



PUTTING PEOPLE, HEALTH AND THE PLANET FOR SALE

THE TRUE COST OF THE
EU-MERCOSUR TRADE DEAL



Friends of
the Earth
Europe

The European Commission has recently concluded a trade deal with Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) which, if ratified, would be the biggest trade deal both blocs ever implemented in terms of the number of citizens involved. However, this deal comes at a very high expense for people and the planet.

Dire consequences are looming both on regional and global levels: More and stronger fires in the Amazon, soaring greenhouse gas emissions, a disruption of local food production in Mercosur countries, an increased use of dangerous pesticides and other toxic substances threatening food safety in Europe.

Signing up to the agreement will also strengthen the position of Brazilian President Jair Bolsonaro, who is known for attacking the rights of indigenous people, women, peasants and other workers, trashing the country's environment and undermining the Paris climate agreement.

To enter into force, the deal must still be approved by the Council of the EU, the European Parliament and all parliaments of the Member States. This is the moment to decidedly reject a monstrous trade deal which would harm people, the climate and the environment in manifold ways.

1. BOOSTING GREENHOUSE GAS EMISSIONS, DAMAGING THE ENVIRONMENT

The EU-Mercosur Trade Agreement will boost trade in products that are driving deforestation and aggravating climate change, and it will increase emissions from transport, particularly shipping. In many places, the trade incentives for agricultural production will damage biodiversity as habitat is cleared for pasture and crops, and will increase the use of toxic pesticides, putting workers, consumers and wildlife at risk. The deal will also drive up the sale of cars from the dirty EU car industry, further increasing greenhouse gas (GHG) emissions.

- New trade rules implementing lower tariffs will encourage the production of agricultural products in Mercosur countries, in particular of 3 key products that are well-known to drive deforestation, harm the environment and accelerate climate change:

» BEEF

The deal will increase beef imports to the EU by 30%. Demand for beef is one of the biggest drivers of deforestation in Brazil¹ where three football fields of Amazon forest are lost every minute.² Forests are also being slashed for beef in Paraguay and Argentina.³ Beef production is a major direct source of greenhouse gas emissions,⁴ adding up to the emissions from deforestation. Beef will be responsible for 82% of the expected rise of GHG emissions⁵ from agricultural products.

» SOY

As the number 1 animal feed in Mercosur as well as EU countries – especially in the context of industrial animal farming - this trade deal will also drive up the demand for soy from Mercosur producers. To facilitate trade, export taxes on soy from Argentina to the EU will be removed. This will lead to more deforestation and loss of biodiversity and important habitats on the soy frontier in the Brazilian Cerrado⁶ and the Argentinian and Paraguayan Chaco.⁷ Soy cultivation could also expand to the Brazilian Amazon, where it is currently prevented by the “soy moratorium”, which the government and soy growers are questioning.⁸ In Brazil's Cerrado, soy expansion resulted in the equivalent of 143 million tonnes of CO₂ emissions between 2006 and 2017.⁹

» SUGARCANE

Ethanol drawn from sugarcane can be transformed into biofuel, used as an alternative to fossil fuels for transport. Sugarcane production is a major cause of deforestation¹⁰ and therefore exacerbates climate change. In 2019, the Brazilian government lifted a ban on growing sugarcane in the Amazon.¹¹ A worrying decision as Brazil is expected to provide nearly half of the growth in global ethanol production by 2025.¹²



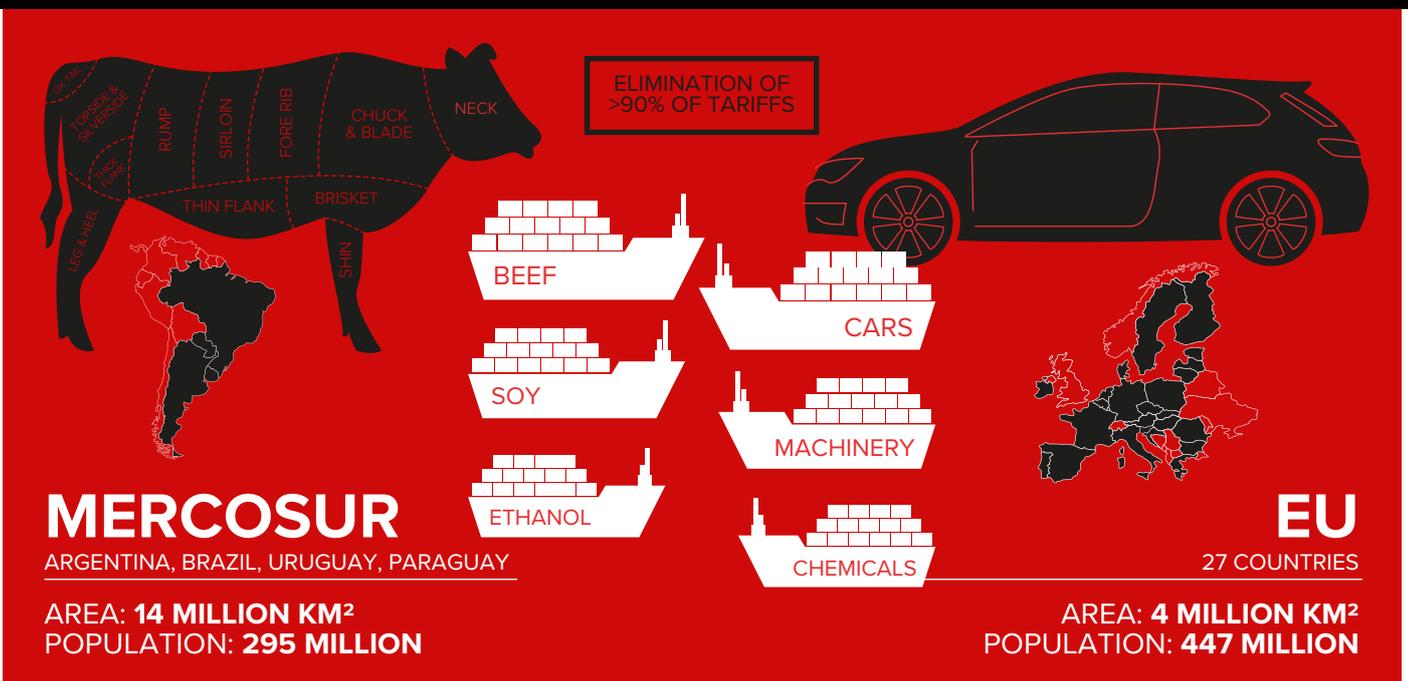
- New trade rules implementing zero-tariffs will foster the production of cars and car parts in the EU. This will expand the market for the EU's dirty car industry and will result in an increase in climate-damaging SUVs being sold in Mercosur countries.
- Booming trade across the Atlantic will increase emissions from shipping. Cargo ships already account for 3% of global GHG emissions.¹³

Signing the trade deal will boost the government of Brazilian President Jair Bolsonaro who is accused of carrying out the systematic destruction of Brazil's climate and environmental protection policies.¹⁴

Dismissing any responsibility, Bolsonaro went as far as accusing the actor Leonardo DiCaprio of funding the destruction of the rainforest and said that NGOs were behind the fires.¹⁵

In the same vein, Brazil's Foreign Minister Ernesto Araujo believes *"there is no climate change catastrophe"* and that *"climate change is a Marxist plot"*.¹⁶

HOW THE EU-MERCOSUR DEAL IS BEING SOLD



2. TOXIC FOOD ON YOUR PLATE

The trade deal will mean relaxed rules and checks for food products imported from Mercosur countries, despite the high number of food safety scandals in Brazil and the vastly different food safety standards between the two blocks.

- EU rules restricting genetically modified (GM) food and crops will be at risk. Brazil and Argentina are the biggest global producers of GM soy and maize, with 95% of Brazilian¹⁷ and Argentinian¹⁸ soy being GM. A trade deal will help these countries to push for market access for GM crops.
- Consumers will face risky levels of pesticides in imported food products, with 149 pesticides used in Brazil¹⁹ banned in Europe because of health and safety concerns. Brazil is the world's biggest user of pesticides,²⁰ with toxic glyphosate widely used on GM crops.²¹

After a recent visit to Brazil, the UN special rapporteur warned that such an intensive use of agrochemicals in agriculture could result in an ***“epidemic of poisonings by pesticides”*** in the country,²² and accused its government of unleashing ***“a catastrophic wave of toxic pesticides... that will poison generations”***.

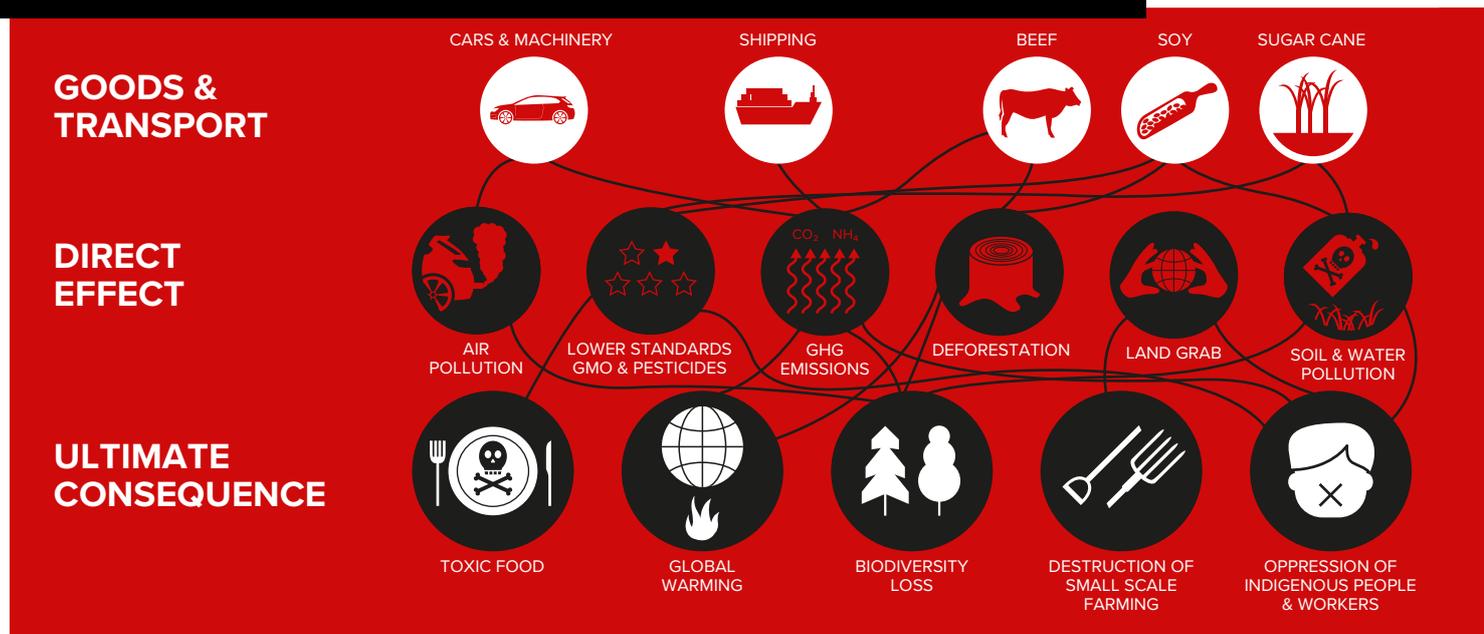
- Consumers could be exposed to the growth hormone, ractopamine, being found in food. Although imported meat must be ractopamine-free, the trade deal includes reduced border checks, which means there is a serious danger that contaminated imports will not be checked.²³ Ractopamine is banned in 160 countries, including the EU, because it poses a danger to human health. It has been found in meat exports from Brazil,²⁴ and is permitted in Argentina.
- European consumers could also face health risks from animal products, such as salmonella-infected chicken or contaminated meat, due to reduced import controls on goods from Mercosur countries. This risk is increasing because EU trade officials offered to soft-pedal actual control in slaughterhouses in Mercosur countries.
- The world's largest meat exporter,²⁵ Brazilian company JBS, has faced scandals for selling rotten meat, bribing politicians and insider trading, but the trade deal will grant it an even greater share of the global meat sector. JBS is slaughtering 77.000 cows every day.²⁶

Apart from increasing the risks of unsafe food imports, the deal will increase beef imports to the EU by 30 percent, beating down prices, which will also hit European dairy and cattle farmers, and result in more small-scale farmers being driven out of business.





THE REAL COST OF THE EU-MERCOSUR DEAL



3. RIDING ROUGHSHOD OVER HUMAN RIGHTS

Signing the trade deal will also condone the appalling human rights record of Brazil, and show support for a government that is undermining democracy and the rule of law. Workers' rights will not be protected by the deal.

- “Rainforest mafias” linked to illegal logging and land grabbing and tolerated by Bolsonaro, have used intimidation and violence, including killings, against small farmers and indigenous communities who are an obstacle to their activities.²⁷
- Over the decade 2009-2018, 363 killings of land and environment defenders were reported in Brazil.²⁸ It is by far the country with most of such crimes. Impunity remains the norm, as these crimes are almost never investigated nor prosecuted.²⁹

Communities on the ground in Brazil recently alerted President Bolsonaro is unleashing even more violence towards them: The Coordination of Indigenous people of the Brazilian Amazon, representing 160 different indigenous peoples, on approximately 110 million hectares of amazon territory, have denounced **“the anti- indigenous and anti-environmental genocidal speeches of [the] government”** that kindle the rapid destruction of the Amazon and of their homes and livelihoods.³⁰

- A number of Bolsonaro’s allies openly advocate for the restoration of the dictatorship-era law, removing basic freedoms across the population.³¹
- The trade deal only mentions human and indigenous people’s rights in its chapter on Trade and Sustainable Development, which is not legally binding and so cannot be enforced. Neither does it explicitly protect workers’ rights. Brazil did not ratify the 1948 International Labour Organisation Convention on Freedom of Association and Protection of the Right to Organise;³² which means that it does not support the formation of trade unions and workers defending their rights in an organised way.



The above mentioned are merely a selection of the disastrous consequences the EU-Mercosur deal would have, when implemented. In the face of the fatally high cost for the climate, the environment, the quality of our food and the situation of human rights defenders in Mercosur countries, we demand governments to forcefully reject this trade agreement while they still can.

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ACKNOWLEDGEMENTS

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Publication: May 2020

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Friends of the Earth Europe gratefully acknowledges financial assistance from the European Commission (LIFE Programme). The sole responsibility for the content of this document lies with Friends of the Earth Europe. It does not necessarily reflect the opinion of the funder mentioned above. The funder cannot be held responsible for any use that may be made of the information contained therein.