



fern

MAKING THE EU WORK
FOR PEOPLE & FORESTS

Commodity production

EU-Mercosur agreement

Agricultural products in focus under the EU-Mercosur agreement

- **Beef:** 99,000 tonnes of beef (55% "fresh", high quality beef, and 45% "frozen" beef) with a 7.5% duty.
- **Ethanol:** 450,000 tonnes duty free for the chemical industry. A further quota of 200,000 tonnes with an in-quota rate of 1/3 of the current high duty for other uses.





Threats to communities and the environment

According to the SIA by LSE

- Additional production of some agricultural products may lead to **pressure on land use with adverse impacts on indigenous peoples' livelihoods and environmental conditions.**
- The expansion of some Mercosur agricultural sectors predicted is due as much to reallocation of resources resulting from **liberalisation of Mercosur tariffs** as it is from **increased export demand** for those Mercosur products.
- Risk to indigenous populations may be of concern regarding **labour force, land allocation, and proper distribution of natural resources**

Current context in Brazil while the Mercosur agreement is being legally scrubbed (1/2)

- **Number of invasions on Indigenous Lands exploded during the first nine months of 2019.**

From January to September 2019, the number jumped by 160 invasions on 153 lands. That is already a 44% increase in total attacks and 101% in number of Indigenous Lands affected. Source: CIMI

- **Numbers of fires increased**

From January to 2 September 2019, more than 93,000 outbreaks of fires in Brazil, an **increase of 64% compared to 56,800 outbreaks in the same period of 2018.** Source: INPE

Current context in Brazil while the Mercosur agreement is being legally scrubbed (2/2)

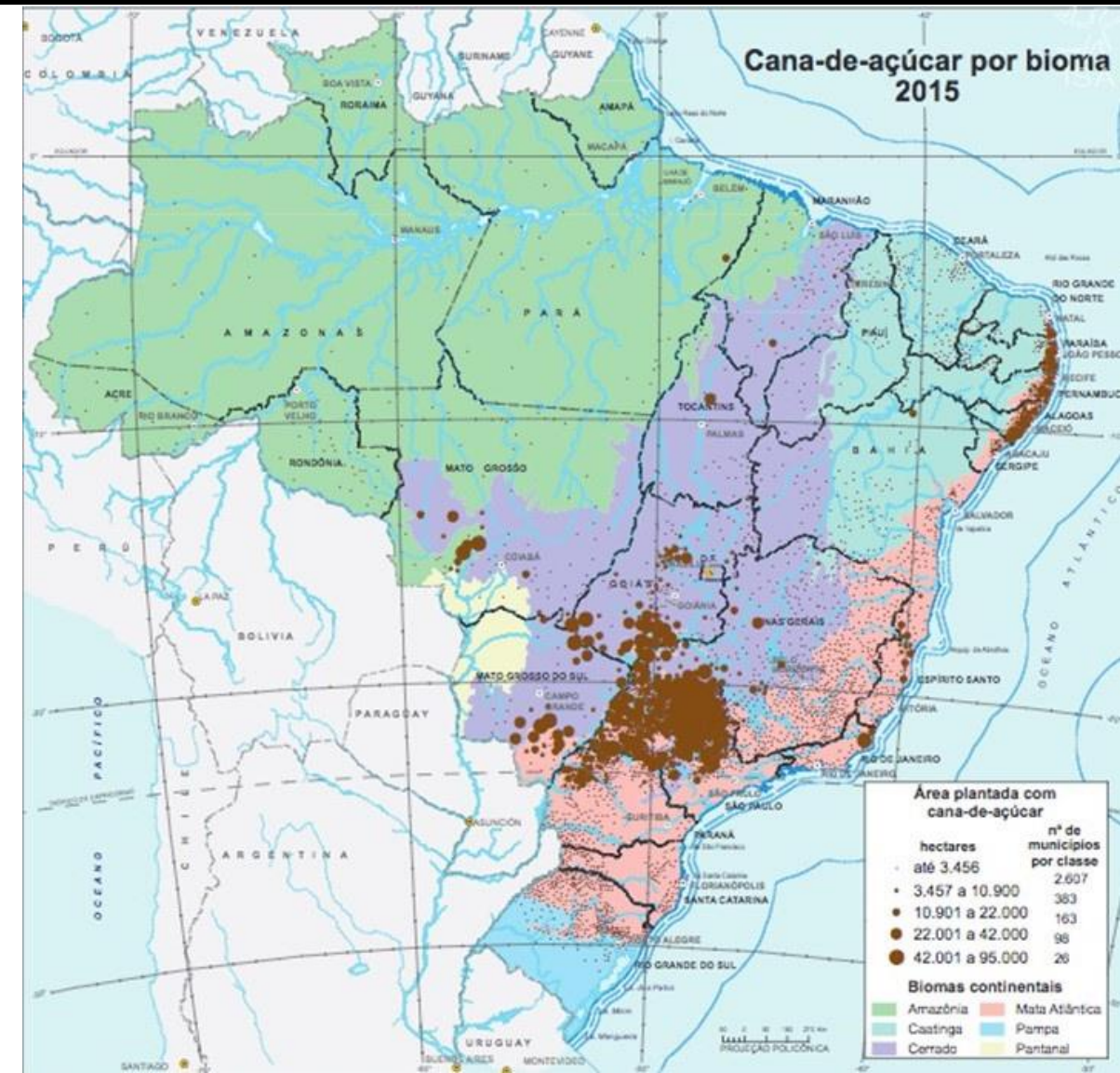
- **Revoking of environmental Sugar cane zoning which protected Amazon and Pantanal biomes on 6 November 2019**

Ethanol import data Source SIA by LSE

Table 53. Share of Mercosur in EU trade

	Share of Mercosur (%)
EU imports of Sugar	12.08
EU imports of Ethanol	4.68
EU exports of Sugar	0.92
EU exports of Ethanol	0.51

Source: Comext-Eurostat. Note: Data is for 2016.

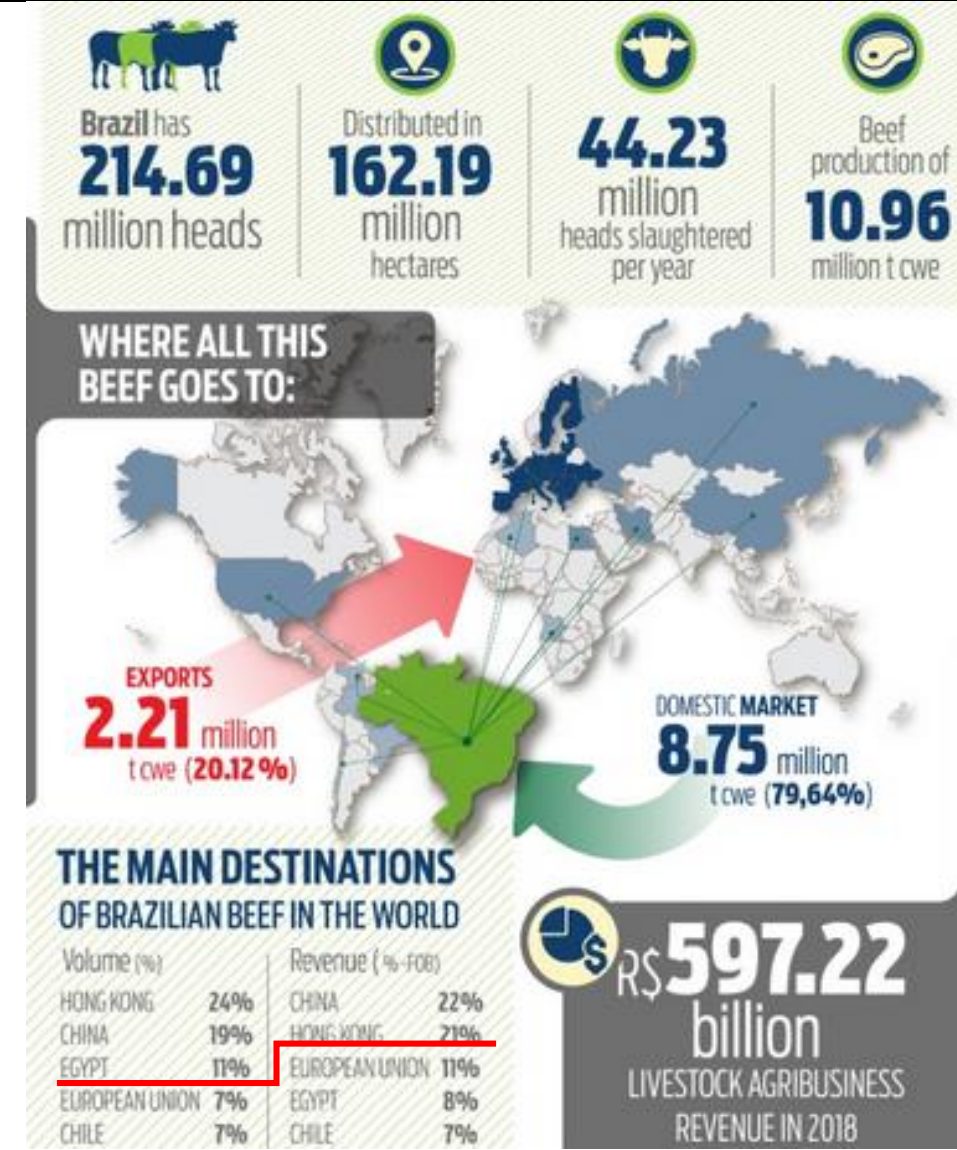


Beef import data Sources SIA by LSE, Abiec

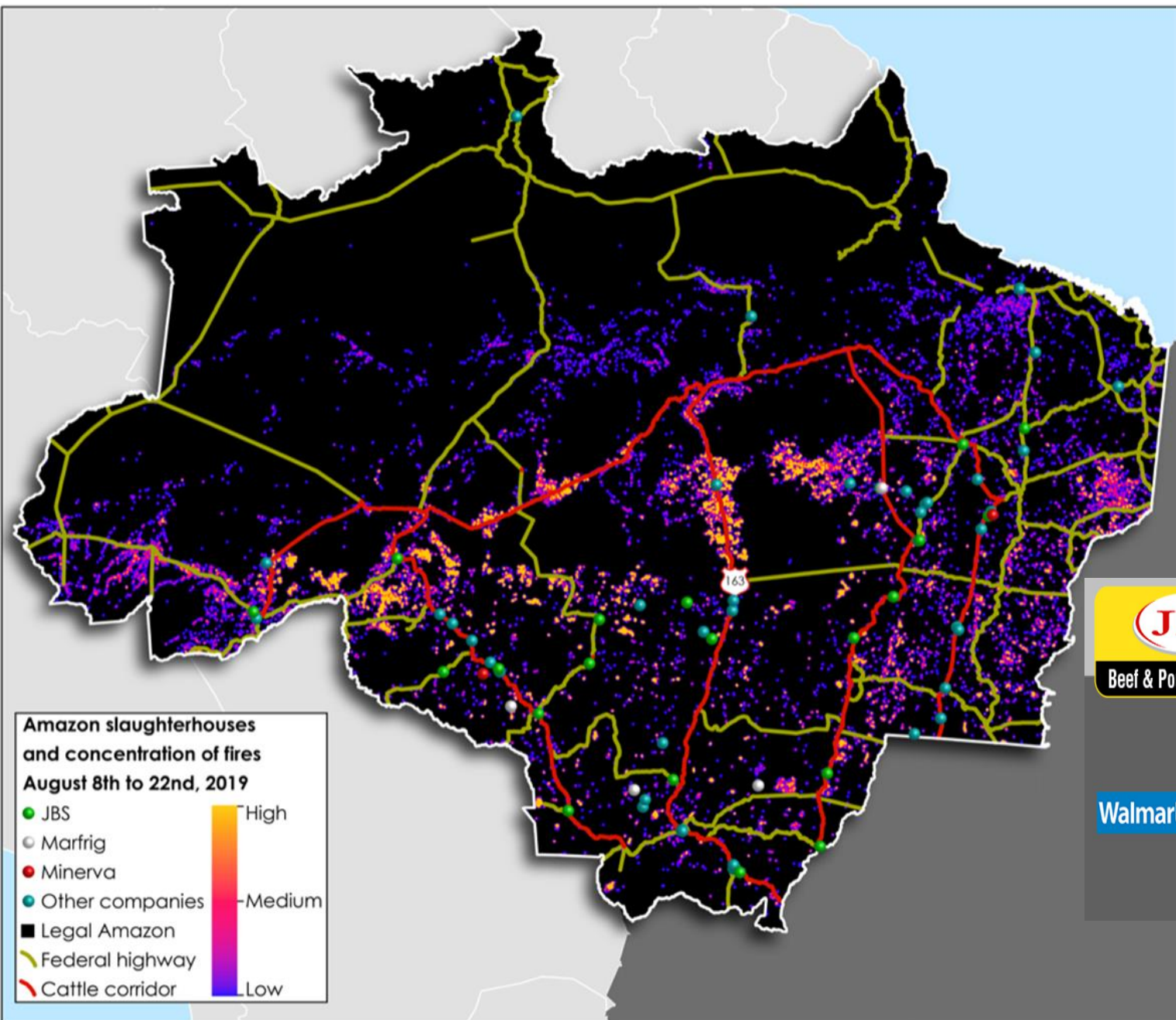
Table 34. Imports of beef products from Mercosur (in million of Euros)

CN	Description	2015	2016	2017	Average share in imports from Mercosur				Average share in EU imports
					Argentina	Brazil	Paraguay	Uruguay	
02013000	Fresh or chilled bovine meat, boneless	810	860.5	860.2	45	26	3	27	64
02023090	Frozen bovine boneless meat (excl. Forequarters, whole or cut into a maximum	351.1	328.6	311.1	3	67	2	29	82
16025031	Corned beef, in airtight containers	120.4	107.8	83.2	0	100	0	0	100
16025095	Meat or offal of bovine animals, prepared or preserved, cooked	84.3	79.8	59.7	1	98	-	0	94
	OTHER BEEF PRODUCTS IN CHAPTERS 2 AND 16	1.7	1.6	0.7	21	55	0	24	11
	TOTAL	1367	1378	1315					

Source: Eurostat.

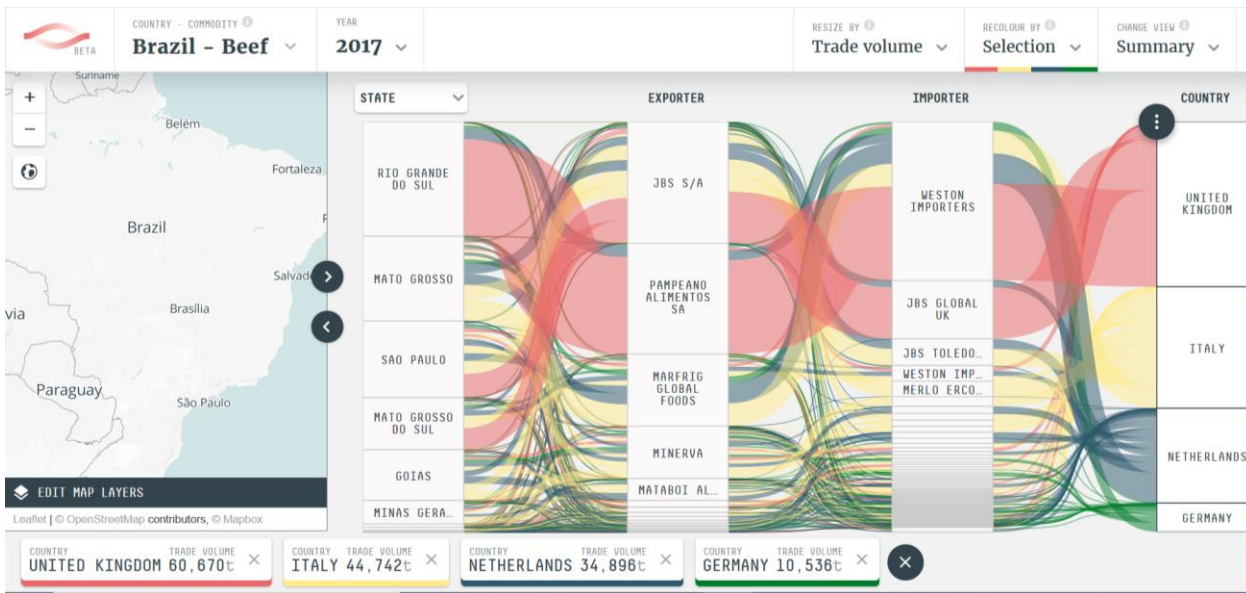


Slaughterhouses near Amazon fires

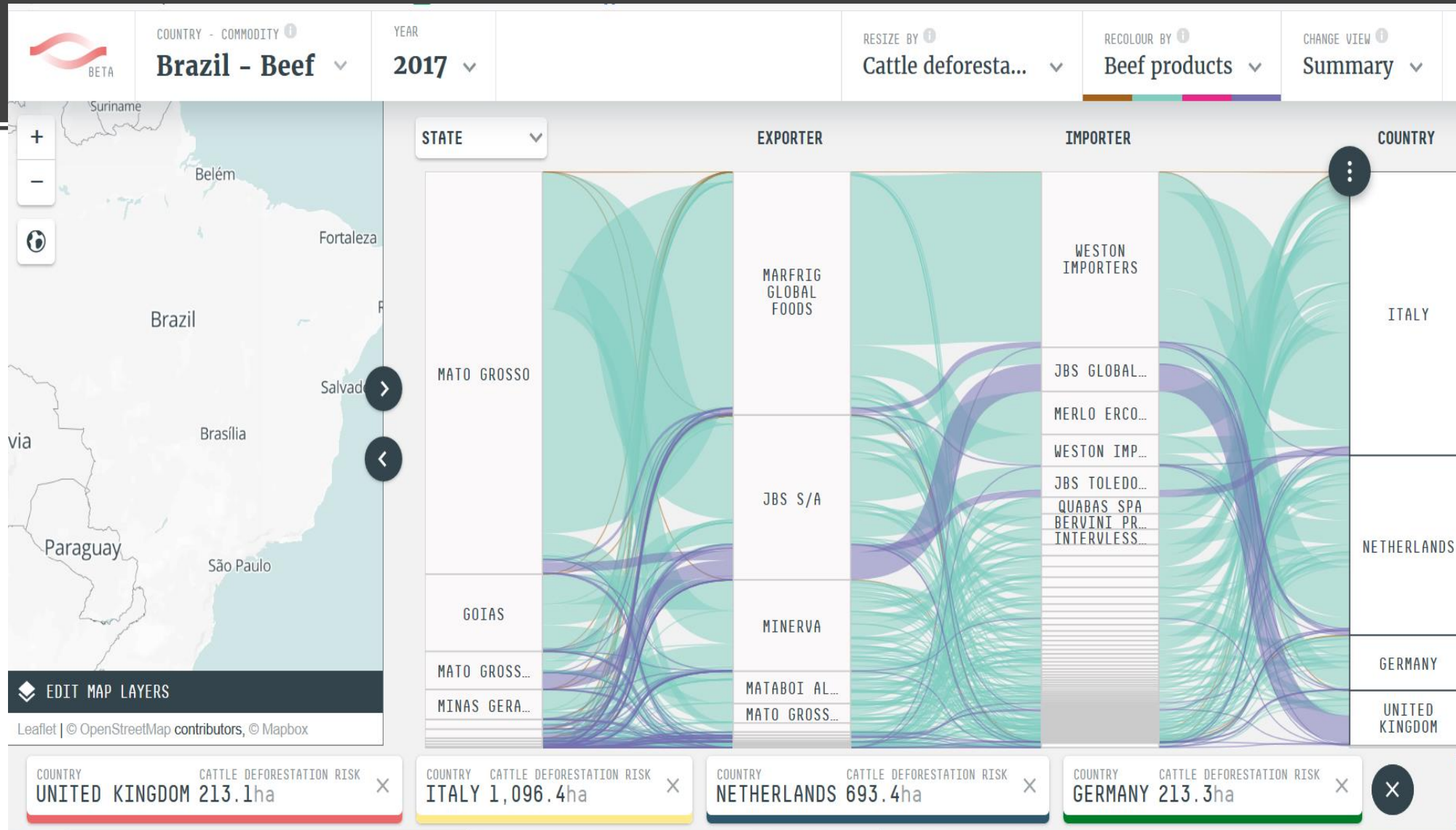


Source: Mighty Earh

Beef exports and associated deforestation risk from Brazil to the EU (2017)



Beef exports per category and associated deforestation risk from Brazil to the EU (2017)

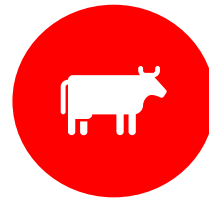




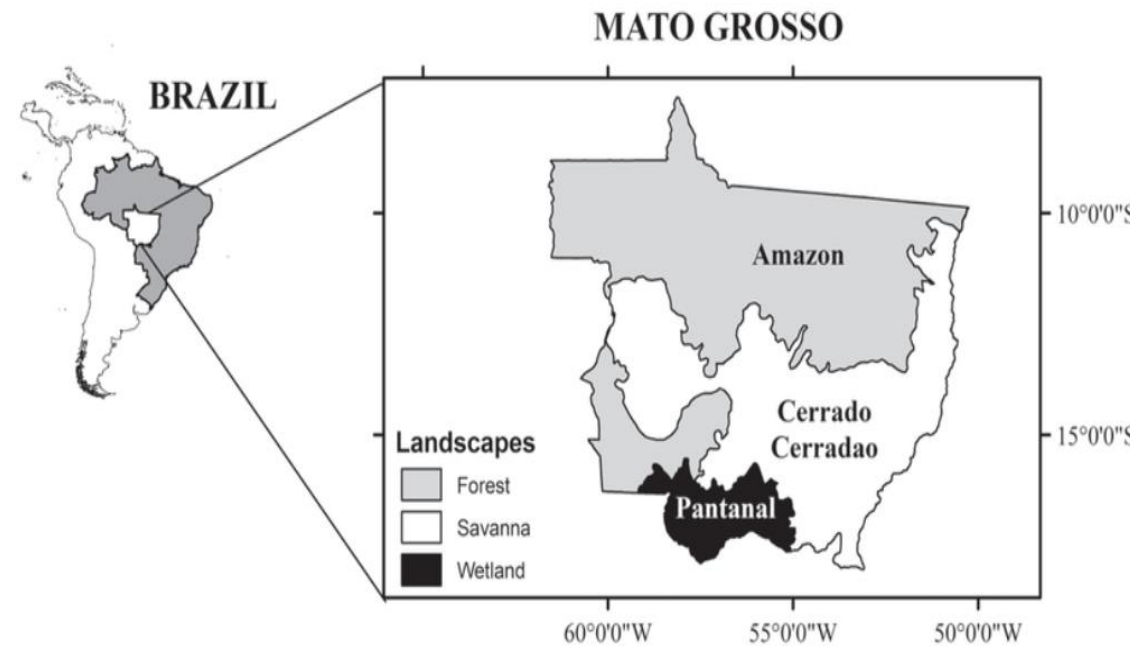
BRAZIL DEFORESTATION 2018

The global rate of tree cover loss has increased by 43 per cent
Latin America loses the most primary forest per year. Source: NYDF 2019

**Deforestation in Brazil
2018 to be announced
today**



DEFORESTATION BEEF 2013-2017



Example Mato Grosso (MT). Source: Britaldo Silveira Soares Filho

50,000 farms are non compliant with Brazilian legislation
of those 21,000 have been analyzed further:

2,700 probably have illegal deforestation =
2.4-3 million cattle heads in MT are illegal

Carcass weight equivalent: **0.8 million of tonnes**
contaminated with illegal deforestation while Brazil
exported 1.4 million tonnes to EU over the same period.

What can Europe do?

The European Union **no longer finances or places** products on the market **that have caused deforestation or human rights violations**

Adoption of

- **EU regulation** of supply chains and the financial sector
- **Support of mechanisms** that open space to discuss forest and land governance, and security of tenure, that support the socio-environmental movement and science in producer countries



How could it work?

Under a Due diligence based regulation companies would need to:

- 1) identify environmental and human rights risks throughout their supply chains,
- 2) prevent the risks from materializing, and
- 3) mitigate the impacts

This needs to be accompanied by

- 1) a robust enforcement regime
- 2) include effective, proportionate and dissuasive penalties for non-compliance, and a
- 3) complaint mechanisms for third parties and affected individuals so that communities have a mechanism to uphold and defend their rights.

What else do we need for this? Science and companies need continued access to

- Deforestation data
- And animal transport data such as the Brazilian GTA.

What else do we need to do?

1. In the new **Farm to Fork strategy** support more **balanced diets** and **ecological and social farming**

- More protein in vegetable and legume form - need less land
- Fully replacing imports of soya at current production levels unrealistic and undesirable
- Reduce food waste

2. Stronger EU-China dialogue on imports of forest-risk commodities and associated threats to communities and Indigenous Peoples

