

# Deforestation



## Case Study: Novo Campo

Promoted by NGOs and companies working together to reduce deforestation and improve productivity of ranchland in the Amazon, the Novo Campo Sustainable Beef Project has seen a six-fold beef margin increase while saving GHGs and protecting forests.

### Program Overview

[The Novo Campo Sustainable Beef Project](#) is a powerful example of the opportunities to see both environmental and economic gains in South American agriculture through collective action. The project, started by Instituto Centro de Vida (ICV) in 2012 in Alta Floresta, Mato Grosso Brazil, partners NGOs and companies to work together on reducing deforestation and improving productivity on ranchland in the Amazon.

Participants gained six-fold beef margin increases while saving greenhouse gases and protecting forest. Given this multi-dimensional success, Pecsca, a for-profit company that began in 2015, is scaling up the program's protocol on 10,000 hectares of pastureland by the end of 2017.

This case study showcases the critical steps in effectively engaging in jurisdictional approaches, such as multi-stakeholder collaboration, sustainable intensification, alignment with government, effective tracking and innovative finance. Companies can follow this successful example to scale similar productivity and environmental wins in other regions.

### Partnership Spotlight: JBS and Arcos Dorados

Corporate engagement is critical for project success. JBS purchases beef from Pecsca in alignment with its zero-deforestation policy. Based on improvements in quality, JBS is able to offer special price premiums. After processing, Arcos Dorados purchases the beef within a traceable production system to guarantee to the final consumer that the hamburger is deforestation-free.

### Multi-stakeholder Collaboration

The Novo Campo project is a multi-stakeholder collaboration created by ICV that promotes sustainable cattle ranching in the Amazon. Partners include:

- Embrapa - the Brazilian Agricultural Research Cooperation, which is a subsidiary of Brazil's Ministry of Agriculture,
- Pecuaria Sustentavel da Amazonia (Pecsca), a for-profit cattle ranching management and partnership firm,
- Supply chain companies such as JBS, one of the biggest meat companies in world, and Arcos Dorados, the developmental franchisee of McDonald's in Latin America,
- Terras, a for-profit company that develops innovative apps for socio-environmental risk monitoring and traceability, and
- Non-governmental institutions such as Solidaridad, Imaflores and the Brazilian Roundtable for Sustainable Livestock (GTSP).

### Sustainable Intensification: Environmental and Economic Wins

The project started small, with a pilot that engaged 10 ranches with 30 hectares each. Enrolled participants had access to technical assistance to help deploy Embrapa's Good Agricultural Practices (GAP) on their ranches. ICV worked with Embrapa and other partners to train a group of about 40 technicians to provide ranch assessments, to create management plans, and to implement the GAP. Producers improved pastureland by rehabilitating highly degraded soils, applying nutrients, and employing rotational grazing.

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In addition to agreeing to deploy the GAP, producers had stringent deforestation reduction requirements. They were prohibited from having deforestation associated with their land after July 2008 or being an embargoed property by the Brazilian government. They also needed to have plans to restore legal forest requirements and to be registered with the CAR.

These practices led to significant environmental and economic benefits.

## Environmental Benefits

- [Decreased GHG per kilogram of beef produced by 60%](#);
- Saved an estimated 4 ha of forests for each ha of pasture intensification;
- Ensured compliance with zero deforestation.

## Economic Benefits for Farmers

- [Increased stocking rates by 30%, from 1.22 to 1.61 animal units/hectare.](#)
- [More than doubled yield](#), from 70.5 to 162 kg beef carcass per hectare per year.
- Increased gross margins six-fold.

## Alignment with Governance

One vital piece of jurisdictional approaches is engagement with government. The project supports state regulations by operating only in municipalities that qualify for Mato Grosso's Sustainable Municipalities program and have two-thirds of their area registered with the CAR. It also uses Embrapa's government defined Good Agricultural Practices to scale value for ranchers.

## Effective Tracking

Terras provides tools to track cattle throughout the supply chain, helping to ensure that indirect AND direct suppliers to JBS and Arcos Dorados are completely deforestation free.

## Innovative Financing

Innovative financing can provide needed resources to make efficiency improvements in the short-term and healthy returns for investors in the long-term. Pecsá is responsible for applying Novo Campo's sustainable agriculture protocol at commercial scale and for providing technical, management, and financial solutions to ranchers in exchange for profit-sharing. The Althelia Climate Fund has invested \$11.5 million in Pecsá's initiatives to reform 10,000 ha of degraded pastures in exchange for a portion of the financial returns. Over the next five years, this partnership will expand to engage 100,000 ha in improved practices.

## Action from here

This case study showcases an effective approach to work collaboratively toward environmental and economic win-wins. Companies that are interested in these types of programs can:

1. reach out to the Novo Campo partners to determine if they can support the initiative and help scale it moving forward;
2. engage with partners in your sourcing regions to determine if there are opportunities to build a similar model in a new region.

## Join us on this important journey

EDF is ready to collaborate with you to find new solutions for scalable deforestation reduction and greenhouse gas benefits. [Contact us](#) for more information.

[supplychain.edf.org](http://supplychain.edf.org)

## EDF + Business

### Forging solutions that benefit both business and nature

For 25 years, we've combined cutting-edge science, economic expertise and unexpected partnerships to help high-impact companies transform "business as usual" in their products, operations, supply chains and advocacy. The Supply Chain Solutions Center is the central hub for tools, resources and best practices we've created to help companies like yours take part in that transformation.

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