

Brazilian Meat Giant Trucked Cattle from Deforested Amazon Ranch

By Andrew Wasley, Alexandra Heal, and et al. Global Research, October 30, 2020 <u>The Bureau of Investigative Journalism</u> 27 July 2020 Region: <u>Latin America & Caribbean</u> Theme: <u>Environment</u>, <u>Law and Justice</u>

On a sunny day in July 2019, **Alessandro Ale**, a lorry driver, decided to take a few photos as he drove in a convoy across the southern end of the Amazon rainforest. He snapped the cab of his lorry – emblazoned with the logo of JBS, the world's largest meat company – beside a sign marked "Fazenda Estrela do Aripuanã", before he and the four other drivers set off with their load of about 250 cattle. He enjoyed the journey. "Working with good fellas is always a joyful ride," he captioned the picture on Facebook.

But Ale's photo, later uncovered by Repórter Brasil and the Bureau of Investigative Journalism, increases concerns about the culpability of the global beef industry for the fires ravaging the Amazon each year. This June saw record fires in the Amazon, fanned by illegal deforestation as farm owners seek more land to turn into cattle pasture.

JBS, which sources cattle from the Amazon for its massive global beef market, has annual revenues of \$50bn and slaughters almost 35,000 cattle a day in Brazil alone. Its beef exports to mainland Europe increased by a fifth in recent years despite the Amazon emergency.

As the outcry over the Amazon fires has grown, JBS has repeatedly said that it is doing everything it can to make sure its supply chain does not include cattle raised on illegally deforested land. But it has always added that it can only monitor farms that supply it directly. This avoids reckoning with the vast number of farms, which only raise "skinny" cows that are then sold on to fattening farms; according to JBS, these skinny cattle are untraceable.

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A picture Ale posted on Facebook of his lorry parked next to the Fazenda Estrela do Aripuanã sign (Facebook)

That assurance has so far proved good enough for the world's large retailers and food manufacturers, and JBS's investors – but faces significant challenge in light of Ale's photograph. The owner of Fazenda Estrela do Aripuanã, the farm where Ale said he picked up the skinny cattle, was fined R2.2m (£340,000) for destroying a swathe of the Amazon rainforest on land at that ranch. And the cattle Ale drove away, in a truck bearing a JBS logo, went to another of that company's farms – one that directly supplies JBS.

The revelations raise serious questions requiring urgent further investigation for JBS, its investors and the global companies that buy its beef over their responsibility for contributing

to the destruction of the Amazon rainforest, the "lungs of the planet".

Reacting to the findings, **Zac Goldsmith**, the international environment minister, said that the UK government was looking closely at recommendations made in a governmentcommissioned independent report on reducing the deforestation caused by Britain's imported products. The report suggested legislation requiring British businesses to prevent environmental harm and human rights abuses in their supply chains, and named beef as one of the most risky commodities.

"There is a hugely important connection between the products we buy and their wider environmental footprint," Goldsmith said. "A lot of progress has already been made to make the UK's supply chains more sustainable, but we know that more needs to be done."

JBS disputed the Bureau's findings and added that such practices do "not reflect its operating standards". The company emphasised that independent audits show none of the cattle in its direct supply chain come from newly cleared rainforest. But experts have told the Bureau they believe that as much as 50% of the cattle reared across the Amazon likely comes from farms which are not covered by the audits, which means they could come from illegally deforested ranches like Fazenda Estrela do Aripuanã.

JBS began as a family butchers shop in Brazil, but has grown into the world's largest meat company – its subsidiaries control vast swathes of chicken production in the US and UK, and its beef is exported around the world.

That growth has come at a cost. In 2017 JBS's holding company paid one of the biggest fines in global corporate history, at \$3.2bn, after admitting to the bribery of hundreds of politicians. The Batista brothers, who took over the family business from their father, have been <u>investigated multiple times</u>.

The Bureau, working with *Repórter Brasil* and the Guardian, has repeatedly <u>dug into the</u> <u>links between the company and Amazon deforestation</u>, which nearly doubled in the past year. In 2019, figures revealed how up to 5,800 sq km of forest — an area four times the size of Greater London — was being cut down every year in the Amazon and other areas in Brazil to be converted into cattle pasture.

JBS, like other major beef producers, says that it has a "zero tolerance" approach to illegal deforestation and has introduced sophisticated monitoring systems for its direct suppliers. At every turn, the company has insisted that it is impossible to monitor its indirect suppliers because there are no publicly available records of livestock moving between farms at different stages of the rearing process.

That argument shifts responsibility onto the Brazilian government, and there is international pressure to close the loophole. **Angus MacNeil MP**, chair of the international trade select committee, told the Bureau that Brazil would have to "clean up its act ... or surely nations will have to act".

He added:

"All over Europe there is a cattle tracing system so that people know where calves are born and they can be traced through their lives. In Brazil this is a

huge loophole. It is even a more serious issue than welfare and standards, as it is deforestation of the Amazon, the lungs of the earth are at stake."

Delara Burkhardt, a German MEP, is less convinced that only governments can act.

"That companies cannot monitor the deforestation footprint of many of their suppliers is an argument we hear often. This cannot be an excuse ... Big companies – like JBS – with their big leverage on upstream suppliers could fix this, if they wanted to, or if they were required to do so by domestic or importing countries' laws."

Critics say that the situation – which affects all beef firms sourcing from the Amazon, including JBS's main rivals, Marfrig and Minerva Foods – enables a form of "cattle laundering" in which livestock from "dirty" farms linked to deforestation can end up being moved and mixed in with cattle from "clean" farms.

Publicly both the Brazilian meat industry and its critics agree that tackling cattle traceability is key to preserving the rainforest.

But Ale's photographs, cross-referenced against other records, raises serious concern that, far from being unable to monitor the different players in its supply chain, JBS may have facilitated cattle laundering.

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The convoy of lorries (Facebook)

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Ale in his JBS uniform on the trip from Fazenda Estrela do Aripuanã (Facebook)

The story of Ale's convoy shows how quickly supposedly untraceable cattle from farms directly tied to illegal destruction of the Amazon could arrive at farms feeding into JBS's global supply chain.

Ale and his colleagues were trucking cattle through the rainforest from Fazenda Estrela do Aripuanã, a ranch in the north west of Mato Grosso, to a farm further south. The Amazon covers roughly 40 per cent of Brazil.

Fazenda Estrela do Aripuanã – the first farm from which Ale picked up the cattle – is operated by **Ronaldo Venceslau Rodrigues da Cunha,** a businessman who breeds cattle and has one of the biggest beef enterprises in Brazil.

His company boasts of 102,000 cattle bred and fattened across 16 ranches spanning some 72,000 hectares of pasture. Its website tells the colourful story of how Cunha's cattle empire grew from humble beginnings, complete with details of various family tragedies and the highs and lows of cattle trading.

What it fails to mention is that the Fazenda Estrela do Aripuanã farm was previously fined R2.2m for deforestation of rainforest. Records published by Brazil's environment agency Ibama clearly show 1,455 hectares of land placed under an official embargo — which prohibits cattle grazing — as a result of the deforestation. Embargoes are imposed for

environmental violations and serve both as a punishment and protective measure to allow land to recover.

The website also fails to mention that Aripuanã farm was ravaged by multiple forest fires between 2018 and 2019. (The Bureau was able to cross reference datasets on Brazil's fires with maps of the farm's boundaries to locate these blazes – and others in previous years – on the farmer's land.)

While there is no suggestion that these fires were started deliberately to clear further forest for pasture, they show how deforested land can be vulnerable to fires.

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Deforestation leaves the Amazon vulnerable to wildfires (Image courtesy of Greenpeace)

Ale and his fellow JBS drivers appear to have then driven the Aripuanã cattle to a second farm also run by Cunha's company, Fazenda Estrela do Sangue, some 300km away. Sangue, unlike Aripuanã, has no embargoes owing to deforestation and so would be regarded as a "clean" supplier.

Although Ale's Facebook post showed him making that journey just once, the Bureau has since established that cattle are regularly transported from Aripuanã farm to Sangue farm.

Cattle movement records seen by the Bureau show that from June 2018 to August 2019, at least 7,000 animals were dispatched from the first farm to the second. Separate records show that Sangue farm sent some 7,000 cattle to JBS abattoirs between November 2018 and November 2019.

Cunha's company did not respond to a request for comment.

Although it is impossible to track the exact movements and destinations of individual cattle, the regularity of livestock movements between the farms – and the sizeable number of animals from the second ranch ending up in JBS meat plants – provides some of the strongest evidence yet suggesting the manner in which cattle laundering may occur in practice.

The Bureau has found evidence of JBS repeatedly promoting use of its own trucks for transporting cattle between indirect suppliers and direct suppliers. JBS executives promote the routes as "three-legged journeys": picking up "skinny" cattle at one farm, exchanging them for fattened cows at a second, and ending the journey at an abattoir. Ale's Facebook posts tell a similar story, appearing to show him trucking cattle between different farms on at least one other trip.

The revelation, campaigners said, puts pressure on businesses around the world to review their ties with JBS if they wish to avoid being linked to concerns about the destruction of the Amazon.

"Time after time JBS has been caught red-handed profiting from Amazon destruction," John Sauven, the head of Greenpeace UK, said.

"We are now facing a climate and nature breakdown and JBS bears a significant weight of

responsibility. With meat products from JBS ending up in supermarkets and fast food restaurants globally, there can be no more excuses. Retailers must stop trading with all JBS-owned companies while we still have enough of the Amazon left to fight for."

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Land cleared for cattle pasture (Image courtesy of Greenpeace)

The cattle reared and slaughtered in Brazil become beef sold around the world.

On 23 October last year, while parts of the Amazon rainforest were still burning, a large shipment of Brazilian meat was being unloaded at London docks. Weighing more than 25 tonnes, in 40 separate containers filled with frozen beef, the consignment had spent days at sea after being loaded onto a ship at the Brazilian port of Itapoá.

According to one leading trade database, it was just one of 500 similar consignments – 11,500 tonnes of beef in total – from JBS to arrive in the UK from Brazil between May 2019 and April 2020. Although not insignificant, the UK's imports are dwarfed by the supply to Europe; JBS exported more than 46,500 tonnes of beef to the continent in the same period.

The figures show how easily beef supplied by companies such as JBS can reach international consumers, many of whom may be shocked to learn that the meat they buy is directly fuelling devastation in the world's biggest rainforest.

Last year, a study by Trase — a supply-chain initiative run by the Stockholm Environment Institute and NGO Global Canopy — revealed that JBS's global beef exports were linked to <u>up to 300 sq km of deforestation per year</u> in Brazil. (The exports of the other two meat giants, Minerva Foods and Marfrig, were each linked to 100 sq km of forest loss annually.)

The Bureau subsequently revealed how the three companies between them shipped <u>\$3bn of</u> <u>beef to Europe</u> over a five-year period. <u>The UK alone had imported £1bn of meat</u>. European imports from JBS, Marfrig and Minerva also appear to have risen by 14% between May 2017 and April 2020.

Much of the Brazilian beef supplied to the UK is sold canned, with corned beef destined for supermarkets and other retailers. Frozen beef, like the cases unloaded at London docks, are generally imported for wholesalers and manufacturers. From there it could end up in hospital dinners, ready meals and fast food, through a chain of catering and food production companies. JBS beef has been found on sale in the UK supermarkets Sainsbury's, Asda, Lidl, Morrisons and the Co-op. Its canned beef has also been sold to the NHS Supply Chain, which supplies hospital trusts.

JBS told the Bureau it had investigated the evidence and found that "the collection farm was not shown to be within any embargoed area," according to the company's system. JBS said it introduced a new system on July 1 that it "expected to make a significant impact in the reduction of cattle laundering ... We are working towards a completely transparent supply chain."

The company added that it "does not purchase cattle from farms involved in irregularities" and that it "takes an unequivocal zero deforestation approach". A spokesperson said: "JBS has always been at the forefront of industry initiatives to combat so-called 'cattle

laundering'."

JBS said that its trucking operation ensures "livestock are transported according to the highest standards of animal welfare" and that their operations "reduce the environmental impact of transporting cattle by optimising the truck fleet".

Politicians, campaigners and regulators are all too aware of how the west's beef consumption is connected to the burning of the Amazon.

In June global investors from the US, Europe and Asia, together managing \$3.7bn of assets, demanded that the Brazilian government rein in deforestation and threatened divestment if the situation did not change.

The European commission is also considering regulatory measures to address deforestation, from stricter labelling requirements to outlawing the import of agricultural goods that damage the environment. In October MEPs will vote on whether to push the commission into focusing on the latter, which would ban imports of products such as meat, soy and palm oil where they are linked to deforestation.

It is a crucial moment for action, campaigners believe, because the EU's Mercosur trade deal with South American countries – which would give beef producers in Brazil reduced-tariff access to the European market – is awaiting ratification.

Finalising the deal this year is said to be a priority for the German government. In June, however, President Macron expressed his opposition because of concerns over deforestation. The Dutch, Austrian, Irish and Belgian governments are also said to oppose the deal for the same reason as well as the threat to European farmers.

Last summer, Boris Johnson refused to join Macron in criticising the Bolsonaro administration over the fires crisis, <u>for which he was later thanked by the Brazilian ambassador</u>. Critics have suggested that environmental standards will likely be sacrificed as the UK pursues trade deals post-Brexit. Last year, a Brazilian official said that the country was seeking a Mercosur trade deal with the UK similar to the EU's agreement.

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Featured image: Cattle in Brazil (from Greenpeace)

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