

# Officials hope Ferrogrão will move ahead after COP30

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As [Brazil hosts the United Nations Climate Change Conference \(COP30\)](#), the federal government plans to push ahead with Ferrogrão, one of the most anticipated infrastructure projects for Brazilian agribusiness, but also among the most controversial from an environmental standpoint.

The project aims to connect Sinop (Mato Grosso) to Miritituba (Pará), with the next steps expected soon after the global event. By the end of November, Brazil's land transportation regulator, ANTT, is expected to approve the studies and forward them to the Federal Court of Accounts (TCU). The Ministry of Transportation intends to hold an auction in 2026 and is already planning an international roadshow in February, including a stop in China, to present the railway to investors.

The megaproject will require at least R\$20 billion in investments, according to studies, though analysts believe the total could be higher. The concession contract foresees 9 years for licensing and construction and 60 years of operation.

While critics warn of significant environmental impacts and question the project's economic viability, supporters argue that the railway is the most efficient transportation option and that its environmental footprint will be offset by broader benefits.

Meanwhile, Brazil's Supreme Court must still conclude a key vote for the project to move forward. So far, two justices, including the rapporteur, **Alexandre de Moraes**, have voted in favor. In October, Justice **Flávio Dino** requested additional time for review, temporarily halting the case. Within the government, expectations are that the final ruling will clear the way for the auction.

The case stems from a lawsuit filed by the left-wing Socialism and Freedom Party (PSOL), which challenges a 2016 decree by former President Michel Temer that altered the boundaries of the Jamanxim National Park to allow Ferrogrão's construction. In 2021, Justice Moraes issued an injunction suspending the project; in 2023, he lifted that order to resume studies, though a final ruling is still pending.

Advocated by agribusiness leaders for more than a decade, Ferrogrão faces strong opposition from environmentalists, Indigenous communities, experts—and, according to sources, Rumo, a logistics company owned by Cosan whose transportation corridors would compete with the proposed route.

This week, a caravan of more than 300 Indigenous representatives and social movement members departed Sinop (Mato Grosso) bound for COP30 to protest against the project. The demonstration was organized by the “Chega de Soja” (Enough Soy) Alliance, a coalition of about 40 groups.

“Everything other countries buy from here somehow affects our lives. River pollution and biodiversity loss come from projects like this,” said Indigenous filmmaker Viviane Borari, from Alter do Chão, Pará, who joined the protest.

Deforestation is one of the main concerns surrounding Ferrogrão. A study by the Climate Policy Initiative (CPI) estimates the railway could trigger 1,200 km<sup>2</sup> of forest loss. The cost associated with the resulting carbon emissions using a carbon price of \$40 per tonne of CO<sub>2</sub> could be as high as \$1.9 billion, potentially more based on current prices, said CPI senior analyst Gustavo Pinto. “This magnitude isn’t factored into the project’s official studies,” he noted.

Raoni Rajão, a professor at the Federal University of Minas Gerais (UFMG), said cheaper transportation would likely drive deforestation. “If we lower transportation costs, soybean production becomes viable over a wider geographic area, including places where it previously wasn’t profitable,” he said.

Mr. Rajão argued that if the project moves forward, the planned transshipment terminal in Matupá, Mato Grosso, should be removed, along with the paving of the highway crossing the Xingu Indigenous Park. According to his research, the combination of the railway, that terminal, and the paved road could bring as many as 174 trucks per day through the park and the Capoto Jarina Indigenous Territory.

Mr. Rajão, who served as director of Deforestation and Fire Control Policies at the Ministry of Environment between 2023 and 2024, said state governments should help combat deforestation by maintaining the Soy Moratorium, an agreement in which companies pledge not to buy grain from newly deforested areas. “It doesn’t solve everything, but it would mitigate the damage,” he said.

Mr. Pinto, from CPI, added that mitigation measures should also include stricter enforcement of anti-deforestation policies and credit monitoring to ensure funds aren’t used in deforested areas.

Cláudio Frischtak, a partner at consultancy Inter.B, said land grabbing has already increased around Jamanxim even before construction began.

Inter.B’s research, based on MapBiomas data, found that deforestation in the region accelerated dis-proportionately from 2017, when public hearings on Ferrogrão began, through 2021, partly due to the paving of highway BR-163. Deforestation then declined after 2022, following the Supreme Court injunction that halted the project.

Supporters of Ferrogrão counter these arguments. Rebeca Bianco, chief operating officer at Estação da Luz Participações (EDLP), which prepared the project studies, said the railway includes R\$800 million in social and environmental compensations. If costs exceed that amount, the contract provides for a 50-50 split of environmental risks between the concessionaire and the government, while social risks would be borne by the public sector, she noted.

Ms. Bianco argued that deforestation risks in Mato Grosso are low because the railway's area of influence already contains enough open land to support increased production. "There's a large supply of already cleared land—three times more than needed to accommodate the projected growth," she said.

Beyond environmental concerns, the project's economic feasibility has also been questioned, given competing infrastructure works such as the duplication of BR-163, Rumo's Malha Norte expansion, and other logistics corridors.

The government has stated there will be no public funding for Ferrogrão and that the concession must rely solely on private capital. Ms. Bianco confirmed the project includes no demand-risk sharing. If traffic falls short, the concessionaire must absorb the loss.

In this scenario, Mr. Frischtak doubts there will be much private-sector appetite. "Ferrogrão is an extremely complex and capital-intensive project. It's hard to see who would take it on, especially assuming all the risks and costs," he said.

Mr. Rajão agreed, warning that if revenues fall short, taxpayers could eventually bear the burden—turning the railway into a potential "white elephant."

Ms. Bianco, however, said Ferrogrão would be more competitive than other transportation options, with "undeniable" demand. "Production in the region has grown rapidly. In 2024, we had to redo our studies to reflect faster-than-expected growth," she said.

She added that forecasts already account for other logistics improvements, including upgrades to BR-163, Rumo's expansion, the Fico-Fiol corridor (Central-West to East-West Integration Railway), and the Açailândia-Barcarena branch line.

According to the Mato Grosso Pro-Logistics Institute, highways alone cannot handle the region's growing grain output, and rail is the most sustainable option due to its higher capacity. "Each 120-car, 100-tonne train convoy will replace 270 truck engines," said the institute's executive director, Edeon Vaz.

The Amazon Basin Port Terminals and Cargo Transshipment Association (AMPORT) echoed that sentiment, calling Ferrogrão "the lesser of two evils" compared with highways. "What we must assess is whether the benefits outweigh the harms—the so-called 'environmental balance.' In Ferrogrão's case, compared with duplicating BR-163, the positives are infinitely greater," said AMPORT President Flávio Acatauassú.

The Ministry of Transportation, ANTT, and Rumo declined to comment.