

Federal Public Prosecution Service

**Presenting the results of the 4th Cycle of
Audits of the Cattle Ranching TAC - Pará**

December 15, 2022

Recommendations for the event

For persons in the Teams event:

- The event will be transmitted live on YouTube. You may choose to leave the camera turned off.
- During the presentations we ask that you leave your microphone on mute.
- Any doubts and comments can be sent using the platform chat or during the time set aside for discussion.

For persons on YouTube:

- Questions and comments may be sent to the chat service. We will be monitoring and selecting some to be read during the time reserved for discussion. Questions will be answered only by the Federal Public Prosecution Service.
- Journalists may use the MPF Service System MPF: saj.mpf.mp.br/saj

Program

2:00 PM	Announcement of the results of Cattle Ranching TAC Audits MPF PA Prosecutors
2:30 PM	Discussions and information about Cattle Ranching TAC SECEX (Amigos da Terra – Amazônia Brasileira and Imaflora) Technical Council (UFMG, UW and Imazon) Social Chamber (Aliança Paraense pela Carne, Acripará, Sindicarne and Niceplanet) Government Representatives (SEMA and IBAMA)
3:00 PM	Section for discussion and general reports (next steps) of Cattle Ranching TAC MPF PA Prosecutors
3:15 PM	Questions Press and General Public
3:45 PM	Closure MPF PA Prosecutors
4:00 PM	Cocktail*

* After the event, there will be a cocktail reception in the building next door to the event (MPF headquarters) beginning at 4 PM

General Information about the audits

- Audits performed in /2022
- Transactions July/2019 to June/2020
- Auditing firms: Grant Thornton, GeoMaster and BDO

Signatories

Signatory companies audited: 16

Agroexport
Frigorífico
Frigorífico Altamira
Alvo Consultoria Agropecuária
ForteFrigo
Fribev/Xinguara
Frigol
JBS
Mafrinorte
Masterboi
Mercúrio
Minerva
Matadouro Marchantaria Planalto
Frigorífico Rio Maria
Frigorífico São Francisco – Sampaio

M.J. Novaes (Curtume Ideal)

Relevant signatory companies that did not present audits: 11

CE Mendonça Frig Vitória
Frigorífico Mararu - Frigomar
Frigorífico Ouro Verde
Frigosan - Santarém
Independência IG de Paula
Matadouro Amazônia
R.E. Ribeiro Soares
Frigorífico Água Branca - Frinort
SOCIPE - Coop Ind. Pecuária Pará
Wellard do Brasil Agronegócios
Casfrisa

Automatic audit (UFMG/CT)
195.329 cattle (33.5% non-compliance)

Signatory companies exempted from audit: 9

Abatedouro Boi Forte
Amazônia Ind. Alimentícia
Boi
Branco Coml Exp e Imp de Bovinos
BR Comércio de Carnes
Frigorífico Eldorado
Frigorífico Santa Cruz
Kayapós Fabril e Exportadora
M R Souza Junior
Redenção Frigorífico do Pará

Non-signatories

Non-signatory companies with significant volumes : 13

Frigorífico Araticum

Frigonorte - J M Soares

Frigorifico Brasil Novo

Frig Munic Oriximiná

Uniboi Alimentos - Unibrax

Mafrimar - Mat e Frig Marajoara

Frigus - R C Moreira

Frigovan - R Barcelos Ribeiro

Marfrig Alimentos (audit in progress)

Marfribe - Frig Bezerra

Frigoríficoico Valencio

Frigorífico Mariano

Redentor Foods

Automatic audit (UFMG/CT):

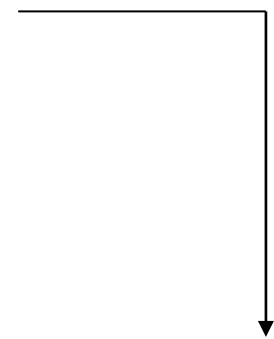
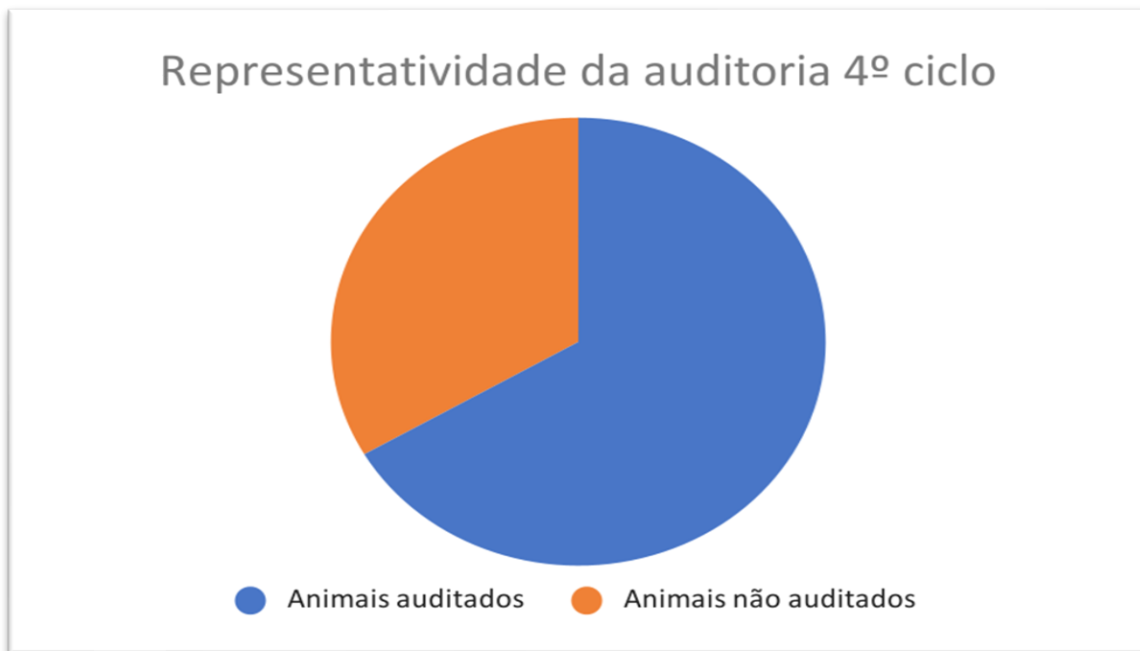
485,194 cattle (23.80 % non-compliance)

Representativeness of audits in the State of Pará and % of cattle with non-compliance

Total of cattle sold for slaughter/export..... 3,502,566 (100%)

Total of cattle sold by audited companies..... 2,333,642 (67%)

Total of non-audited cattle 1,168,925 (33%)



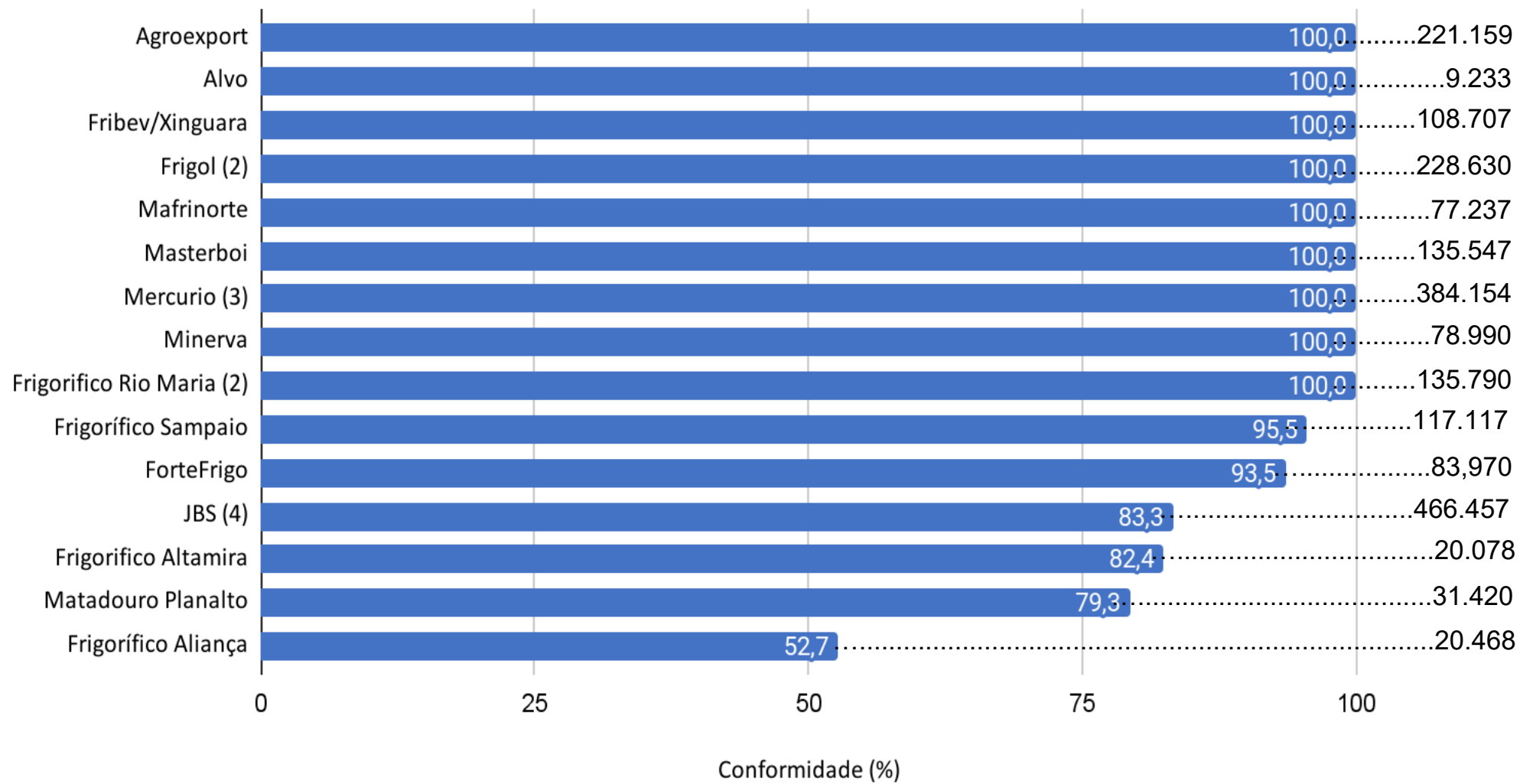
- Cattle effectively audited (sampling).....2,255,319 (100%)
↳ Cattle with non-compliance136,172 (6,04%)

6.04% of non-compliance

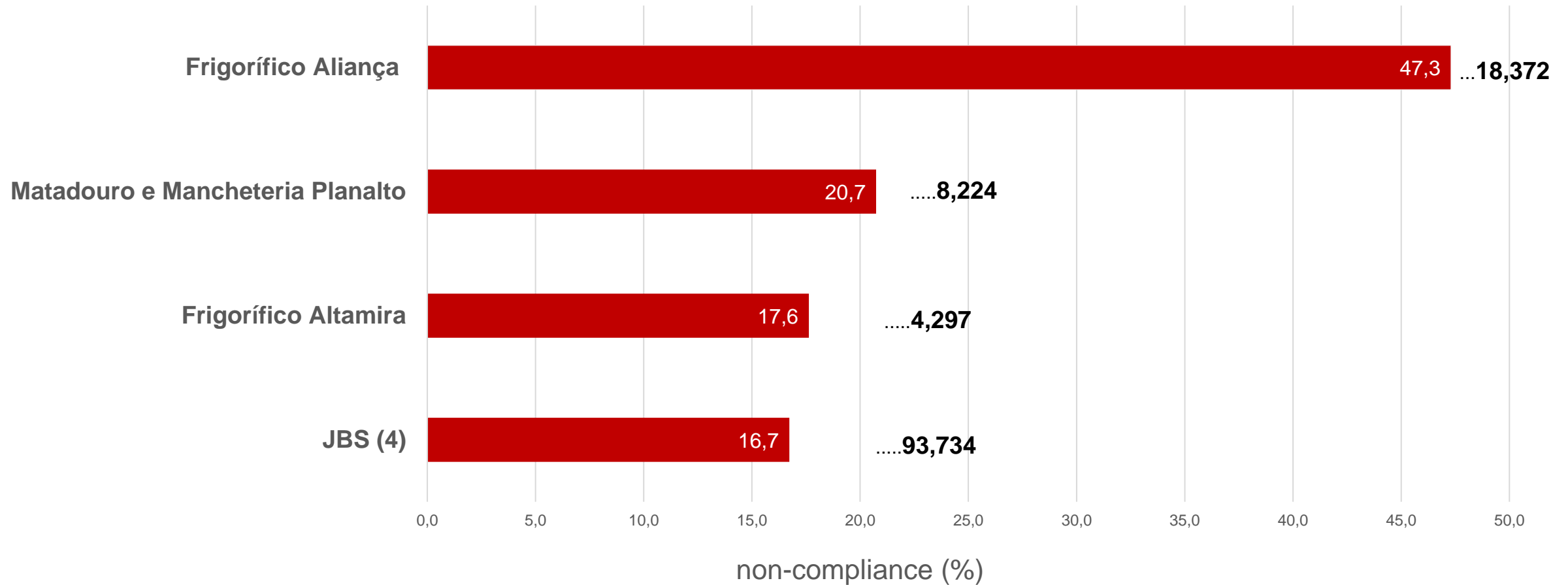
Number of cattle sold and degree of non-compliance with audits

Comparison		12 months	12 months	18 months	12 months
		Audit 1st cycle	Audit 2nd cycle	Audit 3rd cycle	Audit 4th cycle
Number of cattle sold by by audited companies		2,368,089	2,193,834	4,018,115	2,333,642
%		73%	65%	69%	67%
Number of non-audited cattle		888,546	1,179,829	1,839,487	1,168,925
%		27%	35%	31%	33%
Total Number (slaughter + export)		3,256,635	3,373,663	5,857,602	3,502,567
%		100%	100%	100%	100%
Degree of non-compliance		246,343	137,093	376,812	136,172
%		10.40%	6.25%	9.95%	6.04

Signatories with highest rates of conformity (% and number of cattle)



Signatories with highest non-compliance rates (% and number of cattle)



Clarification

JBS expresses its disagreement with the application of the Prodes 2008 database in the current audit, considering, among other arguments:

(1) insertion of the expression “Prodes 2009” in the cattle ranching monitoring protocol in the text with MPF’s approval.

(2) not using the Prodes 2008 database in the previous audits.

(3) the fact that Prodes 2008 was not supposed to contain deforestation data from after 08/01/2008, and that JBS did not receive any formal communication regarding residual data in Prodes 2008 for the later period.

The MPF position

The MPF did not accept the methodology that discarded the Prodes 2008 database. The TAC criterion is post-July 2008 deforestation.

The wording of the Monitoring Protocol that mentioned “Prodes 2009” is subsequent to the purchases made by the company during this cycle. In fact, this wording has already been corrected.

Even if this problem were to be disregarded, it was found that JBS had 8.85% of non-compliance in the 4th cycle.

History of the audits – non-compliance

Companies	irregularities (%)			
	Audit 1st cycle	Audit 2nd cycle	Audit 3rd cycle	Audit 4th cycle
Frigorífico	69.90	36.20	24.80	47.30
Marchanteria Planalto	43.10	12.10	31.10	20.74
Frigorífico Altamira	72.00	17.60	--	17.63
JBS Total	19.10	8.30	32.00	16.73
ForteFrigo	8.40	15.30	18.70	6.51
Frigorífico São Francisco - Sampaio	--	30.80	15.20	4.50
Mercúrio Total	0.30	0.20	0.00	0.04
Agroexport	0.00	0.00	0.00	0.00
Alvo Consutoria Agropecuária	--	--	0.68	0.00
Frigol Total	17.40	18.70	4.10	0.00
Mafrinorte	0.30	0.00	0.70	0.00
Masterboi	31.00	3.70	0.00	0.00
Minerva	0.00	0.30	0.00	0.00
Frigorífico Rio Maria	0.00	0.00	0.00	0.00
Fribev - Xinguara	0.00	0.06	0.67	0,00

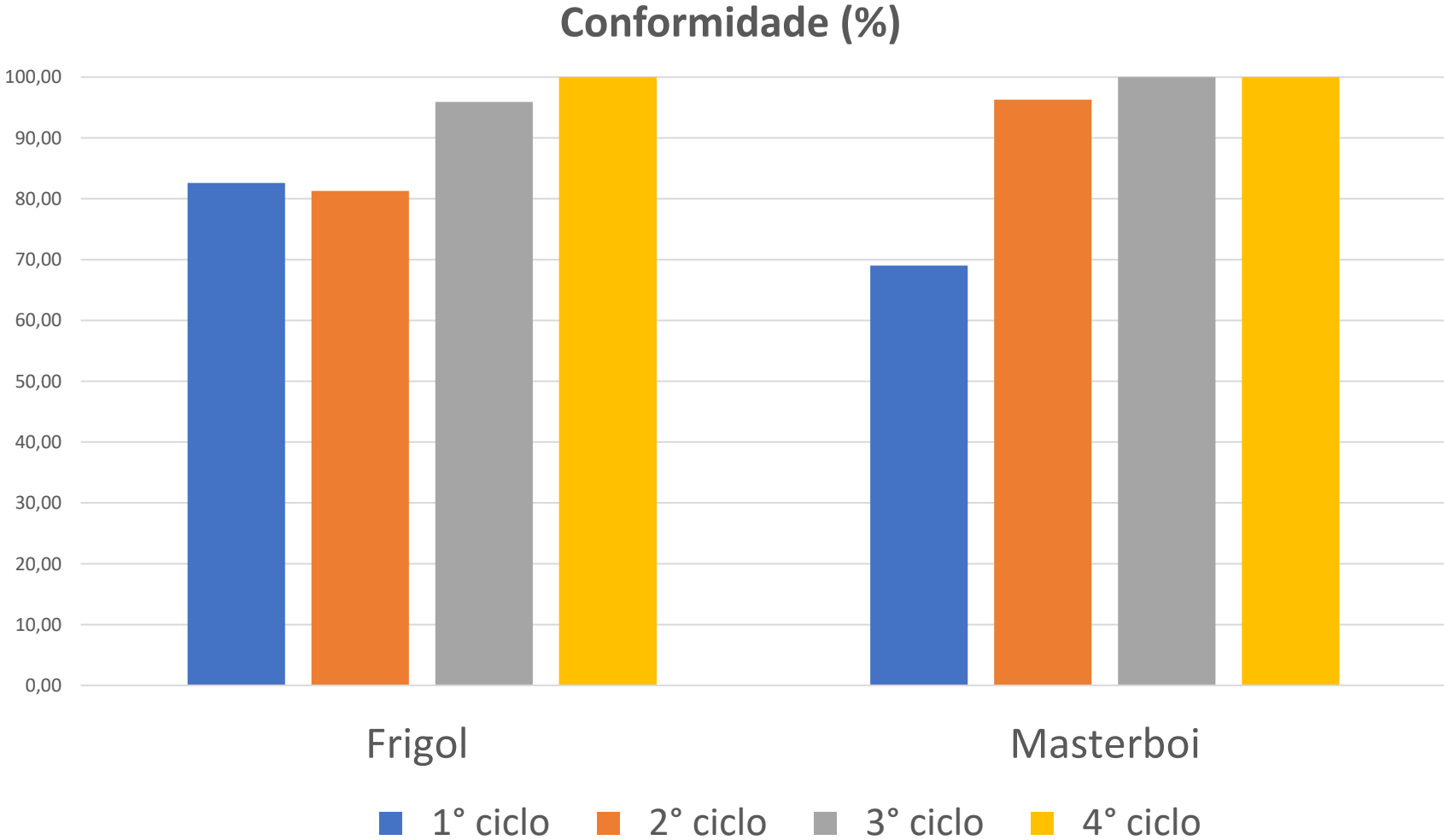
Companies with less than 1% of non-compliance during the four audit cycles

Companies	1st Cycle	2nd Cycle	3rd Cycle	4th Cycle
Agroexport	0.00	0.02	0.00	0.00
Frigorífico Rio Maria	0.00	0.02	0.00	0.00
Mafrinorte	0.32	0.00	0.74	0.00
Mercurio Total	0.30	0.22	0.01	0.00
Minerva	0.00	0.30	0.00	0.00
Xinguara/Fribev	0.00	0.06	0.67	0.00

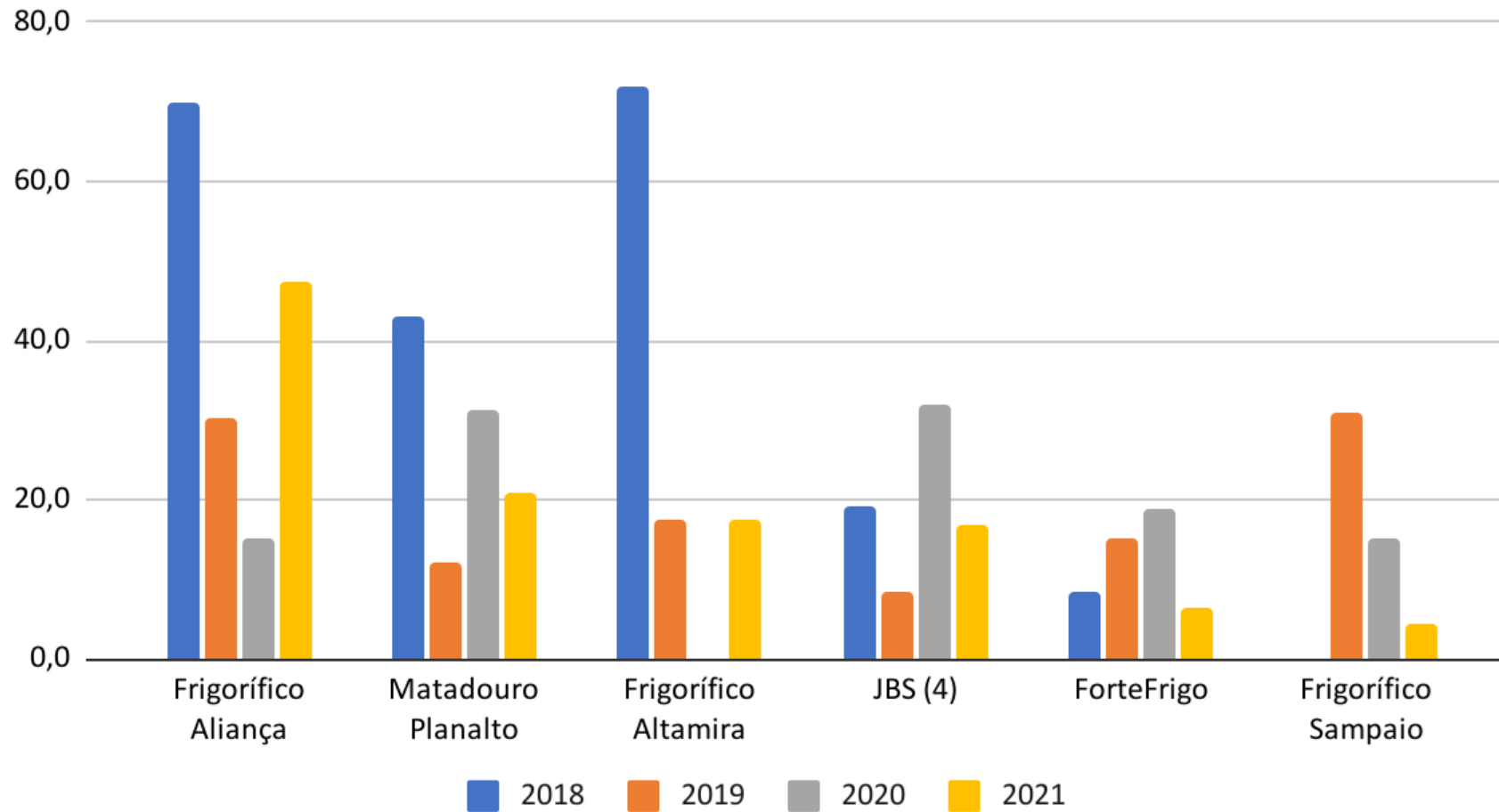
Companies
with
significant
improvement

Companies	1st Cycle	2nd Cycle	3rd Cycle	4th Cycle
Frigol	17.39	18.72	4.12	0.00
Masterboi	31.00	3.72	0.00	0.00

Companies with significant improvement in audit results



History of audits: non-compliance



* Companies that had unsatisfactory results in the 3rd cycle.

Recommendations

% de Tolerância			
Auditoria 2018	Auditoria 2019	Auditoria 2020	Auditoria 2022
1° Ciclo	2° Ciclo	3° Ciclo	4° Ciclo
Até 30%	Até 20%	Até 9,95%	Até 7%

Federal Public Prosecution Service - MPF

Daniel Cesar Azeredo Avelino
Federal Public Prosecutor

Ricardo Augusto Negrini
Federal Public Prosecutor

Gabriela De Góes Anderson Maciel Tavares
Federal Public Prosecutor

Beef TAC Support Committee

Technical Cooperation Agreement between MPF-PA, Imaflora
and AdT signed in October, 2021

BOL NA
LINHA



Objectives of the TAC Pará Support Committee (CAT PA)

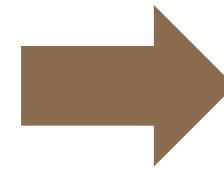
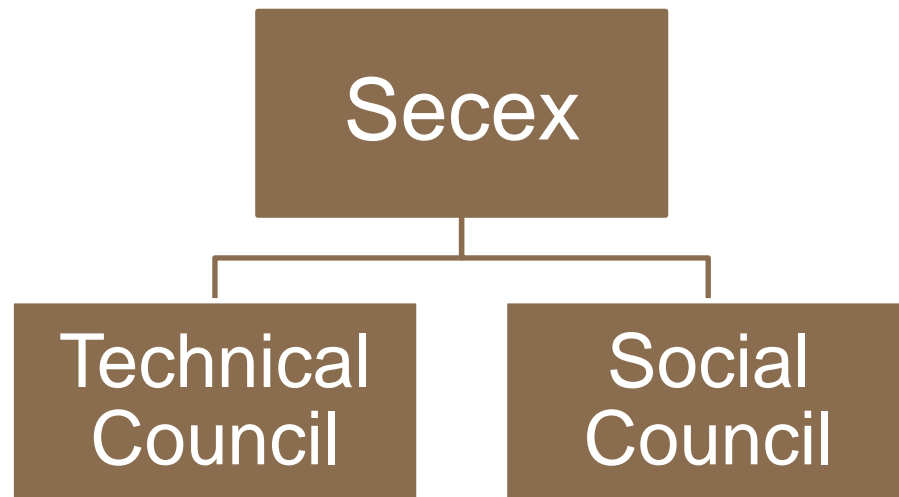
- a) Support effective implementation of the Beef TAC in the State of Pará;
- b) Support expansion of the Beef TAC in the State of Pará (expansion to new meatpacking plants);
- c) Act as an instrument of **technical, scientific, consultive and instructional support** to collaborate in improving the efficiency and **transparency** of processes related to implementing the Beef TAC. The goal is to enable its implementation and communication in a structured and organized manner with private stakeholders.

BOL NA
LINHA



Operational Structure

TAC Pará Support Committee



Beef
TAC

Federal Public Prosecution Service

NEXT STEPS

December 15, 2022

Next Steps

Non-audited companies

- Enforcement of the TACs with companies that are absent in the process;
- Filing lawsuits against companies without TACs;
- Analysis of data (direct audit) from unaudited companies in order to disseminate these results together with the 5th cycle;
- Recommendations from retailers;
- Work together with IBAMA and SEMAS for priority inspections of unaudited companies

Next Steps

Companies in an intermediate situation (poor results in the 4th cycle, or did not present audits for 1 or more cycles)

- Seek to negotiate (if unsuccessful, take measures provided for unaudited companies audit)

Next Steps

Indirect suppliers

- Pilot test with automatic audit tool based on Green Seal
- CT analyses for data calibration and reliability
- Establish a timeline for including indirect suppliers in the traceability criteria

REQUEST FOR INFORMATION ON ACTIONS FOR MANAGING THE DEFORESTATION RISK

Regional supermarkets – State of Pará

1. **Macre**
2. **Formosa ***
3. **Grupo Nazaré**
4. **Grupo Mateus**
5. **Lider Comercio e Industria ***
6. **Supermercados Y Yamada**
7. **Lojas Portugal ***

*** Companies that responded to the MPF**

Nationwide supermarkets

1. **A Angeloni e Cia**
2. **Carrefour ***
3. **Cencosud ***
4. **Comercial Zaragoza**
5. **DMA Distribuidora AS**
6. **Grupo Big**
7. **Grupo Pão de Açúcar – GPA ***
8. **Grupo Zaffari ***
9. **Irmãos Muffato**
10. **Mart Minas**
11. **Savegnago ***
12. **Sonda Supermercados***
13. **Supermercados BH Comercio de Alimentos**

Federal Public Prosecution Service

THANK YOU

December 15, 2022