

Testimony of Jason Weller
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Cattle Supply Chains and Deforestation of the Amazon
Before the Senate Finance Committee
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Chairman Wyden, Ranking Member Crapo and Distinguished Members of the Committee, I am Jason Weller, Global Chief Sustainability Officer for JBS. I have dedicated my career in public service and private industry to helping advance the sustainability of agricultural food systems. During my more than 15 years of federal public service, I had the honor of serving as Chief of the US Department of Agriculture’s Natural Resources Conservation Service (NRCS), the world’s most prominent agricultural conservation agency helping farmers and landowners implement voluntary conservation activities in their operations. In the private sector, I helped establish Truterra, a sustainability business that works alongside USDA and other conservation organizations within Land O’Lakes – the third largest farmer-owned cooperative in the U.S.

My role at JBS is arguably the most important of my career, providing an opportunity to work within one of the world’s leading food and agricultural companies with the scope and scale to influence change, in partnership with producers and other members of the value chain to limit the impacts of climate change and eliminate agriculture-related deforestation.

About JBS

JBS is a global, diversified food company creating high-quality beef, pork, poultry, fish and plant-based products for customers and consumers around the world. We are driven by our mission to be the best and are committed to responsibly producing products people can trust and enjoy. JBS employs over 250,000 team members globally and is present in more than 20 countries. In Brazil, we employ more than 140,000 team members across more than 80 production facilities and partner with tens of thousands of producers in our beef, pork and poultry supply chains. In the U.S., our company is headquartered in Greeley, Colorado, and we employ more than 70,000 team members across 70 facilities in 31 states and Puerto Rico – primarily in rural communities.

We are committed to investing in our people and our communities and have developed several initiatives to demonstrate that commitment. Our Better Futures program is set to become the largest tuition-free community college program in rural America, providing our U.S. team members and their child dependents with access to free education. We are also investing in our rural American communities through our \$100 million Hometown Strong initiative, in which we partner with local community leaders and organizations to help address local housing, childcare, recreational, educational and food security needs.

The Key to Combatting Deforestation

We applaud the Committee for holding this important hearing to explore potential trade policy solutions to combat international deforestation associated with agricultural commodity production. JBS sits in a pivotal position in the food value chain – interacting upstream with

farmers, ranchers, grain originators and input suppliers, and downstream with distributors, retailers, restaurants, and consumers. Our significant presence in Brazil and daily interactions with producers in the country gives us firsthand experience with supply chains vulnerable to potential deforestation events. However, JBS is only one participant in the supply chain. Today, while we operate in the Amazon biome, there are a number of other players in the region, and about 72 percent of all beef production in Brazil is consumed domestically¹. In addition, according to the State Department, “[I]n terms of imports of major forest-risk commodities, the United States is less significant, behind both China and the EU in imports of soy, beef, and palm oil.”² Thus, restrictive U.S. trade barriers may not be the most effective tool to influence on-the-ground decisions by landowners in Brazil.

In Brazil, by some estimates, approximately 95 percent of land conversion is illegal, which highlights the need to focus enforcement efforts on illegal deforestation³. In our view, the key to combatting deforestation – both legal and illegal – is eliminating the incentives for forest clearing by landowners and providing producers with financial and technical assistance to support sustainable intensification, integrated farming systems and restorative land practices. We are encouraged by the recent announcement from Brazilian President Luiz Inácio Lula da Silva regarding the country’s plan to eliminate deforestation by 2030. With the Brazilian government as a willing partner in the fight against deforestation, we are optimistic that progress can be accelerated.

¹ USDA, FAS: Livestock and Products Semi-annual, Brazil. Report Number: BR2023-0004

² Combatting International Deforestation Associated with Agricultural Commodity Production, A Report for the President in Response to EO 14072, U.S. Department of State, April 26, 2023. Page 4.

³ Ibid., Page 6.

Our Efforts to Secure a Deforestation-Free Supply Chain in Brazil

JBS has a four-pronged approach to combatting potential deforestation in our supply chain that includes: 1) a zero-tolerance deforestation sourcing policy; 2) supply chain monitoring and enforcement; 3) technical assistance and extension services for producers; and 4) multi-stakeholder engagement and collaboration to accelerate sectoral change.

Zero-Tolerance Zero Deforestation Sourcing Policy

JBS has set forth a clear zero deforestation commitment in the Amazon, which includes:

- Zero deforestation by direct livestock suppliers by the end of this year (2023)
- Zero deforestation by indirect livestock suppliers by the end of 2025 (legal and illegal, PRODES 2008)

To support these commitments, JBS established the *Responsible Raw Material Procurement Policy* that prohibits the purchase of livestock from farms involved in deforestation, forced labor, invasion of indigenous territories, or embargoed by Brazilian environmental authorities. In addition, all livestock suppliers in the Amazon must adhere to the “Protocol for Monitoring Cattle Suppliers in the Amazon” (also known as the Beef on Track Protocol), developed by the non-governmental organization Imaflora and the Brazilian Federal Prosecutor’s Office (MPF). Beef on Track establishes the processes and tools for monitoring, auditing, and reporting for a deforestation-free beef supply chain.

Supply Chain Monitoring and Enforcement

JBS has developed a cattle supplier monitoring system that leverages public data bases, satellite imagery, geo-referenced data, and government data to verify compliance with socio-environmental standards. As a result, our monitoring system covers a significant number of direct livestock suppliers -- approximately 73,000 -- across an area of about 350,000 square miles, an area larger than the states of Texas and Oklahoma combined. Since implementation more than a decade ago, our monitoring system has blocked more than 12,000 potential supplier farms in Brazil.

To complement our monitoring system for direct suppliers, JBS has also built and deployed the Transparent Livestock Farming Platform, a digital platform to increase the visibility further up the cattle supply chain to the tens of thousands of farms that sell cattle to our direct suppliers. This free, confidential, open-source, online platform uses blockchain technology to extend monitoring of our direct suppliers to their suppliers – producers with whom the company does not have a direct business relationship, but who are a critical part of the supply chain. We are in no way non-transparent about the challenge of indirect suppliers. To date, 45 percent of the cattle processed by JBS are enrolled in the platform, with the goal to achieve 100 percent participation by 2025. Beginning in 2026, all direct suppliers and tier 1 indirect suppliers who wish to do business with JBS must be on the platform.

Technical Assistance and Extension Services

Sourcing policies, monitoring, and compliance systems help to block non-compliant cattle suppliers, but these systems do not address the underlying drivers or economic incentives

of forest clearing. As we have learned, simply blocking farms with deforestation concerns is not enough because these blocked farms will continue to produce cattle and other agricultural commodities that will find another way to enter regional and global food supply chains. JBS is investing significant resources to address this challenge. We have established a network of 18 Green Offices since 2021 to provide free technical support and extension services to farmers who want to improve environmental performance, productivity and sustainable practices.

The JBS Green Offices include teams of specialists and certified consultants who provide free technical support to producers to help them bring their farms into compliance. To date, JBS Green Offices have helped almost 6,000 farms that produce about 2 million head of cattle to come into compliance with Brazil’s Forest Code requirements. In addition, JBS provides free agronomic and business planning services to farmers through our “A+ Farm” program to help enhance the productivity, profitability, and sustainability of their operations. Utilizing a proprietary software platform, JBS specialists are able to demonstrate both opportunities for on-farm improvement and performance against other producers in the region. Certified consultants then help develop strategies to empower producers to sustainably intensify production and reduce the economic incentives to illegally clear additional forest.

Multi-Stakeholder Engagement and Collaboration

Finally, we actively participate in multiple global forums, including the United Nations Climate Change Conference of the Parties (COP), the World Economic Forum and the Tropical Forest Alliance-supported Agriculture Sector Roadmap to 1.5°C, to work collectively to find solutions to the causes of deforestation in palm oil, beef, soy, and other commodities alongside

other stakeholders. By engaging with companies, government leaders, civil society, indigenous peoples, local communities and international organizations, we are able to highlight the challenges faced by our sector and the vital need for technical and financial support for producers who adopt sustainable practices.

Conclusion

To conclude, the deforestation challenge in Brazil and in agricultural commodity supply chains around the world is larger than any one company – or even one sector – can solve on its own. To truly make a difference, we need a strategic and system-wide approach that addresses the root causes of deforestation, improves supply chain transparency, and provides incentives and support for farmers to steward their lands and maintain their livelihoods.

We believe that strong standards and enforcement, coupled with positive incentives and producer support, can lead to supply chain-integrity and producer viability, without compromising food security through increased costs to consumers. With the tools, resources, and legal authorities available to us, JBS is undertaking a comprehensive approach toward addressing the drivers of deforestation while also positively supporting livestock producers and the tens of thousands of farm families we depend upon to produce food. We look forward to continuing our collaboration with federal and state authorities in Brazil, the US government, civil society and other food system partners to enhance the economic and environmental sustainability of our food system.

In JBS, policymakers, regulators, civil society, governments, farmers and consumers have a willing partner who is investing in and committed to combatting deforestation in agricultural supply chains, and we take our role and responsibility in the global food system very seriously. Please know that if you are planning a trip to the Amazon region, we would be glad to host you at one of our Green Offices.

I thank you again for the opportunity to testify.