

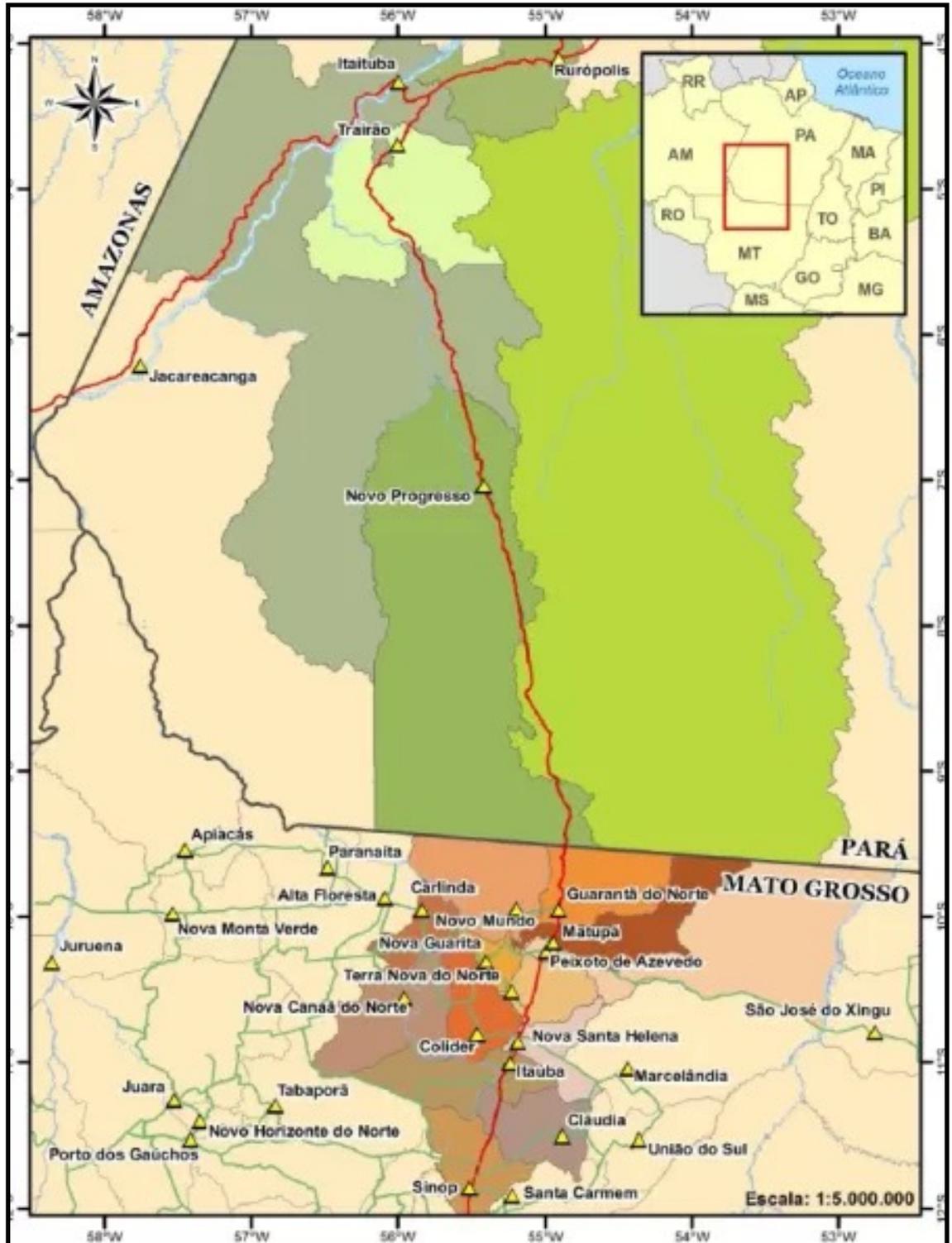


**AGU changes position and now it is against the law that opened space for Ferrogrão**  
**Ferrogrão, designed to cut through the states of Mato Grosso and Pará**

The AGU (Attorney General of the Union) reviewed the position adopted in the Jair Bolsonaro (PL) administration and placed itself against the law that changed the limits of the Jamanxim National Park (PA) for the construction of Ferrogrão, a billion-dollar railroad that crosses indigenous territories in the north of the country.

What happened? The folder claims that it received "new technical information" presented by environmental agencies and, therefore, will now be contrary to the law.

The suppression of the environmental conservation area of the Jamanxim Park took place, according to the AGU, without there being "any counterpart" in terms of the environmental area to be protected.



The reduction in the park's area happened when the MP on the project was converted into law. The change would not have been supported by technical studies.

The AGU asks the Supreme Court to review the injunction issued by Minister Alexandre de Moraes. The decision completely paralyzed the project to at least allow the preparation of new studies on the environmental impact of Ferrogrão.

In the present case, therefore, in which it is a matter of reducing the integral protection area in an environmental conservation unit - which entails, in practice, the reduction of environmental protection -, the existence of technical studies attesting to the feasibility of the measure legislation has an even more fundamental character than in the aforementioned case judged by this Court "Manifestation of the AGU on Ferrogrão

### **AGU says it is not against the project**

At the demonstration, the AGU made a reservation that, although it points to the unconstitutionality of the law that reduced the Jamanxim Park, it is not contrary to Ferrogrão's proposal.

To the Supreme, the folder says it recognizes the "relevance" of the project for the flow of grains through the northern region, and the possibility of creating jobs in the construction of the railroad.

The present manifestation, moreover, does not denote an institutional position in the sense that the implementation of the EF-170 railroad, considered by itself, would be harmful to the environment"Manifestation of the AGU on Ferrogrão

### **Railroad deployment divides ministers**

The Ferrogrão project divides ministers in the Lula government and forces the AGU to balance between the different interests in the proposal.

Minister Sônia Guajajara (Originous Peoples) asked the AGU to review its position, going against the proposal that reduced the Jamanxim Park for the construction of Ferrogrão.

The demonstration took place in the midst of the emptying of the portfolios of the Environment, by Marina Silva, and of the Indigenous Peoples, by Guajajara itself.

On the other hand, the Minister of Transport, Renan Filho, is in favor of the construction of Ferrogrão and said that the government would proceed with

the construction of the railroad if the STF authorizes it.

The Ferrogrão project was halted in 2021 by a decision by Minister Alexandre de Moraes. The discussion is scheduled to be resumed by the Supreme Court next Wednesday (31).

---

### **Kory Obs:**

Grain railroad vs STF, Environmentalists, Indians, and Rumo. What will happen?

I was at the inauguration of the EAST/WEST railroad in Lucas do Rio Verde in March of 2010. I remember it well as I had a Chinese grain buyer with me and he wanted to attend. I just checked the calendar and it is 2023.

Since then the EAST/WEST rail or FICO has made some progress in Goiás and a spur is being built into Eastern Mato Grosso as we speak. A bridge going over the Araguaia River is being built now. [https://en.wikipedia.org/wiki/Araguaia\\_River](https://en.wikipedia.org/wiki/Araguaia_River)

While I was at the inauguration of the FS bio-energy corn ethanol mill in **August of 2017**, I was drinking beer with a Brasília lobbyist for the Grain Railroad. He told me to forget about the Rumo extension from Rondonópolis. He told me in no uncertain terms that grain will be going north and **not south**. Typical, just another bullshitter. When Bolsonaro took office, they pledged their support for the railroad. He is now out of office.

The lobbyist said the Grain railroad would be functioning by **2025**.

In recent months, Rumo has laid about 5 Km of track going north of Rondonópolis towards Campo Verde.

They have built the first over pass so cars can go over the railroad. Rumo has pissed on their concrete fire hydrant. They have planted their flag. They have marked their territory. We are building this son of a bitch from south to the north and the rest of you can get in line or piss off.

It took three years, but Rumo has lobbied and played their hand well in Brasília and with the Mato Grosso elite.

con't

So now this comes to Indian rights and property. The idea is to trade the Indians for a small slice of land for a larger chunk elsewhere. Do I understand this? Nope. I simply don't care. Damn few others do also, however they are using the Indians to shake out an outcome in their favor - 3D chess and money. We need Spock to understand this.

So now we get to the environmentalists. What do they want? **Bottom line:** I think they wish everyone would just stop doing everything. They see a chicken and egg scenario where as the more development that comes the more trees get burnt. It is not if but when.

I would tend to agree. Trees will get burnt as the country develops. Just like in Europe and the USA over the last 200 years.

Everyone seems worried about carbon these days. We could argue that replacing an acre of forest with two or three crops of dense agri-production is a net wash as per carbon. There are new studies on this.

Given that Mato Grosso just produced 46 MMT of soy and soon 50 MMT of corn, I would argue things are getting better in Mato Grosso and not worse.

If we have a Super El-Nino by FALL, and we see lots of fires again in the Pantanal and Amazon, sure as shit the environmentalists will be beating the drum that the Brasilians are killing the planet. I would agree that humans are speeding up the pace of environmental variability, but the macro climate cycles are still in control. The Dinosaurs were accustomed to much more carbon than we have today.

Study the solar cycles and we are now in #25. Things will only get more extreme just like it did last time - 300 to 350 years ago.

The environmentalists are going to need to square the circle here. We can have thousands of trucks bopping thru the Amazon burning diesel and wearing out tires every 50,000 miles or we can have a railroad and decrease this ratio. Chicken and egg. The more development and the easier it is to be a pioneer, the more people that come and more trees get burnt and the more Hi-Lux pick ups in the Amazon running around looking for "deals".

I do not have the solution. I have loved to be a part of the story over the last 22+ years. I have perspective and a little bit of wisdom. Does that mean I am correct?

Nope

I have seen the abuses of the frontier development. I wish they could have saved a few more trees even in the prime area. One can feel it in the dry season. If you are out in the hot Sun at harvest and then step into a forested area, the temp drops 10-15 degrees F.

The humidity is lower and it tends towards a de-humidification of the whole forest that was not an issue 30 years ago.

There is talk of more and more irrigation. Mato Grosso can grow three crops a year. This goes beyond soy and corn and into edible beans, wheat, and specialty crops.

If irrigation were to double or triple in the next 10 years, would that lower the water table? Would the rivers be lower? I don't know.

Have we already passed the tipping point?

It looks like next week there will be a review of the injunction. What will happen?

I dunno.

But, I thought I would outline a few of the forces at work.

Ohh, did I forget? Where will the money come from to build the railroad if it is approved?

Capital is now more expensive than a decade ago.

Banks now want to make "Green Loans".

If it is approved to flip some acres with Indians and the route is approved? Is China ready to fund this deal? Is that what Brazil really wants?

A new "Season" of the "Grain Railroad" is about to start. "Yellow Stone" would be wise to film a season in Brazil. I could show them where the "Real" Train Station is in Mato Grosso. ;>)