Territorial distribution

<table>
<thead>
<tr>
<th>Location</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon Forest</td>
<td>35</td>
</tr>
<tr>
<td>Natural/cultivated pasture</td>
<td>22</td>
</tr>
<tr>
<td>Legal reserve forests</td>
<td>6</td>
</tr>
<tr>
<td>Annual crops</td>
<td>46</td>
</tr>
<tr>
<td>Permanent crops</td>
<td>14</td>
</tr>
<tr>
<td>Urban centers, lakes, Roads and swamps</td>
<td>20</td>
</tr>
<tr>
<td>Forest plantations</td>
<td>5</td>
</tr>
<tr>
<td>Other uses</td>
<td>51</td>
</tr>
</tbody>
</table>

Agricultural Area Available (In millions of hectares)  TOTAL 851

* Harvest 2006/07 - Estimates

How did Brazil become the agricultural and trade powerhouse

Pedro de Camargo Neto
Des Moines, Iowa
October 17, 2008

World Food Prize Symposium
Agriculture & Development: the next fifty years
Developing Countries Untapped Economic Growth
## Brazil in the World Ranking

<table>
<thead>
<tr>
<th>Main Products</th>
<th>Brazil – World Ranking</th>
<th>Participation in World Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Exports</td>
</tr>
<tr>
<td>Sugar</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Coffee</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Orange Juice</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Ethanol</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Tobacco</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Soybean Complex</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Beef</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Poultry</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Corn</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
</tr>
<tr>
<td>Pork</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Source: CNA
Brazilian Exports of Agribusiness

Yearly Growth: 9.2% per year

Source: MAPA and MDIC
Political Scenario

1989 - 1990
Collor Itamar

1990 - 1992
FHC

1992 - 1995
Kandir Law

1995 - 1996
Extinction of Commodity Authorities

1996 - 1999
Liberalization
Port Hectic Macroeconomic Environment
Improvements

1999 - 2003
Alternate periods of highly overvalued with highly undervalued currency

2003 - 2007
FHC – 2nd

2007 - 2008
Lula – 2nd

International Food & Agricultural Trade Policy Council
## Liberalization

<table>
<thead>
<tr>
<th>Import Duties in:</th>
<th>1989</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium Duties</td>
<td>35.50%</td>
<td>11.46%</td>
</tr>
<tr>
<td>Minimum Duties</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Maximum Duties</td>
<td>105%</td>
<td>35%</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>0 – 20%</td>
<td>0 – 6%</td>
</tr>
</tbody>
</table>

Source: IRS of Brazil
Reducing cost of agriculture policy

Cost / ton

US$ / ton

Source: MAPA and CONAB
Port Improvements

• Before 1995, 8 containers were shipped per hour in Brazilian ports, and currently the index has increased to 50 containers per hour. (Source: ABRATEC)

• Construction of private terminals for shipping soybeans and sugar.
Exports of Sugar

Yearly Growth: 16.9% per year

Source: MAPA and MDIC

Extinction of IAA

Port improvements
Agricultural and Industrial Productivity: Sugarcane and Ethanol

Production of sugarcane per unit of area - tons per hectare

Production of ethanol per unit of area - thousand litres per hectare

Yearly Growth: 2.1% per year
Yearly Growth: 1.2% per year

Source: UNICA
Poultry Exports

Yearly Growth: 17.1% per year

Source: MAPA and MDIC
Beef Exports

Yearly Growth: 15.2% per year

Source: MAPA and MDIC
Pork Exports

Yearly Growth: 25.6% per year

Source: ABIPECS
Foot and Mouth Disease Progress

August 2008

Source: MAPA
Soybean Complex Exports

Source: MAPA and MDIC
Growth in area: 79.1%
Growth in production: 190.5%
Growth in productivity: 2.7% per year

Source: MAPA and MDIC
Migration

Human Resources
Educated • Entrepreneurship • Culture in farming •
Corn Exports

Yearly Growth: 66.2% per year

Source: MAPA and MDIC
Dairy Exports

Yearly Growth: 34.0% per year

Source: MAPA and MDIC
Future

“More of the Same”

Tax reform
Port improvements
Solution for transportation
Consolidation of agriculture and livestock sanitary issues
Agriculture and livestock research
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