

IATP Europe feedback on the proposed removal of leather, hides, and skins from Annex I of the EU Deforestation Regulation (EUDR)

The Institute for Agriculture and Trade Policy (IATP) urges the European Commission to reject the proposed removal of leather, hides, and skins from Annex I of the EU Deforestation Regulation (EUDR). Exempting leather would create a major loophole in one of the world's most important forest protection measures and undermine the Regulation's core objective of ensuring that products on the EU market do not contribute to global deforestation or forest degradation. The Commission itself [has acknowledged](#) that cattle production is among the leading global drivers of deforestation and that derived products such as leather are connected to this risk. The EUDR was explicitly designed to address commodities and derived products associated with agricultural expansion into forests, including cattle and leather. Therefore, arbitrarily removing leather from the scope of the Regulation would contradict both the scientific basis and legislative intent of the EUDR.

Leather is part of the livestock sector and should not be regulated separately

The proposed exemption appears to rest on the argument that leather is merely a byproduct of the meat industry and therefore should not be regulated separately. This reasoning is flawed economically, environmentally, and legally. Hides and leather are valuable co-products of the cattle sector that contribute to the overall profitability of cattle production. The leather industry creates significant additional value from cattle supply chains and therefore cannot be treated as irrelevant to the economics driving forest degradation. Market analysts [have documented](#) that the global leather trade represents billions of euros in commercial activity linked directly to cattle production systems.

The leather exemption creates a major traceability loophole

Moreover, excluding leather would weaken traceability incentives across the cattle supply chain. The EUDR's due diligence framework is designed to drive improved transparency and accountability from production through processing and trade. If beef remains covered but leather is exempted this would weaken oversight in high-risk regions where cattle expansion for leather production continues to drive illegal deforestation, land grabbing, and associated human rights abuses.

The proposed exemption would disproportionately benefit large multinational meat and leather corporations that have long resisted stronger supply chain accountability requirements. Companies such as JBS, the world's largest beef producer, have repeatedly [faced scrutiny](#) over links between their cattle supply chains and illegal deforestation in the Brazilian Amazon and Cerrado. Investigations by environmental organizations, journalists, and public prosecutors have

[documented](#) how cattle associated with deforested areas can move through indirect supplier networks before entering export markets, including leather supply chains. By removing leather from the scope of the EUDR, the EU would effectively reduce scrutiny obligations for one of the most profitable downstream uses of cattle production, weakening pressure on dominant firms to improve traceability and eliminate deforestation from their operations. Maintaining leather within Annex I is therefore essential not only for environmental protection, but also for ensuring that large market actors cannot evade meaningful due diligence responsibilities through regulatory carveouts.

Furthermore, exempting leather risks disadvantaging companies that have already invested in deforestation-free sourcing and traceability systems in anticipation of EUDR compliance. Many firms across agricultural and forest-risk commodity sectors have undertaken substantial efforts to meet the Regulation's requirements.

The leather exemption is inconsistent with EU climate commitments

The proposed exemption also raises serious concerns regarding policy coherence. The European Union has repeatedly committed to addressing deforestation tied to imports, advancing corporate accountability and aligning trade with climate and biodiversity goals. Weakening traceability requirements for a major cattle-derived commodity sends the wrong signal to producer countries, market actors, and consumers. At a time when global forest loss continues at alarming rates, the EU should strengthen implementation of the EUDR rather than carve out exemptions.

The Commission should instead maintain leather, hides and skins within Annex I and focus on supporting effective implementation through clear guidance and technical assistance. Strong enforcement and comprehensive product coverage are essential to ensuring that the EUDR achieves its intended environmental and social outcomes. For these reasons, IATP strongly urges the European Commission to reject the proposed removal of leather, hides, and skins from Annex I of the EUDR.