

Processed beef sold at Delhaize, Albert Heijn and Stop & Shop supermarkets linked to Brazilian deforestation

A recent <u>investigation</u> by Repórter Brasil in partnership with Mighty Earth has found that Dutch supermarket giant Ahold Delhaize, and its subsidiaries, are selling processed beef linked to deforestation in the Amazon. The deforestation-linked products can be found at Delhaize, Albert Heijn, and Stop & Shop stores in Belgium, the Netherlands, and the US.



Investigators found that the Jack Link's Beef Jerky sold at Delhaize, and corned beef sold at Albert Heijn and Stop & Shop, are linked to deforestation. The products are supplied by the world's largest meat company, JBS, from its two processing plants in São Paulo. The processing plants take cattle from local farms, but the animals may have been purchased for fattening from farms in the Amazon - including farms officially under sanction for illegal deforestation.

The JBS export plant at Santo Antônio da Posse supplies Jack Link's Beef Jerky products to Delhaize in Brussels, while the JBS plant at Lins supplies the Princes corned beef available on Albert Heijn's website in the Netherlands, as well as tins of Grace corned beef found at Stop & Shop supermarkets in New York.

Ahold Delhaize is the parent company of Delhaize, Albert Heijn and Stop & Shop. These deforestation revelations come despite Ahold Delhaize's public <u>commitments</u> to zero deforestation and land conversion in its global beef supply chains, and its participation in industry-wide initiatives designed to ensure deforestation-free beef, including the Global Roundtable on Sustainable Beef (<u>GRSB</u>).

The new research follows persistent reports of alleged deforestation linked to Brazilian meat giant JBS since 2009 - through multiple news reports exposés, investigations, and Mighty Earth's own corporate audits and recent Trader Tracker monitoring reports - as well as other EU-based supermarket chains dropping JBS as a supplier because of allegations of modern slavery and deforestation linked to exports of its beef and other meat products.

The recurrence of deforestation <u>allegations</u> points to a systemic failure by JBS to effectively address the problem in its Brazilian beef supply chain, and the need for enhanced regulatory and decisive commercial action by supermarkets and other consumer-facing companies.

BEEF DRIVES FOREST DESTRUCTION IN BRAZIL

The production of beef in Brazil is a major <u>driver</u> of deforestation in the Amazon and other key habitats like the Cerrado woody savannah. Brazil is the world's <u>largest</u> beef exporter, exporting two million tonnes of beef each year. Scientists <u>estimate</u> that two-thirds of cleared land in the Amazon and Cerrado have been converted to cattle pasture and <u>57 million hectares</u> of the Brazilian Amazon is now used for cattle ranching. In 2017, about a third of Brazil's beef exports are <u>assessed</u> to have come from the Amazon.

In 2020 Brazil <u>exported</u> \$18 million worth of processed beef to Belgium and \$100 million worth to the Netherlands (or 25,700 tonnes). In the first nine months of the year, \$62 million worth of beef and beef products were <u>exported</u> from Brazil to the US.

With annual revenues of \$50 billion, JBS is the world's largest producer of beef – slaughtering almost 35,000 cattle a day in Brazil alone. Despite the deforestation risks, JBS's global meat exports are booming. JBS saw an increase in trade volume from Brazil of 40% between 2017 and 2019, and the company was <u>responsible</u> for about a third of Brazil's beef exports in 2019.

LINKS TO AMAZON DEFORESTATION

The investigation found that JBS's export processing plant in Lins, São Paulo supplies Ahold Delhaize's subsidiaries Albert Heijn and Stop & Shop. The Lins plant has received cattle from direct suppliers who bought cattle for fattening from farms in the Amazon that have been interdicted - or embargoed - and fined for illegal deforestation in the Amazon. Another JBS export processing plant, nearby at Santo Antônio da Posse in São Paulo, was found to be at risk of receiving cattle from indirect suppliers in the Amazon and the Pantanal wetlands that have been sanctioned and embargoed for illegal deforestation.

Repórter Brasil traced the opaque supply chain links and found that Santa Lúcia Farm near São Paulo supplied cattle to the JBS slaughterhouse in Lins between 2019 and 2021. Santa Lúcia Farm had purchased cattle for fattening from **Estância Painera**, a farm in the Amazon officially recorded with deforestation.



Estância Painera, a 392-hectare ranch in Altamira in Pará state in the Amazon. Deforestation has been recorded at Estância Painera since 2008. The farm supplies JBS direct supplier Santa Lúcia Farm at Espírito Santo do Turvo near São Paulo. Satellite image taken June 2020.

Estância Painera covers an area of 392 hectares in Altamira in Pará state, over 2,000 km away and in the heart of one of the Amazon regions most affected by deforestation. According to Pará state public records, Amazon deforestation has been recorded at Estância Painera since 2008, together with a failure to maintain Legal Reserve and Permanent Protection areas.

Furthermore, the owner of Estância Painera, Carlos Antônio Nunes, also owns another much larger property in Altamira, the 2,200-hectare **Bonanzza Farm**. Since 2013, 330 hectares have been under interdiction and embargoed by the Brazilian Ministry of Environment's <u>IBAMA</u> anti-deforestation authority for illegal deforestation of Amazon forest. The farmer was fined 1.6 million Brazilian real (€260,000) for this environmental crime in 2013.

Repórter Brasil found that between 2019 and 2020 alone the Bonanzza Farm sent more than 500 cattle to be fattened at Estância Painera. There is a risk that cattle purchased from Estância Painera by third parties – such as JBS – come from the pastures of the Bonanzza Farm, which has been interdicted, fined, and officially embargoed by IBAMA for illegal deforestation.



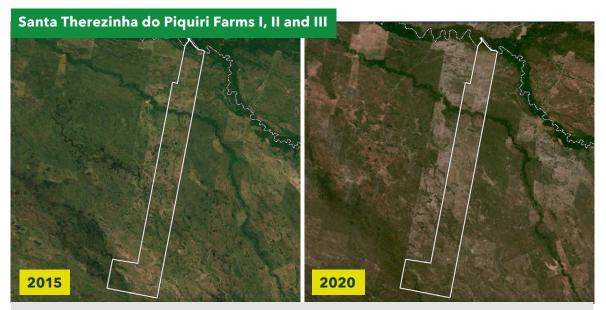
Bonanzza Farm, at Altamira in Pará state in the Amazon was interdicted and fined for illegal deforestation of 330 hectares. Over 500 calves were sent from Bonanzza Farm for fattening to nearby Estância Painera in Altamira. Satellite image taken June 2020.

LINKS TO PANTANAL DEFORESTATION

The risk of deforestation contamination in livestock purchases via indirect suppliers is not restricted to the Amazon; it also affects other key habitats impacted by environmental devastation. This is the case of the threatened Pantanal tropical wetlands in central Brazil. In 2020 the strongest fires in decades were experienced in the Pantanal, with pasture clearing one of the main drivers of the outbreaks.

JBS confirmed to Repórter Brasil that its Santo Antônio da Posse processing plant in São Paulo - (which supplies Jack Link's) can receive meat for processing "from any JBS unit" in the country, as such there is a risk that the JBS Santo Antônio da Posse plant could receive deforestation-linked beef from the JBS slaughterhouse in Campo Grande in Mato Grosso do Sul state.

Repórter Brasil found that Pica Pau Farm located in Rio Negro in Mato Grosso do Sul has regularly supplied JBS over the last two years. The owner of Pica Pau farm, Osvaldo Firmino de Souza, purchased cattle for fattening from another indirect supplier farm in the Pantanal wetlands which has been officially sanctioned for illegal deforestation. In December 2018 the Brazilian federal environment agency IBAMA found illegal deforestation of 181 hectares of Pantanal land at **Santa Therezinha do Piquiri Farms I, II and III**. The owner was fined for the crime and that portion of the farm was indicted – or embargoed – by the IBAMA anti-deforestation environment agency. Repórter Brasil found that even after the crime and interdiction, animals from the property continued to be sent for fattening to Pica Pau Farm in Rio Negro – JBS's direct supplier.



Santa Therezinha do Piquiri Farms I, II and III in Corumbá in the Pantanal was interdicted and fined for illegal deforestation of 181 hectares in 2018. Santa Therezinha do Piquiri Farm I, II, III supplies cattle for fattening to JBS direct supplier Pica Pau Farm in Rio Negro, which supply key JBS slaughterhouses - which risk exporting Jack Link's Beef Jerky to Carrefour in Belgium. Image taken June 2020.

Repórter Brasil found a similar situation at another supplier of the same JBS slaughterhouse in Campo Grande. Rancher Hélio de Lima is the owner of the **Tereré Farm**, a 40,000-hectare estate in Porto Murtinho in Mato Grosso do Sul where IBAMA interdicted 2,300 hectares in 2014 which had been illegally deforested. Records show the same crime had been found there four years earlier. The Tereré Farm specialises in breeding calves, which are later sent for rearing and fattening on other properties belonging to the farmer Hélio de Lima, from where the animals are sent for slaughter. They include the Monza Farm in Campo Grande and the Morro Grande Farm in Terenos, which are both JBS direct suppliers. Again, deforestation-linked beef from these two farms are at risk of containing deforestation-linked cattle that in turn are at risk of being supplied to the JBS export processing plant at Santo Antônio da Posse in São Paulo - a key supplier of Jack Link's Beef Jerky to Delhaize in Belgium.

LINKS BETWEEN AMAZON DEFORESTATION AND ALBERT HEIJN IN THE HAGUE, STOP & SHOP IN BROOKLYN, NEW YORK











Albert Heijn Princes corned beef found

at Albert Heijn online and in The Hague, Netherlands



Bonanzza farm

Five hundred calves sent from Bonanzza farm in the Amazon to be fattened at Estãncia Painera Farm between 2019 and 2020

Estãncia Painera Farm

Fattened calves sent to the JBS direct supplier near São Paulo.



Santa Lúcia Farm at Espírito Santo do Turvo near São Paulo.

JBS direct

supplier



JBS Slaughterhouse

Meat processing plant and export hub at Lins, near São Paulo.



Stop & Shop

Grace corned beef found in Brooklyn, New York

LINKS BETWEEN PANTANAL ECOSYSTEM DESTRUCTION AND JACK LINK'S SOLD AT DELHAIZE SUPERMARKETS IN BRUSSELS





Mighty Earth found tins of Princes corned beef from JBS's Lins processing plant available for sale on Albert Heijn's website on March 20, 2021, and tins of Grace corned beef at two Stop & Shop supermarkets in Brooklyn, New York, on March 11, 2021. Researchers took photos of Jack Link's Beef Jerky from JBS's Santo Antônio da Posse processing plant at two Delhaize stores in Brussels on March 18 and 25, 2021. Jack Link's Beef Jerky is also available for online sale by other Ahold Delhaize US subsidiaries including Food Lion, Hannaford, and Giant.

Ahold Delhaize is committed to deforestation and conversion-free beef supply chains and recently made <u>commitments</u> to suspend suppliers linked to recurrent deforestation or serious human rights abuses.

Based on the allegations presented and JBS's history of related violations, **Mighty Earth urges the Ahold Delhaize group to suspend JBS as a supplier of beef products to all its stores globally.**

More specifically:

- Ahold Delhaize should suspend all direct and indirect supplier contracts with JBS in light of this investigation and multiple earlier ones. Any suspension should only be reversed once JBS has agreed to adopt a meaningful zero deforestation and zero-conversion policy, as well as stringent monitoring of both direct and indirect suppliers with full traceability.
- Ahold Delhaize has a sector-wide policy on soy, a key driver of deforestation, but no policy on beef. Ahold Delhaize should adopt time-bound, specific and groupwide commitments to eliminate deforestation, ecosystem conversion, and human rights abuses from their global beef supply chains.
- Ahold Delhaize must ensure effective implementation by monitoring suppliers' practices and requiring suppliers to provide evidence of compliance. This compliance, in practice, means that JBS should provide full traceability of both direct and indirect suppliers.
- Ahold Delhaize should regularly and publicly report on progress toward deforestation and conversion-free beef commitments, using verified metrics and disclosing all farm suppliers to enhance supply chain traceability.
- Ahold Delhaize should set ambitious goals to shift its sales to alternative proteins such as plant-based products.
- Ahold Delhaize should make full supply chain transparency, monitoring and traceability a condition of trade with suppliers for commodities with deforestation, environmental, and human rights risks.

Ahold Delhaize also recently urged the European Commission to develop effective EU law to ensure deforestation and conversion-free supply chains, and said it should apply to all key forest-risk commodities. However, the recent draft EU regulation on deforestation-free products currently fails to include deforestation linked to processed beef products, in particular processed beef import code HS 1602 - which includes corned beef and beef jerky products.

Therefore, we encourage

Ahold Delhaize to work with other supermarkets and publicly call for the scope of the EU's deforestation regulation to be extended to include processed beef and cover all forms of deforestation, ecosystem conversion, and human rights abuses.

RIGHT TO REPLY

In response to Mighty Earth, Albert Heijn said:

"Albert Heijn has decided to stop sourcing beef from Brazil for all of its stores. This includes private label as well as branded products. Albert Heijn will be working with our suppliers in the coming months to phase out or replace all beef products of Brazilian origin."

Delhaize Belgium said: "Delhaize will ensure that all Jack Link's Beef Jerky will be removed from all of their stores."

In response to Mighty Earth, Stop & Shop said: "Stop & Shop does not carry Princes or Grace corned beef."

In response to Mighty Earth, the Princes Group said: "Princes has not placed a contract for corned beef from JBS since November 2020; the Princes branded corned beef sourced from JBS and identified by Mighty Earth on shelves in the UK and Netherlands will be residual sales from this last contract.

"Princes takes the issue of deforestation very seriously and continually engages with suppliers to improve supply chain management, mitigate risks and enhance transparency. We have been reviewing our corned beef supply chain and are developing a new sourcing policy for Brazilian material taking into account a wide range of factors including traceability, risk, cost, quality, customer feedback, the management of indirect suppliers and a commitment to zero deforestation."

JBS told Repórter Brasil that it "does not condone or tolerate any type of disrespect for the environment, Indigenous communities or Brazilian legislation" and that at the time of purchase, all of the aforementioned direct supplier properties complied with the company's responsible source protocols.

A lawyer for rancher Hélio de Lima told Repórter Brasil that IBAMA's fine was the "result of a huge mistake", since no native forest had been deforested at the site, and that only degraded pasture was cleared in an area that had been abandoned by previous owners.

Cattle farmer Oswaldo Firmino de Souza from Pica Pau Farm could not be reached by Repórter Brasil. Mighty Earth approached Grace and Jack Link's for comment but had no response at the date of publication.

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Mighty Earth

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