

# Why the new EU Deforestation Regulation should include 'Other wooded land'





## Summary

The inclusion of 'other wooded land' in the scope of the momentous new EU Deforestation Regulation (EUDR) – a supply chain due diligence law for seven key forest-risk commodities – would hugely extend the geographic coverage and help protect nearly a billion extra hectares of threatened, and biologically highly valuable, wooded landscapes from deforestation and conversion – nearly a quarter of the entire global forest surface area. The current failure to include 'other wooded land' in the EUDR may create a devastating spillover effect that accelerates the deforestation and conversion of, for example, the vast and highly threatened Cerrado savannah in Brazil, where suppliers of soy to the meat and dairy industry may see

this legislative gap as an opportunity to intensify production in these unprotected areas to bypass EU regulation. A forthcoming 1-year review and impact assessment by the European Commission presents a golden opportunity to plug this legislative gap and further strengthen the EUDR by recommending the inclusion of threatened landscapes known as 'other wooded land' in the EUDR. We urge EU Governments, Parliamentarians and the European Commission to positively engage with the 1-year review of the EUDR and the 'other wooded land' impact assessment and to actively ensure the inclusion of 'other wooded land' in the EU's flagship zero-deforestation law.

# Overview

The new EU Deforestation Regulation (EUDR) supply chain law is a momentous piece of legislation which puts a legal obligation on traders and operators to ensure that all imports of forest-risk commodities such as beef, soy, palm oil, cocoa, rubber, coffee and wood products into the EU are deforestation and degradation-free. While it is a truly historic and groundbreaking piece of legislation because it covers both legal and illegal deforestation and forest degradation, the new law – which entered into force on 29 June 2023 – unfortunately contains a huge geographic gap and currently does not apply to nature destruction or degradation found in highly threatened landscapes, biomes or natural ecosystems that are not classified or defined as 'forests'.

This legal gap, or blind spot, is so large that recent FAO data shows that almost a billion hectares of land worldwide is classified as 'other wooded land', and therefore is not currently covered by the EUDR as it stands at present. The term 'other wooded land' includes less densely wooded areas and forest mosaic landscapes such as savannahs, which are nonetheless highly important and highly vulnerable wooded landscapes, biomes and natural ecosystems that we believe should urgently be included in the scope of the EUDR after a forthcoming 1-year review and impact assessment by the European Commission.

Take the Cerrado, for example, where new data shows that deforestation and conversion are at a record high and that rates of destruction are now twice as high as in the Amazon rainforest.<sup>1</sup> The current failure to include 'other wooded land' in the EUDR is likely to create a devastating spillover effect that accelerates deforestation and conversion of the Cerrado.<sup>2</sup> Some suppliers of soy animal feed to the meat and dairy industry may see this legislative gap as an opportunity to intensify production in these unprotected areas to bypass the EU regulation. Half of the vast 200-million-hectare Cerrado savannah has been cleared and deforested in recent years, and scientists say the Cerrado is at risk of ecosystem collapse.<sup>3</sup>

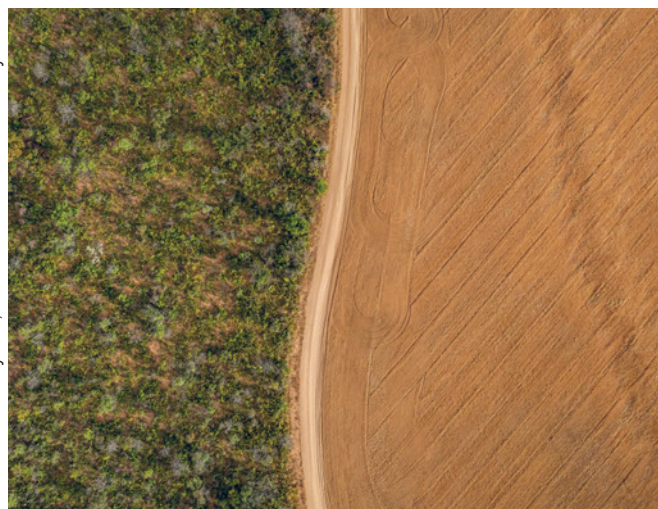


Photo: Victor Moriyama, Rainforest Foundation Norway

## EUDR DEFINITION OF 'DEFORESTATION', 'FORESTS' AND 'OTHER WOODED LAND'

The EUDR currently contains a narrow definition of 'deforestation' which only applies to areas that are classified as 'forest' under the FAO definition, which is 'land spanning more than 0.5 hectares with trees higher than 5 meters and with a canopy cover of more than 10%'.<sup>4</sup>

This means vast areas of important woody landscapes - such as savannahs and grasslands - which are known as 'other wooded land' - are not currently covered or included in the EUDR. In the EUDR, the definition of 'other wooded land' is defined as 'land not classified as "forest" spanning more than 0.5 hectares, with trees higher than 5 meters and a canopy cover of 5 to 10 percent, and with a combined cover of shrubs, bushes, and trees above 10 percent', but this is not included under 'deforestation' nor 'forest degradation'.<sup>5</sup>

<sup>1</sup> 'Cerrado, com recorde de desmatamento, pode alterar regime de água no país,' *Folha de S. Paulo*, Lucas Lacerda, 12 May 2023

<sup>2</sup> Mighty Earth (2023) *Saving the Cerrado: Why Bunge, supermarkets and governments must act fast*, Mighty Earth: Washington, D.C., United States

<sup>3</sup> Mighty Earth (2023) *Saving the Cerrado: Why Bunge, supermarkets and governments must act fast*, Mighty Earth: Washington, D.C., United States

<sup>4</sup> FAO (2020) *Global Forest Resources Assessment 2020: Terms and Definitions FRA 2020*, FAO: Rome, Italy

<sup>5</sup> European Parliament/Council of the European Union (2023) *REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010, 2021/0366(COD)*, PE-CONS 82/22, 3 May 2023, European Parliament/Council of the European Union: Strasbourg, France/Brussels, Belgium

## 'Other wooded land' covers a vast area

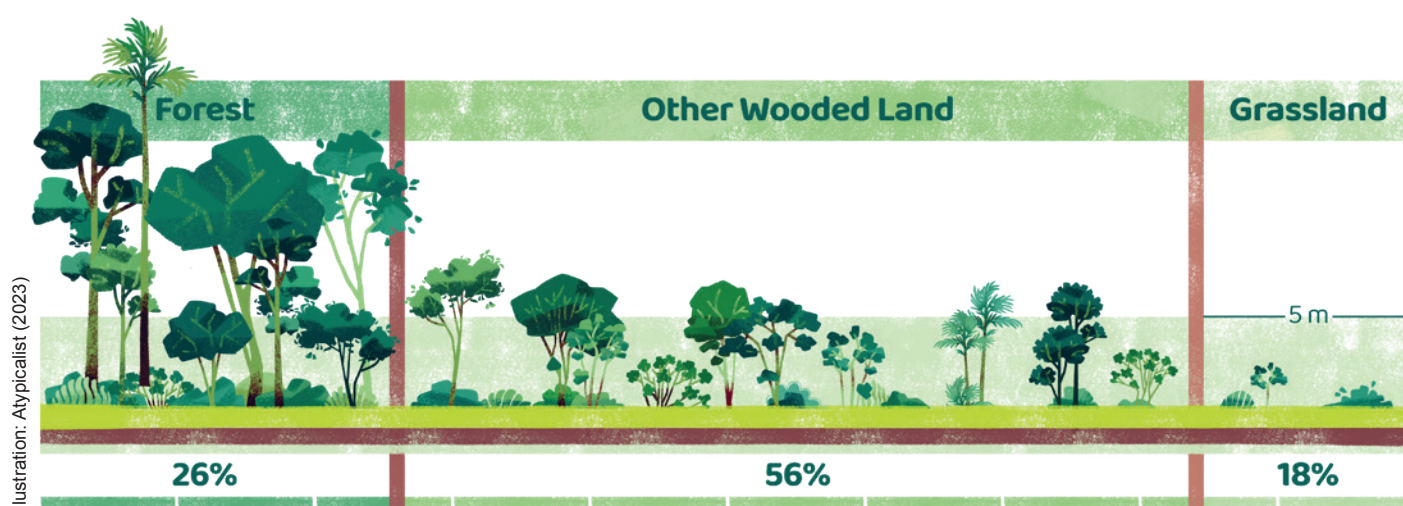
The latest UN Food and Agriculture Organization's (FAO) [Global Forest Resources Assessment 2020](#) finds that there are an estimated 977 million hectares (ha) of 'other wooded land' worldwide.<sup>6</sup> This is about a quarter of the area of the entire global forest surface. Most of these wooded ecosystems are in Africa (446 million ha), and the rest is then spread quite evenly across Asia (190 million ha), South America (147 million ha),<sup>7</sup> Europe (100 million ha, including Russia) and North and Central America (90.5 million ha).

Hence, the forthcoming 1-year review to assess whether to include 'other wooded land' in the scope of the EUDR represents a major opportunity to plug this huge geographic gap, or legal blind spot, and greatly strengthen the climate and biodiversity ambition of the EUDR. This is particularly urgent in the context of the climate and biodiversity emergency, as recent data from the World Resources Institute shows that we continue to rapidly lose forest and nature worldwide. As an example, deforestation in Brazil surged by 1.8 million hectares last year, and leapt by nearly a third in just one year in Bolivia to 386,000 hectares in 2022.<sup>8</sup> Much of this destruction occurred in landscapes classified as 'other wooded land'. In Brazil, deforestation and conversion rates in the vast and less legally protected forest-mosaic Cerrado savannah are now twice as high as in the Amazon.<sup>9</sup>

### AREA OF OTHER WOODED LAND, BY REGION AND SUBREGION, 2020

Region/subregion	Other wooded land (1,000 ha)
Eastern and Southern Africa	284,447
Northern Africa	59,122
Western and Central Africa	101,941
<b>Total Africa</b>	<b>445,509</b>
East Asia	114,620
South and Southeast Asia	56,741
Western and Central Asia	19,614
<b>Total Asia</b>	<b>190,976</b>
<b>Total Europe</b>	<b>100,499</b>
Caribbean	2,113
Central America	4,616
North America	83,786
<b>Total North and Central America</b>	<b>90,515</b>
<b>Total Oceania</b>	<b>2,474</b>
<b>Total South America</b>	<b>146,645</b>
<b>WORLD</b>	<b>976,619</b>

FAO (2020)



<sup>6</sup> FAO defines 'other wooded land' as 'land not classified as forest, spanning more than 0.5 hectares; with trees higher than 5 metres and a canopy cover of 5–10 percent, or trees able to reach these thresholds in situ; or with a combined cover of shrubs, bushes and trees above 10 percent. It does not include land that is predominantly under agricultural or urban land use.' See: FAO (2022) *The State of the World's Forests 2022. Forest pathways for green recovery and building inclusive, resilient and sustainable economies*, FAO: Rome, Italy

<sup>7</sup> Despite that the FAO 2020 estimates of 'other wooded land' cover in Brazil are significant (38.7 Mha), a recent study from TRASE, based on MapBiomas data, has shown an area about 3x higher in the country, pointing to a possible underestimation in South America. More results from this study are presented in the next section (pp. 5 and 6).

<sup>8</sup> 'Forest Pulse: The Latest on the World's Forests,' *World Resources Institute*, Mikaela Weisse, Elizabeth Goldman and Sarah Carter, n.d.

<sup>9</sup> 'Cerrado, com recorde de desmatamento, pode alterar regime de água no país,' *Folha de S. Paulo*, Lucas Lacerda, 12 May 2023

# The lion's share of EU forest-risk consumption occurs in 'other wooded land'

'Other wooded land' is particularly relevant for the EUDR because the lion's share of nature and forest destruction as well as degradation linked to European consumption of key forest-risk commodities happens in ecosystems categorised as 'other wooded land' by the FAO. This is largely because of Europe's voracious appetite for meat and dairy. Soy animal feed – which is used in poultry, dairy, beef and pork production – has caused more deforestation than any other commodity imported into the EU between 2005 and 2017, even more than palm oil, beef or leather.

Around 70% of this destruction in 2018 was concentrated in the critical but relatively unknown biome and area of 'other wooded land', Brazil's Cerrado tropical savannah<sup>10</sup> – a vast area of 200 million hectares in central Brazil which is bigger than France, Italy, Germany, Spain and the United Kingdom combined, and is home to 5% of global biodiversity.<sup>11</sup>

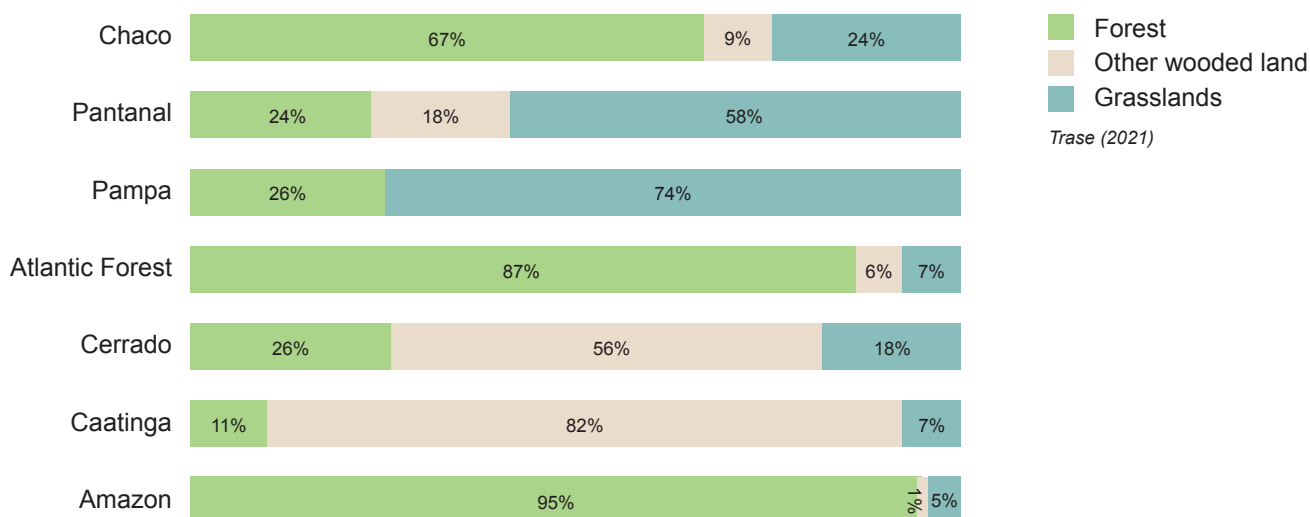
According to Trase deforestation monitoring experts, 'regions in the Cerrado where the EU sources soy and

beef, 80 % of recent conversion for agricultural expansion was of vegetation that would not be covered by the proposed [EUDR] regulation.'<sup>12</sup> With the current restricted forest definition, Trase estimates that the EUDR currently leaves three quarters of the Cerrado savannah and other key threatened biomes in South America categorised as 'other wooded land', such as the Pantanal and a third of the Chaco, unprotected.<sup>13</sup>

Trase assessed the impact of extending the draft EUDR's coverage beyond the FAO's definition of 'forest' to include 'other wooded land', an existing FAO category under its forest definition. They found that extending the definition of forests in the proposed regulation to include 'other wooded land' would significantly extend the EUDR's coverage of native vegetation in the Cerrado biome from 26% to 82%. Elsewhere in South America, extending the EUDR to include 'other wooded land' would increase the protected area in the Chaco to three quarters (76%), the Pantanal to almost half (42%), and the Caatinga from 11% to 93%.<sup>14</sup>

## SIGNIFICANT GAPS IN COVERAGE OF THE CERRADO, THE PANTANAL AND THE PAMPA

% of native vegetation (green forests) that is covered by the proposed regulation



10 WWF EU (2021) *Stepping up? The continuing impact of EU consumption on nature worldwide*, WWF EU: Brussels, Belgium

11 'Saving the Cerrado, Brazil's vital savanna,' WWF, 25 January 2018

12 The Greens/EFA/Trase (2022) *Proposed EU Regulation on Deforestation & Forest Degradation Understanding the impact of excluding other ecosystems*, The Greens/EFA/Trase: Brussels, Belgium/Stockholm, Sweden

13 The Greens/EFA/Trase (2022) *Proposed EU Regulation on Deforestation & Forest Degradation Understanding the impact of excluding other ecosystems*, The Greens/EFA/Trase: Brussels, Belgium/Stockholm, Sweden

14 The Greens/EFA/Trase (2022) *Proposed EU Regulation on Deforestation & Forest Degradation Understanding the impact of excluding other ecosystems*, The Greens/EFA/Trase: Brussels, Belgium/Stockholm, Sweden

Photo: Victor Moriyama, Rainforest Foundation Norway



In short, the inclusion of 'other wooded land' would significantly increase the protection of carbon-dense and critical wooded ecosystems highly threatened by EU imports of soy, beef and leather, three of the top drivers of EU-linked deforestation. In practice, adding 'other wooded land' to the EUDR will protect:

- An extra 59.7 million hectares of coverage in the Cerrado.
- An extra 8.7 million hectares of coverage in the Chaco.
- An extra 2.2 million hectares of coverage in the Pantanal.

And that is just in South America. It is highly likely that expanding the scope of the EUDR would have the same effect in other regions such as Africa and Asia.

Finally, including 'other wooded land' would make the law enforcement more sound and easier because 'other wooded land' are often mixed with forest in complex mosaics and spatial gradients, which make them more difficult to distinguish from forests in remote sensing mapping. Adding 'other wooded land' facilitates the monitoring as the presence or absence of trees and shrubs becomes the main criterion, facilitating compliance and monitoring by reducing the uncertainties at farm and plot of land levels, significantly reducing risks for operators, traders and authorities.

## Major retailers and food companies support the inclusion of 'other wooded land'

Major global retailers and food companies recognise this major legal gap and have advocated for the inclusion of 'other wooded land' in the EUDR. Global players in food processing and trade have joined forces under the Consumer Goods Forum to form a Forest Positive Coalition of Action.<sup>15</sup> Key members of the Forest Positive Coalition include Carrefour, Colgate-Palmolive, Danone, Essity, General Mills, Grupo Bimbo, Jerónimo Martins, Mars, METRO AG, Mondelēz International, Nestlé, P&G, PepsiCo, Sainsbury's, Tesco, Unilever and Walmart. This coalition has developed roadmaps and reporting structures based on the greatest opportunities to employ a sustainable strategy to end commodity-driven deforestation.

The Forest Positive Coalition of Action publicly criticised 14 major agriculture traders for failing to agree to end all deforestation in the Cerrado in their Agriculture Sector Roadmap to 1.5°C, launched at COP27.<sup>16</sup> For the soy sector, the Forest Positive Coalition called on global soy traders to commit to eliminating conversion of forests and other natural ecosystems from soy supply chains, crucially in high-priority areas including the Cerrado and Gran Chaco, and not just deforestation. Moreover, they demanded that traders commit to a deforestation cut-off date no later than 2020, alongside retaining the agreed 2025 target date.

Also major pork producers, a sector with a less integrated value chain and more necessary efforts to reach deforestation-free supply chains, openly communicated their demand for the inclusion of 'other wooded land' and other ecosystems in the EUDR. Germany's biggest pork producer Tönnies stated in a press release after final negotiations in December 2022: 'In addition, the [EUDR] regulation should also include the protection of other ecosystems and, for this purpose, the term 'deforestation' should be compulsorily expanded to include 'other wooded land.'<sup>17</sup> Tönnies stated that they feared an unnecessarily troublesome monitoring process if they needed to distinguish between forests and other wooded land.

Furthermore, [a broad spectrum of companies](#) from various other sectors encouraged the EU to add 'other wooded land' to the final text. These companies argued that they understood the influence of their current demands on other ecosystems and the subsequent necessity of the prevention of conversion of other wooded ecosystems in the midst of a climate and biodiversity crisis.<sup>18</sup> They also said adding 'other wooded land' will make the regulation easier for companies to adhere to and to implement for them as well, as they would not need to put more effort in the clear distinction of those ecosystems, which can be challenging. The inclusion of 'other wooded land' is therefore seen as a way to mitigate the risk of violating the EUDR.

Moreover it is clear that the European Union's push towards an extension beyond saving forests would be in line with the politics of relevant producer countries. The President of Brazil, Luiz Inácio Lula da Silva, recently published legislation to extend the Amazon Soy Moratorium to the Cerrado savannah.<sup>19</sup> The legislation is based on the successful Action Plan for the Prevention and Control of Deforestation in the Legal Amazon, legislation that led to a steep drop in deforestation in the Amazon region after its implementation in 2004. However, 'differences in land ownership within each biome also impose new challenges to implementing widespread protection and control actions.'<sup>20</sup> The effective implementation of this plan still needs to occur and effects will need to be monitored closely. A possible pressure to shift production from the Amazon to the Cerrado through European consumption of soy for animal feed should therefore be avoided, and an end to conversion in areas not defined as forest should be supported by an extension of the EU regulation.

<sup>15</sup> The Consumers Good Forum, Environmental Sustainability, Forest Positive Coalition, see: <https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive>

<sup>16</sup> 'Forest Positive Coalition of Action responds to COP27 Agriculture Sector Roadmap to 1.5°C,' The Consumers Good Forum, press release, 15 February 2023, The Consumers Good Forum: Paris, France

<sup>17</sup> 'Tönnies begrüßt Einigung auf neue EU-Verordnung über entwaldungsfreie Lieferketten,' Tönnies, press release, Tönnies: Rheda-Wiedenbrück, Germany

<sup>18</sup> 'Why Ecosia and other businesses are calling for "other wooded lands" to be included in the EU's proposed regulation for deforestation-free commodities,' *Ecosia Blog*, 2 December 2022

<sup>19</sup> Presidência da República, Secretaria-Geral, Subchefia para Assuntos Jurídicos, Decreto Nº 11.367, 1 January 2023

<sup>20</sup> 'Lula wants to mirror Amazon's lessons in all biomes, but challenges await,' *Mongabay*, Sarah Brown, 16 February 2023

# It's doable: Commodity traders can and must ensure traceability to 'other wooded land'

EUDR already requires full traceability to all origins, whether these are forests, 'other wooded land' or any other land cover. A quick scan of the traceability commitments of the leading agricultural traders and food makers handling these forest-risk commodities in the scope of the regulation gives a completely different picture, a picture that clearly shows that companies are already putting mechanisms and systems in place to fully monitor and trace deforestation-linked commodities in multiple landscapes, biomes, terrains and natural ecosystems.

One of the biggest consumer goods companies in the world, Unilever, has committed to a fully verified deforestation- and conversion-free supply chain for palm oil, paper, cocoa, soy and tea by the end of 2023.<sup>21</sup>

Other traceability initiatives by key corporate actors operating in vulnerable forest and 'other wooded land' biomes include:

- One of the world's largest soy traders, ADM, reported that in 2022 it had achieved '100 percent traceability across direct and indirect soybean suppliers in Argentina, Brazil and Paraguay.'<sup>22</sup>
- Soy traders Louis Dreyfus Company (LDC) and Viterra committed to having the traceability of all their suppliers, direct and indirect, by the end of 2025. This is the same year when the EUDR will be effectively implemented, meaning that ADM, LDC and Viterra aim to have all the traceability data available to comply with the regulation. LDC has a specific zero-deforestation commitment for soy supplies in the Cerrado and is publicly committed to a 2020 deforestation cut-off date.<sup>23</sup>
- Bunge, the largest exporter of Brazilian soy to the EU, has also committed to achieve full traceability of direct and indirect soy suppliers in the entire territory of Brazil by 2025. In February 2023, Bunge announced it had achieved [80% traceability and monitoring of soybeans](#) from its indirect supply chain in the Brazilian Cerrado savannah - it claims that it has already achieved 100% traceability of their direct suppliers. This indicates that soy traders can actively monitor and trace soybeans across the entire territory of Brazil, even if Bunge say they are happy to keep exporting soy linked to legal deforestation in Brazil to the EU, as new [evidence](#) shows.<sup>24</sup> Brazil is critical for Europe as almost half of all soy imports into the EU come from the South American country (48%).
- In the cocoa sector, 100% traceability to the farm level is one of the commitments of the Cocoa & Forests Initiative (CFI),<sup>25</sup> a public-private initiative signed by the two largest cocoa-producing nations, Côte d'Ivoire and Ghana, and 36 leading chocolate corporations. For instance, Ferrero, the maker of popular confectionery brands Kinder and Nutella, reported that in 2021 it tracked more than 95% of its cocoa supply chain back to the farm.<sup>26</sup> One of the world's largest confectionery manufacturers, Mars, has a goal of 100% of the cocoa they source being traceable from the farm to the first point of purchase by 2025.<sup>27</sup>
- Palm oil companies can already fully monitor traceability on their own plantations and on their so-called 'plasma' plantations, that is, contracted smallholder farmers' plantations, according to AidEnvironment research. Palm oil corporation Golden AgriResources (GAR) leads the pack when monitoring and tracing palm oil to the plantation level (i.e., the point of production next to the mill). The company claims to have achieved 98% full traceability to the plantation level for its entire palm oil supply chain at the end of 2022.<sup>28</sup> GAR's supply chain includes intermediaries and independent smallholders, which proves that traceability to the plantation is totally possible in the palm oil sector.

<sup>21</sup> Unilever, Planet & Society, Protect and regenerate nature, Deforestation-free supply chain, see: <https://www.unilever.com/planet-and-society/protect-and-regenerate-nature/deforestation-free-supply-chain/>

<sup>22</sup> 'ADM Releases 2022 Corporate Sustainability Report,' ADM, press release, 18 May 2023, ADM: Chicago, Illinois, United States

<sup>23</sup> 'Charting the Course Toward Zero-Deforestation,' LDC, 2 December 2022

<sup>24</sup> Mighty Earth (2023) *Saving the Cerrado: Why Bunge, supermarkets and governments must act fast*, Mighty Earth: Washington D.C., United States

<sup>25</sup> World Cocoa Foundation, Initiatives, Cocoa & Forests Initiative, see: <https://www.worldcocoafoundation.org/initiative/cocoa-forests-initiative/>

<sup>26</sup> 'Steps in the right direction - Ferrero group's progress towards its sustainability goals,' Ferrero, press release, 14 July 2022, Ferrero: Alba, Italy

<sup>27</sup> Mars, Mars Sustainability Plan: Acting With Purpose, Cocoa for Generations puts cocoa farmers first, see: <https://www.mars.com/sustainability-plan/cocoa-for-generations/>

<sup>28</sup> Golden Agri-Resources, Sustainability, Responsible Sourcing, The need for transformation in the palm supply chain, see: <https://www.goldenagri.com.sg/sustainability/responsible-sourcing/palm-supply-chain-traceability-and-transformation/>



Photo: Araquem Alcantara



- In the cattle sector, at the COP27 climate summit, the two largest beef processors in Brazil, JBS and Marfrig, committed to a fully monitored no-deforestation beef supply chain for direct suppliers in the Amazon by the end of 2023 and by 2025 for indirect suppliers.<sup>29</sup> The third largest beef producer in Brazil, Minerva, has expanded the current Visipec system for monitoring the direct suppliers of animals bred and reared in the Amazon, Cerrado, Pantanal, and Atlantic Forest biomes, and says it plans to implement this traceability strategy to include indirect suppliers for all their operations in South America by 2030.<sup>30</sup>

<sup>29</sup> Tropical Forest Alliance (2023) *Agriculture Sector Roadmap to 1.5°C — Reducing Emissions from Land Use Change*, Tropical Forest Alliance: Cologny, Geneva, Switzerland

<sup>30</sup> Minerva Foods (2021) *Minerva Foods, Commitment to Sustainability*, Minerva Foods, Minerva Foods: Barretos, Brazil



Photo: Victor Moriyama, Rainforest Foundation Norway

## Policy Ask

The inclusion of 'other wooded land' in the scope of the EU Deforestation Regulation would hugely extend the geographic coverage and help protect nearly a billion extra hectares of threatened wooded landscapes from conversion and degradation – or nearly a quarter of the entire global forest surface area. With the climate emergency intensifying, the serious threat of spillover effects into unprotected areas, and vulnerable biomes such as the Cerrado at risk of ecosystem collapse, we urge:

**EU Governments, Parliamentarians and European Commission policy-makers to positively engage with the forthcoming 1-year review of the EUDR and the 'other wooded land' impact assessment and to actively ensure the inclusion of 'other wooded land' in the EU's flagship zero-deforestation law.**

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Endorsing Organizations:



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