Brazilian Policy for Planted Forests

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SAE mission:

Main goals:

- Strategic national long-term planning
- Promote coordination with the government and society and discussions on future scenarios
- Generate information for government actions.
Why SAE works with policy for planted forests

- Long-term planning sector
- Forest policy linked to other environmental agendas (different governmental agents)
- Linked to many important production chains (e.g. paper, construction, energy, metallurgy and furniture)
- Very important to rural development
- Important as an alternative source for illegal logging and to reduce pressure over native forests
Importance of Planted Forests

Participation of native and planted forest extraction in the national timber production (2013)

<table>
<thead>
<tr>
<th>Products</th>
<th>Planted Forest</th>
<th>Native Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roundwood</td>
<td>90.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Charcoal</td>
<td>84.7%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Firewood</td>
<td>64.1%</td>
<td>35.9%</td>
</tr>
</tbody>
</table>

Source: IBGE, 2013.

Share of native forest and planted forest timber production in Total Value of Timber Primary Production- 1994-2013 (%)

Source: IBGE, 2013.
Why SAE works with policy for planted forests

Cont...

• Brazil has over a hundred years of development of planted forests
• The brazilian silviculture (*Eucalyptus* and *Pinus*) is recognized worldwide
• It is a strong intermediate sector
• Poorly organized as a whole (many segments with disparate interests)
• Primarily oriented to the domestic market:
  • Sectorial Gross Domestic Product – USD 56 billions
  • Exports: USD 9.4 billions *

* Brazilian Trade Balance of Wood Products 2014 (USD billion)
Productivity of planted forests

- Comparison of productivity of softwoods and hardwoods in some countries (m³.ha/year)

Source: ABRAF (2013) adapted by Pöyry
Consumption of Roundwood for Industrial Use by segment and forest species in 2012 (m³):

<table>
<thead>
<tr>
<th>Segment</th>
<th>Eucalyptus</th>
<th>Pinus</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulp and paper</td>
<td>55,033,172</td>
<td>9,108,030</td>
<td>5,000</td>
<td>64,146,202</td>
</tr>
<tr>
<td>Reconstituted panels</td>
<td>5,580,247</td>
<td>7,252,635</td>
<td>158,576</td>
<td>12,991,458</td>
</tr>
<tr>
<td>Solid timber</td>
<td>7,034,315</td>
<td>27,424,294</td>
<td>288,000</td>
<td>34,746,609</td>
</tr>
<tr>
<td>Charcoal</td>
<td>23,144,200</td>
<td>-</td>
<td>-</td>
<td>23,144,200</td>
</tr>
<tr>
<td>Industrial firewood</td>
<td>37,067,120</td>
<td>3,829,361</td>
<td>3,786,103</td>
<td>44,682,584</td>
</tr>
<tr>
<td>Chemically treated wood</td>
<td>1,650,320</td>
<td>-</td>
<td>-</td>
<td>1,650,320</td>
</tr>
<tr>
<td>Others</td>
<td>1,061,617</td>
<td>31,135</td>
<td>-</td>
<td>1,092,752</td>
</tr>
<tr>
<td>Total</td>
<td>130,570,991</td>
<td>47,645,455</td>
<td>4,237,679</td>
<td>182,454,125</td>
</tr>
</tbody>
</table>

Source: ABRAF (2013) adapted by Pöyry
Distribution of forest plantations in Brazil

Area occupies planted forest in Brazil - by species

<table>
<thead>
<tr>
<th>Species</th>
<th>Millions of hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eucalyptus</td>
<td>5.47</td>
</tr>
<tr>
<td>Pinus</td>
<td>1.57</td>
</tr>
<tr>
<td>Others</td>
<td>0.56</td>
</tr>
</tbody>
</table>

Legend (ha):
- 500 – 20,000
- 20,000 – 50,000
- 50,000 – 100,000
- > 100,000
Construction process of the National Planted Forest Policy

- Working Groups (2010 & 2012)
- Setorial and Governamental negotiations (2012-2014)
- Decree creating the Agricultural Policy for Planted Forests (Dec/2014)
New National Governance about Forests

Family public policies of land use in Brazil

- **PROTECTED AREAS**
  - Sistema Nacional de Unidades de Conservação (SNUC) – Lei n.º 9.988/2000

- **RESTRICTED AREAS** (RL+APP)
  - Lei Florestal n.º 12.651/2012

- **PUBLIC FORESTS**
  - Lei de Gestão de Florestas Públicas n.º 11.284/2006
  - INCRA
  - FUNAI

- **AREAS FOR FOREST CONVERSION**
  - Lei da Política Nacional de Florestas Plantadas
Governance
How public policy can help

• 1960’s:
  • Forest Code
  • Brazilian Institute of Forest Development (IBDF)
  • Sector fund to support financially reforestation (FISET)

• 1970’s - National Development Plans
  • Objective of developing an industrial park in Brazil (reducing imports)
  • Forest Sector:
    • Pig Iron Mills
    • Paper industries

![Graph](Evolution reforestation area in Brazil between 1964-2013 (ha))
Policy objectives:

- Integrated policy: rural and industrial
- More diverse forest economy and with greater added value products
- Increase the involvement of forest products in the international market (Currently less than 3%)
- Promote new markets & products (energy, housing, bioproducts, genetically modified trees, and services)
Desired Conditions

- Good policy coordination at the national and local level
- Long-term financing (public and private)
- Support for scientific and technological development
- Structuring of production chains (not only in one product/commodity)
- Favorable business environment (environmental permits and land ownership)
- Infrastructure and logistics
- Investment in information, analysis and strategic intelligence (market research, production costs)
- Integration with rural development (forest development, integrated crop/ livestock/forestry)
- Development of national capacity and investment in increased productivity
- Commercial and technological exchange with other countries
Challengers

• How to include small producers in forestry development:
  • Directed credit
  • Technical assistance
  • Production integration with other chain links (forest promotion)
  • Promoting diversification of the rural production (Integration Crop-Livestock-Forest)
  • Stimulating cooperativism
Instruments

- Financial instruments:
  - Direct credit for plantations (ABC Program / Pronaf florestal / Constitucional funds)
  - Credit notes (agriculture notes)
  - Credit for productive chains (habitational programs, furniture, renewable energy...)
- Research & Development integrate to technical assistance (Embrapa + ANATER)
- Sanitary plant defense (nursery for seedlings, control of pest and deseases)
- Forest/rural insurance
- Good governance directed to forestry development
- Good formulation and implementation of Comand & Control policy (Forest Code)
- Others: Payment for ecosystem services (REDD+), Forest Reserve Quota, Water producers, etc..
Thanks

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