



**INTERNATIONAL
COFFEE
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**Communication received from the
Government of Brazil on measures taken to
combat covid-19**

The Executive Director presents his compliments and, for the information of Members and members of the Private Sector Consultative Board, attaches a copy of a communication received from the Government of Brazil.

Brazilian Examples of Combating Covid-19

A) Brazilian Coffee Agribusiness Organizations

Brazilian Coffee Exporters Council (Cecafé) in its legitimate mission to represent the coffee exporting sector in Brazil, is participating and supporting several initiatives, engaging in strategic alliances with the other links in the production chain and in a representative manner for the country's producing regions, to mitigate the negative impacts of the pandemic in the Brazilian coffee agribusiness, working for greater security for Brazilian coffee growers, especially in the beginning of the harvest, and taking care of their lives, their families and of all the actors in the production chain.

Through this broad campaign, we seek to create general guides with important guidelines for the health of producers, employees and the entire community. Such guides aim to delay the evolution of the pandemic that concerns everyone, threatening everyone's life.

Education and the right information represent the solution for everyone to mitigate the impacts of the pandemic, including at-risk groups, forms of contagion and how good practices in personal hygiene, cleaning and maintenance of equipment and vehicles and distance between employees can be adopted to prevent the transmission or decrease of the risk of contamination in rural properties, warehouses, industries and the entire flow of exports.

It is worth mentioning all the work and efforts carried out by the agribusiness production chains, which, despite the adverse conditions caused by the pandemic, continue to operate to guarantee an adequate supply of food for the population. Regarding coffee growing, producers are prepared, following the recommended care for a safe harvest, in accordance with the precautionary measures indicated by the World Health Organization and Ministry of Health.

There are important initiatives by agribusiness coffee organizations in different coffee communities, such as support for the production and large-scale distribution of masks to employees, among other good practices to minimize the risks of contamination.

B) Federal Government and Ministries

Several measures have been taken by the Government at the Federal, State and Municipal levels. Among the main ones are:

- In the scope of the Ministry of Agriculture, Livestock and Supply (MAPA), through Ordinance No. 123, of March 2020, the Crisis Committee (CC-AGRO-COVID19) was created in order to monitor and propose strategies to minimize the impacts of coronavirus on agricultural production and food supply for the Brazilian population;

- MAPA also created a direct channel with representatives of the agricultural sector to receive requests for action due to the pandemic. The Federal Agricultural Defense laboratories have been restructured so that they can carry out analyzes for the diagnosis of Covid-19;
- Ordinance No. 116, of March 2020, provides services, activities and products considered essential for the full functioning of the food and beverage production chains, to ensure the supply and food security of the Brazilian population while the state of public calamity resulting from the Covid-19 pandemic lasts;
- Thus, considered an essential activity by the Federal Government, coffee exporters work with organization, capacity and logistical efficiency so that Brazil expands its position in the supply of coffee to the world, even during the off-season of the crop and with the impacts of Covid -19 in several countries around the globe. As an example, in March of this year Brazil exported 3.35 million bags, 7.5% higher than the volume exported in March 2019;
- Provisional Measures No. 935 and No. 936 were published, which guarantee the complementation of wages for workers who will have their workload and wages reduced for up to three months. In this way, Provisional Measures institute the emergency benefit of preserving employment and income that will be based on the monthly amount of unemployment insurance that workers would be entitled to if they were fired;
- The measure costs more than R\$ 51 billion (approximately USD 10 billion). The reductions established are 25%, 50% and 70%, which will be negotiated based on individual and collective agreements, according to the workers' salary ranges;
- The initiative reaches 24.5 million workers and also reaches domestic workers. Provisional Measure No. 936 also allows the suspension of the employment contract, for a maximum of two months, with the payment of 100% of the respective amount of unemployment insurance. However, the value of workers' unemployment insurance will not be impacted. The resources used by the program will be funded by the National Treasury;
- In April of this year, the Bill establishing emergency aid of R\$ 600 (approximately USD 120) for informal workers, unemployed, individual microentrepreneurs (MEIs) from low-income families and intermittent workers who are inactive at the moment and, therefore, with no earnings, was sanctioned. Mothers who are solely responsible for supporting their families may receive up to R\$ 1,200 (approximately USD 240).
- With an extraordinary credit of R\$ 98 billion (approximately USD 20 billion), respecting the principles of fiscal responsibility, we seek to serve 54 million Brazilians;
- The government also announced the exemption from the Tax on Financial Operations (IOF) for credit operations for 90 days. The measure is in line with the broad program of special credit lines that the government will offer to the productive sector, with reduced interest rates. In practice, the measure will further reduce the cost of credit operations. The total impact of the exemption is R\$ 7 billion (approximately USD 1,2 billion).

- The government also announced change in the form of contribution to PIS / Pasep, to the Contribution for the Financing of Social Security (Cofins) that focuses on the revenue of companies and the social security contribution that needs to be paid by companies and public entities for two months. Contributions that were due to be paid in April and May are expected to be paid in August and October. The estimated impact of the measure is R\$ 80 billion (approximately USD 16 billion) that will be injected into the companies' cash flow;
- In addition, a two-month extension of the deadline for filing the income tax return for individuals, which goes from 30 April to 30 June, was announced;
- Provisional Measure No. 945 of 2020 was also signed, which protects the port workers and extends the guarantees that the services in the ports, considered essential, are not affected during the coronavirus pandemic in the country. Among the measures, the form of escalation of single workers who carry out loading and unloading operations changes;
- Currently, they are scaled amidst large groupings at the terminals, which is not recommended due to Covid-19. It is also worth noting that the Provisional Measure excludes the scale of vulnerable workers, with a guarantee of minimum income for people removed by the port operator;
- In order to guide the work in the ports in the face of the spread of the coronavirus, the Ministry of Infrastructure and the MPT (Public Ministry of Labor) signed a joint recommendation for companies in the sector and port authorities. Among the measures, it suggests the creation of special organizational structures and infection prevention plans in ports;
- It was also indicated the need to implement an electronic scale, formal guidelines for preventing and fighting the virus, full supply of protective materials, immediate removal of professionals from risk groups, monitoring of workers who had contact in suspected cases, disinfection of any accommodation used and immediate communication to the National Health Surveillance Agency (Anvisa) of confirmed or suspected cases. Workers returning from travel must be observed between 7 (asymptomatic) and 14 days (symptomatic);
- In order to overcome the effects of coronavirus in the port sector, the Federal Government will issue a provisional measure establishing the payment of minimum income to independent workers in ports, that is, those who do not have a fixed-income employment relationship. The value has not yet been defined, but it would only benefit single port workers who are in the risk group and who are away from work;
- There are also several initiatives promoted by the Ministry of Infrastructure, in conjunction with the state transportation secretariats, which aim to guarantee supply with the elimination of barriers. For example, SEST / SENAT has 130 support points on the highways that carry out medical screening and provide food, hygiene kits and pamphlets aimed at guiding truck drivers. Some concessionaires also assist in the process, distributing hygiene and food kits. Also noteworthy is the effort to maintain gas stations, tire shops and restaurants on the roads to provide truck drivers with minimum

conditions. Finally, it is important to highlight that truck drivers and port workers were included in the vaccination campaign, aiming to mitigate respiratory risks;

- Within the scope of the Ministry of Health, the annual adjustment of drug prices for the year 2020, provided for in Law 10.742 / 2003, was suspended. The measure was adopted due to the effects of the public health emergency of national importance, motivated by the infection by Covid-19;
- Anvisa has simplified the requirements for manufacturing, importing and purchasing priority medical devices for use in surgical masks, particularly respirators N95, PFF2 or equivalent, used in healthcare services. The masks that await testing can be used by support professionals (e.g., reception and security) in health services, as long as they provide assistance with more than 1 (one) meter of suspected or confirmed patients with coronavirus infection;
- Other related actions: The Brazilian Development Bank (BNDES) launched measures to strengthen companies' cash flow and support workers; The Central Bank announces measures that release R\$ 1.2 trillion (approximately USD 240 billion) for the economy; Within the scope of the MCTIC Virus Network, CNPEM seeks molecules capable of preventing the replication of the coronavirus in drugs already on the market.

Final Considerations

As final considerations, several actions are underway in Brazil, with the engagement of the Public and Private sectors. In coffee agribusiness, which includes all presidential sanctions, the foundation for facing this crisis follows the path of education and information.

In this way, Cecafé reaffirms its position of urgent need to extend the meetings of the International Coffee Council and the debates of the AIC to the year 2021. It also highlights the necessary restructuring of the ICO, involving the governance, mission and vision of the Organization, that should be established on bases that allow understanding and acting on the challenges and opportunities of the global coffee market.

Cecafé is at your disposal, certain that joint collaboration will result in benefits for all Brazilian and worldwide coffee agribusiness.