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## **Brazil**

**Post:** Brasilia

## **Planting Seeds - 2010**

**Report Categories:**

Planting Seeds

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**Report Highlights:**

In 2009, more than 2.17 million tons of seed were produced in Brazil. The majority of seed produced consisted of soybean, wheat, and corn. Rice, cotton, bean, and oat seeds are also produced in smaller quantities. The principal producers of seed in the Brazilian market are farmers, cooperatives, the Brazilian Government Agricultural Research Agency (Embrapa), and multinational corporations. The quality of seed in Brazil has increased considerably in recent years due to technological advances in the seed sector. Difficulties continue to exist with exports of seeds into the Brazilian market.

## General Information:

### Production:

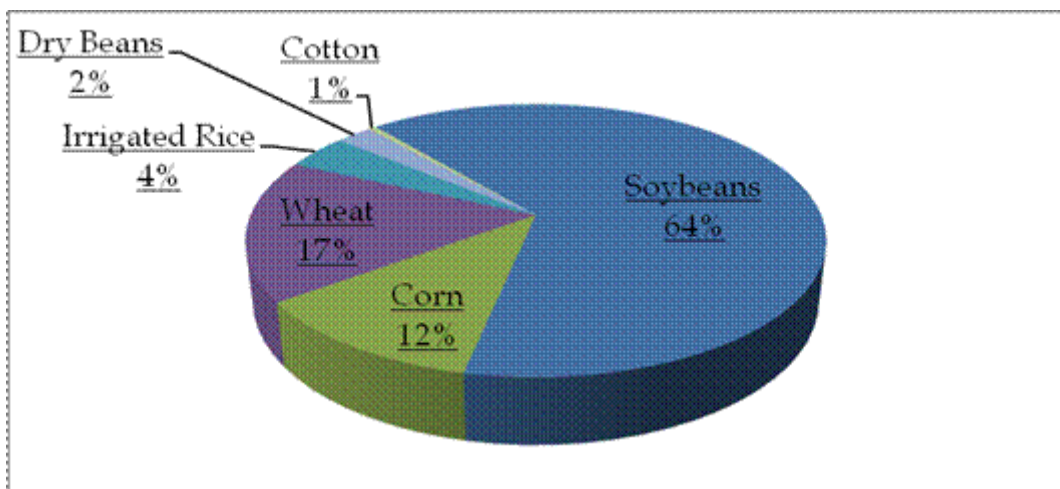
Use of improved seeds in Brazil is increasing along with overall efficiency in the agricultural sector. Utilization of improved seed is most notable in higher value crops such as soybeans, wheat, and cotton. Meanwhile, common crops that are less influenced by international prices, such as dry edible beans, have a very low utilization rate. Overall use of improved seeds is growing, in part, due to greater investment in seed development. Multinational companies began investing more in seed development as intellectual property protection increased with the signing of the “Cultivar Law” in 1997. Embrapa, the Brazilian Government’s Agricultural Research Agency, is also very active in the in the production and marketing of seeds.

### Number of Cultivars

Cultivar	Registered with the Ministry of Agriculture	Protected Cultivars	Cultivars in the Public Domain
Soy	677	435	242
Wheat	186	90	96
Corn	1142	45	1097
Cotton	73	62	11

Source: ABRASEM

### Brazilian 2009 Field Crop Seed Market Breakdown by Value



Source: ABRASEM

In 2009, more than 2.17 million tons of seeds were produced in Brazil. The highest quantity of seed produced was soybean (60 percent), followed by wheat (17 percent) and corn seed (12 percent). Other seeds, including rice, cotton, beans, and oats, represented the remaining 14 percent. The principal producers of seed in the Brazilian market are producers, cooperatives, Embrapa, and multinational corporations.

**Brazilian Use of Improved Seed for Selected Crops (in tons and hectares)**

Crop	Production 07/08 (t)	Production 08/09 (t)	Area Planted 08/09(ha)	Area Planted 09/10 (ha)	Effective Demand For Improved Seed	Potential Demand For Improved Seed	Level of Utilization to Seed (%)
Soybeans	1,242,839	1,290,788	20,831,900	23,239,000	892,378	139,440	64
Corn	292,867	232,595	14,409,810	13,030,200	218,907	260,604	84
Wheat	275,621	337,703	2,403,000	2,428,000	244,742	339,920	72
Irrigated Rice	81,210	83,932	2,026,100	1,982,400	130,838	237,888	55
Dry Beans	14,789	48,115	4,183,200	3,789,600	25,011	227,376	11
Sorghum	8,137	8,665	798,000	780,600	7,025	7,806	90
Cotton	6,945	10,291	747,100	836,000	5,518	125,400	44
<b>TOTAL</b>	<b>2,072,614</b>	<b>2,174,872</b>	<b>46,713,829</b>	<b>47,207,200</b>	<b>1,569,442</b>	<b>2,583,251</b>	

Source: ABRASEM

\*Potential seed demand is total seed use in Brazil and effective seed demand is current improved seed use.

It is estimated that 50 percent of farmers use low quality seeds. Many farmers prefer to keep their own seeds or tend to buy the cheapest. However, this year there may be an increase in the use of higher quality seeds as agronomist have indicated the increased benefits associated with their use during La Nina years.

**Principal Vegetables**

Crop	Area Cultivated (hectares)
Carrot	26,000
Lettuce	69,800
Tomato	52,300
Onion	50,500

Source: ABRASEM

The Brazilian Association of Seed Producers (ABRASEM; in Portuguese) is the national seed association. There are eight state seed associations of seed producers from the states of Rio Grande do Sul (RS), Santa Catarina (SC), Mato Grosso (MT), Parana (PR), Mato Grosso do Sul (MS), Sao Paulo (SP), Goias (GO), and Minas Gerais (MG). Additionally, two other organizations belonging to the national organization are the Brazilian Association of Vegetable Seed Developers and the Brazilian Association of Seed and Seedling Commerce. Sources note that the Mato Grosso Seed Association is considering cutting its ties to ABRASEM due to differences in views regarding farmers' rights to reproduce seed.

There is a greater variety of products available today to the Brazilian farmer related to seeds than in the past, and seeds and products have a shorter life cycle as improved varieties are quickly developed. The seed sector continues to consolidate through mergers and acquisitions as the level of competitiveness grows.

### **Planting Seed Production Policy**

Direct government programs in the seed sector consist of research and development of new seed varieties appropriate for Brazilian growing conditions, seed production and the marketing of seed directly to producers, production credit, seed certification and surveillance, and education and training of seed producers. Embrapa is an important producer and distributor of foundation seed (particularly for cotton, rice, dry beans, corn, potatoes, and soybeans). Although there has been greater private investment in the seed sector following the passage of the Cultivar Law in April 1997, Embrapa is still responsible for a large portion of the market for foundation seeds. Embrapa also sells commercial seed (for a profit) directly to seed producers, cooperatives, farmers, and state governments. To some extent, Embrapa competes with private industry for some types of seeds.

### **Seed Certification and Variety Approval**

Under Brazil's basic Seed Law there are two officially recognized classes of seeds, certified and surveyed. The two systems are quite similar and produce generally the same quality of seed, and differ primarily by the level of official oversight over the production process. Certified seed is produced with a greater degree of outside oversight and thus a higher level of quarantine associated with the quality of the seed. Certified seed must be produced from basic or other certified seeds. The number of generations away from pure parent stock seeds from which the certified seeds can be produced is limited. This seed is certified by some entity (can be public or private) outside of the company producing the seed. On the other hand, surveyed seed can be produced from other surveyed seed and there is no limit to generations as long as the seeds produced fall within certain quality and identity norms. Surveyed seed is produced under the surveillance of the producer's responsible technician. Due to the additional costs and guarantees associated with certified seed, its cost is higher than surveyed

seed.

In the past, the Brazilian government tested and determined what seed varieties could be sold within Brazil. However, this procedure was revised in 1997 in order to facilitate harmonization within the Southern Cone Common Market (MERCOSUL), resulting in a more market-based approach to the seed business. Directive (Portaria) 527/97 published on Jan. 7, 1998 amended the basic Seed Law and established a National Registry of Cultivars (RNC) which has the responsibility of establishing the criteria by which varieties could be officially registered on a national list. In order for a variety to be registered it must meet certain minimum requirements for the determination of its "Cultivation and Use Value" (VCU). Directive 294/98 of October 14, 1998 is the first implementing legislation of Dir. 527/97 and established the minimum requirements of the VCU for eight (8) commodities (cotton, rice, potatoes, dry beans, corn, soybeans, sorghum, and wheat). It also contains prototype copies of the official forms to request the inclusion of a variety in the National Cultivar Registry. This is a separate and distinct process from the Cultivar Law, which is Intellectual Property Rights legislation.

On April 5, 2000, the Government published Normative Instruction 6/00, which requires Phytosanitary Certification of Origin (CFO). The new regulation requires testing and certification of pests and diseases in fields producing foundation seed. The farms must have certification stating the pests and diseases present and the treatment applied to combat them.

On August 8, 2003, a seed law (Law 10.711) was passed which covers all activity relating to the production, trade, and utilization of seed in Brazil. The law seeks to accomplish the following: guarantee intellectual property rights of seed developers, control the registration of cultivars through the National Register of Cultivars, and guarantee the availability of seeds and seedlings. The law also requires registration in the National Register of those involved in the activities of production, improvement, packaging, analysis, importation, and exportation of seeds and seedlings.

### **Import Regulations**

Since the Brazilian Ministry of Agriculture considers importation of seed for planting to be a material of high pest risk, in order to obtain market access for commercial importation of seeds, a Pest Risk Analysis (PRA) is required for each species, resulting in the publication of specific import requirements, and phytosanitary certification required by the exporting country. This process is burdensome and is considered more trade restrictive than that of other seed importing countries.

Some seeds are considered "traditionally imported" and are listed in Ministry of Agriculture regulations as enterable without specific import requirements. These seeds are subjected to inspection and sampling at ports of entry. A sample from each consignment is sent for mandatory laboratory analysis. Assuming a PRA is complete, testing focuses on target pests. If a PRA is not complete, the sample is tested for a range of pests and diseases.

Brazilian Ministry of Agriculture's seed import regulations are currently under revision and the Ministry intends to develop PRAs for all "traditionally imported" seeds in order to develop specific regulations

for those products and standardize import processes.

The US and Brazil have engaged in bilateral meetings and seek to establish joint working group to: (1) identify priority seeds for export to Brazil; (2) assist in identifying primary pathogens of concern for each type of seeds and (3) harmonize seed testing protocols so that seed analysis certificates would be acceptable for port of entry clearance of approved seeds whether for commercial or research purposes.

### **Biotechnology Summary**

A major increase in the use of biotech crops is expected for the upcoming 2010/11 Brazilian crop year (Oct 2010 through Sep 2011) making Brazil the second largest user of plant biotechnology in the world after the United States. During 2010/11 crop year, post expects that biotech corn seeds will account for 55 percent of corn area (or 8 million hectares), 78 percent soybean area (or 19 million hectares), and 22 percent of cotton area (or 200,000 hectares). The increase in plant biotech crops is due to higher availability of subsidized credit to Brazilian producers, as part of the overall agricultural credit package for the 2010/11 crop year estimated at US\$ 64 billion, combined with a major increase in the use of biotech corn varieties that were recently approved in Brazil.

Brazil also has in the pipeline other plant biotech crops waiting for commercial approvals, mostly for sugar cane, dry edible beans, potatoes, papaya and eucalyptus. One notable decision this year was the withdrawal from CTNBio's agenda of Liberty Link rice from Bayer Crop Sciences. As of November 2010, there are 23 genetically engineered crops approved in Brazil: 13 for corn, 6 for cotton and 4 for soybeans.

### **Trade:**

U.S. planting seed exports posted a strong recovery in 2009 totaling \$14.2 million compared to \$9.3 million in 2008. However, exports January through September of 2010 are \$9.2 million, slightly ahead of that of January through September of 2009. Total planting seed imports by Brazil are valued at \$54 million through the first 9 months of 2010 and therefore, U.S. market share is 15 percent. Other major exporters of planting seeds include Chile, China, Argentina and the European Union.

Imports of Vegetable Seeds by Country	2008	2009	Jan-Sept 2010
China	2,113	4,130	6,486
United States	6,520	8,555	5,659
Chile	4,574	6,749	3,955
Argentina	660	610	2,262

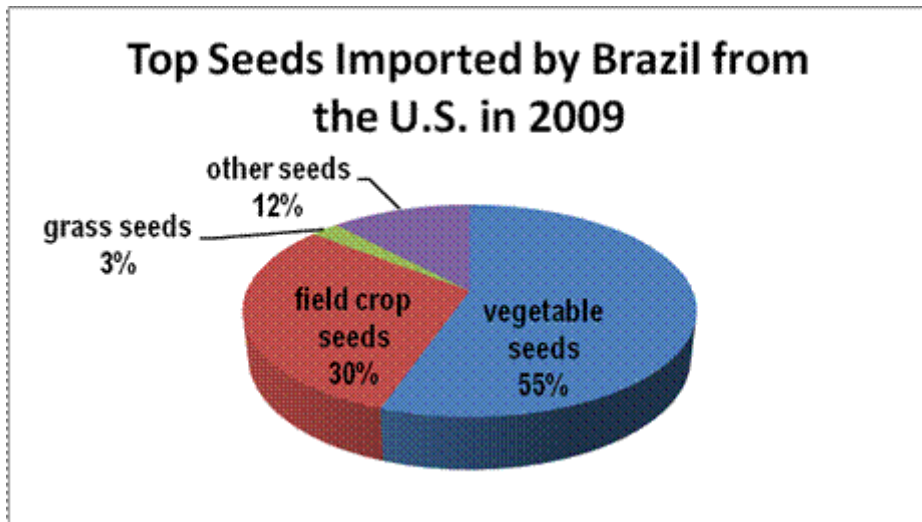
Source: Brazilian Secretariat of Foreign Trade (SECEX)

Seed exports by China to Brazil have increased rapidly, more than tripling in the past two years. Since applied rates on seeds imported into Brazil are zero, associate and full members of Mercosul have no

preferential tariff treatment over imports of U.S. seed.

U.S. Planting Seed Exports to Brazil (Value in 1000 Dollars)				
	2007	2008	2009	2010 (Jan-Sept)
Vegetable Seeds	6,734	4,089	7,841	6,369
Field Crop Seeds	1,343	2,935	4,295	1,273
Grass and Forage Seeds	117	186	341	339
Other Seeds*	1,627	2,118	1,693	1,980
<b>Total</b>	<b>9,821</b>	<b>9,328</b>	<b>14,170</b>	<b>9,190</b>

\* Includes seeds for ornamental flowers, tobacco, trees and shrubs, melons, sugar beets, and others.  
 Source: Global Trade Atlas (GTA)



Source: Global Trade Atlas (GTA)