


# MONITOR

February 2021



REPÓRTER  
BRASIL

## **“STEAK IN THE SUPERMARKET, FOREST ON THE GROUND”**

A close-up photograph of a large, raw piece of meat, likely beef, resting on a white cutting board. A hand wearing a white disposable glove is using a large, sharp knife to cut into the meat. The meat is dark red with some white fat and connective tissue visible. The background is blurred, showing what appears to be a kitchen or meat processing area.

The ninth issue of Monitor – a newsletter that publishes Repórter Brasil’s studies on industries and production chains – reveals how supermarkets are involved with illegal deforestation

# MONITOR #9

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*“Steak in the supermarket, forest on the ground”*

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# LIVESTOCK AND DEFORESTATION

## A DECADE OF COMMITMENTS

Livestock farming is the main driver of deforestation in the Brazilian Amazon. According to latest data provided by the federal government, 65% of the area deforested in the Amazon is now covered by pastures.<sup>1</sup> In addition, the activity also contributes to loss of forest cover in other Brazilian biomes, such as the Cerrado and Pantanal.

The impact of livestock on the environment reflects the major expansion of bovine farming in Brazil's Center-West and North regions in the past 40 years. The number of oxen and cows grazing in the states of the so-called Legal Amazon has increased tenfold in the period, from 8.4 million in 1978 – then amounting to 8% of the country's figures – to 87 million in 2018. Today, 41% of the country's livestock are in the Legal Amazon.<sup>2</sup>

Faced with this scenario, meatpacking companies that buy cattle in the Amazon have been under pressure for over 10 years to take effective measures to combat deforestation in their supply chains. One of the first milestones in this movement occurred in 2009, when Greenpeace released a report showing that several global brands were buying cattle from recently devastated areas. The list included large supermarket chains operating in Brazil.<sup>3</sup> As a result, Pão de Açúcar, Walmart and Carrefour announced the suspension of their purchases of beef products from 11 meat companies in the state of Pará.<sup>4</sup>

Under pressure from their customers, Brazil's three largest meatpackers – JBS, Marfrig and Minerva

– made an ambitious commitment: excluding farms that deforested the Amazon rainforest after October 2009 from their list of suppliers. Purchases from properties caught using slave-like labor or even located on indigenous lands and conservation units should also be blocked.

The agreement was not restricted to illegal deforestation. According to the so-called “minimum criteria for operations with bovine cattle and products on an industrial scale in the Amazon Biome,” any deforestation in the supply area would exclude the supplier – even activities licensed by environmental agencies.

In that same year, the Federal Prosecution Service (MPF) and the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama) started signing several individual agreements (Conduct Adjustment Commitments, TACs) with meatpacking companies in the area. The initiative came to be known as the “Meat TACs.”

Under these agreements, signatory meatpackers undertake to buy only cattle from farms without histories of illegal deforestation after July 2008. They must also avoid animals from properties included in the “dirty list” of slave labor – a federal government register that lists employers caught perpetrating this type of crime – or located in Protected Areas.<sup>5</sup>

The agreement has been refined over time and more than 100 companies are now signatories. For some meatpackers, the commitment covers their entire area of operation in the Amazon. Others, however, are formally committed to following

these criteria in only a few states in the region.<sup>6</sup>

The main supermarkets in Brazil, in turn, adopted policies similar to those provided for in the Meat TAC to select the meatpackers that supply their shelves. The Pão de Açúcar Group (GPA), for example, establishes that “suppliers with at least one meatpacking plant in the Amazon biome or purchasing cattle in the area must adopt the protocols of the Boi na Linha Project (more about the protocol below) and ensure that farms are enforcing its 12 criteria in their purchases.”<sup>7</sup>

Carrefour, in its “sustainable meat purchase policy,” specifies that deforesting, encroaching indigenous lands and conservation units, farming in interdicted areas, and using slave labor are “operational criteria” for blocking suppliers operating in the Amazon.<sup>8</sup> The French multinational also claims that it is working on incorporating other biomes into its deforestation policy.

The Big Group, which took over Walmart stores in Brazil, claims to have a “Beef Monitoring and Risk Management System” in place since 2015. Controlled by investment fund manager Advent, the company says that, since then, it has not sold “beef that contributes to Amazon deforestation or slave labor, or that comes from areas interdicted by Ibama, indigenous lands or conservation units.” In 2017, the supermarket chain announced that it has also expanded its monitoring to the Cerrado.<sup>9</sup>

## THE PROBLEMS REMAIN

Despite corporate commitments, meat from deforested areas still enters the supply chains of major meat companies. Audits, government inspections, studies and news stories have exposed several flaws and limitations in those policies and agreements.

A 2017 Ibama operation, for example, showed that JBS had bought cattle from illegally deforested areas.<sup>10</sup> As a result, Greenpeace suspended negotiations with the company under the commitment they had signed in 2009.<sup>11</sup>

In addition, Federal Prosecution Service's audits to monitor the efficiency of Meat TACs have exposed problems in complying with the agreements. Despite companies' better performance in the last round of inspections disclosed by the agency, 137,000 head of cattle (6.25% of the total audited) were produced in areas that do not comply with the requirements.<sup>12</sup>

Some issues that are not assessed under the TAC official monitoring are even more serious. Prosecutors themselves admit that their audits do not identify deforestation related to two core problems: indirect suppliers and cattle laundering.<sup>13</sup>

There are no consolidated corporate practices in Brazil for tracking animals since birth. Most of the cattle pass through several properties before slaughter, but the agreements only cover farms that sell directly to meatpackers, ignoring the environmental crimes associated with their indirect suppliers.

For example: a large part of the animals raised in areas interdicted because of deforestation are transferred to "clean" properties for final fattening – which, in turn, sell them to meatpackers. But, in some cases, these transfers occur only on paper, to enable cattle sales by masking its real source. This type of fraudulent practice is known as "cattle laundering."

Recent research conducted by different civil society organizations also points to flaws in large meatpackers' monitoring systems. One of the most recent studies was conducted by international NGO Global Witness and published in December 2020. The organization says that, between 2017 and 2019, JBS bought cattle directly from 327 farms where illegal deforestation occurred. Marfrig would have bought cattle from 89 properties with the same problem in that period, and Minerva, from 16.<sup>14</sup>

Another study, also published in December and conducted by Chain Reaction Research, stressed the financial risks of investing in the three companies due to their exposure to deforestation – especially among indirect suppliers.<sup>15</sup>

As a reaction to criticism suffered in 2020, the largest Brazilian meat companies made announcements aimed at overcoming the lack of traceability of indirect suppliers. JBS and Marfrig announced plans to monitor their entire supply chains, from birth to slaughter, by 2025<sup>16</sup> and 2030,<sup>17</sup> respectively. Minerva also announced the use of a system

called Visipec to track indirect suppliers, which is still in its testing stage.<sup>18</sup>

Announced with fanfare, such commitments are not exactly new. In their 2009 negotiations with Greenpeace, the three larger meatpackers undertook to prove, within two years, "in a monitorable, verifiable and reportable way" that none of their indirect suppliers had deforested the Amazon biome after that year.<sup>19</sup> Despite the new round of promises, there are still no concrete guidelines on how these goals will be achieved.

As for direct suppliers, a major innovation has been recently launched: the Unified Protocol for Monitoring Amazonian Cattle Suppliers. It is a list of procedures developed by Federal Prosecutors with technical support from the Institute for Institute of Forest and Agricultural Management and Certification (Imaflora) to standardize the application of the criteria for blocking suppliers under the Meat TACs. The protocol has been in effect since July 2020 and its adoption is mandatory for all signatory meatpackers.

Among other measures, it attempts to develop systems to curb cattle laundering, especially through a "theoretical index" of animal productivity per hectare.<sup>20</sup> Based on that, meatpacking companies must compare land data on supplier farms with the number of animals that the rancher is trying to sell. The idea is to identify potential fraud where the pasture area is not enough to raise the number of animals traded.





# FROM FARMS TO SUPERMARKETS

Despite the distinct initiatives, corporate commitments still fail to curb deforestation. The problem even affects meatpacking companies that supply the three major Brazilian retailers – GPA, Carrefour and Big – that are committed to eliminating the problem from their supply chains.

In this investigation, Repórter Brasil provides some examples of this reality. In one of the cases, meatpacking company Frizam does not comply with one of the most basic principles of the agreement: not purchasing cattle from farms with areas interdicted by Ibama.

There are also other situations – involving JBS, Minerva and Masterboi – that show how cattle ranchers can easily circumvent TAC restrictions by manipulating land registration. These practices are very widespread in the Legal Amazon, but still face no proper response in the sustainability policies of cattle-purchasing companies.

Finally, some gaps remain in the monitoring of indirect suppliers – according to one of the cases presented below, associated with the supply chains of Marfrig and JBS – and in the application of the “productivity index” created to avoid cattle laundering (see the example, involving a supplier of Mercúrio Alimentos and Mafrinorte).

All of these meatpackers are connected to one or more of the three large Brazilian retailers mentioned. The cases will be described in detail below.

## FRIZAM

### THE COMPANY

- Frizam (Agropam – Agricultura e Pecuária Amazonas S/A)

### ITS PRODUCTS ARE SOLD BY

- Carrefour

### LIVESTOCK SUPPLIER

- Marcos Carvalho Costa Junior

### THE PROBLEMS

With farms in at least five Brazilian states – Acre, Amazonas, Goiás, Tocantins and Rondônia – Costa Junior is one of the national record holders in Ibama’s violation notifications. He has been fined more than 30 times over the past 25 years. The debts – about R\$ 35 million – inclu-

de violations related to deforestation and illegal fires as well as farming in interdicted areas.

The Marmelo farm, in Lábrea (Maranhão-MA), is one of the properties sanctioned. In 2011, during Operation Disparada, Ibama inspectors seized thousands of “pirate cattle” within its perimeter. Years ago, the agency had already interdicted pastures illegally deforested on the farm. Even so, Costa Junior continued to raise cattle there. Brazilian law bans agricultural activities in interdicted areas to guarantee the regeneration of native forest.

The Marmelo farm still has areas interdicted, but it supplied cattle on several occasions to Frizam, a meatpacking company located in Boca do Acre (Amazonas-AM), at least until 2019. The slaughter plant, in turn, supplies Carrefour stores in Manaus (AM).

Frizam has been a signatory to the “Meat TAC” since 2014. The agreement, signed by dozens of meatpackers in the Amazon and the Federal Prosecution Service (MPF), provides for a series of measures to combat socio-environmental crimes in the beef supply chain. Those measures include precisely not buying cattle from farms with areas interdicted by Ibama.

The criterion is also part of Carrefour’s meat purchase policies – a

document that guides the sustainability practices to be adopted by its suppliers.

In 2020, the Prosecution Service even sued the farmer and was gran-

ted an injunction to prevent him from exploring interdicted pastures in Lábrea. According to the prosecutors, “the property is being used without regeneration measures.” Prosecu-

tors also went to court to freeze the rancher’s assets and suspend credit lines or tax benefits granted to him.



**MINISTÉRIO DO MEIO AMBIENTE - MMA**  
**INSTITUTO BRASILEIRO DO MEIO AMBIENTE E DOS RECURSOS NATURAIS RENOVÁVEIS - IBAMA**  
**DIRETORIA DE PROTEÇÃO AMBIENTAL**



### Environmental Interdictions Report

Name	CPF/CNPJ	Nº TAD	Series	Date	Area (ha)	State	Municipality	Location
MARCOS CARVALHO COSTA JUNIOR	31038760178	159573	C	06/01/2011	34,8	GO	Porangatu	
MARCOS CARVALHO COSTA JUNIOR	31038760178	159573	C	06/01/2011	34,8	GO	Porangatu	
MARCOS CARVALHO COSTA JUNIOR	31038760178	757139	E	14/09/2017	52,67	AC	Epitaciolândia	BR 317 KM 35 - RAMAL DO PORTO RICO KM 3
MARCOS CARVALHO COSTA JUNIOR	31038760178	555513	C	08/08/2009	21,7	RO	Porto Velho	BR 364, KM 3, LINHA 1, KM 07. COORD. S 09°35'50,6" W 65°41'52,7"
MARCOS CARVALHO COSTA JUNIOR	31038760178	391830	C	25/04/2007	967,69	AM	Lábrea	BR-364, KM 42, RAMAL DO JEQUITIBÁ.
MARCOS CARVALHO COSTA JUNIOR	31038760178	7496	C	08/02/2010	68	AC	Rio Branco	COORD. S 09°26'57" W 65°45'01"
MARCOS CARVALHO COSTA JUNIOR	31038760178	362165	C	07/07/2011	19,546	AM	Manicoré	FAZENDA MARMELO-LABREA/AM S-09°27'49,7 E W-65°46'18,4.
MARCOS CARVALHO COSTA JUNIOR	31038760178	362152	C	14/04/2011		AM	Lábrea	FAZENDA MARMELO-VISTA ALEGRE DO ABUNÃ-PORTO VELHO/RO. S-09°30'43,7 E W- 65°44'43,7.
MARCOS CARVALHO COSTA JUNIOR	31038760178	7497	C	16/10/2008	432	RO	Porto Velho	FAZENDA NAÍME COORD. S 09°34'54" W 65°43'17"
MARCOS CARVALHO COSTA JUNIOR	31038760178	682192	E	15/04/2017	105,88	RO	Porto Velho	LINHA 1, KM 6, VISTA ALEGRE DO ABUNÃ, PORTO VELHO/RO
Marcos Carvalho Costa Junior	310.387.601-78	BH572ZUO		21/10/2019		AC	Senador Guiomard	

*The long list of environmental interdictions against Marcos Carvalho Costa Junior*



## THE COMPANY

- JBS unit in Confresa (Mato Grosso-MT)

## JBS GROUP PRODUCTS ARE SOLD BY

- GPA (inclusive produtos marca própria)
- Carrefour
- Big (ex-Walmart)

## LIVESTOCK SUPPLIERS

- Walter Samuel de Oliveira e Gilberto Gerlaco Lemos

## THE PROBLEMS

As Brazil's largest meatpacking company, JBS claims to adopt policies to guarantee zero deforestation in its supply chain. In the Amazon, the criteria announced include blocking

purchases from farms with interdicted areas or even where any type of – legal or illegal – deforestation has taken place in the last 12 years.

But there are several ways to circumvent that screening. One of the simplest and most common ones is related to a land registration “trick.”

Several owners of large contiguous areas declare these properties separately on the Rural Environmental Register (CAR) – a state land registration system used by meatpacking companies to monitor suppliers' environmental legality. Thus, instead of a single farm, the land is converted – at least on paper – into several smaller properties bordering each other.

If there is any interdiction or illegal deforestation report on a farm, all they have to do is use the neighboring area to trade the cattle with meat companies.

Note that the practice goes against CAR regulations that determine that contiguous areas – i.e., which border each other – belonging to the same owner must be registered as one.

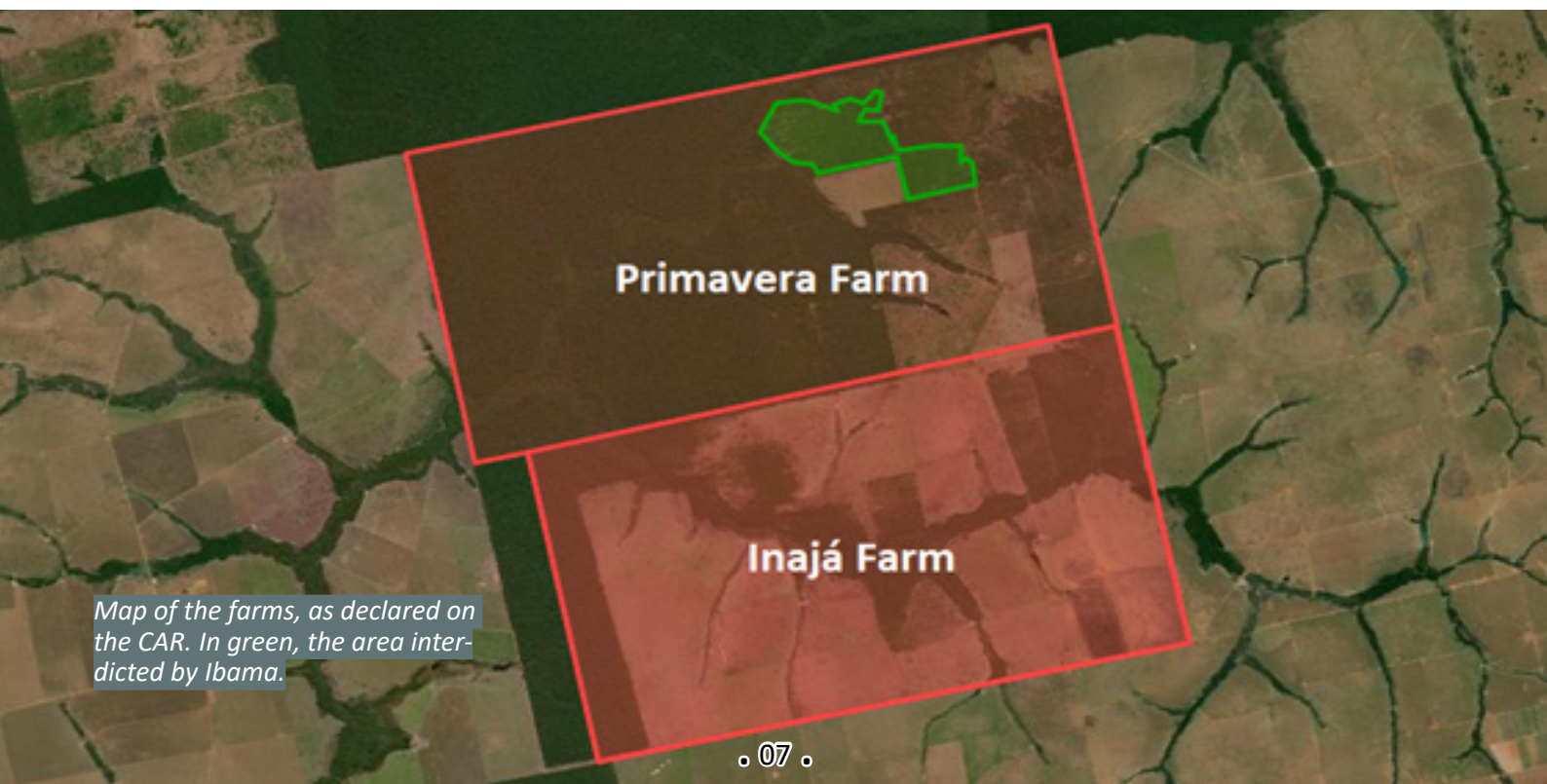
“There are all kinds of CAR frauds and [fragmenting records] is one of them,” explains Federal Prosecutor Daniel Avelino in a report published

by Repórter Brasil in July 2020. Avelino is one of creators of the Meat TAC. “The CAR is declaratory; there is no verification. Initially, the federal government was responsible for it. Then the states took over, that but they didn't do it either. Since there is no verification, it's very easy to commit fraud,” he adds.

Walter Samuel de Oliveira, a rural producer in São José do Xingu (MT), is a typical example. In August 2015, he was fined R\$ 615,000 for illegally clearing 142 hectares (350 acres) of Amazon forest at his Primavera farm. Since then, the deforested area has been interdicted by Ibama.

Oliveira declared to the CAR that he owns two bordering estates in that municipality: the Primavera farm – on which the Ibama interdiction has been imposed – and the Inajá farm. The latter is a JBS supplier, having supplied the company's unit in Confresa (MT) on several occasions between 2018 and 2020.

Documents accessed by Repórter Brasil also show the transfer of animals from the Primavera farm to the Inajá farm before the sale of cattle for slaughter.



Map of the farms, as declared on the CAR. In green, the area interdicted by Ibama.



A similar situation occurs with another rancher who supplies cattle to the same JBS unit. Over the past three years, Gilberto Gerlaco Lemos has sold animals several times to the JBS's slaughterhouse in Confresa. They were registered as coming from the Aurora farm, located in Vila Rica (MT) – a municipality bordering the state of Pará.

There are no interdicted areas or reports of recent deforestation on the property. However, it is adja-

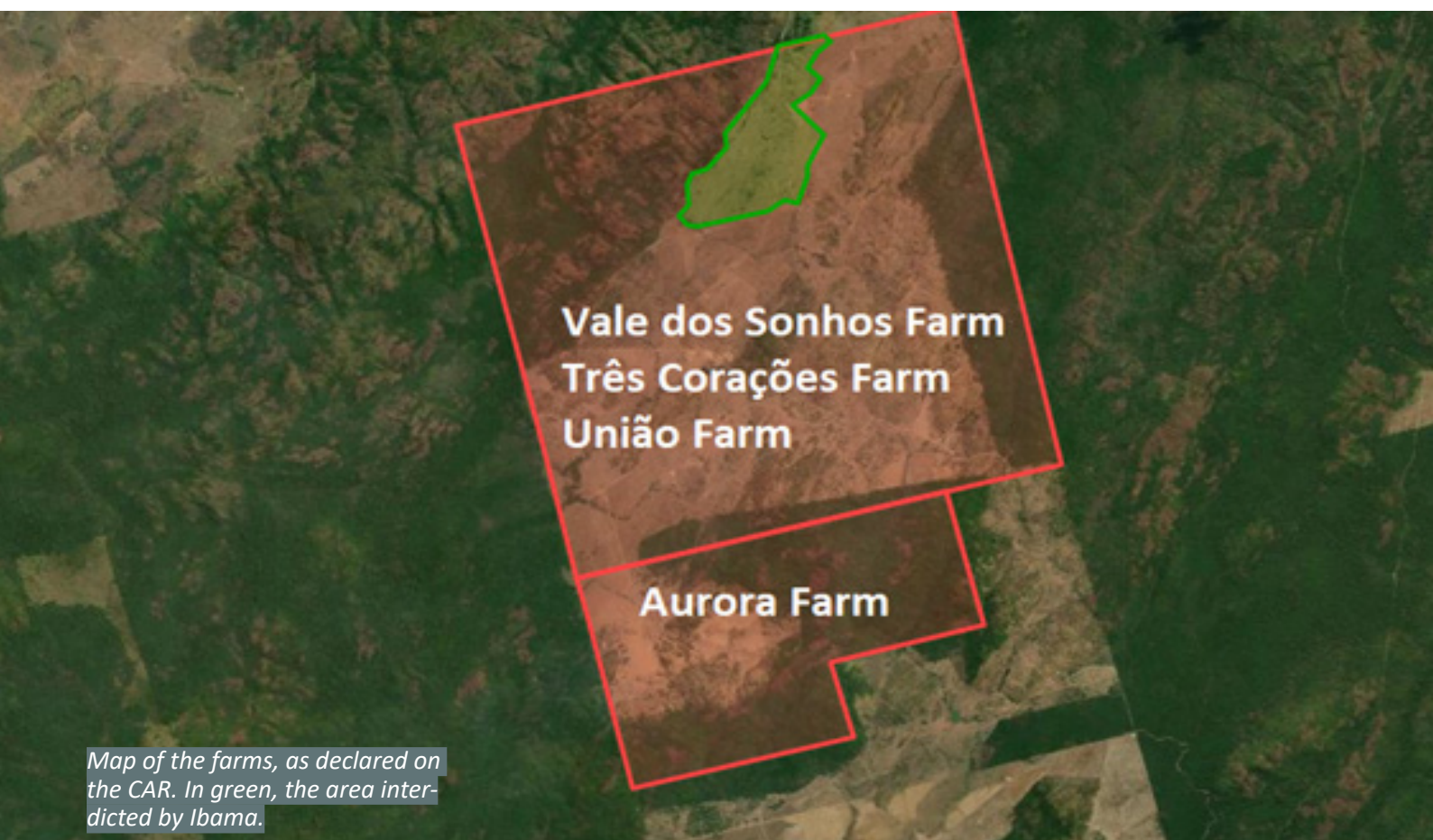
cent to three other farms belonging to the same owner – União, Vale dos Sonhos, and Três Corações – which were declared separately on the CAR.

Satellite images from the Prodes/INPE system indicate several deforestation points between 2012 and 2017 in the perimeter covered by the three properties.

In addition, the area was notified and interdicted by Ibama in 2016, after 180 hectares (445 acres) of clea-

red Amazon forest were found on the property.

Also in this case, documents accessed by Repórter Brasil confirm that the Aurora Farm, a supplier of cattle for slaughter, receives animals that graze in the contiguous area, where illicit deforestation has occurred.



*Map of the farms, as declared on the CAR. In green, the area interdicted by Ibama.*





The JBS group is the largest beef producer in Brazil. It owns Friboi and other prominent meat brands in the domestic market. The company supplies the largest Brazilian supermarkets, including market leaders such as GPA, Carrefour and Big. In surveys conducted in supermarkets throughout 2020, Repórter Brasil found meat from the slaughterhouse in Confresa at Pão de Açúcar (GPA group) and Atacadão (Carrefour group) stores.

The plant also manufactures products from the Qualitá brand, the main private label of the GPA group. In the second half of 2020, Repórter Brasil found top rump of the Qualitá brand, manufactured by JBS in Confresa and sold at Pão de Açúcar stores.

## MINERVA AND MASTERBOI

### THE COMPANIES

- Minerva units in Araguaína (Tocantins-TO) and Masterboi units in Nova Olinda (TO)

## THEIR PRODUCTS ARE SOLD BY

- GPA
- Carrefour
- Big

## LIVESTOCK SUPPLIER

- Antônio Aime Comar

## THE PROBLEMS

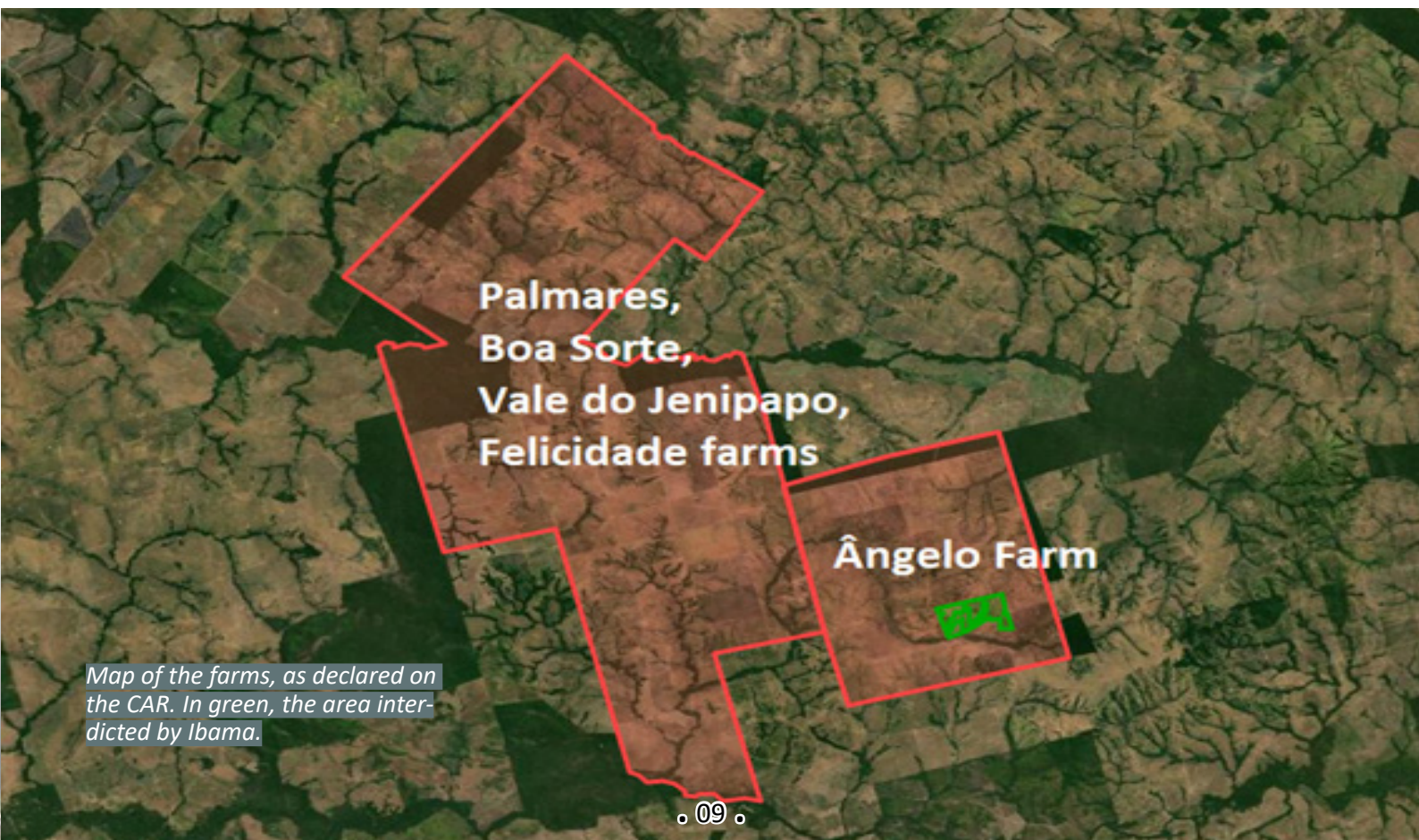
Separate declarations of farms on the Rural Environmental Register (CAR), which helps to circumvent restrictions on cattle trade, are now widespread in several areas of the Legal Amazon. In addition to JBS (see previous case), the practice also affects the supply chain of other meat companies committed to not purchasing cattle from properties with illegal deforestation.

Minerva is yet another example. On several occasions over the past three years, the company received

animals supplied by rancher Antonio Aime Comar, who controls a large area of pasture in the municipality of Pau D'Arco (TO). Within its perimeter, there are 80 hectares (197 acres) originally covered by Amazon Rainforest and which have been under Ibama interdiction since 2008. The agency found irregular clearing of native vegetation at the site.

The interdiction applies to an area declared separately on the CAR – the Ângelo Farm. It borders other properties belonging to Comar in the region, which, in turn, were declared as one on the register. Animals transferred to the meat company were registered as coming from the Palmares farm, which has a “clean” CAR registration, with no record of socio-environmental restrictions.

The Palmares farm also supplies cattle to Masterboi, another signatory of the Meat TAC. Its slaughter unit in Nova Olinda (TO) received cattle from the property on different occasions throughout 2020.



Map of the farms, as declared on the CAR. In green, the area interdicted by Ibama.



Both slaughter plants supply major retail groups. During supermarket surveys conducted in 2019 and 2020, Repórter Brasil found meat sold by the Minerva unit in Araguaína and Masterboi's unit in Nova Olinda at stores of the Extra supermarket chain and the wholesaler chain As-saí – which belong to the GPA group. Products from Masterboi's plant in Nova Olinda (TO) were also found at Hiper Bompreço, which belongs to Big. In addition, Minerva and Masterboi are also Carrefour suppliers.

In addition to environmental violations, a labor inspection found workers in slave-like conditions on Antônio Aime Comar's pastures in Pau D'Arco. The case occurred at the Vale do Jenipapo farm, where 16 workers were rescued in 2004.

## JBS AND MARFRIG THE COMPANIES

- JBS and Marfrig slaughter units in Pontes e Lacerda (MT)

## THEIR PRODUCTS ARE SOLD BY

- GPA
- Carrefour
- Big

## LIVESTOCK SUPPLIER

- Silvano dos Santos

## THE PROBLEMS

This is yet another cattle rancher from the state of Mato Grosso with an area interdicted by Ibama. He supplies the two largest Brazilian meatpacking companies – JBS and Marfrig.

In May 2018, Santos was fined R\$ 211,500 for providing false information on the Rural Environmental Register (CAR). According to Ibama's inspectors, he illegally deforested a 605-hectare (1,495 acre) area of Cerrado at his Palmeiras do Guaporé farm in Vila Bela da Santíssima Trindade (MT), after July 2008.

Even so, according to the environmental agency, the perimeter was declared on the CAR as a consolidated area. According to Brazil's Forest Code, consolidated areas are those where native vegetation was suppressed before July 2008. The legislation grants amnesty to illegal deforestation that occurred in those places before that time. In addition, it guarantees softer rules for its forest restoration.

Due to the inspection, the Palmeiras do Guaporé farm was included, in October 2019, on Ibama's public list of farms subject to environmentally based interdictions. But this is only

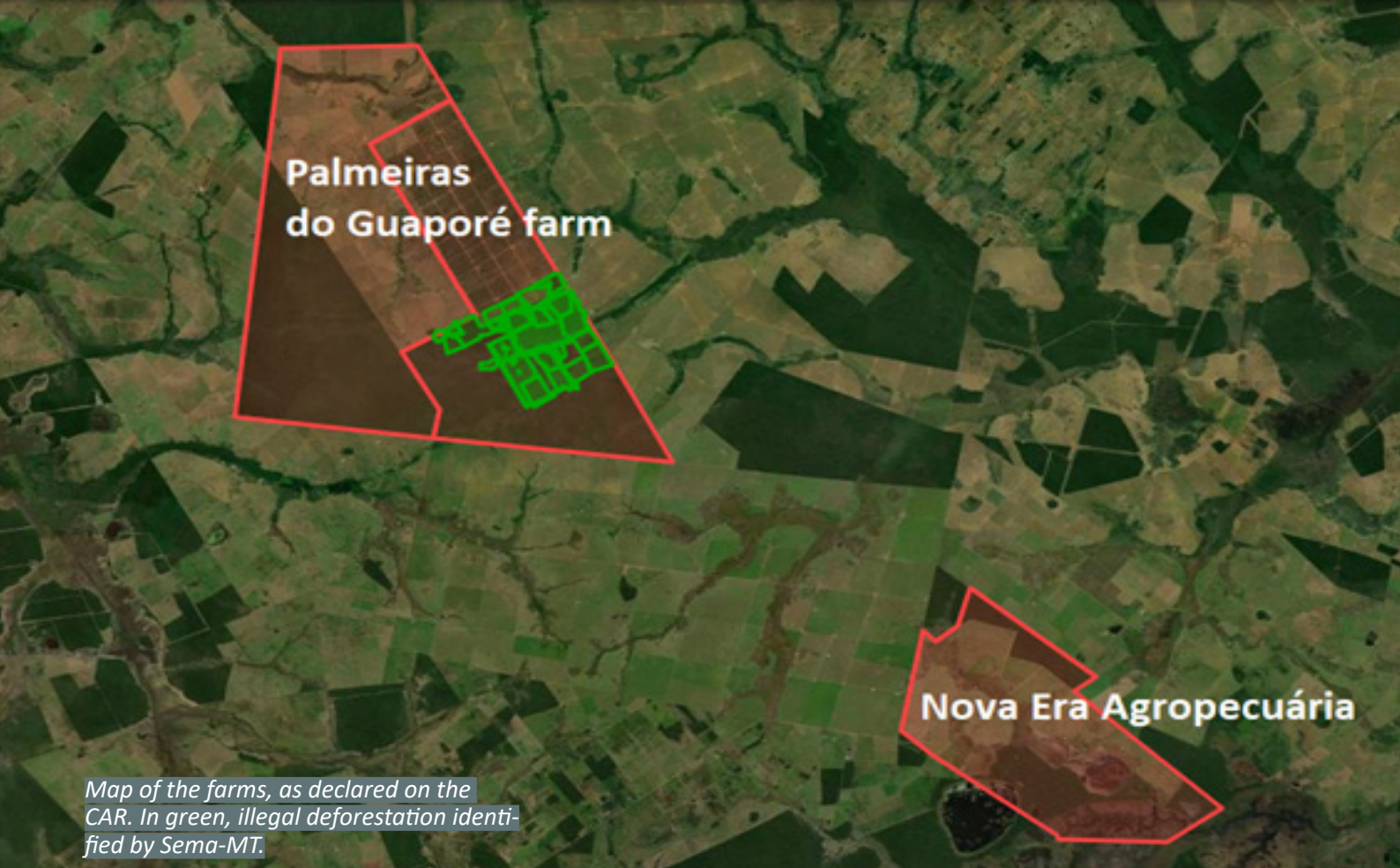
part of the property's environmental liability. More recently, in June 2020, Silvano dos Santos was sanctioned again, this time by the Mato Grosso State Environment Department (Sema-MT). The agency found more than 500 hectares (1,235 acres) of recent illegal deforestation in another part of the property. According to satellite images, it would have occurred between 2019 and 2020.

The pasture areas belonging to dos Santos in that municipality are not limited to the Palmeiras do Guaporé farm. There, he also owns Nova Era Agropecuária, a nearby property located about 10 kilometers from the sanctioned farm. Palmeiras do Guaporé sends animals to that location for fattening, and then de Souza reports on the cattle sold to meat companies.

Over the past two years, there have been several cases of cattle from the Nova Era Agropecuária slaughtered at JBS and Marfrig units in Pontes e Lacerda (MT). Some of them occurred even during the second half of 2020. Repórter Brasil had access to documents that prove the transfer of animals from Palmeiras do Guaporé to Nova Era Agropecuária after the former was included on Ibama's list of interdicted areas.







Map of the farms, as declared on the CAR. In green, illegal deforestation identified by Sema-MT.

## MERCÚRIO ALIMENTOS AND MAFRINORTE

### THE COMPANIES

- Mercúrio Alimentos and Mafrinorte Units (Ativo Alimentos Exp. e Imp. Eireli) in Castanhal (Pará-PA)

### THEIR PRODUCTS ARE SOLD BY

- GPA
- Carrefour

### LIVESTOCK SUPPLIER

- Wendell Barbosa Reis

### THE PROBLEMS

Between July and October 2020, meatpacking company Mercúrio Alimentos purchased at least 370 head of cattle from Reis. According to documents to which Repórter Brasil had access, the animals would have come from the 4 Irmãos farm in Pacajá (PA).

But one detail stands out. According to information provided by Reis himself on the Rural Environmental Register (CAR), the 4 Irmãos farm has “only” 100 hectares (247 acres), much of which – approximately 30% – is still covered by preserved native forest.

This means that the number of animals sold to Mercúrio Alimentos seems to be incompatible with the area available for the cattle to graze, raising suspicions that the animals may in fact have come from elsewhere.

The Unified Protocol for Monitoring Amazonian Cattle Suppliers, developed by the Federal Prosecution Service (MPF) together with the Institute of Forest and Agricultural Management and Certification (Imaflo-ra), has been in force since July 1, 2020. It unifies rules to be followed by meatpacking companies that are signatories to the Meat TAC – including Mercúrio Alimentos – in order to comply with the agreement.

One of the measures is precisely the implementation of a “productivity index” for supplier farms. According to the protocol, meatpackers must block purchases from properties that send to slaughter more than three head of cattle per hectare per year. The aim is precisely to avoid fraud related to the so-called cattle laundering – when ranchers

use “clean” farms as facades to sell animals that, in fact, come from irregular farms.

This is a very generous index, since the average productivity rate of livestock in Pará, according to the last Agriculture Census, does not exceed 1.2 head per hectare. Even so, cattle sales at the 4 Irmãos farm are much higher than that. Also in 2020, during

the first semester, the property sent at least 160 animals to the Mafrinorte meatpacking company, another TAC signatory. In other words: considering only sales to these two meatpackers over the past year, the farm’s productivity would be at least 7.6 cattle head per hectare.



In addition to the 4 Irmãos farm, Wendell Barbosa Reis owns another rural property almost seven times larger: the WR farm, also located in Pacajá (PA). The latter is under Ibama interdiction – therefore, it does not qualify for supplying livestock to companies that are signatories to the Meat TAC.

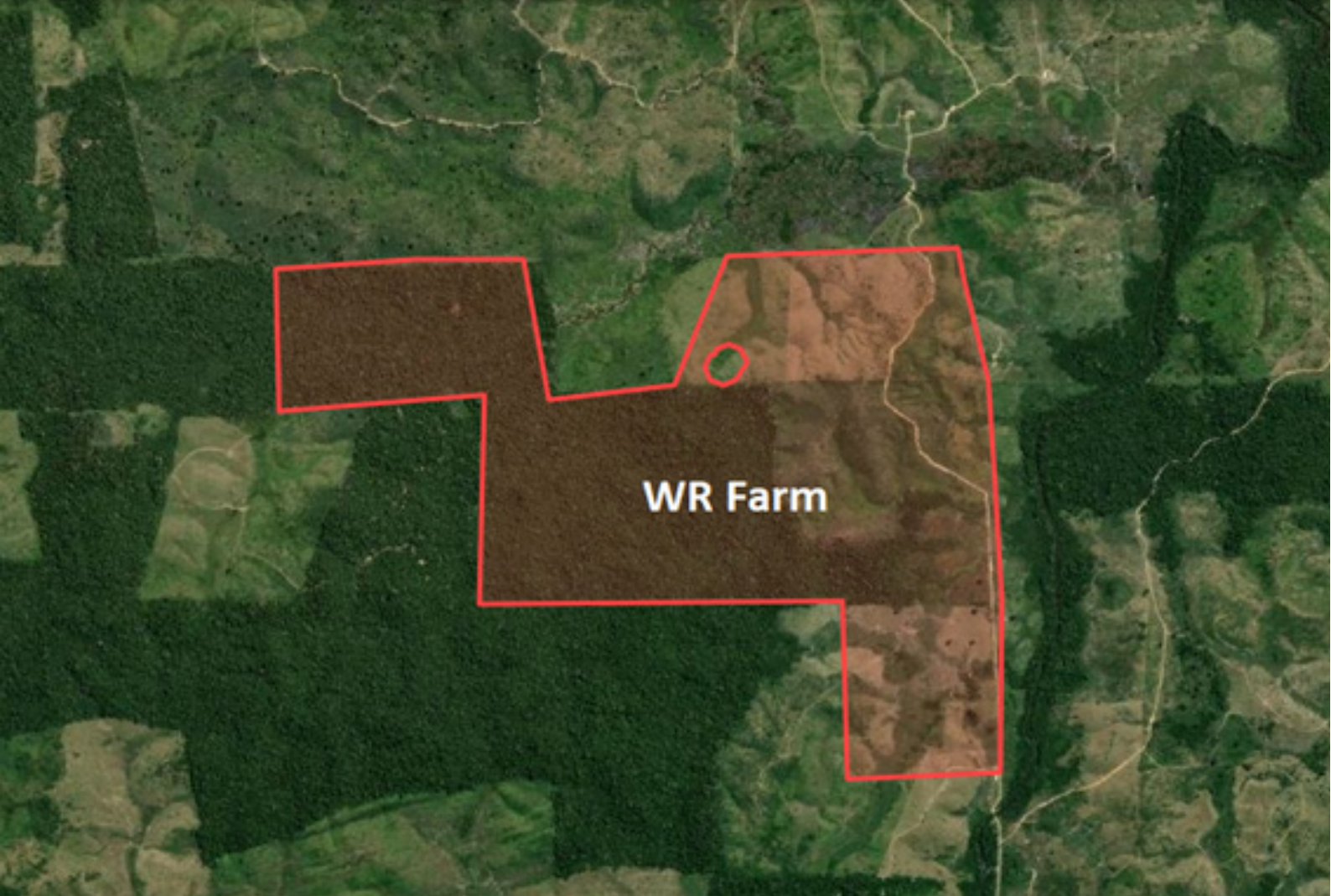
The WR farm has already been subject to three sanctions by Iba-

ma, which resulted in R\$ 8.8 million in fines to its owner. In 2010, an inspection operation found illegal deforestation of 191 hectares (472 acres) within its perimeter. Three years later, Barbosa was fined again for preventing the regeneration of native forest on a 144-hectare (356 acre) portion of the farm that was irregularly cleared. More recently, in December 2020, the agency found

criminal activity on the place again – this time, it was fires in protected forest areas.

In addition to environmental sanctions, the WR farm also has land restrictions. It partially overlaps the Rio Arataú Settlement.





Mercúrio Alimentos' and Mafri-  
norte's plants in Castanhal (PA), whi-  
ch purchased animals from Wendell  
Barbosa Reis, supply market-leading

retailers. Meat from Mercúrio's  
Mafripar and Quality Beef brands  
can be found at stores of the Pão  
de Açúcar and Assaí chains (GPA

group). Mafrinorte products, in  
turn, are sold at units of Atacadão,  
the wholesale chain of the Carre-  
four group.





# COMPANY'S RESPONSE

The meat companies, supermarkets and cattle ranchers mentioned in this report were contacted by Repórter Brasil. A summary of their statements is provided below. The full answers can be accessed (in Portuguese) at: <https://reporterbrasil.org.br/2021/02/integra-das-respostas-de-relatorio-sobre-pecuaria-e-varejo/>

## MEAT COMPANIES

### JBS

Asked about its policies for monitoring contiguous pasture areas belonging to the same owner but declared separately on the Rural Environmental Register (CAR), JBS did not answer. It stated, however, that “the properties mentioned, which sold animals directly to JBS, comply with the company’s Responsible Purchasing Policy and with the Prosecution Service’s Supplier Monitoring Protocol.”

JBS sustains that “regarding the transfer of animals from interdicted properties to regular ones, one of the criteria defined by the MPF protocol is the theoretical index of livestock productivity.” According to JBS, “none of the direct supplier properties pointed out by Repórter Brasil has reached the ceiling of the productivity index, and therefore all of them were within the limits set by the protocol. When the animals were purchased by JBS, all farms followed the Company’s Responsible Purchasing Policy, which, in turn, follows the same criteria as the Prosecution Service’s protocol.”

### MARFRIG

The company stated that, “with respect to the aforementioned farms, only Nova Era Agropecuária is an approved supplier of Marfrig, and it presented no inconsistencies in the latest cattle purchases, having complied with all social and environmental protocols and requirements provided for in our supply policies.”

The company also stated that it is working to achieve full traceability of its supply chain by 2030, through measures such as the development of the unified protocol for cattle purchase in collaboration with the Federal Prosecution Service and a Risk Mitigation Map for Indirect Suppliers, together with Agroicon. It also claims to maintain a pilot project for adoption of the Visipec tool, aimed at monitoring indirect suppliers.

### MINERVA

The company stated that the perimeter of the Palmares farm is located 2.64 km from the interdicted area – which is located on another property. “Regarding contiguous farms, we emphasize that CAR registrations are always confirmed on the SIGEF-INCRA database by Nice Planet, where boundaries and ownership are verified and compared to those on the CAR, thus establishing that the property area does not overlap IBAMA’s interdiction perimeters.”

According to Minerva, its purchases “in the Amazon Biome are made 100% from monitored farms, using georeferenced maps, which ensures that all suppliers are in accordance with strict socio-environmental criteria.”

### MASTERBOI

With regard to the Palmares farm, the company states that “the detected perimeter is located 2.64 km from the property” and that “the official information contained in the attributes of the official geographic vector related to the interdiction does not refer to the property under analysis.” The company did not comment on transfers from the Ângelo farm, to which the interdiction applies, and which is contiguous with other properties in the area that belong to the same producer.

“Masterboi Ltda supports reporting any indication of individual or farm irregularity to the authorities for due process, reaffirming our commitment to sustainable livestock,” says the note sent to Repórter Brasil.

### MERCÚRIO ALIMENTOS

The company states that “the 4 Irmãos farm was interdicted for cattle supply when it was detected that the productivity rate of 3 head/hectare/year set in the new protocol had been exceeded. The decision was delayed because of the number of suppliers registered on the Mercúrio Alimentos database (more than 2,800 authorized supplier farms) that needed to be analyzed individually to calculate the percentage of the productivity index already reached, also considering the measures taken towards those who presented proof of high productivity on their farms.”

According to the company, “the system for calculating the productivity index has been automated and all cal-

culations and status updates necessary to fulfill the criterion are carried out after each animal purchase.

## SUPERMARKETS

### CARREFOUR

Carrefour did not comment on each of the specific cases but stated that it has intensified analyses of the aforementioned farms in search of purchases in the period mentioned. Carrefour also pointed out that “farms that supply meatpackers in the group’s supply chain must comply with the environmental legislation and meet the requirements set by company policy and, when non-conformities are found, the supplier is blocked until corrective measures are taken. In 2020, some of the meatpackers supplying the group were notified of irregularities and temporarily suspended.”

The company says it leads the engagement of “small, medium or large meatpackers” regarding the problem. “In 2020, the company created a committee focused on livestock, involving its commercial and sustainability area and monitored by its executive management. This group meets weekly and keeps constant contact with small, medium and large meatpackers, evaluating them individually and acting on each purchase situation, with monthly analysis of the results. The company has also promoted agendas with CEOs of major meat companies for an executive approximation with these business partners through meetings and letters, seeking to develop a joint action plan.”

### BIG

A assessoria de imprensa do gruThe group’s press office sent a note to Repórter Brasil stating that “the Big Group has a Beef Monitoring and Risk Management System that ensures that the products purchased and marketed by the company are not involved in slave labor or Amazon deforestation and did not come from interdicted areas, indigenous lands and conservation units. In addition, the company also maintains other audit and monitoring programs and systems that attest to full compliance with social and environmental legislation and its Code of Ethics and Compliance. Among the actions, it is worth mentioning our partnership with the NGO NWF and the company’s participation in the Boi na Linha project.”

### GPA

The GPA group informs that its Social and Environmental Policy for Beef Purchases, established in 2016, was updated in 2020 to include the criteria of the Boi na Linha protocol – led by NGO Imaflora and approved by the Prosecution Service. “All current GPA suppliers are only authorized to supply the business units if they are fully applying the unified protocol for all the Group’s purchased lots and if they have their farms in accordance with those criteria.” According to GPA, the supplier’s geomonitoring analysis is audited by the retailer.

The company also claimed to have started “a partnership with the NGO NWF last year, to use the

Visipec tool to complement the traceability work and start a process of risk analysis and prioritization on indirect monitoring.” According to the group, “there are challenges and opportunities that need to be faced based on structural developments that involve all links in the chain, including regulatory and technological developments.”

## NO ANSWER

Frizam and Mafrinorte were contacted but did not answer the questions. Repórter Brasil also sought contact with the ranchers mentioned in the report by phone and e-mail, both personal and corporate. However, requests for clarification were not answered. No contacts details were found for rancher Antônio Aime Comar.

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