

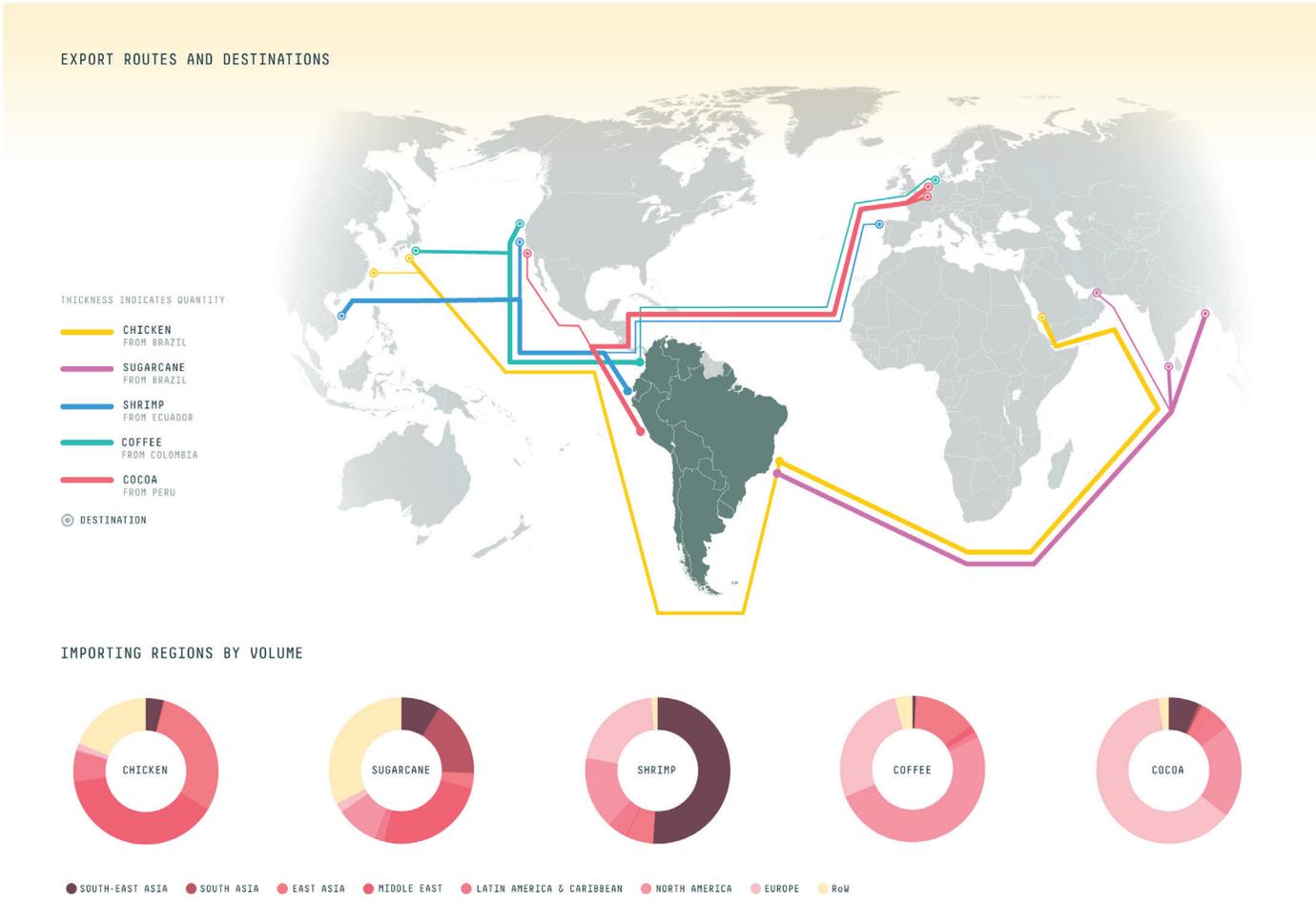
# Exploring the export markets for South America's forest-risk commodities

New [data on Trase](#) highlights the growing importance of South America as one of the major breadbaskets of the world, and the deforestation risks connected to commodity exports from the continent.

Mapping trade flows from six countries, and covering 12 forest-risk commodities, the new data details the traders involved from the port of export to the country of import.

South America currently produces almost half of the world's coffee (45%) and sugarcane (45%), 13% of the world's cocoa, 18% of the world's chicken and around 15–20% of the world's farmed shrimp. This Trase Infobrief looks at the dominance of particular traders, the biggest consumer markets and the some of the associated environmental risks. Understanding these can help us identify important levers for driving change towards more sustainable supply chains. What is more, many of the biggest commodity traders operate across multiple countries and commodities, so opportunities to improve their supply chains can be far reaching.

Here we pull out some insights on the trading patterns for five of these commodities from different countries within South America: chicken and sugarcane from Brazil, coffee from Colombia, cocoa from Peru, and shrimp from Ecuador.



**FIGURE 1** Export routes and destinations for forest-risk commodities from South America.

## Brazilian chicken

Brazil produces approximately 65% of South America's chicken and, at a value of over \$6bn, chicken exports accounted for 3% of Brazil's exports in 2017<sup>1</sup>. The chicken industry is a major user of soy-based feed and, with biodiversity-rich forests and natural vegetation cleared for soy in areas such as Matopiba in the Cerrado, chicken is an important component of deforestation risk (see [Trase Yearbook 2018](#)).

Exports were primarily to Saudi Arabia, Japan and China in 2017 (Figure 1). Nearly half of the top 15 importers of Brazilian chicken were in the Middle East. A handful of traders dominate (Figure 2) with just four Brazilian companies exporting more than 60% of the volume.

## Brazilian sugarcane

Some 89% of South America's sugarcane production comes from Brazil, and raw sugar accounts for over 12% of the country's exports (\$11.4bn in 2017). However, this crop's high water requirements can be a problem in dry areas and the health impacts of sugar consumption is a key concern in many countries. Brazilian sugarcane production has also been linked to water pollution from fertilizer. Ten traders dominate, accounting for 57% of exports (Figure 2) and the biggest markets for Brazilian sugarcane are Bangladesh and India.

## Colombian coffee

Some 70% of South America's coffee is produced in Brazil, but Colombia is also a significant producer, accounting for almost 20%. It is the country's biggest agricultural export, accounting for almost 7% of export values in 2017 (\$2.7bn). Much of this is exported to the United States, European and Japanese markets. Nine of the top 15 importers are in Europe. The Colombian Coffee Federation's target of [100% sustainable production by 2027](#) is likely to increase the country's popularity amongst sustainability-conscious coffee drinkers.

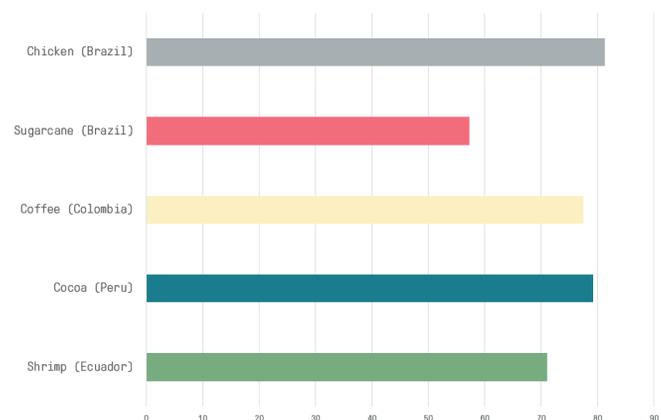
## Peruvian cocoa

Peruvian cocoa bean exports are worth just \$153m (0.3% of exports in 2017). However, cocoa farming has been a key driver of deforestation in Peru. Over half of cocoa exports are traded by just four Peruvian companies to supply markets in Europe – particularly via Belgium and the Netherlands.

## Ecuadorian shrimp

Almost 80% of South American shrimp exports originate in Ecuador where it is a major contributor to the country's economy. Exports – particularly to Europe, North America and Vietnam – were worth over \$3bn in 2017 (16% of export value). Shrimp production, however, has been linked to mangrove loss, with impacts on biodiversity, coastal flood protection and carbon storage.

Dominance of 10 largest traders



**FIGURE 2** Dominance by commodity of the 10 largest traders.

## Find out more

Explore [Trase](#) to discover more about the traders across commodities, and the key markets importing forest-risk crops.

The Trase Infobrief series illustrates some of the key insights around commodity trade and supply chain sustainability that are made possible by Trase. Explore the data yourself at [trase.earth](#)

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