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“Economics and Politics of Migration: Implications for Agriculture and Food”

**“Embedded” deforestation and forest degradation:  
exploring responsibilities and potentialities in green marketing  
of the Italian leather industry**

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**TESAF** Dipartimento Territorio e Sistemi Agro-Forestali  
UNIVERSITÀ DEGLI STUDI DI PIACENZA  
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Do you know where is the origin of your leather shoes  
or bags?

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Setting the background: Methodology and RQs

RQ 1. Deforestation as a business risk

RQ 2. Checking awareness among Italian tanneries

RQ 3. Way forward

Conclusion & Recommendations

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## Brazil – cattle ranching and deforestation

- Brazil loses more forests than any other country in the world = 984 000 ha.yr<sup>-1</sup> (FAO 2016);
- After significant gain in reducing deforestation in the Amazon region, numbers are back on the rise;
- Agriculture is responsible for ≈91% of deforestation in Brazil (Hosonuma et al. 2012):
  - 58% Commercial
  - 33% Subsistence

Ano	Desmatamento Legal (km²/ano)
1988	21,050
1989	17,770
1990	13,740
1991	11,030
1992	13,786
1993	14,906
1994	14,906
1995	29,859
1996	13,922
1997	17,583
1998	17,559
1999	18,274
2000	18,165
2001	21,651
2002	25,306
2003	27,722
2004	19,014
2005	14,356
2006	11,651
2007	7,408
2008	7,408
2009	7,010
2010	6,418
2011	4,577
2012	5,012
2013	4,207
2014	7,989
2015	7,989
2016	7,989
2017	7,989
2018	7,989
2019	7,989
2020	3,925

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## Brazil – cattle ranching and deforestation

**Efetivo de bovinos**

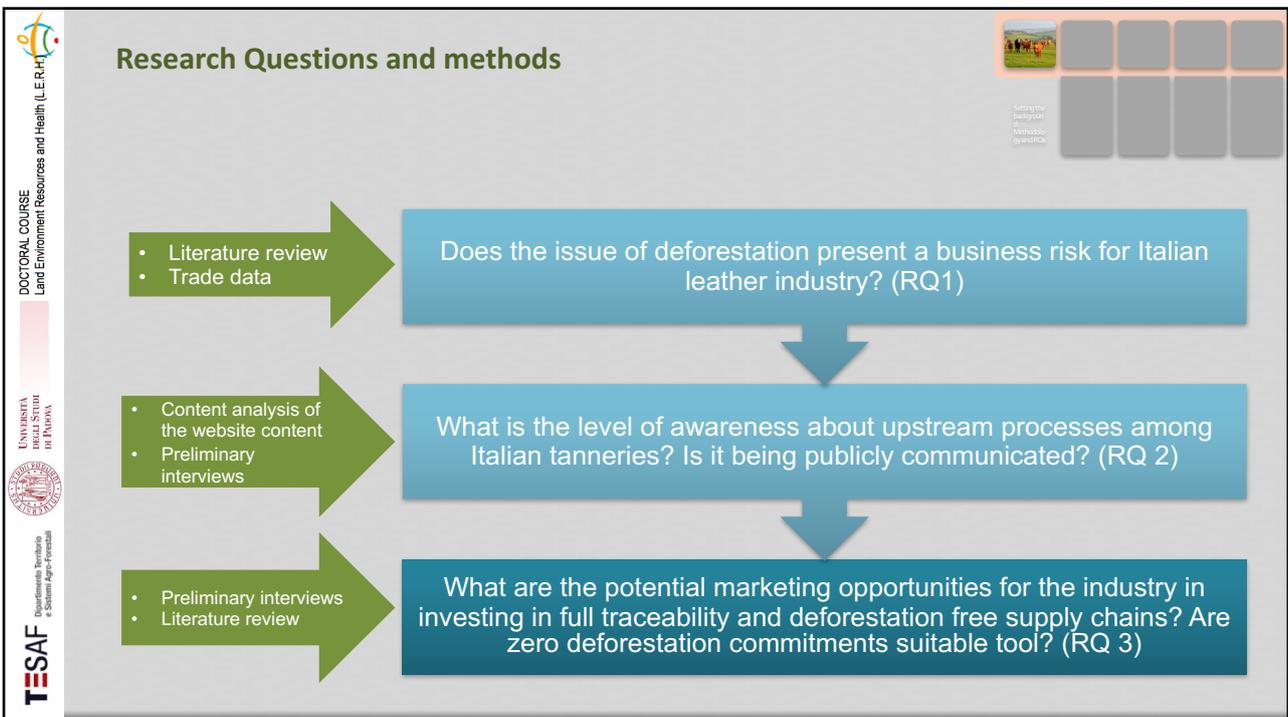
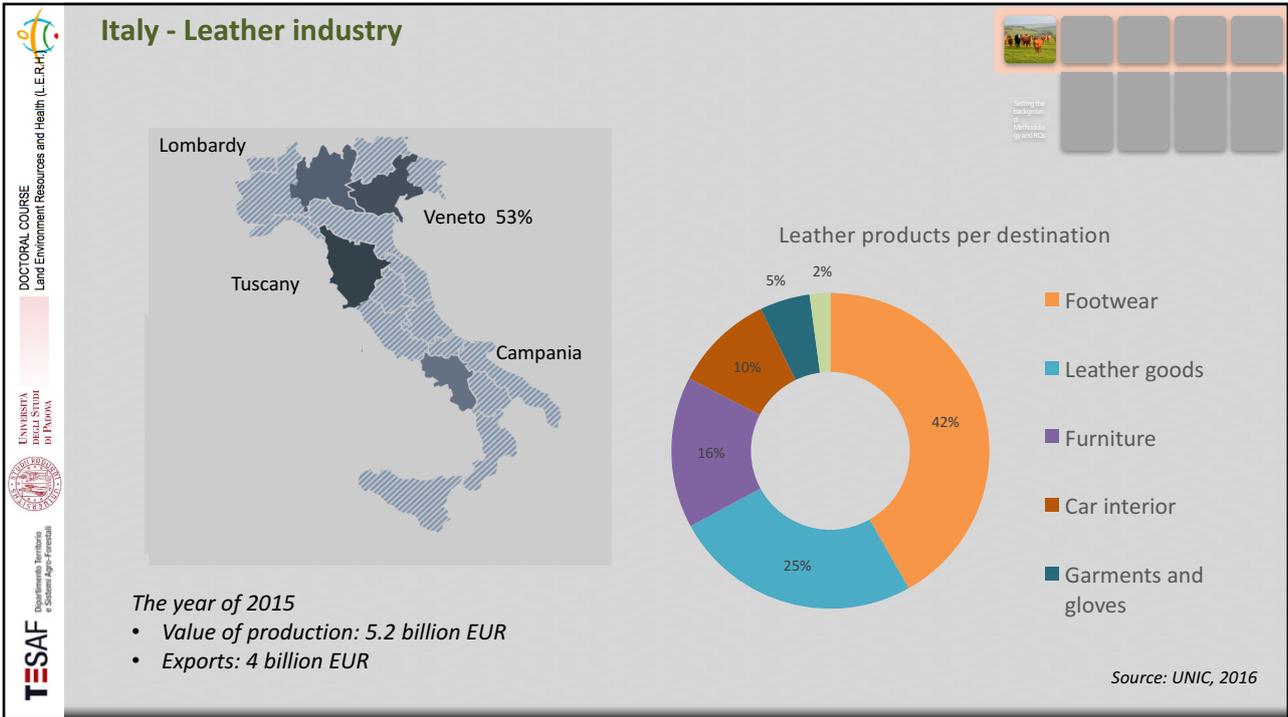
- Até 1 milhão
- Mais de 1 a 7 milhões
- Mais de 7 a 13 milhões
- Mais de 13 a 19 milhões
- Mais de 19 a 25 milhões
- Mais de 25 a 31 milhões

**Bovinos abatidos**

- Até 0,4 milhão
- Mais de 0,4 a 1 milhão
- Mais de 1 a 2 milhões
- Mais de 2 a 3 milhões
- Mais de 3 a 4 milhões
- Mais de 4 a 5 milhões

Source: IBGE 2016

Source: Hansen/UMD/Google/USGS/NASA, accessed through Global Forest Watch





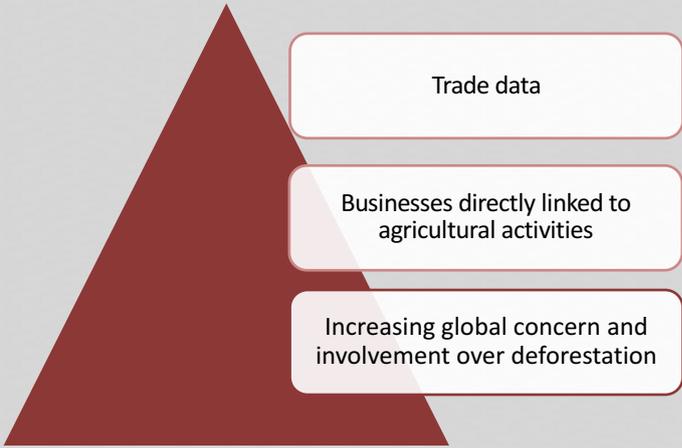
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## RQ 1. Deforestation as a business risk





Setting the background of Methodology



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## RQ 1. Deforestation as a business risk





Setting the background of Methodology

FSC, RSPO, RTSB

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## RQ 1. Deforestation as a business risk

Businesses directly linked to agricultural activities

Increasing global concern and involvement over deforestation




- CDP reports, 41% recognize operational, 47% reputational and 37% regulatory risks related to cattle production and deforestation.

•Increasing consumer awareness

i.e. "Deforestation free" labels; Consumer Goods Forum

•NGO reports and reputational risks

i.e. Greenpeace, FERN,

•Increasing customer awareness and demand for information

i.e. IKEA sustainability programme

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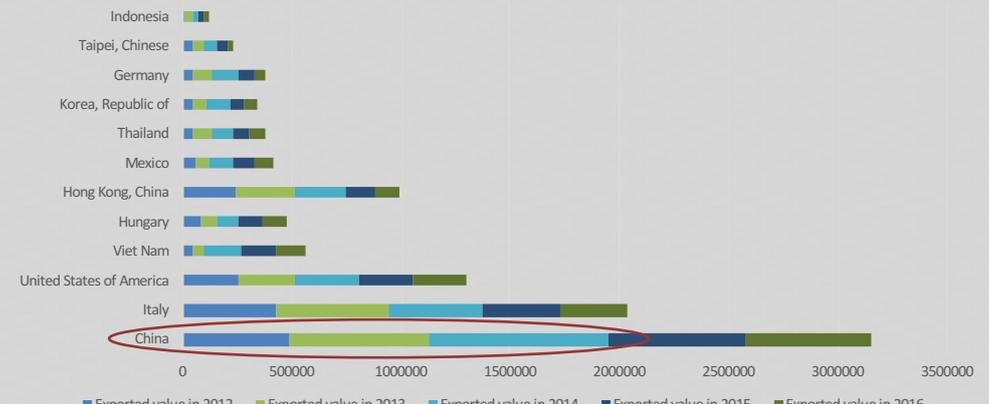
## RQ 1. Deforestation as a business risk

Trade data

Businesses directly linked to agricultural activities

Increasing global concern and involvement over deforestation



Country	2012	2013	2014	2015	2016
Indonesia	~100,000	~100,000	~100,000	~100,000	~100,000
Taipei, Chinese	~100,000	~100,000	~100,000	~100,000	~100,000
Germany	~100,000	~100,000	~100,000	~100,000	~100,000
Korea, Republic of	~100,000	~100,000	~100,000	~100,000	~100,000
Thailand	~100,000	~100,000	~100,000	~100,000	~100,000
Mexico	~100,000	~100,000	~100,000	~100,000	~100,000
Hong Kong, China	~100,000	~100,000	~100,000	~100,000	~100,000
Hungary	~100,000	~100,000	~100,000	~100,000	~100,000
Viet Nam	~100,000	~100,000	~100,000	~100,000	~100,000
United States of America	~100,000	~100,000	~100,000	~100,000	~100,000
Italy	~100,000	~100,000	~100,000	~100,000	~100,000
China	~100,000	~100,000	~100,000	~100,000	~100,000

Figure 1 List of importing markets for a product exported by Brazil. Product: 41 Raw hides and skins (other than furskins) and leather  
Source: ITC, 2017; UN COMTRADE 2016

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### RQ 1. Deforestation as a business risk

**Trade data**

- Businesses directly linked to agricultural activities
- Increasing global concern and involvement over deforestation

**≈ 250**  
IBGE database

33 certified (LWG)  
17 Gold certificates

Sources: CICB and ApexBrasil 2017

**In 2016:**

- ≈ 67% Brazilian leather production is exported (value)
- US\$ 2,033 Billions

Sources: IBGE 2017, Walker, Patel and Kalif 2013, CICB and ApexBrasil 2017, IBGE 2002, CICB 2016a

Source: CICB 2016a  
\* Graph does not include manufactured leather products exported

### RQ 2. What is the level of awareness among Italian tanneries?

**Tanneries public communication**

Key-words	Relative value (%)
forest	4
treaceability	10
origin	17
environment	48

Figure 2. Overall scoring of keywords

**Key words:**  
"forest", "origin", "treaceability", "environment".

**Frequency of keyword use by value**

Keyword	0 - No mention	1 - Brief mention	2 - Mention with additional information
forest	~70	~5	~25
treaceability	~65	~15	~20
origin	~55	~25	~20
environment	~25	~30	~45

Figure 3. Number of companies scoring at each category

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### RQ 2. What is the level of awareness among Italian tanneries?

The Italian tanning industry (UNIC 2017) perceives itself as the “the precursor of the circular economy” (p.24) for making use of a by-product of the meat industry and understands its “raw material [as] inelastic and strictly related to meat market dynamics” (p.26).

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### RQ 3. Way forward

**Zero deforestation**

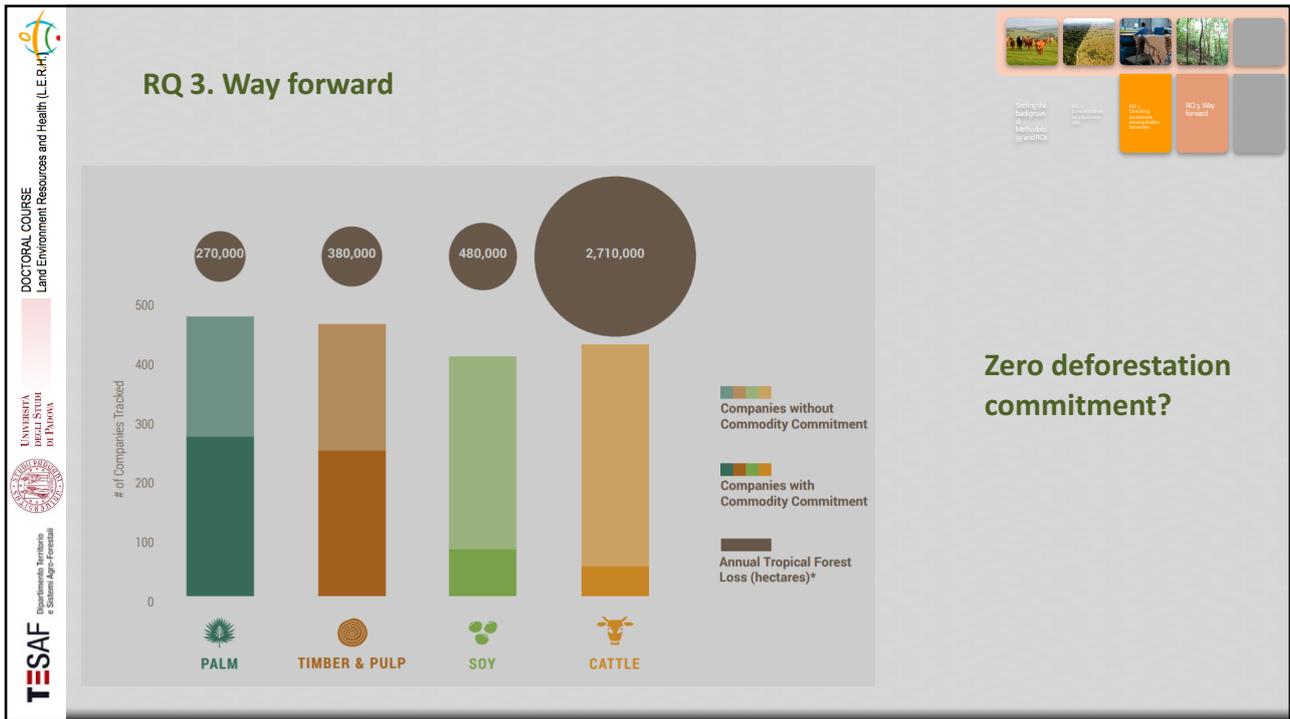
**Zero gross deforestation**

*No loss of forest cover over a given time period caused by conversion of forest to nonforested land...*

**Zero net deforestation**

*Some forest loss could be offset by forest restoration & is not synonymous with a total prohibition on forest clearing...*

**Zero deforestation commitment as a tool?**



- ### Conclusion
- Deforestation is becoming an increasing business risk due to rise in global transparency and surveillance tools
  - Although deforestation was revealed as an important concern during personal communication and interviews with *tannery managers* (2016-2017), there is a significant lack of consistent public communication of the issue.
  - Communicating contentious issues, such as deforestation, appears to be more closely related to lack of transparency than with awareness per se.
  - Businesses might find it difficult to communicate negative aspects of their supply chain, fearing reprisal for their “not enough” evolution towards established goals.
  - The landscape of zero deforestation commitments, i.e. baseline years, typology, terminology, indicators, etc. makes it difficult for businesses to commit
  - The very nature of the leather supply chain makes it challenging to put forward commitments
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# Thank you!

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