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GAIN Report

Global Agricultural Information Network

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Brazil

Post: Brasilia

Ministry of Agriculture Paves the Way for US Corn Imports

Report Categories:

Agricultural Situation

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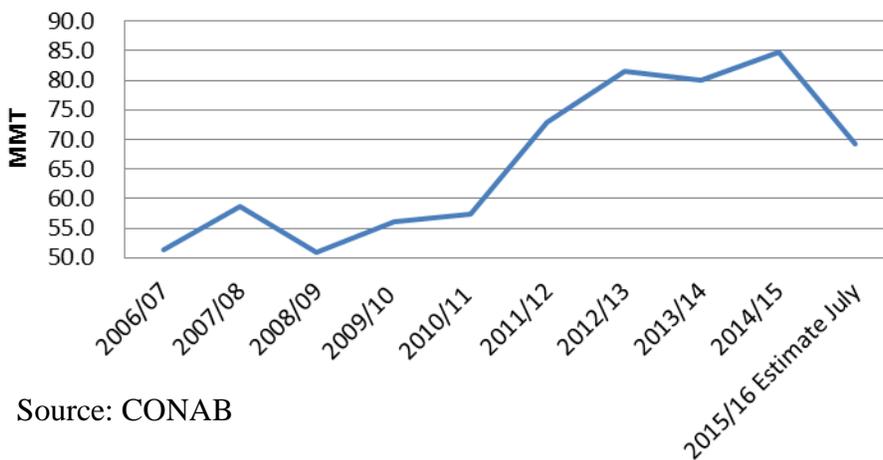
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Report Highlights:

A lower than anticipated domestic corn supply is forcing prices up, putting pressure on the pork and poultry sectors, and forcing the government to intervene. In the government's latest attempt to provide relief to the pork and poultry producers, the Ministry of Agriculture, Livestock, and Food Supply (MAPA) has will ask the National Biosafety Technical Commission (CTNBio) to allow imports of genetically modified corn from the United States.

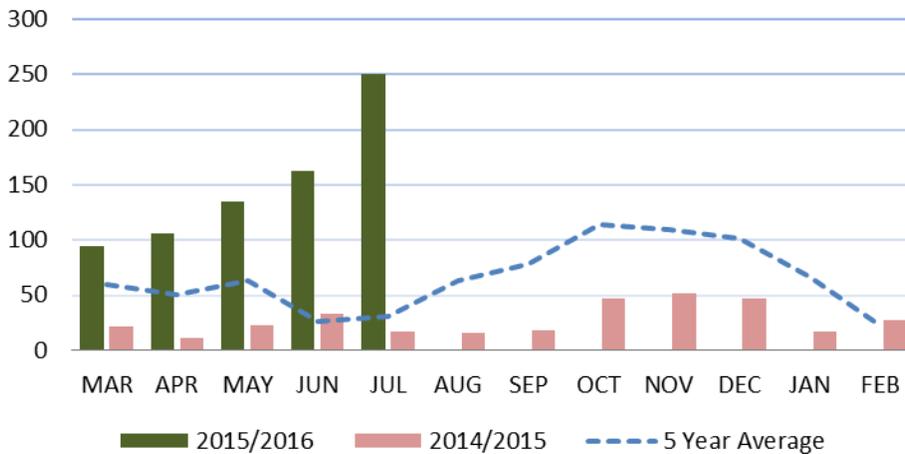
The second “safrinha” crop is looking worse and worse as the harvest continues and there are fears that Brazil will run out of corn by 2017. Brazil has already imported over 500,000mt since January, mainly from Argentina and Paraguay. The high price of domestic corn is putting a lot pressure on pork and poultry producers, which is impeding exports and driving prices up for consumers. Prices dipped slightly as harvest began on the second “safrinha” crop in the Central West, but as it became evident that yields were much worse than anticipated, domestic prices rose again (see third chart below).

Brazil Total Corn Production



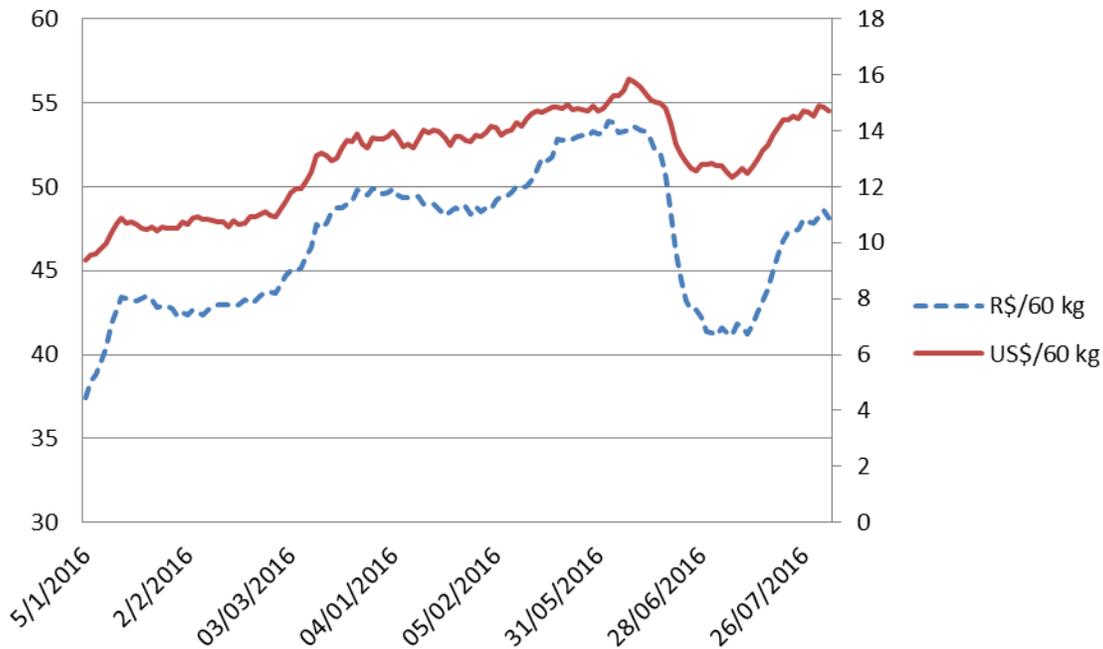
Source: CONAB

Brazilian Corn Imports



Source: GTIS

Brazilian Domestic Corn Prices Jan-July 2016



Source: CEPEA

On August 3, 2016, the Ministry of Agriculture, Livestock, and Food Supply (MAPA) announced that they will request the approval of the National Biosafety Technical Commission (CTNBio) to allow imports of genetically modified corn from the United States. Minister of Ag, Blairo Maggi, stated that he is committed to meeting the requests of the industry and wants to ensure the supply of grain in the country, but only for animal feed used by breeders of poultry and pork and milk producers until December 2017.

The government has already reduced the TEC on corn imports to zero for non-Mercosul countries through November. CTNBio's next meeting to discuss the issue will be held September 1, which, if they approve the measure (there is a lot of political pressure to do so), would leave a window of imports from the United States from Sept-Nov. The pork and poultry industry is pushing to extend the reduced tariff in 2017.

Related Reports:

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[BR1608 – Limited Corn Supply Challenges Pork and Poultry Sector](#)

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