

Sectors: Beef Industry, Commodities Trading

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| Sectors | Beef Industry, Commodities Trading |
| Headquarters | |
| Ownership | <i>listed on Brazil Stock Exchange</i> J&F Investimentos , owned by the Brazilian Batista family, holds a controlling portion of shares of 39.99%. JBS' complete shareholder structure can be accessed here . |
| Subsidiaries | JBS USA – United States Pilgrim's – United States Seara Foods – Brazil |
| Website | https://jbs.com.br/en/ |

About JBS

JBS, established in 1953 in Anapolis, Goiás, is a Brazilian company that is the largest (based on sales) meat processing company in the world, producing factory processed beef, pork, and poultry products, and also selling by-products from the processing of these meats. Its products are distributed under various brand names, such as Friboi, Swift, Bertin, Pilgrim's, and others. The company also operates related businesses, such as leather, biodiesel, personal care and cleaning, solid waste management, and metal packaging. It has 400 production units, facilities, and offices, of which 230 are used for the production of beef, pork, lamb, and poultry products. JBS is headquartered in São Paulo and has 150 industrial plants around the world.

Why this profile?

JBS' beef operations in Brazil have an outsized deforestation risk exposure. The company operates 20 slaughterhouses within the Legal Amazon and its monitoring of supplier compliance is limited to its direct suppliers. Its indirect supply chain risks remain unmitigated. Since 2008, 20,296 hectares have been deforested in the sample of JBS' direct supply chain, and 56,421 hectares in its indirect supply chain.

What must happen

Banks should not renew or take on new financing agreements with JBS until and if it fully eliminates deforestation and land rights abuses from its entire supply chain, as the company is highly implicated in deforestation issues in the Amazon.

Impacts

Environmental and climate impacts

Animal agriculture Meat and dairy products have the greatest damaging effects on the environment. Animal agriculture - livestock and animal feed - is responsible for approximately 60% of food-related climate emissions and is the most significant driver of deforestation. Much of this forest conversion occurs in South America, particularly in the Amazon but also in dry woodland biomes such as the Gran Chaco – South America's second-

largest forest – and the Cerrado.

Deforestation Two agricultural activities, cattle ranching and soy production, are the leading drivers of deforestation in Brazil. Ranching alone leads to approximately 80% of Amazon deforestation, with 80% of Amazon forests cleared since 2014 being occupied by cattle. Brazil's cattle herd exceeds 200 million heads and generates USD 123 billion annually. The economic and environmental implications of these commodities extend to the global market: Brazilian soy accounted for 14.3% of the country's total exports, generating USD 31 billion in 2017 while cattle exports accounted for about USD 5.4 billion. In fact, Brazil leads the world in exports of both commodities. If the world continues to provide a market for these commodities, these industries will enjoy considerable economic incentives to aggressively expand activities to the detriment of forest protections and indigenous land rights.

JBS, Marfrig and Minerva are [the three leading beef processors](#) in Brazil and have major operations in the Amazon, where they account for around 70% of all cattle slaughtered. JBS, in the position of largest meat processor in the world based on sales, has an outsized deforestation exposure in its Brazilian beef supply chain. The company's monitoring system is limited to its [direct cattle suppliers](#), and it does not yet have systems in place to systematically monitor its indirect suppliers.

Illegal deforestation In March 2017 the Brazilian government [fined JBS](#), for more than BRL 24 million for buying cattle from illegally deforested areas in the Amazon. The purchase of cattle from illegally deforested areas is an environmental crime and the government finding indicates a breach in the Plea Agreement (Termo de Ajuste de Conduta) signed in 2009 between the Federal Public Ministry and 69 companies, including JBS. Following the pressure of civil society campaigns, JBS has also signed the voluntary Zero Deforestation Amazon [Cattle Agreement](#), in which it has committed to excluding source farms involved in any deforestation, slave labor, or invasions of indigenous lands and protected areas. Despite its measures, JBS continues to be linked to illegal deforestation in its supply chain, and an [unspecified proportion of JBS' supply chain deforestation footprint may be in violation of Brazil's Forest Code](#). JBS was found to have purchased cattle from illegally cleared farms in [Rondonia](#) and [Para](#). In July 2020, in Mato Grosso, [JBS transported cows from embargoed farms to "clean" farms](#) that met JBS' sourcing protocols. In 2017, [JBS was fined BRL 24 million \(USD 4.3 million\)](#) for buying cattle from illegally deforested areas in Para, although the company has appealed this fine.

Other impacts

Corruption accusations The scale of allegations of bribery against JBS stretches from meat inspectors to the highest office in Brazil. [Operation Car Wash](#) was set up to investigate the bribery scandal that engulfed the Brazilian oil firm Petrobras in 2014. An astonishing network was revealed, stretching far beyond a single company and ultimately bringing down the Brazilian government. Agriculture has long held sway over Brazilian politics – many lawmakers are farmers – but Operation Car Wash suggested that influence was backed by systemic graft. When the scandal reached JBS's holding company, Joesley and Wesley Batista, along with five other executives, signed a plea deal in May 2017, admitting bribery of politicians. Four months later the brothers were arrested on allegations of insider trading. In November 2018, Joesley Batista was arrested again, accused of bribing officials in 2014. Even now, the Batistas' holding company is under investigation over potential involvement in alleged collusion between executives, politicians and public servants to divert resources from a government-owned bank ([The Bureau of Investigative Journalism](#)).

Governance

Bank policies

The following bank investment policies apply to this project:

Crédit Agricole

CSR Sector Policy - Forestry & Palm Oil
Dec 2 2015 | Crédit Agricole CIB

BNDES

Environmental guidelines for cattle-raising
May 4 2016 | BNDES

Updates

Financiers

Three banks - Santander, JPMorgan Chase and Barclays - provided underwriting services to JBS between 2013 and 2018 totalling USD 1.18 billion.

In May 2018, JBS and a group of banks - Banco Bradesco, Banco do Brasil, Bank of China and Caixa Economica Federal - agreed on [a debt normalisation](#) totalling BRL 12.2 billion (JBS Financial Statements [Q4 2018](#)). See below for more details.

Brazilian development bank BNDES holds 21.32% of JBS shares (dated 7 October 2019).

Large investment funds - such as Capital Group, BlackRock, Fidelity Investments and Vanguard - hold equity investments in JBS. See below for more details.