



Brussels, 27th November 2014

FEDIOL supports Brazil stakeholders' decision to provide sustainability assurances based on Soy Moratorium in transition to the legal system

FEDIOL welcomes the announcement by ABIOVE and ANECⁱ about how Brazilian crushers and traders will continue to ensure that their members process and market only responsibly grown soybeans. This move was triggered by the recognition that the implementation of the new environmental laws (Rural Environmental Registration – CAR) by the Brazil government is taking longer than expected, preventing the New Amazon Soy Agenda by ABIOVE and ANEC to be effective at the announced speed.

For FEDIOL members, sourcing raw materials responsibly is a key priority and steering the whole chain towards a mainstream supply of sustainable soy a major goal. It is driven by the need for promoting the longer-term sustainability of industrial activity, by demand from certain market players and by legislation.

The changes to the Soy Moratorium announced by ABIOVE and ANEC are two-fold:

- The cut-off date for land-use change will be made compatible with the new Forest Code and changed from 2006 to July 2008;
- It will be the task of the Brazilian Ministry of the Environment to keep the blacklist of embargoed farms up-to-date, based on the satellite monitoring as was the case before. The monitoring system moves towards the official control system.

The Soy Moratorium, initiated by the Brazilian soy processing industry has been extremely effective in tackling deforestation. Since its inception in 2006, it contributed to reduce the deforestation for soy production at a time of poor environmental governance. Between 2006 and 2012, legislation has been approved to protect habitats, to set environmental standards, to fight deforestation and to set the tools for appropriate enforcement of these standards. Although the situation has much improved, more efforts are needed so that farmers register with CAR (the mandatory Rural Environmental Registry) and comply with legal requirements.

ABIOVE and ANEC have indicated that the monitoring exercise launched under the Soy Moratorium will be extended until May 2016, when the Rural Environmental Registration – CAR must be enforced. During this phase they have committed to provide training or educational support towards farmers with a view to trigger farm registrations with the CAR system and increase the enforcement basis of the legislation.

For EU customers, it will remain critical to ensure during the transition that the new environmental governance is working and deforestation due to soybean production continues to be tackled. FEDIOL is convinced that this transition towards the enforcement of a new legal framework will maintain confidence in sustainable, mainstream soybean supplies.

ⁱ ABIOVE, the Brazilian Association of Vegetable Oil Industries, ANEC, the National Grain Exporters Association

FEDIOL represents the interests of the European vegetable oil and protein meal industry. FEDIOL counts national associations in 12 member states and associated members in 5 other EU countries. With about 150 facilities in Europe the sector provides 20.000 direct employments. Companies of the sector crush about 40 million tonnes of oilseeds and refine about 20 million tonnes of crude oil a year for the food and feed markets and also to non-food technical and biofuel industries.