

## **Emerging Markets Program**

<http://www.fas.usda.gov/mos/em-markets/em-markets.asp>

Applications should be no longer than ten (10) pages and include the following information:

**(a) Date of proposal:**

August 12, 2008.

**(b) Name of organization submitting proposal:**

Agricultural Trade Office Sao Paulo,  
USDA/FAS

**(c) Organization address, telephone and fax numbers:**

US ATO  
Unit 3502  
APO AA 340303

Tel: 55 (11) 5186-7400

Fax: 55 (11) 5186-7499

**(d) Tax ID number:**

Not known.

**(e) DUNS number:**

Not known- please check with FAS/Washington.

**(f) Primary contact person:**

Morgan A. Perkins  
ATO Director

**(g) Full title of proposal:**

Brazil Market Access Project.

**(h) Target market(s):**

This project will clarify import requirements and identify major barriers to product entry in the Brazilian market for consumer-ready food items.

**(i) Current conditions in the target market(s) affecting the intended commodity or product;**

This market is characterized by

- A multiplicity of administrative requirements for new-product entry.
- Wide variation in procedures and requirements for different products.
- Presence of a number of regulatory agencies with overlapping jurisdictions.
- Lack of transparency regarding product-entry requirements.
- Substantial delays and high costs for new product registration.

The complexity of the company and product registration system has been one of the top two impediments to increasing U.S. exports to Brazil, and caused many potential exporters to abandon efforts to enter this market.

This EMP proposal seeks to build on results of a project funded via post's CSSF. That project defined all requirements for product entry for 15 food categories and identified legislation underpinning those requirements, as well as common inconsistencies in enforcement. Our FY 2009 efforts will focus on dissemination of those results, outreach to technical contacts in the Government of Brazil (GoB) who might be able to alter those requirements, and an update of survey results in the 2<sup>nd</sup> semester of 2009.

**(j) Description of problem(s), i.e., constraint(s), to be addressed by the project, such as: Inadequate knowledge of the market, insufficient trade contacts, lack of awareness by foreign officials of U.S. products and business practices, impediments: infrastructure, financing, regulatory or other non-tariff barriers, etc.;**

The main constraints to be addressed include a lack of knowledge by U.S. exporters concerning Brazilian import requirements. The root cause of this 'lack of knowledge' is a lack of transparency on the part of Brazilian authorities. Funding is needed for translation of Market Access Survey results and distribution to potential exporters.

This project was developed with the dual intentions of a) clarifying requirements for new U.S. exporters and b) identifying requirements that the U.S. Government might lobby to have changed.

As a result, we will also attempt to influence technical level GoB interlocutors to ease product entry requirements and improve transparency. We intend to do so in part by funding a technical exchange group that would study U.S. import procedures/requirements and spark debate about best practices.

**(k) Project objectives:**

To improve U.S. exporters' knowledge of Brazilian import requirements, and to achieve reforms to import requirements that would facilitate access of U.S. products.

**(l) Performance measures: benchmarks for quantifying progress in meeting the objectives;**

We will use the following benchmarks to evaluate project success:

- Number of copies of the Market Access Study released to U.S. companies, and the percentage of those companies that register exports.
- Number of GoB import requirements identified by ATO Sao Paulo as potential candidates for reform, and the number that are eliminated/reformed.

**(m) Rationale: Explanation of the underlying reasons for the project proposal and its approach, the anticipated benefits, and any additional pertinent analysis;**

We believe that by making the export process more transparent, predictable, easier and quicker, we will facilitate expanded sales to Brazil.

**(n) Clear demonstration that successful implementation will benefit a particular industry as a whole, not just the applicant(s);**

This study has been completed for fifteen different product categories, and results will be available to any/all U.S. companies interested in exporting to Brazil.

**(o) Explanation as to what specifically could not be accomplished without federal funding assistance and why participating organization(s) are unlikely to carry out the project without such assistance;**

Without this additional funding, we will be handicapped in our efforts to translate survey results in order to share them with U.S. manufacturers. This project includes an estimated 10,000 pages of text related to 15 product categories, as well as 15 summary Powerpoint presentations of 25-30 slides each. ATO staff would be able to translate only a small portion, and unable to do so in a timely manner.

In addition, we will need funding to evaluate project findings late next year. Brazilian regulations are frequently changed, and if results of this project are not regularly reviewed they risk becoming outdated.

Our efforts to influence GoB technical staff would be greatly enhanced if we were able to take those staffers on “hands-on” exchange programs. Over the past couple of years, we have used such programs (primarily funded via the Cochran program) to build better institutional relations and successfully improve bilateral technical dialogue.

**(p) Specific description of activity/activities to be undertaken;**

1) Translation of five (of fifteen) product-specific guides to market entry (products to be determined based on exporter interest).

- 2) Development of fifteen Powerpoint presentations summarizing product entry requirements.
- 3) Updating of the previously completed Market Access survey.
- 4) Funding of a technical exchange group of 4-5 GoB representatives whom FAS identifies as key interlocutors on questions of regulatory reform to Brazilian import requirements.

**(q) Time line(s) for implementation of activity, including start and end dates;**

- 1) Translation of product entry guides would occur throughout the year, based on specific requests by U.S. exporters or Cooperator groups.
- 2) Development of Powerpoint summaries would occur from October 1 to December 1, 2009.
- 3) Update of the Market Access survey would be scheduled for July-September, 2009.
- 4) Target date for the Technical exchange group to go to the U.S. would be April/May of 2009.

**(r) Information on whether similar activities are or have previously been funded with USDA sources in target country/countries (e.g., under MAP and/or FMD programs); and**

The Market Access Study which serves as the basis for these activities was prepared under a contract funded via the CSSF (FY 07). Due to uncertainty regarding future funding levels for this program, we prefer to seek funding under the EMP program.

**(s) Detailed line item activity budget. Cost items should be allocated separately to each participating organization. Expense items constituting a proposed activity's overall budget (e.g., salaries, travel expenses, consultant fees, administrative costs, etc.), with a line item cost for each, should be listed, clearly indicating:**

Please note that we have no partner organizations, and full funding is being sought via the EMP.

Item	Total Funding Request	Funding Requested ex. EMP	Other Funding Sources
Translation of Exporter Guide texts.	\$8,000.00	\$8,000.00	If demand exceeds five reports, additional translation would be funded via CSSF.
Development of Powerpoint summaries of Exporter Guides for all 15 product categories.	\$3,000.00	\$3,000.00	N/A

Update of Market Access Study.	\$10,000.00	\$10,000.00	N/A
Technical Exchange Group from GoB (Full expenses for 5 participants).	\$20,000.00	\$20,000.00	Post will also propose a Cochran group for this activity, but we have concerns regarding availability of Cochran funds.