



**&
Doing Business in
Brazil**

Market Research



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Executive Summary

The purpose of this research is to provide an advice for FrieslandCampina whether it is feasible to expand its activities to the emerging market Brazil. Therefore the research question of this report is as follows: “Is it feasible for FrieslandCampina to expand its activities to the emerging market Brazil and, if so, what strategy is needed?”

In this research report, there is information about FrieslandCampina and its current mission, vision, objectives and strategies. Brazil in terms of dairy is discussed, as well as the customer, the competitors and the trade relations between Brazil and the Netherlands/European Union. This information is mostly retrieved from desk research. Field research is also used in the form of interviews.

FrieslandCampina is a well-known Dutch multinational dairy enterprise with 14.391 members of dairy farms in the Netherlands, Germany and Belgium. The products of the company are all dairy products in which milk is processed. The products are daily life products of high quality, which contributes to a healthy lifestyle. FrieslandCampina is an international company, but is strongly focused on local characteristics. The main regions which they focus on are Asia, Africa and Europe. FrieslandCampina has strong marketing campaigns, such as recognizable commercials on television and farm days.

Brazil is an enormous country with an enormous population, located in South America. The population of Brazil and its GDP are still growing. In recent years, there was less import and no export of dairy in Brazil and the consumption of dairy is also not as high as you would expect in such an enormous country. In Brazil, there is an increased health-oriented middle-class. The climate in Brazil is also very diverse because of its geographical spread. This has an impact on the dairy production. In Brazil, the regulatory environment is very complex, because there are three different levels of government and although the Brazilians strive hard to decline corruption, it still exists.

The dairy products are not linked to age or sex, which means that the products are available for different levels in society. FrieslandCampina is a very strong player in Africa, Asia and Europe. Currently, Nestlé is a very strong player in Brazil. Nestlé has already been active in South America for a long time. In Brazil, local competitors are also relatively strong and have created customer trust.

The Netherlands is an important export partner for Brazil. The Netherlands is the fourth trading partner of Brazil. Thereby, Brazil is also an important export partner for the Netherlands. The trade



missions to Brazil are meant to strengthen the trade relations between the Netherlands and Brazil. The EU as a whole has also been trading with Brazil for a long time. The EU is Brazil's first trading partner.

From the interviews, it can be concluded that FrieslandCampina is interested in a country if the GDP grows, if the population grows and if there is not enough milk production. In Brazil, the dairy products are less common than in the Netherlands. However, the Brazilian people are more and more focused on healthy food and dairy products contribute to a healthy lifestyle.

From the SWOT and the confrontation matrix, three different strategies were created. The first one is focusing on nutrition only when entering the Brazilian market. This is because 24.7% of the population is between 0 and 14 years old. The second strategy is merging with a local competitor, because FrieslandCampina does not have any experience with the Brazilian customer. And the third strategy is not expanding activities to Brazil, but becoming the strongest and most sustainable player in the regions where FrieslandCampina is already active.

Finally, the conclusion and the recommendations are drawn; for FrieslandCampina it is not feasible to expand activities to the emerging market Brazil. First of all, this is because of the self-sufficiency of Brazil in terms of dairy. Moreover, the company has no experience in the South American market. There are strong competitors with the same products. FrieslandCampina will be in conflict with its own policy (exporting dairy products from the Netherlands to another country) and Nestlé will make it very difficult for them to gain access to the Brazilian market. Therefore it is recommended that FrieslandCampina should try to become the strongest and most sustainable dairy company in the regions where it is already active.

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Introduction

Dairy is an important product for the health of human beings. It is essential in any diet because of its milk proteins, vitamins and minerals (BHC, 2012). Dairy contributes to a healthy diet in everyday life. FrieslandCampina is an important Dutch dairy company. They have many different products, which are available in more than a hundred countries worldwide. The company only provides high quality products. FrieslandCampina is not only active in the Netherlands, but it is also a very strong player in Africa, Asia and Europe. FrieslandCampina must respond to customers in different regions to meet the customer requirements.

Nowadays, markets are changing rapidly. There is now the possibility to enter the world market of less developed countries like Brazil, Russia, India and China. The economic growth of the BRIC countries has several factors. One of the factors is the large population of those countries (Singalees, 2011, p. 6). The BRIC countries have to work hard for realizing economic growth.

FrieslandCampina is a strong company with well-known and recognizable products. Thereby, the company has experience in doing business in other cultures/countries. Therefore it is possible to expand its activities to another region. Because FrieslandCampina is already active in Asia and Europe, the countries Russia, India and China were not selected. This research report is focused on Brazil, because Friesland is not active in South America yet.

The research question is as follows: “Is it feasible for FrieslandCampina to expand its activities to the emerging market Brazil and, if so, what strategy is needed?” To obtain the information which is needed, research is done on several subjects. The sub questions cover the following subjects: FrieslandCampina itself, external analysis of Brazil in terms of dairy, customer and competitor analyses and trade relations between Brazil and the Netherlands/European Union. There were held three interviews as well.

The answer to the research question shows if it is feasible for FrieslandCampina to expand activities to Brazil. It also shows what FrieslandCampina should do with the information of this research report. This report only contains information about the period between January 2009 and December 2012.

Research Methods

The main purpose of this research report is to find out if it is feasible for FrieslandCampina to expand activities to the emerging market Brazil.

Information about FrieslandCampina and material for the internal analysis was retrieved both through desk research and field research. The official website of FrieslandCampina and the annual report of 2011 were used. The interview with Mr Arnoud van den Berg, general manager of FrieslandCampina in Hong Kong, was also very useful for retrieving information.

Information about Brazil and the external analysis was retrieved both through desk research and field research. Websites such as the World Fact book and Brazil Annual Dairy report of 2011 were used. The interviews with Mrs Ineke Halsema, who lived in Brazil and was a member of the economic mission, and Tessa Kievitsbosch, a Brazilian agronomist, were useful for information about Brazil.

Information of the customer and competitor analysis was mostly retrieved through desk research: the official website from FrieslandCampina and the websites from the competitors themselves were used. For the SWOT and the confrontation matrix, information of the internal and external analyses was used.

The desk research particularly contained retrieving information from the internet. The field research which was done, were mostly interviews. The interviews were done in three different ways: by phone, by email and by real-life appointment.

The books 'Wat is onderzoek?' written by Nel Verhoeven and 'Export Management' written by Hans Veldman were used as a guideline for this research.

Company Description FrieslandCampina

FrieslandCampina the Company

Royal FrieslandCampina, better known as FrieslandCampina, is a multinational dairy enterprise. FrieslandCampina connects 14.391 members of dairy farms in the Netherlands, Germany and Belgium. The products of FrieslandCampina can be bought in more than a hundred countries over the world, but the most important regions are Europe, Asia and Africa. In 2011, the sales amounted more than 9.6 milliard euros, according to the Annual Report 2011 of Friesland Campina (FrieslandCampina, Kerncijfers, 2011, p. 10).

History

The history of FrieslandCampina is long and very successful. In FrieslandCampina, they focus on cooperation, commitment and spirit between the 19.000 employees in 25 different countries. FrieslandCampina is an international company, but it is strongly focused on local communities and customers. FrieslandCampina does not only have deep roots in Europe, especially in the Netherlands, Germany and Belgium, but also outside Europe. Friesland is a northern province in the Netherlands and it is well-known because of its green fields, blue skies and numerous lakes. Campina was the name of the woods and green fields in the south of the Netherlands, given by the Romans more than 2000 years ago (Frieslandcampina, 2012).

In 1900, Friesland Foods started with farms in the Netherlands, Germany and Belgium. Most of the farms are still a part of the organisation. During the years, the managers and the farmers developed a global dairy company.

In the end of December 2008, FrieslandCampina was born when two great Dutch dairy enterprises, Friesland Foods and Campina, merged.

The Dutch export of dairy products started in the 1910s with the emergence of condensed milk and milk powder. In the 1920s, the Netherlands became the largest dairy exporters in the world, because of quality improvements, new products and new markets in Africa and the Middle East.

Ambition, Objectives, Strategies

On the one hand, FrieslandCampina has the ambition to provide people with natural dairy products with essential ingredients and on the other hand, FrieslandCampina wishes to be the most attractive dairy enterprise for its member farmers. The growing demand on the global market for healthy food produced in a sustainable way, offers FrieslandCampina opportunities, because milk contains essential nutrients like proteins, fats, lactose, vitamins and minerals.

For realizing this ambition in the period 2010 - 2020, FrieslandCampina has formulated the strategy 'Route2020', mentioned in the Annual Report 2011 of FrieslandCampina (FrieslandCampina, Profiel, strategie en organisatie, 2011, p. 13). Key words in this strategy are:



growth of the enterprise and creating the maximum value of the produced milk by the member farmers.

For this purpose, FrieslandCampina aims to achieve the following objectives in 2020:

- An increase of the specialties and brands of the total sales volume
- Further growth of the operating results
- A substantially higher performance charge
- A climate-neutral growth in the entire chain from cow to consumer

For the implementation of the strategy, FrieslandCampina has defined markets and product categories in which they invested a lot of money. These markets and product categories contain: dairy drinks, baby food, brand-cheeses, geographical growth in those products, basic products and foodservice in Europe.

Brands and Products of FrieslandCampina

The products of FrieslandCampina are all dairy products in which milk is processed. The products are experienced as a daily life product by the consumer; they contribute to a healthy lifestyle because it contains essential ingredients, such as proteins, minerals and vitamins. FrieslandCampina has products like butter, cheese, milk, cream, desserts, fruit juices and drinks, yoghurts and infant and toddler nutrition (appendix 1, figure 1). Well-known brands of FrieslandCampina are Campina, Cool Best, Dubbel Frisss, Appelsientje, Friesche Vlag, Optimel, Fristi, Chocomel and Milner (appendix 1, figure 1).

Internal Analysis

The organization

Innovation

According to the annual report of FrieslandCampina, innovation is one of the key concepts of strategy 'Route2020' (FrieslandCampina, Annual Report, 2011, p. 44). FrieslandCampina is working hard to discover and develop pioneering innovations in dairy; innovations that connect the quality of milk to the nutritional needs of humans and help them move forward in their lives. This is a strength of FrieslandCampina. The company is focusing on developing products that are easy to apply in daily life and within the budget of the consumer. The innovation process is stimulated by approximately 450 R&D experts worldwide, who work in the research centres of FrieslandCampina. In the year 2012, the company built a new single global innovation centre in Wageningen in the Netherlands.

Production

The dairy production starts at the members' farms of FrieslandCampina. For having an optimal result, FrieslandCampina supports the grasslands of the members' farms with an amount of 45 million euros each year. This is a strength of FrieslandCampina. According to the annual report of FrieslandCampina, in 2011, 10.1 billion kilos of milk were processed in the production of FrieslandCampina (FrieslandCampina, Annual Report, 2011, p. 10). In 2011 more than 376 million euros were invested mainly in capacity expansion for future growth.

Management

FrieslandCampina is an international company, but it is strongly focusing on local characteristics: people-orientated, approachable and open. This is a strength of the company. FrieslandCampina wishes to be an inspiring and reliable employer who provides a healthy and safe working environment, opportunities and courses to its employees. As mentioned before in 'FrieslandCampina the Company', 14.391 members of dairy farmers are connected to the company. These members can also be called shareholders and supervisors of the company. If the company performs well, the members will also benefit from it. FrieslandCampina has a cooperative structure and this is an extra motivation to act in the interest of the company.

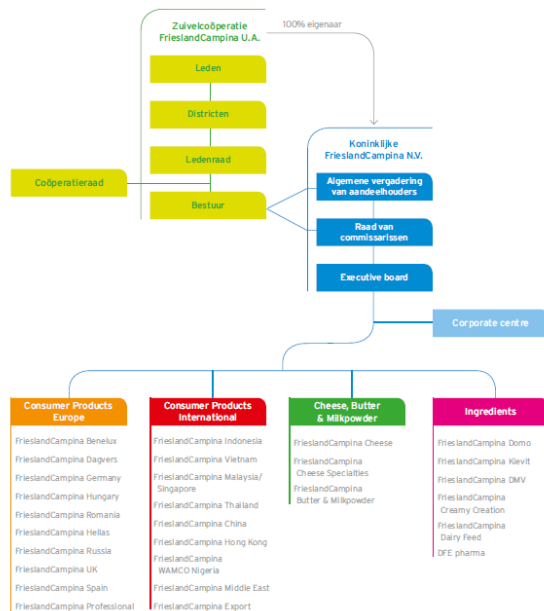
Marketing and market position

FrieslandCampina is a Dutch company, but it operates worldwide. The dairy products of the company can be bought in more than a hundred countries. The most important regions are Europe, Asia and Africa. This is a strength of FrieslandCampina. FrieslandCampina has a lot of commercials on television, which inspires the consumers to buy FrieslandCampina. The company also organizes 'farm days', so customers can take a look at the farm and see what happens and how cows are fed. FrieslandCampina is also active on job markets and other fairs. The company has its own Marketing & Sales department, which is focusing on all issues that are important to promote successfully the

products to the customers, industry and other involved parties. The main objective of Marketing & Sales is to create maximum profitability for the company and its member farmers.

Organization structure

Appendix 2, figure 2



The product

As mentioned before, the products of FrieslandCampina are all dairy products in which milk is processed. The products are experienced by the customer as a daily life product, which contributes to a healthy lifestyle. FrieslandCampina supports the member farmers and money is available for the farmers to ensure the quality of the products. They provide the consumers with dairy products of high quality. The products of FrieslandCampina have all different features. Some are used as daily healthy food, others are meant for baby food or a snack or a dessert. These different features of the dairy products ensure that FrieslandCampina has strong and unique products. As a consequence, consumers buy more products of FrieslandCampina. The products are available in Europe, Asia, Africa and North America.

The financial approach

FrieslandCampina receives loans from different groups of financiers: dairy farmer members, banks and investors. Because of this, FrieslandCampina has a wide spread against possible risks in its financing. The largest part of the debt financing is housed by financial institutions within and outside the Netherlands. The main part of the bank loans are formed by a committed credit facility, Revolving Credit Facility, with an amount of one milliard euros. In the end of 2011, a new agreement was set up with fourteen banks.

The net sales increased by 7 per cent to 9.6 billion euros compared to 2010. In 2010, the net sales were 8.9 billion euros, according to the annual report of FrieslandCampina (FrieslandCampina,

Kerncijfers, 2011, p. 11). The increase of the net sales was caused by the higher sale prices and the volume growth in ingredients and infant and toddler nutrition in Asia and Africa.

The net debt was 699 million euros in the end of 2011. This is a decrease of 77 million euros compared to the previous year (in 2010, 776 million euros). This decrease was mainly caused by an increase of liquid assets of 128 million euros, according to the annual report of FrieslandCampina (FrieslandCampina, Financiering, 2011, p. 30)

Conclusion of the internal analyses

The dairy production of FrieslandCampina starts at the members' farms. The grassland is supported with 45 million euros to ensure the highest quality. In 2011, 10.1 billion kilos of milk were processed for the products. The products are experienced as daily life products and are available in more than a hundred countries. Although FrieslandCampina is a multinational, it is strongly focusing on local characteristics and people. To become and stay a strong player, innovation is important. Therefore, one of the key concepts of FrieslandCampina is innovation. The innovation is stimulated by approximately 450 R&D experts worldwide. FrieslandCampina not only wishes to provide the best to its customers, it also provides a good and safe working environment to its employees and member farmers. The financing is well organised, because the company receives loans from different groups of financiers and therefore there is a wide spread against possible risks in its financing.

Overview strengths and weaknesses

Strengths

- FrieslandCampina is working hard to discover and develop pioneering innovations in dairy.
- 450 R&D experts who work in research centres.
- FrieslandCampina supports the grasslands of the members' farms with an amount of 45 million euros each year.
- FrieslandCampina is an international company, which is strongly focusing on local characteristics.
- FrieslandCampina has connected 14.391 members of dairy farmers, and therefore many litres of milk and products are available.
- FrieslandCampina has strong and diverse dairy products.
- FrieslandCampina knows how to meet customer requirements in other cultures/countries.
- The dairy products of FrieslandCampina can be bought in more than a hundred countries.
- A wide spread against possible risks in the financing of FrieslandCampina.

Weaknesses

- No brand awareness in Brazil or South America.
- Not active in South America and therefore Friesland Campina is not familiar with the consumers in this area.

External Analysis

DESTEP analysis

Demographic factors

Composition of the population

Brazil is the fifth largest country in the world and it has a population of about 199 million habitants (CIA, 2012). Of those 199 million habitants, 53.7% is white, 38.5% is mulatto (mixed white and black), 6.2% is black, 0.9% has other ethnicities like Japanese, Arab, Amerindian and 0.7% is unspecified. A diverse culture can be an opportunity for FrieslandCampina, because other cultures can influence the Brazilian people to buy milk products.

Age structure and Population growth

The CIA Word Fact book mentioned that 24.7% of the population is between 0 and 14 years old, 68.2% is between 15 and 64 years old and 7.1% is over 65 years old (CIA, 2012). According to the CIA World Fact book, in 2012 the population growth rate for Brazil was 0.86% (CIA, 2012). This has placed Brazil on position 131 of the world rankings for population growth rate. A young and growing population is good for the consumption of dairy.

Urbanization and Major Cities

In Brazil, the urban population was 87% of the total population in 2010. For the year 2012 till 2015 the rate of urbanization is estimated to increase by 1.1%. The major cities in Brazil are Sao Paulo with 19.96 million inhabitants, Rio de Janeiro with 11.84 million inhabitants, Belo Horizonte with 5.7 million inhabitants, Porto Alegre with 4 million inhabitants and Brasilia, the capital of Brazil, has 3.79 million inhabitants. This was researched by the CIA World Fact book (CIA, 2012). The urban population is very high in Brazil, which is an opportunity for FrieslandCampina to focus on.

Economic factors

GDP, Purchasing power parity

According to CIA World Factbook, the GDP of Brazil in purchasing power parity is \$2.294 trillion (CIA, 2012). This is the value of all final goods and services produced within a nation in a given year. Brazil is placed on position eight in the world rankings of GPD purchasing power parity. The PPP per capita was \$11.800 in 2011. This has placed Brazil on position 102 of the world ranking of GDP per capita (PPP). The real growth rate for Brazil was 2.7% in 2011, 7.5% in 2010 and -0.3% in 2009. A rising GDP is an opportunity for FrieslandCampina.

Import and Export of Dairy

According to Index Mundi, Brazil started with importing fluid milk in 1998 (IndexMundi, Brazil Dairy, Milk, Fluid imports, 2012) (appendix 3, figure 3/4). They imported a lot of fluid milk, 136 MT (1MT = 1000KG). The highest rate of imported fluid milk was also in this year. In 2012, the imported fluid milk was 5MT. According to Index Mundi, Brazil started exporting fluid milk in 1999

(IndexMundi, Brazil Dairy, Milk, Fluid Exports, 2012) (appendix 3, figure 5/6). The highest export rate was 30 MT in 2009. In 2010, 2011 and 2012, there was no export of fluid milk. For FrieslandCampina it is a threat when there is no export and less import. It means that the Brazilians can meet their own requirements. Thus they do not need dairy products from outside the country.

Production of Dairy in Brazil

According to the Brazil Annual Dairy Report, the production of fluid milk is expected to increase to 31.3 billion litres, up to 2% from 2011 (Hoff, Brazil Annual dairy Report, 2011). The top milk producing regions in Brazil are in the South and Southwest. According to the Brazil Annual Dairy Report, in August 2011, there was an increase of 6.3% in milk production in the South of Brazil from the three producing states, Rio Grande do Sul, Parana and Santa Catarina, compared to August 2010 (Hoff, Brazil Annual dairy Report, 2011). A threat for FrieslandCampina is that the production of milk grows. It is profitable for FrieslandCampina if there is not enough milk production in the country, which means that FrieslandCampina can import their products to that country.

Price

According to the Brazil Annual Dairy Report, the average fluid milk prices paid to the producers have decreased 4% in 2012 compared to the same period in the previous year (Hoff, Brazil Annual Dairy Report, 2012) (appendix 4, figure 7). This happened because of the higher production of milk and the stocks of milk.

Social/cultural factors

Norms and Values

The three most important key concepts for Brazilians are family, relationships and time. Brazil is a collectivist society which places family at the centre of its social structure (Communicaid, 2012). The families are large and close. In the business culture of Brazil, family is also important. The business owner will carefully select family members for the most important positions in a business. Developing relationships are important in Brazil, as well in doing business. It is essential to spend time on developing relationships and getting to know the Brazilian partner, both personally and professionally. According to Communicaid Group, time in Brazil is approached in a very relaxed and flexible manner (Communicaid, 2012). Brazilians live at a slower pace; therefore precise plans and punctuality are not common. This is also seen in doing business; the meetings can take a lot of time. An opportunity for FrieslandCampina is that families are very important in Brazil. If FrieslandCampina has reached one member of the family, they will pass it on to the other members of the family.

Consumer trends

According to the International Market Bureau, the Brazilian consumers have spent more and more every year, and the consumer spending are expected to grow in 2014 (ICM, 2010). The Brazil's health and wellness sector is growing. According to the International Market Bureau, innovative actions are taking place in the new use of cereals in baked goods and breakfast cereals sector and in spreadable

fats, where oilseeds are being used to improve the health content of butter and margarine (ICM, 2010). Another major market in Brazil is fruit juice. Consumers shift from home-squeezed juices to ready-to-drink juices. The fruit juice market has been growing over the past five years and is expected to continue to grow over the next five years (ICM, 2010). An opportunity for FrieslandCampina is that the Brazil's health and wellness sector is growing.

Consumption of dairy

In 2012, the consumption of fluid milk is estimated to increase around 3%. This is because of higher consumer income and the increase of industrial use. Milk products in Brazil are also used in sophistication and health orientation. The middle-class in Brazil is increasingly health-oriented and by innovation it wants to meet the health requirements of the middle-class. According to the Brazil Annual Dairy Report, good economic prospects and an expanding population in urban areas will drive future growth (Hoff, Brazil Annual dairy Report, 2011). Brazil dairy consumption is estimated at 150 litres per capita per year, according to the Brazil Annual Dairy Report (Hoff, Brazil Annual dairy Report, 2011). As mentioned before in 'Production of dairy in Brazil', Brazil's dairy production will increase to 31.3 billion. This means that Brazil produces enough milk to meet their customer requirements without import of dairy products from outside the country. This is a threat for FrieslandCampina. An opportunity for FrieslandCampina is that the consumption of fluid milk will increase, because of the higher incomes.

Business Culture

Brazil is a big country with major regional cultural differences. Therefore, the country has no general business market approach. In the south of Brazil, there is a more European way of doing business compared to the north of Brazil. In general, Brazilians have an informal way of contact, but they like to be addressed with academic titles. For a Brazilian, it is important that there is a personal relationship before doing business; Brazilians love to tell about their personal lives and want to get to know each other. A Brazilian cannot imagine that a foreign businessmen has learned Spanish before entering the Latin American Market, but has not learned Portuguese. Therefore, the conversation is not in Spanish, but for example in English. This also applies to brochures and catalogues. These documents must be provided in English or Portuguese. This was researched by Agency NL, Ministry of Economic Affairs (Agentschap, Brazilië: Zakencultuur, 2012).

Technical factors

Production systems

According to Exporter Guide, grazing systems predominate in Brazil (NZTE, 2010, p. 4). Brazil has an area of 8.5 million square kilometres and therefore different climatic seasons. In times of low rainfall, there are low temperatures and unfavourable conditions of light. This has a negative influence on the development of forage, and reduces the performance of the herd. To limit this impact on production, it is common to use supplementation which consists of concentrates and forages (NZTE,

2010, p. 4). There are three different ways in which cows live; exclusively on grasslands (71.5%), semi-confinement system (37.4%) and confinement (1%). The milk production is composed for 33% of cows who live exclusively on grass lands, 62% of semi confined cows and 5% of confined cows, according to the Exporter Guide (NZTE, 2010, p. 4).

High Technology of the systems

Most of the time, farmers with high technology of the systems use rotational grazing systems, semi-extensive and confined. Rotational grazing is fertilisation of the grasslands after the cows leave. In the dry season, the cows are provided with hay or silage as additional food. These farmers of high technology have a mechanised milking system and a cooler tank, specialised labour and a larger herd. Their production is higher and their revenue is greater. This is researched by the Exporter Guide (NZTE, 2010, p. 5). Because of high technology, more milk can be produced on lower costs. This is a threat for FrieslandCampina. An opportunity is that these farms can become partners of FrieslandCampina.

Low Technology of the systems

Farmers with low technology systems have an extensive system, basic grass lands, but with a low stocking rate. The farmers do not fertilize the grasslands. Some farmers plant forage to feed the cows in the dry season or another option is to feed the cows with sugarcane (NZTE, 2010, p. 5). This is very cheap. Most of the farmers do not have a milking system or a cooler tank. Sometimes they have a tank, but milking is done by hand or the farmers share a tank. In this case, the production is low and farmers must often sell their cattle. A low milk production is an opportunity for FrieslandCampina.

Infrastructure

According to D&B Country Report, Brazil's infrastructure is underdeveloped for such an important emerging economy (Agentschap, Commercial Environment, 2012). It is therefore one of the important priorities of the government. The road and railway system are in the process of being improved. In contrast with the road and railway infrastructure, the telecommunication sector is well developed. This is because of the privatisation of the telecommunication sector in 1999, according to the D&B Country Report (Agentschap, Commercial Environment, 2012). An opportunity for FrieslandCampina is an improved infrastructure; this is good for the transport of the products of FrieslandCampina.

Environmental factors

Climate

The geographical spread of Brazil means that it has several different climates. Brazil's climate can be characterized by five general climate zones; equatorial, tropical, semi-arid, highland tropical, and subtropical. The climate ranges from tropical in northern Brazil near the equator, to temperate zones in southern Brazil. According to Vereniging voor Weerkunde en Klimatologie, most of the regions in Brazil have a tropical climate (VWK, 2012). In the North, there is an equatorial climate. In this climate there is no dry season and there is a lot of rain; mostly more than 2500 millimetres per year. In the

middle of Brazil, there is a semi-arid climate. There is a dry season in July and there is 1800 – 2000 millimetres rainfall per year. In the South, there is a subtropical climate with about 1400-1900 millimetres rainfall per year. There is not really a dry season. Because of the low level of rainfall during the dry seasons and the cold periods in July and August, there is a reduction of the availability and quality of the grass lands. As a consequence, the milk volume declines. When it is a hot summer, milk production may decrease because of heat stress. So, all these different climates have an impact on the grasslands and the dairy production in Brazil. The different climates and dry seasons are an opportunity for FrieslandCampina, because in a dry season the production of milk is lower and therefore the Brazilians need dairy products from outside the country. It can also be a threat, because if FrieslandCampina has cooperation farms, they will not produce enough milk in dry seasons.

Energy

According to Energy Information Administration, Brazil is the ninth largest energy consumer in the world (EIA, 2012). The energy consumption of Brazil has increased with a third in the last ten years, because of its increasingly economic growth. Brazil has also improved its total production of energy, especially of oil and ethanol. A long-term goal of the Brazilian government is to increase the domestic oil production. The recent discovery of substantial offshore oil and gas reserves will contribute to a transform of Brazil into one of the largest oil producers in the world.

Political factors

Government

Brazil has three levels of government: federal, state and municipal. Therefore the regulatory environment is complex. It is possible that changes occur suddenly. This increases the uncertainty for operating businesses in Brazil. The level of bureaucracy is also extremely high. Bureaucracy is all right but the level should not be too high. This can slow down the decision making process. According to D&B report, although the judiciary is independent, its efficiency is low and it is highly susceptible of corruption (AgentschapNL, Legal and Regulatory Environment, 2012). Threats for FrieslandCampina are that the regulatory environment is very complex and there is a high level of bureaucracy.

Food regulations

Brazil is a member of the World Trade Organization (WTO) and therefore it has made commitments to subscribe to the Sanitary and Phytosanitary agreement (SPS) and to Codex Alimentarius (CODEX) principles, mentioned by the GAIN report (USDA, 2011). All food products imported or exported by Brazil must be registered at the Secretariat of Foreign Trade (SECEX) of the Ministry of Development, Industry and Foreign Trade (USDA, 2011). At this place, all the products are checked on the import and export tariffs and issues, and on the import and export licenses. The products must be labelled and the labels must provide the consumer with correct and clear information about the product. Mostly, the labels must be written in Portuguese and the product must be labelled before the

product enters the supermarket. On June 20 in 2012, the Brazilian Government published a new law to inform milk producers about milk prices paid by dairy companies, according to the Annual Dairy Report (Hoff, Brazil Annual Dairy Report, 2012). The dairy companies must inform milk producers about the value paid per litres of milk by the 25th of each month before the delivery of the products. In the past, milk producers were informed after delivery. A threat is that there are quite strong food regulations to import the products to Brazil.

Corruption

According to Transparency International, Brazil has a score of 43 and therefore it is ranked on position 69 out of 176 countries (CPI, 2012). This means that Brazil does not have a very high level of corruption, but corruption still exists. To compare, the Netherlands is placed on position 9 out of 176 countries. According to the interview with Mrs Halsema, in every country there are scandals (appendix 6). In Brazil, scandals are in the news and discussed publicly, and corruption is rejected and punished. This shows that Brazil is working hard to decline corruption. In the past, Brazil was a very corrupt country. The corruption in Brazil can be a threat for FrieslandCampina to enter the country.

Conclusion of the external analyses

Brazil has a population of about 199 million inhabitants and has a very diverse culture. 24.7% of the population is between 0 and 14 years old, 68.2% is between 15 and 64 years old and 7.1% is over 65 years old, and 87% of the population lives in urban cities. Brazil has a GDP of \$2.294 trillion and it is still rising. In terms of dairy, in the past Brazil imported a lot of fluid milk and nowadays the import is quite low. The export of fluid milk was not that high in the past, but for the last three years there was no export of fluid milk. The production of fluid milk is expected to increase with 2% compared to 2011. Besides, Brazil's health and wellness sector is growing and the Brazilian consumers are spending more and more on food. Because of the health-oriented society and the rising GDP, the consumption of fluid milk is expected to increase around 3%. Brazil has a large geographical spread and therefore it has different climate zones. Agriculture is extremely vulnerable to climate. In the dry seasons, the temperature is low and the light conditions are unfavourable. This has a negative influence on the milk production. In a hot summer, the milk production may decrease because of heat stress. In the South, there are the most favourable conditions for milk production. The food regulations in Brazil are quite strong, but also the regulatory environment is complex. This is because of the three different levels of government. In Brazil corruption is being tackled, but it still exists.

Overview threats and opportunities

Opportunities

- A diverse culture can be an opportunity for FrieslandCampina, because other cultures can influence the Brazilian people to buy dairy products.

- Nutrition is a good opportunity to focus on for FrieslandCampina, because 24.7% of the population is between 0 and 14 years old.
- The urban population is 87% of the total population in Brazil, which is favourable to focus on for FrieslandCampina.
- Increase of GDP.
- Growing Brazilian population.
- Families are very important in Brazil. When FrieslandCampina reaches one member of the family, they will pass it on to the other members of the family.
- Brazil's health and wellness sector is growing.
- The consumption of fluid milk is increasing, because of higher incomes.
- High technology farmers can become partners of FrieslandCampina.
- An improved infrastructure is good for the transport of the products of FrieslandCampina.
- Dry seasons can lower the milk production; therefore the Brazilians need milk products from outside the country.

Threats

- Less import and no export in dairy in recent years. This means that Brazil does not need the dairy products of FrieslandCampina. They can meet their own requirements without products from outside the country.
- Milk production in Brazil is growing.
- High technology increases the milk production and lowers the costs.
- Dry seasons can lower the milk production in the cooperation farms of FrieslandCampina.
- The regulatory environment is very complex and there is a high level of bureaucracy.
- Quite strong food regulations.
- Corruption can hinder the entering of FrieslandCampina to Brazil.

Customer analysis

For making the customer analysis, the W's of Ferrel et al. (1999) are used.

Table 1. Customer analysis

Who are the current and potential customers of FrieslandCampina?	The current customers of FrieslandCampina are customers in more than a hundred countries worldwide; countries in Europe, Asia, Australia, Africa, Middle East and the United states. Customers in these countries consume products such as dairy drinks, infant & toddler nutrition, milk powder, cheese, butter, cream and desserts. The potential customers of FrieslandCampina are Brazilian people. In Brazil, products such as juice drinks, dairy drinks, infant & toddler nutrition, milk powder, butter, cheese and cream will be consumed. It is not a product which is linked to age or sex. So every person can buy the products of FrieslandCampina.
What do the current and potential customers do with the products?	The current customers of FrieslandCampina consume the dairy products as a healthy product for every day. The products are consumed at different ages, so for different reasons. For example, for feeding their babies, a healthy snack and a healthy lifestyle. But every country has its own eating habits and uses dairy products in different ways.
Where do the current and potential customers buy the products?	The current customers buy the products of FrieslandCampina at big supermarkets, but they are also available at small supermarkets. The potential customers will also buy the products at the supermarkets.
When do the current and potential customers buy the products?	There is no special time to buy the products of FrieslandCampina. The products are daily life products and the products are available the whole year.
Why do the current and potential customers buy the products?	The products of FrieslandCampina are healthy products. They contribute to a healthy lifestyle and all the ingredients of the products are natural ingredients. The products of FrieslandCampina can be used for different reasons and the products are not that expensive. Above all, FrieslandCampina is a strong brand and strives to 100% corporate social responsibility. So the farmers who are connected to FrieslandCampina have good working conditions.

Conclusion of the customer analysis

As shown in table 1, the current customers of FrieslandCampina are customers particularly in Asia, Europe and Africa. They consume products such as dairy drinks, nutrition, milk powder, cheese,

butter, cream and desserts. The Brazilian customer will consume approximately the same products and will use them as healthy food for every day. The products are not linked to age or sex, which means that the products are available at all different levels of society. The products are available at big and small supermarkets.

Overview threats and opportunities

Opportunities

- Dairy products are already available in the Brazilian supermarkets.
- The products are not linked to age or sex and are daily life products.

Threats

- FrieslandCampina does not know the eating habits of the Brazilian consumer.
- FrieslandCampina does not know how to reach the Brazilian consumer.

Competitor analysis

For making the competitor analysis, different rankings for different competitors are used (Appendix 5)

Table 2. Competitor analysis

Criteria	FrieslandCampina	Itambé	LBR	Piracanjuba	Nestlé
Production	9	8	7	8	10
Brand awareness	9	8	7	6	10
Marketing	9	8	7	7	9
Management	10	9	9	8	10
Sustainability	9	9	9	6	8
Total	46	42	39	35	47

Competitor rates (1 = low, 10 = high)

Itambé

Itambé started as a small dairy company in Brazil in the 1940s and is now the largest dairy cooperation in Brazil. It has a lot of different products, such as butter, chocolate drink powder, different kinds of milk, cream and cream cheese. Itambé has 31 associated cooperatives and every day they process 3.1 million litres of milk in its five factories. The promotion of Itambé is very strong and recognizable. The little cow, the mascot of Itambé, is a good initiative and creates more trust. Itambé is also focusing on sustainability.

LBR

LBR Dairy Brazil SA is the largest private dairy company in Brazil. LBR has several products such as milk powder, yoghurt, flavoured milk, milk beverages and butter. LBR produces more than two billion litres of milk per year and has approximately 5.000 employees and 56.000 milk producers. The promotion of LBR is good. They have a clear website which describes different brands and products. LBR also promotes sustainable actions. The website is also available on mobile phones.

Piracanjuba

Piracanjuba was founded nearly 60 years ago and is focused on improving the quality of life and well-being. Piracanjuba has different products, such as chocolate milk, milk powder, cream of milk, condensed milk, long-life milk, milk specials and butter. Piracanjuba has two factories which process more than 3.1 million litres of milk per day. This creates jobs for many thousands of people. Piracanjuba did several marketing campaigns and it has a good website, however, this is only available in Portuguese. Piracanjuba is also focusing on the preservation of the environment.

Nestlé

Nestlé was founded in 1866 by Henri Nestlé in Vevey, Switzerland. Nestlé is the largest food company in the world and is leader in the area of Nutrition and Health & Wellness. Nestlé has a lot of different brands which belong to Nestlé such as Dolce Gusto, Corn Flakes, Kit Kat, Maggi, Nescafé, Nestea, Nesquik and Nestlé nutrition. Nestlé has been active in Brazil for a long time and is therefore a very strong player in Latin America. Nestlé has factories and companies in almost every country in the world and it has 280.000 employees. Nestlé also has strong marketing campaigns and supports small companies in developing countries.

Conclusion of the competitor analysis

As shown from table 2, most dairy companies are strong competitors in Brazilian society for FrieslandCampina (the higher the rate the more competitive). FrieslandCampina must be aware of that if they want to expand its activities to Brazil. Especially Nestlé is a big competitor for FrieslandCampina with a score of 47 from table 2. This is because they have already been active in Brazil for a long time and they are a great player in nutrition in Brazil. Nutrition is a good opportunity for FrieslandCampina, but the company must consider that Nestlé is already a strong player in nutrition in Brazil.

Overview threats and opportunities

Opportunities

- There are strong local competitors in Brazil with which FrieslandCampina can merge.

Threats

- Strong local competitors with the same products.
- Nestlé is a strong player in South America.

Trade Relations

Trade between the Netherlands and Brazil

The Netherlands is an important export partner for Brazil. According to UNCTAD, the Netherlands is the fourth trading partner of Brazil with 5.2% of its imports and exports, after China (15.6%), the US (9.7%) and Argentina (9.3%) (AgentschapNL, Brazilië: buitenlandse handel, 2012). Important products from the Netherlands to Brazil are chemical products, agricultural products such as dairy, vegetable seeds and seed potatoes, medical equipment and machinery. Brazil especially exports agricultural products, fruit and vegetables, meat products, and raw materials such as seeds, petroleum and iron ore to the Netherlands. According to the CBS, the total volume of import from Brazil was approximately 4.3 billion euros in 2010 (AgentschapNL, Brazilië: buitenlandse handel, 2012). Between the Netherlands and Brazil there is a lot of cooperation in areas of ports and inland navigation, biofuels, education, science, technology and innovation, defence and airports. According to the Rijksoverheid, the Netherlands has an extensive economic network in Brazil, such as the embassy in Brasilia, the Consulate-Generals in Sao Paulo and Rio de Janeiro, the trade offices in Recife and Porto Alegre and the Honorary Consuls in the regional centres of the country (Rijksoverheid, 2012). The trade missions to Brazil are meant to strengthen the trade relations between the Netherlands and Brazil. This is an opportunity for FrieslandCampina.

Trade between the EU and Brazil

Brazil and the EU have a relationship for a long time already, which is based on cultural and historical ties. This has contributed to strong economic and political ties. According to the Delegation of the European Union to Brazil, the EU has recognized Brazil as one of its main global partners by establishing a formal 'EU-Brazil strategic Partnership' since 2007 (EEAS, 2011). Making Brazil a strategic partner has led to a significant development in their cooperation. In 2010, the trade accounted for 2.7% of the total trade and therefore the EU is Brazil's first trading partner. During the last five years, the bilateral trade between the EU and Brazil grew on average by 8.4% per year, according to the European Commission (EC, 2012). The most important products from Brazil to the EU are primary products such as agricultural products (41%), fuels and mining products (31%). But also manufactured products such as transport equipment and machinery are important. These products account for approximately one fourth of the Brazilian export to the EU. The products from the EU to Brazil are especially manufactured goods such as transport equipment, chemical products and machinery. According to the European Commission, the EU is the biggest foreign investor in Brazil with investments in many sectors of the Brazilian economy (EC, 2012). About 50% of the FDI flows which Brazil receives are from the EU.

Conclusion of the trade relations

The Netherlands is the fourth trading partner of Brazil and therefore the country is an important export partner. Important products from the Netherlands to Brazil are chemical products, agricultural products, medical equipment and machinery. Brazil especially exports agricultural products, fruit and vegetables, meat products, and raw materials to the Netherlands. There is much cooperation between the Netherlands and Brazil and therefore the Netherlands has an extensive economic network in Brazil. Trade missions were organized to Brazil. The EU and Brazil also have a trade relationship. The EU has recognized Brazil as one of its main global strategic partners. The most important products from Brazil to the EU are primary products, fuels and mining products. The other way around, the products from the EU to Brazil are especially manufactured goods, such as transport equipment, chemical products and machinery. The EU is the biggest investor in Brazil.

Overview threats and opportunities

Opportunities

- The Netherlands and Brazil already have a strong trade relationship.
- The economic missions strengthen the trade relationship.

Threats

Interviews

Interview results

The interviews were held with three different persons. Mr Arnoud van den Berg is general manager of FrieslandCampina in Hong Kong and has been working for the company for five and a half year. Mrs Ineke Halsema went to Brazil as a member of the economic and higher education mission in 2012. And Mrs Tessa Kievitsbosch is a Brazilian and she is now an agronomist.

According to Mr Arnoud van den Berg, FrieslandCampina has already been active in Asia for a long time (appendix 6). If FrieslandCampina wants to expand its activities to another country, they must consider different aspects such as economic growth and the relation with dairy consumption. If people have more money, most of the time they will first spend it on food, especially on food for children. FrieslandCampina is interested in a country if the GDP and the population both grow. FrieslandCampina must understand what the local consumer wants in terms of dairy: other flavours, and different ways of consuming. It is important that there is a strong relationship between the Netherlands and the country which FrieslandCampina would like to do business with. This is because of the food security and protectionist measures on agricultural products, especially on dairy. It can be interesting to expand activities to Brazil, because Brazil is a huge country with strong economic growth, huge population and (sort of) a dairy tradition. If FrieslandCampina wishes to go to Brazil, they must be aware of Nestlé. Nestlé is a very strong player in South America. Nutrition can be interesting for FrieslandCampina, but then the question rises if they must produce the products in the Netherlands or in Brazil. For FrieslandCampina it is more profitable if the milk is used from the farmers in Netherlands, because there is a lot of milk available in the Netherlands and it is not possible to ship milk to Brazil because of its preservability. So FrieslandCampina must decide if they want to open a new market or they want to become stronger in its existing markets.

According to Mrs Ineke Halsema, Brazil has a stable democracy (appendix 6). President Lula did a lot for the lowest levels of the society and at the same time he supported the middle class. Brazil has a very diverse climate, because of its geographical spread. In the South are more grasslands, therefore the dairy industry is especially located in the South. Brazil is a melting pot and that is why it has many influences from other cultures. It is common in Brazil to eat products from different countries and they also try a lot of new products. In Brazil, it is less common to consume dairy products comparing to the Netherlands. In the morning, they drink coffee with a lot of milk. Cheese and small yoghurts are also available in Brazil. For baby food, most of the time, the Brazilians use milk powder. In Brazil, milk is more a product for children than for adults. However, products in which milk is processed are consumed a lot in Brazil, such as Spanish desserts, crème brûlée and pudding desserts. For FrieslandCampina it is important that they have a strong partnership there. That would be better than setting up its own company there.

According to Tessa Kievitsbosch, the GDP increased and a lot of Brazilians have climbed out of poverty and joined the middle class in the last couple of years (appendix 6). Because of the

increased incomes, the consumption of dairy products increased with 23% in the last seven years. The demand for dairy products such as yogurt, milk based beverages and sweetened condensed milk increased with 53% in 2011. The minimum level of milk consumption is 200 litres per person per year, but the Brazilian people only consumed 150 litres of milk per person per year in 2011. Brazilian people are focused on healthy food and they want to meet the health requirements of an increasingly health-oriented middle-class. The urban population in Brazil accounts for most of the consumption of milk in Brazil. The eating habits in Brazil involve starting the day with coffee. For breakfast they have coffee or milk or coffee with milk, fresh fruit, bread or biscuits and some cakes. Lunch consists of rice, black or brown beans with meat. Between lunch and dinner they have mid-afternoon coffee, which includes coffee, hot milk, French bread and cookies. In the evening, they eat a light dinner which can be almost the same they had at lunch time.

Conclusion of the interviews

When looking at the interviews, it becomes clear that it is relevant for FrieslandCampina that a country has a growing population, a growing GDP and that the country itself does not have enough milk production to meet the requirements of their population. Brazil has a growing population, an increasing GDP and the production of milk has increased the last couple of years. The Brazilian people are also focused on healthy food and want to meet the health requirements of an increasingly health-oriented middle-class. From this it can be said that Brazil has good opportunities for FrieslandCampina. But in order to expand the activities to another country, FrieslandCampina should get to know the consumer. FrieslandCampina is currently more focused on Asia, Africa and Europe, and the company has no experience in South America. Another point is that Nestlé has already been active in South America for a long time and is a very strong player in Brazil. Brazil is not really a dairy country. The eating habits in Brazil are not that focused on dairy products, they only drink a lot of milk in their coffee and they eat desserts in which milk is processed. However, nutrition can be a good opportunity to start with for FrieslandCampina, because the Brazilian people use milk powder for baby food. In Brazil, the urban population accounts for most of the consumption of milk.

Overview threats and opportunities

Opportunities

- It is relevant for FrieslandCampina that a country has a growing population, a growing GDP and does not have enough milk production.
- Because of the food security and protectionist measures on agricultural products, it is important that the company has a strong relationship with that country.
- Nutrition can be interesting for FrieslandCampina.
- Brazil is a melting pot and that is why it is normal to try and eat other products.

- Milk is a product for children in Brazil.
- Brazilian people eat desserts in which milk is processed.
- Brazil has climbed out of poverty.
- Demand for dairy products increased with 53%.

Threats

- Nestle has already been active in South America for a long time.
- Milk is more a product for children than for adults in Brazil.
- The milk consumption in Brazil is less than average.

Swot Analysis

The SWOT gives an overview of the Strengths, Weaknesses, Opportunities and Threats which are mentioned before.

Strengths

- FrieslandCampina is working hard to discover and develop pioneering innovations in dairy.
- 450 R&D experts who work in research centres.
- FrieslandCampina supports the grasslands of the members' farms with an amount of 45 million euros each year.
- FrieslandCampina is an international company, which is strongly focusing on local characteristics.
- FrieslandCampina has connected 14.391 members of dairy farmers, and therefore many litres of milk and products are available.
- FrieslandCampina has strong and diverse dairy products.
- FrieslandCampina knows how to meet customer requirements in other cultures/countries.
- The dairy products of FrieslandCampina can be bought in more than a hundred countries.
- A wide spread against possible risks in the financing of FrieslandCampina.

Weaknesses

- No brand awareness in Brazil or South America.
- Not active in South America and therefore Friesland Campina is not familiar with the consumers in this area.

Opportunities

1. A diverse culture can be an opportunity for FrieslandCampina, because other cultures can influence the Brazilian people to buy dairy products.
2. Nutrition is a good opportunity to focus on for FrieslandCampina, because 24.7% of the population is between 0 and 14 years old.
3. The urban population is 87% of the total population in Brazil, which is favourable to focus on for FrieslandCampina.
4. Increase of GDP.
5. Growing Brazilian population.
6. Families are very important in Brazil. When FrieslandCampina reaches one member of the family, they will pass it on to the other members of the family.
7. Brazil's health and wellness sector is growing.
8. The consumption of fluid milk is increasing, because of higher incomes.
9. High technology farmers can become partners of FrieslandCampina.
10. An improved infrastructure is good for the transport of the products of FrieslandCampina.

11. Dry seasons can lower the milk production; therefore the Brazilians need milk products from outside the country.
12. Dairy products are already available in the Brazilian supermarkets.
13. The products are not linked to age or sex and are daily life products.
14. There are strong local competitors in Brazil with which FrieslandCampina can merge.
15. The Netherlands and Brazil already have a strong trade relationship.
16. The economic missions strengthen the trade relationship.
17. It is relevant for FrieslandCampina that a country has a growing population, a growing GDP and does not have enough milk production.
18. Because of the food security and protectionist measures on agricultural products, it is important that the company has a strong relationship with that country.
19. Nutrition can be interesting for FrieslandCampina.
20. Brazil is a melting pot and that is why it is normal to try and eat other products.
21. Milk is a product for children in Brazil.
22. Brazilian people eat desserts in which milk is processed.
23. Brazil has climbed out of poverty.
24. Demand for dairy products increased with 53%.

Threats

1. Less import and no export in dairy in recent years. This means that Brazil does not need the dairy products of FrieslandCampina. They can meet their own requirements without products from outside the country.
2. Milk production in Brazil is growing.
3. High technology increases the milk production and lowers the costs.
4. Dry seasons can lower the milk production in the cooperation farms of FrieslandCampina.
5. The regulatory environment is very complex and there is a high level of bureaucracy.
6. Quite strong food regulations.
7. Corruption can hinder the entering of FrieslandCampina to Brazil.
8. FrieslandCampina does not know the eating habits of the Brazilian consumer.
9. FrieslandCampina does not know how to reach the Brazilian consumer.
10. Strong local competitors with the same products.
11. Nestlé is a strong player in South America.
12. Nestle has already been active in South America for a long time.
13. Milk is more a product for children than for adults in Brazil.
14. The milk consumption in Brazil is less than average.

Confrontation Matrix

	Opportunities	Threats
Strengths	S6&O2; FrieslandCampina has strong and diverse dairy products. Nutrition can be a good opportunity to focus on for FrieslandCampina, because 24.7% of the Brazilian population is between 0 and 14 years old. S7&O15; FrieslandCampina knows how to meet customer requirements in other cultures/countries. A strong trade relationship will facilitate the entering of country.	S5&T1; Because of its members, FrieslandCampina has many litres of milk available. But there was less import and no export of dairy products in Brazil in recent years. So the Brazilian people can meet their own requirements without products from outside the country. S4&T10; FrieslandCampina is an international company, which is strongly focusing on local characteristics. In Brazil, there are strong local competitors that the company must be aware.
Weaknesses	W1&O1; FrieslandCampina has no brand awareness in Brazil or South America. The diverse culture with different eating habits can influence the other people in the society to buy dairy products. W2&O7; FrieslandCampina is not active in South America and therefore they do not know the customer. But the health and wellness sector in Brazil is growing. That means there is a demand for dairy and other healthy products.	W1&T9; FrieslandCampina has no brand awareness in Brazil and therefore it is very difficult for them to reach the Brazilian market, because they do not know how to reach the Brazilian customer. W2&T11/12; FrieslandCampina is not active in South America and therefore they do not know the customer. In contrast to Nestlé, which has been active for a long time, knows the customer in South America and is already a very strong player on the South American market.

In the confrontation mix, the Strengths, Weaknesses, Opportunities and Threats are combined with each other. In the confrontation matrix, S6&O2 are mentioned. That means that number six of the strengths and number two of the opportunities are combined with each other. For the other combinations the same theory applies. As a result of the confrontation matrix, several strategies were created for FrieslandCampina.

Strategic options

Strategy 1; FrieslandCampina has strong brand names which belong to the company and therefore it has many different dairy products. Seen from the external analysis, 24.7% of the Brazilian population is between 0 and 14 years old. Therefore nutrition is a good opportunity to focus on when entering the Brazilian market.

Strategy 2; FrieslandCampina is a strong player in Africa, Europe and Asia. In Asia, FrieslandCampina has been active for more than a hundred years. Therefore they know how to reach the customers there, how to meet the customer requirements and how to respond to local competitors. Because FrieslandCampina does not know the customers and competitors in Brazil, it can be a good possibility to merge with a strong local competitor.

Strategy 3; FrieslandCampina should focus more on Asia, Europe and Africa, where they are already a strong player rather than start focusing on a new market in a new continent. Nestlé will try to make it very difficult for FrieslandCampina to start entering the Brazilian market. Also seen from the mission, vision and objectives of FrieslandCampina, it is better if FrieslandCampina does not enter the Brazilian market. They should spend more energy and money to become the strongest and most sustainable dairy company on the African, Asian and European market.

Discussion of the strategic options

Strategy 1 is formed because 24.7% of the Brazilian population is between 0 and 14 years old. Therefore a good opportunity for FrieslandCampina is focusing on nutrition when entering the Brazilian market. Brazil has climbed out of poverty and has now a rising GDP. Therefore they can spend more and more money on food. Brazilian people are focused on healthy food and feeding babies with high quality milk is a part of it. Traditionally, milk is seen as a product for children in Brazil. So if FrieslandCampina expands its activities to Brazil with the focus on nutrition, it can reach approximately 50 million people.

Strategy 2 is formed because FrieslandCampina has a lot of experience in doing business in other cultures and countries. The continent South America is completely new and different, compared to Asia, Africa and Europe, where they are already active. In Brazil there are already strong local

competitors who know how to reach the customers. If FrieslandCampina can merge with one of the strong local competitors, it does not have to start at level zero in the Brazilian society. It is also good that Brazil and the Netherlands already have a strong relationship and that the Netherlands already has an extensive network in Brazil. This can help by entering the Brazilian market. Therefore a good opportunity is merging with a strong local competitor.

Strategy 3 is formed because it is profitable for FrieslandCampina that a country has a growing population, a rising GDP and a shortage of milk. Brazil has a growing population and a rising GDP, but seen from the external analysis, there was less import and no export in recent years. Therefore, it can be said that Brazil is self-sufficient in terms of dairy and that is not profitable for FrieslandCampina. Nestlé has already been active in South America and Brazil for a long time and therefore they know how to reach the customers. Nestlé will try to make it very difficult for FrieslandCampina to gain access to the Brazilian market. The policy of FrieslandCampina is to export dairy products made from Dutch, German and Belgian milk to countries which do not produce enough milk themselves. This is not the case in Brazil, because they are self-sufficient in terms of dairy.

Conclusion

The conclusion of this report is the answer to the research question which is as follows: “Is it feasible for FrieslandCampina to expand its activities to the emerging market Brazil and, if so, what strategy is needed?” To get a clear overview, first a short conclusion about FrieslandCampina and Brazil is given.

FrieslandCampina is a well-known Dutch multinational dairy enterprise with more than 14.391 members of dairy farms in the Netherlands, Germany and Belgium. The regions where FrieslandCampina is active are Africa, Europe and Asia. FrieslandCampina has already been active in Asia for more than a hundred years and therefore they know the customers there, they know how to meet the customer requirements and how to respond to competitors. FrieslandCampina has many different products and many well-known brands. The products are daily life products of high quality, which all have different features and which are available in different price categories. Expanding activities to another country is profitable for FrieslandCampina if there is a shortage of dairy production in the country itself and if the population and/or the GDP are growing.

Brazil is an emerging market with a population of 199 million habitants: 24.7% of the population is between 0 and 14 years old, 68.2% is between 15 and 64 years old and 7.1% is over 65 years old. Brazil has a young and growing population and its GDP is also growing. There was hardly or no export and import of dairy in recent years, so it can be said that Brazil is self-sufficient in terms of dairy. The health and wellness sector is growing in Brazil and the Brazilians can spend more money on dairy and healthy products because of the increasing GDP. The milk consumption is increasing but is not as high as you would expect in such an emerging country. The climate of Brazil is very diverse and has several dry and raining seasons. The dry seasons can be an opportunity for FrieslandCampina, because in a dry season the production of milk is lower and therefore the Brazilians need dairy products from outside the country. It can also be threat, because if FrieslandCampina merges with a local competitor, it is possible that there is not enough milk available then. In Brazil, there are strong local dairy companies and Nestlé is a very strong player in South America as a whole.

At first side, it seems to be feasible for FrieslandCampina to expand its activities to Brazil: Brazil is an emerging market, it has a young and growing population, an increasing GDP and a growing health and wellness sector. However, for FrieslandCampina it is only profitable to expand its activities to a country if that country does not have enough dairy production itself. This is because FrieslandCampina has enough milk from its member dairy farmers in the Netherlands, Germany and Belgium, and therefore they can export their dairy products to other countries. As seen from the external analysis, Brazil has less import and no export of dairy in recent years, which means that Brazil does not need dairy products from other countries and is self-sufficient in terms of dairy. Another reason against expanding activities to Brazil is that FrieslandCampina is not active in South

America. Therefore, they do not know the customers there, they do not know how to meet the customer requirements and they do not know how to respond on competitors. In Brazil, there are strong local competitors who have created customer trust and FrieslandCampina must be aware of the largest dairy multinational Nestlé. Nestlé has already been active in Brazil or South America for a long time and therefore they have created very strong brand awareness. If FrieslandCampina decides to expand its activities to Brazil, Nestlé probably will make it very hard for FrieslandCampina to enter the Brazilian market. Nestlé can even publish negative information about FrieslandCampina in the regions where it is already active, such as Africa, Asia and Europe.

So, the answer to the research question is that it is not feasible for FrieslandCampina to expand its activities to the emerging market Brazil. The strategy which applies most to FrieslandCampina at the moment is strategy 3: do not enter the Brazilian market, but spend more energy and money in becoming the strongest and most sustainable dairy company on the African, Asian and European market. This is because Brazil is self-sufficient in terms of dairy, FrieslandCampina has no experience in the South American market, there are strong competitors with the same products, the company will be in conflict with its own policy (exporting dairy products from the Netherlands to another country) and Nestlé will make it very difficult for them to gain access to the Brazilian market.

Recommendations

Due to the self-sufficiency in terms of dairy of Brazil, the lack of experience of FrieslandCampina in the South American market, the strong competitors and the objectives of its own policy, it is not profitable for FrieslandCampina to expand its activities to Brazil. It is recommended that FrieslandCampina decides to become a stronger player in the regions where they are already active. It is more useful for FrieslandCampina to spend more money and energy to reach more people in the African, Asian and European market. In those markets there are also competitors for FrieslandCampina, but FrieslandCampina knows how to respond to them. A challenge for FrieslandCampina is to try to become the strongest and the most sustainable dairy company in Asia, Africa and Europe.

However, if FrieslandCampina still decides to expand its activities to South America, they should not focus on Brazil. It is recommended to focus on a country in which the dairy production is low, and to focus on a country with a growing population and/or a growing GDP. New research has to be done to decide to which country FrieslandCampina can expand activities.

However, if FrieslandCampina still decides to expand its activities to Brazil, it is recommended to wait for several years. It is possible that within a number of years, Brazil will not be self-sufficient anymore. This can happen because of climate changes. There will be more dry periods and therefore the dairy production will be less. It is also possible that the population will grow and therefore there will be more demand for dairy products. Another option is that the eating habits will change because of the increasing health-oriented middle-class. Because of this, it is possible that Brazil will be a good option for FrieslandCampina within in several years.

The main recommendation for FrieslandCampina is to become the strongest and the most sustainable dairy company in the regions where they are already active, such as the Asian, African and European market.

Reflection

Doing research for this subject is ambitious, because the research was done with the purpose to provide FrieslandCampina with advice about an important strategic decision. Providing an advice which is focused on the future and which is based on current information and experiences from the past, is complex. By doing desk and field research and examining different points of view, the conclusion has been formed.

Retrieving information about FrieslandCampina itself was not that difficult. FrieslandCampina has a very clear website and annual reports. FrieslandCampina has all the aspects which a good company must have to be successful. Therefore it was difficult to find weaknesses. That is why only two weaknesses were mentioned. Retrieving information for the external analysis, Brazil related to dairy, was not that easy. Most of the information and annual reports were too old for relevant information. The information from the interviews was useful for the external analysis.

Retrieving information for the customer analysis was easy, because the purpose of the products of FrieslandCampina is almost the same (healthy lifestyle), only FrieslandCampina does not know the eating habits of the Brazilians. Retrieving information for the competitor analysis was not very easy, because it was difficult to find which local competitors are important players on the Brazilian dairy market and most of the information of the local competitors was only available in Portuguese. Retrieving information about the trade relations was easy and the interviews were useful.

The SWOT analysis was easy to make, because of the information in the internal and external analysis. Because of the SWOT analysis, it was easier to combine the strengths, weaknesses, opportunities and threats into a confrontation matrix.

Finding the right persons for the interviews was difficult. But when the right persons were found, it was not that difficult to make an appointment with them. The interviews were done in three different ways: by phone, by email and by real-life appointment. Especially the information from Mr Arnoud van den Berg and Mrs Ineke Halsema was very useful for the research of this report.

The conclusion was different from what I thought before I started this research. I thought that it was definitely very profitable for FrieslandCampina to expand its activities to Brazil. But I have examined several points of view and retrieved a lot of information which has formed my different conclusion.

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Appendix 1 Brands and products

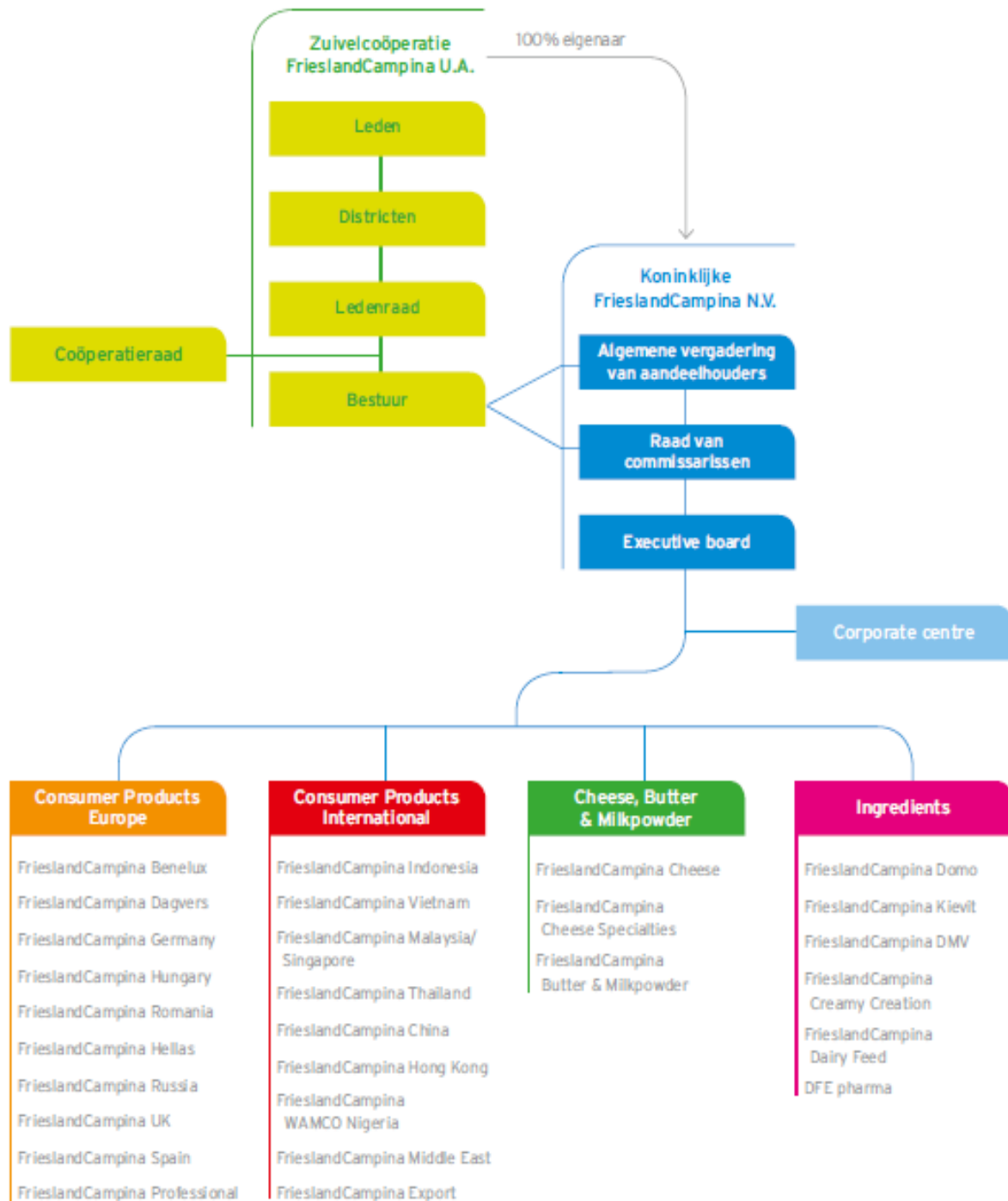
Figure 1

	Butter, Cheese (classics), desserts, dairy drinks, liquid milk, soft cheese, yoghurt, cream		Desserts, dairy snack
	Cheese (classics)		Dairy drinks
	Cheese (classics)		Butter, Desserts
	Cheese classics, Condensed Milk, dairy drinks, liquid milk, milk powder		Condensed milk, dairy drinks, nutrition, milk, milk powder, yoghurt
	Condensed Milk, dairy drinks, nutrition, liquid milk, milk powder, yoghurt		Butter, desserts, liquid milk, soft cheese, yoghurt, dairy drinks
	Condensed Milk, dairy drinks, nutrition, liquid milk, milk powder, yoghurt		Condensed milk, dairy drinks, nutrition, milk powder
	Condensed Milk, dairy drinks, nutrition, milk, milk powder, yoghurt		Desserts, yoghurt, dairy drinks
	Fruit juices		Desserts
	Butter		Dairy drinks, yoghurt, dairy drinks
	Fruit juices		Coffee creamer

	Nutrition		Condensed milk, milk powder
	Dairy drinks		Liquid milk, milk powder, dairy drinks
	Dairy drinks, yoghurt,		Dairy drinks, yoghurt
	Cheese		Meat free meals made from milk
	Fruit juices		Yoghurt, desserts
	Dairy drinks		

Appendix 2 Organisation Structure

Figure 2



Appendix 3 Import and export milk, Brazil

Imports of fluid milk of Brazil, per year

Figure 3

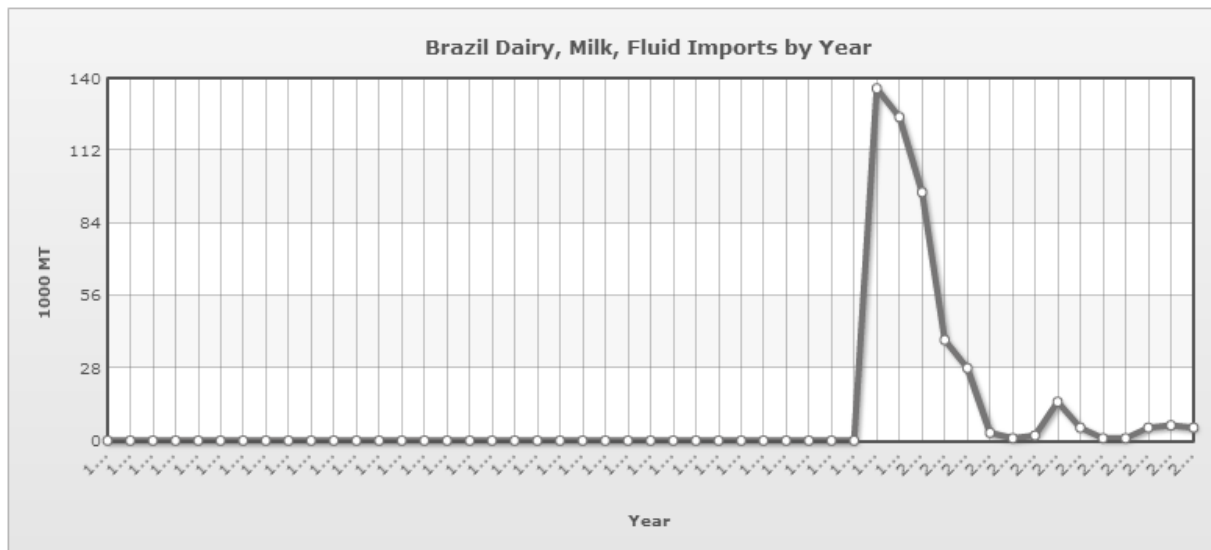


Figure 4

1994	0	(1000 MT)	NA
1995	0	(1000 MT)	NA
1996	0	(1000 MT)	NA
1997	0	(1000 MT)	NA
1998	136	(1000 MT)	NA
1999	125	(1000 MT)	-8.09 %
2000	96	(1000 MT)	-23.20 %
2001	39	(1000 MT)	-59.38 %
2002	28	(1000 MT)	-28.21 %
2003	3	(1000 MT)	-89.29 %
2004	1	(1000 MT)	-66.67 %
2005	2	(1000 MT)	100.00 %
2006	15	(1000 MT)	650.00 %
2007	5	(1000 MT)	-66.67 %
2008	1	(1000 MT)	-80.00 %
2009	1	(1000 MT)	0.00 %
2010	5	(1000 MT)	400.00 %
2011	6	(1000 MT)	20.00 %
2012	5	(1000 MT)	-16.67 %

Exports of fluid milk of Brazil, per year

Figure 5

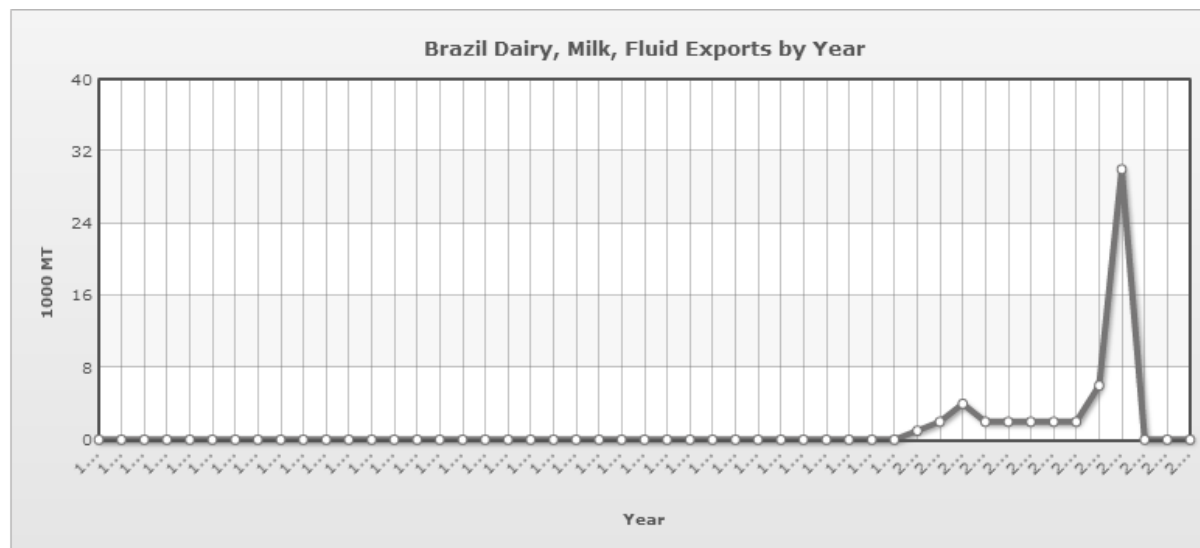


Figure 6

1996	0	(1000 MT)	NA
1997	0	(1000 MT)	NA
1998	0	(1000 MT)	NA
1999	0	(1000 MT)	NA
2000	1	(1000 MT)	NA
2001	2	(1000 MT)	100.00 %
2002	4	(1000 MT)	100.00 %
2003	2	(1000 MT)	-50.00 %
2004	2	(1000 MT)	0.00 %
2005	2	(1000 MT)	0.00 %
2006	2	(1000 MT)	0.00 %
2007	2	(1000 MT)	0.00 %
2008	6	(1000 MT)	200.00 %
2009	30	(1000 MT)	400.00 %
2010	0	(1000 MT)	-100.00 %
2011	0	(1000 MT)	NA
2012	0	(1000 MT)	NA

Appendix 4 Annual dairy price

Figure 7

Table 1 - São Paulo: Monthly Average Price Received by Producers for Fluid Milk per Liter, Jan-Sep 2009-12:				
Month	2009	2010	2011	2012
Jan	0.6331	0.7125	0.7676	0.803
Feb	0.6358	0.7393	0.4461	0.795
Mar	0.6385	0.7415	0.7963	0.811
Apr	0.6536	0.7492	0.8253	0.818
May	0.6871	0.74	0.868	0.82
Jun	0.7378	0.7456	0.8996	0.814
Jul	0.8189	0.756	0.9247	0.895
Aug	0.8171	0.7485	0.9244	0.825
Sep	0.7862	0.7425	0.9395	0.825
Year Average	0.712	0.7417	0.8579	0.8229
(in U.S.\$)	0.36	0.37	0.43	0.41

Appendix 5 Competitor Analysis

Figure 8

Criteria	FrieslandCampina	Itambé	LBR	Pirancanjuba	Nestlé
Production	10.1 billion kilo milk per year used for the products	3.1 million litres milk,	Spread over the whole country, 2 billion litres milk per year	Two factories, 3.1 million litres per day	Largest food company in the world
Brand awareness	Many different and recognizable products and brands	Well-known, 152 different products	Strong and respected brands	More than 80 very popular and recognizable products	Many different and recognizable products and brands
Marketing	Operates worldwide, farm days, commercials, job markets and fairs	Mascots, good website, commercials	Clear website, available on mobile phones	Campaigns, good website, but only available in Portuguese	Strong and recognizable campaigns everywhere, recipes available
Management	14.391 dairy farm members, 19.000 employees in 25 different countries	31 associated cooperatives, 8.500 producing families, 3.300 employees	5.000 employees, 56.000 milk producers	Thousands jobs	Factories and companies in almost every country, 280.000 employees
Sustainability	Highly focused on sustainability, strategy for 2020,	Two large projects, would be the most sustainable company	Promote sustainable actions, social development	Focused on preservation of the environment	Not specially focused on sustainability. Would help developing countries where they are active

Itambé

Company

Itambé started in the late 1940s as a small dairy company in Brazil. The supply of milk was only meant for one city. At the moment, more than sixty years later, Itambé has become the largest dairy cooperative in Brazil. Because of the history of Itambé, it has always followed cooperative principles and has always offered quality and reliability to their customers. Mentioned by Itambé, Itambé represents a guarantee of quality, transparency in its relations, and respect for the consumer, environment and the society (ItambéLTDA, 2012).

Products

Itambé has a lot of different products. The products of Itambé are butter, chocolate drink powder, condensed milk, cream, cream cheese, fermented milk, milk compost lacto, milk curd, milk jam, pasteurized milk, petit Suisse, premium line, UHT flavoured milk drink and nutrition.

Production

Itambé has 31 associated cooperatives, which account for approximately 8.500 milk producing families in Brazil. According to Itambé, every day, these producers send around 3.1 million litres of milk to the five factories of Itambé where it is processed into approximately 152 different products which make up to 13 lines of dairy products (ItambéLTDA, 2012). Itambé has an average of more than two billion Brazilian Real, which is 0.74 milliard euro. Itambé has a total of approximately 3.300 employees, according to Itambé (ItambéLTDA, 2012).

Export

Itambé started exporting dairy products in the 1970s. This was because of the enormous stock of some dairy products, especially of butter and milk powder. In this time, Itambé exported especially to Africa. Nowadays, Itambé exports to 63 countries worldwide and is therefore the largest dairy exporter of Brazil.

Location

Figure 9 shows where the plants, the cooperatives, sales offices and distribution centres are located, retrieved from Itambé (ItambéLTDA, 2012).

Figure 9



Promotion

Itambé is a well-known company in Brazil. Itambé has a mascot, the Little Cow, which is present in the lives of their consumers and their families. The children would love to have this mascot and the mascot also creates trust and identification with the brand. Itambé also has two large promotions to become the most sustainable company. Every country, every government, every country is now focused on sustainability and therefore Itambé will ensure the quality of its products, health and safety of its collaborators and preservation of the environment.

LBR

Company

LBR Dairy Brazil SA is the largest private dairy company in Brazil. The company is a result of the merger of the companies Leitbom and Bom Gosto. According to LBR, LBR produces and serves healthy food particular the milk constituents (LBR, 2012). These must be reliable and tasty. LBR also strives to a company on the world top and ensures the sustainability of LBR.

Products

LBR has strong and well respected brands in the Brazilian market which are part of LBR, such as Parmalat, favourite milk brand in Brazil, Poços de Caldas, creative milk products such as milk curd, and Boa Nata, different kind of cheese. Other products of LBR are milk powder, yoghurt, flavoured milk, milk beverages and butter.

Production

The production of LBR is spread over the whole country and contains more than two billion litres milk per year. LBR has approximately 5.000 employees and a chain of 56.000 milk producers.

Location

Figure 10 shows where the head office (light blue), production units (orange), regions of sale (blue), and the actually sales points (green) are located. These are located strategically for trying to reach most regions in Brazil.

Figure 10



Promotion

LBR has a very clear website which describes the different brands and products. LBR also promote sustainable actions which are focused on collective welfare and it also encourages the employees of LBR to volunteer for social development. The website also has an app and is therefore available on mobile phones. According to LBR, the website has approximately 16.000 visitors per month (LBR, 2012).

Piracanjuba

Company

Piracanjuba was founded nearly 60 years ago. Piracanjuba develops products and services that improve the quality of life and well-being. According to Piracanjuba, they want to achieve competitive and responsible products and they will be nationally recognized for offering products and services of high quality (Piracanjuba, 2012). Piracanjuba wants to create a life wherein the people feel healthier and happier with responsibility for the environment.

Products

Piracanjuba has a lot of different products such as chocolate milk, milk powder, cream of milk, condensed milk, long life milk, milk specials such as diet milk, fruit milk with cereals and butter.

Production

Piracanjuba has two factories, one in Bela Vista de Goiás and in Maravilha. Those two factories process more than 3.1 million litres of milk per day (Piracanjuba, 2012). Because of this enormous process of milk, it generates thousands of direct and indirect jobs.

Export

Piracanjuba is particularly focused on different regions in Brazil; Piracanjuba is therefore one of the top sellers in Brazil. The more than 80 different products are very popular and recognizable in Brazil. Every year Piracanjuba grows more and more.

Promotion

Piracanjuba has done different campaigns for their brand awareness and to promote their products. They also have a good website, but this is only available in Portuguese. On the website, some recipes are available for the whole family. Piracanjuba is also very focused on the preservation of the environment and will support the societies where Piracanjuba is active.

Nestlé**Company**

Nestlé was founded in 1866 by Henri Nestlé in Vevey, Switzerland. Nestlé is the largest food company in the world and is leader in the area of Nutrition and Health & Wellness. Nestlé strives to offer the best food products to their consumers, which can be consumed at every moment of the day. Therefore their slogan is 'Good Food, Good Life', mentioned by Nestlé (Nestlé, 2012). Nestlé wants to create long term partnership relations and therefore they create more value for the society in which they are active, both for the business partners of Nestlé and its consumers.

Products

Nestlé has a lot of different brands which belong to Nestlé, such as Dolce Gusto, Corn Flakes, Kit Kat, Maggi, Nescafé, Nestea, Nesquik, Nestlé nutrition. Nestlé has been active in Brazil for a long time and is therefore a very strong player in South America.

Production

Nestlé has factories and companies in almost every country in the world. According to Nestlé, they have approximately 280.000 employees (Nestlé, 2012). In 2010, the profit was almost 110 billion Swiss Francs, that is approximately 89 billion euros.

Promotion

Nestlé has very strong marketing campaigns, such as commercials on television and press releases. The consumers can visit the chocolate factory in Brazil, there are several recipes available for the whole family and every brand is recognizable. Nestlé also has different partnerships with small companies in developing countries to create more value for society. This stimulates consumers to buy products and this stimulates indirectly the economy of developing countries.

Appendix 6 Interviews

Resume interview Mr Arnoud van den Berg

The interview with Mr Arnoud van den Berg was done by phone, because he was in Hong Kong at that moment. Mr Arnoud van den Berg is general manager of FrieslandCampina in Hong Kong and he has been working for FrieslandCampina for five and a half year.

FrieslandCampina supports the farmers and the grasslands in the Netherlands. This is because the farmers in the Netherlands, Belgium and Germany, which are members of FrieslandCampina, are also called shareholders. For FrieslandCampina it is important that the cows live on the grasslands, therefore FrieslandCampina stimulates the farmers with extra money if their cows live on the grasslands. Most of the members are from the Netherlands and some from Germany and Belgium. 90% of the milk of FrieslandCampina is produced in those countries and therefore most of the production is done in the Netherlands, but sometimes if Thailand needs fresh milk, FrieslandCampina buys milk in Thailand. That is the other 10% per cent.

FrieslandCampina is very active in Asia, such as in Thailand, Malaysia, Singapore, China and Hong Kong, and already for hundred years in Indonesia. In almost every country in Asia, there are products available of FrieslandCampina. If FrieslandCampina wants to expand its activities to another country they consider different aspects, such as economic growth and the relation with milk consumption. If people have more money, they will mostly spend it on food, especially on food for children. FrieslandCampina is interested in a country if the GDP and the population both grow. If a country has both, it is very ambitious for FrieslandCampina.

For doing business in another country it is important that FrieslandCampina recognizes that consumers in other countries are completely different from consumers in the Netherlands. FrieslandCampina must understand what the local consumer wants in terms of dairy; other flavours, and different ways of consuming. If FrieslandCampina recognizes the differences, they can respond to it.

It is important that there is a strong relationship between the Netherlands and the country which FrieslandCampina would like to do business with. This is because of the food security and protectionist measures on agricultural products, especially on dairy. Therefore it is important that there is a good relationship between the two countries.

Besides Nestlé, FrieslandCampina has many local competitors. FrieslandCampina tries to be better and faster than its competitors. They also set up good marketing campaigns, such as television commercials, messages on buses and in stores, but also door-to-door advertising. The products of

FrieslandCampina are available in different price categories and therefore the products are available for different levels in the society.

According to Mr Arnoud van den Berg it can be interesting to expand activities to Brazil, because Brazil is a huge country with a strong economic growth, huge population and (sort of) a dairy tradition. FrieslandCampina is currently more focused on Europe, Asia and Africa and in the past, they had companies in Peru and Chili, but these were sold because of the focus on Asia. If FrieslandCampina will go to Brazil, they must be aware of Nestlé. Nestlé is a very strong player in South America. Nestlé has a lot of experience in the South American market and knows the South American consumers. FrieslandCampina has a lot of experience in the Asian market and knows the Asian consumers. So FrieslandCampina must decide if they want to open a new market or become stronger on the existing markets. Brazil can be interesting for nutrition, but then the question rises if they must produce the products in the Netherlands or in Brazil. For FrieslandCampina it is more profitable if the milk is used from the Netherlands, because there is a lot of milk production in the Netherlands and it is not possible to ship the milk to Brazil because of its preservability.

The interview itself with Mr Arnoud van den Berg in Dutch

1. Hoelang bent u al werkzaam bij FrieslandCampina?

Arnoud van den Berg: Ongeveer 5,5 jaar.

2. Op welke afdeling bent u actief?

Arnoud van den Berg: Ik ben general manager van FrieslandCampina in Hongkong.

3. Heeft u altijd op deze afdeling gewerkt?

Arnoud van den Berg: Hiervoor werkte ik in Griekenland als financial manager.

Nu wil ik u graag wat vragen stellen over FrieslandCampina en de werkzaamheden in Azië.

FrieslandCampina steunt de boeren en de weilanden in Nederland.

4. Waar komt dat uit voort?

Arnoud van den Berg: De boeren zijn onze leden, onze aandeelhouders zo zou je het kunnen noemen. FrieslandCampina is een bedrijf, een cooperatie van boeren. Vandaar dat wij natuurlijk de boeren ondersteunen. Het is voor ons heel belangrijk dat de weilanden ondersteund worden om de productie zo hoog mogelijk te houden. Het is voor ons ook heel belangrijk dat koeien in de wei lopen, in Nederland is dat niet meer vanzelfsprekend, ze staan grotendeels op stal. Wij promoten dat koeien in de wei lopen. Wij geven boeren daarom ook extra melkgeld als zij hun koeien in de wei laten lopen. En ook omdat de Nederlandse consument dat graag ziet.

5. Hoe is de rol van Nederland naar de rest van de wereld? Hier in Nederland zit de kennis en de opzet, verdwijnen straks hier de boeren en wordt het alleen maar in het buitenland geproduceerd vanwege de kosten?

Arnoud van den Berg: Nederland is heel belangrijk want ten eerste staat ons hoofdkantoor daar. Het grootste deel van onze leden komt uit Nederland en een aantal uit Duitsland en België. Daar zitten onze aandeelhouders. Daar komt dus ook 90% van onze melk vandaan. We kopen ook melk in in bepaalde markten. Je kan je voorstellen als je in Thailand verse melk wil hebben, dat je het ook daar moet inkopen. Verse melk kan je namelijk niet zo ver vervoeren. Dus we kopen ook in een aantal landen onze melk daar. Maar 90% van onze melk komt van onze leden. Een groot deel van onze productie gebeurt hier en groot deel van onze werknemers zitten dus ook in Nederland. Naast de productie zit er ook een groot deel van onze kennis in Nederland, dat is ons R&D centrum. Er is een nieuw centrum geopend in Wageningen.

FrieslandCampina is actief in verschillende werelddelen.

6. In welke landen in Azië is FrieslandCampina het meest actief?

Arnoud van den Berg: Ze zitten in een aantal landen. We zitten al heel lang in Indonesië al 100 jaar. Maar ook in Thailand, Maleisië, Singapore, China, Hongkong. En naar andere landen in Azië exporteren we ook wel. Zoals Birma, Laos, Cambodja. Noem de lijst maar op. Eigenlijk in elk land in Azië is wel iets van FrieslandCampina te vinden. In Bangladesh en Sri Lanka, exporteren we alleen vanuit onze exportafdeling die vanuit Nederland opereert. Daar hebben we geen kantoor.

7. Is hier een reden voor dat jullie deze landen hebben gekozen? (Bijv. economische groei, klimaat, hoge melkproductie, etc.)

Arnoud van den Berg: Zeker, zeker. We hebben zeker gekeken naar economische groei. Er is wellicht een directe verhouding, correlatie, tussen economische groei en melkconsumptie. Zodra mensen meer geld tot beschikking hebben, gaan ze dat vaak eerst besteden aan voeding. Vaak voeding voor kinderen. In Azië is voeding voor kinderen grotendeels melk. Zodra het BNP bij de bevolking toeneemt, zoals in Vietnam bijvoorbeeld, dan zie je ook dat de melkproductie toeneemt. Dus wij zijn erg geïnteresseerd in gebieden waar het BNP groeit. En in gebieden waar de bevolking groeit. Als het alle twee groeit is het voor ons extra gunstig. En zeker in landen in Azië waar de melkproductie nu nog erg laag ligt, ligt voor ons veel ambitie.

In Nederland is er een groot netwerk van boeren aangesloten bij FrieslandCampina.

8. Heeft FrieslandCampina in Azië ook een netwerk van boeren opgebouwd?

Arnoud van den Berg: Ja maar dan op een andere manier. In Nederland zijn het onze leden, onze aandeelhouders. Wij hebben ook een netwerk van toeleverende boeren in andere landen. Dat is de 10% van de melk die we inkopen. Dat heb je in Azië maar ook in Griekenland en in Rusland. Als we lokaal behoefte hebben aan melk, kopen we dat van toeleveranciers. En in een land als Vietnam, maar ook in Nigeria of Indonesië, helpen wij een boer zodat ze meer melk te produceren. Dus wij hebben daar ook wat we noemen een dairy development program. Daar helpen we de boeren om meer melk per koe per

jaar te produceren. Dat is goed voor ons. En daar hebben we ook een netwerk opgezet van toeleverende boeren, maar die zijn niet lid van FrieslandCampina, dus geen aandeelhouders.

9. Zijn de boeren in Aziatische landen erg gemoderniseerd?

Arnoud van den Berg: Soms wel, als je bijvoorbeeld naar China kijkt, er zijn boerderijen die zijn State of the Art. Die zijn net opgezet, heel groot en heel efficient. Maar je kan je ook verstellen dat je op het platteland in Vietnam ook boeren hebt met maar één koe en dat is dan een heel groot bezit voor hen. En waar ze elke keer met een emmertje melk naar een melkcollectiepunt gaan en daar hun melk wegbrengen. Dat is iets heel anders dan een boerderij met 10.000 koeien die hypermodern zijn. Dus er zit een heel groot verschil in. Net zoals het verschil tussen arm en rijk in dat soort landen. Dat heb je ook tussen boeren, tussen heel modern of heel traditioneel is een groot verschil.

10. Zijn boeren die minder gemoderniseerd zijn ook toeleveranciers van jullie?

Arnoud van den Berg: Als zij aan onze producteisen voldoen wel ja. Er zitten wel bepaalde eisen aan melk, maar als het van een goede kwaliteit is dan maakt het niet uit. Maar wij proberen deze boeren wel te moderniseren, dat is natuurlijk in ons voordeel.

11. Hoe garanderen jullie dat er in Azië dezelfde kwaliteit producten worden geleverd als hier in Nederland (Ander grassoort, ander klimaat, etc.)

Arnoud van den Berg: Wij hebben een wereldwijd kwaliteitsstelsel. Dat zorgt er voor dat er dezelfde kwaliteitsnorm is voor de melk die wij innemen. Dus zo garanderen wij dat. Maar de melk die je inneemt is wel anders van samenstelling, afhankelijk van de hoogte proteïne en vet in de melk. Wij vragen de boeren dan ook naar de kilogramme eiwitten en vet en niet naar de liters melk. Hoe meer eiwitten en vet, hoe waardervol het is voor ons. Daar kan je meer producten van maken, dan van hele waterige melk. Dus daar zit wel het verschil in tussen land en per boerderij.

12. Waar lopen jullie tegen aan je zaken doet met Azië?

Arnoud van den Berg: Tegen heel veel groei. Dus dat is gunstig. Maar waar je natuurlijk rekening mee moet houden is dat de Aziatische consument natuurlijk heel anders is dan de Nederlandse consument. Nou zitten we al jaren in Azië, in Hongkong zitten we 75 jaar, in Indonesië zitten we bijna 100 jaar. Dus daar hebben we wel mee leren omgaan. En in een aantal landen zijn we marktleider in zuivel. Waar je tegen aanloopt is dat je moet begrijpen wat de lokale consument wil qua melk; andere smaken, andere toepassingen. Neem als voorbeeld de Friesche Vlag koffiemelk die we in Nederland verkopen. Dat product halen we uit Nederland, en gebruiken we hier in Hongkong, maar wordt hier dan in thee gedaan. Hele specifieke thee, hele sterke thee en wordt alleen maar in Hongkong verkocht. Het merk Black & White bestaat 70 jaar en is net als Friesche Vlag in Nederland een begrip in Hongkong. Hier wordt het op een hele andere manier gebruikt en daar moet je rekening mee houden in Azië.

13. Hoe is de marktpositie van FrieslandCampina in Azië?

Arnoud van den Berg: Wij zijn een hele sterke speler in Azië. Ik denk als je heel Azië neemt, misschien wel de sterkste. Nestlé is ook een sterke speler. Maar per land is onze positie meestal nummer 1 of 2 of soms nummer 3. De landen die ik je noemde Vietnam, Thailand, Maleisie, China, Hongkong, Indonesië, Filippijnen, zijn we vaak in de positie van nummer 1, 2 of 3.

14. Is het van belang dat er een goede handelsrelatie is tussen het land en Nederland?

Arnoud van den Berg: Ja dat is zeker van belang, want de landbouw met als zuivel specifiek moet je wel voorzichtig mee zijn. Ten eerste omdat het om voedselveiligheid gaat, ten tweede omdat er vaak protectionistische maatregelen zijn. Dus je moet vaak een goede relatie hebben dat je ook je melk mag invoeren. Er zijn bepaalde kwaliteitsmaatregelen, het moet goed gekeurd worden. Daardoor is het belangrijk dat er een goede handelsrelatie bestaat. Nou heeft Nederland dat met al deze landen. Dus als je een keer hulp nodig hebt, als er een crisis zou uitbreken in Nederland. Dan kan je alle hulp aan halen en dat je terug kan vallen op deze landen.

U zei natuurlijk dat Nestlé ook een grote speler is in Azië.

15. Zijn er nog andere concurrenten in Azië voor FrieslandCampina?

Arnoud van den Berg: Er zijn sterke lokale concurrenten, maar die verschillen per land. In China is Bilal Am heel sterk.

16. En hoe gaat FrieslandCampina hier mee om?

Arnoud van den Berg: Zoals met elk andere concurrent; zorgen dat je beter en sneller bent en hogere kwaliteit levert. Zoals waar een lokale concurrent nog 20 jaar geleden nog achterliep op het gebied van technologie of productontwikkeling, dat is nu zeker niet meer het geval. Dan zijn ze vaak heel snel en heel goed. Ze hebben soms ook meer steun van retailers of van de overheid. En bedrijven als Nestlé of Danone, dat zijn gewoon wereldwijde hele grote international concerns, die moet je goed in de gaten houden want die hebben veel geld voor productontwikkeling.

Ik wil graag nog even een paar vragen stellen over de producten zelf in Azië.

17. Welke producten van FrieslandCampina zijn in Azië erg populair?

Arnoud van den Berg: Onze grootste categorie producten is kindervoeding. Dat is meestal in de vorm van poeder. Bijvoorbeeld het merk Fryso is heel sterk, dat wij in China, Hongkong verkopen. En dat is voor kinderen tot 6 jaar. Maar ook kindervoeding van andere merken zoals Dutch Lady. Ook kindervoeding in vloeibare vorm, zoals wij dat in Nederland ook kennen. Maar vaak lang houdbaar. Dat is vaak populairder in Azië. Maar ook yoghurtranken. Kaas is wat minder populair. Dat wordt gewoon minder geconsumeerd, dus daar zie je gewoon wat minder van. Maar in Japan hebben daar wel een sterke positie op de kaasmarkt. Maar het is vooral kindervoeding en dairy based drinks.

18. Waar zijn deze producten vooral verkrijgbaar?

Arnoud van den Berg: Overall. Ja als je naar de landen kijkt die we net noemde dan kom je het allerlei winkels tegen. Dat kan een supermarkt zijn, mini supermarkttjes, drogisterijen, hypermarkten, of carrefour. Je ziet ons overall. Net zoveel als je FrieslandCampina in Nederland ziet.

19. Op welke doelgroep richt FrieslandCampina zich vooral in Azië

Arnoud van den Berg: Melk is in Azië vooral een voeding voor kinderen. Er zijn niet veel volwassenen of kinderen na 12 jaar die zuivel drinken. Zij zullen raar staan te kijken als jij een glas melk zou drinken daar want dat is echt iets voor kinderen. Onze doelgroep is dus met name kinderen. We willen natuurlijk ook graag ouderen en volwassenen bereiken. Maar kinderen is het wel het hoofddoel.

20. Is dat dan met name door hun cultuur dat kinderen alleen zuivel drinken?

Arnoud van den Berg: Ja. Dat is bijna in de hele wereld zo. Alleen in Nederland en in misschien Duitsland is dat niet zo. Yoghurt wordt dan nog wel buiten Nederland door volwassenen gegeten. Maar als je puur naar melk kijkt, vloeibare melk, is dat met name alleen voor kinderen.

21. En de prijsklasse van het product? Kunnen ook armere lagen in Azië het product kopen of is het vooral een product voor de iets rijkere?

Arnoud van den Berg: Wij dekken alle lagen van de bevolking. Zeker omdat je speler nummer 1, 2 of 3 bent. Meestal hebben we ook premium producten voor kindervoeding. De producten zijn lager van prijs, zodat de producten ook beschikbaar worden voor armere lagen in de bevolking.

22. Hoe bereikt FrieslandCampina zijn doelgroep in Azië?

Arnoud van den Berg: Het verschilt van land tot land. In Hongkong is het veel tv reclame, op bussen en in de winkels zal je veel reclames van ons zien. Maar daarnaast blijft mond-tot-mond, zeker voor kindervoeding, heel belangrijk. Want je wilt toch weten wat je buurvrouw of vriendin gebruikt voor kindervoeding als die bevalling is. In Thailand hebben we een product wat aan de deur verkocht wordt, zoals yoghurt drankjes. Dat is weer een hele andere manier om het product aan de man te brengen.

23. Denkt u dat het mogelijk is dat FrieslandCampina zijn activiteiten uitbreid naar Brazilië?

Arnoud van den Berg: Dat kan interessant zijn. Wat je ziet is dat onze sterkte ligt op Europa, Azië, Afrika en het midden-oosten. We zijn wel actief in Noord- en Zuid-Amerika. Brazilië is natuurlijk wel een interessant land als je kijkt naar groot land, sterke groei in economie, grote bevolking en toch wel een zuiveltraditie. Met name voor kindervoeding kan het interessant zijn. Maar dan zullen we wel moeten beslissen of we actief willen worden in die landen. We hebben vroeger bedrijven gehad in Peru en Chili. Die hebben we verkocht om ons te concentreren op Azië. Dus mochten we naar Brazilië willen gaan, dan zouden we kunnen gaan verkopen via ons exportmodel, en gaan exporteren naar andere landen in Zuid-Amerika. Maar echt serieus werk maken van Brazilië, zoals een fabriek bouwen

en een kantoor bouwen, daar moeten we dan even goed over nadenken of we dat ook echt willen. We moeten nagaan wat zijn de kansen daar.

24. Als jullie actief willen worden in Brazilië dan willen jullie ook actief worden in heel Zuid-Amerika?

Arnoud van den Berg: Ja dat zou er dan wel achter zitten ja. Als je zo'n bedrijf als nestlé ziet, die zijn heel sterk in Zuid-Amerika. Dat zal dan je concurrent worden. En dan moet je je afvragen kun je beter worden dan je concurrent? En wij hebben weinig ervaring daar. In Azië weet je hoe je met de consument om moet gaan, je zit hier 100 jaar. Dat is natuurlijk wel het grote voordeel. Dus dan moeten we kiezen willen we nog sterker worden waar we al sterk zijn of willen we nieuwe markt aanwinnen. Brazilië is natuurlijk wel het meest interessant om naar te kijken. Het is een groot land, groeiende economie. Maar het zal wel een trendbreuk zijn of een nieuwe richting in onze nostalgie.

25. Voor mij is het erg interessant dit onderwerp omdat ik aan het onderzoeken ben of het mogelijk is om de activiteiten uit te breiden. Brazilië heeft een relatief hoge melkproductie en producten als kaas en yoghurt zijn populaire producten in Brazilië.

Arnoud van den Berg: Brazilië kan voor name voor kindervoeding ook heel interessant zijn. Maar dan is de vraag moet je producten als kaas en yoghurt lokaal produceren of moet je het vanuit Nederland exporteren. Voor ons is het het gunstigste als je de producten uit Nederland kan halen, want wij hebben heel veel melk in Nederland van onze leden. Voor ons is het het meest interessant als je nieuwe markt kan vinden voor de melk. Het is voor ons niet handig om ergens te gaan zitten, daar melk te kopen en dan producten er van gaan maken. Daar schieten wij niet gek veel mee op.

26. Hoe gaat dat in zijn werk als de melk vanuit Nederland naar een land als Brazilië of landen in Azië wordt vervoerd?

Arnoud van den Berg: Dat wordt in Nederland tot product gemaakt, zoals melkpoeder of kindervoeding. Het is echt al een product als het wordt vervoerd. Je kan geen verse melk vervoeren. Er zijn aantal mogelijkheden om melk langhoudbaar te maken, zoals kaas. En kaas is langhoudbaar. Je kan het verscheppen als je het gekoeld vervoerd. Je kan het ook in blikjes verpakken, zoals Friesche Vlag koffiemelk. Dan stop je dat in een blikje en kan je het twee jaar goed houden. Of melkpoeder is ook ongeveer twee jaar houdbaar. Melk moet je natuurlijk dagelijks verwerken, anders wordt het zuur. De manier hoe je het verscheept is ook erg belangrijk. Zoals gesteriliseerde melk, wat we in Nederland niet zo lekker vinden, is ook erg zwaar om te vervoeren. Poeder is ook heel licht en als je het in een blikje doet condenseer je het. Kaas klinkt misschien heel gek, maar is ook relatief licht. Het land wordt interessant als daar een tekort aan melk is. Als Brazilië voldoende melk heeft om in haar behoefte te voldoen, dan hoeven wij geen melk er heen te verscheppen. Als er melk tekort is, dat is vaak in landen rondom de tropen omdat koeien het daar niet zo goed doen; die houden niet zo van dat klimaat. Zolang er een tekort aan melk is, gaan ze melk elders kopen en dat is voor ons natuurlijk interessant. Dan kunnen we dat uit Nederland halen.

27. Dus de producten uit Azië komen vooral uit Nederland en worden daar verkocht?

Arnoud van den Berg: Deels, deels is het ook melk wat uit andere delen van het land komt. Bijvoorbeeld melkpoeder, waar we dan weer andere melkproducten van maken. In Hongkong komen voornamelijk de producten uit Nederland.

Resume interview with Mrs Ineke Halsema

This interview was done at The Hague University. At the moment, Mrs Halsema is working at The Hague University. She went to Brazil as a member of the economic and higher education mission in 2012.

Brazil is an emerging economy; this can be also noticed in Brazil itself. Brazil is still a poorer country than the Netherlands, but in Brazil the movement is upward and the Netherlands the movement is downward. The way up in Brazil gives the Brazilians a positive feeling. In Brazil, there is a growing middle class and the toughest poverty in society has disappeared. A growing middle class is good for economic growth. Brazil wants to be taken serious on the world market. For doing business with Brazil it is important that the entrepreneur has established a personal relationship with the Brazilian businessmen.

The climate in Brazil is very diverse, because of its large geographical spread. In the South, there is more grassland because of the climate; this is good for the milk cows. In the North, there are more skinny cows. Therefore, the dairy industry is mostly located in the South.

At the moment, Brazil has a stable democracy. The president of Brazil is Dilma Rousseff. Before Dilma Rousseff, Lula was the president for eight years. He was very popular and he did a lot for the lowest level of the society and at the same time he supported the middle-class. The trade relation between the Netherlands and Brazil is strong. The economic mission was meant to strengthen the economic relations.

The eating habits in Brazil: in the morning the Brazilians take coffee with small bread and if it is more luxurious then they eat more sweet things like cakes. At noon, the Brazilians eat the most important meal. They eat rice and black beans with other ingredients. It is a heavy meal. Brazilians prefer to eat meat and barbecue. They also eat a lot of Italian food, such as pastas. And in the evening they eat a lighter meal, with soup or the rest of the afternoon meal. Brazilians also drink a lot of coffee. Brazil is a melting pot and therefore they have many influences from other cultures. This has also an influence on the products and the eating culture. Because of being a melting pot, it is normal in Brazil to eat products from different countries; therefore they try a lot of new products.

In Brazil, it is less common to eat dairy products comparing to the Netherlands. In the morning, they drink coffee with a lot of milk. Cheese and small yoghurts are also available in Brazil. For baby food, most of the time, the Brazilians use milk powder. In Brazil, milk is more a product for children than for adults. But other products in which milk is processed are consumed a lot in Brazil, such as Spanish desserts, crème brûlée and pudding desserts. According to Mrs Halsema, for FrieslandCampina it is important that they have good partnership there. That is better than setting up its own company.

The interview itself with Mrs Ineke Halsema in Dutch

1. Kunt u mij iets over uw zelf vertellen?

Ineke van Halsema: Ja, ik ben Ineke van Halsema en sinds bijna 4 jaar werk ik bij De Haagse Hogeschool, en sinds bijna 2 jaar als directeur van deze academie voor masters en professional courses. Hier voor heb ik een Hogeschool breekproject gedaan over diversiteit, dus daarom ken ik vrij veel andere afdelingen in de Hogeschool ook goed. Ik heb hier voor op heel veel plekken gewerkt, maar altijd in het hoger onderwijs, dus eerst 20 jaar op de universiteit en nu zo'n 10 jaar in het HBO. Ik heb een verleden met Brazilië, dat is interessant voor dit geval. Ik ben na mijn middelbare school daar een jaar naar toe gegaan, dat is heel lang geleden, in '77. En toen was het nog helemaal niet gebruikelijk om een tussenjaar te doen. Dus toen kreeg ik erg op mijn kop van de rector bij de diploma-uitreiking, dat ik niet ging studeren, maar op reis ging. Het was echt andere tijden. Maar goed toen heb ik daar een klein jaar gezeten en daarna ben ik antropologie gaan studeren, tijdens mijn studie en promotie onderzoek ben ik heel vaak terug geweest naar Brazilië. Dus totaal heb ik daar zo'n 3 jaar doorgebracht, maar dat is lang geleden, tussen '77 en '88.

Annemiek: En in dat tussenjaar bent u daar gaan reizen?

Ineke van Halsema: Ja en vooral in een kindertehuis gewerkt en een beetje reizen erbij. En ik heb altijd in Zuid-Brazilië gewoond, dus is wel belangrijk, omdat Brazilië een heel divers land is. En wat betreft FrieslandCampina, zat ik in dat eerste jaar in de buurt van Nederlandse kolonies, daar zat ik zo'n 50 km vandaan. Daar zijn drie dorpen in de deelstad Parana, waar Nederlandse boeren naar toe zijn geëmigreerd. En in de deelstad São Paulo heb je er ook nog een paar en die zijn eigenlijk vrij groot geworden in de landbouw, maar in Parana waar ik zal, in de zuivel ook vooral. Daar zijn grote merken, misschien heet het inmiddels ook wel anders, maar Batavo heette het. Het heeft iets met Nederlands, ik weet niet of het nog bestaat, dus altijd als je yoghurtjes kocht, dan stond daar zo'n Zeeuws Meisje op. Batavo was een vrij grote industrie en in São Paulo, die dorpen heten Orlandia, die zijn nu in Brazilië vrij bekend als Nederlandse dorpen. Die hebben succesvolle kassen, tuinbouw en dat soort dingen; beetje een Nederlandse anclave. Dat wordt natuurlijk steeds iedere volgende generatie Braziliaanser, maar toen luisterde je nog echt iedere avond naar het nieuws op de radio wereldomroep. Het reizen was veel minder gebruikelijk, dus die boeren kwamen eigenlijk nooit terug en die hebben daar dus een succesvolle zuivelindustrie opgezet. Na '88 ben ik heel weinig terug geweest, een keertje

kort in '94, een keer op vakantie in 2005 en toevallig dit jaar weer op vakantie in de zomer en nog een keer op werkreis in november.

U bent meegeweest op missie naar Brazilië.

2. Kunt u mij hier iets over vertellen?

Ineke van Halsema: Ja dat was in november. Ik was mee met de hoger onderwijs missie en daar waren ongeveer 30 mensen van Nederlandse universiteiten en hogescholen mee en wat koppelorganisaties. Dat was aangehaakt bij een economische missie en daar waren zo'n 150 mensen mee. Het geheel werd opgeluisterd door Willem-Alexander en Maxima die ook mee waren, die vooral bij de economische missie aanwezig waren, maar deels ook bij de hoger onderwijsmissie. Maxima had één keer een toespraak gegeven. En één keer waren beiden missies bij elkaar in São Paulo met een groot ontvangst en daar waren zij ook. Het doel van de hoger onderwijsmissie was om de samenwerking tussen Nederland en Brazilië op hoger onderwijs te bevorderen, allerlei samenwerkingscontracten. Brazilië heeft een heel groot beurzenprogramma voor Braziliaanse studenten om in het buitenland te gaan studeren, dus heel veel landen komen langs, want die zijn geïnteresseerd in die studenten hier te ontvangen. En daarom was het ook belangrijk om, zo werkt dat dan heb ik nu geleerd, met een goede missie te komen. Dus daar waren echt allerlei bestuursleden en voorzitters van de drie technische universiteiten: Groningen, Rotterdam en van ons college van bestuur was Suzanne Menendes mee. En die had dus mij meegenomen, omdat ik Brazilië ken en de taal ken. Dus daar was ik wel blij mee. De meeste bestuurders hadden een Engelse deskundige mee.

Annemiek: Dat is wel een hele leuke ervaring denk ik om mee te maken.

Ineke van Halsema: Heel erg leuk, want je krijgt de beste sprekers en de beste mensen van Brazilië te zien en te spreken. Naast Willem-Alexander en Maxima waren er ook twee staatssecretarissen mee. Er was net een wisseling van de regering, die waren net twee weken begonnen. De staatssecretaris voor hoger onderwijs Sander Dekker was mee. En Lydia Plau voor internationale handel. Sander Dekker was ook weer vaker bij ons, het was heel erg interessant en er was ook wel veel belangstelling om samen te werken van beide partijen. Voor jouw onderwerp is eigenlijk de economische missie interessanter en ik heb al eerder tot mijn spijt gezien, ik had een prachtig boekje met alle partijen die mee waren op de missie, maar die heb ik daar gelaten vanwege het gewicht. Het was echt zo'n dik boek met alle Nederlandse bedrijven die mee waren. Er waren een aantal thema's binnen die economische missie, ik weet ze niet allemaal maar de creatieve industrie was een thema, vliegtuigbouw was een thema. Dus ze hadden bedrijven niet zomaar van alles, maar rond vijf thema's hadden ze bedrijven uitgenodigd om mee te gaan.

3. Kon u merken dat Brazilië een opkomende economie is?

Ineke van Halsema: Ja enorm, dat is ook heel leuk omdat ik dat privé natuurlijk al heel lang volg. Als je gewoon rond kijkt is Brazilië nog steeds veel armer dan Nederland. Dan valt het niet zo op, als je

het statisch bekijkt dan is het een armer land dan wij, maar de beweging is naar boven. Dat zie je aan alles, het leeft overal, de mensen die hebben het erover, je ziet overal gebouwd worden. Je ziet in het onderwijs, waar ik dan het meeste van weet, een enorme behoefte aan getraind personeel. Dus echt in noodtempo zijn al die universiteiten aan het bouwen en uitbreiden.

Annemiek: Je ziet dus echt dat er verbetering is en ze willen echt de bevolking opleiden.

Ineke van Halsema: Daarom ook de grote beurzenprogramma's en het heeft heel erg te maken met hoe de economie gaat. De stemming is dus heel erg positief en Brazilië is altijd al een trots land. Het is ook groot genoeg, men spreekt daar eigenlijk geen Engels, wat dus eigenlijk een heel groot probleem is met uitwisseling. Maar het land is zo groot dat zelfs voor wetenschappelijke boeken er voldoende markt is. Intern net zo'n 200 miljoen mensen. Zo een uitspraak van vroeger al, toen ik daar in het begin kwam: van wij zijn de grootste van de wereld, met alles zeggen ze dat. Met voetbal, met van alles.

Annemiek: Ze hebben daar natuurlijk ook veel grondstoffen.

Ineke van Halsema: Ja en veel van eigen industrie en ook een goed opgebouwde industrie. Ze hebben bijvoorbeeld in het begin toen de computers kwamen, hebben ze een import verbod op computers gezet om hun eigen industrie te ontwikkelen. Het is nu al lang niet meer zo en ze hebben daar nu ook van alles en nog wat. Maar ze hebben dus wel soms hele slimme dingen gedaan. Ze hebben ook een eigen vliegtuigbouw industrie, die is behoorlijk hoogstaand, technisch, dus met hoge technologie. Al toen in de jaren '80, toen ik daar veel mee te maken had zei ik altijd: 'de antropologie in Brazilië is beter dan in Nederland.' Intellectuelen zijn ook beter. En die elite was klein, maar wat je de laatste 15 jaar ziet, misschien nog iets meer, dat aan de onderkant heel veel is gedaan. Er is heel veel hele harde armoede weg, er is meer middenklasse ontstaan, en daardoor krijgt de economie een enorme push. En olie en gas hebben ze gevonden, dat levert ook heel veel op. En bijvoorbeeld, dat is wel een leuk feit: de nieuwe president Dilma Rousseff die heeft besloten om 15% van de olie en gasbaten te besteden aan hoger onderwijs. Dat is heel slim, want die olie en gas gaan ooit op en dan heb je wel een getrainde bevolking die aan de ontwikkeling kan werken.

4. Zien zij zichzelf ook als een BRIC-land? Wij hebben natuurlijk hier het concept 'BRIC-landen'.

Ineke van Halsema: Het leeft daar niet zo erg. Wel van wij zijn een belangrijke economie en ze willen ook serieus genomen worden op het wereldtoneel, en daar een belangrijke speler zijn en dat soort dingen. Maar de associatie met Rusland, India en China is redelijk willekeurig. Zij werken met wie ze willen en niet dat ze zich daar nu een groep mee voelen. Volgens mij is het ook geen groep. Ze doen niks met elkaar die landen.

Annemiek: Ze hebben volgens mij wel bepaalde verdragen met elkaar afgesloten.

Ineke van Halsema: Wel een overleg? Met die vier? Oke, ja. Daar weet ik dan te weinig van. Maar ze vinden wel dat ze een belangrijk land zijn die ook meer plek en meer vertegenwoordiging verdiend, bijvoorbeeld in de VN.

5. Hoe is het klimaat in Brazilië?

Ineke van Halsema: Nou je kan zeven uur vliegen van noord naar zuid. Moet je eens kijken hoever je bent als je hiervandaan 7 uur naar het zuiden gaat, klimatologisch. Het is zo groot, in het noorden, zit je op de evenaar, dus dan heb je dat klimaat. Het hele jaar door, per dag 12 uur licht en dezelfde temperatuur, warm. Denk rond de 30°C of hoger. En in het zuiden, waar ik zat, heb je het mediterrane klimaat. Dus het kan wel koud worden, zo rond de landen rond de Middellandse Zee. Ik heb weleens sneeuw gezien, dat is 1 keer in de 6 jaar ofzo. Maar nachtvorst komt wel voor. Dat is daar in juni/juli, dus in onze zomer is het daar winter.

6. Heeft het klimaat invloed op de landbouw?

Ineke van Halsema: Ja, wat je kan verbouwen dat scheelt dus per regio in het land. Vroeger toen het een kolonie van Portugal was, daarna heb je allerlei periodes gehad dat suiker heel belangrijk was of cacao. Dat zit allemaal meer naar het noorden en suikerriet meer naar het zuiden. Koffie kan niet helemaal tot aan het zuiden, ongeveer tot zo'n 1000 km van zuidgrens. Dus dat maakt wel uit waar je zit. En soja, wat heel groot voor de economie is geworden dat zit vooral in het zuiden

7. En met betrekking tot zuivel?

Ineke van Halsema: Ja dat weet ik niet zo goed. Die melkkoeien lopen vooral in het zuiden omdat daar meer gras is en in het noorden heb je meer magere trekkoeien. Maar echt de zuivelindustrie zit meer in het zuiden.

8. Hoe is de politieke situatie in Brazilië?

Ineke van Halsema: Ja, daar kan ik ook heel lang over praten. Het is een vrij stabiele democratie geworden. Toen ik er kwam was er nog net staartje van de militaire dictatuur, dat hebben ze daar ook gehad. In de jaren '80 heb je veel politieke strijd gehad, omdat achter zich te laten. Toen kwam langzaam een democratisering van bovenaf. Er kwamen ook nieuwe partijen. Nu is dus Dilma Rousseff president. Zij is van de PT en dat is een vrij linkse partij. Die zit een beetje tussen onze PVDA en SP in. Zij is de opvolgster van Lula. Lula is 8 jaar president geweest, 2 termijnen. Zij is ook van de PT, dus we zitten al bijna 10 jaar in PT. Lula is de oprichter van de PT, in het begin van de jaren '80 is die partij voortgekomen uit grote stakingen in die politieke strijd om de militair dictatuur achter zich te laten. Om de opkomende industrie rond São Paulo, metaal industrie. Dus hij was een stakingsleider en heeft die partij opgericht en die is langzaam gegroeid. Hij is een ontzettend populaire president geweest, hij had een antihonger programma, hij heeft heel veel voor de onderkant van de samenleving betekent. Toen ik kwam in de jaren '70 werd er nauwelijks belasting betaald en nu

betaald iedereen belasting en is er dus veel meer publiek geld voor onderwijs, gezondheidszorg en uitkeringen, etc.

Annemiek: Dat er in de jaren '70 gewoon geen belasting werd betaald, eigenlijk bizar.

Ineke van Halsema: Ja nauwelijks, maar dat is in echt nog wel meer landen nog. En voor Lula, wat zijn prestatie is geweest en nog steeds is en van Dilma ook is dat zij veel gedaan hebben voor de arme mensen, maar tegelijk hebben kunnen zorgen voor economische ontwikkeling. Dus de economische elite niet van zich hebben vervreemd. En dat is de hele knappe prestatie die ze hebben gedaan, daar krijgen ze ook wel de credits voor, maar Lula kon daarbij profiteren van de president voor hem die eigenlijk economisch rust heeft gebracht. Want in de jaren '80 was het niet alleen politiek heel onrustig, maar ook economisch. Want je had enorme inflatie, enorme schuldenproblematiek in heel Latijns-Amerika en in Brazilië. En daar gingen die landen echt kapot aan. Wat nu in Griekenland gebeurt, lijkt er heel erg op wat toen in Brazilië was. En Kadosu heeft daar heel goed in geholpen. In een periode in Brazilië gewoon was het 30% inflatie per maand. Dan gingen mensen als ze hun salaris kregen zo snel mogelijk naar de winkel om dingen te kopen, want anders was het niks waard. 1 keer was mijn geld 6 weken weg van de ene bank naar de andere, dan is het gewoon heel veel minder waard. Die rust heeft Lula niet gedaan, maar de man voor hem. Dus daar zit dan nu 15-20 jaar stabiele politiek, het komt ook niet van de ene dan op de andere dag dat het daar goed gaat. Maar wel stabiele democratie, die mensen worden daar gekozen, hij is ook opgestapt. Iemand als Shawez is alleen maar zelf aan de macht gebleven in Venezuela. Ja maar Lula is netjes na 2 termijnen opgestapt, en nu is weer een PT kandidaat gekozen. En zij is immens populair in het land, in heel veel lagen van de bevolking. En dat maakt het toch zo een leuk land om er te zijn. Van de zomer toen ik er 3 weken was en van het najaar ook weer, hier zitten we allemaal in mineur, omdat het minder gaat worden of aan het worden is. Ben je veel rijker, maar omdat de beweging naar beneden is, terwijl daar is de beweging omhoog. Het geeft in alles een hele andere atmosfeer.

9. Hoe is de mate van corruptie in Brazilië?

Ineke van Halsema: Ja dat is er wel, er is corruptie. Maar volgens mij niet veel meer dan in Nederland. Zoals in Limburg, de schandalen hier tevoorschijn komen, komen daar ook schandalen tevoorschijn. Het is altijd een soort beeld van ons dat het in zuidelijke landen erger is en wij dat niet hebben. En wat je in Brazilië ziet, de schandalen die er zijn, ook de schandalen rond de PT in de afgelopen jaren, dat is allemaal in het nieuws en wordt in het openbaar besproken en wordt ook afgekeurd en bestraft. Er wordt heel erg aan gewerkt en het is ook steeds meer een idee van dat moet niet. Maar het gebeurt wel vanuit een traditie waar dat wel meer voorkwam. Maar ik heb dat nooit zo zelf meegemaakt. Dat je iemand moet omkopen om dat rond te krijgen.

10. Heeft de overheid veel invloed op het bedrijfsleven?

Ineke van Halsema: Ja, maar daar weet ik niet genoeg. Daar kan ik eigenlijk niet zoveel over zeggen. Ze scheppen natuurlijk de conditie, ze heffen belasting en hebben bepaalde programma's, zoals nu met het onderwijs.

11. Kunt u mij iets vertellen over de handelsrelatie tussen Brazilië en Nederland?

Ineke van Halsema: De economische missie was natuurlijk ook bedoeld om de handelsrelatie te versterken. Er zijn van oudsher wel veel banden tussen Nederland en Brazilië en niet alleen vanwege die Nederlandse boeren die daar zitten. Bijvoorbeeld soja wordt enorm naar Nederland geëxporteerd. Dus landbouwproducten en koffie ook, dus voornamelijk landbouwexport. Maar er is tegenwoordig ook met allerlei andere dingen contact. Ik zat bijvoorbeeld op de heenreis naast een man in het vliegveld en die ging mee op economische missie en die heeft een installatiebedrijf. Dat is natuurlijk erg afhankelijk van de bouw. Nou de bouw gaat heel slecht in Nederland. Maar hij heeft het eigenlijk overleefd, omdat ze al 10 jaar geleden in het buitenland zijn begonnen en met name in Brazilië. Zij installeren vooral installaties op vliegvelden, daar zijn zij ingespecialiseerd. Nou in Brazilië worden er heel veel vliegvelden aangelegd, dus er is heel veel te doen. En zij overleven eigenlijk in Nederland, door hun buitenlandse relaties. En dat hadden ze al vroeg opgebouwd, want dat duurt natuurlijk heel lang.

12. Heeft Nederland t.o.v. Europa een voorsprong met handelsrelaties?

Ineke van Halsema: Niet perse denk ik. Brazilië is heel erg Portugal, Frankrijk en Spanje gericht. Dat zijn de referenties. Misschien dat Rotterdam extra belangrijk is, als invoerhaven. Van oudsher zijn er ook heel veel mensen van Duitse afkomst in Brazilië. In het zuiden wonen heel veel afstammelingen van Duitsers, Italianen en Polen. Dat is allemaal vanaf voor de tweede wereld oorlog. Duitsers zijn vanaf 1824 naar Brazilië geëmigreerd. Italianen vooral van 1874 en Polen ook zo eind 19^e eeuw. Dat had te maken met in Europa de industrialisering. Hier was er dus weinig werk. De landbouw werd gemechaniseerd. Dus alle landbouwarbeiders en handarbeiders werden overboden, die werden vervangen door machines. Die werden letterlijk op slaven schepen naar Brazilië gestuurd. Want de slavernij was afgeschaft in 1888. Nou dat zat er al een tijdje aan te komen, dat men niet meer met slaven wilde werken in de landbouw. Dus toen waren ze opzoek naar goedkope arbeidskrachten en die vonden ze eigenlijk in Europa, in die landen. Er zijn dus nog hele regio's in Brazilië, waar nog een Duits dialect vervormd is met het Braziliaans. Met het Italiaans net zo. Er zijn dus ook nog heel veel mensen met Duitse, Italiaanse en Poolse achternamen. Dus daar zijn ook nog allerlei links met Europa. Dus Nederland heeft eigenlijk maar een paar kleine plekjes in Brazilië. Nederlanders zijn handelaren, dus in die zin hebben ze een voorsprong. Maar dat hebben ze eigenlijk overal omdat ze van oudsher handelaren zijn.

Wil ik nu even wat vragen of de cultuur en leefgewoontes in Brazilië?

13. Hoe zijn de eetgewoontes in Brazilië?

Ineke van Halsema: 's Ochtends krijg je koffie met een broodje en als het wat luxer is met veel zoet erbij, cakes en dat soort lekkere dingen. 's Middags is de hoofdmaaltijd. En de basisvoedsel is rijst met zwarte bonen, meestal. En allerlei andere dingen erbij. Het is vooral zwaar eten. Nog gericht op zwaar werk. Heel graag vlees en barbecue. Dat is eigenlijk uit het zuiden over heel Brazilië verspreid. Beetje Argetijns ook wel, een beetje die cowboy-cultuur. Sjasco heet dat in Brazilië. Ook veel Italiaanse gerechten, zoals pasta's. Maar wel echt zwaar eten. En 's avonds dan nog een lichte warme maaltijd, soep of restjes en veel koffie drinken.

14. Staan Braziliaanse mensen open voor het proberen van nieuwe producten of zijn ze erg traditiegetrouw?

Ineke van Halsema: Brazilië is van oudsher al een 'melting pot'. Dat is een land waar de bevolking verschillende achtergronden kent. De oorspronkelijke bevolking zijn eigenlijk de Indianen, die zijn er nauwelijks meer. Daar zijn nog hele kleine groepen van over. De indianen zijn uitgestorven aan ziektes die de Europeanen meenamen. En toen zijn er dus in eerste instantie Portugezen gekomen, maar ook Nederlanders. In vroege periode zijn er ook Nederlanders geweest die in Noord-Brazilië de baas waren. Dat hadden ze geruimd met Portugal voor iets anders. Ze hebben goede herinneringen aan de Nederlandse periode. Maar dus veel Portugezen, Spanjaarden en heel veel slaven uit Afrika in eerste instantie en daarna al die andere nationaliteiten en enorm veel Aziaten. In Sao Paulo, wonen 20 miljoen mensen en daarvan is 1 miljoen Aziat. Vooral ook Japaners. Dus het is één grote mengcultuur, dus ook qua eten en producten. Alles is er. En je hebt natuurlijk wel in regio's gewoontes. Maar het is ook heel normaal dat je ook andere dingen eet en probeert.

15. Hoe is de zakencultuur in Brazilië?

Ineke van Halsema: Daar weet ik dus weer wat minder van. Ze zijn ontzettend ondernemend geworden. Maar het is wel belangrijk dat je elkaar kent als je zaken gaat doen. Dat je vertrouwensband creëert. Dat je eerst een vertrouwensband hebt en dan kan je zaken gaan doen. Niet zo maar zaken doen.

Annemiek: Ja Nederlanders zijn dan denk ik meer direct. Die komen om zaken te doen en tijd is geld.

Mijn scriptie gaat over zuivel.**16. Kunt u mij iets vertellen over het gebruik van zuivel in Brazilië?**

Ineke van Halsema: Ja, dat is heel veel minder dan hier. 's Ochtends drinken ze koffie met melk, dus daar gaat dan wel melk in. Echt wel veel melk in de koffie. Dat is de enige melk die ik ken. Maar dat is wel bijna iedereen die dat drinkt. Vergelijkbaar met de latte macchiato, veel melk met koffie. En verder eigenlijk niet. Kaas wel, maar niet zoals wij. En yoghurtjes. Het is vooral die ochtendmelk.

17. Ziet u in de supermarkt veel zuivelproducten?

Ineke van Halsema: Ja het staat er wel. Ik heb een dorp gezeten waar ze zelf koeien hadden, toen had ik gewoon melk van de koe. Zuivel is niet zo groot als hier. Zoals wij gewend zijn pakken yoghurt dat kennen zie je bijna nergens, hier ook al niet meer als je over de grens gaat. Wij zijn een enorm zuivelland, liters yoghurt, vla en melk.

18. Hoe gaat het dan met kindervoeding?

Ineke van Halsema: Dan hebben ze vooral melkpoeder. Ik denk dat kinderen wel ietsje langer melk krijgen. Maar als de fles klaar is niet meer.

Annemiek: Je ziet het dus niet zo bij volwassenen dat ze zuivel producten gebruiken.

Ineke van Halsema: Nee echt niet veel. Wel lekker een yoghurtje toe. Wat ze wel veel eten, daar zit wel zuivel in natuurlijk, heel veel soorten spaanse toetjes, zoals creme brulee. Daar zit wel melk in maar vaak zijn die mierzoet en puddingachtige toetjes.

Ineke van Halsema: Voor FrieslandCampina is het belangrijk dat ze daar goede partners hebben. Het werkt denk ik daar eerder zo dan, dan dat ze zelf iets op de markt gaan zetten.

Resume interview Mrs Tessa Kievitsbosch in English

The interview with Mrs Kievitsbosch was done by email, because she went to South Africa for her job. Mrs Tessa Kievitsbosch is a Brazilian and she is now an agronomist. At the moment she works for different companies.

Brazil is an emerging economy, which can be noticed from the increased GDP, the Brazilian people travel more and life has become more expensive. There is also more foreign investment in the country. A lot of Brazilians have climbed out of poverty and joined the middle-class.

There are five general climate regions in Brazil: equatorial, tropical, semi-arid, highland tropical, and subtropical. In the South there is a rainfall between 1000 and 1500 mm per year, with most of the rain falling in the summer (between December and April). In the Amazon region, the rainfall has an average of more than 2000 mm per year and can reach 3000 mm per year. Agriculture is extremely vulnerable to climate. Climate change can result in additional price increases of the agricultural crops. Climate can also have a negative influence on the production.

The level of corruption is not that high, but also not that low. Brazil is improving its level of corruption. Compared to the other emerging economies, the BRIC countries, Brazil has the lowest level of corruption.

The culture of Brazil is very mixed because of its colonial periods. Influences of different nations also have had an influence on language, religion and eating habits. The eating habits in Brazil are: they

start the day with coffee. For breakfast they have coffee or milk or coffee with milk, fresh fruit, bread or biscuits and some cakes. Lunch is the most important meal of the day. It consists of rice, black or brown beans with meat. Between lunch and dinner they have mid-afternoon coffee, which includes coffee, hot milk, French bread and cookies. In the evening, they eat a light dinner which can be almost the same they had at lunch time.

The consumption of dairy products increased with 23% in the last seven years; this is because of the increased incomes. The demand for products, such as yogurt, milk based beverages and sweetened condensed milk, increased with 53% in 2011. The import of dairy also increased. The minimum level set by the FAO (United Nations Food and Agriculture) is 200 litres per person per year, but the Brazilian people only consume 150 litres of milk per person per year in 2011. In the Brazilian supermarket, you can see a lot of dairy products such as: yogurt, cheese, puddings, condensed milk, curd, ice cream, crème fraîche, etc. Brazilian people want to meet the health requirements of an increasingly health-oriented middle-class. The population of Brazil is growing and the Brazilians' GDP grew by 8% in real terms in 2010. These are factors for a growing demand of milk products in emerging economies. The urban population accounts for most of the consumption of milk in Brazil.

The interview itself with Tessa Kievitsbosch in English

1. Name

Tessa Kievitsbosch

2. Age

27

3. Nationality

Brazilian/Dutch (both nationalities)

4. Education

Agronomist

5. Work

At the moment I am working abroad for different companies to gain more experience.

6. Where did you live?

I always lived in Brazil and now I have already lived in the Netherlands for some years.

7. Could you see that Brazil is an emerging economy?

Yes, the value of the minimum salary has increased with 9%. Nowadays Brazilians travel more than they used to. Besides the costs of living have increased, for example food and clothes are more expensive. This means that Brazilians can pay more and if they can pay more, it means that the

economy is growing. Faster growth generally means higher profits for foreign investors, which encourages more foreign investment in a country, which, in turn, promotes economic growth.

8. Do they see themselves also as an emerging economy? Do they call themselves a BRIC country?

Yes, I think so. In fact, between 2003 and 2011, 40 million Brazilians climbed out of poverty and have joined the middle-class. That is a remarkable achievement.

9. How is the climate in Brazil?

Brazil's climate could be characterized by five general climatic regions: equatorial, tropical, semi-arid, highland tropical, and subtropical. The climate ranges from tropical in northern Brazil near the equator, to temperate zones below the Tropic of Capricorn. The seasons of Brazil could be compared with the seasons of places in the Northern Hemisphere, such as Europe and the United States.

The rainfall south of the equator has an average between 1,000 and 1,500 mm a year, with most of the rain falling in the summer (between December and April). In the Amazon region, the rainfall has an average of more than 2000 mm per year and could reach 3000 mm per year.

10. How is the influence of climate on agriculture?

The climate is the most influential factor in the development of agriculture, so you could state that agriculture is extremely vulnerable to climate. In developing countries as Brazil, climate change would cause yield declines for the most important crops. Climate change can result in additional price increases for the most important agricultural crops: rice, beans, wheat, corn, and soybeans. It would also have a negative effect on the production of commodities as coffee, soybeans, corn, cotton, orange juice, rubber, etc. and consequently it would affect the country's economy.

11. How is the level of corruption?

According to BBC Brazil in Sao Paulo, Brazil's grade in the Corruption Perception Index, release by Transparency International, has increased in 2011, from 3.7 to 3.8, compared with 2010. This means the higher the grade, the cleaner the country. On a scale of 0 to 10, Brazil achieved 3.8, ranking 73rd among the 182 countries surveyed by the Transparency International organization. The situation is stable compared to the list in 2010, when the country achieved 3.7, ranking 69th.

Compared to the other BRIC countries, Brazil has the lowest perception of corruption among the other four emerging countries. Brazil is doing better than China (3.6 in 75th position), India (3.1 in 95) and Russia (2.4 in 173), according to Alejandro Salas, director of Transparency International for the Americas.

12. How is the trade relation between Brazil and the Netherlands?

The Netherlands exports a lot of technology and young plants to Brazil.

13. How is the trade relation between Brazil and Europe?

These days, Europe is Brazil's largest trade partner. We account for 22 per cent of your total trade. And Europe is also Brazil's main investor. European businesses are keen to come to Brazil. This is a

logical choice for the Europeans because of the economic growth in Brazil in recent years. Brazil is now the sixth-largest economy of the world. The fact that Brazil expects more growth this year; this shows that Brazil has dealt with the global financial crisis better than most countries.

14. How is the culture of Brazil?

Brazil itself has a huge size and an enormous diversity and therefore deserves the name 'Country of contrasts'. Brazil was a place for many immigrants. That is why you can find many cultures in Brazil. The country is divided into five regions: North, Northeast, Central-West, Southeast, and South. In the Northeast you find a lot of African people, in the South you can find the European and Japanese people. And the indigenous people live in the North and Central-West. The ethnic and cultural mixing is a result of the colonial period. In the late 19th and early 20th centuries Italian, German, Spanish, Ukrainian, Polish, Arab and Japanese immigrants settled in Brazil and they played an important role in its culture, creating a multicultural and multi-ethnic society. As a consequence of three centuries of colonization by the Portuguese empire, the core of Brazilian culture is derived from the culture of Portugal. Therefore the Brazilians speak Portuguese. Amerindian people and Africans played a large role in the formation of Brazilian cuisine, music, dance and religion. Brazil has a colourful culture and that makes Brazil a popular destination for many tourists each year.

15. What are the eating habits?

Brazilians start the day with coffee. For breakfast they have coffee or milk or coffee with milk, fresh fruit, bread or biscuits and some cakes. Lunch is the most important meal of the day. It consists of rice, black or brown beans, salad, meat such as chicken, fish, steak or pork meat and sometimes pastas. Between lunch and dinner some Brazilians have a mid-afternoon coffee, which includes coffee, hot milk, French bread and cookies. In the late evening, many Brazilians eat a light dinner, which can be almost the same they had at lunch time. The dinner can vary from 19:00 to 21:00. Both lunch and dinner are hot meals. A favourite sweet in Brazil is chocolate. Chocolate is used in desserts or as hot chocolate.

16. How is the business culture in Brazil?

In Brazil it is important to establish a personal relationship before discussing business. The entrepreneur must establish an atmosphere of trust to have successful business relationship. In Brazil, good topics to talk about are football, Brazilian history, literature, places to visit and information about your home town. You will probably need two or three visits to the country before you can expect to do serious business. In a meeting, do not confuse Portuguese with the Spanish language. This will be rude. You have to be in time for an appointment, but expect to wait. They are always 10-15 minutes late. It is also important that you greet each person individually.

17. Could you tell me something about dairy consumption in Brazil?

The Brazilian is consuming more dairy products. This is because of the increase in incomes in recent years. There is an increase of 23% per capita of consumption of dairy products in the last seven years,

researched by Waiver of Milk Brazil. The demand for products like yogurt, milk based beverages and sweetened condensed milk is increased with 53% in 2011. The import of dairy also increased. In 2011 the Brazil spent US \$345 million on the import of cheese. This is an increase of 58% compared to 2010, according to data from the Ministry of development. But Brazil is still very short of needs to meet its consumption. The minimum level set by the FAO (United Nations Food and Agriculture) is 200 litres per person per year, but the Brazilian people only consume 166 litres of milk per person per year in 2011.

In Brazilian supermarkets, you can see a lot of dairy products such as: yogurt, cheese, puddings, condensed milk, curd (smeerkaas), ice cream, crème fraîche, etc. Brazilian people want to meet the health requirements of an increasingly health-oriented middle-class. A version of long-life/UHT milk enriched with calcium, iron and vitamins was recently released. The population of Brazil is growing and the Brazilians' GDP grew by 8% in real terms in 2010. These are factors for a growing demand for milk products in emerging economies. The urban population accounting for most of the consumption of processed drinking milk in Brazil.