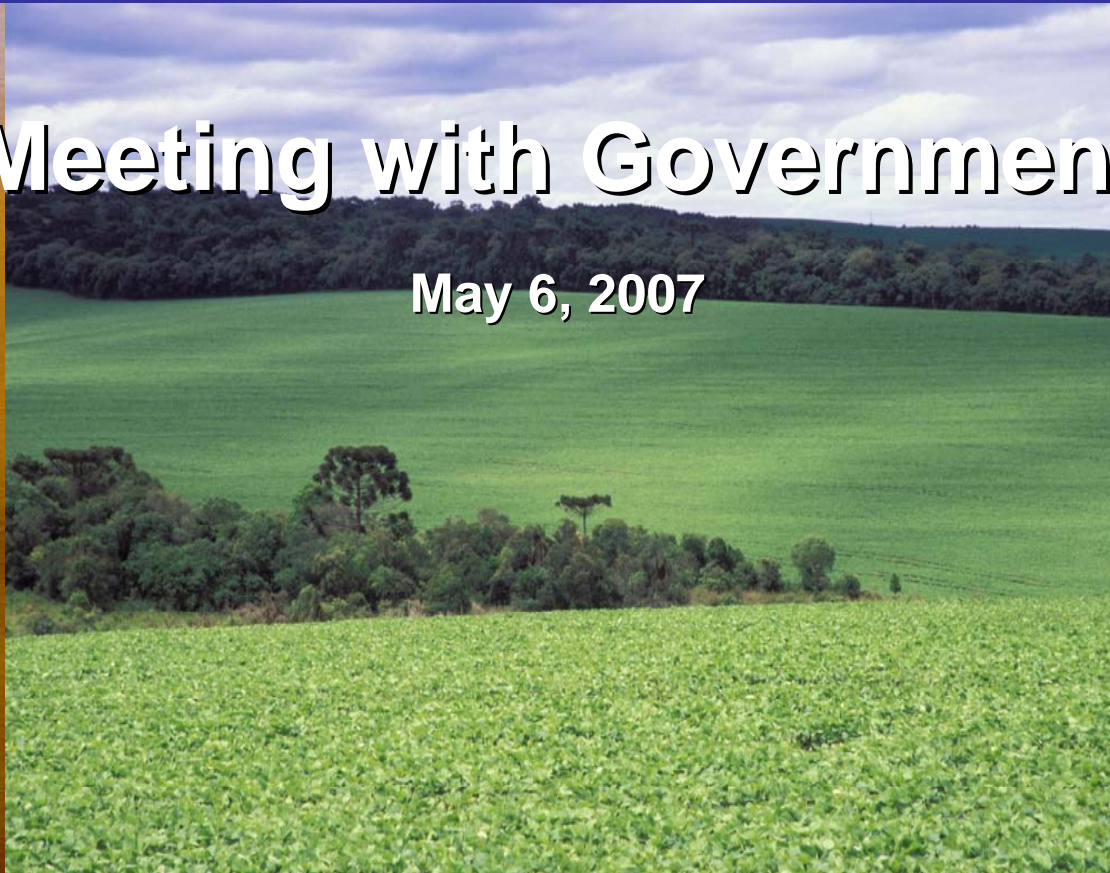


Soy Moratorium Working Group (GTS)

Meeting with Government

May 6, 2007



Soy Moratorium

- On July 24, 2006, ABIOVE (Brazilian Vegetable Oils Industry Association) and ANEC (National Grain Exporters Association) established a soy moratorium for a period of two years.
- ABIOVE and ANEC are committed not to trade any soybeans that come from areas of the Amazon Biome that are deforested after that date.
- The moratorium, in addition to addressing the growing concern of European importers regarding Amazon Forest conservation, unites the business sector and NGOs with the objective of developing a governance structure for responsible soy production in the Amazon Biome.
- The sector repudiates the use of slave labor and has adhered to the National Pact for the Eradication of Slave Labor (Ethos Institute).

Systemic Risk for Agribusiness

Brazilian Exports to the EU - 2005

Product	US\$ million
Soy Complex	4,670
Forest Products	2,280
Coffee	1,501
Beef	1,017
Orange Juice	748
Chicken	710
Tobacco	570
Pork	287
Sugar & Ethanol	184
Other Products	2,206
Total Agro - EU	14,173

SUSTAINABILITY Non-tariff Barriers



33% of Agribusiness Exports



**Soy Complex Exports
in 2007 (F)
US\$11.4 billion**

Source: SECEX

Soy Moratorium Working Group - GTS

Objective: Jointly develop mechanisms to implement the moratorium

GTS Members:

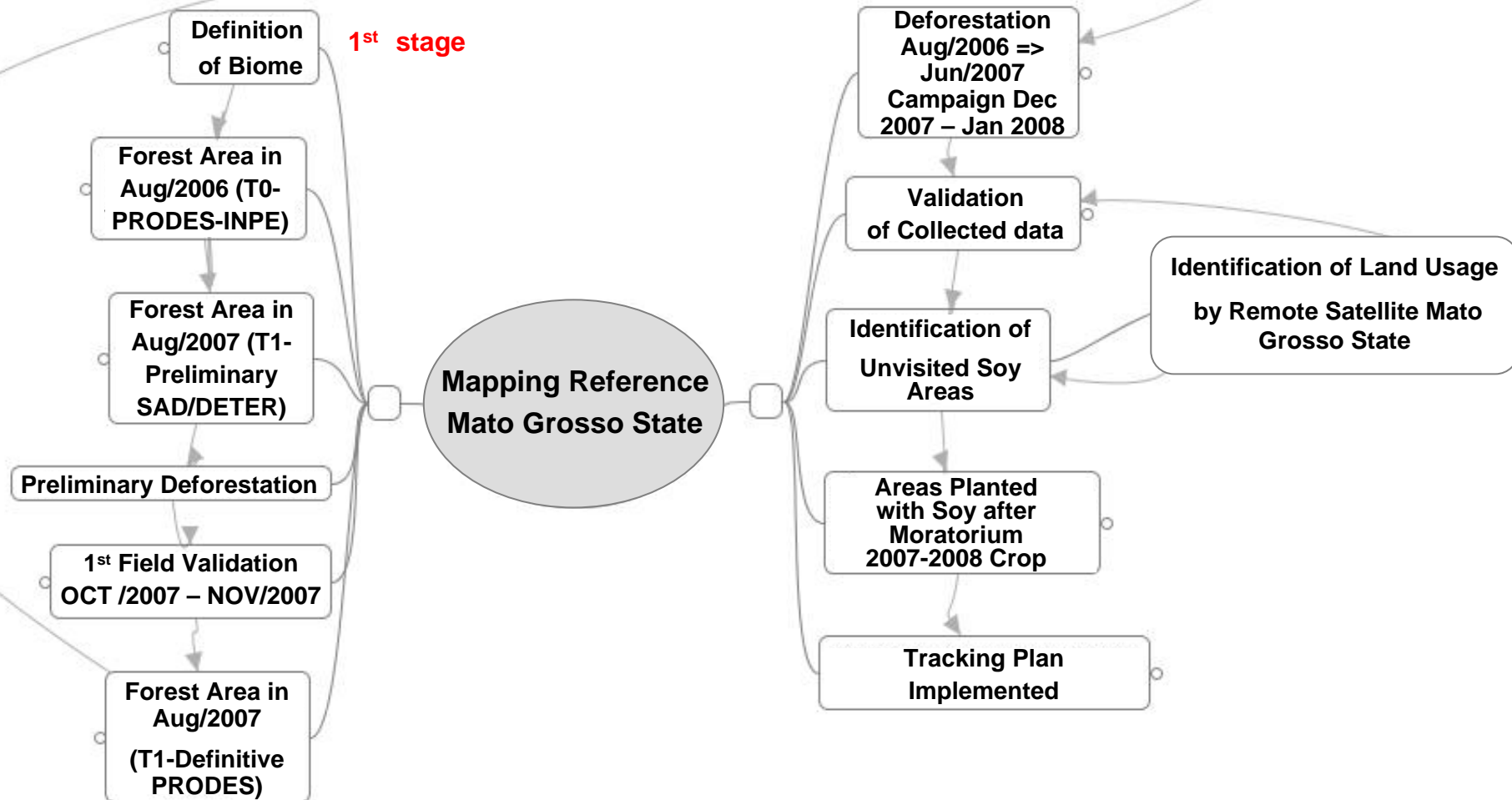
- ABIOVE
- ANEC
- Bunge
- Cargill
- Amaggi
- Brazil Soy Articulation
- International Conservation
- Greenpeace
- IPAM
- TNC
- WWF-Brazil

Soy Moratorium

Governance Tools

- **Mapping and Monitoring**
 - Prepare an effective system for mapping and monitoring soy production in the Amazon Biome
- **Education on Environmental Sustainability**
 - Spread good agricultural practices
 - Provide information on environmental legislation, especially the Brazilian Forest Code
- **Institutional Relations**
 - Stimulate legislative refinements to improve the mechanisms of command and control
 - Promote development of a strategic plan for the Amazon Biome that guarantees jobs and income for the region and its 23 million inhabitants, while conserving high-value ecosystems

Operational Model for Monitoring Soy in the Amazon Biome



Main Causes of Amazon Deforestation

Source: Ministry of the Environment

Main causes of deforestation in the Amazon in recent years include:

- **Institutional weaknesses of federal and state public entities, responsible for monitoring and controlling deforestation**
- **Opening of roads and other infrastructure work, without adequate policies for land use and environmental management**
- **Absence of public policies (credit, technical assistance, research) to encourage valuation of the forest in terms of its sustainable use and environmental services, including better use of areas already deforested**
- **Illegal occupation of public lands, where deforestation has been used to establish possession, often in situations of social conflict**
- **Creation of rural settlements in inadequate areas, without conditions for families to survive**
- **Advancement of agribusiness chains**

Soy Moratorium

How can the government help?

- **Support the monitoring of soy production in the Amazon Biome**
- **Supply satellite images for the monitoring of soy production in the Amazon Biome (INPE)**
- **Regularize land possession:**
 - About 47% of Legal Amazon are lands in dispute
 - Poorly defined property rights are the main reason that environmental and social laws to contain illegal deforestation are not effective
 - New parameters need to be established for public land titles and for the region's agrarian regularization
- **Ecologic-Economic Zoning (ZEE)**
 - The ZEE considers the potential and the limitations for sustainable use of each region's natural resources, making land use more rational

Soy Moratorium

Support by the President's Office to coordinate the following measures

(meeting held on April 2, 2007) :

- **Facilitate the availability of Amazon Biome maps by MMA/IBGE on an adequate scale, prioritizing northern Mato Grosso state and the border with Maranhão;**
- **Register rural properties with INCRA (Instruction 010), prioritizing critical areas;**
- **Encourage implementation of the SLAPR by state / MMA;**
- **Accelerate preparation of the Ministry of Agriculture's (MAPA) plan to use already degraded areas;**
- **Indicate spokespersons in the various Ministries and federal entities, and coordinate the government's work through the President's Office;**
- **Data "black-out": Reinforce INPE's budget input and improve coordination with other entities that generate data;**
- **Intensify the actions envisaged in the Action Program for Prevention and Control of Deforestation in Legal Amazon;**
- **Implement Ecologic-Economic Zoning.**

Next Steps for GTS

- **May 29 – Meeting of the Mapping and Monitoring Subgroup**
- **May 30 – Meeting of GTS Coordination Group**
- **First half July (proposal) – Next meeting of GTS with the government**
- **July 24 – Meeting on the balance of the Moratorium's first year**

Soy Moratorium

Synergy among the agents

