

Sustainable agriculture

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The sustainability agenda in agribusiness draws on a number of approaches, which together give the sector greater competitiveness: the low carbon economy, biofuel, technology in agricultural production, animal welfare, biodiversity and genetic resources, and soil and water conservation and risk management, to name a few.

Consolidating a low carbon emissions economy in the agricultural sector aligns with the principles under the current Sector Plan for Climate Change Mitigation and Adaptation (Law 12.187/2009 and Decree 7390/2010), which establishes various vectors for action, such as recovery of degraded pastures, biological fixing of nitrogen, and treatment of animal waste.

Low-carbon agrienergy is supported by the National Biofuels Policy or "RenovaBio", as the policy is known (Law 13.576/2017). RenovaBio's objective is to expand production of biofuels, through mechanisms such as a system of decarbonisation credits (CBIOs), with a view to making a significant contribution to reducing greenhouse gas emissions in Brazil. Established programs to support the production of ethanol and biodiesel, which are under the regulatory authority of the National Petroleum, Natural Gas and Biofuels Agency (ANP), have shown that these fuels are economically and ecologically viable, and demonstrate the potential of plant-based sources of energy like soybeans, castor beans, canola, peanuts, sunflower seeds and cottonseed.

On an equally promising front, the regulation of organic production (Law 10.831/2003 and Decree 6323/2007) has expanded market options. The legislation gives differentiated treatment to inputs intended for use in organic agriculture ("phytosanitary products approved for use in organic agriculture"), as provided for in article 170(VI) of the Federal Constitution. Since organic farming inputs are presumed to have low environmental impact and low toxicity, the legislation is designed to accelerate the registration process while still addressing concerns as to the safety, environmental impact, and agronomic effectiveness of such products.

The National Bioinputs Program (Decree 10.375/2020) is designed to meet society's and producers' growing demand for biologically-based inputs in Brazil's agricultural system, and for sustainable products. In addition, Integrated Agricultural Production, provided for under Ministry of Agriculture and Supply (MAPA) Instruction no. 27/2010, is present in the various agricultural production chains. Integrated Production focuses on employing good agricultural practices to ensure that productive processes result in quality plant and plant-based products containing levels of agricultural chemicals and contaminants that meet health and safety standards. It also favors the use of natural resources and substitution of polluting inputs, and ensures that agricultural produce can be tracked in the primary stage of the production chain.

Animal welfare has also been the subject of regulations focusing on

development of practices and techniques, as can be seen from the Recommendations on Good Practices for the Welfare of Production Animals and Livestock, which covers production and transportation systems (MAPA Instruction 56/2008), and Stunning Methods for Humane Slaughter of Livestock (MAPA Instrucion 03/2000).

As for use of land and preservation of the environment, the new Forest Code (Law 12.651/2012) is one of the instruments that is intended to balance rural production with protection of the environment, as provided for in articles 186 and 225 of the Federal Constitution. Some provisions of the Code, which impose certain conditions on the use of rural land, were challenged before Brazil's constitutional court, the Supreme Federal Court (Constitutional Challenges ADI 4901, 4902, and 4903), but were dismissed in part. Related to the protection of forests, especially along the margins of bodies of water, the establishment of hydrographic microbasins (Law 9433/1997) for planning, monitoring and evaluating the use of natural resources is another important legal instrument for soil and water conservation projects.

Lastly, the management of risks associated with rural production is addressed in the National Program for Agricultural Zoning of Climate Risks (ZARC – Decree 9841/2019), another significant initiative directed to improving the quality and availability of data and information on climate risks for agriculture in Brazil. To date, MAPA's Zoning studies have covered all Brazil's states and more than 40 types of annual and perennial crops, and some agents in the finance market are now considering climate risks identified by ZARC when granting financing. This initiative will certain be taken up by the capital markets in other types of financing transactions, such as green bonds.

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