

Soy grown illegally on Brazil's tribal lands finds its way to global markets

By Ana Mano

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[1/4] A drone view shows rural workers using agricultural machinery during the soybean harvesting on the Nonoai indigenous land, in Nonoai, state of Rio Grande do Sul, Brazil, April 4, 2024. REUTERS/Diego Vara [Purchase Licensing Rights](#) ↗



Summary

Companies

- Multinational firms indirectly buy soy from illegally leased tribal lands
- Expansion of commercial farming on Indigenous lands causes division and conflict
- Indigenous leaders and federal police highlight economic pressures and legal challenges

✦ Key Points

PASSO FUNDO, Brazil, Sept 5 (Reuters) - Farm cooperatives in Brazil that supply some of the world's biggest multinational agricultural firms are buying soybeans grown illegally on Indigenous reservations in the country, according to tribal leaders and court records, despite the

companies' public pledges to respect the land rights and resources of Indigenous peoples.

The expansion of commercial farming onto Indigenous lands, which make up about 13% of Brazil's territory, has stirred division and violent conflicts in scores of communities, according to the federal police, the Catholic Church's Indigenous Missionary Council and the Brazilian government agency overseeing Indigenous affairs, FUNAI.

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Brazil's constitution set aside lands for the exclusive use of Indigenous communities while a 1973 law outlaws renting these lands or forming partnerships to grow commercial crops.

But the restrictions are not codified in the country's penal code, which makes enforcement difficult, federal police say. And while it is legal for tribal members to grow soybeans themselves, few of them have access to the funds needed to go into commercial-scale farming.

Since 2013, the area devoted to soy cultivation across the 14 Indigenous reservations in Brazil's southernmost state of Rio Grande do Sul has grown to nearly 28,000 hectares (70,000 acres), a 23% increase over the decade, according to previously unreported satellite data provided to Reuters by MapBiomas, a nonprofit land-use research group.

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"The people in charge, the chiefs, are making a lot of money while the rest of the community is dying of hunger," said Aldronei Rodrigues, federal police regional superintendent in Rio Grande do Sul.

For many members of Brazil's Indigenous communities, leasing lands remains one of their best economic options, according to FUNAI. The agency said in a statement to Reuters that government policies do not provide sufficient access to credit or technical support to help tribal members go into commercial farming on their own.

With jobs scarce on the reservations, many people migrate to find work as seasonal laborers or in meatpacking plants for relatively low pay, local residents said.

"The search for better living conditions gave rise to different illicit activities, leasing and cultivation of genetically modified crops[on their lands], notably in the south of the country," FUNAI said.

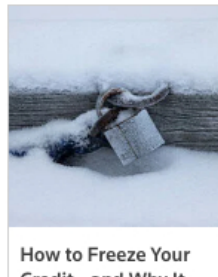
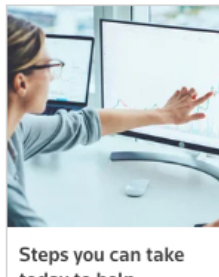
Brazil is the world's biggest producer and exporter of soybeans, which are used in animal feed, biofuels and processed food. Industry trade data shows two-thirds of Brazil's harvest ultimately ends up in global markets.

In Rio Grande do Sul, which has a population of 10.8 million, almost all of the harvest is sold to farming co-operatives including Cotrijal Cooperativa Agropecuaria e Industrial (Cotrijal) and Cooperativa Triticola Sarandi (Cotrisal), the two biggest in the state, according to two grain brokers.

Reuters spoke to four Indigenous leaders, including the chiefs of the Serrinha and Nonoai reservations, two of the most involved in soy cultivation in the north of Rio Grande do Sul state, who said the commercial crops raised on their lands were sold to Cotrisal and other farming co-operatives.

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Three more Indigenous community members in Rio Grande do Sul, who spoke on condition of anonymity, also told Reuters Cotrisal was a major buyer of soy raised by non-Indigenous farmers on leased tribal land.

"We always do this kind of thing - the leasing - against our will because we can't let Indians go hungry," said Jose Oreste do Nascimento, who has led the Nonoai community of about 3,600 people for more than four decades.

About one-third of the 20,000-hectare reservation is given over to soy cultivation, the satellite images showed, almost five times larger than the soy area in 1985, when MapBiomas records began.

Marciano Inacio Claudino, chief of the Serrinha territory, also told Reuters that Cotrisal regularly buys soybeans from non-indigenous farmers leasing on his tribal land. Serrinha's territory is 12,000 hectares, and, according to satellite data, grows soybeans on some 6,000 hectares.

"Cotrisal is the main one," he said.

Helvio Debona, a senior Cotrisal executive, and Enio Schroeder, Cotrijal's vice-president, told Reuters in interviews in April, when Rio Grande do Sul farmers were reaping their 2024 soy, that they sell to large trading companies including ADM ([ADM.N](#)) , Bunge ([BG.N](#)) , Cargill, Louis Dreyfus and COFCO.

'SOYBEANS DON'T COME WITH A BRAND'

When asked about possible sourcing of soy grown illegally on Indigenous land, Cotrisal's Debona said that it is impossible to trace the origin of 100% of its grain purchases.

"We can't guarantee," he said in an interview. "Soybeans don't come with a brand."

Cotrisal did not respond to emailed requests for further comment. Cotrijal said it had not bought grains from farmers leasing lands in Serrinha and that it does not operate in the area.

Over the years, global agricultural companies have made assurances about respecting land rights and human rights, highlighting their attention to Indigenous communities in annual sustainability statements.

ADM made no mention of Indigenous rights or land disputes in its most recent corporate sustainability report last year. In a human rights report in 2022, the company noted the pervasiveness of land disputes in South America and said that it is not directly implicated in any land disputes. The 2022 report did not discuss cultivation on Indigenous reserves.

In an email to Reuters, ADM said it had investigated the news agency's findings and found no evidence that the soy it purchased had been raised on lands leased on the Nonoai and Serrinha reservations.

"We do not source any grains from Indigenous territories in the Rio Grande do Sul region," Jackie Anderson, an ADM spokesperson, said.

However, buying from large farmer cooperatives in southern Brazil can obscure the origin of grains, according to six lawsuits filed between 2008 and 2022 by federal prosecutors on behalf of the tribes. At least two of the cases are ongoing.

Bunge, Cargill, COFCO and Louis Dreyfus did not respond to requests for comment and referred questions to the national soy industry group Abiove.



"Cotrijal and Cotrisal declared to us they don't buy grains produced on the reservations of Nonoai and Serrinha," Abiove said in an email.

Abiove said its members are pushing the cooperatives to ensure their supply chains conform with laws and contractual obligations against buying grains from protected territories.

Andre Nassar, president of Abiove, said in a separate statement that traders can "stop all purchases" from a cooperative if it becomes clear that it is sourcing soy from reservations.

Nassar said traders can also ask cooperatives for assurances that the soybeans were raised by members of the Indigenous community – and not leased to third parties.

Abiove did not respond to Reuters' questions on whether its members ever turned down a purchase from Cotrisal or Cotrijal, and did not provide further evidence of its efforts to remove grain from indigenous lands from its supply chain.

'A NEFARIOUS PRACTICE'

Reuters reviewed court records including a November 2018 Cotrisal invoice for herbicide purchases against future delivery of grains issued to a farmer being sued by federal prosecutors for leasing land to plant soy in Serrinha.

Court rulings in 2017 and 2018, reviewed by the news agency, ordered the seizure of tons of soy grown on Indigenous lands from silos operated by Cotrisal, Cotrijal and other cooperatives.

Cotrisal and Cotrijal did not respond to requests for comment on the seizures.

In a July 2022 decision ordering measures to stop the practice, Federal Judge Diogo Edele Pimentel said private leasing of lands in the Nonoai territory was a major source of division.

"It is a nefarious practice of private appropriation of a public good, completely disfiguring its collective nature and deepening inequality in these communities," he wrote.

Nascimento, the Nonoai chief, as well as his son and a former FUNAI official, were fined a total of around 4.5 million reais (nearly \$800,000) for embezzling profits from the illegal leases, according to a July 2019 ruling seen by Reuters.

Nascimento said an appeal is pending, and that "all is back to normal," with non-Indigenous farmers delivering their harvests to the same coops, including Cotrisal.

"The soy is sold on the local market. There are farm cooperatives all around the Indigenous territories. There is Cotrisal... and other large cooperatives which buy any quantity of soy, corn, everything," he said.

Reuters could not independently verify whether the lawsuit remains active.

In 2021, 11 members of the Serrinha community filed a civil lawsuit in the federal court of Carazinho, Rio Grande do Sul, accusing their chief Claudino of controlling the territory's soy trade to enrich his family.

The 2021 lawsuit reviewed by Reuters said Claudino has crushed dissent with "violence, oppression and human rights violations."

In a telephone interview, Claudino said his opponents spread lies about his leadership and that most of the community supports him. The lawsuit is ongoing.

Claudino remains under investigation - but has not been charged - in connection with a double homicide in Serrinha in 2021, which police and local community members link to land and power disputes fueled by the soy trade. He denies involvement in the killings.

At least 30 families who objected publicly to Claudino's involvement in the soy trade have left the reservation since October 2021. Several had their homes looted and ransacked, according to three of the victims and a 2022 report by the federal human rights commission, which connected the violence to the land leases.

Claudino said only a dozen families left the reservation in recent years, some of whom have

Stadium said only a dozen families left the reservation in recent years, some of whom have returned.

"Some are back already. I allowed it. But I'm not going to let people come here and make trouble for me again," he said.

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Ana Mano reports on agricultural commodities companies and markets in farming powerhouse Brazil, a crucial part of the Reuters' global file. Based in São Paulo, she has covered the rise of 'national meat champions' JBS and Marfrig in the early 2000s, reported on Brazil's logistics transformation to boost exports to China via northern ports, and more recently broke news on the threats to the Soy Moratorium, an industry pact credited with slowing soy-driven deforestation in the Brazilian Amazon

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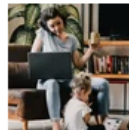
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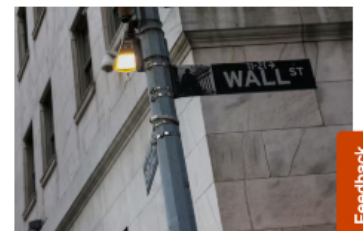
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