

Report on Supply Chain Compliance Volume 3, Number 13. June 25, 2020 Deforestation in the Amazon accelerates under President Bolsonaro

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Brazil's government has slashed enforcement of environmental regulations protecting the Amazon and allowed illegal grazing and slashing to accelerate during the COVID-19 pandemic, multiple reports claim, placing multinational meat and soya traders in danger of investor and consumer backlash.

Reports in <u>The Economist^[1]</u> and <u>The New York Times^[2]</u> cite environmental groups and supply chain traceability groups as saying that the government of President Jair Bolsonaro has gone to great lengths to commodify the delicate Amazonian ecosystem.

"Illegal loggers, miners and land grabbers have cleared vast areas of the Amazon with impunity in recent months as law enforcement efforts were hobbled by the pandemic," states *The New York Times* report. While *The Economist* report includes a graphic [3] showing how the majority of the deforestation occurs in the state of Mato Grosso and implicates multinational firms such as JBS USA, Minerva Foods and Cargill.

Deforestation of the Amazon presents a problem familiar to supply chain managers and compliance professionals: managing a supply chain in which third- and fourth-tier suppliers escape regulatory oversight and standard auditing procedures.

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