BROKEN PROMISES

How the cattle industry in the Amazon is still connected to deforestation, slave labour and invasion of indigenous land

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GREENPEACE
Following a three-year investigation, Greenpeace published a report in 2009 that revealed the cattle sector’s role as the key driver of deforestation in the Brazilian Amazon. ‘Slaughtering the Amazon’ shows how national and international companies unwittingly participate in this destruction. The three largest companies processing meat and tanned leather in Brazil - JBS/Friboi, Minerva and Marfrig - signed a public agreement in October 2009 committing to no longer purchase cattle from ranches that have recently deforested or that are located on indigenous lands.

Just two years later, Greenpeace analyzed government trade data from the Amazonian state of Mato Grosso and found that the supply chain of the largest of these companies, despite its commitments, still has connections to illegal deforestation, slave labour and invasion of indigenous land.

In this publication, we present cases where JBS purchased cattle from properties in contravention of their agreement: properties situated within indigenous lands, on the slave labour blacklist compiled by the Labour Ministry or embargoed by IBAMA, which have supplied cattle to JBS from January 2011 to May 2011 (page 8). This discovery demonstrates weaknesses in the supply chain for responsible leather and meat products. Consumers buying products originating from JBS' supply chain cannot be assured their products are responsibly sourced, meaning not contributing to deforestation and slave labour.

In part, this problem can be related back to current discussions of a new Forest code in Brazil. On 24 May 2011, the Brazilian House of Deputies approved a proposal for new legislation that could significantly impact on the country’s commitment to reduce its greenhouse gas emissions through an 80% cut in deforestation by 2020. The proposal, which would radically weaken current forest laws, increases the area available across the country for “legal” deforestation and gives general amnesty to previous illegal deforestation.

This proposed law would also have an impact on commitments adopted and implemented by soy and cattle companies over recent years, to exclude suppliers engaged in deforestation from their supply chains. By legally increasing the amount of land a farmer could deforest, companies would see a much larger supply of products connected to deforestation in the market. If approved, the companies would require more extensive and costlier controls and monitoring to ensure a segregated “deforestation-free” supply.

If approved by the Senate, the final fate of the Forest Code rests with Brazilian President Dilma Rousseff, who has committed to vetoing any legislation that increases deforestation. It is important for companies leading efforts to end deforestation inside Brazil and internationally to support the President’s commitment, and inform business partners of the possible impacts the proposed changes could have on commercial relationships.
MARAIWATSEDE INDIGENOUS LANDS

“Beautiful old forest”. The meaning of the word Maraiwatsede should be an apt description of this indigenous land. However, this land, home to around a thousand Xavantes Indians, is today a devastated area in the north of Mato Grosso, a region known as Vale do Araguaia.

The Xavante people are forced to live on only 20% of their indigenous land. However, this land, home to around a thousand Xavantes Indians, is today a devastated area in the north of Mato Grosso, a region known as Vale do Araguaia.

The precarious conditions in the village contrast with the precarious conditions in the village. Police complaints from these conflicts range from setting a private school bus on fire to attempted murder. Among the complaints, the local farmers are accused of ordering an attempted massacre not only against members of the village, but also against FUNAI (the governmental indigenous protection agency) agents and missionaries that operate in the region.

Demarcated in 1993 and brought into force in 1998, Maraiwatsede is the opposite of what the law envisioned for an indigenous land. On paper, the legislation is clear in prohibiting “any person outside the tribal group (…), as well as livestock raising or mining activities” on those areas reserved for indigenous communities. However, it is precisely these activities that are being carried out.

The situation has generated disputes between the Xavantes and the occupying cattle ranchers. Formal police complaints from these conflicts range from setting a private school bus on fire to attempted murder. Among the complaints, the local farmers are accused of ordering an attempted massacre not only against members of the village, but also against FUNAI (the governmental indigenous protection agency) agents and missionaries that operate in the region.

EXPOSING THE PROBLEM

With the largest commercial cattle herd on the planet, Brazil has enjoyed its position as the world’s foremost meat exporter for years. Behind its success, however, lies the fact that a large part of the Amazon has been cut down, as a result of “slash and burn”. Around 62 million ha of land is now occupied by cattle.

Of the 720,000 or more square kilometres that the largest tropical forest has lost over the last 40 years, 81% has become pastureland for cattle. The expansion of cattle ranching in the Amazon region is largely responsible for Brazil being among the five largest emitters of greenhouse gases in the world.

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SOCIETY MOBILISES FOR A SOLUTION

Timeline:

- June 1, 2009 - Greenpeace ‘Slaughtering the Amazon’ report is launched. On the same day, Brazil’s Federal Ombudsman files a billion-dollar lawsuit against Bertin, 10 farms and 10 other cattle companies at the frontiers of Amazon deforestation.
- June 10, 2009 - Brazil’s three biggest supermarket giants – Walmart, Carrefour and Pão de Açúcar (affiliated to Casino) – announce that they will cancel contracts with farms involved in Amazon deforestation.
- June 12, 2009 - World Bank (IFC) revokes US$ 30 million loan to Bertin.
- June 22, 2009 – The world’s fourth largest beef trader, Marfrig, commits to a moratorium on Amazon deforestation.
- June 24, 2009 – Walmart Brazil commits to a zero-deforestation supply chain policy.
- July 22, 2009 – August 3 – Nike, Adidas, Timberland, Clarks and Geox announce they will not buy leather from the Amazon unless their suppliers commit to supporting an immediate moratorium on any further cattle expansion in the Amazon.
- August 14, 2009 – The world’s largest leather exporter and Brazil’s second-largest beef exporter, Bertin, commits to zero deforestation in the Amazon.
- Sept 25, 2009 – JBS-Friboi, the world’s largest exporter of meat products announces that it will no longer buy cattle raised in areas of the Amazon that have been deforested after July 22, 2009.
- October 5, 2009 – JBS and Bertin, Marfrig and Minerva come together at an event at the Galáu Vargas Foundation (FGV), in São Paulo, to publicly announce the adoption of MINIMUM CRITERIA FOR INDUSTRIAL-SCALE OPERATIONS WITH CATTLE AND BOVINE PRODUCTS IN THE AMAZON BIOME.
- October 27, 2009 – JBS and Bertin subsequently merge their operations.
The agreement commits to strong environmental leadership and appears straightforward. However, implementation of the agreement has faced problems, delays and setbacks from the beginning. An example of these initial difficulties was that no group was formed to monitor the implementation of the agreement.

However, the document signed by the slaughterhouses mandated audits of their operations as a way of contributing to the transparency of the agreement, including the adoption of Environmental Registration (CAR), as a criterion for purchase.

For Greenpeace, the only way over a period of six months, “to prove in a monitorable, verifiable and reportable manner that no rural property that has deforested in the Amazon biome after the date of reference of this agreement, directly supplying cattle for slaughter (fattening farm), is part of its supply list, is through mandatory adoption of the CAR, a state-level system that obliges farmers to make public the mapped borders of their properties, with the Secretary of the Environment for their state. This measure is also part of the settlement agreement for conduct signed by JBS (in Pará66, Mato Grosso67 and, finally, for the entire Amazon68), Marfrig (Mato Grosso69), and Minerva (Pará70).

The time frame for removing indirect suppliers (those who send cattle to other farms, which in turn sell to the slaughterhouses) that deforested was set for two years (October 2011).

Only with a CAR would it be possible to cross-check data of new deforestation with the subsequent identification and application of fines for those responsible. Without it, the precise location of the farms, their area and operations, as well as their owners will continue to be hidden from society, the government and the clients of the slaughterhouses.

At the start of April 2010, six months after the adoption of the criteria, the slaughterhouses were unable to present the entire preliminary mapping of their direct clients, nor guarantee that they are purchasing exclusively from farms with CAR. They did, however, present significant advances in terms of putting together a monitoring process. A new deadline was agreed to by the slaughterhouses, their clients and Greenpeace to exclude all direct suppliers that did not comply with the agreement: 14 November, 2010. By then, the slaughterhouses had agreed to adopt a deforestation verification system that used the coordinates of the outline of the properties, which proved to be inefficient and difficult to operate.

According to data from Federal Public Prosecutor of Mato Grosso, JBS contravened their commitments 19 times63-65 between January 2011 to May 2011. The investigation revealed that consumer companies with commitments to environmental and social responsibility cannot be assured that their products from JBS conform to their policies and commitments.

What's working? What's not?
The following actions are essential to ensure consumer products from cattle in Brazil, particularly from companies listed in this report, are deforestation free.

**From Slaughterhouses:**
- The 2009 Cattle Agreement, The Minimum Criteria for Cattle Operations in the Amazon Biome, fully implemented by JBS and other signatory Brazilian beef and leather producers;
- Commercial relationships with farms exposed in this publication must be immediately terminated by JBS and other signatory Brazilian beef and leather producers;
- JBS and other signatory Brazilian beef and leather producers, in collaboration with their clients, create and implement a transparent and efficient monitoring methodology and audits for the implementation of the commitments;
- JBS and other signatories of the 2009 Cattle Agreement publicly support strong comprehensive laws that seek to decrease and eliminate deforestation caused by cattle ranching in Brazil.

**From the consumer companies:**
- Work with suppliers to ensure more transparent monitoring of cattle purchases from farm to slaughterhouse, including collaboration on Terms of Reference for the slaughterhouse agreement audits;
- Implement environmental procurement policies;
- Support legislative measures in Brazil that legalize/ institutionalize the goals of the agreement.

**From Brazilian government:**
- Avoid changes to the Forest Code that would increase deforestation or grant amnesty for past illegal deforestation;
- Take administrative measures immediately to increase farms environmental registration and proper environmental licensing;
- Take immediate measures to remove illegal farms from the Mairawatsede indigenous land.

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**SUPPLYING FARM** | **MUNICIPALITY** | **SLAUGHTERHOUSE** | **NR OF ANIMALS SUPPLIED (Jan 11 - May 11)** | **NON-COMPLIANCE WITH CATTLE AGREEMENT**
---|---|---|---|---
FAZENDA DAMARE | SÃO FELIX DO ARAGUAIA | JBS - AGUA BOA | 85 | Ti Maraiwatsede
FAZ. 2 IRMAOS | ALTO BOA VISTA | JBS - AGUA BOA | 54 | Ti Maraiwatsede
FAZ. DOIS IRMAOS | SÃO FELIX DO ARAGUAIA | JBS - AGUA BOA | 72 | Ti Maraiwatsede
FAZ. ELO DE OURO | ALTO BOA VISTA | JBS - AGUA BOA | 17 | Ti Maraiwatsede
FAZ. ESTRELA DO FONTOURA | SÃO FELIX DO ARAGUAIA | JBS - AGUA BOA | 18 | Ti Maraiwatsede
FAZ. FURNAS | SÃO FELIX DO ARAGUAIA | JBS - AGUA BOA | 34 | Ti Maraiwatsede
FAZ. MARURUNA | SÃO FELIX DO ARAGUAIA | JBS - AGUA BOA | 51 | Ti Maraiwatsede
FAZ. PONTALINA | SÃO FELIX DO ARAGUAIA | JBS - BARRA DO GARÇAS | 34 | Ti Maraiwatsede
FAZ. PIACOH BONTO | ALTO BOA VISTA | JBS - AGUA BOA | 150 | Ti Maraiwatsede
FAZ. SILVA | ALTO BOA VISTA | JBS - AGUA BOA | 18 | Ti Maraiwatsede
FAZ. SOMBRA DA MATA | SÃO FELIX DO ARAGUAIA | JBS - BARRA DO GARÇAS | 24 | Ti Maraiwatsede
FAZ. TRIANÉIRA | ALTO BOA VISTA | JBS - AGUA BOA | 18 | Ti Maraiwatsede
FAZ. MATA VERDE | SÃO FELIX DO ARAGUAIA | JBS - BARRA DO GARÇAS | 18 | Ti Maraiwatsede
FAZENDA AGUA FRA | ALTO BOA VISTA | JBS - AGUA BOA | 36 | Ti Maraiwatsede
FAZENDA CATUABA DO FONTOURA | SÃO FELIX DO ARAGUAIA | JBS - AGUA BOA | 36 | Ti Maraiwatsede

Total of animals supplied 713

**SUPPLYING FARM** | **MUNICIPALITY** | **SLAUGHTERHOUSE** | **NR OF ANIMALS SUPPLIED (Jan 11 - May 11)** | **NON-COMPLIANCE WITH CATTLE AGREEMENT**
---|---|---|---|---
FAZENDA SAO LUCAS | RONDOLANDIA | JBS - SAO JOSE DOS QUATRO MARCOS | 144 | Slavery

Total of animals supplied 144

**SUPPLYING FARM** | **MUNICIPALITY** | **SLAUGHTERHOUSE** | **NR OF ANIMALS SUPPLIED (Jan 11 - May 11)** | **NON-COMPLIANCE WITH CATTLE AGREEMENT**
---|---|---|---|---
FAZ. SAO SEBASTIAO DA GOIANA | SAO JOSE DO XINGU | JBS - BARRA DO GARÇAS | 90 | Embargo IBAMA
FAZENDA VISTA ALGIRE | ALTA FLORESTA | JBS - ALTA FLORESTA | 120 | Embargo IBAMA
SITIO TOMAZELI I | NOVA BANDERANTES | JBS - ALTA FLORESTA | 22 | Embargo IBAMA

Total of animals supplied 232

Total of animals supplied 1089

ENDNOTES
