Advantages of the social stamp for the biodiesel producer companies: 

The BSBIOS and OLEOPLAN cases

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Abstract: Biofuel has become an alternative source of energy in response to the change of the world’s energy matrix. In Brazil, biodiesel has a highlighted status because it is obtained from different raw materials including animal or vegetable origins. In this context, trying to stimulate the social inclusion and the regional development, the federal government has been allowing some tax benefits through the Social Fuel Stamp (SCS) to the producer companies of biodiesel, since the purchasing of the raw material is from small farmers. Taking this into account, this article aims at the identification of the advantages perceived between the BSBIOS and the OLEOPLAN—two producer companies of biodiesel, located, respectively, in Rio Grande do Sul, in relation to the use of the social fuel stamp. In this case study, classified as a qualitative and of exploratory style, the data collection was done through the observation of informal conversations, visits in the companies named above, through interviews made with a pre-determined guide that allowed the application of the subject analysis technical. The analysis of the results is organized through the profile of these companies and by the identification of the advantages provided by the social fuel stamp. The results of this study show that the companies consider the social fuel stamp as fundamental and that it provides four advantages: the access to better financial conditions through the BNDES and other financial institutions; the right to compete in auctions for the biodiesel purchasing by the Petroleum National Agency, Natural Gas and Biofuel (ANP); the exemption of taxes; and, the use of the logo of the stamp showing the social role of the company that does not represent a differentiated factor concerning the marketing strategy.

Key words: biodiesel; social fuel stamp; productive chain

1. Introduction

The world energy matrix is being modified. The fossil carbon sources that include the petroleum, the coal and the natural gas, which are non-renewable and produce high levels of pollutants, must be replaced by...
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alternative energy sources slowly. In this context, biodiesel is a renewable energy source and it can be an important agent in the new worldwide energy scenery.

Among the types of biofuel, the biodiesel is detached, and it is obtained through the transesterification of oils and fats from animal, vegetable or residual origins and it has characteristics similar to the diesel made from the petroleum, and it can be used pure or it can be mixed to the diesel (Fukuda, Kondo & Noda, 2001).

In the Brazilian case, there are many potential sources that can be used as raw materials to the formulation of biodiesel. Among them, the soybean crop must be highlighted as it is responsible for 90% of the available oil in the market nowadays. Because it already has its commercial planting established with an immediate and plentiful offer. The soybean has become a viable alternative to the biodiesel production as the other oil types have small local productions and they do not have surplus (Abiove, 2009).

The advantages to the biodiesel insertion in the Brazilian energy matrix are pointed out in the ecological, macro-economical and financial scopes, in the regional development, besides the increasing in the income and the diversification of the Brazilian energy matrix (Rathmann, 2005).

Concerning the Brazilian advantages named above of the biofuel production from vegetable sources, the federal government incentives the biodiesel production by the industry and by the farmers (Sluszz, 2007).

From that and aiming at encouraging the social inclusion of family farmers and also at promoting the regional development from agricultural communities, the federal government through the creation of the Social Fuel Stamp grants benefits to the biodiesel processing companies since they buy the raw materials from the family farmers.

In Rio Grande do Sul, BSBIOS and OLEOPLAN, two producer companies of biodiesel located in Passo Fundo and in Veranópolis are participating in the Social Fuel Stamp Program as the important income and employment providers in the country and in the city environments.

According to the federal government program of stimulation of the biodiesel production, this paper aims at the identification of the advantages perceived through the companies named in relation to their participation in the Social Fuel Stamp.

To accomplish the objectives of this research, the theoretical background used is based on the filière or on the productive chain concept having as the final product the biodiesel obtained from the soybean raw material. To a better understanding of the stimulating program of the biodiesel production, the literature comprehends the Social Fuel Stamp and its potential benefits to the farmers and the companies which have this knowledge.

2. Literature review

To develop the subject proposed in this article, a theoretical review about the biodiesel chain is necessary with an emphasis on the soybean as the raw material. An overview of the Social Fuel Stamp and its role in the biodiesel chain is going to be presented.

2.1 Biodiesel productive chain: From the soybean

As the biodiesel is a product made from the agricultural sources, and it has its availability related to other steps involved in production and in trading, the analysis chosen is made by the productive chain perspective.

Morvan (1991) defines filière as the succession of operations related to the production of goods. Sluszz (2007) points out that filière is a system framework that considers the factors since the input production up to the final products and the inter-relations between them and the environment where they are inserted. Thus, the productive
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chain term is associated to the _filière_ term where the chain in question is identified by its final product, in this case, the biodiesel.

In the biodiesel production, the raw materials can be from animal, vegetable or residual origins. The fat or tallow is part of the raw material sources from animal origin. The raw material from vegetable sources includes the cultivation of oleaginous plants as the soybean, castor beans, canola among others. The studied companies has the soybean as their main source.

Aiming at a better understanding, Fig. 1 represents the productive chain of biodiesel. The main elements often that are called as the chain segments are: rural producers (in this case of the soybean), the soybean processing companies, the biodiesel producer company, the distributors—the gas stations and the fuel consumers.

In the rural production segment the family farmers are detached because of the fact that the federal government has granted the biodiesel producer companies to establish commercial and business relations with these producers through the creation of the Social Fuel Stamp (Zonin, 2008).

The soybean processing industry is responsible for the smashing of the grains having as final products of this operation, the cake and the soybean oil, among others. The cake can be used in the formulation of animal food. The oil will be transferred to the following segment of the chain, in other words, to the biodiesel productive chain.

The biodiesel producer companies receive the grains and then smash them to obtain the oil or they may receive the soybean oil directly. In both cases, through the industrial process called transesterification, the biodiesel is obtained, but the final product is subordinated to the route used which can be methyl or ethyl, as it can be observed in Fig. 2. This stage is characterized by the light and heavy levels. More specifically, in the first one, the commercial biodiesel is obtained; While in the heavy one, the glycerin residual and the distilled glycerin are obtained and they can be used in the soap and cosmetics production.

The producer companies can not sell the biodiesel directly to the retailers. In Brazil, the trading is realized by auctions ruled by the Petroleum National Agency which determines the volume and the delivery conditions of each part (Zonin, 2008). Then, Petrobrás buys the biodiesel, and it is responsible for its distribution to the supply net which grants that the product would be correctly mixed when they arrive in the gas stations and after that to the final consumers.

It is important to mention that the Act number 5.448 and the Law number 11.097/2005 have authorized the

![Diagram of biodiesel productive chain](image-url)
addition of 2% of biodiesel to the diesel oil from fossil origin traded to the final consumer in the national territory whose decision is ruling since the first of January 2008 in a mandatory way. However, according to the Petroleum National Agency (2009), since July 2008, the addition of 3% of biodiesel to the mineral diesel oil has been implemented, increasing to 4% in July 2009. The same Law establishes that 5% of the biodiesel volume ought to be added in the diesel oil traded to the final consumer within the next 8 years, starting from 2005 (ANP, 2009).

It can be observed that the market of the biodiesel for the next years and the relevance of family farming as the supplier of the raw material to the producer companies of biofuel have an increasing potential in the country.

### Fig. 2  Technological aspects of the biodiesel production


#### 2.2 Social fuel stamp

More than 30 years after the creation of the Alcohol National Program (Proálcool), Brazil called the attention worldwide attaining alternative fuels in a short period to revert an existing problem in many countries. Once more, the country shows a historical new opportunity of changing the energy matrix. One of the main tools used to optimize this new national moment is classified as the Social Fuel Stamp (MDA, 2009).

The Social Fuel Stamp (SFS) is a certification conceded by the Agrarian Development Department for biodiesel producers and production projects that put the family farming in the biodiesel chain. The SFS has the regional focus, the improvement of the income, safety for the productive set, participation in the family farming organization and the environmental sustainability as principles. Following, there is the Table 1 with the evolution concerning the rules that guide the SFS.

The SFS is conceived to the biodiesel producers who promote the regional development through the generation of employment and income to the family farmers classified in the Pronaf. Besides, the biodiesel producers can use the logo to commercial promotional aims as it can be observed in Fig. 3.

By using the stamp, the biodiesel producer will have access to percentages of PIS/PASEP and COFINS with differentiated reduced tax rates, access to better financial conditions with the Social and Economical Development National Bank—BNDES and with its accredited financial institutions, with the Amazon Bank—BASA, with the Brazilian Northeast Bank—BNB, with the Brazilian Bank or other financial institutions which can have special terms to projects with the Social Fuel Stamp. Thus, as the Agrarian Development Department (2009), it is conceived to the biodiesel producers who:
(1) Purchase the raw material from family farmers in a minimum percentage of:
   - 50% in the northeast region and semi-arid;
   - 10% in the north and central-west regions;
   - 30% in the south and southeast regions.
(2) Make deals negotiated with the family farmers having at least:
   - the contract stated period;
   - the purchasing value and the criterions of financial updating for the price dealt;
   - the delivery conditions of the raw material;
   - the rights of each part;
   - identification and agreement of one representative of the farmers who has participated in the negotiation.
(3) Grant technical assistance and technological training to the family farmers.

The assurance of the percentages set is granted by contracts that will have the intervention of unions or representative entities of the family farmers. Besides, the producer must assure the assistance and technical training of the family farmers developed by its own employees or by others.

Table 1  Set of main determinations which rule the SFS

<table>
<thead>
<tr>
<th>Rules</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law No. 11.097 of January 13th, 2005</td>
<td>Defines biodiesel, establishes the mix of 2% from 2005 on which is obliged in all national territory and increased from 2008 on to 5% within 8 years and determines that the Petroleum National Agency can regulate and monitor the biodiesel trading.</td>
</tr>
<tr>
<td>Law No. 11.116 of May 18th, 2005</td>
<td>Defines the taxing model applied to the biodiesel (exemption or decrease in the CIDE, PIS/PASEP and COFINS, according to the region, the producer type and the oleaginous raw material).</td>
</tr>
<tr>
<td>Acts No. 5.297 of December 6th, 2004 and No. 5.457 of June 06, 2005</td>
<td>Creates the “Social Fuel Stamp” and determines the coefficient percentage of the deduction in the contribution of the PIS/PASEP and COFINS over the biodiesel trading.</td>
</tr>
<tr>
<td>Act No. 5.298 of December 06, 2004</td>
<td>Establishes zero percentage to IPI over the biodiesel trading.</td>
</tr>
<tr>
<td>Act No. 5.448 of May 20th, 2005</td>
<td>Determines 2% for the mix of biodiesel and authorizes bigger percentiles of mixing in the use of generators, trains, vessels and cars.</td>
</tr>
<tr>
<td>Normative Instruction MDA No. 01 of July 5th, 2005</td>
<td>Explains the criterions and procedures related to the use of the social fuel stamp.</td>
</tr>
<tr>
<td>Normative Instruction MDA No. 02 of September 30th, 2005</td>
<td>Explains the criterions and procedures related to the characteristics of projects of biodiesel production to the social fuel stamp.</td>
</tr>
</tbody>
</table>


For the Agrarian Development Department, the changes in the percentages of the purchasing of raw materials of the family farmers will allow a major balance among the regions facilitating the investments by the biodiesel
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producers companies mainly in the northeast. Table 2 can help for a better understanding of this, and it shows the incidence of PIS/PASEP/ and COFINS over the biodiesel producers.

Table 2  PIS/PASEP and COFINS percentage over the biodiesel producers

<table>
<thead>
<tr>
<th>Type of Biodiesel producer</th>
<th>Raw material/region</th>
<th>Any raw material in any region of Brazil</th>
<th>Palm and castor beans in the North and Northeast regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without SFS</td>
<td>R$ 0.22 (67% red.)</td>
<td>R$ 0.15 (77.5% red.)</td>
<td></td>
</tr>
<tr>
<td>With SFS</td>
<td>R$ 0.07 (89.6% red.)</td>
<td>R$ 0.00 (100% red.)</td>
<td></td>
</tr>
</tbody>
</table>


Table 3  Companies which have the SFS

<table>
<thead>
<tr>
<th>Companies</th>
<th>UF</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADM do Brasil Ltda</td>
<td>MT</td>
<td>Rondonópolis/MT</td>
</tr>
<tr>
<td>AGRENCIO Bioenergia Indústria e Comércio de Óleos e Biodiesel LTDA</td>
<td>MT</td>
<td>Alto Araguaia / MT</td>
</tr>
<tr>
<td>Companhia Refinadora da Amazônia–AGROPALMA</td>
<td>PA</td>
<td>Belém/PA</td>
</tr>
<tr>
<td>AGROSOJA Comércio e Exportação de Cereais Ltda</td>
<td>MT</td>
<td>Sorriso/MT</td>
</tr>
<tr>
<td>BARRALCOOL S/A</td>
<td>MT</td>
<td>Barra do Bugres / MT</td>
</tr>
<tr>
<td>BINATURAL Indústria e Comércio de Óleos Vegetais Ltda</td>
<td>GO</td>
<td>Formosa/GO</td>
</tr>
<tr>
<td>BIOCAMP Indústria, Comércio, Importação e Exportação de Biodiesel Ltda</td>
<td>MT</td>
<td>Campo Verde/MT</td>
</tr>
<tr>
<td>BIOCAPITAL Consultoria Empresarial e Participações S/A</td>
<td>SP</td>
<td>Charqueada/SP</td>
</tr>
<tr>
<td>BIOVERDE Indústria e Comércio de biocombustíveis Ltda</td>
<td>SP</td>
<td>Taubaté/SP</td>
</tr>
<tr>
<td>BRACOL Holding ltda</td>
<td>SP</td>
<td>Lins/SP</td>
</tr>
<tr>
<td>BRASIL ECODIESEL Ind. e Comércio Biocomb. Óleos Vegetais S/A</td>
<td>BA</td>
<td>Iraquara/BA</td>
</tr>
<tr>
<td>BRASIL ECODIESEL Ind. e Comércio Biocomb. Óleos Vegetais S/A</td>
<td>CE</td>
<td>Crateús/CE</td>
</tr>
<tr>
<td>BRASIL ECODIESEL Ind. e Comércio Biocomb. Óleos Vegetais S/A</td>
<td>MA</td>
<td>São Luís/MA</td>
</tr>
<tr>
<td>BRASIL ECODIESEL Ind. e Comércio Biocomb. Óleos Vegetais S/A</td>
<td>PI</td>
<td>Florianópoli/PI</td>
</tr>
<tr>
<td>BRASIL ECODIESEL Ind. e Comércio Biocomb. Óleos Vegetais S/A</td>
<td>RS</td>
<td>Rosário do Sul/RS</td>
</tr>
<tr>
<td>BRASIL ECODIESEL Ind. e Comércio Biocomb. Óleos Vegetais S/A</td>
<td>TO</td>
<td>Porto Nacional/TO</td>
</tr>
<tr>
<td>BSBIOS Industria e Comércio de Biodiesel Sul Brasil S/A</td>
<td>RS</td>
<td>Passo Fundo/RS</td>
</tr>
<tr>
<td>CARAMURU Alimentos S/A</td>
<td>GO</td>
<td>São Simão/GO</td>
</tr>
<tr>
<td>CLV Indústria e Comércio de Biodiesel Ltda</td>
<td>MT</td>
<td>Cicoler/MT</td>
</tr>
<tr>
<td>COMANCHE Biocombustíveis da Bahia Ltda</td>
<td>BA</td>
<td>Simões Filho/BA</td>
</tr>
<tr>
<td>FERTIBOM Indústrias Ltda</td>
<td>SP</td>
<td>Catanduva/SP</td>
</tr>
<tr>
<td>FIAGRIL Agromerchanti Ltda</td>
<td>MT</td>
<td>Lucas do Rio Verde/MT</td>
</tr>
<tr>
<td>GRANOL Indústria, Comércio e Exportação SA</td>
<td>GO</td>
<td>Anápolis/GO</td>
</tr>
<tr>
<td>GRANOL Indústria, Comércio e Exportação SA</td>
<td>RS</td>
<td>Cachoeira do Sul/RS</td>
</tr>
<tr>
<td>GRANOL Indústria, Comércio e Exportação SA</td>
<td>SP</td>
<td>Campinas/SP</td>
</tr>
<tr>
<td>OLEOPLAN S/A óleos Vegetais Planalto</td>
<td>RS</td>
<td>Veranópolis/RS</td>
</tr>
<tr>
<td>Petrobras Biocombustíveis SA</td>
<td>BA</td>
<td>Candeias</td>
</tr>
<tr>
<td>Petrobras Biocombustíveis SA</td>
<td>CE</td>
<td>Quixadá</td>
</tr>
<tr>
<td>Petrobras Biocombustíveis SA</td>
<td>MG</td>
<td>Montes Claros</td>
</tr>
<tr>
<td>Araguassu Óleos Vegetais Ind e Com LTDA</td>
<td>MT</td>
<td>Porto Alegre do Norte</td>
</tr>
</tbody>
</table>


The reduction of PIS/PASEP and COFINS over the biodiesel producers will represent an exemption in the

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1 Specific taxing determined by the Act 5.297 for each liter of biodiesel traded by the biodiesel industry in Brazil.
production costs. However, the productive industries must assure the minimum purchasing according to the regional location criterions and also should offer safety to the family farmers in relation to guidance and technical assistance.

Currently, there are thirty companies which have the social fuel stamp in the national territory. In the northeast, southeast and south regions, there are more than 80 thousand family farmers involved in the oleaginous production. Yet, in the north and central-west regions this rate is about 2.7 thousand farmers. Table 3 shows the companies that have the social fuel stamp (MDA, 2009).

A significant change for the plants that have the SFS is related to the new Normative Instruction 01 set by the Agrarian Development Department that allows the inclusion of reductions for the acquisition costs of raw materials from family farming, for the expenses with the soil analysis, for the provision of technical assistance and for the donation of input and services to the farmers. These reductions can go up to 100% in the north, northeast and semi-arid, and up to 50% in the central-west, southeast and south regions (MDA, 2009).

3. Methodological procedures

This research has a study object the BSBIOS and OLEOPLAN companies located in the North of Rio Grande do Sul—Brazil. This study can be classified as qualitative and of the exploratory type and has the multiple case studies as its method. It was realized from May up to June 2009, and it aims at identifying the main advantages for these companies in having the Social Fuel Stamp.

In relation to the research techniques, the paper used the non-participating observation, informal conversations, visits to the companies and mainly the performing of interviews that had a pre-defined guide which allows the application of the subject analysis technique.

4. Results analysis

To attain the objective proposed in this research, which has tried to identify the main advantages for the BSBIOS and OLEOPLAN companies in having the Social Fuel Stamp and from the details explained throughout the methodological procedures used for the accomplishment of the research, this section is divided into two sub-sections. The first one is about the companies’ characterization and the second one is about the advantages that they consider important to be participating in the SFS.

4.1 BSBIOS

The company is located in Passo Fundo—RS. BSBIOS was founded in April 2005 with the objective of producing biodiesel for the national market. The building of the biodiesel industrial plant was started in the beginning of 2006, and it was concluded on 10th June 2007, when the biodiesel production was initiated to the Brazilian market.

This organization acts in the local and regional market trading cereals. It also purchases the grains, vegetable oils and fat animals. It uses soybean vegetable oil as its main raw material for the biodiesel production. Through its development department, the company has been stimulating the planting of new alternative crops, among them, the canola and the sunflower that have a special status, granting the trading of the production to the rural producer.

The industrial plant located in Passo Fundo is capable of producing 159,840 million liters of biodiesel each year. It is already prepared to double its production.

Currently, the company has a structure to receive the vegetable oil to the production of the biodiesel and
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another structure to storage the oil. However, there is an on going project to install a smashing and processing unit of oils, allowing the receiving of the raw materials as grain, and consequently allowing the verticalisation of this chain.

Concerning quality, BSBIOS has strongly invested in a complete laboratory where the controlling quality tests are made for the raw material used. Also, the controlling and monitoring patterns of the parameters which could interfere in the quality of the product and in relation to its efficiency during the productive process are set. By doing this, the company is ready to accomplish the national and international requirements.

For the acquisition of the raw material, BSBIOS has a partnership with the family farmer and it acquires 30% of the raw material from these producers. The company was one of the first in the country to receive the Social Fuel Stamp, and because of this it tries to increase the income of the small farmers and contribute to their permanence in the countryside. Finally, besides the industrial unit in Passo Fundo, the company has acquired a new industrial plant in Marialva with the same biodiesel potential production. It is supposed to start its operations in 2010 to make the BSBIOS expansion with the PNPB.

4.2 OLEOPLAN

The company is located in Veranópolis—RS. Since 1980, the company is dedicated to the vegetable oil extraction with the soybean as its main raw material.

In 2007, the company opened its biodiesel plant with an initial capacity of 100 million liters of biodiesel by year. Its main raw material is the soybean oil. Through its development department, the company has been stimulating the planting of alternative crops by the small farmers. The main ones are the castor bean, sunflower, canola, tung and the edible pine seed. This strategy has the generation of a bigger income to the family farmer producers as objective.

Currently, OLEOPLAN has its own structure to receive and to storage the grains in silos in cities where the oleaginous productions are concentrated. With this, it is closer to the producers and it assures that the supplying of the raw material will be steady.

The national park is located in Veranópolis in the northeast region in Rio Grande do Sul. OLEOPLAN concentrates its activities in the industrial park installed in an area of 80,000 square meters. Besides, it has the structure to receive, store and transport the grains with its own vehicles fleet suitable to the solid and liquid move of bulks. It also has a laboratory to control and monitor all parameters that can interfere in the product quality (biodiesel) and in its efficiency during the production process.

The company is classified in the Biodiesel National Program—Social Fuel Stamp having acquired 35% of its raw material from the family farming.

4.3 Identification of advantages of the social fuel stamp

The analysis of the main advantages provided by the Social Fuel Stamp to the producer companies, as established in the program can be defined as: (1) the access to better financing conditions with the Social and Economical Development National Bank—BNDES and other financial institutions; (2) the right to participate in the auctions of purchasing and selling of biodiesel by the Petroleum National Agency; (3) the exemption of some taxes (PIS/PASEP/COFINS) as previously described to the companies that perform the acquisition of raw material from the family farming; and (4) the use of the Stamp (logo) showing the social role of the company.

Through the interviews in the companies studied, the main advantages of the Social Fuel Stamp were identified, and they show the same results and answers at BSBIOS and OLEOPLAN.

The companies consider being of central importance as the advantages, for the Stamp proportions is related
to the access to better financing conditions. These differentiated conditions for financing lead to investment possibilities in increasing and modernization of the industrial plants through the access of new technologies, among others. The Social and Economical Development National Bank—BNDES aims at supporting investments in all stages of the production of biodiesel including the storage and the logistic of the production flowing, financing up to 90% of the items likely to support to social inclusion projects, in other words, with the Social Fuel Stamp. In direct operations the Social and Economical Development National Bank—BNDES will apply maximum for small and medium companies by the Long Term Interest Rate (TJLP) plus 1% each year (social projects) or 2% each year for big companies and the Long Term Interest Rate (TJLP) plus 2% or 3% each year. And in indirect operations, the interests will be the same just added by the financing agent payment (BNDES, 2004).

The auctions appear to be the main trading operation to the biodiesel companies with a guaranteed participation as they have the Social Fuel Stamp.

According to the Petroleum National Agency (2009), the biodiesel auctions are realized since 2005 in such a way—Petrobrás can buy the product and coordinate the mix to the diesel petroleum and distribute it with the objective of generating market opportunities and stimulating the biodiesel production in enough amounts to compose the mixtures ordered by Law.

The auctions are still realized to assure that all diesel oil traded in the country has the biodiesel percentage ordered by Law, and the production and use of biodiesel in Brazil proportionate the development of a more sustainable energy source under the environmental, economical and social aspects and also bring the reduction perspective of the diesel oil importations (ANP, 2009).

Another factor that represents a benefit to the researched companies is related to the tax exemption like PIS/PASEP and COFINS because this reduction is transmitted to the raw material supplier whose value was said to be added for R$ 1.00 to the value paid in each bag of soybean from the family farming through the covering of the assistance technical costs that these companies make to the producers. This value represents an increase in the competitiveness in the moment of the acquisition with the supplier when compared to the soybean buyers that do not use it for the biodiesel production. Besides, for the family producer, it represents a real increase in income, and therefore, it contributes to the improvement of the life conditions of the family where they are inserted.

Concerning the use of the logo (SFS) the companies argue that as the sales are made through auctions and only to the internal market, this use does not represent a differentiator factor as a marketing strategy yet. However, it can be noticed that in the future, it can have an enormous competitive importance according to the perspective of acquiring new future markets.

5. Final considerations

The present work has tried to identify the advantages perceived by BSBIOS and OLEOPLAN companies, in relation to the benefits of their participation in the Social Fuel Stamp program. Under this scope, the biodiesel productive chain, made from soybean, has an importance concerning the family farming as the raw material supplier due to the benefits that the biodiesel producer companies receive when they participate in the Social Fuel Stamp program.

Through the concession of the SFS by the Agrarian Development Department, new scenery is projected to the national economy with the companies which have the advantages to assure the purchasing of the raw material
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from the family farming with pre-determined prices promoting the social inclusion and an increase in income, and also, the creation of new jobs. In these family productive units, the farmers can project better conditions and quality of life.

The main advantages that the biodiesel producer companies consider for participating in the Social Fuel Stamp program is mainly the access to better financing conditions with the BNDES and other financial institutions, interest rates and differentiated timing, besides the rights of competing in auctions for the biodiesel purchasing—the main way of trading the product. Likewise, the tax exemption represents a financial advantage to the company providing a differentiated payment to the producers and covering the costs with technical assistance.

Finally, from the strategic point of view, it is possible to highlight that although the soybean has been analyzed as the main matrix in this paper, the companies have specific and differentiated actions to the canola development as a future raw material source with the purpose of promoting the diversification of the crops that will supply this energy market in the plants.

References:

(Edited by Ruby and Chris)