# Bad Apples

Case Studies of Land Clearance in Brazil from Companies Linked to Cargill's Supply Chain





"We do not source soy from farmers who clear land in protected areas and have controls in place to prevent non-compliant product from entering our supply chains. If we find any violations of our policies, we take immediate action in accordance with our

grievance process."



2.4 million acres a year are lost to industrial agriculture in the Cerrado alone—an area 10 times the size of Cargill's hometown of Minneapolis. This is due primarily to clearing for soy cultivation.

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#### Introduction

On November 27, 2023, Cargill announced a commitment to eliminate deforestation and land-conversion in Brazil, Argentina, and Uruguay by 2025.

This commitment is potentially a huge and long-awaited step forward for the planet and the Indigenous communities who depend on these ecosystems.

Unfortunately, given Cargill's long track record of breaking previous commitments – it is hard not to be skeptical.

In the report, "Promises to Keep" we detail the steps Cargill must take in order to ensure that this commitment is as real on the ground as it is on paper.

We are determined to work with Cargill and its owners, the Cargill-MacMillian family, to ensure that this policy creates industry-leading standards and becomes a vehicle for sectorwide transformation.

In addition to taking the steps listed in that report, we are asking that Cargill immediately end contracts with suppliers in violation of its existing policies.





#### **Bad Apples**

To demonstrate good faith that Cargill will indeed uphold its new commitments, Cargill must immediately implement its existing policies. This includes not sourcing from farmers who clear land illegally, not sourcing from farmers who clear land in the Amazon Rainforest, nor from those who otherwise violate Cargill's existing Human Rights Policy and/ or Policy on Forests.

Cataloged below are a sample of egregious deforestation case-studies developed over the past five years by AidEnvironment using satellite monitoring with confirmed or suspected links to Cargill's supply chain, many of whom are violating Cargill's existing policy commitments. All of these case studies have previously been raised through Cargill's official grievance process.

They are by no means comprehensive—two and a half million acres a year are lost to industrial agriculture in the Cerrado alone--an area 10 times the size of Cargill's hometown of Minneapolis. This is due primarily to clearing for soy cultivation.

These case studies demonstrate the kind of suppliers with whom Cargill must cease doing business. Suppliers who, acre by acre are eroding the functioning of these globally important biomes. Cargill must, supplier by supplier, eliminate the worst actors from its supply chain.<sup>1</sup>



### **Deforestation Exposure**

This analysis calculates deforestation in soy-producing properties in Brazil's Amazon and Cerrado biomes, potentially linked to Cargill's operations.

The cases were selected from the Rapid Response and Realtime Deforestation reports published by Mighty Earth and AidEnvironment between March 2019 and December 2023.<sup>23</sup>

For each of the 27 selected cases, the analysis checked deforestation in the last 5 years, from August 2018 to July 2023, according to data from Prodes, the deforestation monitoring program of the Brazilian Space Agency INPE (Instituto Nacional de Pesquisas Espaciais).<sup>4</sup> The analysis checked publicly available information on the ownership of the properties<sup>5</sup> environmental cadastres and compliance with the Brazilian Forest Code<sup>6</sup>, linked companies and properties, embargoed areas, environmental fines<sup>7</sup>, proximity to Nature Conservation areas<sup>8</sup> and Indigenous Territories<sup>9</sup>, type of vegetation)<sup>10</sup>, supply chain links, replies from Cargill about its trading links with the properties or the owners/companies, and other detailed qualitative data about each case. According to the GLAD Lab from Maryland University, all the selected cases have soy cultivation areasbetween 2019 and 2022<sup>11</sup>.

## **Company Profiles**

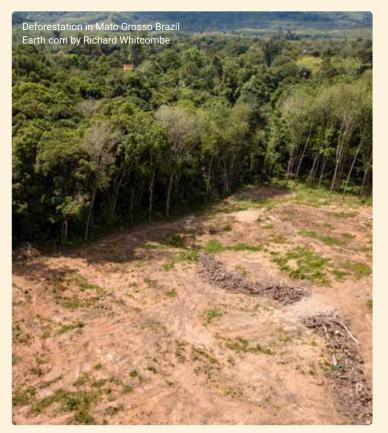
#### Adil Arlindo Manjabosco

The <u>linked case studies</u> for this company detail the deforestation of **18,750 acres** of Very High Priority Conservation Areas of forested savanna ecosystems in the state of Bahia, Brazil. Cargill has confirmed that it sources from this company.

#### Agrícola Xingu SA

The <u>linked case studies</u> for this company detail the deforestation of **2,066 acres** in the state of Bahia, Brazil. Cargill has confirmed that it sources from this company.

There is a land-grabbing conflict involving Agrícola Xingu's property leased to SLC Agrícola (9). Also, Multigrain, Mitsui's agribusiness trading arm, which has been responsible for Agrícola Xingu, acquired soy from a producer illegally based in Marawtsede Indigenous territory in the state of Mato Grosso (10).





Fences installed by agribusiness companies divide territory occupied for over 300 years by residents of Capão do Modesto, in Correntina (BA). (Photo: Fernando Martinho/Repórter Brasil)

#### Alexandra Aparecida Perinoto

The <u>linked case studies</u> for this company detail the deforestation of **3,007 acres** of the Amazon Rainforest in the state of Mato Grosso, Brazil, among which 336 acres were in protected areas according to the environmental register of the property.

Alexandra Aparecida Perinoto has been fined three times in 2019 and once in 2020 for illegally clearing native vegetation.

Due to the alleged environmental crimes on the properties the General Attorney Office (MPF) is continuing a lawsuit against members of the Perinoto Sotti family and the linked company Perinoto & Sotti Ltda as a part of the Amazônia Protege project (4). There are also other lawsuits brought by prosecutors related to environmental crimes in the area (5). Between July and September 2020, NASA also detected fires on the property (8).

Cargill has trading links to this company through Fiagril which sources corn there and sells to Cargill.

Footnotes refer to linked pdf files

#### Algodoeira São Luiz

The <u>linked case studies</u> for this company detail the deforestation of **4,239 acres** in Extremely High Priority Conservation Areas in forested savanna ecosystems in the state of Bahia, Brazil. Cargill has confirmed that it sources from this company.

The owners of the company, the Castelan family and Jair Donadel, were involved in cases of slavery twice in their linked property Fazenda Guarani (São Desidério, Bahia), with trading links to Cargill (1).

#### Antônio Dias Sobrinho / Odete Apparecida Borges Dias

The <u>linked case studies</u> for this company detail the deforestation of **258 acres** of Very High Priority Conservation Areas in savanna park ecosystems in the state of Mato Grosso, Brazil, among which **40.8 acres** were in protected areas according to the environmental register (CAR) of the property, in potential violation of the forest code. Cargill has confirmed that it sources from this company.

#### BrasilAgro

The <u>linked case studies</u> for this company detail the deforestation of **24,588** acres of deforestation in the state of Bahia. **6,785 acres** of this were in Extremely High Priority Conservation Areas of forested savanna, and **17,803 acres** were in Extremely High Priority Conservation areas of savanna park ecosystems adjacent to the Bacia do Rio Macacu Environmental Protection Area. Cargill has confirmed that it sources from this company.

#### Damha Agronegócios

The <u>linked case studies</u> for this company detail the deforestation of **6,679 acres** of High Priority Conservation Areas in wooded savanna ecosystems near the Estação Ecológica Uruçuí-Una conservation area in the state of Piauí, Brazil, among which **156 acres** were in protected areas according to the environmental register of the property (CAR), potentially violating the forest code. Cargill has confirmed that it sources from this company.



#### **Derso Portilho Vieira**

The <u>linked case studies</u> for this company detail the deforestation of **2,738 hectares** of the Amazon Rainforest adjacent to the Marãiwatsédé Indigenous territory in the state of Mato Grosso, Brazil.

Derso is among a group of 10 cattle producers at the center of a Federal Public Prosecutor Office and Federal Police investigation for invading the Marãiwatsédé Indigenous Territory (1). This group of producers are allegedly illegally leasing area inside the territory (3).

#### **Dognani Family**

The <u>linked case studies</u> for this company detail the deforestation of **2,006 acres** of Extremely High Priority Conservation Areas in the Amazon Rainforest in the state of Mato Grosso, Brazil. Cargill has confirmed that it sources from this company.

#### Emaflor Empreendimentos Rurais e Participações

The <u>linked case studies</u> for this company detail the deforestation of **14,023 acres** of wooded savanna ecosystems, of which **7,422 acres** were in a property bordering Estação Ecológica de Uruçuí-Una protected area in the state of Piauí, Brazil. Nearly five hundred acres of this property are in preservation areas according to the environmental register of the property, potentially violating the forest code.

Alzir Pimental Aguiar Neto, one of the shareholders of Emaflor, publicly opposes the expansion of the Amazon Soy Moratorium to the Cerrado region and led the farmers' resistance against initiatives from Abiove and Bunge to include anti-deforestation clauses in contracts signed with producers in Piauí (8). Cargill has confirmed that it sources from this company.

#### Estreito Agropecuária

The <u>linked case studies</u> for this company detail the deforestation of **952 acres** of Extremely High Priority Conservation Areas in Savanna Park ecosystems in the state of Bahia, Brazil.

The Brazilian Labour Ministry has listed the company as a "dirty company for slavery labour" (4). Its owner has been prosecuted for illegally deforesting an Atlantic Rainforest in Mamanguape (Paraíba state). The company has been fined for disrupting the regeneration of native vegetation in Rio Grande do Norte state (8). Cargill has confirmed that it sources from this company.

#### **Ipê Agroindustrial**

The <u>linked case studies</u> for this company detail the deforestation of **12,084 acres** of Extremely High Priority Conservation Areas in wooded savanna ecosystems in the state of Piauí, Brazil. The company has been fined for the illegal clearance of **10,851 hectares** of native vegetation, and it is also linked to a case of land grabbing in Piauí (5). InSolo, the owner of Ipê Agroindustrial has trading links to Cargill.

#### JJF Holdings

The <u>linked case studies</u> for this company detail **2,429 acres** of deforestation in part of the area claimed by JJF Holdings in the state of Bahia, Brazil.

JJF Holdings is involved in one of the largest land-grabbing cases in Brazil (1). Members of the Agriculture Committee of Formosa do Rio Preto alleged that José Valter Dias had acquired his lands through illegal papers, extorting producers who were settled in the region for 30 years (2). In December 2018, the case was the topic of a public hearing in the National Congress (3). In March 2019, the National Justice Council (CNJ) suspended Valter Dias' property rights of 366,000 ha (4). Cargill has confirmed that it sources from this company.

#### Madenorte

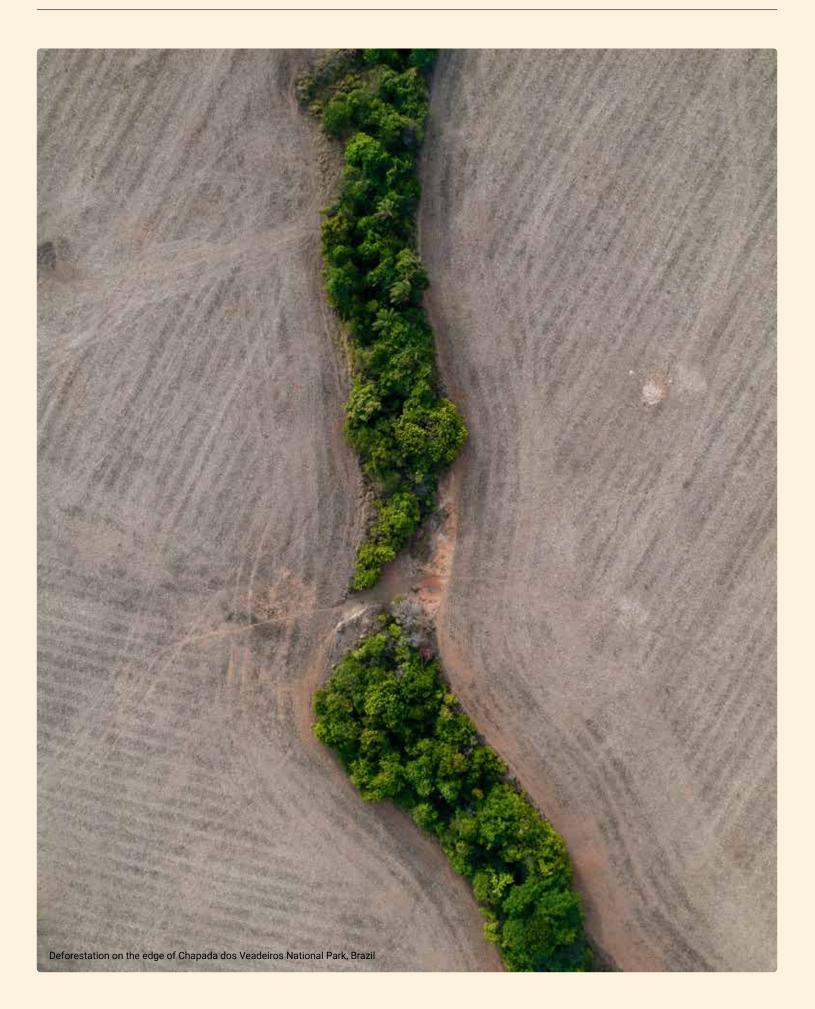
The <u>linked case studies</u> for this company detail the deforestation of **2,581 acres** of Amazon Rainforest in the state of Mato Grosso, Brazil. The owner of Madenoret is active not only in logging but in the agriculture and crop trading sectors as well. The Madenorte owner's brother, who used to be part of Madenorte operations, founded Madeirato Madeiras, a company that was closed in 2007 as a result of "Operation Curupira", which dismantled an illegal logging scheme in Mato Grosso. The company supplied to Cargill in 2019.

#### Paulo Sérgio Aguiar

The <u>linked case studies</u> for this company detail the deforestation of **1,288 acres** of Extremely High Priority Conservation Area in the Amazon Rainforest ecosystem in the state of Mato Grosso, Brazil. The property supplied soy to Cargill in 2019.



The potential area for authorized forest management in Brazil is 35 million hectares (86 million acres). Image courtesy of Vicente Sampaio/Imaflora.



#### **SLC Agrícola**

The <u>linked case studies</u> for this company detail the deforestation of **29,671 acres** of wooded savana in the state of Bahia, Maranhão, and Piauí, Brazil. All but 240 acres were in High and Extremely High Priority Conservation Areas. Among the cleared areas of native vegetation, 324 acres fall in protected areas according to the environmental register of the properties (CAR), potentially violating the forest code, and **15,348 acres** were adjacent to the Ambiental do Rio Preto Protected area.

SLC Agrícola has been fined 7 times due to illegal land clearing, including cases inside permanent protected areas, and twice for illegal fires. In 2023, the Dutch investment asset company Robeco excluded SLC Agrícola from their investment portfolio due to environmental violations (15). Cargill is one of the largest clients of SLC Agricola.

#### Sujuki Family

The <u>linked case studies</u> for this company detail the deforestation of **4,880 acres** of Wooded Steppe Savanna ecosystems in the states of Bahia, Brazil, of which 881 acres were inside areas protected by forest code, according to the environmental register of the property (CAR).

Fazenda Conquista is a soy farm of **2,552 ha**, located within the contiguous **270,065 ha** area previously registered under JJF Holding and José Valter Dias in the municipality of Formosa do Rio Preto, Bahia. JJF Holdings is involved in one of the largest land-grabbing cases in Brazil (1). Members of the Agriculture Committee of Formosa do Rio Preto alleged that José Valter Dias had acquired his lands through illegal papers, extorting producers who were settled in the region for 30 years (2). In December 2018, the case was the topic of a public hearing in the National Congress (3).

#### **Uemura Family**

The <u>linked case studies</u> for this company detail the deforestation of **16,005 acres** of Steppe Savanna ecosystems in the state of Bahia, Brazil.

The properties indicated in this case cover a soy-producing farm of **51,133 ha**, located on the border of Bahia, Piauí and Tocantins states, previously divided into 42 parcels within the contiguous **270,065 ha** area registered under the names of JJF Holding and José Valter Dias, in the municipality of Formosa do Rio Preto, Bahia. JJF Holdings is involved in one of the largest land-grabbing cases in Brazil. Members of the Agriculture Committee of Formosa do Rio Preto alleged that José Valter Dias had acquired his lands through illegal papers, extorting producers who were settled in the region for 30 years (2). In December 2018, the case was the topic of a public hearing in the National Congress (3). In March 2019,

#### **Endnotes**

- 1 https://www.wwf.org.br/?84401/Deforestation-in-the-Brazilian-Cerrado-increases-by-25-in-2022-and-registers-the-highest-rate-in-seven-years
- 2 https://www.mightyearth.org/rapidresponse/
- 3 https://aidenvironment.org/project/real-time-deforestation-monitoring/
- 4 http://terrabrasilis.dpi.inpe.br/
- 5 https://acervofundiario.incra.gov.br/acervo/login.php
- 6 https://www.car.gov.br/#/consultar; https://geoportal.sema.mt.gov.br/#/
- 7 https://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php
- 8 https://www.gov.br/mma/pt-br/assuntos/areas-protegidas/plataforma-cnuc-1/dados-georreferenciados
- 9 https://www.gov.br/funai/pt-br/atuacao/terras-indigenas/geoprocessamento-e-mapas
- 10 https://www.ibge.gov.br/geociencias/informacoes-ambientais/vegetacao/22453-cartas-1-250-000.html



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