Table: Soy in Brazil   **To return to report click here**

Code	Description	Type (regulatory, economic or information - see figure X of report)	Detail	Target beneficiary	Intended purpose	Current or Historic	Start date based on available information	Potential lessons for reform Y/N	Source / Provider (or where we might find this information)	Value	Point on supply chain (see Figure X in the report for a proposed typology)	Specific to commodity or general	Source
Domestic													
Current													
BS.1	**Government expenditure on crop R&D**	INFORMATION: research and development	Government financing for The Brazilian Agricultural Research Corporations (Embrapa) supported research that led to expanding the areas that soy was able to be grown in. A revolutionary increase in national agricultural production in Brazil was achieved through Embrapa's "system approach"—improving soil in the cerrado grasslands; adapting the African brachiaria grass to Brazil's cerrado, opening up formerly unsuitable areas to livestock production; and finally, with cross-breeding, adapted soybeans to a tropical climate with acidic soil.	Farmers and producers	Increasing the value added and the sustainability of agricultural and livestock production	Current	1972 -	N	Federal government	US$ 1.1 billion (in 2011)	Production	General	USICT, 2012; OECD, 2013
BS.2	**Intellectual property protection for GM seeds**	REGULATORY: standards	Brazil's regulatory environment has embraced GM seeds, and laws have created additional legal avenues for seed companies to protect their products and developments. This has created incentives for comanies to market and sell new seeds in Brazil.	Seed developers	Investment in seed technology and increased crop productivity	Current	2004 -	N	Federal government	Unknown	Production	General	USICT, 2012
BS.3	**Price support programmes for crops (soy subtotal)**	ECONOMIC: direct payments	There are numerous ongoing direct payment programmes that provide price support to producers based on outputs. Two of them have recently been used to support soy production. In 2006/07 BRL 290 million (US$ 141 million (at average 2006 - 2007 USD prices, OECD data)) was spent on soybeans through the Equalization Premium Paid to the Producer (PEPRO). In 2006/07 BRL 139 million (US$ 67 million (at average 2006 - 2007 USD prices, OECD data)) was spent on soybeans through the Risk Premium for Private Option (PROP) programme. The programmes are all onging, but **with the current soybean prices, have not made payments to the soy industry for a few years**. Only 10% of soybeans produced in 2006/2007 were involved in one of the programmes (OECD, 2009) and producers have not received payments since then (OECD, 2014).	Soy producers	Protect farmers from market price fluctuations	Current	Unknown	N	Federal government (Brazil's National food Supply Company - CONAB)	0	Production	General (but commodity specific value identified)	OECD, 2011; USICT, 2012; OECD, 2014.
BS.4	**Concessional loans for family farmers**	ECONOMIC: lending (debt)	Concessional loans are available under PRONAF are intended to support family farmers to make improvements in production. This includes increasing their acreage and raising productivity. The total value of PRONAF loans across all sectors was BRL 9 billion in 2008 (US$ 4.9 at 2008 OECD exchange rates) (Guanziroli and Basco, 2010). 51% of PRONAF's funds are spent in the regions where soy is dominantly procuded, the Centre-West and South (Guanziroli and Basco, 2010; USICT, 2012).	Family farmers ('family' is determined by low numbers of employees)	Increase productivity and quality of produce, strengthening family farming and tenure access	Current	1989 and 1995 amendment	n/a	Federal government	US$ 4.9 billion (in 2008)	Production	General	Guanziroli and Basco, 2010; USICT, 2012.
BS.5	**Preferential interest subsidy on working capital loans (soy subtotal)**	ECONOMIC: lending (debt)	There is an implicit transfer from reduced interest rate on working capital loans (credito de custeio) provided through the National System of Rural Credit (SNCR), including under the Programme for Strengthening of Family Agriculture (PRONAF); calculated as the difference between the SELIC rate and the working capital loan rate (corresponding to various credit lines for working capital), in a given year. The National System of Rural Credit (SNCR – Sistema Nacional de Crédito Rural) incorporates 298 federal, state and co-operative banks providing government-supported credit to agriculture. The system is controlled, co-ordinated and supervised by the Central Bank of Brazil. The major source of funding for SNCR comes from compulsory resources, under which banks are forced to choose between either (a) holding 25% of their sight deposits as obligatory reserves at the central bank at zero interest, or (b) lending to agricultural borrowers at below market interest rates.	Soy producers	Strengthening and protecting domestic industry	Current	1995 -	n/a	Federal government (federal, state and cooperative banks)	US$ 218 million per year (2010-2012 average)	Production	General (but commodity specific value identified)	OECD, 2014; OECD, 2011
BS.6	**Insurance for lost income for small-holders and family farmers (soy subtotal)**	ECONOMIC: insurance	Because of the lack of private sector involvement, the government operates a range of farm insurance schemes. The traditional General Agriculture Insurance Programme (Programa de Garantia da Atividade Agropecuária – PROAGRO) has been replaced in the 2000s by schemes specifically targeting "family" or commercial farmers. The most significant of these is Seguro da Agricultura Familiar (SEAF), a sub-programme of PROAGRO. It assists family farmers enrolled in PRONAF to borrow working capital from commercial banks by guaranteeing full redemption of the liability in the event of a 30% or more drop in gross revenue caused by drought, flood, hail, wind, disease or plague.	Family farmers (famers with predominantly unwaged labour)	Strengthening family farming and tenure access	Current	1994, significant amendments in 2008	Y	Federal government (Banco da Amazônia, Banco do Brasil and others)	US$ 38.9 million per year (2010-2012 average)	Production	General (but commodity specific value identified)	Guanziroli and Basco, 2010; OECD, 2014.
BS.7	**Insurance for lost income for commercial agriculturalists (soy subtotal)**	ECONOMIC: insurance	Because of the lack of private sector involvement, the government operates a range of farm insurance schemes. The rural insurance premium programme (Subvenção ao Prêmio do Seguro Rural – SPSR). grants a subsidy to commercial producers who establish contracts with insurance companies listed by the government. Since it began in 2005, the value of support has risen from BRL 2.3 million to BRL 61 million (USD 1 million to USD 31 million) in 2007. While initially covering only eight crops, it was extended in 2006 to cover all agricultural and livestock activities, as well as forestry and aquaculture. The share of the insurance premium covered by the subsidy was increased for the original eight crops from between 30%-50% to between 40%-60%. The area covered by the programme has increased from 68 000 hectares in 2005 to 2.3 million hectares in 2007, with soybeans accounting for 73% of the area covered and 47% of the subsidy value in 2007.	Commercial agriculturalists	Strengthening and protecting domestic industry	Current	2006	N	Federal government (unknown)	US$ 14.6 million (2007)	Production	General (but commodity specific value identified)	OECD, 2011; OECD, 2014.
BS.8	**Preferential interest rate subsidy on marketing loans (soy subtotal)**	ECONOMIC: lending (debt)	Transfer arising from reduced interest rate on marketing loans for primary agricultural commodities; calculated as the difference between the 'SELIC rate' (the average rate of loans from commercial banks in Brazil) and the preferential loan rate in a given year.	Soy producers	Strengthening and protecting domestic industry	Current	1995 -	n/a	Federal government (federal, state and cooperative banks)	US$ 32.9 million per year (2010-2012 average)	Processing	General (but commodity specific value identified)	OECD, 2014
BS.9a	**Marketing benefits for purchasing soy from smallholders**	INFORMATION: certification / labelling	Brazilian biodiesel producers can differentiate their product under the Brazilian government's Social Fuel Stamp program by use of the Social Fuel Stamp logo for sustainability marketing. This program encourages Brazilian biodiesel producers to purchase feedstock, including oil palm and soybeans, from small family farms. Participating biodiesel producers will provide family farmers with technical assistance focused on sustainable agricultural practices.	Biodiesel producers	Strengthened market for produce from smallholders	Current	Unknown	Y – Encourages feedstock purchases from small family farmers and provideswith technical assistance on sustainable agricultural practices	Federal government	Unknown	Processing	Specific	USICT, 2012

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BS.9b	**Loans and tax exemptions for purchasing soy from smallholders**	ECONOMIC: lending (debt) and taxes	Brazilian biodiesel producers can gain access to better financial conditions through BNDES and other financial institutions; the right to compete in auctions for the purchasing of biodiesel by the National Agency for Petroleum, Natural Gas, and Biofuel (ANP); certain tax exemptions. This program encourages Brazilian biodiesel producers to purchase feedstock, including oil palm and soybeans, from small family farms. Participating biodiesel producers will provide family farmers with technical assistance focused on sustainable agricultural practices.	Biodiesel producers	Strengthened market for produce from smallholders	Current	Unknown	Y – Encourages feedstock purchases from small family farmers and provideswith technical assistance on sustainable agricultural practices	Federal government	Unknown	Processing	Specific	USICT, 2012
BS.10	**Tax deferral for biodiesel producers**	ECONOMIC: taxes	The current tax system allows biodiesel producers using soybeans as raw material to take advantage of tax credits. The system allows the payment of taxes due when selling the product instead of paying them when purchasing the raw material. Industry contacts report that in practice, the presumed credit puts soybean incentives on equal footing with other raw materials.	Biodiesel producers and investors	Increased energy security and reduced climate impact	Current	Unknown	N	Federal government (unknown)	Unknown	Processing	General (but significant focus on commodity)	USICT, 2012
BS.11	**Biodiesel import tariff favours domestic production**	ECONOMIC – Levies/tariffs	There is an an import tariff applied to biodiesel set at 14%, which reduces the competiveness of imported biodiesel, to the extent that all biodiesel consumed in Brazil is produced domestically.	Domestic biodiesel producers	Protecting domestic biodiesel production	Current	Unknown	N	Government (Secretariat of Foreign Trade)	Unknown	Processing	General (but significant focus on commodity)	USDA, 2014b
BS.15	**Public investment (equity) in priority activities in the Amazon (soy subtotal)**	ECONOMIC: lending - equity	The Amazon Development Fund/Fundo de Desenvolvimento da Amazônia (FDA) (managed by SUDAM) invests in private enterprises to expand, diversify and modernise their activities. Allowable traditional sectors include livestock and the manufacturing industry, which includes leather, leather, and footwear. 21 projects were funded with a total contribution of BRL 4.6 billion. This included one investment in a vegetable and palm oil processor of BRL 576 million (US$ 267 million based on OECD exchange rates).	Amazon region processors and manufacturers	Attracting private investment, regional development and reductions in regional inequality	Current	2002 -	n/a	Federal government (SUDAM)	US$ 267 million (total investment	Processing	General (but commodity specific value identified)	SUDAM, 2013b
BS.16	**Income tax breaks for priority activities in the Amazon (soy subtotal)**	ECONOMIC: tax expenditure	Brazilian legislation provides a suite of incentives to attract investment into the Amazon region. Managed by SUDAM, certain companies are able to apply for income tax reductions and exemptions, to be allowed to reinvest taxes directly into their operations. There is a range of allowable industries, set out in Government decree 4212/2002. They include: 'agribusiness linked to the production of natural textile fibers; vegetable oils; juices, pickles and soft drinks; the production and industrialization of meat and meat products; aquaculture and fish farming.' Between 2004 and May 2012, 18 exceptions for companies involved in soy and biodisel production were awarded.	Amazon region processors and manufacturers	Attracting private investment, regional development and reductions in regional inequality	Current	2002 -	n/a	Federal government (SUDAM)	Unknown	Processing	General	SUDAM, 2013(a)
BS.14	**Public investment in transport and infrastructure (soy subtotal)**	ECONOMIC: direct spending	The Growth Acceleration Plan (*Programa de Aceleração do Crescimento* - PAC) was launched in 2007 to foster private investment and improve public invesment in infrastructure. It is delivered by public investment to stimulate private investment, support regional development, preferential tax rates for specific sectors, tax incentives. The central and northern regions receive 32% of the funding. Most of the investments are in ports, transportation, urban and energy sector development, with transportation projects in the 2007-2011 period that are of importance to agriculture include: the renewal, paving, maintenance and construction of highways (especially in the centre-west): the construction of locks on hydroways (in Pará); the expansion of the railway network (such as the 2,258 km extension to the North-South railway); and dredging to increase the capacity of important ports (e.g. Rio Grande do Sul, Paraná, Santa Catarina, São Paulo, Espírito Santo, Bahia and Maranhão), and US$ 250 million extra per year spent on irrigation (to a total of $350 million). The total value of the programe was to be US$250 billion (2007-2011) nationwide and proposed to be R 959 billion (US$582 billion (2011 – 2014)) . Values that can be identified that are specifically relevant to Soy include the total public/private investment of BRL 17.4 billion (USD 9 billion) in biofuels, of which 25% was spent on a multi-fuel pipeline between Goiás and São Paulo, and the remaining 5% on biodiesel plants (30% represents 2.7 billion, or **540 million per year from 2007-2011**).	Investors in infrastructure	Improving and accelerating private and public investment in infrastructure	Current	2007 -	n/a	Federal government	US$ 540 million (2007 - 2011 average)	Distribution	General (but commodity specific value identified)	Brazil, 2014; OECD, 2011
BS.13	**Domestic fuel blending mandate**	REGULATORY: standards (fuel blending mandate)	Demand for biodiesel, for which soybean oil is the primary feedstock, has been growing due to the government biodiesel mandate. First introduced in January 2008 at 2%, it was increased to 3% in July 2008 and 5% in 2010. in 2014 it was increased to 6% in July 2014 and 7% in November 2014. Production of biodiesel accounts for about one-third of soybean oil consumption in Brazil.	Biodiesel producers	Increased energy security and reduced climate impact	Current	2010 -	N	Federal government	Unknown	Demand / Consumption	General	OECD, 2011; USDA, 2013; USDA, 2014b; REN 21, 2014