

## Soft Commodities Forum expands area of work, urges long-term incentives for soy producers

- Soft Commodities Forum (SCF) members expand their area of work to cover 70 percent of recent soy-driven conversion areas in the Cerrado. The SCF had previously been working in municipalities that covered around 45 percent of the total of recent conversion in the biome
- insights from more than 100 soy producers in the Cerrado show that producers are willing to address deforestation beyond their legal obligations but will need support and the right incentives.
- Between 2006/07 and 2019/20, soy area in the Cerrado has grown by 86 percent. During the same time period, soy-driven conversion of native vegetation in the biome has decreased by 58 percent.

**Geneva, Switzerland, 24 June 2021:** In their June 2021 progress report, [published today in a new digital format](#), the six member companies of the Soft Commodities Forum (SCF) announce they are expanding their scope to cover additional municipalities in the Cerrado region in Brazil. Their area of work now covers 70 percent of all recent soy-driven conversion areas in the biome, an increase from the 45 percent the initiative was initially covering.

The increased number of focus municipalities will help the SCF to build a more complete picture of where deforestation is happening or is likely to take place in the future, allowing companies to address the issue more effectively. The extra information will help to monitor progress too.

Satellite data shows that **in the last 15 years the soy area in the Cerrado expanded 86%, reaching 18.83 Mha. During the same period, soy-driven conversion of native vegetation in the biome has decreased by 58%** (Agrosatelite, [2021](#)). This means producers are finding new and sustainable ways to increase their yields, by expanding production on already cleared land or available pastures.

SCF member companies buy some 90 percent of their soy direct from farms in the original 25 priority municipalities, and most members currently trace 100 percent of these direct purchases back to the farm in the same areas, meaning that they know where the soy is grown. By the end of 2021, members expect to reach at least 95 percent traceability to direct sources for the expanded list of municipalities and will be mapping indirect suppliers back to the first point of aggregation – a cooperative, storage facility, or other intermediary between farm and commodity trader. SCF members classify soy as traceable to farm when they have access to a polygon of the farm where soy was produced.

### Building a business case for conservation

SCF partners - Solidaridad and the Produce, Conserve, Include (PCI) Initiative – have now engaged with more than 100 soy producers in the Cerrado since 2020 to better understand the drivers of land use change and to identify the long-term incentives that will encourage sustainable production. Early feedback shows that **producers are willing to address deforestation beyond their legal obligations, but they need a more compelling business case to do so, including the right incentives.**

“Global demand for soy is growing and prices are increasing,” said **Diane Holdorf, Managing Director, Food and Nature at WBCSD**. “This also increases the short-term opportunity cost to farmers of protecting the Cerrado’s land. If we want to end soy-driven deforestation and native

vegetation conversion, then we must urgently find long-term industry incentives to encourage sustainable production.”

The group will now focus on accelerating progress in the Mato Grosso and Bahia regions of Brazil, designing and piloting a portfolio of solutions in both regions. To ensure the long-term viability and sustainability of such solutions, engagement with producers, upstream, and consumer goods companies downstream will be essential.

“We all want clear progress towards sustainable soy supply chains and the creation of markets where deforestation-free soy is the norm,” added Ms Holdorf. “More than ever before, this ambition is within our collective reach.”

**Juan Luciano, Chairman and CEO of ADM**, said “Support for our planet and its natural resources is a key driver of consumer decisions and business success, and more than that, it is the right thing to do. Both ADM and the SCF are committed to sustainable and deforestation-free supply chains, and now, by expanding our geographic scope, we’ll be able to accelerate the important work we are doing together.”

**Gregory A. Heckman, CEO of Bunge**, said: “We are focused on long-term and collaborative solutions driven by a pragmatic approach that can lead to real, positive change for our entire industry. We want to make sure we can support and enable producers to grow soy more sustainably, bringing jobs and economic opportunities while protecting the environment.”

**Dave MacLennan, CEO of Cargill**, said: “We are working to transform our supply chains so they are free of deforestation, which means having the support and leadership of farmers. Our success is and always has been tied to farmers’ success, and that is critically true when it comes to sustainability. With the SCF, we are creating innovative ideas to speed our progress and support farmer livelihoods.”

**Wei Dong, CEO and Board Member of COFCO International**, said: “The SCF plays a vital role in bringing together many partners in the soy supply chain, and it is only through this collective that we can settle on long-term sustainable solutions to protect the region’s environment.”

**Michael Gelchie, CEO at Louis Dreyfus Company (LDC)**, said: “Working with other SCF member companies, as well as consumer groups, the financial community and producers themselves, as the heart of the food chain, is the key to protecting the Cerrado and other biodiversity hotspots.”

**David Mattiske, CEO of Viterro**, said: “The Cerrado’s soy producers have shown that they are willing and able to protect their own environments. But they operate in a complex financial and legal setting, and cooperation from all stakeholders will be needed to find collective and inclusive solutions”.

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## About the Soft Commodities Forum

Agribusiness buying, selling and processing soft commodities play a unique role in connecting soy consumers, producers, and markets all around the world, rather like an optic fiber. They therefore offer a unique opportunity to help drive progress towards the elimination of deforestation in those regions and value chains where they operate. The complexity of soy supply chains means that no



single business can tackle deforestation alone, however. Their collaboration with other traders and players helps to move the entire sector forward together, applying common standards and solutions.

The Soft Commodities Forum (SCF) was established in 2018 to enable this collaboration, making it the only forum in which member companies have agreed to find common solutions to their shared sustainability challenges.

The SCF's six current members - ADM, Bunge, Cargill, COFCO International, LDC, and Viterra - have all pledged to make their soy supply chains free from deforestation and native vegetation conversion (NVC) balancing economic, social and environmental priorities. The SCF thus bridges global goals with local realities.

The SCF is hosted by the World Business Council for Sustainable Development (WBCSD) through a secretariat, which facilitates dialogue and the pooling of resources and information.

## **About WBCSD**

The World Business Council for Sustainable Development (WBCSD) is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within planetary boundaries, by 2050.

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