

Deforestation commitments and Brazilian soy

As awareness of deforestation increases, so have commitments to reduce forest loss by companies involved in the trade and purchase of forest-risk commodities. These commitments hold the potential to create deforestation-free supply chains, but their effectiveness remains unclear. Trase data offer the first opportunity to explore how commitments by commodity traders map onto production landscapes, and they reveal uneven coverage across Brazil, indicating the need for more extensive and more robust private sector commitments.

The Soy Moratorium

The Amazon Soy Moratorium is arguably the most concrete and rigorously implemented deforestation commitment in Brazil, and is supported by major soy traders including members of the Brazilian Vegetable Oil Industry Association (ABIOVE) and Brazilian Grain Exporters Association (ANEC). It prohibits the trade of soy grown on land deforested after July 2008 in the Amazon¹.

Trase shows that signatories of the Soy Moratorium were responsible for 88% of soy exports from the Amazon from 2010 to 2015. Over this period, the biggest markets for soy from the Amazon were China (45%) and the European Union (33%). Within this period, 87% of exports to China and 82% of exports to the EU were traded by signatories of the Soy Moratorium.

Indeed, in 2014, deforestation directly for soy expansion – not accounting for indirect effects – accounted for only 1% of soy expansion in the Amazon, compared to 30% in the two years prior to the introduction of the moratorium in 2006².

Commitments to reduce or end deforestation in the Cerrado

The Cerrado, widely recognised as the world’s most biodiverse savannah, has recently experienced a boom in agricultural expansion. Trase data show that from 2010 to 2015, soy exports from the Cerrado increased by over 50% from 15.5 to 24.4 million tonnes. Across the six-year period, [maximum soy-related deforestation](#) in the Cerrado increased by almost 60% from 120,000 to over 196,000 hectares. There was three times more maximum

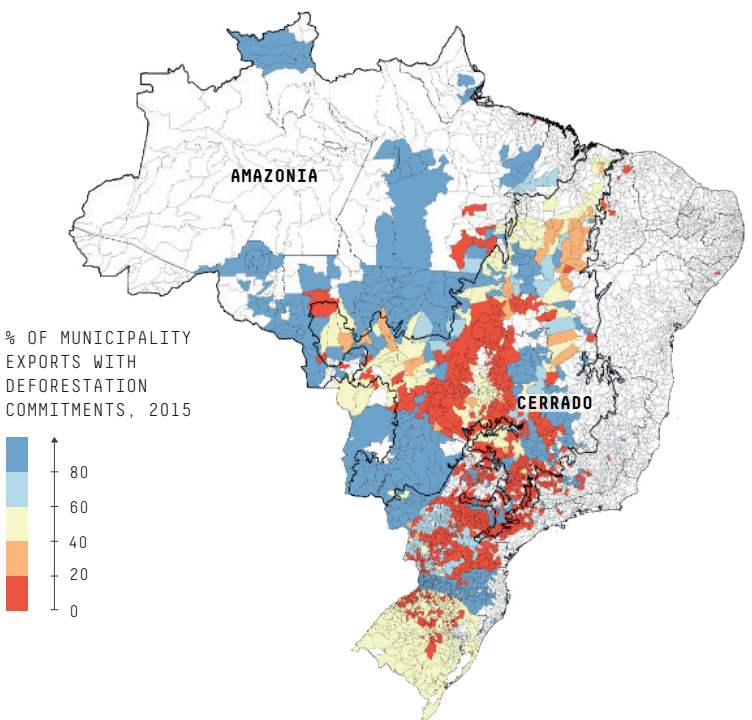


FIGURE 1 Coverage of deforestation commitments in 2015

soy-related deforestation in the Cerrado than the Amazon over the six years.

In 2017, the Cerrado Manifesto was launched, calling for private sector action to halt deforestation in the region. As of March 2018, 62 companies had signed a Statement of Support for the Manifesto. However, unlike the Soy Moratorium in the Amazon, these companies have not

¹ The Soy Moratorium was introduced in 2006, with the cut-off date changed to 2008 in 2013 to align with the Forest Code.
² Gibbs et al. 2015, *Science*, 347, 6220, pp. 377–378

committed to avoid soy from deforested land, but to work “with local and international stakeholders to halt deforestation and native vegetation loss in the Cerrado”.

The only commitments to zero deforestation that apply to the Cerrado are the global commitments made by Bunge (2015), Cargill (2014), ADM (2015) and Amaggi (2017). These public pledges aim to eliminate deforestation from all operations and geographies within their respective supply chains. None of these companies have supported the Cerrado Manifesto³.

Trase shows that soy purchased in 2015 by the three traders with zero deforestation commitments (ZDCs) amounted to 4.4% of exports from the Cerrado. This means that a much lower proportion of the soy exported from the Cerrado is covered by ZDCs than Amazonia (Figure 2).

However, these company commitments are ambiguous as they do not explicitly state whether they cover all native vegetation in the Cerrado, which includes grassland, complex grassland-tree mosaics and savannah, as well as dense forests.

In the Atlantic Forest region, where the proportion of soy exported by companies with zero deforestation commitments was similarly low in 2015 (35%), all remaining forests are protected under regulations particular to that biome.

In the Cerrado, where more than 75% of the remaining native vegetation is privately owned⁴, and where legal

reserve requirements under the forest code are much lower than in the Amazon (20 – 35%), action by the private sector will play a critical role.

Trase data can be used to map trading patterns for traders with zero deforestation commitments to identify gaps in coverage, and to assess the impacts of commitments across multiple companies on changes in deforestation on the ground. To explore the data visit Trase.Earth.

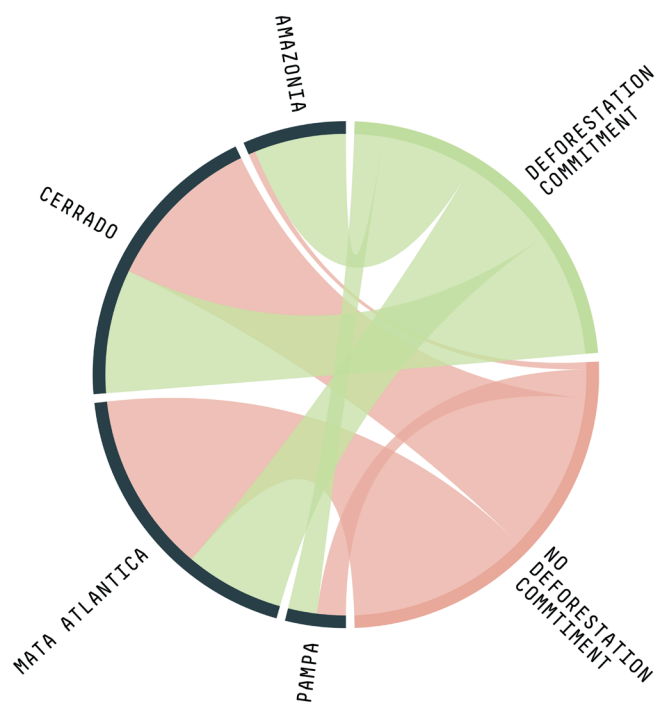


FIGURE 2 Proportion of exports purchased under deforestation commitments per biome in 2015

The Trase Infobrief series illustrates some of the key insights around commodity trade and supply chain sustainability that are made possible by Trase. Explore the data yourself at trase.earth

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³ Tropical Forest Alliance 2020 press release, 2018

⁴ Filho & Costa, 2016