



About this project

The University of Nottingham, BRICS Policy Centre, Business & Human Rights Resource Centre, Repórter Brasil and Core Coalition, with the support of the British Academy, have conducted researches on the Beef and Timber Supply Chain in Brazil in 2018. Repórter Brasil was responsible for conducting analysis of the supply chains of those sectors.



CATTLE ROUTE

MODERN SLAVERY AND THE BRITISH MARKET

This report addresses the reality of slave labour in Brazil's cattle industry, stressing its connections with British companies and exports to the United Kingdom. We focus on providing insights into the impact of anti-slavery laws – notably the UK Modern Slavery Act and the so-called “dirty list” of slave labour – in tackling modern slavery in production chains.

CATTLE ROUTE

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Slavery in the Cattle Industry

The cattle industry concentrates the largest number of people released from contemporary slavery in Brazil. From 1995 to 2017, raids conducted by the Ministry of Labour rescued approximately 17 thousand workers in that activity – about 32% of the 52.7 thousand workers released in the period. The data were compiled by the Pastoral Land Commission (CPT) based on government inspections.

In addition to leading the ranking of workers released, the cattle industry also has the largest number of cases. There were approximately 1.9 thousand cases of slave labour in pasture areas in that period – more than half of the total cases.

In the past two years alone – 2016 and 2017 – 280 workers were rescued from the cattle industry at 46 different ranches. As in other industries where slave labour is common, the sector has seen a declining trend in the number of workers rescued in recent years. That is a result of a decrease in the number of field inspections conducted by the Ministry of Labour due to budget cuts.

Cleaning areas to establish pastures is an activity where slave labour is often found. However, cattle ranches also exploit slave labour in other tasks – for instance, building fences, managing cattle, applying pesticides. Some women are exploited to prepare food for workers.

People released in the industry are mostly domestic migrants. They leave their homes in search of new opportunities in agricultural expansion areas or go after false promises of labour recruiters common in Brazil's countryside – known as "cats".

DEGRADING CONDITIONS

They are the main reason for Ministry of Labour inspectors to charge ranchers for using slave labour. Common situations include: poor lodging, lack of medical care, very poor diet and lack of sanitation and drinking water. In addition to degrading work, there are also other types of exploitation that, according to Brazilian law, may characterize the crime of slave labour. Examples include holding payment, geographic isolation, document retention and debt bondage. Extreme situations also include armed surveillance and threats to intimidate workers. Penalties and punishments are also ways of coercing them into not complaining about the conditions.

The Stages of Animal Husbandry

Raising beef cattle involves the stages of breeding, rearing and fattening, which represent different phases in animal development.

Breeding – In beef cattle ranching, the breeding stage comprises reproduction and growth of the calf until weaning, which occurs between six and eight months of age.

Rearing – This covers from weaning to the beginning of reproduction for females or fattening for males. It is the longest stage for animals, sometimes lasting about 30 months for those slaughtered at the age of four.

Fattening – This last stage aims to prepare animals for slaughter. It is when animals' weight gain is stimulated to increase production volume.

Some cattle ranchers work in all stages, but many focus only on one or two of the stages described above. There are several reasons for this: 1) ranchers' capacity to invest in infrastructure and animal feed; 2) the property's geographical location and proximity to slaughterhouses; 3) the quality of pastures in different areas.

This situation creates intense pre-slaughter animal trade. Ranches focused on fattening buy beef cattle from other areas and producers. Similarly, ranchers dedicated to breeding and rearing have other rural producers as their main clients.

The result is that a large number of cattle ranchers operating in Brazil do not trade their animals directly with meatpacking companies and slaughterhouses and therefore are indirect suppliers of the meat processing industry. This has consequences for the destination of the product coming from employers who use slave labour, as will be shown in the next chapter.

Production Chain – “Dirty List” Cases

The following cases depict production chain connections traced to farms included in the “transparency list” and the “dirty list” of slave labour. They address the following situations found during the survey:

- Employers included in the lists and selling cattle to other ranchers for fattening. The latter, in turn, are direct suppliers of major meatpacking companies;
- Farms included in the “dirty list” and trading cattle with meatpacking companies through other ranchers – partners, relatives, etc. – who are not those pointed out by inspectors as employers responsible for exploiting slave labour.

The companies mentioned are meatpackers exporting to the UK. More details will be provided in subsequent pages.

Case 1: Antônio Calixto dos Santos

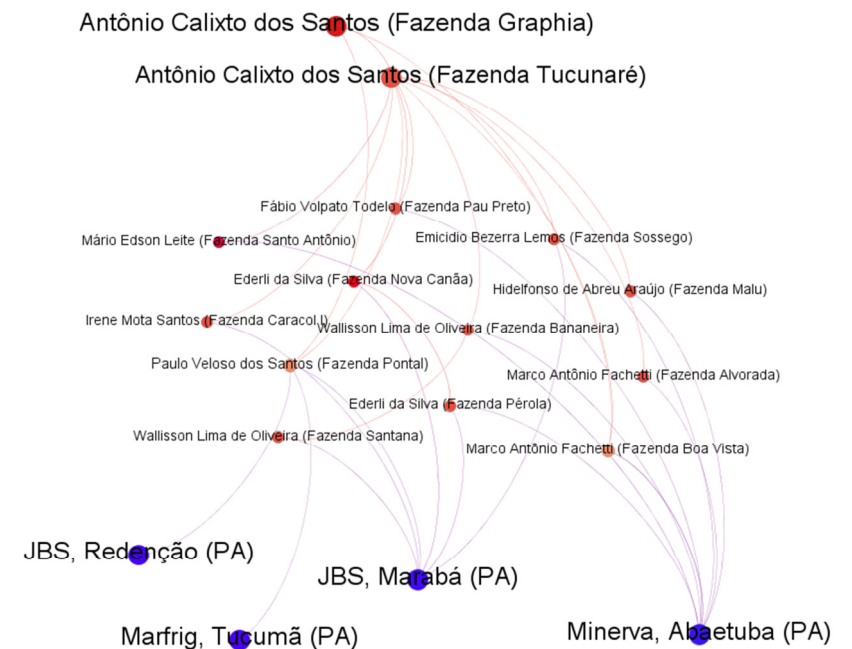
Slave labour was found in September 2013 at the Grapia Farm, in São Pedro da Água Branca, MA. A labourer was who had been working there for 11 months as a cowboy was rescued. He lived on the property with his wife and three children. He worked informally, after handing in his working papers to his employer, who retained them for months without signing them. The family lived in a house with no toilets or drinking water. They used a nearby creek – obviously improper for human consumption according to inspectors – to drink, bathe and wash their clothes. The water was only filtered through a cloth, since the house’s clay filter was broken. Furthermore, the employer did not provide any protective equipment appropriate to the activity – such as boots, gloves and hats – which had to be purchased by the workers themselves.

The employer

The Grapia Farm belongs to Antônio Calixto dos Santos, a cattle rancher living in São Luiz, MA, who also owns pasture areas in the state of Pará (PA). His name was included in the “transparency list” of slave labour in March 2015. Two years later, in March 2017, he was listed on the “dirty list” when the government resumed publication of the document. He has remained in it since then.

Production Chain

The Grapia Farm raises cattle that is later transferred for fattening in other properties. The latter include several third-party ranches, but also another area belonging to Santos himself – the Tucunaré Farm, located in the neighbouring town of Bom Jesus do Tocantins, PA. The chart shows examples of ranches and ranchers who received cattle for fattening from Antônio Calixto dos Santos between 2016 and 2017 – that is, during the period when he was in the “transparency list” or in the “dirty list”. The examples include properties supplying units of JBS, Marfrig and Minerva. Only in the specific case of Minerva, the purchases described here are not intended for slaughter units, but for live cattle exports by the company in Pará.

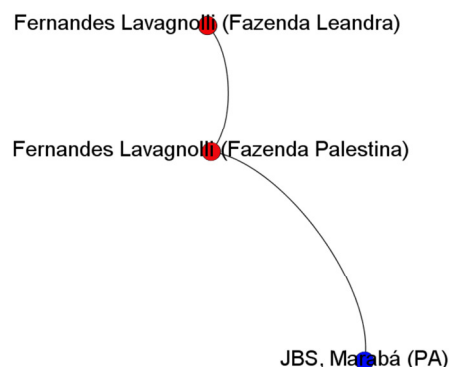


Case 2: Antônio Luiz Sanches Felipe

In May 2012, two workers were rescued from slave labour at the Leandra Farm in Pacajá, PA. They worked building fences for cattle. The property was about 60 kilometres away from the nearest town centre. The rescue was motivated by the poor housing conditions. The workers were living in a shack with wooden walls and dirt floor, and food was improperly stored – including meat hanging from clotheslines. The water came from a source subject to contamination by a nearby septic tank, and was consumed without any kind of treatment. The place had no toilet. In addition to the situation that led to the workers' rescue, other problems were found in the workforce as a whole, which included about 30 employees. For instance, workers were not formally registered, had no protective equipment, and were not trained to handle dangerous equipment (chainsaws).

The Employer

Cattle rancher Antônio Luiz Sanches Felipe presented himself as the person in charge of the Leandra Farm, claiming to be the workers' employer, but the Ministry of Labour's report on the case raised questions about that. "There are indications pointing in at least two directions: either Mr. Felipe is not the only employer and there is an economic group organized to exploit the cattle raising activity or he is falsely posing as the employer only to conceal the real one", the report says. Inspectors obtained a document from the Pará State Environmental Department that pointed at Fernandes Lavagnolli as the actual owner of the Leandra Farm. Other members of the Lavagnolli family also had cattle declared on the property according to information obtained from the Pará Agency for Agriculture and Cattle. The Ministry of Labour said that there were "strong indications of the existence of property mixing and joint management to exploit the cattle business among the ranchers mentioned, who formed a single economic group". However, for lack of conclusive evidence, only Felipe was charged by the agency for subjecting the workers to slave labour. He was included in the "transparency list" in 2015 and in the "dirty list" in 2017.



SUPPLY CHAIN

Documents obtained by Repórter Brasil show that, during the period when the Leandra Farm and Antônio Luiz Sanches Felipe were on the lists, Lavagnolli transported cattle coming from the farm for fattening in other pastures under his control: the Palestina, Terra Alta, and São Félix Farms – all located in Pacajá. There are records of cattle sales to the Marabá, PA, JBS unit in August and September 2017, coming from at least one of them – the Palestina Farm.

However, for lack of conclusive evidence, only Felipe was charged by the agency for subjecting the workers to slave labour. He was included in the "transparency list" in 2015 and in the "dirty list" in 2017.

Case 3: Delfino Francisco Kehrnvalt

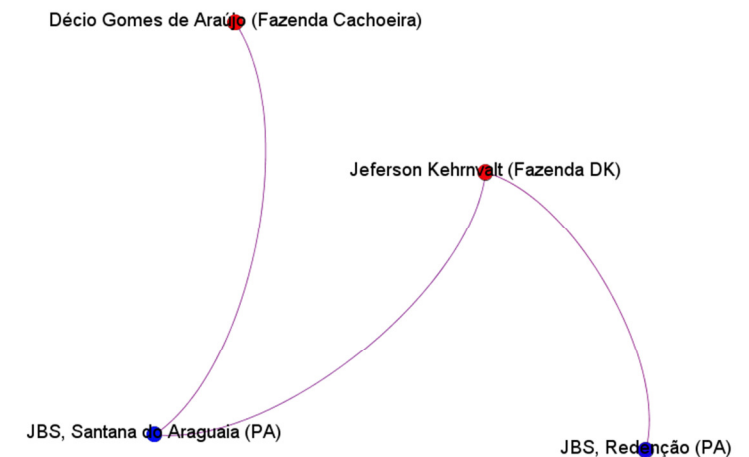
In a raid in August 2011, four workers were rescued from slavery at the Água Limpa Farm, in Santa Maria das Barreiras, where degrading lodging and working conditions motivated the operation. As is common in such cases, the workers – all of them informal – were housed in precarious collective lodgings, in a masonry house still under construction and a wooden plank structure with many drafts, dirt floor, no toilet and not enough beds for everyone. They had neither access to drinking water nor proper food storage facilities.

The Employer

Ministry of Labour inspectors found out that the Água Limpa Farm was jointly exploited by three ranchers: Delfino Francisco Kehrnvalt, Éstrio Paiva de Santana and Décio Gomes de Araújo. They all had cattle on the property and the four enslaved workers provided services indistinctly to all of them. According to the inspection, the property belonged to Santana, but the other two ranchers kept cattle – 587 heads belonging to Kehrnvalt and 560 to Araújo – for breeding and rearing on the place through partnership contracts. Araújo is also the owner of the DK Farm, located in Santana do Araguaia, PA. Delfino Francisco Kehrnvalt was the only one formally charged by the Ministry of Labour for exploiting slave labour because he owned most cattle heads in the area. Only Kehrnvalt's name was included in the “transparency list” between 2015 and 2017 and in the “dirty list” as of March 2017.

Production Chain

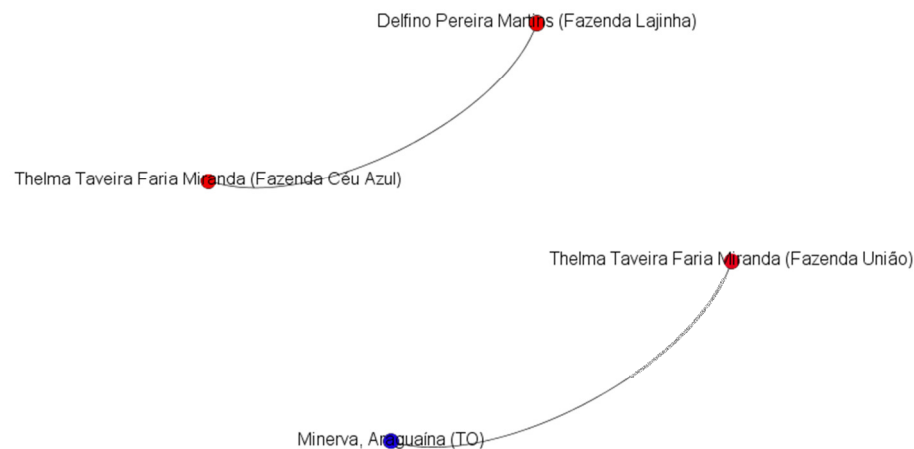
Documents accessed by Repórter Brasil point to the sale of hundreds of cattle heads from the DK Farm to JBS between 2016 and 2017 – when Kehrnvalt was on both the “dirty list” and the “transparency list”. The animals sent to the company were registered to his son – the said Jeferson Kehrnvalt. During that period, animals were also sent from the DK Farm to a small regional slaughterhouse, only this time the deal was registered to Kehrnvalt senior. That points to a possible document adjustment within the Kehrnvalt family to avoid trade restrictions imposed by JBS, since the company publicly undertakes not to acquire cattle from ranchers on the “dirty list”. Thus, by registering the sale of the animals to Kehrnvalt junior, they would avoid the boycott imposed under JBS's corporate responsibility policies. Décio Gomes de Araújo – the other rancher who kept cattle on the farm, also sold animals to JBS between 2016 and 2017. According to official records, the animals came from the Cachoeira Farm in Santana do Araguaia, PA.



Case 4: Delfino Pereira Martins

Slave labour was found in July 2015 at the Ana Thaíra Farm, in Dois Irmãos, state of Tocantins (TO). The inspectors rescued three labourers who were weeding the local pasture. The farm was focused on breeding cows. The Ministry of Labour inspection found very poor health and safety conditions at the site. The workers were housed in an improvised canvas tent. There was no bathroom on the premises so they had to use the woods. The visibly yellow and standing water came from a nearby stream. The food included basically rice, beans and rarely beef – all in insufficient amounts. In addition, employees were not provided with protective equipment, which should be supplied by the employer according to the law, so they needed to purchase them. They also did not have formal contracts and had no day off. The three men had agreed to clean the pasture for R\$ 1.6 thousand. At the time of hiring, the job had been estimated to last 20 days. But when the workers arrived at the site, they saw a different reality: it would take at least 45 days.

One of them was assigned to talk to the employer, who did not agree to review the payment. According to the testimony provided by this worker to inspectors, the rancher said that if they wanted to go back to town, they should find their own transportation, and that he would only take them back when they finished the job. Moreover, if they really wanted to give up the contract, they would have to pay back what they had received in advance. The money – R\$ 350 reais, almost $\frac{1}{4}$ of the total amount they were to receive – had been used to buy the food taken to the work front. According to the workers, the amount purchased would only be enough to feed them for 20 days.



THE EMPLOYER

Identified as the employer by inspectors, Delfino Pereira Martins is the owner of 3 adjacent farms in the town: Varginha, São Lucas and Ana Thaíra – about 1,200 hectares in total. His name was included in the “dirty list” in 2017.

SUPPLY CHAIN

Also in 2017, Martins provided cattle for fattening to the Céu Azul Farm, which belongs to rancher Thelma Taveira Faria Miranda, who sold cattle to the Araguaína, TO, Minerva unit. In this case, the animals came from the União Farm. Both properties are located in the town of Divinópolis do Tocantins. It was not possible to confirm if any cattle had been transferred between both properties.

Case 5: Manoel Alves de Sousa

In May 2011, five workers were rescued by the Ministry of Labour at the Maria de Jesus Farm, in Marabá, PA. The raid was motivated by a complaint from one of the employees, who performed varied services on the property, including cleaning the pasture and building fences. Two of the workers – one of whom was underage, 16 – were placed in a precarious shack in the woods, consisting of a plastic canvas and coconut straw supported by rough logs. There were no toilets and water was collected from a stream. The other three workers slept in a wooden accommodation with walls full of drafts and dirt floor, and no bathroom as well.

Food and pesticide containers were mixed where meals were prepared. According to the inspection report, employees used to be persuaded to use goods sold by the employer himself: “Note that they were not aware of the value of the goods they purchased. The prices were only informed as a total value when it was time to pay”.

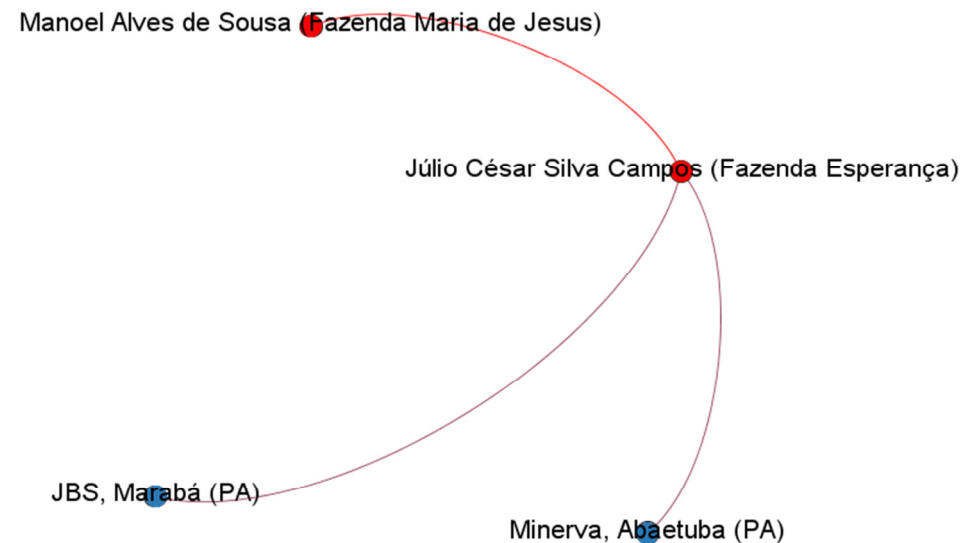
The farm is located in an area of difficult access, 35 kilometres from the nearest village, with no public transport. The workers did not have formal contracts and were paid according to piece-rates, without any guarantee of receiving the legal minimum wage. The wife of one of the workers was the group’s cook. She was in charge of preparing the group’s food and received no payment from the employer.

The Employer

Cattle rancher Manoel Alves de Sousa, responsible for the Maria de Jesus Farm, had some 600 heads of cattle in the place at the time of the inspection. He was included in the “transparency list” in July 2016 and in the “dirty list” the following year.

Production Chain

During the time he was on the lists, Sousa provided cattle for fattening to the Beira Rio and Esperança Farms, in the towns of Marabá and Itupiranga. Both belong to Júlio César Silva Campos. The latter, in turn, was a supplier of slaughter cattle to the Marabá, PA, JBS unit. He also sent animals to Minerva’s farms in Abaetuba, PA, for live cattle export.



Companies' Responses

JBS

The company sustains that "it did not buy animals" in any of the cases reported by Reporter Brasil. Without specifying which cases it was referring to, the company adds that "three of the mentioned producers were never included in the suppliers' list of the company and other two have remained inactive as suppliers for year. JBS highlighted the company monitors 100% of its 80,000 direct suppliers, gathering about 200,000 transactions of cattle purchases per year; every producer included in the "dirty list" has the registry automatically blocked, according to the company. JBS adds that it uses satellite images and geo-referenced farm data to strengthen its monitoring. It also claims that it has carried out "independent audits" over the last five years that would have proven that "more than 99.9%" of livestock purchases respect social and environmental criteria. Recent audit of Federal Prosecutors (MPF) would also have shown the absence of purchases from irregular suppliers. Signatory of the Antislavery Pact since 2007 and member of the National Pact (InPACTO) since 2014, JBS is in favour of "improving access to public information on the traceability of animals in Brazil, which would allow greater transparency of the links in the meat production chain".

Minerva

The company also ensured that maintains a 100% monitoring of its direct suppliers "for slave labor standards and embargoed areas" and did not recognize any of the suppliers of the cases pointed out by Repórter Brasil. It also highlighted that the blocking system takes into account the data of the "dirty list" and of IBAMA's public list. Minerva counts more than 2,000 suppliers internally blocked by socio-environmental criteria, but, regarding the question of indirect suppliers, it admits that companies "do not have tools available for the effective monitoring of their chains". It would depend on "direct involvement of public power", who would be the "owner and responsible" for the data that would allow more adjustments and controls over the complete cycles of the livestock sector. One of the incentive measures would be the adoption of tools to prevent the trade of animals related to illegal practices, especially in the case of indirect suppliers, by blocking the issue of transit guides (GTA). Member of the Antislavery Pact since 2009, Minerva is currently a member of the Executive Committee of the Working Group on Sustainable Livestock (GTPS).

MARFRIG

The company denied that it had traded animals from "any of the names mentioned", without addressing the possibility of supplies that might be indirectly interconnected with other suppliers caught in the crime of exploitation of modern slavery. Marfrig states that it maintains an animal purchasing monitoring system based on data from the "dirty list". "Any supplier that acts in disagreement with the norms of the Ministry is automatically blocked by our system", emphasizes the company. Marfrig is associated to the Antislavery Pact since its launching in 2005. Regarding the case 1, the company mentioned that the supplier is periodically audited, and that the audit report is public and can be consulted on the company's website.