

# COLLABORATION FOR FORESTS AND AGRICULTURE: EXECUTIVE SUMMARY

In 2015, the Gordon and Betty Moore Foundation launched the *Forests and Agricultural Markets Initiative*, a five-year effort that is working to help make deforestation-free beef and soy the global standard for these commodities. Central and critical to the Forests and Agricultural Markets Initiative, is the Collaboration for Forests and Agriculture (CFA), a joint effort of the National Wildlife Federation, The Nature Conservancy, World Wildlife Fund, the Gordon and Betty Moore Foundation, and many other strategic partners, which was launched in 2016.

## BACKGROUND

Agriculture claims a pervasive global footprint. Currently covering nearly 40 percent of the entire world's ice-free land, agriculture uses 70 percent of all extracted freshwater and comprises nearly 30 percent of global greenhouse gas emissions. Commercial agriculture, in particular, is responsible for half of all global forest loss.

Over the next few decades, the global human population will swell, with as many as 3 billion people expected to join the middle class with its

associated demand for richer diets, including more animal proteins, sugars and oils. As a response, global commodity production and trade will escalate, putting increasing pressures on some of the last agricultural frontiers and the existing ecosystems.

Of all globally traded agricultural commodities, beef, soy and palm oil have some of the greatest impacts on tropical and subtropical forests and savannas. Beef and soy represent important priorities because of the meaningful opportunity to make a tangible difference on these two commodities that together are responsible for the majority of global deforestation. By focusing on these commodities, we can continue to build on existing momentum and help scale up innovations that have been in place in the Amazon over the past 10 years.

Beef and soy expansion, and the resulting habitat conversion, is also expected to concentrate in a few overlapping geographies over the next 10 to 20 years—the Amazon, Cerrado<sup>1</sup> and the Chaco<sup>2</sup> ecosystems in Brazil, Paraguay and Argentina<sup>3</sup>. Beef and soy are currently responsible for more than two thirds of the observed deforestation in these biomes, which are the *target geographies* of our work. In these regions, each market is controlled by a handful of traders and meatpackers that operate in most, if not across all geographies, and are represented by strong trade associations, therefore presenting a considerable leverage opportunity.



Alta Floresta, courtesy of Leonardo Fleck

- <sup>1</sup> A wooded tropical savanna stretching along the eastern side of the Brazilian Amazon. It originally covered an area a third of the size of Amazon biome, of which only a half remains in its natural state. Phonetic pronunciation: sehr-RAH-doh.
- <sup>2</sup> A tropical dry forest with high levels of biodiversity covering an area the size of Texas spanning across Argentina, Paraguay, Bolivia and Brazil. Chaco habitat loss is among the highest in the world.
- <sup>3</sup> Between 2000 and 2011, a third of the tropical deforestation worldwide occurred in these proposed target geographies. They comprise 25 percent of global tropical forests.



In addition to these factors, beef and soy are uniquely interrelated, thus providing opportunities for synergies and linked solutions:

- There are millions of hectares of agricultural lands across the target geographies that have already been cleared and are currently abandoned, degraded or otherwise underutilized, providing significant opportunities for strategic expansion of deforestation-free beef and soy production.
- Productivity gains in the cattle sector can help increase the availability of land for deforestation-free soy expansion.
- Farmers and ranchers are increasingly adopting crop-livestock integration models that combine soy and cattle production in the same properties, offering significant opportunities for increased efficiency, higher profit margins and other sustainability advantages.
- Currently, the majority of soy is produced for livestock feed, including for cattle, offering opportunities to work on feed sustainability with soy buyers and producers.

<sup>4</sup> For additional information about this new collaboration, please refer to <https://www.moore.org/initiative-strategy-detail?initiativeId=forests-and-agricultural-markets-initiative>. Questions may be directed to the foundation at: [conservation.program@moore.org](mailto:conservation.program@moore.org).

## THE COLLABORATION FOR FORESTS AND AGRICULTURE (CFA)

Between 2013 and 2015, the Gordon and Betty Moore Foundation explored ways of contributing to this field by making a few targeted grants that helped the foundation test approaches and shape a new Forests and Agricultural Markets Initiative. We learned that while stakeholders have made great progress and notable innovations in this field, efforts have often been fragmented and insufficiently coordinated to transform these markets with optimal scale and speed. To this end, we decided to form a new collaboration—*the Collaboration for Forests and Agriculture (CFA)*—with a group of leading organizations that could help shape standards and incentives towards deforestation-free beef and soy in South America and bring a coordinated approach to this work.

Central to this collaboration, the Gordon and Betty Moore Foundation selected the National Wildlife Federation (NWF), The Nature Conservancy (TNC) and World Wildlife Fund (WWF) as key partners given their efforts to date working on deforestation-free beef and soy supply chains and their contributions to building this field globally. This collaboration also includes a broader group of strategic partners that will be critical to realizing the goals of this effort, and as such more than half of the collaboration’s funding will go to these organizations, to accelerate progress already being made<sup>4</sup>.

## THEORY OF CHANGE

The work of the Collaboration for Forests and Agriculture is premised on the notion that deforestation-free agricultural production can be scaled and accelerated globally through multinational companies, which have the ability, through their sourcing practices, to shift the economic landscape and incentivize the adoption of better practices by producers and other supply-chain actors across many geographies. Therefore, the collaboration will employ a supply chain approach to decouple increased agricultural production from deforestation. Intended results, or “outcomes,” have been made explicit, with four strategies employed over the next five years to achieve those results as detailed below.

## VALUE PROPOSITION

The Collaboration on Forests and Agriculture is fostering coordination and developing viable tools to help create the enabling environment for supply chain actors to develop and implement deforestation-free commitments for beef and soy originating from the Brazilian Amazon and Cerrado and the Gran Chaco in Argentina and Paraguay. The collaboration aims to deliver the following key benefits:

- A harmonized definition of deforestation-free beef and soy, relevant and specific for the target geographies.
- Support for an implementation framework that will help reduce complexities and lower the costs associated with implementing commitments in the Amazon, Cerrado and Chaco.
- Technical tools for decision support that will help supply chain actors prioritize deforestation-free sourcing opportunities.
- Improved risk management
- Enhanced market support from both upstream and downstream supply chain actors for deforestation-free beef and soy products
- Improved supply chain monitoring, traceability and information transparency
- Well-researched business cases for transitioning to deforestation-free production and sourcing
- Support for financial mechanisms that increase capital flows and reduce risks for implementation
- Scientific articles, reports and communications materials that highlight achievements and provide recommendations for continuous improvement

## OUTCOMES

The collaboration outcomes focus on delivering robust deforestation-free sourcing commitments from the relevant leading companies purchasing, distributing and processing soy and beef in the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay in an effort to eliminate deforestation resulting from these commodity supply chains, without displacement by 2020. These will be measured by:

- Credible verification of key companies demonstrating that deforestation has been eliminated from their beef and soy supply chains by 2020; and
- A meaningful reduction of deforestation expected from the increase of beef and soy production in the target geographies by 2020 from business-as-usual projections.

## FIVE-YEAR STRATEGIES

### STRATEGY 1: Fostering Private Sector Leadership (Coordinated by WWF)

Stimulate sector-level action among a critical mass of supply chain actors that commit to and implement deforestation-free beef and soy sourcing and production practices at scale.

Building on current momentum, the private sector leadership strategy focuses on enabling partners to work with a critical mass of leading companies, including global and domestic retailers and brands, traders, meatpackers and producer groups to help align, strengthen and expand commitments to deforestation-free beef and soy<sup>5</sup>, and catalyze sectoral implementation. This will require sufficient participation from actors throughout the supply chain to both foster greater market demand for and ensure the availability of deforestation-free beef and soy.

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<sup>5</sup> Commitments will include additional criteria such as supporting compliance with local deforestation-free laws and regulations and the inclusion of indigenous community rights.

## STRATEGY 2: Ensuring Robust Transparency (Coordinated by TNC)

Ensure that cost-effective monitoring, verification and decision support tools and platforms are available and broadly adopted by supply chain actors committed to deforestation-free beef and soy sourcing and production.

The *transparency* strategy will focus on supporting the development and adoption of tools and platforms to assess, monitor and verify implementation of deforestation-free commitments at the sector level. This will include land use and land cover change monitoring platforms and cost-effective traceability systems that enable tracking of conversion. These supply chain monitoring tools will, as far as possible, be aligned with evolving regulatory frameworks, like the Forest Code in Brazil and the Native Forests Law in Argentina, thus providing support to compliance efforts in that area. We will also enable decision support tools that facilitate sourcing and production decisions in order to optimize production efficiencies and minimize deforestation risks.

## STRATEGY 3: Aligning Capital (Coordinated by WWF)

Ensure that financial institutions and other supply chain actors provide a meaningful increase of public and private capital in support of deforestation-free commodity-related practices and compliance with laws that foster zero deforestation.

Many barriers (including logistics, bureaucracy, lack of information and capacity) block access to capital for agriculture activity that does not raze forests. The *aligning capital* strategy focuses on improving access to and the availability of capital that supports the transition to deforestation-free beef and soy sourcing and production. We will support efforts to establish incentives, business models and financial mechanisms that reward actors that adopt deforestation-free production alternatives, including cattle ranching intensification, crop-livestock-forest integration and more productive use of previously cleared lands. Also, we will explore ways to reduce the

risk related to deforestation-free agriculture investments by supporting compliance with laws that foster zero deforestation, improving management practices and other means. This work will be complemented by the Gordon and Betty Moore Foundation's *Conservation and Financial Markets Initiative*, which is working in tandem to harness the power of capital markets through financial sector commitments in alignment with conservation goals.

## STRATEGY 4: Crosscutting Components (Coordinated by NWF)

Provide the foundational elements and enabling environment that will accelerate implementation and maximize the effectiveness of activities across the three strategies.

This component includes a suite of work that will cross-cut the three aforementioned strategies and includes market assessments, the establishment of harmonized and credible deforestation-free purchase protocols to reduce confusion in the marketplace, the elaboration of robust business cases for deforestation-free beef and soy, a coordinated communications strategy, science-based advocacy work, and a monitoring and evaluation platform to track and assess the effectiveness of the collaboration in achieving the proposed outcomes, as well as a system for capturing and disseminating lessons learned.



Cattle in Brazil, courtesy of AC Moraes



## COORDINATION WITH OTHER INITIATIVES

We recognize that to achieve conservation success and market transformation, the set of strategies and the work put forward by this Collaboration alone will not be sufficient. Complementary and ongoing strategies being implemented by partners and other donors focused on strengthening governance and public policies, improving technical assistance and capacity building and traditional conservation and community and indigenous peoples' rights will be essential to fully realizing these goals. We will coordinate with these partners to ensure that our work contributes to a broader sustainability agenda in the themes and places prioritized by this collaboration.

All Collaboration for Forests and Agriculture grants and sub-grants that relate to the conservation of the Amazon biome are also part of the Climate and Land Use Alliance portfolio.

<http://www.climateandlandusealliance.org>



Pasture in Chaco, Argentina, courtesy of Yann le Polain de Waroux