



The monitoring of cattle suppliers: the need for harmonisation

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key messages

- ✓ The Harmonized Protocol sheds a little more light on the problem of the invasion of Indigenous Lands (TI) and Conservation Units (UC), nevertheless, the issue should continue to be explored in future versions.
- ✓ Clear and precise rules to guide the monitoring of cattle suppliers in the Amazon with technical quality are essential.

- ✓ Incremental improvements have occurred; however, the issue of monitoring indirect suppliers still needs more work. The setting of an initial parameter for the monitoring of the productivity index represents a step in the right direction but this initiative should be increased and calibrated.

Monitoring for decision-making

A monitoring process should generate data for the decision-making of any company, project or initiative. It reveals the status that the process or supplier is in with regard to the predefined rules, objectives and goals. These rules, objectives and goals may be set forth in a law or even in private agreements and contracts. In the case of the beef industry in the Amazon biome, monitoring cattle suppliers is a condition that must be met by the signatories of the social and environmental commitments (see www.boinalinha.org/categoria/compromissos).

Commitments involving the beef production chain in the Amazon biome emerged in 2009. These agreements aim to eliminate bad conduct within the supplier chain, with emphasis on illegal deforestation, slave labour and invasion of public lands by the farmers. The commitments in force in 2020 are the Terms of Adjustment of Conduct (TACs) drawn up by the Public Prosecutor's Office and which focus on illegal deforestation. Another is the commitment to zero deforestation, known as the Cattle Agreement created by Greenpeace. The latter was directed only at three meatpackers: JBS,



Marfrig and Minerva (www.beefontrack.org/public/media/arquivos).

In regard to the TACs, 132 meatpackers were in the list of the Federal Prosecutor's Office in 2020, according to data provided by the Federal Prosecutors. Out of this total, 100 establishments signed the TACs.

In order to meet the requirements of the commitments to monitor suppliers, the leading meatpacking groups, as well as the large retail chains, defined their own protocols to monitor cattle suppliers. This was a breakthrough in the



chain control agenda; however, two important challenges remained. Firstly, a few medium-sized beef companies, which signed the commitments, have not yet implemented any monitoring. On the other hand, the monitoring protocols applied by each company have led to different decision-making parameters for purchases.

The necessary alignment

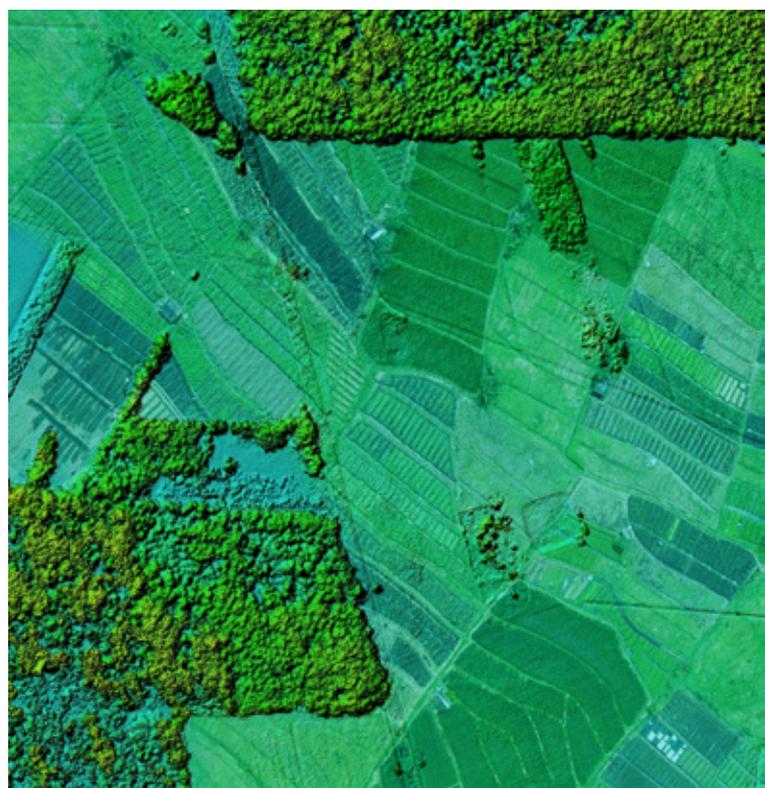
Faced with the need to align and standardize, the six top companies, i.e. the three giant meatpackers (JBS, Marfrig and Minerva) along with the three largest retailers (Casino Group, BIG and Carrefour) decided to come up with harmonised monitoring rules. Between 2017 and 2018, these six companies drew up a first draft of what would be the Harmonised Protocol. In 2019, Imaflora, through the Beef on Track Project, joined this effort with the support of the Public Prosecutor's Office, which was interested in having official and targeted rules for the entire industry.

This conjunction of efforts enabled additional review with the involvement of Federal Prosecutors and consultations with civil society organizations. This new joint initiative led to incremental improvements, such as the setting of clear rules – which previously did not exist – to lift the ban on properties that are unfit to supply meatpackers. The parties also defined parameters and rules for monitoring changes in the limits of the Rural Environmental Registry (Cadastro Ambiental Rural - CAR) and the productivity index.

In regard to the oversight of the black list of slave labour and environmental embargoes, it became clearer that the CPF or CNPJ taxpayers' registry data of the lessee should be monitored when the supplier is not the owner of the farm. For environmental embargoes, besides analysing if the supplying property does not have the same name as the object of the embargo, the geographical coordinates, the municipality, the infraction notice and other property information must now be verified.

Official Harmonised Protocol

After several rounds of collective construction, in May 2020, the Harmonised Protocol was approved by the Public Prosecutor's Office (www.beefontrack.org/public/media/arquivos/1597415369-comunicado_protocolo), making it compulsory for all industries that are signatories of TACs from July 1, 2020. The Protocol also covers the Public Beef Commitment, although this has only JBS, Marfrig and Minerva as signatories.



The Harmonised Monitoring Protocol is structured into 11 criteria for meeting TACs, five of which can be monitored by geospatial analysis; two by public list analysis; three by document analysis; and one by supplier productivity analysis. To meet the Public Livestock Commitment there is an additional geomonitoring criterion, that of zero deforestation.

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Clarity of analysis

One of the main advances of the Harmonised Monitoring Protocol is to introduce greater clarity in the interpretation of the rules set out in the commitments. Table 1 shows the presentation of criteria and parameters, and Figure 1, the visualization of the decision flow for the deforestation criterion.

It is important to note that decision keys depend on the analysis of several elements. The more complex the subject, the more complex the analyses in the monitoring process. The subject of Indigenous Lands and Conservation Units are two examples that require more information. In the Harmonised Protocol, these aspects are further detailed in the Technical Notes.



Table 1. Examples of detailed monitoring criteria using geospatial analysis

| Parameters | Blocking rule |
|--|---|
| Criteria: Illegal deforestation | |
| Overlapping deforestation polygons $\geq 6,25$ ha of Prodes Amazônia/Inpe, after 1/Aug/2008. | <ul style="list-style-type: none"> – Suitable: the property does not overlap deforestation polygons. – Unsuitable: the property has an overlap with a polygon of integral deforestation or a fraction $\geq 6,25$ ha. |
| Criteria: Indigenous Lands (IL) | |
| Overlapping ILs in a "declared" status or more advanced stage of the demarcation process. | <ul style="list-style-type: none"> – Suitable: the property does not overlap ILs. – Unsuitable: a block will be placed on properties that overlap ILs that exceed the established technical rule according to the size of the property (from less than 100 to more than 3,000 hectares) and different levels of overlap of the property onto a Protected Area (2% to 10%), as detailed in Annex 1 - Technical Note 2. |
| Criteria: Conservation Units (CU) | |
| Overlapping CUs on mapping bases of the relevant public bodies. | <ul style="list-style-type: none"> – Suitable: the property does not overlap CUs. – Unsuitable: a block will be placed on properties that overlap CUs that exceed the established technical rule according to the size of the property (from less than 100 to more than 3,000 hectares) and different levels of overlap of the property onto a Protected Area (2% to 10%), as detailed in Technical Note 2. |
| Criteria: Ibama Vector - Environmental Embargo (Ibama and Semas/PA) | |
| Consider only polygons of environmental embargo for deforestation of Ibama and Semas/PA [Vector]. Not included: (i) "standard" polygons based on a single point (geographic coordinate); (ii) polygons that carry the status of "suspended" or "cancelled." | <ul style="list-style-type: none"> – Suitable: the property does not overlap illegal deforestation polygons. – Unsuitable: the property does not overlap illegal deforestation polygons¹. |
| Criteria: Changes to the CAR limits | |
| Annual update of the suppliers' database, according to the CAR base. | <ul style="list-style-type: none"> – Suitable: the property has no limit change in the base of the updated CAR. – Unsuitable: the property has a limit change in the base of the updated CAR. |

Source: https://www.beefontrack.org/public/media/arquivos/1597414420-protocolo_de_monitoramento_fornecedores_gado.pdf.

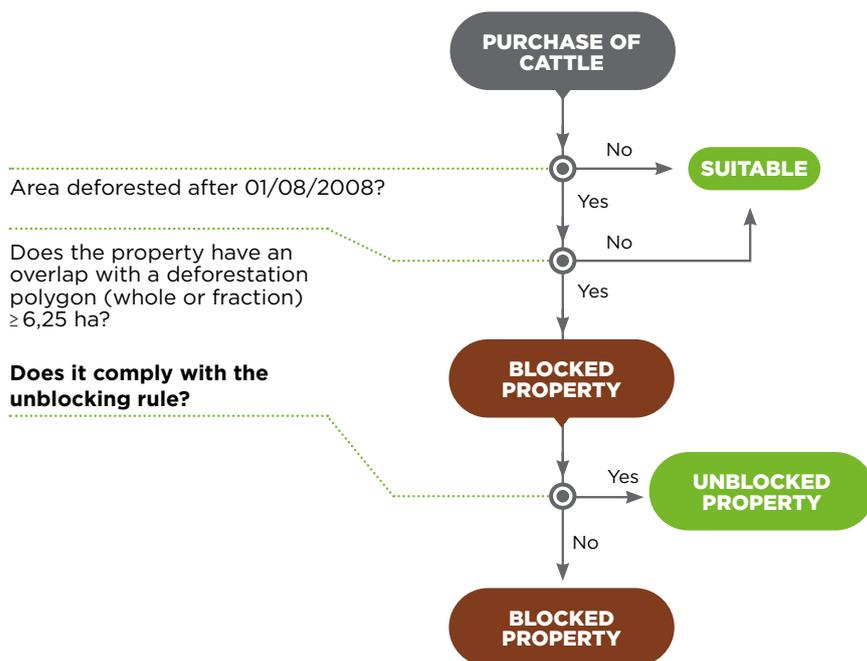


Figure 1: Example of decision flowchart contained in the Protocol





BEEF ON TRACK

Beef on Track: The platform for transparency in the beef value chain.

The Beef on Track platform is a one-stop hub that provides access to systems, tools, data and technical information for a deforestation-free beef chain. A team of experts, supported by strategic local and international partners, works behind the scenes to develop solutions. It has two main aims: to support and boost the implementation of socio-environmental commitments. As such, producers, meatpackers of all sizes, tanneries, supermarket chains and also investors can use this environment to find the materials they need to implement the commitments. Of course the public in general can also use it as a source of data and resources to monitor the progress of the agreements undertaken by the chain.

Come in and get involved!

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Acknowledgments

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Imaflora is a Brazilian non-governmental organization created in 1995 to promote the conservation and sustainable use of natural resources by generating social benefits in the forestry and agricultural sector.

Version 2 of Protocol: what still needs to be further developed

Even with the improvements introduced by the new document to guide monitoring, some topics are still left out of this version due to their complexity and need to be addressed in the near future. For example, the oversight of indirect suppliers will be approached from the productivity index monitoring aspect, but as yet only in an experimental way. Meanwhile, it has been defined with a limit of no more than three heads/ha/year. This parameter will be discussed again to consider the different production capacities of rural properties in the different regions of the Amazon states. The level of technological adoption of farms also needs to be taken into account. Other aspects of indirect supplier monitoring will be assessed, taking as a principle the available technologies and ongoing discussions, which offer good practices for the monitoring of indirect suppliers.

During the training process of meatpackers and geomonitoring service providers, it was detected that there are improvements that need to be increased, such as the possibility of monitoring deforestation polygons with a size smaller than 6.25 ha and the availability of data from state environmental embargoes, as in the case of data from the state of Mato Grosso.

Reference

1 - In the case of overlap in two or more properties: polygon overlap \geq 6.25ha.

