DOING BUSINESS IN BRAZIL

Population 221M| GDP Growth 3.4% (*est. 2024) I GDP PC $20K | Still Wine Imports 16M 9 lt cs

Largest Latin American economy with high domestic consumption but large income inequality. Economy composition by sector: Agriculture (6%), Industry (21%), Services (59%), Others (14%). Political uncertainty driving economic restraint (Presidential Elections October 2026). Opportunity to develop US wine as premium producer. European wine regarded as premium.

Wine in Brazil

Total Addressable Market

Total Still Wine Category 40M 9lt cases, 16M imported led by Chile with 8M cs(+7%) followed by Argentina 2.8M cs (-6%) and Portugal 2.6M cs(+5%). US wine imports 29K cs (+6%)

Consumption Trends

Total still wine category stable (+0.4%) with local wine declining (-1.3%) while imported wine growing (+3.3%).

Still Wine: Selected New World Wine Varietals

000s 9-litre Cases

Category	2024	2025	Market Share 2025	CAGR 2024–25	CAGR 2020–25
- Cabernet Sauvignon	3,212.92	2,936.21	26.2%	-8.6%	10.7%
- Malbec	1,691.47	1,690.01	15.1%	-0.1%	8.0%
- Carménère	1,298.64	1,282.36	11.5%	-1.3%	10.6%
- Sauvignon Blanc	885.31	928.86	8.3%	4.9%	5.7%
- Chardonnay	751.47	818.54	7.3%	8.9%	19.9%
- Merlot	815.34	732.99	6.5%	-10.1%	12.6%
- Shiraz/Syrah	348.89	242.34	2.2%	-30.5%	3.0%
- Pinot Noir	181.55	222.00	2.0%	22.3%	7.7%
- Pinot Gris/Pinot Grigio	41.64	35.92	0.3%	-13.7%	10.6%
- Pinotage	22.19	22.01	0.2%	-0.8%	1.3%
- Chenin Blanc	19.59	16.63	0.1%	-15.1%	0.0%
- Zinfandel	2.56	2.43	0.0%	-5.1%	-7.6%
- White Zinfandel	1.20	1.30	0.0%	8.3%	-10.0%
- Other Varietals	1,349.15	2,038.64	18.2%	51.1%	-14.3%

Source: IWSR

Note: Argentinian, Australian, Chilean, New Zealand, S. Africa & US shown. Chinese, Israeli and Uruguayan included in their own markets

*https://openfactbook.org/

Trading Notes for Wineries

The off-premise represents 85% of wine consumption. Brazil is not a market suited for high-volume, price-sensitive California exports because of the tariff and tax structure disadvantages to Chilan or Argentinian wines.
Exclusivity agreements are common for Brazilian companies creating distribution opportunities for specific geographic areas or timeframes to list products. (USDA Foreign Agricultural Services)

On-premise represents 15% of wine consumption. Opportunity for luxury wines through niche markets with dedicated specialty importers, high-end gastronomy (HORECA) and premium subscription clubs (wine.com) who cater to affluent consumers that can pay a premium for distinctive wines. These channels are ideal for storytelling and brand building to educate the Brazilian consumer on California wines.

Carnival, Valentine's Day, Mother's Day and year -end festivities are the primary promotional opportunities for the category.

Market Insights

- EU – Mercosur trade agreement will benefit European imported wine over the coming years.
- Government is planning to introduce an additional tax on alcoholic beverages that will put more pressure on margins across the value chain.
- Significant cultural diversity reflected in consumption patterns across the north, northeast, and south of the country.
- Highly developed Ecommerce channel, mainly in major urban centers.
- High exchange rate volatility against the US Dollar
    - Real devaluations reduces margins for importers leading to price increases and disrupting brand building activities

Taxes, Shipping and Terms

- One of the most complex, highly taxed and bureaucratically demanding markets for imported wines.
- There are plans to implement a tax reform that would simplify taxation but will take years to implement
- Duties and taxes in Brazil are calculated based on the CIF (Cost, Insurance, and Freight) value of the shipment
- **Import Duties (II)**
- Ad Valorem
  - 27% of CIF
- Imposto sobre Produtos Industrializado (IPI) / Federal Excise Tax
  - 6.5% to 10% depending on classification
- Taxable base = CIF + IPI

- PIS and COFINS / Federal Social Contributions
  - 9.25% to 11.75%
- Tax base = CIF + 27% of Import duty(II) +IPI
- **State Level Taxation:**
- ICSM – State VAT
  - Varies by state
  - Sao Paulo 18%
  - Others range from 17% to 25%
- Tax base = CIF + II + IPI + PIS/COFINS + ICSM
- ICSM-ST: Some states require importer to pay ICMs for entire distribution chain (up to final retail) upfront at the border.
- Government will then estimate a retail markup to calculate taxes at point of entry.
- Severe cashflow burden for local importers

- **Additional Logistics, Fees and Duties**
- "AFRMM (Merchant Marine Fund):
  - Federal tax of 8% on ocean freight value
- **Sin Tax / Imposto Seletivo:**
  - Effective Jan 2027
  - (CIF + II + IPI + PIS/COFINS + ICSM)+ VAT 0.9% + **State/Municipal VAT 0.1%**

- **Regulatory Compliance and Barriers (MAPA)**
  - Winery Registration (Local Importer)
  - Certificate of Analysis (TTB)
  - Port Testing – Hold shipment at port to chemically test that composition matches TTB certificate
  - Labeling: Back Labels must be in Portuguese with mandatory warning “vite o consumo excessivo de álcool”
    - Importer registration details
    - Ingredients
    - Alcohol Content
    - Lot number
    - Non – compliant labels will be held at customs and forced to re-label in bonded warehouse (very expensive)
- Cumulative tax structure can add 80% to 100% of CIF

- A California wine with a CIF of $10 can retail on a Brazilian shelf for $35 to $40 USD

Top 10 Brazilian Retailers in 2025

Rank	Retailer
1	Carrefour
2	Assai Atacadista
3	Grupo Mateus
4	Supermercados BH
5	Grupo Pão de Açucar
6	Irmãos Muffato
7	Grupo Pereira
8	Mart Minas
9	Cencosud Brasil Dom
10	Grupo Koch

Pricing Guidelines for Importers

*Pegged for 2026	USD	Real
	$ 1.00	$ 5.20
Bottle Cost CIF	$ 10.00	$ 52.00
Import Duty 27% (II)	$ 2.70	$ 14.04
Accumulated Tax Base (CIF+II)	$ 12.70	$ 66.04
Imposto Sobre Produtos Industrializados (IPI) 10% Excise Tax	$ 1.27	$ 6.60
Accumulated Tax Base (CIF+II+IPI)	$ 13.97	$ 72.64
PIS/COFINS 11.75%	$ 1.64	$ 8.54
Accumulated Tax Base (CIF+II+PIS/COFINS)	$ 15.61	$ 81.18
18% ICMS rate divided by the accumulated federal base	$ 19.04	$ 99.00
Port / Administrative Fees	$ 0.96	$ 5.00
Total Landed Cost	$ 20.00	$ 104.00
Wholesale Price to Retailer at 35% Margin	$ 30.77	$ 160.00
Retailer Shelf Price at 40% Margin	$ 51.28	$ 266.67

Tables and Tax information serve as directional reference per market that are subject to changes and updated by each country throughout the year. Contact your local importer for up-to-date information.

Notable Importers

- Adega Alentejana
- Berkmann Wine Cellars
- Cantu Importadora(Grupo Wine)
- Casa Flora Importadora
- Decanter Importadora
- Domno Importadora(Famiglia Valduga)
- Evino (Víssimo Group)
- Grand Cru(Víssimo Group)
- Inovini (Aurora Importadora)
- Interfood Importação
- Mistral Importadora
- Porto a Porto
- Premium Wines
- Qualimpor
- VCT Brasil(Concha y Toro)
- Vinci Importadora
- Weinkeller
- Winebrands
- World Wine (La Pastina Group)
- Zahil Importadora

Price Tiers

Category	2024	2025	Market Share	CAGR 2024–25	Price Range
	(000s 9L Cases)	(000s 9L Cases)			Real$
Prestige-Plus	5.35	6.39	0.0%	19.4%	Over 2,325.01
Prestige	12.38	15.73	0.0%	27.1%	900.01 to 2,325.00
Ultra-Premium	29.16	27.84	0.1%	-4.5%	303.06 to 900.00
Super-Premium	458.21	428.51	1.1%	-6.5%	186.71 to 303.05
Premium	1,977.44	2,166.34	5.5%	9.6%	121.56 to 186.70
Standard	4,912.24	5,247.86	13.2%	6.8%	78.29 to 121.55
Value	9,218.95	9,200.45	23.2%	-0.2%	16.26 to 78.28
Low Price	22,820.99	22,522.94	56.9%	-1.3%	16.25 and under
Still Wine	39,434.72	39,616.06	100.0%	0.5%	

Prestige Plus and Prestige have the biggest category growth and opportunity for California wine to appeal to high income Brazilians, estimated at 40 million (Foreign Agricultural Service Report 2026).

Cultural Awareness and Considerations

- Largest high-earning population in Latin America (40 million)
    - Approximately 10 million represent a segment that is least sensitive to price and receptive to US premium products
- Convenience stores are the fastest growing segment increasing proximity to consumers in urban areas
- Smaller more frequent purchases in multiple categories
    - Opportunity for 375mls?
- Brazilian businesses tend to be risk adverse because of the complexity and expense of brining in a new product and will order small initial volumes
- Patience and respect for their process while maintaining engagement with Brazilian partners can unlock opportunities.

Contact Information

Juan Botero
Director LATAM & Caribbean
jbotero@wineinstitute.org
786.488.9116

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