

Federative Republic of Brazil
State of Tocantins
Secretariat of Production (SEPRO -TO)
Secretariat of Planning and Environment (SEPLAN -TO)

Japan International
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(JICA)

ANNEX II
**GENERAL SITUATION OF
THE STATE OF TOCANTINS**

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1. Generalities

The State of Tocantins has 139 municipal districts the ones that are divided in 10 areas and has a total area of 278.420 square kilometers, the population in 1996 was of 1.048.642. The population of the state is concentrated in the Area of Study (north and extreme north), where 31,6% of the total population live. The tax of growth of this area is very high, mainly the extreme north that presents a tax of 4,5%.

General situation of the State for Area

Area	In the one of Municipal districts		Área(km2)		Population in 1996 (hab.)		Population Growth 96/97 (% / year)
North Extreme	25	18.0%	15,967.2	5.7%	159,822	15.2%	4.49
North	13	9.4%	21,082.1	7.6%	172,476	16.4%	2.96
Northwest	17	12.2%	19,081.0	6.9%	47,604	4.5%	0.20
Northeast	10	7.2%	24,032.8	8.6%	100,097	9.5%	1.64
Center West	14	10.1%	30,459.3	10.9%	87,755	8.4%	0.99
Center	14	10.1%	23,079.4	8.3%	180,322	17.2%	7.44
East	08	5.8%	34,113.2	12.3%	27,576	2.6%	1.80
South	12	8.6%	22,676.0	8.1%	113,806	10.9%	1.28
Southwest	06	4.3%	40,496.8	14.5%	49,497	4.7%	1.28
Southeast	20	14.4%	47,432.9	17.0%	109,687	10.5%	1.48
TOTAL	139	100.0%	278,420.7	100.0%	1,048,642	100.0%	3.06

Source: Anuário Estatístico do Tocantins 1997

In spite of the main activity in the state to be the Agro-forestry and Silvi-pastoral activities, the agricultural production is very low, being the livestock the main activity. The conditions of production of each area are presented to proceed.

General conditions of the Agricultural Section in Tocantins (1995)

Area	Rice (ton)	Bean (ton)	Corn (ton)	Mandioca (ton)	Bovine (Heads)	Swine (Heads)
North Extreme	23,004	979	22,820	59,597	438,930	122,387
North	6,621	201	11,726	23,027	1,137,200	72,481
Northwest	8,795	1,125	8,111	20,595	800,600	81,450
Northeast	11,619	430	4,213	7,470	187,200	59,600
Center West	30,067	96	7,093	13,460	545,430	65,570
Center	20,742	683	8,667	19,788	520,040	74,135
East	4,190	20	1,657	11,875	182,625	40,340
South	26,749	26	17,511	15,515	570,500	50,250
Southwest	11,261		17,281	10,475	646,890	40,730
Southeast	274,100	528	13,144	15,330	574,185	98,171
TOTAL	417,148	2,885	112,223	197,132	5,603,600	705,114

2. Tendencies of the Economy

(1) General conditions of the Economy

The primary sector (agriculture, livestock) it is the most important in the state, following by the tertiary sector (trade, services), being the secondary sector (industry) almost inexistent. If we consider the annual growth, we can notice that the primary sections and tertiary grow with the same percentage, and the secondary sector, in spite of the low value, it possesses larger growth.

(2) The State Production for Sector

In agreement with the Secretary of Industry and Commerce, the number of companies registered at the Secretary of Finance are 10.119, where 80% are retail. Besides these, the industry sector and construction that it adds 12% it is what calls attention. Most of the companies is concentrated in Araguaína (1.341), Palmas (1.306) and Gurupi (1.235), representing 38% of the total approximately.

In the sector of services they stand out the retailers and the one of agricultural input, showing like this the importance of the agricultural sector in the state.

Conditions of Companies in the State (1995)

Area	Total	Trade	Industry	Services	Rural
North Extreme	2,098	951	239	905	3
North	4,29	1,895	384	1,946	4
Northwest	2,267	897	296	1,072	2
Northeast	678	318	87	271	1
Center West	1,809	824	204	781	0
Center	4,416	2,009	319	2,079	9
East	369	129	53	187	0
South	3,565	1,292	434	1,823	16
Southwest	1,209	516	120	564	9
Southeast	1,399	607	123	667	2
TOTAL	22,039	9,438	2,259	10,296	46

(3) State Financial Balance

The main source of the state economy is the federal government, that in 2000 participated with approximately 52% of the total. To proceed it comes the collection of ICMS and public debts. However, the federal government's resources have been decreasing, therefore in 1994 it was of 70% and in 2000 it lowered for 52%. On the other hand, the collection of taxes and emission of public debts has been increasing. The main collected tax is of circulation of goods and services (ICMS).

Gross revenue

(Unit: 1.000 Real)

	1996	1997	1998	1999	2000
Ordinary incomes	618,642,670	717,850,729	821,840,376	960,030,274	943,189,016
Taxes	159,617,635	174,265,054	206,543,803	238,497,695	277,131,300
Public taxes	16,471,619	19,872,349	21,163,333	22,400,000	2,700,000
Transfer of Properties	13,568,247	8,206,167	9,664,610	18,072,070	10,531,000
Services	7,842,380	8,511,280	2,455,519	5,159,000	4,656,000
Ordinary transfers	413,721,421	500,996,580	571,775,992	666,480,509	636,183,716
Other	7,421,368	5,999,299	10,237,119	9,421,000	11,987,000
Operation of Fund	84,628,970	90,682,854	52,211,262	198,036,031	299,126,323
Public debts	84,051,568	86,108,098	40,753,064	109,898,000	100,289,935
Transfer of Goods	377,402	677,435	3,502,326	3,570,000	3,500,000
Payment of Loans	-	1,671,699	4,843,611	4,800,000	-
Transfer of Fund	200,000	2,000,000	3,112,260	79,768,031	195,336,388
Other	-	225,622	-	-	-
TOTAL	703,271,640	808,533,583	874,051,638	1,158,066,305	1,242,315,339

(Obs.: the values of 1999 and 2000 are estimates)

(Source: PPA2000/2003 Estado do Tocantins)

Annual expenses

(Unit: 1.000 Real)

	1996	1997	1998	1999	12000
Balance	380,403,615	484,588,375	565,378,945	641,732,718	666,933,279
Remuneration	229,532,102	290,423,826	339,568,219	347,070,590	378,732,266
Interests of it Divides Interns	17,956,436	14,536,140	16,299,329	12,306,254	14,500,000
Interests of it Divides Expresses	2,170,330	4,948,451	6,989,227	12,030,251	9,000,000
Other	130,744,747	174,679,958	202,522,170	270,330,623	264,701,013
Financial swinging	419,748,951	300,381,142	296,144,306	490,476,587	549,112,060
Investment	396,133,744	267,795,022	251,427,954	458,622,693	450,901,560
Financial investment	17,276,579	16,162,910	18,318,883	16,170,900	60,010,500
Payment of it Divides Interns	6,338,628	16,423,211	26,397,469	9,930,240	15,500,000
Payment of it Divides Expresses	-	-	-	5,750,754	22,700,000
Other	-	-	-	25,850,000	26,270,000
TOTAL	800,152,566	784,969,518	861,523,251	1,158,066,305	1,242,315,339

(Obs.: the values of 1999 and 2000 are estimates)

(Source: PPA2000/2003 Estado do Tocantins)

(4) ICMS

In relation to the export, the national products didn't have an increase of competitiveness in the international market, influencing the situation of jobs. Like this, in December of 1996 the federal government liberated ICMS of products for export. Therefore, in the case of the soy, if it be exported will be exempt of ICMS, but if the same soy be destined to the national market should be rated.

With the federal government's definition fixing in 8 basic products, the tax of 12% was reduced for 7%. These basic products are the rice, sugar, bean, soy oil, manioc flour, maize flour, coffee and salt. The State of Tocantins had already lowered the tax on these products for 7% before the federal government's revision, being like this in the same conditions that the rest of the country.

For the state, ICMS is an important income source, that in 1995 collected 20,1% of the state income. The largest values of ICMS collected in the states are the one of the commercial section following by fuel, livestock, electric power and communication. The remaining has the following order: it transports, industry, agriculture and mining. In 1996, ICMS of each area of the state was of:

ICMS in 1996 (Thousand Reais)

	Total	Trade	Industry	Comunic.	Livestock	Energy	Agricult	Minera.	Transp.	Fuel.
Extreme North	5,679	1,750	113	505	1,756	583	74	4	222	669
North	27,430	11,084	217	2,638	6,890	2,151	27	3	1,927	2,491
Northwest	13,115	4,248	67	771	4,664	878	20	1	486	1,981
Northeast	760	280	3	148	76	131	23	0	53	46
Center West	9,292	4,221	328	964	1,505	1,008	101	1	177	985
Center	28,428	16,433	288	4,296	723	3,703	43	21	320	2,601
East	202	66	0	42	31	53	1	0	1	9
South	44,325	20,617	1,960	2,959	1,411	2,069	374	2	723	14,209
Southwest	3,870	822	191	333	416	560	1,134	10	222	183
Southeast	5,647	2,191	103	717	1,008	582	76	167	268	534
Total	138,754	61,717	3,272	13,377	18,482	11,719	1,874	209	4,398	23,706

The collection of taxes in the State of Tocantins is accomplished mainly in the area of Gurupi that adds 32% of the total approximately (most is ICMS). In the most populous area, the extreme north, ICMS just contributes with 4%. The areas northeast and east present almost null economical activities. The industrial section contributes with more of the half of ICMS, and the main section of the state, the agriculture, only contributes with 15%.

3. State policies

(1) Multi-annual Plan

The State of Tocantins has a Multi-annual Plan (2000 to 2003) that has as objective the construction of the state, taking into account characteristics modern, economical and social, giving importance to the environment, forming industries and generating jobs with an efficient use of the natural and human resources, elevating the existent potential in the state.

- Improve the Infrastructure of Transport and Energy;
- Promote Plans of Development giving Importance to the Production Agricultural, Industrial and Ecological Tourism;
- Modernize the Public Administration based on the Financial Balance of the State;
- Correct the Social Differences and to Eliminate the Poverty;
- Preserve Citizens Tocantinenses's Right.

Regarding the improvement of the infrastructure, more exactly in the part of energy and transport, the

federal government and the private sector they are accomplishing a mutual cooperation promoting one of the most important federal projects, that it is the conclusion of the system of transport multimode, and the improvement of the system of energy. With these projects, the state can take advantage of the privileged geographical situation in the sector of transports, reaching like this the regional development.

There is an attempt of accomplishing a model of sustainable development to improve the economy, to reduce the regional differences and the poverty. The agricultural production can be improved forming districts Agroindustriais with the use of public and private resources. Like this, the level of export of the state would increase and, with the promotion of the ecoturismo, the economy could be activated. Increasing the number of jobs, reducing the poverty and illiteracy, strengthening the education and Social welfare, improving the house conditions, reducing the regional differences consequently.

They were established 6 priority areas to the development:

- Area of the Bico de Papagaio
- Area of Medium Tocantins
- Area of Jalapão
- Area of Javaés
- Area of Cantão
- Central area of the State

(1.1) Improvement of the Infrastructure of Transport and Energy

The improvement of the transport infrastructure and energy is indispensable to the development of the state, motivating the private investment. Mainly with the implementation of the multimode transportation system, the economical activity of the state can be directed to the national Market or international. Also, it intends to reduce the costs and to elevate the efficiency of the transport through federal plans as the North-south railroad, highway Belém-Brasília, plan of navigation of the rivers Araguaia-Tocantins, besides the aerial transport. As part of that, intends to build stations that it will be part of the system multimode in Aguiarnópolis and Palmas, in the Study Area. The strategies of improvement of the sector of transports are:

- Economical integration of Rio Tocantins's right margin, area of Javaés and area Extremo Norte;
- To impel the potential of the state with the project of navigation of the rivers;
- To continue the execution of the Railroad North-south with the cooperation of private resources.

In the case of the electric system, it intends to promote the industry improving the conditions of electric power of the state with the improvement of the line main north-south, developing other projects for the hydroelectric potential. Besides, the improvement of the conditions of rural electrification would elevate the conditions of life of the rural area making possible new investments in this area. The basic strategies are the following ones:

- Development of the hydroelectric potential with the use of private resources;
- Improvement of the quality of the electric power services;
- Improvement of the rural electrification improving like this the system of agricultural production.

(1.2) Promotion of Plans of Development giving Importance to the Production and Processing of Agricultural Products and to Eco-tourism.

The state is giving a significant importance to the improvement of the infrastructure, although the level of use of these is still low. Also, ZEE is in the middle of the course, being possible to use their results to

promote appropriate agricultural productions to the existent natural resources, activating the agricultural sector. Like this, it intends to activate the regional economy through an efficient land use, forming a competitive agricultural sector, impelling the industrial sector and the eco-tourism among others. To follow the main objectives they are presented:

- ◆ Increase of the Agricultural Production
- ◆ Expansion of the Agriculture-industrial District
- ◆ Increase of the Agricultural of the State Export of Products
- ◆ Promotion of the Tourism and Eco-tourism
- ◆ Promotion of the Decentralization
- ◆ Improvement of the Mechanism of Credit to the Productive Sector
- ◆ Extension and Development of Appropriate Technology
- ◆ Promotion of Environmental Sustentabilidade

As the internal demand of the state is small, it intends to elevate the agricultural production returned outside of the state in agreement with the following:

- ◆ Increase of the cultivated area returned to the production of cereals;
- ◆ To promote the introduction of modern techniques of agricultural production;
- ◆ To promote the use of the fluvial plains;
- ◆ Promotion of systems agroflorestais;
- ◆ Improvement of the quality of the Beef Meat;
- ◆ Improvement of the pastures;
- ◆ To turn an area free from aftosa;
- ◆ Introduction of the horticulture;
- ◆ Promotion of the fish farming

In the promotion of the agriculture-industrial sector it intends to introduce incentives and to acquire resources to increase the number of current companies. For such the following is intended:

- ◆ Expansion of the Districts Existent Agroindustriais
- ◆ Formation of New Districts Agroindustriais
- ◆ Promotion of the Agriculture-industrial Sector
- ◆ Attendance to the Technological Transfer and Promotion to the Investment
- ◆ Cooperation among National and International Companies
- ◆ Establishment of Centers of Information
- ◆ Establishment of Centers of Production/Processament/Comercialization

Besides, the export in the state, up to now was minimum, should be promoted the cultivation of marketable products in the international market to increase the agricultural productivity, establishing a system of necessary credit to the producion/comercialization. Like this, offering the necessary information, it will increase the competitiveness of the agricultural products.

In the area of the tourism and ecoturism it intends to promote the ecoturism improving the tourist infrastructure, harmonizing him/it with the national and international environmental education.

The decentralization can feel through the elevation of the regional autonomy, carting in more efficient

investments with the objective of a sustainable development. This should be made not only through state resources but also through private resources for an effective use of the investments.

The expansion of the sector of credits for the agricultural production will be accomplished facilitating the credit lines, settling down a Bank of Development.

Regarding the development of appropriate technology and of the extension, it should be considered the soil conditions, hydraulic resources and structure of agricultural production to elevate the production of grains and of the livestock. It also intends to stabilize the cultivation of the small producing with the introduction of these technologies.

In the environmental sector, it intends to feel always importance to the maxim exploration of the natural resources conserving the environment. For such, it should be selected the protection areas, to review the environmental legislation, to strengthen the system of environmental control, to elaborate the plan of use of the earth, to establish a commission of handling of hydraulic resources, to improve the environmental information, to strengthen the environmental education, to happen cooperation among the organs, etc.

(1.3) Administrative modernization based on a State Financial Balance

For the accomplishment of a public administration based on the state financial balance, the following is intended:

- To turn efficient the administrative sector, collects of imposed, costs with wages and control of the national debts and external;
- Modernization of the state administration.

(1.4) Correction of the Social Differences and Amenização of the Poverty

To correct the social differences and to soften the poverty the following it is intended:

- Reduction of the Illiteracy
- Invigoration of the Teaching
- Expansion of Establishments of Social welfare
- Increase of Jobs
- Improvement in the Conditions of House
- Promotion of the Social Attendance

(1.4) It guaranteed of the Rights of Tocantinenses

For the warranty of the rights of Tocantinenses the following is intended:

- It guaranteed of the Rights of Tocantinenses It guaranteed of the human rights;
- Reduction of the urban violence
- Reconstruction of the Society and of the Government

(2) Plan of Promotion of the Economy

The plan of promotion of the economy has a lot of relationship with the improvement of the infrastructure of the transport, communication and electricity, as well as with the plan of promotion of

the agricultural sector, existing several projects in process. Of the projects now in execution, they can be mentioned the project of the railroad north-south and the one of navigation of the rivers Araguaia-Tocantins at federal level and state level the project of improvement of the highways and rural electrification, and at private level the hydroelectric of having Paved, poultry industry, etc. Still, the following 6 projects are in process:

1. Project of Development of the Area of the Bico de Papagaio
2. Project of Development of the Area of Half Tocantins
3. Project of Development of the Area of Jalapão
4. Project of Development of the Area of Javaés
5. Project of Development of the Area of the Canton
6. Project of Development of the Central Area

To precede it comes more details of the projects.

(2.1) Project of Development of the Area of the Bico de Papagaio

This project includes the areas north and north end being constituted by several programs. The project seeks mainly to distribute irrigation channels creating 600.000 approximately there is of irrigated area, projects of hydroelectric power stations (Mountain Broken, Narrow, Tupirantins), irrigation project in slopes (Sampaio, Beautiful Torturer, São Sebastião, Espertina), project of construction of terminals in Aguiarnopolis related with the railroad north-south, project of construction of the railroad between Xambioá and Aguiarnopolis, private project of cement works construction, I project PGAI for the environmental sector. Larger details of this project will be presented in the chapter 4.

(2.2) Project of Development of Medium Tocantins

This project seeks to promote the agriculture in great scale in the area of medium Tocantins. Tends as center the project PRODECER III in Pedro Afonso, intends to pave highways that arrive until Beautiful Campos, for instance, to turn possible the collection of agricultural products, expanding the production in great scale. It is also intended the construction of a laboratory of soils to study the aptitude of the lands, verifying the possibility of production of grains in the area. The main cultures that it is had in mind are: grains, passion fruit, coconut, pineapple, papaya, watermelon, melon, mango, reforestation, etc.

(2.3) Project of Development of the Area of Jalapão

The present project seeks to introduce reforestation activities, agroflorestral, horticulture in the area of Jalapão where the agricultural activity is not intense, intending like this to activate the economy of the area. Besides, it is also intended to promote the ecoturism in the area with the intention of reaching an economical development in harmony with the environment.

(2.4) Project of Development of the valley of Javaés

This project intends to transform the plains of the area of Javaés in irrigation areas, increasing the agricultural production tends as main the cultivation of grains. Hereafter, it intends to expand this development for an area of 520.000 has been considering capable to the irrigation.

(2.5) Project of Development of the Area of the Canton

It intends to promote the ecoturism defining areas for the environmental conservation, building tourist facilities, activating the regional economy.

(2.6) Project of Development of the Central Area

The present project intends to activate the economy tends as center Palmas, building the hydroelectric power station of the Paved, terminals for the railroad north-south and airport. Besides, it intends to create a green belt around of Palmas, to motivate the horticulture and the fish farming.

(3) Strategy of the Environmental Policies of the State

The State environmental policies are treated as one of the main items in PPA with the productive activity. The main strategy is the selection of cultures adapted to each earth type. The environmental policies have as base the following.

1. Execution of plans to respect the environmental legislation and to reduce the environmental impact;
2. To promote projects of environmental conservation and to assure their economical characteristics;
3. Invigoration of the environmental monitoring;
4. Project of sustainable use of environmental resources, promotion of the ecotourism;
5. To promote the environmental economical zoning;
6. Efficient use of the hydraulic resources;
7. Use of regional environmental organs;
8. Invigoration of the environmental education;
9. Cooperation among the environmental organisms.

4. Tendencies of the Agricultural Sector

(1) Land Use and Ownership

The land use in Tocantins presents mainly savannah areas without use, that it add 56,6%, following by pasture with 26,9%. The lands used for the agriculture doesn't occupy to 1% of area.

In agreement with the data of INCRA, Tocantins possesses 43.000 farmers that it has the ownership of the land. The unproductive proprietors' percentage is extremely high, mainly among the small farmers. Like this, only 21,1% possesses productive activity.

Number of Proprietors for Size of Property (1998)

	Mini	Small		Medium		Big		Total
		Prod	No Prod	Prod	No Prod	Prod	No Prod	
Study Area	3,115	717	1,898	359	852	198	520	7,659
	40.7%	9.4%	24.8%	4.7%	11.1%	2.6%	6.8%	100.0%
Other	9,295	3,989	10,635	2,291	6,539	769	2,240	35,758
	26.0%	11.2%	29.7%	6.4%	18.3%	2.2%	6.3%	100.0%
State	12,410	4,706	12,533	2,650	7,391	967	2,760	43,417
	28.6%	10.8%	28.9%	6.1%	17.0%	2.2%	6.4%	100.0%

(Source: Data of INCRA obtained in SEPLAN)

1. Mini: >80 ha
2. Small: 80 to 320 ha
3. Medium: 320 to 1,200 ha
4. Big: > 1,200 ha

The characteristic of the study area is that a predominance of mini farmers in relation to other municipal districts of the state. Also the productive proprietors' percentage is very low, adding 16,7%.

Regarding area of the property, the great farmers possess 71% of the lands and the mini approximately and small proprietors only possess 20,6%. The percentage of productive properties is of 30,7%. To precede it comes the percentage of the area for property size.

A característica da área de estudo é que há uma predominância de mini produtores em relação a outros municípios do estado. Também a porcentagem de proprietários produtivos é bem baixa, somando 16,7%.

Area of the Property for Size in there is (1998)

	Mini	Small		Medium		Big		Total
		Prod	No Prod	Prod	No Prod	Prod	No Prod	
Study Area	124,097	123,613	351,458	222,845	489,880	724,525	2,625,502	4,661,919
	2.7%	2.7%	7.5%	4.8%	10.5%	15.5%	56.3%	100.0%
Other	453,190	648,274	1,804,585	1,363,655	4,016,093	2,141,484	6,578,082	17,005,362
	2.7%	3.8%	10.6%	8.0%	23.6%	12.6%	38.7%	100.0%
State	577,287	771,887	2,156,042	1,586,500	4,505,973	2,866,009	9,203,584	21,667,281
	3.4%	4.5%	12.7%	9.3%	26.5%	16.9%	54.1%	127.4%

(Source: Data of INCRA obtained in SEPLAN)

The table to proceed presents the medium area of the properties for property size, and even the mini farmers possess up to 50 there is of land. The medium size of the properties in the study area overcomes the average of the state, because it possesses medium value loud in the great properties, mainly among the no productive.

Medium area of the Properties for Size of Property in there is (1998)

	Mini	Small		Medium		Big		Total
		Prod	No Prod	Prod	No Prod	Prod	No Prod	
Study Area	39.8	172.4	185.2	620.7	575.0	3,659.2	5,049.0	608.7
Other	48.8	162.5	169.7	595.2	614.2	2,784.8	2,936.6	475.6
State	46.5	164.0	172.0	598.7	609.7	2,963.8	3,334.6	499.1

(Source: Data of INCRA obtained in SEPLAN)

Regarding the tendencies of the land ownership, Tocantins presents a growth in the number of farmers, mainly in the mini farmers.

Number of Families for Size of Property (94/98)

	Mini	Small		Medium		Big		Total
		Prod	No Prod	Prod	No Prod	Prod	No Prod	
Study Area (94)	2,539	569	1,650	281	703	133	259	6,134
(1998)	3,115	717	1,898	359	852	198	520	7,659
Other (94)	6,671	2,781	8,201	1,537	5,007	524	1,386	26,107
(1998)	9,295	3,989	10,635	2,291	6,539	769	2,240	35,758
State (94)	9,210	3,350	9,851	1,818	5,710	657	1,645	32,241
(1998)	12,410	4,706	12,533	2,650	7,391	967	2,760	43,417

(Source: Data of INCRA obtained in SEPLAN)

(2) Rural economy

As the collection of data that it represents the conditions of the rural economy of the state is difficult, it intends to know the economical conditions of the agricultural sector through the total distribution of income of the industrial sector. This distribution of incomes is presented to proceed. It is noticed that most is concentrated below 3 wages.

It is noticed that there is the prevalence of low incomes in the study area, and only 11% receive more than 3 minimum wages. As this income included of the industrial sector, it can be considered that the agricultural sector would present a value still smaller.

	s / Income	< 1 salt.	1~3 salt.	3~10 salt.	10~20 salt.	>20 salt.	
Study Area	4.3%	53.8%	30.9%	8.4%	1.6%	0.9%	100.0%
Other	3.2%	46.7%	35.4%	11.5%	2.1%	1.2%	100.0%
State	3.5%	48.9%	34.0%	10.5%	2.0%	1.1%	100.0%

(3) Agricultural production

The results of the harvest 99/2000 of Tocantins are presented to proceed.

Agricultural production of the State of Tocantins (1999/2000)

Product	Picked area (there is)	Production (t)	Productivity (kg/ha)
Upland Rice	99.120	164.828	1.661
Irrigated rice	49.433	215.756	4.416
Bean 1st harvest	1.969	755	383
Bean 2nd harvest	2.425	831	343
Watermelon	254	1.886	7.425
Corn sequeiro	56.355	109.109	2.114
Irrigated corn	250	1.200	4.800
Sequeiro soy	44.689	114.490	2.479
Sorgo granifero	520	859	1.652
Pumpkin	100	220	2.200
Green corn	10	40	4.000
Pineapple	2.222	36.870	22.091
Acerola	25	26	1.040
Banana	5.429	3.062	608
Cane-of-Sugar	3.965	150.237	42.213
Coconut-give-Bahia	305	803	18.674
Orange	278	17.003	68.285
Lemon	12	779	111.286
Cassava	9.626	178.482	14.845
Mango	338	6.221	19.441
Tangerine	25	973	44.227
Passion fruit	26	807	31.038
Cashew nut	190	84	600

Total cultivated area has been decreasing in the state, mainly for the main grains as rice and corn. On the contrary, the soy has been presenting an increase in the cultivated area through the development of the savannah.

Cultivated Area (ha)

Culture	1985	1989	1995	2000
Rice	323,234	381,260	167,313	148,553
Corn	84,498	102,530	75,105	56,605
Bean	18,653	10,480	8,106	4,394
Soy	27,140	59,070	20,007	44,689
Cassava	12,244	10,120	11,476	9,626
Cane of Sugar	2,801	5,910	5,553	3,965
Banana	15,200	14,570	8,749	5,429

(Source: Given IBGE)

(4) Livestock

To proceed it comes the main animals produced in the state.

Number of Animals in Tocantins (1995)

	Bovine	Bubaline	Swine	Bovid	Ovine	Ave
North Extreme	541,519	342	10,703	888	2,303	74,291
North	927,991	536	9,822	1,622	6,056	193,704
Northwest	926,087	7,637	26,187	2,510	6,425	56,881
Northeast	183,424	187	10,527	2,183	4,004	63,659
Center West	796,184	184	22,458	2,123	5,955	193,531
Center	133,551	63	7,256	911	627	39,223
East	482,704	194	15,591	2,757	3,098	120,347
South	779,131	272	26,983	1,782	7,599	107,951
Southwest	625,834	847	12,153	1,098	3,782	81,222
Southeast	437,097	0	8,205	972	4,428	45,586
TOTAL	5,833,522	10,262	149,885	16,846	44,277	976,395

(5) Conditions of the Agricultural Credit

The agricultural credit of Tocantins is accomplished through BASA and BB. BASA supplies credits through FNO, and BB through the system of federal agricultural credit. To proceed it comes the credits accomplished in the harvest of 99/2000 by BASA.

Agricultural credit Accomplished by BASA 1999/2000 (thousand Real)

	(A)Bovine	(B)Pasto	(C)Installation/Machine	(D)Others	(E)Total
Value	46,225	8,454	9,709	10,14	74,602
Cattle	(A)+(B)+(C) x 80% = 62,446 83.7%				
Agriculture	(C) x 20%+(D) = 12,155 16.3%				

It is noticed that the livestock is more favored. In the agriculture, if we subtract the R\$ 5.583.000 of PRONAF (THE) that is the credit line for establishments through BASA, the State have that R\$ 6.572.000 are returned to the farmers, that its represent only 10% of the cattle farmers. In the table to proceed is presented the credits accomplished by BB in the agricultural year of 1999/2000

Credit Realizado for BB (thousand Real)

	PRONAF(C-D)	PROGER	PRODEER	Other	Total
Value	4,374	345	1,573	27,325	33,617
%	13%	1%	5%	81%	100%

PRONAF (C-D) and PROGER are gone back to the small farmers, and PRODECER III is a nipo-Brazilian cooperation. The other financings have as main the credit to farmers, which represent 81% of the total. However the total value financed by the federal government on this agricultural year was of R\$ 8.300.000.000, and Tocantins only received 0,4% of the financed total.

PRONAF that is the most interesting credit to the small farmers presented the following values in the agricultural year of 1999/2000.

	PRONAF A		PRONAF C		PRONAF D		Total	
	In the Contracts	Value (103 real)	In the Contracts	Value (103 real)	In the Contracts	Value (103 real)	In the Contracts	Value (103 real)
BASA	1,206	5,583	-	-	-	-	1,206	5,583
BB	-	-	243	325	1,583	4,051	1,826	4,377
(A)Total	1,206	5,583	243	325	1,583	4,051	3,032	9,960
(B)Country	89,668	352,898	262,157	279,782	336,222	963,826	688,047	1,596,507
% of the State	0.13%	0.15%	0.09%	0.10%	0.4%	0.4%	0.4%	0.62%

The levels ABCD of PRONAF are farmers' categories with little income divided with the criteria presented in the item 3.2.3.3). The level B was excluded by not being used in Tocantins. Most of the 40.000 existent properties in the state are related with PRONAF. Among these, the farmers that receive healthy financing of approximately 10%, that it corresponds to R\$ 9.960.000. As it should be, the financing organisms request goods to serve as mortgage or high payment capacity, showing like this the poverty of the producing of the state.

The use of credits in the state is very low, therefore it is necessary to introduce methods to increase the current 0,4%.

PRONAF is of great importance in the country, being necessary urgent measures not only at state level, but also at national level to elevate the individuals' of low-income conditions. The mortgage would be the largest impedimento to the access to agricultural credits. The Bank of Brazil possesses a credit system, for farmers that don't possess goods, that it contains from 10 to 20 farmers creating a system of insurance called collective Solitary Guarantee. This system can be a system that would facilitate the process of agricultural credit in the future, being like this necessary that the use is evaluated of this.

5. Social conditions

(1) Population

(1.1) Population tendencies

According to the projection of IBGE for the year of 1999, the total population of the State of Tocantins would add 1.134.895 inhabitants, total this that 2,1% of the total population of the country, for whose estimate of PNAD 1998 would have in 1999, a total population of 167.733.983 thousand inhabitants would act approximately.

Observing the evolution of the growth of the population of the State of Tocantins for the last decade is verified that there was an increase of the population from the last census (1991) of approximately 919.861 inhabitants representing an increment around 2,9% on the total population, pointing a presence significantly larger of the population understood among the great groups age that together arrive to have a relative participation in the group of the total population of the State of 32,76% of the strips from 0 to 14 years and of 62,51% for of the strips from 15 to 64 years.

The tendencies as for the urban and rural population they express deep transformations: an accentuated decrease of the rural population (18%) and one marked increase of the urban population (35%). The decrease of the rural population can be verified in all of the areas of the State of Tocantins. In matter, the taxes of decrease of the areas South and Center-west they are strongly high, 37% and 29% respectively. The main cause of this phenomenon is the migratory flow of the rural area towards the urban area. The population tendencies for area are presented in the following table.

In agreement with the information of last PNAD, Brazil lives a demographic transition period today, explained mainly by the new cultural patterns of behavior of the population as the subject of the fecundity. To foresee behavior of the demographic future of the population, the National Research for Sample of Homes—PNAD 1998 based on basic information on the population, original of Demographic Censuses of previous PNAD and of the System of Population Estimates of IBGE/DEPIS.

In the last decade there was a decrease of the tax of population increment, being stabilized around 1,3% a year, contradicting projections previous of IBGE of explosive growth of the population according to the previous decades.

In general terms of the Brazilian population there is great probability of the fecundity levels continue to explain the decline of the growth tax for 2010 and 2020 (PNAD: 1998) dear in 1,1% and 0,8%

respectively.

The population projections to Tocantins incorporating relative data to the fecundity, mortality and migration of the population, they appeared for the period 1991-1997 a demographic increment of 2,99%.

Similar to the happened at the country, it is considered that there is a gradual decrease of the tax of demographic increment in the State of Tocantins, could arrive at 0,71% in the next two decades. In spite of this, with base in the same data, the growth will be superior to the of the other states of the projected area (CODEPLAN/IBGE; 1999)

The population tendencies in the urban and rural areas of the State of Tocantins, registered according to the Statistical Annual (IBGE;1998) deep transformations in the period 1991-1996: an accentuated decrease of the rural population can be seen starting from the geometric medium tax of annual increment of the population of -4,67% and of the same tax regarding the increment of urban population where an increase of the population of 7,03 is expressed suggesting a movement of the original population of the rural towards the urban. The decrease of the rural population stayed along this decade in all of the areas of the State of Tocantins. In matter, the taxes of decrease of the areas-----and----- they are-----,---% and% respectively, characterizing the phenomenon of migratory flow of the rural area towards the urban The population tendencies for area is presented in the following table.

6. System of Agricultural Credit

The federal government increased the value of the credit in 36% in relation to the previous year for R\$ 11.300.000.000. Besides a new project of recovery of pastures is being elaborated with resources in the order of R\$ 400.000.000. This financing system has 2 year-old period of grace and period of 5 year-old payment. The maximum value of financing is of R\$ 50.000.

Besides these systems of agricultural credit, the Modelo Frota intends the modernization of the agricultural machines tends resources of R\$ 800.000.000, PROSOLO (program of improvement of the soil) with R\$ 300.000.000, PROLEITE (incentive program the mechanization of the production of milk and installation of equipments of cooling facilities) with resources of R\$ 200.000.000, adding a total of R\$ 1.300.000.000. Besides these budgets were still addressed for the horticulture (R\$ 100.000.000), fish farming (R\$ 50.000.000) and the beekeeping (R\$ 20.000.000). Also, to aid the irrigated cultivation of rice and corn, it rose the maximum limit for R\$ 300.000 for loan.

Like this, besides the federal programs, systems of financing regional, state exist, of INCRA, etc., that its turn this very complex sector. However, in the reality, the use of systems of federal credits in the state is very low. The credit system in the study area comes as it is proceeded.

- At National Level

At national level, it can mention the financing systems accomplished for every agricultural year as for the cultivation cost, for investments, PRONAF, PROGER-RURAL, system related with the commercialization, etc. Now the Bank of the Land was created, although in the reality any enterprise still is not being executed.

- At Regional Level

At regional level, as the state this included in the area of the Amazonian Legal, financings of BASA exist for companies that received incentive of SUDAM through the bottom FINAN and of FNO that is only manipulated by BASA. FNO has as main source the constitutional bottom. They exist special credits that its are returned to the small farmers and normal credits that it's also include the great farmers.

- At State Level

At state level, PRODIVINO that was returned to the production nuclei, existed but with the change of the content there was a desligamento with the agricultural sector.

- Special systems

PROCERA was a special system that it financed seated of the land reform accomplished by the federal government, but as this it suffered a reorganization forming PRONAF (THE), they only remained the financing for victuals, for promotion of the production and house. Still the financing exists for PRODECER that is a project accomplished in cooperation with JICA.

(1) General conditions of Agricultural Credits at National Level

The system of agricultural credit at national level is understood by the Rural Credit for cropping, Rural Credit of Investment, PRONAF, RURAL PROGER, PROAGRO and PROLEITE.

(1.1) Rural credit fro Cropping

This credit is emitted all of the years before the planting for the cropping of this year. To proceed it comes larger details.

Related ordinances	Ordinance CMN/BACEN In the 2402 (25/06/97), In the 2506 (17/06/98) and No2617 (01/07/99)
Beneficiary	Agricultural farmers and Cooperatives of these
Financed items	Items Below Related
Limit of Financing	a) Cotton (R\$ 300.000) b) Corn (R\$ 200.000) c) Rice, Bean, Cassava, Sorgo and Wheat (R\$ 150.000) d) Soy: Region Centro-Oeste and North, Maranhão, Piauí, South of Bahia (R\$ 100.000) e) Soy: in the areas no included in the item d) (R\$ 60.000) f) Other cropping in the agricultural sector (R\$ 40.000) g) Suinocultura linked to the integration (R\$ 15.000) h) Aviculture linked to the integration (R\$ 10.000) Farmers that produce varied cultures are capable to receive duplicated credits. However, if one of the cultures is the cotton, the credit to the cotton will be of 50% and the sum of the other cultures will have the maximum limit of R\$ 150.000.
Interests	8,75% a. a.
Period of Payment	Period: Depending on the cycle of the productive activity, the payment can be the view or to period. In the case of the cotton, rice, corn, soy and sorgo is allowed the parcelamento in same parts for monthly payment, and also the extension of the period. The first payment is accomplished 60 days after the crop and the last should not pass October. (If the crop be accomplished among July to December, the payment should be until January)
Mortgage	Approved items for the agricultural credit (MCR 2-3?)

(1.2) Rural Credit of Investment

Several programs constitute the present financing as the program of promotion of the correction of the soil, general credit, rural credit through the special bottom for financing of industries and BNDES/FINAMEAGRICOLA.

To acquire this credit, with the use of the Obligatory Resources for financing of the investment resources, the interests vary in agreement with the defined interest rate through the operations of credit of the resources administered by the government, being possible a similar readjustment to this last one. (CMN/BACEN In the 2.506 (16/06/98)).

The program of improvement of the soil is essential to elevate the agricultural production, being needed as soon as is executed appropriately to contribute with the national production. For such, the financing

of this program includes not only the limestone purchase, but also the transport. This program, through the system BNDES, possesses new resources in the value of R\$ 300.000.000. A summary of the program is presented to proceed:

Decreto Relacionado	Decisão CMN/BACEN, Nº 2.618 de 01/07/99
Beneficiário	Agricultor e Cooperativas destes
Itens Financiados	Para a correção do solo
Limite de Financiamento	R\$ 40.000 por agricultor
Juros	Juros Fixos de 8,75% a.a.
Período de Pagamento	5 anos com 2 anos de período de carência incluídos.
Hipoteca	

The fixed and semi-fixed interests general were programs of new credits implanted with the objective of activating the investment in the agricultural sector with the credit to the cropping of 1998.

Decreto Relacionado	Decisão CMN/BACEM Nº 2.402 (25/6/97) e Nº 2.506 (17/6/98)
Beneficiário	Agricultor. Diretamente ao indivíduo ou através da cooperativa em que pertence
Itens Financiados	Para investimentos fixos ou semi-fixos
Limite de Financiamento	R\$ 40.000. Dentro do limite de atuação do SNCR. Separado do financiamento com diversos objetivos.
Juros	Juros fixos de 8,75% a.a.
Período de Pagamento	Mínimo de 2 anos
Hipoteca	Itens aprovados pelo crédito agrícola

The special bottom of financing to it elaborates is her inside a program that seeks the promotion of the mechanization of the agriculture of the system of agricultural credit implanted in 1999.

Decreto Relacionado	Decisão CMN/BACEN No 2.605 (23/4/99)
Beneficiário	Agricultor que irá adquirir os seguintes equipamentos
Itens Financiados	Equipamentos para trator, colheitadeira, etc., que irá ser utilizado na agricultura. Na manutenção do sistema de plantio direto. Ordenhadeira mecânica. Tanque refrigerado de leite. Máquina de fabricação de manteiga.
Limite de Financiamento	
Juros	Juros fixos de 11,95% a.a.
Período de Pagamento	5 anos após a aquisição do equipamento. No caso de manutenção ou reparo de equipamentos, o pagamento pode ser semestral ou anual em 18 meses.
Hipoteca	

Automatic BNDES, in agreement with the ordinance of 1997, sought the promotion of the investment in the agricultural sector, being a financial policies that it gives importance to the environmental conservation, invigoration of the animal sanity, among others.

Related ordinance	Notification DEPOC/FINAME 1/97 (05/08/97)
Beneficiary	Farmers and cooperatives
Financed items	Acquisition of animals for it creates. Pasture formation (excluding forests and margins of rivers). Registered bulls. Project of intensive livestock. Suinocultura project and aviculture related with the integration.
Limit of Financing	-
Interests	TJLP+(1?2.5?) ?Risks (Negotiation with the bank)
Period of Payment	The period of grace and total period of financing will depend on the capacity of the beneficiary's payment and the characteristics of the company, that the bank will define it.
Mortgage	The insurance will be based on the norms of the Central Bank, and anger to be resolved for the bank.

(1.3) PRONAF

PRONAF is a program that had beginning in 1995/96 seeking the invigoration of the family agriculture, tends as main goals the control of the rural exodus, Increase of job and the increase of the production of victuals. The present program possesses means of financing the improvement of the infrastructure for processing of agricultural products, processing and commercialization of agricultural products, production of local products and investments to the rural tourism. The applicants of PRONAF are mini and small farmers, therefore they possess limit of low credit, but however they are privileged in the

interests and payment form.

The present program divides the beneficiaries in 4 groups, accomplishing programs of different financing for each one. These are not limited to the agricultural farmers, but they also include fishermen, people that live of the extractives and small fish farmers. However, the participants of the groups C and D that are related with the aviculture, fish farming, cattle milkman, ovinos/caprinos, beekeeping, suinocultura, horticulture and oleiculture, the division above is accomplished considering 50% of the gross income.

Group	Objective
A	Family farmers that were seated by the land reform and they were not contemplated with financings of PROCERA (eliminated last year).
B	Farmers that satisfy the conditions below (there is no execution of this item in the state) <ul style="list-style-type: none"> • Proprietors, leaseholding, tenants, meeiros or those that right reberam through the land reform, that it's cultivate the property. • Land owners or those that live in vomunidades and properties around; • Any that is the status, but that possesses properties below 4 units of taxation. • Farmers with smaller annual gross income than R\$ 1.500.
C	Farmers that don't correspond to the group B due to the following conditions: <ul style="list-style-type: none"> • That it has the hand of family work as main, with eventual recruiting of work hand; • Pay family annual between R\$ 1.500 and R\$ 8.000.
D	Farmers that don't correspond to the group C due to the following conditions: <ul style="list-style-type: none"> • That it has the hand of family work as main and have up to 2 fixed employees; • Pay family annual between R\$ 8.000 and R\$ 27.000.

The present program executes 3 types of financing systems: I Finance, Investment and JOINING. Each system presents the following conditions.

(1.3.1) Cropping

The cropping is of the rotating deep type, with maximum period of 2 years, tends possibility to renew depending on the cycle of the productive activity. The groups C and D can be part of the present financing system. The financing conditions are:

Beneficiary	Group C and D
Items of Financing	Cropping
Limit of Financing	Group C: R\$500 ~R\$1.500 for each culture Group D: R\$5.000 for each culture
Interests	5.75% a. a. Regarding the group C, to each payment there is a discount of R\$200 in the initial capital.
Period of Payment	2 years
Mortgage	

(1.3.2) Investment

The financing of investments has as purpose to finance necessary facilities in the beginning of the establishment, improvement and modernization of the necessary infrastructure to the agricultural production, tends conditions fastened for each group. This financing can also be extended to cooperatives composed for producing of the groups C and D. The details of the financing conditions are presented to proceed.

Conditions for the Group A

Items of Financing	Necessary facilities to the Establishment
Limit of Financing	Construction of necessary facilities to the establishment: R\$ 3.000 ~ can R\$ 9.500? onde R\$ 2.000 be used for other purposes? Reverse structuring: indebted Value in PROCERA? R\$ 9.500
Interests	Do I discount of 75% in TJLP (do I minimize of 3,25?), aid from R\$ 1.200 to R\$ 3.000.
Period of Payment	10 years with 3 years of lack

Conditions for the Group B

Items of Financing	Cost of Investment
Limit of Financing	3 times of R\$500
Interests	a. a.
Period of Payment	2 years with 1 year of lack

Conditions for the Group C

Items of Financing	Cost of Investment
Limit of Financing	Individual: R\$1.500 ~ R\$ 3.000, possibility to parcel out in 3 times. I group: R\$30.000, however, the limit of each one will depend on the above mentioned
Interests	50% of TJLP+6% a. a., and the last portion should not cross R\$700. In the case of group, there is no east limits unless they possess more than 5 people.
Period of Payment	5 years with 2 years of lack. However, in the case of the cajú it is of 8 years with 3 year-old lack.

Conditions for the Group D

Items of Financing	Cost of Investment
Limit of Financing	Individual: R\$15.000 I group: R\$75.000, however the individual limit bases she in the above mentioned.
Interests	50% of TJLP+6% a. a.
Period of Payment	8 years with 3 years of lack

Conditions for Investment Group (Related with Integration)

Inclusion	Associations constituted by family farmers that can submit an execution plan
Items of Financing	Cost of Investment
Limit of Financing	R\$ 200.000. However the individual limit is of R\$ 5.000, where 35% can be used as administrative resources.
Interests	50% of TJLP+6% a. a.
Period of Payment	8 years with 2 years of lack

Conditions for the Development of the Sector of Processing of Agricultural Products

Inclusion	Organizations or groups (agricultural Sector, fish farming, extrativism, etc.)
Items of Financing	Investment cost, however it should receive technical support to receive the financing.
Limit of Financing	100% of the mentioned in the execution plan, but with superior limit of R\$ 600.000. Inside of that, there is the possibility of use of 30% in the administration, minimum of 30% for investment, 15% for maintenance of the project. The annual farmers will have limit superior of R\$ 15.000.
Interests	50% of TJLP+6% a. a.
Period of Payment	8 years with 3 years of lack

Conditions for the Purchase of Head offices

Inclusion	Linked farmers the cooperative of processing of agricultural products or associations of farmers.
Items of Financing	Main
Limit of Financing	R\$5.000
Interests	50% of TJLP + 6% a. a.
Period of Payment	

To present financing line it has as objective increases the price of the regional products through the

formation of regional productive sectors for the participation participative and processing industries, rural tourism and the leisure in the rural area. More details of this credit line are presented to proceed.

Related ordinance	Decision CMN/BACEN In the 2.629, 10/08/99
Beneficiary	Producing of the group C and D
Financed items	It depends on the plan, but in the purchase of vehicles the limit is of 50%. For investment there is the possibility of increase of 20%. It is necessary to receive technical support.
Limit of Financing	Individual: R\$15.000 I group: R\$75.000, but the maximum limit per person it is based in introduced him/it above.
Interests	50% of the (TJLP+6%)
Period Payment	8 years with 3 years of lack
Mortgage	

(1.3.2) RURAL PROGER

Deliberative Council of Fund regulated RURAL PROGER in 03/05/95, in order to help the Worker (CODEFAT) through the Resolution In the 82. This seeks the increase of the production and productivity of the agricultural sector which it would use great amount of work hand fastening more the population of the rural area. Therefore, it has as objective develops the mini and small farmers. The program foresees only and multiple financing through the relative method.

Related ordinances	CODEFAT Resolução No82, 03/05/95 and No89, 04/08/95
Beneficiary	Utilitarian: land proprietors, leaseholding, tenants and meeiros. a) To have the family as main manpower. It can possess temporary employees; b) Anybody that doesn't possess larger properties than 4 to 6 units of taxation; c) People that don't possess larger gross income than R\$ 48.000.
Financed items	Resources for planting and investments that are in agreement with the agricultural zoning and be receiving technical support;
Financed limit	(Individual): Only production cost: R\$ 30.000. Only fixed investments R\$ 30.000. Both: R\$ 48.000. (Organizations): fixed Investments: R\$ 150.000, but the individual superior limit should not be passed.
Interests	the) production Cost: 8,75% b) fixed Investments: TJLP + awake Interests with the organism backer.
Period of Payment	the) production Cost: Maximum 2 years. b) fixed Investment: 5 years (it includes 18 months of lack)
Mortgage	To criterion of the organ backer

The rotating method has the following conditions.

Related ordinances	CMN/BACEN In the 2.508, 17/06/98
Beneficiary	Producing
Financed items	Resources for planting and administrative costs of the cattle sector
Financed limit	R\$ 15.000
Interests	8,75?, but can it have changes for decision of the Central Bank.
Period of Payment	Maximum 2 years

(2) System of Agricultural Credit through Resources of FNO

FNO has a purpose to develop and to conserve the environment of the Amazonian area, giving credit lines for the development of the rural area and of the sector of processing of agricultural products and the tourism. The program of financing of each sector is presented to proceed.

Development of the Rural Sector	<ul style="list-style-type: none"> • PRONAF Group A • Program of Attendance the Industrial Extrativism (PRODEX) • PRONAF • Program of Attendance to the Sustainable Environmental Conservation (PROSUMAN)
Development of the Sector of Processing of Agricultural Products / Tourism	<ul style="list-style-type: none"> • Program of Attendance to the Small businesses (PROMICRO) • Program of Industrial Development (PRODESIN) • Program of Attendance to the Sector of Processing of Agricultural Products (PROAGRIN) • Program of Development of the Tourism (PRODETUR)

PRONAF seeks to attend HER/IT the development of the productive activities of families seated by INCRA, fastening them and contributing for you organize them and to diversify the production. This has as lines of credits resources for the planting and of fixed investments.

PRODEX seeks to introduce a system agroforestal in the typical areas of vegetable extrativism for the promotion of the sector extrativism, intending like this, to improve the regional economy. It also intends to create job chances for those that depend on the extrativism, to avoid the rural exodus, to introduce methods of efficient use of the natural resources and to increase the production. For the use it is necessary that it is part of some association.

PRONAF facilitates the access of the family farmers to the agricultural credit, seeking to increase the chances of the rural workers' job through the organization of associations so that they have efficient access methods to the market. Therefore, to can you use him/it is necessary to do part of an association, being accomplished financings for investment (including administrative) for the agriculture sectors, livestock and fish farming.

PROMICRO is a financing program that attends the sector of small companies for the development of the sectors of processing of regional agricultural products, industry and tourism, activating and diversifying the economical activity, and increasing the regional market.

PROSUMAN is a program that aids the use of areas degraded through the system of conservation of the soil, it prioritizes productive systems that it doesn't affect the environment, it improves the infrastructure to facilitate the access of the production to the market, etc. This possesses lines of credits as creation of animals (it includes buffalos), agriculture (medicinal plants, tropical horticulture, oleicultura, etc.), I handle sustainable of forests, recovery of degraded areas, etc.

PRODESIN attends companies that intend to increase or to modernize the enterprises of processing of regional agricultural products. It also seeks the conditions of the processing sector that use as matter to get better excels primary products of the agriculture, livestock and forestry increasing the prices of the products, elevating the competitiveness of the area. Still, it promotes the transfer of improvement technology for the productive sector.

Each program possesses the following financing conditions.

PRONAF Group A

Objective of the Financing	Seated by INCRA (Agriculture, Livestock (it excludes the intensive) and the Setor Extrativism)
Financed items	<ul style="list-style-type: none"> ◆ 25% of the resources for agricultural cooperatives ◆ Items as improvement of the soils, fertilizer, investment to facilities in the cattle and agricultural sector, community infrastructure (electricity, highways, etc.) ◆ Animals (animal traction), machineries, etc. considered necessary for the technical support. ◆ Production cost and treatments powder-crop.
Limit of Financing	Resources for planting: even R\$2.000 Fixed investments: even R\$7.500
Interests	25% of TJLP, but with the minimum of 3,25%, and to each payment there is a cancellation of 40% of the initial capital.
Period of Payment	

Program of Attendance to the Industrial Extrativism (PRODEX)

Objective of the Financing	Mini and small integral farmers of cooperatives or associations. Associations of cooperatives. Necessary to possess more than 20 associated.
Financed items	<ul style="list-style-type: none"> ◆ Collection of forest products that its are not wood (gum, babassu, etc.) ◆ I handle forest sustainable; ◆ Reforestation and activity agroflorestral ◆ Processing sector ◆ Treatment after crop.
Limit of Financing	Individual: investment R\$ 7.500, production cost R\$1.000 Association and cooperatives: investment + cost of production R\$ 375.000
Interests	Interests: 5%
Period of Payment	Investment: 12 years with 4 of lack. Cost of Production: 2 years.

PROSUMAN

Objective of the Financing	Individual farmer, cooperatives and associations.
Financed items	<ul style="list-style-type: none"> ◆ I cultivate of medicinal plants, production of grains, tropical horticulture, cultivation of products for processing, oleicultura, etc. ◆ Livestock, animal's savages' creation no forbidden for IBAMA. ◆ Sustainable forestry ◆ Recovery of degraded areas ◆ Introduction of the system agroflorestral, reforestation execution allowed by the organ of environmental conservation
Limit of Financing	Mini: fixed: R\$80.000, administrative cost: R\$24.000 Small: fixed: R\$360.000, administrative cost: R\$108.000 Medium: fixed: R\$1.600.000, administrative cost: R\$480.000 Big: fixed: R\$3.200.000, administrative cost: R\$960.000
Interests	Mini: 9?, Small: 10.5?, Medium: 14?, Big: 16?
Period of Payment	Fixed: 12 years with 6 years of lack, semi-fixed: 10 years with 3 years of lack. Production cost: 1 year.

PROMICRO

Objective of the Financing	Personal computer entrepreneurs and associations and production cooperative. More than 6 months of existence.
Financed items	<ul style="list-style-type: none"> ◆ Processing of agricultural products: activities of processing of coming materials of the agriculture, livestock, forestry. ◆ Industry: personal computer companies of crafts no linked PRODESIN ◆ Tourism: enterprises that result in the job increase and of the income of the personal computer companies. <p>Fixed investments: acquisition of you conspire and vehicles for personal computer companies. In the case of cooperatives and associations, the improvement of the infrastructure should be addressed, constructions, machineries, vehicles returned to productive activities.</p>
Limit of Financing	Fixed resources: R\$ 48.000. Administrative resources: R\$16.800
Interests	9%
Period of Payment	Fixed investments: 10 years with 3 years of lack (for companies sendoinstaladas) Other cases: 8 years with 2 years of lack Administrative resources: 2 years with 1 year of lack.

PRODESIN, PROAGRIN AND PRODETUR

Objective of the Financing	You elaborate of processing of agricultural products no meditated by PRODEX
Financed items	<ul style="list-style-type: none"> ◆ Fixed investments and administrative resources for the improvement of the basic infrastructure (highways, energy, freezers, etc.) machineries, transport, etc. ◆ Employees' training ◆ Development of the research
Limit of Financing	<p>Mini (smaller annual gross income than R\$700.000): Fixed: R\$500.000, administrative: R\$175.000.</p> <p>Small (annual gross income among R\$700.000 R\$1.125.000): Fixed: R\$ 1.800.000, administrative: R\$ 630.000.</p> <p>Medium (annual gross income from R\$ 1.125.000 to R\$ 3.500.000: Fixed: R\$ 6.600.000, administrative R\$ 2.310.000.</p> <p>Big (larger annual gross income than R\$ 3.500.000: Fixed R\$ 13.200.000, administrative R\$ 4.620.000.</p>
Interests	8%, but each level presents own discount indexes
Period of Payment	Fixed investments: 10 years with 2 years of lack (companies being installed) Other: 8 years with 2 years of lack Administrative resources: 2 years with 1 year of lack

7. Environment Decree

(1) Outline of the State Environment Law

The services of environmental conservation of the state are accomplished by IBAMA, that is federal, and NATURATINS that is state. The monitoring is accomplished inside of the federal environmental laws and in the same category, of the state environmental laws. The law is composed of constitution, laws, ordinances and ordinances laws. The state environmental laws suffered a revision with base in the federal laws. The norms in the environmental law are divided in: forest, property, hydraulic resources, pollution, environmental education and acquisition of environmental permission.

As laws related to the land use, the law In the 6.662 of jun/79 (environmental laws related to irrigation projects) they govern the execution of enterprises, limiting the possible area of development. The possible area of current development, in agreement with the federal law, is of 50% of the property in the savannah or even in forests. The state now uses the same defined proportion for the federal law. The possible area of use is being reviewed with the objective of changing for 80% in forests and 35% in savannah the obligatory conservation areas. However, the state has autonomy to define the own percentage. Like this, the state defines as 50% the possible area of use in whole the state.

The laws related to the acquisition of the environmental permission were established in 86 through the Resolução CONAMA, forcing the accomplishment of EIA and RHYME in the execution of projects. In 94 a great revision was accomplished establishing the need of a public assembly to enter in agreement with the residents of the roundness.

As for law about environment relation article violation, penalty regulation is severely decided by the law No9605 that was established in 1998. And tree felling without permission and in the eternal preservation area become penalty regulation.

(2) Changes of the Federal Environment relation law

The law of the federal environment relation about the agricultural relation development begins with the law about reform of agricultural land, which was established in 1964 after that, many improvement points are gained and result in the present. The changes of main environment law are as the following.

Changes of the federal environment relation law

Environment Law	Contents of Law
Law No 4,504, 1964/11/30	Law about agricultural land reform
Law No 4,771 1965/09/15	Law about development of forest. The law prohibits indiscriminate deforestation in the Amazon forest.
Law No 5,197 1967/01/03	Law about animal protection
Law No 6,513, 1977/12/20	Setting special area where environmental potential is high
Law No 6,662, 1979/06/25	Law about irrigation policy
Law No 6,902, 1981/04/27	Law about setting of environment preservation area
Law No 6,938, 1981/08/31	Law about goal of environment policy
Law No 7,347, 1986/07/24	
Law No 7,653, 1988/08/12	Revision edition of law No 5,197 contains penalty regulation.
Law No 7,802, 1989/07/11	Regulation setting about agricultural chemicals
Law No 7,803, 1989/07/18	Law about tree felling possible area in the Amazon preservation area. It becomes regulated with 50% by this law in this state.
Law No 8,171, 19991/01/17	Law about agriculture and stock raising industry, marine products industry, agricultural processing industry and forestry industry

Following is the environment relation statute

Changes of environment relation statute

Environment Statute	Contents f Statute
StatuteNo 24,643, 1934/07/10	Statute about water pollution
Statute No 852, 1938/11/11	Revision of the statute about water pollution
Statute No 88,821, 1983/01/06	Statute about transportation of dangerous object
Statute No 89,336, 1984/01/31	Statute about state irrigation policy
Statute No 89,496, 1984/03/29	
Statute No 95,733, 1988/02/12	The implementation (doing 1% of minimum) of the environment construction becomes obligated to all construction.
Statute No 97,635, 1989/04/10	Statute about forest fire
StatuteNo 98,816, 1990/01/11	Details about agricultural chemical usage
StatuteNo 99,724, 1990/06/06	Statute about the environment preservation area

Environment relation ordinance is announced through CONAMA.

Changes of environment relation Ordinance

Environment Ordinance(CONAMA)	Contents of Ordinance
Ordinance No 004/85, 1985/09/18	Decision of the environment preservation area
Ordinance No 001/86, 1986/01/23	Rule of environment impact assessment
Ordinance No 006/86, 1986/01/24	Model decision by environmental permission document
Ordinance No 020/86, 1986/06/18	Rule about the water quality control
Ordinance No 009/87, 1987/12/03	Obligate for environment impact investigation
Ordinance No 010/87,	Related regulations the warranty of the environmental problems

(3) Changes of the State Environment law

The environment law in this state was established in 1989 when this state established as No 29(April 21st, 1989). The state government established NATURATINS and COMATINS, which is an environment management organization, and they gave these organizations the authority of the state environment relation. The environment law consists of law, decree and regulations and with the revision of the federal environment law, revision is accomplished according to the necessity. The change of the main environment law is as the following.

The changes of environment relation law

Environment Law	Main Contents
Law No 29, 1989/4/21	Established NATURATINS and COMATINS
Law No 56, 1989/6/16	Making environment education in school education a duty
Law No 71, 1989/6/31	Setting of environment standard
Law No 224/90, 1990/12/26	Setting of agricultural chemical use standard
Law No 4.793/91, 1991/11/05	Detailed setting of law 224/90, a prohibition item, a penalty regulation article, business registration, a way of keeping, remaining agricultural chemicals, a way of watching and so on are described.
Law No 261, 1991/2/20	State environment policy is described.
Law No 10459, 1994/06/08	Law No The acquisition of environment approval, to make environment investigation implementation a duty and public hearing implementation by it get to be formally obligated to all business implementation by 261 pieces of complementing law, this. The details describe in this law. This law was revised with the revision of the federal law
Law No608, 1993/11/18	Setting of a state special environment preservation area and an environment area
Law No 771, 1995/07/07	The establishment of the state forest law shows the guide of the area development. Follow item in the land development plan is described.
Law No 858, 1996/06/26	Establishment article of NATURATINS
Law No 905, 1997/05/20	Setting of an environment preservation area
Law No 906, 1997/05/20	Setting of lajeado environment preservation area
Law No 907, 1997/05/20	Setting of an environment preservation area

The main decree, which is announced in this state, is as the following.

The change of the environment relation decree

Environment Decree	Main Contents
Decree No 225, 1989/02/14	Prohibition article of the mercury use in mineral gathering
Decree No 1100, 1989/06/30	Establishment of NATURATINS
Decree No 1011, 1990/05/15	Establishment of the environment education program
DecreeNo1024, 1990/05/30	Setting authority for NATURATINS
Decree No 033, 1995/04/20	The detailed description of the COEMA mechanism
Decree No 062, 1995/06/05	Revision article of the COEMA mechanism
Decree No 118, 1995/08/18	Setting mechanism for NATURATINS
Decree No 311, 1996/08/23	Revision of the mechanism details of NATURATINS
Decree No 373, 1996/12/28	The local organization establishment article of NATURATINS
Decree No 538, 1998/01/06	Lajeado preservation area boundary setting
Decree No 238, 1999/10/13	Forest decree which accompanies state land development

Out of these decrees, in case of the development plan settle, the items, which become important are the law No 10459 and the law No 771 . The details are the following.

(4) Means of Environmental Approval Acquisition

To obtain environmental approval, it is necessary to implement environment impact investigation (EIA) before the business implementation and to make environment impact report book (RIMA). The contents

of these environment investigation are approved by NATURATINS, which is an environment supervisor organization. It is necessary for every business to acquire the environment approval of 3 steps, which show below.

1. The preliminary permission (L.P.) ; It approves in the early stage step of the plan settle.
2. The business implementation permission (L.I.) ; It acquires EIA/RIMA by presenting it before the construction implementation.
3. The operation permission (L.O.) ; It acquires the EIA/RIMA by presenting it before the equipment starts.

It is necessary to obtain public permission in public hearing to the related person after obtaining business implementation permission before the business implementation. As for the environment impact investigation, it is required to describe about geography, soil, geological feature and water condition, animal and plant situation and socio-economy condition. As for agricultural development, especially with the equal to or more than 1000 ha development, the land development in the environment preservation area and the Indio protection ward vicinage, these environment investigation report books are obligated.

(5) Regulation of Development Area by the Forest Law

The forest law regulates the percentage of development area. In case of this state, law No771 describes the rate. According to the federal law, the development possible percentage with development area depends on vegetation of forest and cerrado. In case of this state, the percentage set 50%.The details with development regulation area by the federal law and the state environmental low are following.

◆ Development possible area by the federal law

The percentage of possible development area by federal law is described regulation article in provisional announcement Medida Provisoria No 1.956-51 (the federal law) in June, 2000.The followings are the detail of the regulation article in the study area.

- The rate of legal prescribed preservation area needs 35% of preservation in the cerrade vegetation area and 80% in the Amazon vegetation forest area As for the cerrado vegetation area, however, 15 % of area can substitute for other possession area
- As for the rate of this preservation area, it is possible to change by state law but the minimum rate must be 50%. Basically, these raguration based on state law.
- The rate of the prescribed preservation area of each producer is mentioned above. But when the Amazon vegetation forest area and cerrado area intermingle with identical tillage, it fixes the rate of the preservation area in the ratio of the vegetation.
- ZEE makes this area repartition clear.(the forest area and the cerrado area repartition).
- In case of the small scale land possession (equal to or less than 150 hectares), introducing long term fruit cultivation mixed with local existence species can be substituted for this prescribed preservation area
- The utilization of the prescribed preservation area can only do "Manejo Florestal Susentevel" and other production activity is prohibited.
- As for the producer who has original vegetation area more than prescribed preservation area, if the utilized area was judged to be effectively utilized, then producer can do felling. But if it is left or utilization isn't sufficiently accomplished, the felling isn't permitted. But, the small-scale land possession producer doesn't become the object.
- Producer who doesn't have prescribed preservation area needs that he converts 1/10 with the lack area into the prescribed preservation area every 3 years.

- However, when contributing the agricultural land as the state environment preservation area in future, it is from that exempted.
- The prescribed preservation area needs to register. And also, registration area is required that it is already be approved by the environment management organization in the state. In case of the small scale producer, the registration is helped by the environment organization to accomplish.
- To obtain authorization as the environment preservation area, it must take a basin plan, a municipal master plan, ZEE plan into consideration.
- As for eternal preservation area, the change of vegetation can be admitted only for the purpose to use public. Basically, the change of purpose is not admitted.

◆ Development possible area by the state environmental law

The concept of development possible area by the state environment law is as the following.

- The minimum area to be conserved is of 50%, and the properties that reach not this area should restore this area in the proportion of 1/30 of the property a year.
- If there are areas of permanent conservation in the property, this should be conserved. These areas are springs where the area to be protected is defined in agreement with the width of the river with having presented to proceed:

< 10m of width	30 m
enter 10 to 50 m	50 m
enter 50 to 200m	100 m
enter 200 to 500 m	200 m
> 500m	600 m

In a water fountain area, it is necessary to preserve at least a diameter of 50 m.

- Steep part near top of mountain and inclination part with the inclination degree more than 45 degrees are set as the eternal preservation area.
- However, as for 20 to 50 hectares land owner, long term fruit growing could be its substitution.
- In the preservation area, changing the classification of land category and producing other products are prohibited.
- To restore preservation area to its original condition is followed by the plan of the management organization.
- The preservation area must register at the registration office.