

SOY MORATORIUM: Advances and Next Steps

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Report Presented by the GTS Soy Work Group to
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GTS Soy Work Group

Creation and Structure of the Soy Moratorium

The Soy Moratorium in the Amazon Biome was launched on July 24, 2006 by ABIOVE (Brazilian Vegetable Oils Industry Association) and ANEC (National Grain Exporters Association) that assumed, on behalf of their members, the commitment to implement a governance program with the objective of not trading, for a period of two years, soy produced in areas in the Amazon Biome that were deforested after July 2006.

This unique initiative sought to curb the deforestation related to soybean expansion in the Biome, reconciling environmental conservation with economic development through the sustainable use of natural resources. During this period, the sector agreed to work with governmental organs and entities from the productive sector and civil society to:

1. Prepare and implement a mapping and monitoring system of the increases in deforestation related to soy production in the Biome, based on cartographic material made available by the federal government.

2. Refine institutional relations and legislation to improve controls over deforestation and development of soy production in the Amazon Biome, collaborating with and asking the government to apply public policies and comply with legislation.

Furthermore, the companies incorporated a specific clause into their soy purchase contracts, whereby the contract would be rescinded if the use of work analogous to slave labor, as defined in the National Pact for Eradication of Slave Labor, was verified.

In October 2006, after the Moratorium was declared, the business and societal sectors formed a Soy Work Group (GTS) to put it into practice. The GTS, with strategic platform for making decisions and coordinating the actions that are developed, is organized as a Coordination Group with thematic subgroups.

The mission of the Coordination Group, made up of representatives from the soy sector (ABIOVE, ADM, ANEC, Amaggi, Bunge and Cargill) and from civil society (Greenpeace, International Conservation, IPAM, The Nature Conservancy and WWF-Brazil), is to define the Moratorium's operational model. This group establishes the work agenda, makes strategic decisions and coordinates the actions developed by the subgroups:

1 – EDUCATION, INFORMATION AND FOREST CODE:

This subgroup is responsible for disseminating the adoption of good soy production practices in the Biome, ensuring that the actions generated by the Moratorium reach the rural producer and the other economic, social and political agents involved, especially those of local relevance, and that the agribusiness sector has the proper balance between economic and socio-environmental needs, thus ensuring compliance with legislation.

2 – INSTITUTIONAL RELATIONS:

This subgroup has the mission of bringing the GTS closer to the members of governmental organs, with a view to refining sustainable development policies for the Amazon Biome and stimulating legislation changes that improve the region's command and control mechanisms.

3 – MAPPING AND MONITORING:

This subgroup is responsible for supporting the development of the Amazon Biome's mapping and monitoring system, defining the necessary methods and criteria to ensure compliance with the commitment that soy from deforested areas will not be traded.

Achievements of the Soy Moratorium

The main results in the first two years of this work were:

1. Building a solid venue for dialogue between the business, social and government sectors, all integrated with the objective of contributing to the improvement of sustainable development policies and command and control tools.

2. Preparation and distribution, by the GTS, of an information sheet for rural producers, with orientation regarding best practices and explanations about the Soy Moratorium. The objective of this educational material was to encourage compliance with environmental legislation, especially the Brazilian Forest Code.

3. Definition and implementation of a Moratorium mapping and monitoring system, based on data from the PRODES/INPE system, to identify deforested areas in the Amazon Biome and instances of soy planting. According to the methodology defined by the Mapping & Monitoring Subgroup, the criteria for selecting these polygons were: a) polygons¹ with over 100 hectares; b) outside protected areas; c) located in towns where the 2006 crop and the 2007/2008 crop estimate showed soy acreage of over 5000 hectares, and d) totally or partially within the limits of the Amazon Biome. A pilot survey was also made of deforested polygons with less than 100 hectares in the towns of Feliz Natal, União do Sul and Vera, in the state of Mato Grosso.

Globalsat Monitoramento Agrícola, a company hired by ABIOVE, with the agreement of the Mapping & Monitoring Subgroup, was responsible for the field monitoring. It used the following resources to realize these activities: Geographic Information System software, geo-referenced satellite images, cartographic bases from official organs, a plane with a digital aerial photographic system and GPS equipment.

During the field work, which included visiting the properties and 107 hours of flight time, a total of 193 deforested polygons with areas over 100 hectares were monitored in 37 towns, in the states of Mato Grosso, Pará and Rondônia. For the pilot survey, 89 polygons with deforestation in areas with less than 100 hectares were identified. All the deforested polygons in the Amazon Biome were characterized in accordance with their use and current land occupation.

1. Data identified through PRODES/INPE satellite images, made available for the August 2006 to August 2007 period.

No soy planting was found in the polygons that were checked, and the methodology and resources used in the Moratorium's first year for mapping and monitoring soy were shown to be adequate and satisfactory. However, Greenpeace's regular flyovers showed deforestation on soy farms that could, in the near future, be used for this crop.

4. Joint organization with the Casa Civil (Brazil's Administrative Office), in October 2007, of a workshop on land regularization and environmental licensing system.

5. Strengthened the business sector's repudiation of work analogous to slavery by incorporating a specific clause to rescind raw material purchase contracts when such a case is verified through the Ministry of Labor's "black list".

Extension of the Moratorium – Priority Actions

The Soy Moratorium represented an advance, both in the productive sector's recognition of the impacts soy crops have on the Amazon Biome and in opening up an opportunity for negotiations, pronouncements and the search for adequate solutions for the Biome's protection. Adoption of the Moratorium and its further extension indicate that the agribusiness sector believes it is possible to guarantee food production without further deforestation of the Amazon forest.

The Moratorium is aligned with the strategies proposed by the federal government to fight deforestation, and crucial to its success is support for its execution from both the productive and government sectors, especially the Ministry of the Environment, mainly related to:

1. *Map of the Amazon Biome.* IBGE (Brazil's geographic and statistical institute) must urgently make available a map of the Amazon Biome with a 1:250,000 scale for monitoring the area's rural properties. Without this information, monitoring will continue to use, as the reference, the dry line on the Amazon Biome map with a 1:5,000,000 scale, which covers part of the Biome's real limits and excluded areas with potentially high biodiversity, such as ecotones, transitions between the different biomes.

2. *Registration and environmental licensing of rural properties.* Promotion and support for implementation of rural property registration is a responsibility that should be shared by the soy sector and the federal and state governments. The government is requested to urgently equip and enable environmental state entities so that property registration, along the lines of some systems already operating in the states of Mato Grosso (SLAPR) and Pará (SIMLAM), be made a priority in soy producing regions, in accordance with the commitment signed by the Ministry of the Environment as part of the document extending the Moratorium. On the other hand, companies must support and strengthen this initiative, stimulating the registration of their suppliers. Strengthening state environmental licensing systems is fundamental to ensure that soy crops in the Amazon Biome comply with current legislation, in particular with the Forest Code and land legislation.

The monitoring of the 2007/2008 crop did not find any soy planting in areas deforested after July 2006. However, the possibility that this happens in the 2008/2009 crop is large and, therefore, identification of these farmers is fundamental so that they can be isolated from trading transactions. By the same token, each year's monitoring should include both the new polygons

deforested in the current crop and the polygons monitored in the prior crop. Inclusion of properties in registration systems will make it easier to monitor them, a process which would otherwise become unfeasible over the long term.

During its last meeting on August 8th, the GTS decided that stimulating registration of soy producers who operate in the Amazon Biome is a priority. In this sense, purchasing companies will tell producers of the need to increase environmental registration through production of educational material, clarification campaigns and requesting environmental registration from their prefinanced suppliers, thus guaranteeing greater efficiency in monitoring the Moratorium.

3. *Expansion of the monitoring system.* Monitoring of the 2007/2008 crop was an experimental model that should be reviewed and improved for the 2008/2009 crop. Initially, the operational monitoring model should include a methodology, to be established by the soy sector, that provides assurance that production originating in deforested areas will not be traded by the companies participating in the Moratorium.

4. *Creation of economic incentives.* Initiatives with the objective of compensating rural producers for environmental services are needed to stimulate good practices and guarantee the economic and environmental sustainability of their activities. The federal government, as exemplified by the recently created Amazon Fund, has a fundamental role to play in this process.