriculture, due largely to the development of products and technological processes adapted to the tropical biome, which revolutionized the primary economy of the country, from the beginning of the eighties. On the other hand, the 21 century is of equal historical importance, since biotechnology can bring profound contributions and changes to the agricultural sector of Brazil and the world. The Brazil, the world leader

in tropical agronomic research, on the basis of biological technologies, you can't lose focus and interest observed in this area, from the years of 1970.

Also, in the cultivation of fruits, intended for export, the country has obtained promising results. Grape, mango and melon are products that lead the export tariff with a value of \$ 910 million, which was 50% higher than the exports of 2011. The banana (673 thousand ton.) presents greater dispersion and largest area planted. The grape (1, 56million tons) and apple (1.4 million tons) stand out in terms of application of sophisticated technology (BRAZIL, 2013). Another important technological advance is the case of the invisible and edible films – based on corn starch or soy protein-which protect the food and replace the plastics used to engage them before marketing. With this technique, the food can be picked ripe, and not yet in the process of maturation, leading commercial agents to use agents forced ripening processes catalysts, with the objective of increasing its consumption time.

At the same time has taken place the process of internationalization of companies. The integration of value chains and the dynamics of the food industry in Brazil have accompanied the global process of concentration against the contributions in infrastructure and access to distribution channels globally.

This strength of agribusiness is directly related to significant gains in productivity, in the scales of production and in improving the management, however, not everything is flowers. There are other challenges to be overcome and that creep for decades, as the lack of infrastructure, in particular logistics, in front of inefficient transport modal, ports without competitiveness, tax system, in particular the ICMS interstate confused and impacting, as well as the lack of receiving, drying units and warehouses.

And Amazon in this context? Have an example to follow, the State of Mato Grosso, but the challenges are the size of the region. In addition to the already mentioned, others deserve special attention as the chaotic agrarian regularization, bureaucratized and slow environmental licensing, increased investment and breadth in agronomic, forestry and ecological research and better structuring of production chains. Great extent of areas occupied by man can be reused for livestock, grains, fruits, palm oil, rubber, energy industry, and forestry, since available appropriate conditions for such. These are good indicators that the region can and should take advantage of agribusiness as indispensable to the development segment.

According to the FAO, the area with the potential of use for agriculture in the world is of 1.39 billion hectares, to meet the global demand for food, fiber and energy.

Of this total, South America and Africa, located in the tropical belt of the globe have 50.0% (695 million hectares) and 44.6% (621 million hectares), respectively.

Given this scenario, the national agribusiness presents potential capacity for solid knowledge expansion and replication of models in the international cooperation policies, considering the experience in food production in tropical conditions, aspects of sustainability in the environmental, social and economic context and the specificities of each country.

REFERENCES

BRASIL. Ministério da Agricultura, Pecuária e Abastecimento. **Projeções do Agronegócio: Brasil 2012/13 a 2023**. Assessoria de Gestão Estratégica, Brasília: MAPA/ACS, 2013. 96 p.

CEPEA. Centro de Estudos Avançados em Economia Aplicada – CEPEA-ESALQ-USP.

FGV. Fundação Getúlio Vargas – Centro de Agronegócio.