Why is Greenpeace focusing on McDonald's?

This document lays out key facts about deforestation in Australia, the impact of the beef industry and the role and policies of McDonald's. It provides factual context as to why McDonald's are a focus of a Greenpeace Australia Pacific campaign.

Updated 13 June 2024

Australia's beef-driven deforestation crisis

- Australia is undergoing a sustained, mostly hidden deforestation crisis of a globally concerning scale. WWF names eastern Australia among 24 global deforestation fronts, alongside places like the Amazon, the Congo and Borneo.[1]
- This is because currently an MCG-sized area (or large football field area) of forest and bushland is bulldozed every two minutes.[2]
- This is killing tens of millions of native animals each year,[3] while harming the land, polluting rivers and damaging the Great Barrier Reef.[4]
- Australian deforestation also contributes considerably to Australia's greenhouse gas emissions.[5]
- The vast majority of the forest and bushland bulldozed in Australia over many years has been centered in the state of Queensland, where on average over the past 5 years of data (2016-21) there has been 440,000 hectares of clearing annually.[6]
- Repeated studies by The Wilderness Society and Queensland Conservation demonstrate that in turn the overwhelming majority of deforestation in Queensland is driven by the beef industry. Between 2015-19, 73% of deforestation was for beef production.[7] For the 2019-20 period, this was 66%.[8]

---

[1] WWF, 2021. *Deforestation fronts: drivers and responses in a changing world.*
https://wwf.panda.org/discover/our_focus/forests_practice/deforestation_fronts_/
[2] Calculations are based on an average of 600,000 hectares of deforestation annually between 2016-2021, 1,642 hectares per day, 69 hectares per hour, 1.14 hectares per minute = every 2 minutes just over 2 hectares lost, compared with 2 hectare area of the MCG.
[3] Finn, H & Stephens, N, 2017. The invisible harm: land clearing is an issue of animal welfare. *Wildlife Research 44(6).* https://www.publish.csiro.au/wr/pdf/WR17018
[4] Pickering, C & Guglyuvtyy, E. 2019. Negative impacts of land clearing and deforestation on the Great Barrier Reef. *Carbon and Climate Law Review 13(3).* https://www.jstor.org/stable/26895888
[5] Hannam, P & Cox, L. 2021. Australia's emissions from land clearing likely far higher than claimed, analysis indicates. *The Guardian.*
https://www.theguardian.com/environment/2021/nov/08/australias-emissions-from-land-clearing-likely-far-higher-than-claimed-analysis-indicates
[6] See Greenpeace, 2024. *Deforestation crisis on their watch*
https://www.greenpeace.org.au/greenpeace-reports/beef-industry-impact-on-australian-forests/
[7] Queensland Conservation & The Wilderness Society, 2022. *What's at Steak: deforestation for beef widespread in Queensland.* https://www.wilderness.org.au/images/resources/DeforestationReport2022.pdf
[8] The Wilderness Society, 2022. *The Queensland Statewide Landcover and Trees Study 2019-2020.* https://www.wilderness.org.au/images/resources/SLATS%E2%80%942019-20.pdf

- Much of this is valuable regenerating forest, with important biodiversity, climate and land health values. For example, about 668,000 hectares of federally-mapped koala habitat was bulldozed for beef between 2016-21,[9] and koala habitat continues to be destroyed each year.

The Australian beef industry

- Australia is a major global producer of beef, and is the second largest beef exporter in the world behind Brazil.[10]
- There are officially about 23 million head of beef cattle currently,[11] with the majority raised in Queensland and New South Wales.[12]
- Beef cattle farming covers about 50% of Australia's landmass, which explains the disproportionate impact of the industry on Australia's forests and natural ecosystems.[13]
- Australia's primary beef export destinations are China (22%), Japan (21%), United States (17%) and South Korea (17%),[14] with $17b worth of beef exported in 2023.[15] This makes it Australia's ninth largest export industry.[16]
- However, the Australian domestic market is the largest single market for Australian beef consuming about 30% of the beef produced.[17] This includes beef for supermarkets (50%) as well as restaurants (including fast-food chains) and butchers. [18]

[9] NatureAnalytics, 2024. *Koala habitat deforested in Queensland 2016-21*.
https://docs.google.com/document/d/1XV5gy-20DUW2lsAbytxhLPAg3L2VBbNZwmCidXCmCTc/edit#heading=h.tm8hgepmf91u

[10] Meat & Livestock Australia, 2024. *Australia's position in the global beef trade.*
https://www.mla.com.au/news-and-events/industry-news/australias-position-in-the-global-beef-trade

[11] Australian Department of Agriculture, Fisheries and Forestry, 2024. *Agricultural outlook: Beef and Veal*.
https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/beef-and-veal#higher-world-demand-driven-by-the-united-states

[12] ABS, 2023. *Agricultural commodities, Australia*.
https://www.abs.gov.au/statistics/industry/agriculture/agricultural-commodities-australia/2021-22

[13] Meat and Livestock Australia 2024. *Australian Beef Sustainability Framework: Balance of tree and grass cover*.
https://www.sustainableaustralianbeef.com.au/the-framework/six-key-priorities/balance-of-tree--grass-cover/#:~:text=The%20Australian%20beef%20industry%20manages,for%20grazing%20and%20environmental%20benefits.

[14] USDA, 2023. *Livestock and products annual: Australia*.
https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Livestock%20and%20Products%20Annual_Canberra_Australia_AS2023-0014.pdf

[15] Farm Online, 2024. *Record $17b in red meat exports shipped out last year.*
https://www.farmonline.com.au/story/8507677/where-australias-record-17b-worth-of-red-meat-exports-in-2023-went/?src=rss&utm_source=sfmc&utm_medium=email&utm_campaign=farmonlne_newsletter_redmeatdailyheadlines

[16] DFAT, 2023. *Australia's goods and services by top 25 exports 2021-22.*
https://www.dfat.gov.au/sites/default/files/australias-goods-services-by-top-25-exports-2021-22.pdf

[17] ACCC, 2017. *Cattle and beef market study.*
https://www.accc.gov.au/by-industry/agriculture/cattle-and-beef-market-study-2016-17

[18] ACCC, 2017. *Cattle and beef market study.*
https://www.accc.gov.au/by-industry/agriculture/cattle-and-beef-market-study-2016-17

GREENPEACE

- Australians are the third largest consumers of beef per capita in the world.[19]
- The Australian beef supply chain contains a number of actors spanning producers (small to large agricultural businesses), processors (abattoirs and secondary processors) and retailers (supermarkets, fast-food outlets, other consumer-facing businesses such as restaurants).

McDonald's as a major buyer of Australian beef

- McDonald's is reportedly the world's single largest purchaser of beef,[20] and one of the biggest buyers of Australian beef.[21]
- Australian beef supplies about 65% of McDonald's stores worldwide.[22]
- In October 2023 McDonald's reported purchasing 38 million kilograms of Australian beef for its Australian restaurants alone. In addition, the fast food giant exported more than 26 million kilograms of Aussie beef to its restaurants across the world.[23]
- McDonald's Australian beef purchases supply to approximately 65% of McDonald's stores worldwide.[24]

McDonald's deforestation-free policy

- The best practice commitment that Greenpeace Australia Pacific and other Australian NGOs are seeking from McDonald's and the entire beef industry is to eliminate deforestation and the conversion of any natural ecosystem in supply chains by no later than 31 December 2025, with the baseline date set at 31 December 2020 (that is any deforestation or conversion occurring after this date on a property would exclude it from the supply chain). We are seeking McDonald's to use the Accountability Framework Initiative (AFI) definitions to support this, which explicitly incorporates both never before-bulldozed forests ("primary") and regenerated forest ("secondary").[25] Aldi is an example of a company that has already adopted such a policy.[26]

---

[19] Meat and Livestock Australia, 2024. *Australia Market Snapshot: Beef and Sheepmeat.* https://www.mla.com.au/contentassets/444bae0fb50140f2bd0bf3c0a4c9b9dc/australia_2023-mla-mi-market-snapshot_150424.pdf

[20] Craig Zonco, 2015, McDonalds looks to Australia for supply of sustainable ground beef, ABC, https://www.abc.net.au/news/rural/2015-05-05/global-demand-beef-week/6445904

[21] Eric Barker, 2023, McDonald's says it has substantially achieved its deforestation goals, Beef Central, https://www.beefcentral.com/news/mcdonalds-says-its-australian-beef-is-deforestation-free/

[22] Beef Australia, 2024. Going McGlobal. https://www.youtube.com/watch?v=B1h53yr3WD8

[23] McDonald's, 2023. McDonalds reveals multi-million-dollar local shopping list. https://mcdonalds.com.au/newsroom/mcdonalds-reveals-multi-million-dollar-local-shopping-list

[24] Beef Australia, 2024. Going McGlobal. https://www.youtube.com/watch?v=B1h53yr3WD8

[25] Accountability Framework Initiative, 2024. *Definitions.* https://accountability-framework.org/fileadmin/uploads/afi/Documents/Definitions_doc/AFi_Definitions__Feb_2024_.pdf

[26] Aldi South Group, 2024. *Forest Protection.* https://cr.aldisouthgroup.com/en/responsibility/our-work-action/forest-protection

GREENPEACE

- We are also seeking a strong and transparent implementation plan from McDonald's that demonstrates they are able to track beef cattle used in their supply chain back to a property-level and are using the best satellite monitoring tools available. Australia has one of the world's leading livestock tracing systems that can track individual animals in supply chains (the National Livestock Identification System - NLIS)[27] - it is incumbent on McDonald's and other major beef buyers to work with industry and the Government to link up this tracking system with deforestation data to give full traceability and transparency to beef supply chains.
- As part of a broader deforestation scorecard of some of Australia's top beef buyers, [28] Greenpeace Australia Pacific has assessed the policy and implementation plan of McDonald's. The information was gathered from McDonald's website, meetings with McDonald's staff, and through a series of email exchanges. McDonald's scored 3.5/10.
- McDonald's has a global "Commitment on Forests"[29], a "Deforestation-free Beef Procurement Policy"[30] and summary information on their website[31]. Much of this information has not been updated since 2017. Together these outline McDonald's deforestation-free policy, which has the following elements:
  - Ending deforestation by 2030, with the intention to achieve this for beef and other priority products before 2020; and
  - Defining deforestation in one place as "primary forests" or areas of "High Conservation Value" or "High Carbon Stock", but in another claiming that the AFI definitions are used (which is more expansive as it includes secondary or regenerated forests).
- From our engagement with McDonald's, we understand that McDonald's does not trace beef cattle down to the property-level (the best way to trace supply chains), but instead uses postcode-level data to assign risk to a region. A senior McDonald's executive confirmed this in a recent media interview and also said this postcode level data used does not exclude properties where deforestation is occurring: "*We don't rule anyone out ... Everyone knows the data today is quite high level, it's postcode level that informs us, but it doesn't inform our buying decision.*"[32]
- McDonald's have claimed in a recent media interview[33] that in Australia the definition of deforestation used is that adopted by the beef industry-led Australian Beef Sustainability Framework (ABSF).[34] However this framework does not even have

[27] Integrity Systems, 2024. National Livestock Identification System.
https://www.integritysystems.com.au/identification--traceability/national-livestock-identification-system/
[28] See Greenpeace, 2024. *Deforestation crisis on their watch*
https://www.greenpeace.org.au/greenpeace-reports/beef-industry-impact-on-australian-forests/
[29] McDonald's, 2017. *Commitment on Forests*,
https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonaldsCommitmentOnForests.pdf
[30] McDonald's, 2017. *Deforestation-free Beef Procurement Policy*.
https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonaldsCommitmentOnForests.pdf
[31] McDonald's, 2024. *Nature, Forests and Water*.
https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/our-planet/nature-forests-water.html
[32] Beef Australia, 2024. Going McGlobal. https://www.youtube.com/watch?v=B1h53yr3WD8
[33] Beef Australia, 2024. Going McGlobal. https://www.youtube.com/watch?v=B1h53yr3WD8
[34] Australian Beef Sustainability Framework. 2024. *Balance of tree and grass cover*.
https://www.sustainableaustralianbeef.com.au/resources/botgc-dashboard/

GREENPEACE

a definition of deforestation, instead providing high-level data in a way we believe is designed to deliberately obscure the impact of deforestation:

- Deforestation is not even mentioned in the ABSF framework, instead adopting the euphemistic term of "balance of tree and grass cover", in an attempt to argue that young sapling forest recovering after fire, flood, drought or bulldozing is somehow comparable to mature or regenerated forest;
- An overall percentage of "natural forest loss and gain" is reported on grazing properties to downplay the impact of deforestation, rather than the far more common approach of hectares lost.[35] Overall emphasis is placed heavily on the amount of very young sapling forest and woodland regrowing rather than the obvious and clear amount of hectares bulldozed and destroyed each year of mature and regenerated forest and natural ecosystems;
- The data used is the inferior national forest loss dataset. In Queensland, the state with the vast majority of deforestation occurring, there is a far more robust dataset available yet this is not used;[36]
- The ABSF does not have a deforestation/conversion-free target despite being in place for several years and despite repeated requests from NGOs for the forum to do so.

- McDonald's have claimed that "*98.5% of beef sourced for McDonald's restaurants supported deforestation-free supply chains by the end of 2022.*"[37]
- We believe there are a number of very significant problems with the policy, implementation and claims made my McDonald's:
  - Given the sheer scale of ongoing deforestation in Queensland, where McDonald's buys large quantities of beef, we believe it is implausible that its supply chains could be classified as virtually deforestation-free, particularly when based on AFI definitions that include regenerated forest;
  - Given the reference in McDonald's policy to "primary forest" and no specific reference to regenerated or secondary forest (as per the AFI definition), plus the public statement that McDonald's uses a ABSF deforestation definition which does not actually exist, we believe it is reasonable to assume that McDonald's have not fully applied the AFI definition of deforestation to make their claims. That is, they have likely only looked at the primary forest subset in their analysis. This is highly relevant because much of the deforestation occurring in Queensland is important regenerated forests that include healthy vegetation and threatened species habitat. The fact this is not clear despite

---

[35] Australian Beef Sustainability Framework. 2024. *Annual update 2024*. https://www.sustainableaustralianbeef.com.au/globalassets/beef-sustainability/documents/absf-annual-update-2024-web.pdf

[36] The Guardian, 2022. *Australia's emissions from land clearing likely far higher than claimed*. https://www.theguardian.com/environment/2021/nov/08/australias-emissions-from-land-clearing-likely-far-higher-than-claimed-analysis-indicates

[37] McDonalds, *2022-23 Our Purpose and Impact Report*, accessed online at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_PurposeImpact_ProgressReport_2022_2023.pdf p.38.

GREENPEACE

repeated engagement and requests from the company is a major problem of transparency from McDonald's;

○ McDonald's have confirmed publicly they do not have the monitoring and verification system in place, which involves tracing to property-level, to claim to be virtually deforestation-free, and are not necessarily screening out cattle properties based on this;

○ In their deforestation-free beef procurement policy, McDonald's states that "*Finished Product Supplier and Raw Material Suppliers are accountable for making sure that any farm within McDonald's supply chain complies with the legal requirements at the country-level*"[38]. Yet the two suppliers of beef listed on their website[39] Turosi[40] and Tyson[41] have either minimal or no commitment to end deforestation and absolutely no details of how they trace their supply chain for deforestation that can be found on their websites.

○ The McDonald's commitment does not cover the destruction of other non forest ecosystems (known as "conversion"), which is pertinent to Queensland where non forests ecosystems are routinely bulldozed for beef cattle. So this part of their policy falls well short;

○ There has not been a significant update to the McDonald's deforestation policy since 2017 and there is conflicting and unclear information on their website, which we believe means the policy and implementation plan seriously lacks in clarity and focus.

● In other words, we strongly believe McDonald's claim of being 98.5% deforestation-free simply does not stack up and we believe they are unable to prove that their beef supply chain in Australia is actually deforestation-free, when applying the AFI definitions.

● The independent Forest 500 project by Global Canopy similarly ranks McDonald's low on its global commitment and implementation of deforestation-free policy. In relation to beef, McDonald's scored 45/100.[42]

● Despite their global deforestation-free commitment and claims, in a 2022 report Repórter Brazil listed a number of concrete examples of possible violations within their supply chain in rural Brazil where cattle had been passed from deforested lands to properties with a "clean record" before sold on to be slaughtered - a practice known as cattle laundering[43]. These examples were linked to JBS, one of McDonald's raw materials suppliers in Brazil and Australia and the single biggest beef processor globally.

---

[38] McDonald's, 2017. Deforestation-free Beef Procurement Policy. https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonaldsCommitmentOnForests.pdf

[39] McDonalds, 2024. Our Suppliers. https://mcdonalds.com.au/our-impact/food-quality-sourcing/our-suppliers

[40] Turosi, 2018. Our Commitments. https://turosi.com.au/our-commitments/

[41] Tyson Foods, 2024, About Us. https://www.tysonfoods.com.au/pages/about-us

[42] Forest 500, 2024. *Company rankings*. https://forest500.org/rankings/companies/

[43] Reporter Brasil, 2022, McDonalds: The Footprints of a Giant. https://reporterbrasil.org.br/wp-content/uploads/2022/03/220309-Monitor-McDonalds-EN-13.pdf

Summary: why focus on McDonald's?

- Beef production is the number one driver of deforestation in Australia and McDonald's is one of the biggest purchasers of Australian beef with significant purchasing power.
- McDonald's can therefore play a supersized role in positively changing the practices of the entire Australian beef industry and in protecting our forests and wildlife.
- We strongly believe McDonald's claim of being 98.5% deforestation-free simply does not stack up and we believe they are unable to prove this.
- Our goal is to secure a strong commitment from McDonald's to end deforestation and conversion in its supply chains by no later than 31 December 2025, using global best-practice definitions set out by the AFI, and followed through with an implementation plan where they are able to track cattle at a property-level.
- Greenpeace Australia Pacific will strongly applaud such a move by McDonald's. The aim of our campaign is a positive change in practice from McDonald's.

GREENPEACE