

Brazil: Rainforest pays the price for the country's crisis

Deforestation has declined but the Amazon remains vulnerable to political change and powerful agricultural lobbies

Joe Leahy and Andres Schipani in Humaitá
12 HOURS AGO

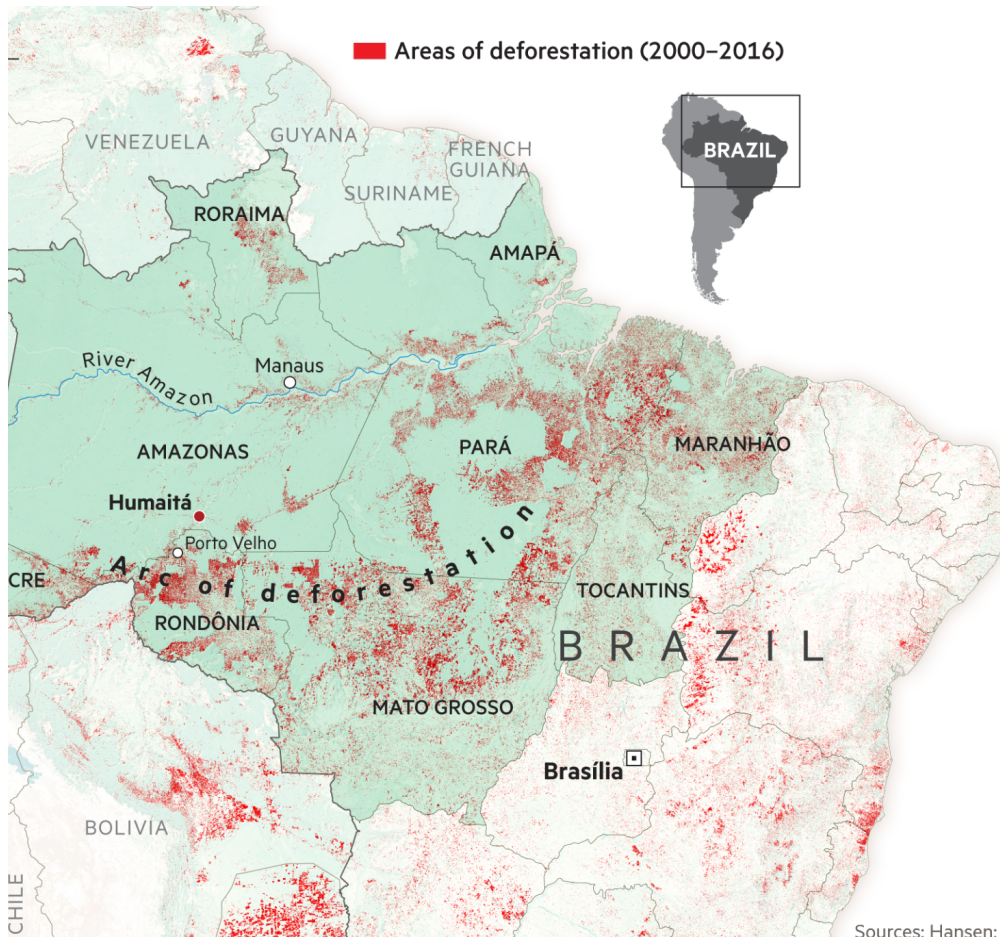
Abílio Ikeziri saw the smoke rising over the Amazonian town of Humaitá before he saw the angry mob. Illegal miners were burning the local offices of Ibama, Brazil's environmental agency, in retaliation for the destruction of boats they were using to dredge for gold in the region's rivers.

Mr Ikeziri, a ranger with Brazil's national park agency, feared his office would be next and gave the order to evacuate just as the mob came round the corner. "A man began bashing on our car so I pulled my gun," says Mr Ikeziri. The attacker withdrew and the ranger reached safety but not before the miners burnt his and Ibama's offices.

Even weeks after the attacks last October, the damage is still starkly apparent. The [buildings of both organisations](#) are blackened shells, their vehicles charred wrecks.

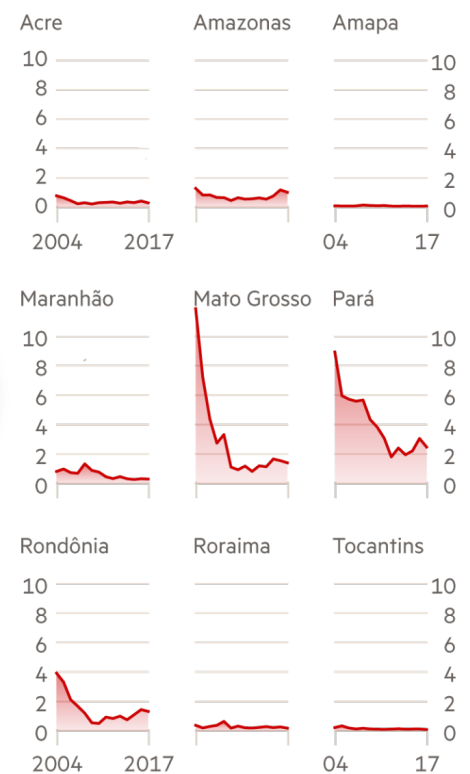
Surrounded by forest reserves and near the juncture of two highways, Humaitá is the gateway to Amazonas, a state nearly the size of Alaska that is the heartland of the Brazilian Amazon region. Brazil's so-called [arc of deforestation](#), a front that stretches along the southern fringe of the Amazon from the coast to Bolivia, cutting Latin America's largest country in half, has so far spared much of Amazonas.

Yet now, due to political uncertainty after the impeachment and ousting of [former president Dilma Rousseff](#) in 2016 and with Brazil facing its most unpredictable elections in decades, the Amazon is again looking vulnerable.



Deforestation by state

'000 sq km



Sources: Hansen; UMD; Google; USGS; Nasa; Prodes/INPE ©FT

Led by crooked loggers, miners, smallholders and ranchers, and with infrastructure projects such as highways and dams opening new areas to incursions, up to 95 per cent of deforestation in the region is illegal and 80 per cent of it becomes pasture for cattle, environmental officials say. While deforestation in Brazil remains much lower than at its peak in 2004, when an area bigger than Macedonia was cut down, activity has increased since 2012.

“The arc of deforestation is a war zone. It has worsened in the past 10 years and it will continue to get worse,” says Áquilas Mascarenhas, chief ranger in the Jamari national forest in Rondônia, an Amazon state.

Critics argue the uncertainty has strengthened conservative elements in congress, particularly the *ruralistas* — politicians representing rural interests, as [China’s insatiable desire](#) for food turns Brazil into an agricultural superpower. It means October’s general election is important not only for the political future of Latin America’s biggest country but also the world’s largest rainforest and one of its main bulwarks against climate change, activists say. The world will be watching particularly closely after last year, the second hottest on record, when Arctic ice areas hit historic lows, hurricanes ripped through the Caribbean and fires raged in California.

“The [illegal] actors in the Amazon can practically feel this fragility and they make the most of these moments, resulting in sudden spurts of deforestation,” says Saulo Rodrigues-Filho of the University of Brasília, and author of a study that found political uncertainty tends to lead to higher deforestation.

For the Amazon, 2018 and 2019 will be dangerous years, he says.



People watch a fire at the headquarters of the National Institute of Colony and Agrarian Reform, one of a series of government buildings set on fire in Humaita in late October last year © Hando/Rex/Shutterstock

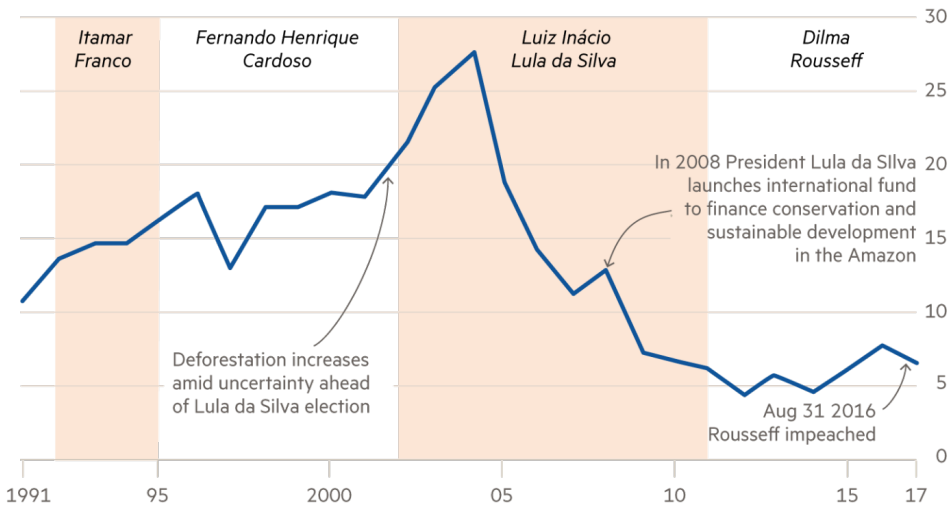
Until 2012, Brazil seemed on track to meet its international climate change commitment of zero [illegal deforestation](#) by 2030 and a national target of reducing deforestation to no more than 3,900 square kilometres a year by 2020.

Through tough enforcement, Brazil slashed its deforestation rate by 83 per cent to 4,571 sq km a year between 2004 and 2012, according to [figures from INPE](#), the government’s satellite space research institute. Having crept up after 2012, deforestation then re-ignited, reaching 7,893 sq km between August 2015 and July 2016. Last year it fell 16 per cent as the economy slumped and [Ibama](#) cracked down, but it remains high compared with 2012.

“There is no reason to believe that in three years, Brazil will manage to reduce deforestation from more than 6,000-8,000 sq km to 3,900 sq km,” says Carlos Nobre, a leading climate scientist. “The challenge will be even greater for 2030 unless there is a very clear change in environmental policy and that will only become clear when we know who will be elected in 2018.”

Political instability leads to deforestation

Deforestation rate in Brazilian Amazon ('000 sq km a year)



Sources: Prodes/INPE/Saulo Rodrigues-Filho et al
© FT

In early polls, the two most prominent candidates are ultra-rightwing politician [Jair Bolsonaro](#) and the leftist former president [Luiz Inácio Lula da Silva](#) who faces 10 years in prison if his appeal against a corruption conviction is not upheld. Analysts expect other candidates to emerge. But whoever wins is likely to face a fractured Congress in which conservative fronts wield outsize influence, especially given the relative decline of Ms Rousseff's and Mr Lula da Silva's leftist Worker's party, or PT.

These include the *ruralista* bloc with 228 lawmakers, or 44 per cent of the lower house of congress, and more than a quarter of the senate. With two other cross-party conservative blocs — the public security front, with 299 lawmakers, and the [evangelical front](#), with 199, the three groups are known as the “bull, bullet and bible”, and comprise a formidable force in congress.

“The [rural] front is powerful,” says Confúcio Aires Moura, governor of the Amazonian state of Rondônia, once a *ruralista* congressman himself. “To argue with the parliamentary agriculture front is to waste time.”



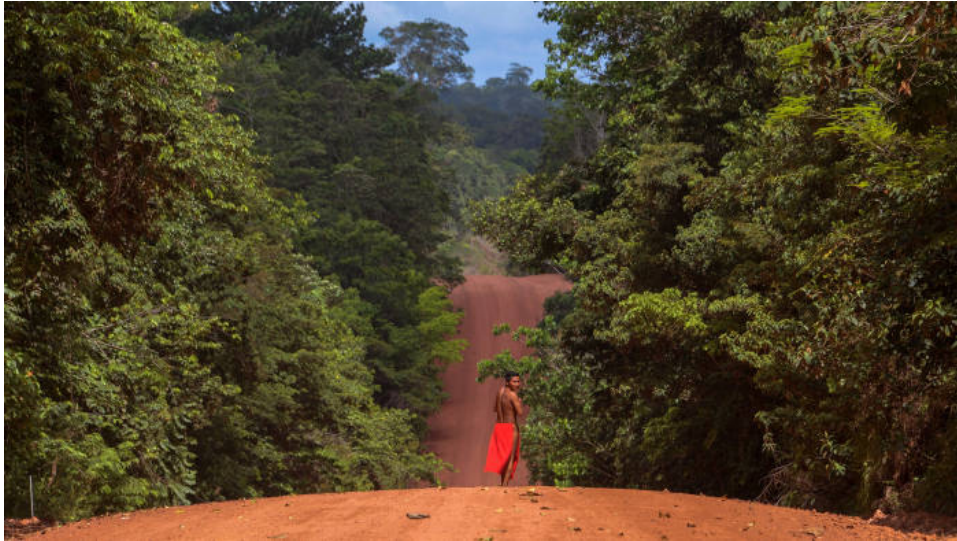
Brazil's farming lobby is very strong and pushing for government concessions to expand agribusiness © Getty Images

In congress, the rural sector punches far above its weight in a society that is [86 per cent urban](#). The reason is simple. [Agriculture is a star](#) of Brazil's economy. From being a net importer of food grains in the 1970s, agribusiness today contributes 42 per cent of exports, according to government research institute Ipea.

In the third quarter of last year, agribusiness grew 9.1 per cent compared with a year earlier, helping Brazil recover from its worst ever recession. The country is now the largest producer of sugar, orange juice, chicken and coffee and one of the biggest in soybeans, beef and other

commodities.

“Brazil has the potential to be a China of agriculture,” says Luis Antonio Franciscatto Covatti, a *ruralista* lawmaker from the southern state of Rio Grande do Sul, in a comparison with China’s dominance in manufacturing.



A Waiapi man walks along a road in the indigenous reserve in Amapa state last year. Michel Temer has proposed ending some of the protections enjoyed by indigenous lands © AFP

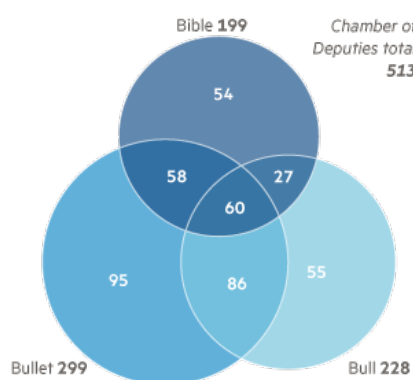
The rise of the *ruralistas* has not been lost on Michel Temer, Brazil’s current centre-right president. Accused of corruption in May last year, he survived two congressional votes on whether he should face trial, partly with the help of the *ruralistas*. Critics say that in return he has passed or attempted to pass a series of laws over the past 18 months that [activists argue benefit farmers and miners](#) at the expense of deforestation.

Among the most controversial is MP 759, which allows irregular occupants of government land to obtain titles at discounted prices. Dubbed the “land-grabber’s law” by prosecutors, it will encourage further invasions of public land in the Amazon, they say. The government defended it as helping the landless poor.

Other measures introduced by Mr Temer last year include attempts to reduce the size of conservation reserves, ease environmental licensing and proposals to weaken indigenous rights and open Indian territories to mining and agribusiness, according to the Zero Deforestation Working Group, which includes the World Wide Fund for Nature, Greenpeace and the Nature Conservancy. Brazil has 10m hectares of abandoned land that could be used for agricultural production rather than deforest further, the group says.

Parliamentary lobbies

Number of deputies in each caucus, and the overlap between interests



Source: Brazilian Congress © FT

“We are suffering a lot of pressure from the *ruralistas*,” says a senior official at the environment ministry. “We are living in a parliamentary dictatorship.”

Mr Temer has not had it all his own way. He was forced to back down on an attempt to change the boundaries of [one forest reserve, Jamanxim](#), after widespread public opposition.

In its defence, the Temer government points to the fall in deforestation last year. Officials from Ibama and the environment ministry privately acknowledge efforts by his environment minister, José Sarney Filho, to work behind the scenes against the worst measures demanded by congress.

“The best way we can meet our objectives is if we can make people aware that the forest is worth more

standing than cut down,” says Mr Sarney Filho.



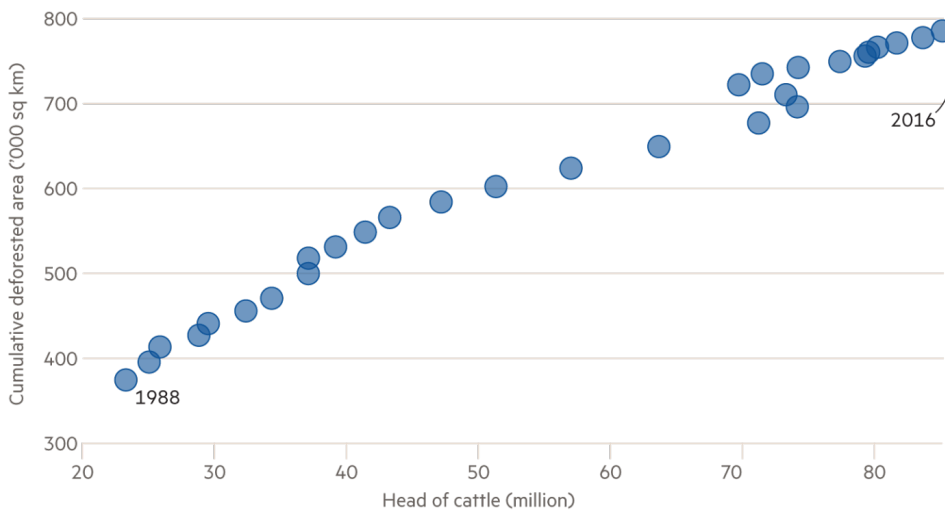
A felled tree at the construction site for the Belo Monte dam complex in the Amazon basin © Getty

For their part, the *ruralistas* say they are against illegal deforestation and say critics are armchair environmentalists. “Many people say they are environmentalists but they live in apartments, with television and the internet,” says Nilson Leitão, leader of the front, who wants to open Indian reserves, which are currently off limits, to farming and mining. “The one who preserve the springs, the forest . . . is the producer,” he adds.

Back in the Amazon, the war against environmental crimes continues. Iram Mendes, a parks agency officer, jumps from his car, pistol drawn, accompanied by a team of five elite special operations police armed with automatic weapons.

Their target is a suspected illegal cassiterite mine bordering Jamarí national park in Rondônia state. The makeshift-looking mine with tarpaulin lean-tos has devastated a stream next to the park, creating a huge mudpile. The mine supervisor shows Mr Mendes an environmental licence but a GPS reading indicates the mine should be 2km further away. “Send me all of the documentation,” Mr Mendes tells the supervisor, threatening an investigation.

Cattle farmers expand their herds



Source: Paulo Barreto/Imazon © FT

Despite this show of force, frontline conservation agents such as Mr Mendes are pessimistic, complaining of a lack of resources. In Rondônia and surrounding states, ICMBio — the national parks agency — has only 30 rangers to cover 4m hectares of parks. A report on Ibama by the government comptroller, the CGU, found that between 2010 and 2016, the number of field officers dropped 26 per cent to 965.

The criminals, on the other hand, are highly organised, well-armed and motivated, especially illegal loggers.

“We have various politicians who are financed by the timber sector, that’s a fact,” says Daniel Azevedo Lôbo, a public prosecutor in Rondônia. He says Brazil needs a “*Lava Jato*”, or “Car Wash”, of the environment — referring to the [landmark investigation into political corruption](#) that has rocked Brazil over the past four years.



The aftermath of the violence at the offices of Ibama in Humaitá. Cars were torched by protesters backing illegal mining activity

Prosecutors and officers also complain that even when federal agencies crack down, local and state governments often step in to help the perpetrators.

After the Humaitá incident, the state government of Amazonas granted licences to some of the miners involved in an attempt to legalise their activities, saying the town depended on the industry. Federal prosecutors are indicting the miners and have won a court challenge against the granting of those licences.

Opinion polls indicate that most Brazilians support conservation efforts. Yet, most frontline officials say that unless the election produces politicians willing to take a harder line on deforestation, the long-term future is bleak.

“While there is forest, people will not stop cutting it down,” says Auro Neubauer, Ibama’s chief technical officer, who was in the agency’s Humaitá office when it was set alight. He escaped with a security guard, who fired into the air. “[Conservation] policy today is like trying to use a towel to dry a piece of ice. We are only retarding the process. It will keep melting until there is nothing left.”

Land deals: Fair and proper or a public giveaway?

Cletho Muniz de Brito, head of Incra, Brazil’s land reform agency, in Rondônia, has in the past six months approved more than 2,000 titles for allotments of government land to smallholders in the Amazonian state.

The surge in approvals came after a 13-year hiatus caused by legal uncertainty over ownership of some of the properties. “The government understood that the rural sector had to be revamped and the regularisation of land titles... was a priority,” he says.

Championed by politicians from Rondônia, the federal government last year passed a law allowing those illegally or irregularly occupying government allotments of up to 2,500 hectares to obtain a title. Environmentalists argue that the move grants an amnesty to those squatting on government land, and worry it will encourage further deforestation. The law also raises the prospect of discounts on what smallholders must pay for the land. The public prosecutor’s office estimates this will cost the public purse up to R\$21bn (\$6.6bn).

“The application of this law would result in the greatest loss of public property in the history of Brazil,” the then prosecutor-general, Rodrigo Janot, warned in a supreme court challenge last year.

However, politicians in Rondônia say sorting out land titles is the only way to resolve conflicts that have seen at least 37 people killed in the state over the past two years, according to the Pastoral Land Commission, a not-for-profit group that tracks violent deaths.

It also offers a solution to deforestation, argues Lúcio Mosquini, a lawmaker. Once a piece of land has a titled owner, that person can be held accountable for any deforestation, he says. “If you have a child and don’t look after him, the drug trafficker will do it for you. It’s the same with the forest.”

