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Gap Identification Work on Developing Schemes in Argentina

ViSeC and Verified Process Province of Santa Fe for EUDR compliance

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1. METHODOLOGICAL INTRODUCTION

At the request of the "**German - Argentine Dialogue on Sustainable Agricultural Innovations**", this analysis aims to identify the gaps in the public-private schemes being developed in Argentina to meet the requirements of the Regulation (EU) 2023/1115 of the European Parliament and of the Council concerning the placing on the EU market and the export from the EU of certain raw materials and products associated with deforestation and forest degradation (EUDR).

The schemes to be analysed in Argentina are:

- the "**ViSeC System**" for soybeans and their by-products such as the beef module, and
- the "**Santa Fe Province Verified Process**" scheme.

Methodologically, the analysis proposes a first **detailed description of the schemes** (baseline description), covering their institutional nature and governance, their traceability scheme and their chain of custody. This first descriptive approach is based on public documents available to date and direct interviews with leading professionals involved in the respective developments (see Annex I). As these are schemes that at the date of the study are in full development with varying degrees of progress, the pending points or reported dates for their conclusion are mentioned. In addition, the baseline description includes answers to the questions raised in direct interviews with the Dialogue participants in 2023 (see Annex II). At the same time, each scheme is accompanied by **a summary of the regulatory framework in Argentina** that complements the understanding of the schemes analysed in their integration with national and provincial public registers and regimes.

Secondly, **an evaluation matrix** is developed considering the EUDR articles and the FAQ document published by the EU in December 2023[1] as compliance parameters. The table summarises the response of each system and/or module only in those fields that apply to the supply chain of the relevant raw materials and by-products according to the EUDR up to export at origin to the EU.

Finally, **gaps arising from the assessment matrix are** identified by way of conclusion **and opportunities for improvement or mitigation measures for the risks identified are presented as proposals**.

[1] https://environment.ec.europa.eu/publications/frequently-asked-questions-deforestation-regulation_en

2. VISEC ARGENTINA[2]

Visión Sectorial del Gran Chaco Argentino

2.1. ViSeC System Members

The "Plataforma para la Visión Sectorial del Gran Chaco" (ViSeC) as a non-profit initiative was born in 2019, as an initiative of the "Cámara de la Industria Aceitera de la República Argentina", the "Centro de Exportadores de Cereales" (CIARA-CEC), The Nature Conservancy (TNC), Tropical Forest Alliance (TFA) and Peterson Consultancy.

Figure 1. ViSeC members

Source: ViSeC. February 2024
Notes: Colaboradores: collaborators
Plenos: Full collaborators
Observadores: observers

There are currently 34 organisations and companies that are part of ViSeC as full members and collaborators that participate in the Technical Committees and Plenary in a dialogue that is fundamental for the system.

[2] https://www.visec.com.ar

Among the organisations involved is the Rosario Stock Exchange[3] , which is the administrator of the ViSeC reporting and verification system and is currently involved in its digital development. This task is led by the Exchange's Digital Services Area, which subcontracts the consultancy firm 4Points for this specific development.

The Buenos Aires Grain Exchange[4], in particular, is contracted through CIARA-CEC to carry out thematic sectoral studies based on its track record of monitoring the main national productive and macroeconomic variables. Among these studies, the following stand out:

- Bolsa de Cereales de Buenos Aires - Fundación INAI[5], "*Deforestation Risk Assessment in Argentina for Soybean and Soybean By-products Exports to the EU*", September 2023.
- Bolsa de Cereales de Buenos Aires - Fundación INAI, "*Indicadores de deforestación y la producción de soja en Argentina*", November 2023.

These studies are provided as support to the ViSeC system by CIARA-CEC, as a chamber that brings together ViSeC operators, in order to give robustness and support to the system. In the same way, the studies have been and are presented by CIARA-CEC to national authorities, mainly to the National Ministry of Foreign Affairs and competent authorities of the EU, as well as to EU importers for their dissemination and knowledge.

The Cordoba Grain Exchange[6] has recently joined the ViSeC platform, as will the other national grain exchanges operating in Argentina in the first half of 2024.

2.2. Objective of the ViSeC System

The main objective of ViSeC is to achieve that the total amount of soybean produced in Argentina is recognised as free of deforestation or forest degradation according to the parameters established in the EUDR. In line with this definition, ViSeC has proposed to develop with the consensus of the entire Argentinean soybean chain and with the endorsement of internationally recognised environmental NGOs a ViSeC Deforestation Free Soybean Protocol (hereinafter ViSeC SLD), which with its application can guarantee the traceability and chain of custody of deforestation free soybeans according to the requirements of the EUDR.

2.3. Key definitions: deforestation and forest degradation ViSeC SLD

For the purposes of the ViSeC SLD, and following the definitions and considerations of the Food and Agriculture Organization of the United Nations (FAO), it is understood as:

- ***Forest*** to land extending over at least 0.5 hectares or 5,000 m2 with planted (predominantly consisting of trees established by planting and/or deliberate

[3] https://www.bcr.com.ar/es
[4] https://www.bolsadecereales.com/
[5] Fundación Instituto para las Negociaciones Agrícolas Internacionales (INAI) https://inai.org.ar/
[6] https://www.bccba.org.ar/

seeding) or natural trees (includes virgin or naturally regenerating forests consisting of native species) with a height of at least 5 metres and a canopy cover of at least 10% or that can potentially reach these parameters (e.g. abandoned agricultural areas with regenerating trees that can reach these requirements). Within this definition, windbreaks, barriers and tree corridors at least 20 metres wide with an area equivalent to at least 0.5 hectares or 5,000 m2 are also considered as forest. Not included in this definition, and therefore not considered as forest, are lands of predominantly agricultural, urban use and silvopastoral, agro-silvopastoral and other systems where crops and/or livestock are combined with planted and/or native trees, these systems are included under "agricultural/productive use".

- ***Deforestation*** is the conversion of forests to agricultural use, whether caused by human activities or not. A decrease in cover below the 10% threshold is considered deforestation. While the definition clarifies that conversion is independent of human action, FAO specifies that in the event of a natural disaster (e.g. a forest fire) if the affected forest is allowed to regenerate and the disturbance is not used for conversion to agricultural use (or any use other than the one prior to the disturbance), it would NOT be considered deforestation. In the event that the change caused by the natural disaster results in the detection of an agricultural use (or other use that differs from the original one) in that area, it will be considered as deforestation. In addition, a change from forest to agricultural use, such as the introduction of an agroforestry system, even if it does not involve land clearing, will be considered deforestation. The term excludes, in the case of forest plantations, areas where trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the help of silvicultural measures.
- ***Forest degradation*** to structural changes in forest areas, including the conversion of naturally regenerating forests and primary forests to forest plantations or other wooded land, as well as the conversion of primary forests to planted forests, both criteria will be considered for areas equal to or larger than half a hectare.

To date ViSeC sets out the requirements and chain of custody for achieving verification of freedom from deforestation and forest degradation according to the criteria set out in the EUDR. The incorporation of other ecosystems and landscapes, e.g. wetlands and grasslands, that would allow the system to be expanded to "non-conversion" in a comprehensive manner is technically feasible to be addressed by the ViSeC system. Initially it will require the inclusion of these additional information layers to develop a national mapping of each new ecosystem to be considered. The incorporation of these ecosystems will be done as and when there is a formal market requirement that justifies the cost of development. To date, this is not a legal requirement in Argentina, unlike deforestation, the mapping of which is established in the framework of the Forest Law (see BOX 1).

Following the criteria established by the EUDR, the definition of Deforestation Free Soybeans (DFS) according to ViSeC DFS considers the following 2 concurrent conditions:

1. Essential condition: All soybeans produced on land that was not deforested or not subject to forest degradation after 31 December 2020[7] ;
2. Necessary but not sufficient condition: Any soybean produced on land that complies with all relevant applicable laws in force in the country of production. (See BOX 1) In Argentina the ViSeC platform considers compliance with national legislation and provincial interpretations and implementations as a necessary condition.

BOX 1: National forest regulatory framework - Argentina

In Argentina, the National Congress has established a regulatory framework for the protection of native forests through the approval in 2007 of Law 26,331 on Minimum Standards for the Environmental Protection of Native Forests[8] (hereinafter the Forest Law), regulated by the Executive Branch in February 2009.

Argentina being a federal country, and according to Art. 41 of the National Constitution (CN), it is up to the provinces to dictate the implementing regulations. In turn, under Art. 121 and 124 of the CN, the provinces retain all powers not delegated to the Nation and have the original dominion over the natural resources existing in their territory. Therefore, each province issued its own law establishing Forest Management based on conservation categories, including those not suitable for conversion and/or cultivation:

- **Category I (red):** Sectors of very high conservation value that should not be logged or used for logging or other activities and should be maintained as forest forever. This category includes nature reserves and their surroundings, which have outstanding biological values, and/or sites that protect important watersheds (river and stream sources).
- **Category II (yellow):** Sectors of high or medium conservation value that may be degraded but, if restored, may have high conservation value. These areas may not be decommissioned, but may be subject to the following uses: sustainable use, tourism, harvesting and scientific research. The production of soybeans or any other grains is not allowed in this Category.
- **Category III (green):** sectors of low conservation value that can be partially or totally transformed, subject to the completion of an Environmental Impact Study. Here soybean production can take place under prior environmental approval, based on provincial regulations.

As established by the national law and its complementary regulations, all proposals for intervention on native forests must be submitted by the landowners to the Local Application

[7] Most restrictive deforestation cut-off date set out in the EUDR.
[8] https://servicios.infoleg.gob.ar/infolegInternet/anexos/135000-139999/136125/norma.htm

Authorities (ALA, acronym in Spanish) in the form of Conservation Plans (CP), Sustainable Management Plans (PM, acronym in Spanish), Formulation Projects (PF) or Land Use Change Plans (PCUS, acronym in Spanish). These plans will require the evaluation and approval of the ALA prior to their execution and must be signed by the owners and by a qualified professional, registered in the provincial register kept by the ALA for this purpose, in the manner and with the scope established by the ALA.

2.4. Methodological development and alignment of the ViSeC system

The development of the ViSeC SLD Protocol was based on the monitoring, reporting and verification (MRV) recommendations of the Accountability Framework Initiative[9] (AFi) in line with global science-based recommendations. Through this methodology, ViSeC makes it possible to identify and trace the origin of soy starting from the cradle (primary level), the production unit, and to follow the flows of soy throughout the entire value chain produced in Argentina, demonstrating that it is deforestation-free according to the definitions established in Point 1.3. until it leaves the national customs territory.

This systems model consists of three general stages:

- The first is **Monitoring**, in which methods are established to collect information from production units and specific evaluations are carried out in relation to changes in land use in accordance with the ViSeC commitment. This stage also seeks full traceability of soybeans throughout the entire chain of custody reaching Argentinean ports of export.
- The second stage is the **Report**, which reflects progress and results related to the implementation of commitments, reported transparently through ViSeC. The reports present quantitative and qualitative metrics of progress, adhere to common definitions, indicate data sources and independently verify the information by detailing the monitoring methodology used. If a plan has been reassessed and new targets are defined, the implementation plan will be agreed again.
- Finally, the **Verification** stage will take place, where compliance with the commitments is validated through third party verification processes carried out in accordance with good practice standards of credibility, rigour and independence.

Figure 2. MRV ViSeC

[9] https://accountability-framework.org/

2.5. Verification Bodies (VBs) authorised by the ViSeC System

All ViSeC Platform members must be audited in successive stages by independent Verification Bodies (VBs) authorised by the ViSeC Platform as well as the Platform itself.

2.5.1. VB requirements

The VBs and their auditors must meet the following requirements in order to be recognised and authorised by ViSeC:

- Full name of the Verification Body (VB).
- Name and contact details of the main contact person/responsible to ViSeC.
- Geographical area in which the service(s) will be offered.
- Addresses of the offices of the certification agencies to be used to provide certification services and contact details.
- Complaints procedure for handling complaints about certified organisations, open to any interested third party.
- Procedures for identifying and managing potential conflicts of interest.
- A Quality System and Programme certification scheme developed by the VB, including at least:
  a) A record of competence, training and a clear justification for qualifying as a lead auditor to provide the certification service.
  b) Conducting audits according to the requirements of ISO 19011.
- Appointment of competent and trained employees in terms of ViSeC Programme requirements.
  a) They should demonstrate independence from the audited activity and be free from conflict of interest.
  b) They should demonstrate sufficient skills to perform general audits.
     - Successful completion of a ViSeC training course for auditors.
     - Successful completion of one of the following auditor training courses: ISO 9000 or ISO 19011.
     - Supervised practical audit training period of at least 5 days of audit experience in similar certification schemes.
  c) They must demonstrate sufficient skills and knowledge to perform specific audits related to the ViSeC criteria[10] .
  d) They must demonstrate that audits will be properly planned, conducted and reported. Auditors must be re-qualified every 3 years. This qualification is done through a monitoring programme/process developed by each VB. The monitoring programme may include harmonisation meetings, administrative reviews, external trainings,

[10] ViSeC will provide a training course for auditors covering the understanding of the ViSeC Protocol, the "ViSeC Approved Production Unit" mapping methodology, traceability, the segregation system and basic auditing techniques.

parallel audits conducted jointly by an external auditor, etc. Proof of the programme must be submitted to ViSeC.

- List of recognised and approved auditors (name and email contact details).

VBs must additionally comply with the following requirement:

- Evidence of accreditation by a National or International Accreditation Body to the requirements of ISO/IES 65:2015, with the address of the office where accreditation takes place. ISO/IES 65:2015, with the address of the office where the accreditation takes place.

All of these previously listed requirements ensure that the VB and its auditors are competent and can produce objective results.

2.5.2. Procedure for the recognition of VBs by the ViSeC System

The final recognition of all VBs will be decided by ViSeC based solely on the general procedure described below:

- Review of all information and documentation submitted for compliance with the qualification requirements.
- ViSeC meetings with senior executives of the VB and other management levels as deemed necessary;
- References of the accreditation body that granted the required accreditation;
- The right to act as an observer in at least one audit of the different actors in the supply chain. The selected Member(s) shall be informed in advance by the VB and all potential conflicts of interest shall be avoided;

The ViSeC Programme reserves the right to add additional requirements at any time, provided that reasonable notice is given for compliance to the VBs and to investigate any complaints or suspected deviations from this programme, as well as to take disciplinary action or withdraw approval in the event of non-compliance with the terms agreed with ViSeC.

ViSeC shall sign an agreement with each VB after the VB is recognised under the Programme. ViSeC shall maintain an updated list of recognised VBs, which shall be publicly available.

Employees of recognised VBs will be required to sign a "Code of Conduct/Confidentiality and Conflict of Interest Agreement". The VBs shall sign a similar agreement with each ViSeC operator that is audited.

2.6. Geographical scope of the ViSeC System

Regarding the current scope, ViSeC covers the entire national territory under agricultural production, 33 million hectares[11] . ViSeC originated in the Gran Chaco biome in Argentina as a site of high biodiversity value on a global scale, with a wide variety of ecosystems and native species, and at the same time, a very active nucleus in the origination of grains, meat, fibres and biofuels, with more than 12 million hectares under production.

2.7. ViSeC System Operators

The operators, users, of the ViSeC system are:

- **Companies exporting soya or soya by-products,**
- **Silos and grain elevators,**
- **Brokers, and**
- **Other actors** handling grains, meals, oils and soybean derivatives, which are located in Argentinean territory and are committed to fully comply with the requirements of this Protocol.

When any operator together with its plants, branches and users registers in the ViSeC System by completing an "Application for membership" they consent to the document "Terms and Conditions ViSeC SDL Argentina". This document has completed its final review by the legal teams of the Grain Exchange of Rosario and CIARA-CEC. It is expected to be published in April 2024.
Grain producers[12] are not direct ViSeC operators but through the previously listed operators. These are the operators who, on the basis of the Initial Affidavit,[13] manage the

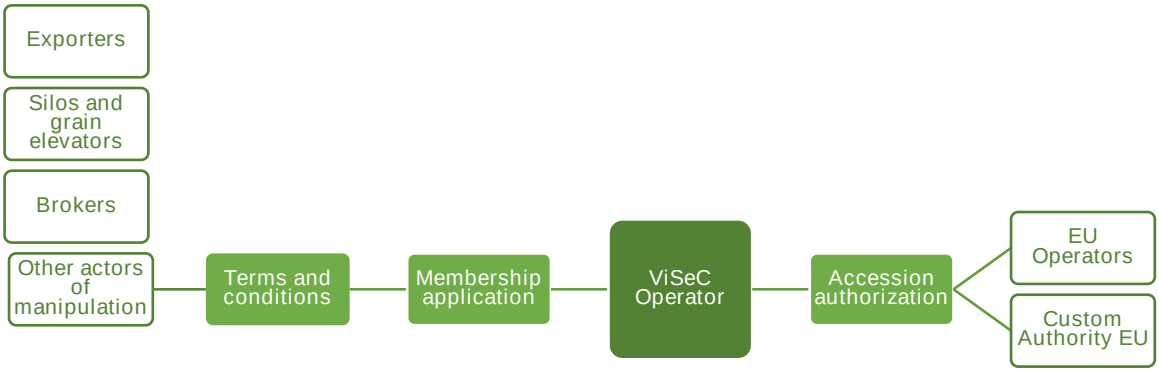
[11] CNA 2018.
[12] According to data from the 2018 National Agricultural Census (CNA, acronym in Spanish), there are 249,663 farms in the country. These are predominantly owned by natural persons, 84% of them are under this legal name. Although the Legal Societies only own 9.5% of the farms, they own 34% of the country's agricultural area.
Of the more than 477 thousand plots existing nationwide, 58% are owned by the producers who actually work them, another 30% are leased lands. The percentage of leased lands far exceeds 40% in the main agricultural provinces (Buenos Aires -43%-, Córdoba and Santa Fe -51%-). At national level, the average farm has 620 hectares. But there is a great divergence between provinces, with large extensions in the south and smaller establishments in the north of the country, going from the average 22 thousand hectares in the Province of Santa Cruz to 80.6 hectares in Misiones. Large producing provinces, such as Buenos Aires, Córdoba and Santa Fe, have between 470 and 640 average hectares per farm. According to census data, some 12.7 million hectares of soybeans were planted in just over 42 thousand farms (16% of the total). More than 76% of the area planted with soybeans and 84% of the farms were located in the three largest producing provinces.
For its part, 99.3 thousand farm with bovine stocks were surveyed for commercial purposes, totaling a total of 40 million of heads. Although the distribution is more uniform, 37% of this livestock stock was in the Province of Buenos Aires. Córdoba, Santa Fe, Entre Ríos, Corrientes and La Pampa explain an additional 41%.
To date, the CNA 2018 microdata has not yet been published in order to determine what amount of commercial production is carried out in leased fields.
[13] The Initial Producer Affidavit is similar to the one that currently underpins the 2BSvs scheme within the schemes recognised by the European Commission in the framework of the EU RED. The data it incorporates are: Name of the Establishment, Total Hectares, Sustainable Hectares, Province, Locality, Latitude and Longitude of the polygon. For the 2023-2024 campaign, the RENSPA ID (see BOX 2) will be added. In its final development, it will also include "*relevant legislation*" (Article 2, paragraph 40 EUDR) regarding labour rights and human rights in addition to the Annual Report that ViSeC will carry out at country level regarding compliance in this area (See Point 1.8.1.1).

data of the producers (who consent, in turn, through the same document, to its use) and the production units in the system.

The ViSeC system is designed to be integrated with any other system according to its API (Application Programming Interface) layers. Given that the ViSeC system interacts in its traceability and chain of custody with official information systems, it is currently in the process of integration with the Federal Public Revenue Administration (AFIP[14], acronym in Spanish) and the National Agri-Food Health and Quality Service (SENASA[15], acronym in Spanish) databases. This development involves accompanying the integration process with the official systems, developing manuals, data sets to be shared and producer authorisation functions. In the future, this integration will require less data uploading by the operator with respect to the producer and the production unit, as well as data validation/cross-checking, which will make the system more robust.

Importers and traders in the European market are not ViSeC system operators. Upon express request to the exporter, EUDR operators in the European market can access the platform through a password and user provided by the administrator in order to have access to all traceability and supporting documentation of the final certificate issued. The competent European customs authority can also access in the same way, upon specific request to the non-EU exporter.

Figure 3. Accession ViSeC operators



2.8. The ViSeC Traceability System

ViSeC offers a digital tool (hereinafter ViSeC System or System) that operates through multiple channels (web and mobile applications). The system makes it possible to identify, trace the origin and follow the flows along the entire value chain of soybeans produced in Argentina that will be traded through the ViSeC SLD Protocol.

[14] https://www.afip.gob.ar/landing/default.asp
[15] https://www.argentina.gob.ar/senasa

2.8.1. Operational data upload steps

2.8.1.1. Administration of Productive Units (PU) for agricultural use within the ViSeC System.

A Production Unit (PU) is defined as the parcel of land (within a property) that will have a given harvest as a result of the production of a defined producer.

As a first step, based on the Producer's Initial Affidavit, operators must register the producer and its associated production activity in order to authorise it. Its basic data are:

- Single Tax Identification (CUIT[16], acronym in Spanish).
- Company name.
- National identity document (DNI[17], acronym in Spanish).
- Contact (e-mail).

If the producer has been previously uploaded by another operator, it will appear as registered and the operator can skip this first registration and proceed to the next upload step.

As a second step, operators shall register the PU by entering the following data:

- Name - description.
- Identification of the production unit according to RENSPA ID code (see BOX 2).
- Total area (ha).
- Locality.
- Geo-referencing data of the current campaign (polygon delimiting the production unit).
- ID RENSPA.
- Campaign.
- Productive area reference year.
- Relationship between the operator and the PU (linkage).
- Land Use Change Plan (PCUS, acronym in Spanish) approved by provincial authorities in areas of forest categorised as green (Category III) under the Forest Act (see BOX 1), where applicable.

In this information upload step, the operator performs a detailed and restrictive analysis of the producer and the PU. Exporters, the final drivers of the scheme, only operate with downstream producers and operators with a clean track record, based on their own codes of conduct that respond to multinational companies and the criminal tax burden[18] that falls on the managers of exporting companies in Argentina with respect to their supply chain.

[16] https://servicioscf.afip.gob.ar/publico/abc/ABCpaso2.aspx?id_nivel1=3036&id_nivel2=3040&p=Conceptos%20b%C3%A1sicos
[17] https://www.argentina.gob.ar/justicia/afianzar/caj/conoce-y-ejerce-tus-derechos/guia-de-informacion-sobre-documento-de-nacional
[18] See Law 24.769.

PUs are registered with status "pending evaluation" until the system enables it post:

- the verification of the data declared by the product with the public registers (by means of this check, for example in terms of geolocation, it can be verified that there is equivalence between the declared polygon and the reported RENSPA ID (see BOX 2) as well as that there is no overlapping between polygons declared in the same system), and
- the analysis of deforestation requirements (see point 1.3). At PU level and as a first action to comply with this protocol, the ViSeC system determines, based on the information uploaded by the operator and the evaluation of satellite images available in the system, if the agricultural use PU in Argentina was deforested or have suffered forest degradation after 31 December 2020 and consequently, if they are out of Categories I and II or in Category III without proper governmental authorisation according to the Forest Law (ViSeC system decision rules).

In the case of fulfilling the evaluation requirements, the PU is given "Approved" status within the system. The satellite images that endorse this evaluation and its corresponding report will be stored in the ViSeC system.

In case of non-compliance with the evaluation requirements, the PU does not pass to approved status and cannot be considered within the ViSeC platform.

If the PU is already pre-loaded in the system, this PU record is omitted. If the area of the productive campaign is already pre-loaded, the loading is skipped because the data is auto-completed.

This first stage of registration by the operator is recorded in the system as "Manage PU".

Additionally, the information check on local communities is incorporated into the ViSeC system through 2 channels:

a. Initial Declaration/Affidavit of the Primary Producer (see Point 1.7).
b. Annual monitoring report with national scope based on publicly available sources. This report will be collated by the ViSeC system, published and reported to European importers for inclusion in their risk mitigation programmes and due diligence procedures.

BOX 2: Identification of the production unit (PU) in the RENSPA (RENSPA ID)

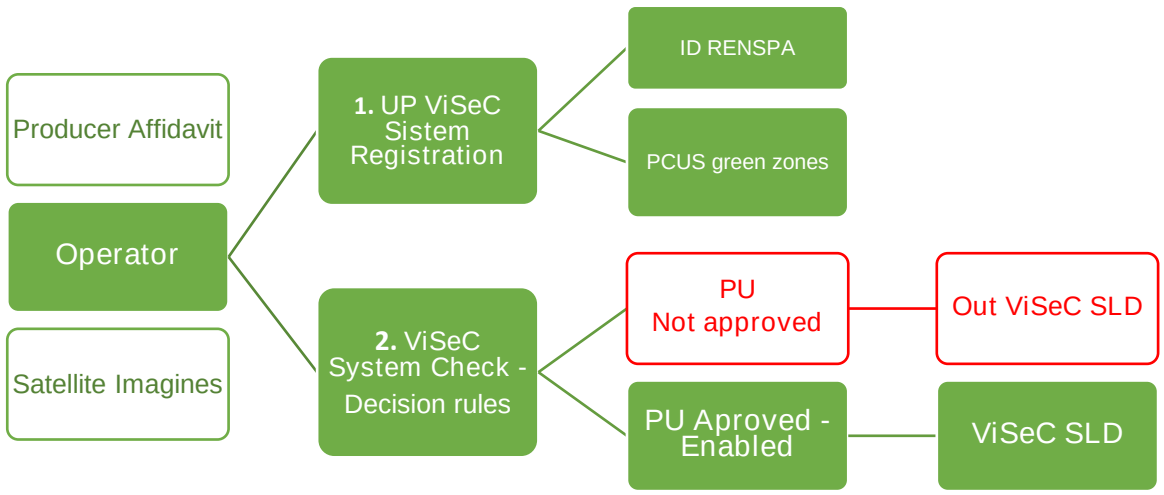
The RENSPA (acronym in Spanish) is the National Sanitary Register of Agricultural Producers that covers all agricultural, livestock and forestry activities and associates the producer (natural or legal person) with the production and the property. Registration in the RENSPA is compulsory in order to carry out any agricultural and forestry activity in Argentina. Registration is associated with a CUIT (Single Tax identification) and the tax

information of the person responsible for/owner of the production. It does not cover the owners of leased fields, but only the producers who lease them.

Each producer receives an identification (ID) in the RENSPA for the registered production unit. The productive units that receive their ID are territorial areas delimited on the map, drawing a polygon of as many points as it is necessary to mark, in order to achieve the best approximation to the real shape of the productive unit, obtaining the latitude and longitude of the area. This unit may or may not coincide with the parcel subdivision of the provincial cadastre and land ownership. A producer will have as many RENSPA IDs as there are production units under activity. In cases where several producers work in the same establishment, the RENSPA grants a RENSPA ID to each producer.

ViSeC will use the RENSPA ID to refer to the production unit, the polygons will be used to perform the ViSeC SLD zero deforestation compliance analysis (see Point 1.2) by independent companies, contracted by ViSeC. On the contrary, any non-compliant land will be considered as "Non ViSeC Approved Production Unit" and any soybean originating from these non-approved production units will not be classified as eligible for VISeC SLD certification. Likewise, and under this same methodology, the maintenance of the status of "Approved Production Unit" shall be verified as long as there have been no land use changes in 0.5 hectares (5,000 m2). This analysis will be carried out by the system on an annual basis prior to the start of the harvest and in accordance with the ViSeC system's decision rules.

Figure 4 ViSeC System - PU Administration - Approval



The ViSeC system only operates with soybeans of known and approved origin. Therefore, all soybeans of unknown and non-approved origin (PU) are excluded from the system.

2.8.1.2. Grain output of the PU and Reception of successive operators

The exit of grains from a PU will not be registered by the producer (as he is not an operator of the system) but will be done by whoever receives the goods (ViSeC operator) as a direct relation of its entry movement.

In the first instance, the operator registers the entry movement of grain at the collection point or conversion unit. The operator shall enter in the ViSeC system:

- Electronic consignment note (CPE, acronym in Spanish) (see Point 3) accompanying the soybean with the RENSPA ID of the PU in question and including its geopositioning.
- Received volume data (incoming movement).

Secondly, the operator must record the outward movement of grain from the PU taking into account the volume shown in the CPE. In this way, the volume under movement is subtracted from the PU.

Subsequent movements of grain between storage and/or conversion units will have their input and output grain loads successively plotted through the CPE (see Point 3) in the system.

2.8.1.3. Registration of shipments

It is the responsibility of the person responsible for the cargo at the port to register the shipment by port, by exporter, and by volume with its origin trace, by warehouse. At this stage, the relationship with the destination country, importer and committed volume is not recorded. The loading of the shipment entails the de-stocking of the volume declared in the ViSeC system.

2.8.2. ViSeC System satellite images

ViSeC has developed an analysis methodology aimed at verifying the approval of PUs, guaranteeing the requirements established in the ViSeC Protocol, whose requirements are aligned with the European Regulation (EU) 2023/1115 (EUDR).

Landsat and/or Sentinel imagery/data with a minimum spatial resolution of 30x30m collected from 2007 onwards is used to comply with ViSeC. The system will collect and digitise the following layers of information:

- ➔ Administrative boundaries (Localities, Departments, Provinces).
- ➔ Protected Areas Included in the National System (National Park, National Reserve, (National) Nature Monument, Strict Nature Reserve, Wild Nature Reserve and Educational Nature Reserve); the Provincial Systems (Provincial Park, Provincial Reserve, Nature Reserve, Multiple Use Reserve, Wildlife Refuge, (Provincial) Nature Monument, Protected Landscape, Municipal Reserve, Private Reserve); as well as internationally recognised areas (Biosphere Reserve, Ramsar Site and World Heritage Site).
- ➔ Forest layers: Global Forest Watch, Hansen, MapBiomas Chaco 4.0 (and/or their subsequent collections).
- ➔ Layers of the Territorial Management of Native Forest (OTBN) according to the National Forest Law 26.331.
- ➔ Additional sources of information.

The information collected in points 1, 2 and 3 will be integrated using available software tools such as Google Earth Engine (GEE), among others, which will allow cross-checking of spatial information. To carry out the analysis, a set of satellite images is used to determine, based on the wavelength emitted/reflected by each surface, the class or land cover present. Additionally, and in a complementary manner, a "truth to field" validation can be carried out in order to know and verify the land cover present under analysis, providing information for the identification of the different spectral signatures. Archived Landsat and/or Sentinel scenes cannot be modified and are therefore objective and immutable data sources to ensure no land conversion.

The indicators on which the response will be given were developed based on the requirements of the European standard for deforestation-free products and correspond to 2 main axes:

- Legal compliance Argentina.
- Deforestation-free from the cut-off date of 31 December 2020.

The response of the indicators will be accompanied by the corresponding satellite images, including their geolocation, showing the approval or disapproval of the PUs. These images can be shared both in image format (.jpg and/or others) and in .PDF format within a customised report according to the needs of the ViSeC System. Both the response to the indicators and the evidences will be sent to the system through an API integration between both systems, which will allow consuming the information when ViSeC requires it.

ViSeC, in collaboration with the Rosario Stock Exchange, has carried out a comprehensive evaluation of 4 satellite imagery service providers in Argentina that will accompany the operational needs of the platform:

- TSA Agro https://www.tsagroupinternational.com/
- Ucrop.it https://ucrop.it/es/inicio/
- Vega (ex Neogeomatics) https://www.consultoresgis.com/

- Integra Labs http://integralabs.ai/

In addition, ViSeC maintains contact with the EU Observatory/Space Agency and is kept up to date with new developments. Additionally, a fluid dialogue is maintained with the Copernicus Regional Centre, participating in several institutional presentations. The Copernicus Regional Center has recognized that the primary data obtained from Sentinel/Landsat are better to those that could be obtained from Copernicus, because the latter does not cover the entire Argentine territory and does not have the frequency (speed) to go through the whole territory as required by the ViSeC system.

2.8.3. Chain of custody and alert system of available volume per campaign

Soy will only be considered SLD if there is evidence that it originates from an "Approved Producer Unit" by the ViSeC Platform (see 2 criteria point 1.3).

The ViSeC system will also have a crop yield check (annual average per agro-ecological zone with a 10% margin provided by the Buenos Aires Grain Exchange[19]) per campaign, which, if exceeded, will trigger an alarm that will start a data audit-verification system to validate or not the operation in relation to the cultivable area established for each RENSPA ID. This indicator per RENSPA ID will be the basis for a warning system of available volume per campaign.

The first alarm will be set when a RENSPA ID originates volume in a given campaign between the average and 10% of gauging so that the and/or the first collection points that received soybeans from that particular RENSPA have alerts that this establishment is on the verge of its theoretical production capacity for that particular campaign. At that moment, a second instance of gauging of an additional 25% will be enabled so that the first collection points that receive merchandise can determine whether it was merchandise from other campaigns in stock (pass between campaigns) or extraordinary yields justified by very localised climatic conditions, or technological packages that justify this deviation.

After that second gauging, any volume exceeding it may not be loaded into the system without prior analysis by the technical team of the Rosario Stock Exchange (who administer the System) and they determine the additional volume that may or may not be added,

[19] For this purpose, the system will use the cultivated area per production unit identified in the RENSPA ID, which is derived from the coordinates and satellite analysis of the same, which together with the average yield established by PAS zones (Panorama Agrícola Semanal-https://www.bolsadecereales.com/estimaciones-informes) established by the Buenos Aires Grain Exchange to determine the possible maximum production per season.
The ViSeC system will take from the final report by campaign the final yields by PAS zones (or locality) published by the Buenos Aires Grain Exchange, and according to the location of each of the production units identified by the RENSPAs that the system has loaded, it will assign an average yield to each establishment with a 10% gauging, which together with its determined cultivable area, will establish the maximum production per campaign, which that production unit would be able to produce.
In addition, the system will determine a series of "alarms" to ensure that there are no unjustified deviations of excess production according to the agro-ecological conditions determined for a given season.

depending on the technical reasons that merit it. To this end, the Rosario Stock Exchange may carry out technical consultations with whomever they deem appropriate, request or carry out field inspections, or ask the first collection point for a sworn statement from the producer holding the RENSPA in question, if so considered, in which he declares and justifies the deviation from the established production parameters.

After this last instance, the System shall not allow any further loading of the volume of goods originating from that UP for the campaign in question.

Data will also be established for products derived from SLD (flours, oils, etc.), for which the system will establish parameters of average industrial yields based on historical data recorded according to CIARA-CEC. This information will be available, at any time, to the BVs enabled by the ViSeC system.

All SLD biomass moving downstream in the Chain of Custody shall be accompanied by a Product Transfer Document (DTP, acronym in Spanish), which accompanies the official transport document (CPE) (see Point 3). The DPE shall detail the RENSPA ID(s) equivalent to the volume determined in the DTP, so that the corresponding Chain of Custody can be verified and assured.

2.8.3.1. Chain of custody components, requirements and documents

The silos and elevators (first point of reception of the merchandise) and/or intermediate conversion units (crushing plants) that receive soybeans from the "ViSeC Approved/Enabled Productive Units", shall:

1. Be **registered in the ViSeC system as an operator.** To do so, the operator must first submit a membership application to the ViSeC platform signed by the company's proxy.

2. Have a **written ViSeC SLD Compliance Document** pre-approved by ViSeC (delegated to ViSeC approved verification bodies), which shall be available at all times and which ensures that all members of the chain of custody have systems and operating procedures (working instructions) in place to ensure consistency, accuracy and transparency of information and flow of goods with an overview of the scope, tasks, responsibilities and authorities, designating those responsible for the implementation, maintenance and monitoring of the Chain of Custody.

3. To have a **positive Initial ViSeC Qualification Audit** that allows access to a **Certificate of Conformity of the Installations** issued by a Verification Body (VB) approved by ViSeC.

Certificates of Conformity of Facilities shall be issued only after a prior on-site audit, provided that all non-conformities, if any, are corrected to the satisfaction of the non-compliance. Applicants shall have 30 working days to correct any non-conformities.

The Certificates of Conformity of the installations shall include, as a minimum, the following information:

- Identification of this Programme.
- Identification of the Verifying Body (VB) and inspector who carried out the initial audit.
- A unique certificate number.
- Date of issue and period of validity.
- Name of constituent and nature of business: collection unit or intermediate unit.

After receiving a Certificate of Conformity of Facilities, the member will be allowed to operate with the ViSeC Platform.

Certificates of Conformity of Installations shall remain valid for a period of 12 months from the date of issue. Maintenance audits shall be carried out every 12 months and not more than 30 days before the expiry of the annual validation.

ViSeC will provide access to the compliance database to new operators after they meet these minimum requirements. ViSeC will maintain a list of all intermediate collection points and conversion units that have Facility Certificates of Compliance.

4. Issue a **Product Transfer Document** (**DTP,** acronym in Spanish**)** to downstream converting units, accompanying the SLD SPC.

5. Apply to a VISeC recognised VB to issue a **ViSeC Deforestation Free Certificate (CLD,** acronym in Spanish**)** for each lot of soybean product to be exported as evidence that the biomass covered by these documents complies with ViSeC requirements. The CLD will be used by economic operators on the European market as proof of compliance with the ViSeC requirements. Upon request and express authorisation of the exporter, operators on the European market and the competent customs authorities in the EU will be able to access the ViSeC platform to have detailed traceability of the issued certificate.

    - The VB will only issue the CLD if all requirements of the chain of custody - 100% compliance - are fulfilled. In case of "non-conformity" situations, 2 scenarios arise:
        - *Serious non-conformity* (non-compliance with the chain of custody) the VB shall proceed to exclude that volume from the ViSeC system and not issue the CLD accordingly.

- *Minor non-conformities* (incorrect volume allocations, typing errors, etc.) the VB may request the exporter to correct. This correction will be processed through a verification annex which is under development.

Figure 5. Chain of custody ViSeC system

The reception point will ensure that the producer incorporates its RENSPA ID in the consignment note (observations cell) and will verify that the PU is actively listed as "ViSeC Approved/Enabled Production Unit" in the platform, complying with the basic requirements of the ViSeC SLD.

Operators may be present at various stages of the chain of custody (i.e. silos, grain elevators and/or intermediate conversion unit) and have facilities in different locations. If an operator delegates tasks to external suppliers (e.g. transport, etc.), the operator is responsible for ensuring that the external supplier complies with the ViSeC SLD. The supplier shall be included in the operator's management system.

Traceability and chain of custody shall be guaranteed by the documents ensuring compliance from the first point of collection to the last point of processing issued by the LMOs authorised by the ViSeC System and the CPL issued by the LMOs at export level authorised by ViSeC.

Traceability will be enabled by the segregation method and verified by internal documents of the operators, such as official documents (CPE and delivery notes between cells of the same collection).

2.8.3.2. Data Management - ViSeC Compliance Database

All chain of custody information shall be recorded and stored in the ViSeC Compliance Database which shall be administered by ViSeC or ViSeC's designated administrator in whole or in part.

In parallel, operators shall have in place a documentation and record-keeping system that conforms to the requirements of this Protocol. They shall make the following records available within 10 working days upon request.

- DTP (+ CPE) for each consignment with the identification of the storage points (silos, cells) where the segregated SLD is stored.

- Verification by ViSeC-cleared independent third party of accurate and segregated accounting of SLD versus non-deforestation-free soybeans in the inventory at any given point in time.

Members will enter the certificates from the system into the web-based system using a username and password and send the same within the chain via electronic copies. The system will list the certificates (DTP and CLD) by number and company. The compliance database will quantify soybean shipments from "ViSeC Approved Producer Units" entering each storage, processing or transformation facility. The compliance database will provide a real-time summary of this data for independent inspectors to review as needed. Management of the database will be checked during the annual audit of the ViSeC Programme (see Section 1.8.5).

2.8.4. Raw Material Base - Satellite Imagery, RENSPA ID

All spatial information (images) will be stored and managed in a Raw Material Database developed for this purpose within the ViSeC Platform. It can be audited and consulted at any time by all system members and authorised VBs.

The data in the Approved or Unapproved Production Unit feedstock GIS database shall include all satellite imagery specific to the PU up to 1 December 2020, or the approved Category III (Green) Land Use Change Plan (PCUS, acronym in Spanish), if applicable. This Deforestation Free (LD, acronym in Spanish) or forest degradation free feedstock GIS database will be part of the overall biomass compliance database to be managed by VISeC or as determined by VISeC.

The system has a RENSPA ID Database of ViSeC Approved Production Units (PU), for real-time use at soybean biomass processing and storage sites. The database will be used

at biomass processing and storage, storage sites to classify soybean as biomass free of deforestation/forest degradation or not, depending on its origin in the DTPs.

Grain elevators or processing plants listed by ViSeC will enter the data into a web-based system using a password operated by ViSeC. The system will generate the DTP only if the production unit is considered as “Approved”. In addition, the identifying data of the SLD storage cells will be entered into the system or into the operator's registry. The system will list the DTP by number and operator.

2.8.5. Comprehensive Annual ViSeC System Compliance Verification Programme

ViSeC implements a Comprehensive Annual Compliance Verification Programme. ViSeC will also administer record keeping and general data management for the programme and will be responsible for overall integrity in implementation and may use third party verification.

The overall purpose of the Compliance Verification Programme is to:

- Obtain the records and DTP associated with the SLD transfer;
- Confirm that the raw materials used to produce SLD Certificates meet the definition of deforestation-free soybeans.
- Confirm that the raw materials used to produce SLD Certificates meet the definition of forest degradation free soybeans.

The Annual Compliance Verification will be carried out at all registered industrial and logistics sites, The design of the verification will use a random sampling methodology with probability proportional to the size of the quantities of raw material supplied for processing ensuring a confidence level of 95%.

The VB shall make a report evidencing that the verified site complies or does not comply with the requirements demanded by ViSeC, ensuring that the correct segregation and traceability of the SLD on the site is complied with.

2.8.6. ViSeC System Governance

ViSeC has an Internal Operating Regulation that seeks to ensure the correct governance and structure for decision-making. As established in the Internal Regulations, ViSeC has a Steering Committee as the highest decision-making body. This Committee is responsible for managing and administering ViSeC on behalf of the full members. In order to make the right decisions, the Committee is supported by 3 working committees (finance, communication and technical), an Advisory Board made up of CIARA CEC, TNC, Peterson Consultancy and TFA and an Administrative Secretariat.

Both the ViSeC SLD Protocol and the ViSeC Platform were developed in a participatory manner within the Technical Committee and approved by the Steering Committee.

In turn, ViSeC, as the system has a traceability scheme based on public documents, has entered into agreements and joint work and data use agreements with different bodies of the Argentine national government:

- Joint Act of the Ministry of Economy and SAGyP with ABC Consortium, Sociedad Rural Argentina (SRA), CIARA-CEC and BCR of recognition and joint work for the implementation of the ViSeC system in Argentina (20 September 2023).
- Joint Act SAGyP and CIARA (2 October 2023).
- ViSeC agreement with AFIP to include the geopositioning of lots in the CPE with its own cell.
- ViSeC agreement with SENASA for the use of RENSPA data.
- In process Agreement with AFIP to authorise SISA data (see Point 2).

2.8.7. Confidentiality of data within the ViSeC System

VISEC and the user within the ViSeC System undertake, on their own behalf and also on behalf of their directors, employees, agents or consultants, and/or any third parties involved in their analysis, to the following:

i. Confidential information: to consider as such all oral, written, audiovisual, photographic, and any other type of information, contained in paper, electronic, digital or other media, that the parties obtain as a result of the use of the VISEC System, including but not limited to functional specifications, information associated with the platform, users, internal procedures, technological information, conversations held with team members about the project and its progress, among others, delivered as confidential. Likewise, they undertake that the use they make of the information on the occasion of the use and/or application of the platform will be exclusively for the normal operation of VISEC in accordance with the provisions of these Terms and Conditions, which appear on its website www.visec.com.ar, except for information that is public knowledge at the time it is disclosed, provided that such knowledge is not due to a breach of the obligation of confidentiality.
ii. Prohibitions: Other than what is normal, customary use and in accordance with good practices for the operation and administration of the ViSeC System, the parties may not make copies, communicate, distribute, disseminate, expose or, in any way, disclose or make known the information provided, except with the express authorisation of the other party, which must be previously granted in writing with a record of the same identifying the dependent or non-dependent persons who access said information.
iii. Not to use confidential information for purposes other than the purpose of ViSeC.
iv. To inform its dependents, associates, employees, contractors, consultants, and other natural and legal persons linked to the parties, of the confidential nature of the information, and to assume the corresponding responsibilities in the event of non-compliance by any of them, without prejudice to the legal actions that VISEC may initiate against said subjects.

v. Return all confidential information upon ViSeC's request.
vi. The user declares that he/she knows and accepts that the maintenance of absolute confidentiality with respect to confidential information is an essential condition of his/her relationship with ViSeC, and that the violation of the same will generate liability for damages derived from the non-fulfilment of the obligations assumed herein.

2.8.7.1. Privacy policy and protection of personal data

The system, for its operation, will ask its participants for personal data (hereinafter, "the Personal Data") so that they may freely and voluntarily determine whether they wish to provide ViSeC with the personal data that may be required of them or that may be obtained when subscribing or registering for the system.

Such personal data shall be governed by the following general terms and conditions:

- Users wishing to access the services offered on the platform must provide, via an online form, certain basic personal data (full name, surname, date of birth, country of residence, and e-mail address, documentary evidence of the representation they are claiming, etc.).
- ViSeC adopts technical and organisational measures on personal data to guarantee their security and confidentiality in order to avoid their adulteration, loss, consultation or unauthorised processing.
- ViSeC guarantees the confidentiality of the information registered. However, ViSeC is not responsible for information improperly provided by users, nor for illegal interceptions or violations of its systems or databases by unauthorised persons. ViSeC is also not responsible for the improper use of information obtained by these means.
- All persons involved in any phase of data processing have signed a confidentiality agreement, which subsists even if their relationship with ViSeC is terminated. The information collected from users is confidential, but may be required by a competent judicial authority.
- ViSeC reserves the right to modify this policy in order to adapt it to current legislation, new jurisprudential developments or industry practices. In such cases, ViSeC will inform on the platform of the changes introduced, which will be effective from the moment of their on-line publication.
- Personal data will be automatically processed and incorporated into the corresponding automated personal data registers.
- The provision of personal data, their collection and subsequent automated processing is for the purpose of accessing the services offered by the ViSeC system for the management, administration, provision, extension and improvement of the services to which the user decides to subscribe, register or use the adaptation of the same to their preferences, to the study of the use of the services by the users, to the design of new services related to those granted, to the implementation of service updates, to the sending of technical, operational and commercial information about products and

services offered by the ViSeC system; sending survey forms and questionnaires, which the user is not obliged to answer.

The Agency for Access to Public Information (AAIP)[20], in its capacity as the Supervisory Body of Law No. 25,326 in Argentina, is responsible for dealing with complaints and claims filed by those whose rights are affected by non-compliance with the regulations in force on the protection of personal data.

2.8.8. Integrity Programme

The ViSeC user undertakes to use the System within the framework of the ViSeC Integrity Programme, published on the institutional website www.visec.com.ar.

2.8.9. Training and awareness-raising programme 2024-2025

In April 2024 the ViSeC system will start its Training and Awareness Raising Plan 2024-2025 (April-April) together with FAUBA - University of Buenos Aires[21]. The objective of this plan is to raise awareness and disseminate the VISEC Platform to all links in the chains and other actors so that they understand its objectives, functioning and impact and can use the system in their different roles. The plan in virtual/presential format will have a national scope, but with an emphasis on those provinces with the highest soybean and livestock export production: Santiago del Estero, Chaco, Salta, Corrientes, San Luis, Tucumán, Buenos Aires, Santa Fe, La Pampa and Córdoba. The target audience will be all types of individual agricultural producers of any scale, cooperatives, stockpiles, brokers, complex soybean exporters and the chain of livestock, beef and leather exported to the EU. It will also include support material that will allow asynchronous training, as well as the development of a ViSeC System User Manual and a document on "Frequently Asked Questions and Scenarios" within the ViSeC Platform.

This plan aims to give access to the platform to all national producers without exclusion, transferring the necessary skills and resulting in an easy adoption of the tool.

2.8.10. Integration with the EU Information System

Although ViSeC system operators are not Information System operators in the EU, they are actively collaborating with European operators who have to comply with the EUDR Due Diligence Statement (DDS). ViSeC operators have therefore participated in the proposed pilot and have identified areas for improvement by submitting their comments to DG Environment on the "*EUDR Information System Economic Operator Pilot Test User Guide*".

The final document that incorporates the complexity of the operations involved in a multiple origination such as the soybean chain in Argentina is still awaited. For example, the

[20] https://www.argentina.gob.ar/aaip
[21] www.agro.uba.org.ar

preliminary system proposes to load the coordinates of the PUs one by one, and there is no possibility of exporting data to avoid manual loading errors.

2.8.11. ViSeC integration with importer due diligence

In order to evaluate the integration of the ViSeC system, the certificates issued and verified, with the due diligence schemes to be completed by European operators (FEDIOL[22] and importers), virtual meetings are held on an ongoing basis.

As of December 2023 (and continuing through 2024), 3 shipments (46,000 tonnes) were made from the Argentinean port terminals of Viterra, LDC and Bunge with CLD of soybean meal from more than 570 approved PUs destined for Spain and Ireland. The pilots in this instance are simulations to verify that the target data trace of the ViSeC system is feasible to be made available based on the current records of each company and/or to identify the adjustment needs in this respect to achieve this.

2.8.12. System costs and implementation costs

The main cost components of the ViSeC system cover the following items:

- Operational cost of the system:
  - Software maintenance and licensing
  - Help desk in development to accompany the daily operation of the system.
- Cost of satellite imagery analysis.
- Cost of auditing the system.
- Cost of integration with public information systems.

In turn, each operator will have its own verification cost which will be determined by volume and scale with the selected VB.

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2.9. Carta de Porte (CPE) Scheme for Grain in Argentina

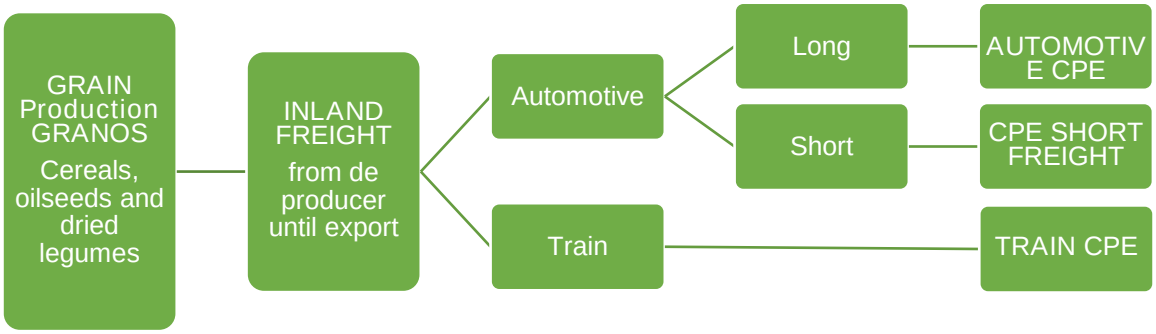
The "CARTA DE PORTE" (CPE)[23] in force since 1 September 2021 and mandatory since 1 November 2021, is the only valid document to support the movement of grains not intended for sowing -cereals and oilseeds- and dry pulses -beans, peas and lentils-, as well as those seeds not yet identified as such by the Competent Authority, to any destination within Argentina (inland). Any movement operation not registered in this system is outside the legal framework in force in Argentina.

The obligatory means of transport are automotive (one CPE per lorry) and rail (one CPE per wagon), always of Argentinean goods or nationalised (destined for the market) in the case of imported goods transported domestically to storage in Argentina. The CPE is not

[22] https://www.fediol.eu/
[23] Joint General Resolution 5017/2021 (AFIP- MT-MAGyP).

applicable to international transport, which is covered by customs documentation. Therefore, it does not apply to goods in transit.

Figure 6. CPE Argentina



Within the motor transport options, there is the possibility to endorse a long freight (from field to plant/export) or short freight (from field to collection) issued by the collector and confirmed by the producer.

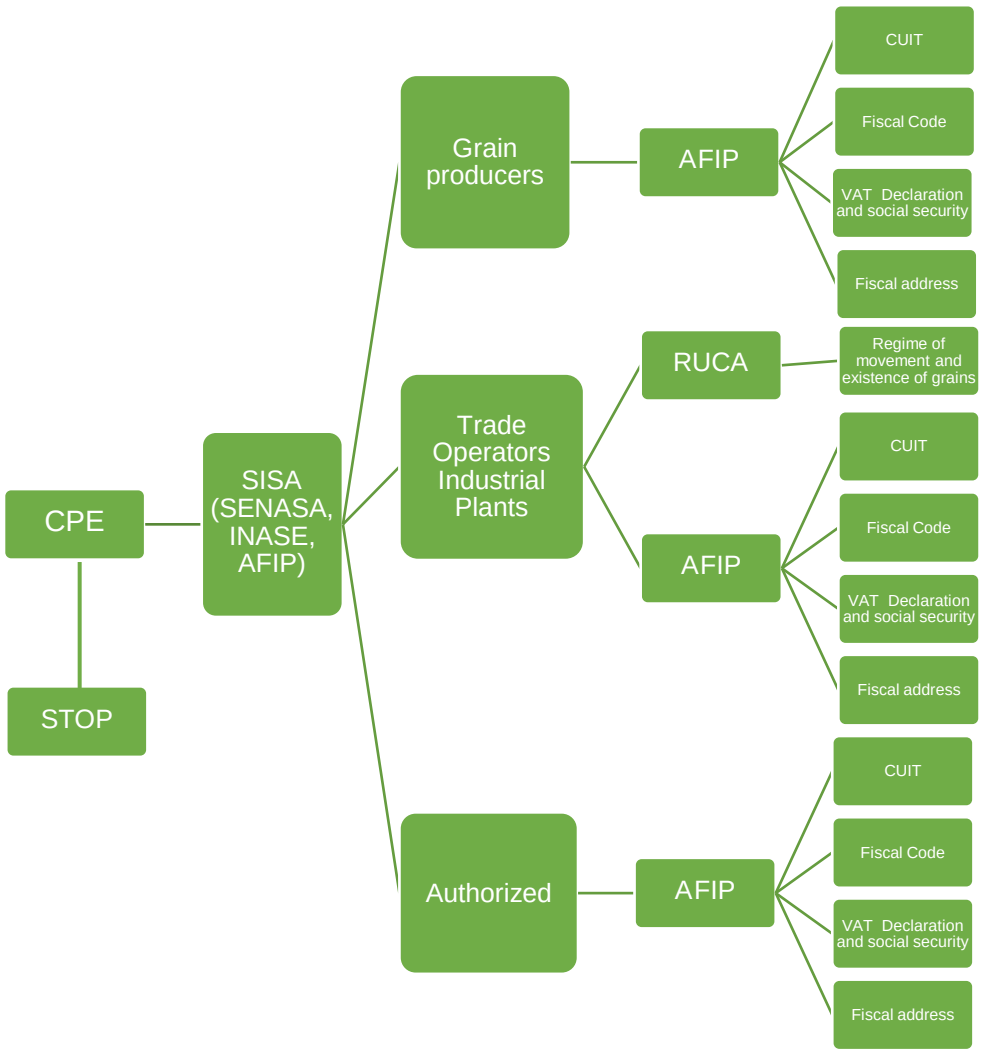
Taxpayers who are included in the SIMPLIFIED INFORMATION SYSTEM (SISA, acronym in Spanish)[24] may apply for CPE, as indicated below:

- **Grain producers** registered as such with the Federal Administration of Public Revenues (AFIP). Within SISA there is a tax and commercial risk categorisation of registered grain producers.
    - SISA 1 is the low tax risk category where the producer is up to date with its tax and social obligations, registrations and declarations and there is no conflict with its production. This category is free to issue CPEs.
    - SISA 2 is a medium risk category, in which the enforcement authority, AFIP, identifies some kind of irregularity with the tax authorities and is in a state of adjustment. Although it can issue CPEs, they are constantly monitored by the AFIP and the exporters themselves.
    - SISA 3 is a high tax risk category whereby producers can only issue up to a maximum of 10 CEPs per year representing 1-5% of their grain production. This category is excluded from exporters' purchase and sale contracts in practice.

[24] General Resolution 4310/2018 (AFIP). - The Simplified Agricultural Information System (SISA) unifies the registers and information regimes of SENASA, INASE and AFIP, simplifying procedures and data uploading, systematisation, objective qualification and maintenance of tax control capacity (VAT, profits and special regimes). Registration is compulsory for producers, marketing operators and owners, whatever their nature, of the production and marketing of grains and seeds in the process of certification -cereals and oilseeds- and dried pulses.
https://www.afip.gob.ar/actividadesAgropecuarias/sector-agro/sisa/que-es.asp

- **Grain trade operators** who have one or more plants authorised for the entry and/or exit of grains by the Secretariat of Agriculture, Livestock and Fisheries and who are declared in the **SINGLE REGISTRY OF AGRIBUSINESS CHAIN OPERATORS (RUCA,** acronym in Spanish**)**[25] .
- Authorised by means of a resolution issued by the AFIP.

Figure 7. Legal control scheme Argentina - Relationship



[25] Resolution 21-E/2017 https://www.magyp.gob.ar/sitio/areas/ruca/. The RUCA is a system for the registration, registration and control of the activities of natural and legal persons involved in the trade and industrialisation of the different agri-food and agro-industrial chains in Argentina, under the responsibility of the Secretariat of Agriculture, Livestock and Fisheries. Specifically with regard to grains, the data to be recorded includes the mandatory registration of movements and stocks of grains (Systemic registration regime of movements and stocks of grains not intended for sowing - General Resolution 3593/14) by operators. The objective is to determine at any time the physical stock at each location and for each type of grain. Therefore all CPE is preceded by available grain stock and by storage or reception plant (adjusted by stage).

In order to apply for an CPE, the above-mentioned persons must meet the following requirements:

a) Possess an active Unique Tax Identification Code (CUIT).
b) Have registered and accepted biometric data for holders of the Fiscal Code and their authorised persons.
c) If applicable, to have submitted all the value added tax and social security resources tax returns for the last 12 tax periods or for the period since the start of activities or the change of tax status, whichever is less, due at the date of submission of the application. As well as the sworn income tax return corresponding to the last tax period expired on the date of submission of the application.
d) To have an electronic tax domicile set up and kept up to date.

The Secretariat of Agriculture, Livestock and Fisheries and/or the Federal Administration of Public Revenues may limit, deny or exceptionally authorise its issue, by virtue of the result of the evaluation of the applicant's tax behaviour, carried out through systemic controls, verifications, audits and/or on the basis of objective parameters of measurement, productive and economic magnitude and/or use of the vouchers that so warrant, as well as the qualification assigned by the SISA. In the event that the existence of any grounds for limitation or refusal is verified, the intervening administrative judge shall notify the applicant's Electronic Tax Address, stating the reasons for such limitation or refusal.

Authorised entities may use the following services to issue the CPE by accessing the "CPE" service:

- Web environment: by entering the service called "CARTA DE PORTE ELECTRÓNICA" enabled on the website of the Federal Administration of Public Revenues (AFIP) using the Fiscal Code with security level 3: http://www.afip.gob.ar.
- Webservices environment[26] : using the information exchange procedure based on the webservices enabled for this purpose, the technical specifications of which are available on the institutional site.

The CPE is generated in a single step and in a single application. Each applicant may enter the CPE data more than 72 hours in advance and the system will perform online validations for each field entered, saving the voucher in "Draft" status. In this case, if the system detects an error (dummy service verification method), it will display a message with the details of the error so that the applicant can correct the problem before the actual issuance of the CPE. It also has online validations of the addresses of origin and destination plant declared in SISA and the availability of the producer's and operator's grain stock. Traceable data is completed systemically minimising the possibility of loading errors. A CPE can be cancelled as long as it is in active status and has not yet expired. After 72 hours, up to the moment before starting the transfer, the taxpayer may complete the missing fields and issue the voucher. At this time, the system re-validates the data entered and, if applicable, issues the CPE. It is possible to check the status of a CPE by sending a text message (SMS) to the

[26] https://www.afip.gob.ar/ws/documentos/manual_wscpe_1.1.2.pdf

number 2347 with the text "CPE", space and the number of the Electronic Grain Traceability Code incorporated by the AFIP to the CPE itself or the licence plate of the truck.

The automotive CPE will have a maximum validity of 5 days, while the railway CPE will have up to 30 days of expiry. Both periods may be extended if "Contingencies" are declared. By incorporating the item "Contingencies", both the details of the inconveniences in the arrival of a truck at destination and their resolution are reported. From the moment the contingency is reported, the SPC is in "Active with declared contingency" status, and is disabled to circulate. When the contingency is resolved, the SSC returns to "Active" status and is enabled to continue the journey. The data reported in the SSC, including the "Shift Code[27] ", are valid to continue the journey.

The SPC number shall consist of the branch number followed by the order number. For cases generated in the web environment the branch number will always be 0, whereas when generated via Webservice it will always be greater than 0. Likewise, for each voucher an electronic Grain Traceability Code (GTC) will be automatically generated, which will consist of 12 digits. Every CPE has a barcode and QR code, which will allow the visualisation of origin and destination data as a fundamental tool for route control. All parties involved in the shipment will be able to view the document by means of a tax code[28] .

The QR will contain updated online information from the Grain SPC. The fields to be displayed will be as follows:

- CPE Number
- Grain Traceability Code (CTG) Number
- Date of issue
- Expiry date
- CUIT Issuer
- Province and town of origin
- CUIT Destination
- Province and town of destination
- Grain
- Vehicle registration number
- FPC Status

[27] The "System of Mandatory Turns" or quota assigned for unloading grain at destination in order to make the operation at port terminals more efficient. The "**System of Compulsory Turns for Unloading in Ports" (STOP)** is in force in the ports of Gran Rosario and Buenos Aires (Ramallo, Lima, Bahía Blanca and Quequén), and its beneficiaries are all the participants in the logistics and commercial chain. The system ensures that the unloading centres grant shifts according to their capacity and availability. The operator will ask the terminal for a waiting time to be able to unload at the port. The terminal will upload the order data to an online database. This will be verified by AFIP before granting the Grain Traceability Code (CTG). This mandatory code must be presented at the port in order to enter. In this way, AFIP will not grant CTG until it verifies that there is an assigned unloading slot, which will prevent trucks from being sent to port terminals without a slot and long waiting lines. https://www.ssta.gob.ar/turnos/Home

[28] **The tax code** is a password that generates a secure and reliable environment so that all individuals or legal entities in Argentina can carry out their tax procedures before the AFIP from any device connected to the internet. The password is unique and non-transferable.

- Date of last status
- Fumigation (Y/N)
- Shift Code

Once the shipment arrives at its destination, the receiver first performs the "Arrival Confirmation" and then the "Final Confirmation".

Carta de Porte Electrónica Automotor

CTG: 10213968125

Fecha: 22/02/2024
N° CPE:
00001-00003844
Vencimiento:
24/02/2024 01:00

A - INTERVINIENTES

Titular Carta de Porte:	30526076482 - FELIPE CROSETTI SOCIEDAD ANONIMA
Remitente Comercial Productor:	
Rte. Comercial Venta Primaria:	
Rte. Comercial Venta secundaria:	30711855641 - FYO ACOPIO S.A.
Rte. Comercial Venta secundaria 2:	
Mercado a Término:	
Corredor Venta Primaria:	30703605105 - FUTUROS Y OPCIONES.COM SA
Corredor Venta Secundaria:	30703605105 - FUTUROS Y OPCIONES.COM SA
Representante entregador:	30711539561 - MARC IVAN, DESUMBILA ANDRES Y DESUMBILA MARTIN ANDRES SOCIED
Representante recibidor:	
Destinatario:	33502232229 - VITERRA ARGENTINA S.A.
Destino:	30709590894 - RENOVA S.A
Empresa Transportista:	20166458782 - BRUZZO JORGE ALBERTO
Flete pagador :	30526076482 - FELIPE CROSETTI SOCIEDAD ANONIMA
Chofer :	20166458782 - BRUZZO JORGE ALBERTO
Intermediario de flete :	

B - GRANO / ESPECIE

Grano / especie: Soja **Tipo:** Soja **Peso Bruto (kg):** 45000

DECLARACION DE CALIDAD Conforme / Condicional **Peso Tara (kg):** 14920 **Peso Neto (kg):** 30080

Observaciones: COSECHA 2223 PLANTA 21201 SOJA SUSTENTABLE 2BSVS - STD2

C - PROCEDENCIA

Es un campo: No **N° Planta** 21201 **Dirección:** ALVEAR 795
Localidad: MONTES DE OCA **Provincia:** SANTA FE
Latitud: -32° 34' 03" **Longitud** -61° 46' 18" **Descripción** Ruta Provincial 20, Santa Fe, Argentina

D - DESTINO DE LA MERCADERIA

Es un campo: No **N° Planta** 518477 **Dirección:** Brigadier López 10500
Localidad: TIMBUES JOSE MARIA **Provincia:** SANTA FE

E - DATOS DEL TRANSPORTE

Dominios: EFP395 - GAS506
Partida: 22/02/2024 13:00:00 **Kms. a recorrer:** 145
Tarifa de Referencia: 14775.56 **Tarifa:** 13889

F - CONTINGENCIAS

Contingencia: - **Otro:** -
Desactivación - **Otro:** -

G - DESCARGA

Fecha Arribo: **Peso Bruto (kg):**
Fecha Descarga: **Peso Tara (kg):** **Localidad:** TIMBUES JOSE MARIA
N° Turno: RTSS2402220315861 **Peso Neto (kg):** **Provincia:** SANTA FE

" Declaro bajo juramento que la presente carga no ha sido tratada con ningún plaguicida fumigante durante su carga o en camión o vagón no autorizado dicho tratamiento durante su tránsito hasta su

HISTORIAL DE CAMBIOS POST CONFIRMACION

La CPE no cuenta con modificaciones efectuadas posterior a la confirmación definitiva.

Firma del Perito Recibidor — N° Matrícula

Firma del Destinatario / Entregador — N° Matrícula

1 / 1

2.9.1. CPE as part of other internationally recognised schemes

The chain of custody of voluntary certification schemes within the EU RED[29], ISCC[30] and 2BSvs[31] are covered in Argentina by the CPE.

2.10. Temporary admission regime for goods intended for industrial processing (Dec. 1330/200432)

The Temporary Admission Regime, as a regime of suspensive destination in customs matters, is established in the Argentine Customs Code and complementary regulations. In the particular case of soybeans, it favours their importation from third countries for further processing and/or improvement (production of soybean meal and oil) and their subsequent export within a period of 30 days from their release as by-products, allowing the exporter to pay export duties only on the value added in Argentina, and not on the gross value of the exported by-products. This allows greater use of local installed capacity in the months when there is less soybean supply in Argentina, taking advantage of the complementarity with other origins because they are at a higher latitude and therefore enter the commercial circuit earlier, and of the support of crushing in seasons when local soybean production is negatively affected by climatic issues. Without this alternative, the industry could be forced to stop plant operations during those months, incurring significant costs.

Goods under the temporary admission regime are subject to special customs controls and are not allowed to move freely within the national territory. Operators authorised to operate under this system must be registered in the Register of Authorised Soybean Operators (ROSA) created by Joint Resolution 438/12 (MEyFP), 269/12 (MI) and 1001/12 (MPFIPyS). The supervision of this regime will be the responsibility of an Interdisciplinary Executive Monitoring Unit of the General Directorate of Customs, which must inform the AFIP of the relevant blocking and unblocking of temporary import destinations for entry and export destinations for consumption for exit from the national customs territory.

Soybeans entering from Paraguay under the temporary import regime are not accompanied by a CPE, as it is an input with a special customs control that lacks free circulation within the national territory. The Paraguayan origin of soybeans under temporary admission is not currently an eligible origin within the ViSeC system and is not susceptible to verification.

[29] https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en
[30] https://www.iscc-system.org/
[31] https://www.2bsvs.org/
[32] http://servicios.infoleg.gob.ar/infolegInternet/anexos/95000-99999/99258/texact.htm

3. BEEF MODULE VISEC

3.1. Institutionalisation of the ViSeC Beef Module and integration into the ViSeC platform

In the framework of the EUDR of 31 May 2023, a group of institutions representing beef producers and industry took the decision to develop a strategy to respond to the new EUDR for beef and beef by-products.

The meat industry is represented by the Consorcio de Exportadores de Carnes Argentinas (Consorcio ABC[33]), Federación de Industrias Frigoríficas Regionales Argentinas (FIFRA[34]), Unión de la Industria Cárnica Argentina (UNICA[35]). Rural producers also participate through the Sociedad Rural Argentina (SRA[36]), Confederaciones Rurales Argentinas (CRA[37]), Federación Agraria Argentina (FAA[38]), Confederación Intercooperativa Agropecuaria (CONINAGRO[39]) and Asociación de Productores Exportadores Argentinos (APEA).[40]

As part of this strategy and through an agreement between the ABC Consortium, the Institute for the Promotion of Argentine Beef (IPCVA[41] for its acronym in Spanish) and members of the Food Security Network of the National Council for Scientific and Technical Research (CONICET[42] for its acronym in Spanish), they began work on assessing the risk of deforestation and forest degradation for the beef value chain in Argentina. The work will be completed in September 2024.

At the same time, an agreement is formalised with the ViSeC Platform to integrate a Beef module respecting the same Integrity Programme, Data Policy and Terms and Conditions of the System. They also share with the Soybean Module the support table and the analysis of satellite images[43]. The Beef Module participates with its own governance scheme, answering to the ViSeC General Coordinator.

For the design and development of the Beef Module to be integrated into the ViSeC platform, the ABC Consortium formalised a contract with the company VesicaBiz SRL[44] .

ViSeC Beef Module also has member institutions, including the Cámara Argentina de Feedlot, Cámara Argentina de Consignatarios de Ganado, Cámara de Consignatarios de

[33] http://www.abc-consorcio.com.ar/ is a non-profit organisation created in 2002 to promote the beef agro-industrial complex in Argentina.
[34] See https://www.fifra.org.ar/
[35] See https://www.unica.org.ar/
[36] See https://www.sra.org.ar/
[37] See https://www.cra.org.ar/
[38] See http://www.faa.com.ar/
[39] See https://www.coninagro.org.ar/
[40] https://www.apea.org.ar/es/carnes-argentinas
[41] https://www.ipcva.com.ar/
[42] https://rsa.conicet.gov.ar/
[43] In the specific case of the Beef Module, the system is evaluating the satellite imagery provider GeoSimple for incorporation into the 4 suppliers already evaluated.
[44] https://vesicabiz.com.ar/

Productos del País, Cámara de Consignatarios Directos de Hacienda, Cámara de Industria y Comercio de Carnes y Derivados de la República Argentina, Asociación Argentina de Transportadores de Hacienda, Federación Argentina de Entidades del Autotransporte de Cargas and the Asociación Limousin Argentina.

The ViSeC Beef Module also has the collaboration and support of the Cámara de la Industria Aceitera de la República Argentina (CIARA), Càmara de Exportadores de Cereales (CEC), The Nature Conservancy (TNC), Peterson, Tropical Forest Alliance (TFA), Fundación Vida Silvestre and Fundación ProYungas.

3.2. Objective of the ViSeC Beef Module

The objective of the ViSeC Beef Module, aligned with the objective of the ViSeC Platform, is to achieve that the total production of beef and beef by-products in Argentina is recognised as free of deforestation or forest degradation according to the parameters established in the EUDR. Based on this, the Argentine beef value chain, with the support of environmental NGOs that constitute the ViSeC Platform, has decided to develop a ViSeC Deforestation Free Beef Protocol (hereinafter ViSeC CLD), with which to ensure traceability and chain of custody of deforestation-free beef according to the requirements of the EUDR.

At the moment, the development of the ViSeC Beef Module comprises:

- A Protocol for the certification of deforestation-free beef and beef by-products (CLD Protocol): a document that establishes requirements and procedures to ensure that the products obtained are from domestic bovine animals born, raised, fattened, slaughtered and processed in establishments that have complied with the requirements set out in the EUDR.
- A Software: which traces data on the origin of birth, breeding, rearing and fattening of domestic cattle, the slaughter stage, processing and export of beef products and by-products to the EU and links them to the analysis of satellite images that support the absence of deforestation and forest degradation in Argentinean territory[45] .

The ViSeC Beef Module administers record keeping and general data management. It is also responsible for overall integrity in implementation and monitoring, incorporating the independent third party verification that extends the Deforestation Free Product Certificate of Conformity (CLD).

The integration of the ViSeC Beef Module with the ViSeC Soybean module is foreseen so that, in those cases where cattle destined for the EU have been fed with protein supplements containing soybean or by-products, deforestation-free soy incorporated in those feeds is also guaranteed. It is planned to make progress on this development during 2024. Similarly,

[45] The ViSeC Beef Module software is supposed to have a dataset within the Blockchain, to date the list is not defined.

it is intended to move forward with the development of a specific sub-module for traceability of bovine leather during the current year.

3.3. Key Definitions: Deforestation and Forest Degradation in the ViSeC Beef Module

In the ViSeC Protocol CLD Beef Module, it considers the same definitions of forest, deforestation and degradation as the Soybean Module (see Section 2.3), which are common to the entire ViSeC system. Similarly, the incorporation of other ecosystems and landscapes, e.g. wetlands and grasslands, that allow the system to be broadly extended to "non-conversion" is technically feasible to be addressed by the ViSeC system. Initially it will require the inclusion of these additional layers of information to develop a national mapping of each new ecosystem to be considered. To date, this is not a legal requirement in Argentina, unlike deforestation, the mapping of which is established in the framework of the land-use planning law (see BOX 1). The incorporation of these ecosystems will be carried out to the extent that there is a formal market requirement that justifies the cost of development.

Following the criteria established by the EUDR, the definition of Deforestation Free Beef (CLD) according to the Beef Module Protocol considers the following 2 conditions:

1. Essential condition: Domestic bovine animals born, reared, fattened, slaughtered and processed on holdings that were not deforested or not subject to forest degradation after 31 December 2020[46] ;
2. Necessary but not sufficient condition: Domestic bovine animals born, reared, fattened, slaughtered and processed in establishments that comply with all relevant applicable laws in force in the country of production. In Argentina the ViSeC platform considers compliance with national legislation and provincial interpretations and implementations as a necessary condition.

3.4. Sectoral definitions Beef Module and regulatory framework in Argentina

Currently, the export circuit of beef and beef by-products to the EU in Argentina has a health and animal diet traceability system at country level recognised by the EU for exports under the "Hilton Quota" and "Quota 481" (see BOX 3). This traceability system feeds into the general national livestock traceability system (see BOX 4) and the specific traceability system for shipments to the EU (see BOX 5) implemented by the competent authorities at national level, SENASA[47] .

BOX 3: Current beef export quotas from Argentina to the EU

[46] Most restrictive deforestation cut-off date set out in the EUDR.
[47] https://www.argentina.gob.ar/senasa

The EU has two import quotas for the entry of High Quality Beef: "Hilton Quota" and "Quota 481".[48] The differences between these two quotas lie mainly in the type of product (type of feed and cuts involved), the administration and distribution of the quota and the tariff applied. Argentina is a supplier within these two quotas and has processes approved and validated by the EU.

"Hilton Quota" scheme

Historically, Argentina has been the main supplier of this quota, with the EU itself setting the annual quota per country. To access this tariff quota, beef processors and exporters wishing to access this quota must express their interest by completing the "Application for access to an export licence - Hilton Quota" on the gubernamental portal "Trámites a Distancia (TAD)"[49], attaching the required documentation and wait to be awarded by the SAGPyA as established by Resolution 274/2023 and its amendment 282/2023.

In order to access the Hilton Quota, exporters must comply with a series of requirements and standards, among them, they must guarantee that the animals are raised on natural pastures and are free of hormones and antibiotics. Therefore, the animals to be exported may only come from "EU Supplier Establishments" that are registered in the "Hilton" sub-registry at SENASA (SENASA Resolution No. 1578/2019)[50] . Consequently, establishments wishing to export "Hilton Quota" to the EU must comply with exclusionary requirements such as:

- Animals shall not be kept under any form of confinement for feeding purposes,
- It is forbidden to supplement them with feed and/or concentrate of commercial or industrial origin,
- Supplements or foods containing animal protein are prohibited.

It is SENASA itself that verifies that the animals destined for slaughter for the "Hilton Quota" comply with the stipulated requirements. Once verified, the documents associated to such dispatch, such as the Electronic Transit Document (DT-e) (see BOX 4) are issued with the legend "Hilton".

"481 Quota" scheme

The EU sets a total annual quota for high-quality feedlot beef, which is administered on a "first come, first served" basis. In this case, the quota is not allocated per country, but all eligible markets compete on quality and price, with EU importers deciding who to buy from.

The animals to be exported from Argentina under this quota may only come from "EU Exporting Establishments" and the beef cuts included in the quota must come from animals with the following characteristics:

- Heifers (uncalved females) or steers (castrated males).

[48] EU Regulation N°481/2012.
[49] https://tramitesadistancia.gob.ar/#/inicio
[50] See https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-1578-2019-332409

- Under 30 months - Up to two permanent incisor teeth (slaughterhouse verification).
- For at least 100 days prior to slaughter, fed only on rations that meet the following parameters: not less than 62% dry matter from concentrates and/or cereal co-products; with a metabolisable energy content equal to or greater than 12.26 MJoules per kilogram of dry matter (2.93Mcal/kg DM) and a daily intake of not less than 1.4% of their live weight in dry matter.

The "Despacho Cuota 481" (document DT-e Cuota 481) can only be made at the local SENASA office by an official veterinarian. At the moment of entering the “caravanas” (see BOX 4) into the system, they must have completed at least 100 days of quarantine since entering the establishment, otherwise, SIGSA will reject it.

It is SENASA, through its verifiers, which carries out the official classification in slaughterhouses, as required by the EU, analysing the maturity and probable palatability of the cuts. The official documentation that guarantees the aptitude of the cattle to comply with the "Cuota 481" is attached.

BOX 4: Livestock Health Traceability System in Argentina
Animal Identification and Transit Document

In Argentina, SENASA as the national health authority implements a livestock traceability system from birth to the products derived from the slaughter of that animal, marketed and made available to the consumer. By means of the animal signage (known as “caravana”) and the documents covering the federal transit of animals (Electronic Transit Document, DT-e), SENASA controls the traceability system.

Each DT-e identifies the establishment of origin of the animals arriving at the destination establishment or slaughterhouse by means of the RENSPA ID. The “caravana” of the arriving animals has the Unique Livestock Identification Code (CUIG) printed on it, which is a shortened coding method of the RENSPA ID. All animal movements are registered in SENASA's Integrated Animal Health Management System (SIGSA). Therefore, **through the CUIG printed on the animal's “caravana” it is possible to trace the** animal from birth.

- ***“Caravanas”:*** The national cattle identification system, created through Resolution SAGPyA N°103/2006 and regulated by Resolution SENASA N°754/2006, consists of identifying animals with a “caravana” card in the left ear and a button-button “caravana” in the right ear. These “caravanas” are certified by the National Institute of Industrial Technology (INTI), are uniquely serialised and can only be supplied by manufacturers registered and authorised by SENASA.

- ***Electronic Transit Document (DT-e** by its anocrym in spanish):* **Any individual or legal entity responsible for the permanent or temporary keeping of animals that needs to move them is obliged to obtain the DT-e** from SENASA, which covers and enables the transit and movement through the Argentinean territory (federal transit). This is obtained through the self-management channels of SIGSA. This provides centralised information in real time for surveillance, monitoring and decision-making. The implementation of a Unique Electronic Validation Code (**CUVE**) improves in-transit controls and the security of the DT-e. **Any movement of animals without the corresponding DT-e will be considered an infringement and will be subject to confiscation**.

  The DT-e establishes the origin and destination of the livestock, the type of movement (with the possibility of differentiating between movements destined for slaughter and other livestock movements), the category of animals, their quantity and the transport data[51] .

  SIGSA does not allow the issuance of any DT-e if the vaccination record is not complete. The DT-e has a validity period of 48hs after the declared loading date (it can be modified to later dates with limits established by the system), after this date, it automatically goes to "expired" status, where the producer has no possibility to make changes or cancel it.

  On entering the slaughterhouses, they must close the DT-e in SIGSA, acknowledging the receipt of the animals or, failing that, its "non-arrival". The slaughterhouse must validate in SIGSA the conformity of the arrived **"caravanas"**, which in turn are verified, in situ, by the Veterinary Inspection Service (SIV) of SENASA. The "caravanas" are kept as documentary evidence, together with a closing form and the loading in SENASA's system for the "caravanas".

  In case of a "non-arrival" declaration, SIGSA will automatically block the producer's RENSPA.

[51] See https://www.senasa.gob.ar/sites/default/files/manual_dte_-_sigsa_-_autogestor.pdf

With the change to "expired" status of the DT-e, companies will start receiving notifications in the system and will have three calendar days to close the DT-e before moving to "expired" status, which will automatically block the issuance of new DT-e to the establishment until it is corrected.

BOX 5: Dispatch to slaughter of bovine animals destined for the EU
EU Traceability System

Producers and establishments involved in the rearing of animals destined for the EU have a specific traceability circuit in SIGSA that covers the entire life cycle of animals sent for slaughter for export to the EU.

Through the website of the Federal Administration of Public Revenues (AFIP) it is possible to link and register a producer/exporter in the Integrated Animal Health Management System (SIGSA) into the Register of Rural Establishments Suppliers of Livestock for Slaughter for Export to the EU (Res. SENASA No. 53/2017[52]). Consequently, all bovines, bubalinos and cervids existing in the farm at the moment of registration must be declared through their “caravanas”, except for those not yet weaned.

The "EU Supplier Establishments" are obliged to declare, immediately, the identification “caravanas” of the bovine animals coming from third establishments, if this operation is not carried out, the DT-e cannot be closed. The animals entered in this way can be sent for slaughter after at least 40 days in that Production Unit, complying with the compulsory quarantine required by the EU.

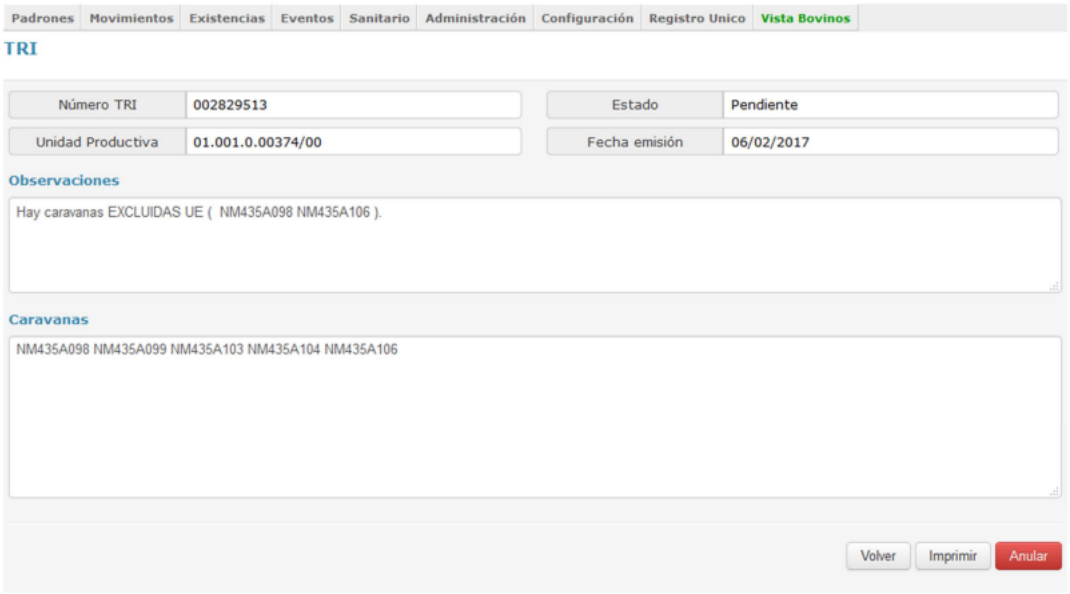
Animals that are excluded from movement due to residue problems or interdictions that do not allow movements cannot be included in the DT-e or be registered in the "EU Supplier Establishments". Movements of livestock sent to such establishments do not require an Individual Troop Record Card (TRI by its anocrym in spanish). The declaration of “caravanas” is made at the destination establishments at the time of closing the DT-e.

The SENASA Resolution N° 549/2016 establishes the procedures involved for the declaration of dispatch of troops to be slaughtered for dispatch to the EU. To do so, the producer must enter the SIGSA, enter the RENSPA and enter the “caravanas” of the animals to be dispatched.

[52] See https://www.senasa.gov.ar/sites/default/files/ARBOL_SENASA/SENASA%20COMUNICA/adjuntos_varios/r_senasa_53-2017.pdf

All animals destined for "EU Slaughter" must be moved under cover of the **Individual Troop Record Card (TRI), the "Affidavit of Dispatch of Troops to** Slaugh**ter for Export to the EU" and the corresponding DT**-e.

The TRI is generated in SIGSA with the RENSPA ID. All the "caravanas" included in the movement must be declared there. **If any "caravana" has a status that does not allow** the movement to be generated, it will not be possible to issue the DT-e.



Those animals that, although they come from "EU Supplier Establishments" and have completed the quarantine period, do not have, at least, their identifying button-button "caravana", cannot be destined to "EU Slaughter". In the latter case, the animal can be "recaravanned" and declared in SIGSA for internal commerce, but is excluded from to the EU exports. If there is the possibility of "recaravanning" when the animals enter the "EU Supplier Establishment", the CUIG entered and the "caravanas" that replace them must be indicated in SIGSA.

The Beef Module integrated into the ViSeC system builds on this "EU sanitary traceability circuit" in Argentina and complements it with a specific layer of information to verify the requirements of deforestation and forest degradation required by the EUDR.

Accordingly, for the purposes of the Beef Module CLD Protocol, it is understood as follows:

- **Registration and integration of animal movements** between establishments of origin, Rural Establishments Supplying Livestock for Slaughter for Export to the EU,

Slaughtering Establishments Authorised for EU Slaughter, Processing and Warehousing (Cycle I, II and III).[53]

3.5. Methodological development and alignment of ViSeC Beef Module

The development of the ViSeC CLD Beef Module Protocol was based on the monitoring, reporting and verification (MRV) recommendations of the Accountability Framework Initiative (AFi),[54] in line with global science-based recommendations. Through this methodology, the ViSeC Beef Module allows the identification and traceability of domestic cattle through their successive stages of development up to slaughter and processing for export, demonstrating that it is deforestation free according to the definitions set out in Point 4.3. until leaving the national customs territory.

3.6. Users of the ViSeC Beef Module

The users of the ViSeC Beef Module are:

- Productive Unit Supplying Livestock for EU Export Slaughtering
- EU approved slaughtering, processing and depot establishment (Cycle I, Cycle II and Cycle III)
- Exporter to EU

Work is currently underway on the system's User and Registration manuals.

Community importers and competent authorities may have access to the system under authorisation by certificate from the relevant user in order to obtain full traceability information, in the same way as the soybean module operates.

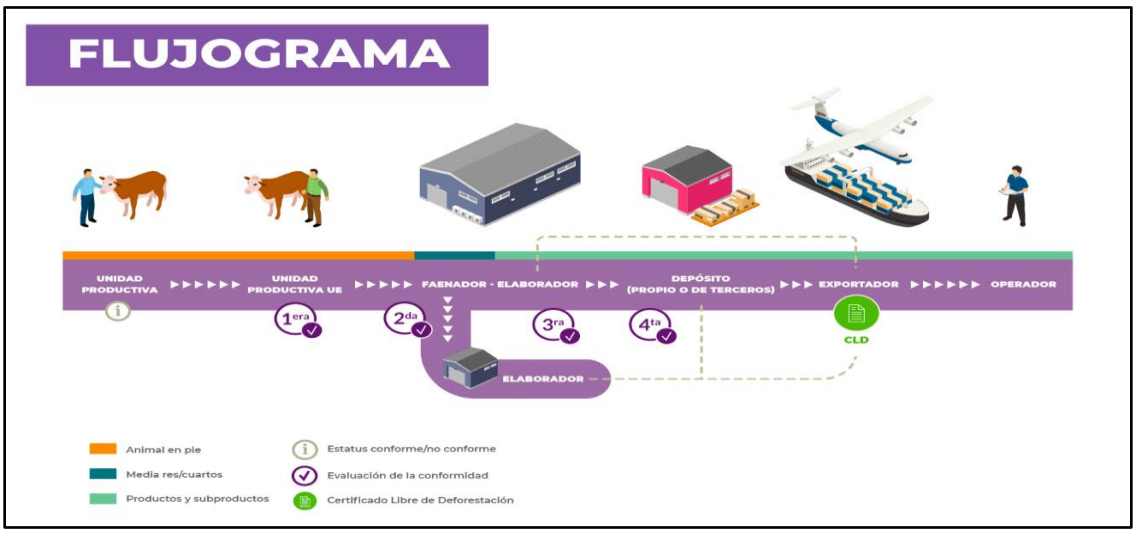
3.7. The ViSeC Beef Traceability Module System

The ViSeC Beef Module provides a digital tool to identify, trace the origin and follow the flows along the entire value chain of domestic beef produced in Argentina that will be traded under the CLD Protocol. The traceability system is based on an identification scheme, conformity assessments and final certification.

3.7.1. Initial identifications and conformity assessments key steps

The initial identification and conformity assessments within the traceability system of the Beef Module provide the information for decision making as to the course of action to be taken, whether the products in question have a compliant or non-compliant status.

[53] The categories of Cold Storage Establishments according to SENASA are: Cycle I - slaughters, processes and can give cold/storage; Cycle II - processes (i.e. receives the half carcass) and can also give cold/storage; and Cycle III - only gives cold/storage.
[54] https://accountability-framework.org/



3.7.2. Identification of Rural Cattle and Mixed Livestock Productive Establishments with activity for the bovine species and conformity of the Productive Unit (PU).

As a first step, the slaughterhouse as operator of the Beef Module requests upstream the affidavit of each production unit (PU) involved in the life cycle of the animal. This initial affidavit has all the same data as the initial declaration of the soybean module, the most important data being the RENSPA ID (See BOX 2) and the geolocation data by polygon.

The software automatically, based on the analysis of the supporting satellite images and the geolocation of the PU reported in the RENSPA ID and the decision rules based on the two concurrent criteria of free of deforestation and forest degradation, assigns a compliant or non-compliant status to the PU. Only UPs with compliant status can operate within the software.

Additionally, Rural Establishments supplying livestock for slaughter for export to the EU must be registered in the "Registro Nacional de Establecimientos Rurales Proveedores de Ganado para Faena de Exportación con destino a la Unión Europea" (RENSPA UE), in accordance with SENASA and, therefore, must meet all the sanitary conditions for such destination (see BOX 4).

3.7.3. Identification of livestock stock and conformity of animals sent for slaughter to EU destination

All the animals must have their individual identification by means of an **official "caravana" card in the right ear and a "caravana" button in the left ear, both with CUIG number** and with a correlative and unrepeatable numerical code. The complete traceability of the places of stay of the livestock prior to their arrival at the slaughterhouse is checked by

means of the documentation for the transport of live animals for slaughter (DT-e) (see BOX 4).

The ViSeC Beef Module, by means of a display will be able to, on the basis of the successive RENSPAs involved in the life cycle of the livestock declared in the DT-e destined for slaughter for the EU and the analysis of the satellite images of the polygons of each RENSPA, will be able to confirm the deforestation-free status.

3.7.4. Conformity of receipt of EU RENSPA beef by the slaughterhouse

From the sanitary point of view, all slaughterhouses operating within the Beef Module must be registered and authorised by SENASA to export bovine beef and by-products to the EU in any of the categories that allow for EU slaughtering, processing and warehousing (Cycle I, II and III).

Additionally, all slaughterhouses must have a Traceability Manual within their Quality Management System, which ensures the traceability of the products exported to the EU, guaranteeing the traceability of the animals when they enter the slaughterhouse and of the products obtained in the different processes of slaughter and processing, until their dispatch and reception at destination. The Traceability Manual must incorporate the procedure to be followed in cases of non-conformities, as defined in the Protocol (item Non-conformities/Corrective measures). Each Manual must be previously approved by the ViSeC Beef Module.

At the moment of receiving the cattle and closing the DT-e by the slaughterhouse, the software performs a conformity assessment where non-co**mpliant "caravanas" (non**-compliant animals) are identified that must be excluded from the EU circuit troop. In this case of non-compliance, the meat processing plant must demote the animal from the EU-circuit. The corrective measure shall be defined in the Traceability Manual of each establishment, previously approved by the Beef Module.

3.7.5. Conformity of the declaration of slaughter and product processing

At the time of the declaration of workmanship and processing of the products, the software performs a conformity assessment to identify potential non-conformities of the products and to indicate their exclusion from the EU circuit.

The establishment must exclude from the EU circuit all processed products with non-compliant status. The corrective measure shall be defined in the Traceability Manual of each establishment, previously approved by the Beef Module.

The elaboration of the ViSeC CLD compliance protocol manuals are in the process of development. To date, slaughterhouses already have in place approved manuals of

procedures and protocols for sanitary and dietary traceability for beef for export to the EU (see BOX 6).

BOX 6: General traceability procedure for slaughterghouses according to Traceability Manuals in force

As part of their Quality Management System, theses establishments have a Traceability Manual that aims to ensure the traceability of products exported to the EU.

All the manuals detail the information, registration and control circuits that guarantee the verification of the documentation of the animals when they enter the slaughterhouse, in accordance with official regulations, which allow the tracking of the products through the different manufacturing processes and up to their dispatch and reception at destination.

All manuals have procedures and records for the downgrading of animals or products when a non-conformity is detected.

As an example, the steps within a slaughterhouse in relation to traceability are described below:

- Verification of the origin of the animals in correspondence with the supporting documentation: DT-e, TRI, “caravanas”, etc.
- Once the unloading of the animals is completed and the consistency of the documentation with the inspection of the animals is corroborated, the Troop No. is assigned and the DT-e is closed.
- Once the DT-e has been closed, a resting pen is assigned and the following data is entered on the pen card: RENSPA number, troop number, date of entry, etc.
- After the animals have undergone a rest period, the troop is sent for slaughter, in the order set out in the slaughter/killing list. The first and last animal is always identified and notice is given when there is a change of troop.
- Once the slaughter has been carried out, after the heads have been skinned, the “caravana” control is carried out for the troops bound for the EU, in compliance with the requirements of SENASA Circular No. 3.884 Revision 2.
- Identification of the half carcasses on the hocks. As the half-carcasses pass through the typing box, the health stamp of the Official Establishment, the stamp of protection (Hilton, No Hilton, 481, Vaca China, etc), tooth chronology and ritual stamp (if applicable) are placed on each one. The EU Community health mark (Regulation 853/04) is also carried out.
- Identification of quarters. A label is issued to be placed in the animal quartes.
- In the deboning process, the quarters belonging to the same troop are brought in and as the deboning is carried out, the batch number associated with the troop number is assigned, they are packaged and the primary label is printed containing the following

information: name of the cut, characterisation of the type of cut (beef - chilled/frozen), temperature/conservation conditions, company name of the slaughtering and processing establishment, slaughtering and processing establishment number, commercial brand, registration number assigned by SENASA to the label after the approval process, date of slaughter, date of processing, expiry date, ISO LOGO "Argentine Beef", troop number, freezing date, bar code.

- A time gap is left between each troop in order to ensure the separation of the cuts of each troop.

BOX 7: Integrated Food Safety and Quality Management System in slaughtering establishments (SIGICA) and Integrated Management System for Health Certification (SIGCER)

Both systems, SIGICA and SIGCER, were implemented by SENASA Resolution No. 462/2014.[55] Both systems operate on SENASA's intranet and can be accessed through the linking of operators by means of the adhesion of the service on the website of the Federal Administration of Public Revenues (AFIP).

The slaughterhouses are obliged to implement SIGICA in its Cycle I Web module. Companies that are not registered in SIGICA are not authorised to manage DT-e and are not authorised to receive animals for slaughter.

The SIGICA operates to manage the closures of the DT-e, the declaration of troop details and details of the slaughter of animals entering the slaughterhouses authorised by SENASA. Is compulsory the declaration of arrival in SIGICA of the animals covered by the DT-e prior to slaughter and to declare the details derived from the slaughter. Previously, the closing of the DT-e and the slaughter declaration were done separately. In this way SENASA can obtain real time information on production details and slaughter findings, which improves the responsiveness of the agency.

In turn, export operations or sales to the domestic market must be registered in the SIGCER[56] in order to manage the corresponding Sanitary Certificate to cover the exit and transport of products and by-products of animal origin from the authorised establishments.

SENASA is responsible for the verification of compliance. Failure to comply with the regulations implies that the owners of the authorised establishments will not be able to obtain authorisation to issue DT-e for the movement of animals or the sanitary certification to cover the movement of products and by-products of animal origin, as appropriate.

[55] See https://www.senasa.gob.ar/resolucion-4622014
[56] See Help Manual. https://www.argentina.gob.ar/sites/default/files/sigcer_-_ayuda_rol_exportador.pdf

3.7.6. Conformity of the export transaction

Traceability is ensured by the conformity assessments carried out by the ViSeC Beef Module and the result is the issuance of the CLD by the VBs. The CLD will be used by exporters and by operators (importer) for due diligence. The software allows the exporter to visualise all the CLDs with the documents containing the due diligence data assigned to them.

3.8. Software databases ViSeC Beef Module

The ViSeC Beef Module uses a webservice for consultation with each of the users that participate in this system (EU Production Units and Slaughterhouse Establishments) to obtain the necessary information to ensure traceability, for which each user must register and at that moment must accept the Terms and Conditions that include permission to use their data.

3.9. Verification Bodies (VBs) authorised by the ViSeC System

The Beef Module provides for a Verification Body (VB) to carry out a comprehensive programme of verifications of compliance with the proposed traceability scheme.

3.9.1. Third party verification

The objectives of the verification fulfil the following objectives within the ViSeC Beef Module:

- Enable the Slaughterhouses Establishments in order to corroborate that the organisation has the documents and procedures required by the ViSeC CLD Protocol as well as to ensure through an on-site audit that the product under the scope of certification is actually produced in the plant. Establishments will have 30 working days to correct non-conformities in their qualification process.
- Carry out surveillance activities in the Slaugtherhouses Establishments (a traceability exercise and on-site audit every six months) and the Production Units.
- Submit verification reports on the monitoring of the activities carried out, evidencing through reports the results of each of the aforementioned verifications, which must be uploaded to the software.

The lists of verifications are currently under development.

3.9.2. VB requirements

In order to operate within the ViSeC Beef Module, the VBs must comply with the following requirements:

- Full name of the Verification Body
- Name and details of the main contact for this scheme

- Slaughterhouse Establishment that has selected it: company name, CUIT, establishment registration numbers.
- Office addresses
- Evidence of accreditation by a National or International Accreditation Body of the requirements of the ISO/IES 65:2015 guide, or Resolution No 280/2001 National Food Quality Certification Programme of SENASA.

These requirements ensure that the VB is competent and can produce credible results.

Designated auditors shall successfully complete a Beef Module training course covering the criteria, indicators and guidance of the ViSeC CLD Protocol. Any changes to the Beef Module certification scheme will require a refresher course.

The Annex to the ViSeC CLD Protocol regarding the additional requirements of the VB and its recognition procedure within the ViSeC Beef Module is under development.

3.10. Confidentiality of data within the ViSeC Beef Module

The Beef Module administers and manages the data, documents and records of this certification scheme and will be responsible for the overall integrity of the implementation and may use third party verification.

The Beef Module data security and confidentiality system is under development. The use of Blockchain and other digital tools for these purposes is foreseen and work is underway to define the specific data to be supported by these means.

3.11. Training and awareness-raising programme 2024-2025

It shares the training and awareness programme with the Soy Module within the ViSeC Platform.

3.12. Beef system/module costs and implementation costs

The main cost components of the ViSeC system cover the following items:

- Operational cost of the system:
  - Software maintenance and licensing.
  - Help desk in development to accompany the daily operation of the system.
- Cost of satellite imagery analysis.
- Cost of auditing the system.
- Cost of integration with public information systems.
- Cost of software upgrade.
- Cost of adapting the software and protocol in case of changes to the EUDR.

In turn, each operator will have its own verification cost which will be determined by volume and scale with the selected VB.

4. PROCESS VERIFIED PROVINCE OF SANTA FE

The Santa Fe Process Verified (PV) Programme was created on 3 July 2023 through a Joint Resolution of the Secretariat of Agri-Food of the Ministry of Production, Science and Technology (Res. N° 755/23) and the Ministry of Environment and Climate Change (Res. N° 340/23) of Santa Fe Province.

The Programme proposed by the Government of Santa Fe is designed to provide public-public verification of specific product standards, which guarantee compliance with attributes such as green seal, animal welfare, beef quality, designation of origin, carbon footprint, among other attributes. In this first stage, it is aimed at all members of the Santa Fe beef value chain, with the objective of improving the competitiveness of the beef sector as a whole.

4.1. Members of PV

PV was developed by the Secretariat of Agriculture and Livestock[57] of the Ministry of Productive Development of the Province of Santa Fe (former Secretariat of Food of the Ministry of Production, Science and Technology) and the Secretariat of Environmental Policies of the Ministry of Environment and Climate Change[58] , and was supported by the Secretariat of Technologies[59] for Science of the Ministry of Public Management and the Cadastre and Territorial Information Service[60] of the Ministry of Economy. In total, the programme depends on the interaction of 4 provincial ministries.

This programme is also supported by different Secretariats of the Ministry of Productive Development, as well as the SENASA, Confederación de Asociaciones Rurales de Santa Fe (CARSFE), Sociedad Rural Argentina (SRA), Federación Agraria Argentina (FAA), Federación Intercooperativa Argentina (CONINAGRO), Cámara Argentina del Feedlot (CAF), Cámara de Frigoríficos de Santa Fe (CAFRISA), Cámara de Industrias del Cuero, Instituto Nacional de Tecnologías Agropecuaria (INTA), Universidad Nacional del Litoral (UNL), Universidad Nacional de Rosario (UNR), Universidad Nacional de Rafaela (UNRaf), Agencia Santafesina de Seguridad Alimentaria (ASSAL), Colleges of Veterinarians and Agricultural Engineers of the Province of Santa Fe, companies in the beef sector and non-governmental organisations (NGOs) related to environmental sustainability.

[57] https://www.santafe.gov.ar/index.php/web/content/view/full/112058/(sub-theme)
[58] https://www.santafe.gov.ar/index.php/web/content/view/full/102676
[59] https://www.santafe.gov.ar/index.php/web/content/view/full/236062
[60] https://www.santafe.gov.ar/index.php/web/content/view/full/104569

The Government of Santa Fe received financial support from the AL-INVEST Verde Programme[61] , through the Ministry of Productive Development, the Ministry of Environment and Climate Change and the Secretariat for International Cooperation and Regional Integration, for the purpose of analysis and indications for the strengthening of the sustainability policy in livestock farming in the province of Santa Fe in accordance with the new requirements on deforestation and forest degradation of the EU. Through Component "Technical assistance to the public sector", led by the Fundación Internacional para Iberoamérica de Administración y Políticas Públicas (FIIAPP), in consortium with the International Italo-Latin American Organisation (IILA), the work "Strengthening of the Santa Fe beef value chain: beef from Santa Fe to the world" aimed to provide technical assistance to the Latin American public sector to promote sustainable value chains.

In December 2022, AL-INVEST Verde conducted a technical mission where visits were made to cattle farms, tanneries, meat processing plants and research centres, and meetings were held with different actors in the beef value chain to share the socio-environmental traceability initiatives implemented in Brazil. From June to December 2023, AL-INVEST Verde continued to support the project "Animal traceability system for deforestation-free beef in the province of Santa Fe".

4.2. Objective of the Santa Fe Process Verified Programme

The Programme aims to promote and contribute to the sustainable development and growth of the agricultural sector in the Province of Santa Fe, supporting the transition to a low-carbon, resource-efficient and more circular economy, in order to increase the competitiveness of Santa Fe products.

The provincial government foresees the verification of processes inherent to environmental and animal traceability related to the "deforestation-free" attribute[62] , supported by a documented management system and verified by a qualified auditor to provide information to differentiate attributes that facilitate access to local and international markets. In this process, the Provincial Government provides endorsement as the supervisory body of the process.

Specifically, the Programme was conceived as a set of environmentally and socially friendly guidelines aimed at promoting the use of good practices in the livestock production process, based on a voluntary adhesion scheme for those producers who wish to obtain attributes that guarantee the sustainability of their processes and allow for the differentiation of their products.

Among its objectives, the Programme seeks to:

[61] https://alinvest-verde.eu/es_es/
[62] It is expected to build on the same system for the validation of other attributes in the future.

- **positioning the beef value chain through compliance with regulations and standards in line with the European Green Deal,** bringing together animal traceability and environmental traceability; and
- **design voluntary labelling to** ensure confidence and facilitate understanding of the attributes of beef products and derivatives.

4.3. Implementation process of the PV

The PV foresees the formation of technical working teams between the Ministry of Productive Development, the Ministry of Environment and Climate Change, the Secretariat of Management Technologies of the Ministry of Public Management, the Cadastre and Territorial Information Service of the Ministry of Economy at provincial level and the National Service of Health and Agrifood Quality (SENASA) at national level.

In the future, a group of external specialists will be contracted to develop protocols for beef products and derivatives, develop standards for auditing procedures, review, monitoring and supervision to assess compliance with rules and criteria for each of the attributes identified.

The implementation process also involves the development of a digital platform to link environmental information with the attribute "deforestation" and other required variables between the Ministry of Environment and Climate Change and the existing Integrated Environmental Management System (SIGSA) of SENASA (see BOX 5).

At the same time, an Executing Unit of the Programme will be formed, integrated by the public sector and representatives of the beef sector, defining the attributions and responsibilities of each of its members. It will be chaired by the Ministry of Productive Development and will have the participation of two (2) representatives of this Ministry, two (2) representatives of the Ministry of Environment and Climate Change, one (1) representative of SENASA, four (4) representatives of the private sector, two (2) from the Universities, one (1) from INTA, two (2) from the beef industry and two (2) from the leather industry.

To date, the Executing Unit and the group of specialists for the development of the protocols and the digital platform have not been implemented.

4.4. Santa Fe Process Verified Program Users

The users of the PV are all livestock producers in the Province of Santa Fe, who must comply with the following requirements:

(I) Be registered in the Single Register of Primary Productions (RUPP) of the Ministry of Productive Development of the Province of Santa Fe (See Box 8).

(II) Comply with the compulsory health plans in force (Foot and Mouth Disease, Brucellosis, Tuberculosis and Ticks).

(III) To have the cadastral parcel/s of the owner/s of the property updated in SIGSA.

(IV) Be registered in the provisions and/or regulations in force of the Ministry of Environment and Climate Change of the Province of Santa Fe, when the activity so requires.

(V) Be registered in the "National Register of Rural Establishments Suppliers of Livestock for Slaughter for Export to the European Union", according to SENASA Resolution No. 53/2017.[63]

(VI) Feedlot fattening establishments must be registered in the "Register of Cattle Feedlot Fattening Establishments suppliers of cattle for slaughter for export" according to Resolution No. 02/2003[64] of SENASA and No. 329/2017[65] of the Ministry of Agro-industry.

(VII) Establishments with Native Forest presence (according to the OTBN) must have a Management Plan or Conservation Plan presented and approved by the Ministry of Environment and Climate Change or the competent local Enforcement Authority according to National Law N° 26,331 and its provincial regulations (BOX 1).
In case the establishment does not have an appropriate Plan, it will have a period of one year for its presentation. In the event that the establishment does not have Native Forest, it must submit a sworn statement informing its status under the law.

BOX 8: Single Register of Primary Produce
Province of Santa Fe

The Single Registry of Primary Productions (RUPP) of the province of Santa Fe aims to centralise the documentation and information of all those natural or legal persons whose activities are related to primary production in the province of Santa Fe.

All agricultural producers who carry out primary activities in the territory of the Province of Santa Fe, whatever their legal nature and legal domicile, must register in the RUPP. The information provided by the agricultural producer shall be considered as a sworn declaration and shall be protected by individual secrecy and statistical confidentiality.

At the time of registration, the producer shall declare all the parcels contained in his establishment, indicating each of the real estate items included in the property.[66]

Within its functions, the RUPP seeks to:

[63] See https://www.senasa.gob.ar/normativas/resolucion-53-2017-senasa-servicio-nacional-de-sanidad-y-calidad-agroalimentaria
[64] See https://www.senasa.gob.ar/normativas/resolucion-2-2003-senasa-servicio-nacional-de-sanidad-y-calidad-agroalimentaria
[65] See https://www.senasa.gob.ar/normativas/resolucion-319-2017-ministerio-de-agroindustria
[66] See https://www.santafe.gov.ar/rupp/login.php

> Maintain an updated database of primary production and its producers;
> Discriminate general and specific information by productive activity;
> Provide administrative support to registered producers;
> Interact with public and private bodies, as well as with municipalities and communes of the Province of Santa Fe, being able to sign agreements to that effect.

In the event that the declaration in the RUPP is found to be false, the entry of the required data will be suspended, the validity of the registration in the RUPP will be suspended and, consequently, the person will be disqualified from carrying out procedures before any agency of the Provincial Public Administration for the term established by the enforcement authority in accordance with the seriousness of the act, the nature of the same and the legal effects produced.

4.5. Scope of the Verification Process , verification bodies and requirements

The PV Programme aims to verify production and industrial processes to guarantee the environmental and animal traceability of the product "from cradle to grave", involving field audits, control and verification of records and effective application of traceability systems.

If necessary, it is planned to select one or more independent certification bodies for this purpose. This could be SENASA or a certifying body approved by SENASA (Resolution N° 280/2001)[67] with international recognition.

To date, there is no process of selection or approval of verification bodies.

4.6. Attribute "Deforestation Free Cattle Meat and Leather in the Province of Santa Fe" (CyCLD)

This attribute seeks to guarantee the animal and environmental traceability of livestock products (beef, leather and its derivatives) from animals that have spent their lives in deforestation-free environments. The system seeks to ensure that in the establishments of the Province of Santa Fe where the animals were born, raised and fattened, there has been no deforestation since the enactment of the Forestry Law (2007) and that the individualisation of the raw material generated by the animals throughout the industrial process is maintained, both for the generation of beef (meat processing plants) and tanneries (leather).

[67] See https://www.senasa.gob.ar/normativas/resolucion-280-2001-senasa-servicio-nacional-de-sanidad-y-calidad-agroalimentaria

The control mechanism is based on the cross-checking of compliance with the attribute from the identification and documentation system provided by SENASA with verification by the Ministry of Environment and Climate Change of the Province of Santa Fe of the change of coverage through satellite images of the Early Warning System (SAT)[68] (see BOX 9) provided by the Ministry of Environment and Sustainable Development of the Nation in each of the establishments where the aforementioned animals were before. In processing establishments, slaughterhouses and tanneries, they must ensure that it is possible to trace the final products maintaining the CyCLD attribute from the arrival of the animals or leather until it reaches the consumer.

BOX 9: Deforestation Early Warning System (SAT)

The Deforestation Early Warning System (SAT by its acronym in spanish) is a tool of the National Undersecretary of Environment that monitors the loss of native forest on a continuous basis, through automated processes based on satellite images. As such, the SAT is an instrument for monitoring compliance with the land-use planning that has arisen from the Native Forest Law. In particular, the SAT follows the following objectives:

- Strengthen the control and surveillance of native forests by the provincial authorities by informing them of periodic alerts.
- Provide a free and public access tool for civil society.
- Improve the monitoring system carried out by the Undersecretariat for the Environment as the National Authority of the Forest Law.

With a periodicity of 15 days, the system automatically processes Sentinel and Landsat 8 satellite images, applying algorithms that analyse with various techniques, time series and spatial patterns. Then 100% of the alerts are validated and processed in a Geographic Information Systems environment, to be cross-referenced with related secondary information such as Native Forest Land Management and the National Register of Land Management Plans.

Finally, a report is sent to each province with details of the alerts and a request for information on the legality of each deforestation event (whether it was authorised or not, the instrument authorising the deforestation, the file number and measures to be taken in the case of illegal events, among other data).

The Government of Santa Fe in the period 2019-2021, together with Fundación Vida Silvestre Argentina, World Wide Fund for Nature (WWF), Boston Consulting Group, Consultora Genesis (Division of CARBON INVEST SA) and recognised sector specialists, carried out a feasibility study to provide an effective response to the demands for

[68] https://www.argentina.gob.ar/ambiente/bosques/alerta-deforestacion

deforestation-free beef and leather in accordance with the new demands of European markets.[69]

In September 2022 a pilot test was carried out in the provincial territory with the participation of 7 meat processing plants[70], 4 tanneries[71] and 313 Productive Units (UP) registered with SENASA, totalling 343 RENSPAs, 674,120 hectares and 373,403 head of cattle.

In the verification process of these UPs, it was concluded that 64.6% did not register any disturbance in native forests and would be plausible to obtain environmental compliance, while 1.2% of the establishments would not be plausible to obtain compliance as they registered disturbances in native forests by SAT information (deforestation or fire). Due to the fact that the analysis was carried out on all bovine establishments, it was observed that 34.2% did not have polygons registered with SENASA, so it was not possible to assess compliance. [72]

	Departamento	RENSPA	Unidades productivas	Sin polígono	
	TOSTADO-RECONQUISTA	**99**	**96**	**49**	**51,0%**
20.011	9 DE JULIO	18	18	10	55,6%
20.007	GENERAL OBLIGADO	41	38	19	50,0%
20.013	SAN CRISTOBAL	40	40	20	50,0%
	VERA	**166**	**146**	**43**	**29,5%**
20.019	VERA	138	120	31	25,8%
20.014	SAN JAVIER	19	19	11	57,9%
20.005	GARAY	9	7	1	14,3%
	RAFAELA	**51**	**47**	**13**	**27,7%**
20.003	CASTELLANOS	3	3	2	66,7%
20.010	LAS COLONIAS	11	11	5	45,5%
20.009	LA CAPITAL	9	8	2	25,0%
20.016	SAN JUSTO	28	25	4	16,0%
	AREQUITO	**27**	**24**	**2**	**8,3%**
20.004	CONSTITUCION	2	2		
20.012	ROSARIO	2	1		
20.017	SAN LORENZO	1	1		
20.006	GENERAL LOPEZ	10	9		
20.002	CASEROS	5	5		
20.001	BELGRANO	2	2		
20.008	IRIONDO	3	2	1	50,0%
20.018	SAN MARTIN				
20.015	SAN JERONIMO	2	2	1	50,0%
	TOTAL	**343**	**313**	**107**	**34,2%**

During the year, following the verification of animal traceability together with SENASA, commercial operations were carried out with beef and leather certification with the attribute, in 30 Electronic Transit Documents (DT-e) including 808 head of cattle (78% steers and 22% cows). As a next step, environmental verification of the entire provincial territory is planned

[69] Argentine Beef Free of Legal and/or Illegal Deforestation (2020). https://www.genesisarg.com/novedades/carne-bovina-argentina-libre-de-deforestacion-legal-y-o-ilegal/
[70] Swift Argentina S.A.; F.R.I.A.R. S.A.; Marfrig Argentina S.A.; Black Bamboo Enterprises S.A.; Ind. Frig. Recreo S.A.I.C.; Matadero Frigorífico Unión S.A. y Rafaela Alimentos S.A.
[71] Arlei S.A.; Sadesa S.A.; Curtidos Reconquista and Emilio Alal S.A.C.C.I.F.I.
[72] The obligation to declare a site in RENSPA is only obligatory for "EU supplier establishments", the rest can declare a single geo-referencing point.

for the 179,211 rural parcels provided by the Cadastre and Land Information Service, representing a total of 12,678,741 hectares. This would provide a first mapping of suitable UPs from the deforestation and environmental degradation attribute (baseline) that would need periodic updates to determine compliance with the recurrent attributes of the EUDR.

4.7. Required information Attribute CyCLD

Registration in RENSPA will be requested (see BOX 2) through which it is possible to know the location from the polygon (cadastral headings) and the identification of each of the animals that make up the troop sent to another agricultural establishment or to the slaughterhouse, as appropriate, accompanied by the DT-e issued by SENASA, attaching the certificate stating that the animals have the CyCLD attribute. At the end of the production process, a cross-check of animals is carried out with the establishment(s) through which the animal's life was spent. If the protocol is complied with, it is foreseen that the troops sent should be accompanied by a DT-e[73] containing the legend or, failing that, the certificate issued by the Programme will be attached.

On the basis of this document, the beef packing plants and tanneries must request authorisation from the person designated as responsible for the Programme, after compliance with the authorised protocol, to use a label, legend or seal that assures users of compliance with the CyCLD attribute.

In addition to the general access conditions for the Santa Fe Process Verified Programme, candidates for the CyCLD Attribute must meet the following requirements:

(I) Have their respective Management and/or Conservation Plan approved.
(II) Have less than two Early Warning System (SAT) reports linked to the area of the property linked to the RENSPA.
(III) No area of Burnt Area in Category I (red) in the last four years.
(IV) Less than 10% of the land area as Burnt Area of the land area in Category II (yellow) in the last three years.
(V) Feedlots must have Annex A of Resolution 23/2009[74] and the Environmental Compliance Report (an establishment with more than 200 animals).
(VI) In the case of a confirmed disturbance, the establishment interested in joining the Programme must have a Restoration Plan and actions in place for a period of 3 years.

It should be noted that according to the OTBN of the Province of Santa Fe, there are no areas of Category III Native Forest (green) in the province.

[73] Currently, in cases that comply with the regulations, the DT-e contains the legend enabling destination European Union Hilton or 481 Quota.
[74] See https://www.santafe.gob.ar/index.php/content/view/full/222320/

4.8. Model Certificate PV Santa Fe

Santa Fe
Provincia

Programa Santa Fe VERIFIED PROCESS*

Certificado Atributo "Carne y cuero bovino libre de deforestacion de la Provincia de Santa Fe"	Atribute Certificate "Deforestation free beef and leather from Santa Fe Province"

N°CERTIFICADO /CERTIFICATE N°	
FECHA VERIFICACION/ VERIFICATION DATE	
PAIS/COUNTRY	Argentina
PROVINCIA/STATE	Santa Fe
N° DTe/ DTe N°	
Fecha DTe/ DTe Date	
Cantidad de Animales/ Animal Qty	
Categoria Animales/ Animal Category	

El gobierno de la provincia de Santa Fe, Argentina, a través de su Programa Santa Fe Verified Process expide el presente certificado que garantiza que los animales que conforman la tropa/lote descripta en este documento provienen de establecimientos que cumplen con el siguiente atributo:

- Libre de deforestación ilegal (OTBN provincial).
- Cumplimiento regulación de fuego provincial (2021).
- Cero deforestación a partir de Diciembre 2020.

El proceso ha sido verificado desde el nacimiento de los animales hasta su ingreso a faena.
Verificación realizada a través de la utilización de sistemas oficiales nacionales y provinciales vigentes.

The government of Santa Fe Province, Argentina, through its Santa Fe Verified Process Program issues the following certificate that guarantees that the animals referred to in this troop/lot have been produced in establishments that comply with the following attribute:

- Free of illegal deforestation (provincial OTBN)
- Compliance with provincial fire regulation (2021)
- Zero deforestation as of December 2020.

The process has been verified from birth to slaughter. Verification was carried out utilizing current official national and provincial systems.

Firma:

Aclaración:

Programa Santa Fe Verified Process

*Resolución N° XXXX

GARANTÍA

4.9. Geographical scope of the Programme PV Santa Fe

Within this regulatory framework, the OTBN map of Santa Fe reached an area of 1,747,059 ha, with 14% of the provincial territory covered by Category I (red, 375,491 ha) and Category II (yellow, 1,371,568 ha) forested areas. However, through the Provincial Cadastre, 100% of the province's rural land (12,678,741 ha) is monitored.[75] The PV applies only to animals that have transited all the cycle of life within the province of Santa Fe. It does not include an animal with federal transit.

4.10. Key Definitions: deforestation Process Verified Programme

For the purposes of the Programme:

[75] Only 15% of the area with "disturbance" was forest loss.

- Forest to what is framed by the National Law N° 26,311 on Native Forests. This law sets minimum budgets and establishes that the provinces must have a map of Territorial Management of Native Forests (OTBN) in which the possible uses of forested lands are categorised according to the conservation category established by the Forestry Law.

In the elaboration of the OTBN map of the Province of Santa Fe, only two of the three categories established by the Law were used: high conservation value (Category I-red) and medium conservation value (Category II-yellow). There are no areas in the provincial territory of low conservation value (Category III-green), where the Native Forest Law allows land use change to non-forest destinations.

All native forest owners must have a conservation and/or sustainable management plan in accordance with the general guidelines and minimum contents of such plans, according to Resolution N°427/2020 of the Federal Council for the Environment (COFEMA by its acronym in spanish)[76] . Permitted activities are related to the forest conservation categories, being possible the practice of Livestock Integrated to Forests, Sustainable Forest Use, Beekeeping, Research, Tourism and Education, among others.

To date, the Programme sets out the requirements and chain of custody to achieve verification of freedom from deforestation and forest degradation according to the criteria set out in the National Forest Law. These can be extended to EUDR legislation.

4.11. System costs and implementation costs implementation

While the implementation process of the Programme is still under development, some main cost components for its development and implementation can be identified:

- Cost of the development of the computer system to link SENASA's RENSPA with provincial information sources.
- Operational cost of the system:
  - Software maintenance and licensing.
  - Help desk in development to accompany the daily operation of the system.
- Cost of developing system protocols.
- Cost of auditing the system.
- Cost of integration with public information systems.
- Cost of software and protocol upgrade.
- Cost of adapting SENASA's traceability system.
- Cost of awareness-raising and training.

[76] See https://www.santafe.gov.ar/index.php/web/content/view/full/246266/(sub-item)/112851

4.12. Work agenda

To date, after the change of provincial administration in December 2023, work is resuming for the full implementation of the Santa Fe Process Verified Programme. Within this roadmap, there are several issues that are being worked on, from budgetary to methodological issues.

As a first step, contact is being resumed with SENASA for the validation of the Programme and the signing of a specific agreement to integrate public information systems with the aim of advancing the environmental compliance process in the province of Santa Fe.

Among the relevant issues, and depending on how the specific details of such integration are defined, methodological manuals and system and verification protocols remain to be defined, as well as issues related to chain of custody and monitoring, reporting and verification.

Similarly, it remains to be defined how this integration of data and the consultation system that will allow verification of non-deforestation compliance with the need for due diligence by EU importers will be carried out.

As far as data handling is concerned, if fully integrated into SENASA's systems, it will be covered by the same personal data legislation in force today.

5. EVALUATION ARGENTINA SCHEMES

Based on the understanding of the schemes under development in Argentina, an **evaluation matrix** is presented, considering the EUDR articles and the FAQ document published by the EU in December 2023[77] as compliance parameters. For each scheme, the fields that apply to the supply chain of the relevant raw materials and by-products according to the EUDR up to export at origin to the EU are summarised for each scheme. “Not applicable" (n/a) is referred to when it is a requirement that directly or indirectly reaches only the operator in the EU.

Based on the sensitivity analysis on the EUDR articles both soybeans and their by-products and beef and its by-products are relevant subjects of regulation.

Argentine exporters and their upstream supply chain are not direct EUDR operators (as defined in art. 2) **but through their importers and traders in the EU** (strictly speaking EUDR operators) they are indirect involved. It is up to the exporters and their supply chain to provide the importer/traders with the necessary information to complete the due diligence. Based on this cooperative provision of information, Articles 3, 9, 10, 12, 26, 31, 33 and 34 apply directly and indirectly to exporters in Argentina and their supply chain. In turn, with respect to the bilateral Argentina-EU relationship, articles 21 and 30 apply in the area of cooperation. As schemes with public integration or 100% public goods are mentioned as points of cooperation.

The evaluation matrix is therefore presented **with the synthetic answers derived from the baseline understanding of each scheme in Argentina.**

Matrix (attached file)

Based on the matrix, the assessment and identification of gaps is carried out, which are developed in the following outline.

5.1. Evaluation ViSeC Soybean

The ViSeC Soja System is a private platform with national governmental recognition based on:

- a satellite imagery analysis service,
- a traceability scheme for relevant material and by-products in a segregated manner from the PU,
- a documentary chain of custody scheme,
- cross-linking with the public registry system (AFIP and SENASA),
- an analysis of projected campaign volumes and average industrial yield parameters with warning system, and

[77] https://environment.ec.europa.eu/publications/frequently-asked-questions-deforestation-regulation_en

- an independent third-party verification with international registrations

responds to the European operator's request for information to complete its due diligence under the EUDR on the entire supply chains of soybeans and by-products (cradle to export dispatch) within the Argentinean territory.

The ViSeC SLD Protocol is aligned to the 2 concurrent conditions (cut-off date 31/12/2020 and compliance with national/provincial legislation) of deforestation and forest degradation set out in art. 3 of the EUDR. Regarding the legal compliance information, it is based on the authorisation of the national competent authority with documentary support in the platform and validation by satellite image. Regarding the cut-off date proposed by the EUDR, it is based on an analysis of satellite images (cut-off date vs. campaign) aligned with the technical requirements of the EUDR validated in its current development by the European Space Authority. The major cost of the ViSeC system lies in this analysis of satellite images, which in turn can be incremental in the case of incorporating successive layers of information for new ecosystems (art. 34). Although the system can incorporate new layers of information without technical limitations, it requires baseline mapping of the ecosystems to be incorporated. To date, forestry mapping in Argentina is based on the Forest Law (see Box 1).

> This satellite image analysis service is identified as a point of cooperation that the EU could address in order to reduce the costs of implementing the system in its current and future development.

The ViSeC Soja traceability system is based on an initial affidavit by the agricultural producer per PU, which is managed in the ViSeC system by the authorised operator. The data uploaded in this declaration are cross-checked with official records (RENSPA ID, CPE and Custon Shipping Register) and evaluated by means of satellite images and volume reports by campaign.

Although the ViSeC system has been prepared since its initial development for integration with public information bases, to date this integration process has not been 100% completed due to the tax secrecy law in Argentina. In order to complete this integration, a voluntary consent from each producer should be generated within the public systems so that the competent official authority can provide this information to the authorised operator within the ViSeC system. The pending automatic integration with official databases is one of the gaps identified in the ViSeC system. This would make the system, which is currently based on a cross-referencing of data submitted by operators and a verified documentary chain of custody from the PU in Argentina to the port of export in Argentina, more robust. The ViSeC system has been working for more than 2 years with the national authorities to achieve this integration, developing manuals, authorisation systems and reporting the necessary dataset. These activities will need to be continued in order to achieve this systems integration and legal adjustment. The framework agreements with the national government and competent authorities have already been formalised.

While the exporter as the last ViSeC traceability and chain of custody document accesses a CSLD that, together with a simplified satellite image analysis and documentary evidence file, provides the importer/trader in the EU, the system, through authorisation of each ViSeC operator that preserves the integrity in the use of the platform's data, allows access via username and password to EUDR operators and competent authorities in the EU to have a detailed history of the certified product. This provides the information required to the European operator in art. 9 and 12 of the EUDR to comply with the due diligence system. In 2023, shipments have been made under pilot cases to the EU that have yielded optimal results, even ViSeC operators have participated in the pilot of the EU information system, highlighting the need to work with the greatest possible integration of the systems.

In addition, the ViSeC system works through an exclusion scheme for non-compliance (minor and mayor) at each successive stage of the process (silos and elevators and conversion units), which excludes from the system those PUs that are not authorised and/or volumes of grains or by-products outside the volumes registered and monitored per campaign. The Annex presenting this non-conformity system is under development and its conclusion has been reported for the second half of 2024.

It does identify as a potential risk the illegal trade (outside of all official national and provincial fiscal, sanitary and environmental registries) that could occur in the chain. Due to its nature, it is outside the current regulations in Argentina and, therefore, beyond the scope of verification of the ViSeC system. As remediation measures for the identified risk, the system proposes two scenarios:

- Volumes without official documentation in the successive registers supporting the ViSeC system: without documentary support the volume is automatically out of the system.
- Volumes with apocryphal documentation: the ViSeC system mitigates the risk by means of an exhaustive control carried out at the time of the initial loading of the PUs by the operators because the managers of the exporters are criminally liable (Criminal Tax Regime), they are also subject to their respective corporate codes of conduct and to the "Terms and Conditions" and the "Integrity Programme" of the ViSeC system. In turn, there is an industrial volume and yield monitoring alert system that would identify these irregularities and suspend that product from the system.

> It identifies as an area for cooperation (art. 31), no longer with the ViSeC scheme operators but with the competent authorities in Argentina, the strengthening of the control system of the tax and sanitary regimes in force in Argentina.

The volume of soybeans entering the Argentinean customs territory from Paraguay for industrial processing under the temporary customs regime in force lacks traceability from an authorised UP, the fiscal records necessary for its administration and consequently exceeds the monitoring of volumes per season and industrial yield, and therefore it is not feasible to introduce it into the ViSeC system.

To date, ViSeC does not have a procedure for verifying conditions relating to local communities in the broad sense (art. 12 and 31). At present, it is only based on the initial producer's declaration and the social monitoring report carried out on the basis of public sources by the system itself. To date, there is no cross-checking that directly validates the information declared and monitored through secondary sources. Nor has a complaints and claims system been developed.

> A space for cooperation is identified in this gap (Art. 30) to generate within the system a tighter system of "social" due diligence that allows for the identification of judicialised contingencies that suspend the PU within the system.

The implementation of the ViSeC System where the producer is not the operator of the System, there is no exclusion of producers (art. 30) of any scale operating on approved UP. The only exclusion is non-compliance with the deforestation criteria required by the EUDR and operating within the official registers (legal trade). In order to minimize the error in the uploading of information in the documents supporting traceability that could lead to the non-approval of a UP due to an error in its declarations, a Training Programme 2023-2024 has been approved within the system. This will enable the transfer of knowledge and skills to producers to fully understand their role and the role of their data in a deforestation-free supply chain according to EUDR requirements.

5.2. Evaluation Beef Module ViSeC

The ViSeC Beef Module is a private platform integrated module based on:

- Argentina's livestock health traceability scheme and the specific health traceability scheme for EU Hilton and 481 quotas originating in Argentina, both at national level under the competent authority of SENASA with recognition by the EU competent authority,
  - > Registration of the livestock establishments from which the animals originate in the National Sanitary Register of Agricultural Producers (RENSPA) and in the Register of Rural Establishments Supplying Livestock to the EU (RENSPA UE), with their Production Units.
  - > Individual identification of the animals by means of an official caravan card in the right ear and a button/card caravan in the left ear. Both with CUIG N° and with a correlative and unrepeatable numerical code.
  - > Registration in SENASA of Cold Storage Establishments (cycle I, II and III) for federal and international traffic and authorisation for the EU market.
  - > Documentation for the transport of live animals for slaughter (DT-e).
  - > Traceability Manual within the Quality Management System of the cold store,
  - > Health documentation supporting export to the EU.
  - > Labelling and commercial identification of products.
- a satellite image analysis service,
- a documentary chain of custody scheme,
- cross-linking with the public registry system (AFIP and SENASA), and

- an independent third-party verification with international registrations

is being developed to respond to the European operator's request for information to fulfil its due diligence under the EUDR with respect to supply chains of domestic beef and its by-products (cradle to export dispatch) within the Argentinean territory.

To date, a specific protocol for bovine leather has not yet been developed, nor has integration with the Soy Module to validate zero deforestation and forest degradation requirements for animal feed within the EU 481 Quota. The latter development is facilitated by the integration of the Beef Module within ViSeC where it coexists with a soy and by-products module.

The ViSeC CLD Protocol is aligned to the 2 concurrent conditions (cut-off date 31/12/2020 and compliance with national/provincial legislation) of deforestation and forest degradation set out in art. 3 of the EUDR. Regarding the legal compliance information, it is based on the authorisation of the national competent authority with documentary support in the platform and validation by satellite image. Regarding the cut-off date proposed by the EUDR, it is based on an analysis of satellite images (cut-off date vs. date of slaughter for export) aligned with the technical requirements of the EUDR validated in its current development by the European Space Authority. The major cost of the ViSeC system lies in this analysis of satellite images, which in turn can be incremental in the case of incorporating successive layers of information for new ecosystems (art. 34). Although the system can incorporate new layers of information without technical limitations, it requires baseline mapping of the ecosystems to be incorporated. To date, forestry mapping in Argentina is based on the Forest Law (see BOX 1).

> This satellite images analysis service is identified as a point of cooperation that the EU could address to reduce the costs of implementing the system in its current and future development (new layers).

ViSeC Carne traceability system is based on the Argentinean livestock health traceability system and the specific health traceability system to comply with the requirements of the Hilton Quota and the EU's 481 Quota. An environmental traceability system is integrated into this sanitary scheme, based on the initial sworn declaration of the agricultural producers involved in the successive production stages of the domestic bovine animal and the cross-checking with official records (RENSPA ID, DT-e and Custom Shipping Register), which is evaluated with respect to the 2 concurrent criteria by means of satellite images.

Although the ViSeC system has been prepared since its initial development for integration with public information bases, to date this integration process has not been 100% completed due to the tax secrecy law in Argentina. In order to complete this integration, a voluntary consent from each producer should be generated within the public systems so that the competent official authority can provide this information to the authorised operator within the ViSeC system. The pending automatic integration with official databases is one of the gaps identified in the ViSeC system. This would make the system, which is currently based on a

cross-referencing of data submitted by operators and a verified documentary chain of custody from the UP in Argentina to the port of export in Argentina, more robust. The ViSeC system has been working for more than 2 years with the national authorities to achieve this integration, developing manuals, authorisation systems and reporting the necessary dataset. These activities will need to be continued in order to achieve this systems integration and legal adjustment. The framework agreements with the national government and competent authorities have already been formalised.

Although the exporter as the last ViSeC traceability and chain of custody document accesses a CLD that, together with a simplified satellite image analysis and documentary evidence file, provides the importer/trader in the EU, the system, by means of authorisation from each ViSeC operator that preserves the integrity in the use of the platform's data, allows access via username and password to EUDR operators and competent authorities in the EU in order to have a detailed history of the certified product. This provides the information required to the European operator in art. 9 and 12 of the EUDR to comply with the due diligence system. Pilot testing with European importers is planned for 2024 to identify areas for improvement in the integration of the systems.

In addition, the ViSeC Beef Module operates through an exclusion scheme for non-compliance (4 MVR points) that excludes from the system those UPs that are not authorised and/or animals outside the EU quota registers. Within each beef establishment, traceability is supported by its own Traceability Manuals approved within the EU sanitary traceability scheme by the competent authority and which must then be approved by the ViSeC Beef Module itself, as established in the protocol.

Finally, a gap is identified in the illegal trade or transfer that could potentially occur. By their very nature they are outside the current regulations in Argentina, and therefore outside the scope of ViSeC verification:

- *Troops without official transfer documentation* are out of the ViSeC system.
- *Animal without individual identification (caravan)* is excluded from SENASA's "EU circuit" and therefore outside the ViSeC system.
- *Movement with apocryphal documentation:* It is SENASA itself that mitigates the risk of movement with apocryphal documentation by requesting the declaration of the entire stock of livestock from the very moment of registration in the RENSPA EU. Only declared caravans can be declared in the DT-e and forwarded for dispatch. The lack of declaration of part of the troop by the producers not only makes it impossible to move and market it, but also constitutes a criminal offence (Criminal Tax Regime), making them criminally liable for the false declaration.

> It identifies as an area for cooperation (Art. 31), no longer with the ViSeC scheme operators but with the competent authorities in Argentina, the strengthening of the control system of the tax and sanitary regimes in force in Argentina.

To date, ViSeC does not have a procedure for verifying conditions relating to local communities in the broad sense (Art. 12 and 31). It is currently only based on the initial producer's declaration and the social monitoring report carried out on the basis of public sources by the system itself. To date, there is no cross-checking that directly validates the information declared and monitored through secondary sources. Nor has a complaints and claims system been developed.

> A space for cooperation is identified in this gap (Art. 30) to generate within the system a tighter system of "social" due diligence that allows for the identification of judicialised contingencies that suspend the UP within the system.

The implementation of the ViSeC System where the producer is not the operator of the System, there is no exclusion of producers (Art. 30) of any scale operating on approved PU. The only exclusion is non-compliance with the deforestation criteria required by the EUDR and operating within the official registers (legal trade). In order to minimise the error in the uploading of information in the documents supporting traceability that could lead to the non-approval of a UP due to an error in its declarations, a Training Programme 2023-2024 has been approved within the system. This will enable the transfer of knowledge and skills to producers to fully understand their role and the role of their data in a deforestation-free supply chain according to EUDR requirements.

5.3. Evaluation Process Verified Province of Santa Fe

The Santa Fe Verified Process (VP) Programme is based on information systems of national (SENASA and SAT) and provincial (Catastro-Mapa OTBN-RUPP) public bodies. The information load is the same as that already validated for health conformity, with the addition of the OTBN and SAT layers. To date, the protocol and chain of custody of the scheme and the verification procedure have not been developed. To date, although the databases underpinning the public data programme are developed and operational, the integration processes and mechanisms for consulting them, as well as the platform that will host the information, have yet to be defined. To start integration, an agreement between the Province and SENASA should be finalized.

The programme operates through an exclusion scheme for non-compliance at each successive stage of the production process, based on an initial specific evaluation/qualification of all the PUs in the province and a chain of custody based on the individual traceability of livestock up to the time of slaughter, to which are added the traceability processes within the slaughterhouses and the documentary traceability of the marketing of their by-products. PV will allow endorsement of compliance for deforestation-free beef (not mentioning degradation) according to the OTBN date. Specifically, for the conformity of the CyCLD Attribute for products destined for the EU, the conditions of access to the attribute as set out in the Joint Resolution of 2023 will have to be reformulated, since there the achievement of the attribute is endorsed

under conditions that would not allow the necessary conformity qualification for the EU[78] (Art. 2, 3 and 9 EUDR).

Regarding its geographical scope, as it is not integrated with the rest of the territory, the PV could only endorse conformity for those animals that have spent their entire life cycle (birth, breeding, rearing and fattening) within the geographical territory of the Province of Santa Fe. It would not be possible to evaluate those animals that enter or leave the provincial territory during their life cycle. Due to the operation of the bovine chain at national level, progress should be made in linking all RENSPAs geo-referenced to forested areas at public level and integrating them into SENASA's SIGSA system. To this end, each province should generate the first layer of environmental/forestry information on UPs that are OTBN-compliant and on which the EWS sweep will then be carried out.

> This initial development of compliant UP forest mapping is identified as a point of cooperation to be considered (Art.30).

Similarly, an additional gap is linked to the need to link animal feed based on soya or derivatives with deforestation and forest degradation-free feed compliance. To date, this is a pending task of analysis and potential collaboration for the development of a system capable of endorsing such compliance.

At the same time, it is necessary to develop a traceability protocol within the cold stores or a recognition process. To date, there is already an approved health and diet quality protocol for the traceability of beef cuts sent to the EU. To this protocol, the deforestation-free product conformity section must be added.

These gaps also apply to the traceability of bovine leather, for which, in addition, individual demarcation mechanisms must be determined to allow traceability after slaughter.

Regarding the validation of the environmental information layer of the programme, the SAT system requires recognition by the European Space Agency to become operational.

> This recognition procedure is identified as a forestry cooperation point to be developed (Art. 21 and 30).

There is no development throughout the programme regarding the conditions of local communities and indigenous peoples (Art. 12 and 31).

[78] For example, it does not stipulate 31 December 2020 as the cut-off date for forest disturbances, but requires no disturbances in the last four, three or four years (depending on whether it was in a yellow or red OTBN zone).

> This development with regard to "social" compliance is identified as a point of cooperation to be considered.

Finally, gaps linked to illegal trade or transfer are identified, which, if they exist, are done outside the official registration system, and therefore outside the Programme's verification scope:

- *Troops without official movement documentation* are out of the SENASA system.
- *Animal without individual identification (caravan)* is excluded from SENASA's "EU circuit".
- *Movement with apocryphal documentation:* It is SENASA itself that mitigates the risk of movement with apocryphal documentation by requesting the declaration of the entire stock of livestock from the very moment of registration in the RENSPA EU. Only declared caravans can be declared in the DT-e and forwarded for dispatch. The lack of declaration of part of the troop by the producers not only makes it impossible to move and market it, but also constitutes a criminal offence (Criminal Tax Regime), making them criminally liable for the false declaration.

Regarding the governance of the scheme, it is a public-public programme that is intended to be free of charge for all operators, although there are costs that will have to be addressed to make the programme an operational system. The data protection policy is based on the frameworks of tax and sanitary secrecy, so some kind of additional authorisation should be generated in its development to be able to share data with third parties, either within the chain or as operators in the EU.

It implies the development of a training plan for producers and all users in order to avoid commercial exclusion due to total ignorance of the published attribute. To date, no action has been taken in this regard.

> A point of cooperation is identified in this capacity transfer gap (Art. 30).

While there is a challenging work agenda in the short and medium term, there is no operational date for the scheme.

6. ANNEX I: INTERVIEWS CONDUCTED WITH REFERENTS BY SCHEME ARGENTINA

ViSeC

- Darío Biolatto, Information Technology Manager of the Rosario Stock Exchange.
- Gerardo Leotta, ABC Manager
- Gustavo Idígoras, President CIARA CEC
- Josefina Vecino Beague, Coordinator ViSeC
- Lorenzo Basso, VesicaBiz

Process Verified Province of Santa Fe

- Amando Yaya, Coordinator Carnes Santafesinas 2030
- Facundo Méndez, Provincial Director of Livestock and Animal Health, Santa Fe Province
- Oscar Caraccia, Deputy Director of Livestock and Animal Health, Province of Santa Fe

7. ANNEX II: INTERVIEW WITH DIALOGUE 2023 REFERENCE PARTICIPANTS

- Richard Fischer, Institute of Forestry, Uni. Thünen
- Ulrich Malessa, Bereichsleiter Internationale Projekte / Head of Division International Projects, Oro Verde