

## **Over the last ten years, soy production not in compliance with the Soy Moratorium represents around 1% of the soy acreage in the Amazon Biome**

São Paulo, October 19, 2016 – After ten years, the Soy Moratorium has become consolidated as one of the main initiatives in the fight against deforestation in the Amazon Biome and in providing orientation for the responsible use of its natural resources.

Commemorating ten years of the Soy Moratorium, the Soy Task Force (GTS) announces that the 37,200 hectares of soy in the 2015/16 crop year, not in compliance with the Soy Moratorium, represent just 1.1% of the deforested area in the Amazon Biome.

The report on the Monitoring of Soy Crops in the Amazon Biome in the 2015/16 crop year, prepared by Agrosatélite and audited by INPE (National Space Research Institute), shows that Brazil's main agricultural crop has not been a relevant factor in the deforestation of that region, which occupies almost half of the country's territory. It also shows that it is possible to reconcile food production with conservation of natural resources in the world's largest tropical forest.

**Improvements in governance** – In 2006, when the Soy Moratorium was signed, public governance was very weak and deforestation had reached a very high level. The new Forest Code had not been approved, regulations were not clear and, even worse, the law was not enforced because satellite monitoring was just beginning and surveillance was not integrated. Over the Soy Moratorium's ten years, two objectives have been achieved: A public governance structure has been developed for responsible production, discouraging deforestation, and Brazil's soy customers, concerned with the conservation of the Amazon Forest, have been reassured. These original objectives were explicitly set out in the Soy Moratorium's first annual report prepared by the GTS.

**Success** – A large part of the success of this Pact for Zero Deforestation is due to the change in land use, i.e., soy expansion has occurred in areas of pasture

on lands deforested in the mid-2000s, before the Soy Moratorium.

“We have a special reason to be happy. Not only is soy not an important vector in Amazon Biome deforestation, but we have, over the last decade, built a special relationship with civil society and with the Ministry of the Environment, one based on transparency, trust and credibility, aspects essential to ensuring that foreign consumers receive a positive message concerning Brazilian soy”, highlighted Carlo Lovatelli, president of ABIOVE (Brazilian Vegetable Oil Industries Association) and coordinator of the GTS private sector.

The event commemorating Soy Moratorium’s ten years, being held today in São Paulo, is promoted by the Soy Task Force (GTS), whose members come from the private sector (ABIOVE, ANEC and their associated members), civil society (Greenpeace, WWF-Brasil, TNC-Brasil, Imaflora, IPAM, Earth Innovation) and the federal government (Ministry of the Environment, Bank of Brazil).

**Background** – The Soy Moratorium, a commitment for zero deforestation in the Amazon Biome, was signed on July 24, 2006 by ABIOVE and ANEC (National Grain Exporters Association) and their member companies, who assumed the commitment not to purchase or finance soy grown on deforested areas of the Amazon Biome, starting in July 2006. The objective was to reconcile conservation of the Amazon Biome’s biodiversity with food production.

The Soy Moratorium was an answer to the questioning of environmental groups and customers, both in Brazil and abroad, who had begun fostering private institutional arrangements to create new sustainable rules for soy production.

In 2006, Greenpeace and other international NGOs promoted direct-action campaigns in Brazil and Europe. Its objective was to raise awareness in the soy industry so that it would adopt measures to contain deforestation and contribute to the region’s environmental governance. At that time, due to a lack of consistent official information, no one knew what role soy played in Amazon Biome deforestation.

**Perspectives** – In May 2016, the Soy Moratorium was extended for an indeterminate period, until it can be replaced by a perennial mechanism that

ensures environmental governance for the region. This mechanism would be a monitoring system based on CAR (Rural Environmental Registration) and on the list of embargoed areas kept by IBAMA (Brazilian Environmental & Renewable Natural Resources Institute), similar to that which will be implemented in December 2017 for providing agricultural credit. Financial institutions will be obliged to demand customers have CAR before granting agricultural credits. The vegetable oil industries could, voluntarily, adopt the same criteria. Companies and associations will continue participating in the monitoring process and other activities to discourage further deforestation. They will do this by maintaining dialogue with civil society, with the government and consumers.

**Credibility** – Hundreds of satellite images are carefully analyzed during the monitoring of areas deforested after July 22, 2008 (the new reference date established by the Forest Code in 2012) in order to identify soy production that does not comply with the Soy Moratorium, making it possible to monitor 98% of the soy acreage in the Amazon Biome. This monitoring provides a consistent and highly reliable assessment to identify and map the soy planted in deforested areas in the context of the Soy Moratorium, and the results are subjected to a thorough and independent audit by INPE.

**Monitoring** – The PRODES project carries out satellite monitoring of clear-cutting deforestation in Legal Amazon and, since 1988, has produced the annual rates used by the Brazilian government to establish public policies. According to the criteria established by the GTS, soy-crop monitoring is restricted to deforestation on private rural properties and properties partially within Conservation Units, indigenous lands and settlements, representing 81% of the total deforested area in polygons with over 25 hectares (62 acres).

Of the total soy acreage that does not comply with the Soy Moratorium in the 2015/16 crop year, by year of deforestation mapped by PRODES, 76% (28,492 hectares, or 110 square miles) refer to crops observed in the first four years (2009-2012) of the Pact.

According to the report on the Monitoring of Soy Crops in the 2015/16 crop year, Mato Grosso state has the largest soy acreage that does not comply with the Soy Moratorium (28,300 hectares, or 109 square miles), followed by Pará state (7,500 hectares, or 29 square miles), Rondônia state (1,400 hectares, or

5.4 square miles) and Amapá state (40 hectares, or 0.2 square miles). PRODES mapping did not identify any soy acreage in deforested areas during the period of the Soy Moratorium.

In the 87 monitored municipalities, the average rate of deforestation after the Soy Moratorium (2009-2015) was six times lower than the average rate in the prior period (2002-2008), demonstrating the efficacy of the various mechanisms used to reduce deforestation over the last few years.

**Cerrado Biome** - The member companies of ABIOVE and ANEC are concerned about the sustainable use of natural resources in the Cerrado Biome, which has important river basins. They also have a purchase and financing policy for soy produced in this region and they do not acquire soy from properties: a) that are on the list kept by IBAMA of areas embargoed for having illegally deforested their land, b) that are on the list kept by the Ministry of Labor & Jobs of work that is degrading or analogous to slavery, and c) whose soy is not accompanied by the corresponding legal and tax documents.

Furthermore, industries and trading companies will begin asking rural producers to show their farms' CAR (Rural Environmental Registration), which will be confirmed with the relevant state environmental entity. Those who do not yet have CAR and those who have been suspended will receive orientation on how to regularize their situation quickly. This orientation campaign, which will contribute to improvements in governance, will be effective through December 2017, the deadline for obtaining CAR. Monitoring rural properties, supported by CAR and satellite images, will allow the environmental entities to follow up on the preservation of high conservation value areas (Areas of Permanent Preservation) and the legal reserves on the farms.

**Source: ABIOVE Communications Department**

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