

Marfrig-BRF merger and PIF green bond deforestation engagement opportunity

Josephine Richardson (*), Emiel Loh, Ulf Erlandsson

At the forefront of the fight against deforestation in Brazil sits the beef industry, which is dominated by three companies: JBS, Marfrig, and Minerva.[1] All three corporates are included in the AFII Deforestation Debt Universe, which identifies fixed income issuers most exposed to deforestation.[2]

On 15 May 2025, Marfrig announced its intention to complete a full acquisition of pork and poultry producer BRF. It previously owned 50.49% of the company, and a complete takeover will allow it to gain scale to compete with JBS.[3] The transaction completed on 22 Sep 2025, creating MBRF Global Foods.[4] This consolidation has the potential to give the new, merged company great influence in the sector, and provide meaningful competition for JBS, a controversial entity in this space.[5]

The Saudi Sovereign Wealth Fund PIF is a minority owner in MBRF and began investor meetings on 6 Oct for a EUR-denominated green bond.[6] Primary market activity is a key point of influence.

In this note, we examine the transaction and the potential routes for fixed income investors to engage for stronger outcomes to halt and reverse deforestation from beef production in Brazil.

- Marfrig has committed to ending all deforestation, and BRF has already eliminated it from its supply chain. This compares well with both JBS and Minerva which have only committed to ending illegal deforestation. **Increased scale at the new MBRF Global Foods has the potential to raise standards across the sector.**
- **Neither Marfrig nor BRF has tapped the USD bond market since 2021, and both have debt maturing next year.** Primary market issuance is a key engagement opportunity for investors, and they could use this to influence for improved transparency and standards.
- PIF is a minority owner in MBRF, and also holds stakes in Minerva and Olam, a Singapore-listed agriculture company. Despite being a sizeable issuer of green-labelled securities, its substantial holding in Aramco has prevented some routes of engagement. **This agriculture exposure makes it an unexpected ally in the fight against deforestation. The EUR green bond issuance, expected in early October, offers a chance for influence and engagement routes from its debt investors.**

---

[1] "Trase: Brazilian beef exports and deforestation", Stockholm Environment Institute, 21 Nov 2023.
[2] "Deforestation Debt Universe", AFII, 7 Jan 2025.
[3] "Brazil's Marfrig moves to cap takeover of BRF, combining as MBRF", Reuters, 16 May 2025.
[4] "Marfrig Global Foods S.A. (Brazil): Merger with BRF S.A. (Brazil)", LSEG, 15 Sep 2025.
[5] JBS also took a long journey to achieve a NY-listing for its stock which has been associated with greenwashing claims. For analysis on its recent bond issuance please see "JBS new issuance after US listing", AFII, 1 Jul 2025.
[6] "MANDATE PIF EUR Green; 3Y, 7Y Investor Calls", Bloomberg, 6 Oct 2025.

Not investment advice. First published 6 Oct 2025. Important disclaimers at end of the document.
(*) Anthropocene Fixed Income Institute (www.anthropocenefii.org). Author for contacts: jor@anthropocenefii.org

The deal

Marfrig's acquisition of BRF started in May 2021, when it acquired 24% of the outstanding shares for about $800mn.[7] It continued to accumulate shares after this initial purchase, and at the end of 2023 Marfrig became the majority shareholder.[8]

On 15 May 2025, Marfrig announced it would purchase the remaining stake in BRF in a share-swap deal, with BRF shareholders receiving 0.8251 Marfrig shares per BRF share.[9]

BRF shareholders agreed to the deal on 5 Aug 2025.[10] The merger was approved by Brazil's antitrust authority on 5 Sept 2025 and the deal closed on 22 Sep 2025 forming MBRF Global Foods Company S.A.[11]

In press reports on the deal as far back as the first share acquisition, the ability to compete with JBS has been considered a motivating factor for Marfrig. Table 1 shows a revenue comparison, suggesting the new combined entity may now achieve over 40% of the sales of JBS.

Table 1. Annual revenue figures for companies. Source: Bloomberg Finance L. P., AFII, accessed 25 Sep 2025.

Ticker	Company	Annual revenue ($ bn)
JBS US Equity	JBS SA	77.2
BEEF3 BZ Equity	Minerva SA	6.4
MRFG3 BZ Equity	Marfrig Global Foods SA	27.9
BRFS3 BZ Equity	BRF SA	11.5
MBRF3 BZ Equity	**MBRF Global Foods SA**	**33.7**

Deforestation commitments

Detailed analysis on the deforestation footprint of the large meat producers is challenging, due to their complex supply chains and a lack of transparency.

A tangible comparison can be made around their public commitments to end deforestation, though. In an earlier analysis, we observed that in 2023 Marfrig was committed to eliminating both legal and illegal deforestation in its supply chains, comparing favourably with Minerva which was focused purely on illegal deforestation.[12]

Looking at the most recent reporting shows the following commitments:

- JBS targets zero illegal deforestation in all Brazilian biomes by the end of 2025 for direct and tier 1 indirect cattle suppliers. In the Amazon, this extends to no legal deforestation for all direct and indirect suppliers.[13]
- Minerva targets zero illegal deforestation in all countries of operation by 2030 across direct and indirect supply.[14]
- Marfrig commits to deforestation-free supply, direct and indirect, by 2025. In 2024 its monitoring of indirect suppliers was 88.8% in the Amazon and 79.6% in the Cerrado.[15]

[7] "Brazil's Marfrig buys $800 million stake in BRF becoming its top shareholder", Reuters, 22 May 2021.
[8] "Marfrig takes BRF stake to over half of Brazilian meat peer", Just Food, 2 Jan 2024.
[9] "Brazil's Marfrig moves to cap takeover of BRF, combining as MBRF", Reuters, 16 May 2025.
[10] "Marfrig BRF shareholders approve merger deal", Reuters, 5 Aug 2025.
[11] "Brazil's antitrust authority approves Marfrig-BRF deal", Reuters, 5 Sep 2025.
[12] "Marfrig to Minerva asset sale: decoding the wood from the trees", AFII, 1 Sep 2025.
[13] P65 of "2024 Sustainability Report", JBS, accessed 25 Sep 2025.
[14] P38 of "2024 Sustainability Report", Minerva, accessed 25 Sep 2025.
[15] P47 of "2024 Integrated Report", Marfrig, accessed 25 Sep 2025.

- BRF targeted 100% deforestation-free grain supply by 2025, achieving this in 2024.[16]

On this measure around commitments to end deforestation, it does seem that Marfrig and BRF have higher standards than their largest competitors, JBS and Minerva. This means increasing the commercial influence of the new combined entity has the potential to improve standards across the sector.

The bonds

The new MBRF Global Foods Company S.A. has ten bonds outstanding, as shown in Table 2, totalling $3.75bn. Four were issued by BRF, and six from Marfrig entities.

While both issuers have tapped the USD market before, neither has come to market since Jan 2021. Two bonds are set to mature next year: $211mn from Marfrig in May 2026 and $299mn from BRF in Sep 2026.

Table 2. MRFGBZ/BRFSBZ bonds. Source: Bloomberg Finance L.P., accessed 23 Sep 2025.

ISIN	Issuer	Issue date	Maturity	Currency	Amount outstanding ($ bn)
BRBRFSDBS026	BRF SA	27-Jun-19	30-Apr-26	BRL	0.04
BRMRFGDBS051	MBRF GLOBAL FOODS	11-Nov-22	11-Nov-27	BRL	0.14
BRMRFGDBS077	MBRF GLOBAL FOODS	07-Nov-23	07-Nov-28	BRL	0.07
BRMRFGDBS085	MBRF GLOBAL FOODS	20-Aug-24	25-Sep-29	BRL	0.09
US62877VAA98	NBM US HOLDINGS INC	14-May-19	14-May-26	USD	0.21
US05583BAA70	BRF GMBH	29-Sep-16	29-Sep-26	USD	0.30
US62877VAB71	NBM US HOLDINGS INC	06-Aug-19	06-Aug-29	USD	0.47
US10552TAG22	BRF SA	24-Sep-19	24-Jan-30	USD	0.59
US566007AC41	MARB BONDCO PLC	29-Jan-21	29-Jan-31	USD	1.17
US10552TAH05	BRF SA	21-Sep-20	21-Sep-50	USD	0.67

Marfrig sustainability bond

In 2019, Marfrig issued a $0.5bn sustainable bond out of a financing subsidiary NBM US Holdings Inc (ISIN US62877VAB71) with maturity Aug 2029.

The bond has a relatively narrow use of proceeds. It is allocated only for purchase of cattle from farmers located in the Amazon Biome, in the states of Mato Grosso, Rondonia, and Pará, and then only from suppliers that respect Marfrig's environmental and social criteria.[17]

We have not located a publicly available allocation report. However, in Marfrig's full year 2024 results, it reports total cost of goods sold in its South American region equal to R$13,131mn, or approximately $2.5bn.[18] The same report speaks of reinstating cattle suppliers that were in compliance with Marfrig's commitments, and including them in its Green+ Program.[19] The size of

[16] P53 of "2024 Integrated Report", BRF, accessed 25 Sep 2025.
[17] "Marfrig Sustainable Transition Bond", Marfrig, Jul 2019.
[18] "Management report 2024", Marfrig, 31 Dec 2024.
[19] Also called Verde+ this is a program developed in partnership with Brazil's agricultural research company EMBRAPA to implement low carbon, carbon-neutral and organic beef protocols and launched in 2020, see "commitments", Marfrig, accessed 30 Sep 2025

the bond relative to the amount of goods sold suggests the proceeds may have been relatively easily allocated.

While reporting on the exact impact may not be easily available, the issuance of the bond does promote standards at Marfrig's suppliers and could improve transparency.

If the combined company comes to the USD bond market to refinance its upcoming maturities, this could offer investors a rare chance to influence its behaviour.

Marfrig's use of a sustainability bond in the past demonstrates it has an understanding of the labelled debt market, where continued use can improve transparency.

PIF – an unexpected owner

Saudi Arabia's Public Investment Fund (PIF), one of the largest sovereign wealth funds in the world, has been an investor in BRF since 2023. Through its agrifood-focused subsidiary Saudi Agricultural and Livestock Investment Co (SALIC), it bought 10.7% to further its overall objective of ensuring the sustainability of targeted basic food commodities.[20]

SALIC agriculture investments

In addition to its interest in BRF, which is now combined into MBRF, SALIC holds a number of other agricultural investments, as shown in Table 3.[21] The majority of holdings are private, meaning valuations are hard to find. However, estimated details of the largest public holdings are included.

Table 3. SALIC holdings. Source: SALIC, Bloomberg Finance L. P., accessed 29 Sep 2025.

Company	Ownership	Country	Commodities	Estimated value of holding ($ bn)
BRF	11.03%	Brazil	Poultry	0.6
Minerva	30.55%	Brazil	Red meat	0.4
G3 Global Holding	75%	Canada	Wheat, corn, barley, soybean	
Continental Farmers Group	100%	Ukraine	Wheat, corn, barley, soybean	
MHP	12.63%	Ukraine	Poultry	
LT Foods	9.22%	India	Rice	0.1
National Grain Company	50%	Saudi Arabia	Corn, barley, soybean	
Almari	16.32%	Saudi Arabia	Dairy by-products	2.2
Nadec	38.65%	Saudi Arabia	Dairy by-products, fruit, vegetables	0.7
National Aquaculture Group (Naqua)	42.41%	Saudi Arabia	Aquaculture	
SABIL	100%	Saudi Arabia	Grains & fodder	
Olam Agri	35.43%	Singapore	Wheat, rice, corn, barley, edible oil, soybean	1.0
Minerva foods Australia	35%	Australia	Red meat	

[20] "SALIC acquires 10.7% of Brazilian poultry giant BRF", Arab News, 19 Jul 2023.
[21] "Our Portfolio - Salic", accessed 25 Sep 2025.

BRF, Minerva, and Olam are all included in the Deforestation Debt Universe because of their substantial exposure to deforestation. SALIC is a significant owner of all three.[22] This gives PIF a potentially important role in reducing deforestation.

PIF green bonds

In 2022 and 2023, PIF was a substantial issuer of green bonds in 2023, with $9bn outstanding (details in Table 4 overleaf), including a 100-year bond. At the time it was the second most active issuer of green-labelled bonds.[23] Since H2 2023, the company has issued non-labelled securities: another $20bn primarily in USD and two bonds in GBP.

On 6 Oct 2025 it announced a series of investor meetings leading to a 3- and 7-year tranche of EUR-denominated green bonds. The issuance of those securities is reported to follow the meetings, subject to market conditions.[24]

Despite the significant holding in Aramco, and associated exposure to oil & gas production, the existing, green-labelled securities are held in a number of sustainable funds, including green bond funds.[25] It is interesting to see PIF's shift to EUR-denominated issuance, which may be related to increased investor demand from European investors.

Table 4. PIF existing green bonds. Source: AFII, Bloomberg Finance L. P., accessed 6 Oct 2025.

Description	ISIN	Issue Date	Maturity	Currency	Amount outstanding	ESG label
PIFKSA $5 27s	XS2542162321	13-Oct-22	13-Oct-2027	USD	1,250,000,000	Green
PIFKSA $5.25 32s	XS2542162248	13-Oct-22	13-Oct-2032	USD	1,750,000,000	Green
PIFKSA $5.375 22s	XS2542162677	13-Oct-22	13-Oct-2122	USD	500,000,000	Green
PIFKSA $4.75 30s	XS2585987683	14-Feb-23	14-Feb-2030	USD	1,750,000,000	Green
PIFKSA $4.875 35s	XS2585988061	14-Feb-23	14-Feb-2035	USD	2,000,000,000	Green
PIFKSA $5.125 53s	XS2585988145	14-Feb-23	14-Feb-2053	USD	1,750,000,000	Green
New 3y		Exp Oct-25	Exp Oct-28	EUR		Green
New 7y		Exp Oct-25	Exp Oct-32	EUR		Green

Climate-focused engagement strategies will likely have been challenging for these investors; it is a challenge to advocate that PIF acts in a way to reduce future fossil fuel usage, which is against the economic interests of its Aramco holding.

Through its SALIC holdings in the agriculture sector, and a committed intention to secure sustainable food production,[26] there may be an opportunity to engage on reducing deforestation, which is more clearly aligned with the food security objectives.

The return to the green bond market may signal an intention to discuss such topics with investors.

---

[22] We note a deal has been agreed for SALIC to double its stake in Olam, which is pending regulatory approval as detailed in "SALIC Signs an Agreement to Increase Stake in Olam Agri Holding to 80.01% - Salic", SALIC, 13 Feb 2025.

[23] "PIF: big on Aramco, big on green bonds", AFII, 19 Apr 2023.

[24] "MANDATE PIF EUR Green; 3Y, 7Y Investor Calls", Bloomberg, 6 Oct 2025.

[25] For example, the bond is currently held in iShares Green Bond Index Fund and Blackrock Global Funds – Sustainable Emerging Market Bond Fund according to holdings on Bloomberg.

[26] "What we do", SALIC, accessed 02 Oct 2025.

Conclusions

The recent merger between Marfrig and BRF increases scale in a concentrated market. There are some signs of a relatively stronger deforestation commitment amongst these companies compared to their competitors, meaning their consolidation could raise standards.

Both companies have issued USD debt and have upcoming maturities which could bring them to market in the near future, offering an engagement opportunity for fixed income investors. Marfrig's use of the sustainability label shows some interest in the sustainable debt market.

A minority holder in the structure is PIF, the Saudi sovereign wealth fund, which also owns other deforestation-exposed agriculture companies. The ongoing investor meetings regarding an imminent return to the green bond market presents a chance for fixed income investors to engage to reduce deforestation across the portfolio of holdings. This may be attractive to PIF, as it is aligned to SALIC's sustainable food mission.

Version Log

Date	Comment
6 Oct 2025	Document published
15 Oct 2025	Link added with details of SALIC's increased investment in Olam, which is pending regulatory approval.

This research is funded by the Gordon and Betty Moore Foundation through The Finance Hub, which was created to advance sustainable finance.

ABOUT THE GORDON AND BETTY MOORE FOUNDATION:

The Gordon and Betty Moore Foundation fosters path-breaking scientific discovery, environmental conservation, patient care improvements and preservation of the special character of the Bay Area. Visit Moore.org or follow @MooreFound

IMPORTANT DISCLAIMER:

This report is for information and educational purposes only. The Anthropocene Fixed Income Institute ('AFII') does not provide tax, legal, investment, accounting, or any regulatory or regulated advice or services. This report is not intended to provide, and should not be relied on for, tax, legal, investment, accounting, or regulatory or regulated advice or services. Nothing in this report is intended (i) as investment advice, as an offer or solicitation of an offer to buy or sell, or as a recommendation, endorsement, or sponsorship of any security, company, issuer, or fund or (ii) to express a particular investment proposal in respect of a financial instrument or an issuer, or (iii) to propose a particular investment decision in respect of a financial instrument or an opinion as to the present or future value or price of any financial instrument or (iv) to recommend or suggest any investment strategy.

AFII is not responsible for any investment decision made by you. You are responsible for your own investment research and investment decisions. This report is not meant as a general guide to investing, nor as a source of any specific investment recommendation. Unless attributed to others, any opinions expressed are our current opinions only. AFII does not take into account your own circumstances or assets and AFII assumes no direct or indirect responsibility or liability for any investment decisions you make, and you remain fully responsible for your own research, legal and regulatory compliance, and decisions.

Certain information presented may have been sourced from third parties. AFII believes that such third-party information is reliable, and has checked public records to verify it wherever possible, but does not guarantee its accuracy, timeliness or completeness; and it is subject to change without notice. Any reference to an issuer's creditworthiness or likelihood of positive or negative performance in the current or future market is purely observational and should not be taken as a recommendation, endorsement or advice in relation to such issuer or its securities. AFII is a non-profit organisation that provides fixed income investors with the insights and tools they need to align their portfolios with ambitious climate and nature targets. For more information about the Institute, please visit www.anthropocenefii.org.

