Issue #18 of Monitor shows how illegal deforestation and land conflicts caused by the expansion of soy plantations in the Cerrado contaminate supply chains of large multinational trading companies that control the global soy trade.
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Those who see the Cerrado as an immense “green desert” are mistaken. The second largest biome in South America, it is known as the country’s “water reservoir”, sheltering the springs of important Brazilian rivers, such as the Araguaia and the Tocantins,¹ and three of the main groundwater reserves in Brazil: the Guarani, the second largest in the world, Urucuia and Bambuí² aquifers.

It is in this biome, which covers almost 25% of the national territory in eleven states,³ that soybean expansion occurs. Currently, of the total cultivated in the country, 52% grows in the Cerrado,⁴ especially in the region known as Matopiba, the country’s new agricultural frontier, which includes areas of Maranhão, Piauí, Bahia and the whole territory of Tocantins.

Behind the agribusiness boom brought by soybean in the Cerrado, which in the last two decades jumped from 7.5 million hectares of cultivated land to 20 million hectares,⁵ there are devastating consequences for the survival of the biome itself.

The history of occupation of the region shows that soybean expansion for the global commodities trade has not occurred without deforestation of native vegetation, private collection of water resources and conflicts with traditional communities. It is estimated that around 20% of the soybean exports to the European Union (EU) from Cerrado and Amazon areas may be tainted by illegal deforestation.⁶

The trail of destruction of this activity and the connection with the trading companies that export the grain to Europe and the United States is the theme of the 14th issue of Monitor, a Repórter Brasil bulletin that publishes sectorial and supply chain studies.
Since the 1960s, a migratory flow of people and companies has intensively occupied the Brazilian Central Plateau and adjacent regions. The “vocation” for agribusiness took on unprecedented proportions in the 1980s, when researchers managed to control the acidity of the Cerrado soil in order to implement export-oriented monoculture plantations. This march to the West brought with it soybean cultivation, which forever changed the biome’s natural dynamics and called its very existence into question.

The expansion of cultivation in the biome followed the commodity boom in the 2000s and grew more intensely after the Soy Moratorium, an agreement that provides for the boycott of soybeans planted in deforested areas after July 22, 2008 in the Amazon biome. Unable to cut down new areas of forest in the Amazon, part of the agribusiness turned its tractors to the Cerrado.

In the last 20 years, the soybean area in the biome jumped from 7.5 million hectares, in the 2000/2001 harvest, to 20 million hectares in 2020/2021, an increase of almost 170%. In the same period in Matopiba, the soybean area went from 970,000 hectares to 4.7 million hectares, almost five times more. The region, composed of plateaus in Tocantins, west of Bahia and south of Piauí and Maranhão, has 73 million hectares, 91% of which are in the Cerrado.

Projections for the next years show that in 2035 Brazil will produce 191 million tons of soybean — 41% more than the current harvest. Of this total, 130 million tons will be destined for export and 61 million tons will supply the domestic market. In Matopiba alone, projections indicate a production of 32.7 million tons of grains — soybeans and corn for the second harvest — by 2030.
Soybean planting, livestock and land speculation jeopardize the preservation of the savannah with the greatest biodiversity in the world. With the expansion of the agricultural frontier to the central region of the country, the Cerrado has become a target: of the 204 million hectares of the biome, 47% have already been deforested in less than four decades.

From August 2020 to July 2021, 8.5 thousand km² of Cerrado were deforested, an area equivalent to almost six times the city of São Paulo. This number is 7.9% higher compared to the previous year. The agricultural frontier of Matopiba was responsible for 64.3% of the total deforested in the biome in the period, with the states of Maranhão, Tocantins and Bahia in the top three positions in the deforestation ranking.

In the state of Mato Grosso, the main national soybean producer, most deforestation occurred illegally, according to a study by Instituto Centro de Vida (ICV) published in March this year. "Of the total mapped in 2021, only 16% was carried out in areas with valid authorisations for deforestation or suppression of vegetation issued by the state environmental agency", says an excerpt from the survey.

CATTLE OUT, SOYBEANS IN

Soy accounted for 9% of deforestation in native forests in South America from 2000 to 2016. In that period, almost half of the new cultivation areas on the continent (44%) were opened in the Cerrado. The main driver of deforestation in the biome, however, is still livestock. Of the total deforested area in the Cerrado in the last 20 years, 67% was occupied by pastures. But soy, specialists point out, is directly and indirectly responsible for that devastation.

This is because the dynamics of land use in the Cerrado, as well as in other biomes threatened by deforestation, show that the first removal of native vegetation gives way preferentially...
to pastures for livestock. This activity requires less initial investment and is less dependent on infrastructure for outflow.

“The pattern is first to deforest and put the cattle in. Then comes infrastructure, these lands become valuable and the planting of commodities, especially soybean, begins. It is a cheaper way of occupying the Cerrado”, sums up Elaine Barbosa da Silva, professor at the Social-Environmental Studies Institute (IESA) at the Goiás Federal University (UFG) and coordinator of the Image Processing and Geoprocessing Laboratory (Lapig).

The researcher explains that the dynamics of soybean expansion in the Matopiba Cerrado were different from the other regions of the biome. “Since that commodity has a lot of demand, in the north of the biome, in the Matopiba regions, it was directly used with soybeans in many places, even without having an infrastructure. In the first years of the 2000s, [deforestation] took a frightening proportion, and did not go through this succession of pastures first for agriculture later”.

According to a report sponsored by the Brazilian Association of Vegetable Oil Industries (Abiove), 4.19 million hectares of soybean in the Cerrado are cultivated in areas deforested in the last 20 years, equivalent to 14.4% of total deforestation in the biome. In deforestation occurring after July 2008, the Brazilian Forest Code’s legal milestone for defining consolidated areas, the percentage is 13.4%. Of this total, 25.1% of deforestation is concentrated in Matopiba, responsible for two thirds of the biome’s devastation.

RISK OF CLIMATE COLLAPSE

The consequences of deforestation in the Cerrado are aggravated in the context of global warming, which can lead to climate irreversibility. The term refers to the process in which the survival of the biome itself is jeopardized by environmental degradation, the result of natural climate change combined with human action in a given area.
Researchers estimate that if the current rate of deforestation of native vegetation to create crops continues, the Cerrado could collapse within 30 years.¹⁰

The environmental degradation resulting from the expansion of agribusiness in agricultural frontiers, such as in Matopiba, can lead to severe droughts, causing risks to the stability of the biome and to agricultural production itself.³¹ In this scenario, the outbreaks of fire that take over the biome's landscape between June and October would become more intense and prolonged.

Elaine Barbosa da Silva points out that deforestation in the Amazon also impacts the Cerrado, influencing the rainfall regime, and that it is necessary to think of joint strategies to stop environmental devastation in both biomes. “The Cerrado is at the centre of all biomes. It connects with all of them, with the exception of the Pampa. The deforestation of the Amazon will have a big impact here and vice-versa. There is no point in stopping deforestation in the Cerrado today and this deforestation then moving on to the Amazon. Things are interconnected”, she explains.

**WATER: NO WATER CRISIS FOR AGRIBUSINESS**

While residents of the Cerrado region need to adapt to new water rationing routines due to the reduction in rainfall, agribusiness continues to receive water collection permits to irrigate thousands of hectares of crops, especially soybean crops.

A study published in January this year showed that eight companies operating in Correntina and Jaborandi, in Western Bahia, are authorised to capture about 954.4 million litres of water per day from the sub-basin of the Arrojado River.³² Of the eight cases mapped, seven involve companies operating in the soybean sector, such as the SLC Agrícola group, one of the largest national producers of the grain.³³

The degradation and decrease in the volume of the Arrojado River motivated a popular uprising known as the "Water War" in November 2017, when about a thousand people occupied the headquarters of Rio Claro Farm, one of the
properties of the company Lavoura e Pecuária Igarashi Ltda. The attempt to criminalize those who participated in the demonstration mobilized the region and, days after the occupation, more than 12,000 people protested in the streets of Correntina against the indiscriminate use of water by agribusiness in the Cerrado.

A report by Agência Pública published in December 2021 showed that councillors and directors of the Bahia Association of Farmers and Irrigators (Aiba) and the Bahia Association of Cotton Producers (Abapa), as well as family members and companies linked to them, are allowed to collect 1.8 billion litres of water per day. The volume is enough, according to the report’s calculations, to supply 11.8 million Brazilians in one day. Once again, companies engaged in soybean cultivation are at the centre of these water concessions granted free of charge.

FEAR AND VIOLENCE AMIDST THE LAND CHAOS

The deforestation practised to expand the agricultural frontier in the Cerrado opens the door to land speculation and land grabbing, the invasion of public lands or lands occupied by traditional communities and the intensification of land conflicts. This is what several social movements and organisations have been denouncing for decades.

A survey by Global Witness shows that 317 defenders of land and the environment were killed in Brazil between 2012 and 2019. In 2020 alone, there were 18 murders linked to conflicts over land, water and labour issues, according to
data from the report "Conflicts in the Countryside in Brazil", organised by the Pastoral Land Commission (CPT). And it is in the Cerrado soil that part of those victims are buried. Dozens of conflicts have been documented in recent years in the wake of soybean expansion in the biome. Of the total of 7,353 locations where land conflicts occurred between 2003 and 2018, according to the CPT, 40.5% were in areas of the biome or its transition zones.

There are more than 80 indigenous ethnic groups, quilombolas, agrarian reform settlers, peasants, members of traditional communities, such as the fecho de pasto, geraizeiras, babassu coconut breakers, herbalists, evergreen flower pickers, faith healers and artisanal fisherwomen who are in the sights of the expansion of the agricultural frontier in the biome.

The dossier "Na Fronteira da (I)legalidade: desmatamento e grilagem no Matopiba" (On the Frontier of (I)legality: deforestation and land grabbing in Matopiba), published in November 2021, detailed four cases of land conflicts that threaten communities that traditionally occupy Cerrado territories in the Matopiba region.

Traditional ways of life in the Cerrado are threatened as land conflicts thicken.
The communities affected by the conflicts described — located in the Traditional Territory Travessia do Mirador (MA), in the Gleba Tauá (TO), in the Fechos de Pasto in the Corrente Basin (BA) and in the Traditional Territory of Melancias (PI) — suffer from “legal battles” and other land grabbing strategies, waiting for decades for the enforcement of court rulings that declared the legitimate possession of the areas. Amidst the land chaos, estimates show that municipalities in Bahia, Piauí and Maranhão have up to four times more area on paper — in notarial documents or purchase and sale contracts — than in reality.

**LAND CONCENTRATION FOR MONOCULTURE**

The concentration of land for agribusiness use in the biome, especially in Matopiba, does not occur without the leniency of the State, which allows land grabbing processes and delays in finalising land titling processes. In Matopiba, 10% of rural properties occupy around 70% of the available land.

“The State has a vision that development is based on large farming and livestock enterprises and that family production is only subsistence and will be replaced by business enterprises”, says Paulo Rogério Gonçalves, member of the executive coordination of the National Campaign in Defence of the Cerrado. “The State does not regularise the territories and lands in the hands of farmers because it understands that this is backwardness, that there is no economic viability”.

Gonçalves, who is also a technician with the organisation Alternatives for Small Farmers in Tocantins (APA-TO), explains that soybean expansion in the state has impacted production and food trading dynamics in the region. “We had production of rice, cassava, beans and flour that was made by the municipality’s population, selling directly at fairs, in small businesses. What happened? These lands were invaded, people were expelled, and we began to import all the food from the South [of Brazil].”

A classic case of land concentration, land grabbing and persecution of traditional communities in the Cerrado is the case of Condomínio Estrondo, in Formosa do Rio Preto (BA). This is a mega-development comprising 22 farms occupying 315 thousand hectares, the equivalent to three times the size of New York City. In 1999, the area was included in the “White Book on Land Grabs in Brazil”, published by the National Institute of Colonization and Agrarian Reform (INCRA).

Besides the history of appropriation of public lands and traditional communities of geraizeiros,
in the region for over 200 years, Condomínio Estrondo is accused of intimidation of local residents, including cases of gunfire by members of the company’s private security, besides the use of labour under conditions analogous to slavery. The production of soybeans from the area reaches the silos of agribusiness giants such as Cargill and Bunge, located in the mega-development.

The case is one of 15 reported to the Permanent Peoples’ Tribunal (TPP) in Defence of the Cerrado Territories. The TPP is an informal multidisciplinary body created in 1979 to provide publicity for violations against peoples and minorities in the absence of a consolidated international jurisdiction. In the case of the Cerrado, the TPP judges the crimes of ecocide against the biome and the threat of cultural genocide to the peoples who live there. Countries, international organisations, private companies and investment funds are among the accused.
AN OVERVIEW OF THE INDUSTRY

The Covid-19 pandemic has practically not affected Brazilian agribusiness. The 2020/2021 soybean harvest reached the highest level in history: 138.1 million tons were harvested on 39.1 million hectares. The soybean complex, which includes the trade of grains, oil and meal, is the main product on Brazil's export list.

In 2021, Brazil exported 86.1 million tons of soybeans, with China as its main trading partner, the destination of 70% of exports. The European Union (EU) was the second largest importer of the commodity, with the acquisition of 8.4 million tons. Within the bloc, the biggest buyers are Spain (3.5 million tons) and the Netherlands (2.8 million tons).

The commodity is also exported directly as meal. In 2021, Brazilian exports totalled 17.1 million tons, with the EU as the main destination. The Netherlands was the largest importer of the block, with the acquisition of 2 million tons; France (1.3 million tons) and Germany (1 million tons) complete the ranking.

The Dutch ports of Amsterdam and Rotterdam play a key role in the global soybean trade, acting as the gateway for the product to the continent. Around a quarter of soy imports by the Netherlands are re-exported, and Germany is the main destination. This “stopover” of Brazilian soy in the Netherlands shows how the origin of the product can be disguised. Most of the soybeans imported by Germany, for example, come from Dutch ports, while the purchase of soybeans directly from
Brazil totalled just over a thousand tons in 2021.\textsuperscript{70}

Customs data accessed by Repórter Brasil on exports of the soybean complex — essentially grains and meal — originating in Brazil and destined for European countries help to understand the transit of goods across the continent. The four giants known by the acronym ABCD — Archer Daniels Midland (ADM), Bunge, Cargill, and Louis Dreyfus Company (LDC) — have sent at least 451 soybean shipments to the region in the last two years. Of that total, 21 went directly to Germany, while 168 went to the Netherlands.

Cargill and ADM exported, respectively, 69,800 tons and 70,100 tons of soybeans to Germany. No records of direct shipments by LDC were found. The Netherlands received 211,500 tons from Cargill, 1.1 million tons from ADM, and 42,700 tons from LDC.

Bunge, in turn, exported 443,800 tons of soybean — mostly meal — to Germany, and was the main supplier of the country among the four trading companies mentioned. Soybean shipments to the Netherlands totalled only 59.2 thousand tons. The multinational’s largest trading partner on the continent is Spain, which received 917,300 tons of Brazilian soybean in the last two years.

Spain and Germany are among the ten largest producers of animal feed in the world.\textsuperscript{71} It is precisely in the feeding of cattle, poultry and pigs that soy is most widely used. Around 85% of globally produced soybeans are crushed and transformed into meal (68%) or oil (17%).\textsuperscript{72} Practically all the soybean meal produced (98%) is used for the manufacture of animal feed.\textsuperscript{73}

The ABCD trading companies, as well as the German group BayWa, are named as the main suppliers of raw materials for the production of animal feed in the countries where they operate, according to a corporate report from the Dutch producer ForFarmers, one of the leaders in the European market.\textsuperscript{74}

**THE ROLE OF THE TRADING COMPANIES**

Important trading companies that operate in the international soybean trade are among those that benefited from the expansion of soybean production amidst conflicts with traditional communities and the advance of legal and illegal deforestation in the Cerrado.

The multinational company Bunge, which inaugurated its operations in Brazil in 1905, is the oldest in the Brazilian oilseed market.\textsuperscript{75} Cargill, LDC and ADM began operating in the soybean sector in the country in the 1960s. Cargill has been present in Brazil since 1965, with plants and offices in 17 states;\textsuperscript{76} in 1975, it was the turn of the French company LDC to establish itself as a soybean processor in the country,\textsuperscript{77} while ADM inaugurated its operations on Brazilian soil only in 1997.\textsuperscript{78}

In November 2021, the organisation Global Witness showed that ADM, Bunge and Cargill do business with soybean producers involved in cases of intimidation, destruction of community property and death threats to members of fecho de pasto communities in the municipality of Correntina, west Bahia.\textsuperscript{79} Other details investigated in the case by Repórter Brasil reveal new connections between trading companies operating in the European market and the land conflict in the region (see Case 1 - Agrícola Xingu).
In March 2022, Repórter Brasil was in two states of Matopiba — Bahia and Tocantins — to investigate in loco the impacts caused by soybean expansion. In the middle of the harvest season, it was possible to witness the intense traffic of trucks full of grains, cutting through cities, highways and local roads. A scenario that leaves no doubt as to the growing economic importance of soybean farming for the region.

There is, however, another side to this story. The expansion of agribusiness in the Matopiba has stimulated the land market in the region enormously, leading to an intense search for lots that could be quickly transformed into agricultural areas. Huge perimeters of native forest were — and continue to be — fenced, deforested and converted into plantations amidst flagrant signs of illegal appropriation. A scenario that makes Matopiba, today, the stage for some of the biggest scandals related to illegal deforestation and land grabbing in Brazil, in schemes involving document fraud, lack of inspection, violent conflicts and, not rarely, corruption of public agents to enable productive activities.

Among the main “victims of progress” in this context are the numerous rural communities that, despite having occupied areas of Matopiba for generations, have never had the traditional possession of their territories officially recognised by the State. As a result, they are threatened to leave their land of common use, or else they are flagrantly expelled to places far from the region’s rivers and with less productive land.

Besides people, the Matopiba springs also feel the impact of intensive agriculture. With State approval, pumps and dams are installed to irrigate soybean plantations. Meanwhile, the flow of water and aquifers has been decreasing every year, affecting the supply both in cities and rural areas.
The soy produced in this scenario reaches the market through large agricultural enterprises and trading companies with global operations. That is what the results of this investigation by *Repórter Brasil* show, which also includes impacts of soybean farming found in the Cerrado of Mato Grosso.

Three case studies are detailed below. They provide previously unpublished information on how some of the largest trading companies currently operating in the biome maintain commercial relations with soybean producers involved in land conflicts and cases of deforestation.

**CASE 1**

**AGRÍCOLA XINGU (XINGU AGRI)**

**ABOUT THE COMPANY**

Xingu Agri, also known as Agrícola Xingu, is a Brazilian subsidiary of the Mitsui & Co group, one of Japan’s largest economic conglomerates. The company operates in Brazilian agribusiness through the cultivation of soybeans, corn and cotton. It is currently one of the largest landowners in Matopiba.

In western Bahia, Xingu Agri holds title to 41 lots of land spread across the municipalities of Correntina and São Desidério, according to a report published by Global Witness. Together, these areas would cover an area of 67.9 thousand hectares.

**THE PROBLEMS**

The expansion of Agrícola Xingu’s activities in western Bahia has occurred largely through the deforestation of the Cerrado. Information systematized by the Chain Reaction Research organisation shows that the company accumulated 32.1 thousand hectares deforested between 2000 and 2017.

Between April and November 2020 alone, Agrícola Xingu deforested the equivalent of 893 football fields in Meireles Farm, owned by the company in São Desidério (BA), according to a survey by the Mighty Earth organisation. In this case, the company had authorisation for the removal of vegetation in the area, granted by the Institute for the Environment and Water Resources (Inema) of Bahia.

In April 2018, the company was fined R$169,000 for the inadequate and unregistered storage of pesticides at Tabuleiro V Farm, in São Desidério (BA). At the time, the Bahia State Agency for Agricultural Defence (ADAB)
interdicted approximately 1,000 litres of emamectin benzoate.

An Inema environmental inspection report from June 2018, to which Global Witness had access, lists at least 19 other allegations of environmental infractions made by the agency against Agrícola Xingu, including deforestation and degradation of a permanent protection area in 2016.

**Acquisition of Legal Reserve generated land conflict**

Among the requirements of the Brazilian Forest Code for individuals and companies that own rural properties in Brazil is the creation of a Legal Reserve, an area destined for the preservation of native vegetation and the ecological balance of the surrounding area. Brazilian legislation also allows for the compensation of a property's Legal Reserve to occur both in the area where deforestation took place and in another location, as long as it is in the same biome.

In the mid-2000s, Xingu Agri acquired Tabuleiro VII Farm, located in Correntina (BA). The property, which is at least 230 km from the company’s plantations in western Bahia, covers approximately 3,000 hectares, and serves as the enterprise’s Legal Reserve. According to activists and local residents, the area overlaps with the lands of the Capão do Modesto fecho de pasto community.

Traditional communities of the Cerrado, *fundo* and *fecho de pasto* communities have existed for about 300 years, developing their own methods of planting crops, harvesting native fruits of the biome and, especially, grazing cattle in collective areas. Although the 1989 Constitution of the State of Bahia opened the possibility of recognising these public lands, many areas have not been regularised, a breach that has made the Matopiba region the stage for land conflicts between agribusiness and traditional communities.

The area overlapping the community is divided between 9 local agribusiness companies and functions as a condominium: right after the gate it is possible to see signs that identify the area as a Legal Reserve area for the agribusinesses, but the space is integrated, without fences to divide the lots.

For local activists, the companies’ Legal Reserve area was acquired fraudulently. This is because, as they are *fundo* and *fecho de pasto* areas, they could not be sold, according to the legislation. However, because they were not regularized, land grabbing processes allowed them to be bought by agribusiness companies. According to a study published by the organisation Global Witness, the acquisition of the area is part of a process of “green land grabbing”, when lands traditionally occupied by local communities are usurped to serve as Legal Reserves by soybean farmers in the region who have environmental liabilities on their main farms.
Impacts on the Capão do Modesto community

The community of Capão do Modesto reports that living with the agribusinesses includes constant threats made by the private security teams hired by the companies to guard the area. “The farms have gunmen that you don’t even know who the boss is. They get the group together and put pressure on you”, denounces Vanderlino Barbosa, president of the association of the Capão do Modesto community.

He states that since Agrícola Xingu and other agribusinesses acquired the area for Legal Reserve, the settlers have been threatened and prevented from releasing their cattle. “After they arrived, they started scaring us, taking away all the possessions we had. They put the machine on top, they tore out the wire. We got used to it, knowing that they were in the area, but we can’t give up because we make our living from it”, he says.

In November 2017, rural producers filed a lawsuit in the Bahia State Court of Justice against the Capão do Modesto settlers, claiming that members of the community were invading their land and destroying native vegetation. The aim of the lawsuit is to prevent the community from releasing cattle in the area. However, for the
Capão do Modesto settlers, this is yet another way of pressuring them to leave their land. “They condemn that the cow’s foot destroys nature, that the cow’s mouth finishes with water, but who finished with the water was the correntão, the gradão and the pontião [tools used to clear the Cerrado],” says Limírio Silva, community resident and one of those sued by the companies in court.

Agrícola Xingu is not part of the initial lawsuit, but residents of Capão heard by Repórter Brasil allege that the company, by claiming part of their land, also affects them. In March 2022, a court decision had requested that the agricultural companies expropriate the area, acknowledging that the land had been owned by the community for centuries. A few days later, however, the decision was revoked, and the farms continue to own the land.

Furthermore, according to residents of Capão do Modesto and other communities in Correntina (BA), the flow of the rivers in the region has been decreasing since the agricultural companies have installed dams and pumps to irrigate their crops. Where once there were streams full of fish, anacondas and even alligators, today only sand can be seen.

SUPPLY CHAIN

In 2021, Agrícola Xingu sold thousands of tons of soybeans to Nutrade Comercial Exportadora Ltda. The fact is confirmed by invoices issued by Agrícola Xingu to which Repórter Brasil had access.

Nutrade is a trading company belonging to the Swiss conglomerate Syngenta, one of the main suppliers of agrochemicals and seeds for Brazilian agribusiness. Through it, the group operates in the so-called “barter” operations, in which commodities such as soy are used as payment for inputs previously passed on to farmers.

The grains acquired by Nutrade are sold to various clients, which include some of the main global soybean trading companies. Among them is ALZ Grãos, a multinational joint venture formed by the Brazilian company Amaggi, the French group Louis Dreyfus Company (LDC) and the local subsidiary of the Japanese group Zen-Noh Grain.

Repórter Brasil has also obtained a copy of a purchase and sale agreement, signed in October 2020, which provides for the delivery to ALZ Grãos, in the following year’s harvest, of almost three thousand tons of soybeans initially acquired by Nutrade. The product sold, according to the contract, would come from the warehouses of Agrícola Xingu in São Desidério (BA). In the document, ALZ Grãos itself was designated
as responsible for the pickup and transport of soybean at the location.

ALZ Grãos specialises in the acquisition of grains from Matopiba, where it is one of the main trading and logistics companies. It has warehouses in all the states of the region, and also controls a port terminal in São Luís (MA).

**THE SOYBEAN PRODUCED BY AGRÍCOLA XINGU WAS PURCHASED BY ALZ GRÃOS, WHOSE CLIENTS INCLUDE TRADING COMPANIES BUNGE, CARGILL, AND CHINA’S COFCO**

Customs data accessed by Repórter Brasil show that the company exports grains to several continents and other leading trading companies in the sector. There are records, for example, of sales to Cargill subsidiaries in Asia and to the Chinese group Cofco. In Europe, ALZ Grãos has exported soybean to Bunge subsidiaries over the past two years. One of the main destinations is Spain, where Bunge operates in several markets, including soybean oil and biodiesel production. The country is also considered to be the largest European producer of animal feed, followed on the continent by Germany. In the last two years, Bunge shipped to Spain and Germany, respectively, 917,300 and 443,800 tons of soybeans, according to customs records accessed by Repórter Brasil.

Bunge publicly announces its commitment to eliminate deforestation from its global supply chains by 2025. The commitment applies to purchases made directly from farmers as well as indirect purchases of raw materials through intermediaries. Cargill pledged to end agricultural deforestation among suppliers by 2030. Cofco does not adopt a specific timeframe, but states that all its Brazilian suppliers in the Cerrado must strive to achieve zero deforestation.

**WHAT THE COMPANIES SAY**

**Agrícola Xingu**

In a statement sent to Repórter Brasil, Agrícola Xingu said it “acts firmly to preserve the environment” and develops social actions in the communities surrounding the farms. It also said it has all the documents proving ownership of Tabuleiro VII Farm and that the Capão do Modesto community has a “possible interest” in the property, although there are no documents proving the community’s right to the area.

Agrícola Xingu also stressed that it has all the operating licenses and certifications required by Inema in Bahia. Regarding the storage of agrochemicals, it affirmed that it acquired emamectin benzoate lawfully and that, in November of the same year, ADAB released the use of the poison. Finally, it stated that it ended its agricultural activities in Correntina (BA) as a result of the leasing of the areas to SLC Agrícola.

**Nutrade**

In a note sent to Repórter Brasil, Nutrade said that the soybean supplied by Agrícola Xingu and the property that is the focus of the land conflict, the Tabuleiro VII Farm, in Correntina (BA), are “areas with different registration numbers” and that it has documents that certify “that the National Register of Legal Entities (CNPJ) of the area that originated the soybean traded by Nutrade, as well as the registration numbers provided as guarantee, do not have any embargo”.

20
Nutrade also emphasized that throughout the commercialization of commodities such as soybean, it adopts a process to verify all areas and guarantees connected to the negotiations signed, paying full attention to all environmental and labour regulations. The company, however, did not detail if that includes checking impacts in areas not intended for planting, but that are essential for suppliers’ operations in the region — such as, for instance, Legal Reserve areas involved in land conflicts.

**ALZ Grãos**

While stating that, at the time of the purchase, no socio-environmental restrictions or possible land conflicts were verified on the area of origin of the soybeans acquired in the negotiations mentioned in this Monitor, ALZ Grãos states that it has no business relationship with Agrícola Xingu.

As described by Repórter Brasil, this is a case of indirect supply, since the soybean acquisition occurred through commercial relations established with another trading company.

“ALZ Grãos reaffirms the social and environmental regularity of the soybean acquisition in question, which met the Company’s criteria. In this case, no socio-environmental restrictions or possible land ownership conflicts over the area of origin were found at the time of purchase. ALZ Grãos has not established any commercial relationship with the company Agrícola Xingu”.

Similarly to Nutrade, ALZ Grãos states that it did not acquire grains originating from Tabuleiro VII Farm, but did not take a position regarding possible violations of the rights of the traditional community of Capão do Modesto.

The company also states that it has a socio-environmental and sustainability policy for grains applicable to the company’s direct and indirect suppliers, and that, since September 2021, it has used a geoprocessing platform for the traceability of its soybean supply chain.

**Bunge**

In a statement, the American multinational Bunge said it does not comment on commercial relations with specific producers, but said it is “committed to achieving deforestation-free supply chains by 2025”. Regarding direct purchases, the company claims to have “100% traceability and monitoring” and said it is “acting strongly to encourage the industry to strengthen the traceability and monitoring of indirect purchases”.
**Cargill e Cofco**

The trading companies Cargill and Cofco were separately sought by *Repórter Brasil* to comment on the issues mentioned in this *Monitor*, but opted to speak jointly, through the Brazilian Association of Vegetable Oil Industries (Abiove), an association that represents 15 companies producing meal, vegetable oils and biodiesel.

By email, Abiove stated that Cargill and Cofco — and the other member companies — “do not buy soy from illegally deforested areas” and that they “support their indirect suppliers by constantly seeking operational solutions and evaluating methodologies to engage these suppliers with their protocols”.

Abiove also stated that member companies have their own policies with strict commitments to monitoring their suppliers, compliance with national and international legislation, commitments to track commodities and with regard to human rights and traditional communities.

**CASE 2**

**AGROPECUÁRIA JAN**

**ABOUT THE COMPANY**

Agropecuária Jan, a company of the Jan Implementos Agrícolas group, operates in the sectors of cattle breeding and grain planting on the Jan, Bardhal and Panela de Ferro Farm, a 19.7-thousand-hectare property located in Pium, in the centre-west of Tocantins.
The farm is located in a transition municipality between the Cerrado and Amazon biomes. According to an analysis of the biomes map of the Brazilian Institute of Geography and Statistics (IBGE), despite being very close to the Amazon, the property is entirely within the Cerrado.

**THE PROBLEMS**

Agropecuária Jan has a strong presence in local agribusiness. The company started operations in Pium in 1984 and soon expanded territorially. According to what residents told *Repórter Brasil*, the area was made up of several rural properties that, after being acquired by the company, were converted into areas for pasture or soybean, corn and rice production.

Currently, when travelling along the state highway TO-354, which connects the centre to the southwest of the state, the cultivation areas of Agropecuária Jan go out of sight, and it is difficult to find anyone in the region who does not know where the company is located. According to a report by farmer Antônia Martins de Souza, a resident of the Macaúba settlement, a neighbour of the company, the dumping of pesticides and deforestation is intense in the region. “There are so many crops that planes fly day and night throwing poison and destroying everything”, she says.

Deforestation of native vegetation by Agropecuária Jan was also detected by environmental agencies. In February 2019, an inspection by Ibama identified the illegal deforestation of 376 hectares of Cerrado within the Jan, Bardhal and Panela de Ferro property. Part of the deforestation even took place in the Legal Reserve area of the farm. At the time, the company was fined R$560,000 and all agricultural activities in the assessed area were embargoed.

*Repórter Brasil* contacted a specialist in satellite image analysis. He confirmed that, in that same year, soybeans were planted within part of the areas embargoed by Ibama. The cultivation was interrupted in the following two harvests.

The situation raises questions about the legality of the purchases made by third parties of the soybeans planted by Agropecuária Jan in that harvest. Since 2008, Brazilian legislation has
established as an infraction subject to a fine the purchase of agricultural products produced in areas subject to environmental embargoes.  

**SUPPLY CHAIN**

Two months after the inspection and embargo of the area, in April 2019, Agropecuária Jan sent soybeans to Bunge’s warehouses in Campos Lindos (TO). The information is recorded in tax documents issued by Agropecuária Jan and accessed by Repórter Brasil.

As in the previous case, this was another negotiation brokered by Nutrade Comercial Exportadora Ltda, the original purchaser of the goods. Documents accessed by Repórter Brasil confirm that, over the last three years, Nutrade negotiated several contracts for the sale of soybeans to Bunge.

In the harvest prior to the deal with Nutrade, Bunge was one of the trading companies fined under Operation Shoyo Matopiba, launched by Ibama in April 2018, in partnership with the Federal Prosecution Service (MPF). At the time, 78 individuals and companies — including five trading companies — were fined in the total amount of R$107.5 million for breaching embargoes and producing or acquiring soy from illegally deforested areas in Matopiba. At the time, Bunge was fined R$1.8 million for acquiring 3,700 bags of soybeans from embargoed areas.

**WHAT THE COMPANIES SAY**

**Agropecuária Jan**

Repórter Brasil contacted the Jan Implementos Agrícolas group by email and telephone, but did not receive a response until the closing of this report.

**Nutrade**

At first, Nutrade denied having made any acquisition of soybeans from Agropecuária Jan in 2019. After new questions sent by Repórter Brasil, the company changed its position and reported that, in the face of additional investigations, it confirmed the purchase.

Nutrade stated that the negotiation of soybeans with Agropecuária Jan took place in the “barter” modality, when the producer trades grains in exchange for agricultural pesticides. The company also said that the operation was formalized in June 2018 and that the delivery of the soybeans took place in April of the following year.

Regarding the risk of exposure to illegal deforestation at Jan, Bardhal and Panela de Ferro Farm, Nutrade defended itself by stating that “the land registrations originating from the aforementioned negotiation” were different from
the areas embargoed by Ibama in February 2019, “reaffirming our commitment in the investigation and confirmation of the situation of our originators and business partners”.

The company did not, however, detail what verification mechanisms it has to prove the veracity of these statements, and how it could guarantee that soybean purchases, even if formalized in documents as coming from other registrations, would not also include the grain planted in embargoed areas.

**Bunge**

The American multinational sent a single note for all the cases mentioned in this Monitor, stating that it does not comment on commercial relations with specific producers (see the complete response in Case 1 - Agrícola Xingu).

**CASE 3**

**DONA JOSEFA, SÃO MIGUEL DO RIO PRETO AND EMÍLIA FARM**

Owned by soybean farmer Wilson Carniel, Dona Josefa, São Miguel do Rio Preto and Emília Farm, with 2,600 hectares, is located in Brasnorte (MT), a transitional municipality between the Cerrado and Amazon biomes.

According to an analysis of the IBGE biome map, despite being very close to the Amazon biome, the property is entirely within the Cerrado.

**THE PROBLEMS**

In April 2018, Dona Josefa, São Miguel do Rio Preto and Emilia Farm was authorised by the Mato Grosso State Secretariat for the Environment (Sema-MT) to deforest 611 hectares of native vegetation.

However, the suppressed area exceeded the authorised limit and another 98.7 hectares of Cerrado were deforested: 68.5 hectares within the Legal Reserve area and 30.2 hectares in the property’s preservation area. For this reason, Carniel was fined by Sema-MT two years later and the area deforested without authorisation was embargoed by the environmental agency in 2020.

Since the 2019 harvest, the area illegally deforested on the farm has been used for soybean cultivation, as shown by satellite images analysed by an expert consulted by Repórter Brasil. The images confirm the planting of the grain in the three years following – 2019, 2020 and 2021 – to the cutting of the native vegetation of the Cerrado.

**SUPPLY CHAIN**

Wilson Carniel is among the direct suppliers of two of the main Brazilian agribusiness trading companies: Amaggi and Bunge.

Between February and May 2019, the Amaggi unit in Brasnorte (MT) received soybeans from Dona Josefa, São Miguel do Rio Preto and Emilia Farm, according to data from tax documents obtained by Repórter Brasil. The Brazilian multinational has its own operations and offices in China, Norway, the Netherlands, Switzerland, Argentina and Paraguay and is one of the global leaders in the certified soy market, considering the two main certification systems: RTRS and ProTerra.
Between March and August 2019, it was Bunge’s turn to receive soybeans from Wilson Carniel’s property. Fiscal data accessed by Repórter Brasil show several shipments of grain to Bunge’s unit in Nova Mutum (MT), the municipality where the company operates its biodiesel plant, inaugurated in 2013. The product purchased in the municipality is also exported: 2018 data from the Trase platform also register shipments of Bunge’s soybeans in Nova Mutum to the Netherlands, Spain and France.

In both cases, the sale of soy took place after illegal deforestation, in 2018, and the cultivation of the grain in the devastated area, but before the violation notification and embargo of the state environmental secretariat which would only occur in 2020.

In 2019, trading companies Bunge and Amaggi received soybeans from Wilson Carniel, a producer who had illegally deforested 98.7 hectares of Cerrado a year earlier

Such a situation, in theory, could not occur if the farm were located just 15 kilometres to the North, after the border with the Amazon biome. Both Bunge and Cargill are signatories of the Soy Moratorium, which prohibits the acquisition of grains planted in Amazonian areas deforested after 2008, whether the deforestation is legal or criminal.

Both companies are targeting zero deforestation — legal and illegal — in their soy supply chains in the Cerrado by 2025. However, they have not yet presented detailed plans and criteria for meeting the target. Amaggi specifically claims to have 99% of its direct and indirect grain suppliers located in the Cerrado tracked and without deforestation after 2017.

**WHAT THE COMPANIES SAY**

**Wilson Carniel**

Repórter Brasil tried to contact the producer and his representatives, but did not receive a response until the closing of this report.

**Bunge**

The American multinational sent a single note for all the cases mentioned in this Monitor, stating that it does not comment on commercial relations with specific producers (see the complete response in Case 1 - Agrícola Xingu). It did not
detail whether it maintained business with Dona Josefa, São Miguel do Rio Preto and Emília Farm in harvests after 2019.

**Amaggi**

Asked about the date of the last acquisition of soybeans from Wilson Carniel's property in Brasnorte(MT), Amaggi limited itself to answering that it has not acquired grains originating from Dona Josefa, São Miguel do Rio Preto and Emília Farm since 2019.

The multinational said it has its own “geospatial system that guarantees compliance with its soybean marketing requirements” and that compliance of supplier properties “is checked based on public data made available by environmental agencies”.

However, the company did not clarify whether it can guarantee that it had not received soybeans from the illegally deforested area before the environmental embargo issued by Ibama was registered in the agency's database.
The cases described in this report bring concrete examples connecting some of the largest global soy agribusinesses to the intense deforestation that occurs today in the Brazilian Cerrado — deforestation that, in many cases, is done illegally and is associated with land conflicts with traditional communities in the region.

These are by no means isolated findings. Similar occurrences have been repeatedly documented in investigations by both *Repórter Brasil* and other organisations working in the biome.

The product of predatory expansion follows many paths to the final consumer. In several continents, Brazilian soy supplies the feed industry, its largest and most traditional market. But the grain also gains space in new niches, such as, for example, the production of biofuels. This is a market supported by policies that supposedly aim to combat climate change by substituting fossil diesel for renewable sources. But which, ironically, may be contributing to the problem by encouraging the conversion of native forests into plantation areas.

Responding to pressure from several sectors, some of the largest soybean-buying agribusinesses, most of them also involved in biodiesel manufacturing, have recently announced plans to reach “zero deforestation” in their supply chains. In the case of North American multinationals Cargill and ADM, the objective is to reach that goal by 2030, encompassing all supplying biomes, without restrictions. Bunge and LDC announce similar goals for 2025.

However, the necessary detail to evaluate the real impact of these plans is lacking. It is not clear, for example, what will be the limit date for accepted deforestation in supplying areas.
“They (the trading companies) don’t inform the deadline. They will be clean in 2025, but what is the reference date (for deforestation in supplying areas)? This is not informed”, points out Frederico Machado, specialist of WWF-Brazil’s Agriculture and Food Programme, about what is just one of the dark spots surrounding recent corporate announcements that affect the Cerrado.

TWO BIOMES, TWO CRITERIA

In theory, “zero deforestation” has already existed for over a decade in the Brazilian Amazon. Through the Soy Moratorium, the largest trading companies in the sector are committed not to acquire grain planted in deforested areas in the region after 2008.

The expansion of similar criteria to the Cerrado is an old dispute between NGOs, farmers and members of the agribusiness. It was only in 2017 that representatives from several sectors created a working group focused on the biome — the Cerrado Working Group (CWG) — similar to the one that gave rise to the Moratorium in the Amazon.

For years, the CWG has been the stage for negotiations to make a financial compensation mechanism feasible for soybean farmers who choose to increase the preserved area in their properties. The negotiations were discussed together with the adoption of a counterpart by the agroindustry: no more soybean from deforested areas in the Cerrado after the mechanism’s implementation, scheduled for 2020.

But the arrangement failed because the Brazilian Association of Vegetable Oil Industries (Abiove) did not join. Abiove gathers the largest soybean trading companies operating in Brazil and is its main representative in the CWG. That is, even though some agribusinesses have communicated goals — albeit vague and doubtful — of “zero deforestation” for the Cerrado, many others have not even signalled any kind of alignment with that agenda.

Meanwhile, over a hundred global retailers, investors and food manufacturers have publicly announced their support for the Cerrado Manifesto, which calls on the productive sector to work together to halt the loss of native vegetation in the biome. A smaller group of 30 companies in the UK — including McDonald’s, Tesco and KFC — went one step further in November 2021, and announced that all soybean shipments for their businesses in the region must be deforestation-free by 2025, with no biome restriction.

There is, however, enormous scepticism about how these objectives will actually be achieved, since there is no clarity about the criteria, the verification mechanisms and the engagement of suppliers in this process.

LESSONS FROM THE AMAZON

In most cases, nobody knows for sure what the “zero deforestation” targets really mean for the Cerrado. One of the main doubts concerns indirect suppliers, and how agribusinesses can guarantee the traceability of grain acquired through intermediary trading companies — the reality behind some of the examples described in Chapter 4 of this report, which connect large trading companies to illegal deforestation.
Additionally, document fraud perpetrated by farmers can easily mask the real origin of the raw material. This is a concrete risk already evidenced in other investigations by Repórter Brasil, and for which the trading companies committed to “zero deforestation” have not yet presented relevant plans to deal with it.

The failures in monitoring the Soy Moratorium in the Amazon set off a warning sign for future initiatives in the Cerrado as well. In 2021, an investigation by Repórter Brasil, published in partnership with British media outlets, showed an example of this reality by describing how Fiagril, a trading company that signed the Soy Moratorium, continued buying grain from a rural producer repeatedly fined for planting soybean in illegally deforested Amazon areas.

Its farms formed a complex web of land registries, with more than twenty “lots” registered in the name of different family members. Since not all the farms had recent deforestation, soya planted in a “dirty” area could eventually be sold in the name of the “clean” farm. Frauds of this kind are known as “triangulation” or “soybean laundering”.

Fiagril acts as a regional intermediary for other agribusinesses. It has a long history of supplying soybeans to giants in the sector, such as Bunge, Cargill and Cofco.

More recently, in January 2022, another investigation by Repórter Brasil showed that Cargill was doing business with a recently deforested Amazonian farm. The case highlighted how delays in the systems for analysing and blocking suppliers can mean, in practice, selling soybeans that do not comply with the Soy Moratorium criteria for up to two harvests before deforesting farms are actually blocked.

Such examples illustrate a worrisome scenario for the region, in which failures in monitoring the Moratorium may be contributing to the significant increase, verified in recent harvests, in planting in disagreement with the initiative’s criteria. Potentially, the same problems may affect future agreements in the Cerrado.

But that is not all: another “blind spot” concerns farms that, besides planting soybean, are also engaged in other agricultural activities, such as corn, cotton, and livestock. According to the current criteria of the Moratorium in the Amazon, the signatory companies may continue to negotiate the purchase of soy from these farms, even if they have persistently deforested. For this, it is sufficient that the deforested areas are not used for planting soybeans.

This reality helps to explain the impressive numbers released in a recent study by Instituto Centro Vida (ICV), published in February 2022. Between August 2008 and July 2019, says the report,
properties with soybean cultivation accounted for 20% of deforestation in Mato Grosso, the largest producer of the commodity in Brazil. Of this total, 92% of the deforestation was carried out illegally. The figures encompass Mato Grosso farms located both in the Amazon and the Cerrado.

Because of that reality, ICV defends the adoption of expanded sustainability criteria for soybean purchases in Mato Grosso. Besides including the Cerrado, the proposal is to adopt criteria focused on farms as a whole. “There should be some sort of blocking mechanism for purchasing soybean, regardless of whether that deforestation was in an area directly related to soybean farming, because that rural property somehow benefited from that illegal deforestation”, explains Ana Paula Valdiones, coordinator of ICV’s Environmental Transparency Programme.

The NGO also defends that this new agreement be guided by more advanced monitoring criteria, such as, for instance, a productivity index to identify possible soy washing and triangulation processes. That means efficiently verifying if the total amount of soybean sold by a farm without environmental liabilities corresponds to the total area it has for planting. It is a way to identify eventual frauds where “clean areas” are used to sell soybean from illegal deforestation and/or areas in disagreement with environmental protocols.
APPENDIX

Full responses
Agrícola Xingu

AGRÍCOLA XINGU S.A. (“XINGU”), enrolled with the National Register of Legal Entities under CNPJ No. 07.205.440/0001-24, with head office at Av. Paulista, 1842 – 9th floor - conj. 97 - Edifício Cetenco Plaza - Torre Norte, Bela Vista | 01310-923 | São Paulo/SP, hereby informs, through its representative, in reply to the letter received, as follows:

Firstly, a brief contextualisation of XINGU’s commitment and continuous improvement regarding socio-environmental issues must be presented, as well as full and complete compliance with the applicable environmental regulations.

XINGU, as a reputable company that firmly acts in the preservation of the environment, develops its activities within the parameters of the applicable regulations, as well as seeks to make available to all, nothing less than excellence, having, annually, received awards issued by the Federal Government (Ministry of Agriculture, Livestock and Supply - MAPA) that attest to its level of excellence and relevance with regard to ethics and integrity.

Also, with the intention of helping neighbouring communities, it frequently develops and puts into practice social actions. Some examples can be highlighted:

> Through donations, XINGU has encouraged the establishment of laying hens with a farm for egg production and marketing in a local community. It has also provided the start of food production and other basic items. Continuing to help with the purchase of products needed for the consumption of their staff and used in their kitchens, further strengthening cooperation by making them suppliers of eggs, vegetables, fruits and cassava flour to XINGU;

> Donation of IT equipment to some educational institutions in the municipalities where XINGU’s farms are located;

> Donation of hospital equipment to a hospital in a municipality where XINGU’s farms are located;

> XINGU, through financial sponsorship, provided the renovation of a dam to improve the flow of water from the irrigation canal to serve a neighbouring village

Notwithstanding the foregoing, XINGU will now clarify the “questions, statements and allegations” contained in the aforementioned email:

> Tabuleiro VII Farm is fully owned by XINGU, which has all the legal and relevant documents. With regard to the aforementioned community, what exists is a possible interest on their part in the area owned by XINGU, however, there is no document proving any right of the self-styled community of Fecho de Pasto do Capão do Modesto over Tabuleiro VII Farm;

> XINGU clarifies that it has all the corresponding licenses and certifications to meet the requirements imposed by the Institute for the Environment and Water Resources of the State of Bahia – INEMA;
> Regarding the agrochemical regularly produced and marketed by competent companies, XINGU on
the same occasion clarified that it was regularly purchased and would be used within the
specifications in force of the MAPA (Ministry of Agriculture, Livestock and Supply). Then, in
November of the same year, the supervisory body ADAB (State Agency for Agricultural Defence
of Bahia) released the use of the agrochemical, making the issue clear;

> As already reported in the media, XINGU entered into a Private Rural Lease Agreement for
Agricultural Exploration with the company SLC Agrícola S.A., and as a result of that agreement,
XINGU has closed its agricultural operating activities.

**Nutrade**

Regarding the negotiations carried out with Agrícola Xingu, Nutrade states that they involve areas
with different registrations and therefore different from those referred to in the current questions by
Repórter Brasil. We have guarantee documents (grain CPRs) that certify that the National Register of
Legal Entities of the area that originated the soybean traded by Nutrade, as well as the registrations
provided as guarantee, do not have any embargo.

As previously mentioned, we reinforce that throughout the commercialization of commodities such
as soy, Nutrade adopts a verification process of all areas and guarantees connected to the signed
negotiations, fully complying with all environmental and labour regulations.

With regard to Agropecuária Jan, we inform you that, given the new questions sent by Repórter Brasil,
we conducted additional investigations to the previous ones (carried out with a focus on our direct sales),
increasing the spectrum of our scans and thus reaching the negotiations formalized through our indirect
sales channels. In this context, where said barter transactions are formalised on behalf of these third
parties, we identified a deal formalised in June 2018, specifically — where the delivery of the grain took
place in April 2019. We confirm that the registrations originating the referred negotiation are different
from those for which Notices of Violations were issued on February 21, 2019 — reaffirming our commitment
in the investigation and confirmation of the situation of our originators and business partners.

We should add that Syngenta understands and assumes its role in the evolution of sustainable
agriculture, integrating and promoting environmental programs for the recovery of degraded areas
with several partners.

**ALZ Grãos**

Firstly, ALZ Grãos reaffirms the social and environmental regularity of the soybean acquisition in
question, which met the Company’s criteria (listed below). In this case, no socio-environmental
restrictions or possible land conflicts over the area of origin were verified at the time of purchase. ALZ
Grãos did not establish a commercial relationship with the company Agrícola Xingu and did not acquire
products originating from Tabuleiro VII Farm.
Regarding company policies, ALZ Grãos has Socio-Environmental and Sustainability Policies for grains applicable to direct and indirect suppliers of the company. The Policies are available on the official ALZ Grãos website - http://alzgraos.com.br/folder.pdf.

To ensure a responsible soybean chain, ALZ Grãos has principles of commercialization, which consolidate the implementation of its Sustainability Policy by prohibiting the sale of soybeans from areas that involve: Ibama embargoes; Indigenous Lands, Quilombolas and Full Protection Conservation Units; non-compliant areas and areas included in the Soy Moratorium list; areas of producers included in the Dirty List of Slave Labour. Besides this, ALZ Grãos requires, by means of a contractual clause, that supplying producers comply with environmental legislation.

In September 2021, ALZ Grãos implemented a specialized geoprocessing platform for traceability of its soybean supply chain, optimizing the monitoring of grains sold to rural producers by the company, directly or indirectly. With a database updated daily, the implemented technology has provided rapid advances to ALZ Grãos’ traceability, reinforcing the monitoring and application of the company’s marketing principles for direct and indirect purchases. From the total volume commercialized by ALZ Grãos regarding the 2020/2021 crop, the volume acquired directly from rural producers was 98.5%, so that the traceability challenge is concentrated on indirect purchases (1.5%), with less impact on ALZ Grãos’ business.

The company’s principle, according to its Policy, is to conserve biomes of proven high ecological value (such as the Amazon and Cerrado) with the intention of discouraging and eliminating the conversion of native vegetation for alternative land use in Brazil. The monitoring of deforestation and the conversion of native vegetation is done at the polygon level, with geoprocessing tools and geospatial bases of public consultation (using the PRODES layers and satellite images with different historical dates).

Bunge

Bunge does not comment on commercial relationships with specific producers, but reinforces that it is committed to achieving deforestation-free supply chains by 2025. We were the first to announce the most ambitious commitment of our scale in our industry, and we will continue to use our market position to lead industry progress in this direction. This commitment extends to all regions where we operate, including direct and indirect supply.

Bunge does not purchase soybeans from illegally deforested areas and has advanced traceability and monitoring of its direct and indirect purchases. We maintain strict control over social and environmental criteria in our operations in high-risk regions of South America – more than 9,000 farms covering more than 12 million hectares. Our monitoring uses state-of-the-art satellite technology and is able to identify changes in land use and soybean planting on each farm where we originate.

Using our protocols, Bunge is a leader in providing deforestation-free products to the marketplace, going beyond current consumer demand. Our soy certification portfolio includes Round Table on Responsible Soy (RTRS), Biomass Biofuel Sustainability Voluntary Scheme (2BSvs), ProTerra, among others.
We also aim to be a leader in transparency in our industry, helping to raise the bar for industry performance by regularly monitoring and disclosing progress on our commitments and performance. Since 2016, we have published regular updates on traceability and our commitment to non-deforestation. We are the only company in our industry to produce such reports over that time period. Our 10th progress report for soy can be viewed [here](#).

On top of that, we share our experience and technology with others. In 2021, the company launched the Bunge Sustainable Partnership, a first-of-its-kind program that helps grain retailers implement supply chain verification systems, including farm-scale satellite monitoring, in Brazil's Cerrado region. Dealers can adopt independent imaging services or use Bunge's geospatial monitoring framework at no cost. By engaging the dealers, Bunge, which already tracks and monitors approximately 50 per cent of its indirect purchases in the Cerrado, expects to reach 100% by 2025.

Bunge recognizes the important role it can play, but believes that any lasting and scalable solution will require participation and engagement with our partners along the supply chain, from farmers to customers, with compensation to the farmers who ultimately have to give up their right to produce on the land they own and preserve. This is why we work through associations, initiatives and direct partnerships with our peers in the value chain to ensure success across the industry. As an example, Bunge cofounded the Soft Commodities Forum (SCF), along with other industry leaders, as a way to address common sustainability challenges. Working together with these partners, Bunge is helping to increase industry transparency regarding the supply of soy in several priority municipalities, which are most vulnerable to deforestation. By 2021, the number of municipalities monitored increased from 25 to 61. While Bunge has regularly published information about its soy supply chain in South America since 2016, SCF is a platform where companies commit to publishing biannual reports to share additional data, such as traceability information in these 61 municipalities. Bunge's most recent performance report, published in December 2021, is available [here](#).

Bunge will continue working to promote advanced standards and develop practical and sustainable approaches. This is part of our strategy and we will remain committed to this endeavour.

In addition to our position already submitted, we would like to reinforce that we have 100% traceability and monitoring of our direct purchases and we are working hard to encourage the sector to strengthen the traceability and monitoring of indirect purchases, either through our unprecedented Sustainable Partnership Program or for active participation in industry initiatives such as the SCF — Soft Commodity Forum, of which Bunge is a co-founder.

ABIOVE (Cofco and Cargill)

Some companies associated with ABIOVE sent us their request. These companies (associated with ABIOVE) follow several protocols, commitments and have a series of policies related to their suppliers, so the answers are more in the sectoral scope.
1. Do the companies have mechanisms to guarantee the origin of the soy purchased from other trading companies, such as ALZ Grãos? Can it guarantee that it did not acquire soy from areas deforested by Agrícola Xingu in western Bahia?

ABIOVE and its associated companies have led discussions and efforts to eliminate deforestation and promote sustainable growth in the soy chain. They have also developed processes and tools to track and monitor the grain. It should be noted that the associates do not buy soy from illegally deforested areas.

2. Doesn't the acquisition of soy from other trading companies expose companies to deforestation committed by indirect suppliers in the Cerrado? What strategies do the companies adopt to mitigate these risks?

The companies associated with ABIOVE support their indirect suppliers by constantly seeking operational solutions and assessing methodologies to engage these suppliers with their protocols. There are also clauses in traders’ contracts that oblige intermediaries to ensure soybean compliance with legal requirements in the Cerrado biome. Some intermediary companies also conduct audits to demonstrate they have responsible sourcing.

3. What are the companies’ policies related to soybean acquisition from Cerrado areas? Does it have any time frame established to achieve zero deforestation in its supply chain of grains originating from areas of the biome?

The companies associated with ABIOVE have their own policies that are public and with strict commitments to monitor their suppliers; compliance with the applicable legislation at the national and international level (importing countries); and commitments to track commodities. The policies also involve commitments regarding Human Rights and traditional communities, compliance with labour legislation and support to small and medium-sized rural producers with free training and technical assistance through Agro Plus and individual certification programmes.

**Amaggi**

In response to the questions sent, AMAGGI informs the following:

a. No soybeans were purchased from these farms after 2019;
b. AMAGGI has its own geospatial system that ensures compliance with its soy marketing requirements. Compliance is verified based on public data made available by environmental agencies;
c. AMAGGI does not commercialise soybeans from production areas that are subject to: environmental embargoes by Ibama and state environmental agencies; Indigenous Lands and Full Protection Conservation Units; areas deforested after 2008 in the Amazon Biome that do not comply with the Soy Moratorium; areas that do not comply with the Pará Green Grain Protocol; Slave Labour Dirty List. The
entire process of verification of the criteria, especially the commitment to the Soy Moratorium and Green Grain Protocol, is verified annually by third party audits;

d. In the Amazon biome, AMAGGI does not acquire soybeans from areas deforested after 2008, in accordance with the aforementioned Soy Moratorium, a pact of which AMAGGI was one of the first signatories in 2006. In the Cerrado, the Soy Moratorium does not apply, but the biome is included in AMAGGI’s goal of zero deforestation — legal or illegal — and ensuring 100% traceability throughout its entire chain by the year 2025;

e. According to the Progress Report published in 2020, AMAGGI has 99% traceability and monitoring — at polygon level — of its direct suppliers in the Cerrado and Amazon. In addition, 99% of the volume of soybeans sourced and tracked by AMAGGI are free from deforestation and conversion of native vegetation since 2017.
NOTAS FINAIS

2 https://redecerrado.org.br/nossa-atuacao/defesa-do-cerrado/
3 https://antigo.mma.gov.br/biomas/cerrado.html
5 Ibid.
6 https://www.science.org/doi/10.1126/science.aba8646
10 Ibid.
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According to the TTP, environmental crime or ecocide is characterised by “serious damage, destruction or loss of one or more ecosystems in a given territory, caused by human or other causes, the impact of which results in a serious decrease in the environmental benefits enjoyed by the inhabitants of that territory”. Available at: http://permanentpeopletribunal.org/wp-content/uploads/2019/05/ESTATUTO-TPP-ESPINAL.pdf.

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