



Can Brazil's agricultural exports surf the coming geopolitical waves?

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Summary

For two decades, globalization supported Brazil's robust growth as a major agricultural exporter. However, recent events have shown that the geopolitical shift away from globalization and a rules-based international order toward a more fragmented environment carries significant implications for international relations and trade.

Currently, Brazil is the world's foremost net exporter of food and agricultural (F&A) commodities, leading the world in exports of feed and food commodities such as soybeans, animal proteins, sugar, coffee, and more. Rising import demand, most notably in China and the rest of Asia, has driven export growth.

Now, China is by far the largest single destination for Brazilian F&A exports, accounting for some 33% of their total value. The EU-27 and US are the next most important destinations, with these top three together representing 54% of Brazil's F&A exports by value.

Brazil's rise as a leading agricultural exporter has seen the country become ever more dependent on imported fertilizers and crop protection products. Meanwhile, local refining capacity growth has lagged fuel demand, and imports account for 25% to 30% of Brazil's diesel use.

This dependence on imported farm inputs and the concentration of Brazil's agribusiness exports raise questions about how the country's agribusiness sector may need to adapt to deal with a geopolitical environment that is less benign than it was 10 or 20 years ago.

Although Brazil's scale as a supplier of key commodities confers a degree of protection and bargaining power in the face of potential geopolitical obstacles to trade, the route to resilient growth will be via reducing dependence on imported farm inputs and diesel while also diversifying both export destinations and products. These strategies are likely to help Brazilian agribusiness maintain export growth and increase resilience in a more uncertain geopolitical environment.

Two decades of growth reshaped trade flows

Although the EU-27 and the US are the world's largest food and agricultural (F&A) commodity exporters, Brazil has long been the world's leading net exporter of these goods. As WTO trade data illustrates, Brazil's net F&A exports have grown steadily in value terms, the EU's have stagnated in recent years, and the US has switched from net exporter to net importer (see figure 2).

Figure 1: Brazilian, EU-27, and US total agricultural exports and imports, 2000-2024

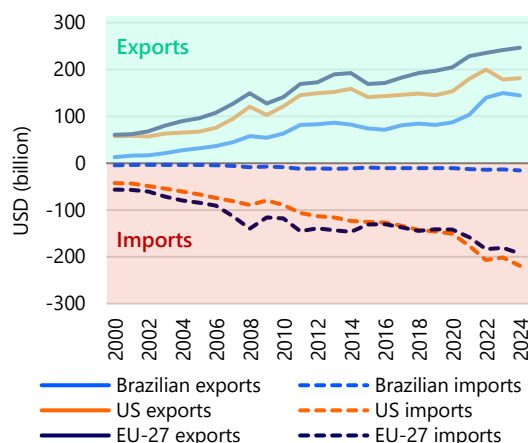
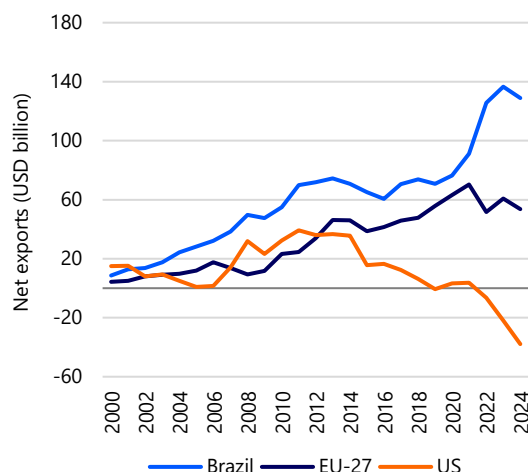


Figure 2: Brazilian, EU-27, and US net exports, 2000-2024



Note: The totals for Brazilian F&A exports in figures 1 and 2 are different owing to differences in the scope of F&A product classifications used by the WTO and by Brazil's Ministry of Agriculture (MAPA). For example, MAPA data includes cellulose pulp, but the WTO does not.

Source: WTO estimates based on Comtrade, RaboResearch 2026

A shift to the East

Over the last 20 years, Brazil's export sales (in current US dollars) to all regions expanded, with the largest growth coming from China and the rest of Asia (see figure 4). As figure 3 clearly shows, traditional food and feed commodities such as soybeans, animal proteins, sugar, coffee, and more served as the engines of Brazil's growth.

The net result of these developments over time has been a dramatic change in the relative importance of F&A trade partners. Most striking is how the share of total exports going to the EU-27 and to China have evolved. China and the EU accounted for 7% and 32%, respectively, of Brazil's agribusiness exports in the 2003-05 period. By 2023-25, China's share had risen to 33%, while the EU's had dwindled to 14%.

Figure 3: Brazilian agribusiness exports by commodity, 2003-05 to 2023-25

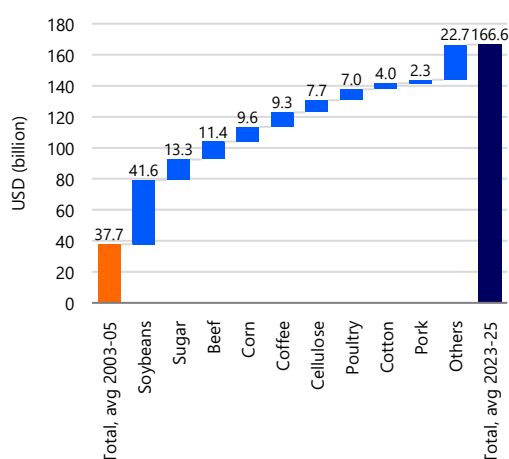
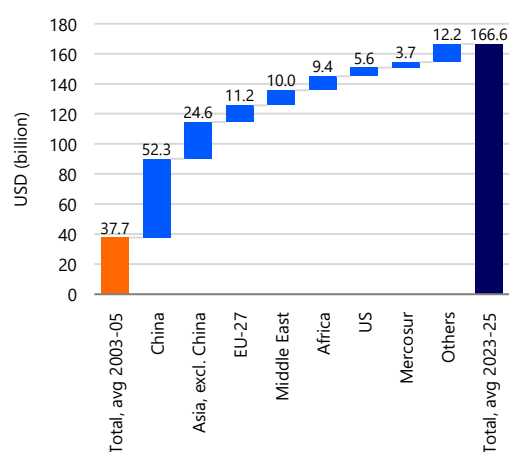


Figure 4: Brazilian agribusiness exports by destination, 2003-05 to 2023-25



Source: WTO estimates based on Comtrade, RaboResearch 2026

As a result, China is now by far the largest single destination for Brazilian F&A exports. The EU-27 and the US are the next most important destinations, with these three together representing 54% of F&A exports by value (see figure 6).

Figure 5: Top 20 destinations of Brazilian exports by value, 2023-2025

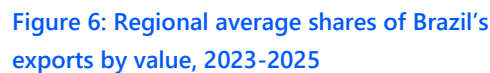


Figure 7: Brazil's top 3 export destinations by commodity, 2026



Figure 8: Leading origins of Brazil's imported fertilizer by value, 2025

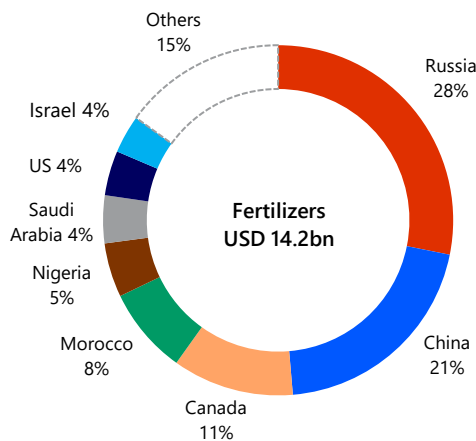
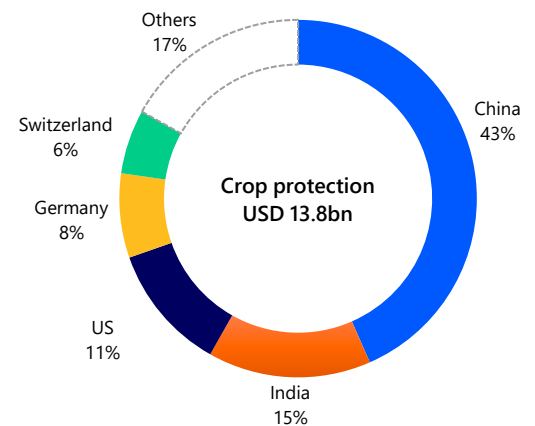


Figure 9: Leading origins of Brazil's imported crop protection products by value, 2025



Source: SECEX, CropLife 2026

Geopolitics is making waves

In a geopolitical environment that is less benign than it was 10 or 20 years ago, Brazil's status as a leading exporter of agricultural commodities that has a significant dependence on imported farm inputs raises questions about how the country's agribusiness sector may need to adapt.

The geopolitical shift away from globalization and a rules-based international order toward a more fragmented environment carries significant implications for international relations and trade, as recent events have illustrated. To cite just a few examples:

- The US introduced widespread tariffs in 2025 and, after these were ruled illegal by the US Supreme Court early this year, proposed a second wave of tariffs in 2026.
- The Middle Eastern conflict involving the US, Israel, and Iran generated price shocks and supply concerns for fuel and fertilizers in 2026, repeating the repercussions of Russia's invasion of Ukraine on these markets four years earlier.
- China approved its fifteenth Five-Year Plan in March 2026, which emphasized food security, greater self-reliance, and a strategic approach to imports. The import quotas China introduced for beef in 2026 serve as one current example of the practical application of these principles.
- The EU-Mercosur trade agreement provisionally entered into force in May 2026 after 25 years of negotiation. The realization that "middle power" countries or trading blocs may increasingly need to boost trade and collaboration among themselves in order to offset the asymmetry of relationships with great powers may have helped move the agreement across the line.

Building resilience and riding the waves

While governments are the driving force behind geopolitics, it is the private sector – companies, cooperatives, and farmers in the case of agribusiness – that must deal with a large part of the consequences of geopolitics.

Geopolitical shifts and recent trade developments suggest three practical pointers for Brazil's agribusiness sector as participants, in both the private and public sectors, consider future production and trade prospects.

First, Brazil's dependence on imported fertilizers, crop protection products, and diesel remains a major vulnerability, and investments in local oil refining and fertilizer production will be key to enhancing future resilience.

Second, Brazil's scale as a supplier of key commodities confers a degree of bargaining power and protection in situations where reducing imports from Brazil could have negative repercussions for consumers in the importing country. When the US raised tariffs on Brazilian imports to 50% in July 2025, exemptions were soon made for products such as coffee, orange juice, beef, and cellulose, for which the US market has relied on Brazil to meet demand. This shows that Brazil's export strength can provide leverage or protection, especially in products where alternative supply is limited or where there is an interdependence between Brazil and a major trade partner.

Third, greater diversification of export markets is desirable, but it is not easy to achieve. China has led global consumption growth for commodities such as soybeans and beef over the last decade. In the case of those two commodities, the increase in Chinese imports was greater than the combined increase of the rest of the world's top 10 importers. So, the interdependence of China and Brazil in F&A trade is not going to disappear anytime soon, and the recent example of beef highlights the dilemma that a shift in a major trade partner's stance causes. In 2025, China imported 1.7 million metric tons of Brazilian beef, equal to 48% of Brazil's total beef exports. China's 1.1 million metric ton quota for 2026 is effectively pushing exporters to redirect a significant volume (equal to 17% of 2025 exports) elsewhere.

One of the key takeaways from this experience is that there is a compelling rationale for strengthening relationships, dialogue, and understanding of the priorities of the most important and strategic partners. Doing so can improve the ability to anticipate potential shifts in their agricultural and trade policies, thereby enhancing preparedness and adaptability in an evolving environment.

Encouragingly, many of Brazil's current markets in Asia, Africa, and the Americas continue to grow robustly. As a result, over the longer term the market itself may do some of the work of diversifying export markets. Demographic projections from the United Nations see global population growth driven by regions such as Africa, the Middle East, and Southeast Asia, while populations in China and the EU are projected to decline. Meanwhile, Brazil continues to make progress in improving access to existing markets and opening new markets, supported by recent EU-Mercosur, Mercosur-EFTA, and Mercosur-Singapore agreements.

Product diversification may offer another route to resilience. For example, Brazilian exports of distillers' dried grains (DDG), a coproduct of corn ethanol, were almost nonexistent a decade ago but have grown as domestic corn ethanol production has expanded. Since 2023, Brazilian DDGs have gained access to 21 international destinations in a market historically dominated by US exports. This points to a broader lesson: The path to resilient growth may not be just about finding a larger and more diversified base of buyers, but also about developing a wider range of exportable products.

Download the Brazil Agribusiness Trade Map

Poster versions of the Brazil Agribusiness Trade Map are exclusively available to Rabobank clients. To receive one, please contact your relationship manager.

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