

Table 1. Full Proposals from the Brazilian Coalition for the 2023/24 Agricultural Plan

Proposal 1. Enhance Regulations for Rural Credit Sustainability	
1.1	To provide at least R\$ 8 billion in equalizable resources for the ABC+ Program (a 29% increase compared to the previous agricultural year), distributed among financial institutions (public banks, BNDES, private banks, and credit cooperatives) through a Ministry of Finance Ordinance authorizing the payment of interest rate equalization in rural financing granted in the 2023/24 Agricultural Plan.
1.2	Reduce the interest rates of the “ABC+ Integração”, “ABC+ Florestas”, “ABC+ Orgânico”, and “ABC+ Bioinsumos” subprograms, aligning them with those of the “ABC+ Ambiental” subprogram.
1.3	Explicitly provide at least R\$ 5 billion to the PRONAF ABC+ investment credit lines, through an Ordinance from the Ministry of Finance authorizing the payment of interest rate equalization in rural financing granted in the 2023/24 Agricultural Plan.
1.4	Reduce the interest rates of the “PRONAF ABC+” investment credit lines compared to the “PRONAF Mais Alimentos” subprogram.
1.5	Increase the limit of agricultural working capital rural credit with controlled resources for financed projects that have a current agricultural insurance policy, with or without economic subsidy. Suggested regulatory changes: Add subparagraph “d” to MCR 3-2-6: d) for financed enterprises that have a valid rural insurance policy, with or without premium subsidy.
1.6	Require compliance with the Agricultural Climate Risk Zoning (ZARC) in all rural credit operations of the National Rural Credit Policy. Suggested regulatory changes: Amend item 1 in MCR 2-1 to the following wording: The granting of rural credit is subject to compliance with the recommendations and restrictions of agroecological zoning, Ecological-Economic Zoning (ZEE), and Agricultural Zoning for Climate Risk (ZARC).
1.7	Require proof of pasture quality for investment financing in PRONAF, PRONAMP, MODERAGRO, and for cattle acquisition financing not linked to any specific program. If any degree of pasture degradation exists, the financing should be accompanied by the restoration of the degraded pastures and the implementation of stewardship measures, within one of the subprograms of the ABC+ Program (for small and medium-sized rural producers) and the investment credit line of PRONAF ABC+ Bioeconomy (for family farming). The “Atlas of Pastures” (<i>Atlas das Pastagens</i>) website, accessible at atlasdaspastagens.ufg.br , can be used by financial institutions for verification, or a document from a specialized technician attesting the quality of the pastures in the project that will receive the financed cattle. Suggested regulatory changes: Amend the MCR in items 3-2-3-“b”-I and 3-3-3-“a”.
1.8	Publish a BCB Resolution on the databases to be consulted for rural credit granting, which should be included in Chapter 2 as a new Section 10 (MCR 2-10) as part of the BC# Sustainability agenda, the sustainable rural credit bureau. It is suggested to include at least four databases in SICOR, in addition to those already presented by the Central Bank of Brazil: <ul style="list-style-type: none"> • The Satellite-based Deforestation Monitoring Project in the Legal Amazon (<i>Projeto de Monitoramento do Desmatamento na Amazônia Legal por Satélite</i> – PRODES) deforestation maps from the National Institute for Space Research (<i>Instituto Nacional de Pesquisas Espaciais</i> – INPE) for all mapped biomes. • Pasture quality maps available on the Atlas of Pastures (<i>Atlas das Pastagens</i>) website, accessible at atlasdaspastagens.ufg.br. To do so, establish a Technical Cooperation Agreement between the Central Bank of Brazil, Ministry of Agriculture, and the Image Processing and Geoprocessing Laboratory of the Federal University of Goiás (<i>Laboratório de Processamento de Imagens e Geoprocessamento da Universidade de Goiás</i> – LAPIG/UFG). • Map of irrigation potential provided in the Irrigation Atlas (<i>Atlas da Irrigação</i>) by the National Water and Basic Sanitation Agency (<i>Agência Nacional de Águas e Saneamento Básico</i> – ANA), which should be considered in irrigation-related financing (PRONAF, PRONAMP, PROIRRIGA, ABC+ Program, financing not linked to any specific program). To do so, establish a Technical Cooperation Agreement between the Central Bank of Brazil, Ministry of Agriculture, and ANA. • ZARC maps with the four Stewardship Levels (ZARC NM), as well as the necessary databases for collecting information from rural producers and data collection and monitoring strategies (time without soil revolving, soil cover percentage, base saturation, calcium content, aluminum saturation, soil structural quality index). The Central Bank of Brazil already has a Technical Cooperation Agreement with Embrapa/ZARC. Suggested regulatory changes: Publish a new BCB Resolution and include Section 10 in Chapter 2 (MCR 2-10).
1.9	Change the BCB Resolution No. 140/2021 (MCR 2-9) to include the prohibition of granting rural credit for properties with deforestation after 2008 that have not obtained authorization for vegetation suppression, unless there is already compliance with the Environmental Compliance Program (<i>Programa de Regularização Ambiental</i> – PRA) under authority of the competent environmental agency. Suggested regulatory changes: Amend the BCB Resolution No. 140/2021 (MCR 2-9).
1.10	Change the BCB Resolution No. 140/2021 (MCR 2-9) to include the prohibition of granting rural credit in areas with ongoing embargoes issued by state environmental agencies. Suggested regulatory changes: Amend BCB Resolution No. 140/2021 (MCR 2-9).
Proposal 2. Improve Integrated Risk Management in Agriculture	
2.1	Ensure the allocation of R\$ 2 billion in resources for the economic subsidy of rural insurance premiums under the PSR.
2.2	Announce actions and strategies implemented in the Integrated Risk Management in Agriculture (AGIR Program), particularly the promotion of training and capacity building for agricultural experts (Qualification Project for the Agricultural Experts Grid – <i>Projeto Qualificação da Rede de Peritos Agrícolas</i>), the PSR and agricultural insurance dissemination through webinars (Rural Insurance Monitor – <i>Monitor do Seguro Rural</i>), guidebooks, and promotional materials about the PSR (such as the Rural Insurance Guide – <i>Guia de Seguros Rurais</i> – published in 2022).
2.3	Ensure a minimum of R\$ 100 million in funding and continue directing economic subsidy resources from PSR to small and medium-sized producers who benefit from PROAGRO, particularly in soybean and corn crops (1 st and 2 nd harvests).
2.4	Ensure a minimum of R\$ 200 million for premium subsidies of rural insurance to producers who have a contract with the ABC+ Program which is active or was active at least until December of the year previous to the insurance acquisition, as announced in the 2022/23 Agricultural Plan.
2.5	By June 2023, include the four stewardship levels from ZARC Stewardship Levels (ZARC NM) and their respective indicators in the PSR applications and platforms, along with the necessary databases for collecting information from rural producers and data collection and monitoring strategies (such as time without soil revolving, soil coverage percentage, base saturation, calcium percentage, aluminum saturation, soil structural quality index), in such a manner that it is possible to implement a pilot project of the PSR using ZARC NM.
2.6	By December 2023, engage in discussions and develop an Implementation Plan for ZARC Stewardship Levels (ZARC NM) in collaboration with the insurance companies to underwrite risks based on the adopted stewardship level (Ministry of Agriculture, EMBRAPA/ZARC, National General Insurance Federation (<i>Federação Nacional de Seguros Gerais</i> – FENSEG), insurance companies).
Proposal 3. Prioritize the Allocation of Resources from the FCFs for Smaller Producers and Sustainability	
3.1	Allocate resources from the Constitutional Financing Funds to the ABC+ Program and PRONAF ABC+. Allocate a share of the investment funds classified as “not linked to any specific program” to finance the entire investment project, not just specific items. When a project requires financing for multiple eligible items, it should be categorized as financing for a productive system. In this way, all soil correction and pasture investments, for example, can be considered as sustainable practices, provided they meet the criteria defined by the ABC+ Program and PRONAF ABC+ credit lines. It is suggested to allocate R\$ 686 million from each regional Fund, totaling R\$ 2.06 billion, based on 10% of the financed amount of R\$ 20.6 billion for investment by the Funds in the 2021/22 agricultural year, and to establish a schedule and goals for the gradual incorporation of the criteria defined by the ABC+ Program and PRONAF ABC+ credit lines into the entire scope of the investment resources classified as “not linked to any specific programs” by 2030.
3.2	Ensure that the resources from the Constitutional Funds have the same requirements and incentives as the SNCR programs to harmonize and simplify rural credit. Suggested regulatory changes: Revoke subparagraph “a” of item “5” in Section 2 of Chapter 3 (MCR 3-2-5-“a”), which was included in Article 2 of CMN Resolution No. 4,500 on June 30, 2016, updated in CMN Resolution No. 4,883 on December 23, 2020 (which consolidated the provisions included in Chapters 1, 2, and 3 of MCR), which excludes the limit for working capital credit with controlled resources granted by the resources from the regional Constitutional Financing Funds. There are also no investment credit limits described in Section 3 (Operations) of Chapter 3 (Investment Credit), since it was revoked by CMN Resolution No. 4,580 on June 7, 2017, and not amended by CMN Resolution No. 4,883 on December 23, 2020.