

Nothing to Hide: Issues of deforestation

A river runs through it. Brazil's Amazon region covers more than 5 million square-kilometres and is home to more than 20 million people.

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Myths

Myth: Tanners make leather without any consideration for the environment, for the safety and wellbeing of their workers or for the communities with which they share resources.

Fact: The Tannery of the Year programme has reported since 2009 countless examples of leather producers that care deeply about all aspects of corporate social responsibility.

Executive summary

Livestock and consequently leather production has in the recent years, been constantly linked with different environmental issues such as greenhouse gases emission and natural land changing. In Brazil the situation is not different and its possible to see a frequent debate around the impact it has in the transformation of the natural landscape in the country.

At the same time, Brazil has presented itself on the last few decades as one of the main food producers in the world with an important duty on producing food to feed its population, but helping at the same time to nourish other parts of the world. Livestock production is one of the country's most important sectors within the agribusiness and has frequently being in the center of this discussion, having on one side the responsibility to increase meat production to support the constant rising in demand and, on the other side, deal with ways to improve the sector's practice to be able to evolve on a sustainable way.

However socio environmental awareness among Brazilian producers, NGOs and different levels of the government has fostered great development in different areas. Multi-stakeholders initiatives, private monitoring systems, research on low carbon livestock production, grassroots and mitigation projects, have together shown that it is possible to produce meat (and consequently leather) on a sustainable way, without the need for the opening of new areas.

This article aims to go through some examples already in place in the country, representing the evolution of those practices and showing how the meat and leather industry can grow, generating wealth, social development and at the same time foster conservation of natural areas. 🌱

About this essay

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A livestock farm in the Amazon region of Brazil.

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Nothing to Hide: Positive change is taking place

A wide range of ideas and initiatives is making a big difference to the livestock sector in Brazil, allowing beef (and leather) production there to increase while becoming more efficient and more sustainable.

In the recent years, Brazil's beef and leather sector has achieved significant improvements in sustainability. Advanced changes in the way livestock farming is carried out have shown that the activity, often linked to environmental issues such as land transformation and greenhouse gas emissions, can become an important part of environmental conservation and sustainable development.

Social and environmental awareness among Brazilian farmers, industry representatives, non-governmental organisations (NGOs) and the government is driving the development of new approaches to livestock farming and showing that it is possible to produce beef and leather in a sustainable way. Multi-stakeholder initiatives, private monitoring systems of suppliers, land-use intensification, research on low-carbon livestock production, grassroots and mitigation projects, have together shown that it is possible to raise cattle in a sustainable way, without the need for clearing new forest areas, and to increase production significantly in the process.

At the same time, the Food and Agriculture Organization of the United Nations (FAO) estimates that the global population will grow to more

than 9 billion people by 2050¹. To be able to feed the entire population, food production will have to increase by at least 60%. As Brazil is one of the main food producers in the world, it has the responsibility to contribute to this increase in food production, but at the same time, to develop sustainable practices to ensure that production growth is not connected to serious environmental problems.

Growth and conservation

This essay in the Nothing to Hide series aims to go through some examples already in place in Brazil, representing the evolution of those practices and showing how the beef and leather industry can grow, generating wealth and social development, and foster at the same time the conservation of the environment.

To better understand the situation, it is necessary to put the cattle sector in the country at the moment into context. Brazil has historically raised cattle using an extensive production model, with large expanses of land used to allow animals to graze freely. This is very positive for animal welfare since the animals are not confined all the time, and this

is something that has great market appeal because the beef is produced in a more natural and healthy way. However, it can be less productive and slower than more intensive methods and requires more land for production.

In places such as the US and the European Union, annual slaughter rates are around 36% and 32% of the total cattle herd, while in Brazil it varies roughly between 20% and 22%², requiring a much larger herd to produce the same amount of meat. Not only that, the production of beef per hectare is also low when compared to the other two regions mentioned.

Extra space

At first glance, this could be seen as a problem, but it is really a good indication of the capacity Brazil has to help fulfill not only the world's need for more animal protein but also to do so while keeping land free for other types of farming too. Due to its low productivity rate, Brazil can easily increase its beef production, while making land available for other activities. And we are not talking here about huge investments in breakthrough technologies to obtain a gain in productivity, but about existing and accessible technologies that are already being used by Brazilian producers.

In a seminar promoted by the Brazilian Roundtable for Sustainable Beef at the end of 2012, Arnaldo Filho from NIT (the federal government's Territorial Intelligence Agency), presented some interesting figures. Considering the evolution in productivity that is already taking place in the country and better territorial planning, it is forecast that Brazil can increase its cattle herd by 18 million head by 2022 while freeing up more than 65,000 thousand hectares at the same time for other activities³. A gain in production per animal also needs to be considered and all of this together means this evolution will yield a considerable increase in beef production without the need to open up new land for grazing. The extra available space means that the overall increase in food production in Brazil forecast for 2022 can be achieved using already freed-up land that will become available because of the increase in livestock farming productivity rates.



A similar situation can be seen in Mato Grosso, one of the main cattle producing states in Brazil. According to IMEA⁴, the state will increase its beef productivity rates (production of beef per hectare) by 75% by 2022, resulting in an increase in beef production of 36%, while reducing by 19% the area of pasture land used for the activity.

Again, this is not something beyond the country's capabilities; these projections are based on the use of technology already accessible and in place in Brazil. It is also a trend that started a while ago; according to Bigma Consulting, between 1990 and 2012, the area of pasture land used for livestock farming decreased from 178 million hectares to 171 million, while the number of animals per hectare went up by more than 52% over the same period.

Low-carbon farming in the Amazon

A good example of how technology and capacity building can bring bold improvement is a project called Low Carbon Integrated Livestock Farming, developed by campaign group ICV in partnership with packer and tanning group JBS, agribusiness technology provider EMBRAPA and the International Institute for Sustainability, in the municipality of Alta Floresta in the state of Mato Grosso. This area was selected because it has one of the largest cattle herds in the country and is

Brazil believes sustainable development in the Amazon region, taking into consideration the environment and the needs of local people, is attainable.

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located in the Amazon Biome.

With the integration of modern pasture management, technical assistance, access to credit and the implementation of better animal handling practices, the project was able to raise beef productivity rates. In some of the farms being assisted by the project, the improvement was greater than 100% since the initiative began in 2012⁵. This is not an isolated project: there are similar initiatives in states such as R ndonia, Par , Bahia, Mato Grosso do Sul and others. In a GTPS White Paper⁶ released in 2012, another 13 similar projects were listed as examples of how livestock production and sustainable growth can work side by side in Brazil, especially with the participation of a broader base of stakeholders, putting together cattle producers, the food industry, retailers, NGOs and public initiatives.

Another good example is the Novilho Precoce ('Early Yearling') project in Mato Grosso do Sul, a programme that has already been running for more than 15 years, combining quality, fair working conditions, conservation, phytosanitary control and animal

welfare. This programme has the support of livestock producer associations, big food companies and international retail groups, allowing a wide reach and covering a herd of approximately 800,000 head, from more than 300 producers, showing that best environmental practice can also work on a large scale.

Stakeholders work together

These two projects have one characteristic in common, one that is also seen across other initiatives in Brazil: they are multi-stakeholder-driven and bring together an extensive array of organisations, including slaughterhouses, producer associations (small, family-run farms and big industrial properties), finance bodies, NGOs and public agencies. A broader support-base allows more in-depth knowledge to be applied to the development of the entire sector and ensure that different interests are balanced in the process.

The Brazilian Roundtable on Sustainable Livestock is a hands-on model that can clearly illustrate that a multi-stakeholder approach can be very effective and bring interesting results in the development of a sustainable livestock industry. Probably the first roundtable on sustainable livestock in the world, it has currently more than 60 members. The group has not only created a platform for promoting successful cases related to sustainability, but has also become a meeting point where complementary projects can be discussed and synergy developed for their implementation. Furthermore, it has attracted international attention and support from international funds for the development of projects such as the ones mentioned above.

When good intentions are not enough

This kind of support is very important since investments are necessary and sometimes the resources are not available. Good ideas and intentions are sometimes not enough to deliver good results, especially when discussing changes in production methods: investment is paramount to have any success. In Brazil it is now possible to see different organisations investing in support of producers to mitigate impacts such as deforestation and carbon emissions. This support has come not only from international



Brazilian wet blue hides. Monitoring systems give assurances that the hides come from compliant livestock farms.

CREDIT: WTP

sources but also from national funds. In 2010-11, through a programme called ABC (which stands for Low-Carbon Agriculture)⁷, more than R\$2 billion (\$900 million) were made available by the government for the support of low-carbon agriculture projects and in the following fiscal year's budget, the amount accessible was over R\$3 billion (\$1.35 billion). The funds available are still increasing, but to have faster improvement it is necessary for the market to speed up the process of supporting initiatives of this kind.

It is also clear that financial institutions are becoming more involved with topics related to agribusiness in Brazil, developing ways to identify producers working with better practices and offering credit lines that can improve those projects. On the other hand, producers who are non-compliant with environmental legislation are finding it increasingly difficult to get access to credit. This situation is putting pressure on these producers and this shows that environmental performance can be - or already is - an important business strategy.

Social affairs

So far, the social side of sustainable development has had no mention in this essay and is often forgotten in many debates. However a recent presentation made by Mauro Lúcio Costa from the Paragominas Rural

Producers' Association offered interesting information on this subject. A project developed in the Paragominas municipality, also located in the Amazon Biome, in a partnership between producers, NGOs and research institutions, presented positive results relating to the improvement in quality of life and the perception of workers involved in the project. Aimed at increasing cattle productivity as a way to halt deforestation, the work in Paragominas has shown that it can also generate a positive effect on the populations involved in the activity.

When comparing the employees in the region working on the farms that were part of the programme with those on properties that were not participating, a research study found that 89% of people working on farms that were part of the programme perceived their earnings positively, 93% were satisfied with living conditions and 78% with the access to communication and leisure. Among those outside the project the levels of satisfaction were respectively 56%, 73% and 44%⁸.

This is a good example of how livestock farming can improve people's living conditions and at the same time help with conservation, if done in a correct way, of course.

The Legal Amazon, which encompasses all nine of the Brazilian states in the Amazon basin, covers 60% of the country's territory and houses more than 20 million people; it is

also one of the poorest regions in Brazil and has a shortage of basic infrastructure. At the same time, livestock farming is one of the most important economic activities in the region and it is not possible to think about development there without growth in the livestock sector. However, it is absolutely feasible to improve farming conditions and to expand the activity without the need for more land. In conjunction with other practices, it is possible to promote sustainable development in the region always taking into consideration the environment but also the needs of the local populations.

Transparency is an ally

The intention of this essay is not to pretend that livestock production and the activities depending on it have no impact on or any link to issues such as deforestation, greenhouse gas emissions and poor working conditions. Instead, it aims to show that a considerable proportion of producers and different stakeholders involved in these activities are aware of the importance of developing the sector in a sustainable way and are already working to achieve this aim. Furthermore, it is clear that the necessary technology and know-how are already in use and have already proved effective.

Livestock farming can and must be sustainable, and to achieve sustainability on a widespread basis, it has to receive support from governments, financial institutions, international organisations and before anything else, the market. Nowadays, transparency has become a strong ally for companies and consumers. Tools are available to support decisions, and there are many ways to assess suppliers and verify their compliance with legislation, public commitments and customer requirements. The support of the market is necessary to ensure that companies working towards best socio-environmental practice are recognised and encouraged, while those not respecting what is required by the market will start fading away and lose their place.

What cannot be helpful to sustainable development in areas such as the Amazon Biome is when companies decide to boycott the entire area or even the entire country of Brazil to avoid any kind of association with existing problems. What they must do is demand high standards and use the available tools (or even help to develop new ones) to ensure that their suppliers are working in keeping with best practice and taking part in a movement for improvement. It is important to engage in a constructive debate and foster initiatives that generate results, rather than just ignore the problem.

Brazil has set good examples on transparency and market assessment. The country's three main packer companies (JBS, Marfrig and Minerva) have worked together to create an auditing protocol for monitoring programmes in the Amazon, bringing transparency to the efforts already in place to ensure that their suppliers are not engaged in deforestation, poor working conditions and other rural conflicts. Monitoring programmes have brought considerable advances for the industry as a whole. To give just one example, the JBS socio-environmental monitoring programme makes use of satellite images to monitor its more than 35,000 suppliers in the Amazon. Through geo-referenced information this system is able to verify that cattle suppliers are compliant with the company's environmental policy, ensuring that

non-compliant farms supply no cattle to the company's abattoirs. The system is periodically assessed by an international independent auditing company and in March 2014, a report was published showing that the programme had a 99.75% efficiency rate⁹.

But deforestation is just one topic within transparency. The largest food exporters in Brazil, including Bunge, JBS and Marfrig, have joined a programme to develop guidelines to measure and manage greenhouse gas emission from the sector. Co-ordinated by research organisation the World Resource Institute, the GHG Protocol for Agriculture was launched in the last week of May in São Paulo¹⁰. This tool will allow companies to assess their emissions and look for the best ways to mitigate them, as part of a strategy for sustainable food production.

These are just some examples of initiatives that foster transparency but other tools such as publicly available databases, independent audit reports, international indices and certification programmes are among a vast array of options to ensure that companies can better assess their suppliers and support initiatives that are aimed at sustainable development. Problems exist. But it is time to show that the solutions are already available and that livestock farming, as well as the industries relying on it, including the leather industry, can be an example and an important ally to socio-environmental development. 🌱

1. *FAO 2013 - Climate-Smart Agriculture Sourcebook.*
2. *GUSDA - Extracted from Anualpec 2013.*
3. *Caminhos para a sustentabilidade na pecuária - GTPS 2012.*
4. *IMEA 2013 - Agro MT 2022 Outlook.*
5. *ICV presentation - GTPS Seminar May/2013 - www.pecuariasustentavel.org.br/gtps/Painel_5-MT_Pecuaria_de_Baixo_Carbono-Vando_Telles.pdf*
6. *GTPS White Paper 2013 - [www.pecuariasustentavel.org.br/gtps/GTPS_White_Paper_on_mechanisms_for_control_and_mitigation_of_deforestation_in_the_Brazilian_Amazon_Biome_\(Livestock_Cattle\).pdf](http://www.pecuariasustentavel.org.br/gtps/GTPS_White_Paper_on_mechanisms_for_control_and_mitigation_of_deforestation_in_the_Brazilian_Amazon_Biome_(Livestock_Cattle).pdf)*
7. *Plano setorial de mitigação e de adaptação às mudanças climáticas para a consolidação de uma economia de baixa emissão de carbono na agricultura : plano ABC (Agricultura de Baixa Emissão de Carbono) / Ministério da Agricultura, Pecuária e Abastecimento, Ministério do Desenvolvimento Agrário, coordenação da Casa Civil da Presidência da República. – Brasília: MAPA/ACS, 2012.*
8. *Projeto Pecuária Verde - GTPS Seminare November/2013 - www.pecuariasustentavel.org.br/gtps/Painel_4-Paragominas-Mauro_Lucio_Costa.pdf*
9. *www.jbs.com.br/sites/jbs.com.br/files/audit.pdf*
10. *World Resources Institute 2014 - www.wri.org/news/2014/05/release-first-ever-agriculture-guidance-empowers-companies-measure-and-manage-emissions*