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UES Application Report

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2014 Unified Export Strategy Application Participant: Tuna Packers Consortium "Test Participant- Ignore" (TPC)

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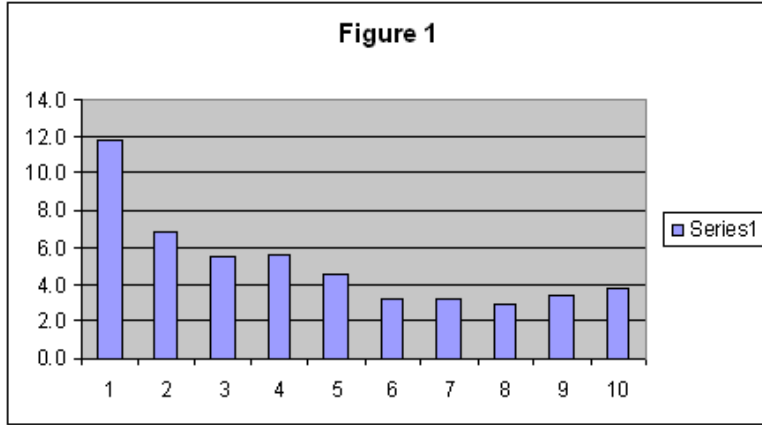
1. SECTION 1: PROFILE, INDUSTRY EXPORT GOAL, AND CONTRIBUTIONS

1.1 Applicant Profile

1.1.1 Participant Profile

Description:

Either hit or miss on this one



Organization Type: Nonprofit U.S. Agricultural Trade Organization

Federal Tax Identification:27-0935770

Agency Element: Program Operations Division

1.1.2 Office(s)

| Office Name | DUNS Number | Office Type | Address | City | State Province | ZipCode | Country |
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1.1.3 Contact(s)

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1.1.4 Industry

Organization Description:



Executive Summary:
Brazil Country Strategy Statement – 2015

Section 1

Agricultural Economy and Policy Review

General Political Situation and Trends:

Brazil is the fifth largest country in the world by population (205 million^[D-1]) and land mass. Larger than the continental United States, it occupies nearly half of the South American continent, and it is the only Portuguese speaking country in the region. Its political system is similar to that of the United States: a federal government with three branches, 26 state governments, and one federal district. Brazil holds democratic elections every four years for Congress (Senate and House), President, Governors, and Mayors. Brazil's first female president, Dilma Rousseff, a left-of-center politician, was sworn into office on January 1, 2015 for her second term. Rousseff's re-election maintained the "Workers Party" (PT) as the dominant party of a political coalition. Brazil is Latin America's most influential

political and economic country and has strongly emerged over the last decade as a global player on issues as varied as trade, agriculture, environment, security, and energy. The United States and Brazil share much in common in terms of democratic values, ethnic diversity, geographic expanse, and vision of the future. The United States and Brazil, despite trade differences, collaborate closely in the areas of agricultural research, food safety, and bioenergy.

Macroeconomic Situation and Trends:

Brazil is among the ten largest economies in the world with a gross domestic product (GDP) of nearly US\$2.3 trillion and per capita income of US\$11,252 (data for 2014). However, after strong growth of 7.5 percent in 2010, the Brazilian economy has seen its growth slip to 0.1 percent in 2014, despite aggressive stimulus programs from the federal government to encourage economic expansion. Inflation has also worsened in recent years, closing 2014 at 6.4 percent. Brazil had a US\$ 3.9 billion trade deficit in 2014, with total exports at US\$225.1 billion and imports at US\$229 billion. The average real-dollar exchange rate (the "real" is Brazil's currency) increased to R\$2.36 per dollar in 2014. The outlook for 2015 calls for a drop in the GDP growth rate of 1.8 percent, inflation at 9.2 percent, and a trade surplus of nearly US\$5 billion, with an average exchange rate around R\$3.25 per dollar. Rising unemployment and a drop in real income has eroded consumer purchasing power. The country is currently facing an economic recession and Brazil's President has a challenging period ahead as the political scenario is the "worst since the country's return of democracy^[D-2]."

The Brazilian population has undergone significant demographic changes in the last three decades, which have major social and economic ramifications. The most recent official data from Brazil's 2010 Bureau of the Census showed that the country had a population of 196.5 million people expanding at an annual rate of 1.2 percent. The urban population was estimated at 85 percent of the total population, with the 10 largest cities accounting for nearly 20 percent of the total population. The fertility rate was estimated at 2.02 children per woman and infant mortality is placed at 19 per 1,000 live births. The infant mortality rate dropped 47.5 percent over the period 2000-2010 to 15.6 deaths per thousand according to the Brazilian Institute of Geography and Statistics (IBGE). While this is great news, Brazil continued far behind other Latin American countries such as Cuba (5.04 deaths per thousand) and Chile (6.99 deaths per thousand). Brazil's rank in the world, according to United Nations statistics, was 87 out of 197 countries – ahead of Venezuela and below Mexico. This significant drop in infant mortality was due to the implementation of social policies such as the conditional cash transfer program *Bolsa Familia*, increases in the minimum wage, and improvements in health and sanitation. Undergirding all these changes was the implementation of the Real Plan in 1994, which eliminated double- and triple-digit inflation. The drop in infant mortality in the Northeast (58.6 percent during 2000-2010) played a major role in the overall reduction. In the Northeast, where the average salary is lower, the increase in the minimum wage had an enormous impact because it affected a large number of people. Life expectancy averages 72 years. The literacy rate is estimated at 90 percent of the population above 15 years of age. The extreme poverty level is assessed at 8.5 percent of the total population.

One of the most important changes which has taken place is the growth of the domestic market, abetted by the maintenance of sound economic policies and the expansion of social safety-net programs which have been the main forces behind the reduction in overall poverty. According to a study by the highly-respected Getulio Vargas Foundation (FGV), in 2011 economic inequality dropped for the eleventh straight year and the Gini coefficient, which measures income concentration, fell to 0.5190^[D-3]. FGV economists forecast that the decline in the Gini coefficient, which they consider to have been a spectacular accomplishment, will continue into the future. It is important to note, according to FGV, that over the last decade, the income of the poorest 50 percent of the Brazilian population grew by 68 percent while the income of the top ten percent grew only 10 percent. Despite this impressive growth, there is still much more that needs to be done to

eradicate poverty and the index of income concentration is still one of the 12 highest in the world.

Agriculture in the Economy:

Agriculture is a very important sector of the Brazilian economy and is crucial to economic growth and foreign exchange earnings. In 2014, the agribusiness sector, including production agriculture and processing and distribution, accounted for 21 percent of Brazil's GDP, of which crop production and related inputs accounted for 68 percent and livestock and related inputs accounted for 32 percent. In 2014, agribusiness contributed nearly 43 percent of total exports and only 7 percent of total imports. The agribusiness sector also accounted for about 12 percent of the labor force.

Brazil has a total area of 851 million hectares, of which 79 million hectares are in crop production, annual and perennial, and about 200 million in pasture land. Other uses, including forestry, indigenous reservations, national reserves and protected areas, and national parks, account for 471 million hectares. Brazil ranks number one in world exports of coffee, sugar, beef, poultry, and frozen concentrated orange juice (FCOJ); number two in soybeans, corn, tobacco, and is a major exporter of pork, cotton, forest products, tropical fruits, and nuts.

In terms of agricultural expansion, there is potential available area of over 100 million hectares in the "Cerrados," or tropical savannah area, and an estimated area of 70 million hectares of degraded pasture land that could potentially be turned into production as the livestock sector improves its productivity. In the past, potential agricultural expansion was grossly underestimated. Already, the majority of planted area in Brazil is producing two crops per year, and spurred by historically high crop prices, this trend is increasing rapidly. There is significant potential to increase food, fiber, and fuel production in Brazil due to the availability of these huge areas of unutilized arable land, but continued expansion in the "Cerrados" and Amazon biomes will be constrained by environmentally related developments. Brazilian farmers, thus, talk about "vertical" expansion via increasing investments in advanced technology to augment yields, in addition to the more efficient use of existing agricultural and pasture land. By becoming more efficient at integrating crop and cattle production and fully utilizing degraded pasture lands, Brazil could greatly increase crop production.

On December 9, 2011, the National Land Reform and Settlement Institute (INCRA) published a set of new rules covering the purchase of Brazilian land by foreigners. These rules follow an August 2010 Attorney General's opinion that similarly limited foreign agricultural land ownership. Under the new rules, the area bought or leased by foreigners cannot account for more than 25 percent of the overall area in its respective municipal district. Additionally, no more than ten percent of the land in any given municipal district may be owned or leased by foreign nationals from the same country. The rules also make it necessary to obtain congressional approval before large areas of land can be purchased by foreigners, foreign companies, or Brazilian companies with the majority of shareholders from foreign countries. On September 3, 2013 INCRA published a normative instruction to clarify the regulations laid out in new rules. The normative instruction does not change the new set of rules, but spells out the regulation and implementation of the rules, as well as providing guidance for foreign investors. This continues to be a barrier to U.S. investment in Brazilian agricultural land. However, as of June 2015, Brazil's House of Representatives began discussions to ease restrictions on the acquisition of land by foreign companies in order to boost investments in agriculture and forestry. The proposed change also has the support of the first female agriculture minister, Katia Abreu, who is an outspoken defender of agribusiness.

On October 18, 2012, President Dilma Rousseff signed into law a new Brazilian Forest Code. The original Forest Code Law #4,771 was passed in 1965. The Forest Code serves as Brazil's environmental law and is an enduring source of

controversy for environmentalists and agriculturalists as its implementation affects environmental, social, and economic issues for the country. President Rousseff vetoed nine of the 84 items in the Brazilian Forest Code approved by Congress before signing the new proposal into law. The main vetoes focused on issues related to the permanent preservation areas (APPS) required by the law, such as the reforestation requirements given property size, aspects of the Environmental Rural Registrar (CAR), and an online instrument which will geo-reference rural properties and track compliance with the new Forest Code in all 26 states and the Federal District. Her vetoes were based on three principles: no amnesty for those responsible for illegal deforestation; no incentive to farmers to deforest; and, no undermining of the promotion of social inclusion of small landowners to compete in broader agricultural markets. Both the Congressional farm lobby (referred to as "*ruralistas*" in Portuguese) and environmentalists, who were also unhappy with the Forest Code, threatened to take judicial action to stop implementation of the new law, questioning the constitutionality of the specific mechanism by which President Rousseff enacted her vetoes. However, the law is being implemented and Rousseff just announced the regulations which will govern the implementation of the CAR.

Beginning with the 2011/12 crop season, Brazil has annually provided subsidized interest rates for producers that address sustainability through the Low Carbon Agriculture Program (ABC). The program objectives include diminishing greenhouse gas emissions, reducing deforestation, ensuring compliance of rural properties with environmental legislation, promoting reforestation, and encouraging recovery of degraded lands. For the 2015/2016 crop season (Oct 1, 2015 through Sep 30, 2016), the federal government allocated R\$3 billion (nearly US\$1 billion) for this program. The limit per farmer is R\$2 million for 10 years term, and a grace period of 3 years. The subsidized interest rate for this program is 7.5 percent per year.

Possessing 20 percent of the planet's fresh water, Brazil has tremendous potential to expand planted area via irrigation projects that make possible second and third crops rotated over a yearly growing season. Historically high crop prices have greatly improved the timeframe for return on investment with the main constraints being water use licenses and capital investment requirements. Large irrigation project investments are increasing made possible through growing one crop or rotating that crop with higher returning cash crops such as fruits, tree fruits, coffee, wheat, edible beans, and cotton. More recent supplemental irrigation schemes are bringing vast new areas into second or third crop rotation and improving yields and quality. According to the Brazilian Association of Industry and Machinery, which tracks irrigation equipment sales, irrigated area grew by 5 percent in 2014, bringing total irrigated area to 6,320 million hectares or 8 percent of total area under agricultural cultivation for annual and perennial crops. Although specialists say that Brazil has a potential to increase irrigation up to 30 percent of cultivated area (nearly 24 million hectares), the country has been hit by a hydraulic crisis affecting large urban areas in the Southeast region, with repercussion in some production areas mostly affecting vegetable and fruit production. Conservation and water management are now being addressed by policy makers and agricultural leaders in the country as a factor of food security.

The *food crisis* of 2008 increased world interest in purchasing agricultural land in Brazil. This interest was one of the factors, which has led to land price increases of an average 30 percent and by foreign acquisitions of agricultural areas in Brazil. Currently, the average price for agricultural land in areas lacking basic logistical support, for example, in parts of the Northern and Northeastern states of Tocantins, Piaui, and Maranhao is US\$2,800 per hectare. This compares to the average cost for productive land in areas such as western Mato Grosso state which is around US\$8,000 per hectare. The average farm size varies from 67 hectares in southern Brazil to over 2,000 hectares in the Center-West region.

Infrastructural development of storage, port facilities, roads and railways has not kept up with the breakneck pace of growth in agricultural production and exports. Large investments in rehabilitating and expanding transportation infrastructure are needed to meet demand growth and to lower the cost of freight – a significant component of the so-called “*Custo Brasil*” (Brazilian cost). “*Custo Brasil*” is a term that has come to denote the general cost of inefficiency from production and distribution bottlenecks, including the various logistical transactions associated with exports; high taxes; excessive government regulations; labor rigidities; and inadequate education and training; among other factors. Transactional export costs, for example, represent 15 to 20 percent of the free-on-board price for agricultural commodities.

The “Landless Movement” (MST) and “Via Campesina,” a movement affiliated with the MST, contribute to “*Custo Brasil*.” These activist groups increase the factors of risk and uncertainty to commercial farming when they occupy vulnerable rural properties (e.g., experimental sites owned by multinational companies doing research on new biotech events, land owned by groups which the MST and “Via Campesina” consider to be members of the “oligarchy,” etc.). One of their prime stated objectives is to pressure the government to speed up land reform. These groups have used various NGOs, including foreign NGOs, to secure funds from the federal government. Over the past several years, illegal occupation of land carried out by these groups has diminished but still occurs with no apparent legal consequences for the perpetrators. The continued existence of MST serves as a threat and adds to the cost of doing business.

Brazil has two Ministries which are involved with agriculture: the Ministry of Agriculture, Livestock, and Food Supply (MAPA), which oversees commercial agricultural production; and the Ministry of Agrarian Development (MDA), whose focus is to support subsistence and family farmers. MDA, created in 1999, has mostly been devoted to agrarian reform, since the Law of Family Farming (#11,326) was not published until July 24, 2006. According to the last Brazilian Agricultural Census taken in 2006, family farming accounts for 75 percent of the agricultural area in Brazil with an average farm size of 18.4 hectares (45.4 acres). However, commercial farming accounts for 62 percent of farm income while family farming accounts for 38 percent. In addition to the above Ministries, Brazil also has two other Ministries involved with agriculture: the Ministry of the Environment, which regulates environmental regulations as they affect agricultural production, and the Ministry of Fisheries, which oversees fishing.

Government credit and tax incentive programs have assisted in spurring crop production and supporting the construction of processing facilities. Over the last ten years, Brazil has significantly increased financial support to its agricultural sector. Credit from the federal government for production is an important source of financing for agricultural producers, along with direct credit supplied by agricultural input companies and trading companies. The 2015/2016 Agriculture and Livestock Plan (Oct 1, 2015 through Sep 30, 2016) was announced in early June 2015. The plan allocated R\$187.7 billion (US\$ 60 billion) to commercial agriculture, an increase of 20 percent from the previous crop year. Despite the generous increase in the volume of credit during a difficult year of fiscal adjustment in Brazil, the government increased the subsidized interest rates to a range of 7.5% to 8.75% per year, as compared to a range of 5.5% to 6.5 % in the previous crop year. In addition to higher interest rates, commercial farmers are also facing higher cost of production, mostly due to higher electricity and fuel costs. On June 20, the federal government also announced the 2015/2016 (Oct 1, 2015 through Sep 30, 2016) Family Farming Plan to subsistence/family farming. The volume of credit allocated for this program was R\$28.9 billion (US\$ 9.4 billion). As in the commercial agricultural plan, interest rates for loans under this program is highly subsidized, but the government increased the rate to a maximum of 5.5% per year (up from 3.5% in the last crop year).

Most of subsidies in Brazil are for interest rates on rural credit operations for production costs, marketing and investment operations. For instance, in the 2015/2016 crop and livestock plan, 64% percent of the financing will be offered with subsidized interest rates in the range of 7.5% to 8.75% per year. Therefore, 36 percent of the financing in the new Plan will be offered with market-rate interest rate, which is in the range of 17% to 23% per year, depending on a farmer's individual circumstance. As a reference, the prime rate (SELIC) in Brazil is currently set by the Central Bank at 13.75% per year.

Domestic Agricultural Policy Overview:

Government Programs: The Brazilian government (GOB) maintains a rural credit system and several long-term loan programs to support agricultural production and farm income, all at subsidized interest rates. The following is a summary of the most important domestic support programs:

Government Commodity Loan Program (EGF): This program is frequently used by farmers to finance the holding of their products in accredited warehouses as loan collateral. The loan amount is based on the value of product offered as collateral, based on a minimum price set annually by the government for various products. Banks normally provide loans on the basis of 70 percent of the minimum price. Subsidized interest is available at annual rates in the range of 7.5% to 8.75% for commercially-oriented agriculture and for family farming; it is available at the highly subsidized rate of 5.5% per year. The volume of such subsidized credit available is limited and commercially-oriented farmers complain that this subsidized credit is hard to access. They also complain that credit limits per farmer force them to source credit from commercial credit sources increasing interest rates that range between 13 and 23 percent per year. Commercial farmers also depend on credit supplied by Brazilian and multinational trading companies. Due to the current economic recession in Brazil and higher credit at market-rates, "barter" exchanges of inputs versus crops are expected to increase significantly during the 2015/2016 crop year.

Industry Commodity Loan Program (EGF - Industry): This program is similar to EGF, but applicable only to processors of agricultural commodities under the Minimum Support Price Program, except for rice and soybeans. Access to this program is predicated on an arrangement between the processor and the farmer or cooperative. Financing is limited to 50 percent of the production capacity of processors, and payment to farmers cannot be lower than the government-established minimum commodity price. Subsidized interest is available at annual rates of 5.5 percent.

Federal Government Acquisition (AGF): This program allows the government to acquire agricultural products at the minimum price when the market price is below the minimum. It also allows the government to acquire products at market prices for use in the Family Agriculture Program and to build strategic stocks.

Rural Promissory Note (CDR): Processors of agricultural commodities can contract a CDR with accredited banks. Financing is limited to 50 percent of the processor's production capacity. Processors must prove they have paid at least the minimum price to the producer. Products eligible for the CDR are: cotton, rice, corn, and wheat. Subsidized interest rates are 5.5 percent plus banking expenses.

Premium for Product Outflow Program (PEP): Through this program, the government pays the difference between the prevailing market price and the minimum price of the product. Cotton, wheat, corn, rice, soybeans, dry edible beans citrus, grapes, wine, and rubber have been eligible for this program so far. The federal government through MAPA's National Company of Food and Supply (CONAB) conducts public auctions to set a premium for buyers of a given product. These buyers then contact producers interested in selling their production at the current minimum support price. Buyers, normally processors or millers, must transport the product to the destination previously established by the program. The objective of PEP is to move commodities from areas of high

product concentration to areas of need, typically in the demographically-sparse parts of the North, and Northeastern (55 million inhabitants) regions of the country. However, in addition to the ability to send the product to the North and Northeastern parts of the country, PEP participants can also export the product. For this reason, most traders and companies recognize PEP as an export subsidy. FAS/Brasilia has carried out research to gather and analyze critical information to support the USG case against PEP. FAS/Brasilia will continue to collect data about the program.

The Value for Marketing of Products (VEP): VEP provides the minimum guaranteed price to producers and cooperatives by paying the difference between the minimum guaranteed price and the market price. The essential difference that distinguishes VEP from PEP is that VEP auctions public stocks while PEP auctions private stocks. The objective is to supplement the supply of commodities in areas of the country considered to be deficient in agricultural production, such as the Northeast of Brazil. In 2012, MAPA used VEP extensively to source corn from the Center-West to supply livestock and poultry producers in the Northeast, an area impacted by a severe drought in 2012.

Risk Premium for Acquisition of Agricultural Products Deriving from Private Contracts of Sales Options (PROP): PROP is a subsidy program granted in the form of a public auction for the consumer to acquire, at a future date, a determined product directly from the producer and/or cooperative at a prefixed price, utilizing a private contract for the option to sell.

The Equalization Premium Paid to the Producer (PEPRO): PEPRO is a premium granted to the farmer or cooperative which sells its products at a public auction. The government pays the difference between the Official Reference Value and the value of the premium (the maximum value paid by the government as a guarantee of the Reference Value).

Option to Sell Contract: This contract is a futures option offered by the federal government through public auctions to producers and cooperatives. By purchasing a futures option, the holder has the right to deliver to the government by a specified date a certain quantity of the commodity, named in the contract, at a specific price. This program signals government expectations of futures prices to the market, and it represents a price hedge to producers and cooperatives.

Product Equivalency: Small producers under the Program to Strengthen Family Farms (PRONAF) are entitled to production cost financing based on the equivalency concept whereby farmers pay off delinquent loans by delivering an equivalent amount of the crop. The government-established minimum price is used as reference. This scheme is only available for cotton, rice, corn, and wheat. Interest rates for small family farms are highly subsidized at the annual interest rate of two percent for loans above R\$10,000 (US\$5,000). The volume of credit available at this rate is limited.

Other Long-Term Support:

Long-term support for production and processing of agricultural products is centralized in the Brazilian Bank for Economic and Social Development (BNDES) and the Special Agency for Industrial Financing (FINAME), which are the principal components of the BNDES system. The mission of the BNDES system is to foster economic and social development in Brazil, with the BNDES serving as an agent to direct and oversee long-term investments. The BNDES system provides financial support to the following sectors of the Brazilian economy: agriculture, industry, infrastructure, commerce and services.

In 2014, the BNDES system allocated R\$187.8 billion (US\$80 billion) to the various sector of the Brazilian economy, of which R\$16.7 billion (US\$7 billion) for the agriculture and livestock sectors, down 11 percent from 2013. For 2015, BNDES forecasts an allocation of R\$ 170 billion for all sectors of the economy,

down 9 percent from 2014. The BNDES system offers a broad range of services to support various agribusiness project types. Among the most important investments programs are:

- 1.
- 2.

C. BNDES programs for the biofuels sector: BNDES provides specific credit lines for the sugar, ethanol, and bioenergy industries to fund investments on sugarcane production, expansion of industrial capacity for sugar and ethanol, cogeneration, logistics, and multimodal transportation. Total financing for the industry in 2014 was R\$ 6.8 billion similar to 2013 (R\$ 6.9 billion). BNDES reports that a total of R\$ 5 billion should be released in 2015 as a consequence of likely lower activity in the industry. A total of R\$ 1.5 billion should be available to fund Prorenova, a credit line to finance the renewal and/or expansion of sugarcane fields. The ethanol stock program also known as BNDES PASS program should release a total credit of R\$ 2 billion.

1.
 1. specific for commodities, such as: Program for the Development of Apiculture (PRODAMEL); the
 1. Soil Conservation Program (PROSOLO); the Program for Sheep and Goat Development
 1. (PRODECAP); the Shrimp Development Program (PROCAMOL); the Wine Development Program
 1. (PRODEVINHO); the Pasture Improvement Program (PROPASTO); the Milk Development Program
 1. (PROLEITE); Fruit Industry Development Program (PROFRUTA) and BNDES CEREALISTA
 1. (storage financing).

Biotechnology

Agricultural biotechnology in Brazil is rigorously regulated under a risk-based system similar to the United States that was initially established in 1995 under the first Brazilian Biosafety Law. The current regulatory framework for agricultural biotechnology is outlined in Brazil's Biosafety Law 11,105 of March 24, 2005, along with Presidential Decree 5,591 of November 22, 2005. These acts provide safety norms and inspection mechanisms for activities that involve genetically modified organisms and their by-products, activate the National Biosafety Council (CNBS), restructure the National Biosafety Technical Commission (CTNBio) and lay out the National Biosafety Policy (PNB). The law also includes provisions for stem cell research in Brazil. On March 21, 2007, Law# 11,460 altered certain important provisions of the Biosafety Law of 2005 to improve the CTNBio voting process for approval of individual biotech events. As of June 18, 2008, all CTNBio approvals of biotech events are now final and cannot be appealed to the CNBS. The CNBS now only has authority to consider issues involving social and economic interest in the examination of CTNBio biotech event approvals. This decision eliminated a major constraint in the regulatory process.

Under the current legal framework, all imported or local commercially grown,

processed, sold and consumed biotech products must be pre-approved by CTNBio, which is overseen and is part of the Ministry of Science and Technology. CTNBio is the lead Brazilian agency for regulating all biotech products and has a system similar to that of the United States for ensuring that all biotech products are as safe for the environment and for human and animal health as their conventional counterparts. CTNBio has a board comprised of 27 members, including government and private sector representatives. Approval of commercial biotech events is not an easy process, mainly due to a number of anti-biotech members on the commission, but approvals are granted by absolute majority vote.

Ten years after the first commercial approval of biotech soybeans in Brazil, the total area planted to GE crops during the last crop season (2014/15) reached 42 million hectares, which places Brazil as the second largest producer of GE crops in the world. GE events with herbicide tolerance traits lead the adoption rate with 65 percent of the total are planted followed by insect resistance with 19 percent and stacked genes with 16 percent. As of July 2015, there are 45 GE events approved for commercial cultivation in Brazil, of which 25 events for corn, 12 for cotton, six for soybeans, one for dry edible beans, and most recently one for eucalyptus. In April 2014, CTNBio also approved for commercial release GE mosquitoes in Brazil.

Ethanol:

Brazil is the second largest producer and consumer of ethanol, following the United States. It produces both hydrous (for direct sale as E-100) and anhydrous (blended to gasoline) ethanol. Current legislation requires gasoline sold in Brazil to have anhydrous ethanol content between 18 and 27.5 percent, with the executive branch having the flexibility to adjust this percentage within that band. The blend is currently set at 27 percent.

The Brazilian sugarcane production for marketing year 2015/16 is projected at 648 million metric tons, up 3 percent from previous season due to increased area for harvest and a marginal increase in agricultural yields. Approximately 58.5 percent of the cane is expected to be diverted to ethanol which should result in approximately 29.35 billion liters of the product, up 800 million liters from last season's production.

Ethanol prices in Brazil depend on gasoline prices given that ethanol-fueled cars have 70 percent of the efficiency compared to gasoline fueled cars. Gasoline prices are set by Petrobras, the Brazilian oil company, which is controlled by the GOB. The cap on gasoline prices has negatively affected the ethanol industry. However, in February 2015, the increase of federal taxes on the fossil fuel has encouraged higher demand and therefore higher ethanol production. Nonetheless the sugar-ethanol plants have still been struggling to pay debts. The Sugar and Alcohol Millers Association of São Paulo State (UNICA) reports that over 63 sugar-ethanol mills have closed over the past six years.

Agricultural Trade Environment:

Stimulated by high international commodity prices, Brazil's agricultural exports have grown significantly over the past five years, reaching a record US\$99.9 billion in 2013, up 4.3 percent from 2012, while agricultural imports increase by 4 percent to US\$17 billion. However, in 2014, because of lower commodity prices, total agricultural exports dropped by 3.2 percent to US\$ 96.7 billion, while imports dropped by 2.6 percent to US\$16.6 billion. Brazil is the third largest agricultural exporter behind the United States and the European Union (EU). According to Brazilian official data, agricultural shipments accounted for nearly 43 percent of the country's total exports of US\$225.7 billion in 2014, while imports accounted for 7.3 percent of the country's total imports of US\$229 billion.

Agricultural trade between Brazil and the United States increased by 3.2 percent from US\$6.3 billion to US\$6.5 billion in 2014. Brazil exported to the United States US\$4.8 billion of agricultural and food products, up 8 percent from 2013, and imported US\$ 1.7 billion, down 35 percent from 2013. Much of the decline was due

to a significant decrease in wheat imports. Although the United States and Brazil are often competitors in third markets, the United States is a major export destination for Brazilian sugar, coffee, orange juice, fruits, processed meat, tobacco, and wood products. Brazil imports wheat, dairy products, cotton, and other intermediate and consumer oriented products from the United States.

Brazil is the largest member of the Common Market of the South – *Mercosul* (in Portuguese), a regional customs union that promotes free trade between Argentina, Paraguay, Uruguay, and, since July 2012, Venezuela. In 2015, Bolivia was also declared as a new full member of the Common Market, but decision needs to be approved by the Brazilian congress. Associated members include Chile, Bolivia, and the Andean Pact (Colombia, Peru and Ecuador). Venezuela's accession to Mercosul had been blocked by Paraguay since 2006, but in the aftermath of a polemical political transition in June 2012, Paraguay was officially suspended from participating in Mercosul and Venezuela effectively became a member. On December 7, 2012, Bolivia became an accessing member, which still requires ratification from member state legislatures. Brazil's applied agricultural tariff rates are within World Trade Organization (WTO) bound tariffs. Each member of the MERCOSUL has an exception list, or a list of products for which the import tariffs are different from those rates of the MERCOSUL's Common External Tariff (TEC). At the December 2011 meeting, MERCOSUL members agreed to increase the list of excepted items allowed by an additional one hundred items. The most important agricultural items for the United States on Brazil's exception list are a number of dairy products whose applied tariffs are above the MERCOSUL rates and are now being considered to be further increased to the WTO bound rates, potentially to trade-prohibiting levels. The CXT rates, including the higher tariffs on the exception list, are lower than Brazil's WTO final bound rates, which for many agricultural products are in the 30-55 percent range.

In recent years Brazil has increased its participation in organizations such as Codex, where it been increasingly coordinating its positions with the United State. In multilateral negotiations, Brazil and the United States share many common positions, particularly regarding the production and trade distorting policies of highly developed economies, such as the EU and Japan. However, Brazil usually groups the United States into the trade-distorting category citing the U.S. Tariff Rate Sugar Program and agricultural domestic support programs among others. In the WTO, Brazil has strong influence as a leader of the G-20 group. Brazil has won dispute settlement cases against the U.S. cotton program and EU sugar subsidies. Regarding the U.S. cotton program, in June 2010, the United States and Brazil signed a Framework for a Mutually Agreed Solution to the Cotton Dispute in the WTO. As part of the Framework Agreement, Brazil did not impose US\$829 million in countermeasures authorized by the WTO. In exchange, the United States agreed to work with Brazil to establish a fund of approximately US\$147.3 million per year on a pro rata basis to provide technical assistance and capacity building to the cotton sector in Brazil, and for international cooperation related to the same sector in certain other countries. Under the Memorandum of Understanding related to this settlement, the United States agreed to finance this fund until passage of the next Farm Bill or until a mutually agreed solution to the Cotton dispute is reached. However, due to sequestration in September 2013 and the elimination of the line item for funding in the President's FY14 budget, the funding for this settlement has been discontinued.

Sanitary and Phytosanitary Regulatory System:

MAPA's Office of Agricultural Protection (SDA) is responsible for enforcing sanitary and phytosanitary (SPS) regulations governing plant and animal product imports. For certain processed products, responsibility is shared with the Ministry of Health. Brazil has a centralized rule-making system under which all relevant executive acts must be published in the Brazilian Federal Register ("Diario Oficial").

SPS market access issues for agricultural and food products have become major trade irritants between the United States and Brazil. However, the establishment of the U.S.-Brazil Consultative Committee on Agriculture (CCA) has improved bilateral dialogue.

The Seven U.S.-Brazil CCA was held on March 31, 2015, in Brasilia. Two important sub-groups of the CCA were created: First, the US-Brazil High Level Biotechnology Working Group (HLBWG) and the US-Brazil High Level Working Group to Promote Cooperation and Coordination (HLCCWG).

Food Security:

As a leading producer and exporter of agricultural products, Brazil is one of the world's few countries which will be in the lead to address future food security issues. Though occupying this important and privileged position, the Brazilian government (GOB) recognizes that there are poor areas of Brazil (e.g., parts of the Northeast and North) which continue to suffer from hunger, and is implementing programs to address this situation. In the last 16 years, the GOB has been consolidating diverse nutrition programs under an overarching National Food and Nutrition Policy. The existing structure combines cash transfer programs, with or without conditionality, with different outreach programs led by public-private partnerships and civil society organizations. Various ministries (please see below) are involved in implementing these food security programs. These programs are characterized by efficient logistics, and targeted approaches to at-risk groups and regions, and are carefully monitored and evaluated.

Since 2007, food and nutrition programs have become an integral part of both the very successful and highly touted Family Support ("Bolsa Familia" – a conditional electronic cash transfer program) and Family Health Programs. The Family Support Program assists more than 11 million families. Under the Family Health Program, community health workers canvass both urban and rural areas to identify chronic, nutrition-related diseases, and to assess the nutritional status of the population. They then elaborate mechanisms to procure locally grown produce and deliver it to families, which helps improve overall nutrition. While the Family Support Program, especially the "Bolsa Familia" component, has played a critical role in improving the overall nutrition and health of Brazil's abject poor, it has been criticized for making them dependent on a program which does not train and prepare them for the job market. A case in point is the city of Guaribas, located in the state of Piaui, where the "Bolsa Familia" Program was launched nationally in 2003. Since the implementation of the program, health and educational indicators there have improved but these changes have not been accompanied by employment generation. Thus, 87 percent of the population continues to depend solely on "Bolsa Familia" for its survival. Supporters and critics alike point to the need for the establishment of training programs which will allow "Bolsa Familia" participants to learn marketable skills which will enable them to "graduate" from the program.

The ministries which are in the lead in delivering food and nutrition programs include: Social Development (Family Support Program); Education (School Nutrition Program); and Health (chronic noninfectious diseases, in addition to HIV/AIDS, malaria, tuberculosis and other transmissible diseases). The Ministries of National Integration, Labor, Communications and Planning also play a role in coordinating with the lead ministries in the execution of these programs. MAPA, through CONAB, is also responsible for supporting food security through two programs: 1) The Program of Food Acquisition (PAA), which is coordinated with the Ministry of Social Development; and 2) an emergency program which involves the assembling of food baskets for delivery to families facing temporary food insecurity. Brazil is expected to meet the Millennium Development Goals related to food and nutrition. Brazil's progress towards these goals will be crucial to ensuring the achievement of these goals in other developing countries, via bilateral and trilateral cooperation with the U.S., particularly in Portuguese-

speaking African countries.

[\[D-1\]Dates?](#)

[\[D-2\]Citation?](#)

[\[D-3\]From what?](#)

Organization Mission:

Cross Commodity Collaboration:

USDA Stakeholders:

The following cooperators (eight commodity boards and one regional association) are conducting activities in Brazil: the Alaska Seafood Marketing Institute, U.S. Dairy Export Council, USA Rice Federation, Pear Bureau Northwest, California Pear Advisory Board, U.S. Apple Export Council, Northwest Cherry Growers, U.S. Grains Council, and Food Export USA. These groups all maintain regular communication with the Agricultural Trade Office (ATO) in Sao Paulo. Their activities focus on trade servicing (matchmaking), retail (conducting in-store promotions, trade shows and PR events), and monitoring GOB domestic support programs.

Industry Prior Experience:

Affiliations:

Affiliated Organizations:

USDA on-going activities and areas of engagement with Brazil include:

U.S.-Brazil Consultative Committee on Agriculture (CCA) since 2003

U.S.-Brazil Memorandum of Understanding (MOU) to Advance Cooperation on Biofuels since 2007. In 2011 under the MOU, an agreement was signed on cooperation in aviation biofuels.

USDA bioenergy capacity building in developing countries with Brazil in the G-8's Global Bioenergy Partnership since 2006

The USDA Agricultural Research Service (ARS) currently has over 108 active collaborative research projects with Brazil, some of which are under the umbrella of the Technical Cooperation Agreement, "Labex-USA," with Embrapa, which has been operational since 1998. The projects range from production agriculture and technical capacity building, research in renewable energy.

The USDA Forest Service has continued to be actively engaged with Brazil on technical cooperation and sustainable forestry practices, in conjunction with the U.S. Agency for International Development for over 15 years. There has been recent emphasis on fire prevention and management on private farms in the western Brazilian Amazon, and assisting in satellite monitoring of deforestation in the Amazon biome.

The USDA Natural Resource and Conservation Service (NRCS) is collaborating with Brazilian scientists in several soil conservation projects.

USDA works with the U.S. State Department in trilateral cooperation in capacity building with Brazil focused on biotechnology and food security. The first collaborative seminar with Brazil focused on biotechnology was held in Mozambique in 2010. In 2011, a biotechnology outreach program was held in Ghana. For 2013, USDA conducted a reverse African biotechnology training program in Brazil.

USDA is supporting a technical cooperation project with Codex and the Brazilian Ministry of Agriculture. This project aims at coordinating the overall hemispheric Codex strategy. Currently, there is not adequate coordination between among Latin American and Caribbean countries due principally to: non-continuity among representatives, financial difficulties, and institutional issues. With the joining of forces, it will be possible to strengthen national offices, to train technical experts in various areas and, finally, to integrate countries in the decision making process to develop regional positions to be negotiated in Codex meetings. The Inter-American Institute for Cooperation in Agriculture (IICA) technical staff located in offices throughout the Americas will play an important role in contributing to this goal.

- United States - Brazil Agricultural Dialogue - an initiative in coordination with Brazil's Agricultural and Livestock Federation (CNA) to discuss with the agricultural private sector about issue of common interest.

- MAIZALL is a private-sector corn growers organization whose members are the U.S., Argentina, and Brazil. It was launched in May 2013 and aims to promote the joint interests of U.S., Brazilian, and Argentine corn growers.

- HLCCWG - the High Level Working Group to Promote Cooperation and Coordination is a new USDA-MAPA entity which aims at attacking trade barriers in third countries.

1.1.5 Industry Personnel

| Manager/Administrator Name | Position/ Title | MAP % | FMD % |
|----------------------------|-------------------------------------|-------|-------|
| John Q. Public | International Marketing Specialist1 | 70.00 | 30.00 |

1.1.6 MAP/FMD Start/End Dates from Plan Submittal

Submission Date:

MAP Start:

MAP End:

1.1.7 Resource Request Table

| Program | Requested Amount |
|--|------------------|
| Emerging Markets Program (EMP) | 20,000 |
| Market Access Program (MAP)-GBI | 110,000 |
| Market Access Program (MAP)-Non GBI | 0 |
| Trade Policy Initiatives (# of activities) | 0 |

1.2 Industry Export Goals

Goal Period Type: Crop Year

Goal Period Span: January 1 - December 31

Data Source:

test data source

Export Goals Metrics:

| Export Year | US Exports(\$) (whole number only) | World Trade(\$) (whole number only) | Status |
|-------------|---------------------------------------|--|----------|
| 2009 | 100,000 | 900,000 | Actual |
| 2010 | 05 | 05 | Actual |
| 2012 | 05 | 05 | Actual |
| 2013 | 100,004 | 900,004 | Estimate |
| 2014 | 100,005 | 900,005 | Estimate |
| 2015 | 100,006 | 900,006 | Goal |
| 2016 | 100,007 | 900,007 | Goal |
| 2017 | 100,008 | 900,008 | Goal |
| 2018 | 100,009 | 900,009 | Goal |
| 2019 | 100,010 | 900,010 | Goal |
| 2020 | 100,011 | 900,011 | Goal |
| 2021 | 100,012 | 900,012 | Goal |
| 2022 | 100,013 | 900,013 | Goal |
| 2023 | 100,014 | 900,014 | Goal |

1.3 Promised Contributions

| Program | Applicant/Participant Promised Contribution | | Industry Promised Contribution | |
|---------|---|--------|--------------------------------|-------|
| | (%) | (\$) | (%) | (\$) |
| MAP | 150 | | 100 | |
| FMD | 150 | | 100 | |
| EMP | | 10,000 | | 5,000 |
| QSP | | 15,000 | | 5,000 |

1.4 Proposals

1.4.1 EMP Proposals:

| Proposal ID | Targeted Market | Proposal Title | Status |
|-------------|---------------------------------|-----------------------------|-----------|
| 2293 | Central Africa - Processed Tuna | Central Africa Tuna Dealers | Submitted |

1.4.2 TASC Proposals:

| Proposal ID | Targeted Market | Proposal Title | Status |
|-------------|-----------------|----------------|--------|
|-------------|-----------------|----------------|--------|

1.4.3 QSP Proposals:

| Proposal ID | Targeted Market | Proposal Title | Status |
|-------------|-----------------|----------------|--------|
|-------------|-----------------|----------------|--------|

2.SECTION 2: MARKET ANALYSIS, ASSESSMENT, AND STRATEGY

2.1 Market Definitions

| Title | Description | Market Kind | List of Countries |
|-----------------|-------------------------------|-------------------|---|
| Central America | Central America Tuna Products | Geographic Market | ES-El Salvador , GT-Guatemalaa |
| Central Africa | | Geographic Market | CF-Congo (Brazzaville) , CM-Cameroon , CT-Central African Republic |
| Taiwan | | Geographic Market | TW-Taiwan |
| global | global | Geographic Market | !2-British Pacific Islands , !7-Canton & Enderbury Islands , !9-French Pacific Islands , !E-Palau , AA-Aruba , AC-Antigua and Barbuda , AF-Afghanistan , AG-Algeria , AJ-Azerbaijan, Republic of , AL-Albania , AM-Armenia, Republic of , AN-Andorra , AO-Angola , AQ-American Samoa , AR-Argentina , AS-Australia , AU-Austria , AV-Anguilla , BA-Bahrain , BB-Barbados , BC-Botswana , BD-Bermuda , BE-Belgium-Luxembourg , BF-Bahamas, The , BG-Bangladesh , BH-Belize , BK-Bosnia-Hercegovina , BL-Bolivia , BM-Burma , BN-Benin , BO-Belarus, Republic of , BP-Solomon Islands , BR-Brazil , BT-Bhutan , BU-Bulgaria , BX-Brunei , BY-Burundi , CA-Canada , CB-Cambodia , CD-Chad , CE-Sri Lanka , CF-Congo (Brazzaville) , CG-Democratic Republic of Congo , CH-China (Mainland) , CI-Chile , CJ-Cayman Islands , CK-Cocos (Keeling) Islands , CM-Cameroon , CN-Comoros , CO-Colombia , CQ-Northern Mariana Islands , CS-Costa Rica , CT-Central African Republic , CU-Cuba , CV-Cape Verde , CW-Cook Islands , CY-Cyprus , DA-Denmark , DJ-Djibouti Afars-Issas , DO-Dominica , DR-Dominican Republic , EC-Ecuador , EG-Egypt , EI-Ireland , EK-Equatorial Guinea , EN-Estonia , ER-Eritrea , ES-El Salvador , ET-Ethiopia , EZ-Czech Republic , F3-French West Indies , FG-French Guiana , FI-Finland , FJ-Fiji , FK-Falkland Islands (Islas Malvin , FM-Micronesia, Federated States o , FO-Faroe Islands , FP-French Polynesia , FR-France , FS-French Southern & Antarctic La , GA-Gambia, The , GB-Gabon , GG-Georgia, Republic of , GH-Ghana , GI-Gibraltar , GJ-Grenada , GL-Greenland , GM-Germany , GP-Guadeloupe , GQ-Guam , GR-Greece , GT-Guatemala , GV-Guinea , GY-Guyana , GZ-Gaza Strip , HA-Haiti , HK-Hong Kong , HM-Heard Island and McDonald Isla , HO-Honduras , HR-Croatia , HU-Hungary , IC-Iceland , ID-Indonesia , IN-India , IO-British Ind. Ocean Territory , IR-Iran , IS-Israel , IT-Italy , IV-Ivory Coast , IZ-Iraq , JA-Japan , JM-Jamaica & Dep , JO-Jordan , KE-Kenya , KG-Kyrgyzstan, Republic of , KR-Kiribati , KS-Korea, Republic of , KT-Christmas Island , KU-Kuwait , KV-Kosovo, Republic of , KZ-Kazakhstan, Republic of , L3-Leeward-Windward Islands , LA-Laos , LE-Lebanon , LG-Latvia , LH-Lithuania , LI-Liberia , LO-Slovakia , LS-Liechtenstein , LT-Lesotho , LU-Luxembourg , LY-Libya , MA-Madagascar , MB-Martinique , MC-Macau , MD-Moldova, Republic of , MG-Mongolia , MH-Montserrat , MI-Malawi , MK-Macedonia (Skopje) , ML-Mali , MN-Monaco , MO-Morocco , MP-Mauritius and Dependents , MQ-Midway Islands , MR-Mauritania , MT-Malta & Gozo , MU-Oman , MV-Maldive Islands , MX-Mexico , MY-Malaysia , MZ-Mozambique , NC-New Caledonia , NE-Niue , NF-Norfolk Island , NG-Niger , NH-Vanuatu/New Hebrides , NI-Nigeria , NL-Netherlands , NO-Norway , NP-Nepal , NR-Nauru , NS-Surinam , NT-Netherlands Antilles (exc. Aru , NU-Nicaragua , NZ-New Zealand , P1-Pacific Islands , PA-Paraguay , PC-Pitcairn Islands , PE-Peru , PK-Pakistan , PL-Poland , PM-Panama , PO-Portugal , PP-Papua New Guinea , PS-Trust Territory of the Pacific , PU-Guinea-Bissau , QA-Qatar , RE-ReUNION , RM-Marshal Islands , RO-Romania , RP-Philippines , RQ-Puerto Rico , RS-Russian Federation , RW-Rwanda , SA-Saudi Arabia , SB-St. Pierre and Miquelon , SC-St. Christopher-Nevis , SE-Seychelles and Dependents , SF-South Africa, Republic of , SG-Senegal , SH-St. Helena (Br W Afr) , SI-Slovenia , SL-Sierra Leone , SN-Singapore , SO-Somalia , SP-Spain , ST-St. Lucia , SU-Sudan , SW-Sweden , SY-Syria , SZ-Switzerland , TC-United Arab Emirates , TD-Trinidad and Tobago , TH-Thailand , TI-Tajikistan, Republic of , TK-Turks and Caicos Islands , TL-Tokelau , TN-Tonga , TO-Togo , TP-Sao Tome and Principe , TS-Tunisia , TT-Dem. Republic of Timor-Leste , TU-Turkey , TV-Tuvalu , TW-Taiwan , TX-Turkmenistan , TZ-Tanzania, United Republic of , U0-US Outlying Islands , UG-Uganda , UK-United Kingdom , UP-Ukraine , US-United States , UV-Burkina , UY-Uruguay , UZ-Uzbekistan, Republic of , VC-St. Vincent and the Grenadines , VE-Venezuela , VI-British Virgin Islands , VM-Vietnam , VQ-Virgin Islands of the U.S. , WA-Namibia , WE-West Bank , WF-Wallis and Futuna , WI-Western Sahara , WQ-Wake Island , WS-Western Samoa , WZ-Swaziland , YI-Serbia and Montenegro , YM-Yemen , YU-Yugoslavia (>05/92) , ZA- |

| | | | |
|-------------------|--|-------------------|----------------------|
| | | | Zambia , ZI-Zimbabwe |
| jjjllk;l;k;k;l;k; | | Geographic Market | AQ-American Samoa |

2.2 Promoted Commodities

2.2.1.1 Basic Information

Promoted Commodity: OTSEA - Other Seafood

Commodity Aggregate: Other Seafood (OTSEA)

U.S. Origin(%): 100

Value Added: No

2.2.1.2 Domestic Information

Developments:

There are two types of tuna that are farmed in the United States: white and black. Kentucky has the largest farming operations for tuna. In 2010, U.S. produced 10 million pounds of tuna with a value of 3.2 million dollars.

Outlook:

Supermarket demand for tuna continues to grow. Tuna is a cost effective alternative to tilapia of haddock. Tuna has superb health benefit which is why demand continues to grow. In 2011, demand for tuna was up by 5%.

Share Exported:

US Export share of the tuna market is 15% compared with Russia, 30%, China 5%, Australia 20% and Japan 30%.

Strengths and Weaknesses:

The U.S. has the most efficient methods of getting the tuna to market. From the time the tuna is caught, canned and shipped it is less than 48 hours. The quality of U.S. tuna is far superior to the Russian or other international competitors. Drawbacks: once the tuna reaches the international market, import restrictions forces the tuna sits in the shipping vessel for a day or two. This spoils the end product.

2.2.1.3 International Information

Market Conditions:

Import restrictions add delay getting the tuna into foreign markets. High tariffs makes it cost prohibited for importers to buy U.S. tuna.

Outlook:

Due to the possible change in tariffs, there may be an opportunity for U.S. tuna to enter the Malaysian market. TPC expects an increase of 2.5% sales.

Competitive Threats:

China, Japan provides low cost alternatives to U.S. tuna. Both countries tuna products are subsidized by their governments.

2.2.1.4 U.S. and World Production and Trade

Volume Unit:Pounds

Data Source:

Other Seafood almanac

World Production Metrics:

| Year | US Production | | US Export | | Exports as a Share of U.S. Production | | World Trade | | U.S. Share of World Trade | | Status |
|------|---------------|-------------|-----------|-------------|---------------------------------------|----------|-------------|---------------|---------------------------|----------|----------|
| | Vol.(LB) | Value(\$) | Vol.(LB) | Value(\$) | Vol.(%) | Value(%) | Vol.(LB) | Value(\$) | Vol.(%) | Value(%) | |
| 2008 | 198,000 | 112,510,000 | 50,000 | 800,000,000 | 25 | 711 | 1,000,000 | 1,568,000,000 | 5 | 51 | Actual |
| 2009 | 199,500 | 120,500,000 | 55,000 | 810,000,000 | 28 | 672 | 1,005,000 | 1,575,000,000 | 5 | 51 | Actual |
| 2010 | 200,000 | 123,000,000 | 58,000 | 817,000,000 | 29 | 664 | 1,016,000 | 1,583,000,000 | 6 | 52 | Actual |
| 2011 | 203,500 | 124,500,000 | 62,000 | 820,000,000 | 30 | 659 | 1,035,000 | 1,625,000,000 | 6 | 50 | Actual |
| 2012 | 204,000 | 126,000,000 | 65,000 | 823,000,000 | 32 | 653 | 1,045,000 | 1,688,000,000 | 6 | 49 | Actual |
| 2013 | 206,000 | 129,500,000 | 67,500 | 824,500,000 | 33 | 637 | 1,056,000 | 1,700,000,000 | 6 | 48 | Estimate |
| 2014 | 206,300 | 129,700,000 | 68,300 | 824,700,000 | 33 | 636 | 1,061,000 | 1,705,000,000 | 6 | 48 | Forecast |
| 2015 | 206,301 | 129,700,001 | 68,301 | 824,700,001 | 33 | 636 | 1,061,001 | 1,705,000,001 | 6 | 48 | Forecast |
| 2016 | 206,302 | 129,700,002 | 68,302 | 824,700,002 | 33 | 636 | 1,061,002 | 1,705,000,002 | 6 | 48 | Forecast |

| | | | | | | | | | | | |
|------|---------|-------------|--------|-------------|----|-----|-----------|---------------|---|----|----------|
| 2017 | 206,303 | 129,700,003 | 68,303 | 824,700,003 | 33 | 636 | 1,061,003 | 1,705,000,003 | 6 | 48 | Forecast |
| 2018 | 206,304 | 129,700,004 | 68,304 | 824,700,004 | 33 | 636 | 1,061,004 | 1,705,000,004 | 6 | 48 | Forecast |
| 2019 | 206,305 | 129,700,005 | 68,305 | 824,700,005 | 33 | 636 | 1,061,005 | 1,705,000,005 | 6 | 48 | Forecast |
| 2020 | 206,306 | 129,700,006 | 68,306 | 824,700,006 | 33 | 636 | 1,061,006 | 1,705,000,006 | 6 | 48 | Forecast |
| 2021 | 206,307 | 129,700,007 | 68,307 | 824,700,007 | 33 | 636 | 1,061,007 | 1,705,000,007 | 6 | 48 | Forecast |

2.2.2.1 Basic Information

Promoted Commodity: Processed Tuna

Commodity Aggregate: Fish & Seafood (SEAFD)

U.S. Origin(%): 100

Value Added: No

2.2.2.2 Domestic Information

Developments:

Outlook:

Share Exported:

Strengths and Weaknesses:

2.2.2.3 International Information

Market Conditions:

Outlook:

Competitive Threats:

2.2.2.4 U.S. and World Production and Trade

Volume Unit:

Data Source:

World Production Metrics:

| Year | US Production | | US Export | | Exports as a Share of U.S. Production | | World Trade | | U.S. Share of World Trade | | Status |
|------|---------------|-----------|------------|-----------|---------------------------------------|----------|-------------|-----------|---------------------------|----------|--------|
| | Vol.(Unit) | Value(\$) | Vol.(Unit) | Value(\$) | Vol.(%) | Value(%) | Vol.(Unit) | Value(\$) | Vol.(%) | Value(%) | |

2.3. Targeted Market Assessment

2.3.1.1 Basic Information

Market Definition: Central Africa

Promoted Commodity: OTSEA

Market Type: Growth Market

Market Keywords:

FAS Market Keywords:

2.3.1.2 Substantive Information:

Market Assessment:

The U.S. is the leading market for canned tuna in Central Africa. The U.S. accounts for over 35% of canned

tuna imported into Cameroon, Congo Brazzaville and the Central African Republic. The people in this region are moving toward a more healthy diet. that has account for the increase demand for canned tuna. In addition, the lower tarrifs for tuna imports has positioned the region as strong market for U.S. canned tuna.

Market Strategy:

Tuna Packers has developed a strong relationship with the retailer to increase visibility of Tuna Packers products on store shelves. Long term strategies includes more instore promotion, advertising on local radio and TV stations. Our goal is for a 10% increase of sales.

Past Performance and Evaluation Results:

2014 is the first year for the Tuna Packers' program in Central Africa thus past performance and evaluation results are not available.

2.3.1.3 Metrics Information

Export Volume Unit:24-Pound Cartons

Data Source:

U.S. NEI

Targeted Market Export Goals:

| Year | Volume(24LBC) | Value(\$) | Market Share (%) | Status |
|------|---------------|------------|------------------|---------|
| 2009 | 1000 | 100,000.00 | 5.00 | Not Set |
| 2010 | 2000 | 100,001.00 | 6.00 | Not Set |
| 2011 | 3000 | 100,002.00 | 7.00 | Not Set |
| 2012 | 4000 | 100,003.00 | 8.00 | Not Set |
| 2013 | 5000 | 100,004.00 | 9.00 | Not Set |
| 2014 | 6000 | 100,005.00 | 10.00 | Not Set |
| 2015 | 7000 | 100,006.00 | 11.00 | Not Set |
| 2016 | 8000 | 100,007.00 | 12.00 | Not Set |
| 2017 | 9000 | 100,008.00 | 13.00 | Not Set |
| 2018 | 10000 | 100,009.00 | 14.00 | Not Set |

2.3.1.4 Export Strategy

2.3.2.1 Basic Information

Market Definition: Central Africa

Promoted Commodity: SEAFD

Market Type: Growth Market

Market Keywords:

FAS Market Keywords:

2.3.2.2 Substantive Information:

Market Assessment:

Market Strategy:

Past Performance and Evaluation Results:

2.3.2.3 Metrics Information

Export Volume Unit:LB, Farm Sales Wt Eq

Data Source:

Seafood Almanac

Targeted Market Export Goals:

| Year | Volume(LBFSW) | Value(\$) | Market Share (%) | Status |
|------|---------------|------------|------------------|---------|
| 2009 | 1000 | 100,000.00 | 5.00 | Not Set |
| 2010 | 2000 | 100,001.00 | 6.00 | Not Set |
| 2011 | 3000 | 100,002.00 | 7.00 | Not Set |
| 2012 | 4000 | 100,003.00 | 8.00 | Not Set |
| 2013 | 5000 | 100,004.00 | 9.00 | Not Set |
| 2014 | 6000 | 100,005.00 | 10.00 | Not Set |
| 2015 | 7000 | 100,006.00 | 11.00 | Not Set |
| 2016 | 8000 | 100,007.00 | 12.00 | Not Set |
| 2017 | 9000 | 100,008.00 | 13.00 | Not Set |
| 2018 | 10000 | 100,009.00 | 14.00 | Not Set |
| 2019 | 11000 | 100,010.00 | 15.00 | Not Set |

2.3.2.4 Export Strategy

2.3.2.4.1 Constraints/PM

2.3.2.4.1.1 Basic Information

Constraint No: 1

Constraint Title: Increasing tuna dealers

Constraint Type: N/A

Constraint Description:

EMP Current Circumstances:

Constraint Keywords:

FAS Constraint Keywords:

2.3.2.4.1.2 CPR Specific Information

Recommendations:

Evaluation and Findings:

Post Assessment:

Division Assessment:

Success Story:

Lessons Learned:

2.3.2.4.1.3 PM Specific Information

| | Baseline Year | Baseline (-2) | Baseline (-1) | Baseline | Baseline (+1) | Baseline (+2) | Baseline (+3) | Baseline (+4) | Baseline (+5) | Baseline (+6) | Baseline (+7) |
|--|---------------|---------------|---------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Title: Number of dealerships of 2013 | | | | 5 | G 6 | | | | | | |
| Description: | | | | | A | | | | | | |
| Note: G = Goal, A = Actual | | | | | | | | | | | |

FootNote:

2.3.2.4.1.4 Activities:

2.3.2.4.1.4.1.1 Basic Info

Program: MAP

Activity Code: M14GXTEST1

Activity Title: this is a test

Requested Amount (\$): \$110,000

Funded Amount (\$):

Activity Status: Draft

Activity Description:

xxxx

Activity Results Timeframe(Expected):

Activity Results (actual):

Contribution List:

| Contribution Type | Amount (\$) |
|-------------------|-------------|
|-------------------|-------------|

2.3.2.4.1.4.1.2 Activity Tag Basic Information:

| Priority Name |
|------------------------------|
| Global-Broadbased Initiative |

2.3.3.1 Basic Information

Market Definition: Central America

Promoted Commodity: OTSEA

Market Type: Growth Market

Market Keywords:

FAS Market Keywords:

2.3.3.2 Substantive Information:

Market Assessment:

Central America wide open market

Market Strategy:

Overcome lack of awareness in Central America

Past Performance and Evaluation Results:

2.3.3.3 Metrics Information

Export Volume Unit:

Data Source:

Targeted Market Export Goals:

| Year | Volume(Unit) | Value(\$) | Market Share (%) | Status |
|------|--------------|-----------|------------------|--------|
|------|--------------|-----------|------------------|--------|

2.3.3.4 Export Strategy

2.3.3.4.1 Constraints/PM

2.3.3.4.1.1 Basic Information

Constraint No: 1

Constraint Title: Increasing market awareness

Constraint Type: N/A

Constraint Description:

EMP Current Circumstances:

Constraint Keywords:

FAS Constraint Keywords:

2.3.3.4.1.2 CPR Specific Information

Recommendations:

Evaluation and Findings:

Post Assessment:

Division Assessment:

Success Story:

Lessons Learned:

2.3.3.4.1.3 PM Specific Information

| | Baseline Year | Baseline (-2) | Baseline (-1) | Baseline | Baseline (+1) | Baseline (+2) | Baseline (+3) | Baseline (+4) | Baseline (+5) | Baseline (+6) | Baseline (+7) |
|--|---------------|---------------|---------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Title: Increase market awareness PMs | 2015 | | | 5% | G | | | | | | |
| Description: | | | | | A | | | | | | |

Note: G = Goal, A = Actual

FootNote:

2.3.3.4.1.4 Activities:

2.3.3.4.2 Constraints/PM

2.3.3.4.2.1 Basic Information

Constraint No: 2

Constraint Title: Educate dealers

Constraint Type: EMP

Constraint Description:

EMP Current Circumstances:

Constraint Keywords:

FAS Constraint Keywords:

2.3.3.4.2.2 CPR Specific Information

Recommendations:

Evaluation and Findings:

Post Assessment:

Division Assessment:

Success Story:

Lessons Learned:

2.3.3.4.2.3 PM Specific Information

| | Baseline Year | Baseline (-2) | Baseline (-1) | Baseline | Baseline (+1) | Baseline (+2) | Baseline (+3) | Baseline (+4) | Baseline (+5) | Baseline (+6) | Baseline (+7) |
|------------------------------------|---------------|---------------|---------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Title: # of dealer seminars | 2014 | | | 8 | G 9 | | | | | | |
| Description: | | | | | A | | | | | | |

Note: G = Goal, A = Actual

FootNote:

2.3.3.4.2.4 Activities:

3. SECTION 3: FOREIGN OFFICES AND ADMINISTRATIVE COSTS**3.1. Administrative Budget (Admin Activity) Summary For MAP, FMD Section 108 And TASC****3.2. Worldwide US Personnel Cost Summary: FMD**

| |
|--|
| Worldwide U.S. Personnel Cost Summary: FMD |
|--|

3.3. Worldwide Contingent Liabilities Summary: FMD

| Contingent Liability Type | Amount(\$) |
|---------------------------|------------|
|---------------------------|------------|