



Partnerships for
Forests

**Enhancing
socioenvironmental
transparency in the
agribusiness:**

The case of Producing
Right Platform

February 2024



Summary

The online Producing Right Platform (PRP) enhances transparency and sustainability in agricultural production chains by providing data on agricultural businesses, supporting the transition to more sustainable practices, and connecting suppliers with sustainably minded offtakers. The PRP transformed from an NGO to a company model with support from Partnerships for Forests (P4F), along with specialised assistance for technological development and market expansion. This comprehensive intervention resulted in a scalable business, enabling the creation of new products, and fostering partnerships with numerous customers. The PRP now acts as a central hub that facilitates transactions between companies and rural producers and has established itself as a key player in various green business opportunities.





Introduction

Agriculture is widely recognised as a crucial sector in the Brazilian economy, providing 25.2% of its GDP (2022) and accounting for 26.8% of the country's total employment, with 28.5 million people employed in the sector (2023)¹. Between 1975 and 2020, agricultural productivity increased by about 400%² – primarily driven by the development and adoption of technology – resulting in greater food supply.

With the increase in production, the need for a shift to more sustainable methods has become urgent. Many challenges need to be resolved, including logistical infrastructure problems, lack of technical assistance – especially in low-productivity activities – and the need for a more resilient productive system to mitigate climate change.

In addition, the link between agricultural production and deforestation remains a significant concern – in 2023 alone, 9,000 km² of the Amazon were deforested. Although this is 23% lower than in 2022, the forest loss is still significant³.

Enhancing information and transparency are crucial to increasing the sustainability of supply chains, enabling positive production methods to be celebrated and buyers and consumers to have full information about the products they buy. For this reason, countries including the UK, France and the Netherlands are adopting requirements for traceability and corporate reporting from production to export in agricultural supply chains.

The [Producing Right Platform](#) contributes to the shift towards a more sustainable agricultural production and greater transparency.

¹Center for Advanced Studies in Applied Economics at University of São Paulo. Available at: <https://www.cepea.esalq.usp.br/br/pib-do-agronegocio-brasileiro.aspx>

² "Institute for Applied Economic Research (IPEA). Available at: https://portalantigo.ipea.gov.br/portal/index.php?option=com_content&view=article&id=39308&Itemid=466

³Project to Monitor Deforestation in the Legal Amazon by Satellite - PRODES. Available at: <http://www.obt.inpe.br/OBT/assuntos/programas/amazonia/prodes>

The Producing Right Platform

The PRP is an online platform that provides data and information on the sustainability and production methods of farms, offers technical assistance to rural producers to improve their production methods, and connects farmers with buyers interested in learning more about the products they buy and the businesses they buy from. The platform was created by the NGO Aliança da Terra in 2004 now known as Produzindo Certo SA (PCSA).

The PRP has evolved from focusing solely on improving farmers' capacity to produce sustainably to supporting stakeholders all along agricultural supply chains. On the demand side, it increases the transparency of the supply chain by offering final consumers and buying companies an innovative way to monitor rural producers' environmental, social and governance (ESG) performance. Companies can assess the sustainability of their supply chain and ensure responsible sourcing, while banks can evaluate if farmers qualify for credit by complying with social and environmental legislation. In this way, the PRP helps companies and financial institutions by providing information about suppliers and environmental, social, and productive performance.

On the supply side, the PRP supports producers by providing a roadmap and technical assistance to implement best practice in responsible production and compliance with social and environmental laws. It also offers producers easier access

to payments for ecosystem services, rural credit with better conditions, and to prepare to meet production certification requirements. The platform also provides a range of incentives that support the transformation of whole supply chains, such as connecting buyers and final consumers to sustainable producers.

In addition to its core business of monitoring and providing technical assistance to producers and buyers, the PRP has expanded its services by offering:

- i)** Sustainable purchasing and certification schemes that support agricultural producers in achieving third-party certification standards for agricultural products (e.g., the Round Table on Responsible Soy Association);
- ii)** Support to access green financing, including fundraising and agricultural credit lines for producers, lowering an entry barrier for more sustainable production methods and technologies;
- iii)** Engagement with rural producers, to ensure their properties comply with the Forest Code and/or adopt good production practices;
- iv)** Comprehensive support with the complete management of the properties.



How the PRP works in the field

The PRP uses a series of steps to deliver monitoring and technical assistance services. When a rural property is added to the platform, the PRP's environmental analysts perform an on-site diagnostic of the property and provide recommendations on improving the sustainability of production methods.

The diagnosis evaluates each property on 31 environmental indicators, including native vegetation protection, fire safeguarding, soil conservation, environmental regularisation, and animal welfare. Additionally, the PRP evaluates 23 social indicators,

including labour conditions, health and safety, housing area conditions, and individual freedom.

Based on the diagnoses, the next step involves rural producers committing to social and environmental goals, such as a zero-deforestation. The PRP then provides a roadmap for improving sustainable land use and social performance within the property, which is monitored for both compliance and performance purposes. Producers committing to best practice and complying with their roadmap receive a 'Producing Right' certification, which may increase buyers' confidence in their products.



Figure 1
How the PRP works



PRP supports producers to apply best socioenvironmental and agronomic practices through verification of more than 70 socioenvironmental and productive criteria



As a successful monitoring tool, the PRP can:

- Identify and quantify **socioenvironmental assets and liabilities** and outline an action plan for prioritising investments in the monitored farms;
- Benchmark the **national, and international socioenvironmental certifications** that can be carried out on the farms;
- Enable market players to offer green financial mechanisms and meet the increasing **demand for responsibly sourced products** in a transparent and verifiable manner.

Transforming the PRP into a self-sufficient business

PRP's beginning

Originally, when operated by the NGO Aliança da Terra, the PRP had restrictions on offering commercial services, was not allowed to generate profit, and was entirely dependent on grant funding.

With P4F's support, the platform and NGO were restructured and PCSA was formed as a new private company to own and manage PRP going forward. A comprehensive review of the company's strategy was undertaken, introducing PRP as a new brand to the market, enhancing the technological platform, establishing a commercial team, and consolidating the organisation as a fully structured company. The legal change became official in 2019, and by 2020 the company's plans were effectively implemented.

P4F's support focused on both the internal set-up of the new company and on developing solutions to challenges in the market:

- Farmers had limited knowledge about how compliant their properties were with the law and lacked technical assistance and financial resources to adopt sustainable practices;
- Farmers had limited access to credit and struggled to adhere to certification schemes, while banks and companies found it difficult to approve green credits for ESG-focused businesses;
- Companies and financial institutions faced difficulties in assessing producers, and so were unable to monitor their supply chain and risk exposure;
- The private sector increasingly made sustainable sourcing commitments but lacked external support to find suitable suppliers;
- Buying companies had limited capacity to identify sustainable producers.





Rural Producers

RURAL PRODUCERS FACE CHALLENGES TO COMPLY WITH SOCIAL AND ENVIRONMENTAL LAWS...



Limited knowledge about how compliant their properties are with the law



Lack of incentives to comply with environmental and social laws (e.g., no or low premium for sustainable products)



Lack of technical assistance and financial resources to comply with the Forest Code

...PRP HELPS THEM TO HAVE A MORE SUSTAINABLE AND RESPONSIBLE PRODUCTION THAT VALUE THOSE ATTRIBUTES



Independent diagnostic, monitoring and technical assistance for continuous improvement



Access to a **network of companies** that use PRP for sourcing



Rural properties with a clear roadmap to improve social, environmental and productive aspects



Easier **access to rural credit** with better conditions once producers get PRP certificate



Producers prepared to meet **certification** schemes



Producers **aware of latest regulation** and in compliance with the Brazilian Forest Code



Produzindo Certo

ENTERPRISES FACE CHALLENGES TO EVALUATE THE SUSTAINABILITY OF THEIR SUPPLY CHAINS...



Enterprises are committed to eliminate deforestation in their supply chains



Limited access to **producer's information**



Difficulties to perform **assessments** over producers



Limited capacity to find **sustainable producers**

...PRP PROVIDES THEM WITH INFORMATION AND A SUSTAINABLE PRODUCTION NETWORK



Database of rural properties and its environmental, social and productive features



Independent monitoring and certificate



Direct link with producers



Adequate **suppliers' practices** towards national and international certifications criteria



Potential to reduce costs for internal corporate procedures (e.g., proper due diligence for credit access or Forest Code compliance assessments)



Companies



P4F's support for restructuring the PRP

The P4F-supported process to establish PRP as a company was carried out in two phases. The first ran from May 2019 to December 2020, when P4F support helped to improve the digital platform and develop the new company's sales and marketing strategy. Key actions included creating a digital channel to simplify data collection and enhancing the platform to automatically develop diagnoses and roadmaps, thus boosting the PRP's data-processing capacity.

During the second phase, from August 2021 to May 2023, the focus was on further improving the PRP's sales and marketing strategy and digital platform. This included letting rural producers know about the platform, facilitating the scaling of issuing green credit, and structuring the company to attract external investors. In this phase, major steps included

- Creating a channel for rural producers to remotely input data and provide evidence of socioenvironmental compliance;
- Establishing a notification centre where farmers can express their interest in services available through the PRP, e.g., credit and certification support;
- Developing an adequate term of commitment between the PRP and the farmer, within the Brazilian General Data Protection Law (LGPD⁴ in the Portuguese acronym);
- Adding a fundraising strategy to the PRP's Business Plan;
- Creating an ESG Report;
- Developing a strategy to leverage businesses and investors to support new credit emissions;
- Designing and implementing a communication strategy for explaining the PRP's benefits and use to farmers.

⁴ The Brazilian General Data Protection Act (LGPD in the Portuguese acronym) establishes rules on collecting, handling, storing, and sharing of personal data managed by organizations.

The two phases resulted in several achievements:

- **Establishing a new, scalable private entity:** the PRP successfully became a new company, with no disruption to existing users, overcoming limitations to scale-up and providing the flexibility to create diverse products. It now facilitates deals between companies and rural producers, positioning itself as a central hub for various green business opportunities;
- **Signing long-term contracts with buyers:** commercial contracts with clients boosted revenue and reduced PRP's dependency on grants;
- **Development of the digital platform:** the new and enhanced digital platform allowed operational efficiency gains, including the creation of an online service to connect the PRP, farmers and buyers;
- **Localisation of staff:** the PRP replaced technicians at the head office with regional technicians working locally;
- **Hiring skilled specialists:** a data scientist and financial manager were hired, improving operational capacity;
- **Socioenvironmental recognition:** the PRP is recognised as the main database of rural properties that monitors and supports ESG practices in Brazil. It has also become a market access hub, connecting producers to support services;
- **New market segments reached:** the extended scope of the PRP's services now also reaches, for example, sugar mills and financial institutions;
- **Impact report:** the PRP's first ESG report provides information on its impact, safeguarding commitments, and finances.

Through these successes, the PRP contributes to the Brazilian agribusiness sector becoming increasingly sustainable, both environmentally and socially. For agribusiness companies, this transformation extends the fulfilment of their commitments to responsible production, ensuring the sustainability of their raw materials.



“P4F support enabled the company to invest in IT development and helped training our team to deal with more complex situations and provide solutions, what allowed the business to take a leap forward: increasing performance, including agility in data processing, new senior staff were hired, and as a consequence a significant increase in total farms attended and diagnoses processed. Additionally, the company has advanced a lot in terms of governance, implementing best practices in several areas. P4F helped Producing Right to secure more robust contracts. Now a higher volume of companies in the agribusiness chain are hiring our services.”

Thiago Brasil - PCSA's CFO

Project results and achievements

A mindset shift towards sustainable agriculture



Photo: PRP archive

The platform has enabled producers to boost productivity, make beneficial deals with buyers seeking responsible suppliers, and access bank credit through their PRP certification, which requires compliance with legal guidelines regarding social and environmental performance.

In addition, a significant achievement is the shift in mindset among rural producers, who are becoming more aware of responsible and sustainable agricultural practice. Producers under the PRP are also more likely to provide good labour conditions and focus on the wellbeing of employees. As a result, working conditions have improved and are monitored.

Claudia Sulzbach, owner of Laruna Farm in Balsas, Maranhão, soy producer and PRP costumer, has a key goal

“to ensure gender equality on the farm”.

For her, it is necessary to produce with the least environmental impact, use natural resources responsibly, and always be attentive to the quality of life of those who are part of the production chain.

Another example of a mindset shift towards responsible production comes from the **Peeters family**, owners of Vargem Grande Farm in Montividu, Goiás, soy, corn and cattle

producer, and PRP costumers. With a team of 22 on the farm, they've created a plan that offers performance bonuses to the employees, which is based on farm information available on the PRP. According to them,

“we have to consider the families whose livelihoods and quality of life depend on the farm [...] and we believe in a people's management model that values them the way they deserve.”

On the demand side, where big companies increasingly look for transparency in their supply chain to ensure the sustainability of their products, **Cristiane Lourenço**, Global Vegetable Seeds Sustainability Director at Bayer, said:

“After PRP started to manage our Valore Programme⁵, we could see how good their services were. Because of that, we outsourced all of our sustainability and good practices work to them.”

Cintia Veja, Sustainable Purchasing Manager at Unilever, stated:

“We would not be able to carry out the services that we contracted from Producing Right internally. A local partner is very important to carry out these assessments and this is not Unilever's strength. For example, it takes a lot of experience to provide producers with a call to action. Producing Right is the most suitable partner to work with soy producers in Brazil. Only in the US could I find a company that performs a similar service”.

⁵An independent Bayer programme to enhance good practice amongst partner producers. The PRP delivered an assessment of all its monitored producers who supply to Bayer.

Uptake by a value chain in numbers

By 2022, the PRP was monitoring 5.8 million hectares across agricultural value chains in all regions of Brazil. This marked a 32% increase from 2019, achieved by adding 4,500 farms to the platform to give a total of 5,700 farms monitored in 2022. The most substantial increase was between 2021 and 2022, when the PRP could monitor a higher number of farms as data processing became even more robust and efficient. The PRP also experienced a significant revenue increase, from GBP

241k in 2019 to GBP 1,729k in 2022, mainly through contracts with large companies and rural producers.

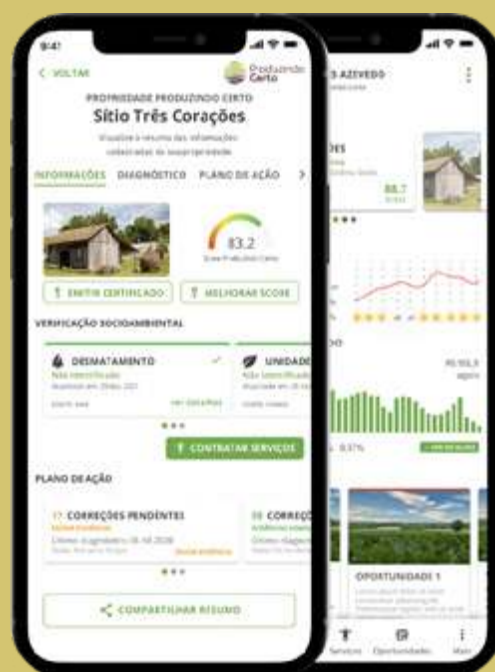
The PRP's customer base also grew consistently thanks to its expanding range of services. In 2020, the PRP had contracts with 14 companies, increasing to 52 in 2021, and reaching 80 contracts by September 2022.

The PRP facilitates access to new investment sources

Farmers can access green credit through the PRP, as they can show that they meet socioenvironmental criteria, which are monitored and validated by PCSA. An example is the case of Grupo Locks, a grain, cotton, and cattle producer established in Mato Grosso, Brazil. The group raised USD 20 million (GBP 17.2 million) with a ten-year tenor financing from Rabobank Brazil, supported by AGRI3 Fund, in October 2022. The PRP's sustainability diagnosis of Grupo Locks' properties provided one of the main documents for the socioenvironmental risk assessment during Rabobank's due diligence.

This financing will be used for a range of investments – upscaling the utilisation of cotton by-products for animal feed, recycling animal waste into fertilizer, intelligently applying herbicides, and deploying solar panels for renewable energy usage – that will facilitate Grupo Locks' transition to a more regenerative and sustainable agriculture model.

With its properties monitored under the PRP since 2021, Grupo Locks took advantage of the PRP's technical assistance and monitoring services, participating in several sustainability programmes, such as the Leather Impact Partnership Incentives, for the development and commercialisation of sustainable leather credits.



The PRP app “I Produce Right” improves data processing

With P4F support, PRP launched the app “I Produce Right” in 2022, which allows producers to input information on everything that refers to the situation on their farms in relation to environmental and labour aspects, in addition to monitoring the improvements of their properties in these areas, through their smartphones.

P4F supported PRP to ensure that the app's data processing complies with requirements of the LGPD and cyber security.

Lessons learned

An important contribution to the project's positive outcomes was PCSA's own interest in company growth and the internal alignment among shareholders, who identified this as the next step for the development of the business. Transforming the NGO into a scalable business allowed new products to be created and partnerships with major companies and international institutions, such as Unilever and Bayer, to be established.

P4F maintained a direct and close relationship with the PRP throughout the project, supporting the company's leadership team to develop the business strategy and encouraging them to scale up. The PRP presents an interesting model for expanding impact via an IT platform. The monitoring of agricultural activities via the platform also positions it as a solution that can be adopted in many productive chains.

The PRP has consolidated its position as a hub of green opportunities for rural producers and large companies seeking to leverage its services, such providing access to carbon credits and green financing, to transition towards sustainable and responsible production. Periodic improvements to the platform's monitoring protocol have ensured that farms consistently comply with current legislation and socioenvironmental standards. This robust monitoring process adds significant value to the producers and companies adopting the PRP, allowing them to guarantee the production or sourcing of sustainable and responsible products.



This case study was developed by Partnerships for Forests in Latin America, in collaboration with the Monitoring and Evaluation global team

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