



Food and Agriculture
Organization of the
United Nations

Roundtable on trade and deforestation

The trade, deforestation & sustainability interface

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Agricultural Trade, Supply Chains and Deforestation

- **Global agri-food trade more than doubled since 1995 (>1.5 trn \$)**
- **Rising exports from low/middle-income countries in global supply chains (> 1/3 of global trade)**
- **Trade supports economic growth & development but affects forests**
- **It can potentially increase or decrease deforestation depending on the effects on local prices and other characteristics of the country**
- **Trade often triggers agricultural expansion. Nearly 420 million hectares of forests lost since 1990, mainly due to agricultural expansion (88%)**
- **Trade openness contributes to amplifying economic activity, accelerating other trends that put pressure on forests**
- **Trade is more likely to generate deforestation in poorly regulated markets**



Agricultural Trade, Supply Chains and Deforestation

Total forest replacement by analyzed commodities (2001-15)

Deforestation (2001-15, million hectares)



Source: Global Forest Review, World Resources Institute, 2021

Agricultural Trade, Supply Chains, Deforestation and Sustainability

- **Deforestation takes place upstream in agricultural supply chains, but both exporting and importing countries play a critical role in addressing this challenge.**
- **Political Commitments: Governments in many exporting countries have committed to halting deforestation and restore forests (ex. COP27, New York Declaration, etc.)**
- **Adequate trade policies can reduce deforestation**
- **Legislation: Deforestation and agricultural trade legislation being introduced in key import markets, requiring compliance by companies affecting suppliers around the world**

Agricultural Trade, Supply Chains, Deforestation and Sustainability

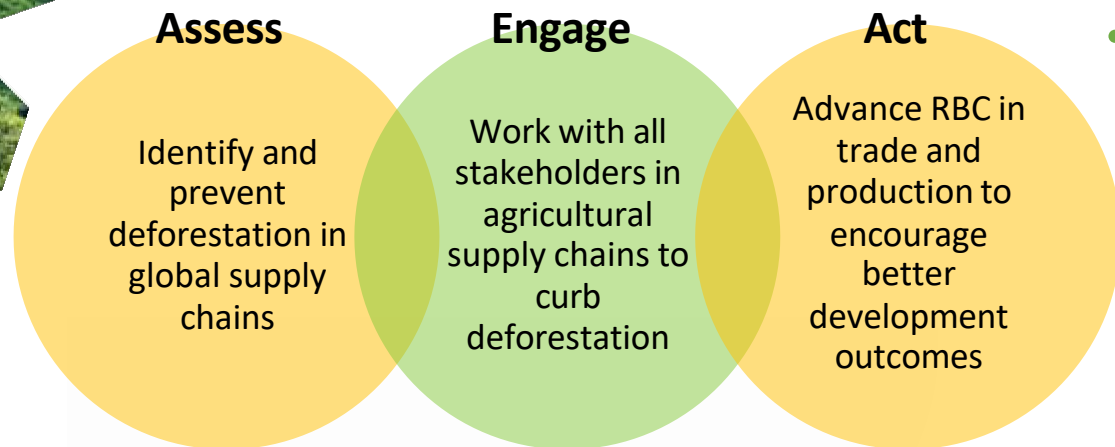
Questions

- **Focus on zero deforestation or on zero illegal deforestation?**
- **Role of voluntary initiatives by CSOs and companies?**
- **What mix of regulation/voluntary guidelines?**
- **What role for each stakeholder group?**
- **Increasing transparency to foster the adoption of sustainable practices: what role for geo-referencing, traceability, certification, etc.?**
- **Responsible sourcing can help tackle deforestation in trade, but how to tackle knowledge gaps in the supply chain?**

Responsible Business Conduct (RBC) and Deforestation in Agricultural Supply Chains

growing global population

rising demand for food
and commodities



FAO's advisory work on RBC aim to reduce deforestation and facilitate better trade and development outcomes by:

- Supporting **governments design better policies** to integrate sustainability and RBC in production and export of commodities
- Helping companies **meet global demand responsibly** by building capacity on production alternatives to agricultural forest expansion and meet **sustainability-led trade export requirements**

OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains

Designed for **businesses**, based on *OECD-FAO Guidance for Responsible Agricultural Supply Chains* and its 5-step framework

Introduces how **businesses** can:

- Address deforestation **upstream and downstream in the supply chain**
- Implement **due diligence** that is risk-adverse, but also forest-positive
- Troubleshoot **bottlenecks** in considering different case instances
- Address current or forthcoming **legislation** on due diligence and deforestation
- Engage with **different stakeholders**
- **Launch planned in Rome, July 2023**

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Thank you

[FAO Responsible Business Conduct \(RBC\) in Agriculture](#)

[OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)

[Global Agricultural Supply Chains, Deforestation and Responsible Sourcing](#)

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