Synopsis

• Current Amazon conservation and environmental measures are not working
• Largest contributors to deforestation are:
  – Agricultural expansion (cattle ranches, soybean farms, etc)
  • Systemic issues with legal reserves requirements
• Brazilian Land Trust has developed a new Eco-beef conservation program. The program’s key objectives are:
  • To conserve tracts of forest that otherwise will be deforested
  • Provides economic incentives to the landowners in return for preserving their forests
The Brazilian Land Trust ("BLT") is a private land owner initiative promoting conservation and prudent development of the Amazon and other critical areas. BLT will devise and implement economic and socially sound strategies to protect wilderness in Brazil.
80% Required Forest Reserve Law For Landowners In Legal Amazon
King of Cattle

• Brazil is the world’s largest beef exporter.

• Mato Grosso will be the leading beef producer in Brazil with one of the cheapest pasture gains worldwide.

• 52.6% of Mato Grosso is private property, most of which is used for cattle ranching.

• Growth and development will happen regardless of the world community’s opinion. Brazil is a sovereign nation.
Brazilian Land Trust

• BLT has developed a new Eco-beef conservation program based on cattle producers. The program’s key objective is to:

Provide *economic incentives* to the landowners in return for preserving their forests and include them in the decision-making process
PROGRAM RATIONALE

Development of “Eco-Beef Conservation” Program Based on successful Forest Stewardship Council “Green” Program

Program will result in independently certified beef products that are both “organic” and “environmentally friendly”

Develops viable economic alternatives for landowners

Participation in program will require maintaining legal requirements of forest reserves

Powerful tool that creates political, economic and social gains while saving vast amounts of virgin Amazon Forests
Eco-Beef Conservation

• Two staged independent certification process
  – Legal Reserve certification: 50-80%
    (require landowners to submit to annual satellite monitoring)
  – Traceability certification
    (EU standards)

• Labeling Program: Labels certifying the beef product’s compliance with environmental sensitivity and quality control
Program Overview

...a platform for delivering certified conservation gains and economic returns

STANDARDS AND POLICIES
CERTIFICATION AND ACCRED.
INTERNATIONAL LABELING

Beef Conservation Council

Certification: Forest and Beef

Landowner #1
Landowner #2
Landowner #100

Eco-Beef Cooperative

Meat Traders
Retail and Wholesalers
Consumers

Eco and Organic Labeling
Program Success Drivers:

- Sufficient demand and willingness to pay for value-added Brazilian beef products.
- The vested parties can successfully develop and market the products desired by the marketplace.
- Sufficient economies of scale can be achieved.
- Producers will participate in the program.
Case Study: Fazenda Esperança

OPTIONS:

I. LEAVE REGROWTH
   US$ 400 Per Hectare

II. CLEAR FOR PASTURE
    AND PAY FINE
    US$ 270/ 1,167

III. CLEAR FOR SOYBEANS
     AND PAY FINE
     US$ 570/ 1,167
## Certified VS. Non-Certified Annual Return

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<th>NON CERTIFIED</th>
<th>CERTIFIED</th>
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<tr>
<td>BEEF PER HECTARE</td>
<td>180</td>
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<td>SOYBEAN PER HECTARE</td>
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<td>525</td>
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<td>DISPARITY</td>
<td>345</td>
<td>205</td>
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Potential Impacts on Forest Conservation

- Enormous tracts of forest preserved
- **Program is realistic solution for a frontier environment**
- Impact will be greater if program can incorporate additional potential income sources for the landowners (e.g. carbon credits for forests preserved or regenerated)
- Program can be deployed worldwide
Program Benefits

• Conservation
  – Results in vast tracts of preserved forests
  – Program will manage and coordinate with landowners to maximize eco-corridors

• Economic
  – Provides viable economic incentive to landowners as alternative to additional deforestation

• Political
  – Job creation
  – Rational development of interior
  – Conservation and environmental “win”
  – Development of enormous export opportunity for Brazil

• Consumers
  – Meets growing worldwide demand for “green” and “organic” products
Brascan – A Pioneering Founder

- Brascan Brasil conceptually supports the program and has agreed to participate:
  - Fazenda Ximari – a 250,000 acre Mato Grosso ranch as a “pilot” in the program
  - Brascan Brasil has one of the largest cow herds in Brazil
- Program can leverage Brascan’s ownership in Packing and Slaughterhouse
- Brascan can lend expertise in Export Channels of value – added beef products it has successfully developed
What is Needed to Make this Program Successful?

- Additional sources of “income” for the landowners
  - Carbon credits for keeping virgin forests
  - Bio-credits
  - Watershed credits
- Funding from foundations, development banks, government and industry to develop the program
Soja avança na floresta em Mato Grosso