2025: a milestone year?

Insights from nearly a decade assessing progress in palm oil, soy and cocoa supply chains

JUNE 2026

3keel

Executive summary

2025 was intended to be a milestone year for forest-risk commodities: many companies set targets and strategies aiming to achieve 100% verified deforestation- and conversion-free (vDCF) sourcing. This report is based on the data from 20 retailers, food service providers and manufacturers that have made commitments to vDCF supply chains for soy, palm oil and cocoa. It provides insights on the progress and strategies used to try to meet this ambition.

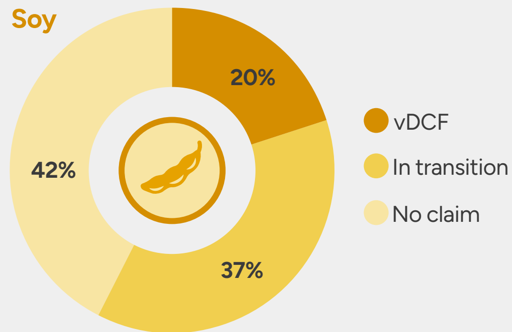
The strong focus has helped drive high engagement rates: over 1,600 suppliers responded with detailed information about commodities sourced and the policies they have in place. It has been clear for some time that the 2025 targets would prove hard to achieve, and while 2026 would be the first full year of vDCF sourcing, the remaining gaps show that the 100% target has not yet been achieved, and some challenges remain to be overcome.

The data show that companies are exploring different options to achieve more sustainable supply:

- shifting sourcing regions,
- pursuing novel approaches to improve their supply chain data,
- investing in landscapes,
- exploring substitution options.

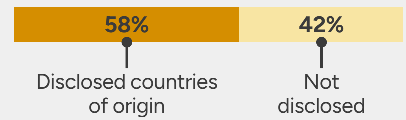
There are causes for optimism: some parts of the supply chain have moved further and faster to demonstrate what is possible. In other areas, the data suggests that voluntary approaches are reaching their limit, and regulation is critical.

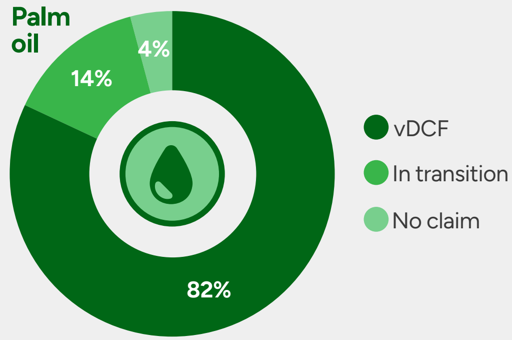
2025 reporting snapshot



806 companies reported

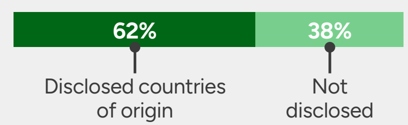
3,219,879 tonnes in total

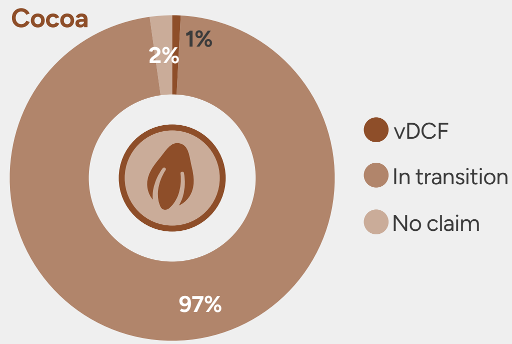




901 companies reported

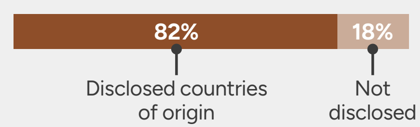
225,868 tonnes in total





627 companies reported

27,588 tonnes in total



RECOMMENDATIONS

Retailers should:

- renew focus on performance of key suppliers,
- align on sector expectations for more consistent supplier requests, and
- support targeted investment in production regions to build resilience and traceability.

Governments should act to enforce legislation for traceable and deforestation-free supply chains without further delay, recognising that parts of the supply chain will not make progress until data-sharing and monitoring become mandatory requirements, and that control at point of entry is a more efficient and effective approach to achieving DCF ambition than influence from downstream actors.

Suppliers should follow through with establishing clear policies across all customers and embedding these as procurement controls to drive progress through the supply chain.

Industry associations should support sector-wide efforts to improve monitoring and reporting, to reduce burden on individual companies and send a harmonised signal on ambition.

Introduction

Since 2017, 3Keel has worked with retailers, manufacturers and food service businesses to conduct a standardised annual data collection process for forest-risk commodities within own-brand supply chains. Suppliers are asked to report on the volumes of palm oil, soy, and cocoa, as well as their sourcing policies and practices. This data enables the identification of risks and year-on-year trends, helping companies and the wider industry develop stronger policies and more effective supply chain practices.

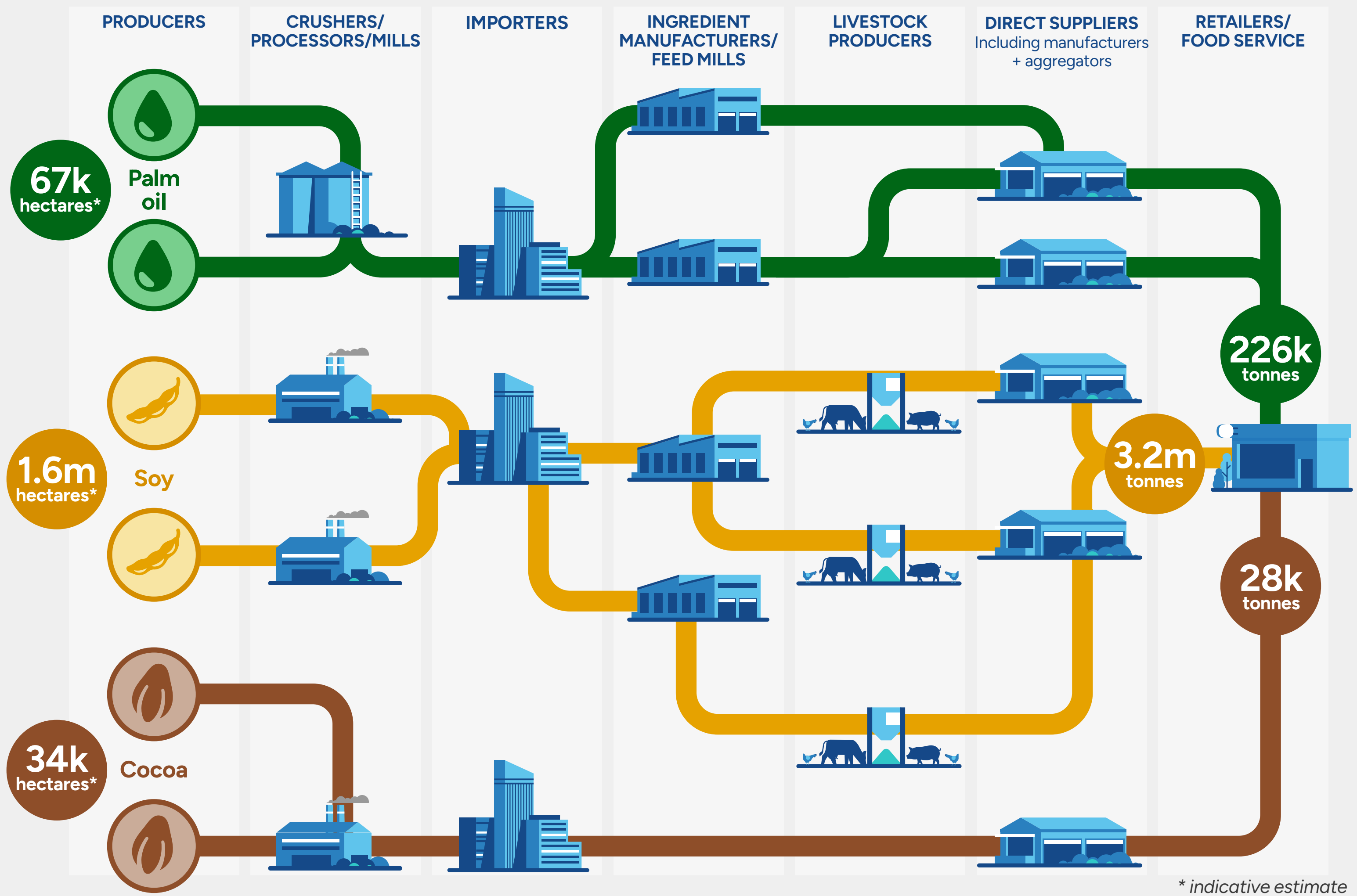
Over the past nine years, many factors have influenced shifts in commodity sourcing. Technological developments and new legislation have improved the ability to trace commodity supply chains back to their original production landscapes. Yet despite significant progress, end of value chain businesses are still left with a high proportion of materials that are difficult to trace to origin, and thus verify as deforestation- and conversion-free (DCF). The embedded nature of soy as animal feed across many livestock categories; the use of a wide range of oleochemicals; and the high prevalence of smallholder production systems all contribute to the challenge in accurately understanding supply.

This report provides insights to how businesses are approaching responsible sourcing, based on soy, palm oil and cocoa volumes reported in 2025. While it focuses primarily on the UK market, where over 95% of retail supply chains are represented - it also highlights broader themes - including the need for coherent sector-wide approaches.

Progress towards vDCF for palm oil, soy and cocoa

1,583 reporting companies

20 retail, food service and manufacturing supply chains



* *indicative estimate*

Data insights

- Downstream actors still lack a clear view of the supply chain
- Strong engagement, but the 2025 ambition has not been achieved
- Product groups within supply chains have moved at different rates
- A range of strategies are being used to secure sustainable supply
- Commitments to vDCF have stalled; new tools are needed
- A core group of key suppliers drive much of the outcome

2025: a downstream actor's view of the supply chain

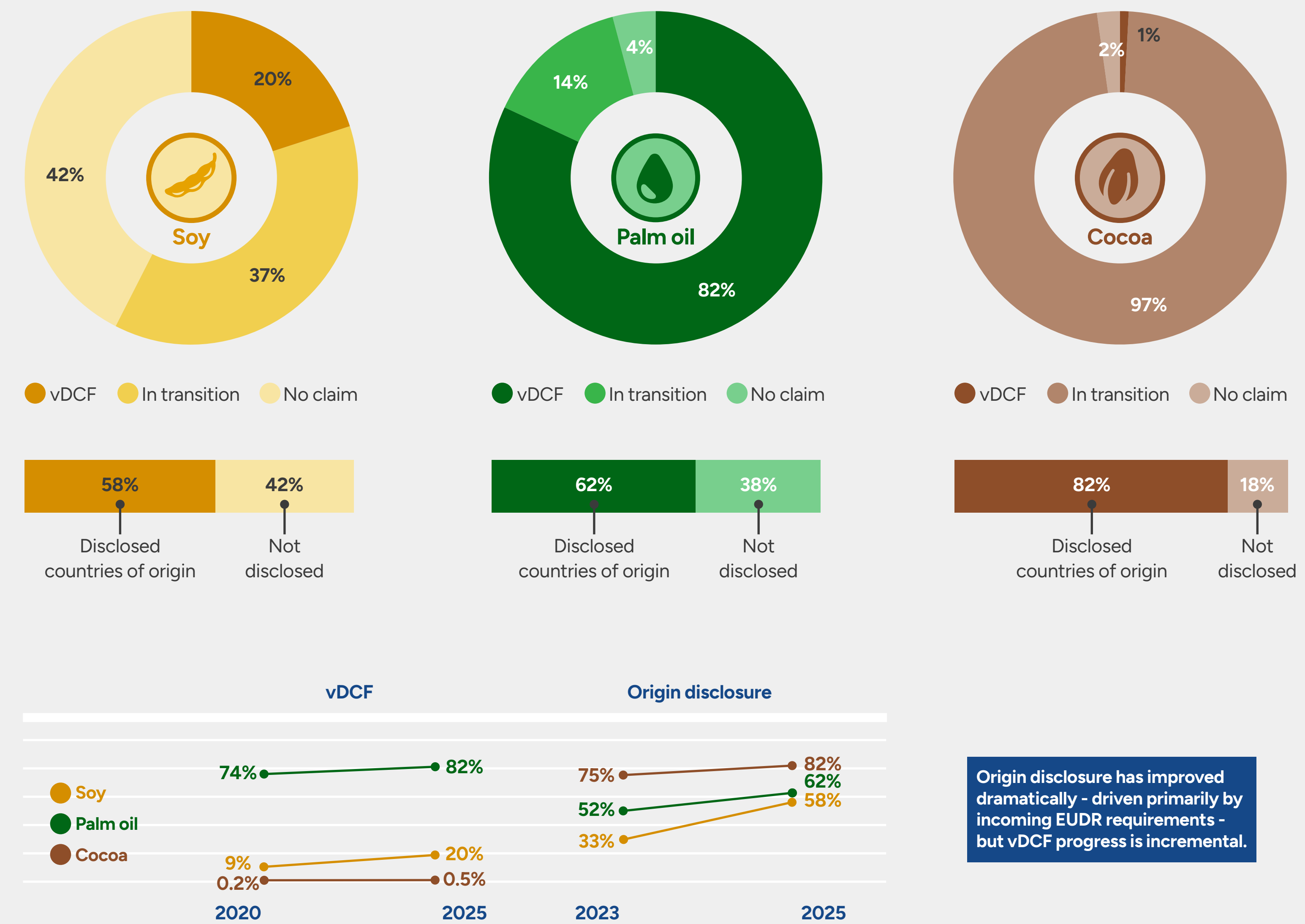
Drawing on this year's and previous data, we can see a snapshot of what the typical downstream actor can see about their commodity supply chains, compared to 2020.

The businesses we work with have been asking their suppliers consistently for commodity sourcing information for up to nine years. Despite this continuous engagement, and efforts to align asks across the sector, significant gaps remain. Even where technology has advanced and considerable investments have been made, data is not flowing consistently. The lack of transparency makes it more difficult to target measures to help close gaps and invest in responsible production.

For traceability, the largest gains we have seen over the past nine years clearly follow EUDR timelines and requirements. This suggests that only a regulatory approach is likely to drive any significant further improvement. Pressure from downstream actors back up the supply chain has not progressed further than 1-2 tiers, and may have reached the limit of its potential to drive progress.

Considerable investment is being made via certification credits and area-based schemes with the aim to support producers, but it's unclear whether these mechanisms are reaching the actual source of production or having the desired effect on tackling deforestation. For cocoa and non-food palm oil products, certification remains almost exclusively mass balance, which provides insufficient evidence of vDCF supply, leaving these still as "in transition".

The view from downstream businesses of vDCF status and origin disclosure in 2025



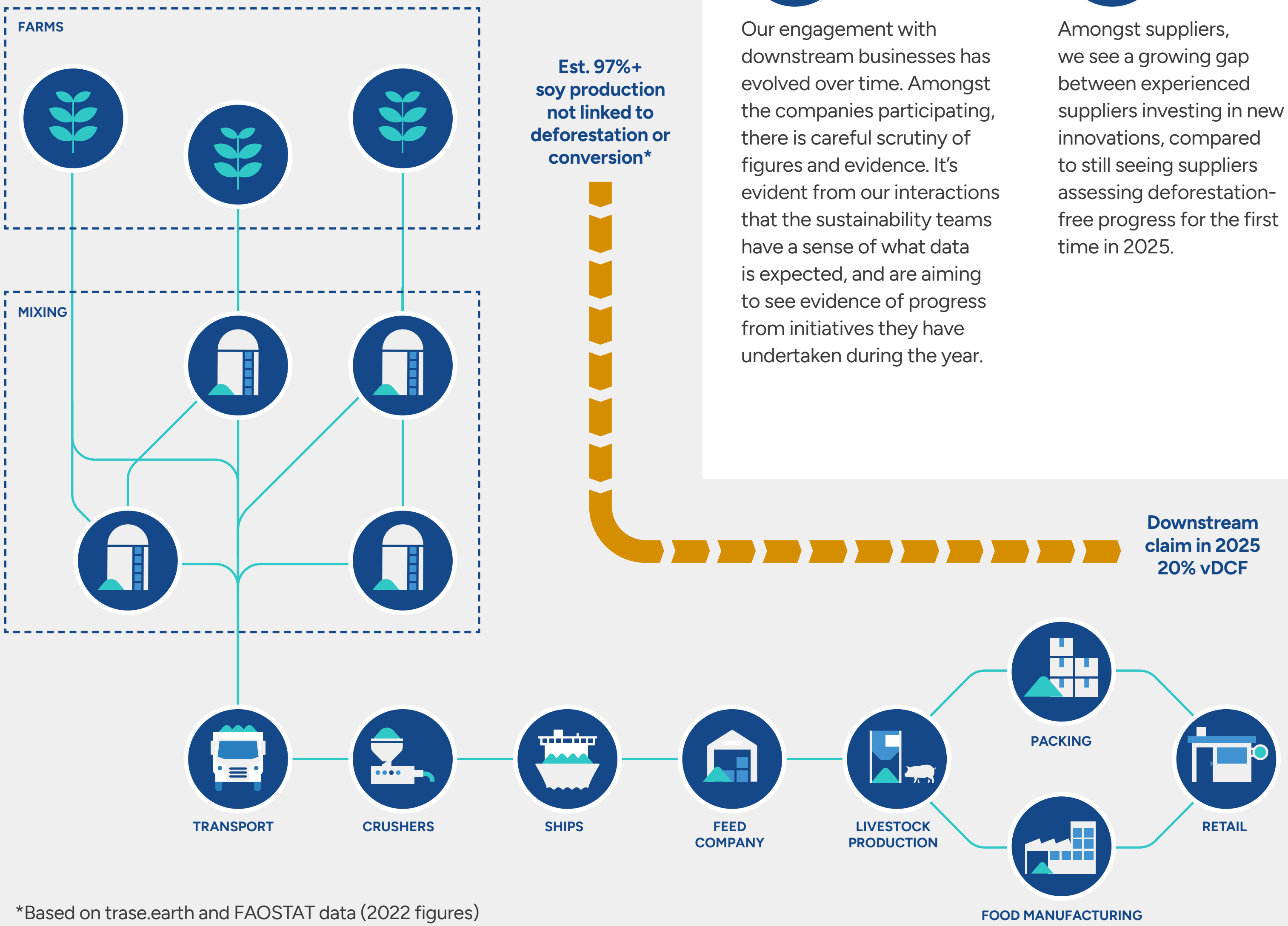
Strong engagement, but 2025 ambition has not been achieved

2025 targets have not been met: despite strong engagement, progress has been incremental and the gaps that have been visible for several years have not been closed. Yet the picture is of maintained ambition, with new approaches being trialled to meet the overall aim. The focus on these targets during a milestone year - also expected to be the first year of EUDR implementation - has driven a greater response throughout the supplier base, with improved data and evidence.

Beyond the gaps in performance, there also remain significant gaps in evidence. Data is lost through the supply chain meaning claims cannot be effectively attributed or or are hard to confirm. This is particularly the case for soy, where data around soy origins and sustainability claims are not reliably transmitted through multiple stages of livestock rearing and processing.

This year, improved data has been a focus for many and new methods have been piloted for the supply chain to provide comprehensive evidence of sustainability claims back to origin. The dairy sector has trialled new methods to overcome data gaps, focusing on supplier auditing systems or feed mill data to supplement supply chain data - which show potential for further progress (see case study). While there is still a significant gap to 100% vDCF, it is encouraging to see the supply chain still focused on achieving the 2025 targets.

Continued evidence gaps



*Based on trase.earth and FAOSTAT data (2022 figures)

Our engagement with downstream businesses has evolved over time. Amongst the companies participating, there is careful scrutiny of figures and evidence. It's evident from our interactions that the sustainability teams have a sense of what data is expected, and are aiming to see evidence of progress from initiatives they have undertaken during the year.

Amongst suppliers, we see a growing gap between experienced suppliers investing in new innovations, compared to still seeing suppliers assessing deforestation-free progress for the first time in 2025.

Dairy sector case study: new approaches to evidence

Dairy production commonly takes place via independent farms and cooperatives. This model creates challenges for a downstream company as there can be many thousands of dairy farmers making individual sourcing decisions that may not always be documented or shared with customers beyond feed assurance compliance, where DCF criteria is not currently able to be specified.

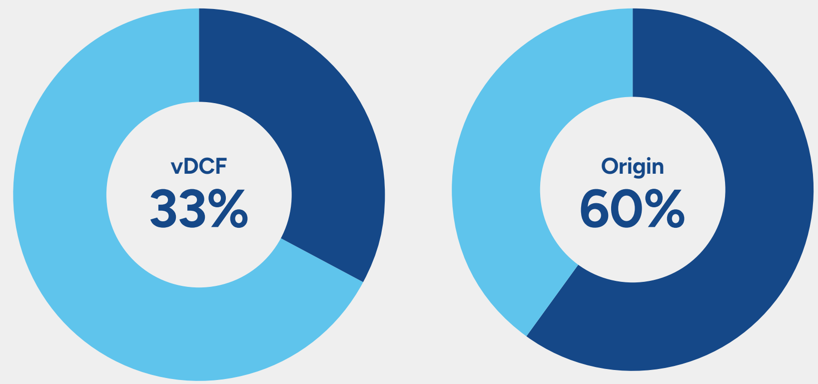
This year, some dairy suppliers trialled more rigorous approaches to gathering and assessing evidence as part of their regular farm audit programme. In parallel, 3Keel worked with Dairy UK to pilot an approach targeting feed mills. Both approaches have contributed to a marked improvement in the data available to the downstream supply chain. Improved data gives better understanding of where progress is occurring and challenges remain - enabling investment to be targeted and ultimately helping drive greater progress.

Dairy UK feed mill pilot

For 2025 reporting, 3Keel worked with Dairy UK to pilot an approach to gathering data on inputs at feed mill level, to generate a representative figure on DCF and origin transparency across the dairy sector while reducing data and reporting hurdles in the value chain. Participating mills were able to provide markedly higher evidence of DCF and origin than has been visible to retailers, manufacturers and food service providers in previous years. This success demonstrates that the feed sector and downstream customers can streamline reporting and enable greater proportion of sustainability claims to be passed down the supply chain.

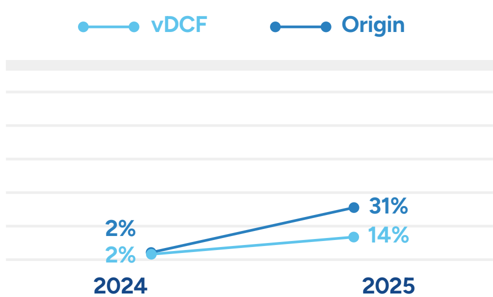
In future we hope to expand the pilot to directly connect feedmills to retailers to accelerate the transition to DCF, plus expand to all cattle feed and potentially other markets.

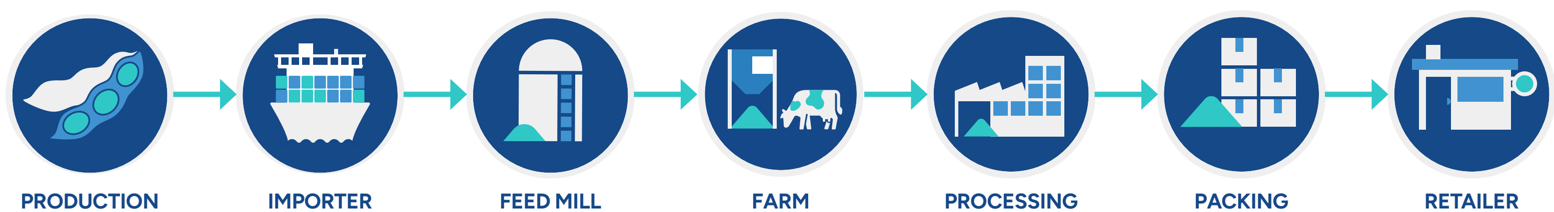
Performance indicators for dairy feed profiled as part of the pilot



2024-2025 Dairy sector

The focus on improved evidence through this pilot and other supplier actions drove significant improvement in transparency in just one year.





KEY FINDINGS

Product groups have moved at different rates

While the overall picture is of missed 2025 targets, the headlines mask significant variation in progress within different categories and areas of the supply chain. There is contrasting evidence from soy and palm supply chains as to whether progress in specific categories can tip over to drive improvement across the entire supply chain.

Soy

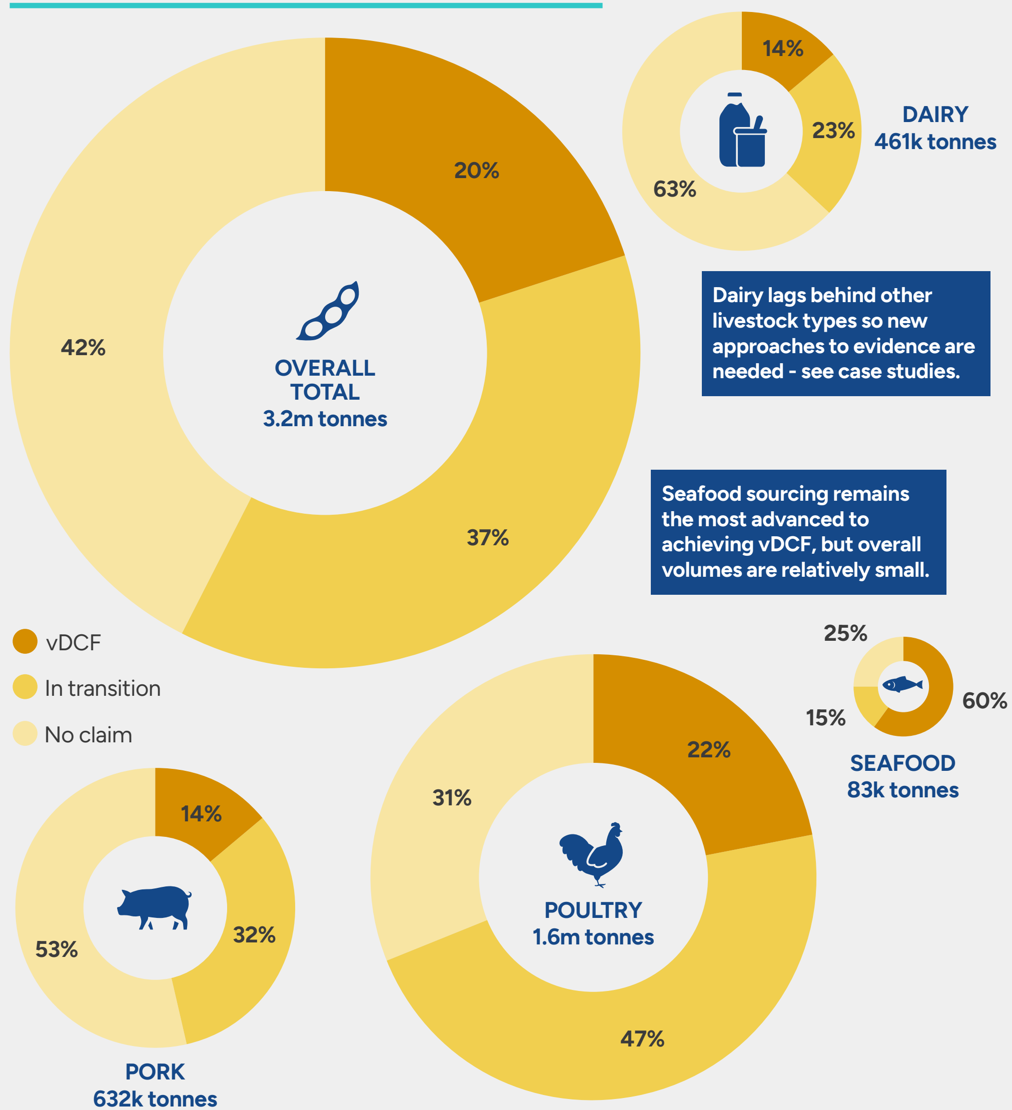
In soy, seafood sourcing remains the most advanced to achieving vDCF, but overall volumes are relatively small. The progress made in the poultry supply chain has been the major driver of overall progress to more sustainable sourcing. Feedback from our additional research on dairy feed also indicates that action by poultry producers to secure responsibly-produced soy has also generated some spillover to the availability of supply at feed mills and in the wider market: greater proportion of dairy feed is now able to secure traceable, deforestation-free supply.

Palm oil

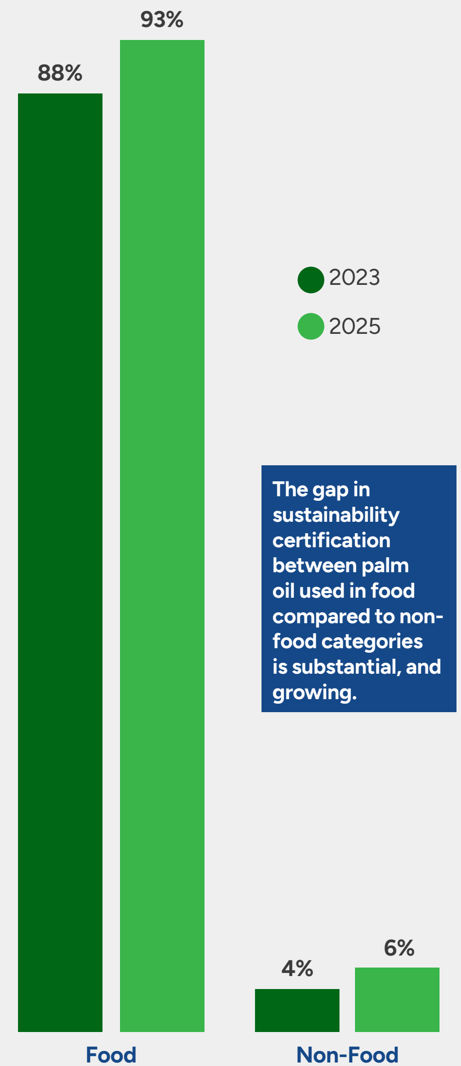
In palm, the gap in sustainability certification between palm oil used in food compared to non-food categories has been visible for several years. Despite the existence of industry working groups to understand the issues and coordinate efforts to close the gap, it remains a persistent challenge.

Many suppliers continue to cite lack of availability of RSPO Segregated supply for specific additives and derivatives, with limited ability to influence the upstream supply chain given the small volumes purchased.

Soy vDCF performance in 2025, split by livestock type



Palm oil vDCF status in 2025

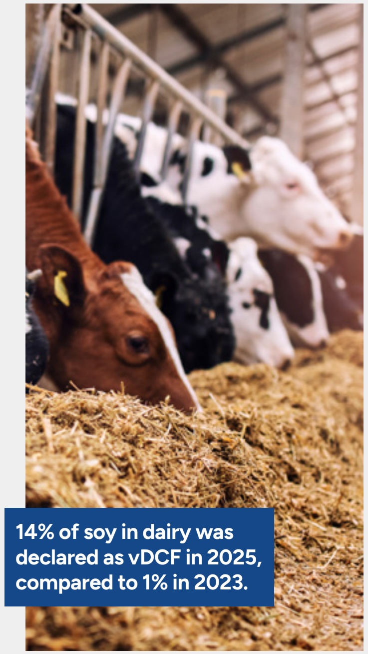


KEY FINDINGS

A range of strategies are used to secure sustainable supply

The data shows a range of options being used to achieve sustainable supply, with the strategies in use shifting as new options become available or the limits of existing approaches become clear. While certification remains the most common approach, the lack of availability of segregated supply in soy and cocoa supply chains leads to alternatives being used.

Approaches to vDCF supply



14% of soy in dairy was declared as vDCF in 2025, compared to 1% in 2023.

Trusted suppliers

Focus on working with feed mills and producers - as set out in the dairy sector case studies - has created new options to drive progress and improve both transparency and performance on sustainable sourcing.

93% of palm oil in food products was declared as RSPO Segregated.

Certification

Palm oil is the most advanced for certification; since 2020 the majority of palm oil used in food products is certified RSPO Segregated, making this effectively the market norm. Yet despite this segregated chain of custody, and the launch of the RSPO PRISMA system, traceability is still lacking, with only 67% traceable to country of origin by the downstream supply chain.

Carob is considered a potential substitute for cocoa.

Substitution

Some suppliers are exploring substitution as an approach for products where progress has stalled - e.g. palm-derived food additives - although others report having trialled this and found current alternatives aren't suitable.

Record-high prices and concerns about availability of cocoa in 2025 have led to widespread discussion about opportunities and risks for cocoa substitution.

18% soy declared as low-risk origin in 2025, compared to 8% in 2023.

Low-risk origin

Soy has seen a marked increase in sourcing from countries considered low-risk for deforestation and conversion. This is driven largely by soy used in poultry feed.

KEY FINDINGS

Commitments to vDCF have stalled; new tools are needed

Retailers, manufacturers and food service providers have focused on engaging their direct (Tier 1) suppliers and encouraging them to adopt their own vDCF commitments. Uptake has been significant but remains patchy - the majority of suppliers have no universal vDCF commitment, and only supply vDCF material in direct response to a specific customer's requirements. The situation with more complex supply chains, with multiple tiers of processing, is even more uncertain.

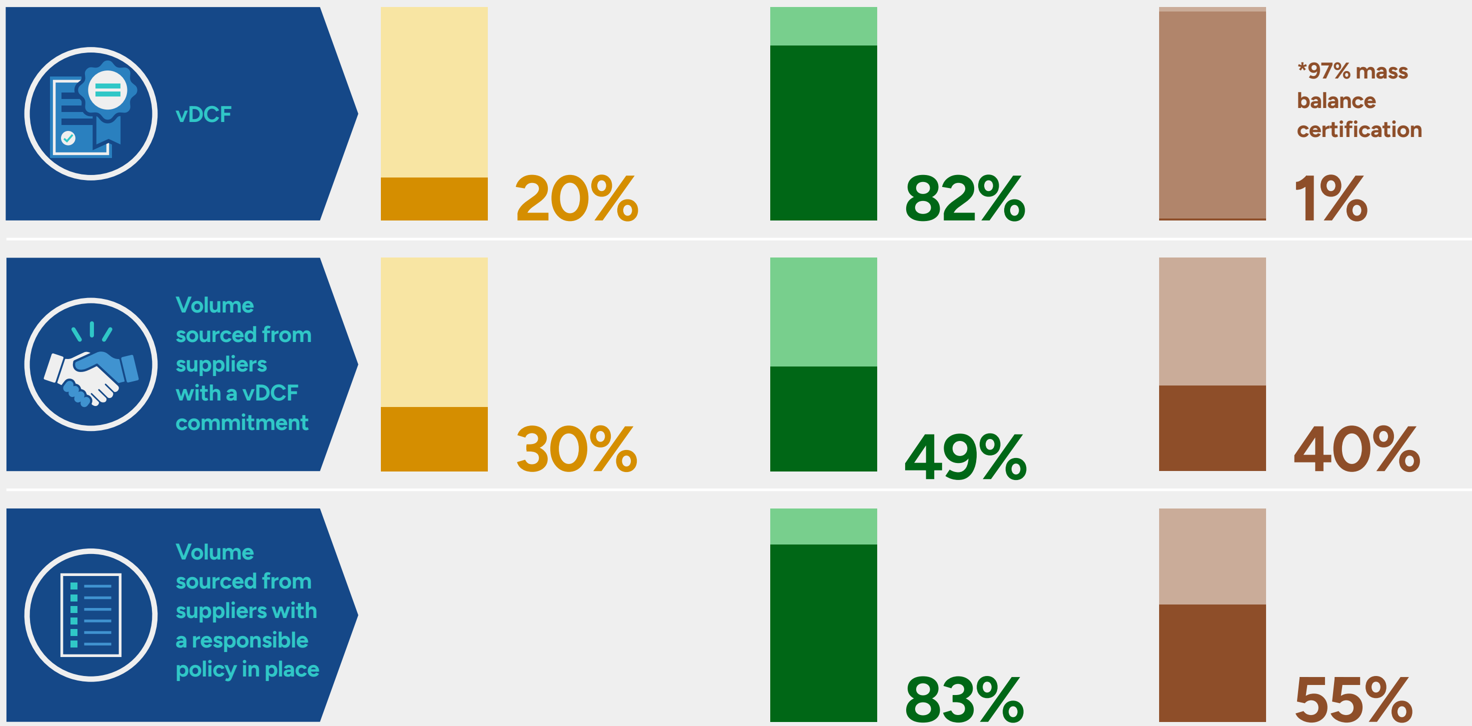
This has different implications for driving future progress: in livestock supply chains, engaging at importer or feed mill level may be more effective to enable action. For palm oil, the data indicates a need for regulation to drive further progress, as the expected market tipping point for fully vDCF supply was passed several years ago.

Commitments to vDCF

Soy
For soy, progress lags commitments, reflecting the challenges across the soy sector in securing clear delivery mechanisms for vDCF soy.

Palm Oil
In palm oil supply chains, vDCF performance exceeds supplier commitments, suggesting vDCF is reliant on customer specification and isn't translating into a universal supplier commitment.

Cocoa
Around half of cocoa volumes are covered by responsible sourcing policies, and almost all cocoa is certified, but to mass balance standards that don't verify DCF status.



KEY FINDINGS

A core group of suppliers drive much of the outcome

While the average retailer has dozens of suppliers across palm oil, soy and cocoa supply chains, a small number of key suppliers can be responsible for over 80% of the volume. From our interactions with participating downstream businesses, it's clear that many meet regularly with these suppliers to discuss opportunities to drive progress. However, even within this core group, progress is uneven and robust commitments may be lacking.

For soy in particular, many suppliers dropped back on commitments to supplying vDCF from 2025 onwards, as with the postponement of EUDR and other changes in the sector, the delivery mechanism became unclear.

While this is understandable, for some suppliers, they have had policies "under development" for at least three years. The lack of progress has a major impact on downstream businesses ability to meet the target, and means that clear signals of the shift to vDCF are not progressing further upstream.

In palm oil supply chains, while all key suppliers now have a plan to achieve vDCF, the numbers achieving the target are not growing and in some cases the target dates have moved back.

Commitments to vDCF

KEY FINDINGS

Reflections

The ultimate purpose of company commitments to deforestation- and conversion-free sourcing has been to tackle global loss of forests and other ecosystems. This ambition has been in place for many years, and engagement of companies has been a key pillar of international approaches to achieve it. Since the New York Declaration on Forests in 2014 and the Amsterdam Declarations in 2015, businesses have committed themselves to ensuring deforestation-free supply chains.

The wide range of companies involved have deployed various strategies to support this ambition, including supply chain action and investments in production regions.

1.

Across all three commodities, **certification** remains widely used. Many companies have commitments to certification in addition to DCF (e.g. RSPO certification targets in a palm oil policy). Certification can provide evidence of deforestation-free sourcing and allow downstream buyers to reward and incentivise responsible production. However it increases risk of smallholder exclusion, and a high proportion of the certification premium is used for auditing and supply chain segregation, limiting the value to the producers. Mass balance certification was intended as a transitional mechanism to support vDCF, but in some sectors no further progress has been seen for several years.

2.

Transparency has improved, and consistency of supply chain data asks (such as through this joint, annual process) have steadily increased the quantity and quality of data available. Supply chain investments for EUDR readiness has given a major boost, but data reaching downstream businesses remains incomplete. Increased transparency enables production areas to be verified as DCF, allowing targeting of investments and engagement.

3.

Focus on **harmonised, sector-wide** asks is needed to continue progress and minimise reporting burdens. Collaborations and joint initiatives at national level (e.g. UK Soy Manifesto), across the sector (e.g. through the Consumer Goods Forum) help to harmonise standards and metrics, enabling change at scale. However, ultimately **legislation** is the only route to ensure a level playing field for deforestation-free supply chains.

Recommendations

Companies

Companies with vDCF commitments should renew focus on performance of key suppliers, align on sector expectations for more consistent supplier requests, and support targeted investment in production regions to build resilience and traceability.

Governments

Governments should act to enforce legislation for traceable and deforestation-free supply chains without further delay, recognising that parts of the supply chain will not make progress until data-sharing and monitoring become mandatory requirements, and that control at point of entry is more efficient and effective approach to achieving vDCF ambition than influence from downstream actors.

Suppliers

Suppliers should follow through with establishing clear policies across all customers and embedding these as procurement controls to drive progress through the supply chain.

Industry

Industry associations should support sector-wide efforts to improve monitoring and reporting, to reduce burden on individual companies and send a harmonised signal on ambition.

This report is based on the data gathered from the annual collective commodity reporting programme run by 3Keel. In 2025, 20 companies participated in the programme, which gathered data from their suppliers relating to soy, palm oil, cocoa and coffee supply chains. Not all companies gathered data for all commodities, and not all data has been included in this report.

For further information about this programme, including how to join the process, please contact us at commodities@3keel.com .

The report is produced solely by 3Keel, and should not be taken to represent the views of the companies that participated in the programme or any of their suppliers.

With thanks to all the companies that participated in the process.

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THE KING'S AWARDS FOR ENTERPRISE
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