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CHAIN OF RESPONSIBILITIES

With operations ranging from farming to processing, giant corporation Cargill is linked to deforestation, slave labour and other human and environmental rights violations

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INTRODUCTION

Founded in 1865 in the United States, Cargill is now the world's largest agribusiness. With around 160,000 employees,¹ the company operates in more than 70 countries and has a major share of the grain, animal feed, food, biofuels and vegetable oils markets.² In 2022, its revenues exceeded US\$ 165 billion,³ making it the America's largest privately owned company.⁴ It is owned by the Cargill-MacMillan family, whose heirs now include 12 billionaires and rank 11th among rich families in the world.⁵

Operating in Brazil since 1965, Cargill has "industrial units, warehouses, port terminals and offices in 147 municipalities" in 17 states,⁶ with more than 11,000 employees. In the country, the company operates mainly in the biofuels, grain, cocoa, chocolate and animal feed industries.⁷ It owns numerous food brands, the main ones being Liza cooking oil and Pomarola tomato sauces.⁸

The company is the leader in international sales of corn and soybeans⁹ produced in Brazil. Its business in the country generated over R\$ 100 billion in revenues in 2021,¹⁰ when Cargill invested R\$ 1 billion in Brazil.

CARGILL IN BRAZIL

11,000 employees

147 MUNICIPALITIES distributed across 17 states

R\$ 100 BILLION is the revenue for 2021

Sources: Cargill¹⁴ and Forbes Magazine¹⁵

In the cocoa industry, Cargill shares 97% of the Brazilian market with two other multinationals – Olam and Barry Callebaut.¹¹ The activities in that industry are concentrated in the area of Ilhéus, Bahia state. In addition to production activities, the company operates important logistics centres in the country, such as the grain terminal at the Organized Port of Santarém, in Pará state. The unit, built by Cargill itself, began operating in 2003, with shipping capacity of “five million tonnes of grain per year and storage capacity of 114,000” of soybeans and corn.¹² The grains are produced mainly in Mato Grosso, Rondônia and Pará, and arrive there by river or road.

The grains shipped by Cargill through the Santarém terminal go mostly to China, the UK, the Netherlands, France, Spain and Italy.¹³ The company’s logistics network also comprises seven other terminals in the ports of Santos (SP), Miritituba (PA), Paranaguá (PR) and Porto Velho (RO).



Port in Rondônia, used by Bertolini to ship Cargill’s grains. Employees of the terminal complained about violations of safety standards that resulted in workplace accidents

ENVIRONMENTAL PACTS AND COMMITMENTS

In Brazil, Cargill is a signatory to important industry-specific agreements focusing on the environment and human rights.¹⁶ They are Cocoa Action, which aims at the sustainable development of the cocoa supply chain; the Soy Moratorium, which bans purchases of soy produced in areas deforested after 2008 in the Amazon biome; Pará's Green Protocol for Grains, which sets criteria for the responsible purchase of grains from farms in the state; and the Soft Commodities Forum, a platform of food commodity companies focused on sustainability actions.

The company is also part of the UN Global Compact for Sustainable Development, which is a "voluntary initiative that provides guidelines for promoting sustainable growth and citizenship, through committed and innovative corporate leadership."¹⁷

In November 2023, Cargill announced that it will accelerate its commitment to eliminate deforestation and land conversion from its direct and indirect supply chain of key row crops in Brazil, Argentina, and Uruguay by 2025.¹⁸ There was already a previous commitment that mentioned the same objective that would be achieved by 2030. To achieve this goal, the company aims to eradicate deforestation in the soy supply chain in the Amazon and Cerrado biomes by 2025.¹⁹ According to an estimate provided by Cargill, 96% of its direct suppliers in Brazil are now aligned with the target.

CARGILL'S MAIN AREAS OF OPERATION IN BRAZIL



BIOFUEL



GRAIN



ANIMAL FOOD



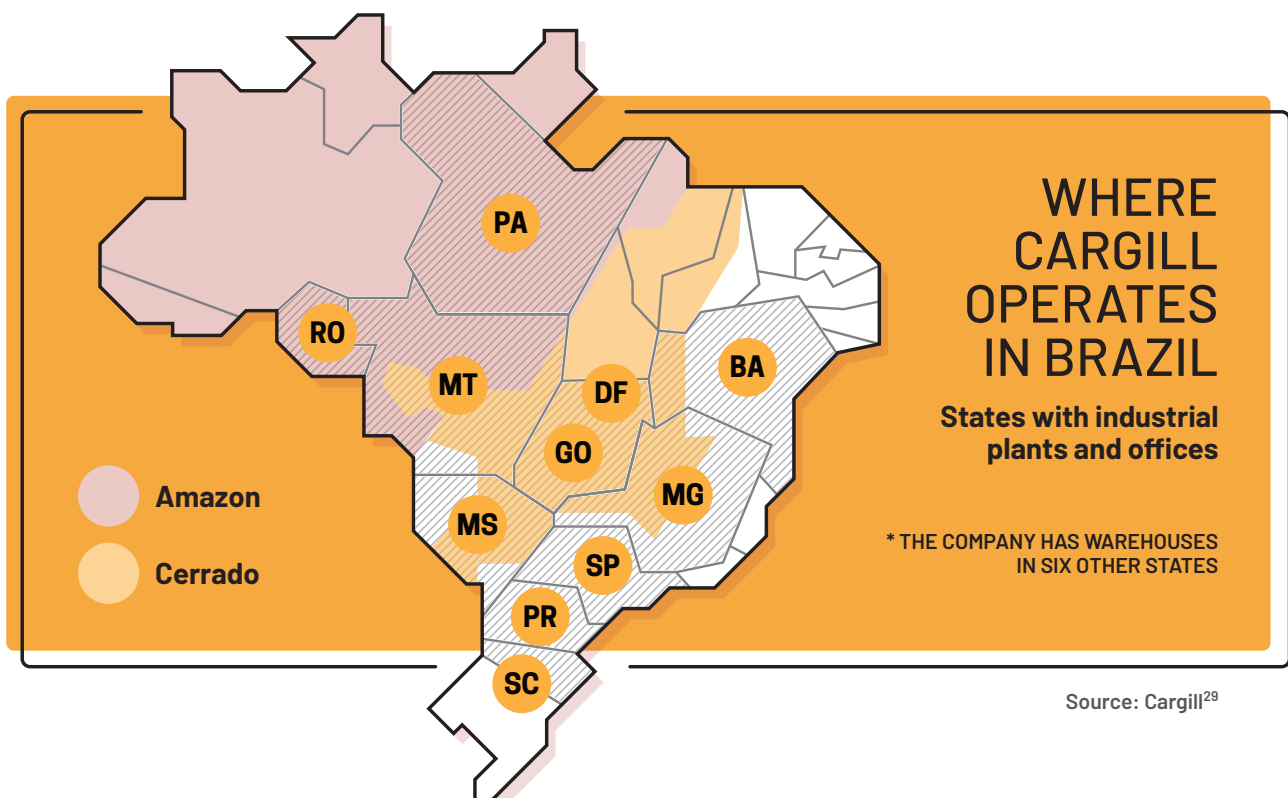
CHOCOLATE AND COCOA

Source: Cargill²⁰

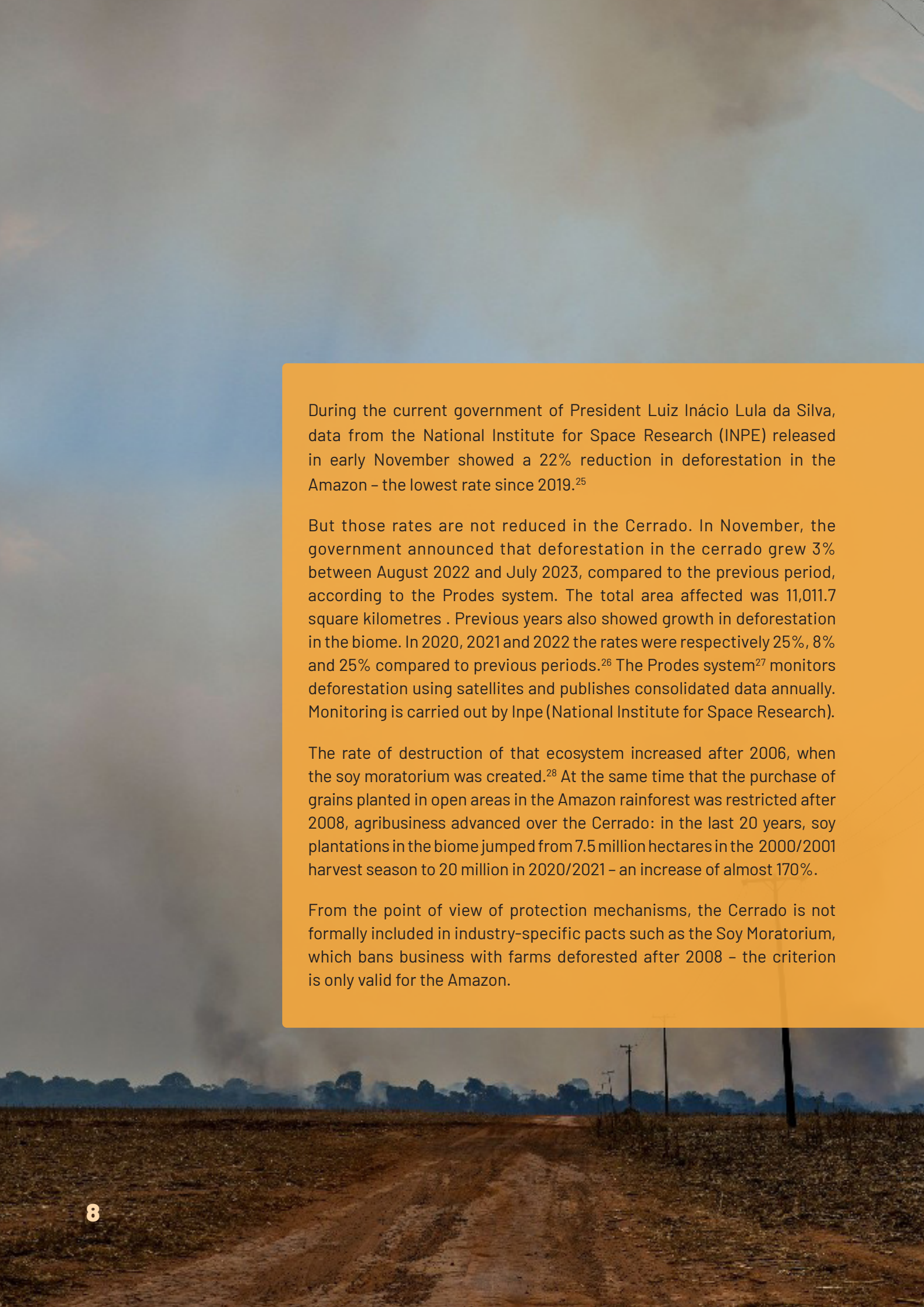
In order to monitor its grain suppliers, Cargill claims to have mapped “100% of the soy supply areas in the MATOPIBA [a region that comprises the states of Maranhão, Tocantins, Piauí and Bahia].”²¹ This would be an initial step towards monitoring producers and having “a deforestation-free supply chain.” “uma cadeia produtiva livre de desmatamento”.

BRAZIL'S ENVIRONMENTAL CONTEXT

Cargill operates in two of Brazil's most important ecosystems. It has grain production, storage and shipping units in three of the states that make up the so-called Legal Amazon (Pará, Mato Grosso and Rondônia) and in six states with Cerrado areas (Goiás, Mato Grosso, Mato Grosso do Sul, Bahia, Paraná, São Paulo).²²



These two biomes showed high rates of native forest loss during the Bolsonaro administration (2019-2022),²³ marked by what his critics pointed out as legislative deregulation, undermining of enforcement agencies and encouragement to deforestation.²⁴



During the current government of President Luiz Inácio Lula da Silva, data from the National Institute for Space Research (INPE) released in early November showed a 22% reduction in deforestation in the Amazon – the lowest rate since 2019.²⁵

But those rates are not reduced in the Cerrado. In November, the government announced that deforestation in the cerrado grew 3% between August 2022 and July 2023, compared to the previous period, according to the Prodes system. The total area affected was 11,011.7 square kilometres. Previous years also showed growth in deforestation in the biome. In 2020, 2021 and 2022 the rates were respectively 25%, 8% and 25% compared to previous periods.²⁶ The Prodes system²⁷ monitors deforestation using satellites and publishes consolidated data annually. Monitoring is carried out by Inpe (National Institute for Space Research).

The rate of destruction of that ecosystem increased after 2006, when the soy moratorium was created.²⁸ At the same time that the purchase of grains planted in open areas in the Amazon rainforest was restricted after 2008, agribusiness advanced over the Cerrado: in the last 20 years, soy plantations in the biome jumped from 7.5 million hectares in the 2000/2001 harvest season to 20 million in 2020/2021 – an increase of almost 170%.

From the point of view of protection mechanisms, the Cerrado is not formally included in industry-specific pacts such as the Soy Moratorium, which bans business with farms deforested after 2008 – the criterion is only valid for the Amazon.



THE ENVIRONMENT AND TRADITIONAL COMMUNITIES

Despite the human and environmental rights pacts signed by Cargill, there are several indications that its operations have caused harm to the environment and traditional communities.

In April 2023,³⁰ **Repórter Brasil** revealed that the company purchased soy from the Lucion family, whose Santa Ana farms, in Cláudia, Mato Grosso, include an area under embargo due to irregular fires and deforestation. The trading took place between 2019 and 2022.

When contacted, Cargill informed that the producer was not included in any restrictive list at the time and that the company's supplier verification policies prevent purchases from embargoed areas.³¹

The Lucion family's properties in the region include areas other than the 235 hectares where planting is banned. That is, the embargo only applies to part of the farms belonging to the Lucions, who

also own areas where planting is legal. The family's lawyers did not answer our attempts to contact them at the time of publication.

This case shows how, while Cargill and other traders in the industry adopt procedures to reduce the risk of purchasing grain that do not comply with the Soy Moratorium, they are unable to fully eliminate that possibility. This is because 'grain laundering' – when producers pass on irregular soy mixed with legal product or as batches from authorized areas – is a reality in Brazil.

In the specific example, Cargill did not present evidence to guarantee that this did not happen in the Lucion case. Meanwhile, the sale of 'pirate soy' has been documented in investigations in the country.³²

GRAIN LAUNDERING:



when a producer mixes soy and corn from conservation units, land-grabbed areas or embargoed land with legally planted and harvested grain, thus masking the origin of the irregular product.

Another **Repórter Brasil** investigation from January 2022, in partnership with Unearthed and the Bureau of Investigative Journalism³³ showed that the company purchased grain from a farm in São José do Xingu (MT) that had lost approximately 800 hectares of forest between 2013 and 2015 – that is, after the time limit set by the moratorium, which is 2008. According to documents obtained by **Repórter Brasil**, rural producer Gustavo Silva Medeiros, who plants grains at the Conquista Farm, signed a contract to send corn to Cargill warehouses throughout the 2022 harvest season. Medeiros confirmed that, in addition to corn, he also supplies soy to the company.

Suppliers who plant soy in the Amazon in areas deforested after 2008 are blocked mainly through an exclusion list kept by the Soy Working Group (GTS), formed by NGOs and companies, which is in charge of monitoring the Moratorium. The list is periodically shared with companies that signed the agreement.

But a certain time passes between the investigation of signs of irregularities and, after they are confirmed, the producer's actual inclusion on the list. The GTS explained that, in the case of the Conquista Farm, since soy was planted in the previous season (planting in 2020 and harvesting in 2021), it would only enter the exclusion list in April 2022.

As a result, Cargill did business with the Conquista Farm even though the GTS had confirmed that soy had been planted in recently deforested areas, which is against the Moratorium's rules.

The case showed that considerable time passes between planting and the adoption of concrete measures to block suppliers and that the company's monitoring system to comply with the precepts of the Moratorium has flaws. Given the typical harvest calendar in the region – normally

Farm in São José do Xingu (MT) that was deforested in 2013-2015 and only entered the Soy Moratorium's exclusion list in April 2022. Documents show that the property signed a contract to sell corn from the 2022 harvest season to Cargill



between January and April – this could mean, in practice, grain that do not comply with the moratorium being traded during up to two harvest seasons before deforested farms are actually blocked.

Questioned after **Repórter Brasil**'s revelations, Cargill confirmed that it did business with the Conquista Farm but claimed that the property faced no restrictions related to the Soy Moratorium at that time.³⁴

The farm's owners, in turn, claimed that the area for soy and corn plantations on the property – acquired in 2018 – had been used for agricultural purposes since the 1980s. "There has been no deforestation at the Conquista Farm since sometime before December 30, 1985. What happened since then is pasture cleaning, always duly authorized by the authorities."³⁵

THE CASE OF THE PARESÍ INDIGENOUS PEOPLE

Besides the Amazon, Cargill's business in Brazil has also impacted traditional and indigenous communities. 'Grain laundering' undetected by their corporate policies also plays an important role in this context.

An investigation by **Repórter Brasil** and *O Joio e o Trigo* published in May 2023³⁶ shows that Cargill – together with other traders in the industry – purchased soy from farmers fined for planting on embargoed indigenous land in Mato Grosso.

The rural producers were fined by IBAMA for irregular plantation in the Pareci, Utiariti and Rio

Formoso Indigenous Lands (ILs) – all belonging to the Paresí people. The soy and corn were trade in 2018 and 2019, when the areas in question were under embargo.

The invoices for those grain sales accessed by **Repórter Brasil** do not identify the farms within the indigenous lands as the places of production. This would make business unfeasible, because buying product from embargoed areas is illegal, and the corporate policies of the main traders in the industry also ban acquisition of grain produced by non-indigenous farmers within indigenous lands.

The documents indicate other agricultural properties as the origin of the grain, but they are close – in some cases, adjacent – to indigenous lands and belong to the same producers fined by IBAMA for irregular plantation.



Farmers were fined by IBAMA for cultivating crops on indigenous land belonging to the Paresí people. Investigation shows that Cargill sourced soy from those producers

In the case of the Paresí indigenous people, grain laundering was publicly admitted by producers and public officials who work in the region in a series of stories broadcast by TV show Globo Rural³⁷ in March 2019 – when the area was already under embargo.

At the time, Cargill informed that ABIOVE – a vegetable oil industry association – would speak for the company in the case. The organization, in turn, guaranteed that soy produced “in areas embargoed by environmental control agencies and overlapping indigenous lands [among others] does not enter the industry’s supply chain.”³⁸ However, ABIOVE mentioned “the potential risk of triangulation” in the cases showed by the investigation but did not comment specifically on the matter, limiting itself to listing measures that “are routinely used” by its associates to mitigate the problem.³⁹

Among the measures adopted, the Association highlighted the analysis of “routes between rural properties under embargo and delivery locations” and “the distance between rural properties, using a 150-km radius.”

THREAT TO GERAIZEIROS

Another case of environmental and human rights violations involving Cargill came to light in December 2019. Greenpeace’s report ‘*Cultivando a Violência*’ (Cultivating Violence)⁴⁰ exposed the ties between the multinational and violence committed by farmers and businesspeople against a traditional community known as *geraizeiros* in Formosa of Rio Preto, Bahia.



Traditional community of ‘geraizeiros’ living under pressure from agribusiness and land grabbers on the banks of the São Francisco River

These traditional communities raise small cattle herds on community pastures, with low environmental impact.⁴¹

According to the report, Cargill and another grain trader became aware of violations committed by Agronegócio Condomínio Cachoeira do Estrondo – a company from which they buy soybeans and other grains – but continued to source from the company.⁴²

In December 2017, **Repórter Brasil** exposed the escalation of violence against the *geraizeiros*’ community⁴³ – with reports of attacks, armed intimidation and even restriction of freedom by security guards from the private company Estrela Guia, hired by Estrondo.

At the time, **Repórter Brasil** found that Estrondo built guardhouses on roads leading to the communities. The roads were closed with gates padlocked by armed security guards. To pass



Fences and guardhouse divide territory in the traditional community of Cachoeira, Formosa do Rio Preto (BA)

through, community members were forced to state their identifies and destinations, and when they would return. Circulation was prohibited from 6 pm to 6 am. “If someone gets sick here at night, that person will die because they don’t let us through,” 60-year-old resident Guilherme Ferreira de Sousa told **Repórter Brasil** in 2017.

Despite the accusations, the Greenpeace report points out that Cargill continued to buy soy produced at Estrondo. According to the document, the agribusiness giant had silos near these guardhouses in 2019.

After the publication of Greenpeace’s report, Cargill stated that Agronegócio Estrondo “had never supplied soybean to the company.” “Cargill operates a grain warehouse called Estrondo, approximately 60 km from the conflict area and about which there are no legal charges,” says the

note, stressing that “any soy purchases in the Estrondo area come from tenant producers who have acquired legal rights to use the land.”⁴⁴

Agribusiness Estrondo and Estrela Guia did not respond to contacts.

In its reports, Cargill states that it “respects and upholds the rights of workers, indigenous peoples, and local communities.”⁴⁵ In another document entitled “Cargill’s Human Rights Policy,”⁴⁶ the company refers specifically to the soy supply chain in South America and claims to be committed to “a supply chain that respects and upholds the rights” of local communities.

In the same document, the company states that it is “committed to respecting land resources and their use by everyone, especially indigenous people, local communities and ethnic groups and minorities.”



SLAVE LABOUR AND LABOUR VIOLATIONS

Cargill is also involved in episodes of slave labour and labour law violations among its suppliers.

In September 2023, the 39th Labor Court of Salvador (BA) condemned the company for slavery and child labour practices on its suppliers' cocoa plantations in Brazil.⁴⁷

The court ordered Cargill to pay R\$ 600,000 as compensation for collective moral damages, to be used in child protection projects. The company can appeal.

In a note sent to **Repórter Brasil**, Cargill stated that “it does not tolerate human trafficking or forced or child labour in its operations or supply chain.”⁴⁸ The multinational also claims that it applies “immediate measures” to suspend suppliers caught in violation. The full statement can be read at the end of this report.

According to prosecutors, Cargill failed to fulfil “its legal duty to restrain and prevent” its suppliers from using child labour or subjecting workers to modern slavery. The Labour Prosecution Service (MPT) filed the lawsuit after compiling several examples of these violations at the multinational's suppliers.

In 2010, 42 workers were rescued from a cocoa farm that supplied the company in Medicilândia, Pará. Three minors who helped their parents with harvesting were found there. In 2013, in the same city, another Cargill supplier was fined for employing child labour. In 2019, authorities found that the farm was still exploiting children.

A **Repórter Brasil**⁴⁹ story published in November 2020 showed that at least 148 workers were rescued from cocoa farms during inspections conducted by the Federal Government between 2005 and 2019. The violations were concentrated in Bahia and Pará – Brazil's top cocoa producing states.

The report highlights the case of two farms inspected by the Federal Government in December 2018. The inspectors did not classify the situation as slave labour but found a series of other irregularities in their treatment of workers. They include employees subject to poor housing conditions, being paid below the minimum wage, without access to mandatory protective equipment or drinking water. All local production was sold through an intermediary that, in a statement to the authorities, confirmed negotiating cocoa directly with Cargill.⁵⁰

In the document 'Cargill's Human Rights Policy,' the company addresses the issue of slave labour. "Cargill does not tolerate the use of any form of forced labour or modern slavery" and claims to promote forms of "responsible recruitment," "transparency in hiring and working conditions" and "permission for free movement of workers." According to the company, 16 farms were blocked in the first half of 2022 for being included on the Dirty List of slave labour.⁵¹

The so-called 'dirty list' is a Federal Government register that lists employers caught by labour inspectors committing that crime. It is worth noting that the inclusion of a producer in the document may take years after the workers are rescued, given the legal procedures and the broad guarantee of the right to defence. Regarding child labour, Cargill states in the same document that it works to "eradicate child labour from [its] operations and supply chains." According to the text, the company implements "due diligence systems to identify and prevent" the use of child and adolescent labour.

"Since 2016, Cargill has used a Child Labour Monitoring and Remediation System (CLMRS)

(...) to address child labour in the cocoa supply chain. CLMRS brings networks of local coaches and monitoring agents to visit farms year-round, working with families to raise awareness about the impact of child labour, identify incidents, and implement prevention and remediation programs," states the company in its latest sustainability report.⁵²

SOY SCARS

Cargill's soy trading also includes cases related to violations against workers. In April 2021, **Repórter Brasil** told the story of employees of Transportes Bertolini Ltda, a company that ships Cargill grains across the Madeira River (RO). The workers reported amputated fingers and loss of vision due to work accidents.⁵³

Six Bertolini employees were interviewed. According to them, accidents occur after irregular working days of more than 30 hours without rest. They also complain about exposure to soy dust full of pesticides and the employer's inaction. Three of them received compensation after taking legal action.

Célio Albuquerque, 56 years old, reported that he used to work as a sailor in two soybean ports, moving steel cables. He says that, after 19 straight hours of work, a cable came loose and hit his head. "It tore off my helmet, broke my nose and hit me in the eye."

This accident could have been avoided: Albuquerque, who was a member of the Internal Accident Prevention Commission (CIPA), had submitted a report with photos to the company six months before the fact, showing that the structure that supported the cable was damaged.



Célio Albuquerque shows reports he made when he was a member of the Internal Accident Prevention Commission (CIPA). He claims that the companies responsible for the port from where grain was shipped ignored warnings about the risk of accidents



Albuquerque lost vision in his right eye after an accident while loading a soybean barge

When contacted at the time of publication, Transportes Bertolini Ltda (TBL) stated that the company's working environment "is absolutely safe; all occupational health and safety standards are strictly complied with, and all risks are controlled."

Cargill, which hired TBL, stated that the workers are not its employees and that it "conducts constant monitoring to evaluate all suppliers."⁵⁴

While the workers were not directly employed by Cargill, according to Brazil's legislation, the hiring company may be co-responsible – in this case, Cargill itself – for accidents and labour law violations involving employees of an outsourced third-party company.



INFRASTRUCTURE WORKS

Some of Cargill's infrastructure projects have a profound impact on the organization of society around them, changing local demography, introducing new problems and worsening existing ones. This is the case of the grain loading and unloading port maintained by the company in Itaituba, Pará.

The structure, which has been operating under a provisional license for a year and a half on the right bank of the Tapajós – one of the most important rivers in the Brazilian Amazon – has a shipping capacity of 24,000 tonnes per day, the equivalent of eight barges. Per year, it would be able to move up to 4 million tonnes of grain.⁵⁵

Cargill is not the only company to operate a river port in Itaituba. Other soy giants such as Bunge and Amaggi are part of the port complex, which also includes logistics companies. From a small village, the region became a "commercial, industrial and port" area⁵⁶ with an intense flow of trucks supplying the grain terminal.

The company predicted the "increase in the male population" in its 2013 environmental impact study,⁵⁷ where the change is seen as a "adverse effect" of "medium" magnitude. According to reports heard by **Repórter Brasil**, one of the main impacts is the increase in sexual violence and prostitution in the community.

"Sexual violence in this area has always been high, but we cannot pretend that it has not increased," says Yasmin Correa, a lawyer at the Specialized Reference Centre for Social Assistance (*Centro de Referência Especializado em Assistência Social, CREAS*) in Itaituba.⁵⁸

The situation is especially serious in the Campo Verde district, 30 kilometres from Miritituba. In the project submitted in 2013, Cargill planned to build a parking lot for 150 trucks within the port area, but it changed the proposal in the following year: only 15 parking spaces would be reserved in its internal area for trucks to unload, and a yard


for 400 trucks would be created in Campo Verde. “Lots of girls stay among those trucks, but there are no complaints. It’s a difficult crime to prove,” says Maria José de Barros, head of the Itaituba Child and Adolescent Protection Council.

In a statement, Cargill criticizes “the attempt to link the company’s presence in Miritituba to such serious issues as abuse and exploitation of children and adolescents.” The company informs that it brought the ‘Na Mão Certa’⁵⁹ programme to the area, developed by Childhood Brasil to prevent sexual exploitation of children and adolescents on roads, which includes “training, engagement campaigns, internal communications, among other activities” aimed at both its own staff and service providers.

IMPACTS OF THE PORT ON THE MUNDURUKU PEOPLE

In addition to the impacts related to sexual exploitation in Itaituba, Cargill’s port also brought problems for the Munduruku indigenous people who inhabit the region, causing drastic changes to their way of life.

In 2017, the State Department for Environment and Sustainability decided that Cargill would have to conduct an Indigenous Component Study on the Munduruku territories of Praia do Mangue and Praia do Índio – two indigenous areas located within Itaituba, a few kilometres away from the urban area.



The area around truck yards
in Campo Verde became a place for child
sexual exploitation, according to the
Itaituba Guardianship Council



Together, the two territories measure 60 hectares and are home to almost 300 people. The study is provided for in Interministerial Ordinance 60 of March 24, 2015.⁶⁰ Its goal is to point out specific potential impacts on that population. The document should have been delivered within four months, starting in April, when the operation was authorized.

But only five years later, in 2021, the preliminary work plan for this study was filed at FUNAI (Brazil's National Foundation for Indigenous Peoples), according to Cargill itself. Since then, the Port Terminals Association, responsible for the plan, has been discussing improvements to the project with the federal indigenous agency. "Several meetings were held and communications were exchanged between the parties, but FUNAI has not issued a definitive report on the matter," the company points out.

Meanwhile, the Munduruku interviewed by **Repórter Brasil** complain about the increase in violence. Many families prohibited their children from playing alone in the Tapajós. "Things got a lot worse. There have been many robberies, deaths, drugs and prostitution due to the arrival of companies," says Karo Munduruku, who lives in Praia do Mangue.

According to the fishers, they cannot approach the complex for security reasons. "The fish is completely full of soybean pomace. That's very bad," says chief Brazilino Painhum Munduruku.

Over time, the traditional indigenous diet was replaced by processed food. "We didn't use to have so much hypertension and diabetes. Now we treat many intestinal illnesses caused by consumption of soft drinks, snacks and canned foods," says

Edilene Munduruku, a health agent from the Praia do Índio village.

NEW PORT

Cargill also has a project to install a new port in the Abaetetuba area (PA). But the progress of the project is being questioned due to suspicion that the area planned for the waterway terminal was obtained through land grabbing. In June, the Federal Prosecution Service (MPF) filed a lawsuit⁶¹ demanding the suspension of the project. According to prosecutors, the land planned for the new port is in the Santo Afonso Agroextractivist Settlement Project (PAE) area.

The Prosecution Service also sent a request to its Anti-Corruption Centre in Pará to investigate whether acts of misconduct, crimes and land grabbing by public servants took place.⁶²

There is already a procedure underway at state level, but the Prosecution Service requested that the issue be analysed by a federal court.

The prosecutors reported that, during visits to communities in the region, they collected data on environmental, economic and social impacts after the implementation of the project that could affect the traditional population. According to the agency, residents reported that they “face problems” such as reduction of extractive areas and contamination of river water. They also reported the prohibition to collect açai and mentioned psychological damage

caused by changes in the ways of working and obtaining food.

Riverside dwellers also mentioned to the prosecutors that the ruins of an old cemetery are located on the land where the construction of the new port is planned. With the data collected, the prosecutors asked Brazil’s National Historical and Artistic Heritage Institute (IPHAN) to comment on the existence of the cemetery in the area and what its historical and archaeological importance is.

When consulted, Cargill stated that it “received with surprise” the Prosecution Service’s interventions in the legal procedures related to the port project and that it will appeal. “The company, as well as the community, longs for dialogue and transparency and, since it filed the Environmental Impact Study (EIA) and Environmental Impact Statement (EIS) with the state environmental agency (SEMAS) in 2017, Cargill has left no stones unturned to dialogue with all social actors related to the project and fulfil the entire legal licensing process for its project in Abaetetuba.”

The company also declared that transferring the process to the federal sphere “would create legal uncertainty” and “cause a setback in the ongoing discussions to sign an agreement between the parties for carrying out the prior, free and informed consultations provided for in Convention 169 of the International Labour Organization (ILO)”. According to Cargill, the Federal Government itself had already expressed “lack of interest in the lawsuit.”



FAMILY PROBLEM

“We can say that the company has a clear accountability problem,” says Mathew Jacobson, campaign director at Stand.earth. The organization carries out actions to pressure the Cargill-MacMillan family – Cargill’s controllers – to fulfil its socio-environmental commitments.⁶³

“

SINCE THE COMPANY IS PRIVATELY HELD, THEY DON'T HAVE SHAREHOLDERS TO PRESSURE FOR CHANGES OR DEMAND THAT ITS POLICIES ARE ENFORCED

MATHEW JACOBSON
Campaign director
at Stand.earth

”

He recalls that “in recent decades, Cargill has made several high-level commitments to eliminate slave labour, child labour and deforestation from its supply chain.” But according to him, nothing was actually delivered. “They benefit from the good publicity of these commitments, but then they change the expected dates for their implementation and go on as if nothing had happened.”

Cargill is committed to having a deforestation-free supply chain in South America by 2025,⁶⁴ the same target as its competitors such as Bunge⁶⁵ and retailers.

According to Jacobson, the company deliberately acts outside the law. “As the Brazilian judge who sentenced Cargill said, they are intentionally turning their backs on the problems in their supply chain. They do whatever they want,” he says.

“But it is unacceptable that one of the richest families in the world is profiting from slave labour,

child labour and deforestation. I think it is the family's responsibility to take control of the company that bears their name, so that they will be remembered as a family that did good instead of bad. What legacy do they want to leave for the world?"

According to João Gonçalves, senior director of NGO Mighty Earth in Brazil, "the collection of facts makes it clear that the company's due diligence mechanisms do not work and must be reviewed." He says that "the company does not invest adequate resources in the staff needed to monitor the farms or in deep investigations necessary to leave deforestation in the Amazon and Cerrado out of its supply chain."

As for slave labour, which occurs predominantly in Cargill's cocoa supply chain, Gonçalves mentions a successful experience that the company uses in Ghana and Ivory Coast to verify and monitor suppliers that, with 100% traceability of producers in the former country and 58% in the latter. "But the company seems to be making little effort to apply due diligence in Brazil," he says.

Regarding child labour, Gonçalves advocates the implementation of "a Child Labour Monitoring and Remediation System [CLMRS]" in 100% of the company's cocoa supply chain "to address and prevent child labour." The CLMRS system is a protocol created by the International Cocoa Initiative – a non-profit institution that promotes actions and integrates the various actors in the cocoa chain to combat slave and child labour.

The programme involves agents visiting the farms throughout the year. These professionals work with producers in training sections and lectures to "raise awareness about the impact of child labour, identify incidents, and implement prevention and remediation programmes."⁶⁶ It is currently in place in Ivory Coast, Cameroon and Ghana, where it has reached more than 47,000 producers, according to the company.

In its 2022 sustainability and governance report, Cargill indicated that "initial preparations" had been made to establish a CLMRS in Brazil.⁶⁷ "However, to date, there is no evidence that this has been effectively implemented in its direct and indirect cocoa suppliers in the country," says the director of Mighty Earth.

Gonçalves also points out that "the presence of the worst forms of child labour on farms arises due to poverty in cocoa-producing families." Therefore, Cargill "must also address the root cause of the problem and ensure that farmers receive a fair price for their cocoa."

Finally, Gonçalves advocates holding Cargill responsible for the adverse impacts of its enterprises and that its infrastructure works be embargoed until the damage caused is corrected and "compensation is fully delivered." "There is no more space in the world for expanding production or trade by violating human rights and putting pressure on vulnerable communities," says the Mighty Earth expert.



CARGILL'S STANCE

This report mentions several **Repórter Brasil** stories about Cargill, which are referenced on footnotes. They provide the company's stance on the cases covered at the time of publication. Cargill has now been invited to update its stance on such cases and to comment on other topics covered in this edition of the Monitor. Their new responses are presented in full below:

"Regarding the cocoa story, the case is being heard in camera due to a 2022 decision by Brazil's Superior Labour Court (TST). For this reason, Cargill cannot comment on details at this time. What we can say is that the company disagrees with the allegations and the court decision, against which it will appeal to the Superior Court. It is important to clarify that Cargill **does not tolerate** human trafficking, forced or child labour in its operations or supply chain. We take steps to understand potential issues while continuing to actively work to protect human rights, with a strong commitment to protecting children's rights around the world. We support the Sustainable Development Goals

(SDGs) established by the UN to promote decent work for all, including the elimination of child labour. In Brazil, all suppliers are checked against government embargo lists and, if violations are found, we take immediate action to suspend the supplier. This goal will be achieved as part of the 'Cargill Cocoa Promise' programme, which includes product origin regions in Brazil. Cargill is also a signatory to the multisectoral initiative 'Cocoa Action' – a pre-competitive action that aligns different actors in the supply chain to catalyse efforts and address priority issues for cocoa sustainability. In over 56 years operating in Brazil, Cargill has demonstrated its commitment to observing and complying with all current laws applicable to its business. We take this commitment seriously and require our suppliers and partners to join us in prioritizing individuals' safety, well-being and dignity. More information about Cargill's commitment to SDG-08 specifically for the cocoa supply chain can be found [here](#).

Cargill has been publicizing advances to achieve more sustainable and transparent supply chains around

the world – including in Brazil. You can check out the most recent edition of our ESG report [in English](#) or [in Portuguese](#). As soon as we publish the new figures, I will send them to you.

Note that Cargill's history in Brazil began in 1965 and, since the company arrived in the country, it has been active in food production and also to promote changes in all these sectors that you mentioned. In many of them – if not in all! –, the solution involves working together with other companies, associations, producers, consumers and experts. We will continue moving forward and maintaining transparent communication that includes reports such as the ESG."

Regarding the suspected land grabbing in Abaetetuba (PA), Cargill responded:

"Cargill received with surprise the Prosecution Service's interventions in the legal procedures related to the construction project of the Private Use Terminal in Abaetetuba, Pará. The company, as well as the community, longs for dialogue and transparency and, since it filed the Environmental Impact Study (EIA) and Environmental Impact Statement (EIS) with the state environmental agency (SEMAS) in 2017, Cargill has left no stones unturned to dialogue with all social actors related to the project and fulfil the entire legal licensing process for its project in Abaetetuba.

The company believes that transfer of the process underway in the State Court of Pará to the federal sphere would create legal uncertainty and cause a setback in the ongoing discussions to sign an agreement between the parties for carrying out prior, free and information consultations provided for in Convention 169 of the International Labour Organization (ILO), which is the object of said lawsuit and runs parallel to the environmental licensing protocol conducted by the state environment department SEMAS. In fact, it had been defined in the process that the state of Pará would be responsible for preparing a work plan for the geographic delimitation of consultations and the execution schedule. Furthermore, the Federal Government itself had already expressed lack of interest in the lawsuit, which has INCRA and the Palmares Foundation as *amicus curiae*.

The company will appeal and continue working with the competent agencies, always complying with local laws and confident that the decision will be made in the public interest. This has been one of the hallmarks of the company, which has been operating in Brazil since 1965 and whose ethical principles are to conduct its business with integrity and a commitment to responsible global citizenship." ■

NOTES

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