บันทึกข้อความ

ส่วนราชการ สำนักงานปลัดกระทรวงเกษตรและสหกรณ์ สำนักการเกษตรต่างประเทศ โทร.๐-๒๒๘๑-๘๖๙๐ ภายใน ๑๕๘

ที่ กษ ๐๒๐๔.๕/ ๑๐๗๙๗ **วันที่** ๑๗ ธันวาคม ๒๕๖๖

เรื่อง สถานเอกอัครราชทูตบราซิลขอความอนุเคราะห์ประชาสัมพันธ์โครงการ "Foreign Investments Opportunities in the Conversion of Degraded Pastures"

เรียน ปลัดกระทรวงเกษตรและสหกรณ์

ด้วยสำนักการเกษตรต่างประเทศได้รับหนังสือจากสถานเอกอัครราชทูตสหพันธ์สาธารณรัฐบราซิลประจำประเทศไทย (สอท. บราซิล) แจ้งประสานขออนุเคราะห์ประชาสัมพันธ์โครงการ "Foreign Investments Opportunities in the Conversion of Degraded Pastures" ให้กับหน่วยงานและผู้ที่เกี่ยวข้อง รายละเอียดตามเอกสารแนบ

ข้อเท็จจริง

๑. โครงการ"Foreign Investments Opportunities in the Conversion of Degraded Pastures" เป็นโครงการในรูปแบบชักชวนลงทุนจากต่างประเทศ เพื่อส่งเสริมการแปลงพื้นที่ทุ่งหญ้าเสื่อมโทรมและพื้นที่ที่สามารถทำการเกษตรได้ อันจะนำไปสู่การเพิ่มผลผลิตทางการเกษตรของประเทศและเพิ่มความมั่นคงทางอาหารและทรัพยากรของโลก ทั้งนี้จะมีหน่วยงานภาครัฐของบราซิลด้านการวิจัยทางการเกษตรแห่งบราซิล หรือ The Brazilian Agricultural Research Corporation (Embrapa) และธนาคารเพื่อการพัฒนาแห่งชาติบราซิล หรือ Banco Nacional de Desenvolvimento Economico e Social (BNDES) ร่วมให้การสนับสนุนในโครงการดังกล่าว อนึ่ง สิทธิประโยชน์ของผู้ลงทุน (Investor Compensation) นั้น ขึ้นอยู่กับรูปแบบการลงทุนและจะต้องมีการเจรจากับหน่วยงานที่เกี่ยวข้องอีกครั้งหนึ่ง

๒. สำนักการเกษตรต่างประเทศได้ประสานไปยัง สอท. บราซิลว่าประเด็นการชักชวนลงทุนในต่างประเทศนั้น มิใช่ภารกิจของกระทรวงเกษตรและสหกรณ์ อย่างไรก็ดี จะพิจารณาประชาสัมพันธ์พร้อมทั้งแนะนำให้แจ้งหน่วยงานที่มีภารกิจรับผิดชอบเรื่องนี้โดยตรง เช่น สภาหอการค้าแห่งประเทศไทย ซึ่ง สอท.บราซิล แจ้งว่าได้นำส่งโครงการดังกล่าวให้แก่สภาหอการค้าแห่งประเทศไทย สภาการค้าไทย-บราซิล และ สำนักงานคณะกรรมการส่งเสริมการลงทุน (The Thailand board of investment: BOI) ด้วยแล้ว

ข้อคิดเห็นของสำนักการเกษตรต่างประเทศ

สำนักการเกษตรต่างประเทศพิจารณาแล้ว เห็นว่า โครงการดังกล่าวเป็นรูปแบบหนึ่งของมาตรการเพื่อกระตุ้นและดึงทรัพยากรการลงทุนจากต่างประเทศมาใช้ในการพัฒนาพื้นที่เสื่อมโทรมให้เกิดประโยชน์ทางการเกษตร ซึ่งไม่เคยปรากฏในประเทศไทย และอาจเป็นประโยชน์ต่อหน่วยงานภายใต้กระทรวงเกษตรและสหกรณ์ในการศึกษารูปแบบและนำไปประยุกต์ใช้ประโยชน์ในอนาคต จึงเห็นควรแจ้งให้หน่วยงานที่เกี่ยวข้องเพื่อทราบและพิจารณาประชาสัมพันธ์ต่อไป

จึงเรียนมาเพื่อโปรดพิจารณา หากเห็นชอบ ขอได้โปรดมอบหมายสำนักการเกษตรต่างประเทศเพื่อดำเนินการต่อไปตามเสนอ ทั้งนี้ เป็นอำนาจของนายเศรษฐกิจรติ กระจ่างวงษ์ รองปลัดกระทรวงเกษตรและสหกรณ์ตามคำสั่งกระทรวงเกษตรและสหกรณ์ ที่ ๒๒๑/๒๕๖๖ ลงวันที่ ๒๗ มีนาคม ๒๕๖๖

เห็นชอบตามเสนอ

๑๘ ธ.ค. ๒๕๖๖
(นายเศรษฐกิจรติ กระจ่างวงษ์)
รองปลัดกระทรวงเกษตรและสหกรณ์
ปฏิบัติราชการแทนปลัดกระทรวงเกษตรและสหกรณ์

๑๘ ธ.ค. ๒๕๖๖
(นางสาวไปรยา เศวตจินดา)
นักวิเคราะห์นโยบายและแผนชำนาญการพิเศษ
รักษาราชการแทนผู้อำนวยการสำนักการเกษตรต่างประเทศ

MINISTRY OF AGRICULTURE AND LIVESTOCK OF BRAZIL
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N º 67/23

December 12, 2023

Miss Vanida Khumnirdpetch
Director
Bureau of Foreign Agricultural Affairs
Ministry of Agriculture and Cooperatives
3 Ratchadamnoen Nok Road, Ban Phan Thom,
Phra Nakorn, Bangkok, 10200

Dear Director,

The Agricultural Attaché Office of the Embassy of Brazil in Bangkok presents its compliments to the Ministry of Agriculture and Cooperatives and has the honor to forward, herewith, the executive summary of the project entitled "Foreign Investments Opportunities in the Conversion of Degraded Pastures".

2. This initiative primarily aims to attract foreign investment that will aid in the restoration of degraded pastures in Brazil. By undertaking this endeavor, our goal is to create an environment conducive to enhancing agricultural productivity in the affected regions.

3. We kindly request the support of the Ministry of Agriculture and Cooperatives in disseminating this project among relevant departments and collaborators. Your assistance in sharing this initiative would be greatly appreciated.

4. Should you require any further details or have inquiries, please do not hesitate to contact me at tel: (02) 679 8567; ext. 104 or via email at ana.lamy@agro.gov.br

Please, accept the assurances of my highest consideration.

Yours Sincerely,

Ana Carolina Miranda Lamy
Agronomist, MSc
Agricultural Attaché of the Embassy of Brazil

Foreign Investments Opportunities in the Conversion of Degraded Pastures

Ministry of Agriculture and Livestock - MAPA

1. INTRODUCTION

Given the growing global demand for food, it is essential that the increase in agricultural production occurs in balance with environmental preservation. In this context, the rehabilitation of degraded pastures represents an opportunity to transform areas that have lost their vitality into high-yielding agricultural areas, while also reducing the pressure to clear natural vegetation areas. Moreover, this approach addresses a new reality driven by the demand of modern consumers for products with lower environmental impact.

Brazil has a land area of 851 million hectares, of which 584 million hectares (66%) are covered by native forests, while 159 million hectares (18.6%) are dedicated to pastures. These pasture areas have been mapped, identifying 40 million hectares with high potential for agricultural activities. To optimize productivity in these areas, investments are needed in the properties, enabling producers to carry out conversion and adopt technologies that facilitate technological advancements while preserving natural resources.

In this scenario, by implementing the guidelines of the New Growth Acceleration Program, the Brazilian Federal Government, through the Ministry of Agriculture and Livestock, presents an ambitious program of collaboration between the public and private sectors aimed at revitalizing these 40 million hectares of degraded pastures over the next 10 years. The estimated cost ranges from $1,500 to $3,000 per hectare for pasture restoration, including soil correction, acquisition of modern machinery, implementation of environmentally responsible agricultural systems, and support for operational expenses. Therefore, this endeavor represents investment opportunities of up to $120 billion.

2. OBJECTIVES

2.1 General Objective

- Promote the conversion of degraded pastures using resources from foreign investments, enabling an increase in national agricultural production, ensuring food security for the world.

2.2 Specific Objectives

- Converting 40 million hectares of degraded pastures into high-performance agricultural production areas and pastures;
- Encourage farmers to adopt sustainable production technologies and practices; and;
- To reduce the pressure for new agricultural areas over natural vegetation.

3. JUSTIFICATION

3.1 Contextualization

Agribusiness in Brazil is an extremely relevant sector in the country's economy, offering a wide range of investment opportunities. Brazil stands out as one of the main global producers and exporters of agricultural commodities such as soy, corn, beef, poultry, coffee, sugar, among others. This position reinforces the country's importance as an essential supplier in the context of global food security.

The significant growth in national agricultural production and exports is based on productivity gains made possible by substantial investment in research and the development of production technologies capable of adapting economically valuable crops to diverse edaphoclimatic conditions observed in Brazilian regions and biomes.

With the foundation of the Brazilian Agricultural Research Corporation - Embrapa in 1973, there was a significant leap in national agricultural production, as illustrated below in Figure 1. This performance becomes more evident when considering some numbers:

Harvested area: From 1974 to 2022, the harvested area increased from 27 million to 65 million hectares, a growth of 140%.

Productivity: While agricultural production was around 36 million tons in 1974, it reached nearly 245 million tons in 2022, an increase of 580% in agricultural sector productivity.

- **Yield of agricultural production:** When considering the ratio between agricultural production and planted area, it was 1,322 kg/ha in 1974, while in 2022, it reached 3,743 kg/ha.

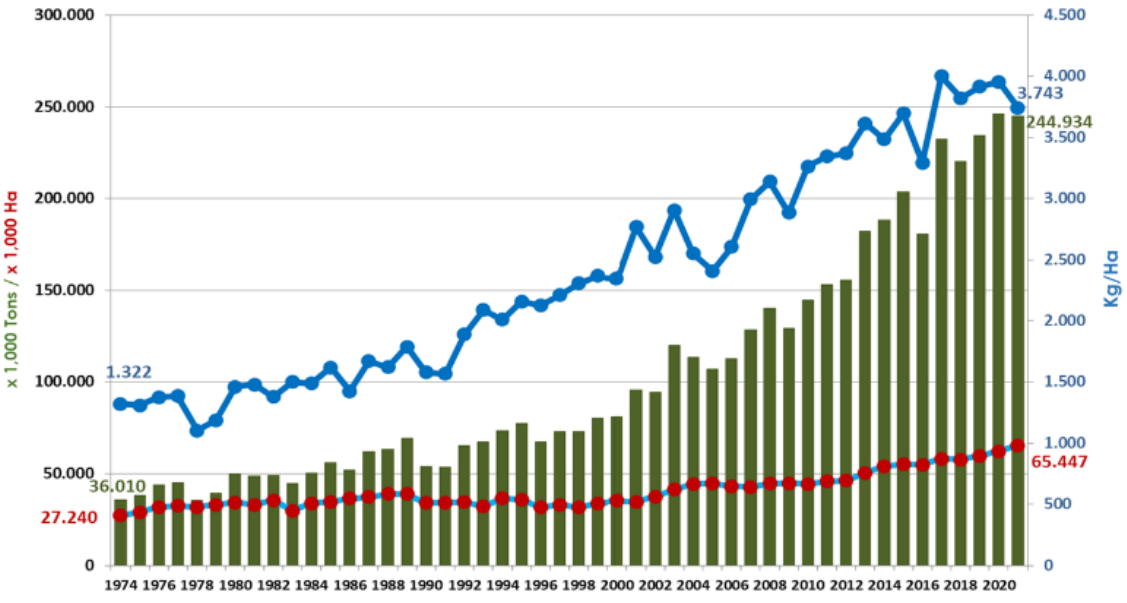

Figure 1. Brazilian Agricultural Evolution. Period 1974-2021. Source: IBGE - The Brazilian Institute of Geography and Statistics.

The expressive results achieved, which took national agriculture to a new level, were only possible due to investments in research and innovation for the modernization of production, carried out through new production technologies, management techniques, mechanization of production, use of computational and geoprocessing resources, adapted varieties, among others.

3.2 Land Use

Brazil has a land area of 851 million hectares, of which 584 million hectares (66%) are covered by native vegetation, and 224 million hectares are used for agricultural activities (26.5%). Out of these, 159 million hectares (18.6%) are allocated to pastures, while agriculture occupies an area of 65 million hectares (7.5%) (Figure 2).

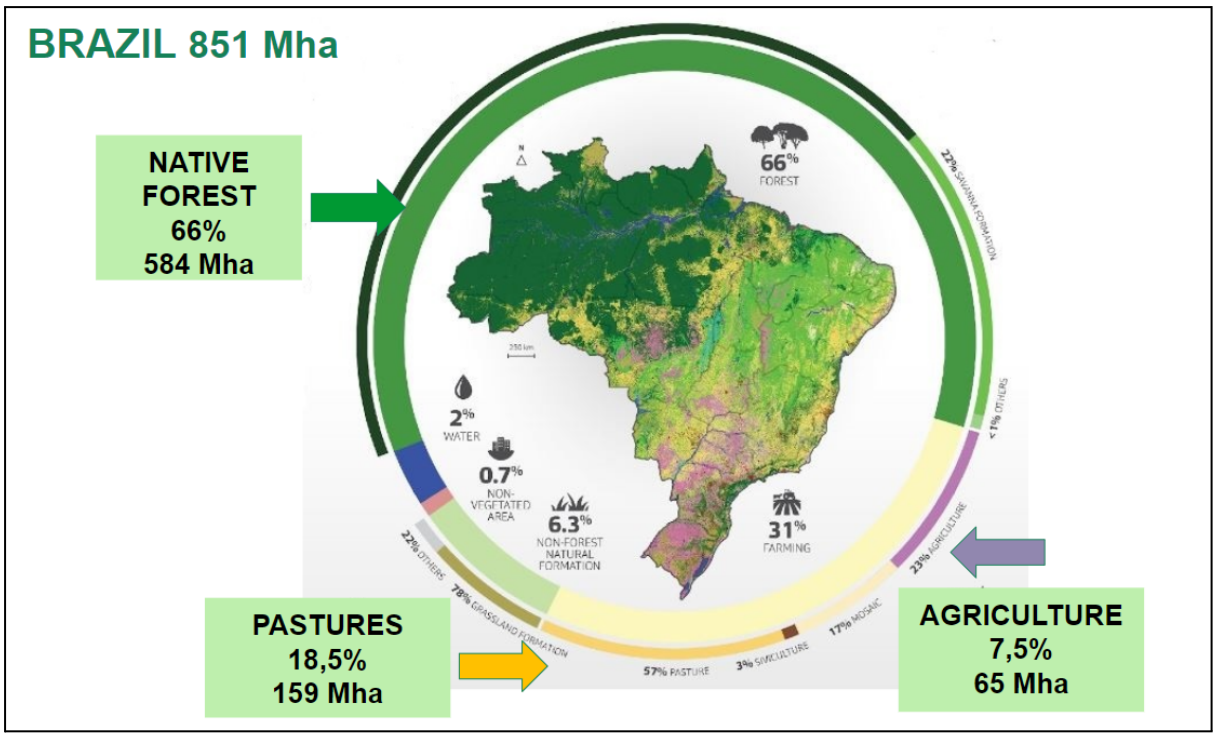

Figure 2. Percentage of Brazilian territorial occupation by use or activity. Source: Embrapa.

National livestock farming is predominantly extensive with pasture-fed cattle, which gives products from this activity greater competitiveness in the global market due to lower production costs compared to other breeding methods.

However, a significant portion of the pasture areas are degraded. According to a study conducted by Embrapa, among these areas, 40 million hectares have high potential for agricultural activities. Figure 3 presents a comparison between the location of the 159 million hectares of pastures in Brazil and the 40 million hectares of high potential land for agriculture..

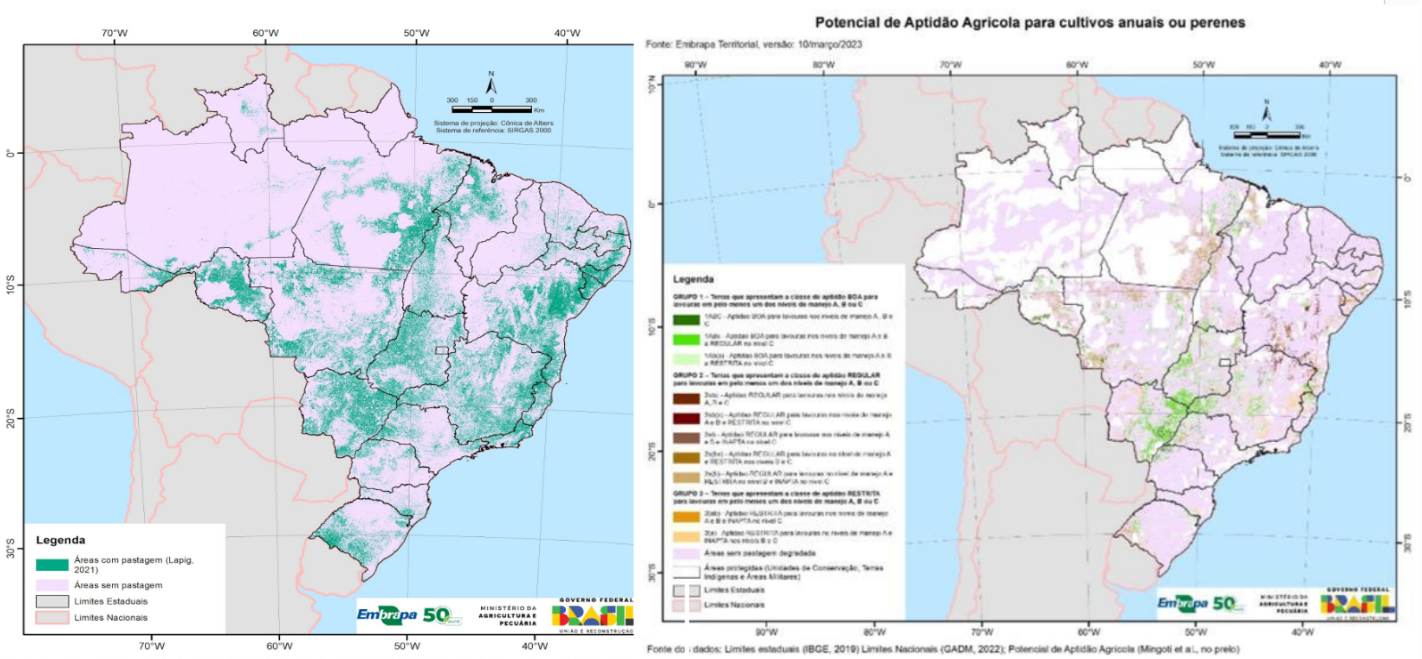

Figure 3. Pastures areas x Agricultural high capability areas. Source: Embrapa.

The recovery and/or conversion of these areas require estimated investments ranging from US$1,500 and US$3,000, depending on where they are located, level of degradation, and the productive system to be implemented.

3.3 Potentialities

This initiative to convert degraded pastures into arable areas not only revitalizes underutilized lands but also generates several significant benefits.

Some of the potentialities of this conversion are highlighted below:

3.3.1 Increased Food Production

The conversion of degraded pastures into arable areas immediately benefits Brazilian food production.

In addition to expanding the cultivation area, soil renewal and the proper choice of crops can result in more productive and diverse harvests, contributing to the food security of the Brazilian population and importing countries.

3.3.2 Soil Quality Improvement

The conversion of degraded pastures involves adopting more appropriate soil management practices, such as fertilization, pH soil correction, and the incorporation of soil management techniques to conserve its structure. This change results in improved fertility and the soil's capacity to retain water and nutrients, benefiting crop development.

3.3.3 Increased Income for Farmers

Agricultural productivity resulting from the conversion of degraded pastures can increase farmers' income, thereby improving the living conditions of rural communities and contributing to regional economic development.

3.3.4 Environmental Sustainability and Natural Resource Preservation

Well-executed conversion contributes to environmental sustainability, as the adoption of soil and water conservation practices reduces erosion and contamination of water resources, while the restoration of vegetation promotes carbon capture and biodiversity preservation.

3.3.5 Mitigation of Climate Change

The conversion of degraded pastures into cultivated areas can contribute to mitigating climate change, as healthy crops and soils effectively sequester atmospheric carbon.

3.3.6 Innovation Opportunities

The conversion of degraded pastures opens opportunities for adopting innovative agricultural practices. Management techniques, efficient irrigation technologies, and sustainable cultivation methods can be implemented to optimize land use.

3.3.7 Promotion of Efficient Land Use

Conversion allows more efficient land use, transforming degraded areas into productive spaces and reducing the need to expand agricultural boundaries into natural areas.

3.3.8 Employment Generation

The intensified agricultural activity resulting from the conversion of degraded pastures can create job opportunities throughout the entire production chain, from planting to harvesting and marketing.

4. BENEFICIARIES

The resources invested in this initiative will be directed towards rural producers, farmers, and livestock breeders interested in rehabilitating degraded pasture areas through their conversion into arable land or high-performance pastures, adopting sustainable management and production practices.

5. SUPPORTED ACTIONS

- Soil fertilization and correction;
- Species cultivation and/or varieties adapted to local conditions;
- Proper soil preparation, observing conservation and sustainable practices;
- No-till farming;
- Establishing rotational grazing pastures;
- Adoption of integrated production models;
- Implementation of integrated agricultural-livestock-forest systems (e.g., Crop-Livestock-Forest Integration, Livestock-Forest Integration, Crop-Livestock Integration);
- Adoption of confinement or semi-confinement livestock systems;
- Implementation of water resource capture and rational management systems;
- Sustainable irrigation;
- Use of bio inputs; and,
- Forest plantation.

6. PARTICIPATING INSTITUTIONS

6.1 Partner Institution

- **Embrapa**

The public company participates in the initiative with the expertise of its 43 national research centers and with information, data, and technologies accumulated over its 50 years of existence.

The institution has a vast amount of data on the location of areas with the highest volume of degraded pastures, including geoprocessing information. Embrapa also disseminates low-carbon agriculture production technologies and sustainable intensification. It also possesses data on the varieties and cultivars best suited for each region.

6.2 Operating Agents

- **Banco Nacional de Desenvolvimento Econômico e Social (BNDES)**

BNDES, national bank for development, will evaluate the method of raising resources and attract investments through foreign funds and banks, as well as the way to provide access to such credits, whether providing them directly to financial agents, funds, guarantees, or another mechanism that is considered more appropriate.

- **Banco do Brasil**

The institution will participate in the action by operationalizing resources provided by foreign funds and banks, compensating foreign investors according to contractual terms, providing necessary guarantees to investors, and creating credit lines to operationalize the initiative with beneficiaries.

Due to its operational structure and its expertise in products exclusively designed for the rural sector, Banco do Brasil has already tracked customers (agricultural portfolio) eligible to benefit from allocated resources for the initiative. It also has mechanisms for evaluation and monitoring that would allow an immediate operationalization of resources for rural producers.

- **Other Financial Institutions**

Participation will also be available to other financial institutions that work with agricultural credit lines. These institutions should act by generating credit lines for beneficiaries through the decentralization of resources provided by BNDES.

7. METHODOLOGY (OPERATIONALIZATION / IMPLEMENTATION)

7.1 Resource Allocation

Resources will be allocated through transfers from sovereign and private investment funds interested in sponsoring activities that promote a more sustainable agricultural activity contributing to the recovery, conservation of natural resources, and decarbonization.

7.2 Investor Compensation

As agreed upon between the sponsor and the financing institution.

7.3 Customization of Investments

Customization according to the investor's interests, which may, for example, cover parameters such as:

- Regionalization;
- Producer scale;
- Land use (pastures, grains, fruits, irrigated systems, integrated crop-livestock-forest systems, etc.);
- With a purchase guarantee of the production; and,
- Use of inputs provided by the investor/partner.

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