

UK MARKET EXPOSURE TO DEFORESTATION IN BRAZIL



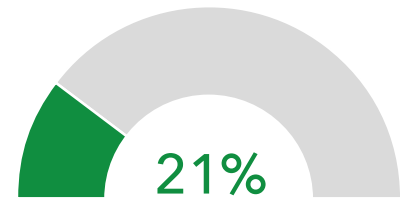
Top five supermarkets

- 1 **TESCO**
- 2 **Sainsbury's**
- 3 **ASDA**
- 4 **Morrisons**
- 5 **ALDI**

UK imports of soy from Brazil (annual)



% of overall soy imports to UK from Brazil



Exports of soy from the Cerrado and Amazon biomes to the UK (tonnes/% total)



Supermarket exposure to soy companies named in Mighty Earth's Soy and Cattle Deforestation Tracker

	Cargill	ADM	BUNGE
SOY EXPORTS BRAZIL TO UK (TONNES)	323,227	35,900	10,000
MARKET SHARE	70%	8%	2%
OVERALL SCORE ON TRACKER (/100)	25	47	31

Note: market share, Kantar (2020). % overall soy imports, COMTRADE (2019). All other data TRASE (www.trase.earth) (2018). Analysis of data and interviews with experts suggests that export and import markets are relatively 'sticky', meaning that market shares are unlikely to shift significantly year-on-year due to fixed infrastructure. Therefore, historical trends allow a projection of current market share and exposure of supermarkets to companies in their supply chain. Overall score of companies in the Tracker assessed against total linked cases; total clearance; possible illegal clearance; responsiveness to cases; resolution of cases; and transparency. <https://www.mightyearth.org/soy-and-cattle-tracker/>

UK SUPERMARKETS EXPOSED TO THE POOREST PERFORMERS ON MIGHTY EARTH'S TRACKER

UK supermarkets are exposed to deforestation cases linked to one of the poorest performers on Mighty Earth's Rapid Response Soy & Cattle Deforestation Tracker – Cargill.

The UK directly imports nearly half a million tonnes of soy from Brazil a year, based on 2018 figures from TRASE (www.trase.earth). The UK is further exposed through soy that is exported from Brazil to the Netherlands and other countries in Europe, processed and then re-exported to the UK.

Cargill dominates exports of soy from Brazil to the UK – holding 70% of the export market. This soy is then sold to meat and dairy processors of chickens, pigs and cows, before finding its way onto the supermarket shelf in 'own brand' meat and dairy products or products from meat production companies.

Mighty Earth analysis of TRASE data shows that 78% of total exports of soy from Brazil to the UK originated from the Cerrado and Amazon biomes – where deforestation and clearance risks are highest.

Major UK supermarkets, including Tesco PLC, Sainsbury's, ASDA, Morrisons and ALDI are therefore highly exposed to soy from Cargill in their supply chain.

Traceability of suppliers within the supply chain, and transparency of where risks might be highest, are critical components to spot where deforestation is happening and hold suppliers and traders to account for cases as they occur.

In a response to a request for information on their links to the traders named in the Mighty Earth's Tracker, Morrisons, Aldi UK and ASDA did not respond to deny or confirm links to the traders named. Sainsbury's did respond to our request for information but did not confirm or deny links to any of the companies named.

In a welcome show of transparency, Tesco PLC responded with information that Cargill are present as a soy trader within the supply chain of their suppliers, as is Bunge – albeit to a lesser extent. Tesco also confirmed that Tulip and Moy Park are also both in their supply chain (owned by Pilgrim's Pride – a part of JBS USA). They also confirmed that Cargill are part of their supply chain through Avara Foods.

Tesco PLC has also taken initial steps to map its soy supply chain, which is a welcome step towards increased traceability and transparency in forest-risk supply chains.

To see Mighty Earth's Soy and Cattle Tracker Policy Brief, please visit: <http://mightyearth.org/soy-and-cattle-tracker-briefing-note>