CHINA
“GOES OUT”
WHAT DOES IT MEAN FOR BRAZIL?

DR. EMELIE K. PEINE
UNIVERSITY OF PUGET SOUND
CHINA’S 2008 OILSEED INDUSTRIAL POLICY DIRECTIVE

• Expand domestic soy production
• Encourage supply chain integration
• Limit the expansion of crushing capacity
• Encourage enterprises to buy domestic soybeans
• Enhance and promote the liquidity of GM soybeans
• Encourage enterprises to “go out” and develop international resources
Evolução do cultivo de soja

Evolução da produção de soja - Brasil - 1990-2009

• Two crops in the same year—soy followed by corn or cotton
• Scale, mechanization, technology
• Without irrigation
Chinese pork consumption and Brazilian soybean production
1980-2013

- Oilseed, Soybean Production (1000 MT) Brazil
- Meat, Swine Total Dom. Consumption (1000 MT CWE) China
China and Brazil
Soybean Production and Crush

Source: PSD online
HOW IS CHINA INVESTING IN BRAZILIAN SOY?

• Buying farmland

• Infrastructure

• Direct purchasing

• Crushing plants
WHAT DOES THIS MEAN FOR BRAZIL?

Brazilian farmers and Chinese consumers remain beholden to transnational agribusiness.

• Will China be able to “go out” even further and compete in this oligopolistic market?

• If so, what will that mean for:
  • Farmers?
  • The environment?
  • Brazilian food sovereignty?