



## Memorandum of Understanding Between the Coalition on Agricultural Greenhouse Gases and Marfrig Global Foods S.A.

This Memorandum of Understanding (MOU) establishes the intention of the Coalition on Agricultural Greenhouse Gases (C-AGG) and Marfrig Global Foods S.A. (Marfrig), to jointly and collaboratively work to implement projects and activities related with the adoption of low carbon emissions and sustainable technologies associated with beef production practices and traceability in the Cerrado Biome of Brazil. Projects to promote pastureland restoration and riparian restoration on cattle producing ranches that supply to Marfrig will target the ability to source sustainably produced beef and leather while helping to achieve the goals of the ABC Low Carbon Program.

C-AGG and Marfrig have identified the following broad areas as particular areas of interest and collaboration:

- tools and techniques to measure, monitor and verify agricultural GHG fluxes and other environmental impacts on agricultural producers lands, including net GHG and environmental impacts associated with pastureland restoration and riparian restoration, crop and livestock and forestry integration, and pasture land productivity increases;
- identify research and related data pertaining to agricultural crop, livestock and forestry management practices and GHG emissions and sustainability indicators in Brazil;
- adaptation of agricultural offset protocols and methodologies for use in Brazil as a means to measure, monitor, and verify changes in GHG fluxes and other desired environmental impacts associated with the pilot projects;
- decision support systems that will enable the agricultural sector to understand potential changes in management practices to reduce GHG emissions and/or increase sequestration and the sustainability of these systems;
- financial mechanisms to support agricultural GHG mitigation and sustainability activities;
- graduate Marfrig ranchers to Platinum status in the Marfrig Club, by restoring degraded pastureland to enhance productivity and reduce deforestation pressures while increasing the supply of sustainably produced beef and leather; and
- outreach to and engagement of sustainable supply chain participants and initiatives in Brazil and elsewhere as potential buyers of sustainably produced beef and leather.

Specific near-term areas of collaboration agreed upon by C-AGG and Marfrig include the following:

- ABC Plan Demonstration Projects. Initially, demonstration projects showing the benefit of changes in management practices to support the recovery of degraded pastureland and the sustainable production and traceability of beef and leather production will be the focus of this joint activity, with a goal of scaling up producer engagement and the scale of pastureland restoration across different biomes and regions of Brazil.
- Marfrig will use its best efforts to provide access to its beef producers and their data reasonably necessary to implement and monitor the pilot projects as described.




- Marfrig will seek to engage C-AGG in its natural grasslands preservation projects in Southern Brazil as a means to scale up the projects and ensure continued GHG and sustainability compliance and monitoring to retain buyers such as Walmart, Kering, and McDonalds and to identify additional buyers of the sustainable beef and leather products.
- Marfrig will seek to develop a pilot project to improve the GHG and sustainability outcomes of the soy industry value chain as it relates to cattle production in Brazil.
- C-AGG will work with Marfrig to identify the necessary management practices and tools to measure, monitor and verify the outcomes of these practices as appropriate to demonstrate the reduced GHG emissions achieved through the ABC Low Carbon Program and increased sustainability and traceability of the beef and leather products.
- C-AGG will raise pilot project funds from international finance organizations and the philanthropic community and will identify clients and buyers willing to source climate friendly, sustainably produced beef and leather products.

Longer-term areas of collaboration agreed upon by C-AGG and Marfrig include the following:

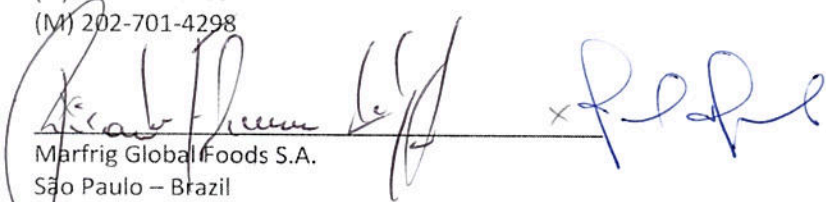
- Assist Marfrig beef suppliers in becoming compliant with the Forestry Code and other regulatory environmental pressures in a manner that has beneficial environmental and economic outcomes for ranchers and agricultural producers.
- Assist in achieving the long-term goals of the ABC Low Carbon Program.

In pursuit of these collaborative activities, C-AGG and Marfrig will use their best endeavors to jointly prepare documents that further elaborate on these project ideas, with the express purpose of jointly approaching potential funding sources to fund, at minimum, five years of project activities to help attain the goals and objectives of this MOU, Marfrig and C-AGG.

This MOU is signed this day on May 07, 2015 by the Parties, as follows:

  
\_\_\_\_\_  
Debbie Reed, Executive Director  
Coalition on Agricultural Greenhouse Gases (C-AGG)  
1201 Connecticut Avenue, NW, Suite 300  
Washington, DC 20036  
USA

[www.c-agg.org](http://www.c-agg.org)  
[Debbie@c-agg.org](mailto:Debbie@c-agg.org)  
(O) 571-312-6139  
(M) 202-701-4298

  
\_\_\_\_\_  
Marfrig Global Foods S.A.  
São Paulo – Brazil

[www.marfrig.com.br](http://www.marfrig.com.br)

