



Was it produced legally?

Applying the legality requirement
in the EU Deforestation Regulation
to soy and cattle from Brazil

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Lead authors: Michael Rice, Value Chains, Trade & Investment Lead, and Raphaëlle Godts, Law & Policy Advisor, Climate & Forests.

Editor: Helen Coen

Designer: SimonGilles.co.uk

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Introduction

This case study is taken from a larger briefing published by ClientEarth¹ in April 2025.

That briefing provides a comprehensive examination the legality requirement under the EU Deforestation Regulation (“EUDR”), how it should be understood, and how due diligence on the legal compliance of commodity production should be approached by EU companies and EUDR competent authorities.²

This case study explores how the EUDR’s legality requirement would apply to soy and cattle products produced in Brazil. It provides an assessment of the ‘relevant local laws’ that would likely fall within the scope of the legality requirement and an analysis of levels of enforcement, implementation and compliance with those laws – as well as important risks and indicators of non-compliance – across the Brazilian soy and cattle sectors.

Equivalent case studies examining cocoa and palm oil production in Côte d’Ivoire, Ghana and Indonesia are also available.

The research on which this case study is based was commissioned by ClientEarth and undertaken by De Jongh Martins Advogados with the support of Imaflora. The research focused on relevant national laws and examined relevant subnational laws in two states: Mato Grosso and Para, where soy and cattle production are prevalent. Conclusions regarding sub-national legal frameworks are drawn from research regarding these sub-national jurisdictions and should not be taken as an extensive or conclusive assessment of relevant sub-national laws or legal requirements across Brazil.

¹ Available on the ClientEarth website.

² This analysis has been informed by an independent expert legal opinion from Sir Nicholas Forwood K.C., who served for 15 years as a Judge of the General Court of the Court of Justice of the European Union, including two terms as President of the Court. This opinion is available on the ClientEarth website at <https://www.clientearth.org/latest/documents/expert-legal-opinion-on-the-eudr-legality-requirement/>.

Executive summary

The EU Deforestation Regulation (“**EUDR**”) requires that the commodities and products to which it applies have been produced in accordance with local laws – known as the '**legality requirement**'. EU companies must conduct due diligence on their supply chains to ensure that their products satisfy the legality requirement.

Understanding the legality requirement:

- The scope of the legality requirement is not entirely clear and requires interpretation to clarify its meaning. Interpreted according to the EUDR's objects and purpose, the legality requirement should be seen as including all laws applicable in the country of production that affect the legal status of activities undertaken to produce the relevant commodities and products.
- **This includes pre-production and post-production activities** necessary for commodity production and the commercialisation and trade of the resulting products. It also includes the **direct and indirect effects** of those activities on the relevant “plot of land” or “establishment” **and the surrounding “area of production” – the area directly or indirectly affected by the production activities**.
- The local laws that are included in the legality requirement will vary from jurisdiction to jurisdiction. However, those laws **must either relate in some way to the topics listed in the EUDR as being relevant or must contribute to the Regulation's objectives or purpose**.

Contextualising the legality requirement for each producer country:

- Understanding which laws fall within the scope of the legality requirement is fundamental to a company's ability to comply with the EUDR's due diligence procedure. This is necessary for assessing any risks that relevant products do not satisfy the legality requirement. It will be impossible to complete the due diligence process without first identifying the relevant laws applicable in the area of production and understanding how they may affect the legal status of production activities.
- Each producer country will have different laws and legal institutions. While there may be similarities across legal systems and commodity sectors, due diligence investigations will need to consider local political, legal, cultural and sectoral dynamics. Understanding these local dynamics will help determine the level of diligence that is 'due' in a particular case. This briefing explores the key legal and sectoral considerations in Brazil, Côte d'Ivoire, Ghana and Indonesia for cattle, cocoa, palm oil and soy production.

Due diligence on legal compliance:

- There are likely to be challenges to gathering the necessary information and investigating the legal compliance of specific production activities in most countries, both inside and outside the EU. **Companies should therefore anticipate common challenges and design their due diligence systems to overcome them.** Adapting due diligence procedures to overcome any practical challenges to investigating legal compliance as well as customising investigations to address contextual and supply chain-specific risk factors is necessary to complete the due diligence process.
- In addition to official sources of information, it will usually be necessary to consult with local legal experts and non-governmental stakeholders to identify the relevant local laws and to understand the 'reality on the ground' regarding their implementation and enforcement. **This should be regarded as standard practice for companies completing due diligence under the EUDR.**
- Due diligence on specific supply chains should be tailored to investigate whether general risks of legal non-compliance apply to specific production activities. **Understanding the dynamics of commodity production in the relevant jurisdiction will be necessary to verify information that gives an appearance of legal compliance.** Official documentation and third-party certificates should not simply be taken at face value – information must be verified and supported by evidence.

Recommendations

Several key recommendations for approaching due diligence when assessing commodity production activities against the EUDR legality requirement can be drawn from the research and analysis in this briefing.

- Invest in a comprehensive, independent and authoritative analysis of the applicable laws in the country of origin and how they apply to commodity production activities.
- Catalogue contextual information regarding levels of legal implementation, compliance and law enforcement, as well as trends in non-compliance and the reasons behind them.
- Consult local experts on both points above.
- Investigate the current and *historical* circumstances of commodity production activities, including advice from non-government local stakeholders.
- Do not rely on official records or third-party certification alone – consult a range of local stakeholders, especially where contextual information indicates general risks of legal non-compliance within the sector or raises concerns about the reliability of official data and records.
- Speak to locals: consult local community and civil society stakeholders (such as labour unions, workers' associations, community organisations and NGOs) to verify the reality 'on the ground', including whether any sectoral risks apply to the specific supply chain and whether local rights holders are being unlawfully impacted.
- Competent authorities should require companies to demonstrate that they have consulted appropriate experts and a variety of local stakeholders as described above to identify the full spectrum of applicable laws and their implementation – in general and in specific production areas.
- Competent authorities should require companies to convince them, by explaining the company's assessment of non-compliance risks, that the information they gathered is reliable and adequately conclusive that there is no reason to be concerned that their relevant products were not produced in compliance with all applicable legal requirements.

Background

Adopted on 31 May 2023, the EUDR aims to promote the use of deforestation-free products to reduce the EU's impact on the world's forests, thereby reducing the EU's contribution to global climate change and biodiversity loss.

The commodities and products covered by the law are: cattle, cocoa, coffee, oil palm, soy, rubber and wood – and specific products listed in Annex I of the EUDR that “contain, have been fed with or have been made using” these commodities – defined as “**relevant commodities**” and “**relevant products**” respectively.

It establishes two fundamental requirements that relevant commodities and relevant products must satisfy to be imported into, traded in, or exported from the EU:

- They must be “**deforestation-free**”; and
- They must have been **produced legally**.

To ensure these requirements are respected, the EUDR requires EU companies who import, trade and export relevant products to complete a mandatory “due diligence” process on their supply chains.

At the core of this process are requirements to:

- **Identify** the area where the product originated
- **Check** the land was not deforested after 2020; and
- **Ensure** the production of the product was conducted legally.

This “due diligence” process – and the information EU companies rely on to complete it – will be the primary mechanism for demonstrating, checking and verifying compliance with the law's requirements.

These new rules are a significant evolution of an existing EU law which prohibits trade in illegal timber – the EU Timber Regulation (“**EUTR**”) – which requires timber importers to trace supply chains to the point of origin and check the legal compliance of the timber harvesting activities.

In this regard, the EUDR's supply chain traceability and legal compliance requirements are not new. However, they have been extended to agricultural commodities and products derived from them.

Case study

1. Summary of the Brazilian legal framework



A group of cattle in confinement in Brazil

- Brazil follows a civil law tradition and has a federal legal framework organised at three levels: federal, state, and municipal.
- Its legal framework is complex and extensive, particularly in terms of the interaction between federal, state and municipal-level law-making.

26

states with,

5,570

municipalities



The **Constitution of the Federative Republic of Brazil of 1988**, known as the “Citizen Constitution”, is the foundational legal instrument. It sets out fundamental principles and guidelines of governance aimed at, amongst other things, ensuring the protection and preservation of the environment and the recognition, protection and demarcation of Indigenous lands.

Of particular importance is Article 225, which enshrines the right to a healthy and ecologically-balanced environment as a common good for all people that is essential to maintaining a healthy quality of life. It is a duty of both the government and society to defend and preserve the environment for present and future generations.

Of similar importance is Article 186 which establishes the social function of rural property, thereby linking agricultural and livestock activities to environmental preservation and the public interest.

In environmental matters, federal legislation sets general principles and guidelines, while states and municipalities can complement and expand on national laws according to regional specifics, provided that sub-national laws are not inconsistent with national rules – for example requiring an equivalent or higher level of environmental protection than federal standards.

The most relevant law for soy and cattle production is the **Forest Code** (*Law No. 12.651 of 2012*), which regulates the sustainable use of land and defines requirements for the preservation of legal reserve areas and permanent preservation areas (known as ‘APP’).

Also relevant are the **National Environmental Policy** (*Law No. 6.938 of 1981*) and the **Environmental Crimes Law** (*Law No. 9.605 of 1998*), discussed below.

2. Key laws relevant to cattle and soy production in Brazil

2.1 Land use rights

The Brazilian land tenure system is based on *Law No. 601 of 1850*, known as the “**Land Law**,” which vested the State with ownership of all lands that had not already been legitimately granted to individuals during the colonial regime. Since 1988 the 1850 Land Law has been interpreted consistently with the 1988 Citizen Constitution.

It establishes a formal tenure system under which grants from the State are the primary basis of land rights and property ownership in Brazil: every land title must have its origin demonstrated by a legally valid grant from the State. The registration of property interests is carried out by real estate registries, which are responsible for maintaining the historical record of land transfers.

In accordance with this tenure system, additional regulations for the allocation of federal public lands have been adopted, such as:

- *Law No. 6.383 of 1976*, which establishes procedures for the classification of public lands;
- *Decree-Law No. 2.398 of 1987* and *Law No. 9.636 of 1998*, which regulate the disposal of public lands;
- *Law No. 11.952 of 2009*, which simplifies the land regularisation process for small and medium properties in the Legal Amazon;³
- *Law No. 13.465 of 2017*, which defines parameters for land regularisation;
- *Decree No. 10.592 of 2020*, which regulates the application of land regularisation procedures, especially for the Legal Amazon and for the regularisation of occupied federal lands; and
- *Law No. 9.985 of 2000* and *Decree No. 4.340 of 2002* which establish the regulatory regime for conservation areas – also called conservation ‘units’.

3 The ‘legal Amazon’ is a region covering over half of the Brazilian territory, including nine states: Rondônia, Acre, Amazonas, Roraima, Pará, Amapá, Tocantins, Mato Grosso and Maranhão, and 772 municipalities. It covers the entire Amazon biome (in Brazil) and parts of the Cerrado and Pantanal. It is the home of around 25 million people – 12% of Brazil’s population, including 77% of its indigenous population. Plenamata; <https://plenamata.eco/en/verbete/amazonia-legal>.

Land used for agricultural production must have a valid land title, be registered in relevant federal land registries, such as the Land Management System (**SIGEF**) and the Rural Environmental Registry (**CAR**) and be free of fines or encumbrances. The National Institute of Colonization and Agrarian Reform (**INCRA**) and the Brazilian Institute of Environment and Renewable Natural Resources (**IBAMA**) are the main federal agencies responsible for the governance of rural property titles, while state agricultural and environmental secretariats also complement this role at state level.

The SIGEF was established under *Law No. 11.952 of 2009* and is governed by INCRA pursuant to the *INCRA Normative Instruction No. 77 of 2013*. Management of the CAR, created under Article 29 of the Forest Code, is the responsibility of the Ministry of the Environment, in conjunction with states and municipalities.

Accordingly, due diligence efforts should ensure the accuracy and authenticity of land title records, as inconsistencies or outdated data can lead to significant legal and operational risks.

Fragmented databases and disparities between federal and state systems, such as overlapping or inconsistent records, can make obtaining reliable information about land ownership challenging. This lack of transparency favours the process known as land grabbing,⁴ where land is fraudulently appropriated through false documents – a common practice in rural and forest areas, further complicating the verification process.⁵



4 Regarding the issue of land grabbing, refer to the material produced by the Amazon Research Institute (IPAM), available at: <https://ipam.org.br/wp-content/uploads/2024/03/Amazoniar-Cartilha-Por-uma-Amazônia-livre-de-grilagem-VF-2024-03-05.pdf>.

5 Land grabbing can be regarded as a criminal offence under Article 13 of *Law No. 4.947 of 1966*, which prohibits using fraud to obtain public land. Additionally, other criminal offences may be relevant, such as forgery (Articles 297, 298, and 304 of the Penal Code), squatting (Article 161 of the Penal Code), and organised crime (*Law No. 12.850 of 2013*).

2.1.1 Sub-national laws

Regarding state lands, each state has the freedom to create its own regulatory framework for land regularisation. This briefing looks at relevant laws in the states of Pará and Mato Grosso in particular, given the prevalence of soy and cattle farming in these areas.

In Pará, *Law No. 8.878 of 2019* governs rural and non-rural occupations on state public lands and the Land Registration and Regularization System (**Sicarf**) is used by the Pará Land Institute (**Iterpa**) to register state public lands.

In Mato Grosso, *Law No. 3.922 of 1977* establishes the Mato Grosso State Land Code and the INTERGEO, the Geographic Information System of the Mato Grosso Land Institute (**Intermat**), is used to manage spatial data used in the state's cartographic and land policies.

2.2 Indigenous Peoples' rights

The main legal basis for the territorial rights of Indigenous Peoples is found in **Articles 231 and 232 of the Federal Constitution**. Article 231 recognises the rights of Indigenous Peoples over the lands they have traditionally occupied, as well as their social organisation, customs, languages, beliefs, and traditions, guarantees the permanent possession of those lands, and prohibits removal of Indigenous Peoples from their lands except in exceptional circumstances.

It is the responsibility of the government to demarcate these territories and ensure the protection of and respect for all the property and natural resources within them. Article 231 clarifies that Indigenous Peoples have rights to the exclusive use of the natural resources in their territories and that those lands and resources may only be occupied, taken or exploited where there is an overriding public interest provided in a supplementary law adopted by the national congress. The administrative procedure to be followed for the demarcation of Indigenous lands is described in *Decree No. 1.775 of 1996*. It provides that non-Indigenous occupants residing in the area under demarcation must be given priority for resettlement (Article 4).

The **Statute of the Indigenous Peoples** (*Law No. 6.001 of 1973*), although pre-dating the 1988 Constitution, has been incorporated into the contemporary constitutional framework and remains applicable where it does not conflict with constitutional provisions. Article 24 of the statute establishes that the rights of Indigenous Peoples include the ownership, use, and enjoyment of natural resources, as well as the economic exploitation of those resources.

The requirement that non-Indigenous occupants be removed from Indigenous lands reinforces the exclusive rights of Indigenous Peoples to use and occupy their traditional lands.

2.3 Human rights and free prior and informed consent (FPIC)

Because agricultural and forestry activities typically take place in rural areas where Indigenous Peoples, traditional groups and local communities reside, and because the use, health and cleanliness of the surrounding environment is often essential to the health, wellbeing, livelihood and way of life of these groups, there are heightened risks that their human rights may be impacted by nearby production operations.

For example, commercial agricultural and forestry activities may impact the rights of such groups to access clean and safe drinking water, to food, to areas used to cultivate food or other important crops, and culturally significant spaces.

These potential human rights impacts should be considered in the due diligence process.

The main Brazilian laws that require respect for the rights of Indigenous Peoples and traditional communities, including their prior consultation on activities that may affect their interests, are **Article 231 of the Federal Constitution**, *Decree No. 5.051 of 2004* and *Decree No. 10.088 of 2009* which implement Brazil's ratification of International Labour Organization *Convention 169 on Indigenous and Tribal Peoples*.

Convention 169 was the first international instrument to recognise the rights of Indigenous and tribal peoples to be consulted in advance about any legislative or administrative measures that could affect their rights or territories. The Convention establishes, in Article 6, that consultation with Indigenous Peoples must be conducted through appropriate procedures, respecting their social organisation and representative institutions, ensuring their participation in decisions on an equal footing with other sectors of society, in good faith, and observing their cultural preferences.

Article 7 points out that priorities regarding economic, social, and cultural development should be defined by the Indigenous Peoples themselves, as well as how the lands they occupy will be used. In the same way as the Brazilian Constitution, Convention 169 also requires the rights of ownership and possession of lands traditionally occupied by Indigenous Peoples to be recognised by States, considering the collective aspects of their relationship with the land, as well as its cultural and spiritual value.

2.4 Environmental protection

Regarding the regulation of impacts on the environment, the main federal laws are the **Forest Code** (*Law No. 12.651 of 2012*), the **National Environmental Policy** (*Law No. 6.938 of 1981*), and the **Environmental Crimes Law** (*Law No. 9,605 of 1998*). These laws outline the main environmental protection obligations, parameters that must be evaluated by regulatory agencies and the sanctions that can be applied for non-compliance.

One such sanction is the placement of an administrative embargo on land, which is provided for in the Environmental Crimes Law (Article 72, VII). The purpose of an embargo is to prevent the land from suffering additional environmental damage and to allow the environment to regenerate. Exploiting an embargoed area and selling products derived from it are illegal practices that can be sanctioned. The embargo is applied by regulatory agencies, such as IBAMA and INCRA, through an administrative procedure under the *Decree No. 6.514 of 2008* (Article 108).

Environmental licences

Most importantly, a key requirement of the **Forest Code** is that landowners must obtain authorisation from the relevant environmental agency before clearing new areas. Otherwise, any deforestation without this authorisation is considered illegal under Brazilian law.

Authorisations for land clearing and any activity to use an environmental resource that may pollute the environment or cause environmental degradation, are required and issued under the **National Environmental Policy**. This law establishes the general requirements and guidelines for the licensing procedure, together with the National Environment Council *Resolution No. 237 of 1997*, which establishes procedures and criteria for granting environmental licences. Environmental licensing occurs in three phases, each corresponding to a specific licence: the preliminary, installation and operation licences.

Other specific licences may be required, for example authorisation for vegetation clearance, which are issued by IBAMA in federal areas, state environmental secretariats in state areas, and municipalities in local government areas.

However, there is no centralised database of environmental licences issued by different national or sub-national authorities. Consequently, any due diligence on whether agricultural or forestry activities have been adequately licensed will require consideration of environmental regulations at the federal, state, and municipal levels and additional checks to ensure corresponding licences are in place.

Native vegetation preservation

The Forest Code also mandates the preservation of a percentage of native vegetation on rural properties, known as the Legal Reserve. In certain circumstances, the Code provides a process for landowners in violation of this requirement to offset their non-compliance with areas of native vegetation on other properties.

Therefore, merely identifying the absence of native vegetation on a farm according to Legal Reserve requirements, for example through images or satellite data, does not necessarily imply illegality. However, once again, the lack of publicly available information on offset areas complicates verification of compliance with the legal requirements.

The practice of “green land grabbing” increases challenges to investigating compliance with the legal reserve requirements. Green land grabbing describes the illegal taking of land for the purpose of demonstrating the preservation of a percentage of native vegetation on rural properties as required by the Forest Code, including where native vegetation on one property is used to offset the conversion of native vegetation beyond the legal maximum on another property.⁶ Therefore, where offset areas on other properties are used to comply with legal reserve requirements, the legality of the acquisition and ownership of that property should also be checked.

2.5 Labour rights and forced labour

Despite a longstanding body of federal labour laws and a national Labour Court enshrined in the Federal Constitution, Brazil still faces significant challenges related to precarious work and conditions analogous to slavery, particularly in the soy and cattle sectors.

For example, in 2021, the Brazilian Institute of Geography and Statistics (IBGE) revealed that:

40% 
of employed Brazilians were engaged in informal work.⁷

The Ministry of Labor and Employment (**MTE**) is responsible for monitoring compliance with labour legislation and provides guidance on labour rights. The Labor Prosecutor's Office, in turn, works to eradicate child labour, slave labour, and address all forms of discrimination at work, among other areas.

The MTE defines work conducted in conditions analogous to slavery as “any employment that results in submission to forced tasks, exhausting working hours, restrictions on movement due to debts contracted with employers, or any type of restriction on the right to come and go. This reduces the worker to a state of servitude, denying them their fundamental rights”.⁸

The rights of agricultural workers are recognised and guaranteed under *Law No. 5.889 of 1973, Consolidation of Labor Laws (Decree-Law No. 5.452 of 1943)* and the **Statute of the Child and Adolescent** (*Law No. 8.069 of 1990*), which specifically prohibit the exploitation of child labour, forced labour, and degrading labour, with severe penalties applicable for violations.

⁶ See for example Global Witness. Seeds of conflict. November 2021. Available at <https://www.globalwitness.org/en/campaigns/environmental-activists/global-commodity-traders-are-fuelling-land-conflicts-in-brazils-cerrado/>, describing cases of green grabbing in the context of industrial soy production in the state of Bahia (Brazil).

⁷ Pessini, Maria Helena. Informalidade: analisando a origem do trabalho precarizado. *Politize*, 28 dez. 2022. Available at: <https://www.politize.com.br/trabalho-precario/>.

⁸ Ministério do Trabalho e Emprego (14 June 2023) Ministério do Trabalho e Emprego lança campanha de combate ao trabalho análogo à escravidão. Available at <https://www.gov.br/secom/pt-br/assuntos/noticias/2023/06/ministerio-do-trabalho-e-emprego-lanca-campanha-de-combate-ao-trabalho-analogo-a-escravidao>.

Modern slavery is also criminalised under Article 149 of the **Penal Code** and, in addition to criminal penalties, perpetrators may have their land expropriated by the state (Article 243 of the *Federal Constitution*). In other words, the employer loses their right to the land on which people were working in conditions akin to slave labour, which is transferred to the State without compensation.

Regarding the eradication of slave labour, the main inspection body is the MTE, which has Regional Labor Superintendencies and a Mobile Special Inspection Group responsible for operations to rescue enslaved workers. Transparency in disclosing and assessing working conditions is especially important in regions with limited government access or oversight.

One mechanism to combat slave labour is the MTE's publication of a list of employers who have subjected workers to conditions analogous to slavery, known as the **Dirty List of Slave Labor**.⁹ The list has existed since 2003, is updated every six months, and is regulated by *Interministerial Ordinance No. 18 of 2024*.

The inclusion of individuals or legal entities in the Register occurs after the completion of an administrative process which assesses infraction notices issued by the MTE during inspections at the location. Updates to the list remain published for a period of two years.

2.6 Food production and sanitary requirements

All operations involved in food production, including cattle raising and soy production, are subject to sanitary requirements and require approval from the National Health Surveillance Agency. As with environmental approvals, health secretariats at the state and municipal levels may administer additional requirements and licence schemes.

The granting of sanitary licences is dependent on a range of public health-related conditions, such as the use of authorised pesticides and their proper application in accordance with the **Pesticide Law** (*Law No. 14.785 of 2023*), the hygiene conditions of the farm, and the cultivation of any genetically modified soy being compliant with the **Biosafety Law** (*Law No. 11.105/2005*).



Tractor spraying pesticides
on a soybean field in Brazil

9 Available at <https://www.gov.br/trabalho-e-emprego/pt-br/assuntos/inspecao-do-trabalho/areas-de-atuacao/combate-ao-trabalho-escravo-e-analogo-ao-de-escravo>.

3. Key considerations for assessing legal compliance risks

3.1 Challenges in identifying relevant national and sub-national laws

Given the absence of a central, organised, searchable legal database, any exploration of Brazilian laws and their applicability and enforcement must be approached incrementally, starting with the Federal Constitution and Federal laws, and working down to state and municipal levels. It is not possible to compile a complete picture of Brazilian national and sub-national laws on a given topic in a single step.

Likewise, the diversity of law enforcement, monitoring or reporting responsibilities across Brazil (as well as the diversity of legal requirements) makes it difficult to systematically monitor legal compliance, especially in regions with weaker government capacities and oversight.

In the cattle and soy sectors, national and sub-national legal requirements are primarily shaped by constitutional principles, which set a common national normative framework and influence the interpretation and enforcement of national and sub-national regulations.

In particular, Articles 186 and 225 of the Federal Constitution, which enshrine the principle of an ecologically-balanced environment and the social function of property, have allowed the development of complimentary legal principles at the national level.

These include the principle of prevention (derived from Article 225, §1, IV), the polluter pays principle (derived from Article 225, §3), joint and several liability for environmental damage (derived from Article 225, §3), and the prohibition of slave labour (derived from Article 186, III), amongst others.

There is no hierarchy among such principles, and their application depends on specific cases. However, every state and municipal law must be consistent with these principles, with the potential that the validity of any inconsistent laws can be questioned before the Constitutional Court.

Adherence to federal, state, and municipal regulations should therefore not be seen as a mere checklist, but as part of an integrated legal system that seeks to balance environmental conservation with economic activity, as enshrined in the Federal Constitution.

Ensuring conformity with the Brazilian legal framework applicable to agricultural activities therefore demands a focus on:

- transparency, both in terms of potential environmental impacts and legal compliance;
- sustainability, including avoidance of unsustainable impacts and preserving a healthy environment for future generations; and
- the protection of public interests, such as the common good of a healthy environment and the social function of rural land.

3.2 Difficulties in law enforcement and monitoring in rural areas

In the livestock and soy sectors in Brazil, the difficulty in monitoring deforestation and illegal activities poses significant risks and allows for the prevalence of illegality in rural areas. Barriers to enforcement, especially in the agricultural frontier where much of the deforestation occurs, complicates compliance monitoring.

Although deforestation can be identified via satellite, budgetary and human resource limitations hinder the effective operation of agencies responsible for on-the-ground monitoring. The imposition of fines and property embargoes often does not stop deforestation due to the state's inability to ensure compliance with these measures.

For example, a 2024 analysis of more than 3,500 lawsuits filed by Brazil's Federal Public Prosecutor's Office between 2017 and 2020 found that only 5% of fines for illegal deforestation had been paid, representing 0.2% of the total amount due in compensation as at December 2023.¹⁰



The study indicates significant challenges to enforcing penalties for environmental crimes, with the authors of the report concluding that "getting criminals to pay for illegal deforestation in the Amazon...is one of the biggest challenges for environmental justice in Brazil."¹¹

Inadequate traceability systems further increase the likelihood of illegal activities going undetected, particularly in long, complex supply chains involving multiple intermediaries.

3.3 Land grabbing and land conflicts

Land grabbing represents a prevalent legality risk in Brazil's agriculture sector. Regional inconsistencies in record-keeping and the fragmented nature of Brazil's national and sub-national land registries can enable and hide – rather than prevent and reveal – instances of illegal land acquisition. However, land ownership verification remains an essential task for avoiding risks of illegal land acquisition and land use in Brazil's agriculture sectors.

It is important to note that historical land grabbing, unless 'regularised' by subsequent legal intervention by the state, is likely to render any subsequent dealing in the land to be compromised by the original illegal acquisition, even where those subsequent dealings are supported by official transaction records and the claimed interests in the land appear in formal land registries.

For example, although it is fundamental to environmental compliance, registration of a property in the National Rural Environmental Registration System is widely used to fraudulently declare public lands as private property.

According to studies by the Amazon Research Institute, nearly 30% of unallocated public forests are covered by illegal Rural Environmental Registrations.¹² Because the Rural Environmental Registry (known as the "**CAR**") is self-declaratory, land grabbers can create fictitious rural properties in unallocated public forests in the system to simulate rights over third party or public land. This entry generates a provisional document that, while needing validation by a technical team from the federal or state government, is immediately used by fraudsters to negotiate the sale of these lands or obtain environmental licences for the area, taking advantage of the sluggish CAR validation process.¹³

30%



of unallocated public forests are covered by illegal Rural Environmental Registrations

10 Imazon (2025), 'Convictions for illegal deforestation grow, but only 5% result in compensation paid in the Amazon'. Available at: <https://imazon.org.br/en/imprensa/convictions-for-illegal-deforestation-grow-but-only-5-result-in-compensation-paid-in-the-amazon/>.

11 Quoted in Hanbury, S. (2025), 'Only 5% of deforesters in Brazil's Amazon fully paid fines, report finds', *Mongabay*. Available at: <https://news.mongabay.com/short-article/2025/03/only-5-of-deforesters-in-brazils-amazon-fully-paid-fines-report-finds/>.

12 The relevant data is available on the IPAM website at <https://ipam.org.br/como-atuamos/biomas/amazonia/>.

13 A practical example is Fazenda Pai Herói, in Nova Bandeirantes (Mato Grosso), which changed its declared perimeter in the CAR twice between 2020 and 2023, excluding areas embargoed by IBAMA. It became a supplier of cattle for JBS in 2024, according to GTA data obtained by the newspaper Repórter Brasil. The report was published on 10 August 24 and is available at <https://repórterbrasil.org.br/2024/10/jbs-bloqueia-fornecedora-mudou-area-declarada-fazenda/>; several publicly available reports of civil society organisations describe the fraudulent taking of land in the agricultural sector, see for example Rede Social de Justiça e Direitos Humanos. Empresas transnacionais do agronegócio causam violência, grilagem de terras e destruição no Cerrado. 12 July 2023. Available at <https://www.social.org.br/pub/revistas-portugues/347-relatorio-liga-empresas-transnacionais-a-grilagem-de-terras-no-sul-do-piaui>; Mighty Earth. Saving the Cerrado. June 2023. Available at https://www.mightyearth.org/wp-content/uploads/BUNGE_Saving_the_Cerrado.pdf; Fian International. Brasilien: Pensionskassen machen Geschäfte mit Ackerland. December 2019. Available at https://www.fian.de/wp-content/uploads/2019/06/Layout_Matopiba_Studie_final_klein-1_compressed-1.pdf

This practice indicates why it is essential that information other than CAR documentation is obtained, verified and assessed to investigate the legality of land ownership and use rights in rural areas.

In addition, there has been little progress in Brazil in recognising and demarcating the land of Indigenous Peoples and traditional communities, despite the government's responsibility to demarcate and protect such lands (Article 231 of the Federal Constitution). The slow progress of Indigenous land registration increases the risk of land grabbing, land conflicts, violence.¹⁴

The complexity and tension inherent in Indigenous land rights recognition, demarcation and protection in Brazil is evident in the recent national legal and political disputes regarding the proposed application of the *Marco Temporal Doctrine* – a rule that would limit Indigenous land rights to areas that had been continuously physically occupied until the adoption of the Federal Constitution on 5 October 1988.

A proposed law to implement the doctrine was found unconstitutional by the Supreme Court on 22 September 2023.¹⁵ A week later, however, the Senate voted to adopt the proposed law. After several presidential challenges, a modified law (*Law 14.701 of 2023*, known as the **Time Frame Law**) was adopted in December 2023¹⁶ in a move heavily criticised by Indigenous and civil society groups,¹⁷ including by the UN Special Rapporteur on the Rights of Indigenous Peoples.¹⁸

The Time Frame Law allows a broader scope of developments on Indigenous lands, including agricultural projects, in violation of international human rights standards that recognise Indigenous Peoples' rights to their lands without temporal limitation.

Several challenges to the constitutionality of the Time Frame Law are currently pending before the Supreme Court. Although the Court identified inconsistencies between the law and its prior judgement, in April 2024 it controversially suspended proceedings and ordered a mediation of Indigenous Peoples' and agribusiness interests before a special commission.¹⁹ The Time Frame Law formally remains in force while those mediations are underway and until its validity is decided – a situation that has further heightened tensions and violence between Indigenous communities and agribusiness interests.²⁰

3.4 Illegal deforestation

Illegal deforestation is widespread in important forest biomes, like the Amazon and Cerrado – the world's most biodiverse tropical savanna. A recent study of forest clearing between August 2023 and July 2024 by Brazilian NGO Center of Life Institute (ICV) found that 91% of forest clearing in the Amazon lacked legal authorisation.²¹ In the Cerrado, the figure for illegal clearing was 51%.

14 Wenzel, F. (2025), 'Probe details the playbook of one of Amazon's top land grabbers', *Mongabay* (20 Jan 2025). Available at: <https://news.mongabay.com/2025/01/probe-details-the-playbook-of-one-of-amazons-top-land-grabbers/>. Indigenous Missionary Council (Conselho Indigenista Missionário, CIMI) (2024), 'Violence against Indigenous Peoples in Brazil'. Available at: <https://cimi.org.br/2024/07/violence-against-indigenous-peoples-report-2023/>.

15 See for example: Phillips, T. (2023), 'Brazil supreme court rules in favor of Indigenous land rights in historic win', *The Guardian*. Available online: <https://www.theguardian.com/world/2023/sep/21/brazil-supreme-court-indigenous-land-rights-win>; Amazon Watch (2023), 'Brazil's Supreme Court Rejects the Marco Temporal, but the Fight for Indigenous Land Rights Continues', Amazon Watch. Available at: <https://amazonwatch.org/news/2023/0922-brazils-supreme-court-rejects-the-marco-temporal-but-the-fight-for-indigenous-land-rights-continues>.

16 Malleret, C. (2023), 'Controversial Brazil law curbing Indigenous rights comes into force', *The Guardian*. Available at: <https://www.theguardian.com/world/2023/dec/28/brazil-law-indigenous-land-rights-claim-time-marker>.

17 See for example, APIB (2023), 'Legislated Genocide: Congress Overturns Vetoes, Approves the Marco Temporal Law, and Other Crimes Against Indigenous Peoples', APIB. Available at: <https://apiboficial.org/2023/12/15/legislated-genocide-congress-overturns-vetoes-approves-the-marco-temporal-law-and-other-crimes-against-indigenous-peoples/?lang=en>.

18 Tzay, F. C. (2024), 'Brazil must protect Indigenous Peoples' lands, territories and resources, says Special Rapporteur', United Nations Office of the High Commissioner for Human Rights. Available at: <https://www.ohchr.org/en/press-releases/2024/07/brazil-must-protect-indigenous-peoples-lands-territories-and-resources-says>.

19 See e.g. Rosen, N. (2024), 'Marco Temporal: Current Status and Future Implications', Latin American Institute for Collective Justice. Available at: <https://ilajuc.org/en/marco-temporal-current-status-and-future-implications/>.

20 See for example: Batelier, C. (2024), 'The extermination of native peoples is the death of our future,' warn entities, which demand urgency measures by the state', *Brasil de Fato*. Available at: <https://www.brasildfato.com.br/2024/08/21/the-extermination-of-native-peoples-is-the-death-of-our-future-warn-entities-which-demand-urgency-measures-by-the-state/>; Alfinato, C. and Vargas, P. (2024), 'Attacks on Indigenous Rights in Brazil by Agribusiness and Mining Are Fueling Amazon Fires and Climate Change', Amazon Watch. Available at: <https://amazonwatch.org/news/2024/0919-attacks-on-indigenous-rights-in-brazil-by-agribusiness-and-mining-are-fueling-amazon-fires-and-climate-change>.

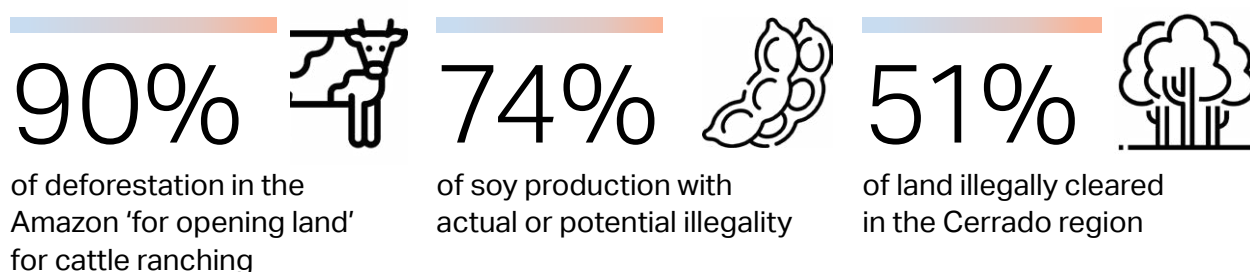
21 ICV (2025), 'Legalidade do Desmatamento na Amazônia e Cerrado'. Available at: <https://www.icv.org.br/wp-content/uploads/2025/02/info-icv-legalidadedesm-a0.pdf>. See also Hanbury, S. (2025), '91% of Brazilian Amazon deforestation last year was illegal, report finds', *Mongabay*. Available at: <https://news.mongabay.com/short-article/2025/03/91-of-brazilian-amazon-deforestation-last-year-was-illegal-report-finds/>.

Cattle and soy production are among the biggest drivers of deforestation and land conversion in Brazil, as well as across Latin America, placing them in the top drivers of deforestation globally.²² Cattle ranching in particular is regarded as the leading driver of deforestation in the Amazon, with a 2024 study by Imazon indicating that more than 90% of the deforestation in the Amazon is for the opening of pastureland for cattle ranching.²³

In the Cerrado, on the other hand, the overall expansion of agricultural land increased significantly (up 529% between 1985 and 2023), the majority of which (around 75%) is used to produce soybeans.²⁴

Similarly, research published by Trase and the Instituto Centro de Vida, in collaboration with the Atlas Agropecuário (maintained by Imaflora), in September 2023 indicates compelling evidence that in 2020 approximately 16% of soybean production in the Amazon and Cerrado took place on farms that did not comply with the *Forest Code*.

Most of the soy from those areas was exported to China and the EU. The research also points to evidence of *potential* non-compliance with Forest Code requirements on an additional 58% of soy farms, but whose compliance status could not be verified with publicly available data.²⁵ Taken together, the research identifies actual or potential illegality affecting a total of 74% of soy production in the Amazon and the Cerrado.



22 See for example WWF (2018). What are the biggest drivers of tropical deforestation?. Available at: <https://www.worldwildlife.org/magazine/issues/summer-2018/articles/what-are-the-biggest-drivers-of-tropical-deforestation>; World Resources Institute (2024). Deforestation linked to agriculture. Available at: https://research.wri.org/gfr/forest-extent-indicators/deforestation-agriculture?utm_medium=blog&utm_source=insights&utm_campaign=globalforestreview.

23 Imazon (3 October 2024). Mais de 90% do desmatamento da Amazônia é para abertura de pastagem. Available at: <https://imazon.org.br/imprensa/mais-de-90-do-desmatamento-da-amazonia-e-para-abertura-de-pastagem/>.

24 See IPAM. Em 39 anos, Cerrado perdeu área de vegetação nativa maior que o Goiás. 21 August 2024. Available at: <https://ipam.org.br/cerrado-perde-vegetacao-nativa-maior-que-goias/>.

25 Trase (2023). Doubts over compliance with Brazil's Forest Code put soy trade to EU at risk. Available at: <https://trase.earth/media/press-release/doubts-over-compliance-with-brazil-s-forest-code-put-soy-trade-to-eu-at-risk>.

Similarly, the national Executive Committee for the 2023 Action Plan for the Prevention and Control of Deforestation and Fires in the Cerrado states that a significant share of deforestation on soy producing properties in the Cerrado occurred in violation of the legal requirement to maintain a certain percentage of native vegetation, indicating that a significant share of soy production takes place on properties with illegal deforestation.²⁶

Regarding the state of **Mato Grosso** specifically, a recent analysis shows that implementation of the Forest Code by soy producers has been weak. It states that half of the deforestation associated with soy in Mato Grosso between 2009 and 2019 occurred illegally.²⁷ However, only 30% of soy farms that deforested illegally had embargoes, the process used by local authorities like IBAMA to recognise illegal deforestation.

In addition, only 11% of registered soy farms in Mato Grosso have made it to the final stage of the registration process under the Forest Code, the point at which they are considered fully compliant

3.5 Labour rights violations

Regarding risks of labour rights violations, it is important to note that most cases of work analogous to slavery in Brazil have occurred in rural areas. Data from the Federal Government, provided by the Pastoral Land Commission, indicates that more than half of recorded cases between 1995 and 2020 occurred in activities related to livestock farming.²⁸

While cattle farming stands out as having the highest risk of slave labour, there has also been a high number of cases in relation to soy cultivation.²⁹

The regions with the highest incidences of slave labour are the South East, followed by the Midwest, North East, and North, which also indicates a relatively higher risk of labour rights violations in those regions compared to others.³⁰

Publicly available reports from civil society organisations indicate that rural workers consistently raise concerns regarding degrading working conditions on agribusiness farms, particularly in the context of applying chemicals and supply of adequate protective equipment.³¹

3.6 Challenges in tracing agricultural supply chains

Supply chain traceability is not a legal requirement under national law.

While there are several sub-national and voluntary initiatives aimed at traceability and monitoring of soy and cattle supply chains, primarily to satisfy demands from export markets, a persistent challenge is the alignment of these initiatives to provide consistent standards and coverage of soy and cattle operations.

The fragmentation of available traceability information further increases the risk of illegal activities going unnoticed, especially in long and complex supply chains involving multiple intermediaries, such as those for soy and cattle.

26 Comissão Executiva do PPCDAm e do PPCerrado: Plano de ação para prevenção e controle do desmatamento e das queimadas no bioma Cerrado. 2023. Available at: https://www.gov.br/mma/pt-br/assuntos/combate-ao-desmatamento-queimadas-e-ordenamento-ambiental-territorial/controle-do-desmatamento-1/ppcerrado/ppcerrado_4fase.pdf p. 33.

27 Carvalho, R., Rausch, L., Gibbs, H.K., Bastos Lima, M.G., Bernasconi, P., Valdiones, A.P., Vasconcelos, A., & Silgueiro, V. (2024), 'Illegal deforestation in Mato Grosso: how loopholes in implementing Brazil's forest code endanger the soy sector', *Land* 13(11), 1828. Available at: <https://www.mdpi.com/2073-445X/13/11/1828>.

28 Ministério do Trabalho e Emprego (14 June 2023). Ministério do Trabalho e Emprego lança campanha de combate ao trabalho análogo à escravidão. Available at <https://www.gov.br/secom/pt-br/assuntos/noticias/2023/06/ministerio-do-trabalho-e-emprego-lanca-campanha-de-combate-ao-trabalho-analogo-a-escravidao>.

29 SMARTLAB. Observatório da Erradicação do Trabalho Escravo e do Tráfico de Pessoas. Smartlab. Available at: <https://smartlabbr.org/trabalhoescravo>; In its report from 2023, the Pastoral Land Commission stated that 62% of people rescued from working under conditions analogous to slave labour worked on monoculture farms (predominantly soy and sugar cane), see Centro de Documentação Dom Tomás Balduino – CPT. Conflitos no Campo Brasil 2022. Available at <https://www.cptnacional.org.br/downloads?task=download.send&id=14302&catid=41&m=0>.

30 Ministério do Trabalho e Emprego (10 January 2024). MTE resgata 3.190 trabalhadores de condições análogas à escravidão em 2023. Available at: <https://www.gov.br/trabalho-e-emprego/pt-br/noticias-e-conteudo/2024/janeiro/mte-resgata-3-190-trabalhadores-de-condicoes-analogas-a-escravidao-em-2023>

31 Friends of the Earth/Rede Social de Justiça e Direitos Humanos /ActionAid. Land Grabbing and Ecocide. September 2023. Available at <https://foe.org/wp-content/uploads/2023/09/Land-Grabbing-and-Ecocide-Final-compressed.pdf>; Friends of the Earth United States/Rede Social de Justiça e Direitos Humanos. Industrial Soy Expansion in Brazil: Financialization, Deforestation, and Dispossession in the Birthplace of Waters. April 2022. Available at: <https://foe.org/wp-content/uploads/2022/04/IndustrialSoyExpansion.Brazil.FoE-final.pdf>.

The implementation of traceability systems typically declines in relation to the number of indirect suppliers upstream of the first actor trading on the global market. Small producers and indirect suppliers, often those directly engaged in production activities, are less likely to be reliably identified and monitored under traceability schemes.

The following non-binding supply chain monitoring initiatives may support due diligence efforts to varying degrees, depending on the level of adherence by particular producers:

- **the Green Seal Brazil Program**,³² which is a newly-established public certification scheme intended to support the identification of products that meet sustainability and traceability principles according to national and international standards, such as the EUDR. The relevant standards for certification will be set by the Brazilian Association of Technical Standards and subsequently granted by certifiers authorised by the National Institute of Metrology, Quality and Technology.
- **the Brazilian Individual Identification System for Cattle and Buffaloes (SISBOV)**,³³ to which farmers can adhere voluntarily – primarily in cases where cattle certification is required by importing countries under official health programs. It is therefore more often used by cattle producers supplying export markets than those supplying the domestic market.
- **the Brazilian Agro-Traceability System (SIBRAAR)**,³⁴ developed by the Brazilian Agricultural Research Corporation, a public company linked to the Ministry of Agriculture and Livestock. At the time of writing, this system is still being established and is not mandatory for producers of agricultural products.
- in the state of the Pará, there is also the Official Individual Cattle Traceability System,³⁵ developed by the Brazilian Association of Meat Exporting Industries (Abiec) and the State Secretariat for the Environment and Sustainability of Pará.

3.7 Considerations specific to the cattle sector

Land grabbing and the **lack of traceability** are prevalent issues that create systemic risk in the cattle sector, largely because of the way cattle are mixed when they're moved for grazing and fattening, making it easy to launder cattle raised unlawfully. Conversely, the inability to confirm legal origins of cattle means the presence of unlawful cattle producers in the supply chain can affect a significant portion of cattle production. The Brazilian government has recently announced plans to develop a national cattle traceability system by 2027.³⁶

A challenging dynamic is that while large producers typically have regular deeds and registrations of their properties – and meet the criteria defined by regulatory agencies – they acquire cattle from other producers who do not have proper land-use rights or use embargoed or deforested areas for raising cattle.

32 The Green Seal Brazil Program was established by *Decree No. 12.063 of 2024*, available at <https://www.in.gov.br/web/dou/-/decreto-n-12.063-de-17-de-junho-de-2024-566218411>

33 The SISBOV was established through MAPA Normative Instruction No. 51 of 2018, available at https://www.normasbrasil.com.br/norma/instrucao-normativa-51-2018_368158.html.

34 Embrapa presented the SIBRAAR through its Technical Communication No. 138 of 2023, available at <https://ainfo.cnptia.embrapa.br/digital/bitstream/doc/1160154/1/Comunicado138.pdf>.

35 The SRBIPA was established by *Decree No. 3.533 of 2023*, available at <https://www.semas.pa.gov.br/legislacao/files/pdf/406042.pdf>.

36 Sousa, D. and Coutoin, C. (2024), 'Brazil to Fight Deforestation With New Cattle-Tracking System', *BNN Bloomberg* (23 October 2024), available at: <https://www.bnnbloomberg.ca/investing/commodities/2024/10/23/brazil-to-fight-deforestation-with-new-cattle-tracking-system/>.

This renders the beginning of the supply chain illicit, even though the end appears to meet legal requirements.³⁷ This is the case for ranchers who alter the boundaries of their properties in the Rural Environmental Registry (the 'CAR'), excluding deforested or embargoed areas to continue supplying cattle to the national and international markets.³⁸

In cattle production, the official document for the transportation of animals in Brazil is the Animal Transit Guide (Guia de Trânsito Animal or GTA), which contains essential information for tracking herds, such as origin, destination, purpose, species, and vaccination status. The GTA is issued by state animal defence agencies every time a cow is moved from one farm to another, upon request from the owners. To issue a GTA, the property must be properly registered and authorised by a veterinarian certified by the Ministry of Agriculture, Livestock and Supply (**MAPA**).³⁹ The veterinarian certifies that the property meets the necessary sanitary criteria for cattle production and that the traded animals are healthy.

Although often cited as a traceability tool, the GTA is not a document created for that purpose; it is a regulatory system to ensure animal health during transport.⁴⁰ There is therefore an ongoing debate whether GTA data should be considered public or private, as it is often used by public prosecutors and NGOs to trace cattle supply chains.

In contrast, the Brazilian Individual Identification System for Cattle and Buffaloes (known as **SISBOV**),⁴¹ despite being the official identification system for cattle and buffalo in the country, is a voluntary scheme.

3.8 Considerations specific to the soy sector

The registration, certification of products, and establishment of norms regarding soy production are managed by MAPA, which verifies the compliance of property registration, environmental licensing, and adherence to sanitary regulations. The *MAPA Normative Instruction No. 11 of 2007* establishes the Technical Regulation for Soybeans, defining its official classification standards, and setting requirements for identity, quality, sampling, and labelling of production.

In practice, however, the lack of integration between different federal and state registries and regulatory systems facilitates the unlawful granting of authorisations for embargoed areas – such as areas with records of illegal deforestation or burning – through manipulation of information contained in the CAR.

For example, through the registration of properties with overlapping areas, the fragmentation of properties and the alteration of declared boundaries to exclude embargoed areas.⁴²

In addition, the soybean supply chain is relatively opaque and there are no official transparency or traceability requirements. Some traceability programmes, currently in the implementation phase, have limitations in that they cover only some states or regions.

Similarly, the voluntary systems developed by large companies fail to prevent contamination of the supply chain due to the limitations of existing infrastructure, particularly silos, which do not allow for proper identification of source farms.

37 A more in-depth description of this dynamic can be found in the report on the journalist website "O Eco," available at <https://oeco.org.br/reportagens/o-drible-do-gado-a-parte-invisivel-da-cadeia-da-pecuaria/>.

38 A practical example is Fazenda Pai Herói, in Nova Bandeirantes (MT), which changed its declared perimeter in the CAR twice between 2020 and 2023, excluding embargoes from IBAMA. It became a supplier of cattle for JBS in 2024, according to GTA data obtained by the newspaper Repórter Brasil. The report was published on 10/08/24 and is available at <https://reporterbrasil.org.br/2024/10/jbs-bloqueia-fornecedor-mudou-area-declarada-fazenda/>.

39 According to the eligibility requirements described on the Federal Government's page, available at <https://www.gov.br/pt-br/servicos/habilitar-se-para-emissao-da-guia-de-transito-animal>.

40 This is stated in Article 2 of *Law No. 12.097 of 2009*, which addresses the concept and application of traceability in the production chain of beef and buffalo meat.

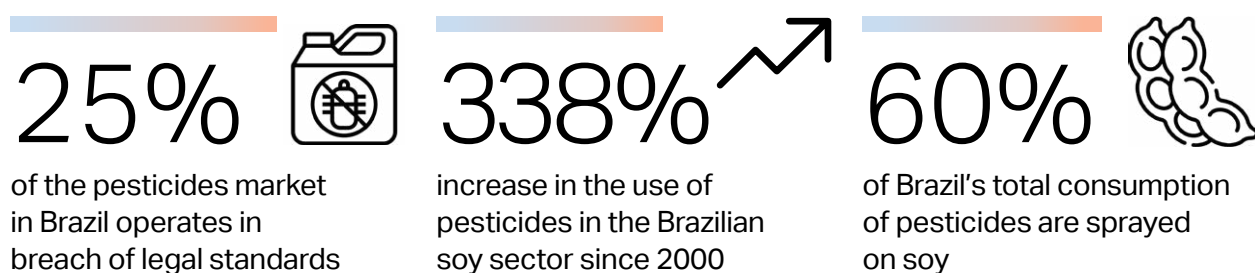
41 The SISBOV was established through *MAPA Normative Instruction No. 51 of 2018*, available at https://www.normasbrasil.com.br/norma/instrucao-normativa-51-2018_368158.html.

42 This is what happened in northern Mato Grosso with Fazenda Formoso, which received a provisional rural operating permit (APF) from the State Department of the Environment (SEMA/MT) by using the CAR of another area, eliminating areas that were embargoed due to inspections conducted between 2013 and 2020 by state and federal agencies, according to data obtained by the newspaper Repórter Brasil. The report was published on 04/29/21 and is available at <https://reporterbrasil.org.br/2021/04/secretaria-de-mt-admite-erro-e-cancela-autorizacao-para-atividade-rural-de-propriedade-que-acumula-infracoes-ambientais/>.

Likewise, private certification schemes operated by third party certifiers such as the Round Table on Responsible Soy (**RTRS**) or by companies, such as Bunge's certification programme, seem to fall short of adequately tracing the Brazilian soy supply chain by relying on Mass Balance and Book and Claim methods that allow the mixing of compliant products with non-compliant products.⁴³

NGOs have documented weaknesses of voluntary third-party certification schemes in the soy sector, including a 2024 investigation that linked farms certified by the RTRS to cases of land grabbing in the Brazilian Cerrado.⁴⁴

Another systemic risk for environmental and social impacts is the widespread use of pesticides in the Brazilian soy sector, which has grown progressively in recent years, increasing by more than 338% since 2000.⁴⁵ Brazil ranks among the top three pesticide consumers in the world and more than 60% of Brazil's total consumption of pesticides are sprayed on soy.⁴⁶



Despite legal standards for the purchase and sale of pesticides, the Institute of Economic and Social Development of Borders estimates that 25% of the pesticides market in Brazil operates in breach of legal standards.⁴⁷

The widespread use of pesticides has severe impacts on people and the environment, including in relation to contamination of drinking water.⁴⁸ Indigenous Peoples have been reported to be disproportionately affected by the use of pesticides in the context of agricultural production.⁴⁹

In its 2024 report, the National Campaign in Defense of the Cerrado and the Pastoral Land Commission denounced the harm inflicted on Indigenous Peoples through the use of pesticides in soy production, claiming their widespread use – especially when sprayed from the air – violates local populations' rights to water and food.⁵⁰

43 In February 2025 RTRS announced a new certification model which "includes an optional module to support compliance with the EU Deforestation Regulation" while noting that "compliance with RTRS certification requirements does not guarantee compliance with the EUDR". RTRS (2025), 'RTRS introduces Chain of Custody Standard version 3.0 with alignment to EU Deforestation Regulation', available at: <https://responsiblesoy.org/rtrs-chain-of-custody-standard-3-0-aligned-with-eu-deforestation-regulation?lang=en>. Prior research indicates that the greatest share of RTRS soybeans has been certified under Book and Claim chain-of-custody models: Schilling-Vacaflor, A. et al. (2021), 'Contextualizing certification and auditing: Soy certification and access of local communities to land and water in Brazil', World Development Volume 140. Available at: <https://www.sciencedirect.com/science/article/pii/S0305750X20304083#b0080>; Bunge's standard ranked relatively low in benchmarking of standards in the soy sector conducted by Profundo, finding that in-house standards such as Bunge's lack robust governance systems as they are managed by the same companies that manage and use the standard: Profundo (19 December 2023), Setting a New Bar for Deforestation- and Conversion-free Soy in Europe Independent benchmark of soy standards on essential sustainability requirements. Available at: https://hwkvufmtfxjkrhbrfqkj.supabase.co/storage/v1/object/public/PUB/2023_Benchmark_Deforestation_and_Conversion_Free_Soy_Europe.pdf.

44 EarthSight, (2024), Secret Ingredient. Available at <https://www.earthsight.org.uk/secret-ingredient>, p. 9.

45 Glyphosate sales, for example, grew by 27% between 2017 and 2021, see National Campaign in Defense of the Cerrado and the Pastoral Land Commission (CPT) (2024). Living in contaminated territories: A dossier on pesticides in the waters of the Cerrado. Available at: <https://ispn.org.br/en/vivendo-em-territorios-contaminados-um-dossie-sobre-agrotoxicos-nas-aguas-do-cerrado/>, p. 8.

46 National Campaign in Defense of the Cerrado and the Pastoral Land Commission (CPT) (2024). Living in contaminated territories: A dossier on pesticides in the waters of the Cerrado. Available at: <https://ispn.org.br/en/vivendo-em-territorios-contaminados-um-dossie-sobre-agrotoxicos-nas-aguas-do-cerrado/>, p. 8.

47 Instituto de Desenvolvimento Econômico e Social de Fronteiras (2022). The Illegal Market for Agricultural Pesticides in Brazil. Available at: <https://croplife.org/wp-content/uploads/2022/06/The-Illegal-Market-for-Agricultural-Pesticides-in-Brazil.pdf>, p. 49.

48 A study published in 2022 analysed drinking water in 127 municipalities in the state of Paraná, the second biggest grain producer in Brazil, and found extensive contamination of drinking water, where pesticide residues in certain municipalities surpassed the Brazilian maximum limit for such residues, see Panis, Carolina et al (2022). Widespread pesticide contamination of drinking water and impact on cancer risk in Brazil. Environment International Volume 165. Available at: <https://www.sciencedirect.com/science/article/pii/S0160412022002483>; Similarly, a NGO report from 2024 points out that in the state of Maranhão, atrazine levels were detected in the water of the Cocalinho community at more than twice the maximum permitted value according to Brazilian standards, see National Campaign in Defense of the Cerrado and the Pastoral Land Commission (CPT) (2024). Living in contaminated territories: A dossier on pesticides in the waters of the Cerrado. Available at: <https://ispn.org.br/en/vivendo-em-territorios-contaminados-um-dossie-sobre-agrotoxicos-nas-aguas-do-cerrado/>.

49 Larissa Bombardi (2021). Geography of Asymmetry: the vicious cycle of pesticides and colonialism in the commercial relationship between Mercosur and the European Union. Available at: <https://ocaa.org.br/en/publicacao/geography-of-asymmetry-the-vicious-cycle-of-pesticides-and-colonialism-in-the-commercial-relationship-between-mercursos-and-the-european-union/#:~:text=The%20study%20exposes%20data%20related%20to%20the%20consumption,possible%20intensification%20resulting%20from%20the%20EU-Mercosur%20Trade%20Agreement,p.26>.

50 National Campaign in Defense of the Cerrado and the Pastoral Land Commission (CPT) (2024). Living in contaminated territories: A dossier on pesticides in the waters of the Cerrado, p.26. Available at: <https://ispn.org.br/en/vivendo-em-territorios-contaminados-um-dossie-sobre-agrotoxicos-nas-aguas-do-cerrado/>.

After a visit to Brazil, the UN Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and waste reported that:

There are far too many occurrences of failure by agribusiness to respect legally required buffer zones so as to prevent the spraying of schools, houses and community centres with pesticides ... Despite national restrictions on pesticide spraying within 500 metres of inhabited places”.⁵¹

The Rapporteur also refers to allegations by Indigenous Peoples, communities of Brazilians of African descent and other communities that “powerful agribusinesses intentionally spray pesticides on them as ‘chemical weapons’ to drive them from their land”.⁵²

Related risks include the unlawful disposal of pesticides and pesticide packaging,⁵³ and the failure to provide plantation workers with adequate personal protective equipment (PPE).⁵⁴

51 Report of the Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes on his visit to Brazil (2020). UN Doc. A/HRC/45/12/Add2, at para. 24. Available at: <https://documents.un.org/doc/undoc/gen/g21/216/10/pdf/g2121610.pdf>.

52 Report of the Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes on his visit to Brazil (2020). UN Doc. A/HRC/45/12/Add2, at para. 25. Available at: <https://documents.un.org/doc/undoc/gen/g21/216/10/pdf/g2121610.pdf>; In a case concerning an Indigenous community in Mato Grosso do Sul, the Federal Court of Mato Grosso do Sul sentenced a farmer and an agricultural pilot and a company for aerial spraying on a corn field, see Reporter Brasil (2020). Em decisão inédita, indígenas vítimas de ‘chuva de agrotóxico’ recebem R\$ 150 mil de indenização - Repórter Brasil. Available at: <https://reporterbrasil.org.br/2020/01/em-decisao-inedita-indigenas-vitimas-de-chuva-de-agrotoxico-recebem-r-150-mil-de-indenizacao/>.

53 In the past, Brazilian environmental agencies have imposed fines and other penalties due to the irregular disposal of pesticides. Following an analysis from Ambiente & Sociedade, 12% of IBAMA's notifications in the context of pesticides inspections relate their disposal, see Oliveira Rocha, Rizza Regina/Peleaz Alvarez, Victor Manoel (2023). Environmental Inspection Of Pesticides In Brazil. Available at: <https://www.scielo.br/j/asoc/a/rwvKSTVbQkCzr3PcB3vttJR/?format=pdf&lang=en>.


54 National Campaign in Defense of the Cerrado and the Pastoral Land Commission (CPT) (2024). Living in contaminated territories: A dossier on pesticides in the waters of the Cerrado. Available at: <https://ispn.org.br/en/vivendo-em-territorios-contaminados-um-dossie-sobre-agrotoxicos-nas-aguas-do-cerrado/>, p. 31.

5. Conclusion

Brazil has a comprehensive federal legal framework regulating agricultural and forestry activities. It includes state obligations to protect the environment, and the rights of Indigenous Peoples are enshrined at the highest level – in the national constitution.

However, despite these constitutional safeguards, negative environmental and social impacts are systemic, especially in Indigenous territories and areas where agricultural production is expanding rapidly. Many of these impacts are unlawful under national or sub-national laws.

The federal legal structure can pose challenges to identifying relevant sub-national laws, which play a key role in regulating the agriculture sector and implementing national environmental standards.



Weak law enforcement, particularly in remote areas, is a systemic weakness and, in some places, is associated with perceptions of impunity and disregard for the rights of Indigenous Peoples and local communities. The prevalence of landgrabbing and associated violence in the cattle and soy sectors is emblematic of this dynamic.

Accordingly, EU companies sourcing relevant products from Brazil should significantly enhance their approach to due diligence by investigating the relevant legal requirements, gathering information about their compliance, and verifying that information with a variety of local government and non-government stakeholders.

Indeed, the large volume of publicly-available information indicating relatively high risks of illegality across the Brazilian cattle and soy sectors suggests EU operators should obtain a relatively high level of reliable evidence from credible and independent sources to corroborate assertions of legal compliance.

ClientEarth is a registered charity that uses the power of the law to protect people and the planet.

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Beijing

1950 Sunflower Tower
No. 37 Maizidianjie
Chaoyang District
Beijing 100026
China

Berlin

Albrechtstraße 22
10117 Berlin
Germany

Brussels

60 Rue du Trône
(3ème étage)
Box 11, Ixelles, 1050 Bruxelles
Belgique

London

The Joinery
34 Drayton Park
London, N5 1PB
United Kingdom

Los Angeles

Santa Monica Blvd
Suite 510
Santa Monica
CA 90401, USA

Madrid

C/Príncipe de Vergara 109
1 izquierda
28002
Madrid, Spain

Tokyo

Toranomon Hills Business
Tower 15F 1-chôme-17-1
Toranomon, Minato City
Tōkyō-to 105-6415
Japan

Warsaw

ul. Mokotowska 33/35
00-560 Warszawa
Polska

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