The EU-Mercosur trade agreement: A devastating impact on forests

The European Union's commitments under the European Green Deal and the EU's climate target plan.

The EU has committed to become climate-neutral by **2050** and to reduce its greenhouse gas emissions by at least **55%** by 2030. Under the European Green Deal the EU has committed to reduce imported emissions from deforestation. Yet, the EU-Mercosur trade agreement will aggravate deforestation and further increase EU imports of forest-risk commodities, seriously undermining the Green Deal's **efforts**.

The European Union (EU) and the Mercosur countries (Brazil, Argentina, Uruguay, Paraguay) concluded a trade agreement back in 2019 to exchange more products and services. The process of ratification is due to start soon.

There is deep concern among experts that the deal will increase deforestation in the Mercosur region. Brazil, Paraguay and Argentina are among the top ten countries with the highest deforestation rates[1]. In Brazil, the deforestation of the Amazon rainforest has surged to a 12-year high in **2020**.

The trade pillar of the agreement aims to increase Mercosur exports of beef, soy, bioethanol (mostly derived from sugar cane) and other agricultural products to the EU. Sadly, these three products have been proven to be key drivers of deforestation.

Every three minutes, the equivalent of one football field of rainforest is destroyed as a result of commodity imports to the EU from Mercosur countries.

More Mercosur beef on European plates means more deforestation
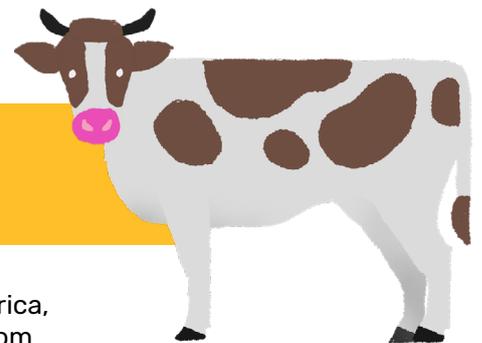
The beef trade is directly linked to the rise of deforestation in South America, in particular in Brazil[2]. To answer to the increasing EU demand for beef from the region, forests are cut down to provide sufficient space for cattle ranching. Brazil is particularly problematic, with at least **17%** of its beef exports to the EU directly linked to illegal deforestation.

The EU-Mercosur trade deal will bring beef imports from the Mercosur region to the EU up to **99,000 tonnes per year**, increasing the demand for land in Mercosur countries to raise cattle and contributing to further deforestation.

While the European Commission's Sustainability Impact Assessment concluded that an increase in meat production can be decoupled from deforestation, its analysis was based on Brazil's environmental policy from before 2012. It largely disregarded the recent trends in deforestation and the dismantling of environmental protection in the country.

1. London School of Economics (LSE) (2019), "Sustainability Impact Assessment in Support of the Association Agreement Negotiations between the European Union and Mercosur. Draft Interim Report". 3 October 2019,In: http://www.eumercosursia.com/uploads/4/0/7/2/40728425/final_interim_report_publication_03oct2019.pdf (page 62)

2. Pendrill F., Persson U.M., Godar J., Kastner T., Moran D., Schmidt S. et Wood R. (2019), "Agricultural and forestry trade drives large share of tropical deforestation emissions", Global Environmental Change, vol. 56, pp. 1-10.

In fact, an expert study commissioned by the French government shows that should the EU-Mercosur Deal be ratified, the increase of beef exports is expected to lead to an additional **25%** of deforestation in the region[3].
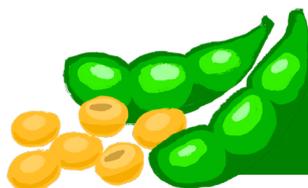
Importing more South American soy will aggravate deforestation

Soya beans are the second most exported product from the Mercosur region, primarily used to feed animals in the EU. Yet only **13%** of EU soy imports are considered deforestation-free. In Argentina, the province of Córdoba - the heart of soybean agriculture - has lost **95%** of its native forest in the last **20 years**.

The EU-Mercosur trade deal will irreversibly reduce export taxes for soy, currently being applied in Argentina and in Paraguay. As a result, this will reduce the costs of soy for EU importers, leading to an increase in production and consequently, in deforestation. In Mercosur countries, there is no clear or credible traceability process to prove there is no connection between soy production and deforestation.

Importing bioethanol: indirectly cutting forests for European cars

Sugar cane is the major source of bioethanol produced in the Mercosur region. The demand for land to produce sugar cane can push livestock farming into new areas to make way for cultivation. Bioethanol can thus indirectly contribute to deforestation.

The EU-Mercosur agreement will boost Mercosur exports of bioethanol to run European cars six-fold to **650,000 tonnes**. Worst case scenario analyses have found that the agreement could lead to **337,027 extra hectares** in Brazil (twice the size of London) used for sugar cane production in total.

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The EU-Mercosur agreement offers no solutions to combat deforestation

Going ahead with the EU-Mercosur trade agreement will further increase deforestation and, hence, put the EU's high environmental and social goals and values at risk. We must act now to prevent this dangerous trade-off! Join us to defend our commitments to climate, sustainable development and human rights.

"The Mercosur deal damages the world's forests. The shortcomings of the agreement cannot be mitigated by declarations of intent or other tricks which do not change the content of the agreement itself."

MEP Anna Cavazzini

Find out more about how the EU-Mercosur trade agreement impacts
Animal Welfare | Biodiversity | Human Rights | Climate and land use | Food safety | Pesticides and GMOs | Public Procurement

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3. The estimate of a 25% increase of deforestation relates to the land required to raise cattle for the full carcass of the beef. The EU, however, tends to import solely the sirloin of the beef, which accounts for 19.6% of the entire beef and consequently a predicted direct increase of deforestation of 5%. This hypothesis, however, is based on the scenario where the Mercosur region is only partly able to fulfil its entire quota of 96.000 of beef exports.

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