



Bundesverband Naturkost Naturwaren (BNN) e.V.  
Michaelkirchstraße 17/18  
10179 Berlin (Germany)

Phone: +49 (0)30 / 847 12 24-56  
Fax: +49 (0)30 / 847 12 24-40  
presse@n-bnn.de | www.n-bnn.de

### Statement on the EU Regulation on Deforestation-free products (EUDR)

As an organisation representing the interests of companies in the organic food sector of import, processing and trade, we have the following position on the EUDR:

#### Basic attitude

The Bundesverband Naturkost Naturwaren (BNN) e.V. fundamentally supports the goal of the EUDR. The protection of forests and biodiversity is of central importance for the preservation of our planet and the fight against climate change. The protection of indigenous peoples, who contribute significantly to the preservation of these valuable ecosystems, is also an important concern that we fully support.

We therefore expressly support the objectives of the EUDR to protect both forests and indigenous peoples. However, the implementation of such a law, including its foreseeable consequences, must be well thought through. Unfortunately, our impression is that this has not been done sufficiently in this case.

#### Points of criticism

Our main criticism is directed at two aspects:

1. The potential negative impact on smallholder farming structures and producer communities, often including indigenous peoples, in the Global South
2. The burdens for companies within the EU that import, process or trade products affected by the regulation (including many small and medium-sized companies in the food industry)

#### I. Effects on smallholder farming structures in countries of the global South

- There is a risk that smallholder producers - often indigenous people - will be excluded from supply chains for the raw materials covered by the regulation.



- This is because many small farmers in countries of the global South do not know the exact geodata on their land.
- The internet connection required to obtain data is not available everywhere.
- It is therefore likely that some smallholder structures will not be able to provide the data required to prove that they are deforestation-free and will therefore be excluded from the export market to the EU.
- In contrast, large, financially strong agricultural companies will probably be able to obtain the necessary data and thus continue to serve and dominate the European market.
- This could significantly increase the risk of land conflicts between large-scale and small-scale farmers.

These points are also confirmed in a study published in **Forest Policy and Economics**.<sup>1</sup>

### II Impact on importing, processing and trading companies in the EU

- The announced benchmarking has not yet been carried out, which means that countries that are likely to be categorised in the low risk category must also be treated as countries with standard risk for the time being.
- The announced IT system is not yet available (apart from a test version).
- The announced expansion of the FAQ to include questions that have not yet been clarified has not yet been published.
- The timing of the deadline by which the EU Commission has undertaken to provide the above-mentioned documents and the date by which the law must be implemented makes timely implementation practically impossible.
- The requirement to document each batch individually and the fact that goods will no longer be allowed into the EU if information is missing are highly problematic. This could lead to supply bottlenecks or to smaller suppliers being weeded out, which could pose a greater risk in terms of reliable information procurement.

---

<sup>1</sup> Zhunusova, E., Ahimbisibwe, V., Le, T. H. S., Sadeghi, A., Toledo-Aceves, T., Kabwe, G., & Günter, S. (2022). Potential impacts of the proposed EU regulation on deforestation-free supply chains on smallholders, indigenous peoples, and local communities in producer countries outside the EU. *Forest Policy and Economics*, 143, 102817. <https://doi.org/10.1016/j.forpol.2022.102817>



### Special challenges for organic companies

As an association of organic producers, we would like to emphasise that the EUDR poses particular challenges for our sector:

- Organic companies often source products from small farmers and indigenous communities, who are particularly vulnerable to the new requirements.
- Organic farming traditionally promotes diverse and small-scale farming systems, which could be penalised by the new regulations.
- The organic sector has already implemented strict controls and certification systems. The additional requirements of the EUDR could lead to a disproportionate burden and thus to a further competitive disadvantage.

### III Insufficient review periods

Another critical point concerns the timeframe for the review of the regulation:

- According to current planning, an initial general review is not to take place until five years after entry into force. This review is then to be repeated every five years.
- At the first review, a report on the impact of the regulation on producer countries, in particular on small producers, indigenous peoples and local communities, will be submitted to the EU Parliament and Council.
- It will also be examined whether additional trade facilitation instruments are necessary for producer countries. Another important aspect of the first review concerns the possible shift in trade flows, which could mean possible attempts at circumvention.

**We consider this timeframe to be far too long.** Given the potentially serious impact on smallholder structures, indigenous communities and SMEs in the EU, an earlier and more frequent review is urgently needed.

### We therefore demand:

1. A revision of the regulation taking into account the specific situation and possibilities of smallholder structures and indigenous peoples.
2. The fastest possible provision of the benchmarking system, IT system and extended FAQ.
3. Realistic transition periods that allow all parties involved to make the necessary adjustments.
4. Support programmes for smallholder structures and SMEs in order to meet the requirements of the EUDR.



5. A much earlier and more frequent review of the regulation, particularly with regard to its impact on small-scale producers, indigenous peoples and local communities as well as potential trade diversion. We propose that the first review be carried out after just two years, followed by annual evaluations.

Only through a balanced, practical and regularly reviewed implementation of the EUDR can we both protect forests and ensure fair and sustainable supply chains. The proposed earlier and more frequent reviews would make it possible to recognise negative impacts more quickly and make the necessary adjustments in a timely manner.

With our network of companies in the organic food sector, we are happy to help when it comes to further developing the EUDR. Please feel free to contact us with any questions or feedback:

Kathrin Jäckel: [jaeckel@n-bnn.de](mailto:jaeckel@n-bnn.de)

Managing Director BNN e.V.

Ulrike Schaal: [schaal@n-bnn.de](mailto:schaal@n-bnn.de)

Sustainability Officer

### About the BNN:

The Bundesverband Naturkost Naturwaren e.V. represents companies in the natural food and natural products sector. The association adopts special quality guidelines for the natural food trade that go beyond the legal requirements for organic products. The BNN member companies employ a total of around 18,000 people, including over 1,000 trainees. In 2023, German organic food wholesalers achieved a turnover of 2.12 billion euros. For natural food retailers in Germany, this translates into a sales volume of 3.83 billion euros for organic food and natural products.