

Mobilising French stakeholders to fight imported deforestation linked to soybean

France has reiterated its commitment to combating imported deforestation through the government-led National Strategy against Imported Deforestation (SNDI), and for several months many stakeholders – including the signatories – have been actively tackling deforestation and conversion¹ linked to imported soybeans in France, in the Amazon and the Cerrado region of Brazil in particular.

Various initiatives have been implemented to jointly identify operational solutions, resulting in the following consensus between the signatories:

- Deforestation/conversion in the Cerrado region continues at an alarming rate and there is an urgent need to stop land conversion in the Brazilian savannah of the Cerrado, because this biome plays an essential role;
- This deforestation/conversion is not necessary for the expansion of Brazilian agriculture – Brazil has enough land cleared and adapted to meet the projected expansion of Brazilian soybean production in the coming decades;
- Soybean is mainly responsible for this deforestation/conversion, in particular exports to China and the European Union;
- Significant work in the Amazon has already been carried out by Brazilian operators and their stakeholders via the Amazon Soy Moratorium, demonstrating the effectiveness of collective measures decided locally;
- It is necessary to act collectively with the public authorities at European and international level to put an end to deforestation; the French agri-food industry imports 3 million tonnes of soybean meal from Brazil, which amounts to approximately 4% of Brazilian exports estimated at 99 million tonnes of soybean;
- The fight against deforestation/conversion must include not only illegal but also legal deforestation, i.e. that authorised by the Brazilian forestry code according to which it is legally possible to convert 65–80% of the surface of a private property in the Cerrado for agricultural use;
- The difficulty of implementing solutions unilaterally, given the weight of the stakeholders, and of monitoring compliance with producer commitments;
- The difficulty of influencing Brazilian producers who can be up to eighth in the supply chain of certain signatories;
- Voluntary solutions from the private sector are needed to stop all forms of destruction, whether legal or illegal;
- The key role of the main importers, who are in contact with the producers and who buy the largest share of soybeans imported into France (50 to 60 ships deliver to France each year);
- The limited impact of actions designed to preserve the Cerrado by aiming to supply France from other soybean-producing countries or to use only certified soybeans;
- In addition to collective efforts, the fight against deforestation requires individual action from each stakeholder. Most notably, economic players must further their knowledge

¹ “Conversion” is defined (in French) in paragraph 2.1 of the provisional report from the Scientific and Technical Committee set up by the Agence française de développement (ADF): “Ending soybean imports resulting from the conversion of natural ecosystems in South America” https://www.canopee-asso.org/wp-content/uploads/2020/09/Rapport-SOJA_09-2020-1.pdf

of their own supply chains and make efforts to transform them. Making use, if necessary, of joint operational work and common tools;

- State involvement and the will of the European Union are crucial to fighting deforestation effectively.
- The implementation of voluntary commitments such as this manifesto does not replace State regulations, which must be strengthened. They are an additional tool that can be used to test solutions before they are made more widespread.
- Accordingly, the signatories individually undertake to implement the commitments below within their specific areas of responsibility and to promote them collectively. One condition for success is to mobilise at least 70% of retailers, industrial users of soybean, animal feed companies and importers present on the French market.

For retailers

As a priority, the retailers' scope of commitment applies to their own brands of poultry, pork, beef and dairy products, from sectors where animal feed contains soy:

1. Support the rapid implementation of a date that is the same for all stakeholders (a cut-off date), i.e. 1 January 2020, for a ban on all soybeans from an area in the Cerrado that has been deforested/converted after this cut-off date².
2. Mobilise their own-brand suppliers from January 2021, to include a contractual non-conversion/deforestation clause taking the cut-off date into account in the specifications;
Support the implementation of these commitments by national brands;
In addition, mobilise importers and feed manufacturers to assess their policies and actions to address deforestation.
3. Ask suppliers to sign up to the risk management mechanism in accordance with the terms of Articles 3.2–3.3. proposed in the Scientific and Technical Committee report³.
4. Report on their individual action plans to ensure that this commitment is implemented. Within this framework, an operational alignment group will be set up.

For industrial users of animal feed

1. Support the rapid implementation of a date that is the same for all stakeholders (a cut-off date), i.e. 1 January 2020, for a ban on all soybeans from an area in the Cerrado that has been deforested/converted after this cut-off date².

² To avoid any spill-over, this cut-off date may be extended to all ecosystems in South America in accordance with the recommendations of the Accountability Framework Initiative if the imported soybeans come from those ecosystems.

2. Mobilise their industrial suppliers, from January 2021, to include a contractual non-conversion/deforestation clause taking the cut-off date into account in the specifications; Mobilise farmers from January 2021 to engage them in an active approach in favour of non-conversion/deforestation taking into account the cut-off date in their animal feed management.
Additionally, evaluate feed manufacturers' and importers' policies and actions to identify the origin of imported soybeans, policies and actions to be implemented immediately to ensure that there is no soybean-related deforestation/conversion in their supply chain.
3. Ask feed manufacturers to sign up to the risk management mechanism in accordance with the terms of Articles 3.2–3.3. proposed in the Scientific and Technical Committee's report³ by integrating it from 1 January 2021.
4. Report on their individual action plans to ensure that this commitment is implemented.

For feed manufacturers

1. Publicly commit across their supply chains to tackling Cerrado deforestation by setting a common cut-off date of 1 January 2020 for a ban on all soybeans from an area in the Cerrado that has been deforested after that date².
2. Sign up to the risk management mechanism in accordance with the terms of Articles 3.2–3.3. proposed in the Scientific and Technical Committee's report³ by integrating it from 1 January 2021.
3. Undertake to integrate the necessary contractual clauses ensuring implementation of the mechanism with their direct suppliers to ensure it is taken into account by all contributors.
4. Working with farmers to identify and remove obstacles, in particular techniques for the use of other locally produced plant proteins (France, EU) such as rapeseed and other meal, and in connection with the development of areas cultivated with protein crops within the framework of the proteins development plan provided for in the recovery plan.
5. Report on their individual action plans to ensure that this commitment is implemented and the actions put in place in response to the claims reported by their claims system.

For soybean importers

1. Publicly commit across their supply chains to tackling Cerrado deforestation by setting a common cut-off date of 1 January 2020 for a ban on all soybeans from an area in the Cerrado that has been deforested after that date².
2. Sign up to the risk management mechanism in accordance with the terms of Articles 3.2–3.3. set out in the Scientific and Technical Committee's report³ by integrating it from 1 January 2021.

3. Undertake to integrate the necessary contractual clauses ensuring implementation of the mechanism with their direct suppliers to ensure it is taken into account by all contributors.
4. Report on their individual action plans to ensure that this commitment is implemented and the actions put in place in response to the claims reported by their claims system.

For NGOs

1. Organise a consultation between the various NGOs to put forward a common vision of the priorities for action.
2. Contribute to the risk management mechanism proposed in the Scientific and Technical Committee's report submitted to the SNDI.
3. Call for the mobilisation of non-signatory actors to achieve sufficient joint mobilisation among retail stakeholders, manufacturers, animal feed companies and importers present on the French market to attain at least 70% of the market.

For the public authorities

Expectations of the signatories of this manifesto towards the State:

1. Make available on the SNDI platform the information provided by members of the mechanism (paragraph 3.2). Data on ports and municipalities at risk will come from Trase. This information must be accessible only to stakeholders adhering to the mechanism.
2. Appoint an operator responsible for implementing and coordinating the alert mechanism.
3. Engage in dialogue with producer countries and organisms representing them, especially Brazil, to highlight France's expectations concerning the fight against deforestation, integrate these expectations into the commercial policy of the European Union and collaborate with producer countries to have them implemented, in particular through AFD activities and funding.
4. Ensure the concrete implementation of this pact through a strong political support from the SNDI at national and international level.
5. Support an extension of this mechanism to all French import zones, on the basis of this pilot project.

Appendix 1: Risk management mechanism put forward in the “Ending soybean imports resulting from the conversion of natural ecosystems in South America” report from the Scientific and Technical Committee (CST Forêt) in September 2020, submitted to SNDI

Ending soybean imports resulting from the conversion of natural ecosystems in South America.

Proposed mechanism for implementing French commitments.

3.2 TRANSPARENCY AND AVAILABILITY OF INFORMATION ON THE SNDI PLATFORM

The key point of the risk analysis mechanism is transparency. It is not possible to require each downstream company (retailers, restaurateurs, etc.) to be able to trace all the soy contained in the products they sell, right back to the plot. However, it is possible to ensure that all suppliers involved in the soy processing chain sign up to the risk analysis mechanism and commit to transparency on their commercial relations with their own suppliers. In practice, each company joining the mechanism could adopt specifications requiring its suppliers to also join the mechanism and use the various options provided by the mechanism to guarantee the absence of soy from conversion/deforestation. A cascade effect would thus be triggered, ensuring that all companies involved in the soy processing chain are fully committed to the mechanism.

The following information could be posted on the SNDI platform by an organisation in charge of the mechanism:

- The list of companies that are members of the risk analysis mechanism;
- The list of high-risk ports according to TRASE (updated once a year);
- The list of municipalities at risk (updated once a year, starting with Brazil and then expanding the mechanism to all producing countries) according to TRASE;
- For each soybean cargo belonging to an importer that is a member of the mechanism, information on the initial loading port, any transit ports and whether the loading port is on the list of ports at risk, plus the complete list of logistics facilities (silos or crushers) from which the soybeans originate;
- For meal imports, information on the original crusher is not sufficient when it comes to assessing the risk: it is therefore recommended that once a year, importers belonging to the mechanism publish a complete list of silos supplying the crusher sites from which meal imported into France originates;
- In the event of supply from an at-risk municipality, importers belonging to the mechanism also publish, once a year, the list of the original plots along with their cadastral number or, failing that, their GPS coordinates;

This information could be made available only to companies that are members of the mechanism, and also to NGOs and other stakeholders involved in the platform monitoring group.

3.3 REVIEWING COMMITMENTS

The proposed risk analysis mechanism makes it possible to concentrate resources for verification and control on sensitive points, rather than requiring an immediate and costly segregation of flows. It is based on the principles of transparency and responsibility. These principles have resulted in the implementation of a moratorium on soybeans in the Amazon. For it to work, it implies that parties who sign up to the mechanism undertake to:

- Adopt a clear cut-off date (1 January 2020);
- Insert a non-conversion clause after the cut-off date in all their contracts with suppliers-22;
- Publish data on the SNDI platform on the origin of loads on each cargo ship and the list of silos supplying the crushers;
- For silos located in at-risk municipalities, publish or provide the control body with a list of the original plots and their cadastral number or, failing that, their GPS coordinates;
- Accept monitoring audits by an independent control body.

In the case of a crusher or a refinery, information on the municipality is not sufficient when it comes to assessing the risk. The supply radius of these facilities varies based on the location of the crushers, seasonality, and infrastructure of the crusher owner. Distances can reach up to 2,000 km (Fliehr 2013). In this case, the risk must therefore be assessed and verified at the level of all the silos that supply the crusher.

The commitments should be verified retrospectively, according to the following procedures:

- Every year, update the list of high-risk municipalities in producer-23 countries so as to be able to reduce checks in low-risk municipalities;
- Conduct checks on a representative sample of 10% of suppliers in at-risk municipalities;
- Perform systematic checks in the event of an alert;
- Draft reports on alerts and breaches of the risk analysis mechanism. When the control body has established that a silo is supplied from a plot that has been converted or deforested after the cut-off date, it writes an alert report. If the disputed production is not excluded in year Y+1, it will draw up a non-compliance report published on the SNDI platform;
- Perform a check for spill-over between at-risk and non-at-risk municipalities.

The control body in Brazil could be Agro Satellite, which already manages the monitoring of the moratorium in the Amazon, or Imaflores, which has a partnership with Trase.

The role of the body in charge of the mechanism would be to supervise implementation of the risk analysis mechanism, i.e.:

- Update the list of high-risk ports each year;
- Identify operators in producing countries;
- Validate reports on alerts and non-compliance and publish them on the SNDI platform;
- Send letters to companies to warn them of the risk.

Discussions must continue to define potential procedures for excluding (temporarily or permanently) companies that have been the subject of one or more reports on non-compliance with the mechanism. Once the methodology has been generalised to all soybean producers, a practical solution could be built around the creation of a “lower risk soy” type of approval or label granted to companies that sign up to the mechanism, and which could be withdrawn from companies that do not follow the rules. This would also allow companies to promote their commitment.