

# **A BRIEF ANALYSIS OF THE 2025/2026 ANNUAL AGRICULTURAL PLAN AND ITS ALIGNMENT WITH SUSTAINABILITY ATTRIBUTES**

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# Brief analysis of the 2025/2026 Agricultural Annual Plan and its alignment with sustainability attributes

## 1. Context

The 2025/2026 Agriculture Annual Plan for commercial farmers and Family Farming Annual Plan brought improvements. There was a small nominal growth in the amount of resources announced for rural credit, with R\$ 594.43 billion for commercial agriculture (R\$ 516.23 billion) and family farming (R\$ 78.2 billion).

In addition, it maintained incentives for credit lines aligned with sustainability, authorized the financing of forest species seeds and seedlings, native or exotic, and implemented an important element for costing credit: the requirement to follow the recommendations of the Climatic Risk Agricultural Zoning (ZARC).

In the article [“Agriculture and Livestock Annual Plan \(Plano Safra\) 2023/2024: Brief analysis of the requirements and incentives for the sustainability of the agricultural sector”](#) published on 08/07/2023, we highlighted the expansion of social, environmental, and climatic impediments, which are already in force. For the 2024/2025, the main new features were addressed in the article [“Brief analysis of the 2024/2025 Agriculture Annual Plan and its alignment with sustainability attributes”](#), with emphasis on the record amount of resources made available for RenovAgro and other investment credit lines with this alignment, in addition to the possibility of financing the necessary investments for the recovery of native vegetation in properties with environmental embargoes.

This document is part of the annual publications after analyses of the regulations that come into force each harvest year, focusing on the main incentives of agricultural policy aligned with the sustainability journey of agricultural activity. The following sections present these aspects related to the 2025/2026 Annual Agriculture and Livestock Plan (**Plano Safra**), some results of the resources allocated in the 2024/2025 crop-year, and a summary of the proposals presented by Agroicone.

## 2. Subsidized Resources

Ministry of Finance's (MF) Ordinance No. 1.508 of July 11, 2025, published on July 14 of the same year, brought a division of periods for the resources subject to subsidies of rural credit: part for the period until 12/31/2025 and another part from 01/01/2026 until the end of the 2025/2026 crop-year. The Ordinance itself emphasizes that the limits for each period are not cumulative and must be observed in isolation, both for commercial agriculture and family farming. Thus, the analysis of the resources made available in this document will only cover the resources until 12/31/2025.

MF Ordinance No. 1.516 of July 11, 2025, published on July 14 of the same year, authorizes the payment of subsidized resources for financing destined for agricultural cooperatives of family farming and the Program for Capitalization of Agricultural Cooperatives - Procap-Agro specifically for the state of Rio Grande do Sul. For the first semester of the 2025/2026 Annual Plan, the total resources subject to subsidies sum R\$ 103.2 billion (Table 1), with R\$ 26.7 billion for Pronaf, R\$ 31.1 billion for Pronamp (including Moderfrota Pronamp), R\$ 1.8 billion for cooperatives (including family farmers), and R\$ 43.6 billion for other producers.

Table 1. Amount of resources' limits subject to subsidies per credit line and funding source (until 12/31/2025, except for Precap-Agro cooperatives Rio Grande do Sul and Pronaf Agroindústria - Rio Grande do Sul, which are for the entire 2025/2026 crop-year) - values in R\$ millions

<b>Credit Line</b>	<b>FAT or BNDES Ordinary</b>	<b>LCA</b>	<b>Rural Savings</b>	<b>Own Resources</b>	<b>Total General</b>
Commercialization	0	682	24	294	1,000
Business Costing	0	19,133	72	2,395	21,600
Business Costing + Sustainable Band 1	0	1,063	4	133	1,200
Business Costing + Sustainable Band 2	0	1,063	4	133	1,200
Pronamp Costing	0	7,535	14,998	1,228	23,760
Pronamp Costing + Sustainable Band 1	0	419	833	68	1,320
Pronamp Costing + Sustainable Band 2	0	419	833	68	1,320
Inovagro	0	2,268	0	1,132	3,400

(continue)

(continuance)

<b>Credit Line</b>	<b>FAT or BNDES Ordinary</b>	<b>LCA</b>	<b>Rural Savings</b>	<b>Own Resources</b>	<b>Total General</b>
Business Investment	0	432	0	418	850
Pronamp Investment	0	582	1,485	1,133	3,200
Moderfrota	0	1,643	0	3,107	4,750
Moderfrota Pronamp	0	799	0	741	1,540
PCA - Up to 12,000 tons.	1,080	658	40	72	1,850
PCA - Others	675	925	200	450	2,250
Procap-Agro	0	236	0	289	525
Procap-Agro Cooperatives (Rio Grande do Sul)	42	28	0	39	110
Prodecoop	285	415	0	250	950
Proirriga	0	806	0	570	1,375
Pronaf - Acquisition of breeding stock and reproducers	0	2,154	0	1,256	3,410
Pronaf - Cargo pickup trucks and motorcycles	0	70	44	47	161
Pronaf - Costing Band 1	0	528	2,736	1,245	4,510
Pronaf - Costing Band 2	0	1,274	1,934	222	3,430
Pronaf - Costing Band 3 - Socio-biodiversity	0	29	46	30	105
Pronaf - Costing Band 4 - Soy, Beef Cattle and Cotton	0	547	1,794	1,229	3,570
Pronaf - Investment Band 1	0	1,015	127	670	1,812
Pronaf - Investment Band 2	0	3,118	275	1,832	5,225
Pronaf - Investment Band 3	0	266	0	9	275
Pronaf - Microcredit Group B (BNDES, North and Northeast)	0	0	0	3	3
Pronaf - Tractors and Harvesters	0	1,718	576	1,906	4,200
Pronaf Agroindustry (Rio Grande do Sul)	15	74	0	104	193
RenovAgro - Environmental	0	78	0	46	124
RenovAgro - Others	0	1,355	0	1,545	2,900
RenovAgro - Pasture Recovery	0	581	0	470	1,050
<b>Total General</b>	<b>2,097</b>	<b>51,911</b>	<b>26,025</b>	<b>23,133</b>	<b>103,167</b>
<b>Share of funding sources</b>	<b>2.0%</b>	<b>50.3%</b>	<b>25.2%</b>	<b>22.4%</b>	<b>100%</b>

Source: DOU, Ministry of Finance. Prepared by: Agroicone

The composition of funding sources changed significantly compared to previous Annual Plans: R\$ 51.9 billion or 50.3% from Agribusiness Credit Letters (LCA), R\$ 26 billion or 25.2% from rural savings, R\$ 23.1 billion or 22.4% from

financial institutions' own resources, and only R\$ 2.1 billion or 2% from BNDES (FAT or BNDES ordinary resources).

The resources subject to subsidies for costing sum R\$ 62 billion, with R\$ 26.4 billion for Pronamp, R\$ 24 billion for other producers, and R\$ 11.6 billion for Pronaf. Rural savings resources predominate in terms of Pronaf and Pronamp costing, and LCA for other producers. Resources for commercialization total R\$ 1 billion, 68% through LCA.

Resources for investment come to R\$ 38.4 billion, with R\$ 15.1 billion for Pronaf and R\$ 23.3 billion for medium and large producers. The difference in funding sources compared to costing is important: LCA predominates for all producer profiles, including Pronaf, which never explicitly had LCA as a funding source.

Both Ministry of Finance's Ordinances list 26 financial institutions with resources subject to subsidies' limits in different credit lines and financing conditions. It is worth noting that financial institutions will basically operate using LCA and own resources, reducing the importance of rural savings in financing the agricultural sector.

It is also important to observe BNDES resources. FAT and BNDES ordinary funding will have a small share of the total resources, only R\$ 2.1 billion, but BNDES itself will operate through LCA with R\$ 18.2 billion and own resources with R\$ 39.5 billion. In other words, the total amount of resources operated by BNDES sum R\$ 63.8 billion or 62% of the total resources subject to subsidies authorized for the first semester of the 2025/2026 crop-year.

Throughout the 2024/2025 crop-year, those resources using FAT or BNDES ordinary funding (Ordinance MF No. 1.138 of July 10, 2024) was R\$ 33.5 billion, representing 25% of the total resources subject to subsidies. As BNDES has indirect rural credit operations, several financial institutions operating credit will be able to use this source of funding for financing various sizes of producers, purposes, and credit lines.

Furthermore, it is worth emphasizing that BNDES has additional rural credit access rules to the social, environmental, and climate impediments already set out in Section 9 of Chapter 2 of the Rural Credit Manual (MCR), especially related to observing illegal deforestation and embargoes related to the same individual (CPF), company (CNPJ) or economic group requesting rural credit.

### 3. ZARC - Climatic Risk Agricultural Zoning Requirement

CMN Resolution No. 5.229/2025 incorporates ZARC recommendations as a general condition for rural costing credit, as set out in Section 1 of Chapter 2 of the MCR:

"1 - The granting of rural credit is subject to compliance with the recommendations and restrictions of agroecological zoning, Ecological-Economic Zoning - ZEE and, in agricultural costing operations, Climatic Risk Agricultural Zoning - ZARC, observing the following conditions:

a) for zoned enterprises, the conditions set out in MCR 12-2-2 and MCR 12-2-3, main paragraph and items "a" and "b" apply, as appropriate;

b) the granting of credit for non-zoned enterprises is allowed, exempting the requirement for a technical assistance and rural extension - ATER report, provided that the enterprise is not covered by the Agricultural Activity Guarantee Program - Proagro."

ZARC recommendations were already mandatory to access the Rural Insurance Premium Subsidy Program (PSR) and indemnities from the Agricultural Guarantee Program (Proagro), divided into Traditional Proagro and Proagro Mais (the latter for family farming). The National Monetary Council (CMN) defines the classification of costing credit operations with mandatory adherence to Proagro, as well as its regulations.

As an example, CMN Resolution No. 5.224/2025, which defined the coverage limit for costing enterprises with mandatory adherence to Proagro, previously set at R\$ 270 thousand, now changes to R\$ 200 thousand. This rule applies to the total sum of credit contracts for costing of a given beneficiary (CPF/CNPJ or CAR) per crop-year. The beneficiary or rural property that exceeds the limit is exempt from the obligation to adhere to Proagro.

That is, regardless of Proagro or other risk management instruments, all agricultural enterprises financing costing under the rural credit policy must comply with ZARC recommendations, when available.

As described by the Ministry of Agriculture and Livestock (MAPA), ZARC "is an instrument of agricultural policy and risk management in agriculture. The study is prepared with the objective of minimizing risks related to adverse climatic phenomena and allows each municipality to identify the best planting season for crops, in different soil types and cultivar cycles. The



technique is easy to understand and adopted by rural producers, financial agents, and other users".

Finally, it is worth mentioning an important movement towards incorporating good agricultural practices into climate risk management instruments, especially the Rural Insurance Premium Subsidy Program, PSR. Resolution No. 107 of June 18, 2025 (MAPA/DEGER) establishes a pilot project for integration between ZARC Stewardship Levels (ZARC NM) and PSR, establishing different subsidy percentages depending on the soil management level for soybean cultivation. The pilot is expected to take place in the state of Paraná, with a total of R\$8 million from the budget for the PSR subsidy.

Agroicone has been advocating for the observance of ZARC in agricultural costing operations for some years in its proposals for the Annual Plan, incorporated from the 2025/2026 crop-year, in addition to suggesting the incorporation of ZARC NM in rural insurance and rural credit.

#### **4. Incentives for agricultural production aligned with the sustainability journey and Agroicone's contributions**

CMN Resolution No. 5,228/2025 altered Chapter 11: Agricultural Investment Programs – InvestAgro, of the MCR. The simplification of rural credit stands out due to the merger of the Moderagro – Program for the Modernization of Agriculture and Conservation of Natural Resources credit line with Inovagro – Program for Incentive to Technological Innovation in Agricultural Production, now called the Program for Incentive to Modernization and Technological Innovation in Agricultural Production (Inovagro). This merger proposal was presented in policy notes with [Proposals for the 2022/2023 Agricultural Annual Plan](#) by Agroicone.

For the sustainability journey of agricultural activity, it is important to highlight the expansion of the RenovAgro Ambiental (Environmental), including combating fires on rural properties, advocated by the productive sector. Furthermore, among the financeable items, the implementation of nurseries for "native species seedlings for the replacement and recovery of Permanent Preservation Areas and Legal Reserves" were included. The latter was presented in Policy Note 2 of the set of [Proposals for the 2025/2026 Annual Agricultural Plan](#) presented by Agroicone, being developed in conjunction with the Brazil Climate, Forests and Agriculture Coalition, partially implemented by agricultural policy.

Also, for the implementation of financing projects within RenovAgro, the suppression of native vegetation is prohibited (new item "j" of MCR 11-7-1). However, it is worth noting that the current regulation (MCR 2-9-16) already establishes the prohibitive use of controlled and directed resources when there is native vegetation suppression in the financed project. That is, it remains to be understood whether the new RenovAgro regulation item seeks to expand such requirements, or if they only corroborate the rural credit regulation.

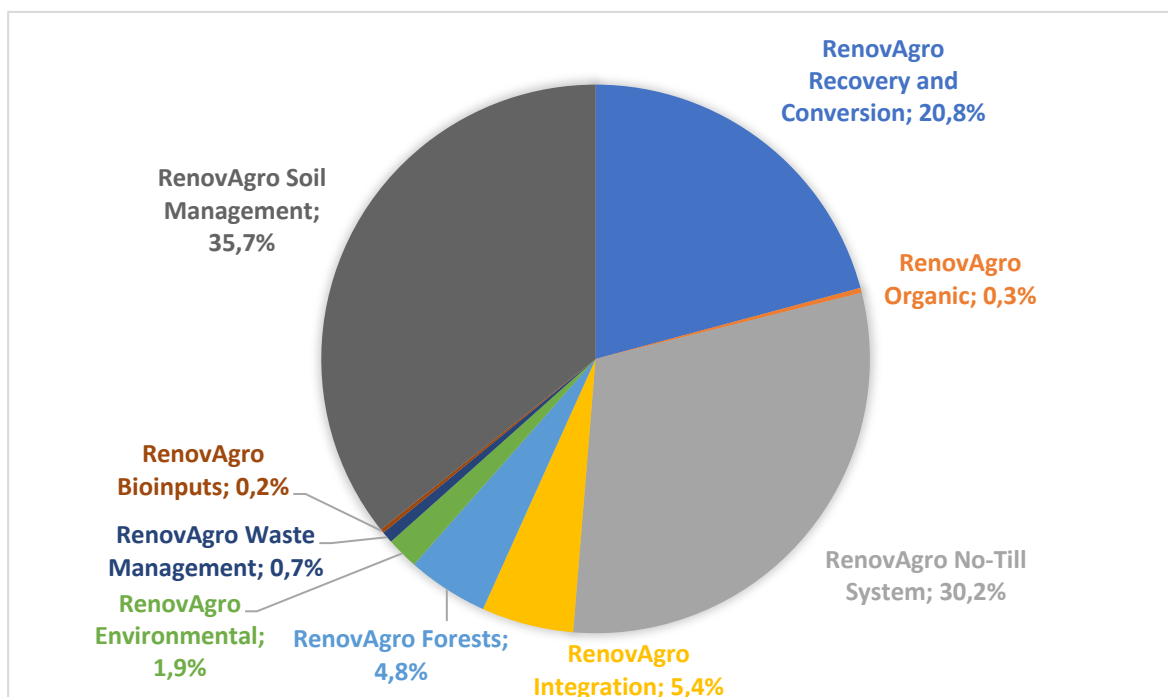
The volume of resources announced for RenovAgro is noteworthy. For RenovAgro Environmental, R\$ 250 million were announced to finance the purposes intended for environmental compliance of rural properties (according to the Forest Code). For the first semester of the 2025/2026 crop-year, R\$ 124 million in resources are available (as described in the aforementioned MF Ordinance).

In RenovAgro Recovery and Conversion, for the recovery and conversion of degraded pastures, R\$ 2.1 billion were announced and R\$ 1.05 billion were made available for the first semester of the crop-year. These two RenovAgro subprograms have the lowest interest rate for investment by commercial farmers, up to 8.5% p.a.

For the other RenovAgro subprograms, R\$ 5.8 billion were announced, at up to 10% p.a., with R\$ 2.9 billion of resources available in the first semester of the crop-year. All subprograms sum R\$ 8.15 billion announced for the RenovAgro program, a nominal increase of 6.1% in the value of resources compared to the last crop-year.

In this context, it is relevant to show the rural producer's appetite to contract the RenovAgro investment credit line. In the 2024/2025 crop-year (latest), R\$ 7.68 billion were announced and R\$ 6.1 billion were allocated, based on data from the Central Bank of Brazil accessed on 07/11/2025 (which may still be updated). However, the increase in interest rates for the 2025/2026 crop-year may make the transition to sustainable systems unfeasible, depending on the project to be financed.

Figure 1: Allocation of RenovAgro resources by subprogram in the 2024/2025 crop-year



Source: Central Bank of Brazil, SICOR. Accessed on 06/30/2025. Prepared by: Agroicone

Changes related to sustainable forest production also deserve mention. As detailed in Agroicone's proposals in partnership with the Brazil Climate, Forests and Agriculture Coalition, CMN Resolution No. 5.229/2025 allowed credit for costing to finance the extraction or production of seeds and seedlings of forest essences, native or exotic. This measure is directly related to the implementation of the Forest Code and Planaveg 2025-2028.

Another measure advocated by the private sector and incorporated into rural credit policy (also in CMN Resolution No. 5.229/2025) refers to the financing of inputs and cultural treatments for cover and soil protection plants during the fallow periods. This good agricultural practice increases productivity, water resilience, soil fertility and health, in addition to increasing carbon stock in the soil.

Finally, aligned with intensive cattle finishing, the same resolution authorizes financing for the purchase of feed, supplements, and medicines in advance of the formalization of rural credit, allowing livestock farmers to acquire these inputs at the appropriate and necessary time for production. This measure already exists for the acquisition of inputs for crops production.

## **5. What is the result of the reduction in the cost interest rate for enterprises aligned with the agricultural sustainability journey?**

The announcement of the discount on the costing interest rate for sustainability-aligned enterprises occurred in the 2023/2024 Annual Plan, but the rules for these operations were disclosed in CMN Resolution No. 5.152/2024 and implemented on January 2, 2025. In summary, financed enterprises that have certifications recognized by MAPA and/or enterprises that obtained investment financing from the Program for Financing Sustainable Agricultural Production Systems (RenovAgro) (formerly called ABC/ABC+ Program) in the last 5 crop-years, can benefit from a discount of 0.5 percentage point on the interest rate of credit for costing (if contracted with resources subject to subsidies or with mandatory resources in Pronamp or by other rural producers, and if the activity financed for costing coincides with the area that received the investment contract).

The financial institution must verify the certification and eligibility of the operation through MAPA's AgroBrasil Mais Sustentável platform. In the case of linking the costing interest rate discount with RenovAgro or ABC/ABC+ Program investment credit (as detailed in [Policy Note 4 of the set of proposals for the 2024/2025 Annual Plan presented by Agroicone](#)), the rural credit beneficiary will have to authorize the sharing of their data (rural credit operations) via open banking, if not disclosed by the Central Bank of Brazil. Today, the details of RenovAgro, ABC or ABC+ Program operations that have economic subsidy are disclosed in SICOR (Rural Credit and Proagro Operations System).

This discount on the costing interest rate can be cumulative, reaching 1 percentage point, if this incentive is aligned with sustainable practices and the reduction already included in the 2023/2024 crop-year related to the Rural Environmental Registry – CAR, analyzed and in compliance with the Forest Code, in the process of environmental compliance or eligible for the issuance of an Environmental Reserve Quota (CRA) (CMN Resolution No. 5.102/2023, set out in MCR 3-2-6-A).

The differentiation of the costing interest rate for producers who demonstrate sustainable attributes of their production continues in the 2025/2026 crop-year. Although still very small compared to the value of resources allocated to costing, these incentives benefited about 2,370 CPFs/CNPJs, with 3,155 contracts totaling R\$ 3.15 billion in the 2024/2025 crop-year (SICOR/BCB

accessed on 06/30/2025), still significantly lower than the R\$ 8.6 billion resources made available in the 2024/2025 crop-year.

In the first semester of the 2025/2026 harvest (until 12/31/2025), the resource for costing oriented to large farmers with a reduction of up to 1 percentage point is R\$ 2.4 billion, and for costing in Pronamp (mid-sized farmers), R\$ 2.64 billion. These values represent 10% of the total resources for costing subject to subsidies for these two groups of rural producers.

## 6. Classification of resources aligned with the sustainability journey

The unprecedented [methodology for classifying rural credit resources aligned with the agricultural sustainability journey developed by Agroicone](#) shows a growing trend in the share of total rural credit resources. Of the R\$ 297.8 billion in resources allocated to costing and investment in the 2024/2025 crop-year, R\$ 68.9 billion (23.1%) were classified as aligned with the sustainability journey. The value, although nominally lower than in the 2023/24 harvest (R\$ 71.1 billion), is proportionally higher, showing an increase of 1.8 p.p., as shown in Figure 2, indicating a greater qualification of rural credit.

Figure 2. Amount of resources contracted (Costing and Investment) by sustainability journey classification



Source: prepared by Agroicone based on Sicor/BCB data. Updated on 07/13/2025

The volume of resources allocated for investments stands out, especially in RenovAgro, which totaled R\$ 6.1 billion in the period. In Pronaf, the Agroecology, Bioeconomy, Forest and Semi-arid lines reached R\$ 2.4 billion, a nominal growth of 49% compared to the previous crop-year.

## 7. A special look at the 2024/2025 Family Farming Annual Agricultural Plan

The 2025/2026 Family Farming Annual Plan continued the incentives in the financing conditions for staple food basket and agroecological, organic, and socio-biodiversity products, already implemented in the last two harvests, with emphasis also on the announcement of public purchases for rice.

Table 2 presents a comparative summary of the staple food basket products incentivized in Pronaf. Only onion, cucumber, orange, squash, and sweet potato showed an increase in the number and contracted value between the 2023/2024 and 2024/2025 crop-years. Most products reduced the number of contracts and the financed value. Notably, there was a significant drop in wheat, both in contracts and in financed value.

Table 2. Number of contracts (thousand) and allocated values (in R\$ million) by Pronaf Costing for selected staple food basket products

Product	2023/2024		2024/2025*		Nominal Difference	
	Contracts	Value	Contracts	Value	Contracts	Value
Wheat	34,027	1,770	18,784	1,092	-15,243	-679
Onion	4,892	561	4,910	617	18	56
Beans	6,241	399	5,259	391	-982	-8
Rice	3,471	312	3,109	307	-362	-5
Tomato	3,370	207	3,203	203	-167	-4
Cassava	2,762	129	1,600	100	-1,162	-29
Banana	1,696	106	1,551	104	-145	-2
Orange	1,614	73	1,656	77	42	4
Pineapple	709	51	588	49	-121	-2
Squash	943	37	990	50	47	13
Bell Pepper	822	40	759	38	-63	-2
Tangerine	729	32	643	31	-86	-1
English Potato	334	31	293	30	-41	-1
Lettuce	707	29	582	26	-125	-3

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Product	2023/2024		2024/2025*		Nominal Difference	
	Contracts	Value	Contracts	Value	Contracts	Value
Broccoli	606	28	529	27	-77	-1
Garlic	329	31	223	21	-106	-9
Watermelon	453	24	423	27	-30	3
Carrot	333	20	332	22	-1	2
Cucumber	353	9	489	31	136	22
Cocoa	526	18	476	22	-50	4
Yam	313	15	252	13	-61	-2
Cabbage	417	12	377	13	-40	1
Cauliflower	294	10	246	9	-48	-1
Sweet Potato	168	7	188	10	20	3
TOTAL	66,109	3,952	47,462	3,309	-18,647	-643
<b>Share of Total Pronaf Costing</b>	<b>9.8%</b>	<b>11.9%</b>	<b>9.9%</b>	<b>11.4%</b>		

\*preliminary values

Source: prepared by Agroicone based on Sicor/BCB data. Accessed on June 30, 2025

It is important to emphasize the need for further studies related to the impacts of these incentives on the ability to change rural producers' decision-making process regarding which crops to produce. Food production is central to ensuring food security and assessing the extent of these incentives in terms of beneficiaries, allocated values, and financed areas are fundamental.

Regarding financing conditions, it is worth highlighting the negative real interest rate in most Pronaf credit lines aligned with sustainability and the climate agenda. Pronaf Forest, Semi-Arid, Agroecology, and Bioeconomy (except for silviculture) will operate with a nominal interest rate of 3% p.a., the same rate as the previous crop-year.

Furthermore, Pronaf Connectivity was launched - rural credit to finance connectivity in the countryside, with an interest rate of 2.5% p.a. (lower-income families) and 3% p.a. (other families), with a grace period of up to 3 years and a payment term of up to 10 years. For the first semester of the 2025/2026 crop-year, available resources subject to subsidies can reach R\$ 2.1 billion for investments in these interest rate ranges.

The growth of Pronaf Bioeconomy stands out, with a financed value of R\$ 2.1 billion for 30.5 thousand contracts in the 2024/2025 crop-year. It is important to highlight the main products financed: implementation of renewable energy, environmental and small hydro-energy technologies (R\$ 604 million); intensive soil correction (R\$ 553 million); irrigation (R\$ 218 million);



construction/recovery of dams/tanks and water capture systems (R\$ 104 million) and intensive soil fertilization (R\$ 50 million).

Another change observed in some Pronaf investment credit lines was the inclusion of financing for irrigation systems with solar photovoltaic energy. Limits per beneficiary vary depending on the credit line and income: Pronaf Semi-Arid (limit of R\$ 40 thousand), Pronaf Mais Alimentos (limit of R\$ 100 thousand, for families with gross income of up to R\$ 150 thousand) and Pronaf Bioeconomy (limit of up to R\$ 250 thousand). The grace periods and repayment terms are up to 3 years and 10 years, respectively.

The inclusion of sustainable irrigation for family farming is extremely relevant for the climate resilience of this group of producers, especially the impacts of drought, the main climatic adversity that results in indemnities in Proagro (about 51% of approved loss communications in Proagro Mais in the last five years).

It is worth noting, however, the importance of evaluating water capacity for irrigation in municipalities, based on the National Water Agency's (ANA) Irrigation Atlas, as presented in the [Policy Notes with Proposals for the 2025/2026 Agricultural Annual Plan](#) by Agroicone; as well as encouraging rainwater harvesting within rural properties and the conservation of water resources with native vegetation, in accordance with the Forest Code.

Regarding incentives for agroecological transition, there was an effort both in costing interest rates of 2% p.a. to produce agroecology, organic, and socio-biodiversity products, and the launch of Pronaf B Agroecology, for families with annual gross income of R\$ 50 thousand. The latter has a limit per beneficiary of up to R\$ 20 thousand, an interest rate of 0.5% p.a., a repayment period of up to 3 years, and a compliance bonus (even lower interest rate).

It is important to highlight that Pronaf Agroecology signed only 152 contracts totaling R\$ 8.3 million in the 2024/2025 crop-year (data as of July 13, 2025), lower than the 284 contracts and R\$ 9 million allocated in the 2023/2024 crop-year.

Still in the field of socio-biodiversity, the SocioBio Mais Program replaced the Minimum Price Payment Program for Socio-biodiversity Products (PGPM-Bio), with resources of R\$ 42.78 million, slightly less than in the previous crop-year. This includes fixed payment for babassu, pirarucu, and rubber, in addition to remuneration for extractive producers.

Another novelty was the launch of the National Agrochemical Reduction Program (Pronara), instituted by Decree No. 12.538/2025, with 4 lines of action: i) ATER for agrochemical reduction and agroecological conversion; ii)



replacement of chemical inputs with bio-inputs; iii) monitoring of residues in food and the environment; iv) and research on sustainable technologies.

For livestock farming, the National Embryo Transfer Program was launched, focusing on genetic improvement for the dairy chain. This strategy is expected to increase the productivity and income of family dairy farmers, also reducing GHG emissions from the sector.

The budget available for public family farming technical assistance is R\$ 240 million, lower than the R\$ 307 million announced in the previous crop-year. The amount is still far short of the amount needed to strengthen technical assistance networks. Only 14% of family farms in the country had some access to public or private technical assistance in 2017 (IBGE, Agricultural Census, 2017), which reflects the challenge of significantly expanding support for producers to adopt technologies and good agricultural practices.

Finally, the 2025/2026 Family Farming Annual Plan pointed out important directions for sustainable production, climate resilience, and sustainable productive inclusion for family farming. It is worth following the execution of these resources throughout the crop-year.

## **8. Proposals presented by Agroicone**

Agroicone presented a set of proposals to agricultural policymakers detailed in seven policy notes in the document: [“Proposals for the 2025/2026 Annual Agricultural Plan”](#). These aim to improve the management of socio-environmental and climatic risks in agricultural policy, promote the implementation of the Forest Code, Planaveg 2025-2028, and the environmental compliance of rural properties, prioritize and foster the recovery of pastures with some level of degradation in rural properties, promote and reward the adoption of sustainable and resilient practices and technologies in farms, improve SICOR and integrated risk management through credit and rural insurance.

Regarding the social, environmental, and climate attributes of rural credit, the proposal implemented in the 2025/2026 crop-year stands out: the observance of the Climatic Risk Agricultural Zoning (ZARC), when available, for costing operations. Another attribute incorporated by CMN Resolution No. 5.193/2024 to be implemented from 01/02/2026 was the observance of deforestation through PRODES/INPE, prohibiting operations with controlled or directed resources in rural properties that contain illegal deforestation beyond those with environmental embargoes.

However, details are expected through regulations on how deforestation verification will be carried out. However, some points not yet implemented by agricultural policy to be incorporated into SICOR and/or the general conditions of rural credit stand out, as presented in Policy Note 1:

- Inclusion of Climatic Risk Agricultural Zoning – Stewardship Levels (ZARC NM) maps and data, as well as information collection strategies;
- Inclusion of pasture quality maps, especially for observing pasture vigor in bovine acquisition credit operations;
- Map with water potential per municipality made available by the National Water Agency, for observing credit operations for irrigated agriculture (water permit for implementing irrigation projects is not required for rural credit concession);
- Restrict the financed values for small and medium-sized rural properties totally or partially located in Public Forests Type B (Undesignated), considering the differentiation of credit limit per beneficiary from the resources of the Constitutional Financing Funds. Additionally, it is suggested to publish regulations on the procedures for verifying the remaining native vegetation in the Public Forest type B area located within the rural property.

To leverage the implementation of the Forest Code, Planaveg 2025-2028, and promote the environmental compliance of rural properties, rural credit needs to foster activities such as native species silviculture and the establishment of seedling nurseries as isolated activities. Several necessary changes in the credit lines available in rural credit policy, detailed in Policy Note 2, have not yet been incorporated. Furthermore, there is demand from the forest restoration chain to improve financing conditions for restoration and environmental compliance purposes, value Legal Reserve areas as part of the guarantees for rural credit operations and implement instruments such as the Environmental Reserve Quota (CRA).

The main innovation presented by Agroicone for the cycle of proposals for the 2025/2026 Annual Plan was to analyze degraded pastures and their potential for conversion to sustainable productive systems, based on [Brazil \(2024\)](#), and allocated rural credit since the 2019/2020 crop-year for all sizes of rural properties. Based on this technical foundation, proposals were presented that prioritize the recovery or conversion of degraded pastures through rural credit, which includes observing pasture quality for enterprises financed for bovine acquisition and redirecting credit to include the conversion of degraded pastures in these properties.

The discussion presented in Policy Notes 3 and 4, in addition to pointing out to public policy the different needs of producers and their rural properties, highlights the importance of incorporating and increasing socio-environmental and climate risk underwriting processes in credit granting. The observance of pasture vigor, especially for contracts involving the acquisition of animals ("bovines" product), is fundamental for the effectiveness of resource allocation, especially those with economic subsidy.

Furthermore, the presented proposals have the potential not only to improve the allocation of rural credit resources, avoiding the degradation of natural resources, but also to leverage sustainability in the countryside based on Decree No. 11.815/2023, which established the National Program for the Conversion of Degraded Pastures into Sustainable Agricultural and Forest Production Systems (PNCPD), incorporated into the "Caminho Verde Brasil" (Brazilian Green Way) initiative.

Recommendations were also made regarding the allocation of resources from the Constitutional Financing Funds, to make it more efficient. Policy Note 5 presents a summary of resource allocation, as well as proposals to make them more efficient and aligned with the objectives of the Funds and other public policies of this important source of resources in the Annual Plan.

Cross-cutting the presented themes, the Brazilian Sustainable Taxonomy (TSB) should be considered to back rural credit operations with the potential to mitigate negative environmental externalities. The TSB as presented in public consultation has several elements of both similarity and incompatibility regarding the structure of agricultural policy instruments, especially rural credit and its database, Sicor. To ensure the usability of the TSB in the context of financial instruments related to the Agricultural Annual Plan, it is fundamental to promote this alignment between the taxonomic system and rural credit. Policy Note 6 addresses this issue by suggesting structural changes in Sicor to organically couple the TSB.

Also, in the realm of policy integration, Policy Note 7 discusses the role of rural insurance as a risk management instrument and its complementarity with rural credit. Important highlights are given to Bill No. 2.951/2024, which has the potential to address three main structural bottlenecks of rural insurance currently, but lacks improvements: (i) the contingency of resources; (ii) the absence of a catastrophe fund for risk sharing in years of extraordinary claims; (iii) low integration between risk management instruments and rural credit. Furthermore, contingencies in rural insurance, in addition to recent changes in Proagro, make the need to revisit risk management instruments for the agricultural sector even more urgent, ceasing to use the possibility of

renegotiating rural credit debts for this purpose, authorized by rural credit policy.

Finally, it is worth noting that several proposals presented by Agroicone, debated and improved in conjunction with various actors, have been incorporated by agricultural policy over time. The alignment of agricultural policy with the climate agenda and other public policies is fundamental to ensure the perpetuity and longevity of Brazilian agriculture, whether small, medium, or large-scale, consolidating Brazil as a major producer of healthy and sustainable food.

## **Brief analysis of the 2025/2026 Agricultural Annual Plan and its alignment with sustainability attributes**

As part of Agroicone's annual publications, this document presents an analysis of the 2025/2026 Annual Agricultural Plan (Plano Safra). In addition to the announced resources, it brings the main changes in rules and incentives that promote the sustainability of the agricultural sector. Furthermore, it presents some analyses of the resources allocated in the 2024/2025 crop-year aligned with the sustainability journey and summarizes the proposals presented by Agroicone.