

Ferrogrão, the Brazilian Grain Railway

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Get to know more about the polemic railway whose implementation is set to take place in one of the Brazilian Amazon's most protected areas.

WHAT IS IT?

The EF-170 or Ferrogrão is a “greenfield” railway project connecting the 933km that separate the towns of Sinop (Mato Grosso state) and Itaituba (Pará state).

The so-called “greenfield” investments are meant for projects starting from the ground up, as in a start-up company. The investor brings resources for the construction of the whole necessary structure required by the operation.

WHAT IS ITS GOAL?

Facilitating the grain outflow from the Brazilian Mid-West through what is called the “**Northern Arch**” (Arco Norte).

The Northern Arch aims at enabling the exportation of agricultural commodities from the Mid-South to the North of the country, covering an area from the state of Rondônia to the state of Maranhão.

According to the Instituto Mato-grossense de Economia Agropecuária (IMEA by its Brazilian Portuguese acronym), between 2010 and 2019, the volume of soybeans and corn transported in the Brazilian countryside has increased approximately 350%. During the same timeframe, the use of harbours in the “Northern Arch” for the exportation of soybeans and corn reached almost 500%.

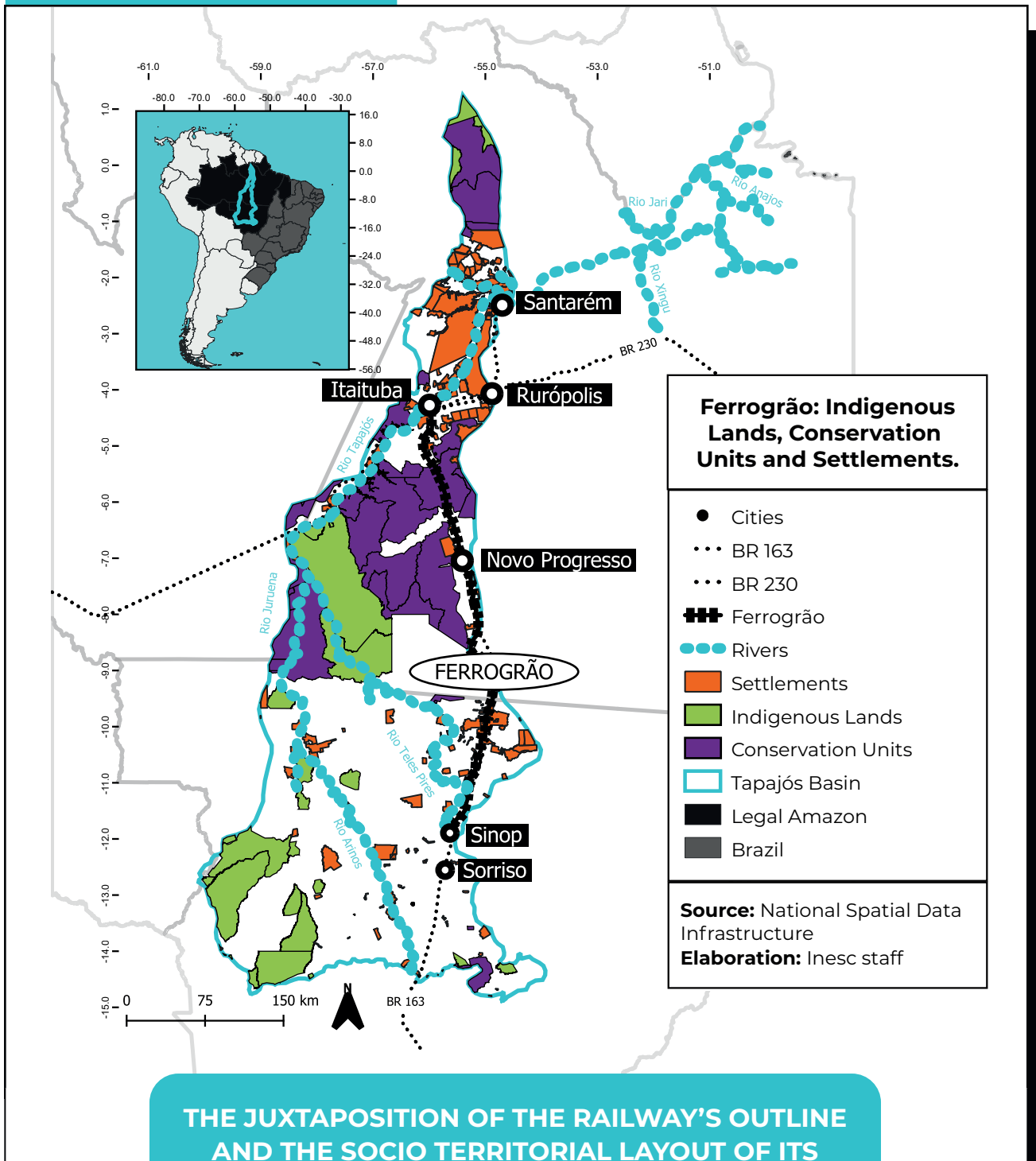


Besides this railway, a handful of logistic infrastructures are being planned for the region, including new ports, waterways, and small central hydroelectric plants.

PARTNERSHIPS AND INVESTMENT PROGRAM

Considered a priority by the Ministry of Infrastructure, the project is part of the Partnerships and Investment Program (PPI, in Portuguese), tied to the President's Office (PR). The PPI was created by the Law n. 13.334, from 2016. It is a program aimed at stimulating the privatization of assets nationwide.

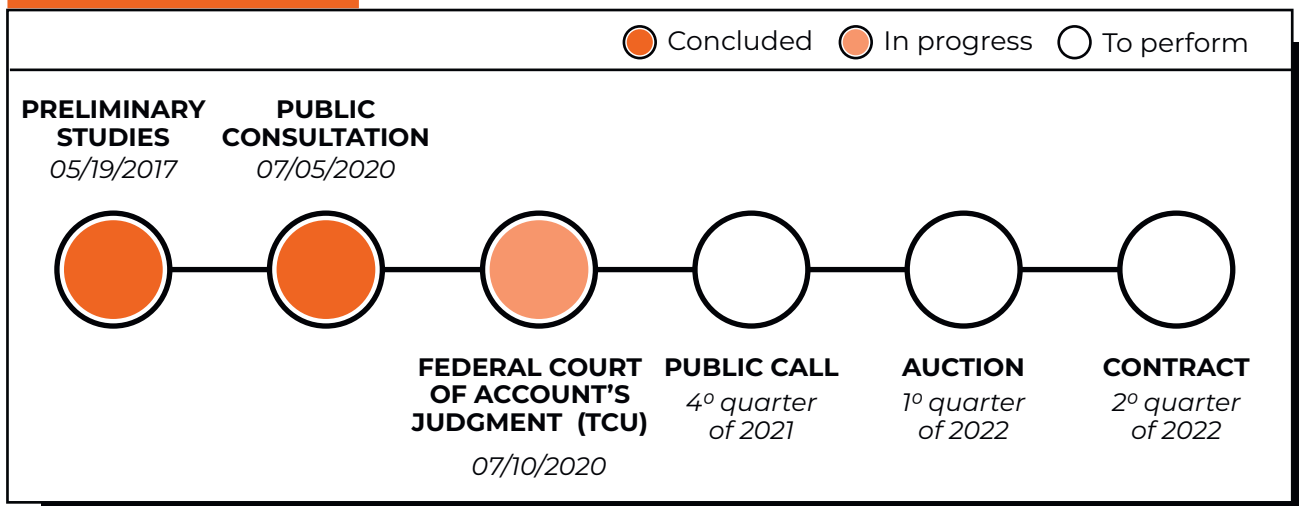
THE RAILWAY'S OUTLINE



THE JUXTAPOSITION OF THE RAILWAY'S OUTLINE AND THE SOCIO TERRITORIAL LAYOUT OF ITS ZONE OF INFLUENCE CALLS FOR ATTENTION:

- (1) To the region's population and its demographic aspects;
- (2) To the preservation of identified indigenous territories, particularly the Munduruku, Apyacá, and Kayabi;
- (3) To the invasions in the mosaic of nature conservation units, as well as in the agrarian settlements's projects for collective estates;
- (4) To the cumulative and extensive effects of degradation caused by the installation of various modalities of logistic infrastructure in the region;
- (5) To the socioeconomic impact of changing the use of the region's land for the local population's income and quality of life.

PROJECT'S PROGRESS



Source: PPI - Programa de Parcerias de Investimentos

9 ISSUES IN THE FERROGRÃO'S PROJECT

The Brazil Infrastructure Working Group, a joint task force of civil society's organization, conducted a technical assessment of Ferrogrão's project and concluded that there are at least nine problems that would make the proposal unfeasible:

- (1)** It ignores international criteria for sustainability;
- (2)** It underestimates over 2 thousand km of deforestation;
- (3)** It stimulates land grabbing and conflicts with landowners;
- (4)** It increases pressure to reduce conservation units;
- (5)** It violates indigenous people's rights;
- (6)** It goes against commitments to achieve zero deforestation previously undertaken by farming companies;
- (7)** It underestimates construction costs and returns below what had been projected;
- (8)** It does not assess the competition properly;
- (9)** It does not assess alternative routes.

**With a fragile project,
its economic feasibility and efficacy still in
question, in addition to the imposition of a series
of threats to the traditional and peasant local
communities, the Brazilian civil society says NO
to Ferrogrão!**

Translated by: Thiago Moyano