

Deforestation-free commodities and products

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New EU rules to reduce deforestation related to production and import into the EU of cattle, cocoa, coffee, palm oil and soya

Regulation (EU) [2023/1115](#) of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

Update

On 9 June 2023, the European Commission published a Regulation of certain commodities and products associated with deforestation and forest degradation. The new rules respond to the alarming rate of deforestation resulting from the expansion of agricultural land to produce certain commodities. As European consumption of these commodities and related products indirectly contributes to deforestation, the EU aims to curb this practice and reduce the associated greenhouse gas emissions and biodiversity loss. The new rules will have significant implications for operators in the cattle, cocoa, coffee, palm oil and soya value chains in low- and middle-income countries.

Impacted products

cattle, cocoa, coffee, palm oil, soya

What is changing?

This Regulation establishes conditions for placing certain commodities/ products on the EU market associated with deforestation. It does not place direct obligations on non-EU producers or exporters. However, it does create the need for comprehensive traceability of information, documents and data that demonstrate that the relevant commodities and products are "deforestation-free" and "legal".

Targeted commodities/products

The EU has identified risks of deforestation in relation to the following agri-food commodities:

- cattle

- cocoa
- coffee
- palm oil
- rubber
- soya
- wood

as well as products made from them (e.g. chocolate, soybean oil, meat of cattle). The full list of products (and relevant customs codes) is contained in [Annex I](#) of the proposed Regulation.

Obligations across supply chains

EU operators may only trade and sell these commodities/ products on the EU market if they are "deforestation-free" and "legal". The Regulation therefore obliges EU operators to exercise due diligence prior to placing the relevant commodities and products on the EU market. This means that, according to law, EU companies are required to collect and analyse information from their suppliers that demonstrates the produce is deforestation free and legal.

What is "deforestation-free"?

For agri-food products, "deforestation-free" means that the relevant commodities/ products were produced on land on which no deforestation has taken place after 31 December 2020. In the case of meat, cattle must not have been fed using commodities produced on land deforested after 31 December 2020.

What is "legal"?

"Legal" means that relevant commodities/ products have been produced in accordance with the relevant legislation of the country of production. This relevant legislation could include land-use rights; environmental protection; forest-related regulations; third parties' rights; labour rights; human rights; the principle of free, prior and informed consent, including as set out in the United Nations Declaration on the Rights of Indigenous Peoples; tax, anti-corruption, trade and customs regulations.

What do non-EU producers and suppliers need to do to meet the new rules?

Non-EU country producers and suppliers will have to make the following information available to the EU businesses that sell the commodities/ products on the EU market (Art. 9):

- geolocation of all plots of land where the commodities were produced
- date or time range of production.

Where products contain commodities produced in different plots of land, details of all these plots must be provided. For cattle meat, geolocation refers to the establishments where the cattle were

kept.

Definitions

- "Plots of land" means land within a single property that is sufficiently homogenous to be able to assess deforestation and forest degradation (Art. 2(19)).
- "Geolocation" means latitude and longitude coordinates of a plot of land using at least six decimal digits. For plots of land larger than 4 hectares, polygons (latitude and longitude points describing the perimeter of each plot) should be used (Art. 2(29)).

If production areas within a single property are sufficiently similar in terms of assessing deforestation and forest degradation, the combined area can be considered a plot of land. If this combined area is smaller than 4 hectares, latitude and longitude coordinates of the plot of land should be provided using at least six decimal digits. For plots of land larger than 4 hectares, polygons (latitude and longitude points describing the perimeter of each plot) should be used. If the production areas are dissimilar in terms of deforestation assessment, each should be considered as an individual plot of land.

Role of existing third-party certification, national traceability and certification systems?

Third-party certification schemes addressing sustainability are already well established in most of the value chains affected (e.g. [Rainforest Alliance](#); Roundtable on Sustainable Palm Oil ([RSPO](#)) Certified Sustainable Palm Oil). The more robust these systems become, and the more aligned with the requirements of the Regulation, the easier it will be for operators in the EU to use certification as evidence that imported commodities are compliant. The Regulation clarifies that these systems could be used by operators in the EU to fulfil their due diligence obligations. All efforts to strengthen the traceability and sustainability of commodity production, private or public, will help operators to comply with the Regulation.

What do EU companies do with this information?

Before placing one of the listed commodities/ products on the EU market, an EU company must issue a due diligence statement that includes the country or countries of production, and geolocation of all plots of land (Art. 4(2), Annex II). This statement also confirms that the EU company has undertaken due diligence, meaning they have collected the relevant information and completed a risk assessment of the commodities/ products. The EU company can only put commodities/ products on the market where the risk assessment concludes there is no or negligible risk (i.e. "no cause for concern") that the commodities were produced in a deforested area, or in a way that breaches relevant legislation in the producing country.

Benchmarking the producing countries

By 30 December 2024, the European Commission will assess a producing country's risk status in relation to deforestation and forest degradation, on the basis of scientific evidence. It will then "benchmark" the country as low, standard or high risk. The Commission will engage with producing countries in this benchmarking process.

None of these risk categories will lead to a product ban. All producers meeting the requirements of the Regulation will be able to sell their products in the EU, regardless of the risk category that their country or region is assigned.

However, obligations of EU operators and EU Member States will vary according to the level of risk. EU companies importing from a low-risk country will not have to undertake the full risk assessment required under due diligence. And controls by EU Member State authorities will be lower for commodities/products from a low-risk origin (at least 1% of businesses checked, compared with 3% of companies from standard risk countries, or 9% of companies from high-risk origins) ([European Commission 2023](#)).

The list of low- and high-risk countries will be updated regularly on the basis of new evidence provided by third parties, including Member States, non-EU countries, international organisations and research institutes. This list must be reviewed every 2 years, but it can be reviewed as often as necessary when new information emerges.

EU support for non-EU countries

The European Commission committed to engage with producing countries and regions to support an inclusive transition to deforestation-free and legal supply chains to the EU.

In December 2023, the EU and Member States launched a [Team Europe Initiative on Deforestation-free Value Chains](#) to support non-EU countries the implementation of the regulation.

This includes the Sustainable Agriculture for Forest Ecosystems (SAFE) and a new Technical Assistance Facility:

- SAFE is co-financed by the Commission and the German Federal Ministry for Economic Cooperation and Development (BMZ). This program aims to support smallholders in the transition to sustainable and deforestation-free value chains and is currently operational in Brazil, the Democratic Republic of the Congo, Ecuador, Indonesia, Vietnam and Zambia. SAFE also hosts a Zero Deforestation Hub that provides information to stakeholders to support coordination of action in this domain.
- Technical Assistance Facility: due to be launched in the second half of 2024, this will provide on-demand expertise and technical support based on the needs in partner countries. It is expected to work on areas such as need assessments, geolocation, land use mapping and traceability systems.

Further guidance for non-EU countries?

The European Commission plans extensive outreach to non-EU country authorities and stakeholders, engagement in multilateral forums, and engagement with sectors. The multi-stakeholder Deforestation Platform ([European Commission 2020](#)) aims to facilitate the sharing of good practice and experiences through and across sectors.

The Commission has issued a [Frequently Asked Questions](#) document to support operators and traders, in particular SMEs, with the requirements of this new Regulation.

Why?

The expansion of agricultural land to produce certain commodities is one of the main drivers of deforestation and forest degradation, which is occurring at an alarming rate, threatening biodiversity and aggravating climate change. The EU seeks to prevent deforestation that may occur as a result of consumption of these commodities within the Union.

Timeline

For large EU operators, the due diligence obligations will apply from **30 December 2024**. For EU operators that are microenterprises and small enterprises, the due diligence obligations will apply from **30 June 2025**.

Note that the Regulation does not apply to commodities that were harvested before it entered into force.

What are the major implications for exporting countries?

Opportunities

The Regulation:

- presents an opportunity to enhance trade in deforestation-free products and boost opportunities for sustainable actors, including opportunities for social and economic empowerment of producers in sustainable supply chains and food systems
- will potentially create a fairer and more transparent market for suppliers who have invested in sustainable, forest-friendly strategies, which can contribute to improving companies' competitiveness in global markets (outside the EU) with growing consumer demand for green products

- can incentivise new business models – for instance, in the digital field – and boost opportunities for all actors in deforestation-free supply chains
- will reinforce existing initiatives to reduce deforestation in non-EU countries.

Challenges

- Smallholders, especially those in least developed countries (LDCs), may face technical and financial difficulties in providing geolocation data at the point of production.
- The necessary geolocation data and traceability systems will be more difficult to apply in the case of complex supply chains (with numerous intermediaries and large numbers of smallholders). It will require investment, and could make them less attractive to businesses as an ongoing source of supply.
- Meeting new information and traceability requirements within the timeframe foreseen (early 2025) will be difficult, particularly for weaker economic players and complex LDC supply chains.
- Smallholders and indigenous communities may also face difficulties demonstrating land rights, in particular in countries where enforcement of land rights is weak.
- Ensuring that smallholders and complex supply chains (particularly in LDCs) maintain their place in deforestation-free value chains supplying the EU market will be important, and may require support.

Recommended Actions

Producers and exporters

Producers and exporters of beef, cocoa, coffee, palm oil and soya are advised to:

- review the availability of existing and appropriate technology to enable geolocation of all plots of land where the commodities are produced
- review existing capacity of exporters to collect, track, store and transmit information on the deforestation-free and legal status of commodities/ products along the supply chain
- adapt traceability and record-keeping systems for producers, especially small-scale producers, to facilitate the provision of detailed information on location, production, land management, and date or time range of production
- engage with competent authorities to clarify the national legislation that is relevant to the production of commodities/ products, including land and labour rights

Competent authorities

Competent authorities are encouraged to:

- map out existing supply chains to the EU to identify:
 - strengths and weaknesses of specific sectors
 - existing access to relevant geolocation technology
 - existing best practices for traceability
- review the availability of tools (e.g. satellite images) that identify agricultural use before and after December 2020
- clarify (and communicate with the private sector) what national legislation is relevant for production of the commodities concerned (e.g. land-use rights, environmental protection, third parties' rights, forest-related regulations, labour rights, human rights, rights to consultation (with indigenous peoples), tax, anticorruption, trade and customs regulations)
- develop an enabling environment to support traceability and the establishment of land rights, and demonstrate the implementation of relevant national legislation
- develop dialogue with the EU and European private sectors to explore opportunities for relevant partnerships that can support the transition towards deforestation-free and legal supply chains to the EU.

Resources

Council of the European Union (2022) Proposal for a Regulation of the European Parliament and of the Council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 – [Letter to the Chair of the European Parliament Committee on the Environment, Public Health and Food Safety \(ENVI\)](#).

European Commission (2019) [Communication: Stepping up EU Action to Protect and Restore the World's Forests](#).

European Commission (2020) [Commission launches global cooperation platform to fight deforestation](#).

European Commission (2021a) [Biodiversity: deforestation-free products on the EU market](#).

European Commission (2021b) [Impact assessment report minimising the risk of deforestation and forest degradation associated with products placed on the EU market](#).

European Commission (2022a) [EU, Côte d'Ivoire, Ghana and the cocoa sector endorse an Alliance on Sustainable Cocoa](#).

European Commission (2022b) [Questions and Answers on new rules for deforestation-free products](#).

European Commission (2023) [Regulation on deforestation- and forest degradation free supply chains](#) (presentation).

Sources

Regulation (EU) [2023/1115](#) on certain commodities and products associated with deforestation and forest degradation

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