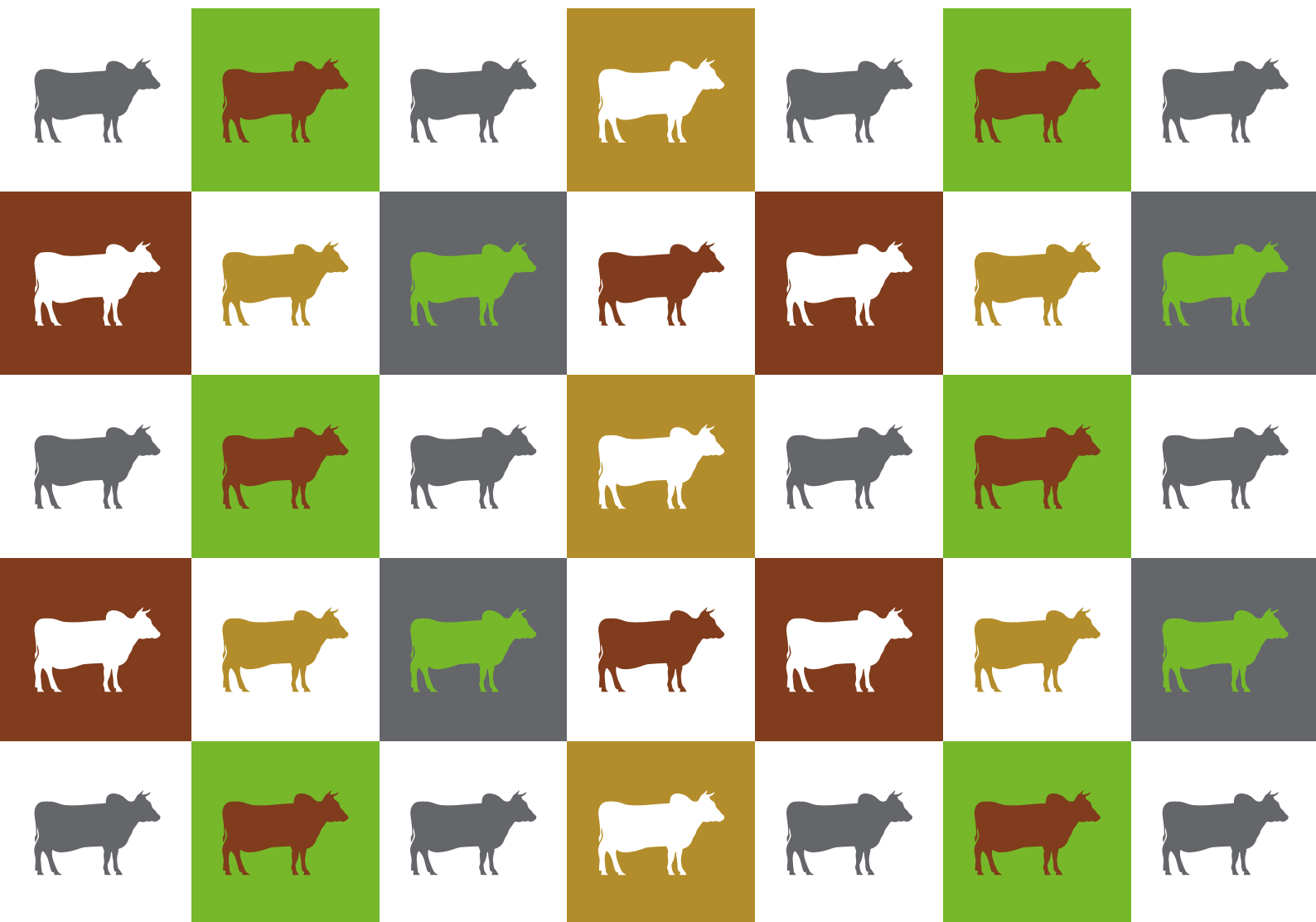


TRAINING WORKSHOPS FOR **THE AUDIT PROTOCOL FOR THE MONITORING OF CATTLE SUPPLIERS IN THE AMAZON**



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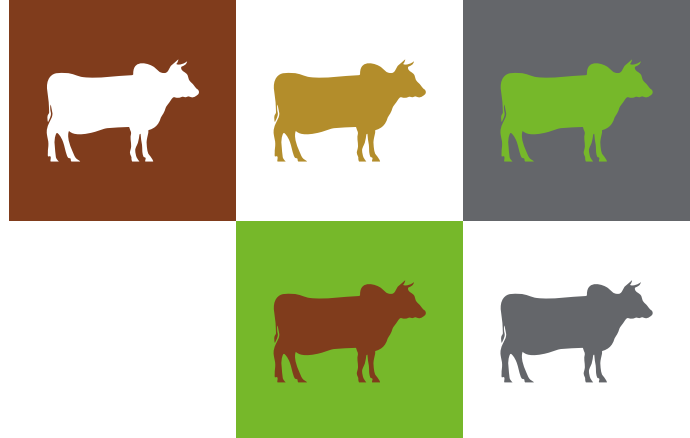
 **Imaflora**[®]

Piracicaba, December 18, 2021

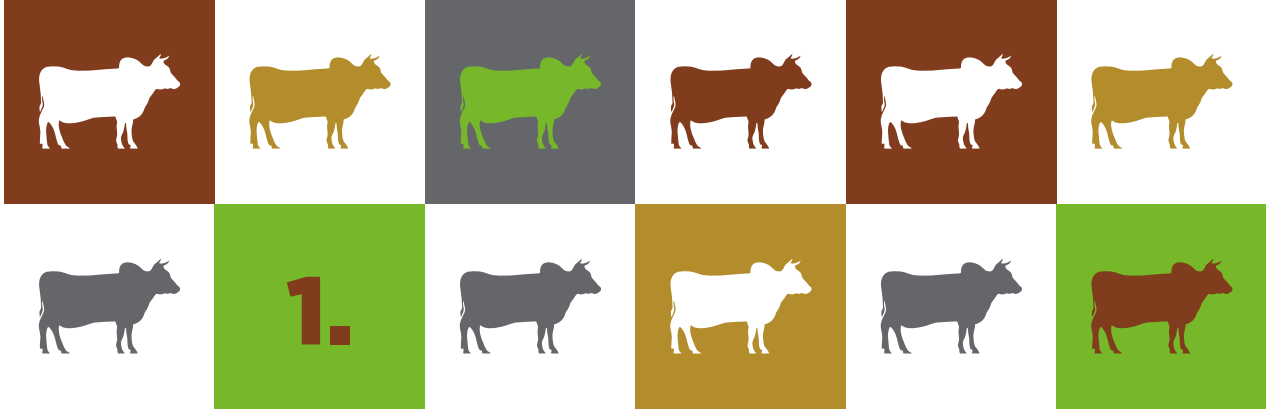


TRAINING WORKSHOPS
FOR THE AUDIT PROTOCOL
**FOR THE MONITORING
OF CATTLE SUPPLIERS
IN THE AMAZON**

SUMMARY



1.	INTRODUCTION	04
	TRAINING WORKSHOPS FOR MEATPACKERS IN THE AUDIT PROTOCOL FOR THE MONITORING OF CATTLE SUPPLIERS IN THE AMAZON	06
3.	ANALYSIS OF WORKSHOP ATTENDANCE	08
	MAIN REMARKS AND QUESTIONS	12
5.	CONCLUSIONS	14
	ANNEX I - FULL LIST OF REMARKS OF EACH WORKSHOP	15
	ANNEX II - ATTENDANCE SHEET	23
	ANNEX III - WORKSHOP ASSESSMENT	25



INTRODUCTION

In 2009, the largest meatpackers in the country signed commitments to monitor the purchase of cattle sourced from the Amazon in compliance with the Public Prosecutor's Office (TAC of Pará and Beef TAC) and civil society organizations (Public Commitment for Cattle Ranching in the Amazon). The agreements also set forth the criteria that should be used by the signatory companies to monitor their supply chains so the sale of beef products from areas in the Amazon that contained irregularities could not take place.

The **Protocol for the Monitoring of Cattle Suppliers in the Amazon** (2020), officially approved by the 4th Coordination and Review Chamber (Environment and Cultural Heritage) of the Public Prosecutor's Office, defined these parameters and the rules for overseeing suppliers and cattle purchases.

Since the commitments also established that the monitoring implemented by the meatpackers should be audited annually to verify compliance, the **Protocol for the Monitoring of Cattle Suppliers in the Amazon** was launched in October 2021 to align and unify the auditing procedures to add reliability and transparency to the process. The meatpackers now have a reference document that adds value to the companies and generates transparency for civil society.

The audits aim to assess compliance in cattle purchases by verifying the effectiveness of the systems the meatpackers are using to monitor their suppliers. The guidelines and procedures defined in the Protocol have replaced the provisions in force up to now and help independent audit organisations verify compliance with the terms of the commitments undertaken by the companies.

To increase the participation and involvement of meatpackers in this process, a series of Workshops were held from October to December 2021, under the scope of the Beef on Track Program,

to offer training in relation to the **Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon**.

Other targets of the Workshops:

- Provide input for future revisions of the Audit Protocol
- Engage meatpackers in the implementation and improvement of monitoring processes
- Encourage a dialogue between meatpackers and other regional entities linked to the beef production chain
- Pinpoint public interest agendas to support the TAC and cattle ranching development strategies.

The events were held in seven cities in five states in the Amazon region: Manaus-AM, Marabá-PA, Santarém-PA, Belém-PA, Cuiabá-MT, Porto Velho-RO and Rio Branco-AC. In total, 78 people from 49 different entities participated, including meat packing plants, public bodies, associations, civil society, among others.



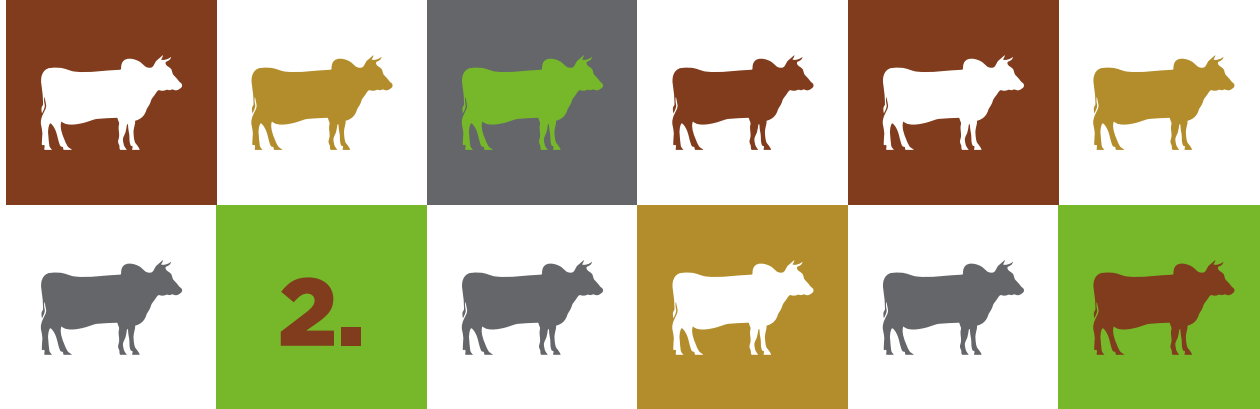
Table 1
Number of institutions present

WORKSHOPS	Manaus 19/Oct	Marabá 26/Oct	Santarém 29/Oct	Belém 9/Nov	Cuiabá 23/Nov	Porto Velho 30/Nov	Rio Branco 01/Dec	Total
Regional association					1	3		4
Consulting Firm	2				1			3
Meatpacker	7	4	2	6	9	3		31
Tannery		1						1
Public Entity	1			2	1	1	1	6
Civil Society Organisation					1		1	2
University				1	1			2
Total number of entities	10	5	2	9	14	7	2	49

This report aims to discuss the issues worked on in the workshops, as well as the remarks that were raised in each event, and to take stock of the events for the development of reliable, secure and

consistent audits for the agreements associated with the beef chain in the Amazon.





TRAINING WORKSHOPS FOR MEATPACKERS IN THE AUDIT PROTOCOL FOR THE MONITORING OF CATTLE SUPPLIERS IN THE AMAZON

The events were opened by Imaflora with a brief institutional presentation and by the prosecutors of the Public Prosecutor's Office (*Ministério Público Federal* - MPF). The prosecutors present pointed out the entity's support of the Beef on Track Program and their partnership with Imaflora in creating and developing the actions that are being carried out along with various stakeholders in the livestock chain.

The prosecutors also made a point of mentioning that this first version of the Audit Protocol should help meatpackers improve their internal procedures for managing and monitoring their cattle suppliers. In addition, the Protocol underpins the terms established in the TAC by providing greater transparency in the beef value chain.

As previously mentioned, this Protocol is based on the criteria and parameters of the **Monitoring Protocol for Suppliers of Cattle in the Amazon**, and it also offers an "Audit Report" and "Public Summary of the Audit Report" template for the companies.

Other topics mentioned in the agenda of the Workshops were the presentation of the **Beef on Track Program** and the roll-out of the **Guide for Retailers: Developing an Effective Beef Procurement Policy**, another product of the program also finalised in the second half of 2021 and aimed at the supermarket sector.

The content of the Audit Protocol is explained with a summary of the main steps of the process and the initial steps of the audit, which involve the definition of the scope and the selection of the audit firm. The next stage is the preparation of the audits, with the creation of a plan and access to the data and information that need to be shared. The monitoring systems and the compliance of cattle purchases and consumer information procedures will be verified in the work performance stage of the audit based on predefined criteria. The last stage involves the closing of the audits, when the reports are drawn up, sent and published.

Figure 1 below shows the agenda with the topics worked on in the Workshops and the **link** shows the full content of the presentations.

Figure 1
Workshop Agenda

Time	Content
08:00	Welcome Coffee
08:30	Opening
09:00	Beef on Track Program and commitments Protocol for the Monitoring of Beef Suppliers in the Amazon
10:30	Break
10:35	The Protocol and the audit organisations and first steps of the audit Setting up the audit and sampling
12:30	Lunch – at the Hotel's restaurant
13:30	Conducting the audit
16:00	Break
16:10	End of Audit Audit Program Questions and debate
16:50	End of workshop






ANALYSIS OF WORKSHOP ATTENDANCE

Before the workshops could take place, all meatpackers with TAC were invited to take part in the training workshops. The first step was for the Federal Prosecutors to send the official letters to the companies, as shown in Figure 2.

Figure 2
Example of an official letter sent to the companies by the Federal Prosecutors



MINISTÉRIO PÚBLICO FEDERAL
PROCURADORIA DA REPÚBLICA - MATO GROSSO/DIAMANTINO

OFÍCIO/PR/MT/GABPR3-ERM/Nº4555/2021

Cuiabá/MT, [data e horário da assinatura eletrônica]

Aos representantes legais da empresa
[Redacted]

Endereço eletrônico: [Redacted]

Assunto: Workshop de capacitação dos frigoríficos no **Protocolo de Auditoria dos compromissos da pecuária na Amazônia**.


Prezado(a) Senhor(a),

Considerando o Termo de Ajustamento de Conduta do MPF com os frigoríficos que atuam na Amazônia, TAC da Carne Legal, a implementação do Protocolo de Monitoramento de Fornecedores de Gado da Amazônia, obrigatória desde 01 de julho de 2020 e a necessidade de harmonizar o processo de verificação e relatoria a todas as empresas.

O MPF convoca a sua organização, por meio do departamento técnico responsável, a participar do **Workshop de capacitação dos frigoríficos no Protocolo de Auditoria dos compromissos da pecuária na Amazônia**, organizado pelo IMAFLORA no âmbito do **Programa Boi na Linha**, tendo como objetivos apresentar as diretrizes e procedimentos para a verificação dos TAC com o MPF para a Amazônia e o Compromisso Público da Pecuária.

O evento será realizado no dia **23/11/2021**, das 8h00 às 17h00, no Hotel Deville Prime Cuiabá - Av. Isaac Póvoas, 1000 - Centro Norte, Cuiabá - MT, 78032-015.

Inscrição: <https://forms.gle/5u2dDvGXvKib7A52A>

 MPF <small>Ministério Público Federal</small>	PROCURADORIA DA REPÚBLICA - MATO GROSSO/DIAMANTINO	Av. Miguel Sutil, n.º 2.625, Esquina Rua J. Márcio (r. Nestelous D, Jardim Primavera - CEP: 78.030-010 - Cuiabá/MT Telefone: (65) 3612-5000
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Assinado com Login e senha por RICARDO MARQUES MARIANO, em 16/11/2021 10:34. Para verificar a autenticidade acesse <https://www.transparencia.mpf.mt.gov.br/portal/assinaturas>. Chave: 14218279165136994102710215160312166

Then, messages were sent by e-mail and WhatsApp (Figures 3 and 4), phone calls were made and lastly, the event was widely disseminated by the Beef on Track communication channels.

Figure 3
Material sent via WhatsApp



Figure 4
Material sent via email



For the seven workshops, attempts were made to contact 115 meatpackers, of which 31 attended, with most of them from the capital cities of Cuiabá, Manaus and Belém, as shown in Table 2 below. Many companies confirmed their presence, however, did not show up.

Table 2
Number of meatpackers engaged and present

WORKSHOPS	Manaus - AM 19/Oct	Marabá - PA 26/Oct	Santarém - PA 29/Oct	Belém - PA 9/Nov	Cuiabá - MT 23/Nov	Porto Velho - RO 30/Nov	Rio Branco - AC 01/Dec	Total
Total number of meatpackers engaged	10	18	5	28	38	12	4	115
Total number of meatpackers present	7	4	2	6	9	3	0	31



The target audience of the events were the meatpackers, however, representatives of other local institutions also attended, such as 4 regional associations, 2 universities and 6 public agencies, 3 consulting firms, 2 civil society organizations and 1 tannery. The final balance of the number of participants in the seven workshops shows that 78 people from 49 different institutions

attended. The cities with the highest number of participants were, in this order: Cuiabá, Manaus, Porto Velho and Belém.

Table 3 below shows which institutions were at each workshop. The full list of attendees for each workshop is in Annex II of this report.

Table 3
Final analysis of participants in the workshops

Location	Attending Institutions	Number of attending institutions	Number of attendees
Rio Branco - AC	MPF, IPAM	2	3
Manaus - AM	MPF; Frizam; Frigo Tefé; Norte Boi; NR Comercio de Frios; Frigorífico Amazonas; Bovinorte; Mafrico; ECO2; Duprado	10	17
Porto Velho - RO	JBS, Marfrig, Minerva, Frigomil, Federação da Agricultura e Pecuária do Estado de Rondônia-FAPERON, Embrapa (AC) and Sociedade Brasileira de Ciência do Solo - SBCS	7	12
Marabá - PA	JBS, Durli Couros, Frigorífico Rio Maria, Masterboi and Frigorífico Valencio	5	11
Santarém - PA	Frigorífico Mararu and Frigorífico Ribeiro	2	2
Belém - PA	MPF; Frigo; Mercurio Alimentos; Matadouro Planalto; Fortefrigo; Embrapa; UEPA; JBS/Friboi; Coagro	9	9
Cuiabá - MT	MPF; Minerva Foods; Carnes Boi Branco; Frigo Estrela; Frigo Pantanal; Frigosul; Frialto; IMAC; Frigolider Colider; Marfrig; JBS/Friboi; ECO2; NWF; UFMT	14	24
Total		49	78

A few inferences have been made with basis on the low attendance of meatpackers in the workshop and the experience gained in the engagement process. Firstly, there is no established meatpacker database yet with contact telephone numbers and emails, which makes it difficult to communicate with those in charge. Furthermore, the distance and travel time to attend the workshops due to logistical difficulties in the region made it impossible for many to send representatives. In these cases, one must consider that the workshops took place in capitals or regional centres and most meatpackers are located in the more rural areas of the state. The company would have to deal with the extra travel

expenses and with the absence of the representative during business hours, and usually the teams are quite lean, even if in some cases a living allowance had been offered. Some companies showed interest in participating if the workshop was online.

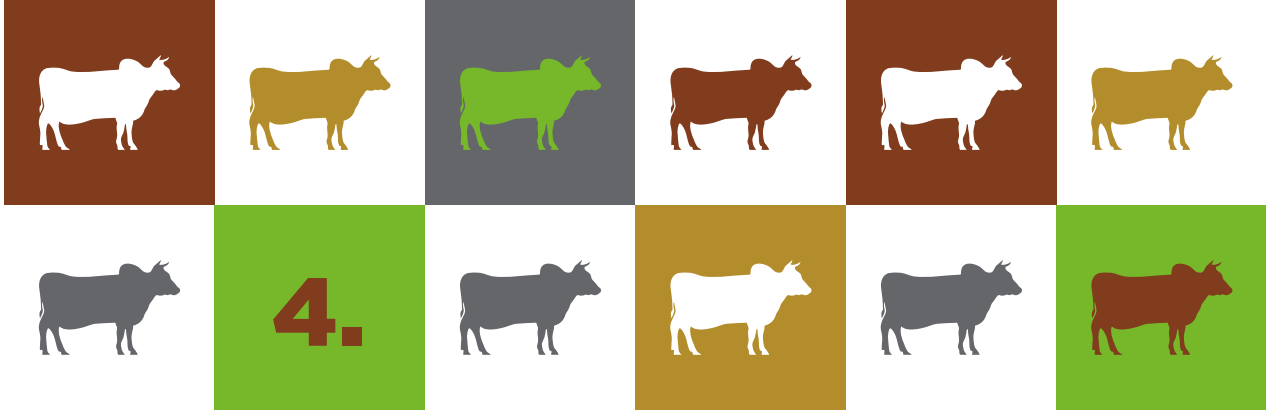
Another factor that contributes to the low attendance is the resistance of many companies to adhere to the terms and requirements established in the TAC. Many have doubts about the processes but prefer to stay out of the loop (since there are no penalties for doing so) and believe that the responsibility for supervising the rural producer lies with the environmental

bodies. They also claim that the cost of monitoring and auditing is too high for them.

It can also be said that the Beef on Track program is new and many meatpackers have not yet gotten involved with the program. A great effort was made in 2020 during the period of

the Workshops for the Monitoring Protocol for Suppliers of Cattle in the Amazon; however, many companies are still unaware of the partnership between the Public Prosecutor's Office and Imaflora. The work to engage the companies is ongoing and the actions taken now will also help to increase engagement in future actions.



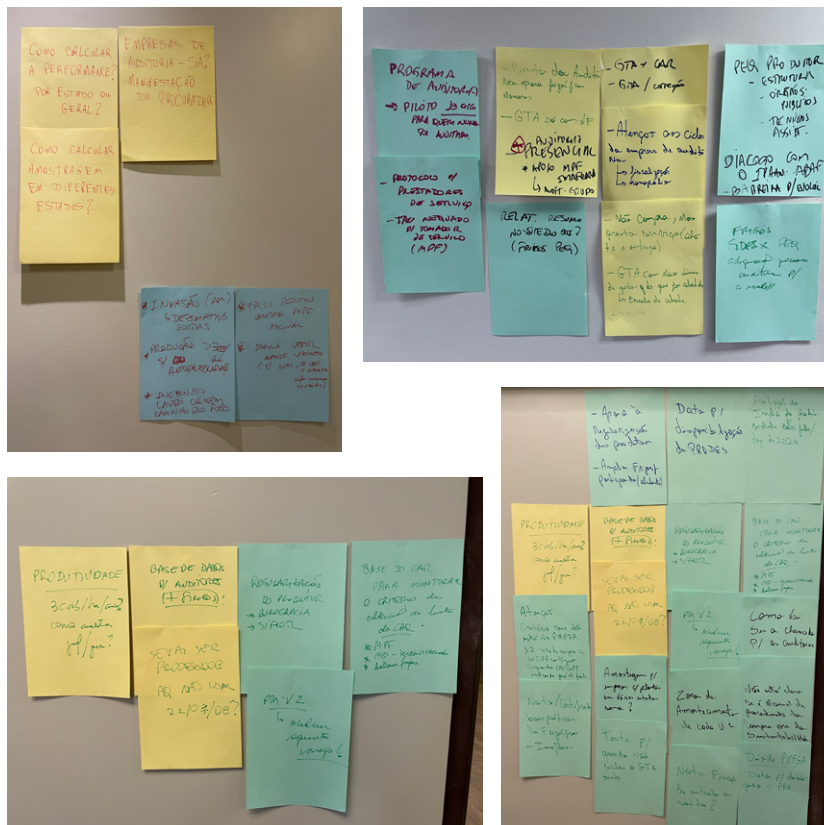


MAIN REMARKS AND QUESTIONS

During the Workshops, the attendees expressed their views concerning the main aspects of the Audit Protocol: questions and remarks to be assessed by the entities involved, suggestions for improvements and corrections for a second version of the Protocols (Monitoring and Audit), and main points that need to be systematized for the audit process.

All remarks were recorded and posted on the wall of the events room as shown in Photo 1, below. All the remarks were read with the attendees at the end to check if any were left unrecorded. Details of the discussions that arose in each workshop are available in list format in Annex I of this report.

Photo 1
Examples of remarks provided by attendees at the Cuiabá, Belém and Manaus Workshops



The following highlights the main points that emerged from the events in group form.

AUDIT PROGRAM:

1. Audits are considered costly by most small and medium-sized meatpackers. The following ways to make them more feasible were discussed: cycles every two years, exemption for smaller companies, leave out management systems, group audits, support/financing from the Public Prosecutor's Office from fines enforced on signatories, among other possibilities.
2. Inclusion of an ongoing training package for auditors and audited companies.
3. Ensure alignment in all states for the definition of audit cycles, performance analysis and sampling definition. The deadline for contracting the audit firms must be established jointly by the states.
4. The meatpackers request access to the database sent to the auditors.
5. The productivity criterion is for calculating the index on a fiscal year basis (3 heads/ha/year). However, how will the 2nd half of 2020, which is the start of monitoring, be audited?
6. The involvement of the State Environmental and Sustainability Department (SEMAS) in the technical support committee of the Public Prosecutor's Office is important.

AUDIT PROTOCOL:

7. How to access the data and information of the meatpacker that is a service provider and, therefore, does not purchase cattle? Suggestion to have a specific Protocol for service providers and an addendum to the TAC to resolve this issue.
8. What are the procedures of the audit protocol for tanneries?
9. Transparency for consumers: define how long after the cattle purchase, transparency should occur and how long it should be available. Several meatpackers are still not doing so in MT due to the 2017 order.
10. The definition of a maximum sample number of indicators for the cases of companies with a high number of purchases.
11. The information on the number of purchases and head of cattle may cause confusion.

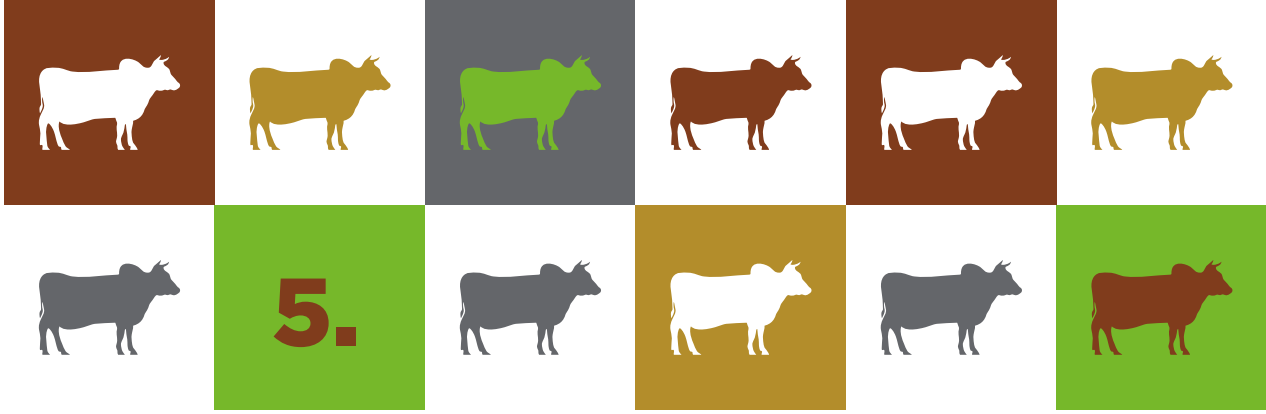
PROTOCOL FOR THE MONITORING OF CATTLE SUPPLIERS IN THE AMAZON:

12. Evaluate 22/Jul/2008 as the cut-off date for the illegal deforestation criterion, as defined by the TACs.
13. Include the requirements specified by the retailers (so that the meatpackers do not have to have different monitoring for each client).
14. Does the meatpacker need to monitor the buffer zone of the Preservation Units?
15. Consider quilombola territories.
16. Which stage of the Environmental Regularisation Program (PRA) implementation should be considered for the unblocking of illegal deforestation?
17. Need for SEMAS involvement regarding rules to unblock the illegal deforestation criterion (fine).
18. Provide for the situation of division of properties for members of the same family in boundary changes of the Rural Environmental Registry (CAR).

OTHERS:

19. Lack of structure for small producers to regularise their status, access public entities and little dialogue with the Environmental Protection Institute for the Amazon (IPAAM) and the Agricultural and Forestry Protection Agency (ADAF), technical assistance etc. create barriers for meatpacking plants to evolve in the implementation of the TAC.
20. Creation of a seal to differentiate the meatpacker that is complying with the TAC and carrying out the audits.
21. Link the Animal Transit Guide (GTA) to the CAR to improve traceability.
22. Development of a system in Acre to regularly assess compliance with environmental embargoes (such as IMAC or Acripará).





CONCLUSIONS

The seven workshops based on the Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon were key opportunities to bring together representatives of several meatpackers and other stakeholders with the aim of creating a more responsible beef value chain.

A high level of debate and questions pertaining to the Audit Protocol, the Monitoring Protocol and other issues directly related to the chain were discussed. Many of the remarks will be used to support the implementation and potentially a second version of the documents, while others will be useful for the preparation of the Audit Program, aiming at the first unified audit cycle.

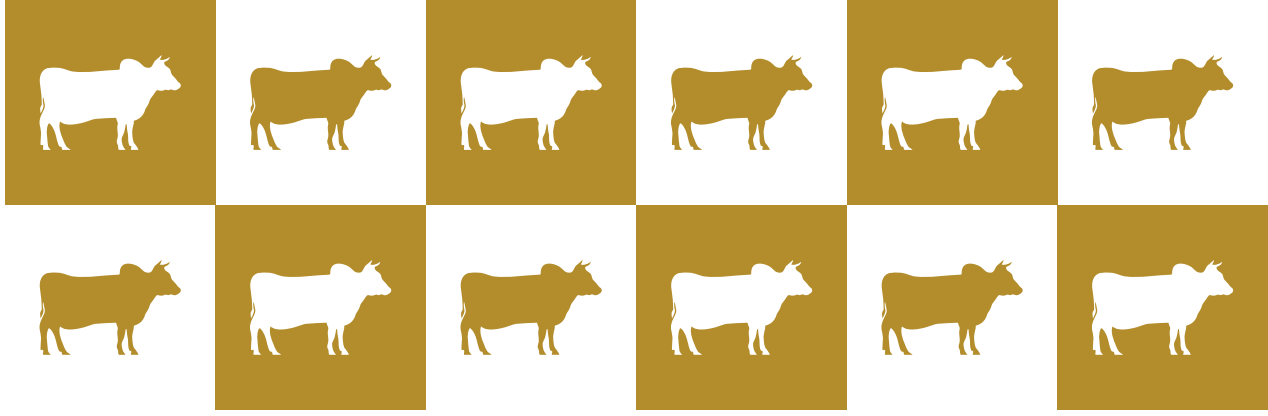
A greater number of meatpackers were expected for the preparation of the first cycle of audits to verify the implementation of the Monitoring Protocol. The unavailability of contact with those in charge, the distance from where the companies are located, the availability of the teams to participate in the workshop, the lack of interest or even the resistance of many to adhere to the terms of the TAC were some of the reasons why attendance fell short of expectations. Other indirect reasons may still be considered, such as the pandemic and the slow uptake of on-site events.

All this causes an impact on the adhesion of companies to the TAC and shows the need to strengthen this agenda of actions in the Amazon states by considering organising new events in the locations.

Despite the much-needed efforts to bring the companies together and get them involved, on-site events lead to greater results than online ones because the debates are richer and they are able to bring not only representatives of different companies, but also from other important institutions, into the discussion. Therefore, it is necessary to extend the invitation to other entities, such as the Environmental Departments and the Agricultural Protection Agency so they can also be given the opportunity to deal with existing bottlenecks in the process of environmental regularisation, the monitoring of suppliers and cattle traceability.

A few of the topics raised during the events were: issues related to the clandestine nature of competing companies that hinder the work of TAC signatories, putting them at a competitive disadvantage; the need for greater involvement of state agencies to cut red tape and facilitate the regularisation of rural landowners and meatpacking plants; and the different skills needed to implement monitoring and auditing systems among large, medium and small meatpackers.

It is clear that there is still a long way to go to disseminate the Audit Protocol and to establish trust among all stakeholders (rural producers, meatpackers, meat trading sector - wholesale and retail, governmental institutions and third sector institutions) to overcome the existing barriers. The Workshops encourage, within a coordinated strategy, the establishment of a dialogue among the parties, which helps the whole economy linked to the production and sale of responsible beef, free from socio-environmental irregularities.



ANNEX I - FULL LIST OF REMARKS OF EACH WORKSHOP

MANAUS (AM) - 19/Oct

Audit Program:

- Consider having different rules for auditing large and small companies, since they work in different realities (non-automated systems make tests and simulations not feasible, and consider fewer interviews, smaller samples, etc.).
- Consider a Pilot Audit Program for first-time audited meatpackers.
- Hiring an audit company is still expensive for small and medium-sized meatpackers. The suggestion is to contract group audits to cut costs. Proposal for Imaflora and the Public Prosecutor's Office to support the meatpackers of the state in conducting a joint on-site audit.

Audit Protocol:

- How to access the data and information of the meatpacker that is a service provider and, therefore, does not purchase cattle? Suggestion to have a specific Protocol for service providers and an addendum to the TAC to resolve this issue.
- Reversal of GTA: in cases where the GTA refers to a higher number than the slaughter amount, this difference must be recorded in the report that is sent to the Public Prosecutor's Office.
- Suggestion to consider the Slaughter Scale as the official document for the 'accounting' of cattle heads. The lack of corrections of GTAS by producers/dealers generate many errors and can be a problem for meatpackers.
- Some companies do not have a contract/purchase order and, therefore, if the Public Prosecutor's Office does not make the GTAs available to the auditors, they understand that the GTA should still be used as the basis of the audits and they can provide this list to the auditors.
- Correct in Annex II: Item 1.6 of Indicator #1, text missing (page 61).

Others:

- Issue of GTA + CAR to facilitate control; Issue of GTA + Invoice (NF) makes it difficult for meatpackers to control.
- Clandestine competitors hinder the work of the TAC signatories.
- Logistics in the region make it difficult for meatpacking plants to comply with the TAC.
- Lack of structure for small producers to regularise their status, access public entities and little dialogue with the Environmental Protection Institute for the Amazon (IPAAM) and the Agricultural and Forestry Protection Agency (ADAF), technical assistance etc. create barriers for meatpacking plants to evolve in the implementation of the TAC.



Photo 2
Manaus Workshop



Photo 3
Manaus Workshop



MARABÁ (PA) - 26/Oct

Audit Program:

- Could (or will) audit firms download the documents that will be used in the audit from the Beef on Track website? Will this be made transparent? In other words, what bases are being used?
- Include an ongoing training package for auditors and audited companies in the Audit Program

Audit Protocol:

- What are the procedures of the audit protocol for tanneries?
- Who will be in charge of verifying if the productivity criteria specified by the meatpackers in relation to the farms are being met?

Protocol to Monitor Cattle Suppliers in the Amazon:

- Check "an error" (or not) that is in the flowchart on page 24 (monitoring protocol)

Beef on Track Platform:

- Have an official area on Beef on Track for "Transparency" of audit firms, including the ISOs that the companies must have in order to be allowed to audit. Example: ISO 19011, NBC TO 3000, NBC TSC 4400 etc.;
- Will the fact of whether or not the Public Prosecutor's Office provided the information necessary for the audit be displayed (transparency)?

Others:

- Adepará continues to issue GTAs of producers with environmental problems. The GTA should be blocked by them. The entity needs to be audited.
- There are areas that falsify the records of the cattle. The middleman has a piece of land and has trucks. He buys cattle from various (legal and illegal) farms and issues a GTA from his area.
- Adepará is the entity that should monitor the productivity of cattle ranchers, otherwise the rancher will sell to different meatpackers to circumvent this rule.
- Public entities put pressure on companies and do not pressure cattle farmers. And they create the triangulation.

MARABÁ (PA) - 26/Oct

- How can disagreements over Prodes be resolved? Producer refrains from entering the regularisation program (CAR). To solve the Prodes problem, it is necessary to adhere to the CAR. The public entity does not issue a "certificate" for "absence of Prodes". The validation of the CAR is the best way to eliminate disagreements regarding Prodes. The environmental agency will not proceed with the documents.
- The Cattle Dealers have no TAC. Does the Public Prosecutor's Office have a position? There are meatpackers that offer only services to the "dealers."
- SIF (Siapec) is integrated with GTA, so the inspector validates the GTA that arrives at the meatpacker, however, the following may occur: Cattle rancher issues a GTA for Meatpacker X, but does not send the cattle to this meatpacker because the GTA registration is that of the cattle rancher, not of the meatpacker.
- SIF and Adepará have no dialogue with each other. Sometimes the cattle was slaughtered and was not computed by the government. Sometimes, 20 head of cattle leave the cattle ranch and only 10 arrive at the meatpacker, but the 10 head do not "return" to the rancher's account.

SANTARÉM (PA) - 29/Oct

Audit Program:

- The cost of audits for small and medium-sized meatpackers is very high. Between R\$ 10,000 to R\$ 80,000 was the price variation reached during a quote for a local meat packing plant.
- The rule of being required to change audit firms creates the opportunity to hike the audit price.

Others:

- Incra is cancelling the CAR of many settled producers. There are many flawed documents that were created by Adepará.
- The producer goes to SEMA to try to resolve the deforestation issues. SEMA clears it, but when it arrives at the meatpacker it does not pass the monitoring screening.
- Adepará should be responsible for the inspection since it is the entity that issues the GTA. The meatpackers, and their respective lawyers, held meetings with Adepará but no agreement was reached.
- There are meatpackers that slaughter in the region without a GTA. To update the balance, cattle farmers issue GTAs to several meatpackers, even without having sent the cattle.
- The logistics of slaughter in the region is: (i) Dealer gathers cattle from several farms - Takes them to the meatpacker - the meatpacker provides slaughter, storage and distribution services for butchers and supermarkets in the region; (ii) Butchers do not issue invoices and do not want to issue them; (iii) Cattle ranchers do not want to give their data to the meatpackers
- Fires caused by lightning strikes has led to producers being fined for deforestation. In the dry season, the fires increase and the meatpackers cannot buy cattle because they are blocked.
- The perception of the meatpackers in Santarém is that there is a tendency for cattle from the region to be sold to the meatpackers in Manaus because there is no TAC there. The retailers and restaurants in Santarém buy meat from the meat-packing plant in Manaus or from clandestine meat-packing plants because it is cheaper.
- They claim that consumers are not concerned with social and environmental issues in beef production.
- The Public Prosecutor's Office is setting a precedent for everyone to become a dealer so they can launder cattle. The Dealer has a farm where he collects cattle bought from different suppliers.
- The terms of the TAC favour the large companies that are able to adhere to it, but involve much red tape and high costs for small and medium-sized meatpackers and cattle ranchers.



Photo 4
Santarém Workshop



Photo 5
Santarém Workshop



BELÉM (PA) - 09/Nov

Audit Program:

- The meatpackers request access to the database sent to the auditors.
- The meatpackers request the historical basis of the CAR from the Public Prosecutor's Office to monitor the criteria for changing the boundary of the CAR map.
- The productivity criterion is for calculating the index on a fiscal year basis (3 heads/ha/year). However, how will the 2nd half of 2020, which is the start of monitoring, be audited?
- How will the auditors be summoned to the workshop? (Meatpacker indicates, Imaflora's public disclosure application, etc.).
- In order to assess the performance of the meatpackers, the Public Prosecutor's Office will use the sum of all the states in which the company operates or will define a performance for each state (this impacts the % of sampling of the purchases)?
- Will the audit be for the states where the meatpacker has TAC or for all the states where it has production?
- The involvement of the State Environmental and Sustainability Department (SEMAS) in the technical support committee of the Public Prosecutor's Office is important.

Audit Protocol:

- Care must be taken with the auditor's verification of the GTAs database provided by the Public Prosecutor's Office since it considers the start and end date of the audited period, but the meatpackers controls the date of receipt and there is a difference in days.
- It is not clear if the manual requested is the procurement procedure or the sustainability procedure.
- Data made available to the auditor by the meatpacker: Does the invoice belong to the rancher or to the meatpacker that received the cattle? (the invoice laws vary by state).
- It is not feasible to perform the system block test for the GTA criterion because such block does not exist in the purchase. It is a block put in place by SIF itself at receipt.
- In the guiding questions, 3.2 does not appear in the Monitoring Protocol for Suppliers of Cattle in the Amazon - (assess if there are CARs that are adjoining and may indicate potential fraud or deforestation).

Protocol to Monitor Cattle Suppliers in the Amazon:

- Discuss 22/Jul/2008 as the cut-off date for the illegal deforestation criterion, as defined by the TACs.
- Include the requirements specified by the retailers (so that the meatpackers do not have to have different monitoring for each client).
- Does the meatpacker need to monitor the buffer zone of the Preservation Units?
- Which stage of the Environmental Regularisation Program (PRA) implementation should be considered for the unblocking of illegal deforestation?
- Define in the MP the date for the Prodes to be updated in the company's geo system (e.g. 15-day deadline, as stated in the CPP).
- Need for SEMAS involvement regarding rules to unblock the illegal deforestation criterion (fine).

Others:

- The companies request some kind of seal to show that the meatpacker and the retailer are complying with the TAC, audits etc. to capitalise on the investment made in monitoring suppliers.
- The challenges involved in implementing the TAC are the red tape required for the producer's regularisation (ex. solution - Siflor) and the greater involvement of meatpackers that are not yet signatories of the TAC.

Photo 6
Belém Workshop



Photo 7
Belém Workshop



Audit Program:

- A TAC is being signed in Tocantins and there is a concern to insert them in the same system as the other states.
- Consider compiling a list containing "pre-approved" audit firms.
- Ensure alignment for performance analysis and sampling definition across states.
- Organise Workshops with the geomonitoring companies of the meatpackers

Audit Protocol:

- How will the auditor identify indirect cases of fire? The spread of wildfires in the Pantanal was used as an example.
- There is an Order of the Prosecutor allowing for the non requirement of audit firms to be public limited companies, when the audited company is the same type of company.
- Transparency for consumers: define how long after the cattle purchase, transparency should occur and how long it should be available. Several meatpackers are still not doing so in MT due to the 2017 order.

Protocol to Monitor Cattle Suppliers in the Amazon:

- There are many cases of vector embargoes with errors in the coordinates.
- There is discussion to audit based on the date of 22 July 2008, and not the 01 August 2008 as defined by the Monitoring Protocol. Take up this discussion with the other states.
- Consider unblocking areas that have had encroachment and deforestation.
- Consider unblocking when production is above the index (>3head/ha) without a self-statement by the producer.
- Consider unblocking with false positives (additionally validated by the Public Prosecutor's Office).
- Consider unblocking areas with IBAMA vector to show analysis of a neighbouring area where the supplier does not have the documents.

Others:

- General difficulties in regularising the situation with SEMA (embargoes) and delay.

Photo 8
Cuiabá Workshop



Photo 9
Cuiabá Workshop



Audit Program:

- The deadline for contracting the audit firms must be established jointly by the states.
- Alignment of the auditing cycles between the states, considering the cases of companies with their own already established cycle.
- Not all companies will have CAR bases prior to 2020.

Audit Protocol:

- The competence of the Public Prosecutor's Office to approve a list of audit firms was questioned.
- Need to place a ceiling or define an amount of samples for each indicator, foreseeing situations with large amounts of purchases. Consider setting a sample number for the Productivity Index criterion.
- It is being supposed that in the states where the Public Prosecutor's Office does not provide the CAR and GTA lists, such will be selected by the meatpackers themselves.
- Transparency - consider using a code/key to not allow public identification of properties.
- It must be made clearer in the audit that there is a period between the purchase of the cattle and the receipt of the GTA by the meatpacker, avoiding the detection of non-compliance during this period.
- IBAMA embargo: consider the cases where the property was removed from the embargo list, was blocked again and the date of the new embargo appears on the list with the date of the first embargo.
- IBAMA embargo: consider situations in which the date of entry on the embargo list is the date of the notice, that is, prior to the date of purchase made by the meatpacker.
- Correct the term "judicial sentence" in the text included in item 17 of Criterion 2.
- It is not clear when the Public Prosecutor's Office's exemption for the disclosure of the source of products in the Transparency item can occur.
- The information on the number of purchases and head of cattle may cause confusion.

Protocol to Monitor Cattle Suppliers in the Amazon:

- Changes in CAR boundaries - provide for the situation of division of properties for members of the same family.
- Consider quilombola territories.

Others:

- Need for greater involvement of state departments to unblock bottlenecks in the regularisation processes. Absence of public power at different levels.
- The situation where a rural producer contests an embargo received in court and does not receive an answer from the environmental agency was raised. In this case the producer is harmed because he remains blocked and unable to sell to the meatpackers.
- A question was asked about how much responsibility the meatpackers have in the monitoring of their indirect suppliers.
- Link the Animal Transit Guide (GTA) to the CAR to improve traceability.
- Be aware of the amount of false positives that can be generated by PRODES.



Photo 10
Porto Velho Workshop



Photo 11
Porto Velho Workshop



RIO BRANCO (AC) - 01/Dec

Audit Program:

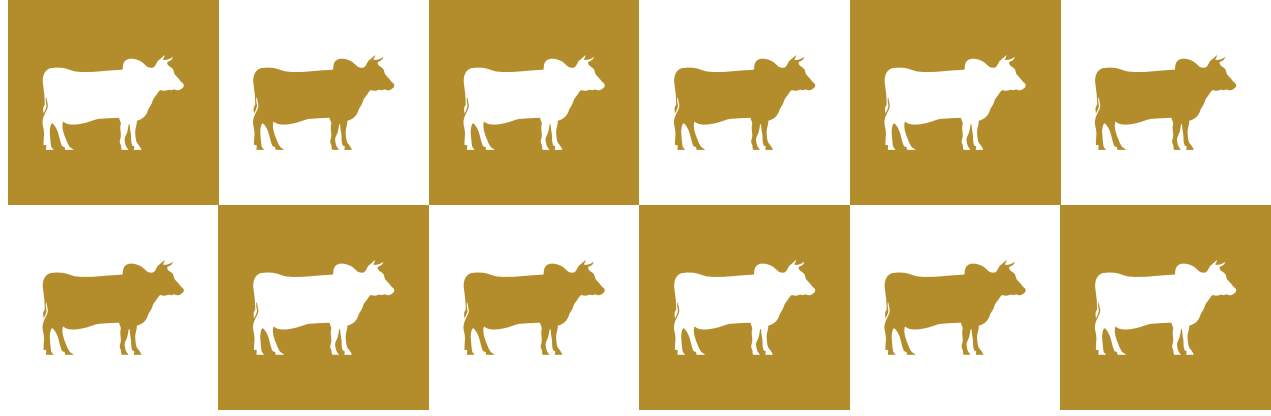
- Find a viable solution for small meatpackers to conduct the audits.
- Evaluate the audits every two years, exemption of audits for the smallest, not auditing management systems (especially those that still do not have automated control), carry out group audits with support/funding from the Public Prosecutor's Office for the fines applied to the signatories of the TACs.
- Evaluate that audits occur, but that in the 1st cycle there are no consequences for the companies (such as performance-related fines).
- Proposal to build an Audit Program for small, medium and large meatpackers based on the number of heads that were sold by the meatpackers in 2020 and 2021, also assessing meatpackers that are in risk areas.

Others:

- Support the Public Prosecutor's Office of Acre in the analysis of the CARs and GTAs.
- Development of a system in Acre to regularly assess compliance with environmental embargoes (such as IMAC or Acripará).
- Analyse the GTAs of properties in Resex areas with deforestation and cattle ranching.
- Analyse embargoes on properties in Resex, since these are usually fines given to residents who have been co-opted by rural producers into leasing the area for cattle production. The fine on these residents is effective since they are unable to regularise with ICMBio.

Photo 12
Rio Branco Workshop





ANNEX II - ATTENDANCE SHEET

Manaus - 19/Oct	
Public Prosecutor's Office of Amazonas	Rafael Rocha
Frizam	Kalinka Medeiros
Frizam	Caio Guimarães
Frizam/Agropam	Geize de Medeiros
Frigo Tefé	Paulo Rillo
Frigo Tefé	Isac Dumas
Frigo Tefé	Isabelle Miranda
Norte Boi	Maria Gabriela
NR Comercio de Frios	Carlos Eduardo Brasil
Frigorífico Amazonas	Geferson Paim
Bovinorte	Teixeira
Bovinorte-Duprado	Juliana Prado
Mafrico	Vitor Melo
Mafrico	José Marconi
Mafrico	Ayrton Avedo
Mafrico	Adanor Porto
ECO2	Cauê Bachega

Marabá 26/Oct	
Masterboi	Igor Carvalho
JBS/Friboi	Janderson Matos
Durlicouros	Ivens Domingos
Frigorífico Rio Maria	Milton Batista
Durlicouros	Marcos Paulo
JBS/Friboi	Lorena Geyer
Frigorífico Valencia	Lurdes Almeida
Masterboi	Guilherme
Masterboi	Luzair
Masterboi	Josinaldo Medeiros
Frigorífico Valencia	Paolo Gomes
Santarém 29/Oct	
Frigorífico Mararu	Maicenson Pinto
Frigorífico Ribeiro	Aparecido Vieira

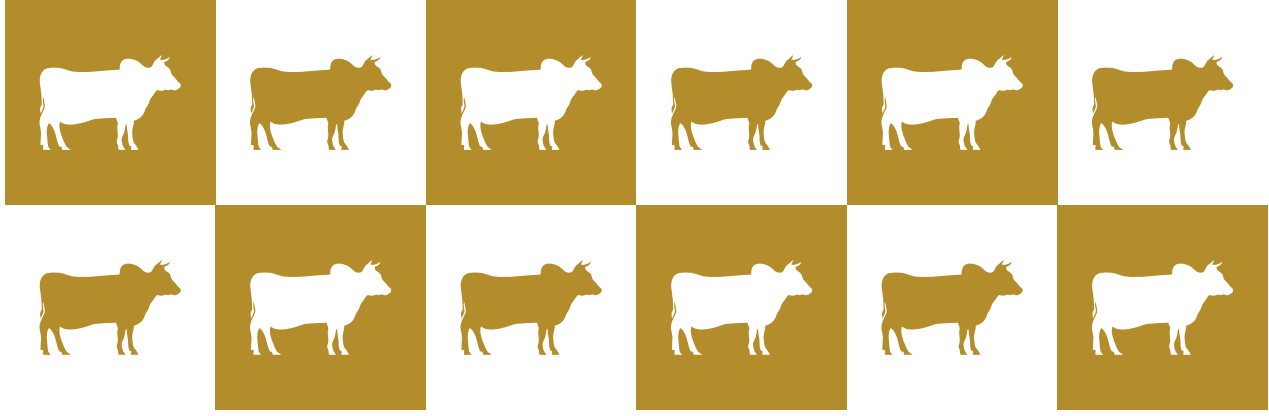


Belém - 9/Nov	
Frigol	Renato Teles Da Silva
Mercurio Alimentos SA	Rafael Brito
Matadouro Planalto	Maricélia Costa
Matadouro Planalto	Luciana Gomes
Frigorífico Fortefrigo	Jaqueline Sousa Almeida
Embrapa/UEPA	Osmar Aguiar
JBS/Friboi	Alexandre Kavati
Public Prosecutor's Office of Pará	Ricardo Negrini
Coagro (co-op)	Kelly Denim
Cuiabá - 23/Nov	
Public Prosecutor's Office of Mato Grosso	Erich Masson
Minerva Foods	Tamara Lopes
Minerva Foods	Daiane Garcia
Carnes Boi Branco	Alex Silva
Carnes Boi Branco	Cecília Gallina
Frigoestrela	Édec Araújo
Frigoestrela	Jéssica Parmgani
Fribo Pantanal	Max Roberto
Frigosul	Fagner de Oliveira
Lawyer	Kalinka Medeiros
Frialto	Dionathan Santos
IMAC	Bruno Andrade
Frigolider Colider	Fabio de Souza
Marfrig Global Foods	Ilda Santos
JBS/Friboi	Alexandre Kavati

JBS/Friboi	Aureste Paraguai
ECO2	José Ricardo Bachega
ECO2	Cauê Bachega
NWF	Francisco Beduschi
UFMT	Vitor Taques
ECO2	Flavia Teixeira
Marfrig Global Foods	Fabricio Zanuto
Fribo Pantanal	Max Roberto de Queiroz
ECO2	Geize R de Medeiros

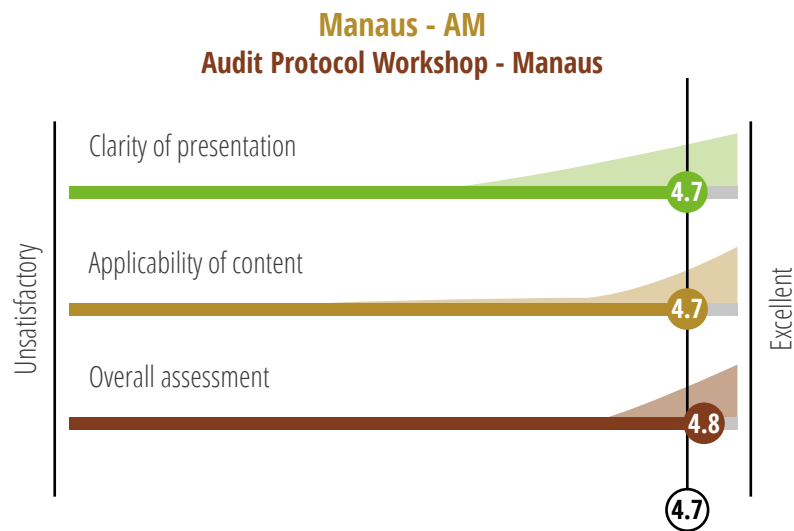
Porto Velho - 30/Nov	
FAPERON/SENAR	Efson Rodrigues
Minerva Foods	Lais Atayde dos Santos
Embrapa	Paulo Wadt
SBCS	Karina Burity
Frigomil	Cristian Cruz
JBS/Friboi	Yago Lima
JBS/Friboi	Guilherme Whyte
JBS/Friboi	Alexandre Kavati
FAPERON	Eva da Silva
FAPERON	Hélio Dias Sousa
FAPERON	Jorge Rafael
SENAR	Magali Guimaraes
Marfrig Global Foods	Fabricio Zanuto

Rio Branco - 30/Nov	
Humberto de Aguiar	Public Prosecutor's Office of Acre
Prosecutor's Assistant	Public Prosecutor's Office of Acre
IPAM	Jarlene Gomes



ANNEX III - WORKSHOP ASSESSMENT

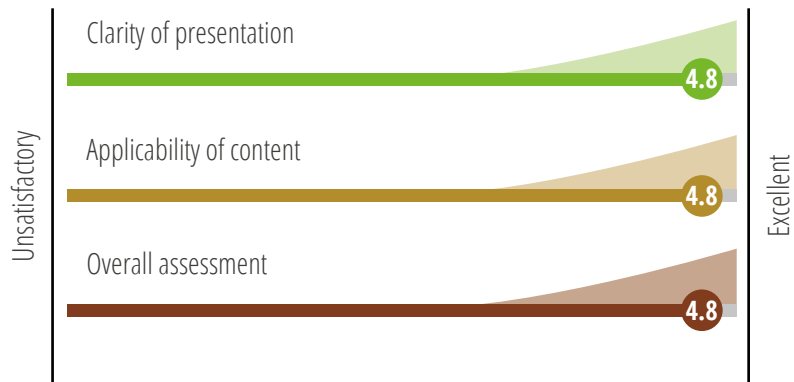
The assessments and comments made by the attendees regarding the workshops in Manaus, Belém and Cuiabá can be seen below. This final assessment was not carried out for the other events.



No comments or suggestions were made at the Manaus workshop.



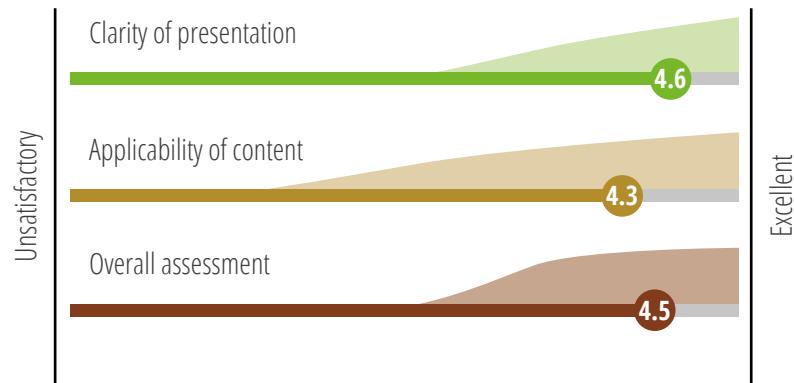
Belém - PA Assessment of event – Audit Protocol (PA)



Comments or suggestions

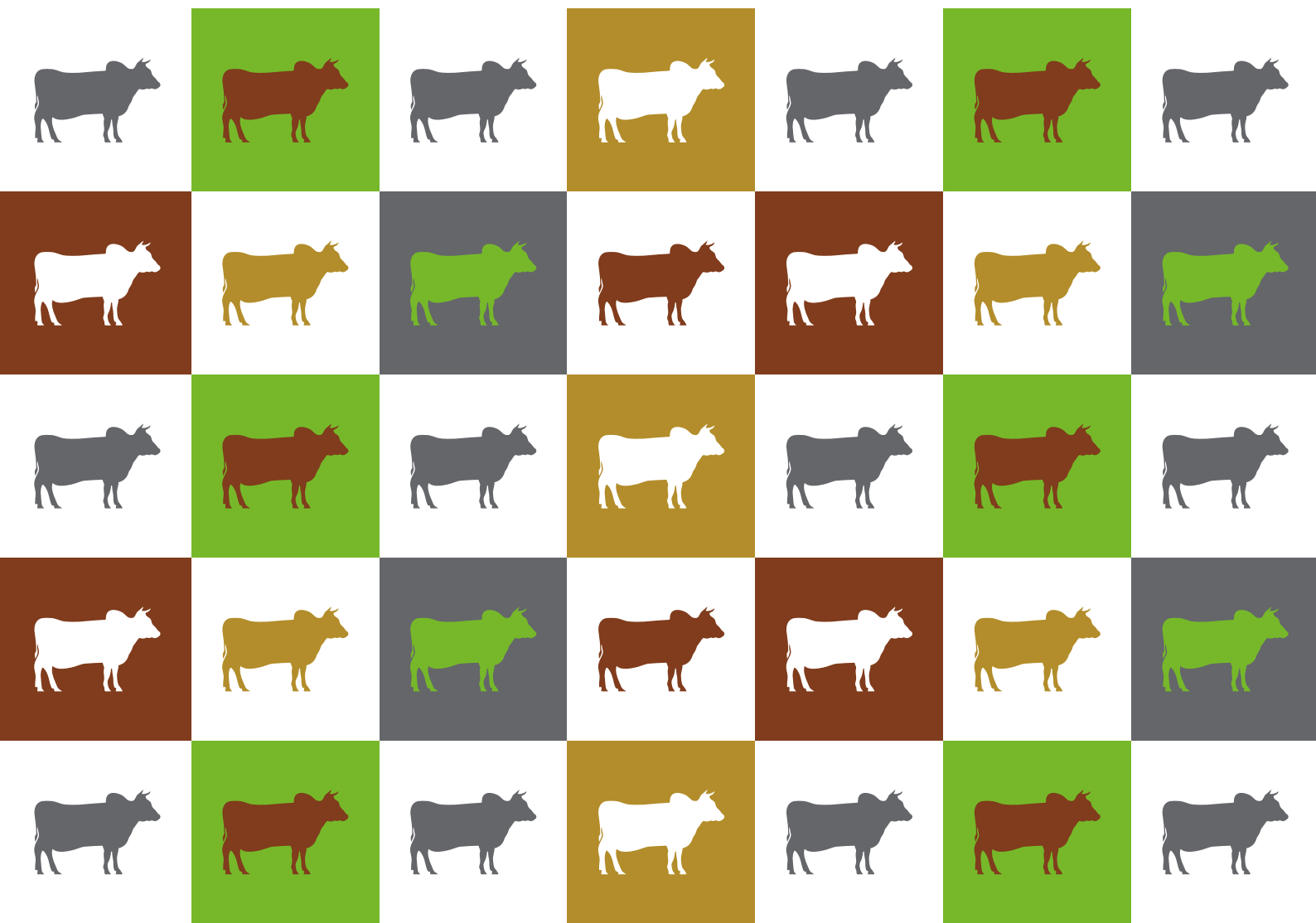
- Essential for protocol improvement
- Super relevant for monitoring and improving audit data.

Cuiabá - MT Assessment of event – Audit Protocol (MT)



Comments or suggestions

- Send material by email
- Cecilia's explanation was very good. The participation of Dr. Eric was very enlightening and added to our exchanges with our colleagues from other meatpackers. The duration of the event was just right.
- Great lectures and very helpful.
- Excellent content. The latest updates of the public prosecutor's office could have been added as a topic for comparison with the latest changes.



**BEEF_{ON}
TRACK**



Piracicaba, December 18, 2021