

## Summary of the consultation process about the “**Voluntary Monitoring Protocol for Cattle Suppliers in the Cerrado: Version 1 for consultation – July 2021**”.

### Introduction

This document aims to provide transparency of the consultation process carried out throughout July and August 2021, bringing the main suggestions of improvements captured during the interactions with the participating organizations. In addition, it seeks to share with stakeholders the next planned steps and how the main results of the consultation process will be incorporated in the Cerrado Protocol version 1.0, a document that will be used to guide the continuation of this work (Cerrado Protocol Phase 2 – Pilot/tests). After this test/pilot stage, a review of the protocol is planned, contemplating the necessary adjustments agreed by the sector, based on the tests results and on the debates that are going to be promoted.

### General information

We involved a wide range of organizations, including representatives from different stakeholder groups: Meatpackers, Retailers, Food Industry, NGOs, Investors, MPF (Federal Public Ministry), INPE (National Institute for Space Research), Geotechnology Companies and Sectoral Initiatives. From a total of 33 organizations invited to participate in the consultation process, 20 confirmed their participation (details in Annex 1).

We made an effort to promote individual conversations with each organization, presenting in detail the content of the protocol in order to clarify any doubts and capture suggestions for improvement. In addition, we opened the space for group conversations and/or had a second or third call when requested.

### Main considerations captured

- 100% of the consulted organizations said that they support the development of a monitoring protocol for cattle suppliers in the Cerrado, provided that some concerns are considered. Amongst them:
  - Broadening the debate to reach a sectoral consensus around the cut-off dates for the criteria of **illegal zero conversion** (criterion 3.1) and **zero conversion** (criterion 3.2) of native Cerrado vegetation. It should be noted that:
    - Some questions were raised about the technical limitation of using PRODES Cerrado data for monitoring the conversion of native vegetation in the biome before 2016. However, after clarification with INPE, the understanding is that there is no technical limitation on the quality of these data to follow the proposed cutoff date for monitoring illegal conversion, aligned with what is defined on the Forest Code (Federal Law 12.651 of 2012).
    - There is a real concern about the potential impact of monitoring and the consequent suspension of suppliers, by following the date established by the forest code. Some alternatives emerged:
      - Start with an alert and establish a transition period (e.g., 2 years) for suppliers to regularize their status. After this period, they would be suspended.
      - Monitor deforestation polygons  $\geq 6.25$  ha instead of what is currently proposed ( $\geq 1.0$  ha), in line with the Unified



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Monitoring Protocol for the Amazon and reducing the immediate impact on the supply chain.

- Establish a more recent cut-off date to monitor illegal conversion (e.g., 2018), not monitoring suppliers that illegally deforested between 01/08/2008 and 31/07/2018.
- Establishment of a testing period to understand the potential impact of implementing the protocol, through a pilot project;
- Small adjustments should be made on the following criteria:
  - **3.3 Overlapping with indigenous lands:** Clarify the demarcation stage to align with FUNAI
  - **3.4 – Overlapping with quilombola land:** Define the INCRA demarcation stage that would be monitored and review the reintegration process
  - **3.5 – Overlapping with protected areas:** Exclusion of the APA category
  - **3.11 Provisional Operational Authorization (APF) in the state of MT:** Exclusion of this criterion
  - **3.13 – Productivity:** Better qualification of the maximum productivity index of the supplier farm, reflecting the context of the states within the scope of this protocol
- Reach sectoral consensus on how to approach indirect suppliers in the Cerrado, preferably following the indirect supplier monitoring best practices of the Working Group on Indirect Suppliers (GTFI)
- Recommendation to expand engagement with other organizations to participate in the protocol construction process and promote its adoption. Amongst them:
  - State environmental agencies, investors, small and medium-sized meatpackers and retailers, MPF from other states, cattle ranching associations and international companies
- Need to develop a protocol or audit guide, as well as a platform to monitor the implementation of the protocol for transparency of the progress of each company (not only meatpackers, but also retailers)

### How the adjustments and considerations in version 1.0 of the Protocol will be incorporated

Due to the need for the expected delivery of a first version of the Voluntary Monitoring Protocol for Cattle Suppliers in the Cerrado by mid-September, and considering the considerations listed above, we describe below the approach we will follow to make the necessary adjustments in the Protocol:

- For criteria 3.3, 3.4, 3.5, 3.11 and 3.13, we will adjust based on the recommendations described above, including the development of a study to better qualify the maximum productivity index per property in Phase 2 of the Protocol.
- We will maintain criteria 3.1 and 3.2 and their respective cut-off dates for now, however clearly pointing out at the beginning of the document that there was no consensus regarding these criteria and that the continuation of the debate is necessary.
- We will address the main changes made to the protocol after the consultations, cover the frequently asked questions, the key controversial points and share the plans for Phase 2 of the Cerrado Protocol in a webinar to be held on 09/28/2021, from 9:00 am to 10:30 am – Brazil time (SAVE THE DATE!!). In addition, we will have a panel that will



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promote a brief debate on the potential usage of the Protocol by different stakeholders, opening the space for continued dialogue and co-construction of the Protocol.

### Next steps

Understanding that this is just the beginning of a long journey to build a unified monitoring protocol for the Cerrado, Phase II of the Cerrado protocol is scheduled to start in October 2021, with the following objectives:

- Continue the sectoral dialogue initiated in Phase I
- Encourage stakeholders to promote tests of the protocol implementation and share preliminary results of impacts for reflection within the sector, using real case examples
- Make the necessary adjustments, based on practical examples and the sectorial dialogues
- Expand engagement with other organizations to participate in the protocol construction process and promote widely its adoption
- Develop a protocol or audit guide to monitor the progress of companies that adopt the Protocol
- Establish a reference platform for the Protocol, providing transparency to the implementation of the Cerrado Voluntary Monitoring Protocol

### Expected timeline and key activities (Cerrado Protocol - Phase 2)

Atividades	2021			2022												
	Out	Nov	Dez	1	2	3	4	5	6	7	8	9	10	11	12	
1 – Pilot/test period																
2 – Promotion of sectoral dialogues																
3 – Adjustment period																
4 – Engagement Expansion Period																
5 - Development of a transparency platform for the protocol																



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**Annex 1:** List of organizations invited to participate in the consultation process and those that participated in the process.

N°	Type	Name	Invited	Individual consultation and/or group
1	Meatpackers	JBS	✓	✓
2		Marfrig	✓	✓
3		Minerva	✓	✓
4		Frigol	✓	✓
5		Plena Alimentos	✓	
6	Retailers	GPA/Cassino	✓	✓
7		Carrefour	✓	✓
8	Food industry	McDonald's	✓	✓
9		Mars	✓	✓
10		Nestlé	✓	✓
11	Public institutions	MPF - Tocantins	✓	✓
12		MPF - Mato Grosso	✓	✓
13		INPE	✓	✓
14	NGOs	WWF	✓	✓
15		NWF	✓	✓
16		Amigos da Terra	✓	✓
17		Greenpeace	✓	
18		TNC	✓	
19		Solidariedad	✓	
20		Instituto Cerrado	✓	
21		Conservação Internacional	✓	
22	Geotechnology companies	Agrotools	✓	✓
23		Nice planet	✓	✓
24		Geoflorestas	✓	✓
25	Investors	Emerging Markets Investors Alliance		✓
26	Academy	UFMG	✓	
27		UFG/Lapig	✓	
28	Sectoral Initiatives	GTPS	✓	✓
29		IMAC	✓	
30		Instituto CNA	✓	
31		Coalizão Brasil	✓	
32		SOS Cerrado Manifesto	✓	
33		PCI	✓	



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