Transparency for sustainable economies

trase

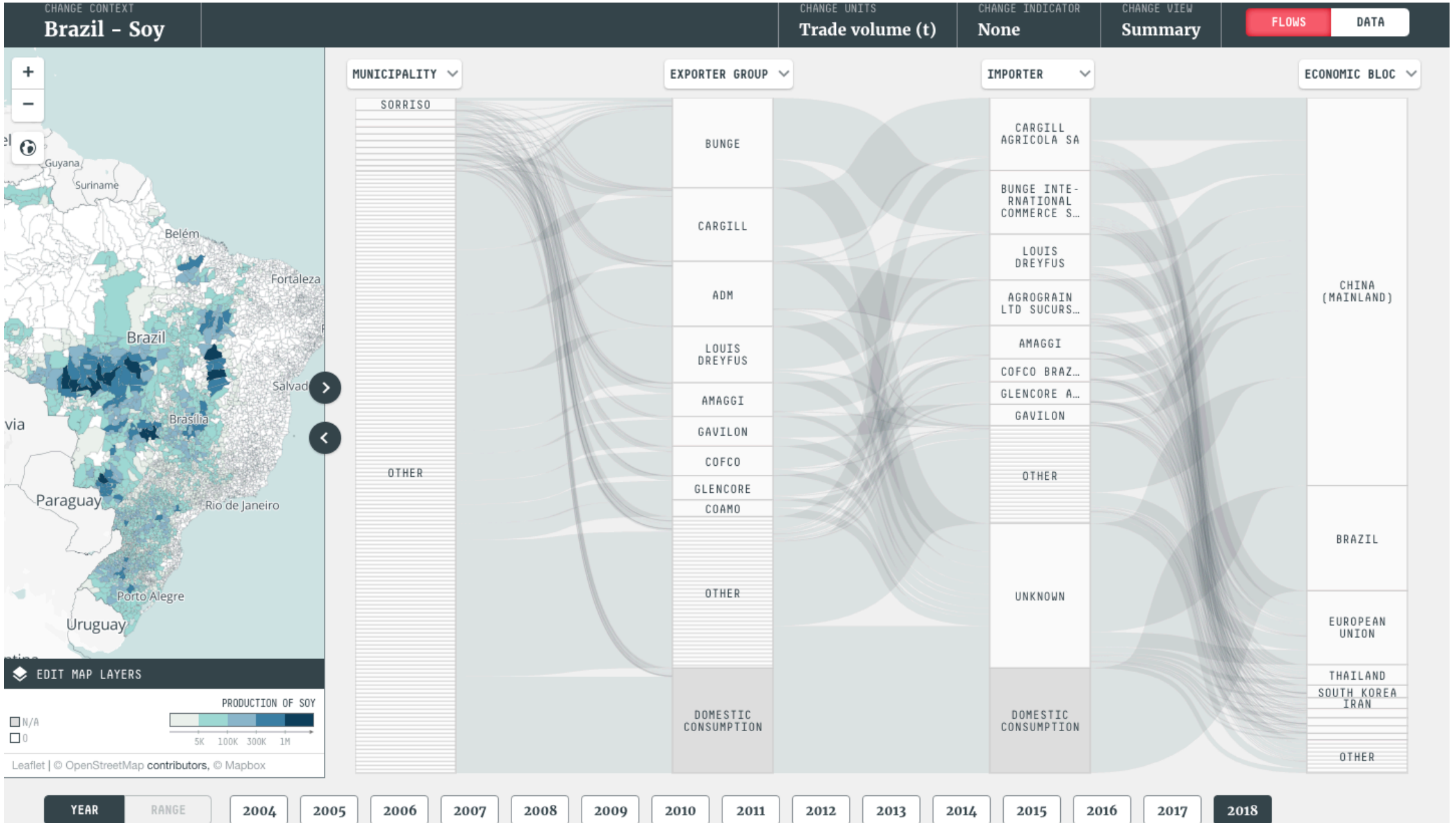
Helen Bellfield
Global Canopy

Tackling deforestation through EU due diligence webinar
1st October 2020

SEI Stockholm Environment Institute

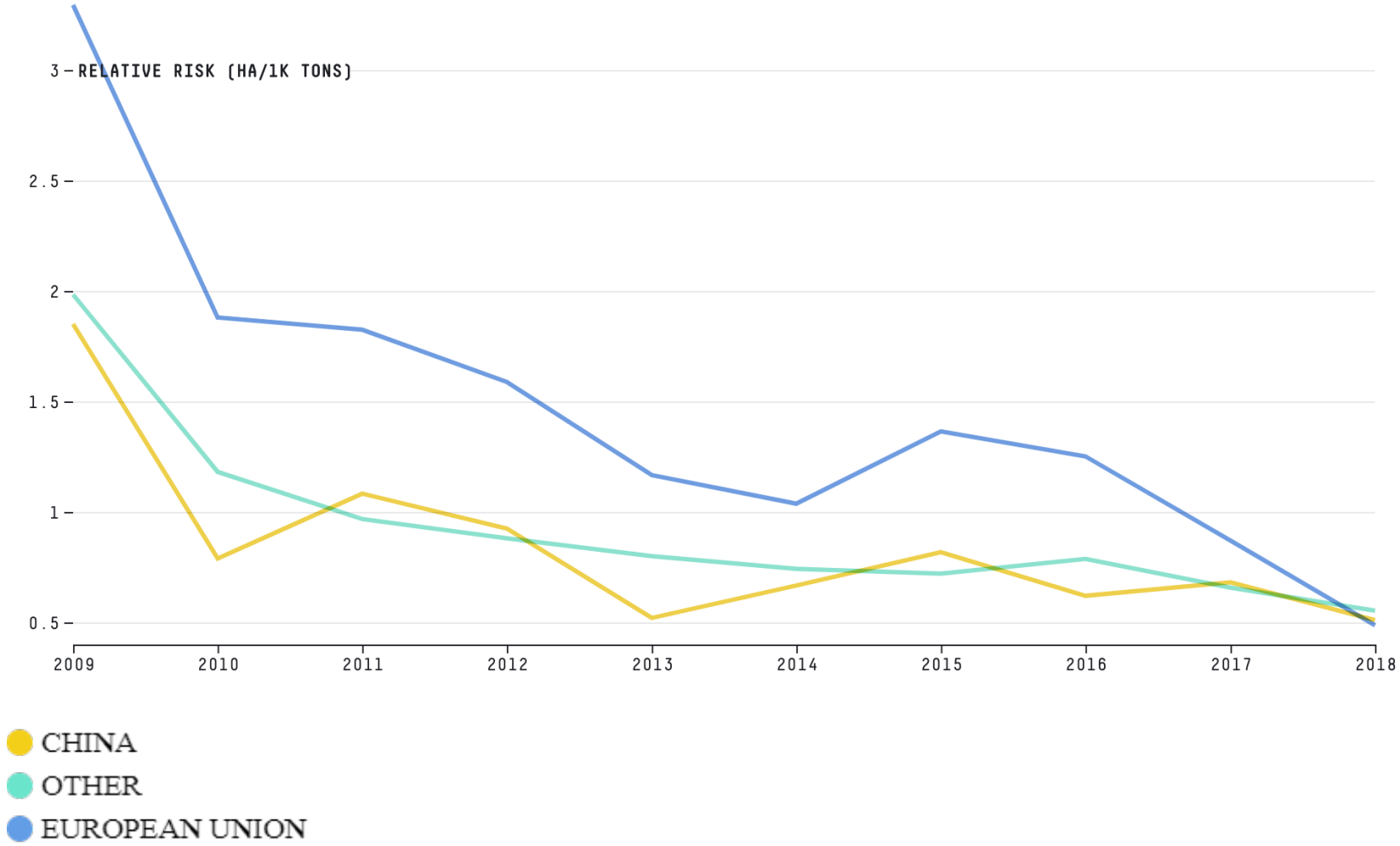
global canopy

Mapping sub-national supply chain

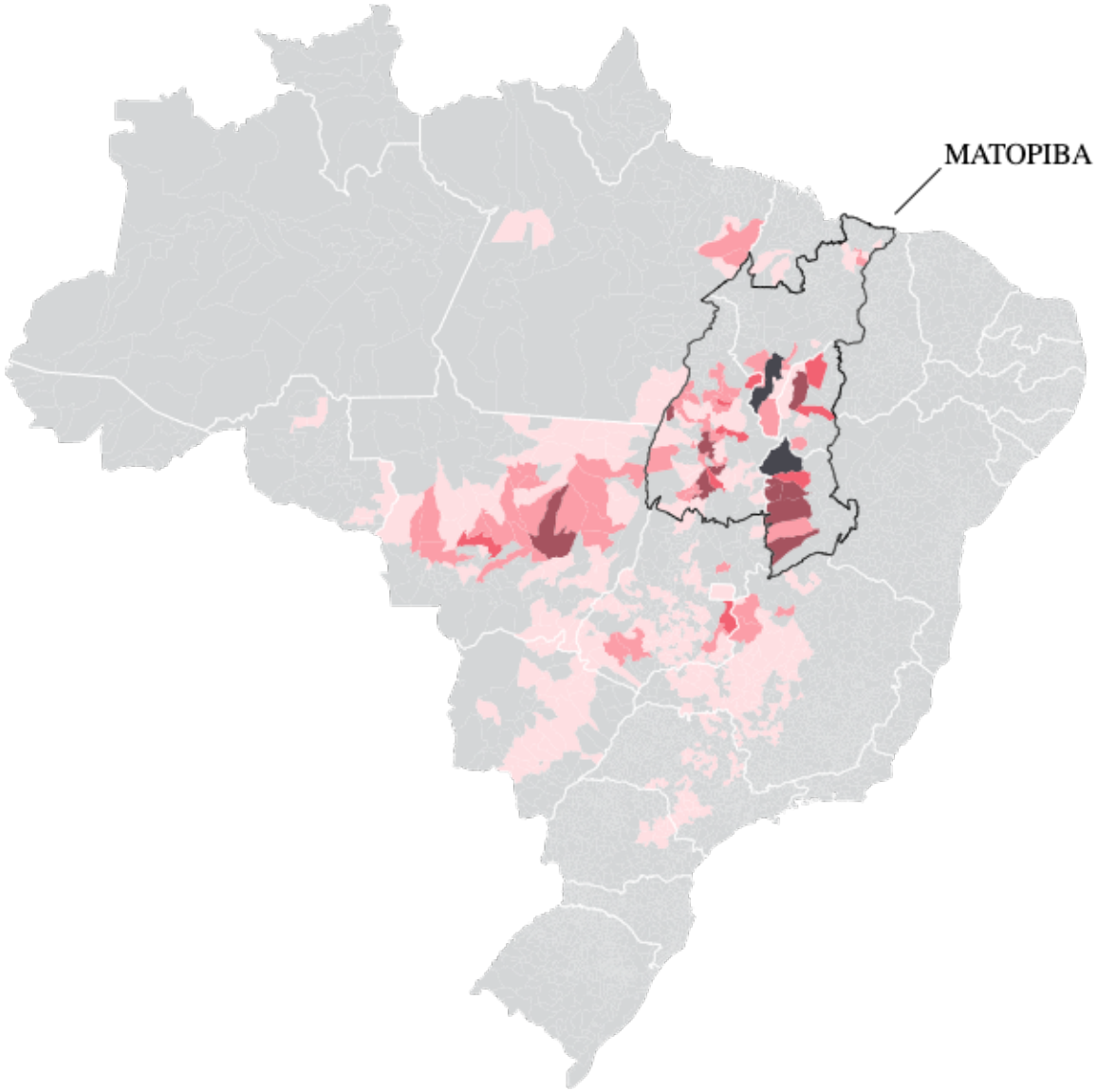


China now dominates Brazil soy export market

Yet over the last decade the deforestation risk per tonne of Brazilian soy exports to the EU was double that of exports to China



EU import risks are highly concentrated



EU sourced only 7% (915,600 t) of its soy imports from Matopiba while the region accounted for 61% (3,828 ha) of its soy deforestation risk exposure.

Risks also concentrated at farm level

Over half illegal deforestation on soy farms in Mato Grosso between 2012-2017 happened in 15 municipalities

80% took place on 400 (2% of farms)

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ISSUE BRIEF | 4

Illegal deforestation and Brazilian soy exports: the case of Mato Grosso

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[1]TRASE [2]I

This brief, developed in partnership with Imaf amount of illegal deforestation taking place on most soy from Brazil. It also assesses the exposu deforestation has taken p

KEY FINDINGS

- *Over one quarter (27%) of the total deforestation in Mato Grosso (2012–2017) took place on soy farms.*
- *95% of the deforestation on soy farms was illegal under Brazilian regulations because the necessary licences were not in place.*
- *80% of the illegal deforestation on soy farms took place on just 400 farms, which represents just 2% of the total number of soy farms in the state. These farms are mostly large properties (73%).*

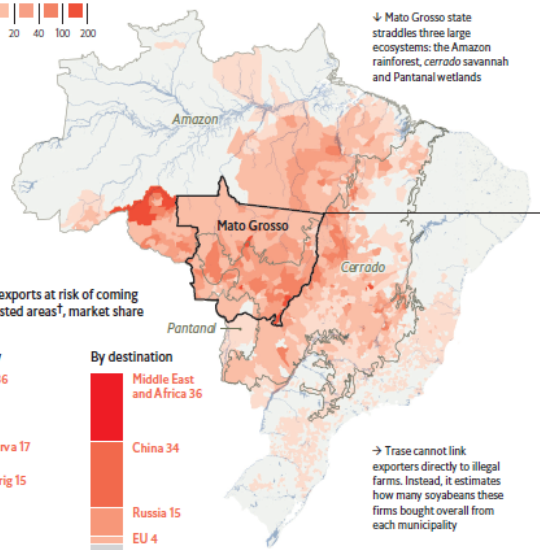
Graphic detail Deforestation in Brazil

The Economist June 13th 2020 77

→ Data scientists have reconstructed supply chains for Brazilian beef and soyabeans in deforested areas

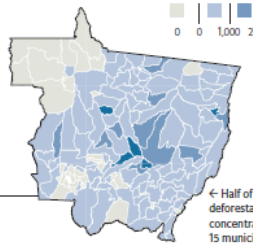
Brazil, land associated with deforestation for beef exports, 2017, hectares per 100,000, by municipality

0 0 2 20 40 100 200



Mato Grosso, land illegally deforested by unlicensed soyabean farms, 2012-17, hectares per 100,000

0 0 1,000 2,000 5,000



Brazil, beef exports at risk of coming from deforested areas†, market share
2017, %

By company: JBS 36; Minerva 17; Marfrig 15; Other 32

By destination: Middle East and Africa 36; China 34; Russia 15; EU 4; Other 11

Mato Grosso, soya bought from the 15 municipalities with the most illegal deforestation, market share
2018, %

By company: Bunge 22; Amaggi 18; Cargill 17; Other 43

By destination: China 61; EU 14; Brazil 5; Other 20

Sources: Trase; Global Canopy; Stockholm Environment Institute; ICV; Imaflora †Either from direct or indirect suppliers

The roots of the problem

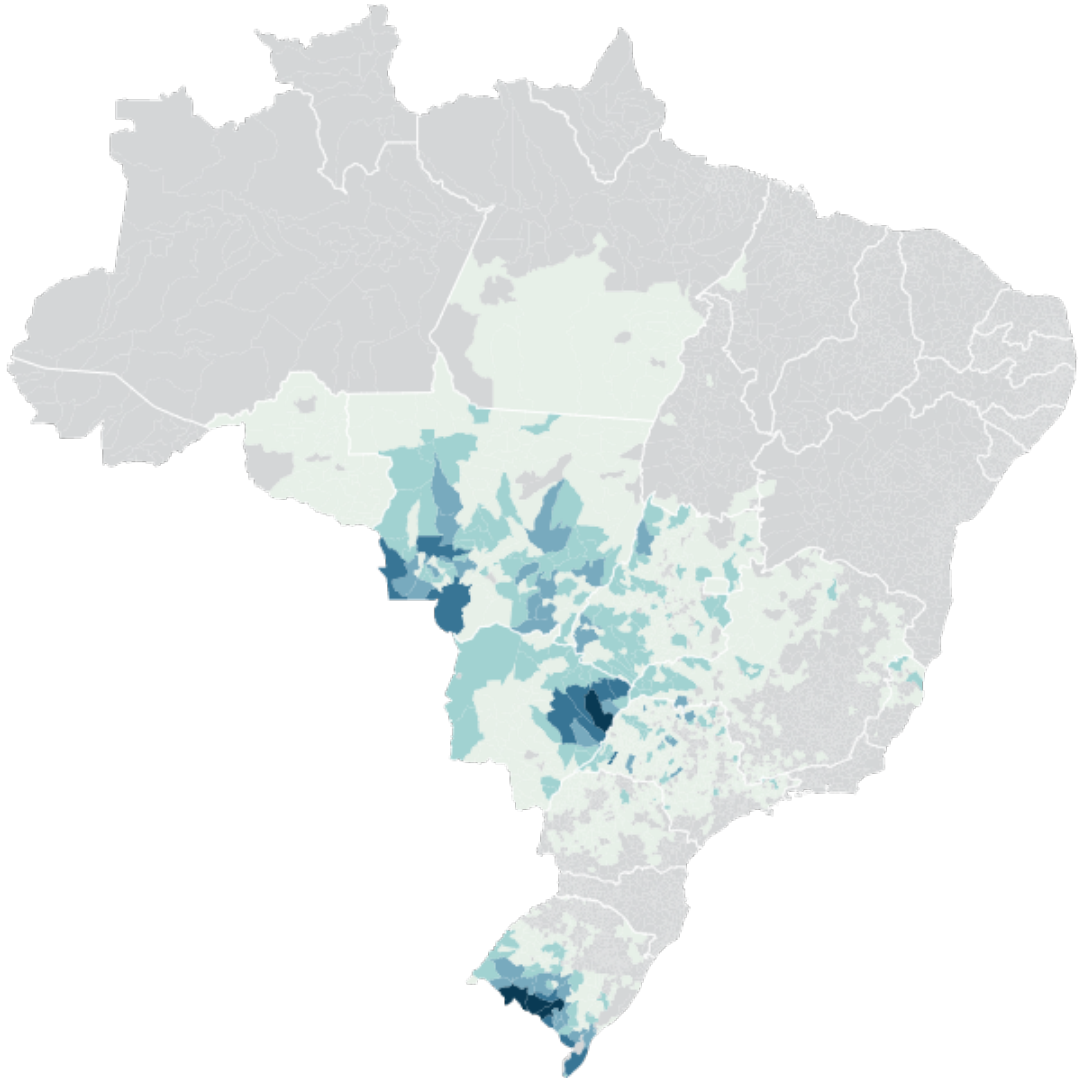
the hands of a few big companies, some of which trade on Western stockmarkets.

Trase scours satellite images to spot areas cleared for cattle or soyabeans. It cannot prove ties between specific exporters and farms. But it does produce regional es-

be used for planting, but may be in future.

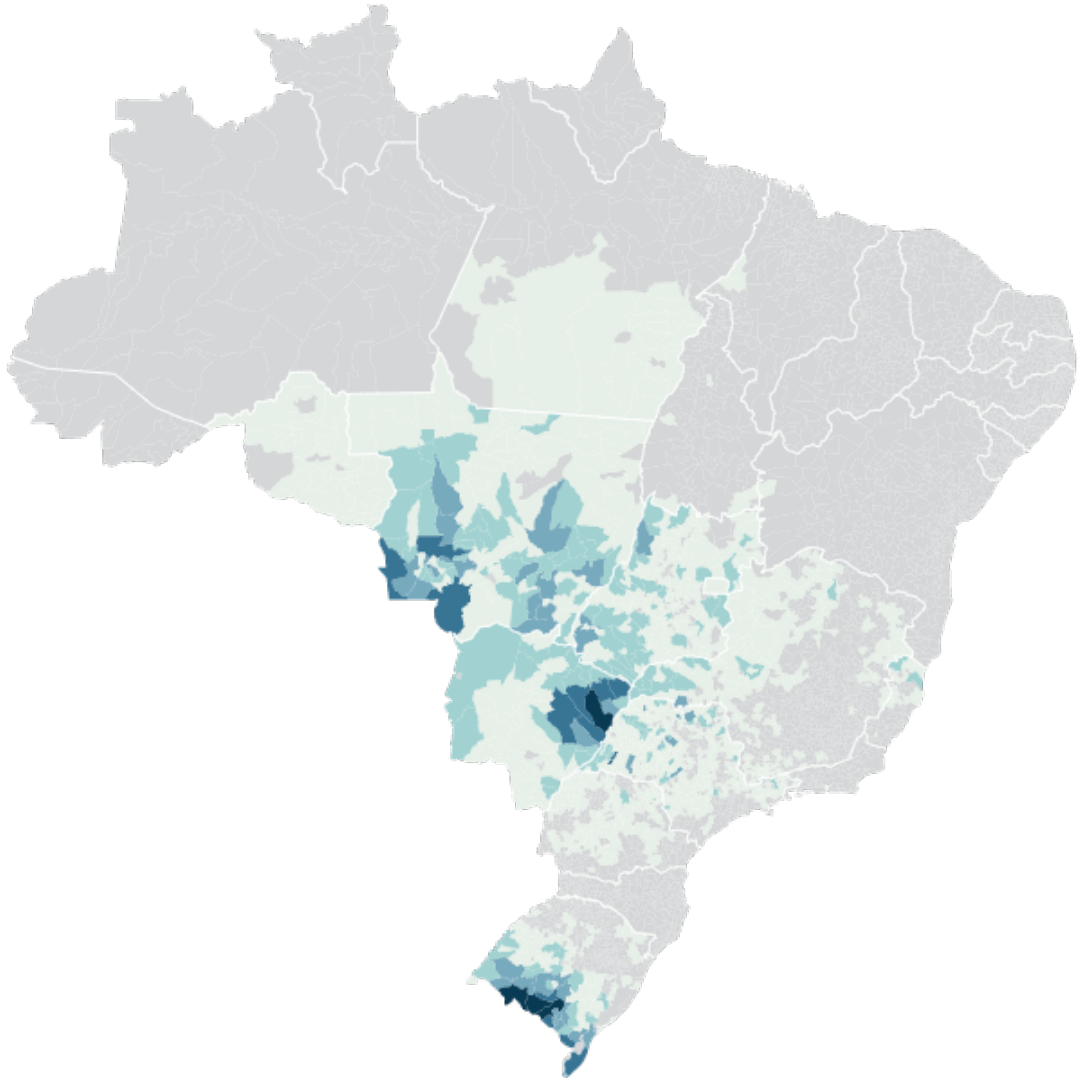
Among the 15 municipalities in the state with the most illegally deforested land, Trase estimates that nearly 60% of their total harvest was bought either by Amaggi, a private Brazilian firm, or by the American

EU cattle import risks are low, but likely to rise



Volumes mainly sourced from the South and Central West in 2017

EU cattle import risks are low, but likely to rise



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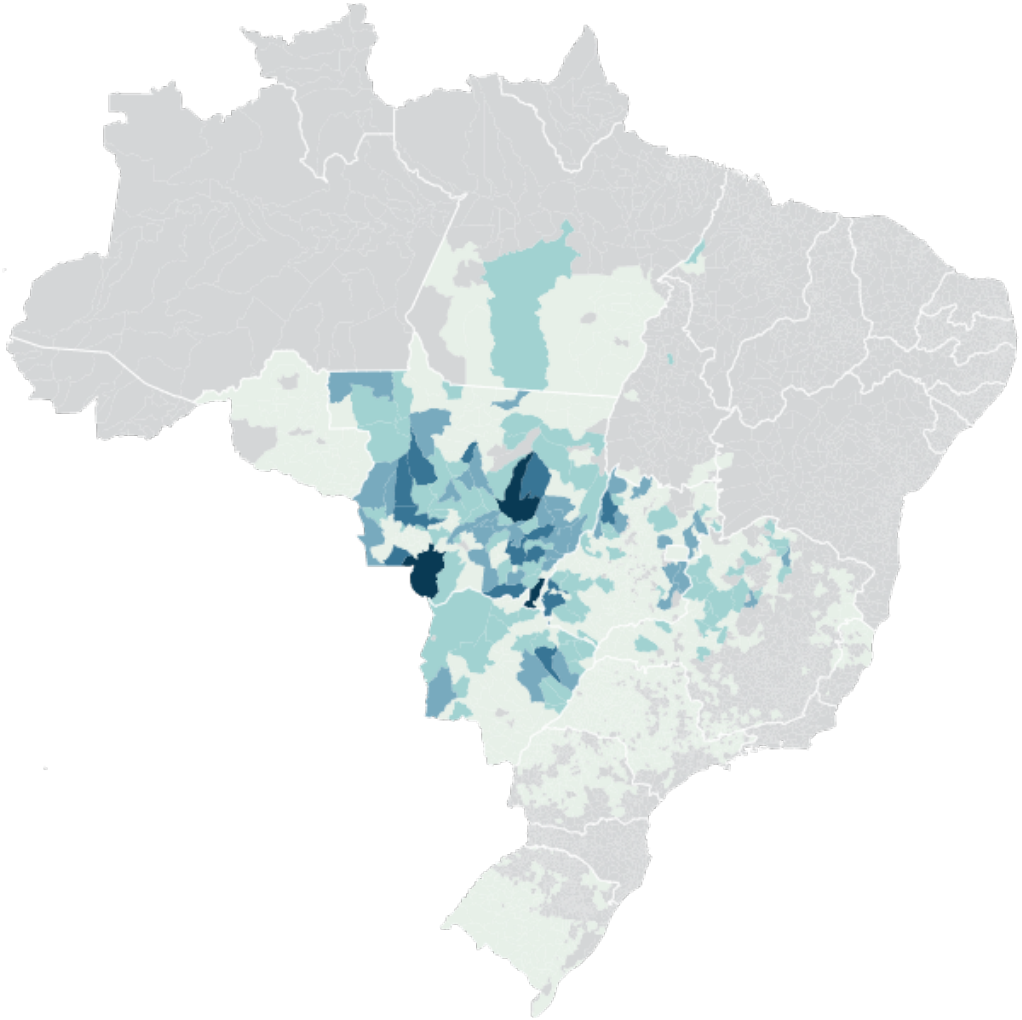
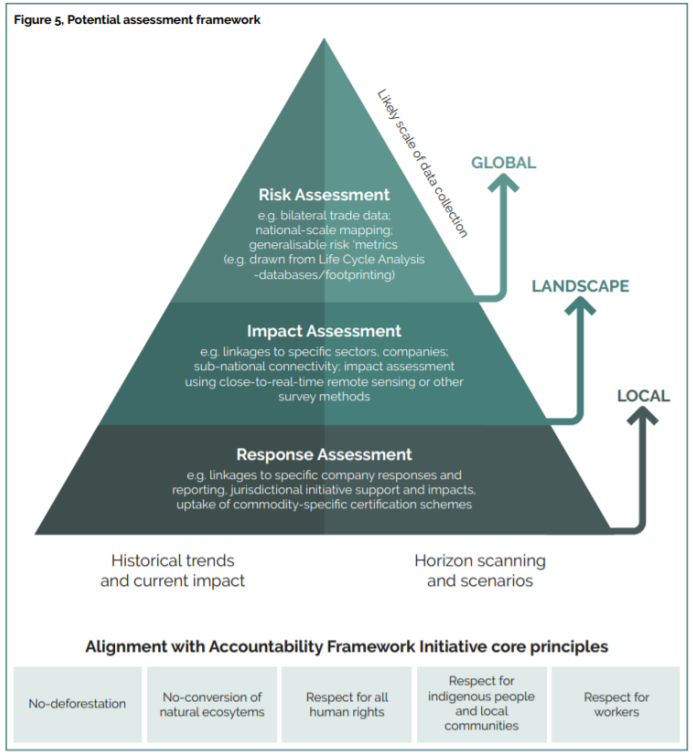


Commodity deforestation risk is concentrated in the Cerrado (2778 ha)

Governments recognize need for transparency

STRATÉGIE NATIONALE DE LUTTE CONTRE LA DÉFORESTATION IMPORTÉE

2018-2030



MINISTÈRE DE LA TRANSITION ÉCOLOGIQUE ET SOLIDAIRE

PLAN CLIMAT

ecologique-solidaire.gouv.fr

Priority 5: Support the availability of, quality of, and access to information on forests and commodity supply chains. Support research and innovation

Effective forest policy needs reliable information on forest resources, their condition, and how they are managed and used. It also needs reliable information on land-use change. The EU has been supporting research and capacity building in this domain at the global, regional and national levels[74]. It has also been supporting the monitoring of deforestation and forest degradation by using Earth Observation data from different sources.

Thank you!

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