

HOW BRAZIL STANDS TO BENEFIT FROM BETTER REGULATORY PRACTICES IN CHINA

Including More Timely Import Approvals of Biotech Products



Brazil accounts for more than one third of total global soybean production and is the number one soybean supplier to China. China imports nearly 60% of total Brazilian soybean exports. In recent years, China is investing massively in Brazil's agriculture sector and infrastructure that would improve shipment between farming regions and grain ports.

To meet market demand, Brazilian farmers have used new technologies to increase soybean productivity - and continued adoption of new technologies is linked to regulatory approvals, including those in importing countries. Delays in China's import approvals have been significantly impacting Brazil as an agricultural trading partner.

POTENTIAL CORN AND SOYBEAN EXPORT LOSSES DUE TO DELAYED IMPORT APPROVALS



Significant impact in Brazil from delayed import approvals in China

As summarized below, Informa Consulting recently conducted analysis of economic hardships resulting from import approval delays over the past five years, and also projected the significant value to be unlocked with timelier and more predictable biotech import approvals from China.



IMPACTS FOR THE BRAZILIAN FARMING INDUSTRY

	ESTIMATED LOSSES resulting from China's import approval delays, 2011-2016	POTENTIAL VALUE TO GAIN if China implements more timely and predictable biotech import approvals, 2017-2022 (projected)
Farm income	Was restricted by US\$2.3 billion	Could increase by nearly US\$2.7 billion
Job creation and support	More than 75,000 potential jobs were prevented	More than 66,000 jobs could be made possible
Wage growth	Over US\$1 billion was prevented	Could increase by over US\$1.2 billion
Potential economic output	Was reduced by over US\$2.6 billion	Could increase potential GDP by over US\$3 billion
Potential business sales	Was reduced by nearly US\$4.9 billion	Could increase by nearly US\$6 billion



Both China and Brazil would benefit from more timely biotech import approvals. Notably, China would be better able to protect and optimize its overseas agricultural investments and maintain a stable food supply for its nearly 1.4 billion citizens.



Since Brazil adopted plant biotechnology in 1998, its soybean exports increased by **nearly 300%** with 2017-18 production expected to top **114 million MT**.

PLANT BIOTECH INNOVATIONS OFFER MANY BENEFITS TO BRAZILIAN FARMERS



- Farm income growth
- Seeds that increase productivity
- Reduced environmental impacts
- New and improved ways to manage unpredictable growing seasons caused by climate change
- Better ability to manage pests without resistance evolving



Increased soybean production made it possible for Brazil to become a leader in meat exports.