

Chapter 10: Oil, Farming, and the Amazon

In 2012 the footprint of the proposed “superport” in Acu, was beginning to take shape. Acu was the vision of one of Brazil's largest tycoons, named Eike Batista. Acu was planned to house an oil handling terminal with a capacity to handle up to 2 million barrels daily. Other aspects of the superport was a industrial complex able to process enough energy to support 20 million people, 2 steel works, countless factories and plants, all on top of being Brazil's largest port city. Eikes dream of the Superport soon came to a bust as no money was available and he fell into bankruptcy. It was said that Eikes quick rise and fall was a lot like that of Brazil, when its hot its going great but when it's not, it seems to crumble, building too much of the economy on a simple drive for one commodity.

The oil industry really began in 1954 when Vargas created Petrobras, which through struggle finding oil moved its drilling operations offshore. Petrobras was unique because to was a company run by great minds, a group of engineers backed by the government. In 2007, Petrobras struck black gold as they found an untapped providence of new oil 300 kilometers off the Brazilian coast. By 2011, Brazil's oil reserve was upwards of 15 billion barrels. Much to the theme of Brazil, the government stepped in to take charge and instated a law that 70 of all machinery must be national made to be used on the project as an attempt to revamp the fading manufacturing industry. In the years to come Petrobras would begin to fade and crack, trying to spread itself into many projects while at the same time Dilma was keeping the price of petrol low to combat inflation. By July 2013, the market capitalization of Petrobras had fallen to \$82 million, and was worth far less than its foreign competitors.

As large of an impact as oil had on Brazil, farming had an even greater one. With the abundance of both rainfall and sunlight, Brazil is the perfect agriculture region and enjoys up to three harvest in one year. In 1973 Brazil saw the beginning of the “green revolution” when

Geisel founded the Empresa Brasileira de Pesquisa Agropecuaria (Embrapa), which is a farming research institute. The farmers also played a key role in the revolution by rethinking the way they farmed and adopting new techniques to combat problems from the past. Lastly was a sustained increase in production, that forced the state to step in and begin to acknowledge the disrepair of its infrastructure as farmers were losing much of their profit during transportation. Genetically modified organisms came to Brazil at this time, allowing faster growing crops leading to more harvest thus driving home the point of increased production and need to repairs.

Biofuels made their impact on Brazil as well, becoming the most important energy source after oil. The state began to use sugar to create ethanol in response to the oil fiasco. Many nay sayers, would argue that sugar production was a “low tech, low value affair unbecoming of a rising economic power.” On the other side its not just new farms being created but vast industrial complexes since sugar is being used as the base for bioplastics. Overall, Brazilian farming had two common downfalls, one socially due to unequal land distribution, and the other being the negative impacts it had on their environment.

Nature in the Amazon was always able to defend against man, until the introduction of the bulldozer and the chainsaw. These two inventions would scar the Amazon for years to come. Gen. Medici had a plan to connect the country by a trans-Amazonian highway, just as many others, failed. A Highway was eventually constructed and the terror for the rainforest began. The Amazon had three main threats Cattle ranchers, loggers, and smallholders. Cattle ranchers with the help of loggers chasing the prized hardwoods, would clear cut vast areas of the rainforest. The ranchers would then move in and begin grazing not allowing any succession in the forest. The worst of all were the small holders which used “slash and burn” farming techniques and were responsible were responsible for fifty percent of the deforestation.

After years of debates the conservationist began to take the majority and action to preserve the rainforest was taken. The largest argument is that the AMazon is the largest carbon sink in the world, and over half the world's species are thought to reside there. Today the Federal government of Brazil has allotted forty two percent of the rainforest as federal protected areas. Today much of the amazon is still a wild frontier laying untamed by man. Also the native population is experience a boost in population due to federal protection acts such as the new forest code. The most heated debates came over the hydro electric dams that are no implace on the Xingu river. People feared floods and overtaking of their lands but that's not the case. Instead the government developed a run-of -river dam using the pre existing falls to power the turbines. Brazil remains having environmental arguments on both sides, but are taking the right steps to protecting its environment.

It is my belief that Brazil is making great stride in both oil, farming, and biofuels. Biofuels seem to be the future over petrol, at the same time this also bolsters the farming industry. Offshore drilling in, my opinion, is a good idea because being oil independent is key even if they lost their oil empire they can still be self sustaining. As for the Amazon, it is the country's greatest asset and needs to be preserved. I admire the amount of land that is protected, but if i were in charge that would be on the top of the priority list to help my country but also the world and all of its ecosystems.