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Marrakesh, Morocco, November 17, 2016

To

**Hon. Minister of Environment and Head of the Brazilian Delegation in COP22,  
Mr. José Sarney Filho**

**Hon. Minister of Agriculture, Livestock and Food Supply, Mr. Blairo Borges Maggi**

Honorable Ministers,

Observatório do Clima (Climate Observatory) compliments you and the Brazilian Government on your active participation in the Twenty-Second Conference of the Parties to the United Nations Convention on Climate, COP22, in Marrakesh. The presence of two high-ranking members of the Government in the meeting demonstrates that Brazil understands the importance of the climate change theme on the international agenda and its close relationship with our domestic agenda. Especially after the American presidential election, it also opens an opportunity for demonstration of engagement of Brazil, the sixth largest emitter of greenhouse gases on the planet. A broad presence of the country in this forum is good for multilateralism and aspirations of the international insertion of the State and the Brazilian society.

However, the set of positions that have been publicly expressed by Hon. Minister of Agriculture, Mr. Blairo Maggi, in Marrakesh, about the sustainability of the Brazilian agriculture and cattle breeding, the role of agriculture and cattle breeding in climate change mitigation, the violence in the field and the climate change mitigation as a weight to Brazilian producers makes us surprised and concerned. Thus, we ask for your permission to list below considerations about some of these issues addressed and expressed over the last few days:

**About the sustainability of agriculture and cattle breeding**

Mr. Minister Blairo Maggi said during the launch of the BioFuturo Platform, in Marrakesh, on November 16, 2016:

*“We have an agriculture that I assure you is the most sustainable agriculture in the world (...) All streams, the rivers of Brazil are protected by legislation. But, above the legislation, they are protected by the conscience of the Brazilian producers”*

Despite the reduction of the annual deforestation rates in the Amazon over the past decade, Brazil is still one of the countries with the highest deforestation rates on the planet, if not the first one in the ranking. Considering Amazon and Savanna together, we still lose approximately 12 thousand square kilometers of forests per year. In 2015, the deforestation rate in the Amazon grew 24% and began to grow again in 2016 - the figures have not been disclosed, but there are indications that we have returned to the threshold of 7,000 km<sup>2</sup> (*observation PdV: in 2015/2016 7,989 Km<sup>2</sup> was deforested, a rise of 29% vis a vis 2014/2015.*) Such rise for two consecutive years in the annual deforestation rate in the region occurs for the first time in 12 years.

The forest liabilities in PPA (permanent preservation areas) within private properties - including the margins of rivers that, according to the Minister, are protected - is 40 thousand km<sup>2</sup>. And such liabilities are not greater because the new Forest Code, whose change was supported by the Minister at present, who was a Senator at the time, reduced by 58% the amount of areas that have been deforested illegally to be recovered from the partial amnesty to liabilities of the former Forest Code.

One of the only instruments of the new code that would allow some control over what the Minister refers to as “conscience” of the producers is CAR (Rural Environmental Registration), the map of the land use of rural properties in the country, that will allow detection of illegal deforestations performed from 2008 on and enforcement of legal sanctions. However, the National Congress has already extended twice the deadlines for the registration of all rural properties in Brazil, and, nowadays, the monitoring of the “conscience” of producers would only be possible from December 2017, in case another deadline extension is not granted.

### **About the costs of environmental protection in private properties**

Magazine Globo Rural, in a report dated November 14, 2016, assigns to Minister Blairo Maggi the following:

*“Rural producers are responsible for reforesting 12 million hectares and recovering 15 million degraded pastures to improve the efficiency of cattle breeding and prevent further deforestation. They are also responsible for the expansion of the no-till farming area, the reduction of use of nitrogen in fertilizers using inoculation of rhizobium in the grass,” said the Minister, who calculates the cost of the intentions set out in the Paris Agreement at approximately USD 40 billion. “Who is going to pay for this bill?” asks the Minister, adding that the Brazilian farmers provide food for billions of people using 8% of the national territory for planting and 19.7% for cattle breeding and also preserve, at their expenses, 11% of the Brazilian territory in their properties”*

Dear Ministers: neither do we know the origin and the math behind such cost estimate (USD 40 billion) nor to which components of the Brazilian NDC it applies. However, in a simple calculation, USD 40 billion until 2030 (term of the actions included in the NDC) is equivalent to, using an exchange rate of BRL 3.2, little less than BRL 10 billion per year in 13 years. Only in 2016, Safra Plan allocated BRL 202 billion to finance the agricultural and cattle-breeding sector, whose average historical delinquency

is approximately 5%. Only the cost of interest equalization of Safra Plan, in July 2015, reached BRL 13.4 billion. In other words, even assuming that the estimate of Minister Blairo Maggi is correct, there would be cash to pay for NDC. For that purpose, farmers would just have to pay their debts.

In addition, an important part of the actions set out in our NDC is based on simple law enforcement, of the Forest Code. We cannot simply characterize as a burden the fulfillment of a legal obligation, such as the restoration of 12 million hectares that form part of the forest liabilities in private properties in the country.

Also, classifying the environmental and climate protection as a burden to the producer follows a very reductionist logic. We can, for example, question who will pay for 6,200 square kilometers deforested in Amazon in 2015, which emitted 300 million tons of CO<sub>2</sub> - a cost of BRL 10 billion, assuming a carbon value of USD 10 per ton - or the costs to the Brazilian society of an annual deforestation of 7,000 km<sup>2</sup>, only in Amazon, which can be bad news to be announced by the Brazilian Government in the next days. In doing so, it discourages the action and helps to close the eyes of the sector to the several economic opportunities that the Paris Agreement causes to the Brazilian cattle breeding and agriculture.

#### **About deaths of environmental activists**

Also, Mr. Minister Blairo Maggi said to a panel during the Global Landscape Forum, in Marrakesh, on November 16, 2016:

*"We do have conflicts in Brazil, we cannot deny it. But they are not that way. There are a lot of fights, a lot of things that happen that are said, that are related to the fight for land, the fight for possession of the land, the fight over environmental issues. But considering the heart of the matter, we realize that there is an issue of the relationship of people of certain places which cannot be computed in this matter."*

Brazil is not only the country in the world with the highest rates of murder of environmentalists. According to *Global Witness*, an organization established in 1993, only in 2015, there were 50 deaths, one-third of the world's total - mostly in the Brazilian Amazon. Therefore, assuring that these deaths are due to "relationship problems" can be compared to climate denialism expressed sometimes by the president elected in the USA, as when he said that global warming is an invention of the Chinese people to make the U.S. industry less competitive.

#### **About Brazilian agriculture and climate change**

In addition, Mr. Minister Blairo Maggi said to a panel during the Global Landscape Forum, in Marrakesh, on November 16, 2016:

*"For me, the agriculture is part of the solution to the problem that we need to discuss. It is not the villain of global warming that we are facing nowadays"*

Dear Ministers: according to the Greenhouse Gas Emission Estimate System from Observatório do Clima, from calculations based on the methodology developed by the

Federal Government for the Third Brazilian Inventory of Anthropogenic Emissions and Removals of Greenhouse Gases, the agricultural and cattle-breeding activity accounted, in 2015, for 69% of gross emissions of greenhouse gases of Brazil, considering direct and indirect emissions together, in particular the final use of deforested land. 1.3 billion gross tons of equivalent CO<sub>2</sub> was emitted to the atmosphere as a result of agricultural and cattle-breeding activity in Brazil in 2015. If it were a country, the Brazilian agriculture and cattle breeding would be the 8<sup>th</sup> largest emitter on the planet, ahead of Japan. Of this total, 900 million tons were due only to the deforestation, performed especially for the cattle breeding. Other 430 million tons were due to direct emissions - 22% of the national total.

Therefore, the Brazilian rural sector has a great responsibility for the Brazilian contribution to global emissions of greenhouse gases and thus to global warming. Advances in the fight against deforestation were made in the last decade, and it should be recognized. But we are a far cry from a sustainable agriculture and cattle breeding. And assuring that Brazil has 61% of its territory covered by native vegetation still hides the fact that more than 20% of the Amazon, 50% of Savanna and 90% of the Atlantic Forest were destroyed, mostly for agricultural and cattle-breeding activity.

However, the good news is that things do not need to be like that. Currently, Brazil has technologies approved, tested and under operation at scale to convert cattle breeding and agriculture into an efficient activity on climate change mitigation. One of the main ones is the recovery of degraded pastures, which integrates the commitments of the Brazilian NDC and the goals of the Low-Carbon Agriculture Plan for 2020. Degraded pastures are carbon emitters - the Brazilian pastures emit nowadays more than 200 million tons of equivalent CO<sub>2</sub> per year - while well-managed pastures (that we may have if we fulfill the goals of ABC Plan and the NDC) consume carbon. Therefore, if all the agricultural and cattle-breeding credit is allocated to finance activities and productive systems of low carbon emissions, the producers will earn more money, while mitigating global warming.

Resetting all the legal and illegal deforestation in line with Brazil's commitment in the Sustainable Development Goals is another priority decision that the country should adopt. As the Minister admits, the deforestation is (for years) detached from the national GDP growth, then there is no economic or moral reason not to put an end on it. And in order to meet the demand for food in Brazil and for export in the coming decades, we do not depend on the expansion of agricultural and pasture areas at no additional hectare. We just need to fulfill the goals of ABC Plan and the NDC itself for pasture recovery (30 million hectares) to have enough space to meet those demands easily.

Dear Ministers: we are confident that the Brazilian agriculture and cattle breeding can be part of the solution, rather than of the problem of climate changes, as it happens nowadays. Recognizing our problems and virtues is a first and critical step so we can correct paths, as well as enhance and give scale to our solutions in order to bring benefits to rural production efficiency in Brazil, to producers, to the Brazilian economy and its international competitiveness and to the climate of the planet.

Observatório do Clima is at disposal not only to deal with the matters mentioned in this



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letter, but also for the construction of the path that will help us to comply with our national and international climate commitments, and overcome them, so as to contribute to the feasibility of the global warming limit set out in the Paris Agreement, with benefits for the entire Brazilian economy, as well as that of the agricultural and cattle-breeding sector of the country.

Yours sincerely,

André Ferretti, General Coordinator of Observatório do Clima  
Carlos Rittl, Executive Secretary of Observatório do Clima