

# SUSTAINABILITY AND AGRICULTURE IN THE STATE OF MATO GROSSO

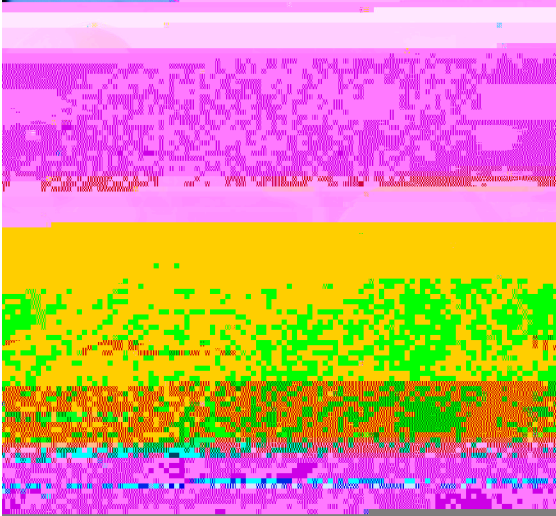
## EXECUTIVE SUMMARY

Written by  
Alan M. Wright  
Program Assistant  
Brazil Institute

and business leaders from the state were joined by prominent international environmentalists. The debate centered on increasing the value of forested regions, emphasizing the need for carbon markets; the detrimental climate impact of agriculture protectionism in advanced countries; monitoring and tracking of deforestation; the productivity of Brazilian agriculture and prospects for greater technological advances; improving infrastructure, stability of land tenure and questions of more effective governance; and the important role of the "Amazon rain machine" in the hydrologic cycle of agriculture in Brazil.







Ricardo Arioli Silva

Over the past 15 years, Mato Grosso has increased the average annual soybean yield by more than 17 percent, said *Ricardo Arioli Silva*, vice president of the Soybean Farmers Association of Mato Grosso (AAS). Silva dismissed concerns of the state's soy production in the Amazon, labeling it a "myth." According to data by the Brazilian Agricultural Research Corporation (EMBRAPA) and AAS, only 0.4 percent of the state's soy is produced in the Amazon (22,800 hectares); nearly all of the soy is produced in the cerrado (74 percent, 4.56 million hectares) or in "areas in transition" (25 percent, 1.57 million hectares). Nonetheless, as the first farmers' association to participate in the international Round Table on Responsible Soy, AAS is

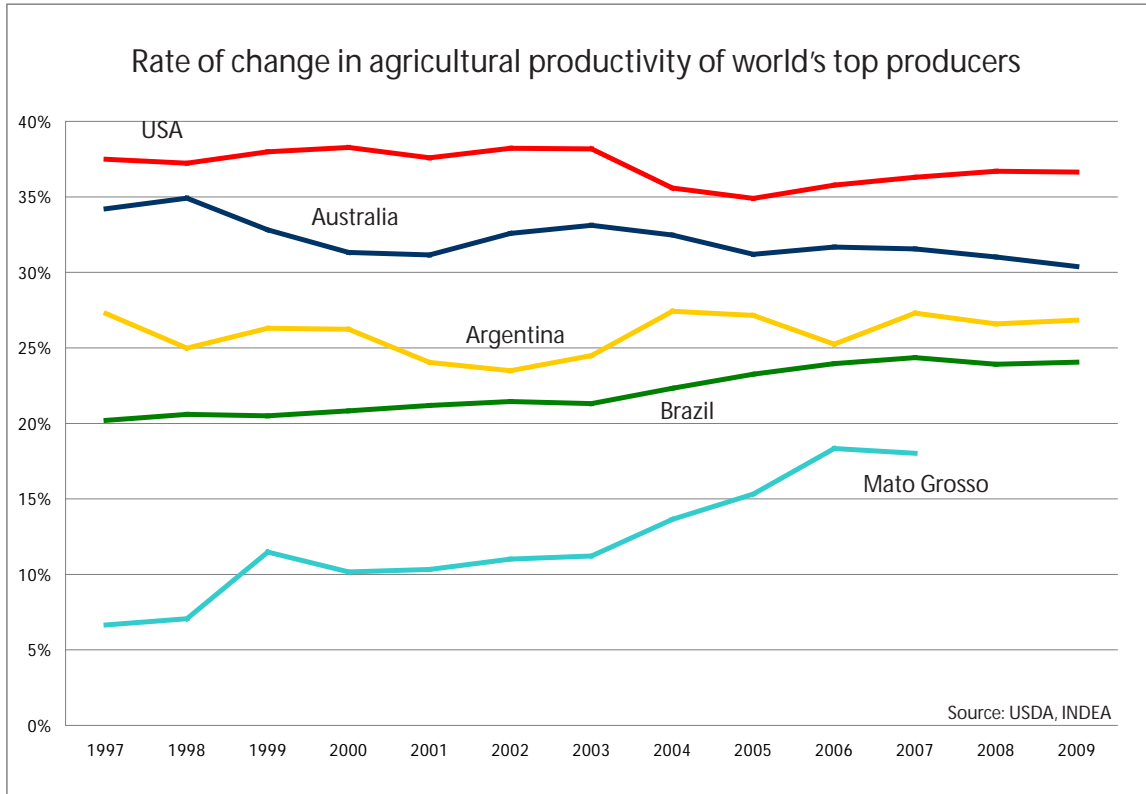
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committed to working with businesses and non-governmental organizations to "develop principles and criteria to establish responsible soy production, processing and trading of soy on a global basis."

Silva also reiterated the commitment of farmers in the state of Mato Grosso to pursuing sustainable methods of production. In addition to the environmentally sustainable strategies highlighted by both Governor Maggi and Rui Prado, Silva advocated greater no till farming. No till farming prevents erosion, decreases the need for fertilizer (reducing the use of fossil fuels) and greenhouse gas emissions, and increases soil fertility and organic matter. Brazil is the world leader in no till farming, with over 53 percent of the country's productive land (25.5 million hectares) dedicated to this production method. Furthermore, Brazil has developed a successful and efficient recycling program; while the United States only recycles 20 percent of its discarded agrochemical containers, Brazil recycles 87 percent and the state of Mato Grosso recycles 92 percent.

Silva cited an environmental agreement established between the state of Mato Grosso and APROSOJA as further evidence of their commitment to sustainable agriculture. The agreement includes provisions such as, the elimination of soy production from riparian areas (currently at 0.4 percent); registering 100 percent of soybean farms in the Mato Grosso's environmental licensing system by 2010; creation of environmental education program for farmers; and increasing recycling of agrochemical containers to 98 percent. The environmental licensing system is possibly the most comprehensive and advanced component of the agreement; with satellite imagery, the Environmental State Secretary (SEMA) tracks compliance with

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the provisions of the agreement and publishes an environment compliance report of all participating farms online.

He also expressed frustration with the imbalanced environmental concern of many developed countries. Specifically, Silva found the European Union's demands that Brazilian farmers "plant and produce responsible soy" to be hypocritical. He argued that environmental conservation is not a one way street; European's must do their part by lowering commercial barriers and punitive tariffs against agricultural products from the developing world to encourage farmers and compensate their efforts to supply sustainable and responsible crops. Finally, Silva advocated other measures aimed at reducing the environmental impact of agribusiness, including

the establishment of wildlife corridors, creation and enforcement of more legal reserves, greater contour planting and planned terrace system of production.

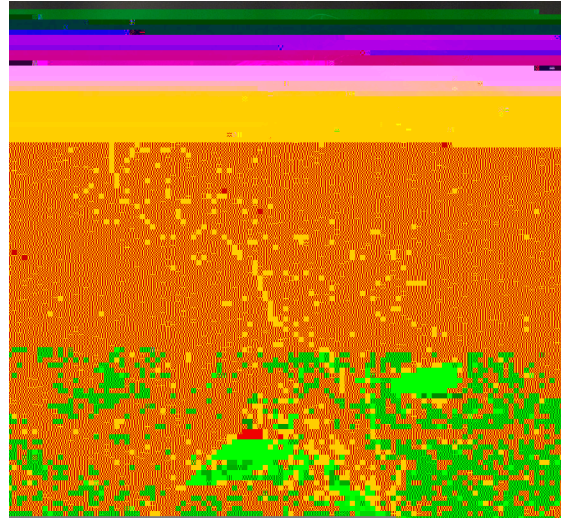
### SUSTAINABILITY ON THE GROUND

*John Carter*, an American farmer in Mato Grosso and director of *Aliança da Terra*, provided a passionate "on the ground" perspective of the challenges of economic development and environmental conservation in the "frontier" of the Amazon. He distinguished between two areas of Mato Grosso, the "developed" areas with commercial production, infrastructure, and governance, and the Amazon frontier, a place with little development and even less government presence. Contrary the positions of prominent



and Henry Waxman heading the Energy and Commerce Committee, and state officials such as Governor of California, Arnold Schwarzenegger, the United States is poised to play a significant role in the global fight against climate change. As a result, evidenced by the proposals outlined in President Barack Obama's New Energy Plan, it appears the United States is moving seriously to establish a cap-and-trade carbon market and stronger environmental regulations in order to reduce greenhouse gas emissions.

Brazil has a real stake in the creation of a functional global carbon market because of its immense natural resources and biodiversity. As a committed multilateralist, Brazil can do much to influence the terms of debate and the outcome of any international effort to combat global climate change. For these reasons, Petsonk applauded the leadership of Governor Maggi in confronting the challenge of making forests more valuable standing than destroyed. "By tackling the issue of deforestation and putting it center stage in global climate treaty talks," Petsonk explained, Maggi has been able to "transform the entire *stando* in international negotiations." It seems that by seriously addressing the issue of global warming and embracing the move toward "sustainable agriculture," Maggi's stewardship has pushed the international agenda beyond



Annie Petsonk

recriminations between the developed and developing world; the global dimensions of climate change ensures all nations must be willing to contribute as well as sacrifice to mitigate its disastrous consequences.

Among the "non-governmental" sector (meaning both environmental NGOs and industry), Petsonk argued that one of its primary missions should be to push governments to create an effective system of compensation for environmental services. It must be clear to members of the U.S. Congress and the executive branch that for a global carbon market to succeed, the United States must open its domestic market to international exchange. Without U.S. support, Petsonk averred, the goals envisioned in a new global agreement for the post-2012 period may fail to be met at the next United Nations Conference on Climate Change in Copenhagen in December 2009. She referenced the coalition of businesses and NGOs established by the Environmental Defense Fund as a potential model to be replicated and expanded. By establishing a united front of support for the opening of U.S. carbon markets

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the case, then any efforts that transfer funds from industrialized nations to tropical regions in "developing countries" are not

from diverse commercial interests, including utility companies and oil firms, and joining their voices with environmental organizations such as The Nature Conservancy and Conservation International, policymakers are presented with a clear message in favor of action.

Petsonk discussed other related challenges that may thwart international conservation efforts. She warned that the world would not succeed in reducing emissions to the scale needed to combat climate change if the only opportunity for developing countries to participate in global carbon markets is through individual projects (as opposed to state, regional or country levels) as enumerated under the Clean Development Mechanism of the Kyoto Protocol. Instead, anti-deforestation programs implemented on a state-wide scale (like in Mato Grosso), or nation-wide as President Luiz Inácio Lula da Silva has proposed, should be included as the types of carbon cap-and-trade programs eligible for trading with any country participating in the system.

Another threat may arise if agricultural sectors in different countries, such as the United States and Brazil, view the other as competitors in a traditional zero-sum perspective. If this is





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Paulo Sotero, Director, Brazil Institute  
Alan Wright, Program Assistant, Brazil Institute

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