



Bundesministerium
für Ernährung
und Landwirtschaft

EU-Regulation 2023/1115 for deforestation-free products

Workshop:

Questões técnicas na implementação na cadeia da soja

Regulation at a glance



Findings:

- 90% of global deforestation is provoked by unsustainable expansion of agricultural land
- few relevant commodities: oil palm, soy, cattle, cocoa, coffee, natural rubber and wood
- EU is a major consumer of commodities associated with risk for deforestation and forest degradation
- past measures are not sufficient, to halt global deforestation
- need for „level playing field“

EU-Regulation 2023/1115: Minimise the EU's contribution to deforestation and forest degradation worldwide
(entered into force in June 2023, entry into application in December 2024)

- **Mandatory due diligence rules for all operators placing relevant products on the EU market or export them from the EU:** products need to be both deforestation-free and legal
- EU-wide consistent controls of due diligence of EU-operators
- WTO-compatibility
- **Strategic cooperation with partner countries**

Example for sourcing livestock feed made from soybeans

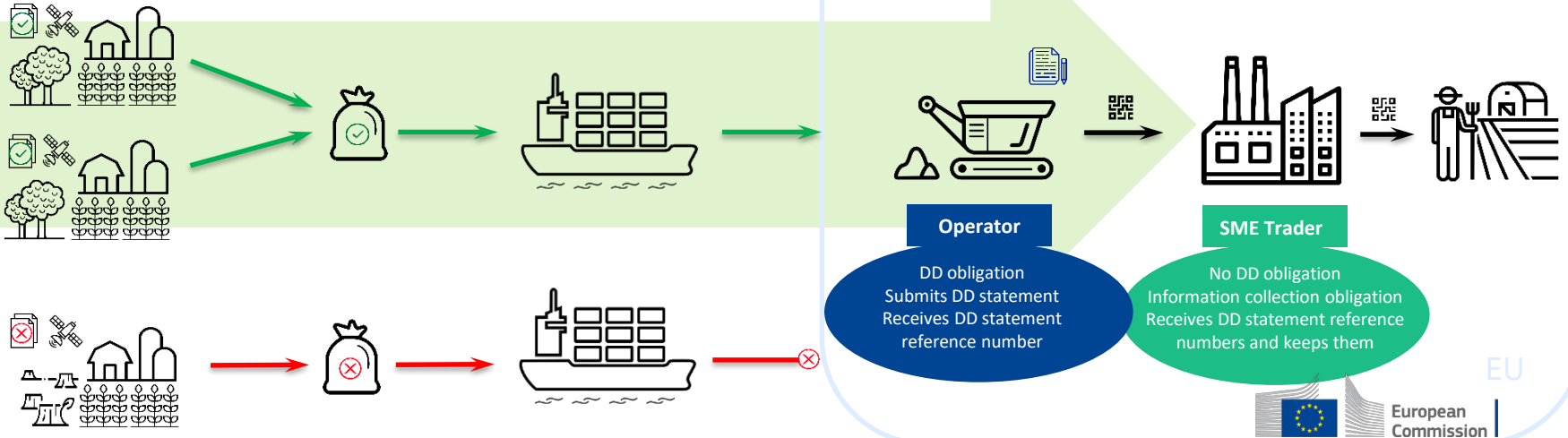
1. Soybeans from farms (geolocated as deforestation-free) kept segregated from beans sourced from elsewhere throughout storage and transport

2. Deforestation-free soybeans kept segregated during export to EU. Geolocation of all farms contributing to the deforestation-free shipment is required

3. EU operator imports soybeans from deforestation-free farms, and combines and crushes them into soymeal in the EU. Operator places the soymeal on the EU market

4. SME trader buys soymeal and resells it to farmers, making it available on the EU market

5. EU pig farmer buys the soymeal



Content in the due diligence statement

1. **Operator's name and address** (EORI-number)
2. Harmonized System code (**HS-Code**) and **quantity** of the relevant product in net mass, volume or number of items
3. **Country of production and the geolocation** of all plots of land where the relevant commodities were produced
4. For operators referring to an existing due diligence statement pursuant to Article 4(8) and (9), the **reference number of such due diligence statement**.
5. The **statement**: 'By submitting this due diligence statement the operator confirms that due diligence in accordance with Regulation (EU) 2023/1115 was carried out and that no or only a negligible risk was found that the relevant products do not comply with Article 3, point (a) or (b), of that Regulation.'
6. **Signature/date**

Opportunities for cooperative action to jointly address the root causes of deforestation and forest degradation

Team Europe Initiative on Deforestation-free Value Chains

October 2023



Co-funded by
the European Union



Strategic aim

A one-stop-shop for inclusive partnerships on deforestation-free value chains that:

1. Contributes to Article 30 of the EUDR and the forthcoming comprehensive strategic framework for cooperation with partner countries.
2. Focuses on the Global South and address all commodities and relevant products relating to the EUDR.
3. Facilitates an inclusive transition to deforestation-free and legal supply chains to the EU and thereby contribute to minimizing the EU's contribution to deforestation and forest degradation.
4. Coordinates existing and forthcoming initiatives and projects by the EU and Member States relevant to the operationalisation of the Deforestation Regulation.



Regulation between requirements and chances

requirements

- **strengthened impact**
 - scientific-based scope
 - legal and deforestation-free
 - strategic cooperation approach
- **enhanced legal certainty**
 - traceability / geolocation
 - EU-wide consistent controls
 - circumvention
 - review
- **Avoidance of losses by inaction**

chances

- **level-playing field**
 - EU-wide consistent provisions and controls
 - avoidance of leakage
- **transparency in the supply-chain**
 - respect the request of the consumer
 - enhance sustainability, reduce CO2 footprint
 - [enhance resilience, minimize disruptions]
- **enjoy competitive advantages**
 - new standard deforestation-free
 - advanced, sustainable concepts for conservation and use

Muito obrigado pela sua atenção!

Vielen Dank für Ihre Aufmerksamkeit!

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EU – Deforestation Regulation

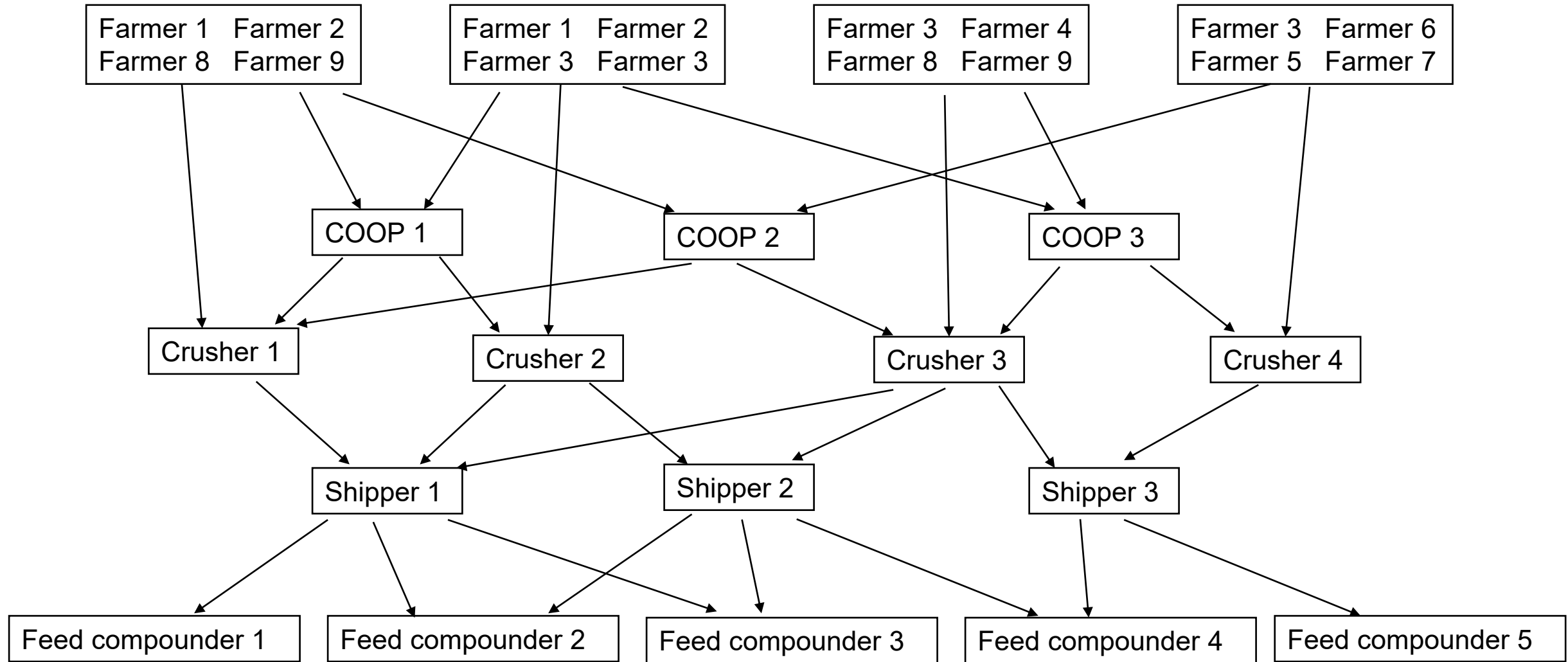
Technical Issues for Implementation

Agricultural Policy Dialogue
Workshop
Brazil – Germany, 21st of
November 2023



VERBAND DER ÖLSAATEN-
VERARBEITENDEN INDUSTRIE
IN DEUTSCHLAND

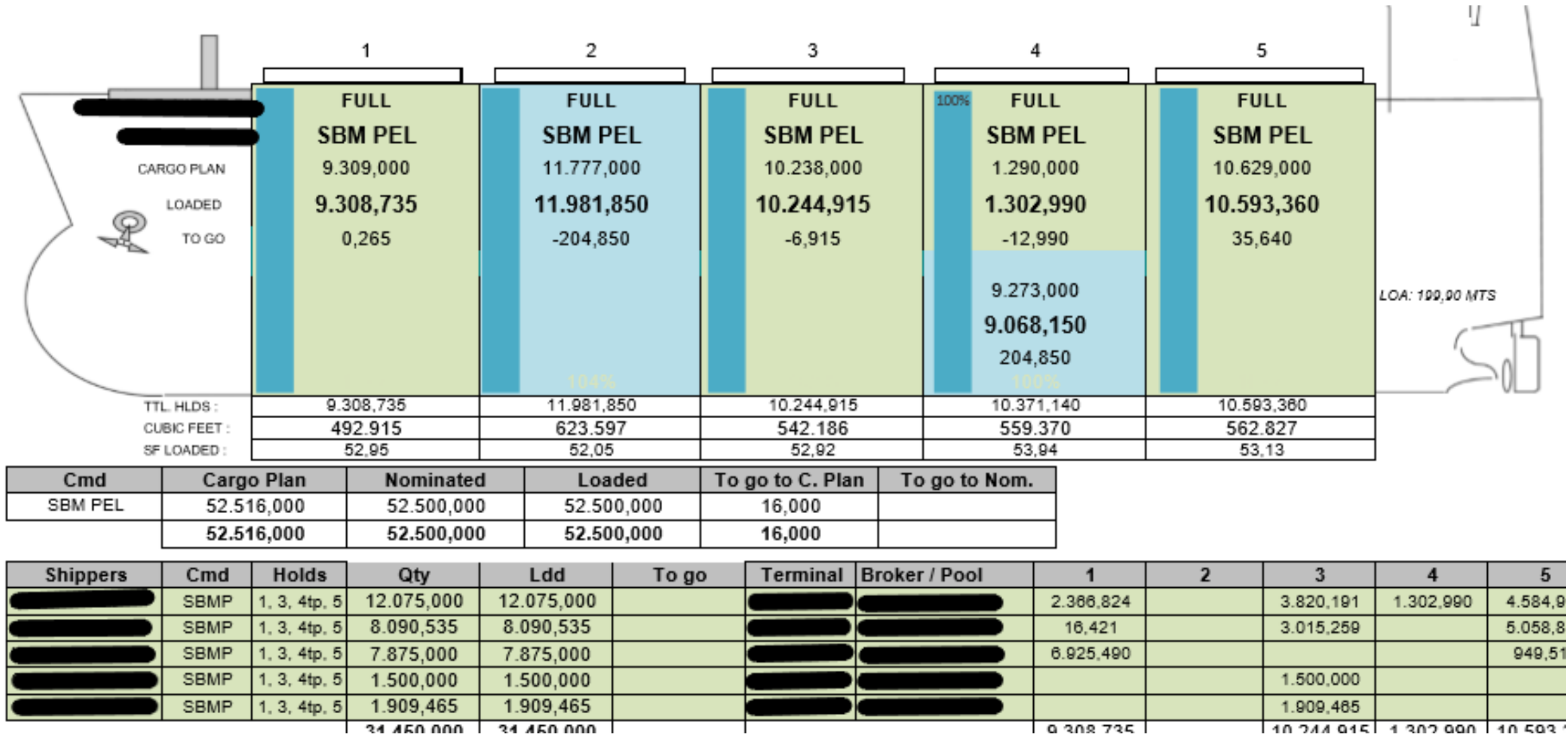
Soy Supply Chain



Soy Supply– Different suppliers



Soy Supply– Different Suppliers





Diálogo Agropolítico Brasil-Alemanha

Lei antidesmatamento da União Europeia (EUDR) - Questões técnicas na implementação na cadeia da Soja

Novembro, 21nd 2023

Member Companies



- Upside: accelerate implementation of traceability systems in grains supply chain, bringing local originators, besides the exporters, to control origin of soy.
- Downsides:
 - Unfair with farmers, due to past cut-off date. Farmer in 2023 was informed that he/she should have not cleared land in the past because it will not be accepted in the future. A farm might be excluded from the supply chain due to a decision taken in the past. The cut-off date should be set as a future date.
 - Try to force the segregation creating unnecessary costs in a supply chain based on high scale, sharing structures to reduce costs and product commoditization.

Segregation

- Imposes two options (exporters have a shared responsibility with operators/importers): either segregation along the chain of custody or the exclusion of the supply chain.
- A separated physical structure dedicated to non-compliant soy, costs for consumers will increase. Exclusion: originators must guarantee that the non-compliant soy will not enter indirectly in the supply chain. Costs for originators will increase.
- **Proposition:** accepting a small level of non verified soy for a certain period of time. 3% of the cargo for 3 years (transition period).

— Technical Challenges: Lack of Clarity on Procedures

- **Lack of clarity** on many aspects, specially documentation sharing.
- Exporters share structures to reduces costs specially in ports. Documentation will be shared as well? Grey zones and missing details are delaying preparation of supply chain chains for 2024 harvest, the last harvest before implementation starts.
- **Proposition:** postpone the deadline because the Commission is not capable of defining all technical procedures with enough time for supply chains to get prepared.

THANK YOU

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