

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Update on Legal Challenges Surrounding the Soy Moratorium in Brazil - Market Risks and International Pressure

**Country:** Brazil

**Post:** Brasilia

**Report Category:** Agricultural Situation, Agriculture in the News, Oilseeds and Products

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**Report Highlights:**

The Soy Moratorium, a 2006 voluntary agreement preventing the trade of soybeans from deforested Amazon lands after 2008, remains a cornerstone of Brazil's environmental commitments. The agreement faces growing opposition from agribusiness groups, who argue that it economically harms producers and violates Brazilian law. Recent legal disputes, including a suspension of the moratorium and its subsequent reinstatement by a federal judge, have magnified tensions, with international buyers reaffirming their support for the agreement and warning against sourcing from deforested areas.

## Summary

The Soy Moratorium is a voluntary sectoral agreement established in 2006, under which major traders and processors commit to not commercialize soybeans grown on land deforested in the Amazon biome after July 2008. The agreement was negotiated by industry and environmental organizations and later endorsed by government authorities. It has been widely regarded as a key private mechanism for decoupling soy expansion from Amazon deforestation.

While international markets continue to support the initiative, bringing significant environmental benefits to Brazil and further promoting the global commercialization of Brazilian soybeans, stakeholders in the Brazilian agribusiness sector, along with several political figures have recently been opposed to the moratorium. These parties opposing the moratorium advocate for greater flexibility or complete termination of the moratorium, arguing that the moratorium unfairly restricts economic growth in the Amazon region and unlawfully disregards Brazilian legislation on the matter.

Additional details on the Brazilian Soy Moratorium can be found in the recently posted GAIN report: [Brazil's Soy Moratorium - Balancing Economic Interests and Regulatory Measures | BR2025-0016](#)

### *Economic and Regulatory Implications of the Soy Moratorium According to Aprosoja*

The Soybean and Corn Producers Association (Aprosoja), one of the most prominent soybean associations in Brazil and a key advocate for the termination of the Soy Moratorium, claims that companies supporting the moratorium have been economically benefiting from this arrangement. One of these benefits is through access to low-interest credit lines in Europe, allowing competitors to indirectly regulate the market in Brazil.

Another aspect that, according to Aprosoja, puts producers at a disadvantage is how analyses of restricted areas are conducted. For instance, if a producer cultivates soybeans under legal practices on land deforested before July 2008 but later purchases another plot deforested after that date, but still prior to 2022 and respecting the boundaries for areas designated as natural reserves (in compliance with the Brazilian Environmental Code, Law 12.651/2012), the entire production may be generalized as non-compliant and banned from commercialization, even if most of it was produced in accordance with the moratorium.

To circumvent this situation, farmers resort to selling through other intermediary parties, accepting lower prices for their soybeans and running the risk of contract cancellations.

Recently, these Aprosoja claims, along with other practices considered anticompetitive, have triggered a new series of judicial proceedings, directly affecting the future of Brazilian soybean trade and cultivation.

## Recent Judicial Activities Timeline

- **Aprosoja Submits Formal Request to CADE:** On December 11<sup>th</sup>, 2024, Aprosoja submitted a formal request to the Brazilian Competition Authority, known as the Conselho Administrativo de Defesa Econômica (CADE), to investigate the commercial practices of companies participating in the Soy Moratorium.
- **Soy Moratorium Suspended:** On August 18, 2025, CADE issued a preliminary decision to suspend the operational effects of the Soy Moratorium and opened an administrative probe into signatory companies, citing alleged anticompetitive practices.
- **Reactions to the Soy Moratorium Suspension:** Between August 19–26, industry groups and some producer associations celebrated CADE's action. Meanwhile, the Ministry of Environment (MMA), non-governmental organizations, and sector analysts highlighted the benefits of the Soy Moratorium and warned that the suspension could increase deforestation and cause reputational damage to Brazilian exports.
- **CADE Decision Suspended and Soy Moratorium Re-established:** On August 25<sup>th</sup>, 2025, a federal judge in Brasília granted a preliminary injunction, at the Brazilian Association of Vegetable Oil Industries (Abiove)'s request, suspending CADE's decision and keeping the moratorium operational while judicial and administrative remedies are decided. The judge emphasized that the original CADE measure had been taken unilaterally without debate and that technical opinions had not been sufficiently considered.
- **International Market Reaction:** On September 5<sup>th</sup>, 2025, European retailers—including Tesco, Sainsbury, Lidl, and Aldi—sent a letter to major traders requesting that the traders publicly recommit to the moratorium and refrain from sourcing soybeans from suppliers who cleared land after the 2008 cut-off date, intensifying international buyer pressure.

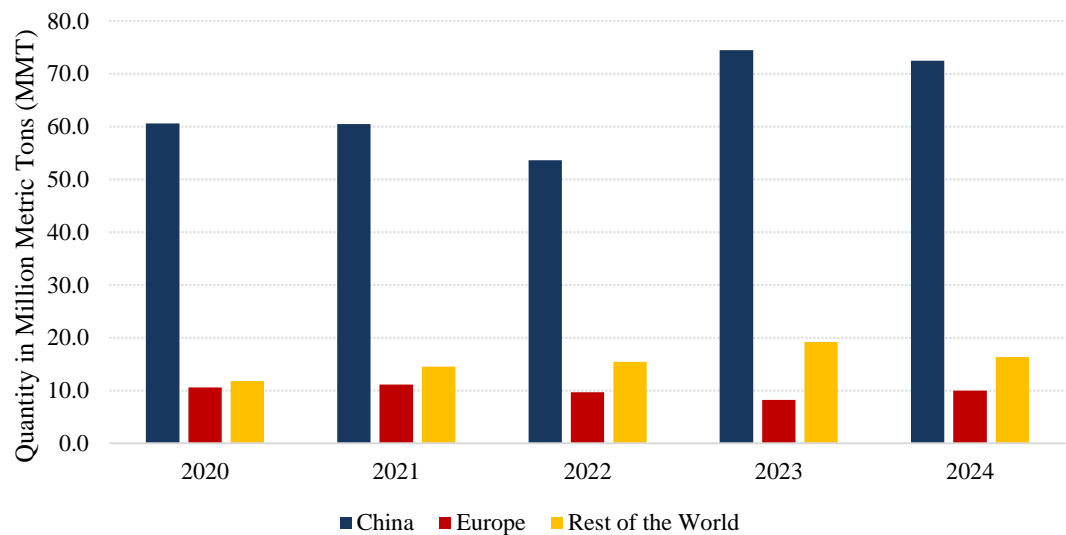
## Market Risks

Currently, the moratorium remains in force following the injunction that blocks CADE's precautionary suspension. However, CADE's administrative investigation is still ongoing and will be reviewed by CADE's tribunal, leaving the long-term legal status of the moratorium uncertain.

Post contacts and sector analysts have reported some compliance concerns. Traders who wish to continue selling to reputation-sensitive markets, such as the EU, may voluntarily adhere to moratorium standards, speculating that even if CADE's probe progresses, the loss of major buyers would outweigh any potential fines.

China is unarguably the most important and the number one destination for Brazilian soybeans, but Europe still consumes a considerable quantity of the commodity.

**Figure 1**  
*Brazilian Soybean Exports Destinations (2020 – 2024)*



*Source: Trade Data Monitor (TDM) | Chart elaborated by Post Brasilia (Office of Agricultural Affairs – OAA).*

Any restriction on Brazilian soybean exports by the European market could pose significant risks for Brazil, making it difficult to find alternative export destinations and likely increasing its reliance on the Chinese market even further.

**Attachments:**

No Attachments.