



**NO LICENSE**

**FOR**

**DESTRUCTION**

**CARGILL AND ITS FALSE SOLUTIONS  
FOR THE CLIMATE CRISIS**



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Production:



Support:



Researcher: Gabriela de Oliveira Junqueira

Text: Lanna Paula Ramos, Franciele Petry Schramm and Pedro Sérgio Vieira Martins

Graphic design: Amí Communication and Design



# INTRODUCTION

The climate crisis theme has been occupying a core space of debate in society due to the worldwide increased number of effects regarding climate change. For some decades the United Nations (UN) has been promoting the so-called Conference of the Parties – COP, a meeting gathering willing representatives from several countries, companies, and civil society organizations and institutions, in order to negotiate solutions and sign agreements to mitigate climate change, with special focus to reduce greenhouse gas emissions in the atmosphere.

In 2021, COP26 is taking place in Scotland, with the goal of finishing the set of rules that the Paris Agreement signed in 2015 is comprised of. The treaty contains measures to be adopted by signatory countries of the United Nations Framework Convention on Climate Change (UNFCCC) to restrict global warming and try to limit the Earth's temperature increase to just 1.5°C. However, COP26 is underway and it has been filled with several controversies.

Measures and proposals presented by the countries have been showing alternatives that are not very efficient, and which, actually, contribute to maintaining means of production that have high rates of greenhouse gas emissions. The discussion around mechanisms, such as carbon credit markets and forest offsets leave aside the real role that large industries and companies have in the climate crisis, and provide subsidies that allow them to continue to degrade the environment now as “green” and “sustainable”.

This green cover-up or *greenwashing* has also been the companies' current strategy of choice – including at COP26 – to maintain their activities at this moment of expressive debates concerning the environment and climate.

To contribute to this climate debate and uncover how sustainability is being used by the capital and the market, we present, in this study, the strategies used by Cargill, a transnational corporation that is present in Brazil's northern region, more specifically in the cities of Santarém and Itaituba, in the state of Pará.

Cargill is considered the company with the highest amount of private funding in the world, and in Brazil, it works in the agribusiness sector, which is considered by researchers, as well as civil society entities and organizations as one of the market sectors that causes most impacts against the natural environment and Brazilian traditional peoples and communities.

Over the course of several years of operation in the country, Cargill faces several denouncements made by social movements and civil society organizations regarding socio-environmental damages caused by its activities. As a result, the company has adopted the sustainability discourse as a strategy to conceal socio-environmental damages that occurred in the Brazilian territory.

This study presents how Cargill uses the climate debate to conceal its activities, demonstrating what are the propaganda and institutional mechanisms (plans, projects, and others) it employs to construct a sustainable corporate image.

The debate about the climate crisis, in addition to negotiating agreements to mitigate climate change, must acknowledge the role of indigenous peoples, quilombolas, as well as other traditional communities in protecting the environment. It must also question the political position of world leaders in face of industry and business activities that claim to be “sustainable”.



# GREENWASHING: THE CONSTRUCTION OF THE SUSTAINABLE CORPORATE IMAGE

Source: Pedro Alcântara/M'boia.

Amidst countless denouncements from social movements and civil society entities concerned about Cargill's socio-environmental impacts, the company has been constructing articulated strategies based on the sustainability discourse, which has the goal to transform, or yet, conceal its exploratory and predatory practices in Brazil. This is what has been called *greenwashing*.

Greenwashing consists in the promotion of a false image of environmental protection made by companies through discourses, propaganda, and advertisements, which have the main goal of showcasing a social and environmental responsibility that guarantees product validation and, as a consequence, society consumption. As a result, a sustainable corporate image becomes essential to continue Cargill's market activities not only in Brazil but in the whole world.



The construction of Cargill's sustainability discourse is part of a global context of debates on the role of large industries in the increase of pollution, greenhouse effect emissions, deforestation, and the climate crisis, overall. Therefore, Cargill establishes allegedly sustainable mechanisms to separate its activities in the agribusiness sector from the socio-environmental controversies that it has been frequently accused of.

In Brazil and especially in the west region of the state of Pará, where the company has had a seaport installed for almost 20 years, there have been countless denunciations since the installation of the first seaport facility, in Santarém.

The establishment of the seaport also represented the advancement of agribusiness in the region, with soy and corn monoculture, which have contributed to an increase in deforestation, soil contamination through agrochemicals, and other environmental problems.

Moreover, the history of the company's arrival in the territory is marked by processes of human rights violations in the surrounding communities, which were not consulted about the seaport's installment as established on Convention 169 from the International Labour Organization (ILO). Cargill's impacts and irregularities in the Santarém region are pointed out in the study ["No license for destruction – Cargill and rights violations in Tapajós \(Santarém\)"](#)

The whole construction of a sustainable corporate image that Cargill has been doing has a strong external appeal, and it is present, especially, on communication and propaganda products, which explicitly shows the attention the company gives to how it is perceived by society.



This is a business strategy that seeks financial gain since there are increasingly more people and countries demanding positive practices from large businesses regarding the mitigation of their environmental impacts. To greenwash and conceal the damages against the community, the land, and the overall planet under the sustainability card is one of Cargill's goals.

In order to do that, the company has the active construction of a discourse that is based on a certain goal, which is being explored in its current reports, as the goal of "nurturing the world in a safe, responsible, and sustainable manner". This statement functions as a sort of guiding slogan for the mechanisms that are used to clean Cargill's image.

Among the mechanisms that are used in this greenwashing process of their activities, in 2017, the company mentioned an action plan to accelerate the reduction of greenhouse gas emissions in its operations, and also emphasized its commitment to the Paris Agreements. The seaports located in the *Tapajós* region, in the cities of *Santarém* and *Mirituba*, are shown as positive results within the target reduction rates of greenhouse emissions.

What Cargill conceals, however, are the socio-environmental impacts caused by the installation of the seaports, such as the reduction in the number of fish species, which was noted by traditional fishermen, due to the movement of large boats and ships that dock in the seaports.

The damages caused to the communities are countless and ecologic strategies managed by Cargill are trying to respond to society with the image of a green company on many fronts. The global commitment to the Paris Agreement, forest protection policies, the quest for zero deforestation, and the adoption of "sustainable" soy supply chains are some of the mechanisms 8



that only conceal the company's violent and predatory activities through the portrayal of a false green image.

## **THE GREENWASHING MORATORIUM**

One of the main pillars of Cargill's sustainable corporate image, in Brazil, is upheld, for instance, in the Soy Moratorium, an environmental agreement signed between private and public agents to reduce deforestation in the Amazon forest. The Soy Moratorium was declared on July 24th, 2006, by industries and exporters from the Brazilian Association of Vegetal Oil Industries (*Associação Brasileira das Indústrias de Óleos Vegetais – ABIOVE*, in Portuguese) and the National Association of Cereal Exporters (*Associação Nacional dos Exportadores de Cereais – ANEC*, in Portuguese), alongside the Ministry of the Environment, the Bank of Brazil, and Non-Governmental Organizations.

Through the moratorium, companies – including Cargill – have committed not to purchase soy from deforested areas of the Amazon from that date onwards. However, the agreement was later revised and started to consider deforestations that occurred after 2008 as the deadline, as established in the Forest Code of 2012.

The agreement was only created after strong pressure from social movements and non-governmental organizations against Cargill, denouncing deforestation for soy production, and the irregular establishment of a seaport terminal for the company's grain transport, in *Santarém* (Pará). The pressure from European consumers was also decisive for the establishment of the moratorium.



The company has repeatedly noted the moratorium's "success", indicating that after this agreement the annual deforestation rates have dropped 80%, [as highlighted by Cargill itself in 2015](#).

However, a more accurate look at the situation reveals the limits – and the greenwashing – of this agreement. The Moratorium was established in a period when public authorities themselves united forces to fight against deforestation in the Amazon forest, through the creation of an Action Plan for Deforestation Prevention and Control in the Legal Amazon (*Plano de Ação para Prevenção e Controle do Desmatamento na Amazônia Legal – PPCDAm*, in Portuguese) and the release of the System for Deforestation Detection in Real-Time (*Sistema de Detecção de Desmatamentos em Tempo Real – DETER*, in Portuguese) through the National Institute for Space Research (*Instituto Nacional de Pesquisas Espaciais – INPE*, in Portuguese), both in 2004.

In addition, the monitoring of deforested areas for the Soy Moratorium can also be questioned. In practice, monitoring is only carried out in areas covered by the Project for Monitoring Deforestation in the Legal Amazon by Satellite (*Projeto de Monitoramento do Desmatamento na Amazônia Legal por Satélite – Prodes*, in Portuguese) in municipalities with more than 5 thousand hectares of soy farming. The monitoring of the moratorium also does not include indirect suppliers, which opens loopholes for a type of "soy washing". In other words, soy produced in deforested areas enters Cargill's supply chain through resellers that agree with the moratorium. [A joint investigation](#) by *Repórter Brasil*, the Bureau of Investigative Journalism, and Unearthed have found, for instance, that Cargill was one of the companies that bought soy from resellers that were supplied by a producer that received a fine of R\$12 million for deforestation and forest fires in the Amazon.



## DESTRUCTION IN OTHER AREAS

Even if the moratorium partly contributed to reduce deforestation in the Amazon forest, it must be highlighted that soy production – and deforestation – have advanced over other biomes, especially the *Cerrado* ecosystem. For this reason, researchers and activists are claiming that the moratorium should be extended to the *Cerrado* region, which could prevent the conversion of 3.6 million hectares of native forests into agricultural areas in 30 years, as pointed out by [by a study published in the Science Advances journal](#). [In a letter](#), Cargill has expressed its opposition to the Soy Moratorium in the *Cerrado* region.

One must be reminded that Cargill is the largest soy purchaser from the company *SLC Agrícola*, a leader in deforestation for grain production in the *Cerrado* region, [according to the group Chain Reaction Research](#).

Beyond its territorial extension limited to the Amazon biome, the moratorium also faces a limit when it refers only to soy cultivation. Other activities linked to grain production are left out of its scope, such as soy transport infrastructures for exportation. Aside from the installation of seaport facilities in the *Tapajós* region that violate indigenous peoples, quilombolas, and traditional communities' rights, the company has also welcomed a wide agribusiness expansion in the region. Alongside the seaport facilities comes a series of ventures that are part of the logistic complex known as *Arco Norte*. The *Ferrogrão* – a railway that is going to link the city of *Sinop*, in Mato Grosso, to the district of *Miritituba*, in *Tapajós* (Pará), is one of the prime examples. Supported by Cargill, the *Ferrogrão* project, if accomplished, will impact indigenous lands and conservation units.



# RURAL ENVIRONMENTAL REGISTRATION (CADASTRO AMBIENTAL RURAL – CAR): AN INSTRUMENT FOR THE ADVANCEMENT OF AGRIBUSINESS

Source: Marizilda Cruppe/Amazônia Real/Amazon Watch

Within Cargill's policy to fight against deforestation, the Rural Environmental Registration (*Cadastro Ambiental Rural – CAR*) is one of the main instruments promoted by the company. As an electronic registration service established in the Brazilian Forest Code that was approved in 2012, the CAR is mandatory for all rural properties in the country and it provides general information – such as the owner's identification and the total size of the property –, as well as environmental information – such as the area under permanent protection and the legal forest reserves within the property's boundaries. In theory, the



CAR registration should be a strategic database for georeferencing, in order to control and monitor deforestation. In practice, however, it has been appropriated by ruralists to violate the territorial rights of indigenous peoples, quilombolas, and traditional communities.

The registration on CAR is one of the requirements made by Cargill to its raw-material suppliers within the **More Sustainable Soy Program** (*Programa Soja Mais Sustentável*, in Portuguese) and the **Green Grain Protocol** (*Protocolo Verde de Grãos*, in Portuguese).

### **PROGRAMA SOJA MAIS SUSTENTÁVEL**

Initiative carried out since 2004 in partnership with The Nature Conservancy to reduce deforestation in the *Tapajós* region. The program is intended to “promote the environmental regularization of agricultural production” and “foster the responsible purchase of soy and stimulate sustainable production”. The proposal was later expanded to the Amazon region.

### **PROTOCOLO VERDE DE GRÃOS**

Agreement signed in 2014 involving the state government of Pará, the Public Prosecutor’s Office, and the private sector – including Cargill – that establishes rules for commercial transactions between soy producers in the state. With the protocol, companies committed not to commercialize soy from producers that do not possess a CAR registration, do not issue a Fiscal Receipt, are in the list of embargoed areas, have received denouncements of slavery-like work conditions, or if illegal deforestation was identified by the Project for Deforestation Monitoring via Satellite in the Legal Amazon Region (*Projeto de Monitoramento do Desmatamento na Amazônia Legal por Satélite – Prodes*, in Portuguese).



Within Cargill's Forests Policy, for example, the transnational corporation created an [Action Plan for the Protection of Forests, in 2015](#), that establishes the CAR registration as a requirement to purchase soy in Brazil.

In 2016, the company reported in the [annual Brazilian report](#) that it had

carried out a supply-chain diagnostic and a communication campaign about the CAR registration and the Forest Code. The producers that were not yet registered on the Rural Environmental Registration signed a declaration committing to do the registration.

The same report also highlighted that 300 employers were trained for the implementation of the CAR registration and they evaluated the registry of 12 thousand products related to the soy's supply chain in the country.

Moreover, the company also revealed its "post-CAR registration" actions. Cargill has expressed its intention to provide support to the states of Pará and Mato Grosso in the regulation of the Environmental Regularization Program (*Programa de Regularização Ambiental – PRA*, in Portuguese), an initiative from state-level environment agencies for environmental regulation of degraded areas. The PRA, establishes, for instance, the signing of an Environmental Term of Commitment (*Termo de Compromisso Ambiental – TCA*, in Portuguese) that allows for the suspension of fines concerning landowners of deforested areas.

## POLÍTICA PARA FLORESTAS DA CARGILL

Cargill's Forests Policy was created in 2015, after the company endorsed the New York Declaration on Forests, one of the results of the 2014 UN Climate Summit. The declaration is expected to reduce deforestation by half by 2020 and fully end it by 2030.



## EXPLOITATION AND VIOLATION

By analyzing closely, however, one might observe that a deforestation control policy that has the CAR registration as its core instrument is insufficient. Not rarely, the sustainability discourse underpinned in the Rural Environmental Registration is actually a fallacy.

This happens because by demanding the CAR registration from producers, Cargill does not analyze if the rural property overlaps indigenous, quilombolas, and/or traditional territories. A [news report from the "De Olho nos Ruralistas" website](#) from 2020, for example, has denounced that Cargill purchases soy from farms that are within the *Munduruku Apiaká do Planalto Santareno* Indigenous Land, in Santarém, in the west region of the state of Pará. More than 600 indigenous persons living in the area are waiting since 2008 for the delimitation and demarcation of their ancestral territory, comprised of the following villages: *Açaizal, Amparador, São Francisco da Cavada, and Ipaupixuna*.

Due to the federal government's and FUNAI's slowness – the National Indigenous Foundation (*Fundação Nacional do Índio*, in Portuguese) is the government's agency responsible for the process of delimitation of indigenous lands –, the Federal Prosecutor's Office has filed, in 2018, a Public Civil Action to denounce these agencies' omissions and request progress for the process of land demarcation of the *Munduruku* Indigenous Land. As a response, 10 farmers whose lands overlap or limit the indigenous territory have requested to join the lawsuit.



While indigenous land demarcation does not advance, families have been suffering from the soy advancement and the use of agrochemicals. According to reports from indigenous people, the community's main riverbed was silted for farming, and families do not use the water anymore because they fear agrochemical contamination. The crops and trees in these families' houses are also being more attacked by insects and plagues, which are now concentrating on indigenous areas, where agrochemicals are not used.

Moreover, indigenous people are often victims of attacks from farmers. In 2018, soy producers invaded a meeting between indigenous peoples and a team from the Inter-American Commission on Human Rights (IACHR), in the village of *Açaizal*, as a form of intimidation.

## **LAND FALSIFICATION/LAND GRABBING (GRILAGEM) OF AREAS**

In addition to conflicts caused by the overlapping of individual rural environmental registrations over collective territories, the sustainability policies adopted by Cargill and the monitoring of the CAR registration do not take land falsification/grabbing (*grilagem*) in the Amazon region into account.

By establishing that soy production should not advance over forest areas, the Soy Moratorium – one of the main instruments through which Cargill is based to defend its “sustainable” operations – has made soy producers look for areas that were deforested before 2008, which are mostly livestock grazing areas. This did not



represent a reduction in the number of areas occupied for cattle raising but a search for new areas that were deforested for this reason. This high demand resulted in the expulsion of farmers, quilombolas, and traditional peoples and communities from their territories, and fed the land falsification/grabbing ("*grilagem*") market.

The registration of land falsifications on the CAR has also been used as a tool to prove ownership and claim land regularization – a process that will become easier if the Federal Senate approves Draft Bill No. 2633/2020, known as the "*Grilagem*" (land falsification/grabbing) Draft Bill.



# PRODUCTION TRACEABILITY: A CONCEALMENT/COVER-UP MECHANISM

Source: Alberto César Araujo/Amazônia Real

While in Brazil Cargill is supported by the CAR registration to monitor suppliers, globally the company is supported by other control mechanisms. Technology has been increasingly a core element in the construction of the company's apparent sustainability policy.

In the quest for creating "sustainable value chains", Cargill bets on the use of apps, GPS, and digitalization practices in order to increase product traceability. Projects developed in the Ivory Coast and Ghana, for instance, have established traceability systems for all cocoa producers.

The idea of tracking the whole supply chain could be an important tool for social control since it would allow consumers to know who are the suppliers of the company's products,



and therefore control if the company acquires raw materials from farmers that, although might not be illegal loggers, are violating rights.

However, traceability tools are being used as another greenwashing instrument where the company intends to show consumers how their products are produced. This was the proposal, for instance, from the [‘Honeysuckle White turkey’](#) initiative, in the United States. Through blockchain technology – a database that makes the traceability of activities easier –, the company intends to provide data on the turkey meat supply chain, the main American dish during the Thanksgiving national holiday season. By making a certain code available on turkey meat packages and using a smartphone, consumers could verify the steps taken in the animal’s supply chain, see pictures of the farming families, and access messages from the farmer that raised the turkey.

Imagine something similar being applied in Brazil and its soy production: farmers – such as the ones that threaten the *Munduruku* and *Apiaká* indigenous peoples in Santarém (Pará) – would record videos showing how soy is produced without deforestation. Nevertheless, they would conceal that their properties are located within an indigenous territory, or that agrochemicals used in the monoculture have been contaminating surrounding communities and contributing to an ecological imbalance, such as causing the death of bees and other pollinators.



Additionally, in the product traceability process, Cargill will not state, for example, that the soy produced and exported by Brazil is transported through a seaport that was built on top of an archeological site and sacred indigenous territory. They would not state that its construction work was carried out in disregard of the Brazilian environment legislation, with the connivance of environmental agencies and the justice system itself.



# THE FALSE PROMISES OF BIOECONOMY

Source: Bruno Kelly/Amazônia Real

Cargill's sustainability strategy goes far beyond themes such as climate and deforestation. Globally, the company also has a strong investment towards practices associated with bioeconomy. Through this perspective, solutions are proposed based on the use of natural resources to balance agricultural production and environmental protection.

The company, for example, is developing a project in Germany where farmers reserve an area of their properties for the cultivation of flowers, fruit trees, and that work as refuge areas for wild animals in order to attract bees that help in crop pollination and, consequently, are beneficial to the production.



In some cases, Cargill products can also be used as a solution in other industries. Through the Cargill Industrial Specialties Business Unit (*Unidade de Negócios Cargill Especialidades Industriais*, in Portuguese) – or simply CIS for its acronym in English – the company also owns the Cargill Anova brand, which offers biologically-based asphalt additives that promise to increase the amount of asphalt that can be recycled, in addition to increasing the product's profitability and durability.

When we closely observe these and numerous other initiatives promoted by the company as “green solutions”, it is possible to see that business opportunities are what actually guide and direct the execution of sustainable practices.

The idea of bioeconomy presented by Cargill is aimed at increasing productivity and profitability, without considering, however, the form of popular bioeconomy developed by local peoples and populations in the different regions covered by the company.

In the Amazon region, bioeconomy-based solutions supported by companies like Cargill and other agribusiness giants are not betting on a model that considers the form of bioeconomy promoted for centuries by indigenous peoples, quilombolas, and traditional populations, who have preserved forests over time.

On the contrary: the solutions advocated by these corporations tend to restrict the access of these populations to their territories and promote ecological imbalances by opting for initiatives that favor a certain form of protection without considering the collectivity and complexity of the region's socio-biodiversity.



Cargill, for example, was one of the sponsors of the [World BioEconomy Forum](#), held in the city of Belém from October 18th to 20th, 2021. The activity was also sponsored by companies such as Hydro - responsible for the leakage of heavy metals in the *Murucupi* River, in *Barcarena* (Pará), in 2018 - and *Agropalma* - responsible for two palm oil spills in the *Acará* River, in the city of *Tailândia* (Pará), in 2019.

In opposition to this market event, the National Council of Extractivist Populations (*Conselho Nacional das Populações Extrativistas - CNS*, in Portuguese) and the Coordination of Indigenous Organizations of the Brazilian Amazon (*Coordenação das Organizações Indígenas da Amazônia Brasileira - Coiab*, in Portuguese) organized the Amazon Sociobiodiversity Meeting in the same period. The [event's final document produced](#) by the participants reinforces the defense of a socio-bioeconomy aligned with science and technology to improve the harvesting of forestry and fishery products, through an approach that respects different ways of life. "We are against innovation processes that result in technological packages and high-input production systems, disseminated to replace the native forest with the monoculture of genetically uniform crops, with the objective of serving the food industry and then being falsely propagated as environmentally adequate systems. Innovation, for us, cannot result in processes that threaten our territories, our traditional and harmonious ways of living and producing".

And they emphasize: indigenous peoples, quilombolas, people who rely on extractivism, and traditional communities in the Amazon do not agree with strategies based on market logic, designed by companies that support environmental



legislations that threatens their rights or that is not consistent with the reality of these peoples.

At last, the greenwashing mechanisms built by Cargill are based on institutional policies, allowing the company to portray to society a facade of friend and protector of the environment, while in several other instances it continues to encourage the monoculture of soy and corn, installing seaports without consulting communities and violating the rights of traditional peoples.

In the current context of climate crisis and negotiations to protect the environment, the example of Cargill's greenwashing practices points out the urgent need to pay attention to market-based solutions. Environmental solutions that do not consider the ways of life of traditional communities and peoples are not real possibilities to contain global warming and guarantee the future of the planet.