Ecofarms
Minas Gerais, Brasil

Fundraising Stage

Concept — **Fundraising** — Implementation — Operation — Scaling

At the heart of Minas Gerais, Ecofarms is part of the Brazilian biome called Cerrado, a vast tropical savanna ecoregion. With an area of 1182 hectares Ecofarms is a cattle farm with the aim to maintain the biodiversity of the region, mitigate climate change and animal welfare. The farm already started a project of 80 hectares with the purpose of producing quality meat while neutralizing methane produced by animals by planting trees on pastures, known as a silvopastoral system. In partnership with reNature the aim is to improve and scale this project.

Finance & Planing

3.500.000€
Investment

Bruno Junqueira
Initiator

LOCATION:
Prata, Minas Gerais, Brasil

SIZE OF PLANTED PLOT:
80 ha

SIZE OF POTENTIAL AREA:
500 ha

CLIENT:
Ecofarms/ Gran Beef/
Rainforest Alliance certified

COMMODITY:
Cattle

INDUSTRY:
Food

GOAL:
Reach long-term economic resilience through diversification of production and increasing productivity.

MAIN FOCUS:
Regenerative cattle.

PARTNERS:
Rainforest Alliance Certification
Gran Beef

Assignment & Impact

Beneficiaries

20 - 100 farmer families

Development Challenge

Livestock activity is estimated to be responsible for 51% of greenhouse gas emissions in Brazilian agriculture, mainly due to methane (CH_4) emissions, which has 21 times higher global warming potential than CO_2. With the introduction of silvopastoral systems, the emissions from herds can be neutralized. However, expert knowledge of silvopastoral systems is missing, especially in remote, rural areas of Brazil. For this reason, reNature will support this project with a model school to enable capacity-building for farmers in the region.

Intervention

reNature will help design and implement a demonstration plot visualizing a commercial, regenerative practice (Model Farm) to build on the necessary technical knowledge and capacities among neighbouring farmers. This will empower them to adopt Ecofarms silvopastoral practices. Simultaneously, the company will increase its own capacities enabling holistic upscaling and increased production whilst serving as an off-taker for the new silvopastoral farmers.

Financial Details

Consultancy for project development: € 60,000

Objective

Conserving a unique, biodiverse ecosystem while creating viable, regenerative, commercial opportunities through agroforestry and silvopasture. As well as generating awareness among producers and consumers that cattle farming can be carbon neutral with the introduction of silvopastoral management.

Inspirational Impact

The alliances with reNature and Ecofarms will drive socio-economic impacts as well as local wildlife preservation. The educational value of agroforestry plots will help new professionals to become change agents for a sustainable food system. Furthermore, the impact of this project is intrinsically linked with the productivity of farmland and, thus, the prosperity of its farmers. Agroforestry techniques will improve the management and retention of water through ground cover and shading. It will counteract erosion and desertification, whilst implying a farming system that is more resilient to climate change. This will improve the climate impact of the project.

12,000	73% More	13% More	12 Ton More
Community Members	Biodiversity	Soil Humidity	CO2 sequestration per ha/year

Environmental Impact

One of the main aims of Ecofarms is carbon sequestration. Ecofarms is part of the support base for the concept of sustainable livestock production, promoting, through its own label (Gran Beef), the efforts of the Neutral Livestock Project participants. Throughout the project, there will be a surplus of 1,590.68 tons of CO2 equivalent. Furthermore, more than 40% of the ranch is covered by native forest and according to a survey conducted of its fauna, it has been discovered that the area has abundant wildlife. Contributing to the integrity of riparian forests, springs and, especially, with the prevention of erosion, the regeneration of the entire ecosystem is favoured, providing an environmental balance.

Social Impact

Through the example of agroforestry, this project is supposed to increase diversification and ecosystem services. Hence, it will lead to more productivity and higher profits for employees. Additionally, it is a source of healthy, diverse foods and ensuring stable and secure food availability locally. Together it improves the livelihoods of surrounding communities. Together with reNature, a great focus will be added on the education of employees to receive training for activities performed on the farm, which will also be open to the community.

Economic Impact

With the increasing diversifcation of crops and cattle, the profits of the farm will increase and become more stable, which will have a spillover effect on local communities. Also, though improvement of actions related to soil and water management major steps towards the ecological intensification of production are taken. Thus ensuring the harmonious coexistence of the evolution of environmental quality indicators with the economic outcome of the project. Economic results can already be seen by the

Ecofarms meat brand, Gran Beef, which is Rainforest certified. This way farmers will be linked to the global value chain and raise awareness among national and international consumers.

Impact Metrics

Outcome Metrics

1. Increase in economic resilience (farmers income)

2. Diversify production

3. Increase productivity

4. Increase of biodiversity

5. Mitigate climate change by neutralising carbon output

Extra Information

Farmland Summary

Location	Prata, Minas Gerais - Brazil
Farm size	812 hectars
Forestry coverage	375 ha (45%)
Current surface in Silvopasture	87 ha (with Eucaliptus - Silvipastoral)
Current cattle/pasture management practice	Grass fed, rotational grazing, finished with grains suplement (semi-confined), no hormones and antibiotics
Cattle variety	Angus x Nelore
Current meat off-takers	Gran Beef Meat Co (via Minerva slaughterhouse)
Herd size	1500 head
Annual slaughter	800 head
Stocking rate	Approximately 3 animal units/ha
Incomes 2020	R$ 3.032.108,00
Projected incomes for 2021 (1100 heads + eucalyptus)	R$ 6.000.000,00

Investment needs - Farm

Animal acquisition	R$ 2.000.000,00 (apx 750 head)
Capex	R$ 8.000.000,00
Land acquisition	R$ 6.000.000,00 (480 ha)
Farming inputs	R$ 2.000.000,00
Total investment	R$ 18.000.000,00
Projected incomes after investment	R$ 10.000.000,00

Companies Summary

Company name	Gran Beef Meat Co Switzerland AG
Type	Joint stock company
Share capital	CHF 100.000,00
Location	Zurich - Switzerland

Companies Summary

Company name	Gran Beef Meat Co LDA
Type	Limited
Share capital	€ 30.000
Location	Braga - Portugal
Company name	Gran Beef B.V.
Type	Limited
Share capital	€ 1,00
Location	Rijsenhout - Netherlands
Company name	Gran Beef Meat Co comércio de carnes LTDA
Type	Limited
Share capital	€ 100.000,00
Location	Barretos/SP - Brazil
Brand	Registered in Brazil and EU
Main business	Trading meat + e-commerce
Tons of meat trading projected to 2021	180 tons
Incomes 2020	R$ 1.500.000,00
Projected income for 2021	R$ 7.000.000,00

Investment needs - Companies

Working capital	€ 300.000,00 / R$ 2.000.000,00
Capex	R$ 3.000.000,00
Total investment EcoFarms + Gran Beef	**R$ 5.000.000,00**
Projected income after investment (320 tons)	R$ 12.500.00,00

Investment needs - EcoFarms + Gran Beef

Total Investment	**R$ 23.000.000,00**
Equity	40%
Seed Investment - Consultancy + project / business plan	**€ 60k / R$ 385.000,00**