

Brazilian rancher ordered to pay \$50m for damage to Amazon

Brazil court freezes assets of Dirceu Kruger to pay climate compensation for illegal deforestation

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Cattle on a farm in Pará state, Brazil. The case is the largest civil prosecution for climate crimes in Brazil to date and the start of a legal push to repair and deter damage to the rainforest. Photograph: Bloomberg/Getty

A Brazilian cattle rancher has been ordered to pay more than \$50m (£39m) for destroying part of the Amazon rainforest and ordered to restore the precious carbon sink.

Last week, a federal court in Brazil froze the assets of Dirceu Kruger to pay compensation for the damage he had caused to the climate through illegal deforestation. The case was brought by Brazil's attorney general's office, representing the Brazilian institute of environment and renewable natural resources (Ibama). It is the largest civil case brought for climate crimes in Brazil to date and the start of a legal push to repair and deter damage to the rainforest.

Kruger had previously been forced to pay damages by Ibama for destroying 5,600 hectares (13,838 acres) in the Amazonian municipalities of Boca do Acre and Lábrea. This was on public land belonging to the federal government and the state of Amazonas.

The rancher used chainsaws to clear vegetation, then set fires to clear the land and finally planted grass to establish pasture for raising cattle. Satellite images showed the scale of the damage and Kruger admitted having caused it on film.

The Amazon rainforest is vital to the global climate system, but is seriously threatened by legal and illegal activities; a recent study showed that half of it could hit a tipping point by 2050.

Bringing a civil case against Kruger, the attorney general's office argued that his actions had damaged the climate in two ways: burning vegetation directly emits greenhouse gases and removing plants means they can no longer draw carbon dioxide from the atmosphere.

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The court heard that damaging the Amazon rainforest emits on average 161 tonnes of carbon per hectare, leading to a total of 901,600 tonnes.

The court assessed the value of this damage at €60 (\$65/£50) a tonne, a number derived from averaging the social cost of carbon calculated by the US Environmental Protection Agency and Organization for Economic Cooperation and Development (OECD). This is a relatively low figure; more recent estimates of social cost are significantly higher.

This put the total damage caused by Kruger at 292m Brazilian reais (\$50m). The money paid by Kruger will go to the national climate emergency fund. Kruger's assets have been frozen and he is banned from receiving government finance or tax benefits. He is also forbidden from selling cattle and agricultural products, as well as buying machinery such as chainsaws and tractors.

In addition, Kruger will have to restore the land he degraded so it can become a valuable carbon sink again. The court said making offenders pay compensation for climate damage is vital because the damage caused can never be fully remedied.

This was the biggest claim to date for damage to the rainforest sought by Brazil's attorney general's office, which intended it to be "just the first of a series of

actions that seek to repair the climate damage caused by the destruction not only of the Amazon, but of all Brazilian biomes”.

Mariana Cirne of the national prosecutor’s office for the defence of climate and the environment said the success of the case was “a matter of climate justice” and would help Brazil meet its national emission targets.

Cirne said: “Today, millions of people are already suffering the direct and indirect impacts of climate change, with the added concern that the most vulnerable populations are the hardest hit. Hence, it is crucial to ensure full accountability for illegal emissions and the imposition of the obligation to implement carbon-capture projects.”

The decision has yet to be finalised by the court and could still be appealed. Several similar cases are winding their way through Brazil’s judicial system. It is not only those who directly destroy the Amazon rainforest who are being sued. A lawsuit is under way against the import-export company Importação e Exportação de Madeiras Floresta Verde for storing wood that is alleged to have come from illegal deforestation.

Rafaela Santos Martins da Rosa, a federal judge and editor of a forthcoming book on climate litigation in Brazil, said Brazilian courts are increasingly recognising that each act by individuals and companies that releases greenhouse gas emissions or causes loss of carbon sinks adds to the cumulative effect on the climate.

Quantifying the wider societal cost of this damage also helps deter future illegal activity. Da Rosa said: “Convictions for environmental damage in general in Brazil would never reach these monetary values. Only with the recognition of the climate dimension and the monetary calculation of emissions will these levels be reached. This could actually discourage similar behaviour by other deforesters.”

The court stressed that the ruling against Kruger did not open the door to claims about legal deforestation, but Da Rosa said civil actions of this kind could be brought against public authorities.

Earlier this year, Brazil’s supreme court ordered the federal government to reinstate a plan to prevent and control deforestation in the Amazon and to monitor and investigate environmental crimes occurring there. The court recognised that Brazil’s environmental policy was still being updated following the election of Luiz Inácio Lula da Silva in 2022, but said more could be done.