

Government Relations: Congress and Agribusiness

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Agribusiness has always played a major role in Brazil's economy, but with the arrival of the pandemic, it became an economic star: agriculture was the only sector that actually grew in 2020. According to a survey by the IPEA, Brazil's Applied Economics Research Institute, "growth in agriculture's contribution to the GNP dropped from 2% to 1.6% in 2020, but the sector continues to be the only one that is expected to close the year showing some growth."¹ The IPEA reports that this growth has driven Brazil's international trade, led by sales in pork, sugar, soybeans, and beef.²

With a view to boosting production and international trade in Brazil's agricultural sector, senators and representatives have made a number of legislative proposals that put agriculture on Congress's agenda. Among the more recent proposals is a bill submitted in the House of Representatives that would create an Environmental, Social and Governance Compliance Evaluation and Certification System – SISASG. Under the system proposed by Bill PL 4478/2020, a seal of compliance would be granted to producers that respect environmental, social and governance legislation and regulations, according to rules to be issued by the federal administration. The bill's sponsor, Representative Christino Aureo (PP-RJ), explains that certification of agricultural products is the "result of demands by consumers who are looking for quality, fair prices, and guarantees of environmental sustainability."³

There are also proposals to mitigate the impacts of the covid-19 pandemic on agribusiness. For example, the Senate has approved Bill PL 1543/2020, which would provide financial relief to family farmers and farm businesses that suffered losses in the sales or distribution of their produce because of social distancing measures, by authorizing financial institutions to postpone, for 12 months, overdue payments and payments falling due in the period from January 1 to December 31, 2020 under loans granted to cover agricultural costs, marketing or investments. The bill must still be reviewed and voted on by the House of Representatives.

Both houses of Congress have shown themselves to be sensitive to the problems faced in the agricultural sector, and have made time to consider various issues, such as legislation on environmental matters, easier access to credit, and incentives for exports, taking advantage of growing demand for food around the world, and promoting the implementation of infrastructure and logistics systems to ensure that produce gets to markets. Increasingly, it is clear that construction of a national agenda for the agricultural sector will necessarily involve frank and transparent dialogue with the legislative branch of government.⁴

NOTES:

1 Source: IPEA – Carta de Conjuntura no. 48 – 3rd Quarter 2020.

2

<https://www.ipea.gov.br/cartadeconjuntura/index.php/category/agropecuaria/>.

3 Source: Agência Câmara de Notícias. Our translation.

4

<https://www.jota.info/opiniao-e-analise/colunas-irelgov/o-papel-das-relacoes-governamentais-na-qualificacao-do-debate-publico-08072020>.

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