**DISCLAIMER**: This is a free translation of Brazilian IN 11/2007 mentioned in ANEC contracts. It does not replace, complement or substitute the original document published by Brazilian Government.

The original document may be edited, substituted or complemented at any time without previous advise from its publisher.

For all purposes, the original document published in Portuguese by Brazilian government is the valid one.

Ministry of Agriculture, Livestock and Food Supply BINAGRI - SISLEGIS

# Normative Ruling 11/2007

05/16/2007

MINISTRY OF AGRICULTURE, LIVESTOCK AND FOOD SUPPLY

MINISTER'S OFFICE

NORMATIVE RULING No. 11, OF MAY 15, 2007

THE MINISTER OF AGRICULTURE, LIVESTOCK AND FOOD SUPPLY, exercising the authority vested in him by Article 2 of Decree No. 5741 of March 30, 2006, considering the provisions of Law No. 9972 of May 25, 2000, of Decree No. 3664 of November 17, 2000, and of Proceeding No. 21000.014080/2005-73, does resolve:

Article 1. To establish the Technical Regulation for Soybean, defining its official classification standard, with the requirements for intrinsic and extrinsic identity and quality, sampling and marking or labeling, as provided for in the Annex.

Article 2. For soybeans intended for export, the aspects relating to their identity and quality not contemplated in contracts referring to this operation shall follow the provisions of this Normative Ruling.

Article 3. Any doubts that may arise in applying this Normative Ruling shall be clarified by the Ministry of Agriculture, Livestock and Food Supply.

Article 4. This Normative Ruling shall come into force within sixty (60) days from the date of its publication.

Article 5º Administrative Rule MA No. 262 of November 23, 1983 is hereby revoked.

REINHOLD STEPHANES

ANNEX

SOYBEAN TECHNICAL REGULATION

Free translation

CHAPTER I

GENERAL PROVISIONS

Article 1. The purpose of this Technical Regulation is to define the official standard for the classification of soybean, considering its requirements for intrinsic and extrinsic identity and quality, sampling and marking or labeling.

Article 2. For the purposes of this Regulation, the following definitions are considered:

I - soybean: beans from the species Glycine max (L) Merrill;

II - identity: set of parameters or technical characteristics that allow identifying or characterizing a product or process in terms of botanical aspects, appearance, preparation methodology, nature or form of processing, industrial processing, presentation, as appropriate;

III - quality: set of parameters or extrinsic or intrinsic characteristics of a product or a process that allow determining its qualitative and quantitative specifications, through aspects relating to defect tolerance, measure or content of essential composition factors, organoleptic characteristics, hygiene/sanitary or technological factors;

IV - damaged: beans or pieces of beans that are burned, sour, moldy, fermented, germinating damaged, immature and shriveled:

a) burned: carbonized beans or pieces of beans;

b) sour: beans or pieces of beans that are visibly fermented in their entirety and with marked dark brown color, affecting the cotyledon; *(Wording given by Normative Ruling 37/2007/MAPA)*

*Previous Wording*

c) moldy: beans or pieces of beans with fungi (mold or mildew) visible to the naked eye;

d) fermented: beans or pieces of beans that, due to the fermentation process, have undergone a visible change in the color of the cotyledon other than the one defined for sour beans;

e) germinating: beans or pieces of beans that visibly has a radicle;

f) damaged: beans or pieces of beans that have altered and deformed spots in the pulp, are perforated or were attacked by diseases or insects, in any of their evolution phases;

g) immature: oblong-shaped beans that are intensely green, as they have not reached their full physiological development and which may be wrinkled; and *(Wording given by Normative Ruling 37/2007/MAPA)*

*Previous Wording*

h) shriveled: l) beans with irregular shape that are wrinkled, atrophied and devoid of internal mass. *(Added by Normative Ruling 37/2007/MAPA)*

V - crushed: beans that are crushed, with the cotyledons and integument broken by mechanical damage, excluding beans that have their integument cracked;

VI - split and broken: pieces of beans, including cotyledons, that are retained in a sieve with round holes of three millimeters (3.0 mm) in diameter;

VII - greenish: beans or pieces of beans with complete physiological development with a greenish cotyledon;

VIII purple seed stain: beans with purple spots on the integument;

IX soybean mosaic virus or bleeding hilum: beans with dark spots bleeding from the hilum;

X - foreign matter and impurities: all materials that leak through sieves with the following characteristics: sheet thickness: zero point eight millimeters (0.8 mm), number of holes: four hundred per one hundred square centimeters (400/100 $cm^2$), hole diameter of three millimeters (3.0 mm), or that are retained by sieves, other than soybean, including pods not threshed; the soybean husk (skin) retained by sieves is not considered impurity;

Free translation

XI - moisture: percentage of water found in the product sample free of foreign matter and impurities, determined by an official method or by an apparatus that gives an equivalent result;
XII - serious defects: bean defects that seriously compromise the appearance, conservation and quality of products, restricting or preventing their use; refer to sour, moldy and burned beans;
XIII - slight defects: bean defects that do not restrict or prevent the use of the product, as it does not seriously compromise its appearance, conservation and quality: refer to fermented, damaged, germinating, immature, shriveled, greenish, squashed, split and broken beans;
XIV - lot: quantity of products with perfectly defined identity, quality and presentation specifications;
XV - substances harmful to health: foreign substances or agents of biological, chemical or physical origin that are harmful to health, such as mycotoxins, residues of phytosanitary products or other contaminants, provided for in a specific effective legislation, thus not being considered the product whose values are within the maximum limits determined;
XVI - macroscopic materials: materials that are foreign to the product and that can be detected by direct observation (naked eye), without the aid of optical instruments, and that are related to the risk to human health according to the specific legislation in force;
XVII - microscopic materials: materials that are foreign to the product and that can be detected with the aid of optical instruments, and that are related to the risk to human health according to the specific legislation in force;
XVIII - particles with unknown toxicity: foreign particles, beans or parts thereof that are different from their natural condition, with suspected toxicity.

CHAPTER II

INTRINSIC AND EXTRINSIC IDENTITY AND QUALITY REQUIREMENTS

Article 3. The soybean identity requirement is identified by the product's own species, in the form set out in Chapter I, Article 2, paragraph I of this Technical Regulation.

Article 4. The soybean quality requirements will be defined in Groups, according to the proposed use; in Classes, according to the bean color; and in Types, according to quality, based on the tolerance percentages established in Tables 1 and 2 of this Chapter.

Paragraph 1. According to the proposed use, soybeans will be classified into two Groups, and the interested party will be responsible for this information:

I - Group I: soybean intended to be consumed fresh;

II - Group II: soybean for other uses.

Paragraph 2. According to the color of the bean, soybeans will be classified into two (2) Classes, defined as follows:

I - Yellow: soybeans with a yellow, green or pearl integument, whose internal part is yellow, yellowish, clear or whitish, in a cross section, admitting up to ten percent (10%) of beans with other colors;

II - Mixed: soybeans that do not fall into the Yellow Class.

Paragraph 3. The Group I and Group II soybeans are classified into 2 types, defined according to

Free translation

their quality, based on their tolerance percentages, as established in Tables 1 and 2 below:

I - Table 1 - Maximum tolerance limits, expressed as a percentage, for Group I soybeans:

| Type | Damaged | | | | Greenish | Split, Broken and Squashed | Foreign Matter and Impurities |
|---|---|---|---|---|---|---|---|
| | Total Sour and Burned | Burned - Maximum | Moldy | Total (1) | | | |
| 1 | 1.0 | 0.3 | 0.5 | 4.0 | 2.0 | 8.0 | 1.0 |
| 2 | 2.0 | 1.0 | 1.5 | 6.0 | 4.0 | 15.0 | 1.0 |

(1) The sum of burned, sour, moldy, fermented, germinating, damaged, immature and shriveled beans.

II - Table 2 - Maximum tolerance limits, expressed as a percentage, for Group II soybeans:

| Type | Damaged | | | | Greenish | Split, Broken and Squashed | Foreign Matter and Impurities |
|---|---|---|---|---|---|---|---|
| | Total Sour and Burned | Burned - Maximum | Moldy | Total (1) | | | |
| Standar | 4.0 | 1.0 | 6.0 | 8.0 | 8.0 | 30.0 | 1.0 |
| Basic | | | | | | | |

(1) The sum of burned, sour, moldy, fermented, germinating, damaged, immature and shriveled beans.

Paragraph 4. Moisture shall be mandatorily determined, but it will not be considered for purposes of classification into types, the recommendation being up to fourteen percent (14%).

Article 5. Soybeans shall be physiologically developed, healthy, clean, dry and free from odors that are foreign or inappropriate to the product.

Sole paragraph. The limits and procedures to be adopted when verifying the presence of particles with unknown toxicity shall be those provided for in Normative Ruling No. 15, of June 9, 2004.

Article 6. Soybeans that do not meet, in one or more aspects, the quality specifications provided for in Tables 1 and 2, Chapter II, of this Technical Regulation, for Type 2, in Group I soybeans and for Basic Standard, in Group II soybeans, shall be classified as Not Meeting the Type.

Paragraph 1. Soybeans classified as Not Meeting the Type due to serious defects (burned, sour and moldy) may not be sold when intended for direct human consumption, and may be reprocessed for purposes of classification into a type when the sum of these defect percentage is up to twelve percent (12%).

Paragraph 2. Soybeans classified as Not Meeting the Type due to foreign matter and impurities may not be sold when intended for direct human consumption, and may be reprocessed for purposes of classification into a Type.

Paragraph 3 Soybeans classified as Not Meeting the Type due to slight defects may be:

I - sold as is, provided they are identified as such;

Free translation

II - reprocessed, split or recomposed for the purpose of classifying them into a type.

Article 7. The lot of soybeans that presents, per kilogram of sample, two or more castor seeds or other seeds of toxic species in their natural state shall be mandatorily reprocessed before its classification.

Article 8. Soybeans that present one or more of the characteristics below will be disqualified and its internalization and sale will be prohibited:

I - poor conditions;

II - percentage of serious defects exceeding twelve percent (12%) for soybeans intended for direct human consumption;

III - percentage of serious defects higher than forty percent (40%) for soybeans for other uses;

IV - strange odor (acid or sour) of any nature, inappropriate to the product, making its use unfeasible;

V - presence of live, dead insects or parts thereof in the product already classified and intended for direct human consumption;

VI - presence of toxic seeds in soybeans intended for direct human consumption.

Article 9. Whenever necessary, the Ministry of Agriculture, Livestock and Food Supply may require analysis of substances harmful to health, macroscopic, microscopic and microbiological materials related to the risk to human health, in accordance with the specific legislation in force, regardless of the result of the product classification, as long as it has not been considered disqualified.

Sole paragraph. Soybeans will be disqualified when the analysis referred to in the main section detects the presence of the referred substances in limits above the maximum limit established in the current legislation.

Article 10. When the legal entity responsible for the classification identifies the disqualification of the product, it shall inform the Competent Technical Sector of the Federal Agriculture Oversight Office (SFA) of the State where the product is stored, so that the appropriate measures be taken.

Article 11. The Ministry of Agriculture, Livestock and Food Supply shall decide on the destination of the disqualified product, coordinating this issue with other official bodies, as applicable.

CHAPTER III

SAMPLING REQUIREMENTS

Article 12. Prior to sampling, the general conditions for the product lot shall be complied with and in the event of any abnormality, such as presence of live insects or existence of any of the disqualifying characteristics (strange odor, poor conditions, generalized mold appearance, among others), the specific procedures provided for in articles 7, 8, 9, 10 and 11 of Chapter II of this Technical Regulation shall be adopted.

Sole paragraph. In the event of any abnormality, purging or any other form of control or processing

Free translation

of the product, as the case may be, shall be required prior to classification, as established in the specific legislation.

Article 13. The individual or legal person who collects the sample shall be legally responsible for the representativeness of the sample in relation to the lot or volume from which it was taken.

Article 14. Taking samples during road, rail and water transport shall be conducted at points uniformly distributed in the vehicle, randomly, according to the criteria established in Table 3 - Number of sample collection points according to the lot size, so as to reach the upper third, the middle and the lower third of the cargo from which samples are taken, as follows:

Table 3 - Number of sample collection points according to the lot size

| Quantity of product in the lot (tons) | Minimum number of points for sample taking |
|---|---|
| up to 15 tons | 5 |
| from 15 to 30 tons | 8 |
| more than 30 tons | 11 |

Sole paragraph. The total sampled product shall be uniform, quartered and reduced by three kilograms (3 kg) to compose, at least, three (3) samples, consisting of one kilogram (1 kg) each, which will be representative of the lot.

Article 15. The collection of samples through handling equipment or beans in motion during loading, unloading or inter-silo transfer operations shall be conducted with appropriate equipment, with collections of five hundred grams (500g) on conveyor belts and extracting, at least, ten kilograms (10 kg) of product for each fraction of five hundred tons (500t) of the quantity of product to be sampled, at regular intervals of equal time, calculated according to the flow at each terminal.

Paragraph 1. The ten kilograms (10 kg) extracted from each 500-ton fraction shall be uniform, quartered and separated to compose the sample that will be analyzed at every five thousand tons (5000t) of the lot.

Paragraph 2. At every five thousand tons (5000t), add the ten (10) partial samples that have been separated to compose the sample to be analyzed as provided for in paragraph 1 of this article, make them uniform and quarter at least three (3) times until three kilograms (3 kg) of product are obtained to compose, at least, the three (3) samples, consisting of one kilogram (1 kg) each.

Article 16. The collection of samples in silos and bulk warehouses will be conducted at the receiving or shipping system of the storage unit, according to the instructions for sampling in handling equipment provided for in article 15 of this Technical Regulation.

Article 17. The sample collection from bags will be random, in at least ten percent (10%) of the bags, and shall cover all sides of the pile of bags.

Sole paragraph. The minimum collected amount will be thirty grams (30g) per bag, up to at least five kilograms (5kg) of the product, which shall be uniform, quartered and reduced by three kilograms (3 kg) to compose, at least, three (3) samples, consisting of one kilogram (1 kg) each, which will be representative of the lot.

Article 18. In collecting samples from packages, a quantity of packages shall be removed totaling at

Free translation

least ten kilograms (10 kg), regardless of the lot size, since the packaged product is homogeneous.

Sole paragraph. The extracted product shall be uniform, quartered and reduced by three kilograms (3 kg) to compose, at least, three (3) samples, consisting of one kilogram (1 kg) each, which will be representative of the lot.

Article 19. The remaining quantity from the sampling, homogenization and quartering process will be replaced in the lot or returned to the product owner.

Article 20. The samples extracted according to the procedures described in this Chapter shall be properly packed, sealed, identified and authenticated.

Sole paragraph. The collected sample units will have the following destination: one (1) unit shall be delivered to the interested party and the remaining units will be sent to the Company or Entity that will classify them, and one of them shall be held as counter-proof.

Article 21. When the sample is collected and sent by the interested party, the same sampling criteria and procedures provided for in this Technical Regulation shall be followed.

Article 22. Once the product has conditions to be classified, the sample intended for classification shall be uniform, reduced using the quartering process until a working sample is obtained, i.e. at least one hundred and twenty-five grams (125g), weighed on a previously checked scale, noting the weight obtained for the purpose of calculating the percentages of tolerance provided for in Tables 1 and 2, Chapter II, of this Technical Regulation.

Article 23. From the remainder of the sample intended for classifying one kilogram (1kg), a subsample shall also be obtained by using the quartering process for determining moisture, from which foreign matter and impurities will be removed.

Paragraph 1. The weight of the subsample shall be in accordance with the recommendations of the manufacturer of the equipment used to check moisture.

Paragraph 2. Once moisture is checked, the amount identified shall be included in the Report and in the Classification Certificate.

Article 24. With the working sample, a sieve with round holes of three millimeters (3.0 mm) in diameter shall be used, making continuous and uniform movements for thirty seconds (30s), subject to the criteria below:

I - pods that are not threshed will be considered as impurity;

II - the soybean skin that is retained in the sieve will not be considered an impurity;

III - the impurities and foreign matter that are retained in the sieve will be collected manually, weighed and added to those that leak through the sieve and have their percentage determined, and the amount identified shall be included in in the report.

Article 25. For the determination of defects, the weight of the sample, free of foreign matter and impurities, shall be checked, and the weight obtained shall be included in the classification report, which will be used later to calculate the percentage of defects.

Free translation

Sole paragraph. Subsequently, the damaged (burned, sour, moldy, fermented, germinating, damaged, immature and shriveled), greenish, broken, split and squashed beans shall be separated, subject to the following criteria:

I - whenever there are doubts about the identification of any defect in the soybean bean, it shall be cut, crosswise to the cotyledons, in the affected region;

II - if the bean presents more than one defect, the most serious defect will prevail for the purpose of classification and categorization into a type, considering the following severity scale in decreasing order: burned, sour, moldy, fermented, greenish, germinating, damaged, immature, shriveled, squashed, split and broken;

III - in the case of damaged beans, separate the beans attacked by sucking insects (sucked), weigh and find the percentage, dividing this by 4 (four), the result of which shall be added to the percentages of the other damaged beans, if there is any in the sample;

add the percentage of damaged beans identified to the other percentages of damaged beans, and this sum shall be used for later classification of the product according to Tables 1 and 2, Chapter II, of this Technical Regulation, as the case may be;

IV - weigh the squashed, split and broken beans already separated and find the percentage for classification according to Tables 1 and 2, Chapter II, of this Technical Regulation, as the case may be; do not consider squashed beans with unbroken integument a defect;

V - weigh the greenish beans and find the percentage to be used in Tables 1 and 2, Chapter II, of this Technical Regulation, as the case may be;

VI - beans with purple seed stain and beans with soybean mosaic virus will not be considered a defect;

VII - weigh all the defects separately and include the weight and the percentage identified for each one in the classification report, converting the amounts using the formula below, with the result shown with one (1) decimal place:

% = weight of defect (g) x 100 weight of sample (g) Article 26. Classify the product into Type, considering the percentages identified, according to the distribution of defects and respective tolerance limits contained in Tables 1 and 2, Chapter II of this Technical Regulation, as the case may be.

Article 27. The product shall be classified according to the worst type identified.

Article 28. To determine the Class, the weight of the sample free from defects shall be checked, and the weight shall be included in the classification report, and such weight will be used to calculate the percentage of beans in other colors.

Paragraph 1 If the sample contains beans in other colors other than the one allowed for the yellow class, separate them, weigh and record the amounts in the respective field of the report, converting them using the following formula:

Free translation

% = weight of beans in other colors (g) x 100 weight of the sample (g) Paragraph 2 Check if the percentage identified is within the maximum amount allowed for the Yellow Class; if this amount is higher than the one allowed for the Yellow Class, soybeans will be considered as Mixed Class.

Article 29. After completing the classification and if soybeans are considered as Not Meeting the Type, Disqualified or Mixed Class, the Report and Classification Certificate shall contain the reasons for this situation, as the case may be.

Article 30. Review, date, stamp and sign the Report and the Classification Certificate, both of which shall contain the stamp, the name of the person in charge of classifications and his (her) registration number with the Ministry of Agriculture, Livestock and Food Supply.

Article 31. In order to standardize the classification criteria, a photographic reference will be prepared, identifying and characterizing each defect.

CHAPTER IV

MARKING AND LABELING REQUIREMENTS

Article 32. Soybeans can be sold in bulk, bagged or packaged.

Paragraph 1. The packaging used to pack soybeans can be made of natural, synthetic materials or any other appropriate material.

Paragraph 2. The specifications regarding making and capacity of packaging shall be in accordance with the specific legislation in force.

Article 33. The product quality specifications contained in marking or labeling shall be in line with the respective Classification Certificate.

Paragraph 1. In the case of product packaged for direct sale for human consumption, marking or labeling shall contain the following information:

I – as regards classification of the product:

a) group;
b) class, mandatory only when soybeans are considered Mixed Class;
c) type;

II – as regards the product and the person in charge:

a) the product's sales denomination (the word “soybean” and the product's trademark);
b) lot identification, which will be the interested party’s responsibility;
c) business name, Brazilian Registry of Legal Entities (CNPJ), address of the packaging company or of the person responsible for the product.

Paragraph 2. In the case of bulk products intended for direct sale for human consumption, these shall be identified and the information placed in a visible place, containing at least the following information:

I - product sales denomination;

Free translation

II - group;

III - class, mandatory only when soybeans are considered Mixed Class;

IV - type.

Paragraph 3. In the case of imported products, in addition to the requirements contained in letters “a”, “b” and “c” of item I and “b” of item II, all in paragraph 1 of this article of this Technical Regulation, the following information shall be submitted as well:

I - country of origin;

II - importer's name and address.

Paragraph 4. Markings or labeling must be easy to view and difficult to remove, ensuring correct, clear, precise, apparent information in Portuguese, complying with the requirements provided for in the specific legislation in force.

Paragraph 5. The qualitative information referring to the Group shall be spelled as follows: the word “Group” followed by the Roman numeral and the expressions “Soybean to be consumed fresh” or “Soybean intended for other uses”, as the case may be; the Class shall be written in full, when identification is required; the Type shall be spelled with the word “Type” followed by the corresponding Arabic number or the expression “Basic Standard”, where applicable; and, when the soybean is not classifiable in Type or is Disqualified, the information shall be as follows: “Not Meeting the Type”, or “Not Meeting the Basic Standard”, or even “Disqualified”, as applicable.

D.O.U., 05/16/2007 - Section 1

Free translation