



Statement

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## **Fighting deforestation: we need a framework conducive to changing practices on the ground**

**Brussels, 15 September 2020** - The industry and trade members of COCERAL, FEDIOL and FEFAC share public concern of the incidence of fires on native vegetation, wildlife and on local communities. Fires in the Amazon region are raising particular attention because of their alleged link with land grabbing practices and with deforestation.

The fires in the Amazon during the dry season arise through different factors, but there is converging evidence that a relevant share is part of the deforestation process, given that they coincide with recently deforested areas<sup>i</sup>. Therefore, fighting deforestation, in particular illegal deforestation should promote strong reduction of fire hotspots in the Amazon region. Brazil has proven possible to control deforestation in the past through concerted actions of public authorities, business and civil society, backed by a very effective satellite monitoring system.

One example of collaboration between civil society and industry that has shown to be effective, is the Amazon Soy Moratorium (ASM), which prevents any soy produced on areas cleared after 2008 from entering the supply chain and reaching Europe. Soy traders and processors are not buying soy from farmers who clear the rainforest, use slave labour or threaten indigenous lands. There is verified monitoring through satellite imagery of land to ensure compliance. The Amazon Soy Moratorium has produced a spectacular drop in Amazon deforestation from the moment it was implemented and it continues ensuring that soy is not a driver of deforestation in the Amazon, as figures of areas that are non-compliant with the ASM demonstrate<sup>ii</sup>.

COCERAL, FEDIOL and FEFAC support EU action to fight deforestation. For EU action to be effective will require aligning EU policies, including trade and development cooperation and further engagement with producer countries to discuss how to strengthen enforcement for the protection native vegetation or how to re-design legal measures where needed. EU action should include regulatory provisions requiring market players to use tools that will support and accelerate change in supply chains of forest-risk commodities. Deforestation has to be stopped at origin in partnership with governments and public authorities and in cooperation with farmers and local players on the ground to design a win-win situation. EU legislation halting the import of forest-risk commodities would not be an effective response to stop deforestation in the Amazon.

Improving practices on the ground has guided our action for over a decade. Our experience with voluntary initiatives and engagement in different supply chains has taught us that such action achieved to slow down conversion of natural habitat and pushed governments and private players to adopt better, more sustainable practices. But, it takes more than a European commitment to stop global deforestation and other key global players have to be involved in this process<sup>iii</sup>.

Our sectors have a responsibility in acting against deforestation in our supply chains. We support the EU Commission's ambition in the fight against deforestation. This will require adjusting EU policies and setting up a regulatory framework conducive to a change in practices on the ground.

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<sup>i</sup> "In August 2019, for example, the most critical month in 2019, 51% of fire alerts observed by the QUEIMADAS System, coincide with deforested areas from 2017-2019, according to the INPE's PRODES system. This indicates the dominance of "deforestation fires", employed to clean the remains of the forest left in the ground, as others have also recently analyzed. Excerpt of the article which has been published in the magazine Science:

<https://science.sciencemag.org/content/369/6504/634.2/tab-e-letters>. See also Moutinho, Alencar, Rattis, Arruda, Castro, Artaxo, specially figure 1, available at <https://ipam.org.br/wp-content/uploads/2020/06/NT4-pt-desmate-fogo-covid-1.pdf>.

<sup>ii</sup> According to the latest Soy Moratorium report, non-compliant soy crop area represents only 1.8% of total soy area of the Amazon Biome (88.2 thousand hectares on 5 million hectares). This information is available at <https://abiove.org.br/en/relatorios/moratoria-da-soja-relatorio-12o-ano/>.

<sup>iii</sup> Europe represents 15% of global trade in soy (beans and meals) as compared to China which holds over 58% of global trade. The EU sourced from Brazil about 5 million tonnes of soybeans and 8 million tonnes of soybean meal in 2019 corresponding to 35% and 44% respectively of its import needs. Brazil's soy production in 2019 amounted to 121 million tonnes.