

Minerva Foods Brazil

Sectors: Agriculture for Biofuels, Agriculture for Food Crops, Beef Industry

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Sectors	Agriculture for Biofuels, Agriculture for Food Crops, Beef Industry
Headquarters	
Ownership	The principal holders of Minerva outstanding common shares are SALIC (UK) Limited (25.46%), VDQ HOLDING S.A. (19.82%), MINERVA S.A.(0.65%), Compass Group (5.10%), and others (free float) account for 48.97%.
Subsidiaries	Companhia Sul Americana de Pecuaria S.A. – - international - Frigomerc – Paraguay Minerva Dawn Farms Industria e Comercio de Proteinas SA – Brazil
Website	http://portal.minervafoods.com

About Minerva Foods

Minerva Foods is a Brazilian livestock company and one of the largest South American companies involved in the production of beef and its by-products, meat processing, and cattle export. The company operates 25 slaughterhouses, 10 of which are in Brazil, five in Paraguay, five in Argentina, three in Uruguay, and two in Colombia, with a combined slaughter capacity of [26,180 head of cattle per day](#). Minerva exports to more than 100 countries and operates 14 distribution centres in South America.

Minerva is Brazil's second-largest beef exporter (behind JBS), exporting largely to the US and Europe. Between August 2018 and June 2019, Minerva's meatpacking plant in Mirassol d'Oeste, Mato Grosso, Brazil exported [18,625 tons of beef products worth more than US\\$ 100 million](#), of which 12.5% went to the EU including Denmark, Germany, Italy, the Netherlands, Spain, and the United Kingdom, according to [a study by Greenpeace Brazil](#).

Why this profile?

Minerva has major operations in the Amazon rainforest, where together with Marfrig and JBS it accounts for around [70% of all cattle slaughtered](#). Minerva also operates slaughterhouses in the world's most biodiverse savannah, Brazil's Cerrado Biome. Minerva's Amazon slaughterhouses were found to be potentially [buying cattle from almost one million hectares of land at risk of deforestation](#), areas embargoed by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), and areas deforested between 2010 and 2015.

Although [Minerva signed a Term of Conduct Adjustment \(TAC\) with the Federal Public Ministry](#) in 2009 to adhere to "Minimum Criteria for operations with cattle and bovine products on an industrial scale in the Amazon biome" and signed [Greenpeace's Cattle Agreement](#) to commit to zero-deforestation in the same year, [the company still does not have a system for monitoring secondary and tertiary suppliers](#), and so does not exclude suppliers that continue to clear forests, that use slave labor, or that invade indigenous lands and other protected areas.

What must happen

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

Impacts

Social and human rights impacts

Labor issues

The cattle industry in the Chaco region of Paraguay, where a great part of Minerva's cattle is sourced from, has been linked to reports of slave labour, child labour, and [encroachment into indigenous lands](#), including by the [UN Human Rights Council](#). The growth of beef production in the Paraguayan Chaco over the past years has been based on the exploitation of indigenous workers. Minerva has a [Paraguayan subsidiary, Frigomerc](#), which owns an export-oriented slaughterhouse in the Chaco. The company's commitments with regard to slave labour, violence, and invasion of indigenous territories only apply to production from Brazil. [None of the five top exporter groups in 2018 in Paraguay, including Minerva, has made any public commitment to eliminate forced labour and child labour from their supply chains.](#)

Environmental and climate impacts

Deforestation

In the Amazon alone, [80% of current destruction is driven by the cattle sector](#). The rainforest is deliberately cleared so the cows can be raised in the region. [In the Brazilian Amazon, there are around 85 million cows](#), the equivalent to approximately four cows per inhabitant in the region.

In 2009, the Minerva [signed a legally binding settlement agreement \(Term of Conduct Adjustment - TAC\) with the Federal](#) Prosecutors Office committing not to source cattle from areas associated with deforestation ("Minimum Criteria for operations with cattle and bovine products on an industrial scale in the Amazon biome"). The company also responded to an investigation by [Greenpeace](#) on the link between deforestation and cattle farming in the Amazon with a zero deforestation commitment, the [Cattle Agreement](#). Although Minerva has committed to measures for forest protection, the company still fails on their zero deforestation pledges.

A study published in 2017 by the NGO Imazon found that Minerva's Amazon slaughterhouses could be [buying cattle from almost one million hectares of land at risk of deforestation](#), areas embargoed by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), and areas deforested between 2010 and 2015. According to the same study, the company figures in the 10th place in the ranking of 81 companies in terms of exposure to three risks associated with deforestation in their potential buying zones in the Brazilian Amazon in 2016. It has identified [931,000 hectares with some type of risk in the potential buying zones of Minerva's Amazon plants](#).

Furthermore, a recent [report](#) (2020) from Greenpeace has found that Minerva has indirectly sourced cattle from farms that deforested a unique and biodiverse protected Amazon reserve, the [Sierra Ricardo Franco Park](#), in Brazil's state of Mato Grosso, on the border with Bolivia. State prosecutors said that since the park was created in 1997, the region where [three farms in Sierra Ricardo Franco Park are located \(Paredão I, Paredão II, and Cachoeira\) were cleared, with thousands of hectares illegally deforested](#).

Minerva has bought cattle from a farm outside the reserve (Barra Mansa farm) that had sourced livestock from two farms inside it (Paredão I and Paredão II). For Minerva in Mirassol D'Oeste, Barra Mansa sold at least [2,000 animals](#) between August 2018 and June 2019, showing that the company had its supply chain contaminated by deforestation and cattle ranching within a conservation area. During the same time, Minerva's meat packing plant in Mirassol d'Oeste exported [18,625 tons of beef products worth more than \\$ 100 million, of which 12.5% went to the EU](#) including Denmark, Germany, Italy, the Netherlands, Spain and the United Kingdom, based on shipping data based on export documents. [The owner or part owner of the Paredão farms was charged with environmental crimes inside the 159,000-hectare reserve.](#)

In Brazil, Minerva also operates slaughterhouses in the world's most biodiverse Savannah, the Cerrado Biome. [The company has slaughterhouses in the Matopiba region](#) (Maranhão, Tocantins, Piauí and Bahia), the agricultural frontier area of the Cerrado).

Furthermore, Minerva sources much of its beef from the [Gran Chaco](#) region, in Paraguay, which has been experiencing intensive deforestation largely due to cattle ranching. Between 2010 and 2018, the Paraguayan part of [the Chaco biome lost more than 2 million hectares of native vegetation](#), largely due to the expansion of cattle pasture. The Dry Chaco region particularly has seen some of the highest rates of deforestation worldwide in the past decade. Minerva's Paraguayan subsidiary, Frigomerc, owns an export-oriented slaughterhouse on the edge of the Chaco. In 2018, according to the platform [Trace](#), the company's exports accounted for almost [70% of all cattle deforestation risk](#) among Paraguayan exporters. In addition to this, the company's zero-deforestation commitment only applies to the Amazon biome.

Irregularity and lack of transparency in the supply chains

Since 2014, Minerva has made public the results of independent audits made to test their systems for purchasing cattle from the direct supplying ranches in the Amazon biome. [The 2016 audits found that Minerva does not adopt any system for verifying the indirect suppliers](#) (breeding and rearing ranches that sell to the fattening ranches).

By 2018, [Minerva had four slaughterhouses in the Amazon](#) where they should implement the TAC restrictions. In the same year, the [Amazonian state of Pará published an audit of Minerva](#) and other companies, which found that the company reached compliance of 99.7% regarding direct suppliers. However, an [independent audit](#) again noted that Minerva does not have any monitorable and verifiable traceability system for its indirect suppliers to

monitor all cattle purchases in the Amazon biome, including the supply chain links preceding the fattening ranches that supply to the slaughterhouses.

Authorities of the [Federal Prosecutor Office in the Amazonian state of Pará](#) have stated that there are no companies buying cattle from the Brazilian Amazon that is able to affirm their supply chain is deforestation-free. Minerva is one of these companies and a key actor in allowing the beef industry to grow at a fast pace in Brazil, therefore contributing to the main driver of Amazon's destruction.

Governance

Bank policies

The following bank investment policies apply to this project:

Bank of America

Modern Slavery Statement 2018

Jun 25 2019 | [Bank of America](#)

BNP Paribas

Agriculture Sector Policy

Dec 8 2015 | [BNP Paribas](#)

Commitments to the environment

Oct 17 2017 | [BNP Paribas](#)

Modern Slavery and human trafficking Statement

Feb 22 2019 | [BNP Paribas](#)

Goldman Sachs

Modern Slavery Statement 2018

Apr 24 2019 | [Goldman Sachs](#)

Credit Suisse

Modern Slavery Statement

Mar 22 2019 | [Credit Suisse](#)

Banco Santander

Modern Slavery Statement 2018

Feb 25 2019 | [Banco Santander](#)

Soft commodities sector policy

Jan 21 2020 | [Banco Santander](#)

ABN AMRO

Modern Slavery Statement 2018

Mar 26 2019 | [ABN Amro](#)

Morgan Stanley

Modern Slavery Statement

Jun 10 2019 | [Morgan Stanely](#)

Applicable norms and standards

Soft Commodities Compact

Updates

Financiers

The twenty largest U.S. and EU shareholders of Minerva hold over 8.1% of the total shares in the company, valued at \$45 million. Within this set of companies, BNP Paribas, Credit Suisse, Vanguard, and Invesco hold the most significant equity investments in Minerva. Five multinational banks – HSBC, Bank of America, Credit Suisse, JPMorgan Chase, and Santander, have provided a total of \$ 1.8 billion in underwriting of bond issuances to Minerva between 2013 and 2018.