



Soy

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This chapter covers the first half of calendar year 2022. Information in this report chapter is for that time period, unless otherwise noted. *All data is for soy purchased and handled by our local sourcing businesses in South America, unless otherwise noted. For our previous soy progress reports, visit our [website](#).

To mitigate climate change and protect vital biomes, we remain committed to ending deforestation in our supply chains in the shortest time possible, including in our soy supply chain in South America.

Our efforts the past several years have laid a strong foundation, shown us what works, and helped us establish strong relationships with key partners. Now, we are looking to accelerate our impact with a collection of new programs that will protect and restore essential forest resources. This includes restoring 100,000 hectares of altered land over the next five years through a variety of innovative programs and partnerships ([see page 138](#)).

We also continue to advance mechanisms like our Land Innovation Fund for Sustainable Livelihoods ([see page 139](#)). And we are using technology to establish even greater traceability in our supply chain. We have now completed mapping for 100% of our direct suppliers in

In November 2022, Cargill announced it will eliminate deforestation in its soy supply chain in the Amazon, Cerrado and Gran Chaco biomes by 2025. This accelerated milestone is critical to achieving a deforestation- and conversion-free (DCF) supply chain in South America soy by 2030. Learn more at [Cargill.com](#).

Brazil to the polygon level ([see page 142](#)). And we are working to complete this soon in the other South American countries where we source soy.

To achieve the sectorwide transformation that everyone is seeking, we must put farmers at the center. They are the ones who can and will drive the changes we need, and so we are investing our resources to engage with and support them.

Thank you to all our partners for your continued efforts to work together.



Robert Horster
Global Sustainability Lead for
Agricultural Supply Chains,
Food Ingredients and Bioindustrial

Supply chain overview

Our South American business sources soy in Brazil, Argentina, Paraguay, Bolivia, and Uruguay. The business stores, processes, and ships soybeans and other soy products to customers in the region and around the world.

Assets in Cargill's operationsⁱ

145
country elevators

13
processing plants

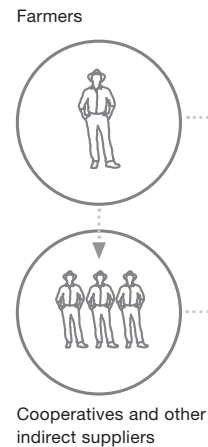
14
ports

26
offices

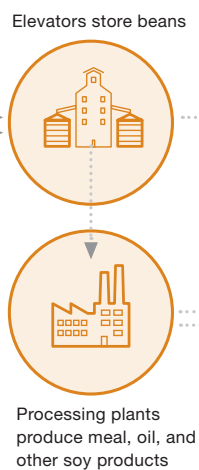
How our soy supply chain operates

○ = Cargill operations

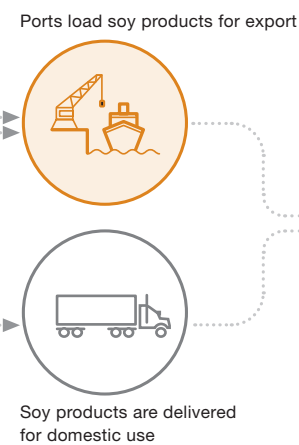
Suppliers



Storage and processing



Ports and transport



Customers



Dashboard

Our business in South America buys soy both directly from farmers and indirectly from other cooperatives, processors, and traders. We are making good progress in mapping this supplier network using polygon mapping for all our direct suppliers' farm boundaries, aiming to complete this process as quickly as possible.

Although we buy from many of the same suppliers year after year, our supplier base does change somewhat each crop season. To keep this direct supplier network as complete as possible going forward, we are remapping it each calendar year and also requiring polygon map information from new suppliers. Over time, as we build a larger database of polygon farm boundaries, these mapping efforts will allow us to use polygon farm boundaries to monitor and report over larger areas.

All figures below are for calendar year 2021 and are for soy purchased and handled by our local sourcing businesses in each country. The figures were originally published¹ in March 2022. Since that time, we have completed polygon mapping for all our direct suppliers in Brazil (see page 142).

Key performance indicators

Focus area	Metric	Progress Brazil	Argentina	Paraguay	Bolivia	Uruguay	
Transparency	Industrywide soy production (million tons)	135.9 ⁱⁱ	46 ⁱⁱⁱ	9.4 ^{iv}	3.3 ^v	1.7 ^{vi}	
	Approximate number of suppliers selling soy to Cargill	14,800	5,600	1,600	200	600	
	Percentage of Cargill suppliers by volume	Direct	58	54	58	100	80
		Indirect	42	46	42	0	20
Traceability	Percentage of directly sourced volumes coming from suppliers whose farms have been polygon mapped ^{vii}	92.3	88.6	82.5	39.2	54.8	
Deforestation- and conversion-free (DCF)	Percentage of directly sourced volumes estimated to be DCF ^{viii}	96	99	98	78	100	

Focus areas

Our four commitments regarding sustainable soy from South America:



Transforming our soy supply chain to be **deforestation-free** while protecting native vegetation beyond forests



Promoting **responsible production**, which benefits farmers and surrounding communities



Respecting and upholding the **rights of workers, indigenous peoples, and communities**



Upholding **high standards of transparency** through reporting of key metrics, progress, and grievances

Our businesses source soy from all the major growing regions in the world. We are focused on South America as the highest-priority region for soy sustainability because it is home to vital landscapes such as the Amazon, Cerrado, and Gran Chaco biomes^{ix} that must be protected. Meanwhile, the region has grown rapidly in the last few decades to become a major source of the world's soy, and this growth has underpinned many rural economies and communities.

Our strategic approach to soy sustainability in South America rests on three core concepts:

- Supply chain traceability and mapping efforts should be risk-calibrated
- Prioritization should direct resources toward the highest-risk supplies from the highest-risk areas
- Inclusive sectorwide transformation—centered on farmer engagement—is necessary to truly protect vital ecosystems

Read more in our [Policy on Sustainable Soy—South American Origins](#).

Our [soy action plan](#) has shaped our approach to keeping these commitments and accelerating the soy sector's transformation with a variety of partners. It is anchored in [The Soy Toolkit](#) created by Proforest, adapted for the specifics of our business and our previous learnings.

The six elements of our action plan:

Assess and plan implementation

Understand supply chain risks

Engage supplier partners

Deploy action levers

Advance transformational partnerships

Monitor, verify, and report

Programs and partnerships

New programs to accelerate progress

We are proud of the progress we have made on soy sustainability, and yet we know we have much further to go. That's why in June **we announced** ² we are continuing to partner with agricultural, environmental, academic, and business stakeholders to develop a new set of programs that will build on the foundation we have established together and propel us forward even faster.

These programs will help farmers and others protect forests and other native vegetation, manage production in a responsible way that meets the world's needs, and restore landscapes across crucial biomes. We are putting farmers at the center of these initiatives because we know that they are the ones who can ultimately drive the transformation we seek and because solutions need to work for them. By partnering with a wide range of organizations, we are putting innovation to work to help farmers create that change.

Restoration is a key area of our work. In Brazil, we aim to restore an estimated 100,000 hectares—an area similar in size to New York City—in the next five years. Projects are already underway in areas like carbon sequestration, conserving biodiversity, and improving soil and water

quality. For example, we are restoring altered areas in the Taquaruçu Grande River Basin, which supplies drinking water to a city of more than 300,000 people in central Brazil.

Mitigating the impact of climate change is crucial to global food security, and protecting vital ecosystems plays a central role. We are optimistic that with all the stakeholders across the soy sector working together, we can make this happen.

“My hope for the future—as a rural producer and a representative of the family—is that the world’s population understands that the producer is not the enemy of them or of the nature. The rural producer cannot produce without ecological balance.”

Joel Carlos Hendges

soybean farmer in Brazil’s Cerrado biome



Restoring 100,000 hectares

Cargill is launching numerous programs with local partners to restore 100,000 hectares of altered land in Brazil in the next five years

7 projects have been launched so far aiming to restore more than 16,000 hectares, with more to come

Unlocking new pathways to sector transformation

The **Land Innovation Fund for Sustainable Livelihoods**²⁷, launched by Cargill in 2020 with a commitment of \$30 million and managed by Chemonics International, supports innovative solutions for a deforestation- and

conversion-free soy supply chain in South America. It has a portfolio of 28 projects developing and testing innovations from technology to policy, and a growing partnership base that includes farmers, startups, NGOs, industry associations, academic institutions, and innovation multipliers.

The fund seeks to build a robust and inclusive innovation landscape that can achieve truly sustainable and climate-smart agriculture at scale. Our shared goal is to bring to market and deliver in the field solutions that ensure that feeding the world is not at odds with protecting our environment.

The fund's engagement to date

\$6.8 million in funding distributed

28 projects

34 partners

30 innovations

1,300+ farmers

1.65+ million hectares

Interconnected focus areas

Farmer engagement

Connecting directly with farmers in crucial regions to help them adopt sustainable practices

Technological innovation

Working with a constellation of startups to bring new technologies onto the playing field

Policy environment

Finding new solutions through policies and enforcement that prioritize forest protection

Economic incentives

Developing new market-based mechanisms to appropriately value and conserve natural resources

Impact with stakeholders

“Listening to other points of view about the difficulties of our productive sector made me understand the great opportunity we have to open our doors and minds to innovative solutions that come out of the exchange between the farming professionals with the turbocharged minds of the program participants.”

Carolina Zuttion
Rural producer, Associação de Agricultores e Irrigantes da Bahia (AIBA)

“Entrepreneurs who participate in the Sustainable Soy in the Cerrado Program can have 360° support in the development of their solutions, creating conditions to remove commercial, technological, and financial barriers.”

José Tomé
co-founder and CEO, AgTech Garage

“After mapping the restoration landscape and initiating partnerships with governments, we’re now able to design the roadmap to define actions to support environmental regulations of soy farms in the region.”

Laura Antoniazzi
project coordinator and partner, Agroicone

“Brazil’s carbon market reached US\$2 billion in 2021. Our project, implemented by a partnership between GSS and Treevia, will develop the technology to help farmers measure carbon capture in standing forest and market the carbon credits generated, realizing the potential of the environmental services provided by working farms.”

Paulo Zanelli
Director, GSS and Bioinnovation

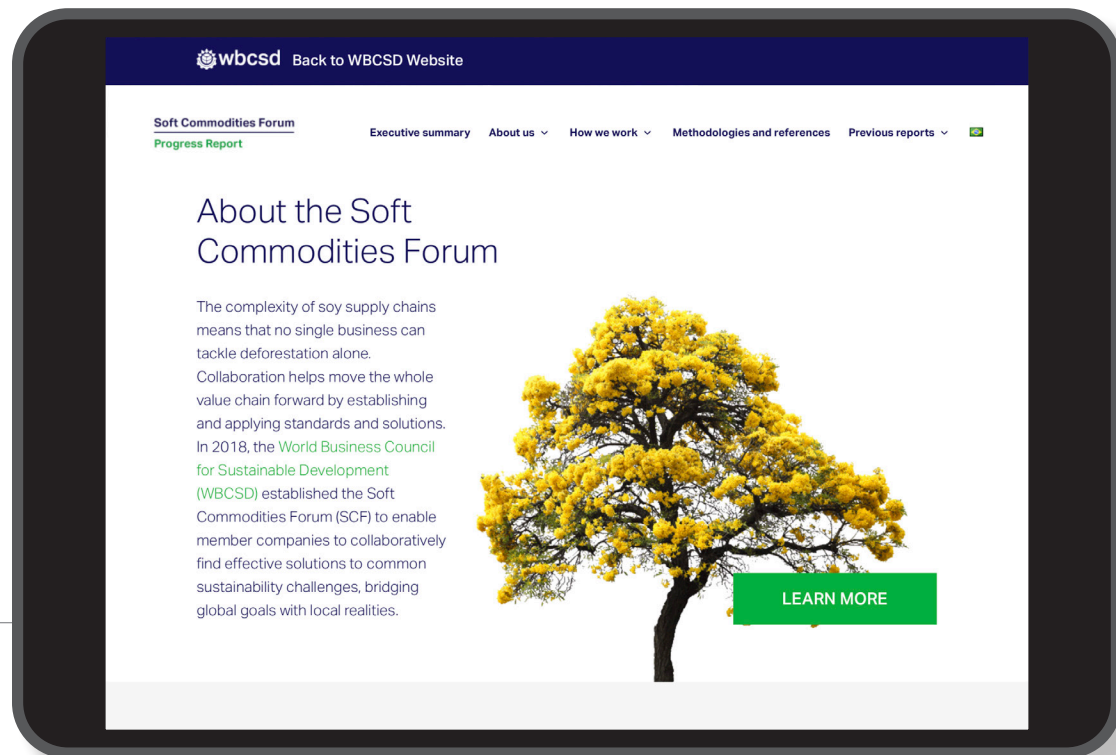


Finding the right solutions for local contexts

We believe in the power of collective action to drive soy sector transformation, which is why we are devoting resources to the Soft Commodities Forum (SCF) and its pre-competitive solutions. We also believe that putting farmers in the driver's seat is key to making that transformation a reality.

SCF is launching the Farmer First Clusters Initiative in the four states of Brazil's Matopiba region. This program is employing a tailored, smart mix of solutions in different landscapes to address deforestation and drive more sustainable land use. The six SCF companies and our NGO partners are identifying which combination of mechanisms are most likely to have a positive impact in each critical area. These mechanisms include farming practices, green finance, land restoration, and more.

The latest [SCF progress report](#) includes details about the [Farmer First Clusters Initiative](#), as well as [Cargill's latest sourcing metrics](#) from SCF's 61 priority municipalities in Brazil.



Progress implementing novel approaches to restoration in Brazil

Cargill committed to providing \$1.8 million to World Resources Institute (WRI) as the secretariat for Initiative 20x20, an effort led by 18 countries to change the dynamics of land degradation in Latin America and the Caribbean. Initiative 20x20 seeks to protect and restore 50 million hectares of land by 2030. Cargill's grant has supported actions to build the investment foundation for transformative projects with innovative approaches to restoration. Some of these include:

- The establishment of a 146,400-hectare carbon concession (a concession with the objective of maintaining the existing vegetation and thus the carbon it contains) in the State of Rondônia
- The development of the capacity to propagate production of native species for commercial use and for restoration on 50,000 hectares
- The use of native species as anchors in agroforestry programs across 280,000 hectares
- An analysis of the applicability of new financial mechanisms for the restoration of degraded pastures

As a group, the initiatives will support restoration and conservation of 476,400 hectares. And there is a distinct possibility for further replication and expansion of these types of restoration approaches in Brazil and elsewhere.

Customer-driven sustainable solutions

At Cargill, we strive to be customer-driven. This includes working with customers to help them find the right solutions to achieve their sustainability targets. For example, Nestlé is a major customer of Cargill's and has a **commitment** to reach net zero emissions by 2050 at the latest.

To help Nestlé ultimately reach this target, we recently worked with its Brazilian subsidiary to understand its requirements for traceability in its soy supply chain. Based on this, we provided soybean oil and related soy products through our **Smart Soy** offering that matched Nestlé's needs. This product helps customers understand where

their soy comes from and can be adjusted to meet certain customer criteria like cutoff dates for being deforestation- and conversion-free (DCF). Additionally, Nestlé will begin buying our **Triple S** certified soy late in 2022, which has verified production methods and other positive attributes such as being DCF.

We consider farmers to be our customers, too. So we work with them to help understand what the market is demanding in terms of soy sustainability. When influential customers like Nestlé purchase sustainable solutions, it sends economic signals—including premium payments—to farmers about what types of sustainability attributes that end users of their soy want.

Additionally, we are developing new tools for farmers to better understand and adopt the practices required by programs like Triple S. This year, we developed a special financing line for Triple S-enrolled farmers through our capital markets business in Brazil and we worked with Mosaic to provide those farmers with better commercial terms when they purchase fertilizer.

“Cargill proactively works to understand our sustainability journey and needs, and then helps us find the right solutions to get there.”

Mariane Gatto
Nestlé Procurement Specialist

1.74 million hectares

Amount of land we are monitoring across South America as part of various certification programs



Tracing our direct soy supplies

We are pleased to share that we have completed polygon mapping of all our direct soy suppliers in Brazil. From now on, any new direct suppliers will be required to provide polygon information about their farms before they can be registered in our system and sign commercial agreements. This will enable us to maintain a full registry of our direct suppliers going forward. With our mapping work in Brazil complete, we are focused on gathering polygons for our direct suppliers in the other South American countries where we source soy.

Polygon mapping is crucial to our efforts to build a deforestation-free supply chain because it enables us to monitor land use changes connected to the soy we buy. We will be able to respond to such land use changes on an ongoing basis through direct engagement with the farmers involved. Meanwhile, we will also use polygon information to report annually the amount of soy in our supply chain that is deforestation- and conversion-free (DCF).



Working with indirect suppliers

Where we can, we buy soy directly from farmers. But farmer cooperatives and other companies are also essential to ensuring we can provide the volumes our customers need. There are 18 cooperatives that account for 76% of the soy volumes we buy indirectly in Brazil. We are engaging with these indirect suppliers to understand more about the soy they are selling us.

Our partner Instituto BioSistêmico (IBS) conducted a broad assessment regarding the traceability, social and environment risks, management, and systems of these cooperatives and assessed their adherence to Cargill's sustainability protocols. IBS provided a report on this assessment and feedback for how to improve in these areas. Our target by the end of calendar year 2023 is to be able to audit these cooperatives to confirm that they have instituted the policies, procedures, and traceability systems outlined in our assessment.

“It was very important to participate in Cargill’s diagnostic program, being able to demonstrate the efforts and practices already adopted by our cooperative in agricultural production, in addition to understanding best practices that can still improve our quality management system.”

Daiane Cristina Wagner

Quality, Environment and Innovation Manager, Cooperativa Agroindustrial

Protecting human rights

Cargill is committed to respecting the human rights of all Cargill employees and all those whose lives and livelihoods we touch. As part of our [commitment on human rights](#) and our [Policy on Sustainable Soy—South American Origins](#), we are taking steps to protect and uphold the rights of workers, indigenous peoples, and communities.

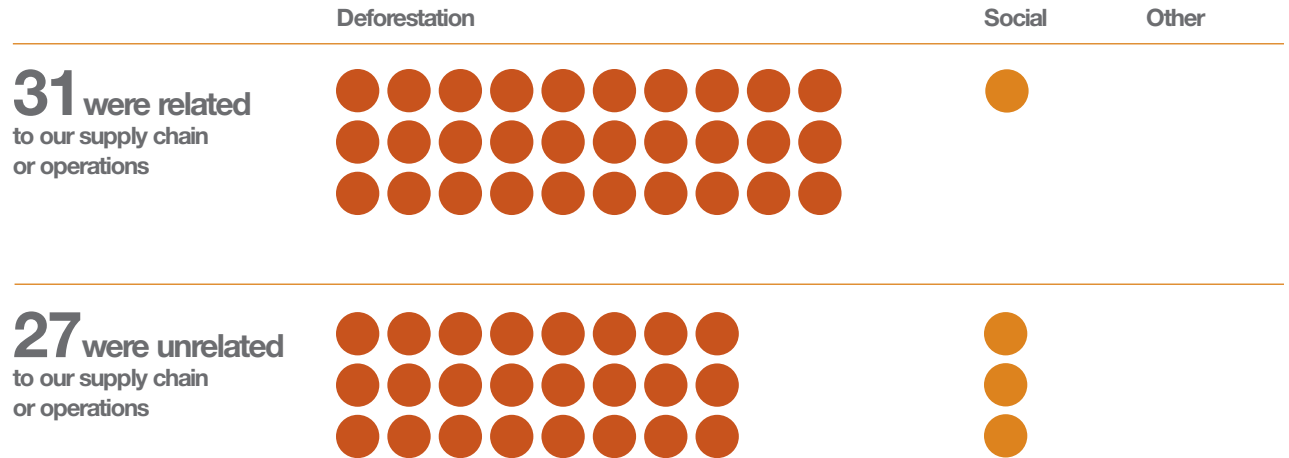
We recently completed a human rights gap assessment and risk mapping of our South American soy supply chain in consultation with Proactiva Results. This work is helping us review our processes and identify areas of improvement. Based on the recommendations, we are formulating actions that will mitigate risks to people in our supply chain.

Addressing grievances

We take immediate action to investigate when we receive reports of a problem related to our supply chain. Our [grievance process](#) lays out a transparent mechanism for us to review, address, and monitor any concerns as they are raised to us in relation to compliance with our soy policy. This includes documenting who raised the grievance, the farms or organizations being investigated, the status of our investigation, and our findings.

We take grievances seriously. We do not tolerate retaliation against anyone who, in good faith, raises a concern or participates in an investigation or whistleblowing. We prohibit harassment, intimidation, and the use of violence by any employee, supplier, or third-party contractor throughout engagement in our grievance process. Additionally, all suppliers are subject to Cargill's [Supplier Code of Conduct](#) and our [Policy on Forests](#).

58 soy-related grievances were reported in our system during the first half of 2022



How and why we block farms

Our strong system of controls helps ensure the integrity of our direct soy supply chain in Brazil. Every day, our automated system consults lists managed by various agencies and organizations. When a farming operation appears on one of these lists, it is blocked so it is not eligible to sell soy to us.

We also block other farms registered to the same person or entity in the state, as well as those owned by family members and those with whom they have a commercial relationship. These affiliated farms cannot be unblocked until we conduct a thorough analysis to help ensure that soy from the violating farm is not being rerouted and sold to us through the affiliated operation. All these unblocked farms are re-evaluated each new crop season to confirm they are still complying.

As deforestation has increased recently in some parts of Brazil, we have seen more farms being added to blocked lists. We passed our most recent third-party audit in November 2021 that confirmed our compliance with the Amazon Soy Moratorium and the Green Grain Protocol. No non-compliant soy was found to have entered our supply chain in this audit.

Blocked farms by list in the first half of 2022

		Number of farms we blocked	Additional farms we blocked to avoid rerouting of soy from restricted areas
Federal lists	IBAMA Covering all of Brazil, this list by the country's environmental agency includes embargoes for all types of illegal environmental activity such as illegal deforestation, improper licenses, and farm management issues	93	116
	ICMBIO Covering all protected conservation areas within Brazil, this list includes embargoes for deforestation violations inside those areas	2	1
	Slave Labor List Including all of Brazil, this list marks suppliers accused of making use of workers under conditions analogous to slavery according to Brazilian laws	16	0
State lists	Embargoes Mato Grosso A list managed by the state's environmental agency recording all environmental violations	131	66
	List of Illegal Deforestation (LDI) from Pará A list run by the state's environmental agency covering illegal deforestation	1	0
Sectoral lists	Green Grain Protocol This is part of a commitment signed in 2014 that establishes criteria for responsibly purchasing grain from farms operating in Pará	39	5
	Amazon Soy Moratorium Managed by the Soy Working Group, this list monitors all types of conversion of native vegetation to soy production in Brazil's Amazon biome	94	21
Total		376	209



References

- i Includes assets owned by Cargill, by Cargill joint ventures, and by third parties that provide toll manufacturing capacity.
- ii Source: [CONAB](#)[☞]
- iii Source: [MAGYP](#)[☞]
- iv Source: [CAPECO](#)[☞]
- v Source: [ANAPO](#)[☞]
- vi Source: [Uruguay's Ministry of Agriculture](#)[☞]
- vii For polygon mapping in Brazil, we use two methodologies. For suppliers who own the land, we use automated consultation of the INCRA-SIGEF [website](#)[☞]. For suppliers who rent land to grow their soy, our own commercial team identifies them and collects data. In other countries, all the data collection is done by our commercial team.
- viii See details of our methodology for how we calculated DCF figures on page 12 of our [March 2022 report](#)[☞].
- ix For more information on these biomes, see page 23 of our [March 2022 report](#)[☞].