

Transition from the Amazon Hevea Extractivism to the Escape Zone Cultivated Rubber: impacts on the Brazilian Rubber Sectorial Policies

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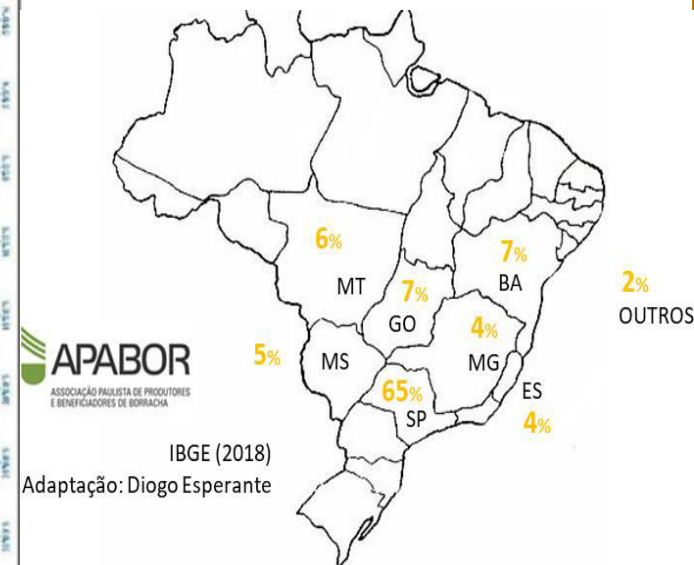
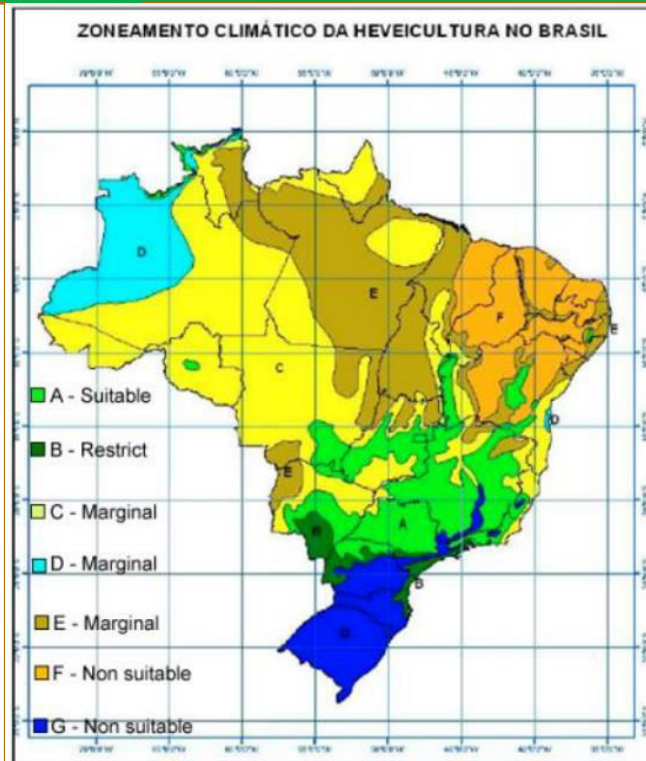
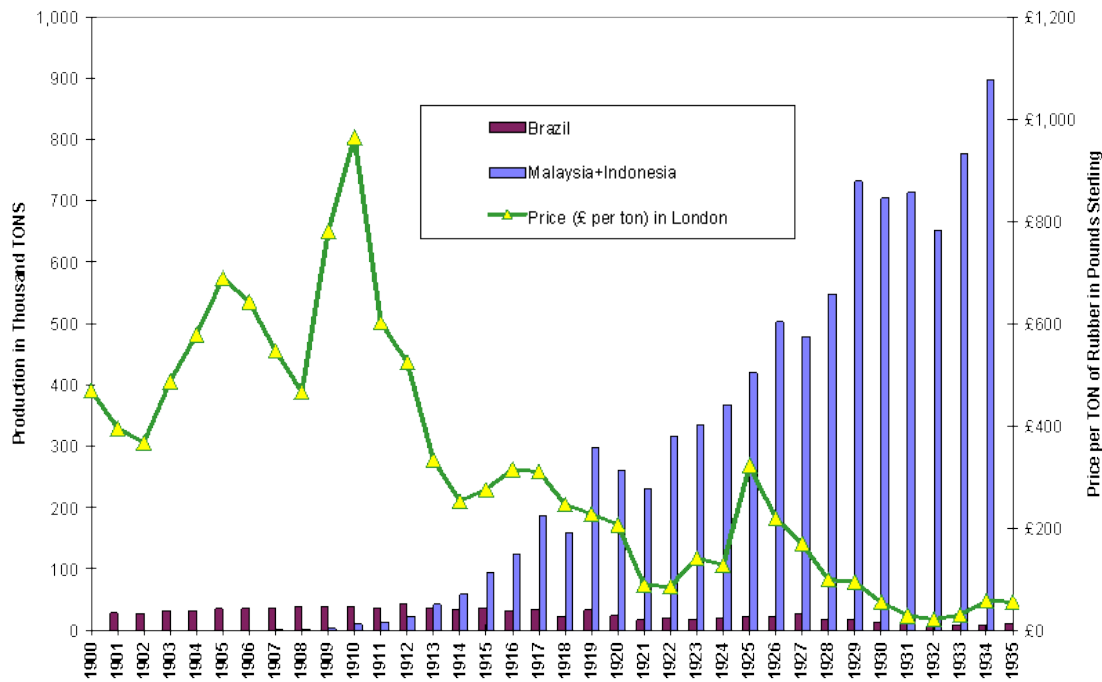


2019

IRRDB Myanmar
Conference



Introduction



Introduction

Tabela 10 - Procedência da produção nacional de borracha natural, no período de 1970-1994.

| Ano | Seringal nativo | | Seringal de cultivo | | Total | |
|----------|-----------------|-------|---------------------|-------|--------|--------|
| | t | % | t | % | t | % |
| 1970 | ND | | ND | | 24.976 | 100,00 |
| 1971 | ND | | ND | | 24.231 | 100,00 |
| 1972 | 24.170 | 93,61 | 1.648 | 6,39 | 25.818 | 100,00 |
| 1973 | 21.840 | 93,32 | 1.562 | 6,68 | 23.402 | 100,00 |
| 1974 | 16.940 | 87,55 | 1.666 | 12,44 | 18.606 | 100,00 |
| 1975 | 17.030 | 88,02 | 2.318 | 11,98 | 19.348 | 100,00 |
| 1976 | 17.870 | 88,04 | 2.428 | 11,96 | 20.298 | 100,00 |
| 1977 | 20.540 | 91,03 | 2.020 | 8,97 | 22.560 | 100,00 |
| 1978 | 21.410 | 90,31 | 2.298 | 9,69 | 23.708 | 100,00 |
| 1979 | 20.850 | 83,54 | 4.109 | 16,46 | 24.959 | 100,00 |
| 1980 | 24.110 | 86,68 | 3.703 | 13,32 | 27.813 | 100,00 |
| 1981 | 26.890 | 88,87 | 3.367 | 11,13 | 30.257 | 100,00 |
| 1982 | 27.850 | 84,45 | 4.945 | 15,55 | 32.795 | 100,00 |
| 1983 | 30.060 | 85,35 | 5.160 | 14,65 | 35.220 | 100,00 |
| 1984 | 30.300 | 84,16 | 5.706 | 15,84 | 36.006 | 100,00 |
| 1985 | 34.560 | 85,60 | 5.811 | 14,40 | 40.371 | 100,00 |
| 1986 | 24.750 | 75,81 | 7.896 | 24,19 | 32.646 | 100,00 |
| 1987 | 18.550 | 69,63 | 8.078 | 30,36 | 26.638 | 100,00 |
| 1988 | 18.330 | 55,68 | 14.587 | 44,32 | 32.917 | 100,00 |
| 1989 | 16.900 | 55,13 | 13.757 | 44,87 | 30.657 | 100,00 |
| 1990 | 14.192 | 46,03 | 16.634 | 53,97 | 30.826 | 100,00 |
| 1991 | 12.680 | 42,92 | 16.863 | 57,07 | 29.543 | 100,00 |
| 1992 | 6.326 | 20,59 | 24.386 | 79,41 | 30.712 | 100,00 |
| 1993 | 5.880 | 14,55 | 34.526 | 85,44 | 40.406 | 100,00 |
| 1994 | 5.367 | 11,90 | 39.726 | 88,10 | 45.093 | 100,00 |
| 1995 (*) | 6.000 | 12,50 | 42.000 | 87,50 | 48.000 | 100,00 |

t = Produção em toneladas de borracha seca (bs)

nota: ND não há dados (*) = Estimativa

Fonte: IBAMA/DECOM, 1995

Informações Econômicas, SP, v. 23, n° 10, out. 1993

Anuário Estatístico - Merc. da Borracha, Bras. v.8/10, 1995

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Brazilian Natural Rubber Production Trends per State



| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| DRC | 57,9% | 57,9% | 59,5% | 56,7% | 57,7% | 57,7% | 58,0% | 56,7% |
| Brasil . Dry Rubber (1) | 129.343 | 158.660 | 175.503 | 186.898 | 184.889 | 184.088 | 181.707 | 182.004 |
| Brasil (cup-lump) | 223.302 | 274.163 | 295.147 | 309.541 | 320.649 | 319.259 | 313.288 | 320.994 |
| São Paulo (SP) | 131.240 | 149.778 | 164.301 | 175.044 | 185.274 | 182.303 | 183.652 | 209.539 |
| Bahia (BA) | 31.908 | 48.663 | 47.340 | 47.475 | 48.482 | 47.650 | 40.314 | 24.027 |
| Goiás (GO) | 9.265 | 9.840 | 14.060 | 11.687 | 15.066 | 17.947 | 18.912 | 20.739 |
| Mato Grosso (MT) | 19.615 | 26.069 | 26.328 | 31.173 | 27.857 | 23.620 | 23.751 | 17.914 |
| Mato Grosso do Sul (MS) | 636 | 1.993 | 2.525 | 2.178 | 2.263 | 2.105 | 4.062 | 14.562 |
| Minas Gerais (MG) | 8.754 | 16.927 | 18.702 | 11.636 | 11.458 | 23.853 | 25.670 | 13.553 |
| Espírito Santo (ES) | 9.879 | 10.250 | 11.203 | 22.898 | 22.916 | 12.330 | 10.116 | 10.586 |
| Pernambuco (PE) | 1.067 | 1.138 | 928 | 687 | 186 | 3.285 | | |
| Tocantins (TO) | 480 | 172 | 145 | 257 | 245 | 980 | 1.760 | 1.549 |
| Paraná (PR) | 1.593 | 1.342 | 1.500 | 137 | 1.070 | 1.405 | 1.468 | 1.508 |
| Maranhão (MA) | 2.566 | 2.321 | 2.434 | 2.052 | 1.741 | 948 | 1.349 | 1.340 |
| Acre (AC) | 2.237 | 2.300 | 1.996 | 1.301 | 1.400 | 720 | 266 | 298 |
| Rio de Janeiro (RJ) | 112 | 140 | 30 | 224 | 27 | 254 | 254 | 195 |
| Pará (PA) | 2.640 | 2.334 | 2.613 | 1.907 | 1.850 | 1.607 | 1.547 | 109 |
| Amazonas (AM) | 1.259 | 794 | 850 | 816 | 641 | 89 | 76 | 38 |
| Rondônia (RO) | 51 | 102 | 192 | 69 | 173 | 163 | 91 | 0 |

Source: IBGE

(1) Projection: ABRABOR

Adaptation: Diogo Esperante (executivo@apabor.org.br)

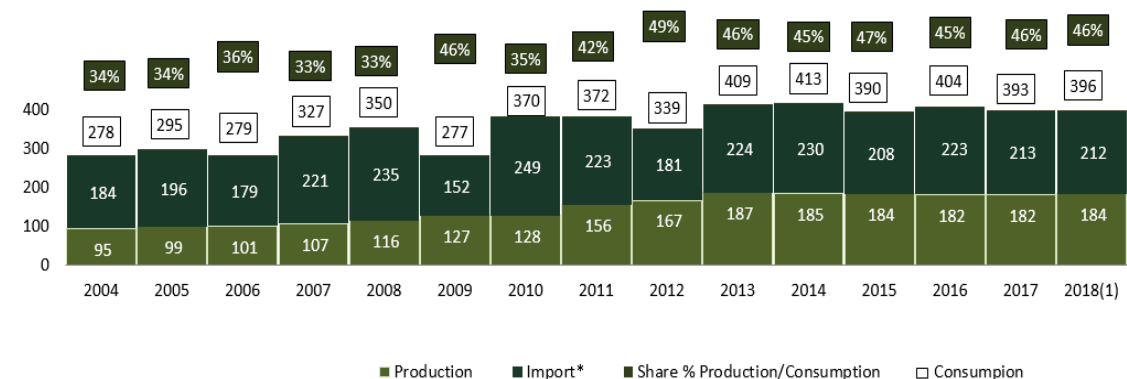
Natural Rubber Productivity Brazil 2017



| | Tapping Area | Production (cup-lump) | Productivity(kg cup-lump/ha) | Average DRC Registerd | Productivity (kg Dry Rubber/ha)* |
|-------------------------|----------------|-----------------------|------------------------------|-----------------------|----------------------------------|
| BRAZIL | 152.130 | 320.994.000 | 2.110,00 | 58,50% | 1.234 |
| Goiás (GO) | 7.320 | 20.739.000 | 2.833,20 | 61,00% | 1.728 |
| São Paulo (SP) | 68.567 | 209.539.000 | 3.055,97 | 54,80% | 1.675 |
| Mato Grosso do Sul (MS) | 5.799 | 14.562.000 | 2.511,12 | 56,50% | 1.419 |
| Minas Gerais (MG) | 9.076 | 13.553.000 | 1.493,28 | 56,20% | 839 |
| Bahia (BA) | 24.962 | 24.027.000 | 962,54 | 58,00% | 558 |
| Espírito Santo (ES) | 9.152 | 10.586.000 | 1.156,69 | 60,80% | 703 |
| Mato Grosso (MT) | 22.117 | 17.914.000 | 809,97 | 59,40% | 481 |
| Others | 5.137 | 10.074.000 | 1.961,07 | 58,50% | 1.147 |

Brazilians Natural Rubber Yield, Export and Import ('000 tonnes)

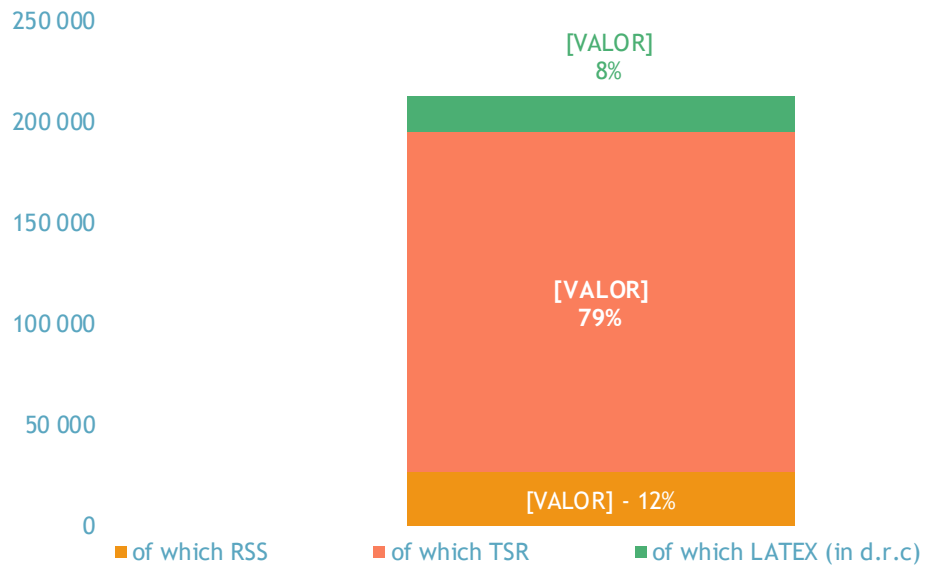
2004 a 2018. NCM. 40011000(60%); 40012000 - 40012990



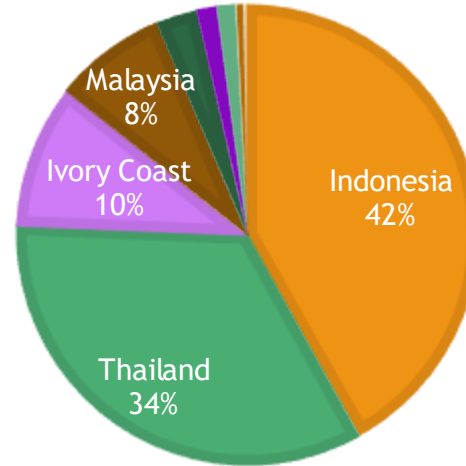
Fonte: MDIC (2016) * /IBGE (2014)**/ Adaptation: Diogo Esperante (seringueira.com.br)

Introduction

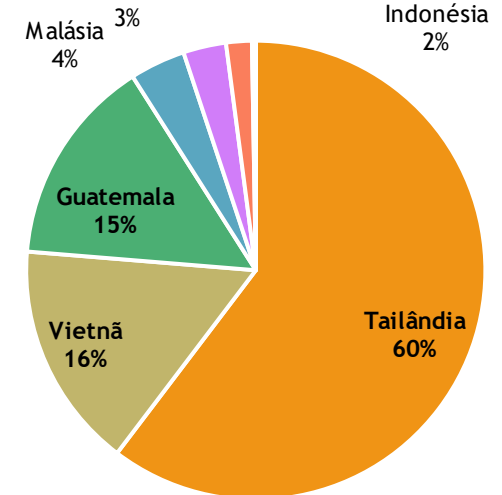
Brazilian Natural Rubber Imports
 Total 2018: 212 thousand tons
 Source: MDIC Adaptation Diogo Esperante ABRABOR Statistical Monitoring Program



BRAZILIAN BLOCK RUBBER IMPORT 2018
 NCM: 40012100 A 40012990



Brazilian Imports 2018 Latex 60%
 Sri Lanka NCM: 40011000

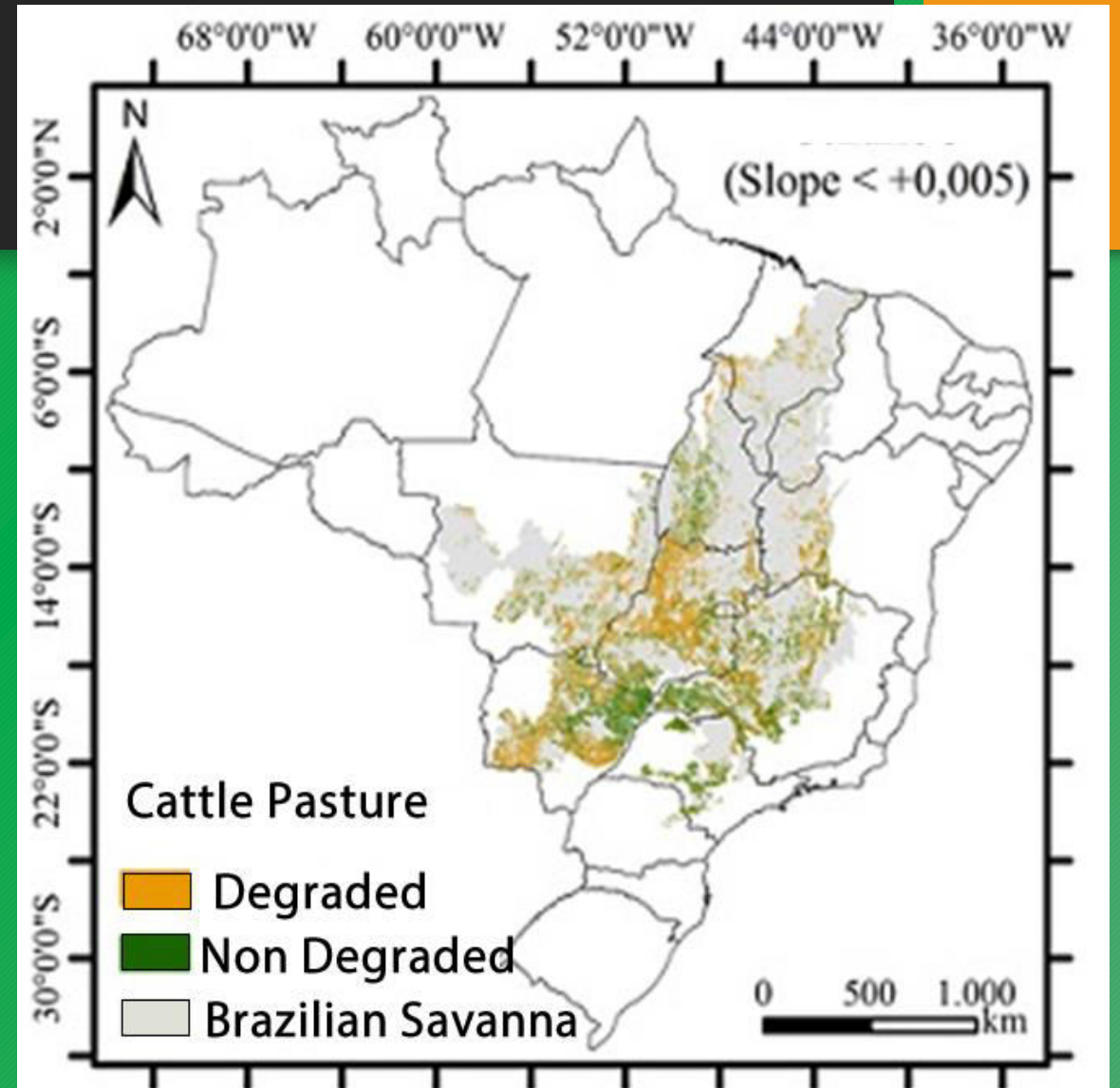


Fonte: MDIC
 Adaptation Diogo Esperante ABRABOR Statistical Monitoring Program

Introduction

TABLE02. Brazilian Savanna Degraded Cattle Pasture (EMBRAPA)

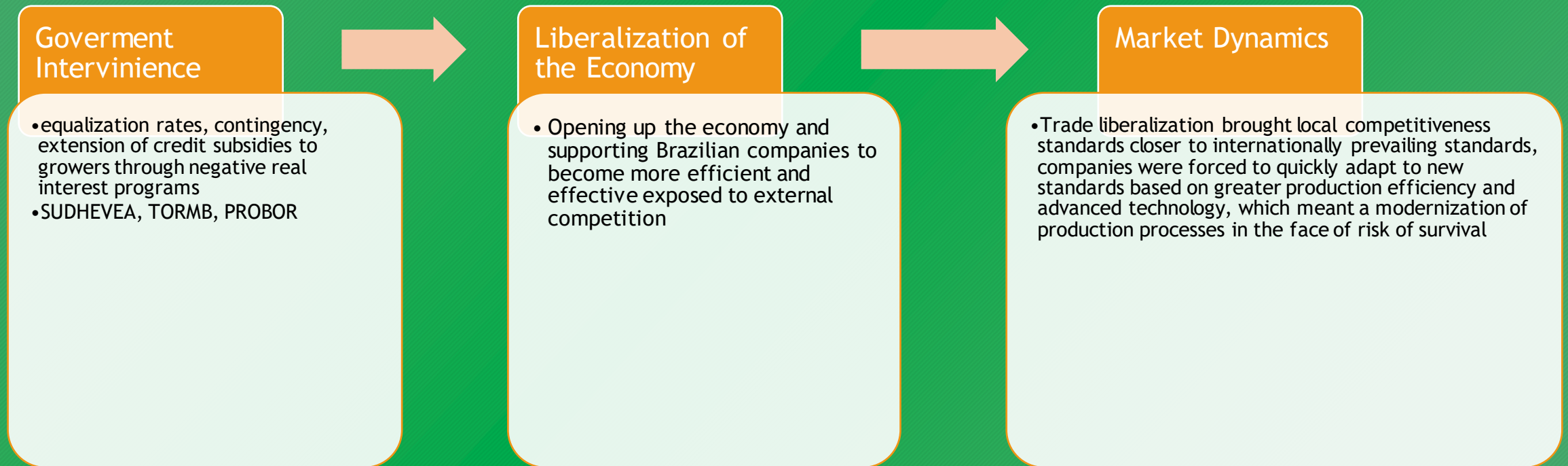
| States | Millions of há | % of the Total Planted Pasture Area |
|--------------|----------------|-------------------------------------|
| BA | 1,55 | 71% |
| DF | 0,07 | 60% |
| GO | 8,8 | 70% |
| MA | 1,3 | 74% |
| MG | 5,82 | 50% |
| MS | 6,52 | 58% |
| MT | 4,25 | 67% |
| PI | 0,34 | 68% |
| PR | 0,05 | 51% |
| SP | 1,09 | 42% |
| TO | 2,13 | 51% |
| Total | 31,92 | 60% |



Material and Methods

-
- This article purpose is to describe events that took place in the recent history of the Brazilian Natural Rubber Sector using both description and analytical methods. First the description method will be used to map the past experience identifying in time and space the trends, events and organizations related to the main aspects of the Pricing Policies of Brazilian Natural Rubber Markets. Secondly this article aims to highlight facts important to help the comprehension of the past and present situation of the pricing Policies in the Brazilian Natural Rubber Market.

Results



Discussion

Market References

| APABOR GEB 10 Reference - NOVEMBER 2016 * | | | |
|---|--------|-----------------|-----------------|
| | | US\$ | R\$ |
| Market (SMR20) | | 1.466,09 | |
| See Freight | | 66,96 | |
| Insurance | 0,285% | 4,18 | |
| TEC (Import Tax) | 14,0% | 215,21 | |
| Merchant Naivy Tax | 25% | 16,74 | |
| Port Costs | | 13,21 | |
| Road Freight | | 5,07 | |
| SUB-TOTAL (US\$/t) | | 1.787,47 | |
| Exchange Rate | | | 3,2208 |
| TOTAL (R\$/t) | | | 5.757,05 |
| TOTAL (R\$/kg) - GEB-10 APABOR | | | 5,76 |
| Nationalization Rate | | 21,92% | |

| GEB 10 Market (SP 15d) JUN e JUL 2019 | | | | |
|---------------------------------------|---------------------------|-----------------------|-------------|-----------------|
| Exchange Rate | International Price TSR20 | Commercializing Costs | | Reference Price |
| dólar (1) | TSR20(2) | Charges (3) (4) | | GEB10 |
| 3,9444 | 1,5013 | 10,04% | 0,08 | 6,66 |

Added Value over International Price: 11,10%

(2) 60 days average TSR 20 Front Month SGX .

<https://www2.sgx.com/derivatives/delayed-prices-futures?cc=TF&category=rubber>

(1). Average 60 days Dólar Ptax Purchase.

<http://www4.bcb.gov.br/pec/taxas/port/ptaxnpesq.asp?id=txcotacao>

(3)Sum 60 days Daily Interes Rates + 0,5% calculated for 15 days + PIS/COFINS of 9,25%

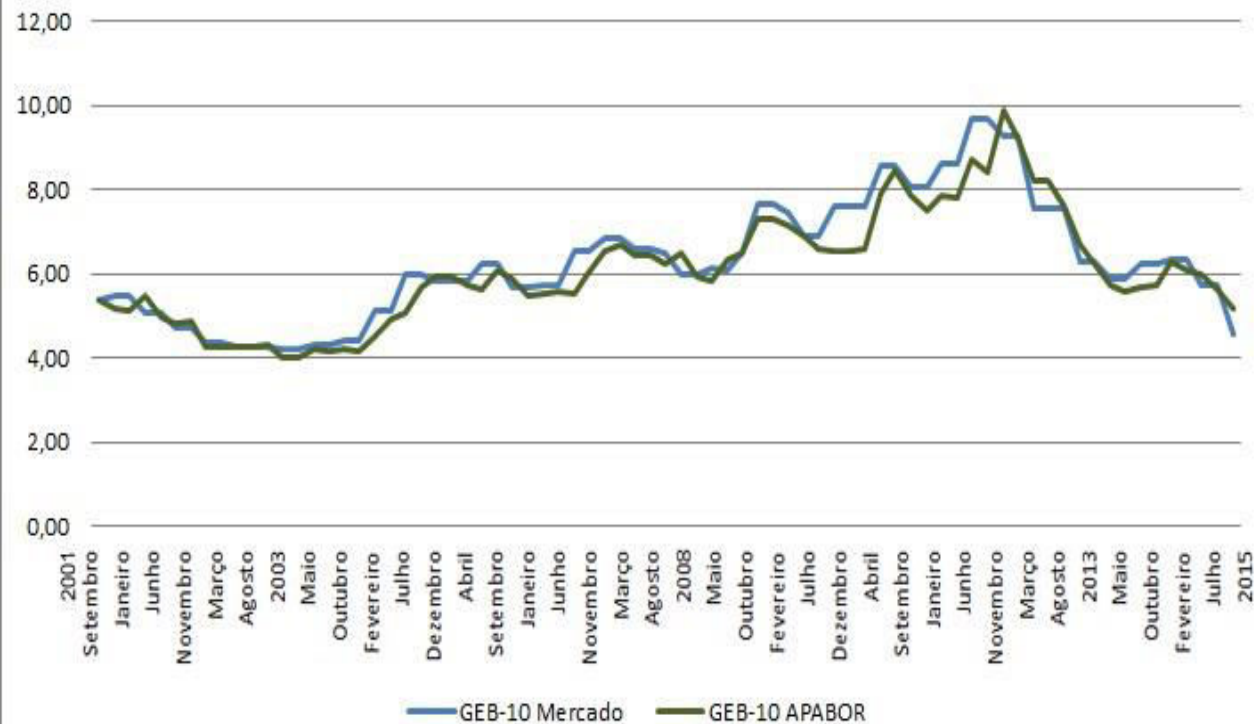
(4). Road Freight

Discussion

Série Histórica Comparativa 2010-15

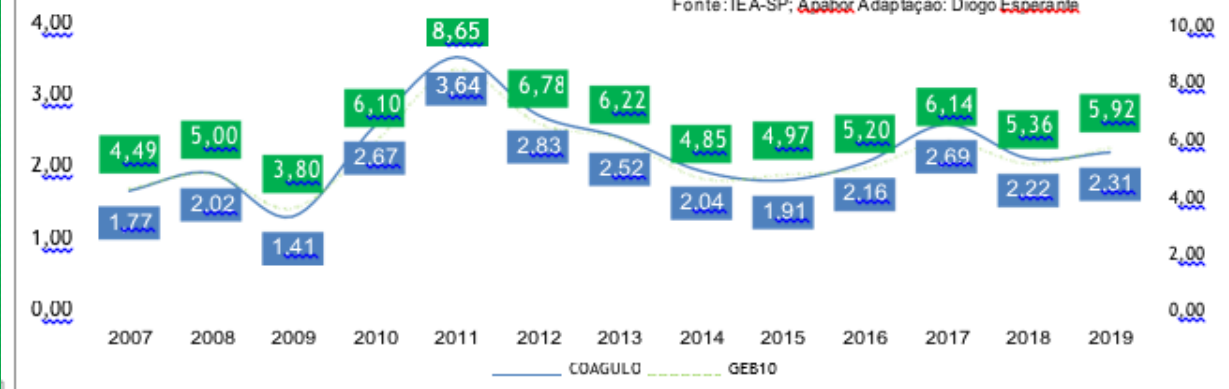
GEB-10 Mercado e GB-10 APABOR

Fonte: APABOR Adaptação Diogo Esperante



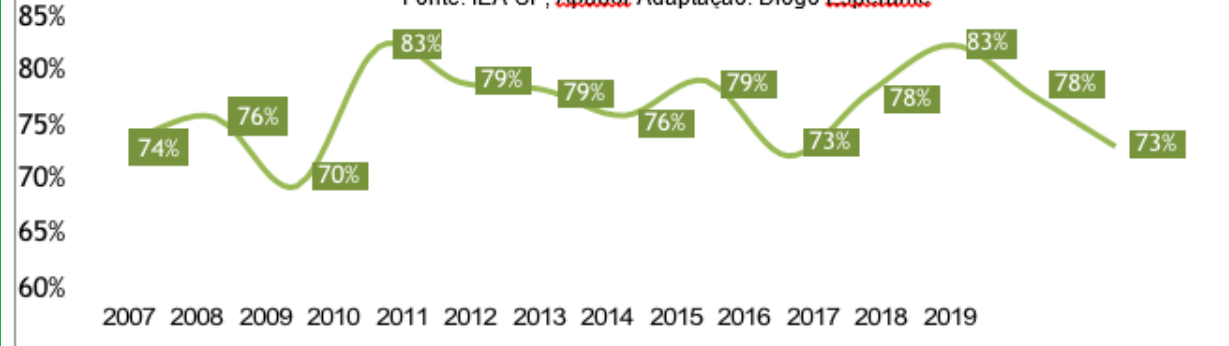
Médias Anuais dos Preços Médios Mensais Borracha (coágulo) IEA e \ Referência GEB-10 Mercado (SP 15d)

Fonte: IEA-SP; Apabor Adaptação: Diogo Esperante



Participação Média Borracha (coágulo) IEA/GEB-10 Mercado (SP 15d)

Fonte: IEA-SP; Apabor Adaptação: Diogo Esperante



Conclusion

- As showed above the historical data indicates that due to its origins, Brazilian Natural Rubber Market was during the most part of its existence target of government interventions seeking to allow the domestic productive sector to develop behind protective walls, rather than exploiting its comparative advantages. The data also shows that such strategy failed in totality having the government abandoned it's enforcement coincidently with the collapse of the Amazon based Native Rubber production and the emergence of the competitive Scape Zone Southwest Cultivated Rubber.
- For last, it shows that the private market based alternatives were efficient in creating a competitive model for the Brazilian Natural Rubber productive sector based on the evolution of productive practices and productivity rates.
- None of the less, new policies integrated with the current characteristics of the market may help the improvement of such model with gather levels of competitiveness both in productivity rates as in added value.

Acknowledgement

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Thank you very much!



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