

Donau Soja – Fact Sheet on the EU regulation on Deforestation-free Supply Chains

Background Deforestation

Forests are a vital component of the earth's ecosystems, providing habitat for countless species of plants, animals, and humans. They are especially critical in tropical regions, which are home to half of the planet's land biodiversity and a significant portion of its freshwater resources. Deforestation is rapidly destroying these essential habitats, leading to severe consequences for biodiversity and the climate crisis. Between 2015 and 2020, an estimated 10 million hectares of forest were lost annually due to deforestation, which is roughly more than the size of Austria, driven primarily by the clearing of forests for agriculture. The demand for commodities such as soybeans, palm oil, beef, timber, cocoa, and coffee is driving deforestation and the conversion of other important ecosystems like grasslands and wetlands. In Brazil, for example, the Amazon Soy Moratorium significantly slowed down deforestation of the Amazon rainforest over the last decade. However, one result of the limitation on the protection of the rainforest was that soya cultivation shifted to the neighbouring Cerrado biome, which is the most biodiverse savannah in the world. This shift was leading to legal land conversion for soya fields on a large scale.

Furthermore, deforestation and forest degradation combined are responsible for approximately 15% of global CO₂ emissions, adding to the acceleration of the climate crisis. In 2020, a study found that due to deforestation, the Amazon rainforest emitted more CO₂ than it absorbed. Most of the emissions are caused by fires to clear forest for beef and soya production. However, due to hotter temperatures and droughts, the Amazon has become a CO₂ source even without fires.

The European Union is the second largest importer of deforestation after China. 16% of total tropical deforestation is linked to EU imports alone.

As a response to this situation, Donau Soja supports the implementation of strict laws to prevent deforestation and land conversion.

EU Deforestation Regulation

The EU regulation on deforestation-free supply chains (short: EU Deforestation Regulation; EUDR) aims to ensure that no more illegal or legal deforestation takes place for products sold on the EU market or are exported from the EU, comprising the commodities palm oil, cattle, soya, coffee, cocoa, timber and rubber as well as derived products. From end-2024 on, (after an 18-month transition period; or 24 months for small and medium-sized enterprises), companies that make these commodities available on the EU market must prove through due diligence processes including traceability to the plot to verify that no new deforestation after 2020 has taken place for the production.

In general, Donau Soja welcomes the legislation and supports the overall goals. Given the gravity of the issue in midst of an unprecedented climate and biodiversity crisis and the failure of voluntary market solutions and public-private sector initiatives to halt deforestation the need for a regulative approach is evident.

This fact sheet outlines Donau Soja's position on some important aspects of the legislation and where further improvement is needed.

1) Scope: only deforestation with inconsistent forest definition

- The EUDR defines forests according to the definition of the Food and Agriculture Organization (FAO) of the United Nations, thereby potentially undermining the work of the Accountability Framework Initiative (AFi) in defining a common approach for ethical supply chains in agriculture and forestry globally.
- The legislation is limited to deforestation, thereby not providing any solutions for halting conversion in other valuable ecosystems like wetlands, mixed-lands or savannah, such as the Cerrado, Pantanal or Gran Chaco.
- Companies with targets for deforestation- and conversion-free supply chains cannot achieve their goals by relying on the legislation alone.
- Also, people living in areas in risk of land conversion continue to fear that their homelands will be converted into agricultural land for the EU.
- Donau Soja recommends aligning with the definitions on deforestation and conversion by the Afi and advocates for widening the scope to include conversion of other valuable ecosystems as part of the regulation, in order to efficiently reduce negative effects provoked by EU consumption and production.

2) Late cut-off date & carbon footprint

- The legislation refers to a cut-off date in 2020, thereby potentially undermining the work of more ambitious initiatives, such as the Amazon Soy Moratorium.
- When calculating the carbon footprint of products, the land conversion of the last 20 years is taken into account. Therefore, the late deforestation cut-off date only minimally reduces the carbon footprint. Thus, the legislation does not help to achieve CO₂ reduction targets in supply chains.
- Donau Soja recommends providing incentives for companies to go for sustainability certification with an earlier cut-off date than 2020.

3) Absence of other sustainability issues

- The legislation does not address any sustainability issues that go beyond legal compliance (e.g. pesticides, fertilisers), thereby failing to incentivise operators towards more ambitious sustainability objectives.
- Donau Soja recommends aligning with other policy initiatives on related sustainability issues (e.g. regarding pesticides, fertilisers, crop rotations, GMOs etc.).

The role of certification and Donau Soja / Europe Soya Standards

Certification according to the Donau Soja / Europe Soya standard can play a practical role in supporting companies to meet their due diligence obligations in terms of assessing deforestation and legal compliance risks. Donau Soja / Europe Soya certification contributes to supply chain traceability and play a key role to ensure the effective and impactful implementation of the proposed regulation and to achieve the broader goal of reducing global deforestation rates.

To achieve these goals, the Donau Soja / Europe Soya system can provide:

- an IT-supported traceability system to the plot (incl. certificates of traceability and isotope testing)
- full segregation, continuous documentation and correct declaration on all accompanying documents and packages
- adequate and verifiable information that the relevant commodities and products are deforestation-free and conversion-free (cut-off date 2008)
- adequate and verifiable information that the production has been conducted in accordance with relevant legislation of the country of production
- a risk-based approach taking into account deforestation-risk, legal compliance risks and chain-of-custody risk
- a three-stage inspection system, including third party inspections by independent certification bodies

Beyond the legislation:

In order to effectively protect ecosystems and indigenous people, the EU needs to anchor these points in international trade agreements and seek to get other major importers like China on board.

In general, Donau Soja supports the goal that Europe must import less raw materials. We externalise the costs and land consumption of our lifestyle at the expense of other countries in the Global South, destroying their environment, the homelands of indigenous peoples and, in the long term, the livelihoods of everyone. Therefore, the EUDR must be embedded in a European Protein Strategy that promotes European production of raw materials and regulates consumption, in addition to strict import requirements. We have outlined what this could look like in our Protein Strategy for Europe: [Donau Soja Protein Strategy](#).

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About Donau Soja

Donau Soja is a non-profit, independent association who supports its partners and members in progressing change to address social, environmental, and economic challenges in soya, legumes and protein production and consumption. This will increase efficiency, fairness and sustainability in European food and feed protein value chains.

Website: www.donausoja.org