

MERCOSUR FILES



**Agribusiness
counteroffensive
threatens Brazilian
environmental policy**



**Friends of
the Earth
Europe**

Photo: Marcio Isensee e Sá - Repórter Brasil



After years of constant attacks and widespread destruction, some good news has slowly come for Brazil's environment. The pace of deforestation in the Brazilian Amazon has started to slow down, showing improvement in the first six months of 2023.¹ The Federal Government has also announced a major plan to combat deforestation in the Amazon, including concrete steps to correct the situation by 2030.²

But other news shows that reestablishing Brazil's environmental policy and curbing the destruction of its ecosystems (or biomes) will not be easy. Pressured by the expansion of export-oriented soy plantations, the Cerrado has seen its highest level of deforestation since 2017.

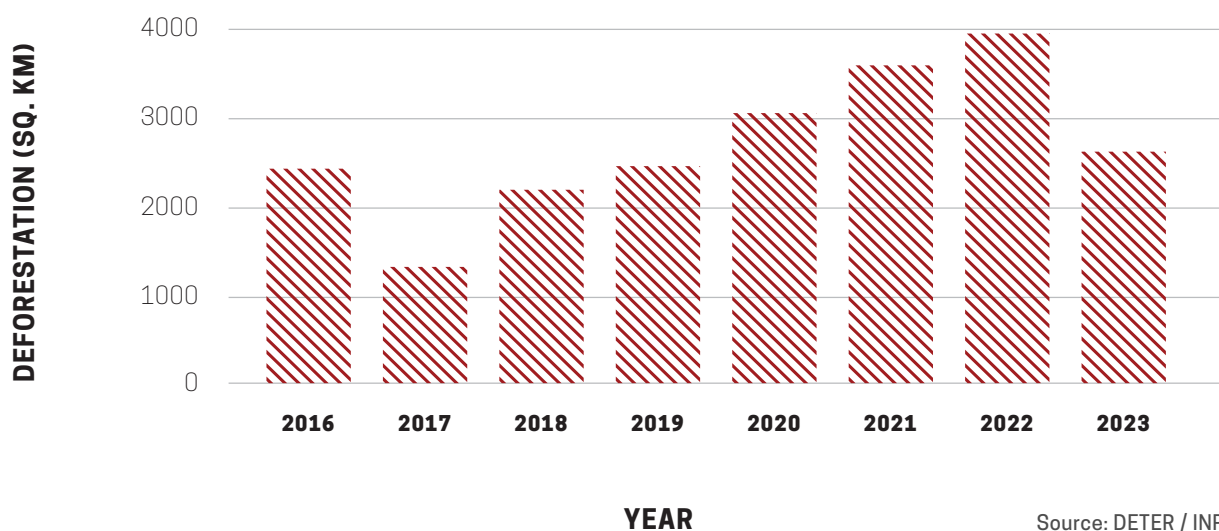
Congress is strongly influenced by the agribusiness lobby and reacted to the government's environmental agenda, jeopardizing even the reduction of greenhouse gas emissions in the country.

This factsheet provides data on two potential paths for the country. Even after Jair Bolsonaro left the presidency, the consequences of predatory agribusiness are still felt, facing resistance from civil society and segments of the federal government, in a dispute whose outcome is still open.

BETTER IN THE AMAZON, WORSE IN THE CERRADO

Deforestation is the main indicator of Brazilian environmental policy, and the most recent data show conflicting trends in different regions of the country. While the situation has improved in the Amazon; it has become worse in the Cerrado, a biome that receives less protection and attention.³

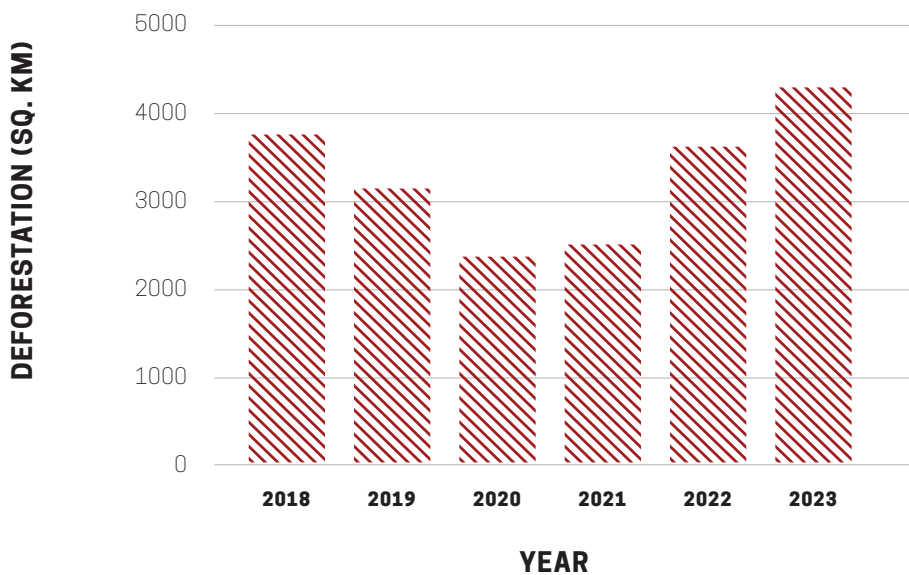
DEFORESTATION IN THE AMAZON IN THE FIRST 6 MONTHS OF THE YEAR



The number of deforestation alerts in the Legal Amazon dropped by 33% from January to June 2023, compared to the same period last year. This means a reversal of the previous deforestation trend, which increased by 54% from the second half of 2021 to the second half of 2022.⁴



DEFORESTATION IN THE CERRADO IN THE FIRST 6 MONTHS OF THE YEAR



Source: DETER Cerrado / INPE

The Cerrado, on the other hand, follows an opposite path, with a 21% increase in deforestation alerts from January to June this year. Most deforestation takes place in the so-called Matopiba,⁵ the main soy expansion area in Brazil, which the agribusiness industry sees as the country's 'last agricultural frontier.'⁶

Although less well-known than the Amazon worldwide, the Cerrado is home to 5% of the world's biodiversity, with over 12,000 plant species identified within its borders.⁷ The biome also has an overlooked role in climate mitigation⁸, as it stocks five times more carbon below the ground than above it, turning it into an "inverted forest".⁹

It is the biome with the lowest environmental protection in the country, as only 8.21% of its territory is in protected areas.¹⁰ The Cerrado also has less legal protection than the Amazon,¹¹ where most deforestation is illegal. The Federal Government estimates that most deforestation in the Cerrado has been authorised by state environmental agencies, which obstructs monitoring and prevention.¹²

As a result, the Cerrado has been subject to more pressure for the expansion of agribusiness. Deforestation in the Cerrado happens mainly to open new areas for soy plantations.¹³ While the Amazon has an industry-wide pact that seeks to prevent grains produced in deforested areas from being traded, soy producers in Matopiba refuse to sign a similar agreement for the Cerrado.¹⁴

The connection between deforestation in the Matopiba area and global supply chains has been demonstrated in several studies.¹⁵ The problem is illustrated in recent research showing how **suppliers of multinational agrifood company Bunge have cleared more than 11,000 hectares of Cerrado in the last two years in order to plant soy for export.**¹⁶ Soy sourced by the northamerican trader has connections with the supply chain of European companies such as Carrefour, Ahold Delhaize, Jumbo and Aldi South.¹⁷



Even though the Cerrado is currently facing an intense process of destruction, the biome has not received the same level of attention as the Amazon.¹⁸ Brazilian President Lula has already announced the resumption of an ambitious plan to combat deforestation in the Amazon, but the Cerrado still lacks any such policy.¹⁹

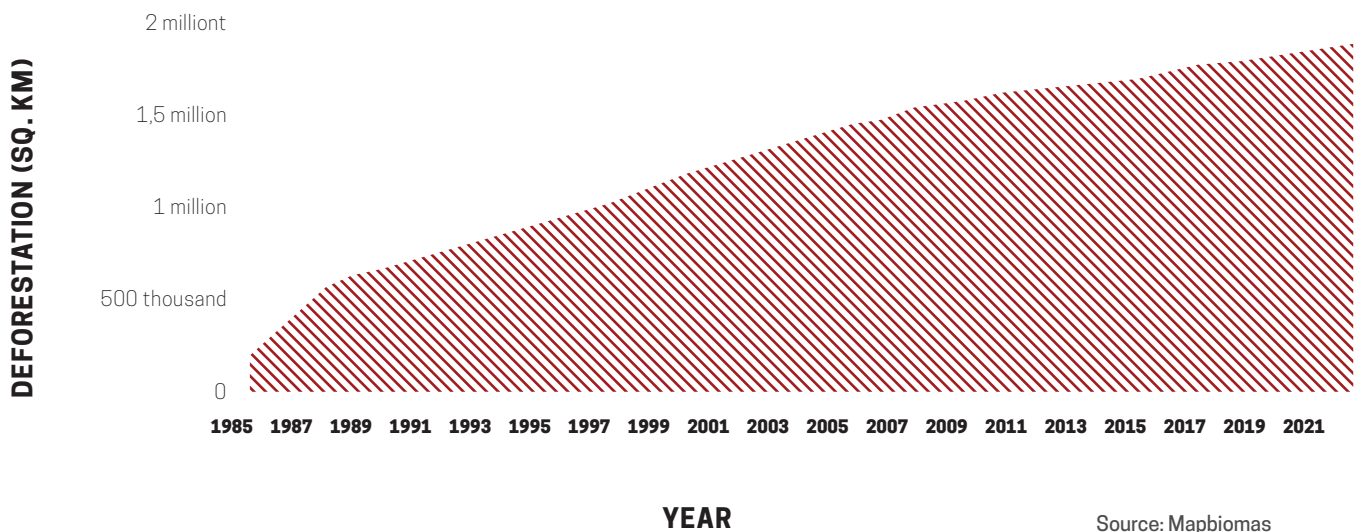
If one looks at both the Amazon and the Cerrado together, deforestation levels have remained more or less stable in the first 6 months of 2023 compared to those in 2022. **We might actually continue to see a shift in deforestation activities from the Amazon (which is better protected now) to the Cerrado (with lower levels of protection), instead of a decrease in the level that is necessary to deal with the urgency of the problem.**

FOREST FIRES

The recent destruction of the Cerrado is the culmination of a long-term process of agribusiness expansion in the region. Recently released data shows that **fire has consumed 185 million hectares of land in Brazil between 1985 and 2022, with the Cerrado accounting for 42.7% of this area. Each year, the burned area in Brazil exceeds the size of Greece.**

The frequency and intensity of fires have escalated in recent years due to human activities linked to deforestation and improper fire usage. In some municipalities of the Araguaia region and Matopiba, where most of the soy expansion occurs, over 80% of their area was affected.²⁰

CUMULATIVE BURNED AREA BETWEEN 1985 AND 2022.



The Amazon has an area burned close to that of the Cerrado - over these past 38 years, the biome concentrated approximately 43% of the country's burned area. Unlike the Cerrado, the Amazon has climatic conditions that make it a hot and humid forest. Therefore, it is a biome not adapted to the use of fire. Its practice is directly linked to anthropogenic activities such as agricultural burning, deforestation, and forest fires.

SUPPORTED BY THE AGRIBUSINESS LOBBY, CONGRESS MOVES AGAINST THE ENVIRONMENT

The last few months have seen a backlash from agribusiness to the environmental agenda that has been gaining momentum in Brazil.

Even though the agribusiness industry's favourite candidate Jair Bolsonaro lost the 2022 presidential election, **they maintained their strength in Congress, where almost half of its members are part of the Parliamentary Agricultural Front (FPA)**, a powerful bloc that pushes the agribusiness agenda forward. With that power, they passed bills and measures that are frontal attacks on Brazil's environmental policy.²¹

While those bills and measures foremost have a dramatic impact on indigenous people, their indirect impact can include an increase in climate emissions.

01. **Attack on indigenous lands**

On May 30, the Chamber of Deputies approved the so-called **Time Frame Bill (Marco Temporal), which will restrict the land to be allocated to indigenous peoples in the country.**²² Indigenous Peoples will only be entitled to land they already occupied or claimed when the current Brazilian Constitution was enacted in 1988.²³ In practice, **the measure has consequences for more than 95% of the country's Indigenous Lands** and has been compared to a genocide by indigenous organisations.²⁴ Worldwide, Indigenous Peoples own, manage or occupy land that is home to 80% of the world's biodiversity.²⁵ The Intergovernmental Panel on Climate Change's most recent report also recognised their crucial role in preserving ecosystems, preventing deforestation and combating climate change.²⁶

The lobby by soy trading companies is one of the main forces operating in favour of the bill,²⁷ which is also awaiting a decision by the Federal Supreme Court.²⁸ An organisation funded by agribusiness multinational corporations such as Bayer, BASF, Syngenta, Cargill, and Bunge was responsible for producing materials for the bill that were circulating in Brasília to pressure the lawmakers on this matter.^{29,30}

The approval of the Time Frame Bill would have long-term effects on increasing greenhouse gas emissions, especially in the Brazilian Amazon. Indigenous lands in the Amazon Basin contain 32.8% of the carbon that the forest stores, 22.2% of which is found in land that has not been demarcated yet.³¹

02. **Undermining the Ministries of Indigenous Peoples and the Environment**

Congress also approved measures that weaken the two main ministries linked to environmental protection. The Ministry of Indigenous Peoples, created later this year, lost its prerogative of demarcating indigenous lands. The Ministry of the Environment and Climate Change would no longer handle land registration in the Amazon,³² which is an essential tool to fight deforestation. **More than 700 civil society organisations signed a letter in which they say that the measures mean “butchering the environment”** and impaired Brazil's ability to fight deforestation – the main source of greenhouse gas emissions in the country.³³ Later, Lula vetoed part of the changes.³⁴





CONCLUSION

Photo: Fernando Martinho - Repórter Brasil

Both the dire situation in the Cerrado and the recent actions of the Brazilian Congress highlight that **a route correction regarding the environmental policy in Brazil cannot be taken for granted**, despite a government claiming commitment to this agenda. The resistances don't end within Brazil, as those processes are related to global supply chains and businesses. Nevertheless, the European Union still has not taken sufficient action in this regard.

The new European Union Deforestation Regulation doesn't address the Cerrado deforestation, as it omits the protection of wooded lands, grasslands and wetlands.³⁵ Moreover, **the recently leaked Joint Instrument of the EU-Mercosur free trade deal does not acknowledge the European role in deforestation in the Mercosur region** due to imports of deforestation-linked goods or the potential impacts on indigenous communities resulting from increased agricultural exports under the agreement.³⁶

Substantial changes in the agreement cannot be done through such an interpretative statement but requires that the deal is re-opened.³⁷ This would require a collaborative effort between the European Union and the Brazilian government in this direction, a prospect that has yet to materialise.

This is the third factsheet in a series covering the most recent data and research on the situation of agribusiness and the environment in Mercosur throughout 2023.



Photo: Marcio Isensee e Sá - Repórter Brasil

ENDNOTES

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