
PALM OIL COMPANIES DEFORESTED 13,076 HECTARES OF PRIMARY RAINFOREST IN THE SIX MONTHS IN THE PERUVIAN AMAZON

MINAGRI, Regional Government of Loreto and Regional Government of Ucayali facilitate adjudication of rainforest areas for palm oil monoculture

During the last 6 months, palm oil companies have deforested **13,076 hectares of primary rainforest in Loreto and Ucayali regions for the installation of this monoculture**. Business groups with interests and investments in oil palm plantations are acquiring rural properties by offering economic incentives for land traffic, extortion and intimidation to force small farmers to sell their land, the invasion of areas, and direct treatment by public officers.

For its part, the Ministry of Agriculture and Irrigation, and the Regional Governments of Loreto and Ucayali, continue to promote deforestation for palm oil, by awarding rainforests and rural land¹, the reclassification of forestry land to agro-industrial potential, authorization for land use change, and approval of environmental impact studies for agro-industrial projects.

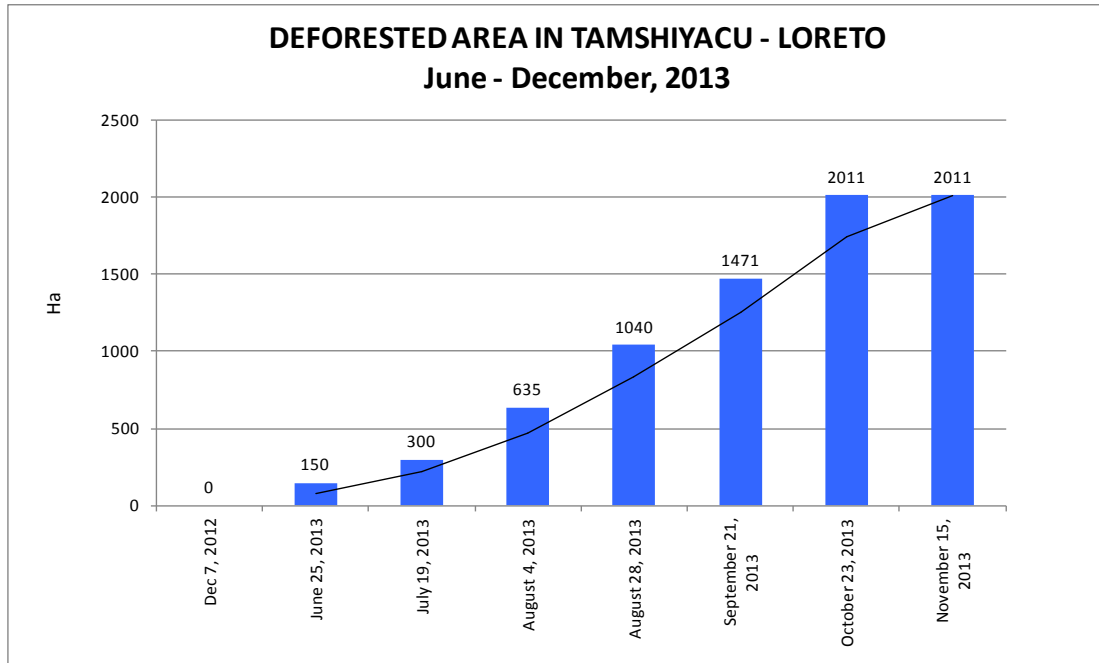
DEFORESTATION IN THE LOCALITY OF TAMSHIYACU

The locality of Tamshiyacu, capital of the District of Fernando Lores, Province of Maynas (Loreto), is one of the most biodiversity regions at the global level. However, between June and October 2013, company **Cacao del Perú Norte S.A.C., has deforested 2,150 hectares worth of primary rainforest**, without having Soil Classification Studies, Use Change Authorization, or Environmental Impact Assessment (EIA). However; **in Loreto, there are applications seeking adjudication of rainforests, for more than 120,000 hectares**.

According to estimates made by Baccini *et al* (2012)², **Tamshiyacu's total deforested area contained 312,622 MT CO₂**.

¹ Pursuant to Article 19 of Legislative Decree No. 653: "Any adjudication of rural land, to any person or entity, shall be made against a consideration under a contract of sale with reservation of title until full settlement of the price." . The contract is formalized by private contract with legalized signatures, constituting sufficient title for registration.

² Baccini, A, SJ Goetz, WS Walker, et al (2012) Estimated carbon dioxide emissions from tropical deforestation improved by carbon-density maps. *Nature Climate Change*. doi:10.1038/nclimate1354.



Plantaciones de Loreto Sur S.A.C. Company, which recently changed its name to Cacao del Perú Norte S.A.C. Company, made the purchase of **45 rural properties, measuring 50 hectares each, through extortion and intimidation, as claimed by complaints filed by farmers from the town of Tamshiyacu.** The *modus operandi* of the Malaysian-Peruvian business group, which members include Dennis Melka (Executive Director of the company Asian Plantations), Rubén Antonio Espinosa and Freddy Escobar Rozas, **is the setting up of several shell companies through which they manage the buying and selling requests to allocate land over 96,000 hectares in the regions of Loreto and Ucayali.** These companies include: Plantaciones de Marín S.A.C, Plantaciones del Perú Este, Plantaciones de Loreto Este, Plantaciones de Loreto Sur S.A.C., Plantaciones de San Francisco, among others.



GRUPO DE MALASIA - DENNIS MELKA - FREDDY ESCOBAR ROZAS - RUBEN ANTONIO ESPINOZA				
Empresas	Proyectos previstos	Ubicación	Nº de hectáreas solicitadas	Modalidad de adjudicación
Plantaciones de Loreto Este SAC	Tamshiyacu-Manití 2		10000	Adjudicación de Tierras a Título Oneroso
Plantaciones de Lima SAC	Caserío Huambe 1		3000	Adjudicación de Tierras a Título Oneroso
Plantaciones de Iquitos SAC	Caserío Huambe 2		2686	Adjudicación de Tierras a Título Oneroso
Plantaciones de Loreto SAC	Quebrada Curaca 1		5815	Adjudicación de Tierras a Título Oneroso
Plantaciones de Nauta SAC	Quebrada Curaca 2		9246	Adjudicación de Tierras a Título Oneroso
Plantaciones de Manatí SAC		Santa Cecilia - Río Manatí. Indiana-Maynas	8850	Adjudicación de Tierras a Título Oneroso
Plantaciones del Tamshiyacu SAC		Santa Cecilia - Río Manatí. Indiana-Maynas	6676	Adjudicación de Tierras a Título Oneroso
Plantaciones de San Francisco SAC			9996	
Plantaciones de Loreto Sur SAC			9382	
Plantaciones Ucayali SAC			4759	
Plantaciones de Loreto Sur SAC	Instalación de cultivos bioenergéticos		10000	
Plantaciones de Marín SAC			5771	
Plantaciones del Perú Este SAC			10000	

Source: IDL-Reporteros, 2013.

On September 2, 2013, an unannounced operation conducted by the Provincial Prosecutors' Office Specializing on Environmental Matters of Loreto, the Environmental Protection Division of the Peruvian National Police, and the Regional Forest and Wildlife Program of the Regional Government of Loreto noted several environmental crimes and deforestation of 2,011.91 hectares of rainforest by Cacao del Perú Norte S.A.C., which General Manager is Rubén Antonio Espinoza. Currently the Provincial Prosecutor's Office of Loreto is still investigating the case.

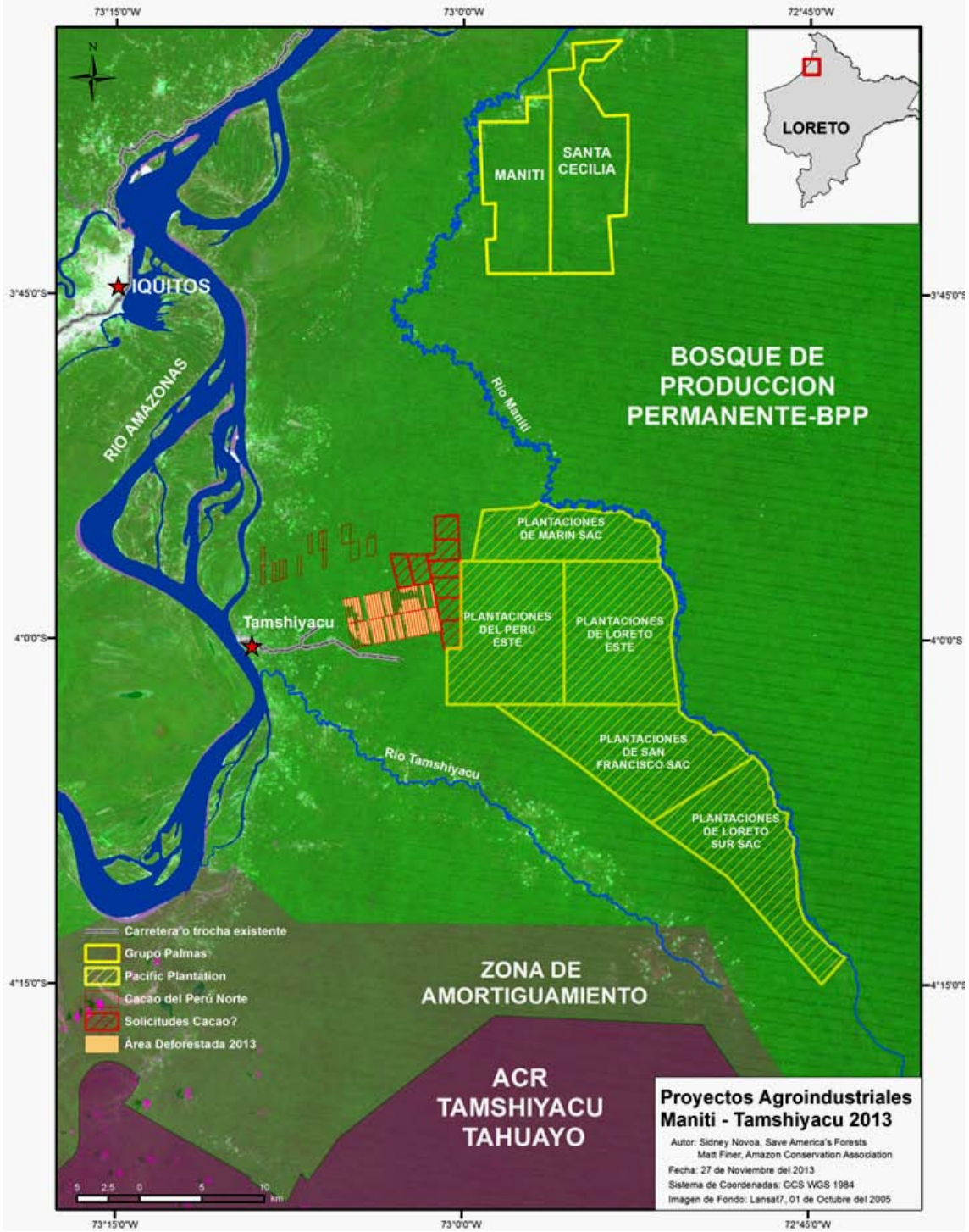
On the other hand, by **General Directorate Resolution No. 085-13-MINAGRI-DGAAA**, dated **July 13, 2013**, the **General Directorate of Agrarian Environmental Affairs – MINAGRI**, irregularly approved the **Environmental Impact Study for the "Manití" Oil Palm Agroindustrial Project**, despite being within the **Permanent Production Rainforest of Loreto**.

Additionally, the Ministry of Agriculture and Irrigation, in coordination with the Regional Government of Loreto, come allocating tracts of land for monoculture agro-energy facility. Thus, in Letter No. 472-2013-GRL-DRA-L/OPPA-078 of April 22, 2013, the Regional Agricultural Directorate of the Regional Government of Loreto said that has twelve (12) applications for land allocation to consideration totaling 106,212.6 hectares for the implementation of monoculture oil palm plantations on forest lands, whose processes are pending granting title.

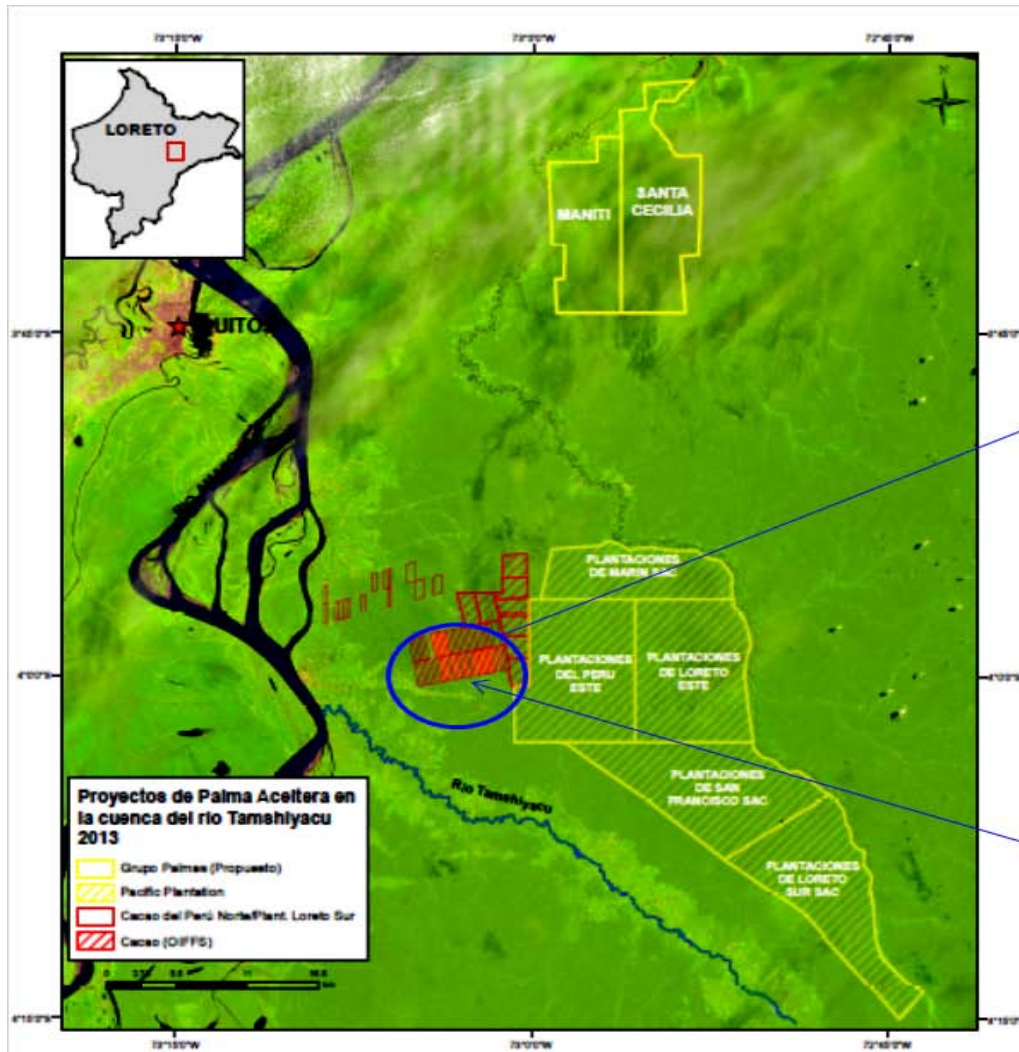
APPLICATION FOR LANDS FOR INSTALLING AGROENERGETIC AND / OR AGROINDUSTRIAL CROPS					
N°	COMPANY	PROJECT	APPLICATION	Extension	LOCATION
1	Empresa Agrícola La Carmela S.A.	Tierra Blanca	Adjudicación a título oneroso	10,000 Has	Distrito de Sarayacu, provincia de Ucayali, región Loreto
2	Empresa Desarrollos Agroindustriales Sangamayoc S.A.	Santa Catalina	Adjudicación a título oneroso	10,000 Has	Distrito de Sarayacu, provincia de Ucayali, región Loreto
3	Islandia Energy S.A.	Maniti	Adjudicación a título oneroso	8,850 Has. 2,051 m ²	Distrito de Indiana, provincia de Maynas, región Loreto.
4	Palmas del Espino S.A. cedido su derecho en el presente procedimiento a Palmas del Amazonas S.A.	Santa Cecilia	Adjudicación a título oneroso	6,676 Has. 1,519 m ²	Distrito de Indiana, provincia de Maynas, región Loreto.
5	Plantaciones del Maniti SAC	Plantaciones del Maniti SAC	Adjudicación a título oneroso	6,676 Has.	Caserío Santa Cecilia, distrito de Indiana, provincia de Maynas, región Loreto.
6	Plantaciones de Tamshiyacu	Plantaciones de Tamshiyacu	Adjudicación a título oneroso	8,850 Has.	Caserío Santa Cecilia, distrito de Indiana, provincia de Maynas, región Loreto.
7	Plantaciones del Perú Este SAC	Plantaciones del Perú Este SAC	Adjudicación a título oneroso	10,000 Has.	Carretera Tamshiyacu, distrito de Fernando Loes – Indiana, provincia de Maynas, región Loreto.
8	Plantaciones de Loreto Este SAC	Plantaciones de Loreto Este SAC	Adjudicación a título oneroso	10,000 Has.	Carretera Tamshiyacu, distrito de Fernando Loes – Indiana, provincia de Maynas, región Loreto
9	Plantaciones de San Francisco SAC	Plantaciones de San Francisco SAC	Adjudicación a título oneroso	10,000 Has.	Quebrada Tamshiyacu, distrito de Fernando Loes – Indiana, provincia de Maynas, región Loreto.
10	Plantaciones de Marin SAC	Plantaciones de Marin SAC	Adjudicación a título oneroso	5,771 Has.	Carretera Tamshiyacu, distrito de Fernando Loes – Indiana, provincia de Maynas, región Loreto.
11	Plantaciones de Loreto Sur SAC	Plantaciones de Loreto Sur SAC	Adjudicación a título oneroso	9,389 Has.	Quebrada Tamshiyacu, distrito de Fernando Loes – Indiana, provincia de Maynas, región Loreto.
12	Plantaciones de Loreto Sur SAC	Instalación de cultivos bioenergéticos	Adjudicación a título oneroso	10,000 Has.	Sector Sapuena – Yaquerana, distrito de Jenaro Herrera, provincia de Requena, región Loreto.



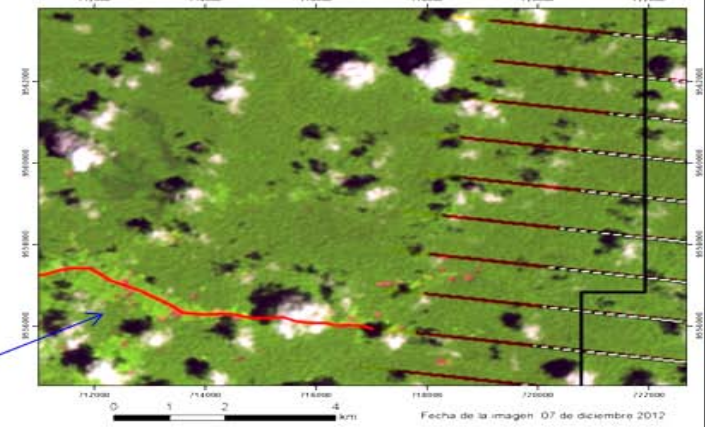
DEFORESTED ÁREA IN TAMSHIYACU, AND APPLICATIONS
FOR FOREST LANDS IN LORETO, 2013



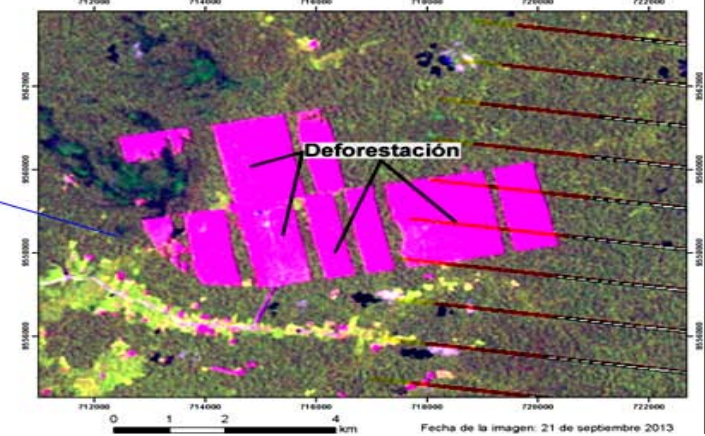
Source: Finner, M. & S. Novoa, 2013.



Mayo del 2013



Octubre del 2013



Source: Finner, M. & S. Novoa, 2013.

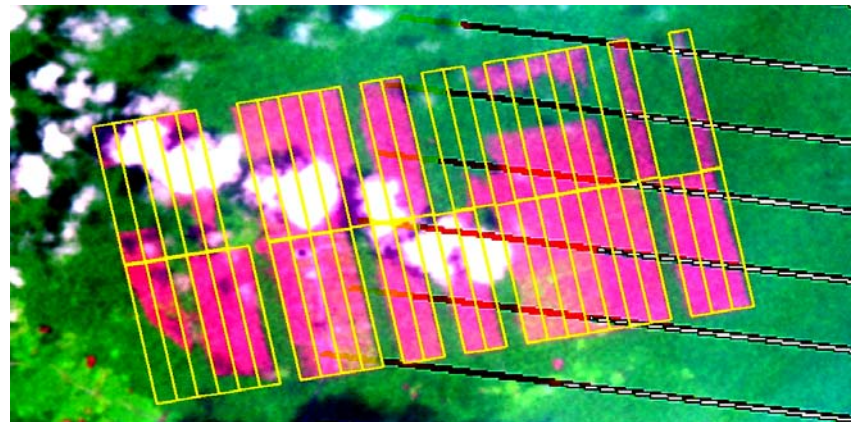
ÁREAS DEFORESTADAS EN TAMSHIYACU, LORETO SETIEMBRE 2013



On September 27, 2013, the Provincial Prosecutor's Office of Loreto, performing a flyover inspection, confirmed the dimensions of the deforested area presented in the satellite images.



On October 12, 2013, the Prosecutors' Office Specializing on Environmental Matters of Loreto conducted a search with a warrant in the property of Cacao del Perú Norte S.A.C., confirming the commission of various environmental crimes, including illegal logging, deforestation, burning of forests, among others.



DEFORESTATION IN UCAYALI

In the period between October 2011 and November 2013, **Plantaciones Ucayali S.A.C. deforested 10,926 hectares of primary rainforest in the District of Nueva Requena, Province of Coronel Portillo, Ucayali.**

In a journalist research release of IDL – Reporteros³ claims that **the Regional Agricultural Directorate of the Regional Government of Ucayali signed an agreement for the sale and purchase of forest areas involving 4,759 hectares of rainforest land from Plantaciones Ucayali S.A.C., contravening the provisions of the Peruvian Constitution, and the Judgment of the Constitutional Court included in File No. 0003-2006-PI/TC, which provides as follows:**

"5. (...)

*That **all natural resources are national property means that their exploitation can never be separated from the national interest and the common good as being a universal heritage recognized for Peruvians of all generations. The benefits derived from their use must cover the nation as a whole, so exploitation for exclusively individualistic or private purposes is banned.***

***Natural resources legally lie in the domain of the State, as a legal and political expression of the Nation.** Recognizing that the State is sovereign in its exploitation (**Article 66 of the Constitution**) means that their exploitation and enjoyment must be carried out under its *ius imperium* and supervision.^{4[8]} (The highlighting is ours).*

*"6. Thus, under no circumstances may natural resources be excluded from the sovereign domain of the State; thus exercising private ownership over them is constitutionally prohibited, notwithstanding which, as referred to in Article 66 of the Constitution, their use and exploitation should be granted to private entities, under the conditions laid down by an organic law (in addition to the specific rules laid down in special laws^{5[9]}), and taking into account – as aforesaid – that **under no circumstances, such sustainable enjoyment can be spared the pursuit of the general welfare as an instrumental core and finalist, deriving not only from its being a national heritage (Article 66 °), but also the fundamental***

³ <http://idl-reporteros.pe/2013/09/13/los-comebosques/> The purchase was made in the name of Rubén Antonio Espinoza.

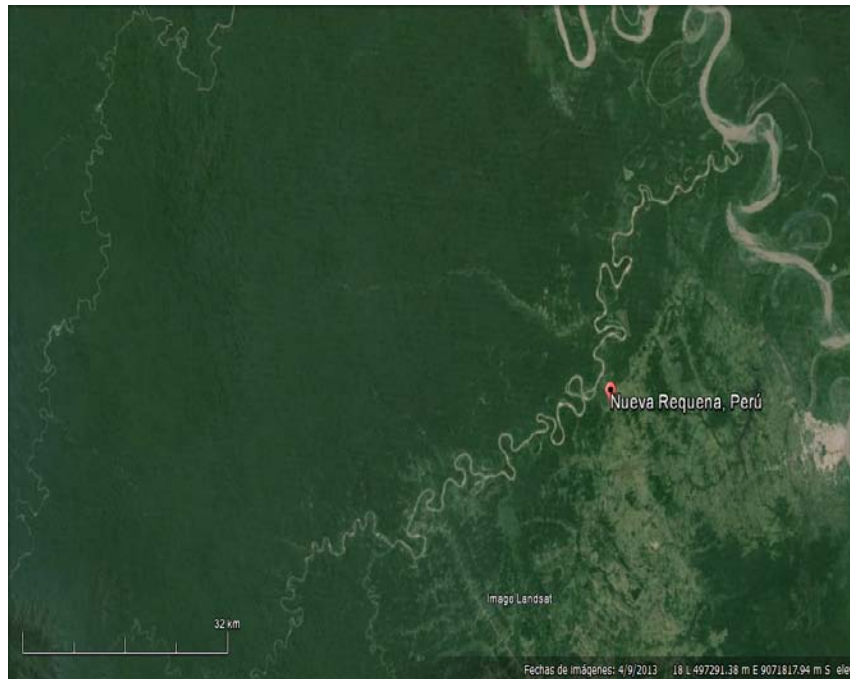
^{4[8]} Op. cit, Whereas Clause 29

^{5[9]} Cfr. Articles 19 to 30 of Law No. 26821 — Organic Law for the Sustainable Development of Natural Resources —, and STC 0048-2004-AI, Whereas Clauses 41 to 47.

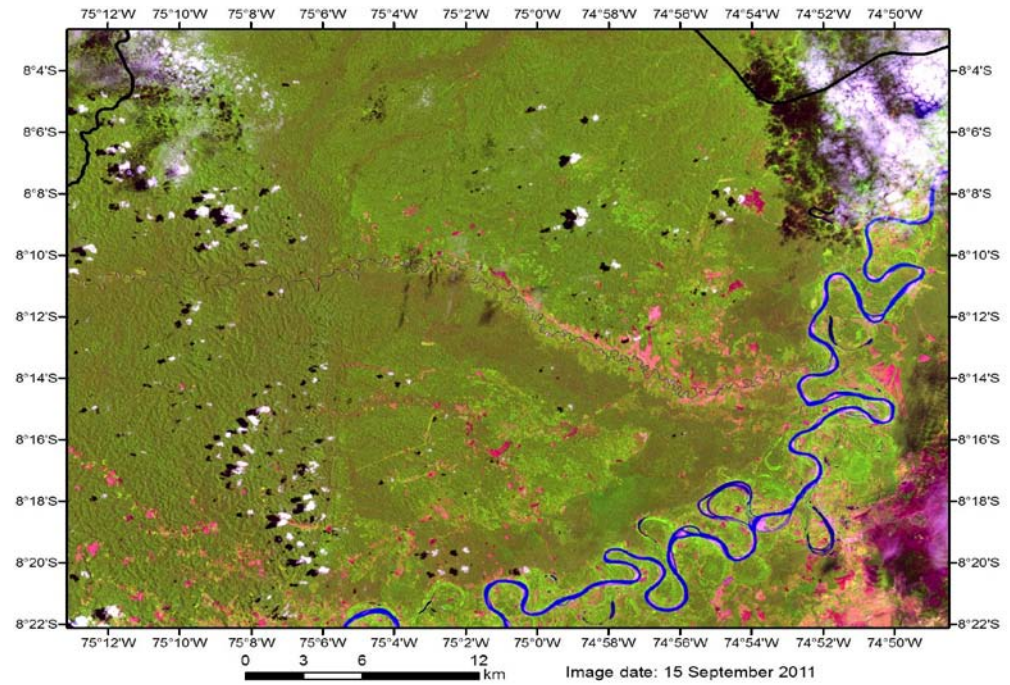
principles informing the entire formal and substantive constitutional compendium. These principles are the "social" formula attributed to the Peruvian Republic by Article 43 of the Constitution, from which its social and democratic state in law derive; the recognition that all economic activity is exercised in a social economy market (Article 58); in other words, below the threshold values of solidarity and social justice; and finally, the duty established by Article 44 of the Fundamental Standard, under which the State, inexcusably to,

"...promote the general welfare based on justice and the integrated and balanced development of the Nation."

CHRONOLOGY OF DEFORESTATION IN NUEVA REQUENA, UCAYALI - 2013

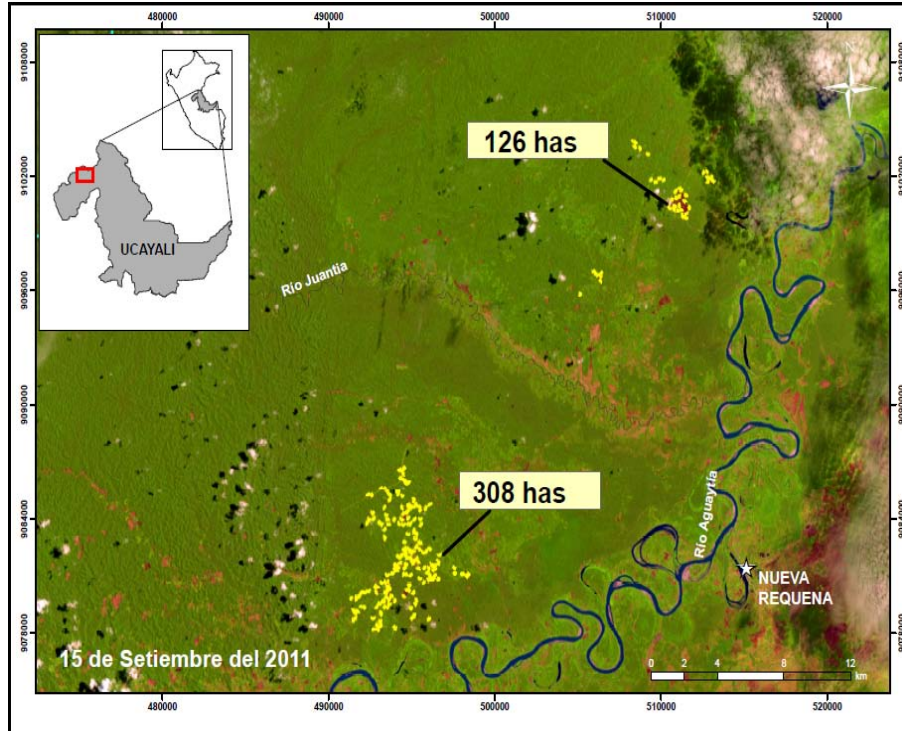


Primary Forests in Nueva Requena 2010

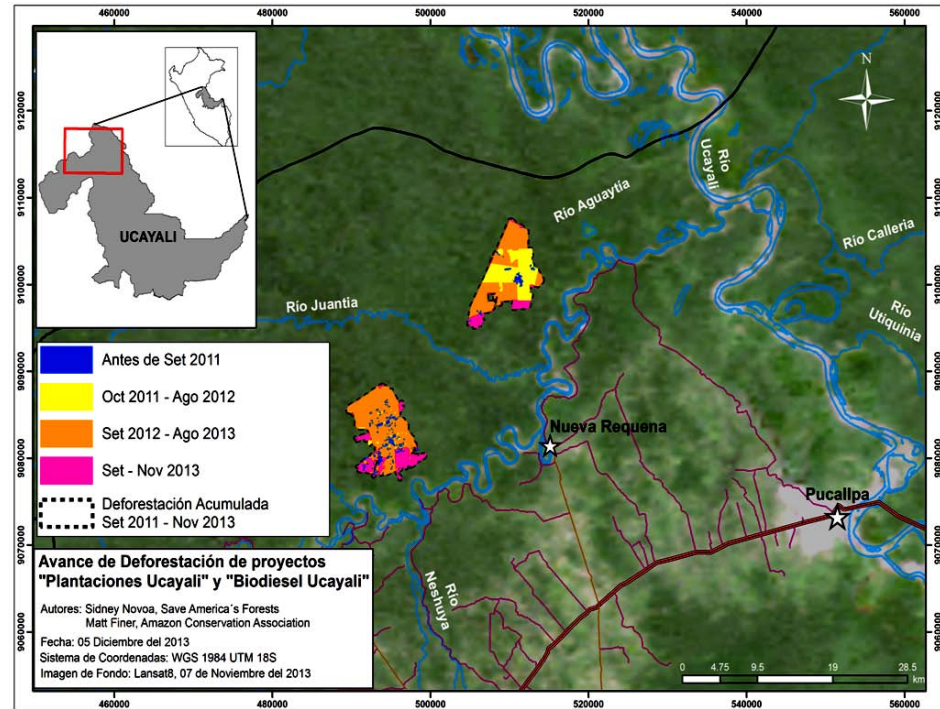


Beginning of the Deforestation of Primary Forest in Nueva Requena, 2011

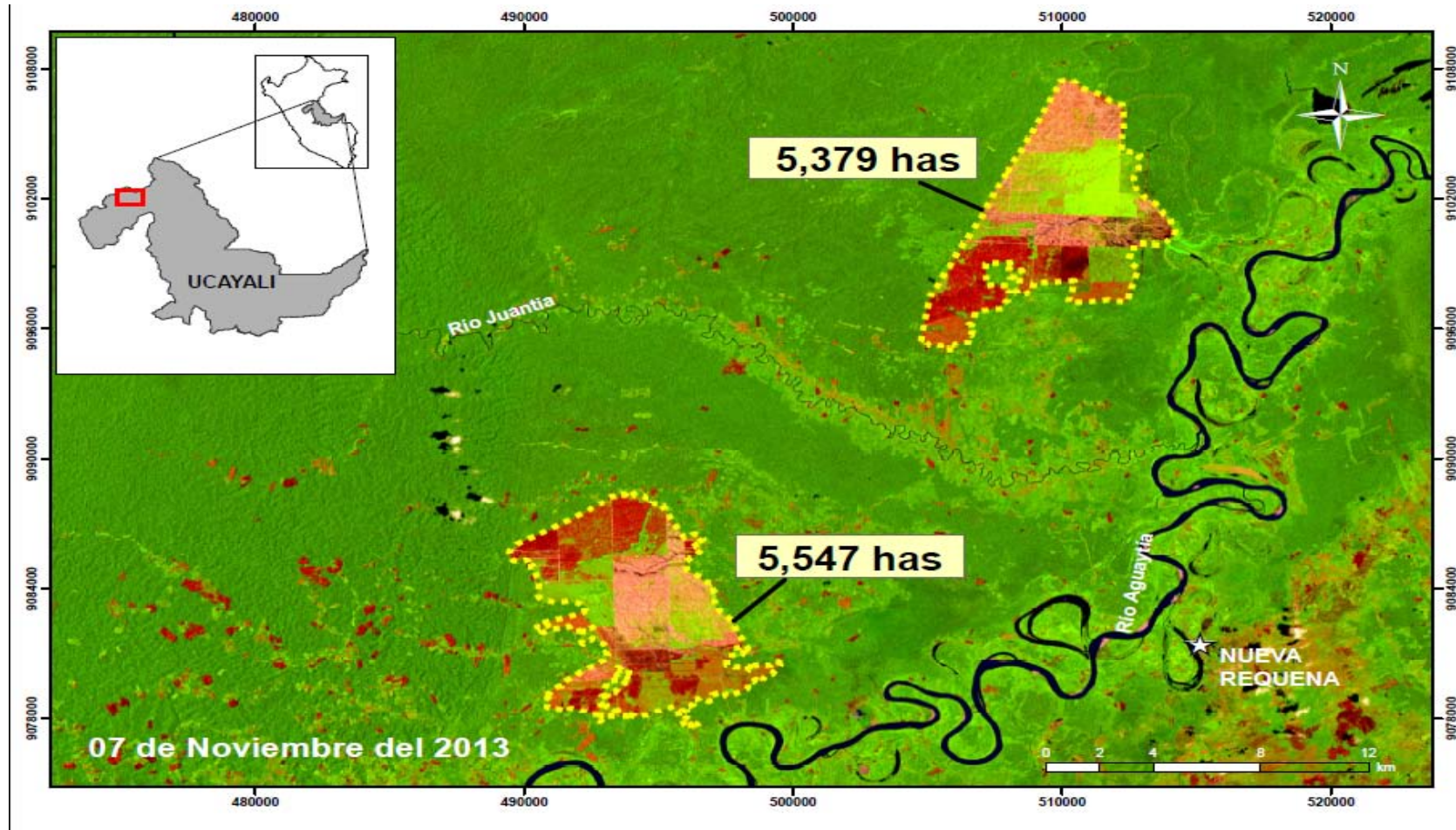
Source: Finner, M. & S. Novoa, 2013.



Deforestation of Primary Forest in Nueva Requena 2011



Deforestation of Primay Forest in Nueva Requena 2012 - 2013



Source: Finner, M. & S. Novoa, 2013.

DAMAGES TO RIGHTS AND MOVEMENT OF SMALL FARMERS IN NUEVA REQUENA, UCAYALI

By Letter No. 027-2013-FMA-CONVEAGRO-Ucayali, dated May 8, 2013, farmers associated to the union of CONVEAGRO – Ucayali, denounced at the First Corporate Environmental Prosecutor's Office of the Province of Coronel Portillo, that as from the April 26, 2013, workers showed up to the village of Royal, District of Nueva Requena, brandishing heavy machinery, as well as armed security officers from the company Plantaciones Ucayali S.A.C., and they have deforested by way of clear cutting, areas outside the property illegally acquired by that company, causing serious damages to the land and assets of small farmers in 21 surrounding villages. This communication also requested the seizure of heavy equipment and machinery, as well as the suspension and immediate halt of ecological damage, bringing down trees, predation and environmental pollution in the locality.

On May 22, 2013, the **Provincial Corporate Criminal Prosecutors' Office of Campo Verde, conducted a visual inspection diligence in the village of Bajo Royal**, district of Nueva Requena, Province of Coronel Portillo, Ucayali, with the participation of the Peruvian National Police, the Deputy Governor of Campo Verde, representatives of CONVEAGRO - Ucayali and affected landholders. **They determined that the area where the company Plantaciones Ucayali S.A.C. is burning clearing cutting the rainforest is outside the polygon of the territorial area transferred to the said company through the purchase/seller agreement; thus it is affecting the rights of third parties who own and possess the property.**

The Sectorial Regional Agriculture Directorate of Ucayali, Legal Physical Sanitation Directorate recommended to publicize the results of the **Report No. 013-2013-GRU-P-DRSAU-DSFLPA/JNMAT** to the Provincial Corporate Criminal Prosecutor's Office of Campo Verde, for due processing.

In the same vein, **Report No. 014-2013-GRU-P-DRSAU-DSFLPA/UHAL**, dated May 30, 2013, of the **Sectorial Regional Agriculture Directorate of Ucayali, Legal Physical Sanitation Directorate informs on the visual inspection conducted in the village of Bajo Royal**, and on the demarcation and placement of landmarks on the land granted to the company Plantaciones Ucayali S.A.C., **identifying and confirming that the company would have usurped and invaded an area of 500 ha, 8518 m², to the ravine of Boayo**, overlapped by the possession of the inhabitants of the village, property and other rights granted by the Sectorial Regional Agriculture Directorate of Ucayali. Such supervision was assisted by the Peruvian National

Police, the Deputy Governor of Campo Verde, Emerson Vela Ponce Claudio, the President of CONVEAGRO - UCAYALI, and affected landholders.

The Sectorial Regional Agriculture Directorate, in its **Report No. 089-2013-GRU-P-DRSA-DSFLPA-CAAL, dated June 11, 2013, confirms that the company Plantaciones Ucayali S.A.C. has carried out installation of palm crops over an area of 500 ha. 8,518 m², which does not correspond to the polygon of the territorial area of the transfer, violating property rights held by third parties.** Thus, a suggestion is made to demarcate the area transferred to the company Plantaciones Ucayali S.A.C.

During this supervision, as well as in three additional visual inspections, there was an identification of the progress made on the deforestation up to the Boayo ravine, and of the presence of heavy equipment (backhoes, crawler tractors and chain saws) belonging to the company Plantaciones Ucayali S.A.C. Additionally, it was found many trees illegally chopped down by the company, obstructing the course of the Aguaytía River, representing a substantial loss of timber resources, non-timber resources and wildlife, as well as irreversible environmental damages.





Plantaciones Ucayali SAC Heavy Machinery

The **provision of Preliminary Investigation No. 01-2013-FPEMA-MP-U**, dated July 10, 2013, orders the **Launching of a Preliminary Investigation at the Prosecutor's Office**, for 60 days, against Alfredo César Rivera Loarte and those found responsible for the crime against trees and forest formations, for the crime of misuse of agricultural land and crimes relating to liability of the legal representatives of the legal entities, to the detriment of the State, represented by the Public Prosecutor of the Ministry of the Environment. It further prescribes the development of a fiscal inspection at the property Nueva Requena Curimana Plot No. 2, with the presence of the Forensic Team from the Environmental Issues of the Public Prosecutor's Office, the Public Prosecutor of the Ministry of the Environment, the General Forest and Wildlife Directorate, the Peruvian National Police, and the aggravated parties.

A new visual inspection was conducted in the village of Bajo Royal by the Sectorial Regional Agriculture Directorate of Ucayali, Legal Physical Sanitation Directorate, dated July 10, 11 and 12, 2013, determined that **company Plantaciones Ucayali S.A.C. has been clearing land in an area of 326 ha, 4,308 m², in addition to** the area previously reported (500 ha 8,518 m²), **resulting in the invasion of a total area of 827 ha 2.8266 m²**, area which is affecting the rights

of third parties (possessors and owners) of the village of Bajo Royal, Los Angeles and Zanja Seca, District of Nueva Requena.

On July 18, 2013, Ramiro Tapullima, a farmer from the village of Bajo Royal, filed with the **Provincial Corporate Criminal Prosecutor's Office of Campo Verde, a criminal complaint against Dennis Nicholas Melka and Alfredo César Rivera Loarte, attorneys in fact of company Plantaciones Ucayali S.A.C.**, and against those who may be found liable for the **crimes of Usurpation and Aggravated Damages** to the detriment of their property and assets⁶.

Given these facts, the representatives of CONVEAGRO - Ucayali and the village of Bajo Royal, have forwarded many communications on behalf of the people who were displaced from their land by the company Plantaciones Ucayali S.A.C., over existing complaints in Ucayali, which include all relevant documentation:

- Letter N° 052-2013-CONVEAGRO-Ucayali, addressed to the President of the Republic, Ollanta Humala Tasso
- Letter N° 053-2013-CONVEAGRO-Ucayali, addressed to the Minister of the Environment, Dr. Manuel Pulgar Vidal
- Letter N° 054-2013-CONVEAGRO-Ucayali, addressed to the Minister of Agriculture, Milton Martin Von Hesse La Serna

⁶ Meanwhile, CONVEAGRO-Ucayali presented to the First Prosecutor's Office Specializing on Environmental Matters of the Judicial District of Ucayali, dated September 9, 2013, additional evidence, that help to clarify the facts, including: verification reports coordinate inspection reports to the area, photographic and audiovisual material, and copies of certificates of possession of the aggravated parties.



DEFORESTACIÓN EN SECTOR BAJO RAYAL, NUEVA REQUENA, UCAYALI.





DEFORESTACIÓN EN SECTOR BAJO RAYAL, NUEVA REQUENA, UCAYALI.

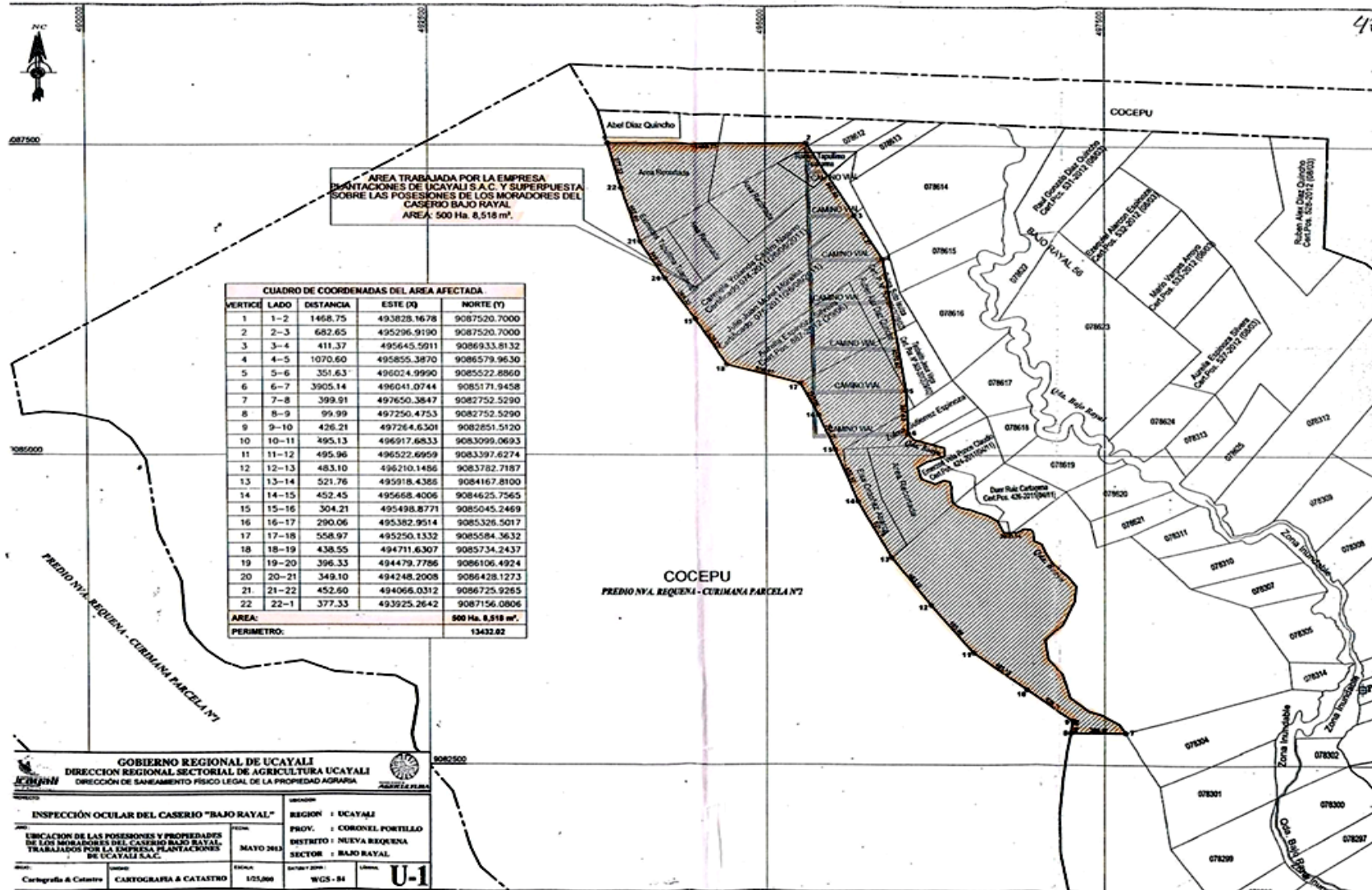




**Maquinaria de la Empresa
Plantaciones Ucayali SAC**

**DEFORESTACIÓN EN
SECTOR BAJO RAYAL,
NUEVA REQUENA,
UCAYALI, NOV. 2013**





On November 11, 2013, a march of the Campo Verde Regional Front for the Defense of Rainforests and Water was held, with the participation of affected and displaced farmers, who protested against the impunity of the actions taken by the company Plantaciones Ucayali S.A.C., with respect to the Municipality and District's Public Prosecutor's Office. This organization, together with CONVEAGRO – Ucayali, requested the Regional Government to appoint a working group, to discuss the following agenda items:

- Titles for all land occupied by local farmers with over 8 years of possession.
- Declaration of family farming to be of regional interest.
- Declaration of the sustainable management of rainforest and water to be of regional interest.



ANTE EL DAÑO CAUSADO Y POR OCASIONARLE A LA AMAZONÍA
Agricultores afectados piden que autoridades tomen conciencia

Ante la marcha de sensibilización emprendida ayer por el Frente por la defensa de los bosques y el agua de Ucayali, donde las organizaciones sociales de base se movilizaron en Campo Verde, a fin de dar a conocer la problemática que atraviesan cientos de agricultores que fueron despojados de sus tierras, diferentes representantes de la sociedad civil se sumaron a la manifestación.

LOS VENCEDORES
 Una pobladora del caserío Los vencedores, manifestó que el día 20 de junio no solamente fueron despojados de sus tierras, sino que sus viviendas fueron incendiadas y tampoco cuentan con el apoyo de las autoridades. Dijo que entró un grupo de matones a quemar sus casas, sus pertenencias y mataron a sus animales. Cuando solicitaron apoyo de la autoridad local, mencionó que el alcalde Supa se hace el desentendido cuando se le pregunta sobre el tema y ni siquiera puede escuchar nombrar al caserío Los Vencedores.

Pobladores del caserío Abejaico también denunciaron el daño que sufrieron sus cultivos de papaya, yuca, plátano, etc, a manos de los trabajadores de la empresa SAIS Pachacútec, por lo que piden a las autoridades agilizar la prescripción de sus predios. También denunciaron que encapuchados entran a sus terrenos a sacar la madera existente.

REGIDOR SÁNCHEZ RENGIFO
 Una de las autoridades que se unió a los agricultores fue el regidor de la Municipalidad distrital de Campo Verde, Ribenton Sánchez Rengifo, quien manifestó su voluntad de colaborar con las bases organizadas a favor de los campesinos y ganaderos afectados por el avance irracional de las empresas agroindustriales que están trabajando proyectos insostenibles para la amazonía.

El regidor dijo también que los gobernantes deben tomar conciencia con respecto a la situación de estas personas y se comprometió a participar con los pobladores en las gestiones que deban realizarse.

Poblador afectado por la empresa SAIS Pachacútec.
Regidor de Campo Verde, Ribenton Sánchez.

However, despite countless complaints and ongoing fiscal investigations taking their course, as well as the official notes forwarded by the residents of the affected villages to the Ministry of Agriculture and Irrigation, dated 22 November 2013, the public officers: Nelson Larrea, Eng. (MINAGRI) and Antonio López, Eng. (Regional Government of Ucayali) participated in the organization and exhibitions of the event: "Palm Oil Socio-Economic and Environmental Impact

Forum", carried out in the City of Pucallpa. In that event, both officers, along with the defendant companies, Plantaciones Ucayali and Grupo Palmas, **emphasized on their interest in continuing to promote the cultivation of palm oil in the area, sell and grant title to forest areas and facilitate procedures, co-finance projects and formalize any irregularities committed, all in order to achieve a minimum of 50,000 hectares of palm oil in the Ucayali Region, as can be appreciated in the statements made by the cited officers:** <http://www.biofuelobservatory.org/>.

Finally, through Provision No. 04 of Case No. 2013-247-0, of November 28, 2013, the Provincial Corporate Criminal Prosecutor's Office of Campo Verde, Coronel Portillo, Ucayali, **has ordered to formalize the preliminary investigation against Rubén Antonio Espinoza**, but not against the company and investigating and punishing irregularities concerning the awarding of forested areas to the company Plantaciones Ucayali S.A.C. by the Regional Government of Ucayali, is still pending.

Lima, December 9th, 2013



LUCILA PAUTRAT
Executive Director
Sociedad Peruana de Ecodesarrollo