

# How the CAP is causing soy expansion and deforestation in South America

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**Friends of  
the Earth  
Europe**

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**The amount of meat, eggs and dairy products we eat has a direct link to the destruction of rainforests, wildlife and rural communities in South America. This is because meat and dairy farms in Europe are heavily dependent on high protein soybeans, which form a large part of the feed that the animals are fed. This is system developed and supported by the EU's trade and agriculture policies. Friends of the Earth Europe is calling for a change in the way we farm animals that makes us less dependent on soy imports and supports farmers in Europe whilst producing safe and healthy food for consumers.**



## How the CAP has encouraged soy expansion

The EU's Common Agriculture Policy (CAP) is the main mechanism through which the EU regulates its farming sector. It is a system of subsidies, incentives and other rules that is applied across Europe. It takes up 30 - 40% of the EU budget.

The CAP was initially established after the Second World War to ensure food security in Western Europe. By guaranteeing prices for the processing industry for meat, dairy and cereals it encouraged farmers to focus on producing these products. The EU established no import tariffs on animal feed, including soy,<sup>1</sup> ensuring a cheap and plentiful supply. CAP payments were coupled to output – e.g. payments per specific crop – which encouraged farmers to produce as much as possible to maximise their income. This led to intensive agriculture or factory farms: where animals are raised in confinement in high stocking density and require various dietary supplements including high protein feed to maintain growth and health.

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### How the CAP promotes soy expansion

CAP subsidies and market mechanisms promote a system where scale of output is the primary aim.



For meat, dairy and eggs this means intensification of the livestock sector – i.e. factory farms



Animals in factory farms need high protein feed to supplement their diet.



EU farmers have nearly no incentive to grow their own protein feeds as they receive more CAP subsidies and support for other products. Animal protein feed therefore needs to be imported.



High protein soy is an ideal animal feed. Zero import tariffs for feed soy ensured a cheap supply.

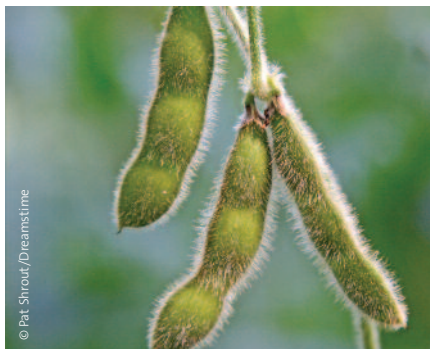


Demand for soy is kept high and more and more land (including forest) is turned into soy plantations in southern countries.

In 2003 the CAP was reformed to make it more compliant with World Trade Organisation rules, encouraging farmers to produce what the market demands and compete in the global market. Reform has not de-incentivised or tackled the entrenched system of factory farming and the EU still supports this system. So livestock farmers are still dependent of soy imports. The CAP is still contributing to massive expansion of soy plantations, mostly in South America.



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### Impacts of soy

Soy production for feed has tripled since the mid 1980s, often by expansion into new land. The main producing regions are the Americas where plantations stretch for miles causing a wide range of negative environmental, social and economic impacts.

**Deforestation and biodiversity loss:** The expansion of soy plantations is responsible for massive deforestation, habitat and biodiversity loss, especially in important yet vulnerable areas such as the Amazon and the Cerrado.

The Amazon is one of the world's most biodiverse regions comprising a mosaic of ecosystems including rainforests, seasonal and deciduous forests. It is home to almost a third of the world's known species, with more than 1,300 species of bird alone. If current trends continue, cattle ranchers and soy farmers alone will destroy 40% of Amazon rainforest by 2050.<sup>2</sup> The Cerrado is one of the largest and most biodiverse savannah areas in the world covering an area the size of Western Europe. It has lost at least 70% of its natural vegetation cover and a further 9.6 million hectares could be lost to soy expansion by 2020.<sup>3</sup>

**Climate change:** The manufacture of animal feed from soy causes greenhouse gas emissions from soy cultivation and feed production. When tropical forests and grasslands are lost to soy plantations, CO<sub>2</sub> is released – deforestation is responsible for almost 20% of all CO<sub>2</sub> emissions.<sup>4</sup> With this forest gone, the planet loses some of its future ability to absorb carbon dioxide from the air. The fertilisers used on soy plantations release NO<sub>2</sub>, a greenhouse gas around 300 times more potent than CO<sub>2</sub>.

Globally, the livestock sector is responsible for 18% of greenhouse gas emissions. Meat and dairy production is responsible for half of all food-related climate emissions in the EU and 15% of total EU climate change emissions.<sup>5</sup>

**Water use and water pollution:** Soy plantations are often irrigated to boost yields – irrigated fields may even give three crops a year rather than the traditional two. The UK alone uses 1.43 billion cubic metres of Brazilian water a year through imported soy.<sup>6</sup> In the meantime 40 million Brazilian families do not have access to supplies of clean drinking water.<sup>7</sup>

The EU water framework directive aims to reduce nitrogen emissions from intensive farming by 2015. In Germany 21% of all the nitrogen pollution into water is from manure coming from animals fed on imported feeds.<sup>8</sup> It is unlikely to meet EU targets so long as the expansion of meat production is supported by the CAP.

### **Expansion of genetically modified (GM) crops and the control of global soy production by a handful of multinational companies:**

GM soy accounts for more than half of the world acreage of GM crops<sup>9</sup> with more than 90 million hectares of GM soy being cultivated worldwide and 41 million hectares in South America.<sup>10</sup> Much of this is “Roundup Ready” soy – Monsanto patented seeds, genetically modified to be resistant to Monsanto’s own glyphosate herbicide, Roundup. This locks farmers into a cycle of ever-increasing herbicide and pesticide use, and gives Monsanto and other multinational companies large degrees of control over the production of soy.

**Pollution from pesticide use:** Water resources and land are often polluted by the fertilisers and pesticides used on soy plantations. Pesticides can cause severe and chronic health impacts and many people in South America are living with the fallout of massive chemical use on soy plantations. By planting GM soy the use of herbicides dramatically increases. For example in Brazil the use of glyphosate increased more than 58% from 2000 to 2005 and in the US more than 150% (per hectare) from 1994 to 2006.<sup>11</sup> Villagers in Argentina are attempting to stop spraying through legal processes.<sup>12</sup>

### **Displacing people from land causing poverty and food insecurity:**

The majority of soy plantations are owned by large land owners and multinational companies. As land is grabbed for soy plantations, small-scale farmers, indigenous people and rural populations are displaced, often forcibly evicted from their homes to make way for plantations. 9,000 campesino families per year are expelled in Paraguay alone due to expanding soy production. If expansion reaches 4 million hectares in total as predicted, another 143,000 people would be displaced in the coming years.<sup>13</sup> The soy industry in Brazil employs fewer people per hectare than any other crop grown across the country.<sup>14</sup> Once people have lost their land and livelihoods they struggle to find ways to feed themselves and their families.

**Bad working conditions for soy workers:** Of those who do find work on soy plantations, many are exposed to harsh or slave-like working conditions. The Brazilian Ministry of Labour is investigating hundreds of reports of slavery at soy companies. Some workers are forced to work 16 hour days 7 days a week, they are forced into ever increasing debt by being forced to buy goods at the “farm shop” at vastly inflated prices, and they are not allowed to leave the farm. Soy from these farms has been traced to companies that import soy to Europe.<sup>15</sup>

**Unhealthy diet:** Meat and dairy products are a good source of protein, vitamins and minerals. But in the industrialised world, most people consume far too much protein. This is linked to a range of health problems including heart disease, stroke, kidney problems, and possibly various cancers.<sup>16,17</sup>

CAP subsidies also go to food processing companies such as Nestle. The shift in diet to energy-dense foods, high in fat and sugars but low in vitamins is a key factor in rising global obesity.<sup>18</sup> In Germany for example, around a third of the public health costs are related to malnutrition and unhealthy food.<sup>19</sup> Many member states pay for education programmes for healthier diets. But in contradiction the CAP subsidies for the meat, milk and sugar industries are often much higher.

**Disappearing small farms in the EU:** Because the CAP promotes large-scale intensive agriculture, small scale farmers, many who use more sustainable farming systems, can find it hard to keep their animal farms viable. 85% of CAP money goes to only around 18% of the EU’s farms. In 2003 half of the farms in the EU received less than €1,250 per year<sup>20</sup> whilst 1,650 of the largest farms were getting more than €300,000 per year.

### **Dumping – destroying farmers and industry in developing countries:**

Because the CAP has led to over production even when there is no demand, excess products are often exported to developing countries at prices well below the real cost of production. This is called ‘dumping’ and can have devastating effects on farmers and producers. For example, imports of EU chicken, fed on subsidised grain, has wiped out 70% of Senegal’s poultry industry.<sup>21</sup>

**Animal welfare:** Factory farms, with their overcrowded conditions where animals can sometimes hardly move, often need the use of antibiotics and can be extremely distressing for animals.

### **Farmers struggle with high feed prices and low product prices:**

Feed is about 65% of all production costs for pig and poultry farmers. As crop prices continue to rise, farmers feel the costs. They also face volatility in farmgate prices due to structural failures in the market and the increased corporate control of the food chain.

This, coupled with very low prices for farmers for the products they produce, means many farmers in Europe struggle.

### **Fact box**

1 kg of intensively-reared beef requires up to 10 kg of animal feed and 15,500 litres of water. It produces as much pollution as driving for three hours while leaving the lights switched on at home.<sup>22</sup>

In 2007-2008 the EU imported 15.4 million tonnes of soybeans, 22.9 million tonnes of soymeal and 0.7 million tonnes of soy oil.<sup>23</sup>

Each person in the EU uses an average of 213 square metres of soy to feed the animals for the meat and dairy products they consume. This is 10.6 million hectares in total.<sup>24</sup>

In the last few years in Argentina, a million hectares of forest have been cut down, the majority to make way for soy.<sup>25</sup>

In Brazil soy covers over 21 million hectares (86% of the surface of the United Kingdom).<sup>26</sup> In Argentina soy takes up 54% of arable land – (four times the surface of the Netherlands).<sup>27</sup>

97% of soy meal (around 70% of soy beans) produced are fed to farm animals.<sup>28</sup>

Current animal production is responsible globally for 18% of all human-induced greenhouse gas emissions.<sup>29</sup> This is higher than the 14% contributed by all transport which (road, air, rail and shipping).<sup>30</sup>

There are 150 million obese adults and 15 million obese children in Europe.<sup>31</sup>

Obesity cost the EU €32.8 billion in direct and indirect costs in 2002.<sup>32</sup>

In the UK in 2006, whilst consumers spent £162bn (€186bn) on food and drink, farmers (as the first part of the food chain) made just £5.8bn (€6.6bn).<sup>33</sup>

## Conclusions and recommendations

Europe imports large amounts of its animal feed – mainly soy – which contributes to massive expansion of soy plantations, mostly in South America. The CAP has developed this dependency over many years. It is causing a range of serious social and environmental problems and contributing to food insecurity in South America. Europe's farmers face volatile feed costs.

To reduce the negative environmental and social impacts of the current European agricultural policy and those associated with the production of soy the EU must:

- Support the cultivation and use of home grown protein plants in Europe in order to reduce Europe's reliance on imported feed;
- Stop direct and indirect subsidies for industrial livestock production;
- Support farming in least favoured areas and extensive grazing areas as well as for sustainable small-scale farming;
- Implement a market policy to ensure that consumers and farmers prices reflect environmental and social costs



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**Friends of the Earth Europe** campaigns for sustainable and just societies and for the protection of the environment, unites more than 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.



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