The background of the page is a solid red color. In the upper left, there is a white triangular shape pointing downwards. Overlaid on the red background are dark red silhouettes of animals: a large horse on the left and a smaller monkey on the right. The text is centered in the lower half of the page.

# **Trade in animal products fuels deforestation**

June 2022



## Introduction

On 17 November 2021, the European Commission put forward a [legislative proposal on deforestation-free products](#). The proposed regulation would introduce specific due diligence requirements for companies placing certain products on the EU market - such as palm oil, wood, cocoa, coffee, beef, leather, and soy - that contribute to the destruction of forests.

The proposal could be a game changer for farm animals and for wild animals as it would be a powerful incentive for producers intending to export to the EU to switch to sustainable production systems, avoiding intensive agricultural systems which are not only detrimental to farm animals but also fuels deforestation, thereby destroying wild animals' habitats.

However, as it stands, the proposal ignores the role played by the livestock industry beyond beef - especially the poultry, pig, dairy and farmed fish production industries - in the destruction of ecosystems such as forests, savannahs and wetlands. The proposal falls short to meet the objective of stopping deforestation driven by the EU's consumption of animal products.

### **What should the EU regulation on deforestation-free products include?**

Eurogroup For Animals would recommend the following:

- The inclusion within the scope of the legislation of all products derived from all soy-fed animals, not only cattle (with beef and leather). This would mean adding pig, poultry and dairy as well as farmed fish and shrimp products.
- The extension of the geographical scope of the legislation to other biodiversity-rich ecosystems in addition to forests, such as grasslands, wetlands, mangroves, and savannahs.

## I. Why should the legislation cover all products derived from soy-fed animals?

The inclusion of beef and soy is a step in the right direction. Yet, the contribution of animal agriculture in global deforestation largely exceeds the role played by the beef, leather and soy sectors. Consuming products derived from soy-fed animals *also* contributes to deforestation.

### The importance of the beef industry

Eurogroup for Animals welcomes the inclusion of beef and other cattle-derived products such as leather, as well as soy, in the scope of the draft legislation. According to [Global Forest Watch](#), agriculture is the top source of worldwide deforestation and beef holds the first place among top commodity-drivers of deforestation. Overall, beef is responsible for 36% of all agriculture-linked forest-replacement. The huge responsibility borne by the beef industry is due to the conversion of forests into cattle pasture, which amounted to 45.1 million hectares, or an area the size of Sweden, between 2001 and 2015. This rate of deforestation is five times higher than for any other product.

Soy is the second driver of deforestation and it is widely produced to serve as animal feed. Nearly [80% of the world's soybean crop is fed to livestock, including to chickens, hens and pigs](#). Soy is also the major source of protein feed in the [aquaculture](#) industry, with the Norwegian salmon sector alone using up 300,000 tons a year<sup>1</sup>. Soy also constitutes half of the make-up of many [shrimp feeds](#).

### Shares of different animal products in total feed soy use in the EU27+UK (2020)

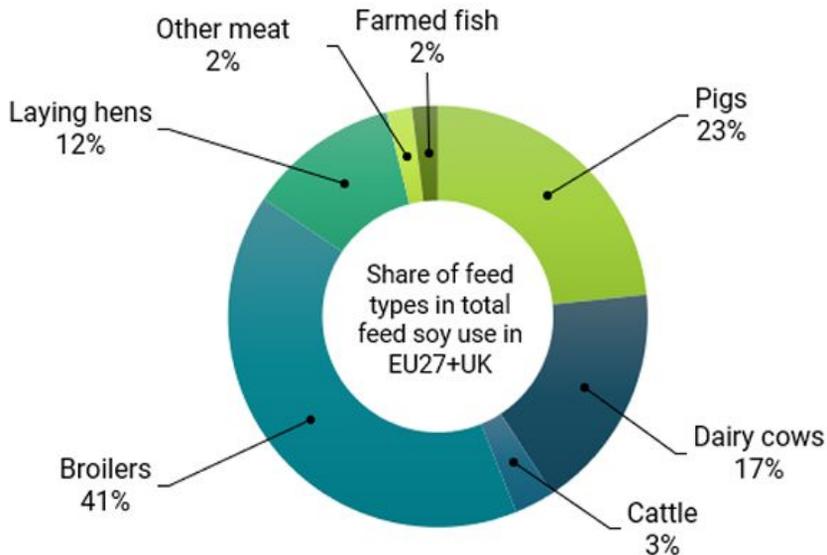


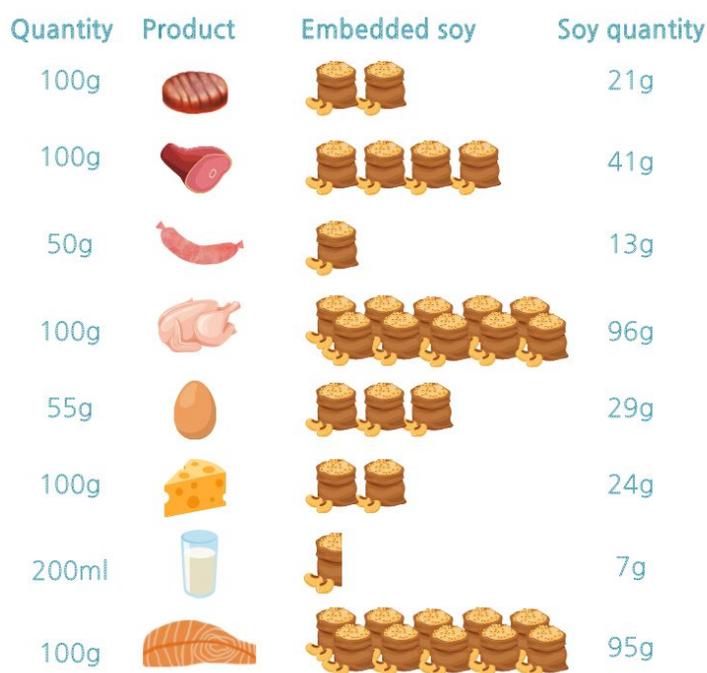
Image source: WWF, [Mapping the European Soy Supply Chain – Embedded Soy in Animal Products Consumed in the EU27+UK](#) (2022)

<sup>1</sup> Norway is the main EU supplier of fish products, and salmon accounted for 73% of the value of products imported from Norway in 2021.

If soy imported to be used as animal feed falls within the scope of the proposed legislation, the products derived from soy-fed animals do not. Yet, if these products are not added to the list in the final legislation, a large amount of soy will indirectly be left out from the scope of legislation.

Including products derived from soy-fed animals in the legislation is key because **90% of the EU's actual consumption of soy is "hidden"** in such products. Each year, Europeans<sup>2</sup> consume on average 58 kg of meat (pork, poultry, beef), 237 eggs, 117 kg of dairy products and 2kg of farmed fish per year. Most of the animals from which these products are derived are farmed in Europe, but the estimated amount of soy needed for this consumption is 31 million tonnes, and about 95% of this soy is imported<sup>3</sup>. An estimated 54.9 kilograms of soy is embedded in the consumption of animal products per EU citizen yearly, while direct use of soybeans and soybean oil for food amounts only to 3.5 kilograms per citizen. As a consequence, European citizens are unwittingly wiping out precious natural ecosystems. As an illustration, 25% of the chicken breasts - which is a very soy-intensive product - consumed in Europe are imported from third countries. The salmon consumed in the EU - also very soy-intensive - is also mostly imported from Norway, the UK and Chile.

### Embedded soy consumption per iconic product in the EU and the UK in 2020



Data source: WWF, [Mapping the European Soy Supply Chain – Embedded Soy in Animal Products Consumed in the EU27+UK](#) (2022)

Including products derived from soy-fed animals is also necessary to prevent any possible future circumvention of the rules - with soy unpermitted to be placed on the EU market still reaching it through soy-derived products, such as meat, dairy or eggs.

For instance, some of the main EU suppliers of poultry and pig meat - namely the UK, Chile, China, and Thailand - import most of the soy they use as animal feed from Argentina or Brazil. These two origins would likely be partially restricted from the EU market in application of the legislation. The EU also imports significant amounts of poultry from Brazil, where animals are often fed with soy produced by destroying precious natural ecosystems.

<sup>2</sup> The study takes into account the EU and UK population, which were estimated to be 515 million in 2022.

<sup>3</sup> According to the [REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT on the development of plant proteins in the European Union](#) published in 2018, the EU's self-sufficiency rate for soy is 5%.

## II. Why should the legislation cover other biomes than forests?

The geographical scope of the legislation must include other ecosystems in addition to forests. The EU's consumption of soy and of imported animal products derived from soy-fed animals is linked to the destruction of various ecosystems, including grasslands, wetlands, and savannahs. This mix is not currently covered by the proposed legislation.

Destruction of habitat is not only a threat to the survival of many species, but it is also a source of many welfare-related concerns. With the increase in wildfires, animals are suffering and many do not manage to escape. For the surviving wild animals, many are displaced and will generally suffer from starvation and social disruption. Many that are rescued cannot be returned to nature.

Today, [three countries produce about 80% of the world's soy](#). The biggest producer is Brazil, accounting for 36% of world's production, followed by the US (34%) and Argentina (12%). With the increasing demand for soy, the amount of land devoted to soy production has also grown in parallel. The change in land-use was particularly dramatic in Brazil, which had almost no production of soy 50 years ago. Today, it is the champion in the field, and most of its production (48%) is located in the Cerrado, a mix of ecosystems (see box), while [only 13% originates from the Amazon rainforests](#).

This means that, if only forests are targeted in the final legislation, it would exclude products originating from the biggest area producing soy in the main producing country from the scope of the rules.

### Case study: the Cerrado

Soy production is destroying the Cerrado in Brazil. This biome - the second largest in South America with about the size of England, France, Germany, Italy and Spain combined - has lost over half of its native landscape due to livestock and soybean farming. Since [meat production has more than tripled](#) over the past 50 years, soy demand for animal feed has grown in parallel, and the area used to grow soy has more than quadrupled. While Brazil and China are the major destination markets of soy products from the Cerrado, the [EU also contributes to this disaster by importing massive quantities of soy for animal feed](#). Yet, **as it stands, the proposed legislation would not contribute to stopping the EU's driven destruction of the Cerrado biome, because this biome is a mix of savannahs, wooded grassland and forests.**

Hosting irreplaceable biodiversity with over 4,800 species of plants and vertebrates found nowhere else on the planet, the Cerrado biome is [being destroyed](#) faster than the neighbouring Amazon rainforest, which already faces a catastrophic deforestation rate. According to a [study by WWF](#), animal agriculture exploitation has resulted in serious threats to the survival of at least 137 species, including the Maned Wolf, Jaguar, Giant Anteater and Giant Armadillo, which are flagship species already threatened with extinction.

One could argue that countries affected by deforestation can adopt policies to fight deforestation, but these policies are not flawless<sup>4</sup>. They can also change depending on domestic issues and new economic priorities, having then a limited or inconsistent impact on deforestation. This inconsistency of domestic policies, in addition to the fact that agriculture-driven deforestation is permanent (whereas lands that suffer from deforestation caused by fires may regenerate), demonstrates the urgency for the EU to adopt a bulletproof regulation on deforestation-free products covering all products derived from soy-fed animals and all biomes destroyed by animal agriculture such as forests, grasslands, wetlands, and savannahs.

### **The EU-Mercosur trade agreement will further fuel deforestation**

Brazil and Argentina, as part of Mercosur, have negotiated a trade agreement with the EU. The agreement, as it stands, will grant more market access to most animal products from Mercosur, without any conditions related to animal welfare or sustainability. This unconditional liberalisation will [further fuel the intensification of animal farming](#) in Mercosur countries, especially in the beef and chicken meat sectors. This intensification, in addition to being extremely detrimental to animals, will also greatly contribute to deforestation.

The deadlock over the ratification of the EU-Mercosur free trade agreement (FTA) has put the spotlight on the contradictions between the EU's Green Deal and its trade policy. Given the unwillingness to renegotiate the agreement, a way forward to tackle some of the sustainability-related issues of the deal is to adopt ambitious unilateral measures such as a bulletproof regulation on deforestation-free products. In parallel, the EU must take the opportunity of the ongoing discussions around the EU-Mercosur FTA to negotiate the adoption by Mercosur countries of EU-equivalent legal standards in key sectors (beef, broiler chicken and laying hens), as well as in terms of transport, or to agree on conditions to access tariff-rate quotas or liberalisation in animal products, including the respect of EU-equivalent animal welfare standards.

<sup>4</sup> The "[Soy Moratorium](#)" in Brazil was implemented to fight deforestation caused by soy farming in the Amazon rainforest. However, the biggest area of soy production and most affected area by deforestation is the Cerrado, which was not covered by the legislation.

# EUROGROUP FOR ANIMALS



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