October 2026

Brazil: Increasing Agricultural Competitiveness Through Strategic Transport Infrastructure

Executive Summary

Agricultural competitiveness in Brazil increasingly depends on reducing logistics constraints and expanding efficient multimodal transport networks. As production intensifies across key grain-producing regions—particularly Mato Grosso and Mato Grosso do Sul—infrastructure developments such as the Capricorn Bioceanic Corridor (CBC) and the expansion of state rail systems are becoming essential to lowering freight costs, improving market access, and strengthening export reliability. This report evaluates the progress of some of these initiatives and their strategic relevance for agricultural supply chains serving rapidly growing international markets, especially in Asia.

Capricorn Bioceanic Corridor

The CBC is a multimodal transport route spanning 2,300 to 2,400 kilometers (km), linking Brazil's Atlantic coast to the Pacific ports of Antofagasta, Mejillones, and Iquique in northern Chile, via Paraguay and Argentina (see Figure 1). Beginning near the Port of Santos, the corridor crosses Mato Grosso do Sul and reaches Porto Murtinho, enters Paraguay at Carmelo Peralta via a new bridge, traverses the Paraguayan Chaco along Route 15, connects to Argentina at Pozo Hondo, and reaches Chile through Salta and the Jama Pass.[1]

Although first conceptualized in the 1960s, the initiative gained formal recognition in 2015 when the presidents of Argentina, Brazil, Chile, and Paraguay signed the Asunción Declaration. The corridor's objectives include enhancing regional connectivity, reducing logistics costs and transit times, and enabling more efficient multimodal transport across South America.[2]

As of early 2026, the CBC was in an advanced construction phase. Paraguay inaugurated the corridor's first segment between Carmelo Peralta and Loma Plata, and the Bioceanic Bridge linking Porto Murtinho (Brazil) and Carmelo Peralta (Paraguay) was approximately 80 percent complete. To streamline cross-border cargo flows, Brazil joined Argentina and Chile in implementing the United Nations Economic Commission for Europe's (UNECE) Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR

[1] Hanseatica 2025.
[2] Organisation for Economic Co-operation and Development (OECD) 2025.

Convention) on July 30, 2026.[3] The TIR Convention is a global customs transit treaty that streamlines international freight movement by allowing goods to travel across borders in sealed, approved vehicles via a single harmonized customs document without repeated inspections.

Figure 1: Capricorn Bioceanic Corridor

Note: The CBC links Atlantic and Pacific seaports through the countries of Brazil, Paraguay, Argentina, and Chile. The route's tentative completion date is late 2026. Sources: ESRI Roads and Towns; ESRI World Terrain Basemap; Gilda Arréllaga (October 29–30, 2019), Bioceanic Corridor: Brazil-Paraguay-Argentina-Chile [Presentation]. United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), Ulaanbaatar, Mongolia. https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/paraguay-mongolia-presentacion-ingles-3s.pdf

[3] Hanseatica 2025. Note: Paraguay inaugurated the first section (Carmelo Peralta to Loma Plata) with an investment of more than $350 million. Brazil ratified TIR in 2025, with accession effective in July 2026, according to UNECE.

For Brazilian agriculture, the CBC offers significant logistical advantages. Estimates indicate that transport costs for exports to Asia could decline by 30 to 40 percent,[4] [5] while shipping times may fall from approximately 55 days via Santos to roughly 42 days using Pacific ports.[6] With more than 65 percent of Mato Grosso do Sul's exports destined for Asian markets, these reductions would be particularly impactful.[7]

Expected benefits of the corridor include increased trade, investment, and employment, along with stronger regional supply chains.[8] Benefits extend beyond agricultural products to include critical mineral exports from Chile and Argentina, contributing to a diversified trade route that supports ongoing infrastructure development.

However, several risks remain. Realizing the corridor's economic potential requires sustained political alignment among the four nations despite electoral shifts. Harmonized customs systems, sanitary and phytosanitary regulations, and integrated information platforms are essential to achieving the anticipated reductions in transit time and operating costs. Experts warn that inadequate integration of customs systems could undermine the corridor's efficiency gains.

Strategically, the CBC will be most impactful when combined with complementary agricultural intensification efforts. The alignment of expanded production from consolidated lands with more efficient Pacific logistics creates a mutually reinforcing system geared toward growing demand in Asian markets.

Rail Expansion in the Central-West Region

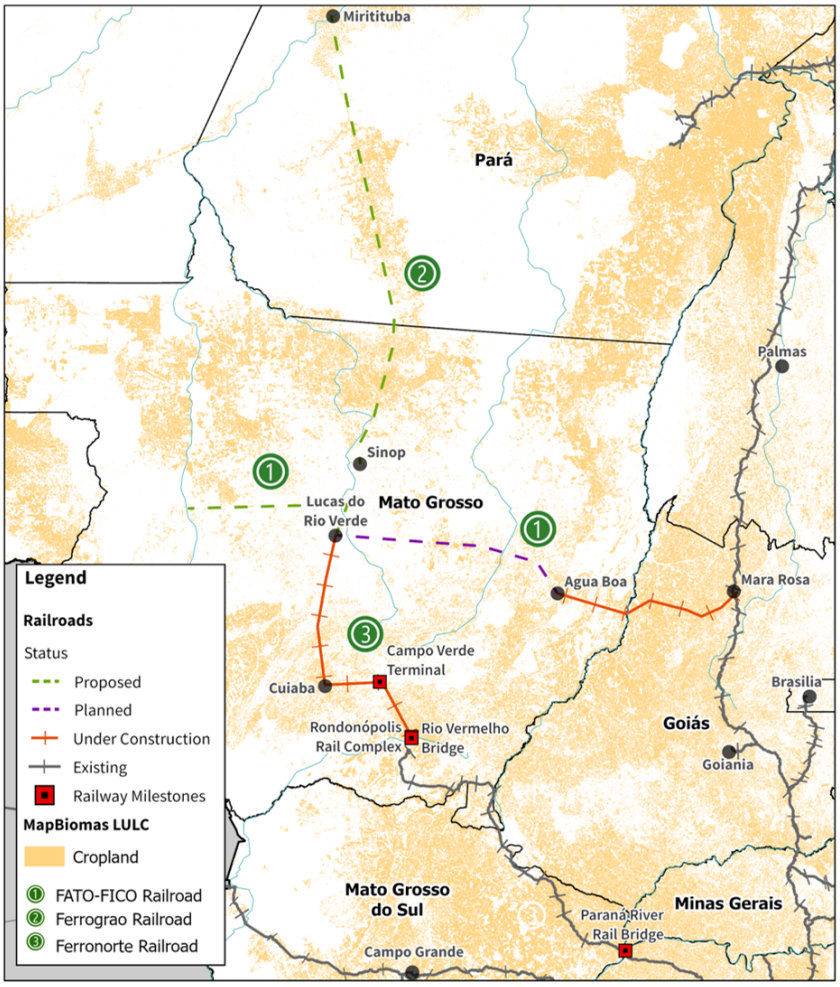
Brazil is advancing three major rail projects in the Central-West Region to improve grain transport efficiency: the Ferrogrão Railroad in the north, the Ferronorte Railroad in the southeast, and the Ferrovia Autorizada de Transporte Olacyr de Moraes – Ferrovia de Integração Centro-Oeste (FATO-FICO) Railroad running east-west (see Figure 2).

The largest initiative, the Ferrogrão Railroad, is a strategic yet controversial 933 km freight railway project in Brazil, designed to link Sinop in Mato Grosso's agricultural heartland with the Tapajós River's Port of Miritituba in Pará, forming part of the Northern Export Corridor or "Arco Norte" for soy and corn exports. The project aims to shift cargo from trucks on the congested BR-163 highway to rail—potentially cutting transportation costs by up to 20

[4] DatamarNews 2022.
[5] TendersGo 2026.
[6] Argus Media 2025.
[7] Argus Media/Famasul 2025.
[8] OECD 2025. Note: The CBC aims to stimulate trade, investment, and job creation while improving regional connectivity to East Asian markets.

percent.[9] Once complete, the railway will handle roughly 40 million tons of grain per year by 2050.[10] However, the project has faced significant delays and opposition, particularly from indigenous and environmental groups and critics questioning its financial viability, citing potential cost overruns, low private return rates, and the need for substantial public subsidies.[11] [12]

Figure 2: Central-West Railway Expansion



Note: Brazil's railway expansion projects in the Central-West Region aim to link the agricultural heartland with east coast ports. Segments of the FATO–FICO Railroad (1) are being built through eastern Mato Grosso and western Goiás, with additional lines in the planning stages. The Ferrogrão Railroad (2) is a proposed railway that would connect central Mato Grosso with the Amazon River Basin. Current upgrades to the Ferronorte Railroad (3) will improve access for Mato Grosso and Mato Grosso do Sul to the Port of Santos. Sources: MapBiomas Brazilian Railway and LULC Data; Cordonnier, M. 2026.; Revista O Empreiteiro. 2025.

[9] Agência Nacional de Transportes Terrestres 2025.
[10] Environmental Justice Atlas 2023.
[11] O Joio e O Trigo, and InfoAmazonia 2026.
[12] Forests & Finance 2025.

The Ferronorte Railroad, operated by Rumo Logística, transports soy and corn from Mato Grosso and Mato Grosso do Sul to the Port of Santos. The 755 km corridor replaced truck journeys of 1,300 to 2,000 km with a single, more reliable rail link.[13] Recent upgrades, including a new terminal near Campo Verde and a bridge over Rio Vermelho, aim to boost throughput and facilitate construction of an extension from Rondonópolis through Cuiabá to Lucas do Rio Verde. Once complete, the extension will integrate Mato Grosso's grain heartland directly into rail export networks, expanding capacity by tens of millions of tons and substantially reducing export transport costs.[14] [15] [16]

The third initiative includes the building of the FATO–FICO Railroad through eastern Mato Grosso and western Goiás. By connecting major soybean and corn production hubs, such as Lucas do Rio Verde and Água Boa, with the national North–South network at Mara Rosa, the line will enable farmers in these regions to ship grain directly to key Atlantic ports such as Santos and São Luís.[17]

Collectively, these rail projects will likely reduce grain transport costs by an estimated 40 percent, further enhancing Brazil's competitiveness in global agricultural markets.[18]

Conclusion

The combined development of the CBC and rail expansion in the Central-West Region represents a pivotal shift in Brazil's agricultural logistics landscape. By lowering transport costs, shortening shipping times, and diversifying export routes, these projects could substantially enhance the competitiveness of Brazilian grains and other agricultural commodities in global markets. Their full benefits, however, will depend on sustained political coordination, regulatory harmonization, and continued investment across participating countries. If participating countries successfully implement these projects, improvements will form a mutually reinforcing system that supports intensified agricultural production and positions Brazil to meet rising global demand with greater efficiency and resilience.

Prepared by: Aaron Mulhollen
Aaron.Mulhollen@usda.gov

[13] Railway Technology (n.d.).
[14] Cordonnier, M. 2026.
[15] Cordonnier, M. 2021.
[16] Revista O Empreiteiro 2025.
[17] Cordonnier, M. 2024.
[18] Cordonnier, M. 2026.

References

Agência Nacional de Transportes Terrestres. 2025. "Ferrogrão – EF-170." August 25, 2025. https://www.gov.br/antt/pt-br/assuntos/ferrovias/novos-projetos-ferroviarios/ferrograo-ef-170

Argus Media / Famasul (Mato Grosso do Sul agriculture federation), as reported by Argus Media. 2025. Transportation time to Asian ports projected to fall from 55 to 42 days. February 28, 2025. https://www.argusmedia.com/en/news-and-insights/latest-market-news/2662836-south-cone-artery-to-boost-farm-exports-to-asia

Argus Media. 2025. "Market Talks: Bi-Oceanic Corridor will boost South America-Asia trade." March 24, 2025. https://www.argusmedia.com/en/news-and-insights/energy-and-commodity-podcasts/falando-de-mercado-corredor-bioceanico-de-capricornio-deve-aumentar-comercio-com-a-asia

Arréllaga, Gilda. 2019. "Bioceanic Corridor: Brazil-Paraguay-Argentina-Chile." [Presentation]. United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), Ulaanbaatar, Mongolia. https://www.un.org/ohrlls/sites/www.un.org.ohrlls/ files/paraguay-mongolia-presentacion-ingles-3s.pdf. October 29-30,2019.

Cordonnier, M. 2021. "Rumo plans to extend Ferronorte Railroad into Central Mato Grosso." Soybean & Corn Advisor. July 21, 2021. https://www.soybeansandcorn.com/articles/8072/

Cordonnier, M. 2024." Work progressing on Brazil's FICO–FIOL railroad." Soybean & Corn Advisor. May 1, 2024. https://www.soybeansandcorn.com/articles/9961/

Cordonnier, M. 2026. "Update on railroad projects in the State of Mato Grosso." Soybean & Corn Advisor. March 31, 2026. https://www.cornandsoybeans.org/articles/10446/?page=1

DatamarNews. 2022. "Integrated logistics corridor can reduce freight prices by 30%." April 2022. https://datamarnews.com/noticias/integrated-logistics-corridor-can-reduce-freight-prices-by-30/

Environmental Justice Atlas. 2023. "Ferrogrão Railway Ferrovia EF-170, Mato Grosso – Pará, Brazil." July 30, 2023. https://ejatlas.org/conflict/planned-construction-of-ferrograo-railroad-to-boost-soy-exports-mato-grosso-para-brazil

Forests & Finance. 2025. "High-risk rail: Why Wall Street should be wary of Ferrogrão." April 28, 2025. https://forestsandfinance.org/news/high-risk-rail-why-wall-street-should-be-wary-of-ferrograo/

Hanseatica. 2025. "The Bioceanic Corridor: A new route for logistical integration in South America." September 2025. https://hanseatica.com/en/2025/09/01/el-corredor-bioceanico-una-nueva-ruta-para-la-integracion-logistica-en-sudamerica/

OECD. 2025. "The Capricorn Bioceanic Corridor in South America." Background Note, OECD Emerging Markets Forum, April 2025. https://www.oecd.org/content/dam/oecd/en/events/2025/04/oecd-emerging-markets-forum/Panel%202_OECD%20EMF%20Background%20Note%20-%20The%20Capricorn%20Bioceanic%20Corridor%20in%20South%20America.pdf

O Joio e O Trigo and InfoAmazonia. 2026. "Ferrogrão railway line will affect six indigenous lands, 17 conservation units and three isolated tribes." April 4, 2026. https://infoamazonia.org/en /2023/07/05/ferrograo-railway-line-will-affect-six-indigenous-lands-17-conservation-units-and-three-isolated-tribes/

Railway Technology. n.d. "Ferronorte Railway Construction – Brazil." SCBIST. accessed May 21, 2026. https://scbist.com/scb/foreign-railways/projects/ferronorte/index.htm
Revista O Empreiteiro. 2025. "Ferrovia da Rumo impulsiona economia e logística do Mato Grosso." Revista O Empreiteiro. October 27, 2025. https://revistaoe.com.br/ferrovia-rumo-mato-grosso/

TendersGo. 2026. "Capricorn Bioceanic Corridor: Reshaping South America Trade in 2026." March 2026. https://www.tendersgo.com/post/capricorn-bioceanic-corridor-reshaping-south-america-trade-in-2026-1877.