

BRIEFING: HOW U.S. IMPORTS OF AGRICULTURAL COMMODITIES CONTRIBUTE TO DEFORESTATION AND WHY IT MATTERS

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The world is losing an area of forest the size of Virginia every year. Without ending the deforestation crisis, we cannot address some of the most pressing problems of our time. Forests contribute to the livelihoods and food security of well over a billion people around the world,² while climate-friendly forest and land management have the potential to contribute roughly a third of the greenhouse gas emission reductions needed by 2050 to limit global warming to 1.5°C.³

The degradation and loss of tropical forests are major contributors to climate change, biodiversity loss, and human exposure to zoonotic diseases such as those caused by Ebola

and coronaviruses.⁴ They are linked to land invasions and violence against Indigenous Peoples, local communities, and environmental defenders,⁵ while feeding corruption and organized crime.⁶

The expansion of commercial agriculture is the biggest driver of tropical forest loss, led by cattle and soy in South America and palm oil and pulp in Southeast Asia. At least 69% of agriculture-driven deforestation is illegal, according to a recent analysis by Forest Trends. If this illegal conversion were a country, its greenhouse gas emissions would be the third largest after China and the U.S., equivalent to the total fossil fuel emissions of India in 2018.⁷

**Commercial agriculture
drove 60% of tropical
forest loss in 2013-19;
more than two-thirds
of this was illegal**

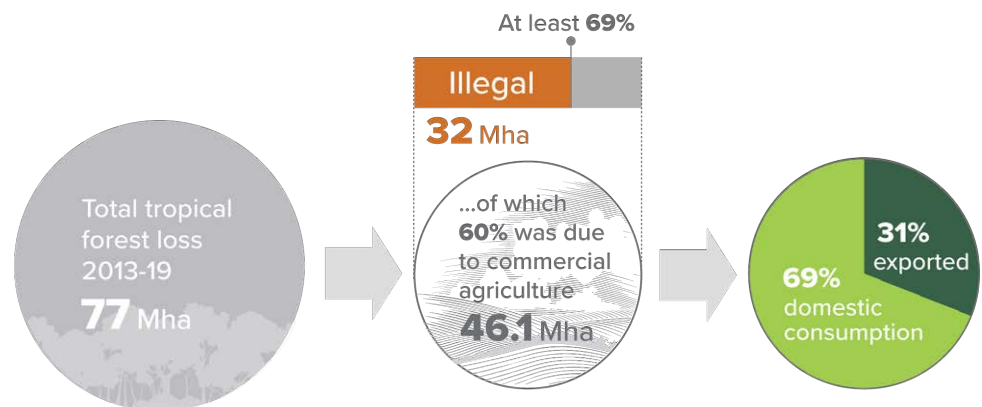


Figure modified from Forest Trends, 2021

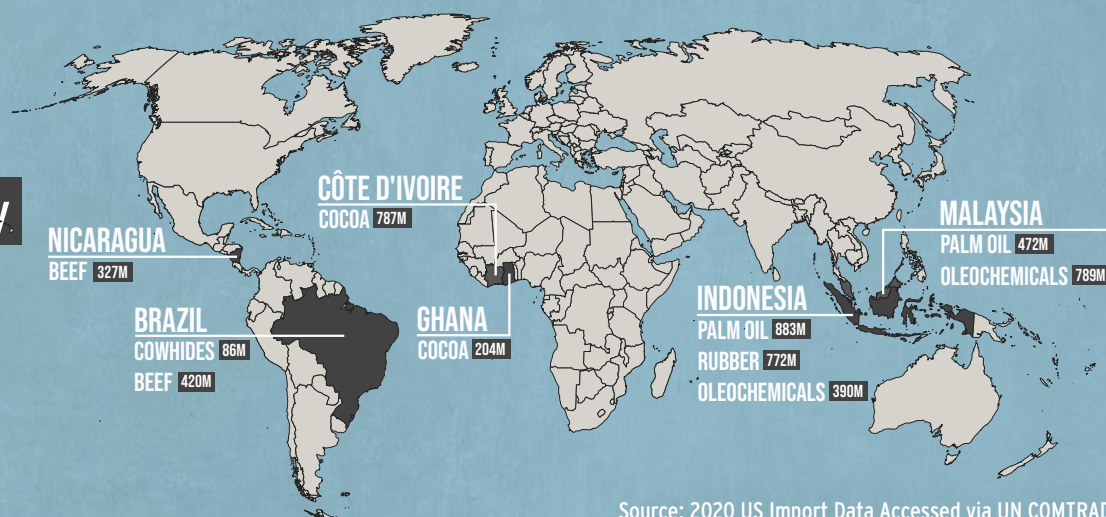
Two countries – Brazil and Indonesia – account for roughly 40% of all tropical forest loss in the world.⁸ In Indonesia, an estimated 80% of forest clearance for oil palm plantations in recent years involved violations of laws and regulations, while in Brazil the vast majority of deforestation, primarily for cattle and soy, does not fully comply with the country's legal framework.⁹ In addition, the production of commodities such as palm oil in Malaysia,¹⁰ cattle in Brazil,¹¹ and cocoa in West Africa¹² is often associated with forced and/or child labor.

A significant proportion of agricultural commodities produced on illegally deforested land enter global supply chains, exposing major markets such as the U.S. to environmental and human rights abuses, corruption, and

organized crime through imports of raw materials and related manufactured goods, while undercutting companies trying to source legally and responsibly.

The U.S. is a major importer of products made wholly or in part of commodities such as palm oil, cattle, cocoa, wood pulp and rubber that are driving deforestation. In 2020, the U.S. imported over \$5 billion worth of raw commodities and derivatives directly from countries with a high risk of illegal deforestation. For example: palm oil, palm kernel oil, and related chemical derivatives from Indonesia and Malaysia; processed cowhides and beef from Brazil; beef from Nicaragua; cocoa from Cote d'Ivoire and Ghana; and natural rubber from Indonesia.¹³

US Import Values (Millions USD) of Key Deforestation-Risk Commodities



Source: 2020 US Import Data Accessed via UN COMTRADE

In addition, the U.S. is the world's largest importer of a number of important manufactured products containing these commodities, including everyday goods such as tires, toilet paper, and chocolate bars. Manufacturing countries from China to Italy to Canada in turn source a portion of the commodities used in making such products from countries with a high risk of illegal deforestation.

Voluntary initiatives and corporate commitments have not done enough to curb deforestation over the past decade; forests continue to be lost at a staggering pace.¹⁴ Consumer country leadership and regulatory frameworks are needed to support producer country efforts to halt deforestation, improve natural resource governance, and level the playing field for businesses at home and abroad trying to operate responsibly.

The European Union and the United Kingdom are currently developing regulatory measures to reduce the negative impacts their trade in agricultural commodities is having on forests and the people who depend on them.¹⁵

To confront climate change, nature loss, corruption and other criminal activity, and human rights abuses, the U.S. must play a leading role in addressing deforestation embodied in global trade. U.S. leadership and legislative action must focus on bringing greater transparency and accountability to global supply chains, building partnerships with countries taking meaningful steps to address deforestation, and laying the foundation for engagement with other major economies, such as China and India, to encourage similar steps.

Environmental Investigation Agency, September 2021

1. Roughly 42,000 square miles per year, based on the average of annual deforestation estimates published by the UN Food and Agriculture Organization for 2010–2020. This does not include clear-cut logging in boreal and temperate forests.
2. Independent Evaluation Group of the World Bank Group, 2013. *Managing Forest Resources for Sustainable Development: An Evaluation of World Bank Group Experience*.
3. Roe, S., Streck, C., Obersteiner, M. et al. Contribution of the land sector to a 1.5 °C world. *Nature Climate Chang.* 9, 817–828 (2019).
4. For recent analysis of the climate mitigation potential of tropical forests, see Griscom et al. *National mitigation potential from natural climate solutions in the tropics*. *Phil. Trans. Of the Royal Society B: Biological Sciences* (2020); for recent analysis on the role of forest and wildlife protection in preventing pandemics, see Dobson et al. *Ecology and economics for pandemic prevention*. *Science* (2020).
5. See, for example, Human Rights Watch letter to the OECD, January 27, 2021, for an overview of the situation in Brazil.
6. See, for example: Emanuele Ottolenghi, *The Dispatch*, March 19, 2021. *Good Climate Policy Should Fight Corruption and Organized Crime: They are key drivers of deforestation and environmental degradation*.
7. *Forest Trends*, May 18, 2021. *Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture*.
8. *Forest Trends*, 2021, op cit.
9. The civil society monitoring initiative Mapbiomas estimated that most deforestation in Brazil in 2019 was unauthorized; Brazilian civil society organizations Instituto Centro da Vida and Imaflores and the Federal University of Minas Gerais reached a similar conclusion for deforestation in the Amazon and Cerrado biomes in recent years.
10. See for example Withhold Release Orders issued by U.S. Customs and Border Protection for palm oil and products containing palm oil made by two major Malaysian oil palm producers, Sime Darby Plantation and FGV Holdings Berhad.
11. *Repórter Brasil*, January 2021. *Slave Labor in Brazil's Meat Industry*; for a summary, see for example recent coverage by Reuters.
12. See U.S. Department of Labor, Bureau of International Labor Affairs webpage on child labor in cocoa production for an overview.
13. All figures based on 2020 U.S. import value data accessed through UN Comtrade for the following Harmonized System (HS) codes: beef, including offal (0201, 0202, 020610, 020621, 020622, 020629; 160250); cowhides (4101, 4104, 4107); cocoa (1801-06); palm oil (1511, 151321, 151329); rubber (4001); oleochemicals (290517, 290545, 291570, 291590, 382311, 382312, 382319, 382370). Not all oleochemicals included in the figures were derived from palm oil.
14. For an analysis of voluntary commitments by major companies, see for example *Forest 500 annual assessment*.
15. For more information, see for example recent statements from the European Parliament and UK government.