



Stiftung
Ethik & Ökonomie



„Dead Planet Award“ of the ethecon Foundation Ethics & Economy

23. November 2019, Berlin

Smear speech about JBS S.A., held by Christian Russau, Chairman of the Dachverband der Kritischen Aktionärinnen und Aktionäre (Umbrella Association of Critical Shareholders)

Ladies and gentlemen, dear activists,

Many thanks for the repeated honor to be allowed to hold this year's "Dead Planet Award" speech here at ethecon - Stiftung Ethik und Ökonomie. My name is Christian Russau and I am a board member of the Dachverband der Kritischen Aktionärinnen und Aktionäre.

Let's go straight to medias res! JBS S.A. is the world's largest meat producer. JBS boasts that no other company in the world produces more proteins for human nutrition than it does. JBS is therefore the world's second largest food company after Nestlé as the No. 1 protein dealer.

JBS is headquartered in São Paulo. The company is led and managed - and to a large extent owned - by its founder and CEO, José Batista Sobrinho, and his sons Joesley Mendonça Batista and Wesley Mendonça Batista.

JBS' corporate behaviour forces us to award this year's Dead Planet Award to those responsible.

Why?

JBS stands for a long and increasing chain of environmental destruction - direct and indirect, concrete and symbolic. In addition, there are serious violations of labour law. The Ministry of Labour has repeatedly uncovered cases of slave

labour-like coercion of workers in the JBS production chain. We must also remember the immense share that the global livestock industry has in CO2 emissions, which according to the United Nations is currently around 15 percent. There have also been a number of fundamental shortcomings in health and hygiene standards. Do you remember the rotten meat from JBS that was discovered last year in the UK, sent back to Brazil and re-declared there, and was traded there?

Clearly, JBS circumvents, ignores and infiltrates government regulations to protect the environment and people, natural balance and human health. In view of the repeated violations of the law, one must assume a systemic approach in the company in this respect.

In 2017, the brothers Wesley and Joesley of JBS admitted to bribing more than 1,800 Brazilian politicians* with more than 150 million US dollars. This is how JBS's truly greasy business with democracy in Brazil works - and ultimately endangers it.

JBS is causing the greatest damage by not only slowing down the agricultural reform so urgently needed in Brazil, but gradually stopping it and even reversing it.

Let me briefly explain this in terms of the problem of Amazonia and the problem of agricultural reform.

In August of this year, you all saw, read and heard about the massive increase in fires in Amazonia. According to initial calculations, the targeted fires in Amazonia alone have doubled compared to the previous year. You have to imagine it this way: The tropical wood mafia, the meat and soy barons, the illegal gold prospectors, the armed pistoleiros and the contract killers now regard their crimes as legitimate. Their "captain", Jair Bolsonaro, is now, after all, President of Brazil. A president who immediately surrenders to every verbal monstrosity and who only beats around with primordial reactionary verbal juries. On behalf of their president, the aforementioned groups imagine themselves stealing the land and their resources from the indigenous people, the quilombolas (Afro-Brazilian inhabitants* of Quilombo settlements founded at that time by escaped slaves*), the small farmers. In Amazonia, the fires are deliberately set, including in indigenous territories, by this mafia triumvirate of tropical timber, agribusiness and gold diggers. The process is usually the same: First verbal death threats from hired pistoleiros, then the wooden mafia invades the areas and makes out the lucrative objects of their desire. These are illegally taken out with heavy equipment and armed intervention, then two

large Caterpillars with multiple hardened steel cables are set up 50 metres apart, and the Caterpillars pull the winding steel cable, the Correntão. The Correntão tears out everything, but also every trunk, no matter how thick, with all its roots. You leave this for three or four months and dry it out, then everything is deliberately set on fire. After only a few short weeks, seeds for capim, i.e. grass, are sown, and a few weeks later cattle are standing on these illegally slashed areas. 80 percent of the areas illegally slashed in Amazonia are used for cattle farming.

Here are the figures on what livestock farming in Amazonia means: in 1970, one percent of Amazonia was considered cleared, today this figure is 20 percent. While there were 47 million cattle in Amazonia in 2000, today there are 85 million cattle. This corresponds to 40 percent of Brazil's 219 million cattle. So there are more cattle in Brazil than there are inhabitants*.

And against this terrifying background, the European Union and the Mercosur states want to adopt a free trade agreement. If this were to be adopted in the form known so far, the Mercosur countries could each export 180,000 tonnes of sugar and poultry duty-free to the EU and 99,000 tonnes of beef at a duty rate of 7.5 per cent. This corresponds to 1.3 percent of EU beef production. And in return, the SUVs of the automobile companies would come from the EU, mostly from Germany, if the import duties in Mercosur were to be significantly reduced by 35 percent as planned. From an environmental point of view, such a deal would be a single catastrophe - for Mercosur as well as for the EU. More cattle that eat the rainforest, more cars that pollute the air and for whose production in the mining of the necessary raw materials man the environment was destroyed.

Once again in more detail on the question of what does JBS meat production have to do with Amazonia's forests? JBS prides itself on having signed an agreement (under pressure from major environmental NGOs). In this agreement, the JBS Group undertakes not to purchase any meat from illegally slash-and-burn areas from October 2009. But JBS was caught. Herds of cattle from illegally cleared areas had been re-declared, as the investigative journalists* of Repórter Brasil repeatedly found out. For 2016, the NGO Global Witness revealed that this was the case in 20 percent of JBS production. When, if not here, do we have to talk about a system error?

In the past, the Brazilian environmental authorities considered such crimes to be at best offences punishable by ridiculous environmental penalties. JBS has paid them out of petty cash. Under a Bolsonaro government, the same thing is prosecuted even less, in most cases even the opposite happens. It is this business model of JBS that is jointly responsible for a large part of the illegal slash-and-burn in Amazonia.

Allow me to make a brief, but politically important, comment on this matter. When we brand the deforestations in Amazonia, we do so primarily because it is a matter of protecting the people living there, the indigenous people, the quilombolas, the river dwellers*, the small farmers*, the landless and the biodiversity there. That would be fine in itself if it weren't the same politicians who would continue to rely on German coal-fired power generation and defend with their hands and feet the predatory model of fossil capitalism with claws and teeth. And we must not forget in this context that JBS is financed by internationally operating banks with generous loans. The same banks also hold blocks of shares in JBS. Interesting for us here: As of April 2019, Deutsche Bank held shares in JBS in the amount of eleven million US dollars and granted loan tranches to JBS in the amount of 56.7 million US dollars.

Don't be fooled if company representatives, importers, business partners* or politicians from Brazil or Germany want to tell you that we don't have much to do with all this. Because it is true that only a fraction of Brazilian beef is exported to Germany, the majority goes to the Middle East, Russia, China and Hong Kong. But there is an immanent connection between the exuberant soy production in the dry savannah of the Cerrado with the grubbing-up of Amazonia for cattle herds and with our industrial animal factories. And this is how it works: since the soy moratorium that Greenpeace and others passed with Brazilian soy traders* in 2006, no soy from illegally cleared areas in Amazonia may enter the trade of those involved. First of all, this has led to a decline to only 0.25 percent of the areas cleared for soy in Amazonia. As a result, however, the soy barons have moved into the huge ecosystem of the dry savannah of the Cerrado, which borders on Amazonia, and the local cattle farmers* are selling their land to the soy barons. With the money, the cattle barons then go back to Amazonia and continue their cattle business there. A vicious circle. And most of the soy meal goes to European animal fattening plants - 56 percent of the soy meal exported from Brazil goes to the EU. A self-contained vicious circle of destructive co-responsibility.

Therefore, the current demand can only follow on from what the indigenous peoples of Amazonia have been saying for a long time: the national association

of indigenous peoples, APIB, and in particular its spokeswoman Sônia Guajajara, demanded an international boycott of the products of the Brazilian agricultural industry at the end of December 2018. Since the EU is one of the biggest buyers of Brazilian agricultural products, Guajajara said at the time, "the EU must stand up for the social and environmentally damaging consequences of its trade policy and consequently boycott products that come from conflict areas, such as soy from the middle west of Brazil". Otherwise, "the EU would blind itself to the genocide of peoples and cultures," said Guajajara. For years now, the indigenous Guarani-Kaiowá in particular have been demanding a boycott of the deadly Brazilian agribusiness because they have indigenous blood on their hands.

I come now to my last but, in my opinion, one of the most important reasons why JBS deserves this year's 'Dead Planet Award' vilification award: the agricultural reform I mentioned earlier. What does JBS have to do with it, you may ask.

JBS is the world's largest meat producer and is concrete and symbolic, directly and indirectly jointly responsible for the scandal of deliberately preventing the urgently needed agricultural reform in Brazil. This is happening in a country where land distribution is extremely unequal, where about ten percent of the population owns about 80 percent of the country and 4.8 million families are urgently waiting for land. In such a country as Brazil, little has such a fatal effect on agricultural reform as an overpowering system of capitalist meat buyers. Their meat factories control the market and dictate the price in order to make smallholders and small producers worse off and force them out of the market. This is done through contracts with the major producers, who have often historically acquired the land long ago - be it through targeted threats, counterfeit land titles or simple market power. A corporation like JBS cements the status quo of unfair land distribution in such a latifundia-based buyout system. At the same time, targeted election campaign donations and bribes are made to politicians so that they can delay, slow down and even prevent land reform in the spirit of agribusiness. If there is one symbol of the reactionary economic elite in Brazil against any agricultural reform, it is JBS. In this respect, the three gentlemen - José Batista Sobrinho and his sons Joesley Mendonça Batista and Wesley Mendonça Batista - are so unworthy that they are worthy enough to receive this year's "Dead Planet Award".
Thank you for your attention.