

EU consumption and illegal deforestation



An analysis of EU imports of commodities that drive illegal deforestation

The role of the Netherlands, Italy, Germany, UK and France

Half of all tropical deforestation since 2000 has been caused by illegal clearance of forests for commercial agriculture. Fern's new studyⁱ, summarised here, suggests that the EU is one of the largest importers of products resulting from illegal deforestation. The report makes calculations in terms of forest lost as well as value of goods traded.

The study estimates that in 2012 the EU imported EUR 6 billion of soy, beef, leather and palm oil that originated from land illegally cleared of forests in the tropics – almost a quarter of the total world trade in illegally sourced agricultural commodities.ⁱⁱ

During 2000-2012, 2.4 million hectaresⁱⁱⁱ of land was illegally cleared of forests to provide the EU with beef, leather, palm oil and soy. This is the equivalent of one football pitch every two minutes.

In terms of value, almost a quarter of all agricultural commodities from illegal deforestation in international trade is destined for the EU. This includes 27 per cent of all soy, 18 per cent of all palm oil, 15 per cent of all beef and 31 per cent of all leather in international trade stemming from illegal tropical forest destruction. The Netherlands,

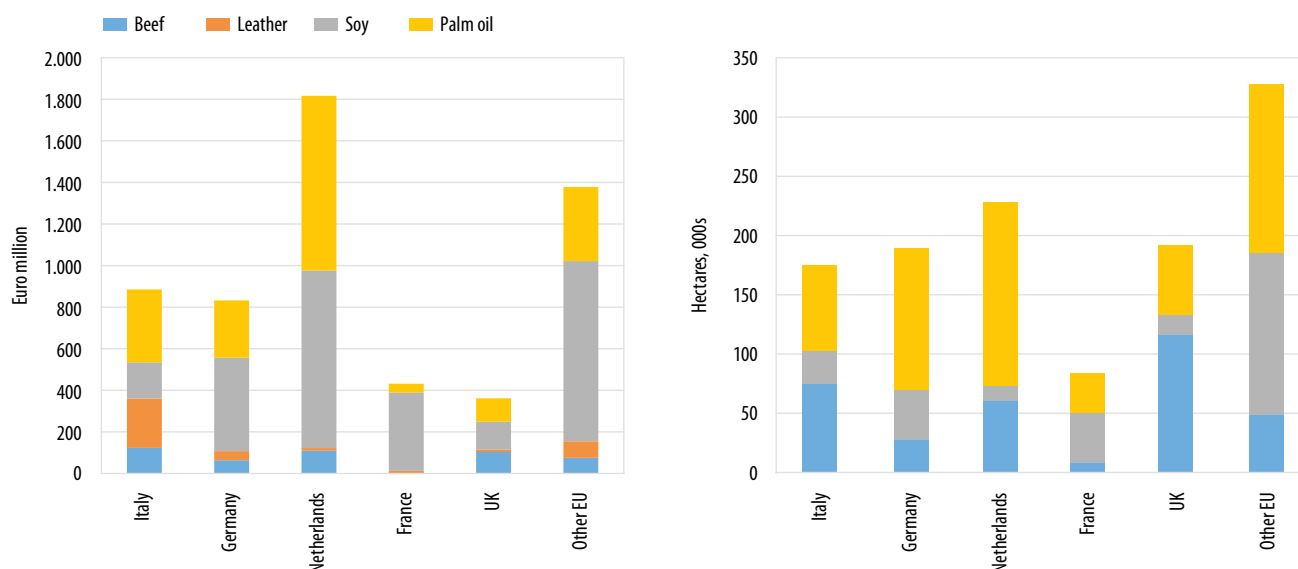
the UK, Germany, Italy and France are the largest importers of these illegally sourced commodities, collectively responsible for three-quarters in terms of areas of forest destroyed.

Different commodities are more important in different countries. In the **Netherlands**, which is by far the largest destination in Europe for these exports – responsible for a third of the EU imports by value – it is palm oil. Palm oil dominates **Germany's** illegal forest footprint too. In the land of designer shoes and handbags – **Italy** – leather is especially important. It is not surprising that in the EU's leading agricultural power, with a third of all agricultural land in the EU and the sixth largest agricultural producer – **France** – it is soy, used for feeding animals, that dominates. In the **UK**, whose inhabitants are known as *rosbifs* by their neighbours, the dominant illegally sourced import is beef.

Where are these illegal goods coming from?

More than half of the land illegally deforested for these EU imports is in Brazil and a further quarter is in Indonesia. (see Figure 4). In Indonesia, timber and oil palm plantations are the largest drivers of deforestation. Multiple studies show that at least 80 per cent of these developments are illegal.^{iv} In Brazil, where soy and cattle-rearing are responsible for nearly all deforestation,

Figures 1&2: Estimated gross EU imports of agricultural commodities from illegal deforestation by value (left) and by hectares lost, 2012 (mid-point estimate). Gross figures refer to total direct imports from forested countries. In Figure 2, leather has been omitted, to avoid double-counting with beef.



"In 2012 the EU imported €6 billion of commodities produced on land illegally cleared of forest"

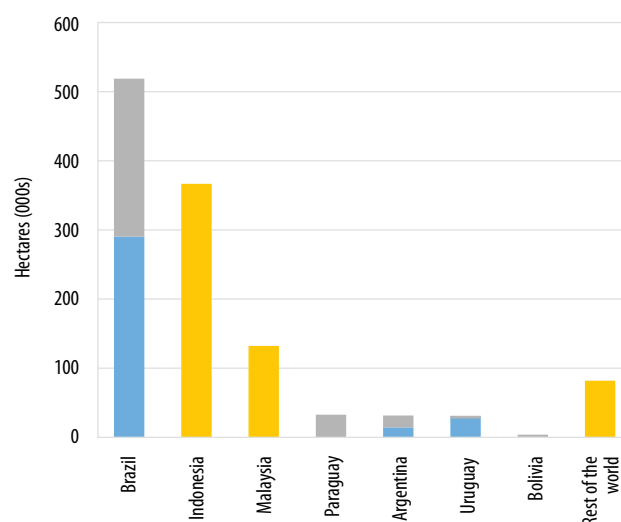
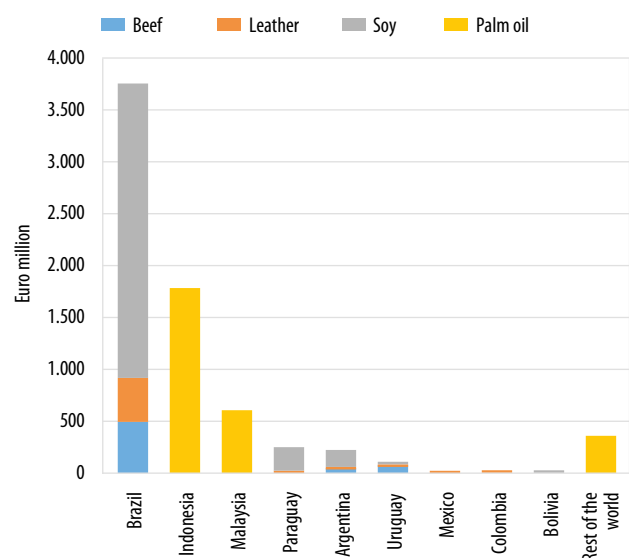
academic studies have shown that 90 per cent of deforestation for these commodities in the Brazilian Amazon between 2000 and 2009 was illegal.^v

Brazil and Indonesia are far from being the only countries affected. There is documented evidence of widespread breaches of regulations in the conversion of forest for commercial agriculture in most countries where large areas of tropical forest are being lost.^{vi} Countries such as Cameroon, Republic of Congo, Gabon, Papua New Guinea, Laos and Cambodia look set to grow in importance as suppliers of commodities grown or reared on illegally cleared land in the near future. In many cases entire developments are illegal, because the right to clear the land does not exist or was illegally issued or obtained, often in contravention of laws meant to protect the rights of local people(s) or the environment. Even where such rights to clear are legitimate, more often than not companies breach regulations and contract terms, such as by clearing more forest than permitted, or failing to make agreed payments to local communities or the government.

In addition to the environmental impacts, this rampant illegality is driving corruption, and leading to violence, human rights abuses and loss of revenues. Those seeking to halt the illegal deforestation have been threatened, attacked or even killed.



Figures 3 & 4: EU imports of commodities grown or reared on illegally cleared land in 2012. By source country/commodity, expressed in terms of value (left-hand chart) and area of forest lost (right-hand chart) (mid-point estimates, net imports). In Figure 4, leather has been omitted, to avoid double-counting with beef.





A palm oil plantation near Manokwari in the West Papua province of Indonesia.

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Local people protesting a SABL license issued for forest conversion for commercial agriculture in Papua New Guinea

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Recommendations for ending the EU's role in driving deforestation

The findings of the Fern report 'Stolen Goods: The EU's complicity in illegal tropical deforestation'^{vii} suggest that if the EU is to succeed in halting deforestation, it must tackle the rampant illegality which allows forest destruction to take place. Far-reaching corporate commitments on zero deforestation have shown that businesses are ready to address deforestation. But companies will struggle to fulfil their zero-deforestation promises in an environment of rampant illegality and governance failure. Governments must regulate to reduce illegal imports and create a level playing field.

This work should start by effectively implementing the EU's law to stop imports of illegally sourced timber and timber products, the EU Timber Regulation, to ensure it catches timber from forests illegally converted to agriculture.

However, with new pressures on tropical forests from growing demand for commodities, it will be necessary to develop and implement a broader EU Action Plan to halt deforestation and respect rights.

NOTE: On 30 March 2015, Fern will release a series of reports (available at www.fern.org/EUDrivers) with recommendations to the EU to halt deforestation and respect rights, focusing on the EU's policies on Climate, Energy, Trade, Finance, Sustainable Consumption and Development Cooperation. Together, they form a comprehensive action plan for the EU.



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I Stolen Goods: The EU's complicity in illegal tropical deforestation, Fern, March 2015, www.fern.org/stolen_goods.

II Range EUR 3.8 billion to EUR 7.9 billion.

III Figures from Stolen Goods: The EU's complicity in illegal tropical deforestation', Fern, March 2015, www.fern.org/stolen_goods.

IV Lawson S., Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations, Forest Trends, September 2014.

V Stickler, Claudia M., Daniel C. Nepstad, Andrea A. Azevedo, and David G. McGrath. 2013. Defending Public Interests in Private Lands: Compliance, Costs and Potential Environmental Consequences of the Brazilian Forest Code in Mato Grosso.

VI Lawson S., Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations, Forest Trends, September 2014.

VII www.fern.org/stolen_goods