



Cattle-ranching in the Amazon: the fine line between legal and illegal

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key messages

- ✓ Despite the willingness of meatpackers to sign social and environmental commitments, the beef produced in the Amazon biome may be tainted by deforestation, slave labor and other illegal activities due to the low implementation of agreements.
- ✓ Progress has been made but the implementation of monitoring, auditing and transparency in the beef chain needs to be increased.
- ✓ Initiatives, such as Beef on Track, are essential in raising the level of information and training the players in the chain, as well as providing greater articulation and coordination between public and private players.
- ✓ Solutions to critical problems, such as indirect suppliers and gains of scale, depend on dialog among sectors and rethinking the agenda.

Introduction

Beef production involves millions of cattle farms located throughout Brazil. According to surveys by the Brazilian Beef Exporters' Association (ABIEC, 2020), Brazil has 214 million head of cattle. In the state of Pará alone, the cattle herd totals 20 million animals.

Data from the Agricultural Census (IBGE, 2017) shows that there are approximately 400,000 cattle-producers in the states that compose the Amazon biome.

The path from the farms to the consumers' plate winds through the Brazilian meatpacking industry, internationally recognized for the quality and value of its beef exports.

A total of 10.5 million tons of beef were produced in 2019. Of this total, 8 million tons were sold to the local market and 2.5 million tons (23.6% of production) was exported. In figures, sales on the local market hit 92 million reais. Exports yielded R\$ 30 million and leather exports reached R\$ 4.5 million. The largest export share was fresh meat (80% of total exports) sold to 124 countries. China bought one third of Brazil's fresh meat (ABIEC, 2020).



The meatpacking industry based in the Brazilian Amazon is extremely important to the regional economy. According to national statistics, the area is home to 110 companies that own 157 meatpacking plants in the Amazon region.

The meatpackers registered with the Federal Inspection System (SIF) can sell meat nationwide and also export it. The average slaughter capacity is 708 animals/day.



The long cattle trail: gaps and risks

The cattle that is slaughtered in the meatpacking plant is often located more than 360 km away from the slaughterhouses (Barreto et.al,2017). The suppliers of these slaughterhouses are the properties where the animals are born (breeding farms), raised (rearing farms) and fattened (fattening farms). There is also the finishing farms (last stage of fattening) before reaching the slaughterhouse. It is at these farms that dangers may (or may not) lurk - illegal practices such as deforestation, slave labor, invasion of public lands, etc.

According to the Environmental Crime Law, all companies have joint responsibility in their production chains. It's no different with meatpackers. This means that they cannot turn a blind eye to illegal activities carried out in the farms where they buy their cattle. This is why they must do their share in controlling the chain.

The commitments

Commitments were created in 2009 to eliminate illegal deforestation and achieve zero deforestation, slave labor and invasion of public lands in the beef chain. The commitments in force in 2020 are the Terms of Adjustment of Conduct (TACs) drawn up by the Public Prosecutor's Office that focuses on illegal deforestation. Another is the commitment to zero deforestation, known as the Cattle Agreement created by Greenpeace. The latter was aimed only at the three Brazilian meatpacking giants that account for 60% of Brazilian beef exports: JBS, Marfrig and Minerva (Trase, 2019).

Both agreements apply only to the Amazon biome. Both establish the compliance criteria and controls that meatpacking plants should put in place to ensure the elimination of illegal suppliers. Around 60 Amazon-based meatpackers signed the TAC in 2020 (www.monitac.oeco.org.br).

Drawing the line: building an agenda among multiple parties

Since the start of this journey, which is now more than 10 years down the line, public players (public prosecutors, state and federal monitoring agencies, etc.) have begun interacting with private players (representatives of meatpackers, supermarkets, agricultural confederations and federations, environmental and research NGOs, among others).



This interaction led to a governance system for the chain and progress was made in the monitoring of suppliers. In addition to the three large companies, some medium-sized meatpackers have also started monitoring their suppliers. The first audit to check compliance with the purchase rules took place in 2014. Although steps have been taken, there are still many companies walking a fine line. In other words, beef produced in the Amazon biome continues tainted with illegal deforestation, slave labor and invasion of public lands.

Cattle herd on track: three fundamental pillars

The accurate **monitoring of suppliers, the auditing** of cattle purchases and the monitoring system itself, as well as **transparent results**, are the three essential pillars that keep the meatpackers in check.

The **Beef on Track** initiative (see box) of Imaflora, conceived and developed in partnership with the 4th Chamber of Environment and Cultural Heritage of the Public Prosecutor's Office and meatpackers, operates on these three principles with the purpose of strengthening the commitments (TACs) and speeding up their implementation in all states of the Legal Amazon region.

Without scale gains, the problems plaguing the chain will not be eliminated. The foreign market is essential, however, it is important to point out that the local market is also a major consumer of beef originating from the Amazon.

The first major step was taken on July 1, 2020. This is when version number 1 of the Unified Monitoring Protocol officially comes into force (read more in Harmonizing Cattle Supplier Monitoring: a new tool and its advances). Activities that were previously carried out by the





BEEF ON TRACK

Beef on Track: The platform for transparency in the beef value chain.

The Beef on Track platform is a one-stop hub that provides access to systems, tools, data and technical information for a deforestation-free beef chain. A team of experts, supported by strategic local and international partners, works behind the scenes to develop solutions. It has two main aims: to support and boost the implementation of socio-environmental commitments. As such, producers, meatpackers of all sizes, tanneries, supermarket chains and also investors can use this environment to find the materials they need to implement the commitments. Of course the public in general can also use it as a source of data and resources to monitor the progress of the agreements undertaken by the chain.

Come in and get involved!

www.boinalinha.org

www.beefontrack.org

Acknowledgments

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Imaflora is a Brazilian non-governmental organization created in 1995 to promote the conservation and sustainable use of natural resources by generating social benefits in the forestry and agricultural sector.

meatpackers without any kind of standardization now have common rules that are applicable to all. According to the schedule of the Beef on Track actions, a Unified Audit Protocol will be launched in 2020.

Testing these new tools will help to better understand what really works and what still needs alignment. The lessons learned from the implementation of both Protocols will enable the second versions of these instruments to reduce even more the differences in monitoring and will more easily pinpoint critical problems such as **indirect suppliers**.

Going further in the agenda: monitoring indirect suppliers

Supplier monitoring must include indirect suppliers as well, such as suppliers who sell the calf or bull calf to other farms to fatten the animal in preparation of slaughter.

There are different views on how to include indirect suppliers in the monitoring. Meatpackers, NGOs and Public Prosecutors are not yet seeing eye-to-eye on this. How to assign responsibility, access the correct documents and share costs? In any case, this obligation is included in the signed commitments and the technical solutions already exist. Without doubt, this is the next most important and urgent step to be taken.

Since the scope of the challenge is so huge, restoring and maintaining interaction between the players active and committed to the solutions is essential. Besides the construction and availability of technical tools, Beef on Track promotes training and articulation through a Digital Platform but also through a lot of dialog among the sectors and civil society.

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