

[00:00:00.650] - Todd Paglia

You welcome and thank you for joining us today. My name is Todd Paglia. I'm the Executive Director of Stand.Earth and I am excited to be here to help launch the Burning Legacy campaign. Please note that you can quote from this broadcast directly and all content is available immediately. We'll have questions after our presentations and if you have a question during the briefing, please enter it into the Zoom chat with your name affiliation question. And if you are directing it to someone in particular, please note that if you're in the room, you can just raise your hand quick. Note that all participants will be muted during this briefing and I'm going to introduce today's speakers in speaking order. I will lead off with some brief remarks, followed by Matt Jacobson, who is the director of the Burning Legacy Campaign for Stand Earth Joana Faggin, senior researcher at AidEnvironment and Marcel Gomes, the executive director of Repórter Brazil.

[00:01:10.150] - Todd Paglia

One American family holds the fate of forests across the globe in their hands. They are the Cargill MacMillan, owners of Cargill, Inc. The largest private company in America and the largest agribusiness company in the world.

[00:01:26.570] - Todd Paglia

Approximately 20 people broken down into two branches of the family the Cargills and the MacMillans own about 88% of the company. They are the fourth richest family in America with more billionaires than any family on Earth, according to Gallup and other opinion polls. Forests transcend political affiliation. Nearly 90% of Americans are concerned about the loss of rainforest and wildlife habitat. Most of them think this is driven by the logging industry and that is not the case. About 90% of deforestation is driven by agriculture. Approximately 90% of the grain in the world is controlled by four companies ADM, Bunge, Louis Dreyfus, and Cargill. And Cargill is about as big as all the others combined. Let's go over those numbers again. More than 90% of all deforestation is driven by agriculture. Four companies control the overwhelming majority of global agricultural trade. Cargill is the largest, by far as big as the other three combined. To put it simply, the destruction of the natural world is driven by agribusiness and agribusiness is driven by Cargill. Cargill presents both the greatest opportunity and the greatest obstacle to removing the destruction of nature from the agricultural supply chain. Cargill has recognized this problem publicly and made numerous high profile public commitments on the world stage promising to address it.

[00:03:10.940] - Todd Paglia

But as our report and the thousands of pages of documentation backing it up clearly demonstrate, and Cargill openly admits, these commitments have not been kept.

[00:03:26.700] - Todd Paglia

Because Cargill has repeatedly committed to address these problems, it makes no sense to continue to ask them to make more commitments. That's why we're turning to their bosses, the owners of Cargill, the Cargill MacMillan family, and asking them to step in. Our request is simple ensure that Cargill fulfills the commitments it has already made to eliminate human rights abuses and deforestation from the supply chain. Again, we're not asking for anything Cargill hasn't already promised to do. We're asking for the fulfillment of those promises. We believe the Cargill MacMillan's are decent people. We have no reason to believe otherwise. We believe they have delegated the management of their company to Cargill's executives, entrusted them to do the right thing, to uphold their commitments. And to tell the truth, none of those things has happened.

[00:04:24.940] - Todd Paglia

We hope the Cargills and Macmillan's will take control of the company that they own and provide the leadership that the world needs. We hope that they will leave a legacy of leadership, not a legacy of broken promises. This is their chance to be remembered as the family that made the world a better place, not a worse one.

[00:04:45.700] - Todd Paglia

I'll now hand it over to Matt Jacobson, the director of the Burning Legacy Campaign.

[00:04:50.680] - Matt Jacobson

Morning, everyone. In 2014, Cargill CEO stood on stage beside the UN Secretary General and signed the New York Declaration on Forests. He pledged to eliminate deforestation from Cargill supply chain by 2020 with the goal of having the world's rate of deforestation. As our report shows, deforestation didn't stop. It continued. The rate of deforestation wasn't halved. It didn't slow down. In fact, it increased by 40%. And in June of 2019, a year after Cargill was fined by the Brazilian government for their role in illegal deforestation, Cargill publicly abandoned this goal. Cargill publicly admitted that their goal would not be reached and their commitment not kept. Our report shines a light on just how far off they've been. It's one thing not to meet an ambitious target, as Cargill claims, but it's another to have the problems you claim to be addressing actually get worse. In November of 2021, Cargill once again grabbed headlines by committing to end the agricultural driven destruction of forests and other critical ecosystems. But according to a statement from a group of Cargill's largest customers, which includes Walmart, McDonald's, Unilever, Nestle, Mars, and others, the plan that Cargill proposed to follow up on this commitment was so weak that it would prevent these.

[00:06:13.520] - Matt Jacobson

Customers from meeting their climate and deforestation commitments if they continued to source from Cargill a group of Cargill's largest customers in the grocery sector called Cargill's Plan. Inadequate, inconsistent and insufficient. Non environmental groups. But the largest grocery chains that buy from Cargill and the destruction of the natural world may not even be Cargill's greatest failing or their greatest broken promise. Their track record on human rights is similarly alarming. In 2001, Cargill publicly acknowledged the problem of child labor in the cocoa industry, and they committed to eliminate it in the production of chocolate. As with deforestation, in the time since Cargill made this commitment, the number of children harvesting cocoa in Cote D'Ivoire in Ghana has increased, not decreased. There are currently more than one and a half million children harvesting cocoa in these two countries, a 14% increase in the last decade, with 95% of them performing hazardous work, a 13% increase in the number performing hazardous work. And Cargill is the largest exporter of Cocoa from Cote d'Ivoire and the second largest exporter from Ghana. Indigenous people are also being crushed under the weight of Cargill's business model. They are being regularly displaced, often violently, from their lands by Cargill suppliers, in the words of Alessandra Munduruku, a leader of the Amazonian Munduruku people and winner of this year's Goldman Environmental Prize, all over the region where Cargill operates, they are destroying the environment around them and driving out or threatening the indigenous people that live there.

[00:07:50.240] - Matt Jacobson

Again. It's one thing not to meet an ambitious target, it's another to have the problems you claim to be addressing get worse. In the files we have on the table, nearly 100 researched by Aid Environment, Reporter Brazil and a score of other organizations. There are nearly 100 cases of cardinal sourcing from companies linked to land grabbing violence against indigenous people, slave labor, other violations of worker safety and human rights, the destruction of the rainforests of Indonesia and Papua New Guinea. The grand Chaco of Bolivia, Argentina and Paraguay national parks and other protected areas in Africa, the Serato of Brazil and the illegal logging of indigenous protected areas in the Amazon as recently as April of this year, often sourcing time and again from repeat offenders even after their practices have been exposed, all while making record profits. And they have plans to expand their operations in many of these critical ecosystems, often at the expense of, in the words of Bloomberg News, pummeling the American farmers who compete with these foreign crops, it's clear that the executive of Cargill can no longer be trusted to make good on their commitments. It's time for the owners of Cargill, the Cargills and the Macmillan's to step in and lead.

[00:09:02.410] - Matt Jacobson

And we've compiled these more than 100 cases of documented abuses of human rights deforestation into these boxes that are over here. We'll be bringing them to Waycrosse Incorporated, which is the family offices in Wayzata for Cargill Macmillan's family, to deliver one box to each of the families with this evidence in the hopes that they will address the problem and take a leadership role. Thank you.

[00:09:29.680] - Todd Paglia

Next up, Ms. Joanne Faggin, senior researcher with AidEnvironment.

[00:09:35.280] - Speaker 4

Hi, everyone. So, as Matt already said, in 2014, as part of the New York Declaration on Forests, Cargill made a public commitment to end deforestation across their supply chains. AidEnvironment research demonstrates that Cargill remains one of the largest contributors to deforestation in the world. Our study analyzed data from 135 publications from the Chain Reaction Research Consortium between 2014 and 2022 and 28 real time deforestation monitoring reports between 2019 and 2022, which directly or indirectly linked Cargill's global trading operations. Among the Chain Reaction Research publications, we found Cargill links to 50 K's of deforestation, 15 case of fire events and nine case of human rights violations. We also find 35 case from the Real time deforestation monitoring initiative linked to Cargill, of which 14 had confirmed links by Cargill, pointing to the clearance of almost 30,000 native vegetation in the last four years. There is a systematic pattern of neglecting environmental and human rights in Cargill supply chain, and things don't need to be this way. With satellite imagery, alert systems and other key monitoring tools at Cargill's disposal. Today traceability is a reality in Cargill's day to day operations. These monitoring tools can be easily adapted and are already being used to remove the disruption of forest and other critical ecosystems from agribusiness supply chains.

[00:11:34.140] - Speaker 4

Moreover, protecting forests can go hand in hand with business growth. Today, it's possible to grow soy, for instance, on millions of hectares of already deforested and degraded land worldwide, instead of opening areas with native vegetation to make room for crops. That's why, for us at Aid Environment, changing practice in agribusiness is a question of will, and nowadays can rely on a vast range of available monitoring tools, real time data, or land to be regenerated.

[00:12:12.500] - Matt Jacobson

Thank you. Thank you.

[00:12:15.480] - Todd Paglia

And our final speaker today is Marcel Gomez, the executive director of reporter Brazil.

[00:12:24.560] - Marcelo Gomes

Thank you, Todd. Hi, everyone. Cargill has been repeatedly denounced for several problems in its supply chain within Brazil. Among them are case of deforestation in the Amazon and Cerrado, humans and labor rights violations, land grabbing and land conflicts. These activities have not stopped despite Cargill's public commitments to do so. Our report is a summary of the story of Grievances reported about the company in Brazil since Cargill's commitments to end deforestation. These include illegal deforestation in the Amazon as recently as April of this year, deforestation and land conflicts in the Cerrado as recently last as year. Documented labor rights violations in 2018 and 2021. Cargill customers are demanding transparency from their suppliers, making the origin of their home materials more visible. While other companies in the industry have advanced it. Cargill continues to operate in the dark, as if it really had inconvenient facts to hide. Reporter Brazil has been investigating Cargill's activities since 2003. This report and our previous research shows that Cargill has a pattern of disregard for the land, for people, for the law, and for their own policies. That has not changed it.

[00:14:05.840] - Matt Jacobson

Thank you. Thank you, Marcel.

[00:14:09.770] - Todd Paglia

We'll now open it up to questions. If you are on the Zoom chat and you have a question, please enter it into the chat with your name, affiliation, question. And if you're directing it to someone in particular, please note that.

[00:14:26.420] - Speaker 2

Jennifer, do you have any questions? Could you kindly push the mic?

[00:14:33.080] - Matt Jacobson
Thank you. There you go.

[00:14:34.730] - Speaker 6
Hi, Jennifer Bjorjus from the Minneapolis Star Tribune. I'm sure that you have approached Cargill. All of you who are speaking today, open question about the various cases here. At times, what has Cargill's response been to the assertion that the problems are not only continuing to getting worse.

[00:14:57.610] - Speaker 2
What have you heard?

[00:14:58.710] - Matt Jacobson
So what we have responded to, or the way that they've responded to on that is by making more commitments. They keep saying that they're going to try to address this. They're doing their best and they've made repeated commitments. As recently as last year, there was a lot of excitement around top 26 when they joined the Agricultural Roadmap Statement of Purpose and said that they'd be eliminating deforestation not only from not only deforestation, but they would expand this to other critical ecosystems as well. So what they've done is they keep continuously coming out with bolder, broader public statements, but not changing their practices on the ground. And we've met with them directly about this several times, and what we've gotten is commitments that they're going to do a better job and new commitments, but no changes on the ground.

[00:15:47.480] - Speaker 6
What would the time frame be on meeting with them? What years are we talking?

[00:15:52.320] - Matt Jacobson
The most recent time that I met with the executives at Cargill was 2019, and then the recent commitment was in 2022. But Joanna, one can speak more specifically to the specific cases on the table and the way that those are reported to Cargill and Cargill's responses.

[00:16:16.360] - Speaker 2
Yeah, for sure.

[00:16:17.430] - Matt Jacobson
So actually.

[00:16:20.920] - Speaker 4
In one of the initiatives that we analyze in this report, the real time deforestation monitoring system, we communicate to all the traders about the case that we found with potential link with their operations. And in this universe of Real time deforestation case, Cargill confirmed the trading links with 14 K's, covering more or less 30,000 deforestation, but they did not inform about any action taken related to this case. So they just send a communication informing that they are linked or they have trading links with that case, but we could not see any action after that, like blocking the trader or any other kind of action.

[00:17:20.100] - Speaker 2
Okay, we have a question from Georgina Gustin from Inside Climate. Can you clarify when and where these documents are being delivered? Just to waycross.

[00:17:28.830] - Matt Jacobson
Yeah. So Waycrosse Investments is the family offices here in Waisetta, and all of the members of the family have mailing addresses there at the Waycrosse Investments office. So we have one box label for each member of the family that we'll be bringing to the office.

[00:17:50.700] - Todd Paglia

We have another question that came in for the panel, which is, why Cargill? Why not one of the other giant agricultural companies?

[00:17:59.680] - Matt Jacobson

I'll take that one. So, as we said earlier today, Cargill is as large as all of its competitors combined. So Cargill is the leader in this field. Some of the others have better commitments than Cargill, including this is a little technical, so I'm going to have to look this one up. But Louis Dreyfus and Viatera have committed to the traceability of all of their suppliers and direct suppliers by the end of 2025. Bunge has committed to achieve full traceability of direct and indirect suppliers in all of Brazil by 2025. So a number of them have better policies than Cargill. They're not a lot better. We're not going to pretend that there are some shining stars and Cargill is that much of an outlier, but Cargill is as bad, if not worse than any of the others. But they make up all of the market power of the others combined. So Cargill is the leader in the field and they need to be leaders, not laggards.

[00:19:00.670] - Todd Paglia

I have a quick add on to that. One of the things that we look at and we think about is room to move. This is a unique company in that it is the biggest by far in the entire sector and it is also a private company. All of the owners are fairly comfortable and they can afford to actually have this company invest in real solutions and become a leader. That then ends up pulling the rest of this sector with them when it comes to ending deforestation, ending human rights abuses. And so for us, the exciting part of this campaign is actually thinking about for the Cargills and the Macmillans, the tremendous opportunity that they have to turn this company around and make it into a real leader that protects forests and critical ecosystems and helps end slavery and human rights abuses in the supply chain.

[00:20:01.880] - Speaker 2

Here's another question for Marcel. Can you talk a little bit of more about a specific case on the ground in Brazil? What Cargill is doing there, what's happening there and what's the response in the country?

[00:20:15.200] - Matt Jacobson

Yeah, for sure.

[00:20:16.400] - Marcelo Gomes

Thanks for the question. Two weeks ago we publishing in a partnership with Mongabay Investigation about a case on Cargill . I have some details here. Cargill was buying soybean and corn from farmers that were fined by Ibama. Ibama is the Brazilian Forest Protection Agency. They were fined because of irregularly cultivating crops inside three indigenous lands in the state of Mato Grosso in the boundaries with Paraguay. The grain sales invoices assessed by the Team, Reporter Brazil, team do not identify the farms as being inside the indigenous lands as the location of the production. This would make business unviable since it is illegal to plant and to purchase production from interdicted areas, interdicted lands in Brazil. The documents indicate other agricultural properties as the origin of the grains, but all of them are neighboring the indigenous lands and belong to the same producers fined by Ibama for carrying out irregular plantations. We have been talking to Cargill about this case and Cargill admitted that it's complicated to monitor this kind of triangulation and illegalities in the issuing of invoices. So that's the case we published just two weeks ago.

[00:22:08.000] - Matt Jacobson

And I would like to point out Cargill often responds to these critiques by saying that they do their best to monitor what's happening on the ground to try to keep deforestation out of their supply chain. And when they find that it's there, they'll often cancel contracts. Now, it's clear from all of these cases that if these small nonprofit groups can find all these cases, it's certainly within Cargill's jurisdiction ability and they have the resources to be doing a better job than we can. So for them to be putting their monitoring on the backs of nonprofit organizations really does not seem adequate, professional or fair. And for them to wait for that to be brought to their attention before canceling a contract, even when they do, also does not seem to be an adequate response. It really seems like their policy is to wait until they get caught and then take action, and not even then. Always.

[00:23:03.220] - Speaker 4

And maybe I can add that the fact that in 2018, Cargill, together with other four soy traders, received a collective environmental fine of \$6 million from IBAMA, the same environmental agency that Marcel was talking. And the IBAMA statement was that during the investigation, it was verified that the anticipated purchase of products by these traders actually financed the illegal activity of deforestation in the area.

[00:23:39.790] - Speaker 2

We have another question. Do you think the family will engage and take the leadership role you are calling for?

[00:23:48.530] - Todd Paglia

Only the family can answer that question. And we are going to give them every opportunity to use their ownership. They own this company and only 20 people control 88% of the company. They can turn this company around should they choose. And we are going to ask them repeatedly in the coming months to do that.

[00:24:13.750] - Matt Jacobson

It's been my experience that when people are given the opportunity to make a choice of doing the right thing or doing the wrong thing, and they're actually given the power to make that choice and the information on which to make that choice, that people almost invariably make the right choice. So I'm fairly optimistic. I think that the family has trusted Cargill. I think they get most of their information from Cargill. And if the Cargill website was the source of most of my information, I would certainly think they were doing a wonderful job. So I don't see any reason why the family would have the doubts that we hope to sow in their minds now. But I think that presented with this information, we're really hoping that they will take an active role.

[00:24:58.550] - Speaker 2

Great. So one question for Joanna about the report. There have been a lot of reports about Cargill and their activities. What makes this report different? What makes your research stand out?

[00:25:14.170] - Speaker 4

So I believe there are a lot of reports, and especially on case studies linking global traders to deforestation and human rights violations. But I think the new and special fact of this report is that it brings or try to cover the entire supply chains of Cargill. So including not only soy, but also palm oil operations, cocoa operations. And I believe this is useful when we are talking about a company that has done was committed itself to clear its supply chains almost ten years ago. So I think the new fact is bringing all together and covering the entire operation of the company.

[00:26:07.550] - Speaker 2

Great. One final question, I believe.

[00:26:10.510] - Matt Jacobson

What's next? Well, next today we'll be bringing these files to the Cargill offices, the way cross offices of the family, where we hope that they will deliver them to the family. We're going to wait and hope that we hear from the family, and if not, then we'll continue to keep up the pressure. We'll provide more information. We're working with other organizations. We're working with indigenous people around the world. We're working with people who are more involved in human rights. And we'll be continuing to bring new cases to bear on the family in the hopes that they respond. And we have time to keep working on this, and we expect to hear from them.

[00:26:54.850] - Speaker 2

Okay. Marcel, Joanna, anything else about new research coming down the pipeline, new investigations?

[00:27:02.950] - Matt Jacobson

No.

[00:27:03.480] - Speaker 2
Okay. Joanna?

[00:27:05.830] - Speaker 4
Yeah, no, just to say that we continue to monitor real time deforestation and try to link with Cargill and other traders. So in the next months and the next year we are continue with the publication of these kind of reports.

[00:27:21.710] - Matt Jacobson
And I'll have one other thing, which is that Cargill has big expansion plans in a lot of these ecosystems as well. They're planning on building a new port in Abbottuba in Brazil, there's a Ferrograo railway which they're proposing to expand through indigenous protected areas. And we really want to confront them about their expansion. It's not only what they've already done, but working on trying to stop what they plan to do in the future. Great.

[00:27:50.460] - Todd Paglia
So why don't we do closing remarks and we can start with marcel.

[00:27:58.790] - Matt Jacobson
Anything to add?

[00:27:59.670] - Todd Paglia
Marcel?

[00:28:00.480] - Marcelo Gomes
Yeah, just to say that departure Brazil is doing a lot of investigations about Cargill supply chain Brazil and Paraguay and Argentina as well. We're going to publish many cases in the next few months about the supply chain. We're going to address issues related to the banks was financing Cargill 's operations in Brazil and companies that are sourcing from Cargill in the country. So we hope address all these humans rights and environmental impacts of the company in Brazil. Presenting this content to the international audience.

[00:28:42.450] - Matt Jacobson
Thank you, Todd. Thanks Marcel. Gianna?

[00:28:46.080] - Speaker 4
Yeah, maybe I would like to add the fact that let's say the three most important new regulations for deforestation free that it's the one from us, the other one from UK and the European Union, one shows that traceability of commodities is a feasible action, also is a reality. And I think now in these next years we need to pay attention to specifically the expansion of this operation that Matt was mentioning to don't occur in ecosystem, in ecosystems that are not covered by these regulations. So we are continuing to monitor, for instance, in the Brazilian Savanah, the Cerrado biome, but also the Amazon biome which is covered by this regulation. But just to comment that if there are these three most important regulations recently approved or in the way to be approved, it means for me that it's really clear that Traceability is a reality for the coming years. Thank you.

[00:29:57.790] - Matt Jacobson
Yeah. I'd like to end by saying that the thing that makes this work different than the work that we've done before is that we're really trying to bring this evidence to bear on the family and not just the corporate executives. I believe that the family has been disengaged from the business of Cargill . I think that they keep at arm's length and let the company do its work. And we're hoping to bring that to an end. We're hoping that they will actively engage and make the right choice, and that makes this new and I hope makes it much more effective. Yes.

[00:30:26.760] - Todd Paglia
In a similar vein, I would say that yesterday and today are starkly different for the Cargill and

MacMillan families. Yesterday, it would be reasonable to be confused to see conflicting reports from the company and various outlets about what the company was doing. I think today, with the consolidation of literally dozens and dozens and dozens of cases documenting the abuses, the deforestation, the human rights abuses, the family now knows what the truth is. And we are hopeful and confident that given that their name is attached to the actions of this company, they will make the right choice and begin to engage and turn Cargill Inc. Around to become a champion for forest for people. Thank you for joining us.

[00:31:16.870] - Matt Jacobson
Thank you.