



ABIOVE NEWSLETTER ON SOY SUSTAINABILITY

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AMAZON DEFORESTATION - ENVIRONMENT MINISTER ESTIMATED 2008 RATE WILL BE AT A SIMILAR LEVEL OF LAST YEAR

Deforestation in the Amazon falls 62.8% in July

Gisele Teixeira

INPE (the National Land Research Institute) detected a fall of 62.8% in deforestation of the Amazon last July. Compared with the same period in 2007, the fall is even greater - 68%. "It's a record reduction, but still insufficient", said Minc.

According to the Minister, caution is needed because deforestation could increase in the coming months as the bases for sustainable development in the Amazon have not yet been created.

In his opinion, the challenge now is to create sustainable jobs at the same speed that the government is curbing illegal activities in the forest. "The big effort is to change the economic model and not fight with the index of the previous month", he said.

According to INPE's DETER system (Real Time Deforestation Detection), 323 km² of Legal Amazon were cut short or underwent progressive degradation last month, when satellites were able to see 81% of the region.

It is the lowest number since March 2008, when the system detected 145 km², but that month only 22% of the Amazon was seen by satellites because most of the region was covered with clouds.

In April, May and June, DETER showed deforestation at, respectively, 1124 km², 1096 km² and 870 km², already indicating a falling tendency. Of the 323 km² deforested in July, 235.6 km² were in Pará State. In Mato Grosso State, deforestation was 32.7 km².

In Minc's evaluation, the reduction in Amazon deforestation is a consequence of a series of government actions. Among these actions, is Ibama's greater monitoring effort, doubling the number of fines in the first seven months of this year. In this period, 4,200 incidents were recorded and the fines amounted to R\$1.07 billion.

The Minister also emphasized that the Central Bank resolution that became effective on July 1st included environmental and agrarian criteria for financial contracts in the Amazon biome. "The Bank of Brazil and BASA have already recorded a fall in the number of loans", he said. In addition, the government negotiated a series of agreements with the productive chains of the wood, mineral and meat industries, which assumed commitments not to purchase raw material from illegal suppliers. The Minister also emphasized the change in monitoring strategy at the crossroads of highways, such as the BR 364 and BR 163.

“We still cannot commemorate because there is still a lot of deforestation and we want to advance with Arco Verde (Green Arch) actions; in other words, we want to create conditions where the 24 million people who live in the region can live with more dignity”, said Minc, adding that “the rate of monitoring and curbs is greater than the rate of sustainable job creation”.

According to the Minister, all the ministries, state governments and universities need to make an effort to guarantee the bases for sustainable development in the region. “Otherwise, deforestation will grow again”, stated Minc, who remembered that the government is offering credit to anyone who wants to reforest degraded areas – R\$1 billion, with interest at 4% a year and a 12-year grace period.

Despite the big decline in deforestation in May, June and July, **Minc estimated that the rate of clear-cutting or progressive degradation for the whole of 2008 will be at a similar level of last year – about 12,000 km².**

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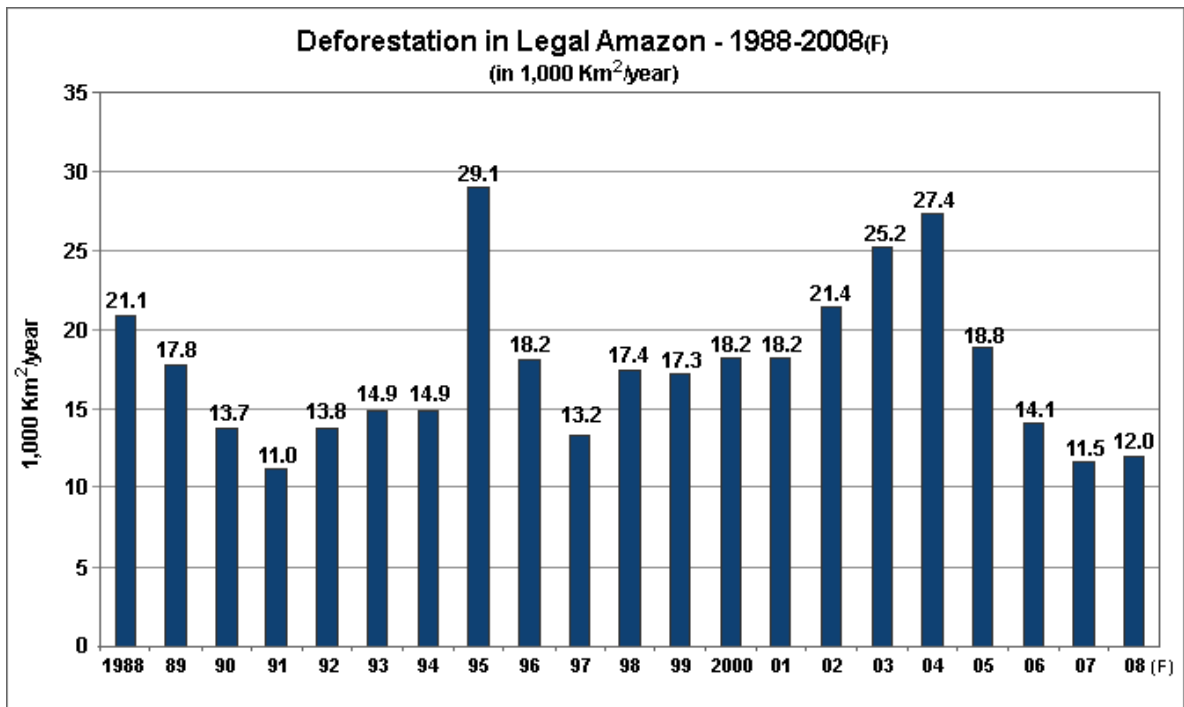
The Numbers Dance – INPE versus INPE

In a July 31 Explanatory Note, INPE (the National Land Research Institution) informed that it does not recommend that the data from the DETER system be used to estimate the magnitude of deforestation rates. The DETER system was created to support monitoring and controlling deforestation, and publishes on a monthly basis a deforestation alert map. There are months in which monitoring is limited due to cloud cover.

The PRODES system measures the annual deforestation rates (clear cutting), using appropriate sensors for this purpose. PRODES measurements are made in the months with good observation conditions in the Amazon, generally July through September, when about 90% of the region can be observed without cloud cover.

Disclosure of accumulated data from DETER has led to incorrect conclusions. INPE published a summary, www.obt.inpe.br/deter/nuvens.php, including August-July accumulated deforestation tables, which when compared indicate a nominal accumulated increase of 64%. Nevertheless, this result is not consistent. **“The inter-annual variability of climatic conditions affects DETER’s detection capacity for mapping objects, making it impossible to make quantitative comparisons between DETER’s results from different years and the projections of annual deforestation rates”, explains INPE.**

Annual deforestation should be measured by PRODES and should be very close to last year’s figure, according the Minister Minc at the end of his interview. Following is a graph with the 2008 estimate for 12,000 km² of deforestation.



Source: INPE/PRODES