



BALANCE OF ONE YEAR OF THE SOY MORATORIUM

São Paulo, July 24, 2007, - Exactly 12 months ago, ABIOVE (Brazilian Association of Vegetable Oil Industries) and ANEC (National Grain Exporters Association), together with their respective members, committed themselves not to market soy produced in the Amazon Biome areas, deforested after that date. The duration of this commitment is two years. Furthermore, in the Moratorium statement, the sector reiterated their repudiation to labor similar to slave labor.

Carlo Lovatelli – President of ABIOVE stressed that the industry decided to assume this responsible production commitment because ABIOVE understands that it is a demand from consumers, which was incorporated to the specification of soybean and its products. "We are willing to face complex issues in order to reach a competitiveness future with social and environmental balance."

Paulo Adario "The moratorium is a unique opportunity to demonstrate the coordination between companies, non-governmental organizations and social movements, supported by corresponding resources, may help overcome the governance challenges and effectively protect the forest", said Paulo Adario, coordinator of the Greenpeace Amazon campaign. For him, ABIOVE's and ANEC's initiative will inspire other sectors of the agribusiness to adopt similar policies, "for us to turn the game against deforestation and the climatic changes."

A little while after the moratorium was announced; the corporate sector and the civil society organizations formed the Soy Moratorium Working Group (GTS) and started working on the moratorium implementation, to bring governance to the region. After a year they consider that important progress has been made up to now in the sense of discouraging deforestation to plant soy in the Amazon Biome. The GTS also committed itself to work together with producers and the government to prevent new deforestation and stimulate governance in the already deforested areas.

During this first year, the following steps were taken:

- A working group was formed with the participation of civil society, industry and government to implement the commitments assumed by ABIOVE, ANEC and their members not to market soy resulting from areas that were deforested from July 24, 2006 onwards. This group is noteworthy for its transparency and trust among the parties;
- The sector signed an Agreement for the Eradication of Slave Labor and adopted the “dirty” list of the Ministry of Labor as a reference; furthermore, it included in soy purchase contracts specific clauses of termination if any case of slave labor is determined;
- A booklet was prepared to inform rural producers about the moratorium and the Forest Code. It explains to producers the moratorium importance, and ABIOVE’s and ANEC’s participation in this initiative;
- It was agreed that the moratorium is applicable to the Amazon Biome, whose boundaries are being defined with more cartographic precision by IBGE, and will be available in August.

There are still many challenges ahead, and the most important is the implementation of a mapping and monitoring system to guarantee to international and Brazilian clients the commitment to the announcement made on July 24, 2006. This system, jointly prepared by representatives of the industry and NGO members of the GTS, is already in an advanced development stage.

GTS defined a process that allows identifying new deforestation in the plantation areas for the 2007/2008 crop. The process is based on the production of a reference map that points out the deforestation situation in August 2006 (baseline of the beginning of the moratorium). The map was ordered from INPE, a Brazilian Federal Government entity considered a reference in the matter by industries and NGOs, and will be ready in August 2007.

Finally, for the appropriate control of the moratorium, systems are being developed that will allow identifying those responsible for deforestation, soil use and soybean origins, and it is required that:

- ABIOVE and ANEC submit a monitoring system of their purchases, which should be transparent and should include independent auditing;
- Rural properties mapping, a fundamental step that depends on the involvement of federal and state governments to implement the SLAPR, and to register and enroll rural properties.
- Companies can collaborate with the government stimulating producers to regularize their soybean farms from a land and environmental view point.

The federal government, through the Office of the President, has already committed itself to organize, together with the GTS and the Amazon state governments, a workshop about the territorial organization and environmental licensing of rural properties, to meet the demands to implement the moratorium.

Some of the challenges to the territorial organization and responsible production of soybeans in the Amazon will not be solved in the short-term however they need to be discussed in order to obtain final solutions.

Those challenges meet with the concrete commitment of soybean producers to comply with the Forest Code and perform the environmental licensing in their properties, and demand government's direct involvement for the SLAPR to be adopted by producers with companies' support.

GTS – Grupo de Trabalho da Soja – Moratória
Soy Moratorium Working Group