



MERCOSUR FILES

**How European trade deals will
propel destructive agribusiness
in the Mercosur region**



**Friends of
the Earth
Europe**



The people and lands of Brazil are facing a legacy of destruction.

Four years of Jair Bolsonaro's presidency have left Brazilian ecosystems and human rights protections in a precarious state. Bolsonaro's anti-environmental agenda ranged from dismantling key environmental policies to undermining government agencies that combat illegal deforestation and land grabbing. The result? **Skyrocketing levels of deforestation, greenhouse gas emissions, rural conflicts and contemporary slave labour.**

Now Bolsonaro's mandate is over but the problems are not. The economic structures that allowed such devastation are still there. **Major agribusiness corporations which profit from the export of Brazilian commodities have got a chokehold on the Mercosur region** and continue to exploit natural resources and communities to meet business demand. Many of the human rights violations, land grabbing and environmental crimes are linked directly to European company supply chains for Brazilian soy and cattle. While Bolsonaro is gone, it is unlikely that levels of deforestation, greenhouse-gas emissions and labor and human rights violations will go down significantly, as the negative impacts of his policies and measures will continue.

Nevertheless, **the European Union continues to push for a free trade agreement with Mercosur that would only increase pressure on the region.**

The deal, which was signed in 2019 is incompatible with the revival of the Amazon, bringing down climate emissions and the defense of human rights. In this factsheet we show why scrapping the EU-Mercosur deal is the only way to begin repairing the damage done by agribusiness.

AGRIBUSINESS PROPELS DEFORESTATION IN AMAZON TO TIPPING POINT

The destruction of the Amazon has likely reached a crucial tipping point¹, that would replace it with a dry savannah, with profound consequences for biodiversity, carbon sequestration, precipitation, and the livelihoods of communities. Over the last four years, deforestation in the Brazilian Amazon grew 59.5% – while Jair Bolsonaro was President of Brazil – compared to the four years before that. Under his administration (2019-2022), the country saw the highest increase in deforestation during a presidential term since the beginning of satellite measurements in 1988.²

26% of the forest shows signs of degradation and deforestation, while 20% has already suffered irreversible losses, and another 6% is extremely degraded

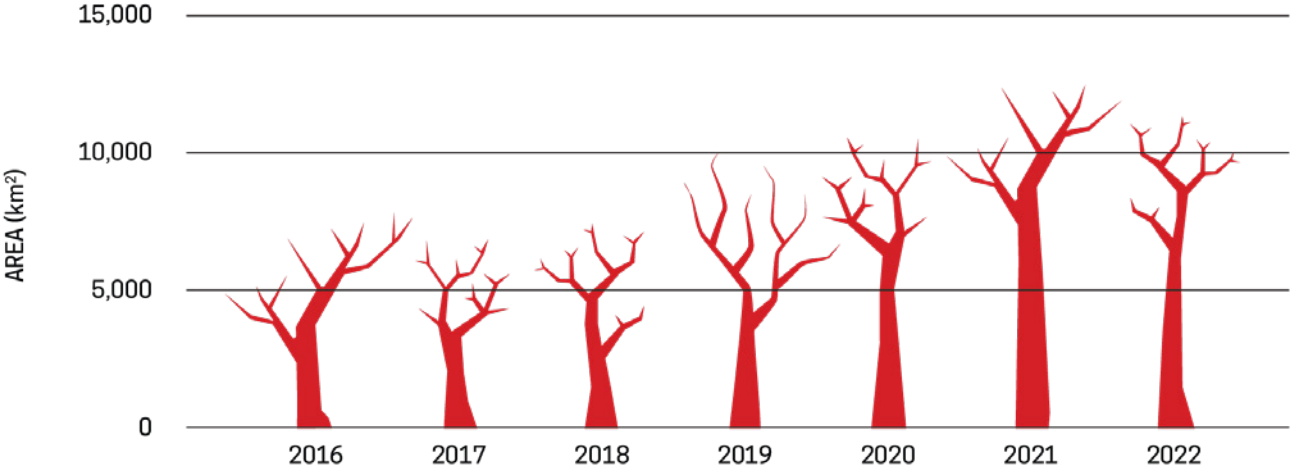
The environmental impact of this devastation is that in the 847-million-hectare territory, 26% of the forest shows signs of degradation and deforestation, while 20% has already suffered irreversible losses, and another 6% is extremely degraded.³ If deforestation doesn't slow down in 2023, another 11,805 sq. km of native forest could be lost.⁴

One of the driving forces behind deforestation, cattle-ranching, increased substantially in Brazil in 2021 - 3.1%. That was the highest growth since 2004, and the country already has 224.6 million head of cattle.⁵ Several studies have linked this issue with global production chains that supply large companies and world-renowned brands such as Carrefour⁶ and McDonald's⁷.

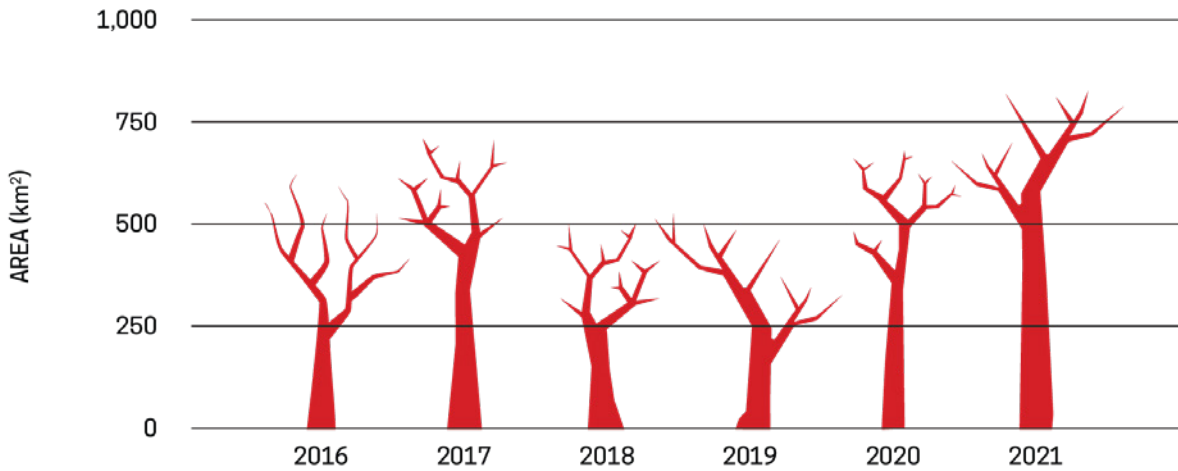
Researchers have estimated that 20% of soy exports and at least 17% of beef exports from the Cerrado and the Amazon to the EU may be contaminated with illegal deforestation.⁸

The Cerrado, the most biodiverse savannah on the planet,⁹ is the source of the majority of European Union soy-related deforestation - 65% of the total. Deforestation rose by 25% between August 2021 and July 2022, compared to the same period of the previous year.¹⁰ Also, more than one third (37%) of beef-related deforestation is concentrated there.¹¹ The situation of that biome is critical, since only 8.21% of its total area is legally protected by conservation units.¹²

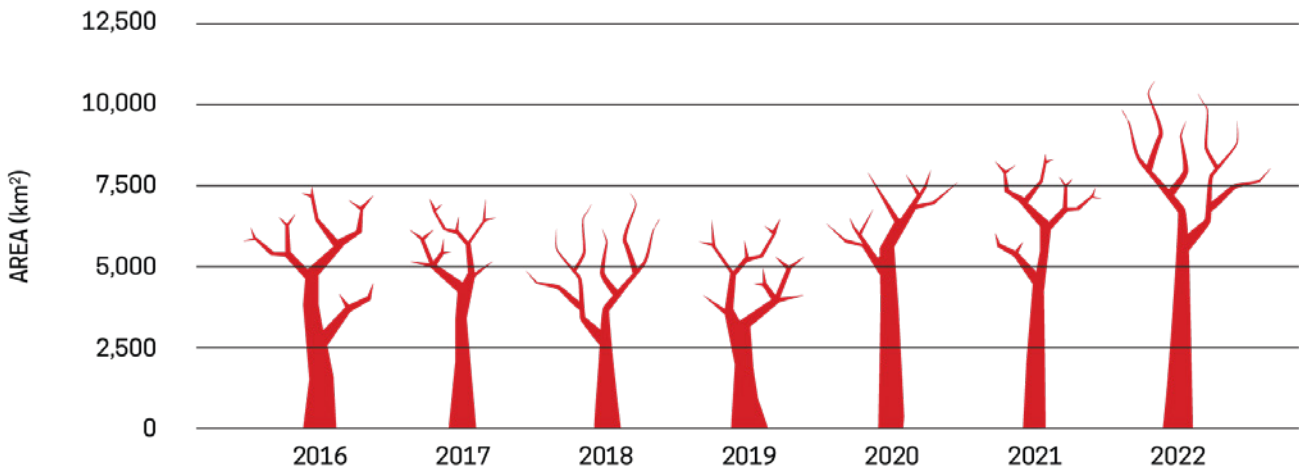
DEFORESTATION - LEGAL AMAZON



DEFORESTATION - PANTANAL BIOME



DEFORESTATION - CERRADO BIOME



Sources: PRODES / INPE.¹³

The Pantanal wetland, sprawling from Brazil into Bolivia and Paraguay, is the world's largest tropical wetland and one of the most biodiverse environments globally. Infrastructure development, agricultural activities, and water pollution are threatening the biome.¹⁴ Cattle ranching and other

farming activities have taken over about 16% of the Pantanal. The wetland is polluted by vast amounts of agrochemical residue washing into its waterways from farmland in Mato Grosso state to the north.¹⁵

Forest fires to clear land for other uses, such as cattle ranching, increased by 14% in 2022. Most of the fires, 95% of them, happened in the Amazon and Cerrado - together, the two biomes have 95% of the area cleared with fire.¹⁶

EMISSIONS FROM DEFORESTATION UNDERMINE CLIMATE TARGETS

In 2021, Brazil's greenhouse gas emissions saw their highest increase in almost two decades. The country emitted 2.42 billion gross tons of CO₂, a 12.2% increase over 2020, when 2.16 billion tons were emitted.¹⁷

Almost half of the country's emissions are the result of land use changes and forestry activities. This includes deforestation in the Amazon, which accounts for 77% of those changes.¹⁸ Agriculture in Brazil also reached its highest emissions levels in the same timeframe.

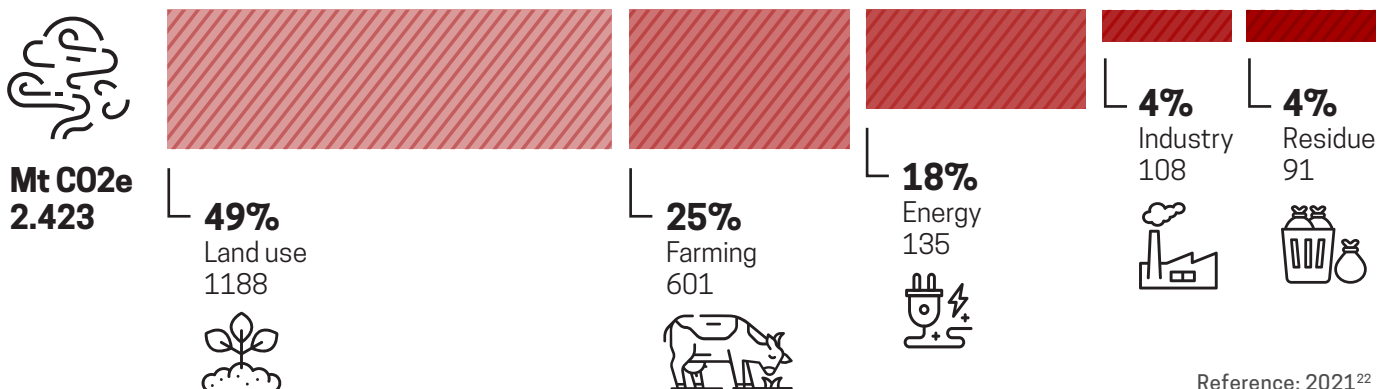
In 2021, 25% of Co2 emission were linked to the agricultural sector.¹⁹

Energy consumption, in turn, had its largest increase in 50 years, after the peak of the Covid-19 pandemic in the country. In fact, in the midst of the pandemic in 2020, polluting gas emissions in Brazil rose by 9.5% compared to 2019 while they reduced in the rest of the world during the economic slowdown. **While Brazil also experienced the shutdown of the economy during the pandemic, the rise in deforestation in the country in that year was so severe it offset the reduction in emissions.**²⁰

These rising emissions mean Brazil is not on track to meet the climate targets proposed by the Paris Agreement. To comply with them, the country would have to reduce 37% of its net emissions by 2025, and 50% by 2030 – over 2005. So far, the opposite has happened.²¹

Photo: Lunae Parracho, Repórter Brasil

GREENHOUSE GAS EMISSIONS BY ECONOMIC ACTIVITY



Reference: 2021²²

FORCED LABOUR AND CONFLICT DIRECTLY CONNECTED TO MAJOR AGRIBUSINESS SUPPLY CHAINS

Rural conflicts and exploitation go hand in hand with environmental destruction driven by agribusiness. In the first half of 2022, there was a 33% increase in violence against rural workers over the same period of the previous year.²³ The number of land conflicts regarding land ownership and use have increased constantly since 2016, and even more rapidly after the election of Bolsonaro. The regions where most conflicts occur match the areas suffering from agribusiness activities, generally led by loggers, land grabbers and gunmen.²⁴

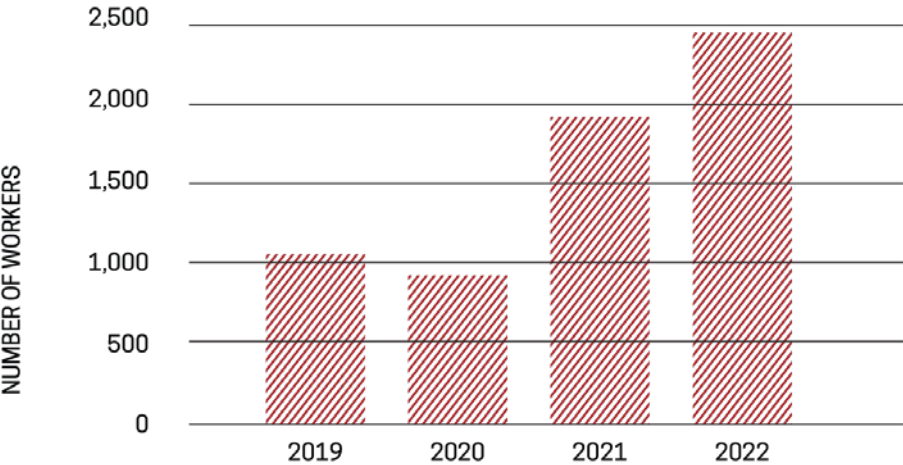
Meanwhile, some of the worst forms of labour rights violations have also been on the rise. At least 2,468 workers were rescued from forced labour by Federal Government inspectors in 2022²⁵ – the highest figure since 2013. Cases of human rights violations have been directly linked to the exportation of commodities.

Historically, livestock is the sector where most of the cases are found, accounting for 29% of the total cases between 1995 and 2022.



Sugarcane is another relevant sector, accounting for 21% of the total. In the last year alone, 458 workers were found in slave labor conditions in sugarcane cultivation. The number of actual cases is even greater than those monitored by the government, as successive budget cuts during the Bolsonaro government affected the number of inspections, especially in rural areas.²⁹

PEOPLE RESCUED FROM SLAVE LABOUR IN BRAZIL



Statistics and Information Dashboard of Labor Inspection in Brazil

These violations are present throughout many key company soy and cattle supply chains. For example, a company that supplies a joint-venture coowned by French company Louis Dreyfus Company (LDC) is involved in a land conflict in the Cerrado²⁶. Leading grain traders such as Bunge and Cargill have repeatedly sourced soybeans from suppliers linked to indigenous rights violations.²⁷ In other cases, Brazilian companies have exported live cattle from farms that were included in the Brazilian’s government public register of employers caught using modern slavery²⁸.

CONCLUSION



The severe human rights violations and environmental crimes driven by agribusiness did not begin and will not end with the Bolsonaro administration. Agribusiness accounts for 25% of Brazil's GDP and holds strong political and economic influence.³⁰ **Within the National Congress, the Parliamentary Agricultural Front (FPA), a powerful agribusiness bloc that encompasses more than a third of the congress and has a notoriously anti-environmental and human rights agenda,** already promises a strong opposition against the new ministry of the Environment, Marina da Silva.

The EU-Mercosur agreement will be a disaster for sustainable agriculture and undermine a just agro-ecological transition. The deal will also increase intensive agriculture in the Mercosur region by growing monocultures and multiplying factory farms - and in doing so, further drive climate change, deforestation and human rights violations.

The European Commission promises environmental annexes but no annex will fix the root problems. Intensive agriculture, fueled by trade deals like EU-Mercosur, depends on the overexploitation of natural resources and unsustainable production. The Intergovernmental Panel on Climate Change (IPCC) stresses the urgent need to move away from intensive agricultural practices towards more sustainable approaches like agroecological farming and agroforestry.

To do this successfully means dropping deals like EU-Mercosur and aligning trade policy with effective climate action and human rights defence.³¹

This factsheet is part of a series that will cover the most recent data and research regarding the state of agribusiness in Mercosur throughout 2023.



Photo: Fernando Martinho

ENDNOTES

- 1 Alex Cuadros, "Has the Amazon Reached Its 'Tipping Point'?", The New York Times, 4 January 2023. <https://www.nytimes.com/2023/01/04/magazine/amazon-tipping-point.html>
- 2 Cristiane Pribisckzi, "Amazônia perdeu 11,5 mil km² de floresta em 2022, aponta INPE", 30 November 2022. <https://oeco.org.br/noticias/amazonia-perdeu-115-mil-km%C2%B2-de-floresta-em-2022-aponta-inpe/>
- 3 Marlene Quintanilla et al., "The Amazon against the clock: a Regional Assessment on Where and How to protect 80% by 2025", 2022. <https://amazonia80x2025.earth/amazonia-against-the-clock/>
- 4 "Desmatamento na Amazônia em 2023 pode passar dos 11 mil km² se seguir o ritmo atual, estima PrevisIA", Imazon, 29 December 2022. <https://imazon.org.br/imprensa/desmatamento-na-amazonia-em-2023-pode-passar-dos-11-mil-km%C2%B2-se-seguir-o-ritmo-atual-estima-previsia/>
- 5 PPM - Pesquisa da Pecuária Municipal, IBGE. <https://www.ibge.gov.br/estatisticas/economicas/agricultura-e-pecuaria/9107-producao-da-pecuaria-municipal.html>
- 6 "Carrefour is STILL smoking us out! And we have new evidence!", Mighty Earth, 25 November 2022. <https://www.mightyearth.org/2022/11/25/carrefour-is-still-smoking-us-out-and-we-have-new-evidence/>
- 7 André Campos et al., "Exclusivo: McDonald's tem fornecedores ligados a desmatamento ilegal e trabalho escravo", Repórter Brasil, 30 March 2022. <https://reporterbrasil.org.br/2022/03/exclusivo-mcdonalds-tem-fornecedores-ligados-a-desmatamento-ilegal-e-trabalho-escravo/>
- 8 Raoni Rajão et al., "The rotten apples of Brazil's agribusiness", Science, 17 July 2020. <https://www.science.org/doi/10.1126/science.aba6646>
- 9 ICMBIO. <https://www.icmbio.gov.br/cbc/conservacao-da-biodiversidade/biodiversidade.html#:~:text=0%20Cerrado%20%20%C3%A9%20uma%20das,50%25%20das%20abelhas%20sejam%20end%C3%AAmicas>
- 10 Terra Brasilis, INPE - Instituto Nacional de Pesquisas Espaciais. <http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/cerrado/increments>
- 11 James Richens, "EU urged to widen deforestation law", Trase, 7 June 2022. <https://insights.trase.earth/insights/eu-urged-to-widen-deforestation-law-as-ecosystems-left-at-risk/>
- 12 ICMBIO (Instituto Chico Mendes de Conservação da Biodiversidade) <https://www.gov.br/icmbio/pt-br/assuntos/biodiversidade/unidade-de-conservacao/unidades-de-biomas/cerrado>
- 13 Terra Brasilis, INPE - Instituto Nacional de Pesquisas Espaciais. <http://terrabrasilis.dpi.inpe.br/>
- 14 WWF (World Wildlife Fund). <https://www.worldwildlife.org/projects/the-pantanal-saving-the-world-s-largest-tropical-wetland>
- 15 : Fernanda Wenzel et al. "Demand for soy puts pressure on Pantanal, Brazil's largest wild wetland", Mongabay, 23 June 2021. <http://news.mongabay.com/2021/06/demand-for-soy-puts-pressure-on-pantanal-brazils-largest-wild-wetland/>
- 16 "Incêndios florestais crescem 14% em 2022, aponta relatório", Folha de S. Paulo, 30 January 2023. <https://www1.folha.uol.com.br/ambiente/2023/01/incendios-florestais-crescem-14-em-2022-aponta-relatorio.shtml>
- 17 SEEG. "Emissões do Brasil têm maior alta em 19 anos", 1 November 2022. <https://seeg.eco.br/imprensa>
- 18 United Nations Framework Convention on Climate Change. "Glossary of climate change acronyms and terms". <https://unfccc.int/process-and-meetings/the-convention/glossary-of-climate-change-acronyms-and-terms#/>
- 19 United Nations Framework Convention on Climate Change. "Glossary of climate change acronyms and terms". <https://unfccc.int/process-and-meetings/the-convention/glossary-of-climate-change-acronyms-and-terms#/>
- 20 Natalia Passarinho, "COP26: Na contramão do mundo, Brasil teve aumento de emissões de CO2 em ano de pandemia", BBC News Brasil 28 October 2021. <https://www.bbc.com/portuguese/brasil-59065361>
- 21 "COP27: Brasil está se distanciando das metas da Política Nacional sobre Mudança do Clima e do Acordo de Paris", 11 January 2022. <https://www.imaflora.org/noticia/cop27-brasil-esta-se-distanciando-das-metas-da-politica-nacional-sobre-mudanca-do-clima-e-do-acordo-de-paris>
- 22 SEEG. https://plataforma.seeg.eco.br/economic_activity
- 23 Comissão Pastoral da Terra, "DADOS PARCIAIS: aumentam as ocorrências de conflitos por terra, resgatados do trabalho escravo e assassinatos em 2022", 2023. <https://www.cptnacional.org.br/publicacoes-2/destaque/6202-dados-parciais-aumentam-as-ocorrencias-de-conflitos-por-terra-resgatados-do-trabalho-escravo-e-assassinatos-em-2022>
- 24 Comissão Pastoral da Terra, 2022. <https://www.cptnacional.org.br/downlods?task=download.send&id=14271&catid=41&m=0>
- 25 Painel de Informações e Estatísticas da Inspeção do Trabalho no Brasil. <https://sit.trabalho.gov.br/radar/>
- 26 André Campos et al., "Soy produced by company involved in a land conflict in Matopiba supplies the industry's multinationals", 24 June 2022. <https://reporterbrasil.org.br/2022/06/soy-produced-by-company-involved-in-a-land-conflict-in-matopiba-supplies-the-industrys-multinationals/>
- 27 Andrew Downie, "Leading grain traders 'sourcing soy beans from Brazilian farm linked to abuse", the Guardian, 20 September 2022. <https://www.theguardian.com/world/2022/aug/19/leading-grain-traders-sourcing-soy-beans-from-brazilian-farm-linked-to-abuse>
- 28 André Campos et al. "Brasil exporta gado de fazendas com desmatamento ilegal e trabalho escravo", Repórter Brasil, 14 June 2021. <https://noticias.uol.com.br/meio-ambiente/ultimas-noticias/reporter-brasil/2021/06/14/brasil-exporta-gado-de-fazendas-com-desmatamento-ilegal-e-trabalho-escravo.htm>
- 29 <https://reporterbrasil.org.br/2022/10/orcamento-despenca-com-bolsonaro-e-falta-de-dinheiro-paralisa-fiscalizacao-do-trabalho-em-mg/>
- 30 Poder 360, "Governo está "radicalizado", diz líder da bancada ruralista", 31 January 2023. <https://www.poder360.com.br/congresso/governo-esta-radicalizado-diz-lider-da-bancada-ruralista/>
- 31 Pörtner, H.-O., D.C. Roberts, H. Adams, et al. (2022), In: Climate Change 2022 - Impacts, Adaptation and Vulnerability, Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Cambridge University Press (In Press), pp. 55, 64, 70, 84.



Photo: Victor Moriyama

ACKNOWLEDGEMENTS

RESEARCHING PARTNER Repórter Brasil (Piero Locatelli)
COMMISSIONED BY Friends of the Earth Europe
CONTRIBUTIONS Cass Hebron, Audrey Changoe & Paul de Clerck
LAYOUT AND INFOGRAPHICS Débora De Maio | Estúdio AVOA
and Richard Nakamura

MARCH 2023

Friends of the Earth Europe
Rue d' Edimbourg 26
1050 Brussels, Belgium

+32 (0) 2893 1000
info@foeeurope.org
www.foeeurope.org
twitter.com/foeeurope
Facebook.com/foeeurope



Friends of the Earth Europe gratefully acknowledges financial assistance from the European Commission (LIFE Programme). The sole responsibility for the content of this document lies with Friends of the Earth Europe. It does not necessarily reflect the opinion of the funder mentioned above. The funder cannot be held responsible for any use that may be made of the information contained therein.