JBS – still involved in Amazon destruction

Greenpeace International briefing
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Brazil’s advance as the world’s largest meat exporter¹ continues to drive the destruction of the Amazon rainforest. The expansion of cattle ranching is currently the biggest driver of deforestation in the Amazon and largely responsible for Brazil’s status as one of the biggest emitters of greenhouse gases in the world². Of the 766,000 or more square kilometres of Amazon rainforest that has been lost over the past 40 years³, 62%⁴ has been converted to pastureland for cattle.

In 2009, Greenpeace International exposed how the cattle industry was involved in deforestation, invasion of protected and indigenous lands, land disputes and slave labour.⁵ Subsequently, the four largest beef and leather companies in Brazil at the time – JBS/Friboi, Bertin⁶, Minerva and Marfrig – signed a public agreement committing to minimum criteria for industry practice. These included provisions to cease the purchase of cattle from ranches that had recently deforested, are located in indigenous lands, are within protected areas, or involved with slave labour⁷.

On June 6, 2012 – two and a half years after the Cattle Agreement was signed, Greenpeace International released a report on JBS’ environmental practices in the Amazon. The conclusion of the investigation showed that the world’s largest meat producer still cannot guarantee its products are free from deforestation, slave labour and the invasion of protected areas.

Evidence from the investigation contradicted a statement made by JBS to the market on March 15, 2012. In it, a JBS representative said that "after two years of system operation, our level of efficiency is now much closer to 100%." He boasted: "the last audit indicates that not a single (Greenpeace emphasis) purchase was made from farms that have any sort of environmental or labour related issues pending."

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¹ Ministry of Agriculture (September 2011). Brazil. Available at: http://www.agricultura.gov.br/portal/page/portal/Internet-MAPA/pagina-inicial/animal
³ PRODES/INPE data consolidated until 2011
⁵ Greenpeace International (December 2009). ‘Slaughtering the Amazon’. Available at: http://www.greenpeace.org/international/en/publications/reports/slaughtering-the-amazon/
⁶ Bertin was subsequently purchased by JBS, 16 September 2009. Available at: http://jbs.riweb.com.br/JBS/Show.aspx?tid_materia=XXF5iCeHfXESx3V0yU8Tbw==
Three months later, JBS changed its mind. A letter was sent to Greenpeace Brazil on June 5, which corroborated the findings of the investigation by Greenpeace International. In sharp contrast to the statement to the market, JBS says "... We have faced greater difficulties than originally estimated, which affected the implementation period of a few items..."

Shortly after, on June 6, Greenpeace International released its scorecard. JBS reacted by calling a press conference saying the scorecard had "serious errors" and claiming it would take legal action. Subsequently JBS obtained an *ex parte* injunction from the 12th Civil Court of Goiânia, forcing Greenpeace Brazil to remove from its website not only the report, but also any reference to JBS’s social and environmental practices. The injunction also forbade Greenpeace Brazil from mentioning JBS in any communication to the public or the press.

This injunction, however, was the second that JBS sought. The first injunction application – submitted to a civil district court in São Paulo was rejected. In her judgement, the São Paulo judge held that the plaintiff [JBS] “denies buying cattle from properties in Indigenous lands, embargued by Ibama or using slave labour. However I did not find in the documentation proof of this claim in a form that justifies the granting of the injunction.”

JBS is publicly claiming that Greenpeace International’s report is a collection of lies. JBS is now keenly focused on distracting the public and its customers from the truth about its supply chain. The reality is that JBS does not yet have a system ensuring that its products are free from devastation of the Amazon.

**JBS SUPPLIERS INVOLVED IN DEFORESTATION**

The 2009 Cattle Agreement specified that within six months, slaughterhouses would remove all farms involved in deforestation from their supply chain. This deadline was subsequently extended by an additional six months. But JBS is still not adequately checking whether its suppliers are engaged in any form of deforestation, whether authorised by government officials or not. In fact, it is now claiming that it only agreed to act on the issue of legality. JBS recently stated that its objective is to "guarantee our clients and society at large that we source all our livestock from suppliers that have not been involved in illegal deforestation" [Greenpeace emphasis].

Even if JBS remained committed to removing all deforestation in its supply chain, as it originally promised, its own monitoring system is unable to deliver that objective. This system requires just one geographical (GPS) reference point from the supplier’s farm, rather than providing a map of an entire farm area. From this one reference point JBS cannot tell whether any given supplier is actually engaged in deforestation, legal or illegal, within the geographical limits of the farm in question.

**JBS SUPPLIERS IN EMBARGOED AREAS**

Greenpeace International researchers found JBS purchases linked to embargoed farms – Fazenda JK Pneus (JK Pneus Farm) and Fazenda Muiraquitá (Muiraguitá Farm). JBS’s reaction was to claim the properties are not on the restrictions list of the Brazilian Environmental Protection Agency Ibama. However, Ibama has an online database

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*ex parte* means that Greenpeace Brazil was not given an opportunity to present arguments before the injunction was issued

that lists embargoed properties. JK Pneus has been on this list since 11/01/2010 and Muiraquitã since 10/23/2007.

Despite the embargoes, JBS continued to buy from both farms. According to official documentation – Guides of Animal Transport (GTAs) – JK Pneus sold animals to the JBS slaughterhouse in Juruena during the month of August 2011, one and a half years after the farm was embargoed. Muiraquitã farm made 62 shipments of cattle to the same JBS slaughterhouse in Juruena throughout September and October 2011.

INDIGENOUS LANDS

Under the Cattle Agreement, JBS agreed to stop purchases from farms in Indigenous lands by April 2010. However, by May 2011, little had been done, and JBS entered into another agreement (a commitment to adjust conduct (TAC)) – this time with the Public Ministry of Mato Grosso – to stop buying cattle raised in Indigenous lands. In October 2011, federal prosecutors contacted JBS saying it had breached the agreement. This government document is publicly available here.

The Greenpeace International investigation of JBS’ supply chain found proof of cattle purchases from other farms inside indigenous lands. This was demonstrated in the Scorecard, which detailed how Pantera farm, located on Apyterewa indigenous land in Pará, sold cattle to JBS in 2011. JBS disputed this finding, claiming Pantera farm is located 339 km from the boundary of the Apyterewa Indigenous Land and illustrating this with a map. However, JBS’ map refers to a different Pantera Farm. The Greenpeace case study refers to another farm also named Pantera, within the Apyterewa land, covering 96.80 hectares, occupied by João Batista da Silva. The information was based on data collected from the Governmental department for Indigenous Peoples (FUNAI) in Altamira. Silva’s Pantera farm was issued a GTA #205076 on January 21, 2011 by ADEPARA – Agricultural Protection Agency of Pará, to sell cattle to JBS’ plant in Tucumã, Pará.

Panorama farm is recognised by the Federal Court of Mato Grosso as an occupant of Marãiwatsede Indigenous land. This farm occupies an area of 378.75 ha, of which 350 ha is pasture, and has a herd of 564 cattle according to court records. JBS denies buying from Panorama farm. However, according to GTA records, on 8 September last year JBS’ plant in Água Boa-MT purchased 102 animals from Panorama farm.

The list of farms on indigenous lands that JBS has bought from goes on. According to public and official documents, in addition to the Panorama farm, farms Sombra da Mata, Mata Verde, Elo de Ouro, Maruruna, Damare, Silva and Pontalina have also been identified within the Marãiwatesede indigenous land and are suppliers to JBS, according to GTAs.

Furthermore, other farms not included in Greenpeace International’s Scorecard, and located in the indigenous land of the Marãiwatsede, provided cattle to JBS after the signature of the agreement of 2009. They are: Dois Irmãos, Mata Azul, Estrela do Fontoura, Água Fria, Trianeira, Furnas, Riacho Bonito and Jordão.

Farms Jordão III, Primavera, Boa Esperança, Fortaleza, Sonho Meu, Três Irmãos Suiá-Missu and Capim Fino, which are in the report, supplied cattle to JBS after the signature of the agreement. JBS claims to have "geo-referenced points" of these properties. This is not sufficient to demonstrate that they are not in indigenous land. These farms, with the exception of Capim
Fino Fino, are not registered at the Department of the Environment of the State of Mato Grosso, do not have CAR or LAU (land registry), and without the geo-referenced maps it is impossible to determine their limits. The geo-referenced point normally refers to the stable - which is insufficient to determine whether the pastures of the farms are on indigenous land. Capim Fino borders with indigenous land.

**JBS SUPPLIERS INVOLVED WITH SLAVE LABOR**

The government’s Mobile Task Force against Slavery has liberated thousands of people since it started in 2004. Most of these people were working in cattle farms in the Amazon, cutting trees, burning forests and seeding pasture. These workers were tied to the farms through debts, without proper food, water and sanitation and under the threat of violence. The Cattle Agreement has a clause to remove from the supply chain farms that have been convicted of such human rights violations.

In the case of Santa Rita de Cássia farm, Greenpeace International found links between this farm’s cattle and a JBS slaughterhouse. JBS claimed we were incorrect in the farm we referenced. However, the Santa Rita farm, quoted in the report, is in Juara and belongs to Fabiano Queiroz, as demonstrated by the official GTAs. Fabiano Queiroz was included in the list of slave labor by the Ministry of Labor and Employment in August 2011. The dates on the GTAs show the shipments of cattle from Santa Rita to fattening farms in Beira Rio and Olho D'Água II. From there, Greenpeace International has GTA data showing animals were transported from Olho D’Água II and Beira Rio farms for slaughter by JBS in Juara. This occurred in September, November and December 2011, after the farm was included in the slave labour list.

**UNMAPPED JBS SUPPLIERS**

As mentioned, mapping of suppliers is essential in any monitoring system that JBS implements. The Cattle Agreement demands such information in Article 4:

Within the time limits set forth in items 1.a) and 1.b) of the Agreement; 1.a) the COMPANY shall obtain, from its direct and indirect suppliers, geo-referenced maps of their farms in the appropriate scale, with a clear definition of boundaries and bordering areas of use and non-use, together with recent satellite images of the farm area.

1.b) THE COMPANY must demonstrate that its direct and indirect suppliers are provided with rural registries IN SIX MONTHS and / or the environmental license IN 24 MONTHS, granted by the state or federal government agency responsible.

Greenpeace International acknowledges that the Vento Sul and Flor da Mata farms were not embargoed by IBAMA prior to the date of sale of cattle to the slaughterhouse, contrary to what was stated in the Scorecard. Nevertheless, these farms are problematic. The owner of both farms – and at least four others in the state of Mato Grosso – Sr. Luiz Fernando Serafim, has a known history of fines and notices of violation for illegal deforestation since 1996, the most

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recent being December 2011. Five of these six farms do not have a Rural Environmental Registry (CAR) or an Environmental License (LAU), and were involved in both direct and indirect supply of cattle to the JBS plant in Alta Floresta in 2011.

Thus, had JBS been adhering to the Cattle Agreement, it should have demanded that these farms were mapped and registered with the competent agencies of the State of Mato Grosso. If this requirement had been fulfilled, at least in the case of a supplier with a known history of environmental infringements, JBS could ensure its customers do not buy from deforested areas after the Cattle Agreement in 2009.

The fines for these farms stem from illegal deforestation. The satellite tracking system that JBS mentions in its letter to customers released in March 2012, should be able to detect this deforestation and exclude farms from its list of suppliers, even if they are or are not on the list of embargoed areas, as further defined in section 1.a. in the terms of the agreement:

1.a) Within six months from the signing of the agreement that adopted these criteria, the COMPANY undertakes to prove in a monitorable, reportable and verifiable way that no farm direct supplier of cattle for slaughter (fattening farm) and that has cleared the Amazon Biome after the reference date of this agreement is part of list of suppliers.

The efficient operation of the satellite monitoring system JBS claims to use should have detected problems also with the Tesouro Vienese farm. The farm was charged and embargoed on the same day, December 8, 2011, and not on December 28, 2012 as claimed by JBS. The embargo was a result of two illegal deforestation incidents – of an area in an advanced stage of regeneration (2.039 hectares) and native forest (37.021 ha). According to JBS, their last cattle purchase from this farm was made on November 25, 2011, only 13 days before the fine and the embargo. JBS’ monitoring system was not able to detect the deforestation before the embargo date of this farm.

MAPPING INDIRECT SUPPLIERS

JBS is not properly monitoring its indirect suppliers. Clause 1.b. in the Cattle Agreement sought to close the loophole of indirect suppliers – where farms are essentially ‘laundering’ their dirty supply via a third party which then sells product to JBS. In this instance, however, JBS makes claims to the market place that may create a misleading impression. In a letter sent on March 15, 2012, in English, signed by Mr. José Augusto de Carvalho, president of JBS Mercosur (http://jbs.riweb.com.br/jbs/Download.aspx?id=224238), the company states that "In order to put words into practice, we at JBS developed a proprietary monitoring system for livestock purchase, unique in the animal protein production sector. Our system involves a series of procedures and data analysis which allows us – in real time – to identify all our suppliers and to interrogate their sustainability status. This allows us to ensure we do not purchase animals from offenders. After just two years of operating this system, our efficiency index is very close to 100% today. We invite you, our clients, to get to know this system more deeply whenever you wish."

In another paragraph of this same letter, the company states, “not a single purchase was made from a rural property that had any environmental or labour related issues pending.” However, JBS told Greenpeace Brazil something quite different. In a letter sent on June 5, 2012, Mr. José Augusto de Carvalho Junior acknowledged the JBS monitoring system does not yet allow its customers to ensure they are buying beef products from the Amazon free of deforestation, slave labour and/or charges of involvement with invasion of protected areas and indigenous lands.
Responding to Greenpeace International’s Scorecard, JBS passes the responsibility on to the government. “The complete monitoring of indirect suppliers of animals by JBS and any other company in the sector will only be possible when there is a traceability system in the country, enabling the identification of the origin of the cattle from birth until its termination.”

The evidence against JBS is unequivocal and alarming to its customers. As the largest of the Brazilian slaughterhouses, JBS could be the market leader on sustainable practices rather than trailing behind its Brazilian competitors. Greenpeace is calling on JBS to implement, in full, the Cattle Agreement, signed in 2009. JBS needs to fulfill its commitment to eliminating deforestation or illegalities in its supply chain. Only by demonstrating their commitment to freeing their supply chain of Amazon destruction will JBS reassure its customers and other stakeholders it is an industry leader.

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