

European Dairy Gives Way to Brazilian Goods in Middle East

Contributed by Isaura Daniel
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Dairy product exports from Brazil to the countries in the League of Arab States grew by 133% early this year. Figures supplied by the Ministry of Agriculture, Livestock and Food Supply show that sales rose from US\$ 17.8 million between January and April last year to US\$ 41.6 million in the same period this year.

According to the president of the National Commission of Dairy Farming at the National Confederation of Agriculture and Livestock (CNA), Rodrigo Alvim, apart from the export effort by companies in the sector, the growth is also due to greater consumption in the region.

The secretary general at the Arab Brazilian Chamber of Commerce, Michel Alaby, stated that the increase was also due to the competitiveness of Brazilian production, with which Alvim agrees.

"Brazil is significantly increasing exports of dairy products," said Alvim, referring to the growth of exports as a whole. According to him, last year the country posted revenues of around US\$ 300 million with sector exports, almost double the total for 2007. Venezuela was the main buyer, followed by Algeria. In the first four months of this year, national exports reached US\$ 152 million.

Both Alvim and Alaby believe that the increase of sales of dairy products to the Arab countries is also due to the replacement of European suppliers. Alvim explained that Europe, which had 36% of the global dairy product market in 2006, currently has just 22%.

One of the reasons is that the region is more turned to its own market, geared at supplying the new members of the European Union (EU), and also due to environmental concerns, causing the stricter regulations for producers.

Between January and April, the Arabs answered to almost one third of Brazilian dairy exports. The main buyers, in the Arab world, were Sudan, with US\$ 14 million, followed by Algeria, with US\$ 13.6 million, Saudi Arabia, with US\$ 2.4 million, Mauritania, with US\$ 2.1 million and Kuwait, with US\$ 1.3 million.

Sudanese imports grew expressively, as in the first quarter of 2007 they totaled US\$ 245,000. Algerian purchases rose 86% and those by Saudi Arabia, 90%. Purchases by Mauritania grew 113% and those of Kuwait, 596%.

One of the products with greatest weight in exports was powdered milk. Sales of this product to the Arabs totaled at least US\$ 34.1 million between January and April.

The secretary general at the Arab Brazilian Chamber explained that Sudan, one of the main buyers of Brazilian dairy products in the region, for example, has a dairy cattle herd, but not an industry large enough to supply the local demand.

Anba