

# Deforestation exposure

Cases linked to soy, cotton,  
and palm oil on Cargill's operations

August 2023

Commissioned by Stand.earth



# Deforestation exposure

## Soy, cotton, and palm oil on Cargill's operations

This analysis calculates Cargill's exposure risk to recent deforestation in Indonesia, linked to palm oil, and Brazil, linked to soy and cotton operations.

In the **first part** of the analysis, we identified deforestation between January and July 2023 occurring in case studies from the *Chain Reaction Research (CRR)*<sup>1</sup> since 2014, the *Rapid Response (RR)*<sup>2</sup> between 2020 and 2021, and the *Realtime Deforestation Monitoring System (RDM)*<sup>3</sup> since 2022.

- In the identified CRR, RR and RDM case studies potentially linked to Cargill's palm oil operations (Indonesia) and soy operations (Brazil), we detected **1,380 hectares of deforestation** between January and July 2023.
- In addition, another 4 new RDM cases reported **9,550 hectares of deforestation** between July 2022 and June 2023, potentially linked to Cargill's operations in the Amazon and Cerrado biomes in Brazil.

The **second part** of this analysis considers the municipalities in Brazil from which Cargill sourced most of its soy and cotton exports. We ranked the top 5 Brazilian municipalities in Cargill's soy exports in 2020 and cotton exports in 2017. Considering a radius of 100km from Cargill's warehouses or silos in or close to these municipalities, we calculated deforestation between January and June 2023 in private properties with either soy or cotton cultivation in 2021.

- In its top 5 soy and cotton sourcing municipalities in Brazil, Cargill is exposed to **38,800 hectares of deforestation**\* potentially linked to soy or cotton cultivation in a 100km radius from its assets on the ground.

In 2014, Cargill expanded its zero-deforestation commitment to all commodities<sup>4</sup>, committing to making its global supply chains deforestation-free by 2020<sup>5</sup>.

## Part 1 – Palm Oil (CRR)

### Recent deforestation in Palm oil Concessions linked to Cargill's operations in Southeast Asia

Among the analysed CRR cases published between 2014 and 2023, Cargill is potentially linked to deforestation in Palm Oil concessions of 17 companies in Southeast Asia. Analysing recent deforestation from GLAD Alerts<sup>6</sup>, we found **1,138 hectares** of deforestation in different concessions of 12 of these companies.

Operators of Palm Oil concessions (Indonesia)	GLAD alerts (Jan-June 2023) (ha)
Varia Mitra Adalan (Eagle High Plantations)	78
Gama plantations	63
Jhonlin Group	69
Mulia Sawit Agro Group / Mulia Sawit Group	46
Indonusa	21
Tunas Baru Lampung	24
Best Group	11
Tabung Haji Plantations	11
First Resources	60
Sumber Tani Agung Resources	59
Sawit Rokan Semesta	79
Permata Sawit Mandiri	616

Happening in different concessions

Happening entirely in one concession

(1) <https://chainreactionresearch.com/>; (2) <https://www.mightyearth.org/rapidresponse/>; (3) <https://aidenvironment.org/project/real-time-deforestation-monitoring/>; (4) [Cargill commits to zero deforestation across entire global supply chain: all commodities](#); (5) [https://forestdeclaration.org/wp-content/uploads/2021/08/NYDF\\_Declaration.pdf](https://forestdeclaration.org/wp-content/uploads/2021/08/NYDF_Declaration.pdf); (6) <https://glad.umd.edu/dataset/glad-forest-alerts>; For the calculations, we considered only GLAD alerts falling in areas with native vegetation cover.

\* Overlap of 2,180 ha from RDM 14 case Fazenda Novale.

# Deforestation exposure-risk

## Soy, cotton, and palm oil Cargill's operations

### Part 1 – Soy (RR & RDM)

#### Deforestation linked to soy in Brazil

Considering all cases published in reports from the RR and the RDM initiatives since 2014, we found **34 cases** potentially linked to Cargill's soy operations in Brazil. At the time of the reports, these cases covered 48,913 hectares of deforestation in Amazon and Cerrado biomes. Cargill had confirmed trading links with 14 of these cases.

In an updated analysis and considering data from Mapbiomas Alertas<sup>7</sup> from January and July 2023, we found **244 hectares of deforestation** linked to 3 of these cases.

In addition, there were 4 new case studies of deforestation linked to soy supply chains identified by recently published RDM reports that are potentially linked to Cargill's operations in the Amazon and Cerrado biomes in Brazil. These recent cases cover **9,549 hectares of deforestation** between June 2022 and May 2023.

The list of the analyzed CRR, RR, and RDM case studies is in a separate file, which is part of the present report.

In 2018, Cargill, Bunge, and three other soy traders received a collective environmental fine of USD 6.7 million from IBAMA (Federal Environmental Agency) for links to illegal deforestation in the Cerrado biome. IBAMA stated, *“During the investigation, it was verified that the anticipated purchase of grains financed the illegal activity.”*

The table below lists previous RR and RDM cases potentially linked to Cargill, where we found recent deforestation (between January and June 2023) and 4 new RDM cases with recent deforestation and potentially linked to Cargill soy operations in Brazil).

RR / RDM reports	Municipality (State)	Name property (registration number)	Reported deforestation at the time of the report	Update on recent deforestation (Mapbiomas Alertas)
RR – Report 2 (May 2019)	Correntina (Bahia)	Fazenda Tapera Grande (SNCI 3020400597300)	834 hectares (Mar 2019 to May 2019)	224 hectares (January to June 2023)
RR – Report 14 (June 2020)	Tasso Fragoso (Maranhão)	Fazenda Palmeira - SLC (SNCI 1140140083895)	4,667 hectares (Jan to May 2020)	13 hectares (January to June 2023)
RDM – Report 2 (April 2020)	Santa Filomena (Piauí)	Fazenda Ad Rubi (SNCI 9501652760491)	1,976 hectares (Dec 2021 to Feb 2022)	6 hectares (January to June 2023)
RDM – Report 12 (May 2023)	Correntina (Bahia)	Fazenda Tapera Grande (SIGEF/SNCI 3020400604535)	937 hectares (Jul 2022 to Jan 2023)	-
RDM – Report 13 (June 2023)	Baixa Grande do Ribeiro (Piauí)	Fazenda Emaflor (CAR PI-2201150-EB49540222724380B3EA675019C5C5A8)	2,364 hectares (Oct 2022 to May 2023)	-
RDM – Report 14 (July 2023)	Santa Cruz do Xingu (Mato Grosso)	Fazenda Independência (SIGEF 9500418593542)	869 hectares (Feb to Jun 2023)	-
RDM – Report 14 (July 2023)	Santa Rita de Cássia (Bahia)	Fazenda Novale (SIGEF 3011080077907)	5,379 hectares (Sep 2022 to May 2023)	-

# Deforestation exposure-risk

## Soy, cotton, and palm oil Cargill's operations

### Part 2 – Soy and cotton

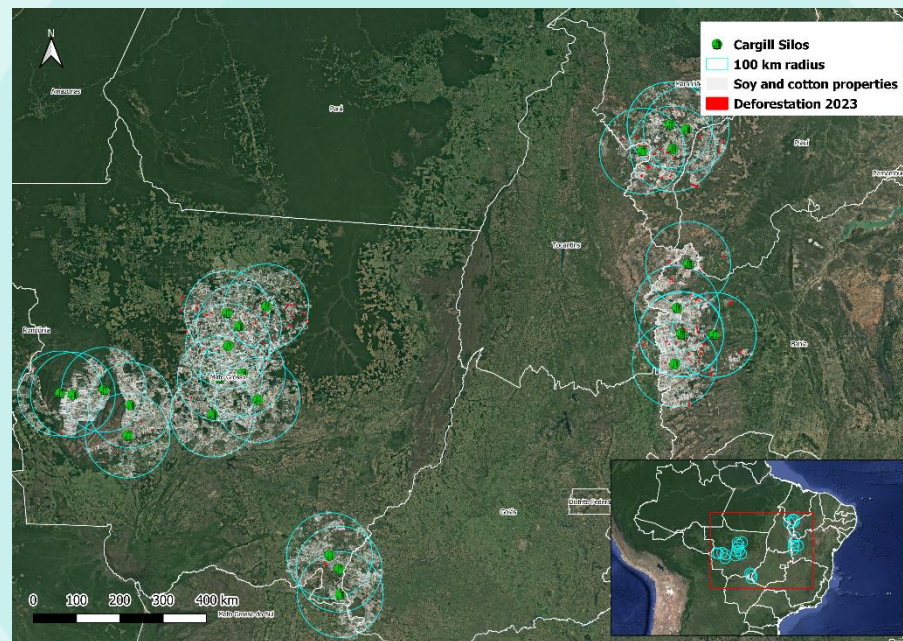
Cargill's top 5 sourcing municipalities of soy (2020) and cotton (2017) are all in the Cerrado biome. For the analysis of Cargill's deforestation-risk exposure, we considered Cargill's warehouses in or close by these 8 municipalities (Formosa do Rio Preto, in Bahia, and Sapezal, in Mato Grosso, are both among the top 5 sourcing municipalities of soy and cotton).

Below are the top 5 Cargill's sourcing municipalities of soy (2020) and cotton (2017), the total of Cargill's exports in tons and the proportion to the total Cargill's export of these two products according to the Trase<sup>9</sup> database.

Rank	Biome	Municipality (state)	Cargill soy exports in 2020 <sup>9</sup> (tons)	%
#1	Cerrado	Formosa do Rio Preto (Bahia)	574,059	
#2	Cerrado	Sapezal (Mato Grosso)	362,391	
#4	Cerrado	Tasso Fragoso (Maranhão)	334,196	14%
#3	Cerrado	Santa Rita do Trivelato (Mato Grosso)	320,151	
#5	Cerrado	São Desidério (Bahia)	266,435	
Others	-		11,051,028	86%
Total	-		12,908,260	100%

Rank	Biome	Municipality (state)	Cargill cotton exports in 2017 <sup>9</sup> (tons)	%
#1	Cerrado	Sapezal (Mato Grosso)	36,271	
#2	Cerrado	Formosa do Rio Preto (Bahia)	15,374	
#4	Cerrado	Alto Taquari (Mato Grosso)	12,243	95%
#3	Cerrado	Campos de Júlio (Mato Grosso)	4,815	
#5	Cerrado	Jaborandi (Bahia)	4,398	
Others	-		3,538	5%
Total	-		76,639	100%

For calculating Cargill's deforestation-risk exposure, we first considered an area within a 100 km radius of Cargill's warehouses<sup>10</sup> "in" and "close to" the listed top 5 Cargill's soy and cotton sourcing municipalities. Second, we considered deforestation from the Mappiomas Alertas platform happening between January and June 2023, falling ONLY in properties with cotton or soy plantations according to Mapbiomas data of 2021. The figure below shows the locations of the 29 warehouses and the 100km radius from it.



Elaborated by AidEnvironment with data from SICARM and Mappiomas Alertas (January to June 2023)

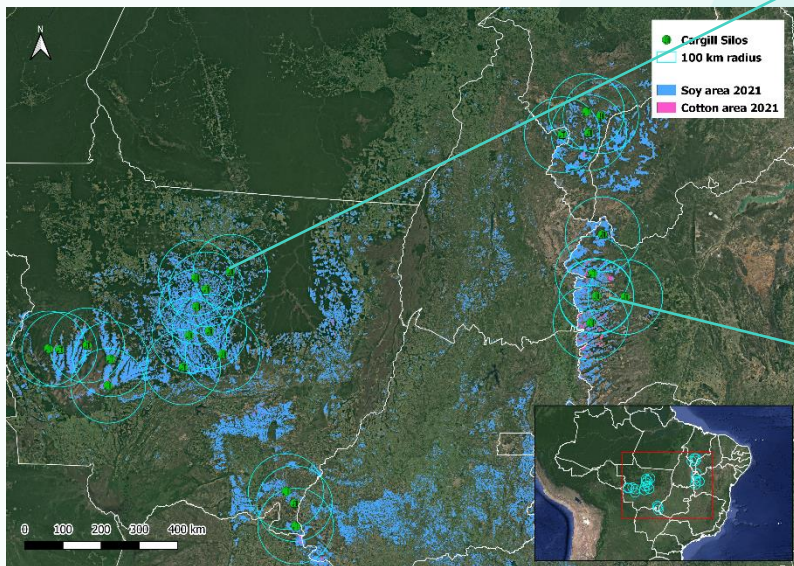
4 (9) <https://www.trase-earth/>, (10) <https://consultaweb.conab.gov.br/consultas/consultaArmazem.do?method=acaoCarregarConsulta>

# Deforestation exposure-risk

## Soy, cotton, and palm oil Cargill's operations

Considering Cargill's 29 warehouses in the top 5 soy and cotton sourcing municipalities in Brazil and its surrounding areas, Cargill is exposed to **38,800 hectares of deforestation\*** potentially linked to soy or cotton cultivation in a 100 km radius from its assets on the ground.

The figure below shows the soy and cotton cultivation area and the 29 Cargill warehouses considered in the analysis. The figures on the right show two examples of deforestation happening in properties with soy and cotton cultivation within a 100 km radius from the considered Cargill's warehouses.



Elaborated by AidEnvironment with data from SICARM and Mappbiomas 2021



Elaborated by AidEnvironment with data from Mappbiomas 2021, Mappbiomas Alertas, and SIGEF



Elaborated by AidEnvironment with data from Mappbiomas 2021, Mappbiomas Alertas, and SIGEF



5 \* Overlap of 2,180 ha from RDM 14 case Fazenda Novale.



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