

## Declaration:

### German market industry and retail players call out soy traders operating in Brazil to reaffirm their commitment to zero deforestation and conversion at landscape level in the Cerrado

We are conscious that the Cerrado is a relevant landscape for the production of soy in Brazil (responding for close to 50% of it) and that unfortunately half of this rich and threatened biome has already been destroyed mainly by soy expansion, cattle ranching and related real estate speculation and land grabbing<sup>1</sup>. According to the Cerrado Soy Working Group (GTC, from the Portuguese acronym), approximately 100.000 ha of Cerrado natural vegetation has directly been converted into soy areas every year.

The risks of further destruction<sup>2</sup> would compromise the future of agriculture itself through the ongoing and expected collapse of essential environmental services such as water supply<sup>3</sup> as well as the extinction of species, loss of unique habitats, greenhouse gas emissions and social conflicts<sup>4</sup> related to the agricultural frontier expansion.

However, there is sufficient suitable and already opened land to triple the current soy production in the Cerrado<sup>5</sup>, without causing any new deforestation/conversion. Capitalizing on the availability of cleared land to produce soy on existing already deforested and converted areas is a solution that has proved its efficiency to fight deforestation in the Amazon through the Soy Moratorium and which needs to be applied to the Cerrado. Indeed, after soy traders agreed to a 2008 cut-off date for the Amazon, deforestation from soy in the Amazon decreased from 30% to 1,5%, while soy production rose approximately 400% by using already cleared land.

The implementation of a cut-off date for the Cerrado native vegetation conversion, as has been done in the Amazon, will ensure that all market players will not be exposed to soy linked to the destruction of valuable natural resources. Soy is one of the major drivers of deforestation and conversion and accounts for 47% of the EU's imported deforestation/conversion from agricultural and livestock commodities. Natural habitat conversion caused by soy is strongly associated with social injustice and violence<sup>6</sup>.

**We hence require the soy traders operating in Brazil to reaffirm the solution for Cerrado they co-created and presented to the market in 2019, through the implementation of a cut-off date. The multi-stakeholder agreement presented guarantees deforestation and conversion-free soy supply from the Cerrado, and has been considered one of the most meaningful solution to deliver the 2020 global commitments on zero deforestation.**

In the current state of affairs, the German industries and retailers face significant reputational and legal risks associated with deforestation and conversion, and we are also exposed to human rights violation as well as illegal activities. We are deeply concerned about the recent developments of the Cerrado negotiations and expect traders to communicate clear and concrete implementation plans to materialize their commitments to eliminate in the shortest time deforestation and conversion caused by soy in the Cerrado.

### Signatories:



ALDI Einkauf GmbH & Co. oHG



ALDI SÜD Dienstleistungs-GmbH & Co. oHG



Kaufland Dienstleistung GmbH & Co. KG



EDEKA Verbund



Lidl Dienstleistung GmbH & Co. KG



METRO AG



REWE Group

<sup>1</sup> <https://news.mongabay.com/2019/03/brazils-key-deforestation-drivers-pasture-cropland-land-speculation/>.

<sup>2</sup> [https://www.researchgate.net/publication/315549179\\_Moment\\_of\\_truth\\_for\\_the\\_Cerrado\\_hotspot](https://www.researchgate.net/publication/315549179_Moment_of_truth_for_the_Cerrado_hotspot)

<sup>3</sup> [https://www.wwf.org.br/natureza\\_brasileira/areas\\_prioritarias/cerrado/manifestodocerrado/cerrado\\_conversion\\_zero/](https://www.wwf.org.br/natureza_brasileira/areas_prioritarias/cerrado/manifestodocerrado/cerrado_conversion_zero/)

<sup>4</sup> [https://favaretoufabr.files.wordpress.com/2019/10/2019\\_favareto\\_hold-the-line-greenpeace-report.pdf](https://favaretoufabr.files.wordpress.com/2019/10/2019_favareto_hold-the-line-greenpeace-report.pdf)

<sup>5</sup> [https://www.researchgate.net/publication/335433977\\_Soy\\_expansion\\_in\\_Brazil's\\_Cerrado](https://www.researchgate.net/publication/335433977_Soy_expansion_in_Brazil's_Cerrado)

<sup>6</sup> <https://www.climatefocus.com/sites/default/files/20191209%20%20GIZ-%20Soy%20supply%20chain%20consolidated%20study%20clean%20v.7.0.pdf>