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Brazil

Fishery Products

Annual Fisheries Report

2008

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Report Highlights:
Production of fishery products (both wild catch and aquaculture) is estimated at slightly over one million metric tons in 2007, up 1.4 percent from 2006. The small increase in production reflects lower production from inland sources (rivers) and some species of wild catch and lack of modernized fishing vessels. It is also the result of the valuation of the Brazilian currency which continues to impact negatively on exports of fish products and increased the trade deficit for the category (chapter 03 of the HTS) to a record of US$ 259 million in 2007. The United States benefited from this situation and increased exports of fish products to Brazil by over 800 percent in 2007 to a record of US$ 8 million.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Brasilia [BR1]
[BR]

Table of Contents

Executive Summary

An economic growth of over five percent in 2007, lower unemployment, stable inflation, and declining interest rates have created the conditions for increased domestic demand for animal protein, including fish products. On the other side, the valuation of the Brazilian currency continued to impact negatively on exports of fish products and increased the trade deficit for the category (chapter 03 of the HTS) to a record of US$ 259 million.

Production of fishery products (both wild catch and aquaculture) is estimated at slightly over one million metric tons in 2007. The small increase in production reflects lower production from inland sources (rivers) and some species of wild catch. It reflects also the lack of modernization of fishing vessels combined with a drop in exports of important fish products because of the valuation of the Brazilian currency. Fishery consumption in Brazil remains the lowest of the main animal proteins, such as beef, poultry and pork.

Brazil remains without a reliable inventory of its fisheries resources, which makes it difficult to estimate exact production. Official data for annual production is released by SEAP and IBAMA and the most recent data available is for 2005. Information provided on the PS&D tables is Post's best estimates, and data is derived from interviews with industry leaders and unofficial data furnished by trade sources.

Situation and Outlook

Overview

Brazil's fishery and aquaculture production is estimated at 1,040,000 metric tons in 2007, up 1.4 percent from the previous year, of which wild catch is estimated at 770,000 metric tons (74 percent) and aquaculture at 270,000 metric tons (24 percent).

BRAZIL : Fishery and Aquaculture Production (1,000 metric tons)			
Category	2005	2006	2007
Wild Catch (total)	751	761	770
- Seawater	508	516	523
- Inland water	243	245	247
Aquaculture (total)	258	265	270
- Seawater	78	80	80
- Inland water	180	185	190
TOTAL	1,009	1,026	1,040

Source: Brazilian Government and OAA estimates.

Production

Shrimp

Nearly 90 percent of total shrimp production is concentrated in the Northeast region of the country, with Rio Grande do Norte and Ceará as the top shrimp producers in the country.

In 2005 (latest official data available), shrimp production reached 65,000 metric tons, down 13 percent from 2004. Total production area decreased 10 percent totaling 15,000 hectares, and annual yields reached 4,333 kg/ha. Estimates indicate no change in production numbers for 2006, but a small increase in 2007 boosted by higher demand from the domestic market.

The farm-raised shrimp industry is composed of approximately 1,000 producers, predominantly small and medium-scale operations and nearly 50 processing centers. Currently, Brazil has the capacity to process 925 tons of shrimp per day, with storage capacity of 15,925 metric tons.

According to industry contacts, rigid legislation and loss of international market share (see Export section) has restrained the growth of the shrimp industry. Specialists state that there are approximately 700,000 hectares available for use in Brazil, but the government has not allowed the industry to expand.

Lobster

Lobster fishing in Brazil has an elevated importance in the fisheries sector. For many years, lobster was the main fishery export product of Brazil (in terms of value), recently losing its position to shrimp, but regaining the position last year. Production in 2005 (latest official data available) reached an estimated 8,689 metric tons. Estimates indicate that current lobster production has not increased over the past 2 years. Production in 2007 is expected to be approximately 8,500 metric tons.

Official production estimates do not include illegal catches. Although government inspection has been enforced throughout the country, IBAMA (Brazilian Environmental Protection Agency) has fewer than 30 inspectors to protect lobster-fishing areas. The minimum size for lobster catch was defined at 13 cm by IBAMA. Despite having the capture of lobster prohibited for approximately 1/3 of the year (from January through April, during the reproductive season), illegal catches are continuously rising, reaching 750 kg in 2006.

Tuna

The 2005 harvest (latest data available) of tuna species in Brazil was approximately 35,600 metric tons, showing a slight decrease from the previous year. Post estimates a small increase in tuna landings in 2007 to 37,000 metric tons, since investment in new vessels and technology remains weak.

The majority of tuna catches are in the states of Santa Catarina, Rio de Janeiro and Rio Grande do Sul, which represent nearly 70% of the total tuna landings in Brazil.

Policy

For reference on Brazilian legislation regulating the fishery sector, please note the following laws and decrees:

. Decree No.221, of 02/28/67, establishing the fishing code;
. Law No.6.938, of 08/31/81, regulating the National Environmental Policy;
. Decree No.96.000, of 05/02/88, establishing the norms for research and scientific investigation on the Continental Shelf and in Brazilian-jurisdiction waters;
. Law No.7.661, of 05/16/88, regulating the Coastal Management National Plan;
. Law No.8.617, of 01/04/93, regulating the Territorial Sea and EEZ; and
. Law No.9433, of 01/08/97, regulating National Policy for Water Resources.

Consumption

There is no official data for the consumption of seafood in Brazil. According to industry contacts, Brazil's per capita consumption is around 8.2 kg/person, almost half of what is suggested by FAO, and below the other main animal proteins such as beef, poultry, and pork.

Internal demand of fishery products is restrained by high prices paid by local consumers. Fishery products are still expensive, and low income classes prefer other protein sources, such as beef and poultry.

Trade

Brazil remained for the second consecutive year as a net importer of fisheries products. The trade deficit in the fishery category (chapter 03 of HTS) reached US$ 259 million in 2007, up from US$ 76 million in 2006. Exports of fishery products totaled US$ 284 million in 2007, down nearly 20 percent from the previous year, while imports increased to a record of US$ 543 million, up 27 percent from 2006. The main reason for the increase in the trade deficit of the fishery sector is attributed to the negative impact of the valuation of the Brazilian currency, which favored imports of codfish and salmon, and to a major decline in shrimp exports due to restrictions from the European Union and the United States.

Codfish is the main specie imported by Brazil, followed by salmon, merluza, and sardines. In 2007, imports of codfish totaled 35,393 metric tons (up 11 percent from 2006), valued at US$ 226 million (up 22 percent from 2006). Norway is the main supplier of codfish to Brazil (78 percent), followed by Portugal (21 percent). Salmon imports in 2007 totaled 19,199 metric tons (up 28 percent from 2006) and valued at US$ 88 million (up 24 percent from 2006). Chile is basically the sole supplier of salmon to Brazil (60 percent) benefiting from Mercosul's reduced import tariff. Other major species imported are merluza (mostly from Argentina) and sardines (mostly from Uruguay, Morocco and the United States).

Increasing imports of salmon and codfish (both not produced domestically) can be largely related to the valuation of the Brazilian currency and increasing incomes, making prices more accessible to the middle-class population.

Lobster accounts now for the most important category of fish exports. Although the volume of lobster exports decreased by 2.4 percent in 2007, the value of exports increased by 10 percent and reached US$ 92 million. High prices in the foreign markets have supported the already fragile Brazilian lobster industry. In value terms, the United States remains as the main importer of Brazilian lobster (80 percent), followed by the European Union (17 percent).

In 2007, shrimp exports dropped again by 50 percent in volume to 17,197 metric tons, and by nearly 52 percent in value to US$ 74 million. The European Union replaced the United States as the main destination of Brazilian shrimp exports. The last 3 years were particularly tough for shrimp exporters. The industry is highly dependent on exports and the strong Brazilian currency, combined with restrictions from the United States and the European Union, negatively affected exports of shrimp from Brazil.

Total tuna exports in 2007 reached US$ 11.2 million. Exports can be broken down into frozen tuna filets and fresh whole tunas. Frozen tuna filet exports totaled 2,200 tons (US$ 7 million), while fresh tuna sales reached 3,200 tons (US$ 4.2 million) in 2006. Again, an unfavorable exchange rate has restrained Brazilian sales abroad, decreasing total revenue by 20 percent from 2005.

Brazilian fishery exports to the United States declined by 11.5 percent in 2007 to US$ 114 million, while exports of U.S. fishery products to Brazil increased by over 800 percent to a record of nearly US$ 6 million. Lobster remains the main product sold to the United States, representing 80 percent of total fishery product exports to that country, while sardines accounted for most of the imports from the United States (85 percent).

Marketing

Analysis of potential seafood consumption in Brazil indicates that the demand for fishery products is unsatisfied. Lack of diverse and high-quality products contribute to the low consumption of fish per capita in Brazil. The majority of high-quality products are sold overseas. High domestic prices still are a major factor restraining fisheries consumption, but recent improvements in the overall income of Brazilian families offer a great opportunity for the fishery industry.

Tables

PSD: Shrimp

PSD Table Country Brazil Commodity Shrimp (MT)							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(MT)
Total Production	0	128134	0	121700	0	107612	(MT)
Intra-EC Imports	0	0	0	0	0	0	(MT)
Other Imports	0	0	0	0	0	0	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	0	128134	0	121700	0	107612	(MT)
Intra-EC Exports	0	0	0	0	0	0	(MT)
Other Exports	0	42465	0	33919	0	17198	(MT)
TOTAL Exports	0	42465	0	33919	0	17198	(MT)
Domestic Consumption	0	85669	0	87781	0	90414	(MT)
Other Use/Loss	0	0	0	0	0	0	(MT)
TOTAL Utilization	0	85669	0	87781	0	90414	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTION	0	128134	0	121700	0	107612	(MT)

Export Trade Matrix: Shrimp

Export Trade Matrix

Country

Brazil

Commodity

Shrimp

Time Period	Jan-Dec	Units:	MT
Exports for:	2006		**2007**
U.S.	674	U.S.	36
Others		Others	
Argentina	297		105
European Union	31400		15383
Japan	1446		684
Total for Others	33143		16172
Others not Listed	102		990
Grand Total	33919		17198

PSD: Lobster

PSD Table Country Brazil Commodity Lobster 2005 2006 Forecast UOM							
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New	
Market Year Begin	jan/05	01/2005	jan/06	01/2006	01/2007	01/2007	MM/YYYY
Beginning Stocks	0	0	0	0		0	(MT)
Total Production	0	36000	0	35500		36000	(MT)
Intra-EU Imports	0	0	0	0		0	(MT)
Other Imports	0	0	0	0		0	(MT)
Total Imports	0	0	0	0		0	(MT)
Total Supply	0	36000	0	35500		36000	(MT)
Intra EU Exports	0	0	0	0		0	(MT)
Other Exports	0	2204	0	2131		2080	(MT)
Total Exports	0	2204	0	2131		2080	(MT)
Domestic Consumption	0	33796	0	33369		33920	(MT)
Other Use, Losses	0	0	0	0		0	(MT)
Total Utilization	0	33796	0	33369		33920	(MT)
Ending Stocks	0	0	0	0		0	(MT)
Total Distribution	0	36000	0	35500		36000	(MT)

Export Trade Matrix: Shrimp

Export Trade Matrix

Country

Brazil

Commodity

Lobster

Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2006		**2007**
U.S.	1949	U.S.	1664
Others		Others	
Japan	75		57
European Union	103		359
Total for Others	178		416
Others not Listed	4		0
Grand Total	2131		2080

PSD: Tuna

PSD Table Country Brazil Commodity Tuna (MT)							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(MT)
Total Production	0	36220	0	35330	0	36608	(MT)
Intra-EC Imports	0	0	0	0	0	0	(MT)
Other Imports	0	386	0	386	0	745	(MT)
TOTAL Imports	0	386	0	386	0	745	(MT)
TOTAL SUPPLY	0	36606	0	35716	0	37353	(MT)
Intra-EC Exports	0	0	0	0	0	0	(MT)
Other Exports	0	9818	0	8250	0	9200	(MT)
TOTAL Exports	0	9818	0	8250	0	9200	(MT)
Domestic Consumption	0	26788	0	27466	0	28153	(MT)
Other Use/Loss	0	0	0	0	0	0	(MT)
TOTAL Utilization	0	26788	0	27466	0	28153	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTION	0	36606	0	35716	0	37353	(MT)

Export Trade Matrix: Shrimp

Export Trade Matrix
Country
Brazil
Commodity
Tuna

Time Period	Jan-Dec	Units:	MT
Exports for:	2006		**2007**
U.S.	1413	U.S.	850
Others		Others	
Argentina	4365		5138
European Union	2358		3118
Total for Others	6723		8256
Others not Listed	114		94
Grand Total	8250		9200