

Soft Commodities Forum progress report

December 2022

Executive summary

The Soft Commodities Forum (SCF), led by the World Business Council for Sustainable Development (WBCSD), enables collaboration between six leading agribusinesses to identify solutions to eliminate soy-driven deforestation and the conversion of native vegetation in the Brazilian Cerrado. The Cerrado is one of Earth's most biodiverse savannahs and home to 5% of the planet's animals and plants. The SCF's work supports the delivery of our vision 2050 and Agriculture Sector Roadmap to 1.5°C in the context of the soy value chain, contributing to a net-zero and nature-positive future.

This report outlines the progress on this goal by disclosing improvements in traceability and deforestation- and conversion-free (DCF) performance and detailing landscape intervention strategies and an implementation framework for financial incentives for farmers aiming to influence producer behavior.

As of December 2022, the SCF has accomplished the following:

- **Launch of the [Farmer First Clusters \(FFC\) initiative, a landscape intervention strategy to preserve priority Cerrado areas, with farmers at its heart](#)**
The FFC structure and implementation plan are for landscape solutions in Western Mato Grosso, Southern Maranhão, Western Bahia and Tocantins. The details of the FFC deployment approach include landscape interventions and theory of change, a governance structure led by our newly launched SCF Landscape Council, an initial budget and co-funders, a monitoring and evaluation framework, and farm-level commitments and eligibility criteria.

- **Increased visibility over indirect sourcing**

SCF members have surpassed their initial indirect supplier engagement goal and are now working collaboratively with 14 priority indirect suppliers, including resellers, cooperatives and third-party warehouses, to establish co-developed action plans aimed at increased indirect supplier monitoring and evaluation capacity. The action plans will enable members to carry out third-party verification of the traceability of supply sourced from indirect suppliers. Additionally, we aligned on a common protocol for third-party verification of indirect suppliers, which we disclose in this report, with key milestones and targets for progress.

- **Strengthening accountability processes**

This report shows progress on data accountability by announcing that all SCF member direct supplier performance is verified through third-party auditing using a common auditing protocol, as established in the June 2022 report. We have also aligned on a protocol for third-party verification of indirect suppliers, paving the way for the upcoming comparable verification of indirect supplier performance.

- **Second disclosure of deforestation- and conversion-free soy footprint**

Transition finance for farmers is key to halt deforestation and conversion, especially in high-risk landscapes like the Cerrado in Brazil. The Farmer First Clusters will accelerate investments that benefit climate, nature and livelihoods with a landscape approach to incentivize soy production in the Cerrado that supports forests and land conservation and drives regenerative agricultural solutions. Launched with leading agri-businesses, achieving scale will require co-investment and collaboration with investors, value chain partners, on-the-ground organizations and governments for transformation through this collaborative endeavor.

Diane Holdorf
Executive Vice President, WBCSD

The Consumer Goods Forum Forest Positive Coalition of Action is excited to work collaboratively with the Soft Commodities Forum's Farmer First Clusters Initiative to drive positive impact at the landscape level in the Cerrado. Through effective collaboration across the value chain, the Coalition supports the FFC in aligning principles, interventions and incentives with the scope of action of downstream actors. The goal is to create efficiencies and accelerate solution finding towards conversion-free soy landscape transformation in high-risk geographies by co-investing in context-specific and high-impact shared solutions. The collaboration on landscape engagement complements the ongoing dialogue to align on DCF definition and progress monitoring. Together, the two workstreams enable progress towards a forest positive future.

Debora Dias
Senior Manager, CGF Forest
Positive Coalition

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Compliance

SCF has processes and procedures in place to ensure that all of its actions are compliant with applicable laws, including antitrust.

Acknowledgements

We would like to extend our gratitude to our partners and collaborators at the Brazilian Association of Vegetable Oils (ABIOVE), Agrosatélite, the Amazon Environmental Research Institute (IPAM), the Consumer Goods Forum, the Tropical Forest Alliance (TFA), The Nature Conservancy (TNC), Proforest, Produzindo Certo, Conecta Cerrado, the Produce, Conserve, Include (PCI) Initiative, and REDD+ Early Movers, and other key partners in the value chain and beyond.

About the Soft Commodities Forum

Companies that buy, sell and process soft commodities such as soybeans play a unique role in connecting soy suppliers with wholesale processors and retail customers around the world. They have an opportunity to help drive progress on the elimination of soy-driven deforestation and conversion.

The SCF's six current members – ADM, Bunge, Cargill, COFCO International, Louis Dreyfus Company (LDC) and Viterro – are among the world's largest soy exporters and are committed to the elimination of deforestation in their supply chains where they operate in the Cerrado. They have pledged to make their soy supply chains free from deforestation and native vegetation conversion (NVC), balancing economic, social and environmental priorities.

Hosted by WBCSD, the SCF contributes to our food and agriculture pathway agenda by focusing on promoting the nature-, climate- and farmer-positive production of soy, contributing to food system transformation and our Vision 2050 strategy.

About the World Business Council for Sustainable Development (WBCSD)

WBCSD is the premier global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.

We do this by engaging executives and sustainability leaders from business and elsewhere to share practical insights on the obstacles and opportunities we currently face in tackling the integrated climate, nature and inequality sustainability challenge; by co-developing "how-to" CEO-guides from these insights; by providing science-based target guidance including standards and protocols; and by developing tools and platforms to help leading businesses in sustainability drive integrated actions to tackle climate, nature and inequality challenges across sectors and geographical regions.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability, united by our vision of creating a world in which 9+ billion people are living well, within planetary boundaries, by mid-century.

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