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## Brazil: The option between family-based agriculture and giant Aracruz Celulose

In the Brazilian state of Espirito Santo there are currently two different production sectors facing completely different situations.

The first one, which includes the plantation of eucalyptus and the production of cellulose is controlled by the multinational Aracruz Celulose. This sector, with support from the National Bank of Social and Economic Development, is in a position to invest more than 1 billion dollars until the year 2002 for the construction of its third pulp mill and for the extension of the eucalyptus plantations to guarantee the supply of raw material to its mills. At present, the company owns 138,000 hectares of eucalyptus plantations in the States of Espirito Santo and Bahia and needs to add some 72,000 hectares more in order to be able to increase its annual production of cellulose to 2 million tonnes.

The second productive sector is family-based agriculture, which produces mainly coffee. This sector, composed by families native to the state of Espirito Santo, is living a crisis situation and is not receiving financial support from the government to invest in agricultural activities. The low price of coffee has driven many farmers to despair. Those who in the past succeeded in getting loans are now facing serious problems for their repayment. It is worth emphasizing that only a minority of these families have had access to credit.

We are thus now perceiving a clear and shocking contrast between two sectors which are facing two totally different situations. While Aracruz directly employs only 1,689 workers and is the owner of the largest landholdings of the state, the family-based agriculture sector includes some 70,000 families, most of which at the most possess some ten hectares of land.

In this situation, we, organizations of the Forum Alert Against the Green Desert, firstly wish to express here our support to the family-based agriculture sector because it is able to offer employment and livelihood opportunities to the population of the State of Espirito Santo and is also able to avoid the concentration of land. We are extremely concerned about the present struggle between the two sectors. In other words we are concerned about the almost "silent" process through which Aracruz Celulose is purchasing lands in the state of Espirito Santo, taking advantage of the prevailing crisis in the rural areas and contributing to unemployment and to the rural exodus. The picture gets even worse when we notice that the State authorities, instead of defending the interests of a large part of the population, prefers to defend the interests of a multinational and to participate in the "euphoria" which surrounds it.

The State Environmental Agency has clearly taken that kind of attitude, restricting and controlling the debate about the licensing of Aracruz's third pulp mill, neutralizing the critical voices and at the end facilitating a quick approval for the new plant. And if this was not enough, it still insisted in including a condition whereby in the future there will be no restrictions concerning the extension of eucalyptus plantations in our State, thus eliminating a restriction which previously existed in relation with the further extension of Aracruz Celulose's landholdings.

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At the same time INCAPER (State Institute of Agricultural Research and Extension) and IDAF (State Agriculture and Forest Institute) have been actively engaged in trying to involve local farmers in the programme "Fomento Florestal" (eucalyptus plantation outgrower scheme), another strategy used by Aracruz to increase the area of eucalyptus plantations. According to countless testimonies of farmers in the rural areas of Espirito Santo, these state institutions have been promoting the "Fomento Florestal" as the alternative to the present crisis, ignoring its social and environmental impacts. Within such context it is important to highlight that recently the municipal authorities of Sooretama had the courage to denounce the purchasing of lands by Aracruz within that municipality.

Taking into account the position adopted by the state bodies, it was extremely relevant that a Special Commission was established by the State Parliament to investigate the expansion of the planting of eucalyptus in our State. Several public hearings took place --including one in the indigenous village of Caieiras Velhas during last year--, where various sectors of society expressed their opinions about the problem and presented serious allegations against Aracruz Celulose. However, since the election process of last year, that commission did not meet again and we have recently been informed that it had ceased its functions without even having presented a report about its activities and findings.

We wish to call the attention on the need to urgently implement a broad and public debate --receiving adequate attention from the media-- about the process of land purchasing by Aracruz and the expansion of eucalyptus plantations in Espirito Santo, and that this process be investigated and followed-up by the Public Prosecution Service. It is totally unacceptable that the State Government, while not giving consistent responses to the critical situation being faced by family-based agriculture, provides ample support to an expansion of tens of thousands of hectares of a monoculture without even evaluating and monitoring its adverse impacts. The government's actions are in line with the company's propaganda, which clearly tries to confuse the public.

Our appeal is for the defense of family-based agriculture, for policies and financing which guarantee income generation in the rural areas, the diversification of production, organic agriculture, environmental rehabilitation and marketing of products. In other words, for sustainable agriculture. Such approach will certainly ensure a future for the people of Espirito Santo, both for the farmers and for the rest of the population, which will be able to benefit from this production. This is totally different from what is occurring with Aracruz Celulose in the state, where its operations and actions have favoured the concentration of lands, the concentration of wealth, the valorization of the external market to the detriment of the local needs, the disrespect to our cultural values, the increase of unemployment, and the increase of urban and environmental problems.

By: Forum Alert Against the Green Desert, Espirito Santo, May 10, 2001.