

Voluntary Report – Voluntary - Public Distribution

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Prepared By: Sophie Bolla; Tyler Babcock

Approved By: Ali Abdi

Report Highlights:

On May 4, 2026, the European Commission published its simplification review report on the EU Deforestation Regulation (EUDR), delivering a package of measures aimed at reducing administrative burden while maintaining the regulation's environmental objectives. The package includes an updated guidance document, revised Frequently Asked Questions, a draft delegated act proposing changes to product scope, and updates to the Information System. Despite U.S. requests, the Commission has not addressed key U.S. concerns with EUDR, including a request that producers in countries posing negligible risk not be required to produce due diligence statements or provide onerous geolocation data.

EU Commission's Simplification Package

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

The European Commission released its simplification review report on May 4, 2026, as mandated by the December 2025 amendments to Regulation (EU) 2023/1115.¹ The package aims to facilitate implementation ahead of the regulation's December 30, 2026 entry into application.

Key Components of the Simplification Package

The Commission's package consists of four main elements designed to provide clarity to economic operators, Member States, and third countries:

Report to Parliament and Council: The report describes simplification measures implemented since June 2023 and estimates that combined efforts will reduce annual compliance costs for companies by approximately 75 percent compared to the original EUDR². The report also highlights that the regulation is already contributing to structural changes in global supply chains, with increased investment in traceability and transparency.

Updated Guidance Document: The third edition of the guidance document seeks to provide clarity on application timelines, obligations for operators and traders, and due diligence and traceability requirements³. Key clarifications include the definition of "agricultural use," particularly regarding agroforestry and agricultural land, as well as the role of certification schemes in risk assessment.

Revised Frequently Asked Questions (FAQ): The fifth iteration of the FAQ document addresses topics frequently raised by stakeholders, including obligations for downstream operators and traders, the simplified regime for micro and small primary operators, e-commerce scenarios, and geolocation modalities⁴.

Draft Delegated Act on Product Scope: The Commission published a draft delegated act proposing targeted amendments to Annex I of the EUDR⁵, which lists relevant products. The draft incorporates feedback from the April 2025 public consultation and proposes:

- **Additions:** Seventeen product codes including soluble coffee (HS 2101 11 00), frozen cattle tongue (HS 0206 21 00), and various palm oil derivatives used in oleochemicals.
- **Exclusions:** Three product codes including raw hides and skins of cattle (HS 4101), tanned hides and skins (HS 4104), and finished leather (HS 4107).
- **Replacements:** Retreaded tyres (HS 4012) replaced with a more specific code (HS 4012 90 30) covering only new rubber treads.
- **Exemptions:** Product samples, certain packing materials, used and second-hand products, waste, and items of correspondence.

¹ EU Deforestation Regulation: <https://eur-lex.europa.eu/eli/reg/2023/1115/oj/eng>

² Report to the European Council and Parliament on the Simplification Review of the EUDR [Report to the European Parliament and the Council on Simplification Review of EUDR - Environment](#)

³ [Guidance Document for Regulation \(EU\) 2023/1115 on Deforestation-Free Products - Green Forum](#)

⁴ https://environment.ec.europa.eu/publications/faq-eudr-implementation_en

⁵ [Deforestation – proposal to amend and simplify the rules and make technical fixes to Annex I](#)

The draft delegated act is open for public feedback until June 1, 2026.

Methodology for Product Scope Changes

The Commission developed a methodology to evaluate proposed changes to product scope, combining quantitative and qualitative assessments. The quantitative assessment evaluated deforestation footprint, environmental benefits, and recurring compliance costs at the individual HS code level. The qualitative assessment considered supply chain coherence, proportionality, and potential for circumvention.

For example, the decision to exclude leather products, according to the Commission's report, was based on several factors: the differentiation of the leather value chain from meat production, asymmetries in trade flows, the relatively low economic value of hides compared to meat, and the risk of creating an unbalanced approach since downstream leather goods (footwear, handbags) would remain outside scope⁶. Conversely, soluble coffee was added because its exclusion created a fragmented approach for the coffee sector and risked relocating rather than eliminating deforestation⁷.

Information System Updates

The Commission is updating the Information System to reflect changes from the revised regulation and enhance user-friendliness. Updates include a simplified declaration form for micro and small primary operators aligned with the existing due diligence statement format, updated specifications for automated application interfaces, a contingency plan for unplanned unavailability, and a voluntary grouping feature.

Obligations for Different Operator Categories

The updated guidance clarifies obligations for three distinct categories of actors:

- **Operators** (upstream): Must exercise due diligence, conduct risk assessment and mitigation, and submit due diligence statements prior to placing products on the market or exporting.
- **Micro or Small Primary Operators (MSPOs)**: Subject to a simplified regime with reduced obligations. Instead of submitting due diligence statements, they submit one-time simplified declarations and may use postal addresses instead of geolocation coordinates. They are not required to conduct risk assessment and mitigation unless they obtain information indicating non-compliance.
- **Downstream Operators and Traders**: Must collect and keep information about direct business partners and, if their supplier is an operator, the due diligence statement reference numbers. Non-SME downstream operators and traders must register in the Information System and verify due diligence in case of substantiated concerns.

Simplified Due Diligence for Low-Risk Countries

⁶ Staff working document – Ares(2026) 4548384, page 17-18.

⁷ Ibid page 12

Operators sourcing exclusively from countries classified as "low risk" benefit from simplified due diligence obligations under Article 13 of the EUDR. They must still collect information required under Article 9 and establish a due diligence system but are not required to conduct risk assessment (Article 10) or risk mitigation (Article 11) unless they obtain information indicating potential non-compliance. However, they must still provide geolocation coordinates for plots of land where commodities were produced. (Note: The only exception is the simplified due diligence of micro or small primary operators (MSPO) placing directly on the EU market, for whom the geolocation may be replaced by a postal address, provided that the postal address clearly corresponds to the geographic location of the plots of land or establishment concerned. End note.)

Member State Enforcement and Legality Information Collection

The Commission stated they intend to facilitate operators' compliance with the legality requirement by establishing a repository of relevant legislation by December 2026. This repository will allow countries of production to provide lists of relevant legislation as defined in Article 2(40) of the EUDR, which covers laws concerning land use rights, environmental protection, forest-related rules, third parties' rights, labor and human rights, free prior and informed consent (FPIC), and tax, anti-corruption, trade and customs regulations⁸. Operators may use this repository to assist in meeting information requirements under Article 9(1)(h) of the regulation.

Regarding the collection of legality documentation, operators must gather “adequately conclusive and verifiable” information showing compliance with applicable legislation in the country of production. The nature and extent of information to be collected depends on the specific supply chain, production area, and country of production. In-depth evidence collection will be prioritized for supply chains where initial examination indicates higher risk of non-compliance, while operators sourcing from areas with negligible risk “should not be required to systematically collect comprehensive legal documentation for each plot of land.”⁹

Documentation may include official documents from authorities (administrative permits, registries), contracts with indigenous peoples or local communities, information from certification schemes, judicial decisions, and impact assessments. Operators must verify the reliability and validity of documents, particularly in countries with high corruption risk, and may use data analytics and AI-based tools to support due diligence, though final responsibility remains with operators.

⁸ [Guidance Document for Regulation \(EU\) 2023/1115 on Deforestation-Free Products - Green Forum](#)

⁹ Ibid guidance document, page 19.

Reaction and Response

In the August 2025 U.S.-EU Framework Agreement on Trade, the EU recognized that production of EUDR-relevant commodities within U.S. territory poses negligible risk to global deforestation and committed to address concerns of U.S. producers and exporters¹⁰. The Commission's simplification review report and associated documents did not address core U.S. concerns regarding the EUDR.

U.S. agricultural and timber production is not driving deforestation in the United States. Forest cover persists and remains extensive across the United States, covering approximately 36 percent (331 million hectares) of the Nation's land area¹¹. Authoritative U.S. forest and cropland monitoring data indicate overall stability in U.S. forest and cropland areas over the past 10 years, with forest carbon stocks increasing by nearly 2,000 million metric tons of carbon, or 3.6 percent, since 2010. From 1990 to 2020, carbon stored in U.S. forests has increased 12 percent. The EUDR has the potential to impact \$9 billion in U.S. agricultural exports, including beef, coffee, cocoa, soy, wood, rubber, and derived products.

¹⁰ Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade https://policy.trade.ec.europa.eu/news/joint-statement-united-states-european-union-framework-agreement-reciprocal-fair-and-balanced-trade-2025-08-21_en

¹¹ Pandit, Karun; Lim-Hing, Simone. 2026. Introduction. In: Pandit, Karun; Lim-Hing, Simone, eds. Forest Health Monitoring: national status, trends, and analysis 2024. Gen. Tech. Rep. WO-109. Washington, DC: U.S. Department of Agriculture, Forest Service: 7–16. Chapter 1.

Attachments:

[SWD on deforestation-free products.docx](#)

[090166e52d1085c2.pdf](#)

[090166e52d1085c3.pdf](#)

[FAQ-UPDATE-5th-Iteration FINAL.pdf](#)

[Guidance Document for the Regulation on Deforestation-Free Products \(2026\).pdf](#)

[Report from the Commission to the Council and Parliament on the EUDR.pdf](#)