**Problem 3—Written Exercise**

The issue of deforestation is truly a global one, complex in scope and dimension, and the New York Declaration on Forests seeks to match this scope with an ambitious, albeit voluntary set of targets and pathways to shift the commodity production and supply model away from practices that lead to reductions in global forest coverage.

Gains in corporate signatories to the Declaration have been inspiring, to be sure, but an issue of this magnitude requires the awareness and commitment of stakeholders in the middle and at both ends of the supply chain for agricultural commodities. While bringing major global distributors like Cargill into the fold has been a huge success for deforestation-free (DF) palm oil, the world’s leading transporter of soy—Bunge, headquartered also in New York state—has yet to join the Declaration, or to make reliable steps towards DF sourcing. The bulk of Brazilian soy makes its way to China, where it then passes on into the hands of many local distributors; and, the majority of that soy is transported by Bunge, followed by Cargill. As Cargill’s major competitor, and as a company that claims to be working towards zero deforestation in its soy sourcing,[[1]](#footnote-1) Bunge may be the perfect candidate to become a voluntary corporate partner.

China singlehandedly accounts for the majority of demand for Brazilian soy, and India and China are both at the top for Southeast Asian palm oil. Poverty remains stubbornly strong in India, to a lesser extent in China, and demand for these imports shows no signs of slaking. A major challenge for further market transformation in the world’s most populous countries, then, lies in avoiding exacerbation of economic hardship through sustainable and shared economic growth, while meeting demand flexibly.

Further, several governments of states containing much of Brazil’s share of the Amazon rain forest are on board with the Declaration (e.g., Amazonas and Amapa), making for an excellent opportunity to meet the goals of deforestation reduction in soy bean production on the local governance side, and an opportunity to reach out to Bunge, which purchases major quantities for its China-based customers from Brazilian states. The state of Mato Grosso, however, is not a current signatory of the Declaration, though it produces more soy for China-by-way-of-Bunge[[2]](#footnote-2) than any other Brazilian state. It too should be a high priority target of focused efforts to get regional governments on board. It’s addition to the Declaration could also serve to further motivate Bunge to more actively honor its commitments DF sourcing.

Nonetheless, a major challenge in any attempt to reshape Brazilian production and global sourcing of Brazilian soy towards Declaration goals is global competition, most notably from American producers. Though, by virtue of topology, US-soy production does not directly contribute to deforestation, it nonetheless is currently undercutting Brazilian competitiveness with cheaper and abundant yields, making deforestation commitments more difficult to achieve. One answer to this may be to support making Brazilian soy production more efficient in terms of land use and yields, though this also raises the prospect of wider adoption of GMOs, greater use of chemical fertilizers and pesticides, and less demand for labor. To avoid this, financial assistance to DF producers to offset the upfront costs is likely necessary, and providing group ownership of land to those who have historically held and worked it has been a model that is working well to keep local people from slipping into poverty.

However, a path of less resistance may be to begin reaching out in greater earnest to China-side suppliers and policy-makers. Constituting the bulk of global demand for soy production for domestic cattle and cooking oil production, China has also pledged itself to make greater efforts towards combatting climate change and fostering sustainable development in developing countries. Bringing Chinese political and economic actors on board with the targets of the Declaration can have powerful effects that would reverberate throughout the global soy supply chain, putting demand-side pressure on both producers and suppliers. But, since China lacks an open civil society (especially when it comes to international organizations), great effort must be paid to finding domestic allies, providing them with information about importers and their overlooked complicity in global deforestation. Fortunately, China has seen a flowering of consumer and environmental advocacy groups, and the government is increasingly on board with climate change and deforestation both.

1. https://www.bunge.com/sustainability/zero-deforestation [↑](#footnote-ref-1)
2. This and other assertions about Cargill, Bunge, and soy production come from analysis of the data given for challenge 2. [↑](#footnote-ref-2)