



# THE SANTARÉM FIVE & ILLEGAL LOGGING – A CASE STUDY

October 2001 – Marcelo Marquesini/Gavin Edwards – Greenpeace Amazon

In 1997 the Brazilian intelligence service SAE<sup>1</sup> estimated that about 80% of the logging in the Amazon is illegal in origin. For example companies operate on land that they do not legally own or use documents generated from legal management plans to cover logs from Indian lands where it is illegal to log. Latest figures from the Brazilian environmental agency IBAMA for 2000 show that there is about 4.5 million m<sup>3</sup> of wood authorised for logging under Forest Management Plans (FMP's) in the Amazon, yet the annual wood extracted from the region is nearly 30 million m<sup>3</sup> per year. Therefore despite various efforts to curb illegal logging, approximately 85% of the logging is still illegal<sup>2</sup>.

Logging companies often make claims in the marketplace that they log sustainably, yet deforestation (land clearing, where forest is replaced by other land uses such as cattle grazing) continues in the Amazon and the trees from this clearing continue to supply the global market. Meanwhile customers around the world are continually assured that the wood they buy is from legal and sustainable sources. For example the UK Timber Trade Federation, in September 1993 signed an accord with AIMEX (the Para state timber exporters association) which committed local timber exporters to only export mahogany and cedar from sustainable sources and in strict compliance with pertinent Brazilian legislation. Given the high percentage of illegal logging it is clearly not possible for the vast majority of the wood finding its way into the marketplace to be legal and sustainable.

This briefing investigates logging companies who are exporting the vast majority of wood from the port of Santarém in Para State in the eastern Amazon, and presents the evidence that all are involved in illegal and sometimes destructive logging. In particular it focuses on five companies that make up about 72% of the exports from Santarém – Cemex, Curuatinga, Estância Alecrim, Madesa & Rancho de Cabocla in 2000.

## Repeat Offenders – Santarém Companies Guilty of Illegal Logging

In 1997 the Federal Prosecutor asked Greenpeace & IBAMA to investigate the 15 FMP's for nine logging companies in the Santarém region<sup>3</sup> using data obtained from IBAMA, and extensive ground-truthing by a Greenpeace research team. The report noted various inconsistencies in the FMP's, and 14 of the 15 plans were not being followed. For example Cemex produced a forest management plan after completely making up an inventory of the

---

<sup>1</sup> Política Florestal: Exploração Madeireira na Amazônica. Secretaria de Assuntos Estratégicos (SAE). April 1997.

<sup>2</sup> Avaliação dos planos de manejo florestal sustentável da Amazônia. IBAMA Brasília, DF. 2001.

<sup>3</sup> Parecer técnico sobre projetos de manejo florestal sustentado na região de Santarém/PA. Marcelo Marquesini/Greenpeace Amazon. 1997.

amount of wood in a region, and then went on to ignore its plan by building roads that were not detailed in the plan, or cutting more wood than the volume authorized by the plan. After the report was released, the Federal Prosecutor investigated Cemex & Madesa and found illegalities in their land titles. IBAMA investigated Rancho Da Cabocla & Curuatinga and also found illegalities. IBAMA took the following action in 2001:

**Cemex** - Three management plans, which amounted to 13,000ha in area, were cancelled.<sup>4</sup>

**Madesa** - Three management plans were suspended due to irregularities in their management plan, and one more management plan was cancelled.<sup>5</sup> The area amounted to 10,000ha.

**Curuatinga** - One management plan was cancelled.<sup>6</sup>

**Rancho Da Cabocla** – Two management plans suspended, and one management plan will be cancelled.<sup>7</sup>

The companies produced a significant amount of wood from these plans in 2000 before the plans were cancelled or suspended. Logging also continued anyway in some of the FMP's even after their cancellation

## Illegal & Unsustainable Logging

There are three main ways by which these logging companies obtain wood for milling and processing:

### 1, Forest Management Plans (FMP's).

FMP's are legal plans that allow for industrial logging in the Amazon. Since 1986, IBAMA has been issuing thousands of these plans, which help provide assurances to consumers that the industry is well regulated. However the plans themselves are often very weak, and frequently ignored. For example a 1996 report by government<sup>8</sup> showed a number of non-compliances with the law. It found that 93% of the FMP's demonstrated no skid trails (where logs are removed from the forest), even though the careful location of these trails is essential to avoid damage to the forest and soil. A subsequent report by IBAMA<sup>9</sup> revealed that just 31% of the FMP's were considered satisfactory. Forty percent of the plans were suspended and 22.6% were cancelled. Of the remaining plans, only 49% were deemed satisfactory by IBAMA. Even when a FMP is going to be cancelled, there is no guarantee that logging activities will cease. For example in the case of Madevi, in 1997 an IBAMA agent explained to a Greenpeace research team investigating illegal logging that he would cancel FMP number 3779/94 belonging to Madevi due to illegalities<sup>10</sup>. Yet IBAMA documents in 2000 show that Madevi still continue to log using this plan, and continue to submit relevant paperwork to IBAMA.

### 2, Deforestation.

Deforestation is defined as a logging operations where all the wood is removed from a given area, and the land then converted to other uses such as for cattle grazing. The Santarém companies continue to use wood derived from deforested areas even though more and more consumers around the world have made it clear that they do not want to buy wood that originates from such an unsustainable practice. Part of the reason for this is that the wood from deforested areas is much less expensive. For example Cemex pays 5 Reals (US\$1.85)

---

<sup>4</sup> Termo de compromisso de ajustamento de conduta contra Cemex' Ministério Público Federal. 17th July 2001.

<sup>5</sup> Ação civil pública com pedido liminar de antecipação parcial da tutela contra Empresa Madesa – Madeira Santarém LTDA. Ministério Público Federal. 9th July 2001.

<sup>6</sup> Relatório sobre a situação dos projetos de manejo florestal no Para. IBAMA. April 2001.

<sup>7</sup> Relatório sobre a situação dos projetos de manejo florestal no Para. IBAMA. April 2001.

<sup>8</sup> Diagnóstico dos projetos de manejo florestal no Estado do Pará – Fase Paragominas Relatório Preliminar. Embrapa/Cptau. Belém-Pará. Embrapa. 1996.

<sup>9</sup> Situação atual dos planos de manejo florestal sustentável na Amazônia Legal. Brasília, DF. Ibama. 1998.

<sup>10</sup> Parecer técnico sobre projetos de manejo florestal sustentado na região de Santarém/PA. Marcelo Marquesini/Greenpeace Amazon. 1997.

per m<sup>3</sup> for logs from deforested areas (from the Moju Project) compared to 25 Reals (US\$9.25) per m<sup>3</sup> for the same quality of wood from FMP's.

### **3, Third Parties.**

Wood obtained from third parties such as other saw mills or logging companies can be illegal in numerous ways. For example some of the Santarém companies have been proven to obtain paperwork to legalize their wood from 'ghost companies' – companies that produce paperwork for wood that does not exist in order to cover illegally logged wood. These 'ghost companies' are sawmills or wood traders who declare to IBAMA that a company has sold wood and/or logs to them, and have documents that verify this, but the company who sold the wood and/or logs does not declare this to IBAMA. Therefore the wood never existed, and the mill is generating the documents for the illegal wood that it never had in its possession. For example:

Step 1: Company A obtains documents from company B to legalize illegal wood. The documents can come from legal and authorized logging operations, but where there is no logging (or even no wood).

Step 2: Company A obtains the illegal wood.

Step 3: Company A uses the legal documents to justify the illegal wood to IBAMA

Step 4: Company B never declares to IBAMA that they supplied these documents/wood. IBAMA does not cross check the documents to confirm that company B has declared that they sold the wood.

Step 5: Company A sells the sawn wood, which has now been legalized by the documents from company B, to wood traders/exporters.

## **Year 2000 – Business As Usual**

The following examples of illegal and destructive logging are based on data obtained from IBAMA for year 2000:

### **Cemex (Cemex Comercial Mad. Ltda.)**

Cemex officially exported 7,750 m<sup>3</sup> of wood in 2000 and 2,370 m<sup>3</sup> in Jan. to April 2001.

The origin of their wood in 2000 was:

17,600 cu.m from FMP's. In 2000, Cemex sourced more than 50% of this from a Flona Tapajos (industrial logging concession). Cemex did not follow the FMP<sup>11</sup>. The rest was derived from illegal FMP's that were cancelled by IBAMA<sup>12</sup>.

2,300 m<sup>3</sup> from deforestation (land clearing).

567 m<sup>3</sup> from other small saw mills. Two of the saw mills are ghost companies (Zeno Industrial in 2000 & J.S. Madeplacas in 2001).<sup>13</sup>

### **Madesa (Madeira Santarém Ltda.)**

Madesa officially exported 7,600 m<sup>3</sup> of wood in 2000 and 2,600 m<sup>3</sup> in Jan. to April 2001.

The origin of their wood in 2000 was:

16,800 cu.m from a FMP. Madesa derived all of this from a FMP that was cancelled by IBAMA in July 2001, as the plans were found to be based on logging of public lands, which is illegal.<sup>14</sup>

zero from deforestation (land clearing).

zero from other small saw mills

### **Curuatinga (Industrial Madeira Curuatinga Ltda.)**

Curuatinga officially exported 8,600 m<sup>3</sup> of wood in 2000 and 5,300 m<sup>3</sup> in Jan. to April 2001.

The origin of their wood in 2000 was:

15,600 cu.m from five FMP's operated by third party suppliers in the Porto de Móz region, and one FMP operated directly by Curuatinga. Three FMP's were suspended in April 2001 by

<sup>11</sup> Flona Tapajós – Histórico e situação atual da Flona Modelo. Greenpeace Amazon. Sept. 2001.

<sup>12</sup> Relatórios Mensais de entrada e saída de madeira em toras. IBAMA. 2000.

<sup>13</sup> Empresas fantasmas e madeira ilegal em Santarém – relatório técnico. Greenpeace Amazon. Sept. 2001.

<sup>14</sup> Relatórios Mensais de entrada e saída de madeira em toras. IBAMA. 2000.

IBAMA.<sup>15</sup> One of Curuatinga's third party suppliers is the Porto de Móz saw mill, who buy wood from local loggers. The sawmill was fined for being in possession of over 800 m<sup>3</sup> of wood worth \$32,500US in March 2001. As recently as September 2001 they received another fine in relation to illegal logging, for wood that had no legal documents.  
zero from deforestation (land clearing).  
zero from other small saw mills

### **Rancho da Cabocla (Maderieira Rancho do Cabocla Ltda.)**

Rancho da Cabocla officially exported 14,800 m<sup>3</sup> in 2000 and 5,230 m<sup>3</sup> in Jan. to April 2001. The origin of their wood in 2000 was:  
19,650cu.m from a mix of two FMP's and seven deforestation authorisations.<sup>16</sup>  
2,414 m<sup>3</sup> from other small saw mills. Two of the saw mills are 'ghost companies' (Zeno Industrial & Itamex).<sup>17</sup>

### **Estância Alecrim/Milton José Schnorr**

Estância Alecrim was founded in 1999. It officially exported 4,502 cu.m in 2000, and 1,397 m<sup>3</sup> in Jan. to Apr. 2001  
The origin of their wood in 2000 was:  
11,247 m<sup>3</sup> from a mix of three FMP's and 26 suppliers from deforestation.<sup>18</sup>  
521 m<sup>3</sup> from other small saw mills. Two of the saw mills are 'ghost companies' (J.S.Madeiras/Madeplacas, Zeno Industrial & Itamex/Madeira do Gareira).<sup>19</sup>

---

<sup>15</sup> Relatórios Mensais de entrada e saída de madeira em toras. IBAMA. 2000.

<sup>16</sup> Relatórios Mensais de entrada e saída de madeira em toras. IBAMA. 2000.

<sup>17</sup> Empresas fantasmas e madeira ilegal em Santarém - relatório técnico. Greenpeace Amazon. Sept. 2001.

<sup>18</sup> Relatórios Mensais de entrada e saída de madeira em toras. IBAMA. 2000.

<sup>19</sup> Empresas fantasmas e madeira ilegal em Santarém - relatório técnico. Greenpeace Amazon. Sept. 2001.

## Global Demand for Wood is Fuelling the Chainsaws

Much of the wood produced in the Santarém region is exported, in particular to Europe. The wood is handled by a variety of importers, the largest being DLH / Nordisk which accounts for almost 13% of the exports from Santarém and sells the wood in Belgium, Denmark, China, UK, France, Germany, Netherlands, Portugal, Spain and the USA. Species exported include Ipé and Jatoba, and has a variety of uses such as hardwood flooring and decking.

### Selected Wood Exports from Santarém, Jan. 2000 to Apr. 2001<sup>20</sup>

Country of Export  
Cubic metres

The Netherlands  
22,681

France  
19,297

Spain  
8,909

Denmark  
6,599

Belgium  
5,626

Portugal  
5,509

Ireland  
4,644

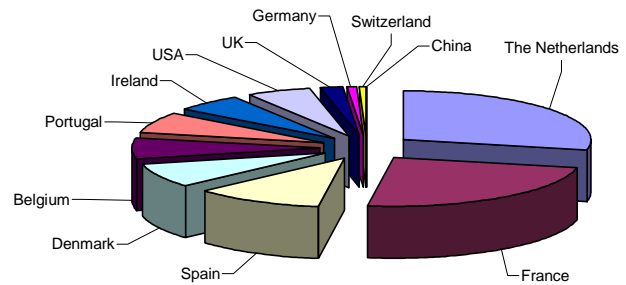
USA  
4,574

UK  
1,457

Germany  
634

Switzerland  
406

China  
101



## The Solutions

### Greenpeace Global Call for Action:

In order to halt the destruction of ancient forests worldwide, Greenpeace is calling on the 180 governments formally committed to the Convention on Biological Diversity (CBD) for a moratorium on logging and other industrial activities in all the world's remaining large areas of ancient forests, until representative protected area networks and areas of sustainable use are

<sup>20</sup> Mapa Mensal das exportações de produtos e sub-produtos florestais. IBAMA/Santarém. Jan. 2000 to Apr. 2001.

fully established, and to create a global ancient forest fund of at least US\$15 billion annually to fund implementation of these measures.

### **Greenpeace calls to action to the Brazilian Government:**

#### **Moratorium:**

- Greenpeace is calling for an immediate moratorium on all industrial logging in the Middle Land until a full assessment of the ecological values of this area can be completed and a credible land use plan developed and implemented.

#### **Measures:**

- IBAMA should permanently revoke all Forest Management Plans held by companies found laundering illegal logs
- Forest Stewardship Council (FSC) is an eco-certification scheme that has global acceptance in the marketplace. It employs a chain of custody scheme which tracks wood from the forest to the consumer, so that the exact origin of the wood is known. It also does not certify deforestation. As such, it is the best protection against illegal and destructive logging, and Greenpeace is calling on all logging companies to become FSC certified within four years.

#### **Money:**

- Additional funding and resources should be made available to IBAMA so that they can more effectively carry out their role of monitoring and enforcing Brazilian environmental laws.
- Additional funding and resources should be allocated for improved tropical forest research, environmental education, training of forest managers and development of economic alternatives in local communities.