



From Major Driver of Deforestation and Greenhouse Gas Emissions to Forest Guardians? New Developments in Brazil's Amazon Cattle Industry

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Cattle and Deforestation in Brazil

In the past decade, deforestation has accounted for over 50% of Brazil's annual greenhouse gas (GHG) emissions¹, ranking it as the world's third largest emitter of GHGs, after China and the US². Between the years 2000 and 2005, half of all tropical deforestation occurred in Brazil.³



Cattle ranching in the Brazilian Amazon drives over three-quarters of forest clearing and is a source of other environmental and social concerns, including bonded labor⁴ and land-grabbing⁵. Recent success in reducing deforestation for cattle expansion is greatly improving the chances for Amazon forest conservation and reduction of GHG emissions.

The role of ranching in contributing to Amazon deforestation has been recognized for decades, but the Brazilian Amazon is enormous, government institutions have been largely absent on the frontier and they have been unable to enforce laws. This has created a situation in which many ranchers do not acquire or register their land legally. An additional complication is that cattle can be moved hundreds of miles from ranches to slaughterhouses, and hides are transported thousands of miles from slaughterhouses to shipping ports; so buyers, therefore, are not aware of their products' origins. Brazil has the world's largest commercial cattle herd and is the largest exporter of beef and leather – with exports totaling over US\$5 billion/year. Many products make their way to into major leather brands via processing in Italy and China and the demand is growing. Brazilian beef and leather exports have increased almost four times in the past decade⁶ and Brazil has plans to double its share of the global beef trade by 2018.⁷

Recent Action to Reduce Deforestation

In the past 18 months, significant strides have been taken towards solving cattle-raising's impacts on rates of deforestation. This has been spurred by influential NGO reports detailing the environmental and social impacts of the cattle industry. Reports by Greenpeace and Amigos da Terra, Amazônia-Brasileira last year showed how major meat and leather brands were selling products sourced from ranches implicated in illegal deforestation, and how the Brazilian National Development bank (BNDES) was the major funder of a rapid expansion of slaughterhouses into the Amazon. ⁸ Campaigns by NGOs put pressure on Brazilian meatpackers and international retailers.

Because there has been no comprehensive traceability system in place, meat and leather retailers and brands were unable to determine whether or not their supplies were tainted with deforestation. Following the release of these reports and campaigns, the largest meatpackers in Brazil and major leather brands announced new policies against deforestation in their supply chains.



Enforcement

At the same time, under threat of prosecution by the Federal Public Prosecutor's Office in Pará state, the major slaughterhouses signed an agreement (Terms of Adjustment of Conduct, known as the TAC) that from February 2010 they would only buy cattle from ranchers registered with the Pará State Rural Environmental Register (Cadastro Ambiental Rural, or CAR). ⁹ A similar agreement was later signed in Mato Grosso state, the largest cattle producing state in the Amazon. In order to obtain the CAR, ranchers must provide the GPS coordinates of their properties' boundaries. Brazil's state of the art deforestation monitoring system can be used to detect whether there is new deforestation within these ranch boundaries.

Pará's Federal Public Prosecutors Office also warned Brazil's largest supermarket chains that they too could face prosecution if they did not act to avoid purchasing meat originating in ranches breaching environmental laws. As a result of both government and civil society action, the impacts of deforestation in remote areas of the Amazon were linked to major, international meat and leather retailers and brands; and a willingness to implement change was shown throughout the supply chain.

Monitoring & Tracking

On October 5th, 2009, Brazil's largest slaughterhouses, (JBS-Bertin, Marfrig and Minerva) signed an agreement with Greenpeace setting out a timeline by which they would only buy from ranches which they can show have no deforestation from that date. The slaughterhouses started by obtaining one geo-referenced location point from all their direct suppliers and overlaying these points on maps of recent deforestation, protected areas and indigenous lands. Any supplier found to be located close to protected areas or areas of new deforestation were then required to prove that the new deforestation was not on their property or they would be suspended from supplying the slaughterhouse. In July 2010, this process led to the slaughterhouses announcing that they had suspended purchases from 221. ¹⁰ This represents a very small proportion of the tens of thousands of ranches that supply them but shows how in a matter of months, they were able to eliminate deforestation from their direct suppliers.

The next steps are to obtain full GPS boundary coordinates of all the directly supplying ranches (often large fattening farms); and subsequently to address indirect suppliers, which are often small calving ranches. This latter step is likely to present a much greater challenge.

The leather industry has linked the efforts of slaughterhouses to their own supply chains through the international Leather Working Group.¹¹ This group was set up to improve environmental standards in the leather industry and its members include major leather brands and tanneries such as Adidas, New Balance, Nine West, Puma and Nike.¹² This year, the Group agreed on new standards in a revised Tannery Auditing Protocol, which calls for improved traceability for leather sourced from Brazil and processed by tanneries that supply its members. The “zero deforestation” language in the Protocol demonstrates how, for the first time, key players in the leather industry are acting to prioritize Amazon conservation.



Notable Achievements and Way Forward

These efforts are bearing fruit — deforestation in Brazil has been dramatically reduced in the past year to less than a quarter of its 2004 peak.¹³ This represents a GHG reduction of 850 million tons of CO₂ annually.¹⁴ In Mato Grosso state, 2010 deforestation figures are startling; deforestation has been reduced to only 7% of its peak in 2004.¹⁵

However, continued progress in Brazil cannot be taken for granted; Brazil’s Forest Code, which requires properties in the Amazon to retain up to 80% as forest cover, is currently under threat of being significantly weakened by Brazil’s Congress.¹⁶ In addition, the slaughterhouses which are working to map and monitor their suppliers do not represent the whole industry; a significant clandestine, informal market exists.

The average stocking rate of cattle in the Amazon is only around one head per hectare. Methods to at least double the number of animals per hectare are being promoted by Brazil’s Agricultural Research Agency, Embrapa.¹⁷ This will be vital in order for Brazil to meet its target to expand the cattle industry without putting forests at further risk. In addition, in November 2010, BNDES launched a 1 billion BRL (approximately 600 million USD) fund to provide low cost loans for reducing GHG emissions from agriculture through reforestation and restoration of degraded land.¹⁸

Continued support within Brazil and internationally, by all consumers of Brazilian beef and leather, for deforestation-free products, is needed in order to build on the remarkable progress of the past couple of years.



Find out about National Wildlife Federation’s work supporting solutions to deforestation for agriculture and livestock at www.nwf.org/deforestation

End Notes

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