

---

## Brazil: The fast expansion of oil palm in the Amazon region

The area planted with oil palm trees in Brazil used to be relatively small as compared to other countries producing this plant in Latin America. However, big transnational companies in Brazil like Vale and Petrobrás have revealed the rapid expansion of these plantations meant for the production of biofuels, in the Amazon region, mainly in the State of Pará.

In the last few decades, the company that has pursued oil palm monoculture plantations in the State of Pará at a most important scale has been Agropalma, a Brazilian company currently exploiting plantations that extend over 39 thousand hectares of its own land, and 10 thousand other hectares belonging to farmers. The company is working mainly on the production of palm oil to be used in foods, cosmetics and chemicals, since the production of bio-diesel was considered as non-viable until a short while ago. Nevertheless, the situation has started to change since the Brazilian transnationals started operating in the sector with their palm tree plantations.

Vale, one of the largest mining companies worldwide, is currently implementing a new project, following its acquisition, in 2011, of 70% of the firm "Biopalma", which in 2009 owned 5 thousand hectares of plantations and now has 50 thousands hectares planted with palm trees. Vale's project implies extending the plantation to a full 80 thousand hectares, 60 thousand of which would be their own, and another 20 thousand would be outsourced production on the land of private farmers. According to the company, approximately 600 families are taking part in the project, which is expected to reach a yearly production of 500 thousand tons of oil before the year 2019.

Vale is focused on producing bio-diesel as fuel for the company's trains used to transport the iron ore loads, on a non-stop basis, from the Carajás area to the coast. From there, the company exports the raw material to the world's largest consumer markets. According to Vale, the bio-palm project will "contribute to the energy matrix of the company in a sustainable and renewable manner, while also helping in environmental preservation". It would also be a "positive social vector", and a way of "generating income and a way of settlement for the population of the countryside". The company has also stated that the project would also reduce its carbon gas emissions by using bio-diesel instead of regular diesel fuel.

Another transnational company currently investing in the Pará region is the State-owned oil company Petrobrás, one of the largest in the continent. One of the projects implies planting, as of the year 2013, 24 thousand hectares of palm trees on the land belonging to some 1,250 farmers. Another project led to a company merger with the multi-national oil company Galp Energia de Portugal, with which they created the firm Belém Bionergia. Their idea is to plant palm on 50 thousand hectares in cooperation with 1,000 farmers. The expected yearly production of 300 thousand tons of oil is to be exported to Portugal, where green diesel will be refined as of 2015 at a plant projected for the city of Sines, meant for supplying the Portuguese and Spanish markets.

The exponential increase of oil palm plantations in Brazil, supported by governmental authorities, has caused concerns of different types. On one hand, the project benefits two big companies known for their serious impact on the different regions where they operate, like Vale's mining activity in

---

Mozambique and Petrobrás' effects on the lives of Brazilian fishermen (read bulletin 180 – editorial page). In the year 2012, Vale received the 'Public Eye Award', an international "prize" granted to the company causing the worst social, environmental and labor problems worldwide.

Additionally, the bio-diesel production project is not so 'green' or so 'renewable' as it appears to be. Vale's project provides for the substitution of scarcely 20% of the fuel used by the company's trains with bio-diesel, while the remaining 80% will continue to be regular diesel fuel. This implies maintaining a large-scale mineral extraction process and preserving an unsustainable and excessive production and consumption model meant only for a small part of the world's population, and Vale is not willing to change this situation. Also, the company's railway system has been repeatedly reported as the origin of negative effects for local communities.

Despite the fact that palm production may bring along benefits for groups of family farms that plant and sell their produce to Vale and/or Petrobrás, it is also true that those farmers become dependants of those companies as they give away part of their small properties to these transnational companies for long periods of time as part of a chemical monoculture system. This allows for the giants to increase the extension of their property in a state considered the most violent in Brazil as a consequence of the serious conflicts between large landowners and landless workers and their families, in addition to the lack of structural policies relative to agricultural reforms by the federal government.

And lastly, yet another aspect to consider is the accumulation of land acquired, which relates not only to palm production areas. For instance, Vale has declared that each hectare planted with palm represents one hectare of native forest preserved and that oil palm plantations would be a way of 'recovering' land. However, we must recall that the commitment to preserving native forests only involves compliance with Brazilian laws. Owning forest lands represents an opportunity for Vale to continue profiting, for example, from the carbon business in the "environmental services" market, which is undergoing a rapid implementation in Brazil, along with a series of revisions of laws like the famous Forestry Code, apart from newly established norms to regulate these issues.

Notwithstanding the "green" discourse, the production of palm has already generated conflicts like the one involving the Tembé people who are claiming to be the victims of the agrottoxics that contaminate their water sources due to pesticides applied to the oil palm plantation areas. According to a chief from that region, "we do not believe in the use of palm. We'd rather have rice, beans, poultry or fish". They also complained about "the guariba (howling monkey) now being hushed due to the hunting and fishing activities that have been affected by tree felling, with the result of animals losing their sites for shelter outside our area". However, both Vale and Petrobrás consider that the palm business is doing really good, because they see it as a new source of business and profits, and to top it all off, it is also a "green" activity.

- Family agriculture will gain with palm bio-diesel fuel. Economic value (2012). [http://www.abdi.com.br/Paginas/noticia\\_detalhe.aspx?i=1307](http://www.abdi.com.br/Paginas/noticia_detalhe.aspx?i=1307)

- Biopalma reaches an agreement with indigenous people.

Source: <http://www.orm.com.br/projetos/oliberal/interna/default.asp?modulo=247&codigo=591475>

- Biodiesel: Biopalma project. [http://www.faap.br/cees/biodiesel/pdf/ivo\\_fouto.pdf](http://www.faap.br/cees/biodiesel/pdf/ivo_fouto.pdf)

