

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY.

Voluntary - Public

Date: 7/12/2019

GAIN Report Number: BR 1921

Brazil

Post: Brasilia

Brazilian Dry Bean Production

Report Categories:

Grain and Feed

Approved By:

Oliver Flake, Agricultural Counselor

Prepared By:

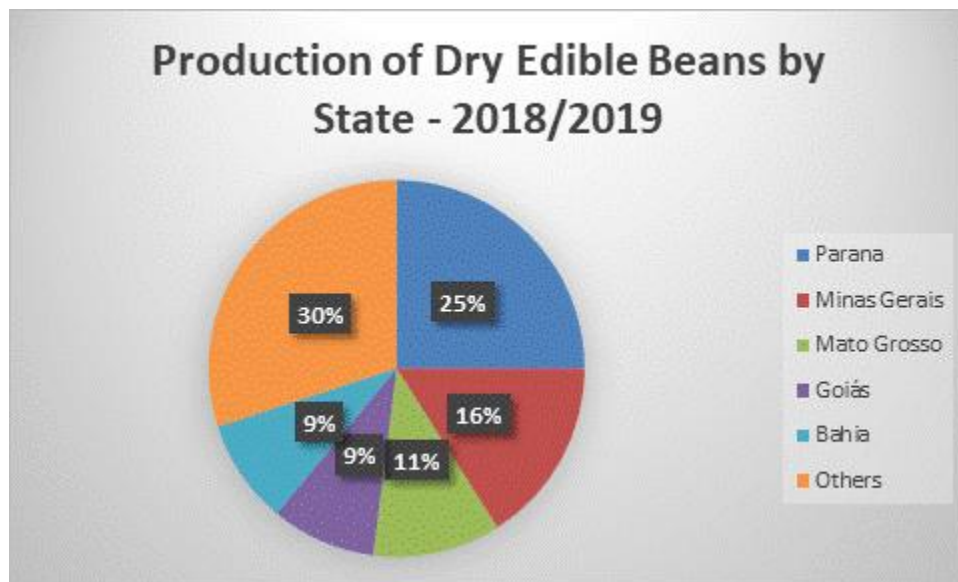
João F. Silva, Agricultural Specialist

Report Highlights:

Brazil is one of the largest global producers and consumers of edible dry beans. Production has been relatively constant at around 3 million metric tons, distributed in three different crops per year. The, 2018/2019 yield is expected to fall from last year due to reduced area and poor climatic conditions. In order to fill the gap due to lower production, Argentina will be the main supplier of edible beans to Brazil. Edible dry beans are part of the national diet and together with rice, offers an alternative protein source for the low-income population.

Production:

Edible beans are cultivated in nearly every Brazilian state. However, production is concentrated in five states, which account for nearly 70% of Brazil's total production. The most recent estimate for the 2018/2019 crop season total Brazilian dry bean production is 3 million metric tons, distributed in three distinctive seasons (dry, wet and winter). This is about the same production as last crop year.



Despite a decrease in cultivated area, production has remained relatively constant around 3 million metric tons per year over the past five years due to higher yields. In the near future, biotech dry edible beans developed by Brazil's Agricultural Research Corporation (EMBRAPA), will likely contribute to higher yields and production. Currently, EMBRAPA is selecting partners that can multiply the BRS FC 401 RMD biotech seeds, which likely will enter the production cycle during the 2019/2020 crop season.

Small-scale producers dominate Brazilian bean production (about 67%), but there is an upward trend in the participation of medium and large producers, especially in the Cerrado region (some irrigated areas), where research and good land quality has spurred production. Considering the physical and geographical diversity of Brazil and the diverse climate and soil, it is possible to grow beans in three distinct seasons, depending on the region. The first crop is harvested from November through February and is concentrated in the Southern regions of the country. The second crop is harvested from March through June in all regions of Brazil, and the third crop, also called the "winter" crop, is grown from May through September in tropical regions of the country.

Brazil produces two main varieties of beans: *Phaseolus beans* (carioca and black) mostly cultivated in the Center/South regions of Brazil, while *Vigna beans* (Macaçar and Caupi) are produced in the North/Northeast states. Carioca (or colored) beans account for 61 percent of total production, followed by Caupi beans with 22 percent and black beans with 17 percent.

Brazil: Dry Edible Beans, PS&D	1,000 metric tons		
	2017/2018	2018/2019	2019/2020
	<i>revised</i>	<i>estimate</i>	<i>forecast</i>
Beginning Stocks	302.6	287.4	267.9
Imports	81.1	130.0	145.0
Production	3,116.1	3,020.5	3,120.0
Total Supply	3,499.8	3,437.9	3,532.9
Exports	162.4	130.0	135.0
Domestic Consumption	3,050.0	3,040.0	3,090.0
Ending Stocks	287.4	267.9	307.9
Total Distribution	3,499.8	3,437.9	3,532.9
Source: CONAB's latest crop release of July 11, 2019.			

The area planted for the 2018/19 dry edible bean crop year declined 7 percent from last year at 2.9 million hectares. Total production for the current crop year was revised to around 3 million metric tons, mostly due to a decrease of 20 percent in production for the third crop due to losses to weather and reduced area.

Consumption:

Brazil is one of the world's largest producers and consumers of dry edible beans. In Brazil, dry edible beans are usually consumed with rice which combined, constitute a low-cost, high-nutrition meal used by lower income families as an alternative to meat consumption.

According to industry sources, consumption has fallen from 26 kilograms per person in the 70's to about 15 kilograms in 2019. One reason for the fall in per capita consumption is an increase in the population's income, causing a substitution of their sources of protein (beef and poultry) and a decrease of the relative prices of substitute foods. Pasta consumption is also a contributing factor. The rural exodus to the urban centers has also contributed to changes in food habits. Beans are losing space in the diet of Brazilians, mainly class "C" consumers (working class, low income). Other segments, such as industrial kitchens (out-of-home meals) and basic food basket companies are increasing their market share.

The most consumed beans are Carioca (61%), Caupi (22%) and Black (17%). Beans are consumed in the entire country, but consumption varies by region. States such as Rio de Janeiro, Santa Catarina, part of Rio Grande do Sul and the Federal District prefer locally produced black beans. The massive consumption center of São Paulo and other regions prefer Carioca beans. Meanwhile, Macaçar beans are more popular in Northeast Brazil.

Trade:

Despite Brazil being one of the world's largest edible bean producers, imports occur when supply is scarce, mostly due to climatic factors. The so-called price "roller coaster" factor of edible dry beans in Brazil is derived from climatic factors, which offer major opportunities for edible bean imports, but the "window" for imports is very short as Brazil produces three crops per year. Due to reduced production this year, imports have increased through June 2019 by nearly 130 percent, mostly from Argentina, which normally supplies the market with black beans.

Brazil Import Statistics								
Commodity: 071333, Kidney Beans, Including White Pea Beans (Phaseolus Vulgaris), Dried Shelled, Including Seed								
Calendar Year: 2016 - 2018								
Partner Country	Unit	Quantity			% Share			% Change
		2016	2017	2018	2016	2017	2018	2018/2017
World	T	341,890	137,172	80,766	100.00	100.00	100.00	- 41.12
Argentina	T	205,976	121,589	71,363	60.25	88.64	88.36	- 41.31
Bolivia	T	26,233	6,632	8,680	7.67	4.84	10.75	30.87
China	T	94,457	374	380	27.63	0.27	0.47	1.61
Canada	T	1,375	3,713	250	0.40	2.71	0.31	- 93.27
Paraguay	T	582	115	46	0.17	0.08	0.06	- 59.81
United States	T	13,082	4,740	35	3.83	3.46	0.04	- 99.25
Netherlands	T	20	6	11	0.01	0.00	0.01	74.56
Lebanon	T	1	1	1	0.00	0.00	0.00	- 41.67
Brazil	T	164	0	0	0.05	0.00	0.00	0.00

Brazil Import Statistics								
Commodity: 071333, Kidney Beans, Including White Pea Beans (Phaseolus Vulgaris), Dried Shelled, Including Seed								
Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2017	2018	2019	2017	2018	2019	2019/2018
World	T	28,498	25,512	58,358	100.00	100.00	100.00	128.74
Argentina	T	24,029	21,729	50,777	84.32	85.17	87.01	133.68
Bolivia	T	798	3,366	5,101	2.80	13.19	8.74	51.54
United States	T	2,909	1	1,496	10.21	0.00	2.56	-
China	T	246	110	725	0.86	0.43	1.24	559.39
Paraguay	T	115	46	252	0.40	0.18	0.43	445.22
Netherlands	T	1	10	7	0.00	0.04	0.01	- 24.86
Lebanon	T	0	0	0	0.00	0.00	0.00	0.00
Canada	T	399	250	0	1.40	0.98	0.00	- 100.00

Brazil's edible bean exports have decreased over the last couple of years as a result of the decrease in domestic production. A very small share of Brazilian producers offer their product to foreign markets. Exporters tend to be more specialized in the production of beans specifically for foreign markets.

Brazil Export Statistics								
Commodity: 071333, Kidney Beans, Including White Pea Beans (Phaseolus Vulgaris), Dried Shelled, Including Seed								
Calendar Year: 2016 - 2018								
Partner Country	Unit	Quantity			% Share			% Change
		2016	2017	2018	2016	2017	2018	2018/2017
World	T	39,512	63,131	42,228	100.00	100.00	100.00	- 33.11
India	T	25,229	31,223	22,215	63.85	49.46	52.61	- 28.85
Vietnam	T	292	3,895	5,372	0.74	6.17	12.72	37.91
Venezuela	T	582	590	2,688	1.47	0.93	6.37	355.64
South Africa	T	498	666	1,497	1.26	1.05	3.54	124.79
Pakistan	T	3,416	6,307	1,445	8.64	9.99	3.42	- 77.09
Kenya	T	0	0	1,350	0.00	0.00	3.20	0.00
United Arab Emirates	T	822	1,755	1,014	2.08	2.78	2.40	- 42.21
Egypt	T	4,738	7,771	949	11.99	12.31	2.25	- 87.79
Portugal	T	627	2,482	870	1.59	3.93	2.06	- 64.96
Japan	T	333	467	647	0.84	0.74	1.53	38.73
Costa Rica	T	0	0	590	0.00	0.00	1.40	0.00
Haiti	T	422	1,643	564	1.07	2.60	1.34	- 65.68
Turkey	T	100	777	518	0.25	1.23	1.23	- 33.29
United States	T	216	451	484	0.55	0.71	1.15	7.36
Dominican Republic	T	0	0	385	0.00	0.00	0.91	0.00
United Kingdom	T	121	177	234	0.31	0.28	0.55	32.09
Spain	T	0	0	224	0.00	0.00	0.53	0.00
Panama	T	0	47	169	0.00	0.07	0.40	256.91
Italy	T	71	29	162	0.18	0.05	0.38	457.78
Uruguay	T	0	153	147	0.00	0.24	0.35	- 3.61
Angola	T	141	270	138	0.36	0.43	0.33	- 48.94
Croatia	T	100	25	123	0.25	0.04	0.29	391.14
Paraguay	T	110	82	99	0.28	0.13	0.23	20.82
Singapore	T	0	269	76	0.00	0.43	0.18	- 71.89

Brazil Export Statistics								
Commodity: 071333, Kidney Beans, Including White Pea Beans (<i>Phaseolus Vulgaris</i>), Dried Shelled, Including Seed								
Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2017	2018	2019	2017	2018	2019	2019/2018
World	T	19,319	11,348	11,504	100.00	100.00	100.00	1.38
India	T	11,510	3,910	7,521	59.58	34.46	65.38	92.33
Egypt	T	675	127	1,209	3.49	1.12	10.51	852.83
Vietnam	T	750	250	1,173	3.88	2.20	10.20	369.04
United States	T	274	188	303	1.42	1.66	2.63	61.14
Spain	T	0	23	191	0.00	0.20	1.66	747.78
Pakistan	T	2124	400	148	11.00	3.52	1.29	- 62.88
Argentina	T	28	10	137	0.14	0.09	1.19	1267.74
United Kingdom	T	62	92	108	0.32	0.81	0.94	16.58
Paraguay	T	36	36	102	0.19	0.32	0.88	178.48
Costa Rica	T	0	543	94	0.00	4.79	0.82	- 82.70
Uruguay	T	110	113	86	0.57	1.00	0.75	- 23.87
United Arab Emirates	T	949	348	78	4.91	3.06	0.68	- 77.66
Japan	T	284	269	76	1.47	2.37	0.66	- 71.59
Portugal	T	88	152	74	0.46	1.34	0.64	- 51.59
Guyana	T	8	2	42	0.04	0.02	0.37	2237.94
Netherlands	T	25	37	35	0.13	0.33	0.30	- 5.68
Venezuela	T	357	2188	33	1.85	19.28	0.28	- 98.51
Turkey	T	420	0	23	2.17	0.00	0.20	0.00
Belgium	T	74	26	22	0.38	0.23	0.19	- 15.04
Ireland	T	2	22	8	0.01	0.19	0.07	- 63.05
Lebanon	T	5	53	8	0.03	0.47	0.07	- 84.91
Switzerland	T	1	0	6	0.01	0.00	0.06	7060.00
Suriname	T	0	0	6	0.00	0.00	0.05	0.00
Germany	T	0	18	4	0.00	0.16	0.04	- 77.32

Marketing:

The Pulses 2019 Convention of the Global Pulses Confederation (June 10-13, 2019) in Rio de Janeiro, was an opportunity for Brazilian producers to show their increasing importance in the world market.

The Brazilian government emphasized the 2018 “National Plan for the Development of the Productive Chain of Edible Beans and Pulses” which calls for the traceability of production, preservation of forests, and diversification of bean exports. Brazil increased from two to ten varieties of bean exports in the past 10 years. Bean exporters are enthusiastic with the recent MERCOSUR-EUROPEAN UNION agreement and indicated that they are prepared to increase supply for the new market.