

Bureaucracy Brazil-Style

Editor's Note: Next in a series from Iowa farmer Tyler Bruch whose family farms 32,000 acres in Bahia, Brazil.

It's the middle of October and we still have not had any rain, which is not uncommon. It's normal to get our first rains around the end of the month as a sign the rainy season has commenced. We are going over final preparations and should be in great shape once the rains give us the go ahead to get started.

Several months ago I wrote about our project to build a biodiesel plant in Luis Eduardo, my hometown in Brazil. I remember writing that our goal was to break ground by late April 2007. We're still onboard to build the 30-million-gallon biodiesel and crushing facility, however project finalization has been slower than expected. The progress is sluggish, but we're basically there. We've had one full-time person working on permits and licenses for eight months. We now only have a few more details to wrap up before we get the green light.

Dealing with the bureaucracy in Brazil would make a sober man hit the bottle – hard. Continually mind numbing, one recent example of typical operations in Brazil included an attempt to obtain needed permits and signatures from the cartorio (courthouse) in the neighboring city of Barreiras.

It's a 60-mile drive one way to get there, and the line once inside the cartorio stretches from here to Texas. So, what do you do? You wait. And then you wait some more. In Brazil, if you have a young child along, you automatically get

to budge to the front of the line. After an hour of this, I started noticing people leaving who were tired of waiting in line, then coming back with kids (I am not sure if they were even theirs) and, of course, going straight to the front of line.

I hardly ever have to mess with these types of problems, so I bit my tongue and waited. To verify that my documents were authentic, all I needed was a seal sticker next to my name.

Finally, after waiting and having people cutting in with borrowed

kids, I found out the guy before me got the last sticker, leaving none for me. I would have to come back the following day. It's days like these that you realize how much you miss the U.S.

Regardless of the small road-blocks we encounter periodically, the project is still going forward and we should break ground in 90 days or less.

Many question if biodiesel is still lucrative. Here in Brazil it is. Our soybean input is nearly \$2.50 below the CBOT price, and our output for soybean meal is the same price on the board, making our crush margins very lucrative.

The average sale price for biodiesel in Brazil has been around \$4.05/gal., and in conjunction with government mandates, biodiesel has a guaranteed demand that shows no sign of slowing down.

Brazil has been involved in renewable fuels since the 1970s, and has been a renewable energy leader for the last several years. With government support of green fuels, this country not only represents the right place and the right time for the green revolution, but also the opportunity to get onboard. ■



PHOTO: TYLER BRUCH