



EXECUTIVE SUMMARY

TRACEABILITY IN THE BRAZILIAN AGRIBUSINESS SUPPLY CHAIN



TECHNICAL INFORMATION

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1. CONTEXT AND STRATEGIC IMPORTANCE

Traceability has become an **essential instrument for competitiveness and sustainability** in Brazilian agribusiness, given the new international demands for transparency, especially with the European Union Deforestation Regulation (EUDR).

Brazil, as a major exporter of soy, beef, and cotton, must demonstrate the legal, environmental, and socially responsible origin of its production.

Tracing is not just about control; it is about **integrating competitiveness, reputation, and climate commitments**, strengthening the country's position as a reliable supplier of sustainable food.

2. CURRENT SITUATION IN BRAZIL

- **Existing Systems and Databases:** The country relies on instruments such as **CAR** (Rural Environmental Registry), **SISBOV** (Brazilian Bovine Identification and Certification System), **GTA** (Animal Transit Guide), **PNIB** (National Integrated Traceability Platform), and the Agro Brasil + Sustentável Platform, but **low interoperability and insufficient validation persist**.
- **Structural Challenges:**
 - Only **3.3%** of CAR registrations were validated as of 2023 (CPI, 2024).
 - Lack of integration among land, fiscal, and environmental databases.
 - High costs and rural connectivity gaps.
 - Technological and financial barriers for small producers.
- **Productive Chains at Different Stages:**
 - **Cotton:** Advanced traceability via the Abrapa Identification System (SAI).
 - **Soy:** Progress made with the Soy Moratorium, though its suspension by CADE (2025) generates regulatory uncertainties.
 - **Beef:** The most complex chain, characterized by fragmentation, informality, and difficulty in monitoring indirect suppliers.

3. TRENDS AND OPPORTUNITIES

- The postponement of the EUDR (to 2025/2026) represents a **strategic window** for Brazil to adjust systems and harmonize standards with international markets.
- **Technological Advancements:** The use of **blockchain, IoT, and artificial intelligence** can enable immutable and auditable systems, increasing information reliability.
- The integration of **geospatial data** (PRODES, MapBiomas, SIGEF, SNCR) expands the capacity for environmental monitoring and governance.
- Traceability can also be integrated into Brazil's **NDCs** (*Nationally Determined Contributions*), serving as a tool to measure emissions and monitor climate targets.
- There is room for the use of **blended finance** and **public-private partnerships (PPPs)** to enable inclusive solutions and reduce implementation costs.

4. KEY CHALLENGES

- **Institutional Fragmentation:** Coexistence of multiple systems without interoperability.
- **Low Productive Inclusion:** Risk of excluding small producers and traditional communities.
- **Lack of Land Validation:** CAR fragility compromises territorial traceability.
- **High Technological Costs:** Sensors, connectivity, and auditing.
- **Legal Uncertainty:** Absence of a technical definition for what constitutes a “clean supply chain.”
- **Risk of Parallel Markets:** The entry of untraced products reduces credibility.

5. PATHS FOR ADVANCEMENT



Develop an Integrated National Strategy.

- Align public and private efforts; create unique and interoperable traceability standards.
- Strengthen inter-ministerial governance and integration with the business sector.



Expand Training and Technical Assistance.

- Ensure equitable access for small producers, indigenous peoples, and *quilombola* communities.
- Expand rural extension services and the use of accessible digital technologies.



Stimulate Public-Private Partnerships.

- Co-develop technological solutions and shared data infrastructures.
- Promote open innovation among companies, startups, and research centers.



Implement Economic Incentives and Inclusive Financing.

- Create specific credit lines (ABC+, Renovagro) and blended finance mechanisms.
- Offer subsidies, tax exemptions, and differentiated deadlines for socio-environmental regularization.



Integrate Traceability into Brazil's NDCs.

- Use traceability data to measure emissions and climate results, strengthening environmental commitments.



Position Traceability as a Competitive Advantage.

- Transform transparency and sustainability into market differentiators and international reputation.



Strengthen Monitoring, Evaluation, and Controls.

- Create public transparency panels and independent audits.



Combat land grabbing, illegal deforestation, and parallel markets.

- Create opportunities for discussion to contribute to public policy on these topics.

6. CONCLUSIONS

- Traceability is more than a regulatory requirement — it is a **national strategy for competitiveness, inclusion, and environmental governance**.
- Brazil possesses the technical and institutional capacity for **global leadership**, provided it adopts an integrated, inclusive, and technological approach.
- The business sector has a central role: to articulate supply chains, finance innovation, and convert traceability into a **strategic advantage**.
- The consolidation of a robust national system requires **cooperation among government, companies, and civil society**, transforming Brazilian agribusiness into a protagonist and a vector for sustainability, transparency, and prosperity.



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