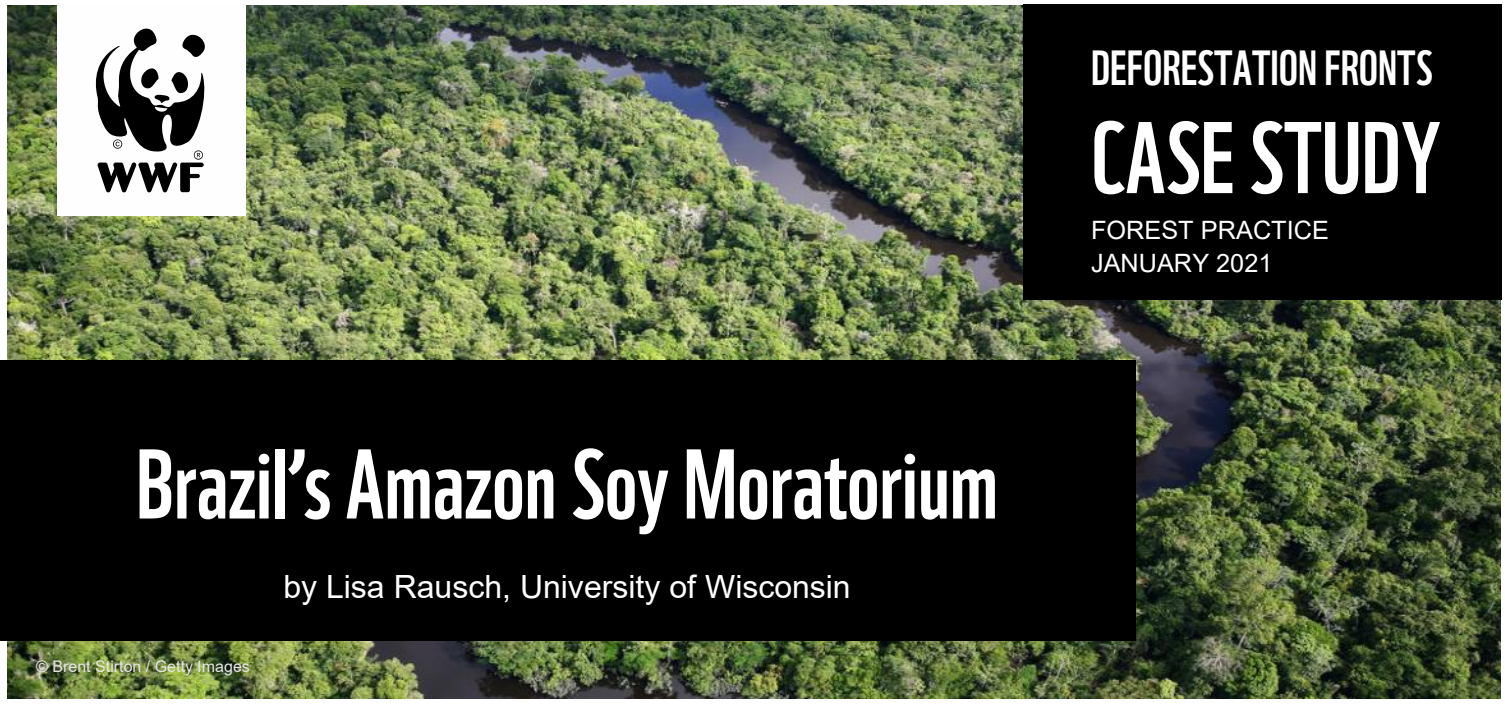

DEFORESTATION FRONTS

CASE STUDY

FOREST PRACTICE
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Brazil's Amazon Soy Moratorium

by Lisa Rausch, University of Wisconsin

Synthesis of the case

Brazil's Amazon Soy Moratorium (ASM) is a sectoral agreement under which commodities traders have agreed to avoid the purchase of soybeans from areas that were deforested after 2008. The ASM was first implemented in 2006, following a provocative Greenpeace campaign that called attention to the role of soybean expansion in Amazon deforestation. The agreement was renewed every one or two years, until 2016, when it was implemented "indefinitely." The objective of the ASM is to eliminate deforestation from Amazon soybean supply chains and there is a general consensus that it has been successful in this respect, as less than 2% of the total soy area in the 2018/19 crop year was non-compliant with the ASM.[1] Furthermore, studies have shown that the ASM contributed to the reduction of overall Amazon deforestation rates.[2]

Context in which the response was implemented

The ASM was implemented following a period of record-breaking deforestation rates in the Brazilian Amazon. In 2006, Greenpeace published a provocative report titled *Eating up the Amazon*[3], which linked consumption of chicken in Europe with soy production and deforestation in the Amazon. Consumer-facing companies targeted by the report and the associated publicity campaign demanded that commodity traders operating in the Amazon take immediate action to ensure that their supply chains were deforestation free. Traders who purchased nearly all of the soy produced in the Amazon responded quickly, agreeing to the ASM in July 2006. A working group (known by its Portuguese acronym, GTS) of environmental NGOs and industry representatives was formed to administer the monitoring system and manage the resulting list of farms with areas out of compliance.

Implementation process

The scope of the ASM includes soy production areas in the Amazon biome, though in practice, monitoring is limited to areas with PRODES-Amazon coverage within municipalities with greater than 5,000 hectares of soy extent. According to the GTS, the monitored area was equivalent to 98% of the soy production area in the 2018/19 crop year.[4] Within the monitored area, polygons of deforestation greater than 25 hectares, including all areas deforested after the reference date, are assessed for soy planting. Farms with soy planted in violation of the ASM are identified

[1] GTS [Grupo Trabalho de Soja]. (2020). Soy Moratorium, crop year 2018/19; Monitoring non-compliant soy plantations using satellite images. https://abiove.org.br/en/relatorios/

[2] Heilmayr, R. Rausch, L.L., Munger, J., and Gibbs, H.K. Brazil's Amazon Soy Moratorium Reduced Deforestation. Nature Food. *In press*.
Kastens, J.H., Brown, J.C., Coutinho, A.C., Bishop, C.R., Esquerdo, J.C.D.M. (2017). Soy moratorium impacts on soybean and deforestation dynamics in Mato Grosso, Brazil.

[3] Greenpeace. (2016). Eating up the Amazon. https://www.greenpeace.org/usa/research/eating-up-the-amazon/

[4] GTS [Grupo Trabalho de Soja]. (2020). Soy Moratorium, crop year 2018/19; Monitoring non-compliant soy plantations using satellite images. https://abiove.org.br/en/relatorios/

and added to a list that is administered by the GTS and accessible to all participating traders. Each year the GTS publishes a report quantifying the violations and the areas in compliance.[5]

The original cut-off date of the ASM corresponded to the date of its announcement, July 2006, though the reference date was later updated to 2008 to align with the 2012 revisions of Brazil's federal Forest Code. In spite of this, the ASM faces ongoing objections from some stakeholders in the soy sector about its imposition of restrictions on the deforestation of land that could otherwise be permitted under the Forest Code.[6]

Outcomes achieved

Over 14 years since it was implemented, the ASM is widely seen as a success, given that nearly 30% of annual soy expansion occurred via deforestation before the intervention and less than 2% could be linked to deforestation in 2018/19.[7] Moreover, soy now contributes little to overall Amazon deforestation and recent research shows that the ASM contributed to an overall reduction in deforestation in the Amazon during its first decade (Heilmeyr et al *in press*). The ASM benefits the soy sector given that international companies are increasingly making zero deforestation commitments and investors are growing concerned about rising deforestation rates in Brazil. International consumers of Brazilian soy have cited ASM as a condition for continued business with the sector.[8]

Concerns have been raised about the potential of the ASM to have led to spillovers or leakage of deforestation into the Cerrado,[9] though other studies have not found evidence of such spillovers.[10]

Recommendations for improving effectiveness

- ✓ The main limitation of the ASM is its narrow scope; it only covers the Amazon biome, although expansion of soy is a greater contributor to deforestation in the Cerrado. Expansion of the ASM to cover the Cerrado could lead to greater conservation benefits.
- ✓ Some stakeholders in the soy sector are increasingly vocal in their opposition to the ASM, which could erode the effectiveness of the agreement over time. Improving alignment among all stakeholders could help ensure the durability of the ASM.

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[5] GTS [Grupo Trabalho de Soja]. (2020). Soy Moratorium, crop year 2018/19; Monitoring non-compliant soy plantations using satellite images. https://abiove.org.br/en/relatorios/

[6] Aprosoja. (2019). Governo alega ameaça à soberania nacional e apoia fim da moratória da soja. http://www.aprosoja.com.br/comunicacao/noticia/governo-alega-ameaca-a-soberania-nacional-e-apoia-fim-da-moratoria-da-soja. [Accessed 23 October 2020].

[7] GTS [Grupo Trabalho de Soja]. (2020). Soy Moratorium, crop year 2018/19; Monitoring non-compliant soy plantations using satellite images. https://abiove.org.br/en/relatorios/
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[10] Heilmayr, R., Rausch, L.L., Munger, J. and Gibbs, H.K. 2020. Brazil's Amazon Soy Moratorium reduced deforestation. Nat Food 1, 801–810 (2020). https://doi.org/10.1038/s43016-020-00194-5