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# The U.S.-Brazil Sustainable Supply Chain Initiative

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**T**he U.S.-Brazil Sustainable Supply Chain Initiative under the U.S.-Brazil Commercial Dialogue is a bilateral forum to identify and promote the best methods that companies use to source, manufacture, and distribute goods responsibly, minimizing waste and the impact on the environment.

On October 6, 2010, the U.S. and Brazilian governments and the American Chamber of Commerce in Sao Paulo joined leaders from the private sector to host the U.S.-

Brazil Sustainable Supply Chain Workshop. Attendees at the São Paulo workshop represented firms in retail, chemicals, cosmetics, and consumer electronics sectors, among others. The participants gathered to highlight innovation and best practices in supply chain sustainability.

One example, a more concentrated fabric softener, yielded savings of 60 percent in materials,

40 percent in water use, and 40 percent in transportation costs.

"It is a product of smaller size, with the same performance and lower price," Yuri Feres, a Sustainability Manager with Walmart Brazil said. Another product, a



**Panelists at the U.S.- Brazil Sustainable Supply Chain Workshop.**

soap made from recycled cooking oil saved the company 20 percent on costs and provided consumers with a lower price.

As more Brazilians move into the middle classes and prices on consumer electronics drop, the

demand for computers and other devices will grow exponentially, and the challenge of managing the environmental impact will become more complex. This is especially so for products such as cell phones that quickly become obsolete, and in Brazil where as much as 80 percent of garbage ends up in unauthorized dumps, or *lixões*.

To tackle this problem, Brazil introduced its recycling law, or

Plano Nacional de Resíduos Sólidos (PNRS). The PNRS defines the "shared responsibilities" of government, industry, and the public in managing the residual effects of consumer products on the environment.

The plan has raised concern among some in industry who worry about the efficacy of a plan they feel doesn't incentivize the consumer to participate. "We need to promote a shift in consumer culture in order to convince him to [properly] discard the product," said Marc Stanton, senior logistics manager at Dell.

The governments of the United States and Brazil will continue working together to foster increased bilateral trade in distribution and logistics, and to tackle the growing problem of consumer waste in Brazil. A Brazilian delegation representing the public and private sectors will travel to the United States this fall to visit American manufacturing plants on the forefront of best practices in sustainability.

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