



Brazil's Forest Code

To reconcile production with preservation

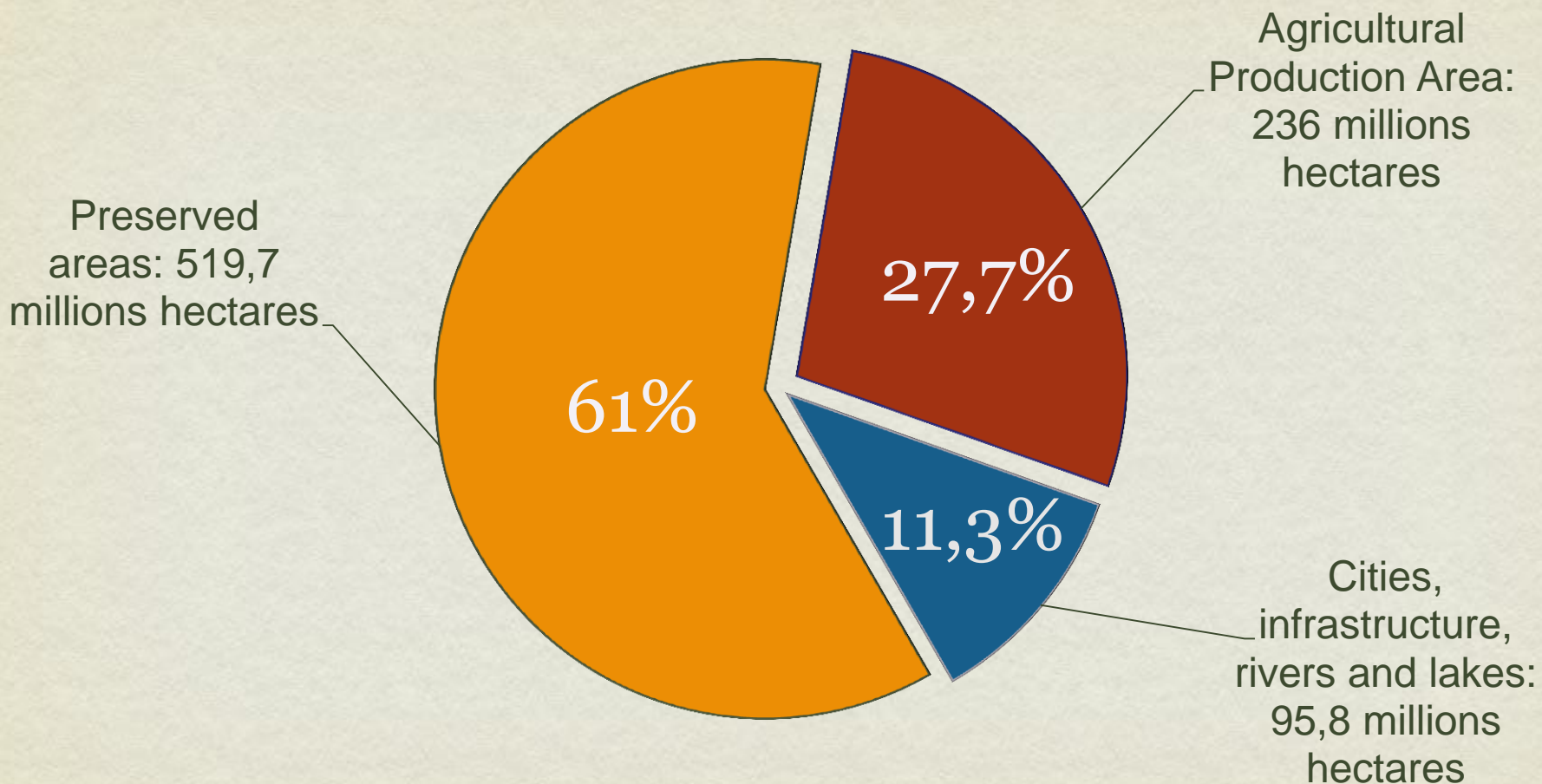
Assumptions of the Forest Code

- Assertion of the sovereign commitment of Brazil to the preservation of its forests.
- Reassurance of the importance of the strategic role from farming activity and from the role of the forests and other sorts of native vegetation.
- Government action to protect and sustainable use of forests.
- Joint responsibility from the Union, States and Municipalities.
- Promotion of scientific and technological research.
- Creation and mobilization of economic incentives.

- Preservation of the Brazilian forests and biomes.
- Sustainable agricultural production.
- Social issue compatible to the environment.
- Attention to the social issue without harming the environment.
- No amnesty to deforesters.
- To safeguard smallholders farmers.
- Environmental rehabilitation is a responsibility for all.
- To maintain the statutes of Permanent Preservation Areas and of Legal Reserve.

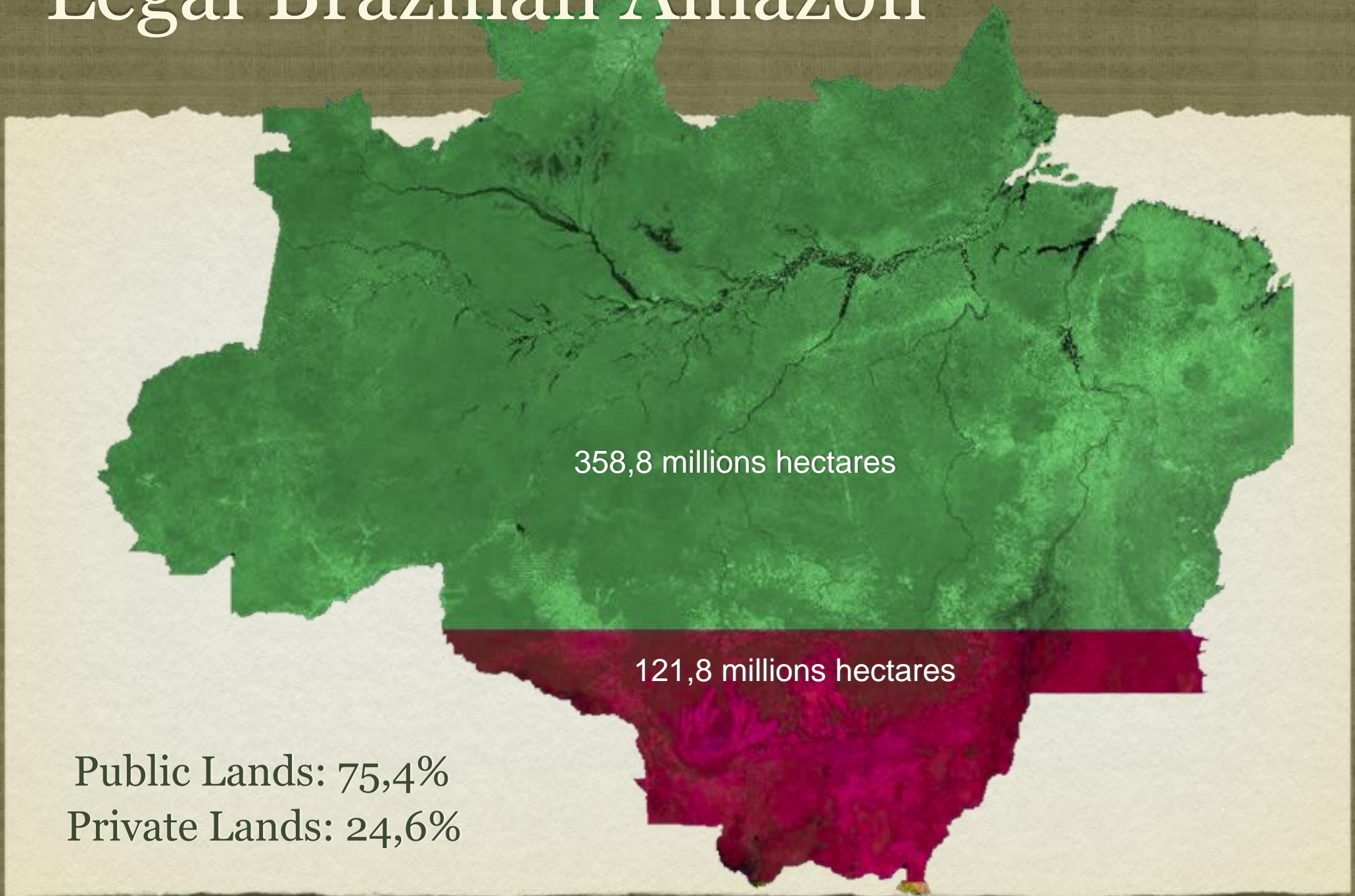
- Permanent Provisions (future).
- Transitory Provisions (past):
 - Recovering part of what have been destroyed.
 - Transforming fines and lawsuits into reforestation
 - Peace to the rural producer.

Land use and occupancy in Brazil



Data source: Sidra IBGE, Censo Agropecuário, MMA e Incra

Legal Brazilian Amazon



Permanent Preservation Area

- Protected area, covered or not by native vegetation, with the environmental function of preserving the water resources, the landscape, the geological stability and the biodiversity, facilitating the gene flow of fauna and flora, protecting the soil and assuring the well being of the human populations.

Legal Reserve

Social concept of the property

- An area that is situated inside a property or rural possession, that assures the economic use in a sustainable way of the natural resources of the rural property, assists the conservation and the rehabilitation of the ecological processes, promotes the conservation of the biodiversity and protects the Wildlife and the native Flora.

Limits of Legal Reserves

80% Legal Amazon

35% Cerrado Amazônico
(tropical savannah)

20% Campos Gerais
(Open fields)

20% rest of the country

Up to four fiscal modules areas:
July 2008 vegetation maintained

All rural property must keep an area covered with native vegetation as a Legal Reserve.



Rural Environmental Registry

- Created in the scope of the National Information System on Environment, this is a national registry that is mandatory to all rural properties. It will allow the incorporation of environmental information from the rural properties and possessions as a basis for control, tracking, environmental and economical planning and fighting against deforestation.
- It is mandatory to all rural properties and possessions and it must be requested within one year from its establishment which can be extended only once for an equal period by the President.

Environmental Regularization Program

- Within one year which can be extended only once, the Union, the States and the Federal District must establish Programs of Environmental Regularization to rural properties and possessions.
- One-year term for the Program.
- Period of 20 years to restore the suppressed vegetation.

Consolidated Rural Area

- Rural property with buildings, improvements and farming, forestry and grazing activities and with anthropical occupation before July 22th 2008. Concerning the farming, forestry and grazing activities, the adoption of a set-aside regime is admitted.
- Intervening or suppressing the native vegetation in a Permanent Preservation Area can only occur in case of public utility, social interest or low environmental impact.
- Under any circumstances, there shall be no right to future interventions or suppressions of the native vegetation.

Consolidated Areas in Permanent Preservation Areas

- In the Permanent Preservation Areas it is solely authorized to continue the farming, forestry and grazing activities, ecotourism and rural tourism in the rural areas consolidated by July 22th 2008, if respected the following distances to the watercourse bed:

Fiscal Module	Width of the river	Size of the Permanent Preservation Area
Up to 1	Independent	5 metres are not more than 10% of the property
> 1 to 2	Independent	8 metres are not more than 10% of the property
> 2 to 4	Independent	15 metres are not more than 20% of the property
> 4 to 10	10 metres	20 metres
Others		Extent correspondent to half the width from the water course with at least 30 metres and not exceeding 100 metres.

Consolidated Areas in Legal Reserve

The rural property owner or holder that possessed Legal Reserve area on July 22th 2008 will be able to regularize its situation through restoration, regeneration or compensation.

The Legal Reserve in the Rural properties that had an area of up to 4 fiscal modules on July 22th 2008 will be formed by the area occupied by the existing native vegetation from that time. New conversions to alternative uses of the soil are forbidden.

Development of Production 1976/2012

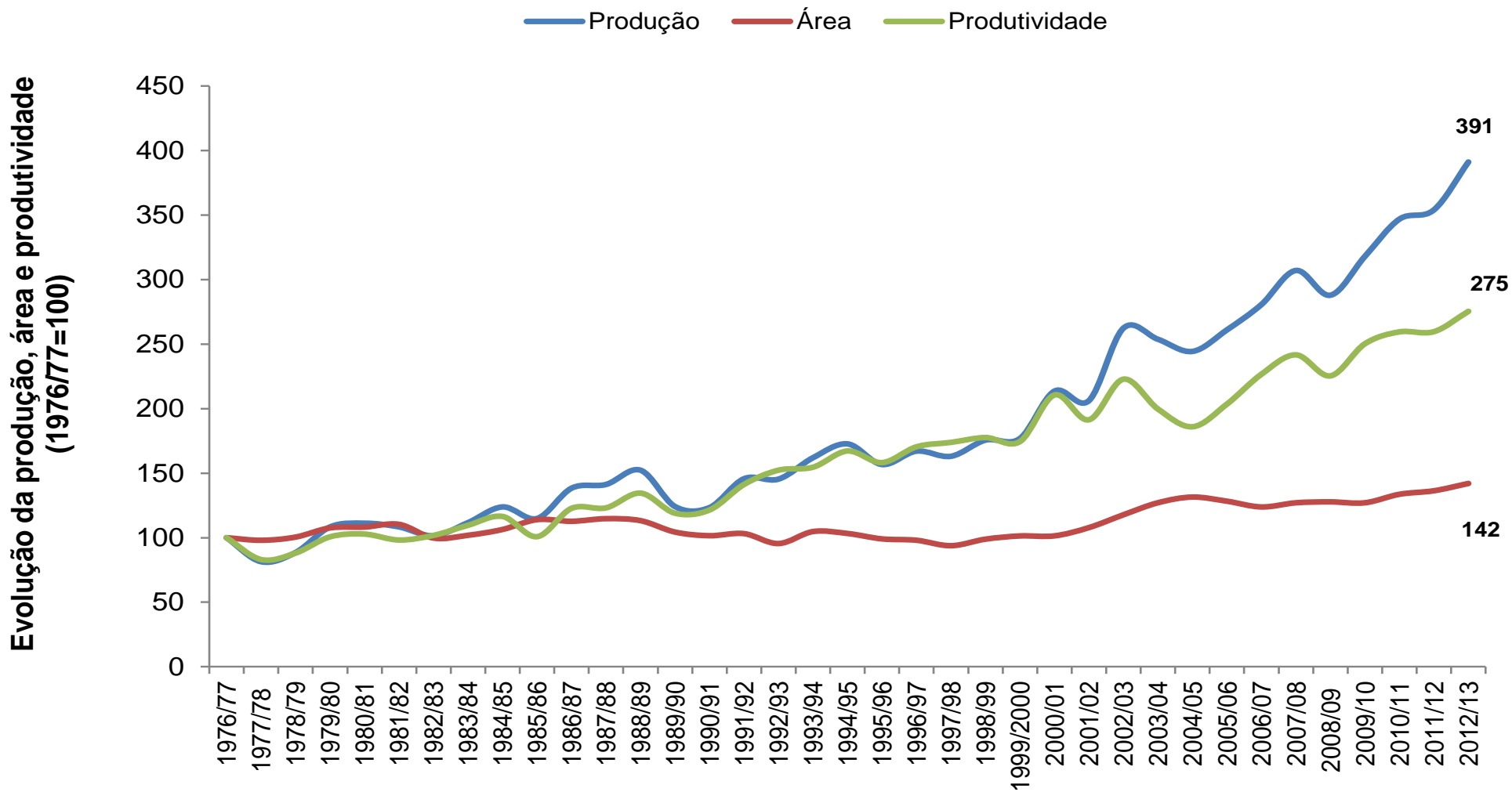
From 1976 to 2012, the productivity gains explained 74% of the increase of the production of grains and oils.

The expansion of the farming area answered for just 25% of the increase in production.

	Unit	1976	1986	1996	2006	2012	Variation (%)	Variation (% per year)
Production	mil ton	46.943	64.949	78.427	131.751	181.583	291%	3,86%
Area	mil hectares	37.314	42.062	36.575	46.213	52.993	42%	0,98%
Productivity	kg/hectare	1.258	1.544	2.144	2.851	3.464	175%	2,85%

Conab, Embrapa/Agropensa

Development of Production 1976/2012



How the productivity is explained

Field production factors: land, labor and technology

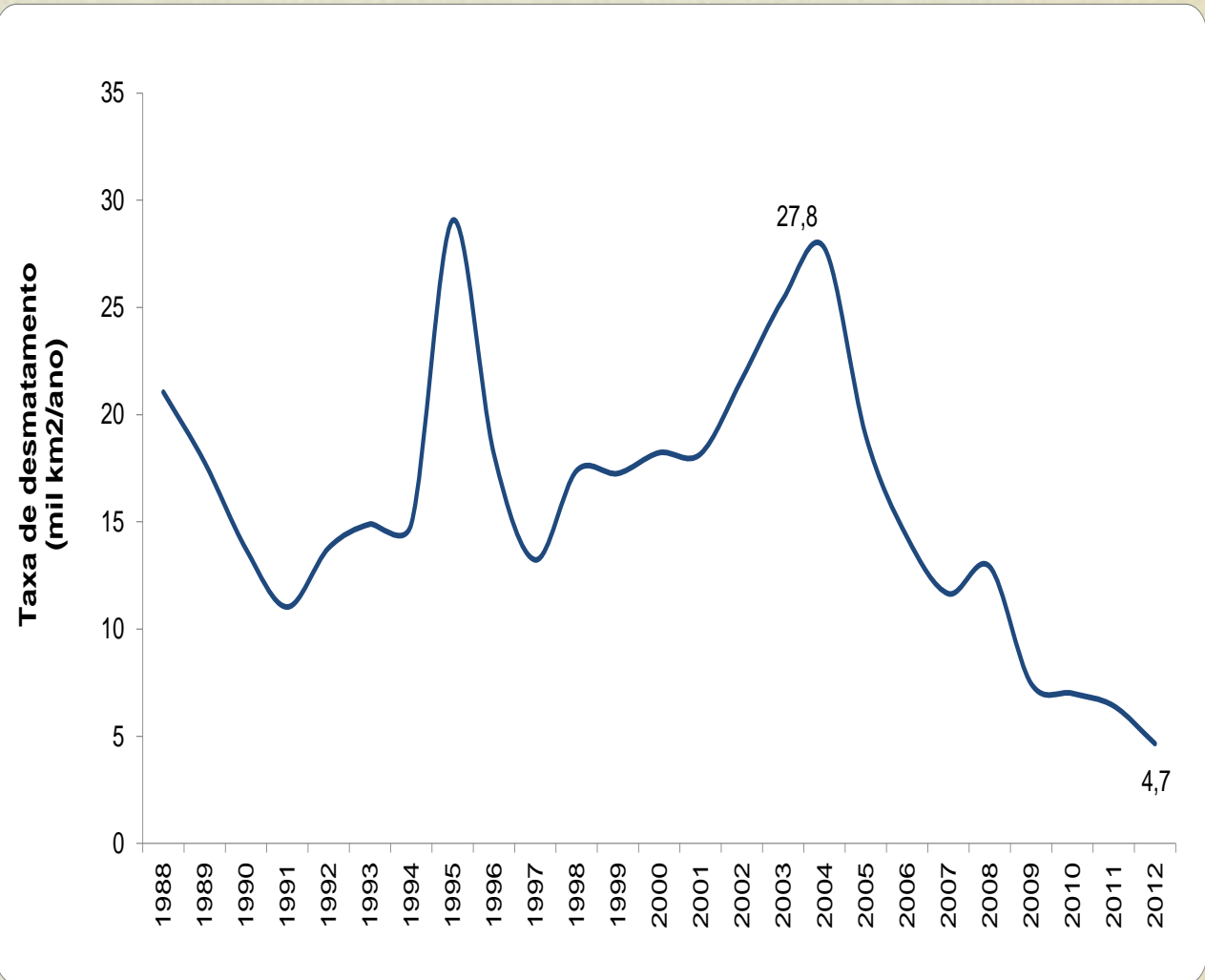
Technology is the most important factor to explain the growth of the Brazilian farming

	1996	2006
Labor	31,3%	22,3%
Land	18,1%	9,6%
Technology	50,6%	68,1%

The science-based growth of the
Brazilian agriculture makes a
key contribution to the
environmental agenda.

Evolution of Deforestation in the Legal Brazilian Amazon

Between 2004 and 2012 the deforestation rates in Legal Amazon dropped to 20% per year. In 2012, the deforestation rate (4,7 thousand km²) represented only 17% of the values registered in 2004. (27,8 thousand km²/year)



Dados do INPE, Elaboração Embrapa/Agropensa.

New agricultural challenges



Sustainable increase of the agricultural production

Sustainable use of the degraded areas.

Sustainable rainforest management

Alternative energy sources

Climate change

Thank you very much.

Senator Luiz Henrique

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