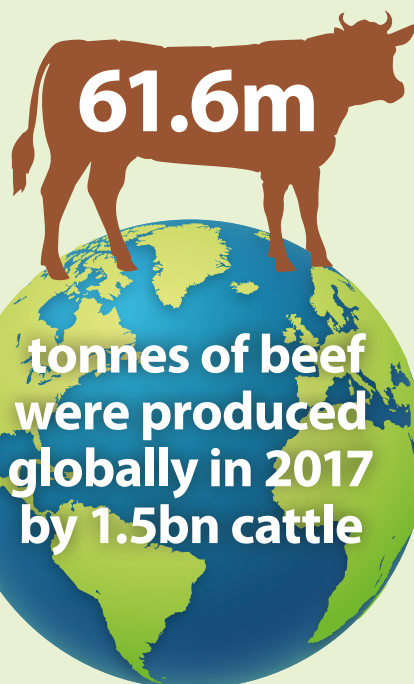


# Beef

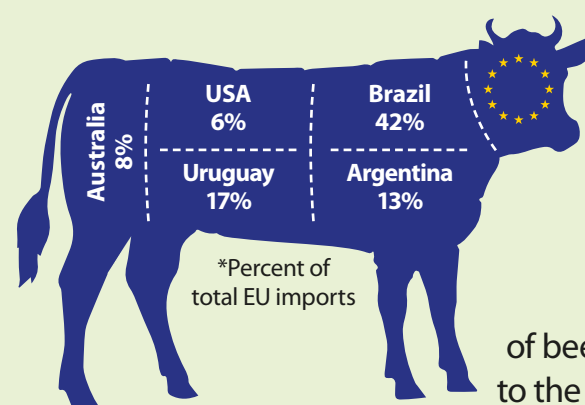
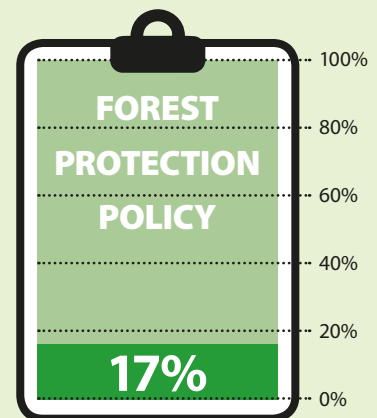
Forests in Brazil, Argentina and Paraguay, all members of the Mercosur trade bloc, are being destroyed on an epic scale to make way for cattle. Beef production is the largest driver of global deforestation. With three quarters of its beef imports coming from countries in Mercosur, the European Union (EU) has a special responsibility to ensure its policies have a positive impact on forests and forest communities in South America, which must be reflected in negotiations with Mercosur about a new trade deal. This is the fourth in a series of Fern briefings on the commodities that drive deforestation.



## Lack of corporate action on beef deforestation

**17%**

Only 17% of cattle companies had forest protection policies in 2017.



## Top five beef importers into the EU

In 2017,  
**334k  
tonnes**  
of beef were imported  
to the European Union.



**210 million of them are  
in Brazil which has more  
cattle than people.**

The cattle ranching sector was found to be responsible for nearly

**60%** of all slave  
labour cases  
in Brazil



**Beef is the main global driver of forest loss,  
more than soy and palm oil combined in  
countries most affected by deforestation (2011)**

**2.1 mha**  
lost per year to  
**BEEF**



There are an estimated one and a half billion cattle in the world; 210 million of them are in Brazil which has more cattle than people.<sup>1</sup> In 2017, 61.6 million tonnes of beef were produced globally.<sup>2</sup> The largest producers were the United States with 20 per cent of global output, Brazil (15 per cent) and the European Union (13 per cent).<sup>3</sup>

Trade in cattle products has expanded rapidly in recent years. However, most beef is still consumed in the countries where it is produced, more so than other agricultural commodities linked to deforestation.<sup>4</sup> Brazil (jointly with India) was the world's largest beef exporter by weight in 2017, with exports accounting for 20 per cent of production.<sup>5</sup> Paraguay is unusual in that about 80 per cent of its beef goes abroad.<sup>6</sup>

Since the early 1960s, global beef production has more than doubled although most of this growth happened some time ago.<sup>7</sup> Overall beef production increased just four percent 2007-2017, in contrast to soy and palm oil which showed bigger gains.<sup>8,9</sup> Demand for beef has actually fallen in developed countries in recent years, but this has been offset by rising consumption in emerging economies.<sup>10</sup>

## Beef: the main global driver of forest loss

Beef production is the biggest agricultural driver of global forest loss. In seven countries with high deforestation, a 2015 study found that in 2011, forest conversion to cattle pasture was responsible for nearly 60 per cent of forest loss linked to agriculture in terms of land area (mostly in Brazil)<sup>11</sup>. The countries assessed were Argentina, Bolivia, Brazil, Paraguay, Indonesia, Malaysia and Papua New Guinea. From 2000-2011, the forest lost to ranching in these countries was double that of the combined deforestation associated with soy, palm oil and timber.

## Link to deforestation in South America

Cattle-driven forest destruction is mainly focused on South America, notably Brazil, but also Paraguay, Argentina, Bolivia, Colombia and other countries.<sup>12,13</sup>

Cattle pasture makes up more than 80 per cent of deforested land under use in the Brazilian Amazon.<sup>14</sup> A combination of public policies and private sector initiatives, prompted by non-governmental organisation (NGO) campaigning, contributed to an 83 per cent drop in Amazon deforestation rates from 2005-12. Since 2013, the average annual rate of Amazon forest loss (6,325 square kilometres a year) has been nearly 40 per cent higher than the 2012 level.<sup>15</sup> The rebound in deforestation may be linked to government policy changes (announced in 2012) which have reduced the extent of protected areas and given some farmers an amnesty for past illegal deforestation.<sup>16</sup>

Rates of forest loss in the Paraguayan part of the Gran Chaco, South America's second largest forested area, are among the highest in world, mostly due to cattle ranching (more than 90,000 square kilometres were lost 2000-15).<sup>17,18</sup> Ranching has also been a major cause of deforestation in the Chaco regions of Argentina and Bolivia. Similar pressures have been at work in the Cerrado, a vast biodiversity-rich area of dry forest and shrub in central Brazil (and Bolivia). Nearly 100,000 square kilometres of the Cerrado were lost 2002-10.<sup>19</sup>

According to one major study, 71 per cent of deforestation in South America was linked to cattle, compared with 14 per cent to planting crops 1990-2005.<sup>20</sup> However, the processes are often complex. One pattern is that forests are initially torn down to make way for pasture, but the ground is later converted to growing soy or sugar cane, which are more profitable. This leaves less room for cattle, leading to a new round of deforestation somewhere else.<sup>21</sup>

There are numerous other scenarios. For example, sometimes forests are converted into cattle pasture as a means of establishing a title to the land for subsequent property speculation.<sup>22,23</sup> In parts of the Amazon, deforestation has been followed by extremely wasteful use of land. Former forests are occupied by just one or two head of cattle for every hectare cleared.<sup>24,25</sup>

## Major legal issues

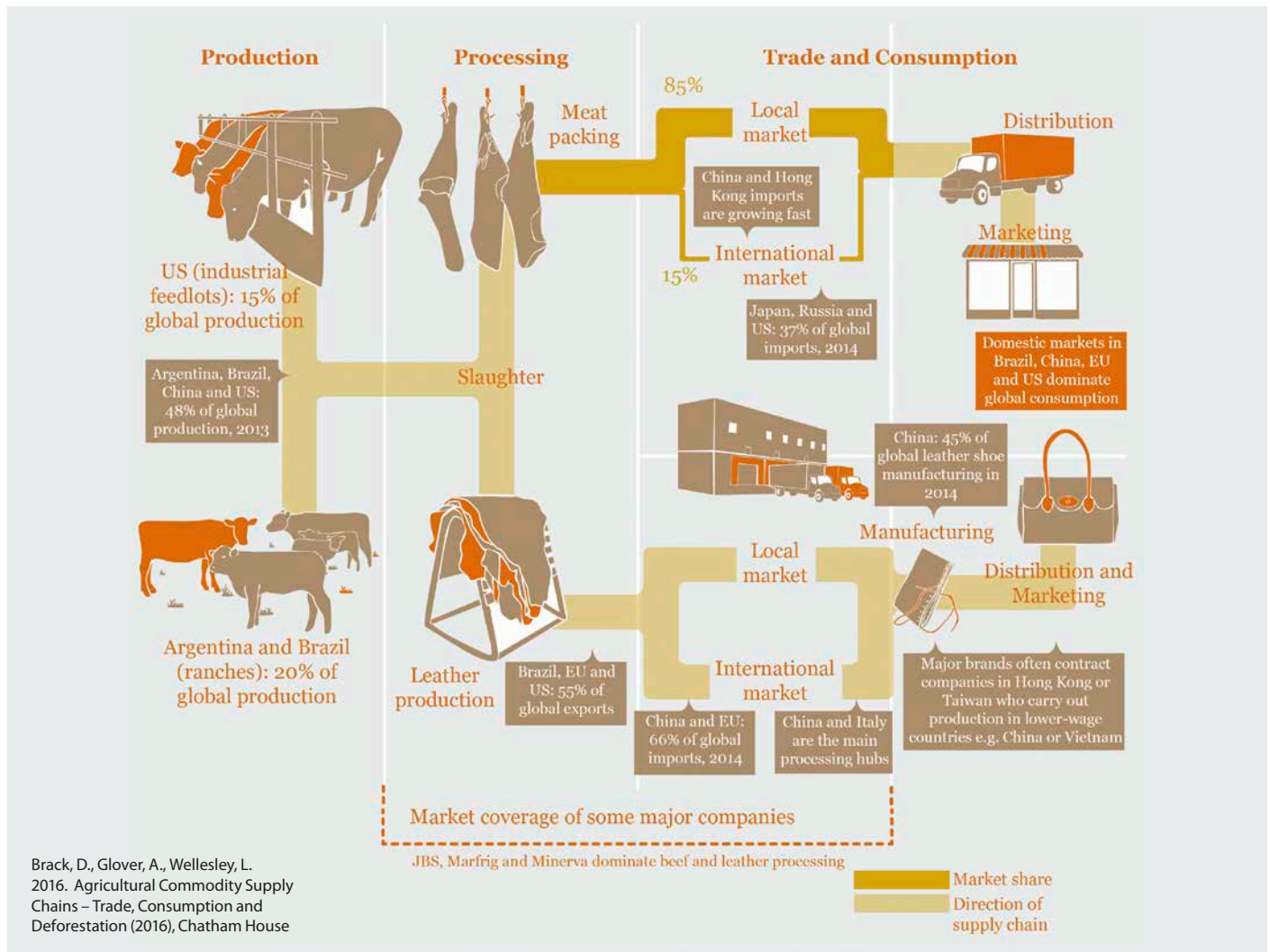
Forest clearance is often illegal as well as environmentally unsustainable. A 2014 study for Forest Trends found that approximately 65 per cent of Brazilian beef exports and 20 per cent of those from Paraguay were associated with illegalities.<sup>26</sup> These included fraudulent land titles, failure to retain the legally required minimum percentage of natural forest, converting forests outside legal boundaries and encroachment on protected areas.

There are some long running concerns about exploitative conditions for workers in the beef supply chain in Brazil. 10,300 workers were rescued from conditions of modern slavery by cattle owners supplying major meat processors 2003-10, according to an NGO report. The cattle ranching sector was found to be responsible for nearly 60 per cent of all slave labour cases recorded in Brazil over that period.<sup>27</sup>

Additionally, larger ranchers and traders in Brazil have set up elaborate schemes to "launder" cattle raised on illegally deforested land, enabling them to be sold on the legitimate market.<sup>28</sup>

A recent crisis over food safety standards that occurred after investigators found evidence of widespread corruption among

## Beef and leather supply chain



meat inspectors has undermined confidence more generally in Brazil's ability to regulate its beef industry.<sup>29</sup>

### Endemic social conflict

Beef production has been a driver of social conflict as well as deforestation. In Brazil, disputes between ranchers and indigenous communities often focus on the demarcation of indigenous lands which in theory are protected by law.<sup>30</sup>

Violence is common. For example, in 2017 international media reported an attack by ranchers on a Gamela community in Maranhão state which left 13 people hospitalised, some with severed limbs.<sup>31</sup>

Campaigners say it has become more difficult for communities to enforce their legal rights in Brazil as a new government has slowed down procedures for recognising indigenous land claims in order to maintain the support of the powerful "ruralista" agri-business lobby.<sup>32</sup>

Indigenous communities in the Paraguayan Chaco are in an even more difficult position. They hold legal titles to less than five per cent of the land. For historical reasons, land ownership is concentrated in the hands of a relatively few corporations, individuals and cooperatives or controlled by the government.<sup>33</sup>

### Beef companies less active than other sectors

Some big consumer brands and retailers - including McDonald's, Nestlé, Unilever, Carrefour, Walmart and Timberland - have made well publicised commitments to tackle deforestation in their beef and leather supply chains.<sup>34</sup> But in general, companies in the beef industry are behind those in other forest-risk sectors in tackling forest destruction.

There is a Global Roundtable on Sustainable Beef, but it is relatively new (established in 2010) and has little influence compared to the other major commodity roundtables (for example, those covering timber, soy and palm oil).<sup>35</sup>

The Forest 500 tracks the policies of influential companies, financial institutions and governments involved in beef, soy, palm oil and timber. In 2017 it found that only 17 per cent of cattle companies reviewed had forest protection policies, compared with more than 50 per cent of companies in palm oil and timber, and in some cases, cattle firms had abandoned earlier commitments.<sup>36</sup>

In 2009, three major Brazilian beef and leather processing companies (JBS, Minerva and Marfrig) agreed to stop buying cattle products from ranches on recently deforested and indigenous land in the Amazon.<sup>37</sup> But supply chain interventions such as this appear to have had little practical impact.

One study calculated the extent of avoided forest loss by looking at acquisitions of local slaughterhouses in the Amazon states of Mato Grosso and Pará by major beef companies that had signed up to zero deforestation commitments (2007–15).<sup>38</sup> It found the commitments had made little difference to forest cover in areas surrounding slaughterhouses, and that companies were buying slaughterhouses in areas of higher deforestation both before and after making their commitments to zero deforestation.

The beef supply chain is complex and fragmented, except that a relatively small number of large “meatpacking” companies play an outsized role in the processing and distribution stages. It can be argued that these companies have considerable power to use their influence to improve environmental and social practices throughout the supply chain, if they choose to do so.

## EU beef market and the Mercosur talks

Most of the beef imported into the EU comes from Mercosur countries (Brazil, Argentina, Uruguay and Paraguay). In 2017 these countries supplied 74 per cent of the 330,000 tonnes of beef arriving into the EU from outside.<sup>39</sup> Brazil alone accounted for 42 per cent of EU beef imports, with Italy the largest EU market.<sup>40</sup> However, imports make up only a small part of the

EU beef market. Beef production within the EU more or less matches local consumption.<sup>41</sup>

Considerably more Mercosur beef will be sold in the EU if a long discussed trade agreement is signed. Given the scale of concerns about food safety and cattle driven deforestation in South America, strong provisions to address environmental and social concerns are essential.<sup>42</sup> The measures set out in a draft version of the currently proposed trade and sustainable development chapter of the EU-Mercosur trade deal do not go far enough to mitigate the negative impacts on forests and peoples.<sup>43</sup>

All references available online at [www.fern.org/BeefFacts](http://www.fern.org/BeefFacts)

## Policy Recommendations

The EU has made commitments to end its role in deforestation by 2020. To achieve this it must:

- Develop an “Action Plan to Protect Forests and Respect Rights” to meet the EU’s existing commitments to stop deforestation, respect rights, and tackle climate change.
- Regulate beef supply chains. The EU already regulates supply chains of illegal timber, illegal fishing and conflicts minerals. It should now regulate beef imports to ensure EU consumption is free from land rights conflicts and human rights abuses.
- Include forest protection and respect for human rights in any possible EU-Mercosur trade deal, and incorporate enforceable provisions in the trade and sustainable development chapter to make sure these regulations are properly implemented.



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*This briefing has been produced with the financial assistance of the European Union, the UK Department for International Development, and the Ford Foundation. The Contents of this publication are the sole responsibility of Fern and can in no way be taken to reflect the views of the European Union, the UK Government or the Ford Foundation.*