



Meeting Minutes of German-Brazilian Initiative for Cooperation in Agribusiness and Innovation

Working Session

Sunday, June 24th, 2018

09:00 am – 01:00 pm

**Venue: Cologne, Germany
Kongress-Zentrum NORD Koelnmesse**

Chairmen:

Germany

Jordi Tormo, BDI/BASF
Friedrich Wacker, BMEL

Brazil

Caio Carvalho, ABAG
Rafael Requião, MAPA

Meeting Minutes of the working session of the German-Brazilian Initiative for Cooperation in Agribusiness and Innovation

Welcoming Remarks

- All Co-Chairmen welcome the participants, stressing the high interest of both sides in the Agribusiness Initiative (AI). Friedrich Wacker, representing the Federal Ministry of Food and Agriculture (BMEL) emphasizes the importance of the initiative which is already in its 16th session. Mr. Rafael Requião representing the Ministry of Agriculture, Livestock and Food Supply of the Federative Republic of Brazil, mentioned the high level of representatives of this meeting. Caio Carvalho and Jordi Tormo also points out the importance of the platform.

1. Review Actions Session 2017

- Jordi Tormo and Caio Carvalho agree that there aren't any open issues from last year's session.

2. Political Aspects

State of Art of Agriculture Policy in Germany

- Friedrich Wacker gives a short overview about the political situation in Germany, with special emphasis to the building of the political coalition of the federal government and the German agricultural policy. Important issues from the German side for the international agenda are, besides others: Political exchange on G20 and WTO, AGENDA 2030 and successful implementation of the Paris Climate Agreement, the challenges for Europe such as BREXIT and the modernization and simplification of the Common Agricultural Policy, as well as support for the European Commission with respect to the negotiations for an EU-Mercosur Free Trade Agreement. The issue of digitalization in agriculture is given special priority by BMEL with the aim of being a front runner in this field. New technologies and digitalization offer great opportunities in achieving sustainability goals, especially in the agricultural sector.

State of Art of Agriculture Policy in Brazil

- Rafael Requião, MAPA, gives an overview of the situation of Brazilian agriculture. He emphasizes that the Brazilian Forest Code has been approved by the Superior Court, and the implementation of the georeferential landmarks of all rural properties is advancing faster than predicted. So, all rural properties will have a digital register of their productive areas and their forest protected areas. This makes Brazil a pioneer in having a policy of digitally protecting areas for the sustainability of the agriculture. The current worldwide trade conflicts do not favor Brazil in its efforts for an open and global market. Brazilian exports have grown to different markets as China, Latin America and USA, but to the interesting EU market, a decline has been observed. The Brazilian government and Mercosur are strongly committed to reaching a good balance on the Agreement with the EU. Specifically, Brazil hopes to strengthen trade with the EU and to deepen bilateral cooperation with Germany, including trade topics. Brazilian agricultural policies also aim in the direction of sustainability, conservation of water, biodiversity, soils and carbon stocks.

The image shows two handwritten signatures in blue ink. The signature on the left is more complex and stylized, while the one on the right is simpler and more legible. There are also some smaller, less distinct marks below the main signatures.

Quality of Standards on Food & Beverage

- Mr. Rafael Requião, MAPA, points out the growing, comprehensive control of food production in Brazil, which resulted, for instance, in the country overcoming Foot and Mouth Disease (FMD). The whole country is now free from FMD with vaccination (Santa Catarina state is free without vaccination). Until 2022 Brazil expects to be recognized as free of FMD without vaccination. Recognition of scientific criteria and compliance with international standards should be at the forefront of cooperation with other countries. Jordi Tormo welcomes this initiative and announces that the issue of crop protection regulation in Brazil will also be discussed at the meeting of the Joint Commission on 26 June 2018. Mr. Rafael Requião mentioned that Brazil informed import countries about the recent police investigation. He pointed that the overreaction of the EU imposing re enforced controls was unproportioned considering the real very low implication to the consumers.
- Geraldine Kutas, BR Foods, stresses the high quality and safety standards of Brazilian animal meat exporters using the example of BR Foods (the world's largest exporter of chicken meat). The company regards great importance to quality and safety management through strict controls in accordance with international standards and hopes for a more-opened position of the EU. BR Foods is exporting meat to more than 150 countries, and only in the Quality Assessment Department are working more than 1600 associates. Mrs. Kutas pointed out that the indicators for minimal healthcare are strictly followed by BR Food, and there is no indication of broking any international requirements (Salmonella etc.). The current EU restrictions on Brazilian meat are not comprehensive because they don't avoid the required import standards of the EU and should be reconsidered. The Brazilian site informed that the overreaction of the EU has the consequences of shutting down 12 plants of export factories and the demission of hundreds of associates.
- Friedrich Wacker, BMEL, emphasizes that consumer protection is crucial to this decision taken by the EU on the basis of deficiencies detected in the Brazilian official control system and the non-compliance with Union law. Nevertheless, it remains a concern of Germany to solve trade issues.
- Mr. Requião asks the German side to help Brazil for a quick movement of the EU Commission to clarify the issue of microbiological requirements for poultry meat considering the standards in force and coherence for similar products (poultry meat with and without small percentage of salt).
- Mr. Caio Carvalho mentioned that the ANUGA Fair has invested in Brazil and will held in the next year his first fair.

3. Innovation Aspects and Bilateral Cooperation

Technology Cooperation between Germany and Brazil

Technology for agriculture productivity – The new Digital World

- Andre Clark, CEO of Siemens Brasil, highlights the importance of digitalization in the agricultural sector. Siemens Brasil is launching a major initiative in this area, identifying three major pillars to support innovation in the agribusiness segment over the next few years: Field Electrification and Electrified Railways, Automation and Digitalization in Agriculture and development of innovation ecosystems through "Ag Hubs". Siemens is creating its global Ag Hub for meat in Brazil. The initiative is open to cooperation with other companies and partners in agriculture.
- Marc Reichert, BAYER BR, highlights the importance of moving from innovation to innovation networks / ecosystems with strong collaboration between stakeholders, specifically in R & D. (EMBRAPA, the University of Sao Paulo (USP), EVONIK, start-ups and AHK among other.) A platform "Bayer Brazil" is already running. The collaboration between ANVISA and BfR (Bundesinstitut für Risikobewertung), initiated at the Agribusiness Initiative, is already a good example and has a big potential to become even closer.

- Jordi Tormo recommends the participation of small to medium-sized Brazilian start-ups at the next Agribusiness initiative meeting in 2019.
Action: ABAG to organize.
- Ingo Plöger points out that the high level of technological progress in agriculture in Brazil is still not very known in Europe. Last year BOSCH has emphasized the 4.0 Livestock, now Siemens, Bayer, ColossalFish, are showing up how important is to be with innovation in the Brazilian market.
- Both Friedrich Wacker and Rafael Requião emphasize the importance of the topic for politics as well and are in favor of intensifying bilateral cooperation in this field.
Action: Friedrich Wacker proposes to MAPA to build a platform which enables SME to participate in this process. He proposes to make the issue of digitalization one of the priorities of the bilateral cooperation.
- BMEL invites MAPA and Brazilian companies to actively participate in the Global Forum for Food and Agriculture (GFFA) 2019, where innovation and digitalization will be the main topics.
- Rafael Requião reports that there are already some interesting measures taken by MAPA.
- **Action:** The Chairman's agreed to make the *Cooperation on Digital Agribusiness* a priority point for the next meeting.

Cooperation on Aquaculture development of the cooperation

- Burkhard Hormann, ColossalFish Germany, presents the progress of the project. Since Porto Alegre, concrete measures have been taken, such as the BMBF joint project: "Bioeconomy on marine sites "and the German and Brazilian ZIM and EMBRAPii project "Novel Biofloc system for shrimp production" as well as the German/Brazilian research project to optimize organic feed and grow of Shrimp with German nematodes and no artemia.
- Burkhard Hormann, informed the dramatical evolution of the US an Europe market for the larvae for RAS shrimps, where US is the only supplier for Europe. As there are strong indications about the hostile aspects for takeovers of US companies in Europe in this field, Brazil could be an alternative for the supplier channel. For this a fast track recognition of Brazilian larvae in the shrimp production hold be undertaken between both countries, as a new chance.
- **Action:** Burkhard Hormann proposes the creation of an actionable and fast task force that acts interdisciplinary and can submit resolutions by October 2018
- This represents a window of opportunity for Brazil to act as a reliable partner for the supply and production of organic shrimp in Germany and Europe. Later also for other fish species

Cooperation on biogas technology transfer

- Hans-Dieter Beuthan, Vice President Economic and Scientific Center Brazil-Germany e. V. WWZ-BD, presents two current biogas projects: DEG / KfW project "Gas market study for Santa Catarina" and a DEG project for the training of biogas technicians and biogas plant managers "and emphasizes the importance of the cooperation also in certification processes between Brazil and Germany.
- Caio Carvalho indicates that exactly this issue will be in the agenda of the new government to define the policies of the RenovaBio, where the standards of Biogas will be defined.
Action: An exchange of experiences with ABAG to expand the cooperation is envisaged in order to support the acceleration of activities in Brazil.

4. Cooperation in the field of livestock husbandry and animal health/ welfare

Sustainable supply chains in cattle farming in Brazil

- Dr. Christoph Rauh, Federal Ministry for Economic Cooperation and Development (BMZ), presented a project in preparation regarding the promotion of sustainable supply chains in the cattle sector through measures that protect the tropical rainforest. For this purpose, GER has committed 23 Mio. EUR in 2017 (financial and technical cooperation). Close cooperation with Brazilian counterparts such as MMA and ABBI




already exists. BMZ and private sector suggested close coordination with MAPA and expressed their interest in deepening and cooperating even stronger.

- Thiago Mendes, Brazilian Ministry of Environment (MMA), presented Brazil's progress in protecting the rainforest and implementing the 2030 Agenda. Brazil has already succeeded in achieving some climate targets ahead of schedule. Example of success: reduction of deforestation in Cerrado by 75%. Thanks to new legislation, Brazil is well on the way to pursuing its climate targets even more intensively.
- Rafael Requião, MAPA, highlights the achievements of the ABC Program by increasing the use of Integrated Crop-Livestock-Forest Systems and Agroforestry Systems by 4 million hectares for the recovery of degraded pastures by 15 million hectares. MAPA promotes initiatives in support of sustainable cattle farming and welcomes projects from the private sector towards achieving common goals. At the same time, MAPA would welcome a positive recognition from EU to the achievement of the goals.
- Friedrich Wacker points out that sustainable supply chains should be another priority topic in the bilateral relationship and MAPA and BMEL should be closely involved in the project. He stresses the importance of also involving the farmers and the agricultural sector, as the farmers constitute the initial part of the supply chain.

Update to the project "Image recovery of Brazilian beef meat"

- Thomas Timm, AHK, gives an update on the joint project "Expanding the guarantee of sustainability and quality of Brazilian beef for the European consumer" and presents the "Market Study: Sustainability Seal Deforestation- Free Supply Chain for Brazilian Beef", which concluded that market potential for Brazilian beef with a sustainability labelling only exists for the premium sector in Germany.
- **Action:** The Chairman's recommend the AHK to present the study to the exporting meat companies in Brazil.

Establishing an Academy for further and continuous education of veterinarians and related qualified professions in the field of animal health/welfare

- Prof. Jörg Hartung (University of Hannover), renews the proposal to establish a German-Brazilian academy for the training of veterinarians and farmers in the field of animal health and animal welfare that should be supported by the industry. He informs about many possible areas for German-Brazilian cooperation. Bayer expresses its interest in participating in and contributing to the project. BMEL reiterates its support for the project.
Action: MAPA will decide on how to support the project.

Compulsory labelling of the indication of origin of beef

- Marcus Schwenke, Head of Department Import, Federation of German Wholesale, Foreign Trade and Services (BGA): reports the difficulties for German importers of Brazilian beef because of the labelling. The label "Origin: Non-EU. Slaughtered in Brazil" is generally not accepted by end consumers.
- The Brazilian side informed that the traceability standards of Brazil by groups of herd is an international accepted standard, including the EU. Even if there is a market preference for individual cattle identification, it cannot be said that Brazil does not comply with the EU requirements.
- The high standards that the German side emphasizes are recognized by the Brazilian producers, but to have an added value, the EU should increase volumes covered by quotas, in order to raise economic interest, with consequent adhesion to new standards by the producers



5. Strategic routes for biofuels

Rota 2030 and RenovaBio the challenge for the sustainable mobility

- Caio Carvalho, ABAG, presents the effects of the program „Rota 2030“ and the new law „RenovaBio“ for agriculture, automotive industry, distributor and consumer. Brazil hopes to reduce by these means the GHG emissions by 10,1% in 2028. There is big potential for sustainable expansion of biofuels supply and at the same time for efficiency gains. ABAG aims to integrate all parties, i. e. farmers, industry and stakeholders in the process.
- Marco Antonio Saltini, MAN, ANFAVEA, supports the MAPA presentation from the point of view of the automotive industry, where the emphasis will be in vehicles with hybrid powertrain, he informed that Toyota has launched his first hybrid flex fuel car that has a emission beyond 40 g/100km of CO2 less than a actual electrical vehicle. The long term objective is to develop a energy cell of hydrogen coming from ethanol.
- Mr. Ronetti from Siemens sees many possible synergies for agriculture, logistics and transport when technologies like energy production from renewable sources like biomass, the electrification of the Brazilian railway system will be applied and combined to sustainable circles.

6. Bioeconomy and Sustainability

German-Brazilian Innovation Hub Bioeconomy

- Murillo Villela Filho, reports on the progress of the project and announces the signing of a Letter of Intent between the “Associação Brasileira de Biotecnologia industrial” (ABBI) and the “Cluster industrielle Biotechnologie” (CLIB) at the end of the AI meeting. The proposal for an innovation hub for the Bioeconomy (BIO-INNO-HUB) is the result of a dedicated working group of the Agribusiness Initiative and corresponds to bi-lateral demand to deepen collaboration in the field of bio economy
- In order to elaborate and present the concept of the BIO-INNO-HUB, the entities need to finance the intended work of both FTE (including travel expenses). The financing of the work needs to reflect the pronounced importance repeatedly attributed to the topic by government and industry in both countries
Action: Request to the government and industry sectors, both German and the Brazilian, to provide resources to finance the elaboration and presentation of the BIO-INNO-HUB concept

German-Brazilian Bioeconomy Award

- Dr. Tilman Schachtsiek, BMEL, proposes the introduction of a German-Brazilian Bioeconomy Award. Ask if there is interest in such an award on the Brazilian side.
- Caio Carvalho says he would like to cooperate in such an award
- **Action:** Proposal on the composition of the jury, criteria for the award etc. will be submitted by BMEL.

Sustainable Bioeconomy actions – Green Latin America – Green Rio

- Maria Beatriz Bley, Planeta Orgânico - Green Rio, reports on Green Rio 2018 and the increase in attendance. She reports on the German-Brazilian bioeconomy workshop at Green Rio 2018. There was a start-up panel. 42 experts and speakers took part.
Sustainability goals: The concern of German customers about the origin of the products is also a concern of the young Brazilian consumers. The topics Agriculture 4.0, Amazonien 4.0, were also topics at GreenRio

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She would like to adopt the German bioeconomic model in Brazil. Idea: To organize Green Rio next year on a larger scale and plan a start-up day. Maria Beatriz Bley invites all AI-participants to Green Rio 2019.

- Mr. Schachtsiek informed about the participation of a German delegation to Green Rio 2018. He outlines the cooperation between the Ministries of Agriculture and the Ministries for Research in Germany and in Brazil. The AI is a suitable tool to engage in the mutual exchange of experiences. He informs about 3 expert discussions and the German-Brazilian bee workshop that were held at Green Rio 2018.
- Ingo Plöger, ABAG, explains that Brazil has an absence of integration of several instances, and his proposal is to create a Brazil Bioeconomy Strategical Council, including companies and institutions. Concept and project description will be presented in the forthcoming months. Rafael Requião, Thiago Mendes as well as Caio Carvalho underlined the importance of such an initiative and asked also the German site to cooperate.

Applied research in Bioeconomy

- Dr. Florian Bittner (Julius Kühn-Institut) informs about three areas suitable for research activities with Brazil/EMBRAPA as discussed during workshops with Brazilian and German experts at GreenRio 2018: plant phenotyping and plant breeding, industrial use of renewable resources and biological control of plant pathogens. Significant benefits are to be expected from collaboration in these areas. For each area, best projects will be selected. Experts of all discussion groups suggested a two- or three-step procedure. First phase: mutual visits for development of common concepts and formation of consortia. Second phase: implementation of projects as selected from competitive proposals. Third (optional but recommended) phase: sustainable maintenance of cooperation's by mutual long-term visits.
Action: Define teams to be involved from both countries in further description of possible common projects and formation of consortia.

7. Debate on cooperation fields

- Jordi Tormo and Friedrich Wacker emphasize the intensity and broadness of the debate in the AI. Friedrich Wacker states that two main topics were addressed in the meeting and should be discussed as key topics in future meetings: trade relations and innovation (digitalization, Bioeconomy, biotechnology). He stresses the advantages of the introduction of a German-Brazilian Bioeconomy Award as a tool to give recognition and visibility to Bioeconomy projects.
Action: BMEL will work out a concept as well as a proposal for the composition of the jury to be implemented already in 2018. Friedrich Wacker recommends the private sector of the AI to address a letter, to both ministers of agriculture with priority issues for the bilateral cooperation. A meeting of the ministers could be envisaged for the GFFA in January 2019.
- Caio Carvalho and Rafael Requião welcome the idea of the Bioeconomy Award. Rafael Requião agrees that the proposed meeting of both ministers on the occasion of the GFFA might be a good opportunity to intensify the bilateral relations in the field of agriculture.

8. Institutional

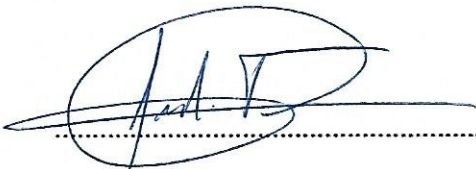
- **Prolongation of the Mandate of the German-Brazilian Initiative for Cooperation in Agribusiness and Innovation**

The AI decided unanimously to ask the Joint Commission for the prolongation of the Mandate for two years.

9. Signing of a Letter of Intent between ABBI (Brazilian Industrial Biotechnology Association) and CLIB (Cluster Industrial Biotechnology) for Cooperation on Bioeconomy / BIO-INNO-HUB (5')

Signees: Manfred Kircher (CLIB) and Caio Carvalho (representing Bernardo Silva (ABBI))

- Both, Associação Brasileira de Biotechnology industrial (ABBI) and the "Cluster industrielle Biotechnologie" (CLIB) will work on BIO-INNO-HUB as a bi-national long-term organizational frame for cooperation of Brazilian and German stakeholders in identifying, developing and realizing joint partnering projects in the fields of advanced bio economy.



Jordi Formo

Co-Chairman, German Business Side



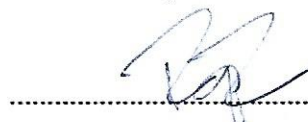
Friedrich Wacker

Co-Chairman, German Government Side



Caio Carvalho

Co-Chairman, Brazilian Business Side



Rafael Requião

Co-Chairman, Brazilian Government Side

Herrn Ingo Plöger
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BRASILIEN

14. März 2019

Sehr geehrter Herr Plöger,

im Namen von Herrn Jordi Tormo erhalten Sie hiermit zwei Exemplare des unterzeichneten Protokolls der Sitzung der Deutsch-Brasilianischen Initiative für Zusammenarbeit in Agribusiness und Innovation am 24. Juni 2018 in Köln mit der Bitte um Weiterleitung eines Exemplars an das brasilianische Ministerium für Landwirtschaft, Viehzucht und Ernährung (MAPA).

Mit freundlichen Grüßen



Heike Jogschies