

# TAINED BEEF

HOW CRIMINAL CATTLE SUPPLY CHAINS ARE DESTROYING THE COLOMBIAN AMAZON



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**NOTES:** Unless otherwise noted, the sources for the report are EIA's internal investigative reports, photos, audio and video evidence collected during the investigation. All documents mentioned related to this investigation are in possession of EIA-US. Pseudonyms were given to informants in order to comply with standard ethical guidelines in protecting confidentiality of sources. EIA-US made attempts to contact the individuals and entities related to the findings and named in the report, and incorporated responses received prior to the time of publication.

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## Executive summary

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EIA's groundbreaking investigation reveals how beef arriving for consumption in Bogota and other major Colombian cities brings with it an invisible stain of illicit deforestation. Due to the failure of supermarkets to conduct adequate due diligence on their beef sourcing, these companies and their unwitting consumers are fueling illegal deforestation in national parks and contributing to financing of armed conflict in Colombia.

This report documents evidence found during EIA's investigation that supermarket chains such as Grupo Exito and Colsubsidio are purchasing meat from suppliers that source cattle that has been illegally raised in protected forests. Through innovative data analysis and extensive field investigations, EIA uncovered a system that is marred by corruption, extortion, cattle laundering, and illegal forest clearing in the Colombian Amazon.

The investigation covered areas in the northern part of Chiribiquete National Park - a UNESCO World Heritage Site and the world's largest tropical forest national park - as well as areas in La Macarena National Park and adjacent protected Forest Reserves. EIA's analysis shows that between 2016 and 2020 the areas investigated - where deforestation is illegal - lost 21,596 hectares of forest while the cattle ranching population grew more than seven-fold in La Macarena National Park and more than three-fold in the Amazon Forest Reserve bordering the northern parts of Chiribiquete. While this investigation was able to cover only a fraction of the Colombian Amazon, the



results point to serious systemic problems, the scale of which is likely exponentially larger and, if not addressed, threatens the future of Colombia's unique forests and the communities that depend on them.

Through multiple trips and interviews, EIA investigators documented a complex web of actors that included ranchers, brokers, slaughterhouses, cattle markets, armed groups, and supermarket chains in Colombia's big cities, where the beef is sold to consumers.

Meat production involves various stages from the birth of the cow to backgrounding, finishing, slaughtering and meatpacking. During each stage, the animals can be moved around and sold multiple times, involving different actors throughout the supply chain. Despite the existence of cattle vaccination records and extensive transport databases that show cattle populations and movements, there is currently no system in Colombia that traces cattle back to their place of birth. Also, as confirmed during multiple conversations with different stakeholders, it seems actors in the supply chain don't even attempt to know where the cattle were actually raised. EIA's analysis of official data shows how cattle coming from protected areas – where cattle ranching is illegal – are arriving at slaughterhouses in Bogota and other major cities. Everything is tolerated, as long as it is accompanied by some form of paperwork – paperwork that, investigators found, is often falsified to obscure the true origin of the cattle.

The situation is exacerbated by weak institutions, a largely absent government in the region, and opposing factions of illegal armed groups who de facto rule in the forest. Ranchers interviewed confirmed that they make payments to armed groups at a rate of 10,000 Colombian Pesos (COP) per cow per annum, in exchange for "protection." As one

rancher noted: "These people take care of you." In exchange for payments, ranchers explain, they are able to move around freely and are protected from cattle theft. Such payments are one of the important sources of income for armed groups in the region and can add up to hundreds of thousands of dollars per year in the area of investigation alone, per EIA's analysis. Illegal armed groups also appear to control the extent of deforestation by issuing so-called "permits" to clear forests for pasture. Companies such as Grupo Exito have made "Zero Deforestation" commitments and claim they are conducting due diligence in their supply chains; yet, this investigation uncovered evidence of Grupo Exito purchasing meat from suppliers who source from farms located in protected areas where cattle ranching is illegal. One rancher linked to Grupo Exito's supply chain openly admitted to having deforested hundreds of hectares in 2019 inside Chiribiquete National Park and was planning to clear-cut much more in the future. According to this rancher, the meat coming from his farm ends up at Carulla -Grupo Exito's premium supermarket.

Voluntary company commitments – in Colombia and other countries – have proved to be insufficient to solve the problems of deforestation and illegality in supply chains. As long as there is no legal obligation to follow a product back to its origin – in the case of cattle, the place of birth – actors along the supply chain will continue to avoid responsibility for due diligence, while armed groups and land speculators continue to profit from environmental crimes with impunity.

Consumers in Colombia should have the right to know if the meat they buy is contributing to illegal deforestation and the financing of violent conflict in their country.

## MAIN FINDINGS

- Government data shows that illegal cattle ranching in protected areas has increased exponentially between 2016 and 2020.
- Cattle raised on illegally deforested land in protected areas, such as La Macarena National Park and the Amazon Forest Reserve are sold in cattle markets that, according to official data, sent tens of thousands of head of cattle to Bogota slaughterhouses during the same period of time.
- Grupo Exito, Colsubsidio and Carnatural are purchasing directly from suppliers who source from ranchers selling cattle illegally raised in Chiribiquete and La Macarena National Parks.
- Bogota receives thousands of cattle for slaughter originating from the Amazon Forest Reserve, where deforestation is illegal.
- While the government collects a wealth of relevant data about cattle vaccinations and movements in protected areas, this information is not accessible to the public, nor does it appear to be shared with other relevant agencies, where it could help with oversight and enforcement.
- Indirect suppliers of Grupo Éxito, Colsubsidio and Carnatural with farms in both Chiribiquete and La Macarena National Parks are making annual payments per head of cattle to armed groups.
- Casino Group's apparent lack of due diligence concerning Grupo Éxito's operations in Colombia is perpetuating the financing of armed conflict and fueling the destruction of some of the most valuable forests in the world.

## Recommendations

### To the Colombian government:

- ▶ Design and implement a mandatory national transparent system to register and trace individual cattle throughout their life cycle, starting at birth.
- ▶ Actively monitor the cattle sector and stop permits for cattle ranching and movements in protected areas, unless it is for restoration or conservation purposes, as well as other land grabbing schemes.
- ▶ Establish effective cooperation and information sharing between relevant agencies so that violations are reported and acted upon.
- ▶ Support economic alternatives and create opportunities for sustainable livelihoods that are controlled by and benefit local communities.
- ▶ End militarized responses that hurt the local vulnerable population.

### To Casino Group:

- ▶ In compliance with the French Duty of Vigilance Law, implement an appropriate due diligence plan to ensure that operations of Grupo Casino, its subsidiaries, suppliers, contractors and sub-contractors are not causing environmental harm or human rights violations in Colombia.

### To Grupo Éxito, Colsubsidio, and Other Supermarket Chains:

- ▶ Implement a due diligence plan with appropriate risk assessment and mitigation measures, to ensure no cattle enters their supply chain that is sourced from deforestation or subject to extortion from armed groups and other human rights violations. Given the extremely high risk in the Colombian Amazon cattle sector, such due diligence systems should include:
  - Full traceability throughout cattle's life cycle, starting at birth.
  - Effective monitoring of the full supply chain, including indirect suppliers and their sources.
  - Zero tolerance for paying armed groups.
  - Zero tolerance for deforestation.



## Introduction

Deforestation has been described as one of Colombia's main socio-environmental challenges. In addition to its role in decimating ecosystems and environmental services and generating greenhouse gas emissions, it also results in community displacement and increased poverty among rural populations.<sup>1</sup> Between 2000 and 2019, Colombia lost nearly 2.8 million hectares of forest,<sup>2</sup> an area similar in size to the entire country of Belgium.

EIA's field investigation focused on analyzing the links between deforestation of protected ecosystems, such as the Chiribiquete and La Macarena National Parks, cattle ranching as a production model, and the supply chain of beef that arrives in Bogota and certain supermarkets in Colombia's largest cities. EIA's data-driven investigation involved analyzing vaccination records and cattle movements in an area that accounts for 35,429 hectares within La Macarena National Park (5.7% of the total area of the park) and 81,946 hectares in the Amazon Forest Reserve in the Department of Guaviare (2.6% of the total area of the reserve in that department). This area was selected because of the availability of deforestation data from the region along with matches between geographic data from regional governments and cattle movement and vaccination data from the Colombian Agriculture and Livestock Institute (ICA). Between 2016 and 2020, an area equivalent to 21,596 hectares (30,246 soccer fields) of forest was illegally cleared in the area of investigation. Part of this investigation was carried out by analyzing databases on cattle vaccinations (2016-2019) and movements (2016-2020). This data was obtained through access to public information requests to the ICA. To complement it, EIA conducted a field investigation and verified its field data with official government sources and/or through the use of satellite-monitoring.

<sup>1</sup> National Policy for Deforestation Control and Sustainable Management of Forests (CONPES 4021). December 21, 2020, p. 3. Available [here](#). Consulted on March 19, 2021.

<sup>2</sup> Ibid.



# 1. Context

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## 1.1. Chiribiquete and La Macarena National Parks

The Northeastern Amazon is fundamental to the ecological connectivity of the Andean and Amazonian regions. It is part of a large regional ecological corridor that connects a number of ecosystems, from the summits of Colombia's eastern mountain range to the plains of the Amazon River basin. The area contains ecosystems with exceptional biological wealth, and it is one of the few places where the flora and fauna of four biogeographical regions—Guyana, Amazon, Andes, and Orinoco—meet naturally.<sup>3</sup>

Chiribiquete National Park was created in 1989 and expanded in 2013 and 2018.<sup>4</sup> It is currently considered the world's largest tropical forest national park.<sup>5</sup> Given its biological, ecological, geomorphological, and cultural characteristics, UNESCO declared it a Mixed World Heritage Site in 2018.<sup>6</sup> A large part of this cultural and natural wealth is located within the park's 2018 expansion areas, which according to the Ministry of Environment: "contain the most important and significant natural habitats for in-situ conservation of biological diversity, including those containing threatened species of outstanding universal value from the point of view of science or conservation."<sup>7</sup>

<sup>3</sup> Expansion Proposal for Serranía del Chiribiquete National Park. Synthesis Document. April 2018. p. 9. [Available here](#). Consulted on March 19, 2021.

<sup>4</sup> Resolution 1256 of July 10, 2018, Ministry of Environment and Sustainable Development. p. 5. [Available here](#). Consulted on March 19, 2021.

<sup>5</sup> Colombia's Serranía de Chiribiquete is now the world's largest tropical rainforest national park. World Wildlife Fund. July 2, 2018. [Available here](#). Consulted on January 28, 2021.

<sup>6</sup> UNESCO World Heritage List. [Available here](#). Consulted on January 29, 2021.

<sup>7</sup> Expansion Proposal for Serranía del Chiribiquete National Park. Synthesis Document. April 2018. p. 27. [Available here](#). Consulted on

## BOX 1: IMPORTANCE OF CHIRIBIQUETE NATIONAL PARK AND ITS AREA OF INFLUENCE

### Significance of the Expansion Area (2018)

The 2018 expansion of Chiribiquete National Park aimed at ensuring the protection of different habitats that support a great number of plant and animal species. 708 species of plants in the area are representative, unique, or threatened to some degree; 30 species of large and medium-sized mammals; 410 species of birds, 41 species of reptiles, 53 species of amphibians, 216 species of fish and 293 species of diurnal butterflies. In total, 32 of these species are possibly new to science and 57 have been recorded for the first time in Colombia, which indicates the good state of conservation in the area's ecosystems. Researchers also recorded 51 plant species for the first time in Colombia.

Two of the species of flora registered in the 2018 Expansion Area are highly threatened: both *Cedrela odorata* (Spanish cedar) and *Pachira quinata* (ceiba toluá) are endangered (EN), mainly as a result of timber over-extraction. *Cedrela odorata* is one of the most sought-after species in the world and has been included in CITES appendix II effective in August 2020. *P. quinata* has a high demand in the departments of Atlántico, Casanare, and Magdalena.

The importance of conserving the 2018 Expansion Area is reinforced by its function as a habitat for the maintenance and reproduction of at least 17 species of short-distance migratory fish, eight of which are distributed throughout the Orinoco and Amazon river basins.

### Importance of Regional Ecosystem Connectivity

The corridor that connects La Macarena and Chiribiquete National Parks is comprised mainly of humid tropical forest ecosystems belonging to the Amazon-Orinoquia humid tropical biome. This region is strategic to maintaining connectivity between the two parks and is of great importance for the provision of ecosystem services, especially those related to water regulation, since it includes areas that supply three different watersheds in the region (Apaporis, Vaupés, and Guayabero rivers). Furthermore, its high level of ecosystem integrity contributes to regional climate regulation.<sup>8</sup>

#### The Fauna and Flora of the Expansion Area

**708 species of plants**  
that are representative of the area and 2 highly threatened plant species: *Cedrela odorata* (Spanish cedar) and *Pachira quinata* (ceiba toluá).

**410 species of birds,**  
12 of which are threatened, including **curassows, parrots, and toucans.**

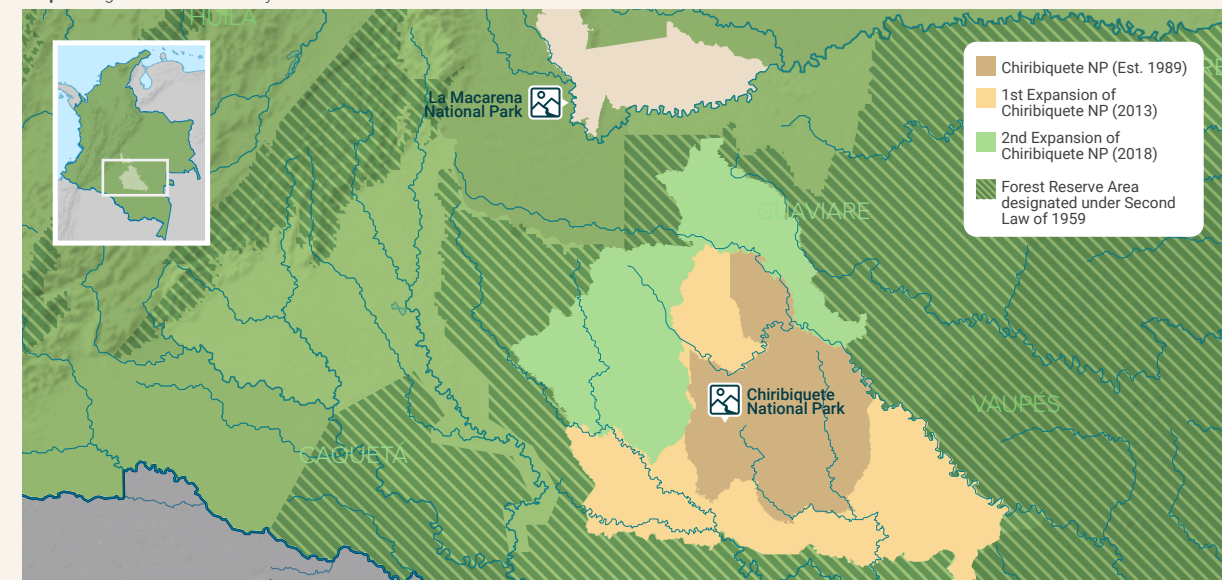
**30 species of mammals**  
large and medium-sized, including the critically endangered (CR) tapir, the endangered (EN) **giant otter and armadillo,** and the vulnerable (VU) **giant anteater** and 2 vulnerable species of monkeys.

**32 species new to science and 57 species recorded for the first time in Colombia.**

**41 species of reptiles,**  
53 species of amphibians, 216 species of fish, 78 morphospecies of spiders, and 293 species of diurnal butterflies.



Map 1. Legal status of territory



Source: Expansion Proposal for Serranía del Chiribiquete National Park. Synthesis Document. April 2018. pp. 31-33, Available here. Consulted on March 19, 2021.

8 Expansion Proposal for Serranía del Chiribiquete National Park. Synthesis Document. April 2018. pp. 29-30, Available here. Consulted on March 19, 2021.

Indigenous communities, including groups living in voluntary isolation in inaccessible parts of the park, consider Chiribiquete to be an ancestral long house (or "maloca") for jaguars. The species' survival is thus as important for their cultural beliefs as it is for successful biodiversity conservation. The park is also home to iconic fauna such as the puma, the pink dolphin and the lowland tapir, which has a vulnerable status.<sup>9</sup>

The protected area of La Macarena National Park was also established in 1989 and includes an area extraordinary for its isolated mountain range conditions, which support the presence of unique species and an important index for diversity in flora and fauna. Its ecosystems include rainforest, flooded forests, scrubland, and herbaceous vegetation from the Amazonian savanna.<sup>10</sup>

## 1.2. Socio-environmental Pressures on Chiribiquete National Park and its Area of Influence

Chiribiquete National Park is located in a region of the country that has been heavily affected by the long-term armed conflict and where institutional capacity remains weak. It is common for illegal groups to co-opt weakened territorial institutions, allowing for the proliferation of illicit economic activities that feed into the direct causes of land-use change.<sup>11</sup>

The lack of functioning government institutions in the region has resulted in a situation of generalized insecurity and violence. Following the 2016 Peace Agreement between the State and the Revolutionary Armed Forces of Colombia guerilla group (FARC), there are still large areas under the control of illegal armed groups that compete with, substitute, or subordinate the State (see Box 2). This situation is intensifying the conflicts surrounding land use and is leading to the illegal accumulation of untitled land, for illicit activities like cultivating coca or clearcutting.<sup>12</sup>

Another impact of the State's scant presence in the region is the government's seeming inability to implement its own use and conservation plans for the forests administered under the Second Law of 1959 and the national parks regime. Weak institutions are unable to help resolve land-use conflicts, promote a regulated forestry sector, and, more recently, to implement the Peace Agreement.

## BOX 2. ILLEGAL ARMED GROUPS IN THE INVESTIGATION AREA.

Within the investigation area, two types of illegal armed groups have historically been operating. In the department of Guaviare and some parts of Meta, the ideologically left-wing FARC has been the group controlling the territory. In this report, sources refer to them as "guerilla," "armed groups," or "FARC dissident groups." The other group controlling parts of the Meta department are the paramilitaries. These groups are ideologically right wing and were initially called "self-defense" forces, which were reportedly set up to fight FARC rebels and worked closely with the remnants of the Medellín and Cali Cartels.<sup>13</sup> The fight between the FARC and illegal right-wing paramilitary groups over coca fields and drug smuggling corridors has been a key factor in the conflict's extreme levels of violence, forced displacement and land-grabbing.<sup>14</sup> A paramilitary group operating in parts of Meta is these called Autodefensas Gaitanistas de Colombia (AGC).<sup>15</sup>

Despite the signing of a peace agreement between FARC and the Colombian government in 2016, generalized violence by illegal armed and paramilitary groups remains a major issue today in Guaviare and Meta. Recent reports claim that FARC dissident groups and underground support networks have grown significantly since the signing of the peace agreement, from 2,300 members in May 2019 to nearly 4,600 in May 2020.<sup>16</sup> While 13,000 FARC members demobilized under the peace process, many, including several FARC commanders involved in the peace agreement negotiations, have returned to arms, citing the government's lack of willingness to fully comply with the terms of the agreement.<sup>17</sup> FARC dissident groups, such as the 1<sup>st</sup> and 7<sup>th</sup> Fronts, among others, have gained a strong presence in Meta and Guaviare during this time.<sup>18</sup> They have continued to finance themselves through drug trafficking, illegal mining, and extortion,<sup>19</sup> gaining members through recruitment of local youth and adolescents. Evidence of youth recruitment has been documented on multiple occasions, including the finding that several minors were killed as the result of a bombing of a Guaviare FARC dissident camp in March 2021.<sup>20</sup> In 2019, a similar government bombing of a FARC camp in Caquetá where minors were killed resulted in the resignation of the Minister of Defense.<sup>21</sup>

In the past year alone, in the area where EIA conducted its investigation, there have been dozens of attacks, kidnappings, murders, and armed confrontations in Meta and Guaviare.<sup>22</sup> While many of these events can be attributed to FARC dissidents, other violent groups operating in the region, such as paramilitaries like the AGC, have also contributed to increases in violence.<sup>23,24</sup> In many of these cases, the perpetrators are never identified and continue to threaten and harass the local civilian population with impunity. The lack of economic opportunities in the region, in addition to the absence of the state, allows armed groups to continue asserting control. Some government sources have mentioned that "Minors are joining voluntarily due to the lack of state presence in the field. The lack of social investment, healthcare, education, and work—these factors motivate some young people and adolescents to voluntarily join these armed groups."<sup>25</sup>

9 IUCN recommends two vast indigenous peoples' territories for World Heritage listing. May 14, 2018. Available here. Consulted on May 20, 2021.

10 La Macarena National Park Area description of the park. Available here. Consulted on April 2, 2021.

11 Expansion Proposal for Serranía del Chiribiquete National Park. Synthesis Document. April 2018. p. 16, Available here. Citing González, J., et al. 2018. Characterization of the Main Causes and Agents of Deforestation at the National Level, 2005- 2015. Institute of Hydrology, Meteorology and Environmental Studies (IDEAM). Ministry of Environment and Sustainable Development. ONU-REDD Colombia Program. Bogota. Print.

12 Ibid.

13 Colombia Elites and Organized Crime: Introduction. The AUC and the Rise of the Periphery and Bureaucratic Elites. Insight Crime. August 9, 2016. Available here. Consulted on May 20, 2021.

14 The FARC and Colombia's Illegal Drug Trade. Latin American Program of the Wilson Center. November 2014. p.2. Available here. Consulted on May 20, 2021.

15 La localidad de San Martín en Meta bajo el terror impuesto por grupos paramilitares. Plaza Capital, February 19, 2021. Available here. Consulted on May 21, 2021.

16 Disidencias de las Farc duplican su número de hombres en solo 12 meses. El Tiempo. May 31, 2020. Available here. Consulted on April 26, 2021.

17 Una facción de las FARC retoma la lucha armada: lo anunciaron "Iván Márquez", "El Paisa" y "Jesús Santrich". Infobae. August 29, 2019. Available here. Consulted on April 26, 2021.

18 1st Front Dissidence (Ex-FARC Mafia). InSight Crime. July 23, 2019. Available here. Consulted on April 26, 2021.

19 The Criminal Portfolio of the Ex-FARC Mafia. InSight Crime. November 11, 2019. Available here. Consulted on April 26, 2021.

20 Children Trapped by Colombia's War, Five Years After Peace Deal. The New York Times. March 27, 2021. Available here. Consulted on April 26, 2021.

21 Renuncia ministro de Defensa Guillermo Botero. El Tiempo. November 6, 2019. Available here. Consulted on April 26, 2021.

22 ACLED Dashboard. The Armed Conflict Location & Event Data Project. Available here. Consulted on April 26, 2021.

23 Informe sobre presencia de grupos armados en Colombia: actualización 2018-2 y 2019. Indepaz. August 2020. Available here. Consulted on April 26, 2021.

24 Un firmante de paz entre las víctimas de la masacre en Guaviare. Fundación Paz & Reconciliación. December 11, 2020. Available here. Consulted on April 26, 2021.

25 Falta de oportunidades y presencia de Estado causa reclutamiento: personera de San José del Guaviare. Blu Radio. March 11, 2021. Available here. Consulted on April 26, 2021.



The expanded park area and its area of influence have been historically affected by deforestation.<sup>26</sup> In 2018, the government considered that if deforestation were not contained in this area, it would ultimately threaten key conservation areas. Per official documents, the expansion of Chiribiquete National Park was conceived as one of the strategies to halt deforestation (logging, establishing pastures, and burning) in this region.<sup>27</sup>

### 1.3. Deforestation in the Northwestern Colombian Amazon

#### 1.3.a Land-grabbing

Land-grabbing is considered one of the main structural causes of deforestation in the Northwestern Amazon, as it encourages new colonization processes and land use change. In this region, land-grabbing is primarily facilitated by extensive cattle ranching and the cultivation of coca crops.<sup>28</sup>

Land-grabbing involves the process of artificially increasing the price of land (speculation) and a more recent phenomenon in which certain large landowners purchase land, through different means, from multiple smallholders (accumulation). The current process of land-grabbing and accumulation in the northwestern Colombian Amazon has historical roots and is able to happen largely as a result of the lack of presence by the State.<sup>29</sup>

<sup>26</sup> Expansion Proposal for Serranía del Chiribiquete National Park. Synthesis Document. April 2018. p. 23. Available here. Consulted on March 19, 2021.

<sup>27</sup> Ibid.

<sup>28</sup> ¿Cómo saber quién deforestó 2.000 hectáreas en Chiribiquete?. El Espectador. April 3, 2021. Available here. Consulted on April 28, 2021.

<sup>29</sup> El invisible acaparamiento de tierras. Dejusticia. March 6, 2019. Available here. Consulted on April 30, 2021.

<sup>30</sup> Deforestation Early Warning Bulletin No. 25. IDEAM. (October–December 2020). Obtained through a request for access to public information. Consulted on March 18, 2021.

On one hand, the phenomenon of land accumulation and subsequent deforestation can be seen as a result of a historical process of failed land reforms; on the other, it currently stimulates an important part of the regional economy, despite its strong negative environmental impacts. Additionally, in the absence of policies to protect the rights of rural populations, land-grabbing increases the concentration of land in the hands of large owners while leaving behind a large number of local disempowered campesinos, who see their resources diminishing and their rights violated.

#### 1.3.b Links Between Deforestation and Cattle Ranching in the Investigation Area

The initial investigation focused on two regions. In Chiribiquete National Park the focus was in the north and northeast and the surrounding forest reserve. In La Macarena National Park, the investigation analyzed a selection of rural districts within the park.

In some areas of Chiribiquete National Park, the conversion of forest into pastures for extensive cattle ranching is among the main causes of deforestation, according to the government's Deforestation Early Warning Bulletins<sup>30</sup>. Likewise, deforestation reports for the Amazon's Northwestern Arc conclude that there is a significant increase in the number of cattle farms directly related to the appropriation of public land, expanding the agricultural frontier into the Amazon Forest Reserve. The report shows

that the total number of cattle increased by 690,000 in the 2016-2019 period in Chiribiquete's most affected municipalities neighboring the park, which lost 290,000 hectares of forest during that same period.<sup>31</sup>

The other region investigated, particularly the municipality of La Macarena, was the second most deforested area in the country in 2018. This area's deforestation and cattle trends illustrate a strong correlation between increases in deforestation and an increase in the number of cattle and cattle farms.<sup>32</sup>

<sup>31</sup> Report on Deforestation, April 2019–March 2020, in the Amazon's Northwestern Arch. FCDS. Available here. Consulted on March 18, 2021.

<sup>32</sup> Between 2016 and 2017, the total number of cattle increased by 47%, the number of cattle farms by 45%, and net forest loss by 65%. Likewise, between 2017 and 2018, the total number of cattle increased by 43%, cattle farms by 40%, and deforestation by 20%. The department of Meta as a whole displays a similar correlation. The number of cattle increased by 4% between 2016 and 2017, while the number of cattle farms increased by 6% and deforestation by 28%. Between 2017 and 2018, the total number of cattle grew by 11%, the number of cattle farms by 15%, and deforestation by 18%. Source: Traceability as a Tool in the Fight Against Deforestation. FPES – NWF – UW. April 2020. Based on official information from the 2016–2018 National Livestock Census and IDEAM's 2016–2018 Deforestation Report. p. 17. Available here. Consulted on March 18, 2021.








## 2. The livestock supply chain

The structure of the livestock supply chain in Colombia is complex and dispersed, especially in its production and commercialization phases. Different stages of production, continuous movement and a multitude of actors make traceability difficult and increase the risk that cattle linked to deforestation at some point in their lifecycle, especially through indirect suppliers, enter supply chains.

### 2.1. Livestock Production Phases

The cattle production process has three phases.<sup>33</sup> In some cases, a single farm can carry out all three phases, in which case it is referred to as a full-cycle farm. Farms that only carry out one or two of these phases are called partial cycle farms.

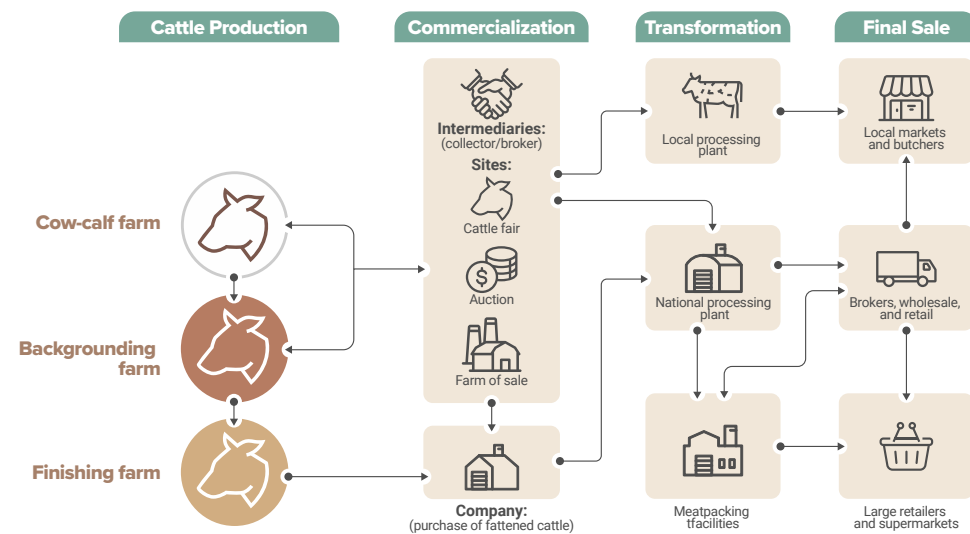
-  **Cow-calf phase:** Begins with the cow's pregnancy, followed by the birth of the calf, and ends with weaning. This phase has a total duration of 18 months.
-  **Backgrounding phase:** Begins with weaning—which takes place around the calf's seventh month of life—and ends when the animal is 24 months old. This phase has a duration of approximately 17 months.
-  **Finishing phase:** Begins when the animal is 24 months old and extends until it is 36 months old. At that age, it is usually taken to slaughterhouses. This phase has a duration of 12 months.

<sup>33</sup> Traceability as a Tool in the Fight Against Deforestation. FPES – NWF – UW. April 2020. pp. 20-22. Available [here](#). Consulted on March 18, 2021.



**Supply Chain**

Figure 2. Representation of the Beef Supply Chain  
Source: University of Wisconsin



**2.2. Commercialization of Cattle**

Cattle can be sold during any of the three phases in the production cycle, and it is common for cows to be moved from one farm to another after formal or informal sales at auctions or fairs.<sup>34</sup> In many cases, intermediaries play an important role in the chain by connecting supply and demand at any given phase in the production cycle. These

intermediaries have the financial means to negotiate with cattle ranchers and make payments in advance. Intermediaries can be classified as either collectors or brokers.

- **Collectors:** gather lots or groups of live animals to sell them in places like livestock fairs and cattle auctions. This common practice of grouping animals into lots, rather than registering them individually, complicates the traceability of cattle.

<sup>34</sup> Ibid, 23-24.

**2.3. Transformation of Beef**

- **Brokers:** have direct relationships with wholesalers and retailers, restaurants, and butcheries, among other buyers, and provide the logistical support needed to supply the so-called canals,<sup>35</sup> or carcasses, to the final clients.<sup>36</sup>

The role of slaughterhouses in the cattle supply chains is to slaughter and butcher animals. These facilities can send the carcasses to other companies for further processing or receive technical specifications on special cuts and packaging.

Intermediation is barely regulated and creates both inefficiencies and high levels of informality in the supply chain. These factors make traceability and monitoring more difficult, especially for suppliers that are not full-cycle producers.<sup>37</sup> Though it may seem that cattle coming from full-cycle farms are more easily traced than those from partial-cycle farms, even full-cycle farms may purchase and sell livestock at different phases in the production cycle.

In general, slaughterhouses<sup>38</sup> are not involved in the retail of beef; however, some slaughterhouses in Colombia buy live cattle and then sell the beef and its byproducts to other buyers. Beef from municipal slaughterhouses can only be distributed in its respective municipality, while department-level plants can supply the entire country. All slaughterhouses, whether local or regional, must be approved by the National Institute for Drug and Food Surveillance (INVIMA).

<sup>35</sup> A canal, or carcass, is an animal that has already been slaughtered.

<sup>36</sup> Traceability as a Tool in the Fight Against Deforestation. FPES – NWF – UW. April 2020. p. 23. Available here. Consulted on March 18, 2021.

<sup>37</sup> Ibid, 20.

<sup>38</sup> Ibid, 25-26.



## 3. Data analysis

### Vaccinations, movements and deforestation

#### 3.1. Deforestation in Forest Reserve Areas and National Parks

The Forest Reserve Area surrounding the North and Northeast of Chiribiquete National Park<sup>39</sup> has lost nearly 17,000 hectares of forest between 2016 and 2020. The worst year was 2018 when 5,590 hectares were cleared, followed by 2017 (5,294 hectares) and 2019 (2,430 hectares). Land-use changes that modify the nature of the forest reserve are prohibited in these areas (see Box 3).

Illegal deforestation is not limited to Forest Reserves. The Northern and Northeastern Area of Chiribiquete National Park<sup>40</sup> lost more than 900 hectares of forest in 2019 and more than 500 in 2020. Forest destruction is also advancing in another area less than 10km away from the northern border of the park, in neighboring La Macarena National Park, where over 17,000 hectares were deforested between 2016 and 2020. Deforestation in La Macarena National Park intensified in 2020, when nearly 5,000 hectares of forest were lost.

The relationship between deforestation and cattle ranching becomes evident when comparing information on deforestation in the region, an increase in the number of head of cattle, and ICA's records on the number of cattle transported from these protected areas (hereafter referred to as cattle "*movements*").

<sup>39</sup> This is one of the Areas in which EIA conducted its investigation. For the purposes of this report, it is meant to include 11 rural districts in the municipality of Calamar (Brisas de Itilla, Caño Caribe, El Rebalse, El Triunfo, La Cristalina, La Esmeralda, La Primavera, La Tigra, Patio Bonito, Puerto Cubarro, and Puerto Polaco), along with the rural district of Buenos Aires, located to the northeast of the park in the municipality of San José del Guaviare. These rural districts were selected based on matches in geographic data from the Governments of Meta and Guaviare and cattle movement and vaccination data from ICA. Three of the rural districts (La Cristalina, La Primavera, and Patio Bonito) included in our analysis include data from two separate geographic locations that fall under the same name. This means that in the investigation area there are two separate rural districts in the municipality of Calamar called La Cristalina. Our analysis included them together as one rural district given that both locations are inside of Second Law of 1959 areas, in addition to the fact that the rural district names for the two separate locations are indistinguishable in the cattle movement and vaccination datasets.

<sup>40</sup> In this report, this area is understood to be the northernmost section of the 2018 expansion area of Chiribiquete National Park. As a reference point, the rural districts of San Jorge and Angoleta in the municipality of San José del Guaviare are to the direct north, with the eastern side extending southward from the rural district of El Chuapal until the border intersects with the Tunia River. The southern border extends along the Tunia River until it meets the Llanos del Yari-Yaguara II Indigenous Reserve. The western border runs along the extent of the Llanos del Yari-Yaguara II reserve until near the Palmar Alto rural district.

### 3.2. Cattle Population and Movements in the North and Northeast of Chiribiquete National Park

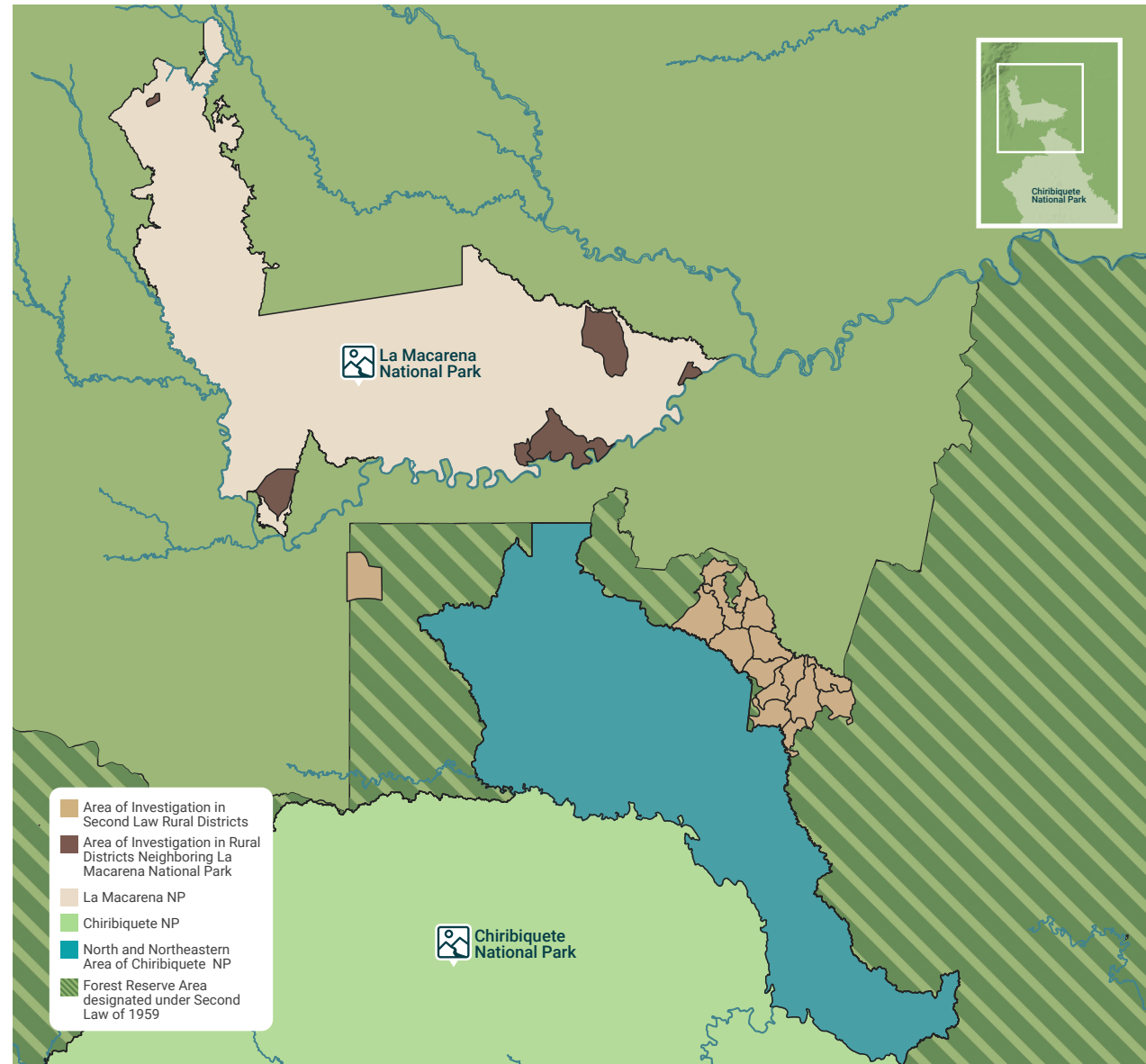
An analysis of ICA's vaccination registry for the Forest Reserve to the North and Northeast of Chiribiquete National Park shows that the area's cattle population increased by staggering 349% percent between 2016 and 2019. According to ICA's registry, there were 10,386 head of cattle in 2016, 36,020 in 2017, 42,506 in 2018, and 47,696 in 2019. Likewise, ICA's official records show a total of 23,853 movements between 2016 and 2020. The number of movements has also grown annually and intensified in 2020 with a total of 11,197 movements..

An analysis of the destinations of cattle movements from the Forest Reserve to the North and Northeast of Chiribiquete National Park indicates

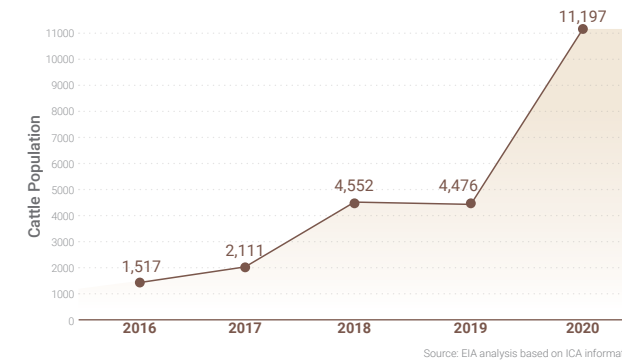
that 90% of the cattle sent from this area directly to a processing plant arrive in the city of Bogota. Between 2016 and 2020, this proportion was equivalent to 6,017 head of cattle, with the highest number of movements (2,360) in 2020. Only 6% of all movements from cattle farms straight to slaughterhouses went directly to the department of Guaviare and 1% to the department of Meta.

The main destination of cattle movements to other farms in the department of Guaviare (for backgrounding) is the rural district or vereda of Altamira in the Municipality of Calamar, where 2,515 head of cattle arrived between 2016 and 2020. Altamira is located outside of the Forest Reserve Area. It is worth noting that 62% of the cattle that leave this rural district are bound for the city of Bogota (a total of 15,882 out of 25,377 head of cattle for the 2016–2020 period). Therefore, Bogota may be indirectly receiving a greater number than 6,000 heads of cattle that spent part of their lifetime inside the Forest Reserve Area surrounding the North and Northeast of Chiribiquete National Park.

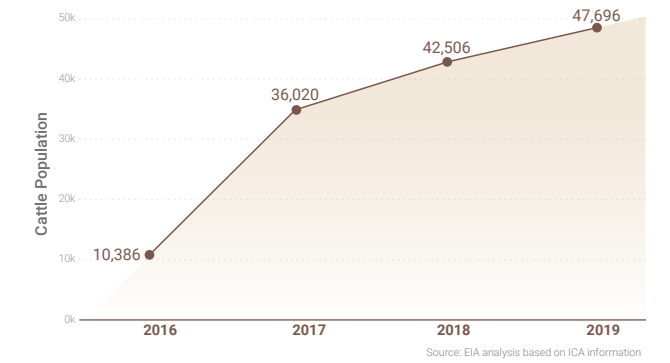
Map 2. Area of Investigation to the North of Chiribiquete National Park



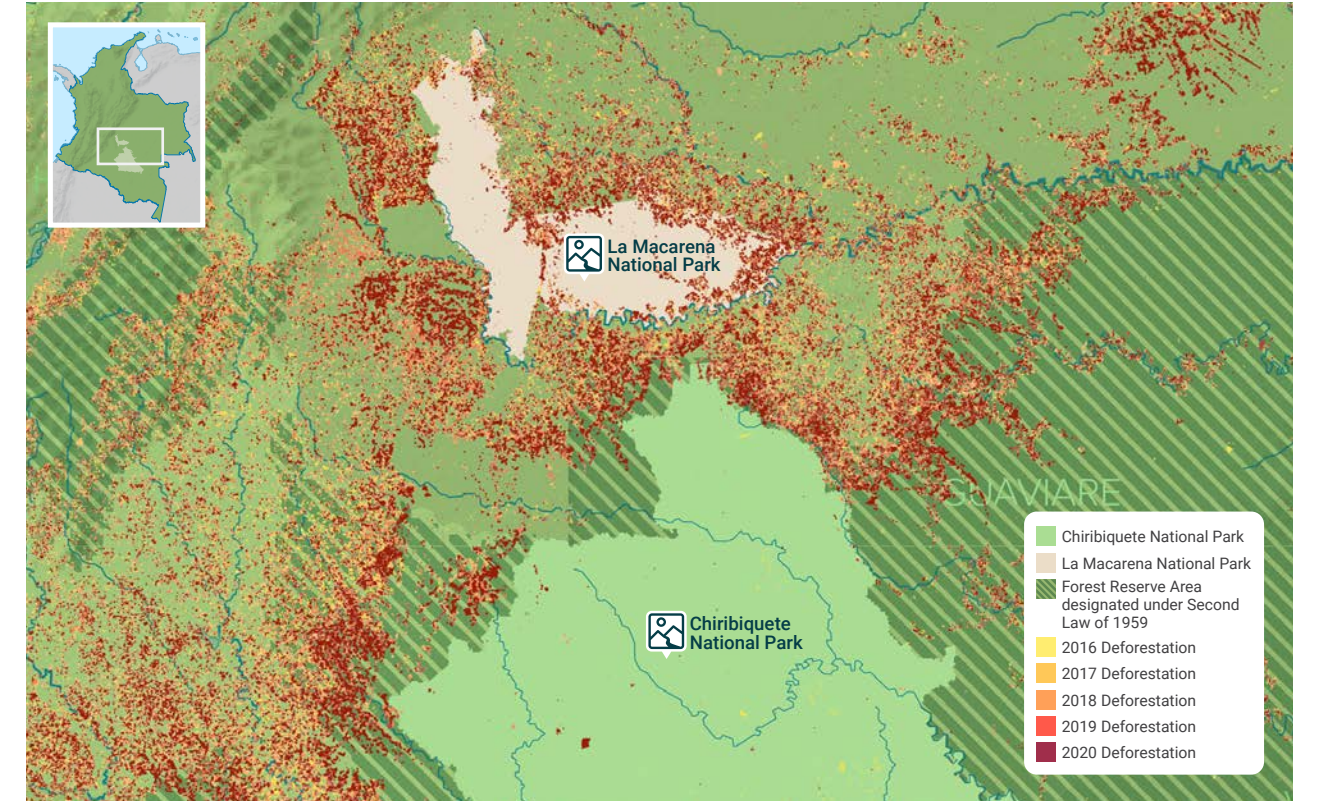
Graph 1. Movements of Cattle in the Forest Reserve to the North and Northeast of Chiribiquete National Park.



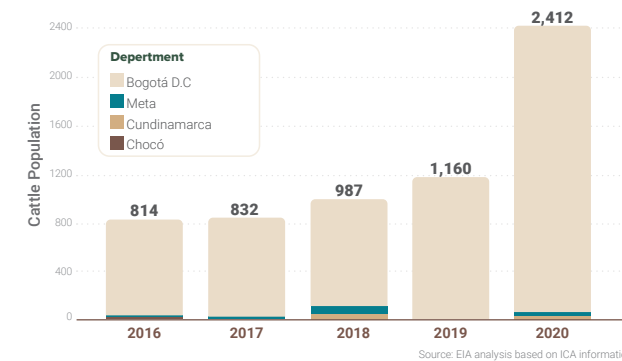
Graph 2. Cattle Population in the Forest Reserve to the North and Northeast of Chiribiquete National Park.



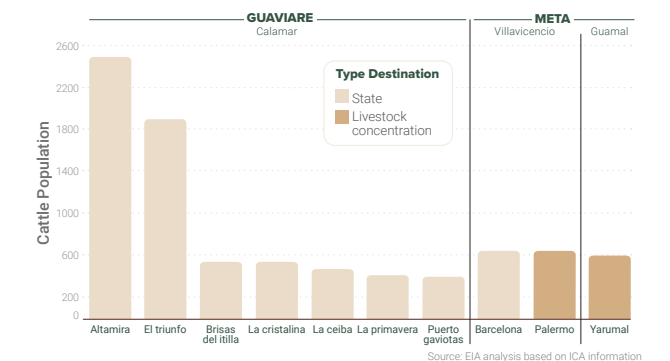
Map 3. Deforestation in Northern area of Chiribiquete and La Macarena National Parks



Graph 3. Movements from FR to Processing Plants Outside of Guaviare.



Graph 4. Destinations of movements from FR to Other Farms in Guaviare and Meta, (2016-2020)

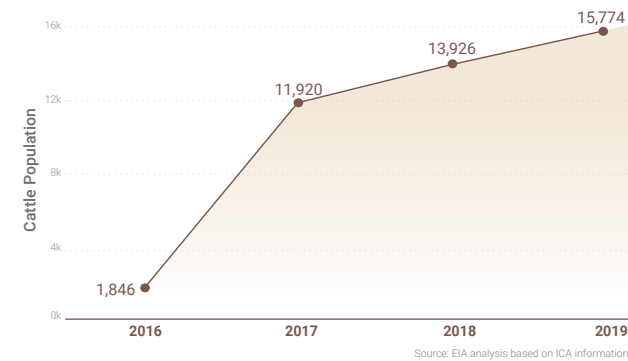


FR: Forest Reserve Area surrounding the North and Northeast of Chiribiquete National Park

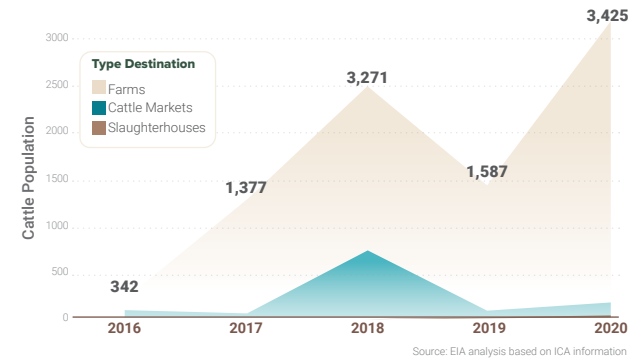
### 3.3. Cattle Population and Movements in La Macarena National Park

The percent increase was even greater over the same period within the borders of La Macarena National Park. ICA's vaccination registry shows that cattle population grew from 1,846 individuals in 2016 to 15,774 in 2019, a 754% increase in just four years. Regarding cattle movements between 2016 and 2020, ICA reported the relocation of 10,002 head of cattle from six rural districts<sup>41</sup> from the interior of La Macarena National

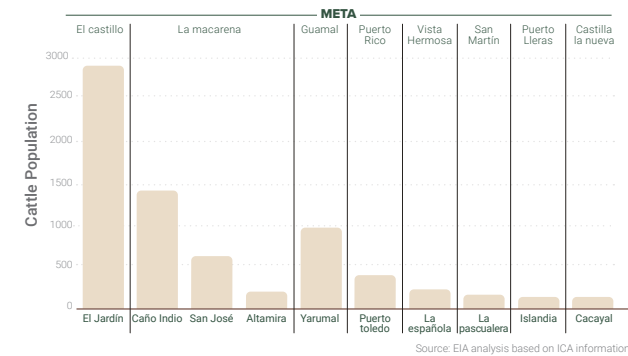
Graph 5. Cattle Population in La Macarena National Park.



Graph 6. Cattle Movements from the Interior of La Macarena National Park to Other Farms.



Graph 7. Main destinations of cattle movements from the Interior of La Macarena National Park to Cattle Markets. (2016-2020)



41 EIA only analyzed 6 rural districts (Caño Indio, Cafetales, Caño Ceiba Bajo, La Esperanza, Caño San José, and Nueva Colombia) within La Macarena National Park, since these are the only ones that are both inside the park and for which ICA datasets and geographical information from the Government of Meta match in order to conduct an accurate analysis. Jointly they represent 5.7% of the total area of La Macarena National Park.

42 Ministry of Environment and Sustainable Development. Forest Reserves Established by Law 2 of 1959. Available here. Consulted on March 19, 2021

Park to other destinations. The number of cattle movements increased significantly in 2017 and peaked in 2018 and 2020. Caño Indio, one of the six rural districts or veredas analyzed, accounted for 87% of all movements, or nearly 9,000 head of cattle.

#### BOX 3. THE AMAZON FOREST RESERVE

A portion of the territory bordering Chiribiquete and La Macarena National Parks forms part of an area known as the Amazon Forest Reserve (See Map 1). These forest reserves were established through the ratification of the Second Law of 1959 to promote the forest economy and protect land, water, and wildlife.<sup>42</sup> Since 1976, several regulations permit only land uses that are compatible with forest conservation inside the reserves. The Ministry of Environment later developed three distinct environmental planning classifications: Zones A, B, or C, depending on their specific purpose. The common denominator among these classifications is that they all ban land-use changes or other changes that modify the nature of the forest reserve. Cattle ranching is illegal in Zones A and B.

The main destinations of cattle movements from the interior of La Macarena National Park were other farms in the region. Between 2016 and 2020, 2,883 head of cattle (which represent 28% of the total number that left La Macarena National Park) were relocated from the rural district of Caño Indio to the rural district of El Jardín, in the municipality of El Castillo in the department of Meta. In turn, 14% of the cattle that left El Jardín, or 957 head of cattle, had processing plants in Bogota as their final destination. Though this percentage is low, it increases the risk that buyers in Bogota may be consuming cattle backgrounded inside of La Macarena National Park.

Between 2016 and 2020, there were 1,251 registered movements from the investigation area in La Macarena National Park to cattle markets (livestock fairs or auctions), and Cattle Market 1 was the main destination (see case study in section 4.5). During this period, Cattle Market 1 received 957 head of cattle directly from within La Macarena National Park. This number is likely larger though, for the same reason noted earlier: El Jardín received 2,883 head of cattle relocated from within La Macarena National Park, and records show that, during this same period, Cattle Market 1 received 887 head of cattle from El Jardín—one of the direct destinations of cattle from La Macarena.

#### BOX 4. PROHIBITION OF LIVESTOCK PRODUCTION IN NATIONAL PARKS

Any form of cattle ranching has been explicitly banned inside any national park since 1959. Article 13 of the Second Law of 1959 and numeral 3 of Article 30 of Law-Decree 2811 of 1974 prohibit livestock activities (including cattle ranching) inside the system's areas. Related to Chiribiquete National Park specifically, in Resolution 1256 of July 10, 2018, the Ministry of Environment and Sustainable Development banned all activities other than conservation, education, recreation, culture, research, recovery, and control inside of the national park. Likewise, it declared the park's area as inalienable and not subject to prescription or seizure<sup>43</sup>. The resolution also determined that activities carried out on the land neighboring Chiribiquete National Park must serve as a buffer and contribute to the protection, planning, and management of renewable natural resources and the achievement of the country's general conservation objectives.<sup>44</sup>

43 Resolution 1256 of July 10, 2018, Ministry of Environment and Sustainable Development. p. 23. Available here. Consulted on March 19, 2021.

44 Decree 1076 of 2015, Environment and Sustainable Development Sector. Article 2.2.2.1.3.1. pp. 135-136. Available here. Consulted on March 19, 2021.





## 4. Field investigation

### Deforestation linked to supermarkets

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The previous section shows how a significant number of cattle that spend their backgrounding or finishing phases in protected areas are then taken to and consumed in Bogotá. Though many supermarket chains have explicitly stated<sup>45</sup> that they do not buy cattle from deforested areas, this investigation found convincing evidence of the contrary and revealed that indirect suppliers represent one of the weakest links in the supply chain. In this particular case, one of the traders that supplies both Grupo Éxito and Colsubsidio purchases cattle directly from: a) a supplier who runs a farm located within Chiribiquete National Park, and b) a company that owns a farm located—at least partially—inside La Macarena National Park.

<sup>45</sup> Acusan a cadena de supermercado francesa de deforestar en Colombia. El Tiempo. March 4, 2021. Available [here](#). Consulted on April 14, 2021.

## 4.1. Deforestation in National Parks

### 4.1.a. Case No. 1: Indirect Supplier Linked to Deforestation in Chiribiquete National Park

Supplier A, who directly supplies Grupo Éxito and Colsubsidio, has a production capacity of around 2,000 head of cattle per month. He has self-owned farms as well as farms rented to raise cattle, and in addition to his own production capacity, he also regularly purchases cattle from indirect suppliers based on the demand from his clients. Supplier A has worked for at least 10 years with his two main clients, the supermarket chains Grupo Éxito and Colsubsidio.

Supplier A has had a business relationship for more than 10 years with Indirect Supplier 1, who in turn has a business partner, Indirect Supplier 2, with whom he has worked for five years. As part of their agreement, Indirect Supplier 2 backgrounds [fattens] all of Indirect Supplier 1's cattle. Indirect Supplier 1's farm is located in the department of Guaviare, outside

**EIA:** You work directly with them, or with suppliers? How does it work?

**Supplier A:** Both ways. I have finishing operations and have been a cattle rancher all my life. I also have my suppliers, so in both chains I manage 2,000 head of cattle... [...] I was raised among cattle ranchers, so I know people; lifelong ranchers and friends... the person who was just here with me is a rancher and a friend; they sell me their cattle.

of the Forest Reserve to the North and Northeast of Chiribiquete National Park. Cattle spends the first production phase on this farm before being transferred to Indirect Supplier 2's farm.

Indirect Supplier 2 runs a farm inside Chiribiquete National Park's Northern Area. This area has formally been part of Chiribiquete National Park since 2018, following the park's most recent expansion. According

#### Deforested farm of Indirect Supplier 2, within Chiribiquete National Park



2018



2019

Satellite images courtesy of Planet Labs, Inc.



Analysis of forest change from the investigators' field visit inside of the National Park. Image courtesy of Planet Labs, Inc.

to Colombian legislation, any activity other than conservation is illegal within the park's borders.<sup>46</sup> Nevertheless, Indirect Supplier 2 holds around 800 hectares of land inside the park, 400 of which were deforested and turned into pastures for cattle ranching in 2019, when the area had already become a national park. Through September 2020, Indirect Supplier 2 had, on average, 600 head of cattle in the backgrounding phase and openly expressed his wish to clear the rest of the farm in the near future. Supplier A purchases on average 100-300 head of cattle every 2 months from Indirect Supplier 1. These animals are backgrounded by Indirect Supplier 2 inside Chiribiquete National Park, and EIA investigators were told that the beef is sold in Carulla Supermarket.

**EIA:** ... So, from here you also sell to supermarkets?

**Indirect Supplier 2:** ... of course!

**EIA:** ... so who do you sell to?

**Indirect Supplier 2:** ... we sell the cattle to Carulla... to the Guadalupe [Slaughterhouse]... everything is sent there to Guadalupe

**EIA:** ... So, the one that goes to Carulla is sent to Guadalupe?

**Indirect Supplier 2:** ... to Guadalupe, yes...

#### Governance in the Farm's Surrounding Area and Control Exerted by Armed Groups

Indirect Supplier 2 implicitly recognizes that he knows his farm is located inside the national park, since he acknowledges that the National Parks Authority is the governmental entity with jurisdiction over the area. He told investigators that the park's authorities occasionally "bother him so that he stops clearing the forest." On the other hand, he also claimed that it is armed groups who in reality exert territorial control in the area. As an example, he mentioned that when landholders in the area want to expand a farm, these groups must first grant an authorization to do so.

Indirect Supplier 2 also stated that he must pay armed groups \$10,000 COP per head of cattle each year. He usually must travel to the place where these groups are settled and make the payments directly, and he explains that, in exchange, "these people take care of you (...)" and that he can therefore "move freely anywhere and at any time (...), and "not have issues with anyone."

According to Indirect Supplier 2, armed groups issue receipts with their respective seal after receiving the payments in order for the rancher to have a proof of payment and avoid being charged twice.

Indirect Supplier 2 was clear that he is not the only one who must make payments to armed groups. As he explained to investigators, all cattle ranchers in the area and, regardless of how large they are, must pay the corresponding fee: "if you have 100, you pay for 100... if you have 1,000, you pay for 1,000... if you have 5,000, well, you'll have to pay more..."

<sup>46</sup> Article 13 of the Second Law of 1959 and numeral 3 of Article 30 of Law-Decree 2811 of 1974 proscribe livestock activities in National Parks.

**EIA:** ... how many hectares do you have, Mr.

**Indirect Supplier 2:** ... I have approximately 700, 800 hectares

**EIA:** ... they don't bother you about the cadaster [lack of land registration]?

**Indirect Supplier 2:** ... no, nothing

**EIA:** ... have you already established pastures this year? [...] first you have to clear the forest and then create pastures, right?

**Indirect Supplier 2:** ... soon we start clearing, when the summer arrives...

**EIA:** ... but this area was cleared recently, right?

**Indirect Supplier 2:** ... yes, this was cleared recently... two years ago... [...] these pastures are even more recent... one year... yes, from 2019...

**EIA:** ... so you have been in charge of clearing the forest? I mean, with other people, but clearing the forest and establishing pastures...

**Indirect Supplier 2:** ... yes, others can clear-cut, and then one creates the farm and the pastures

**EIA:** so you cleared the 800 hectares [sic]?

**Indirect Supplier 2:** ... yes, all of that has been cut down, and there is still more left to clear

**EIA:** ... and how much more are you planning on expanding?

**Indirect Supplier 2:** ... well, until it is all cleared...

**EIA:** ... the 800 [hectares]?

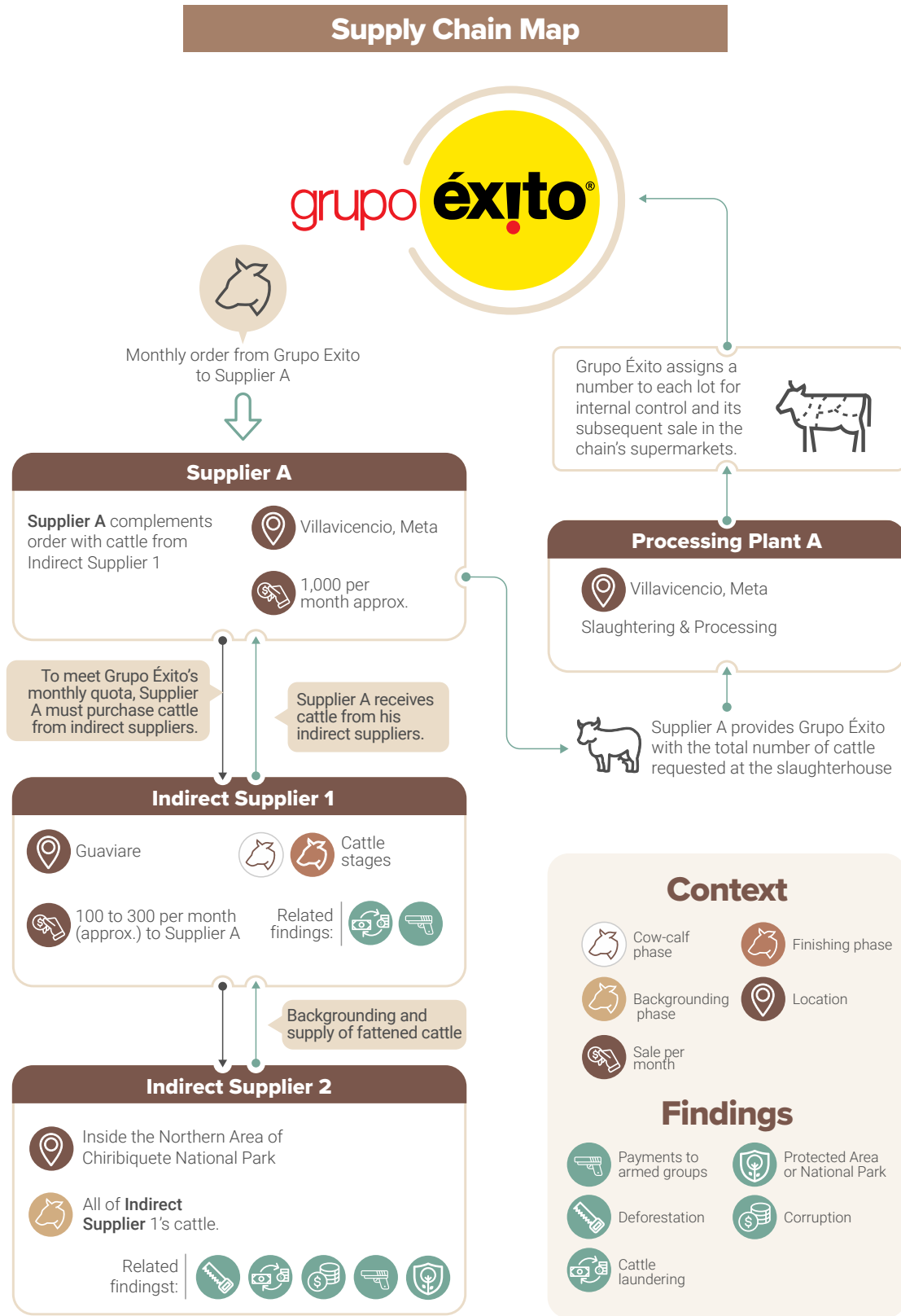
**Indirect Supplier 2:** ... yes

**EIA:** ... and if you need to expand more, would you be able to?

**Indirect Supplier 2:** ... well, yes, because I can buy... I can continue to buy...

#### Destination and Use of Timber Products from Chiribiquete and La Macarena National Parks

EIA investigators learned from indirect suppliers and well-informed sources that valuable timber species are logged selectively before clearing the forest entirely and sawn on site. (See photo on p. 31). At the farms, logs are cut into boards, referred to as "pieces," that are 3-4 meters long in temporary sawmills set up for this purpose. Part of the timber is used for maintenance on the farms, and the rest is commercialized in the black market. Transports usually do not exceed 200 pieces per shipment, in order to make it easier to hide the timber and avoid checkpoints along the road. One of the collection centers for timber from La Macarena National Park is Granada, Meta. In the presence of investigators, Indirect Supplier 1 spoke with Indirect Supplier 2 about a shipment of 1,200 pieces that left the farm's surrounding area in September 2020 to be commercialized in the region. Colombian law requires timber to be authorized prior to harvesting and be documented by a transport permit when mobilized to any destination; otherwise, it is considered illegal.



Timber processing site on Indirect Supplier 2's farm inside Chiribiquete National Park.

#### 4.1.b. Case No. 2: Indirect Supplier inside La Macarena National Park

During the investigation, EIA also identified Company A, which has had a business relationship with Supplier A during the last four years for the purchase and sale of cattle. According to workers from Company A, the company's most important farm has an extension of 2,000 hectares (1,800 of them are pastures) and part of it is located inside the limits of La Macarena National Park. The worker told EIA's investigators that "the line that says 'La Macarena Park begins here' passes us [the farm] through the middle...around the farm, on the sides, the boundaries... that is virgin forest..."

In this case, EIA confirmed that armed groups also control the area and that they sometimes limit land-grabbing to 80 hectares [other sources claimed that the limit is 100 hectares]. People get in trouble with armed

groups if they appropriate larger areas of land, and cattle ranchers must pay armed groups \$10,000 COP per head of cattle each year.

In exchange for their payments, cattle ranchers receive protection from cattle theft, among other benefits, which reportedly occurs in areas that are not controlled by armed groups. On the other hand, ranchers lamented that payments made to armed groups cannot be included in the business's bookkeeping, despite being a cost of production.

As a result of the location of the farm, cattle raised on this farm—and eventually purchased by Supplier A—has an extremely high risk of being raised on illegally deforested land and being linked to payments to armed groups.

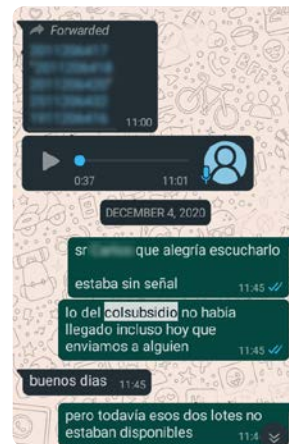


### 4.1.c. Supply chain links to Grupo Exito and Colsubsidio

When EIA contacted Processing Plant A, which transforms part of the beef sold by both Grupo Exito and Colsubsidio, employees confirmed that Supplier A works with both supermarket chains. Moreover, they confirmed that Supplier A sells about 1,000 head of cattle to Grupo Exito every month, and they were aware of Indirect Supplier 1.

Through the verification of lot numbers of beef from Supplier A's cattle, investigators were able to confirm that steak from said cattle was indeed sold at Exito in the city of Villavicencio. A manager at the butcher department confirmed that it came from Exito's processing plant in the same city. Meat from a another lot number was delivered to CARNATURAL, a company that also buys cattle from Supplier A and processes beef for Grupo Exito, according to Supplier A. Supplier A explained that the CARNATURAL brand is a strategic partner of Grupo Exito that supplies certain cuts when needed.

Supply chain links could also be confirmed in the case of Colsubsidio, where investigators were able to verify through corresponding lot numbers that beef from Supplier A was sold at Colsubsidio supermarket in Restrepo, Meta.



Communication between investigators and Supplier A, through which he shared the meat lot numbers for Grupo Exito and Colsubsidio.



Meat from Supplier A, bought at Exito supermarket in Villavicencio.

47 Traceability as a Tool in the Fight Against Deforestation. FPES – NWF – UW. April 2020. p. 35. Available here. Consulted on March 18, 2021.  
48 Ibid, 36.

## 4.2. Other irregularities detected in Grupo Exito's Supply Chain

In the Magdalena Medio region, in the department of Antioquia, EIA discovered another direct supplier of Grupo Exito (hereafter **Supplier B**) that sells the supermarket chain an average of 80 carcasses, per month [slaughtered cattle ready for processing]. Supplier B purchases cattle from indirect suppliers, among them **Indirect Supplier 3**, to meet Grupo Exito's demand.

### 4.2.a Cattle Laundering How should cattle movements be registered?

Cattle farms and properties that specialize in beef or double-purpose cattle (beef and milk) must be registered in ICA's Sanitary Registry of Livestock Farms.<sup>47</sup> To move cattle from one property to another, ranchers must obtain a Sanitary Guide for Internal Movement (GSMI). This guide is obtained to mobilize cattle only among farms that are already registered by ICA. The GSMI indicates a single origin and destination which is valid for a single trajectory and vehicle. The guide indicates a specific date, and its validity is equivalent to the trajectory's expected duration.<sup>48</sup>

#### How does it sometimes work in practice?

Supplier B explained that occasionally—when ranchers need cattle from other farms, when an animal dies while being transported, or when “they [indirect suppliers] have not brought the license” [GSMI]—he himself issues a GSMI as if the cattle came from his own farm and then sends the animals to his clients, including the large retailers and supermarket chains: “I issue their license here, so the cattle enter the slaughterhouse from here, and that's it...”

Below is a transcript of a conversation that Supplier B had with EIA's investigators about cattle laundering aimed at obscuring cattle's real farm of origin:

- EIA:** And they don't notice anything at the slaughterhouse? They just relax?
- Supplier B:** Nothing. Everything adds up. What does the slaughterhouse care? All that matters is that they receive the categories they have to slaughter, and that's it...
- EIA:** So you have to change out the cattle, or only the licenses?
- Supplier B:** Only the license
- EIA:** Only the license... and as you say, the slaughterhouse doesn't care where they come from or...
- Supplier B:** No, nothing, because the slaughterhouse is a business that provides services



Exito and Colsubsidio stores in Villavicencio and Restrepo, respectively.

The practice evidenced above is not limited to the cattle that Supplier B sells to his clients. The investigation compiled evidence showing how Supplier B utilizes his farm and its ICA authorization to issue GSMIs for third parties in exchange for financial compensation.

This practice of cattle laundering is further evidence of the existing risk of cattle from deforested areas entering the supply chain at any given stage in the livestock production cycle without being detected.

### 4.2.b. Corruption

A conversation between EIA, Supplier B, and one of his suppliers (Indirect Supplier 3) revealed how influential actors may clear the forest without facing any consequences.

- Supplier B, and Indirect Supplier 3 about complicity with the police**
- Indirect Supplier 3:** To cut down a tree here you need approval, and they may grant it to you or not... you have to manage the situation...
- Supplier B:** What kills [holds back] snitches?
- EIA:** Sure...
- Supplier B:** The neighbor, who is a snitch, hears a chainsaw and calls the police right there. But if you're in the police's keychain [friend], you call and tell them, "listen, I'll be cutting down some trees over there. If they call you, you already know..."
- EIA:** And it's okay...
- Supplier B:** Yes, you know how it goes...
- EIA:** For that you need economic muscle...
- Supplier B:** [nods]



## 5. Cattle Markets A Critical Link in the Supply Chain

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### 5.1. Findings related to Cattle Market 1

Cattle markets are physical spaces for the purchase and sale of animals in any phase in the production cycle (cow-calf, backgrounding, or finishing). In some cases, when buyers and sellers trade directly, the place of the exchange is called a cattle fair.<sup>49</sup> In other instances, sale processes are more organized, and there is a third party in charge of connecting supply and demand and managing the event's operations and financial movements. These transactions are known as cattle auctions.<sup>50</sup>

EIA's investigation revealed how cattle markets can serve as hubs for cattle laundering, especially for cattle brought from deforestation-prone areas or of animals whose supply chains are exposed to payments to armed groups. By analyzing ICA's data on the movement of cattle between 2016–2020, EIA's investigators identified four cases involving a high risk of deforestation and the presence of armed groups.

<sup>49</sup> Traceability as a Tool in the Fight Against Deforestation. FPES – NWF – UW. April 2020. p. 24. [Available here](#). Consulted on March 25, 2021.

<sup>50</sup> Ibid.



The main destination of the cattle that are sent for slaughter from this cattle market is the city of Bogota.

- The first case involves a rural district located inside La Macarena National Park (hereafter, Rural District A), from which 601 head of cattle were taken to and sold in a specific cattle market in the department of Meta (hereafter Cattle Market 1). Since any activity other than conservation is banned inside La Macarena National Park, the abovementioned head of cattle originated in a territory where cattle ranching is prohibited and is thus of illegal origin.
- The second case involves a record showing at least 604 head of cattle that arrived around the same period to Cattle Market 1 from the Forest Reserve Area surrounding the North and Northeast of Chiribiquete National Park.<sup>51</sup> As shown in Section 3.1, cattle ranching is also illegal in this area.
- The third case relates to the rural district closest to Indirect Supplier 2's<sup>52</sup> farm (hereafter Rural District B). 333 head of cattle arrived in Cattle Market 1 from Rural District B, which is located in the Forest Reserve Area North and Northeast of Chiribiquete National Park. Since it is the rural district closest to Indirect Supplier 2's farm, for which ICA has registered cattle movements, it is highly likely that, in reality, these 333 head of cattle came from the interior of Chiribiquete National Park.
- The fourth case is related to 40,793 cattle movements that arrived to Cattle Market 1 that originated in rural districts where 2,488 hectares (or 3,483 soccer fields) of deforestation occurred between 2016 and 2020.

Besides commercializing high-risk cattle, Cattle Market 1 provides the possibility of "legalizing," or laundering cattle, regardless of their initial place of origin. During a conversation with EIA's investigators, an operator of Cattle Market 1 made it clear there are no legal, or de facto, barriers to supplying cattle from Cattle Market 1 to farms that do not have land registration or title.

<sup>51</sup> See footnote 39 for more information.  
<sup>52</sup> See section 4.1.a for more information about Indirect Supplier 2.

**Operator of Cattle Market 1 About Purchasing Farms in Guaviare and Supplying them with Cattle**

**Operator:** ... right now there are people in Guaviare who I can call, and they tell me, "they're selling 2000, 3000 hectares without any problems for 5, 6, 7 million pesos." They give you part of it with, what is it? With a title, and the other part without it... you can negotiate...

**EIA:** ... and it doesn't matter? So the cattle that come from there...

**Operator:** ... it's fattened cattle... you have your land, you come here and given that you [already] bought your farm, we can sell you the cattle, and you can supply yourself here with us, and we can talk about the terms of payment, so you buy it here and send it over there...

**EIA:** ... and you send it over... but if I want to have cattle in the meantime...It doesn't matter that the land is untitled? I mean... how can you help me legalize that cattle? How does it work?

**Operator:** ... the thing is... you don't have to legalize the cattle... I will legalize it here when I send it... I will send it to you with their ICA. It is not a problem. The land itself is another matter.

**EIA:** ... of course, but the cattle will be legalized

**Operator:** ... you can pack the land with cattle even if its untitled...

In Cattle Market 1, people seem to understand the dynamics imposed by paramilitaries and armed groups and appear to be well connected. One person even offered assistance in dealing with and paying off different groups when acquiring land in other areas to EIA investigators. Below is a transcript of a conversation on the subject:

## 5.2. Final Destination of Cattle Sold in Cattle Market 1

These case studies show that Cattle Market 1 trades cattle that is coming from illegally deforested lands –including national parks- and helping to support armed groups in the region through forced payments.

An analysis of ICA's cattle movement data shows that the main destination of beef coming from cattle sold in Cattle Market 1 is the city of Bogota. Between 2016 and 2020, a total of 57,929 head of cattle arrived in Bogota from Cattle Market 1. The busiest year was 2018, during which 15,215 cattle movements along this route were recorded.

Investigators were also told that major supermarkets and beef distribution chains receive cattle from Cattle Market 1.

**Operator of Cattle Market 1 on Cattle Purchases Made by Large Retailers and Supermarkets**

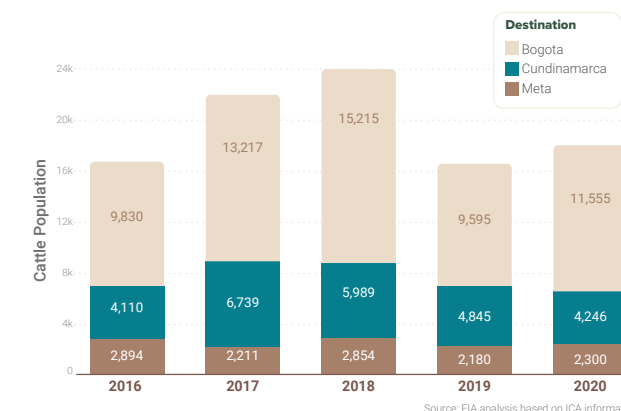
**Operator:** ... the good thing about Cattle Market 1 is that it has several commercialization channels. We have a commercialization channel called frigorífico [refrigerated meat products]; and what is frigorífico? Where we sell, for example, to MINERVA and ATHENA FOODS; we sell to MAKRO and sometimes to ÉXITO ... we also sell to JUMBO; I mean, we also sell to the large supermarkets...

**EIA:** ... So you sell to ÉXITO? You sell directly to them or through third parties?

**Operator:** ... no, directly; we have sold directly to them, yes.

When contacted, Minerva provided information on the company's activities related to sustainable cattle ranching in Latin America and stated they would conduct an in-depth review of the issues raised by EIA.

Graph 8. Movements from Cattle Market 1 to Bogota.



### 5.3. Hidden Impacts of Indiscriminate Beef Sourcing

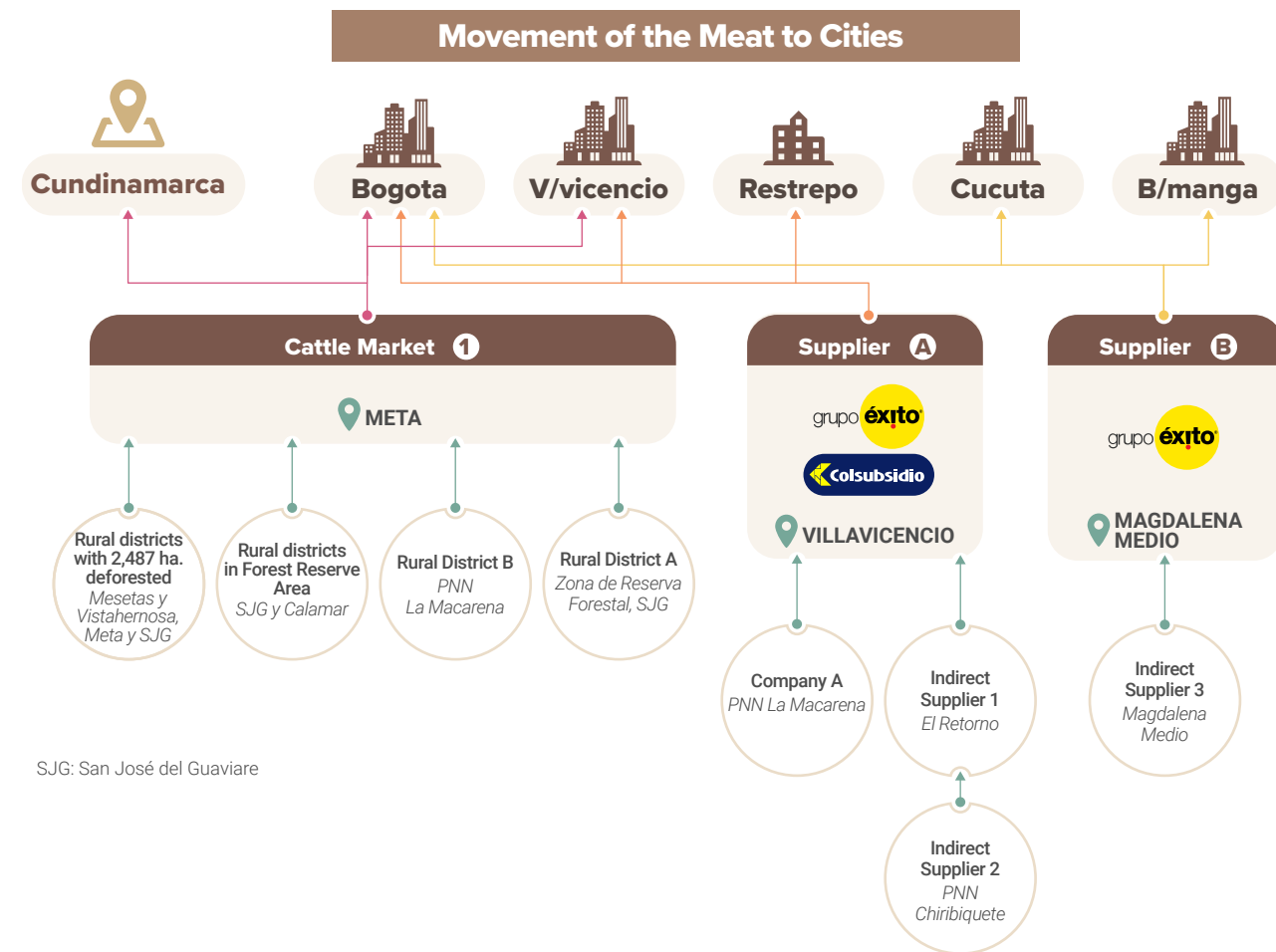
This investigation demonstrated that large supermarket chains in Colombia are purchasing cattle associated with both deforestation and extortion payments to armed groups and are subsequently distributing the processed beef to consumers in Bogota and other major cities in the country. Since there is no traceability system in Colombia that allows consumers or buyers to know the true origin of cattle, final consumers are unwittingly supporting the destruction of protected forests and extortion by armed groups and paramilitary organizations that are responsible for major human rights violations in Colombia. Reports show that these same groups produce and traffic drugs that are sold in Europe and the United States<sup>53</sup> (see Section 6.3.a and Box 7), causing well-known social, economic, and health impacts throughout the supply chain of these illicit substances.

To quantify funding sources derived from extortion in the cattle supply chain, EIA analyzed ICA's database for the 2016-2019 annual vaccination cycles.

This database shows the recorded number of cattle during each vaccination drive. Since payments to armed groups are carried out on a yearly basis, the analysis only considered the number of cattle vaccinated in the second cycle of vaccination, which occurs in the second semester of each year.

The analysis shows that the total number of cattle in the rural districts or veredas that were the focus of the investigation in the Forest Reserve Area surrounding the North and Northeast of Chiribiquete National Park has been increasing year-on-year since 2016. The data reflects the existence of 12,232 head of cattle in 2016, 47,940 in 2017, 56,432 in 2018 and 63,470 in 2019.

If, as investigators were told, ranchers may have paid \$10,000 COP per head of cattle, the total amount of money derived from extortion and used to finance armed groups would have been close to half a million US dollars between 2016-2019, just within the limited area of investigation alone. According to some experts, extortion is the third largest source of funding for armed groups, after drug trafficking and illegal mining.



SJG: San José del Guaviare



53 Cuatro carteles mexicanos controlan la compra y el tráfico de cocaína en Colombia: funcionario. Reuters. October 22, 2020. Available here. Consulted on May 20, 2021.

## 6. Accountability

### The Role of Supermarket Chains

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#### 6.1. International Norms and Colombian Law

In Colombia, deforestation has been declared to violate human rights like the rights to life, health, and a healthy environment, which are recognized in articles 11, 49, and 79 of the constitution<sup>54</sup>. Colombian supermarkets are therefore obligated to carry out due diligence concerning commercial relations that could affect forests, since these may be contributing to human rights violations. Colombia has also ratified the United Nations Guiding Principles on Business and Human Rights<sup>55</sup>. UN Principles 17 through 22 state that companies should proceed with due diligence. This means that companies should identify, monitor and mitigate potential impacts of their activities and commercial relations on human rights, and to report on the results.<sup>56</sup>

The principles of precaution and prevention are also legally and constitutionally recognized in Colombia and were included in the country's legal system by Law 99 of 1993. The principle of precaution determines that the state and private actors must adopt measures to avoid environmental degradation caused by activities that may result in potential irreversible damages to the environment, even in the absence of scientific certainty about the impacts of a given activity<sup>57</sup>. Additionally, according to the principle of prevention, authorities and private parties must implement appropriate measures in advance to avoid or mitigate damages that are known with certainty.

<sup>54</sup> In Sentence STC-4360 of 2018, the Supreme Court of Justice ruled in favor of 25 girls, boys, and adolescents from different parts of the country who called on the Colombian state to fulfill its commitment to stop deforestation in order to protect the plaintiffs' rights from being gravely affected by the effects of deforestation on climate change.

<sup>55</sup> National Action Plan for Businesses and Human Rights 2020/2022. Presidency of the Republic. Available here. Consulted on April 8, 2021.

<sup>56</sup> Guiding Principles on Business and Human Rights. Implementing the United Nations "Protect, Respect and Remedy" Framework. 2011. Available here. Consulted on April 8, 2021.

<sup>57</sup> The Principle of Precaution in Colombian Environmental Legislation. Lora Kesie Karem Ivette. Available here. Consulted on April 8, 2021.

## 6.2. Grupo Éxito in Apparent Violation of its Environmental Commitments

Grupo Éxito is a founding partner of the 2020 Tropical Forest Alliance in Colombia that leads processes for zero-deforestation agreements, a member of the New York Declaration on Forests, which aimed to reduce deforestation by half by 2020 and entirely by 2030, and a member of the meat sector's zero-deforestation agreement in Colombia<sup>58</sup>. In August 2020, as part of its sustainable cattle ranching policy, the group declared that it would supervise its suppliers using satellite imaging to evaluate net deforestation<sup>59</sup> and that all its suppliers would be encouraged to declare their commitment to the conservation of natural ecosystems in their farms and properties. If suppliers were to refuse to collaborate with the implementation of Grupo Éxito's sustainability program, they would be excluded from the company's supply chain.<sup>60</sup>

In 2015, Grupo Éxito financed the documentary *Colombia, Wild Magic*. The film shows a journey through 20 ecosystems in the country and was shot in 85 different locations to show Colombia's biodiversity. The documentary encourages viewers to discover the "paradises that still exist" in places like Chiribiquete National Park, where new rock paintings were discovered during the film's production. According to the British Producer of *Off the Fence*, "It is also the first time in history that a Latin American brand, Éxito Group, finances a film about the country's need to support conservation and unification."<sup>61</sup> By the end of 2015, *Colombia, Wild Magic*, was already the most widely seen Colombian film in the country's movie theaters<sup>62</sup>. It continues to be part of Grupo Éxito's advertisement and brand image; still frames of the documentary decorate the supermarket's reusable bags.



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However, as this investigation shows, there appears a significant discrepancy between Grupo Éxito's public discourse and its practice. By purchasing from suppliers who source cattle from inside a National Park, Grupo Éxito becomes complicit in the destruction of the very forests its documentary inspires to conserve.

When contacted by EIA, Grupo Éxito responded by asking for more information.

58 Declaration on Sustainable Cattle Ranching. Protection of Biodiversity. Associated Commitments. Grupo Éxito. Available here. Consulted on April 8, 2021.

59 Ibid, Declaration Point 2.

60 Ibid, Declaration Point 5.

61 Colombia magia salvaje, la película que explora la biodiversidad del país. El País. September 9, 2015. Available here. Consulted on May 20, 2021.

62 Las 10 películas colombianas con más espectadores en 2015. La República. January 21, 2016. Available here. Consulted on May 20, 2021.

63 Declaration on Sustainable Cattle Ranching. Protection of Biodiversity. Grupo Éxito. Available here. Consulted on April 8, 2021.

64 Ibid, Declaration Point 1.

65 Declaration on Sustainable Cattle Ranching. Protection of Biodiversity. Expected minimums. Grupo Éxito. Available here. Consulted April 8, 2021.

66 Grupo Éxito presents its sustainable cattle ranching model. Accessible here. Consulted May 19, 2021.

67 Grupo Éxito customer service response available here.

### BOX 5. WHY ARE VOLUNTARY COMMITMENTS PROVING INSUFFICIENT?

#### THE CASE OF GRUPO ÉXITO

##### Watering down commitments

In December 2020, Grupo Éxito's Sustainable Cattle Ranching Policy<sup>63</sup> claimed the company would "commercialize only tier one supplier's beef that had compliance with zero deforestation and/or environmental restoration plans, that guarantee zero deforestation and meat quality on their farms."<sup>64</sup> As of May 2021, Grupo Éxito has deleted the zero-deforestation commitment from its policy, which now promotes vague minimum standards on ecosystem conservation and "activities aimed" at respecting the national agricultural frontier.<sup>65</sup>

##### Failing to monitor indirect suppliers

Grupo Éxito made public that it has 39 beef providers and that its farms have been evaluated for deforestation through Global Forest Watch. It claims to be the first retailer to implement a conservation model with all of its beef providers to protect forest and prevent the expansion of the agricultural frontier.<sup>66</sup> As this investigation has shown, indirect suppliers pose significant risk of exposure to deforestation.

##### Lack of transparency to consumers

During the investigation, EIA tried multiple times to obtain beef origin information from the butcher shops but in not one case was that information provided. EIA also reviewed official written responses by customer service representatives of Grupo Éxito which explicitly state that the beef origin information is confidential.<sup>67</sup> Classifying origin information as confidential seems to be a way to conceal the origin of the beef.

##### Lack of an implementation plan and time frame

Grupo Éxito's Sustainable Cattle Ranching Policy does not state how objectives will be achieved and what concrete measures will be taken to keep supply chains free from deforestation and human rights abuses. Nor does it contain a timeframe for implementation of the policy.

### BOX 6. IMPORTANCE OF GRUPO EXITO

In Colombia, Grupo Éxito has 537 stores<sup>68</sup>, and its 28% share of the market makes it the country's leading retail brand<sup>69</sup>. It is present in 23 departments and has nearly 40,000 employees distributed among its subsidiary brands Éxito, Carulla, Super Inter, Surtimax, Surtimayorista, and Viva Shopping Malls. Additionally, Éxito has its own brands like Pomona, Ekono, and Éxito. Its multi-format branding strategy allows the group to reach different socioeconomic segments of the Colombian population<sup>70</sup> and to maintain its standing as the most reputable food retailer in the country<sup>71</sup>. For Grupo Éxito, the first semester of 2020 saw the highest increase in sales in the past three years (12.8% increase in food sales alone)<sup>72</sup>, concluding the 1Q20 period with a gross profit of 672.13 billion Colombian pesos.<sup>73</sup>

#### Market Segmentation



#### Brands and Products



## 6.3. Casino Group and its Obligations under the French Duty of Vigilance Law

Grupo Éxito belongs to Casino Guichard-Perrachon, hereafter Casino Group. Casino Group is a French retailer with more than 12,000 stores of different varieties – convenience stores, supermarkets, and hypermarkets – mainly in France and South America. In the late 1990s, Casino Group accelerated its expansion in Latin America and took control of Colombia's Grupo Éxito in 1999<sup>74</sup>. It currently dominates the South American market. Casino Group's consolidated financial performance results for 2020<sup>75</sup> show an upward trend, with revenues of 31.9 billion euros and a growth rate of 9%. The majority of this growth is taking place in Latin America, which represented 45.7% of the group's sales in 2020.

According to the French Duty of Vigilance Law<sup>76</sup>, Casino Group is obligated to assess and mitigate the negative impacts that Grupo Éxito's commercial activities have on the environment and human rights. This includes impacts linked to its own activities, as well as those of the companies under its control and the suppliers and subcontractors with whom it has established commercial relations. The law requires the existence of a Due Diligence plan that contains reasonable oversight measures to identify risks and prevent serious human rights violations and environmental damages, among other negative impacts that directly or indirectly result from the company's operations<sup>77</sup>. Nevertheless, according to an official response from Schapira Associates, the law firm representing Casino Group in duty of vigilance-related legal procedures, the Group did not include cattle ranching within the scope of its Due Diligence Plan for Colombia.<sup>78</sup>

### 6.3.a Casino Group's alleged failure to carry out due diligence

In addition to this investigation's findings of illegal deforestation associated with Grupo Éxito's procurement practices, EIA's investigation revealed that indirect suppliers in the group's supply chain are exposed to extortion by armed groups and paramilitary organizations. According to sources in the region of Chiribiquete National Park, in its surrounding Forest Reserve Area, and La Macarena National Park, the armed groups commonly known as dissidents of the FARC guerilla exert control over the entire region. According to the European Monitoring Center for Drugs and Drug Addiction, the FARC guerilla group played a key role in coca production until 2017. After the ratification of the Peace Agreement, factions of FARC dissidents have taken control over certain coca-growing regions and remain involved in cocaine trafficking.<sup>79</sup>

68 2019 Management Report. Grupo Éxito. p. 2. Available here. Consulted on March 23, 2021.

69 2021 Corporate Presentation. Grupo Éxito. p. 2. Available here. Consulted on March 23, 2021.

70 "Almacenes Éxito S.A. is a Colombian company with an omnichannel strategy in which the client stands at the center and decides what, how, when, and where to buy. This strategy is multi-brand, multi-format, multi-industry, and multi-business and is carried out by the Éxito, Carulla, Surtimax, and Superinter brands and the different businesses and industries that the company manages." Grupo ÉXITO. (October 6, 2020). Guide for Suppliers, Almacenes ÉXITO S.A. p. 3. Available here. Consulted on March 23, 2021.

71 2021 Corporate Presentation. Grupo Éxito. p. 2. Available here. Consulted on March 23, 2021.

72 Corporate Report, First Semester of 2020. Grupo Éxito. p. 39. Available here. Consulted on March 23, 2021.

73 Ibid, 47.

74 EXITO, l'allié à succès de Casino en Amérique latine. Lsa-conso.fr. Available here. Consulted on March 23, 2021.

75 2020 Financial Performance Results. Casino Group. pp. 4 and 20. Available here and here. Consulted on March 23, 2021.

76 Text from the LOI n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre. Available here. Consulted on April 8, 2021.

77 Text from the French Duty of Vigilance Law. Available here. Consulted on April 8, 2021.

78 Response from the firm representing Casino Group regarding claims of non-compliance with its Due Diligence commitments under French Law. Page 5. December 17, 2020. Accessible here. Consulted on May 10, 2021.

79 2019 EU Drug Markets Report. European Monitoring Center for Drugs and Drug Addiction. p. 131. Available here. Consulted on March 30, 2021.

## BOX 7. COCAINE TRAFFICKING FROM COLOMBIA TO EUROPE

According to UNODC, 70% of the world's coca crops are located in Colombia.<sup>80</sup> For numerous reasons, including market prices, Europe has become the target market for several Colombian cocaine producers.<sup>81</sup> While a kilogram of cocaine may sell for up to \$28,000 USD in the United States, the same amount is worth, on average, \$40,000 USD in Europe. In select European markets, a kilogram of cocaine may be worth nearly \$80,000 USD.<sup>82</sup>

As exposed by InSight Crime, European mafias have begun moving up the supply chain in Colombia and other Latin American countries to get closer to the source of production and obtain better cocaine prices.<sup>83</sup> Among these mafias is a collection of criminal groups from the Balkans.<sup>84</sup> The presence of this particular mafia was felt in western Meta in April 2020 when, for reasons still unresolved, a Serbian national – who, according to reports, belonged to the Balkan Cartel – was found dead alongside a well-known former paramilitary Jose Vicente Rivera Mendoza, alias Soldado, who was feared in the region for his close ties to drug trafficking.<sup>85</sup> The investigations carried out indicate that the Serb entered Colombia from Ecuador<sup>86</sup> to negotiate a shipment of cocaine bound for Europe.<sup>87</sup> This incident took place in the area where EIA's investigation was carried out.

An official analysis of confiscated cocaine samples carried out by the Drug Enforcement Administration of the United States (DEA), which had a 97% efficacy rate in identifying the geographical origin of coca leaves used to produce cocaine, determined that 98% of the cocaine confiscated in France came from Colombia, compared to 68% of the samples for the European Union as a whole.<sup>88</sup> In this regard, Casino Group's seeming lack of oversight may very well be enabling, albeit indirectly, cocaine trafficking from Colombia to France and the rest of Europe.



Illicit Substances Laboratory in the area of investigation.

Likewise, paramilitary organizations allegedly still exert some form of territorial control over the western region of the department of Meta, where Cattle Market 1 (see Section 5.1), one of the suppliers to Grupo Éxito, is located. According to a source familiar with the matter, like other armed groups, these paramilitary organizations require ranchers to make payments per head of cattle and remain involved in the cocaine trade.

These irregularities are especially relevant to the European Union, since payments made to armed groups and paramilitary organizations may be linked to groups that form part of the supply chain of Colombian cocaine sold and consumed in Europe. Having robust mechanisms in place to ensure Grupo Éxito and other companies are not sourcing cattle raised in protected areas or conflict-hit zones is paramount.

80 World Drug Report 2020. UNODC. p. 21. [Available here](#). Consulted on March 30, 2021.

81 The cocaine pipeline to Europe. GI-TOC and InSight Crime, February 2021. p. 13. [Available here](#). Consulted on March 30, 2021.

82 Heroin and cocaine prices in Europe and USA. UNODC. [Available here](#). Consulted on March 30, 2021.

83 The cocaine pipeline to Europe. GI-TOC and InSight Crime, February 2021. p. 5. [Available here](#). Consulted on March 30, 2021.

84 Ibid, 32.

85 El paramilitar y el capo de los Balcanes. Semana. April 4, 2020. [Available here](#). Consulted on March 30, 2021.

86 Historia de un tiroteo en Guama que dejó ver nexos de narcotráfico con los Balcanes. El Espectador. October 21, 2020. [Available here](#). Consulted on March 30, 2021.

87 Serbio asesinado en Colombia era emisario del 'cartel de los Balcanes.' El Tiempo. May 4, 2020. [Available here](#). Consulted on March 30, 2021.

88 2019 EU Drug Markets Report. European Monitoring Center for Drugs and Drug Addiction. pp. 134-135. [Available here](#). Consulted on March 30, 2021.

## 6.4. Colsubsidio and Carnatural: Policy versus Reality

### 6.4.a Colsubsidio

As described in section 4, another client of Supplier A is the supermarket chain Colsubsidio, which purchases an average of 1,000 head of cattle every month from Supplier A. Colsubsidio is a non-profit private corporation that belongs to the Colombian Family Subsidy System and the Social Security and Protection System. Colsubsidio is financed through private sector contributions, the sale of social services, and the establishment of agreements and contracts with private and public national and international companies.<sup>89</sup> The corporation has 90 food stores, including 49 in Bogota, 28 in Cundinamarca, 6 in the coffee-growing region, 5 in Boyaca, and 2 in Meta.<sup>90</sup>

One of the pillars of Colsubsidio's sustainability strategy is a stated commitment to nourishing, protecting, and preserving the environment.<sup>91</sup> The supply chain section of Colsubsidio's 2020 Sustainability Report, which is publicly available, mentions that all large contracts include clauses concerning respect for human rights, prevention of asset laundering, and other relevant matters.<sup>92</sup> Likewise, it explains that to identify and mitigate environmental, social, and economic risks, Colsubsidio audits and reevaluates suppliers to assess key aspects like environmental management and sustainability.<sup>93</sup> This same report mentions that in 2020, Colsubsidio established improvement plans for eight suppliers after detecting below-standard qualifications that, nonetheless, were not considered major violations.<sup>94</sup>

As mentioned previously, deforestation in Colombia has been declared to be a phenomenon that violates human rights. The fact that EIA's investigation has found that Colsubsidio Supermarkets has a direct supplier that purchases cattle from a farm located inside a national park and World Heritage site—where ranchers pay extortion fees to armed groups—demonstrates that

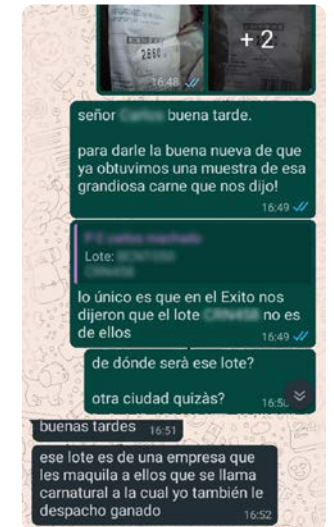
the company needs to focus on its due diligence in supply chain monitoring in order to fulfill its commitment to preserving the environment and establishing effective mechanisms to evaluate its suppliers.

When contacted by EIA about its findings, Colsubsidio indicated it would be willing to carry out an investigation into the noted supplier and, if necessary, disassociate from them.

### 6.4.b Carnatural

As mentioned in section 4.1.a, part of the beef that Supplier A sells to Grupo Éxito is sold under the brand Carnatural. On its website, Carnatural—which uses the tagline "Natural and Sustainable Beef"—describes itself as a private organization dedicated to promoting, studying, and technically supporting the sustainable, environmentally friendly, and socially conscious production of beef.<sup>95</sup> It also notes that one of its policies is to produce and commercialize cattle from properties located in the national agricultural frontier, as defined by the Rural Agriculture and Livestock Planning Department (UPRA). Through this policy, Carnatural aims to "control deforestation and promote environmentally responsible cattle ranching."<sup>96</sup>

The findings of this investigation indicate that the commitments Carnatural touts appear quite inconsistent with what is actually happening in practice.



Conversation between investigators and Supplier A, in which he confirms a link between Carnatural and Grupo Éxito.



89 Who Are We? Sustainability Strategy. Colsubsidio Supermarkets. [Available here](#). Consulted on April 9, 2021.

90 Who Are We? Colsubsidio Supermarkets. [Available here](#). Consulted on April 9, 2021.

91 Who Are We? Sustainability Strategy. [Available here](#). Consulted on April 9, 2021.

92 2020 Colsubsidio Management and Sustainability Report. Supply Chain. p. 49. [Available here](#). Consulted on April 9, 2021.

93 Ibid.

94 Ibid.

95 Who We Are. Carnatural. [Available here](#). Consulted on April 9, 2021.

96 Producción y comercialización de ganado Bovino y Cárnicos. Carnatural. [Available here](#). Consulted on April 9, 2021.



# Conclusions & recommendations

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## Conclusions

As this investigation shows, the current lack of transparency and traceability in the cattle sector combined with increasing unchecked expansion of cattle ranching in the Colombian Amazon pose a high risk that meat sold in supermarkets comes from protected areas or World Heritage sites. In addition, there is also a high risk that ranchers were subject to extortion by armed groups and that cattle herds form part of land-grabbing schemes. Through the failure of supermarkets and beef distributors to implement adequate due diligence, consumers may unwittingly be consuming beef that is contributing to the destruction of protected ecosystems and human rights violations.

It is important to note that what could be documented here is only a snapshot and represents but the tip of the iceberg of threats posed to the Colombian Amazon by uncontrolled land-grabbing and cattle ranching.

Structural reform is needed to address many of these issues, starting with declaring the principle of transparency and traceability in the cattle ranching sector a matter of public interest. EIA's investigators attempted to obtain more information from suppliers to understand the risks present in their supply chains but met barriers due to the confidentiality and secrecy that prevail in the sector. Nevertheless, EIA was able to corroborate information gathered through multiple sources.



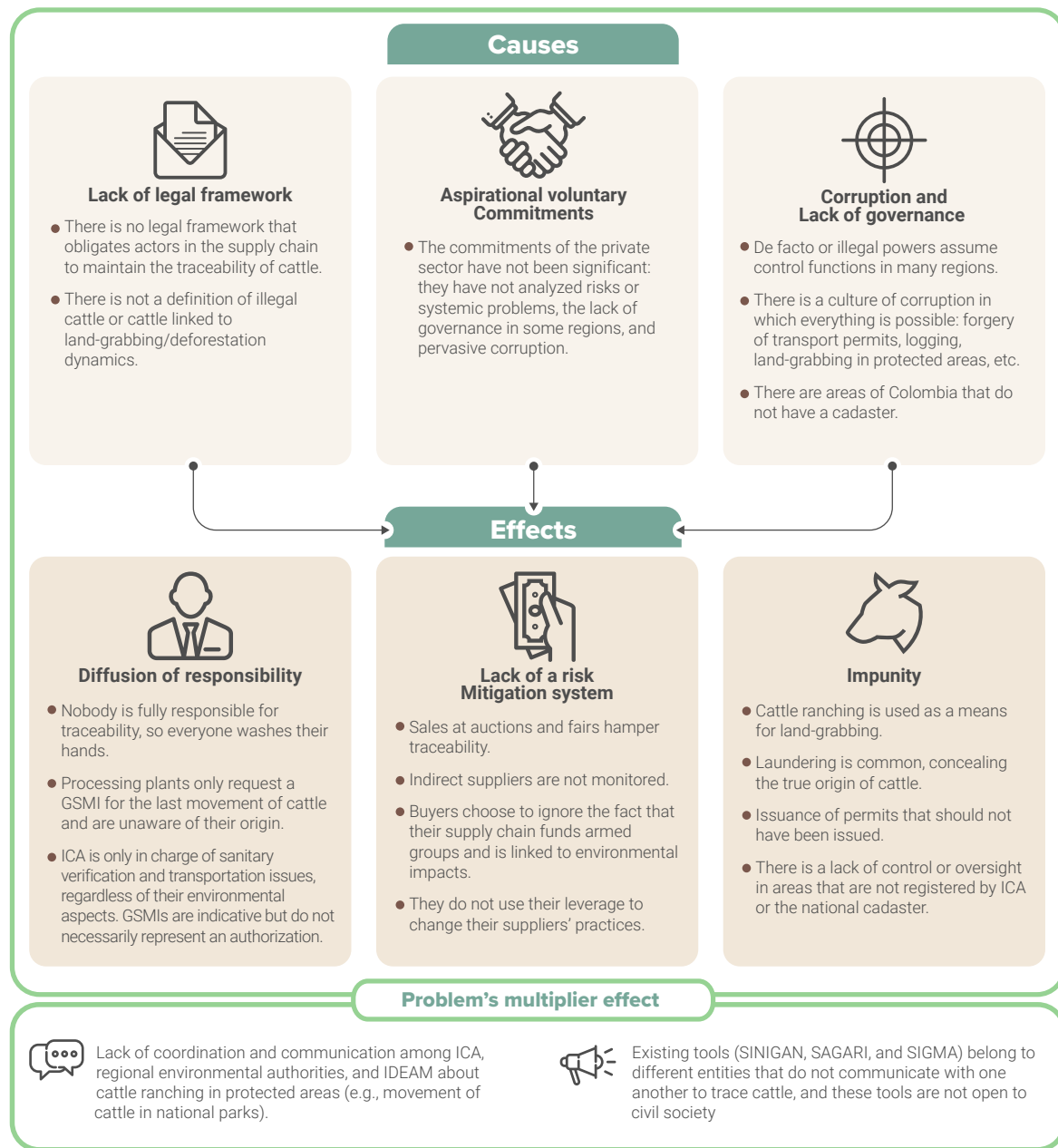
Though part of this investigation was made possible by ICA's official data on cattle movements and vaccination drives, multiple requests over a period of two years and ultimate legal action against the government were necessary to obtain this information. While the government collects a wealth of data about cattle vaccinations and movements in protected areas and conflict zones, this information is not public, nor does it appear to be shared with other relevant agencies that have the mandate to take measures against illegal actors. Public transparency and access to information is essential to develop tools that are needed to solve some of the sector's issues.

During its fieldwork, EIA frequently observed the normalization of serious environmental and human rights abuses and a culture of impunity in

which influence and money allow influential actors to engage in questionable and illegal practices without facing consequences. Moreover, investigators found a lack of institutional presence in certain areas, as well as the absence of economic alternatives and opportunities to implement sustainable productive models that are controlled by and benefit local communities.

The government and the private sector must take responsibility and implement measures that reduce the environmental and social risks present in beef supply chains, including those catering to Colombia's major cities. The destruction is already well under way, if they wait any longer to act, their efforts may come too late.

### Why is Cattle Traceability Not Guaranteed?



## Recommendations

### To the Colombian government:

- ▶ Design and implement a mandatory national transparent system to register and trace individual cattle throughout their life cycle, starting at birth.
- ▶ Actively monitor the cattle sector and stop permits for cattle ranching and movements in protected areas, unless it is for restoration or conservation purposes, as well as other land grabbing schemes.
- ▶ Establish effective cooperation and information sharing between relevant agencies so that violations are reported and acted upon.
- ▶ Support economic alternatives and create opportunities for sustainable livelihoods that are controlled by and benefit local communities.
- ▶ End militarized responses that hurt the local vulnerable population

### To Grupo Éxito, Colsubsidio, and Other Supermarket Chains:

- ▶ Implement a due diligence plan with appropriate risk assessment and mitigation measures, to ensure no cattle enters their supply chain that is sourced from deforestation or subject to extortion from armed groups and other human rights violations. Given the extremely high risk in the Colombian cattle sector, such due diligence systems should include:
  - Full traceability throughout cattle's life cycle, starting at birth.
  - Effective monitoring of the full supply chain, including indirect suppliers and their sources.
  - Zero tolerance for paying armed groups.
  - Zero tolerance for deforestation.

### To Casino Group:

- ▶ In compliance with the French Duty of Vigilance Law, implement an appropriate due diligence plan to ensure that operations of Grupo Casino, their subsidiaries, contractors and sub-contractors are not causing environmental harm or human rights violations in Colombia.



environmental  
investigation  
agency