

CNA

Brazilian Confederation of
Agriculture and Livestock

HARVESTING THE FUTURE

2018 - 2030



THE FARMER'S
AGRICULTURE COUNCIL

EXECUTIVE
SUMMARY



The Confederation of Agriculture and Livestock of Brazil (CNA) is the voice of the Brazilian Agro. Created over 50 years ago, the organization speaks on behalf of producers throughout the country, with 1,949 unions based in 27 federations.

The CNA represents, organizes and strengthens the producers, defends their interests and supports the generation of new technologies in partnership with its vocational training branch, the National Rural Apprenticeship Service (Senar).

The moment brings a historic opportunity for the CNA to build the basis of modern unionism, capable of contributing autonomously to the scientific and technological leap in the Agro sector.

Modern and effective, CNA will be the protagonist of the project to take Brazil to the top of the world food production. The Future is Agro.



The Council of Agencies of the Agricultural Sector (Agro Council) brings together 15 entities that represent the rural producers of several productive chains and agricultural and livestock segments. The group was created in 2016 to defend issues of interest to the industry and the country. It is a strategic body to propose and evaluate the official policies for the agricultural sector, always with a view to modernizing them and guaranteeing legal certainty to the producer.

Confederation of Agriculture and Livestock of Brazil (CNA) Brazilian Association of Agribusiness (ABAG)
Brazilian Association of Breeders (ABC)
Brazilian Association of Breeders of Swine (ABCS)
Brazilian Association of Zebu Breeders (ABCZ)
Brazilian Association of Fruit Producers and Exporters (ABRAFRUTAS) Brazilian Association of Corn Producers (ABRAMILHO)
Brazilian Association of Cotton Producers (ABRAPA)
Brazilian Association of Brazilian Soybean Producers (APROSOJA BRASIL)
National Coffee Council (CNC)
Federation of Brazilian Sugarcane Growers (FEPLANA)
Brazilian Institute of Horticulture (IBRAHORT)
Organization of Brazilian Cooperatives (OCB)
National Society of Agriculture (SNA)
Brazilian Rural Society (SRB)

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PRESENTATION



PRESENTATION

The agribusiness has become recognized as the most dynamic and competitive sector of the Brazilian economy, maintaining a trajectory of growth while deep crises have shaken our country. Even in the face of the uncertainties that mark our political and institutional environment, the prospects continue to be of increasing production, productivity and external sales volume. As far as Agro is concerned, Brazil can perfectly overcome the current difficulties and rediscover the path of sustainable development.

In all the last presidential elections, the various Agro entities manifested separately, constructively and without partisanship, offering the candidates a picture of our realities, a careful inventory of the factors that limit our development, and a roadmap for building the necessary solutions. This time, the entities decided to join in a single demonstration, joining their voice around an agenda that expresses not the industry's own interest, but the general interest of the Brazilian economy and society.

We are aware that many of the issues raised here require time for their solution, which goes beyond the limits of presidential mandates. More than ever, we need to free ourselves from the short-term temptation and raise our thinking to the long-term horizons. That is why we do not formulate an agenda for the next four years, but for the next twelve years, aiming the year 2030.

Agro is structured in long productive chains, whose links range from agriculture to industry and services. All these links share common problems and destinations. That is why our approach in this paper seeks to treat the industry as a whole, aware that factors that limit any stage of production contaminate the whole chain. Here agriculture, industry and commerce are not distinguished. Neither are field and city.

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The invention of the modern Brazilian Agro was the successful combination of the entrepreneurial capacity of a new generation of rural producers, with the excellence of the rural universities along with well-designed and effectively executed public policies, from the decade of 1970. Only a few times in our economic history cooperation between the state and the private sector has been so productive. If it worked once, it can work out many times.

The possibilities that open up for the Brazilian Agro in the coming years are unlimited. The world needs food, natural fibers and clean energy in ever-increasing volumes. Brazil has the largest reserve of land suitable for cultivation worldwide. However much protectionist practices advance, the time is near when facts will speak louder and the world will demand of us a substantial increase in our supply of goods. If the guidelines set forth in terms of investments, public policies and the best ordering of the institutional environment for business are adopted by the government, we will live not only the continuity of our growth, but a real productive explosion.

With this spirit, and with great hope, we present to the candidates for the Presidency of the Republic this unified document, which reflects our hard experiences and the best of our knowledge, thinking at first in our country. It is not a rosary of grievances, but a map for the future!



THE FARMER'S
AGRICULTURE COUNCIL

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Agriculture and Livestock

10 SECTOR PRIORITIES



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- 1.** Continue with the necessary reforms, especially the tax and social security reforms. The modernization of the tax system will give greater competitiveness to the agricultural sector.
- 2.** Prioritize rural insurance and other risk management instruments as a way to guarantee income to the producer and attract new sources of financing for the sector.
- 3.** To establish commercial agreements to promote the competitiveness of Brazilian agriculture with priority in the main food import markets, such as South Korea, Mexico, the European Union, Japan, as well as to establish strategic partnerships which favor the commercial flow with China, the United States and the Alliance the Pacific.
- 4.** Support public policies aimed at the sustainable growth of the sector, especially those which regulate the use of natural resources based on intelligent agriculture, competitive and providing environmental services.
- 5.** Guarantee legal certainty in the field by improving the legal framework of land issues, labor standards which have subjectivity and initiatives that reduce crime in the field.
- 6.** Encouraging technological development in the field of communication, geoscience and biotechnology, increasing opportunities for access to technologies for rural people.
- 7.** Create a more transparent regulatory environment to prevent monopolistic practices and promote free enterprise, avoiding any type of tabulation, as a means of attracting private investment aimed at integrating transport modes and improving storage.
- 8.** Strengthen the Agricultural Defense System to be more agile and efficient, through objective metrics established jointly by the Ministry of Agriculture, Livestock and Supply (Mapa) and the private sector.
- 9.** Increase the volume of resources allocated to technical assistance actions, in a harmonious way among the different producer profiles, in order to improve the diffusion of technologies and the management of rural properties.
- 10.** Develop public policies focused on expanding biofuel production, such as RENOVABIO, with the aim of reducing greenhouse gas emissions.

1 **MACROECONOMICS AND CHALLENGES**





1. MACROECONOMICS AND CHALLENGES

Recent Brazilian history reveals the importance of agribusiness's contribution to the stability of macroeconomic indicators. Were it not for the records of agricultural production to contribute to the recovery of GDP, reduction of inflation, successive surpluses in the trade balance of the sector and increase in employment, certainly the effects of the economic crisis on Brazilian society would have been even more adverse.

Agro helped the country through one of the worst economic crises in its history, with relative macroeconomic stability: inflation in 2017 was the lowest since 1998, the exchange rate appreciated (even in nominal terms). Between 2014 and 2018, country risk and the Selic rate are at historically low levels.

The approval, in November 2016, of the Public Spending Ceiling Law was fundamental to guarantee some predictability to national and international economic agents regarding the public sector financing needs. The last primary economic surplus occurred in 2013. In this period of absence of public savings and low growth of the Brazilian GDP, the share of public debt in GDP jumped from 51% in early 2014 to 77% at the end of the first half of 2018.

The macroeconomic scenario will largely depend on the outcome of the 2018 presidential election. Continued economic reforms allow for a glimpse of GDP growth, maintaining low interest rates and contained inflation, and improving the country's fiscal situation.

For Agro, a favorable economic environment is crucial for the improvement of the business environment and the Brazilian agricultural policy.

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PROPOSALS:

- Observe the law that limits, for the next decade, Federal Government spending to the inflation variation of the previous year. Reducing spending and fiscal balance will reduce the amount and cost of servicing the public debt.
- Continue economic reforms to enable a new recovery cycle with GDP growth, low interest rates, contained inflation and a progressive improvement in the fiscal situation.
- Promote the Social Security Reform to mitigate the impact of its deficit on public accounts.
- Modernize the tax system, with simplification, unification and reduction of the number of taxes. Promote fiscal isonomy, unify the interstate rate of ICMS and collect it at the destination. Eliminate the incidence of taxes on other taxes, whether direct or indirect, with the collection at the end of the chain and in a single-phase.
- Eliminate all incident taxes on exports and investments in Agro, in addition to establishing a general principle of return and mechanisms to eliminate or mitigate the accumulation of credits from indirect taxes.
- Commit to the observance of the rules governing the free operation of markets, including transport (freight).

2 **AGRICULTURAL POLICY: IMPROVEMENT AND MODERNIZATION**



2. AGRICULTURAL POLICY: IMPROVEMENT AND MODERNIZATION

The agricultural activities are exposed to several risks, which puts under uncertainty the income of the rural producer, the capacity to grow and invest and even to remain in the activity. The instruments of operationalization of the Brazilian agricultural policy, based mainly on stimulating the incorporation of technologies and modernization of activities through rural credit and in support of the marketing of some agricultural products, need to be improved with the objective of adapting them to the technical, managerial and contractual evolution by which the sector has been.

In addition, as with the main competitors of Brazil in the agricultural products market, the agricultural policy must focus on the promotion and strengthening of programs of risk management activities, which is fundamental for the pulverization of sources of financing for the sector, and to avoid decapitalization, default and the need for renegotiations of rural credit operations.

In order to improve agricultural policy in Brazil, it is necessary to increase strategic and operational coordination among the various institutions responsible for implementing programs and instruments made available by the Federal Government to agriculture. In addition, it is necessary to build medium- and long-term guidelines and plans, to create mechanisms for assessing and monitoring the costs and benefits of the instruments used, and to assess the effective achievement of the objectives and target audiences of agricultural policy programs.

PROPOSALS:

2.1. Strengthen the risk management of agricultural activities:

- Provide predictability, stability and transparency to the rules of the Rural Insurance Premium Grant Program (PSR).
- Expand the resources directed to the PSR.
- Transfer the PSR budget to Official Loan Operations (OOC), with the objective of avoiding the contingencies that frequently reach the Ministry of Agriculture, Livestock and Supply (Mapa) budget.
- Encourage the use of income insurance (expected sales), which covers the risks of loss of production and unfavorable swings in the prices of agricultural products.
- Expand and improve the studies of the ZARC, which is essential for the operationalization of the Agricultural Guarantee Program (Proagro) and the Rural Insurance Premium (PSR) Grant Program.
- Regulate the Catastrophe Fund (Complementary Law 137/2010), fundamental to the stability and reduction of systemic risks of rural insurance.
- Promote the participation of companies from the agro-industrial chains, the states and municipalities in grant programs, complementary to the PSR.
- Establish a central registry of commercial operations involving non-bank financing between rural producers and their suppliers or buyers of agricultural products (barter, exchange, harvest term, advance of resources), with the objective of reducing credit risk to production chains.

2.2. De-bureaucratize and modernize the financing of agricultural production:

- Maintain the National Rural Credit System (SNCR) as a pillar of funding, commercialization and investment credits, guaranteeing the volume of resources and interest rates compatible with the return of agricultural activities.
- Expand and diversify sources of financing for agriculture, including external resources, enabling the issuance of agribusiness bonds in foreign currency.

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- Define medium- and long-term guidelines for incentive programs for storage, irrigation, technology incorporation in rural properties, sustainable production practices, generation and distribution of alternative energies.
 - Reduce the number of rural credit programs, avoiding the conflict of purposes and conditions between the different lines of credit.
 - Encourage the adoption of rotating and automatic rural credit, with simplified renewal, with the objective of reducing intrinsic costs to the formalization of operations, such as cost of accounting.
 - Strengthen credit cooperativism, through measures such as the accreditation of individual credit cooperatives within the framework of BNDES financial agents and access to funds from the constitutional funds and the Fund for Workers' Assistance (FAT).

2.3. Improve income-guarantee programs for producers:

- Encourage the purchase of purchase and sale contracts for agricultural products, on the stock exchange or in the organized over-the-counter market, through subsidy to the premium.
- Guarantee sufficient and timely resources for the operationalization of the Minimum Price Guarantee Policy (PGPM) instruments.
- Provide the effective command Mapa in the budget execution of the PGPM, with the extinction or deep revision of the Interministerial Council of Public Stockpiles of Food (CIEP), created by Decree n°7.920, of February 15, 2013.

3 AGRO IN THE FOREIGN MARKET



3. AGRO IN THE FOREIGN MARKET

Agro has transformed itself significantly in the last decades, driven by exports and the economic growth of emerging countries that have increased the demand for products of the sector. In the domestic sector, in addition to gains in productivity brought about by technological advances, there has been an expansion of the scale of production and transformation of production chains, which become increasingly complex.

However, despite the export vocation of the Brazilian agro, the country must face new obstacles. In the current scenario, protectionism and nationalism are gaining strength and the world market is far from being fully open to Brazilian products, just as Brazil is still open to imports.

In this context, in order to face these challenges, and with the objective of increasing the integration and competitiveness of the Brazilian Agro in the world, the priority actions for the sector in the field of international trade were defined.

3.1. Establish strategic partnerships and position Agro as an asset of Brazil in its relations with the world

3.1.1. China

Brazil needs a strategic vision to diversify exports to China. It is a win-win partnership opportunity, in the medium and long term, which can benefit both products already exported to the Asian country and new products.

PROPOSALS:

- Establish a Trade Facilitation Agreement to eliminate bureaucratic obstacles between the two countries.
- Formulate an Agreement for Cooperation and Facilitation of Investments (ACFI).
- Signing Regulatory Agreements to improve transparency and accelerate the process of analyzing the registration of Genetically Modified Organisms (GMOs) and to harmonize the labeling rules between the different Chinese provinces and Brazil.

3.1.2. United States

Brazil and the United States are among the world's leading agricultural producers and exporters. With this partner there is the opportunity for cooperation in different areas of research, coordinated action in international forums relevant to agricultural trade - as in the defense of scientific basis as a criterion for the establishment of requirements, norms and regulations in international trade.

PROPOSALS:

- Expand cooperation with the United States, including greater consistency and regulatory convergence.
- Define joint actions on trade-related technical standards and conformity assessment.
- Establish cooperation projects in the areas of technical and managerial assistance and in the promotion of technological innovation focused on agriculture and livestock, including partnerships between Brazilian and North American universities.

3.1.3. Pacific Alliance

It is necessary to promote a new deal-making dynamic for Mercosur, with emphasis on greater integration of the bloc with external partners, mainly with the Pacific Alliance (PA) formed by Chile, Peru, Colombia and Mexico. There is great potential for profit in developing a strategy combining global and regional integration, exploring complementarities between blocs, and increasing the capacity to reach extra-regional markets.



PROPOSALS:

- Promote greater integration of capital markets, infrastructure and logistics with the Pacific Alliance, and reduce high trade costs through the harmonization of import, export and customs transit processes.
- Act together to reduce barriers to trade with the rest of the world.
- Establish partnerships and develop benchmark studies with the countries of the bloc, specifically with respect to their imaging projects.

3.2. Reforming the regulatory framework

PROPOSALS:

- Restructure and link the Foreign Trade Chamber (Camex) directly to the Presidency of the Republic. Camex must have a proactive agenda and ongoing coordination with the private sector.
- Restructure and systematize, through the development of solutions processes for negotiating sanitary and phytosanitary agreements, issuing certificates for agricultural products and related standards, making them more modern and transparent.
- Ensure the harmonization of the processes carried out within the integration of import, export and customs transit between all public and private actors in foreign trade, Brazilian and foreign.

3.3. Expand Market access

The conclusion of trade agreements should be prioritized as a way to promote the competitiveness of Brazilian agriculture and livestock in import markets. Currently, Brazil has a network of restricted trade agreements that, for the most part, do not establish tax reductions for the agricultural sector.

PROPOSALS:

- Develop a coherent international insertion strategy with impact studies that assess losses and gains for the sectors. The Brazilian position should also be elaborated with the contribution of the private sector.

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- Accelerate Brazil's integration with the world market through the expansion and conclusion of new free trade agreements. Priority trade agreements for the agricultural sector are:
 - European Union - conclusion of negotiations;
 - South Korea - establishment of an accelerated schedule of negotiations;
 - Japan - launch of the negotiation;
 - Mexico - expansion of ACE53 for free trade.
 - Increase the number of agricultural attachés to Brazilian embassies abroad and allow servers from other agencies, in addition to the Mapa, to run for office.

3.4. To promote the addition of value, differentiation and image of agriculture and livestock abroad

Brazil needs to develop an image and product differentiation program and consolidate exports with higher added value. Although currently one of the largest producers in many Agro chains, the image of Brazil is weak, when compared to countries such as Australia, the United States and Canada.

PROPOSALS:

- Develop national export promotion projects that are adapted to the local realities of agribusiness, with actions of commercial promotion and competitiveness.
- Create a program for awareness-raising, training and development of new agricultural chains for international trade, through partnerships between public and private entities.
- Invest in overseas marketing programs aimed at small and medium producers.
- Promote exports of value-added agricultural products, exploring attributes related to regional differentiations and geographical indications.
- Adopt a unified government campaign to strengthen of the country's image, with the participation of the Ministries of the Environment; Foreign Relations; Agriculture, Livestock and Supply; Industry, Commerce and Services; Presidency of the Republic, and others.

4 SUSTAINABILITY OF PRODUCTION SYSTEMS



4. SUSTAINABILITY OF PRODUCTION SYSTEMS

According to the United Nations (UN) in 2030 we will be 8.6 billion people on the planet impacting the environment and demanding more and more of our production systems. Generating food security for Brazil and exporting the surplus, based on a Climate-Intelligent Agriculture (CSA), integrating production with unparalleled environmental conservation in the world, puts us in a prominent position.

The demand for sustainable production is in line with the efforts already made by the sector that have allowed for an exponential increase in productivity and production. Moving from importer to exporter of food, and occupying slightly over 30% of the national territory.

The productive potential associated with social and environmental sustainability allowed Brazil to play a fundamental role in the negotiations and definitions of the Sustainable Development Objectives (ODS), completed in 2015. Among the 17 objectives, 14 are directly influenced by agricultural activities, with an indirect impact in other goals and with interaction in all sectors of society.

The agricultural sector has a preponderant role in achieving these objectives. They are of crucial importance to mankind and the planet, focusing on people, planet, prosperity and peace. It should be noted that Brazil adhered to the agenda, internalizing its objectives in the government program.

In order for the national agribusiness to develop its full potential for sustainable growth in order to achieve the ODS, it is necessary to support policies aimed at the sector and, in particular, those which regulate the use of natural resources, reconciling social, economic and environmental development, which we suggest to the next governing authorities..

PROPOSALS:

- Execute the National Environmental Licensing Policy, adapting the licensing rule to the agricultural activity.
- Define the Payment Policy for Environmental Services - PSA.
- Encourage the rational use of water resources through policies to encourage water reserves and irrigation efficiency, as well as promote the reuse of water in agriculture.
- Implement the implementation of the New Forest Code (Law 12.651/12).
- Define responsibly the Nationally Determined Contributions (NDCs), proposals for Brazil in the Paris Agreement to reduce emissions of Greenhouse Gases (GHGs).
- Regulate the use of biomes.
- Execute Territorial Planning, promoting Ecological-Economic Zoning, Agroecological Zoning and Agricultural Risk Zoning.
- Ensure the sustainable use of the soil and its conservation, through policies and programs.
- Prevent and combat desertification, through regional development policies, associated with technology, infrastructure and tax and credit incentives.
- Encourage and strengthen the Sectorial Mitigation and Adaptation Plan to Climate Change for the Consolidation of a Low Carbon Economy Economy (ABC Plan).

5 LEGAL SECURITY





5. LEGAL SECURITY

Legal security is one of the pillars of the Democratic State of Law. It is of fundamental importance for the strengthening of the Brazilian Agro, consisting in maintaining the predictability of the state's action, in order to promote a more efficient and secure legal system.

The principle of legal certainty must be inserted transversally in all Agro productive chains, especially in reducing uncertainties and conflicts of land, labor and crime related issues in the countryside.

The crisis in the Brazilian judicial system, characterized by an alarming number of lawsuits filed year by year, and legal uncertainty caused by the diversity of judicial decisions emanating throughout the country, suggests that some measures should be taken.

Among the agents of the different links of the agribusiness chains there should be the promotion of public policies that disseminate the knowledge of the extrajudicial means of conflict resolution: arbitration, mediation and restorative justice.

Thus, it is evident the need for modernization, simplification and improvement of the normative apparatus that promotes more legal security and tranquility for those who work and live in the field, allowing greater investments in the Brazilian Agro.

5.1. Land issues

5.1.1. Ensure peace in the countryside while preserving the right to property

PROPOSALS:

- Apply the Agrarian Law, to restrain the invasions of private property.
- Improve conflict prevention and land acquisition instruments, especially through the acquisition of real estate by the government in a costly and consensual way, with the establishment of an agrarian reform that offers progress horizons to the settler with terms and conditions of compliance with the your orders.
- Create a regulatory framework for repossession..

5.1.2. Regularization of indigenous lands

PROPOSALS:

- To give effect to Opinion 001/2017 / AGU-GMF05 / 2017, approved by the President of the Republic on 07/19/2017, for its compliance by the entire Federal Public Administration with a view to full compliance with the concepts and institutional safeguards (conditioned) in the demarcation processes of indigenous lands, in accordance with the understanding established by the Federal Supreme Court.
- Provide transparency to demarcation processes, with the participation of other government agencies, in addition to Funai, and to adopt less arbitrary procedures for the identification and delimitation of indigenous lands.

5.1.3. Regularization of Quilombola communities

PROPOSALS:

- To adapt all the norms and administrative acts which regulate the titling of lands of remnants of quilombos, according to the Federal Constitution of 1988.
- Establish objective mechanisms to prevent fraud in the titling of remaining lands of quilombo communities.

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- Guarantee the effectiveness of transparency, as well as of the contradictory and ample defense to the rural landowners, in the processes of identification and titling of lands of remnants of quilombo communities.

5.1.4. Reduce conflicts on marginal lands and demarcation of areas for traditional communities

PROPOSAL:

- To repeal Decree No. 6,040 / 2007, which instituted the National Policy for the Sustainable Development of Traditional Peoples and Communities and to amend Decree-Law No.9.760/1946, since such regulations have fomented conflicts in several regions.

5.1.5. Responsible creation of Conservation Units

PROPOSAL:

- Revise Law No. 9,985 / 2000, which established the National System of Nature Conservation Units (SNUC), in order to regularize the rural properties that are inside CUs (Conservation Units).

5.2. Labor issues

The agricultural sector is against any practice of slave labor. To this end, it advocates clear and objective legislation to ensure compliance with laws.

5.2.1. Rural labor reform

PROPOSAL:

- Support the approval of Rural Labor Reform (Bill Nb.6.442/2016).

5.2.2. Review of Regulatory Norms (NR) of the Ministry of Labor

PROPOSAL:

- Review and update the rules that regulate working conditions, such as NR 31 and NR 15, noting the nature of the agricultural sector..

5.3. Crime in the field

PROPOSALS:

- Include the theme of prevention and control of violence against rural producers in the National Policy on Public Security and Social Defense (PNSPDS) and the Public Safety System (SUSP), with indicators, targets and evaluation of the results of programs and actions relevant to the fight against common criminality in the field.
- Create an individual identifier for agricultural machinery and equipment that allows access to the description of the characteristics, changes of owners, thefts, robberies etc., with no burden to the owners.
- Impose, through its own legislative provisions (bills, decrees, etc.) and administrative sanctions, severe penalties for those who purchase vehicles, equipment, and supplies from offenses occurring on rural properties.
- Extend the technological advances of Internet and cellular telephone signals to rural areas of Brazil. The initiative will allow information exchanges between security agencies and producers and greater efficiency in meeting the rural demands of police institutions.

6 **TECNOLOGY AND INNOVATION IN AGRO**





6. TECHNOLOGY AND INNOVATION IN AGRO

In the globalized environment, competition with the industrialized countries and also with emerging countries is increasingly fierce. Brazil's long-term economic prosperity will depend on the strength of agriculture, agribusiness and academic and innovative capacity.

With the flourishing of globalization and increasing competition for markets, the search for the best technical qualification has been promoting a real dispute, where States, especially the most influential, increasingly concentrate their efforts and investments in scientific research aimed at the implementation of new techniques.

Technology and innovation are key factors in achieving the increase in Agro production, consumption and exports by 2030. The future of the sector depends on the incorporation of cutting-edge technologies in production processes, such as modern Information and Communication Technologies), advances in nanotechnology, biotechnology and geospatial technologies.

Brazil has the challenge of overcoming the great distance that separates its science and technological innovation from those practiced in the most advanced industrialized countries. The next presidents should prioritize structuring actions for Brazil's technological development, otherwise it will push the country each time more to the margin of progress.

PROPOSALS:

- Overcoming the barriers that prevent Brazil from having a comprehensive area infrastructure and enabling high-quality connectivity for all who live within our borders. This comprehensive spatial infrastructure is fundamental to scientific and technological development; for the distance education of rural inhabitants; for the interaction of producers/agribusiness/markets; for the comfort and safety of families in the countryside; for the attraction of young workers and entrepreneurs to rural activity and for the flourishing of rural tourism activity, as well as for border security, cargo transportation and the rural establishment itself.
- Systematize the normative framework applicable to scientific and technological development; to encourage and foster patent culture in Brazilian scientific institutions and to improve the management tools of key organs for technological innovation, especially what is responsible for patent registration, an area recognized as excessively time consuming in Brazil.
- Formulate and implement programs for the development of technologies for the aggregation of values to sectors for which Brazil has a vocation like agriculture, biotechnology and mineral exploration.
- Prioritize research at the frontier of knowledge, with emphasis on biotechnology, nanotechnology, modern communication and information technologies, geosciences and related sciences.
- Validate new input formulas for agriculture: fertilizers, pesticide molecules, equipment for small producers, nanotechnology, bioeconomics and new agriculture (4.0 and 5.0: automation, robotics, artificial intelligence, connectivity, cloud computing and ICT-BI DATA).
- To rebuild the interaction bases of the Mapa, Embrapa and MDIC, creating a space for construction and operation with an integrated and strategic commercial vision regarding Brazilian agricultural products. Strengthen relations with the productive sector to establish research priorities that can be defined together.
- Improve the qualification of human resources in the specialized institutions of applied research and in the universities of agrarian sciences, update laboratories and their equipments and make available financial resources for the development of the research.



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- Develop agricultural research focused on the generation of impact knowledge and technologies, reduce bureaucracy and middle activities, rescue the autonomy of Research Centers and make operations and agreements with CT&I institutions in Brazil and in the world more flexible.
 - Internationalize Brazilian agricultural research, accompanying and participating in scientific advances in the world (eg Labex of Embrapa) and strengthening international cooperation.
 - Develop research that may support public development policies in the North and Northeast regions of the country.
 - Use of the Legal Framework of Science, Technology and Innovation (Law n° 13.243/2016), of 02/02/2018, for technological advances.
 - Transfer irrigation management to the Ministry of Agriculture,
 - Livestock and Supply and establish clear rules for water management and official programs for agricultural sustainability, especially in the Northeastern Semi-arid.

7 **LOGISTICS: TRANSPORT AND STORAGE**





7. LOGISTICS: TRANSPORT AND STORAGE

Logistics, transport infrastructure and storage are important elements for the agricultural sector to achieve better results in the domestic market and in foreign trade. In relation to lower transport costs and economic growth, it is fundamental to define regulatory frameworks, with clear rules, which establish legal certainty and transparency, adherent to investment risks. It is also relevant to implement models in partnership with the private sector, to enable the application of resources in infrastructure and create an environment of competition, avoiding monopolistic practices and promoting free enterprise

7.1. Road Sector

The dependence of road transport for the movement of agricultural products is evident. The bad conditions of the highways and the obligatory table of road freights incur high transport costs and the generalized increase of the prices of the products.

PROPOSALS:

- Implement a program of recovery and improvement of the main production routes.
- Maintain free market basic principles in the new framework (TRC), prioritizing free negotiation and prohibiting the registration of road freight.
- Adopt concession models on highways that guarantee less value as a criterion of judgment and investments in capacity expansion due to the evolution of traffic, among others.

7.2. Railway Sector

The participation of the railway modal in the transport of agricultural products is ridiculous. Grains (soybean and corn) accounted for only 4% of the volume handled in rails (ANTT, 2018). The railroad operating model favors monopoly, a reduction in the volume of investments, the increase of idle/abandoned sections and the lack of rail mesh interconnection.

PROPOSALS:

- Enable investments to increase the capacity and extension of the rail networks for access to ports and terminals (new lines and reactivation of stretches paralyzed or considered unfeasible), which will result in a greater supply of services.
- Ensure that new concessions and contracts, under renegotiation or renewal, are appropriate to the new regulatory frameworks, introducing modal and intermodal competition mechanisms.
- Increase the sharing of railway infrastructure by regulating and prioritizing the right of way and allowing the use of the mesh by independent rail operators (OFIs).
- Ensure a structured and integrated rail system, adjusting the current regulatory frameworks, in order to preserve users' rights, especially the provision of adequate service.

7.3. Waterway Sector

The fragile institutional structure and the lack of definition of the responsibility or management model of the Brazilian rivers constitute the major obstacle for the development of the waterways. Through the rivers only 4% of the cargo produced in the country (CNT, 2018). The lack of river maintenance - deepening works - results in discontinuation of navigation service during periods of drought.

PROPOSALS:

- Define waterway management models and promote institutional development.
- Enable continuous investments in rivers and make the agenda compatible from the transport sector to that of the electricity sector.

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- Implement services in dredging, overturning, signaling and updating nautical charts that guarantee adequate navigation channels.

7.4. Port Sector

The low productivity of Brazilian ports, when compared to international practice, is caused by the lack of adequate and modern infrastructure, bureaucratic obstacles and the need to improve the regulatory framework. Added to this is the slowness in providing new areas for installation of private port terminals in public or private ports.

PROPOSALS:

- To bureaucratize and rationalize the procedures performed by public entities in organized ports.
- Review port rates, with models based on the costs of provision of services.
- Review regulatory frameworks in the sector, so as to incorporate the separation of the institutional roles of the sector, the reassessment of the role of the Dock Companies and the incentives for private investments in Private Use Terminals (TUPs).
- Review the general legislation and incentive to the Brazilian Companies of Navigation (EBNs), restructuring cabotage navigation, in order to make it competitive and in isonomic conditions to the navigation of long course.

7.5. Storage Sector

The shortage of grain storage is close to 80 million tons and results in annual losses of R\$ 2 billion (Conab, 2017). This scenario induces the producer to market and sell the crop during the period of lower product prices and high freight costs. Rural properties have only 16% of the storage capacity, overloading transport and intermediate storage (stock in ports).

PROPOSALS:

- Increase private storage capacity in all agricultural regions, with availability of affordable credit lines.
- Reform public warehouses (Conab).
- Establish the National Storage Program.

7.6. Priority Works on Infrastructure for the Agricultural Sector

MODAL	INTERVENTIONS	LOAD POTENTIAL (10 YEARS) OR IMPORTANCE OF INFRASTRUCTURE
RODO	BR-020: elaboration of the project, paving and adaptation of the path from Santa Rita de Cássia (BA) to Campo Alegre de Lourdes (PI) (310 km). Lourdes (PI) (310 km).	1,5 a 3 million tons/year Supply of the Northeast region with maize (poultry, littoral).
RODO	BR-020: paving and adaptation of the path between Barreiras (BA) and Picos (PI), junction with BR-230 (741 km).	4 a 7 million tons/year Supply of the Northeast with maize (poultry, littoral).
RODO	BR-080: paving of the path from Ribeirão Cascalheira (MT) to Luiz Alves in São Miguel do Araguaia (GO) (201 km).	3 a 5 million tons/year Linking the productive poles to the North South Railway (FNS) to the ports of Arco Norte
RODO	BR-101: Biding for the stretch from Palhoça (SC) to Osório (RS).	Coastal interconnection of Rio Grande do Sul to other Brazilian regions.
RODO	BR-155: adequacy of the highway capacity in the stretch of Redenção (PA) to Marabá (PA) (350 km).	7 a 15 million tons/year Connection of productive poles to other modes and ports of the North Arc. Note: Restricted to the conclusion of the overthrow of the Pedral do Lourenço (PA).
RODO	BR-158: implementation and paving of the contour of the Maraiwatsede Indigenous Land (MT) (195 km) and adaptation of the highway stretch of the MT/PA highway to Redenção (PA), with the construction of bridges.	



MODAL	INTERVENTIONS	LOAD POTENTIAL (10 YEARS) OR IMPORTANCE OF INFRASTRUCTURE
RODO	BR-163: completion of the pavement of the border stretch of the MT/PA to Miritituba (PA) and construction of bridges (80 km).	10 a 25 million tons/year Connection of the productive poles to the other modes and to the ports of Arco Norte, with the aid of the implantation of the Railroad Ferrogrão.
RODO	BR-163: completion of the pavement of the border stretch of the MT/PA to Santarém (PA) and construction of bridges (84km).	1 a 5 million tons/year Connection of the productive poles to the other modes and to the ports of Arco Norte, with the aid of the implantation of the Railroad Ferrogrão.
RODO	BR-230/412/232: Adequacy of the highway capacity, in the section of Picos (PI) to João Pessoa (PB), via BR-232, Pernambuco (PE) (852 km).	2 a 4 million tons/year Supply of grain (litter farms), fruits, fertilizers, fuels and food.
RODO	BR-242: paving the stretch from Santiago do Norte (MT) to Querência (MT) (288 km).	5 million tons/year Connection of production areas to BR-158 and BR-163.
RODO	BR-242: adaptation, maintenance, expansion of the pavement and installation of third lanes in the stretch from Luiz Eduardo Magalhães (BA) to Aratu/Cotegipe (BA).	5 a 10 million tons/year Grains transportation to the Port of Cotegipe (export) and fertilizers, to meet the internal demands of Bahia.
RODO	BR-282/470 ou BR-280/153: adequacy of the highway capacity in the São Miguel do Oeste stretch (SC), border of Argentina, to the Port of Navegantes (SC).	5 a 7 million tons/year Supply of inputs for the breeding and transportation.
RODO	BR-285: adequacy of the Araranguá (RS) to Vacaria (RS) section (8 km).	Transportation of grain production from Rio Grande do Sul and Santa Catarina by Port of Imbituba (SC).
RODO	BR-381: paving the stretch from Belo Horizonte (MG) to Governador Valadares (MG).	Transportation of the products generated in the Steel Valley (MG) to the domestic market and export.

MODAL	INTERVENTIONS	LOAD POTENTIAL (10 YEARS) OR IMPORTANCE OF INFRASTRUCTURE
RODO	BR-392/471: adequacy of the highway capacity of the stretch from Santa Maria (RS) to Rio Grande (RS).	14 a 20 million tons /Year Traditional connection of the grain production areas to the port system of Rio Grande (RS).
IRON	Ferrogrão: bidding for the stretch from Sinop (MT) to Miritituba (PA).	25 a 40 million tons /year Connection from the north of Mato Grosso to the Port of Miritituba and Itaituba (PA).
IRON	North South Railway (FNS): bidding for the stretch from Porto Nacional (TO) to Estrela do Oeste (SP).	10 a 15 million tons of grains/year
IRON	Central-West Integration Railway (FICO): bidding for the stretch from Campinorte (GO) to Lucas do Rio Verde (MT) and Sapezal (MT) to Porto Velho (RO).	20 a 27 million tons/year Connection with the North South Railway (FNS).
IRON	West-East Integration Railway (FIOL): bidding from Ilhéus (BA) to Figueirópolis (TO) and from Brumado (BA) to Port of Aratu / Cotegipe (BA).	20 a 27 million tons of grains/year Connection with the North South Railway (FNS).
IRON	Malha Paulista S/A e Malha Sul S/A: renewal of the concession and reactivation of the idle sections.	Bidding considering new investments and the implementation of Right of Way and Independent Rail Operator (OFI).
HIDRO	Madeira River: dredging and signaling.	20 million tons /year Signaling, overflowing, beaconing and dredging works to make the waterway regularized and with permanent traffic.
HIDRO	Tapajós River: dredging, signaling and marking of the stretch from Miritituba (PA) to Santarém (PA).	Guarantee of movement of agricultural cargoes in rivers.



MODAL	INTERVENTIONS	LOAD POTENTIAL (10 YEARS) OR IMPORTANCE OF INFRASTRUCTURE
HIDRO	Tocantins River: overthrow of Pedral do Lourenço (TO).	20 to 50 million tons/year Load to 2025
HIDRO	Tietê-Paraná: dredging and overthrow.	Guarantee of movement of agricultural cargoes in rivers.
PORT	Santana (AP): dredging of the berthing area of Pier 1 of bulk	Guarantee of movement of agricultural cargoes in rivers.
PORT	Belém (PA): dredging to deepen the navigation channels and the evolution basin/basement areas.	Guarantee of movement of agricultural cargoes in rivers.
PORT	Outeiro (PA): bidding of port terminals.	3,5 a 10,5 million tons/year
PORT	Santarém (PA): bidding of fertilizer and agricultural bulk terminals and improvements in accesses.	6,0 million tons/year
PORT	Vila do Conde (PA): agricultural bulk terminal tender.	5,1 million tons/year
PORT	Itaqui (MA): leasing of terminal for general cargo handling (pulp).	1,5 million tons/year
PORT	Aratu (BA): fertilizer terminal bidding	1,5 million tons/year
PORT	Santos (SP): dragagem para aprofundamento dos canais de navegação e da bacia de evolução/áreas de fundeio.	Guarantee of the movement of agricultural cargoes in vessels of great capacity.
PORT	Paranaguá (PR): bidding of grain and pulp terminals.	12.7 million tons/year of grain and 1.3 million tons/year of pulp
PORT	Rio Grande (RS): dredging to deepen the navigation channels and the evolution basin/basement areas.	Guarantee of the movement of agricultural cargoes in vessels of great capacity.



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8 AGRICULTURAL DEFENSE AND AGRO INDUSTRY





8. AGRICULTURAL DEFENSE AND AGRO INDUSTRY

The regulatory environment is in disarray with the evolution of Agro, generating a great deal of delays in the processes due to lack of personnel and normative overlaps, as well as to the deficiency and technological backwardness of the systems. It is essential to have an agile, transparent and efficient Agricultural Defense System, based on a set of premises supported by objective metrics established jointly by the Mapa and the private sector, in addition to the continuous search for productivity increases. This process involves a more effective integration between the federative entities, modernization and harmonization of information systems, normative updating, self-regulation and self-sustainability, linked to metrics and goals.

PROPOSALS:

- Promote the effective integration between federative entities with the implementation of Law 9.712 / 98, which established the Unified System of Attention to Agricultural and Livestock Health (SUASA).
- Re-evaluate the procedures in the official services, with metrics to evaluate the results. The definitions should be science-based and carried out in conjunction with the productive sector.
- Modernize and harmonize information systems, creating a platform that will standardize systems and procedures, starting from self-checking; standardization of information (between the entities of the federation) and generation of executive report.
- Redistributing processes among the Superintendencies of Mapa, optimizing the available human resources in the states, from the standardization of information systems,
- Review and harmonize legal frameworks in conjunction with the public and private sectors.

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- Establish self-regulation: the production chain must respond for the innocuousness, integrity and regularity of its product / production. The government must ensure compliance with current standards and do not allow products that are harmful to health or unfair competition. The Mapa will act as an auditor.
 - Self-sustainability of the Agricultural Defense System: the collection of services must be linked to the goals established with the private sector. The resources will be used exclusively for the maintenance and improvement of the services provided.
 - To structure an appeal body as a second administrative body against penalties drawn up by the Secretariat of Agricultural Defense of Mapa.

Agribusiness is a major user of the regulatory environment, and it is essential to review the rules to ensure the predictability and speed necessary to attract investments. In the sector of pesticides, regulatory bottlenecks hinder the approval of new technologies and favor the growth of the market of illegal products. In fertilizers and limestone, given the high dependence on imports, measures have to be taken to encourage domestic production in a competitive way. In animal nutrition, agility in patent registration, recognition of Good Manufacturing Practices certificates of private entities and investment in research is fundamental. For agricultural machinery and implements, it is proposed to revise the tax structure. In the case of the food industry, the normative update is indispensable in the processes of innovation, modernization and competitiveness.

PROPOSALS:

- Create a single computerized system for submission and evaluation of the processes of registration of pesticides.
- Define legally the priorities of registration of pesticides for the management of pests of major importance for agriculture.
- Maintain the current tax structure: ICMS (ICMS Agreement No. 100/97), IPI (Decree No. 7.660 / 2011). Including the exemption of PIS/COFINS (Law 10.925/2004) for ruminant rations and for aquaculture production.
- Increase the speed of industrial patents in Brazil.



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- Reinsert the Special Incentive Regime for the Development of the Infrastructure of the Fertilizer Industry (REIF) and to reduce the rate of Financial Compensation for the Exploration of Mineral Resources (CFEM).
 - To double the index of investments in exploration to generate new deposits; promote the access of companies to areas with paralyzed mining processes and overcome the liabilities of around 90,000 lawsuits in process, giving agility to the concessions.
 - Zero the Tax on Industrialized Products (IPI) of the main machines and equipment used by the agricultural sector.
 - Review the nutrition labeling standard with appropriate Regulatory Impact Analysis and harmonization with Mercosur.

9 **EDUCATION AND TECHNICAL ASSISTANCE**



9. EDUCATION AND TECHNICAL ASSISTANCE

The Brazilian rural producer still has difficulty to follow up and understand the interactions provoked by the new dynamics of the use of the technologies by the rural sector. In this sense, technical assistance emerges as an indispensable tool for the transfer of technology, knowledge, and even more, as the main link between the producer and the public policies aimed at the economic and productive development of Brazilian rural properties.

In the Agricultural Plan 2013/2014, the Federal Government recognized the importance of technical assistance actions, by creating the National Agency for Technical Assistance and Rural Extension (Anater). But much remains to be done to make this service reach the rural properties with the necessary efficiency.

The deficiency of technical assistance actions are real and require attention. The Agricultural Census published in 2006 showed that approximately 78% of the rural establishments had not received technical assistance. That is, more than 4 million establishments are touching their productive activities without any technical support, which jeopardizes sustainable rural development and its economic, social and environmental pillars.

The lack of technical and managerial information weakens the productive process and exposes the producers to the lack of knowledge of the business itself, which can result in inadequate practices, poor use of technologies, unnecessary investments and, consequently, the ease of borrowing. Factors which will impact, among others, on financial losses.

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Thus, it becomes indispensable the support of a technical assistance service allied to the management consulting, which is able to meet not only the productive demands, but also to promote the empowerment of this producer in the new tools, so that it becomes efficient and competitive in an increasingly strong scenario of globalized trade.

PROPOSALS:

- Expand and improve the country's educational system, especially at the municipal level, in primary and secondary education, to improve the quality of basic education and its graduates in rural areas.
- Introduce mandatory disciplines focused on economic and financial management in agribusiness in the curriculum of training and training of higher level professionals and technological courses in management of agribusiness and entrepreneurship.
- Expand the programs aimed at the professional qualification of rural workers of different educational levels.
- Increase the volume of resources allocated to technical assistance actions, as a way to intensify the technical and managerial monitoring of rural properties and spread the technology in the field.
- Promote the distribution of technical assistance resources harmoniously among the different producer profiles, especially in Anater.
- Establish in a coordinated way the regulation of the work of field technicians, responsible for bringing technical assistance to rural producers..

10 AGROENERGY





10. AGROENERGY

Agroenergy contributes positively to human, animal and environmental health by reducing emissions of air pollutants and greenhouse gases. Therefore, in line with the commitments signed by Brazil in 2015 in the Paris Climate Agreement - COP 21. In addition, it saves foreign exchange, reduces dependence and increases the country's energy security by replacing the import of oil and its derivatives.

10.1. Biofuels

PROPOSAL:

- Regular a Política Nacional de Biocombustíveis - RenovaBio, atendendo aos seus objetivos, de modo a estimular a ampliação da produção de biocombustíveis e permitir a redução das emissões de GEE.
- Buscar formas de remuneração dos produtores no âmbito do programa Renovabio.

10.2. Ethanol

Brazil is the largest producer of sugarcane in the world, there are 365 sugar mills and 70,000 rural producers of sugarcane in the country. The sector's GDP in the 2017/2018 harvest was R \$ 85 billion, generating around 800 thousand direct jobs. The sugar-energy sector generates about 12 billion dollars annually in exports. Brazil is the world's largest producer and exporter of sugar, and the world's second largest producer and exporter of ethanol. We have a flex fleet of 27 million vehicles (73% of the car fleet) and 4 million flex bikes (30% of the fleet of motorcycles).

PROPOSALS:

- Carry out PIS / COFINS tax reform and ICMS discussion to maintain the current competitiveness of ethanol against gasoline.
- Corn ethanol: improve transportation infrastructure and attention to the tax issue, mainly DDG and corn oil.
- Public policies to stimulate and promote advanced propulsion technologies applied to light-duty vehicles using ethanol, such as hybrid flex-fuel vehicles, and ethanol fuel cell vehicles.

10.3. Biodiesel

Biodiesel is produced from vegetable oils or animal fats and is used in diesel cycle engines as a partial or total substitute for mineral diesel. In 2017, Brazil produced 4.3 billion liters of biodiesel. Brazil is the second largest producer of biodiesel in the world, behind only the United States. Brazilian production is predominantly aimed at the domestic market. The productive integration between family farmers and biodiesel plants (Selo Combustível Social) is a characteristic that differentiates the Brazilian product from international competitors.

PROPOSALS:

- Gradual growth of the mandatory fuel blend, until 2022, consonant with the supply of raw materials and industrial capacity.
- Implement the mandatory B30 on diesel rail.
- Implement the mandatory B20 on all buses in the country's metropolitan areas.

10.4. Bioelectricity and Biogas

The different sources of biomass represent 9% of the power granted by the National Electric Energy Agency (ANEEL) in Brazil's energy matrix. It is the third most representative source in terms of installed power, behind only hydroelectric and fossil energy. With distributed, renewable and sustainable generation, the production and use of bioelectricity offer several benefits to Brazilian society.



PROPOSALS:

- To contract in a regulated environment for biomass and biogas, with regional use and strengthening of the free market of commercialization.
- Establish medium and long-term structured solutions that effectively reduce the difficulty of connecting these projects to the distribution network.
- Enable the increased participation of biomass in energy auctions, through the adequacy of the systematics and valorization of the renewable character of this energy source.

ASSOCIATED ENTITIES

- Brazilian Agribusiness Association (ABAG)
- Brazilian Association of Breeders (ABC)
- Brazilian Association of Pig Breeders (ABCS)
- Brazilian Association of Zebu Breeders (ABCZ)
- Brazilian Association of Cotton Producers (ABRAPA)
- Brazilian Association of Corn Producers (ABRAMILHO)
- Brazilian Association of Fruit Producers and Exporters (ABRAFRUTAS)
- Association of Brazilian Soybean Producers (APROSOJA BRASIL)
- Chair "Luiz de Queiróz" USP / ESALQ
- Confederation of Agriculture and Livestock of Brazil (CNA)
- National Coffee Council (CNC)
- Federation of Industries of the State of São Paulo (FIESP)
- Federation of Brazilian Sugarcane Growers (FEPLANA)
- Brazilian Institute of Horticulture (IBRAHORT)
- Organization of Brazilian Cooperatives (OCB)
- National Agricultural Society (SNA)
- Brazilian Rural Society (SRB)
- Union of the Sugarcane Industry (UNICA)



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