

Who is buying soy from MATOPIBA?

The region of MATOPIBA sits at the intersection of four Brazilian states – Maranhão, Tocantins, Piauí and Bahia – which are witnessing rapid agricultural expansion that is encroaching into the rich biodiversity of the Cerrado. Between 2010 and 2015, soy exports from MATOPIBA doubled, from 3.5 to 7.1 million tons. Trase reveals the trade dynamics driving this growth, highlighting the rapid emergence of new exporters across the region and rapid increase in demand from the Chinese market.

The production landscape

MATOPIBA spans the northern part of the ecologically important Cerrado biome and small pockets of neighbouring Amazonia. It is also one of the world’s most rapidly expanding soy frontiers, resulting in natural vegetation and biodiversity loss.

Of the 337 municipalities that comprise MATOPIBA, more than half produced soy between 2010 and 2015. Around two-thirds of this soy went to international markets, with the proportion being used domestically decreasing over the six-year period.

The majority of the region’s exports came from just eight municipalities. In western Bahia, six municipalities generated over 45% of the MATOPIBA region’s total exports, with a further 13% coming from the two largest producing municipalities in southern Maranhão (see Figure 1).

In Piauí to the north, where historically soy production for export has been limited, the industry has seen unprecedented growth in recent years. Having exported just 36,191 tons in 2010, Piauí shipped 591,100 tons to international markets in 2015 – a 16-fold increase. By contrast, Piauí’s production for domestic markets increased by just 40% over the period.

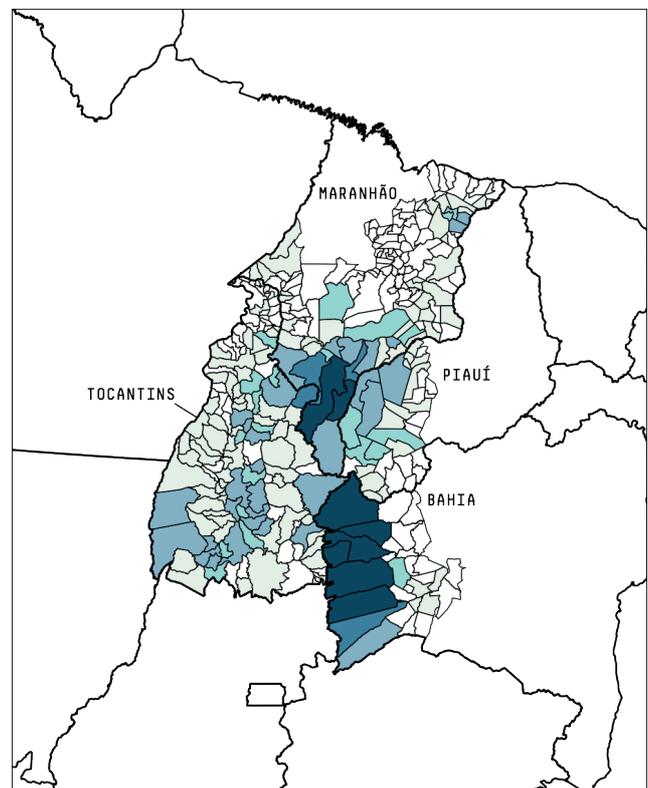
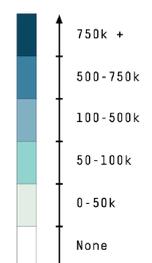


FIGURE 1

Soy exports from MATOPIBA [2010-2015]



Commodity traders

Between 2010 and 2015, the number of traders operating in MATOPIBA almost tripled. Nearly 40% of the soy exported from the region in 2015 passed through the hands of traders who were not operating in the region in 2010. In contrast, in Mato Grosso, Brazil's largest soy producing state, new market entrants accounted for 20% of the soy exported in 2015.

Of the newcomers to MATOPIBA, the largest were the Brazilian commodity trader Amaggi, the Mitsubishi Corporation owned Agrex Inc, Nidera, Naturalle Agro Mercantil and CHS. Together these five companies accounted for 59% of the region's growth in soy exports between 2010 and 2015.

Despite the importance of these new traders, the bulk of trade in MATOPIBA remains dominated by a small group of exporters with a longstanding presence in the region. Some 77% of total soy exports between 2010 and 2015 were traded by Bunge, Cargill, ADM, Multigrain S.A. and ABC e Comercio. These were the only five traders operating in MATOPIBA during each of the six years in question, their exports are represented in grey on the graph (Figure 2).

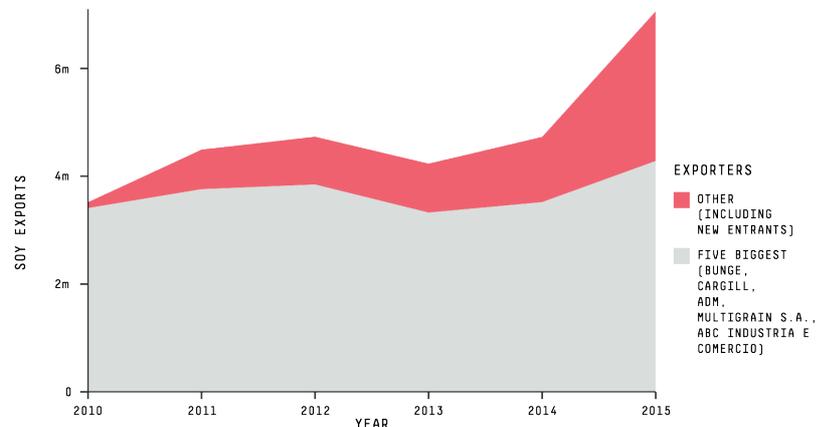
Destinations

As commodity traders have expanded their operations across MATOPIBA, the international market for soy has shifted. In 2010 the top countries importing from MATOPIBA were Spain (23%), China (22%)

and Portugal (12%). By 2015, China accounted for 57% of all exports. In fact, when comparing exports from the region in 2010 to those in 2015, China accounts for 92% of all of the new trade by volume.

The analysis presented here shows the growing importance of the MATOPIBA region to the international soy trade and the key traders operating there. Trase also combines data at the municipal level on sustainability indicators – including territorial deforestation and water scarcity – with company-specific information such as zero deforestation commitments. This makes it possible to understand agricultural supply chains at scale, providing the necessary information for companies, NGOs and governments to transition to sustainability.

FIGURE 2 Soy exporters from MATOPIBA



The Trase Infobrief series illustrates some of the key insights around commodity trade and supply chain sustainability that are made possible by Trase. Explore the data yourself at trase.earth

A JOINT INITIATIVE OF:



global canopy



Sida



The Nature Conservancy



GORDON AND BETTY MOORE FOUNDATION

MADE POSSIBLE BY: