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## Research Announcement

Analysis of the processed cheese price formation in the international market

Kennya Siqueira  
*Embrapa Dairy Cattle*

Alziro Vasconcelos  
*Embrapa Dairy Cattle*

### Abstract

Brazil is not a great exporter of dairy products. However, between 2004 and 2008, the country increased significantly the amount of dairy exported. At this time, Brazil exported mainly whole milk powder, condensed milk and processed cheese. After the world crisis, the country started to import more dairy products, but it's still a great producer of processed cheese. On this context, it is important to study the relationship among the Brazilian processed cheese prices and the prices in the main exporters of this product, which are Germany, France, Belgium, and USA. Working with the Johansen test, we did not found cointegration among prices which means that they do not follow the same trend in the long run. As the prices were not cointegrated, we used a vector autoregressive in order to build a Directed Acyclic Graphs (DAG). The DAG analysis showed strong relationship among the cheese prices in Germany, France and Belgium, but it is not a cause and effect relationship. It might be because these countries are all members of the EU.

Completed draft available on request from:

Kennya Siqueira

Embrapa Dairy Cattle

kennya@cnpgl.embrapa.br

Rua Eugênio do Nascimento, 610, Dom Bosco

Juiz de Fora, 36038330, Brazil

553233117531(Phone)

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