LDC.
Louis Dreyfus Company

Regenerative Agriculture

Lessons learned from 6 years of project's implementation in Asia and Africa

May 2023

YOUR TRUSTED PARTNER SINCE 1851

LDC's Coffee 2023 – 2027 Sustainability Strategy

Responsible Sourcing

Non-deforestation

Responsible Sourcing Program - ***Core***

Mill-level Traceability

RSPAdvanced

Farm-level Traceability

Certification

Farmer Support

Stronger Coffee Initiative

Farmer Prosperity
(incl. productivity, and labor conditions)

Low Carbon
(incl. agroforestry)

RegenAg
(incl. biodiversity and soil)

Sustainable Operations

Scope 1&2 emissions

Reduce GHG in 17 key coffee assets

Energy

Increase share of renewable energy used

Sectoral Partnership

INTERNATIONAL COFFEE ORGANIZATION

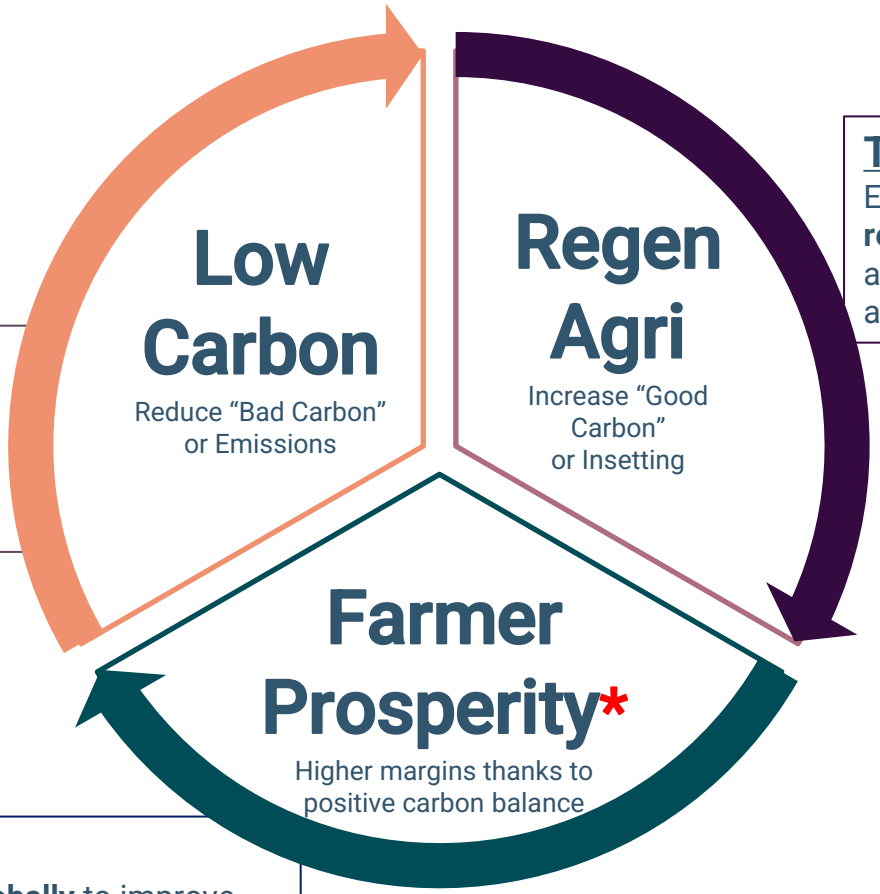
SUSTAINABLE COFFEE CHALLENGE

CFA COOL FARM ALLIANCE

GLOBAL COFFEE PLATFORM

Stronger Coffee Initiative Theory of Change

Scale sustainability and resilience across the coffee value chain



Target 2027
Support the production of **180,000 MT of third party-verified, low-carbon coffee**, achieve X%** carbon emission intensity reduction in targeted supply chains

Target 2027
Establish **regenerative agriculture and soil restoration across 100k ha** of coffee farmland and plant **1.2 million shade trees** in agroforestry systems

Target 2027
Support 30k farmers globally to improve income and increase their resilience

* What do we mean by Farmer Prosperity? 4 key building blocks: Living (& diversified) income, gender/youth, human rights and access to finance
** Exact targets to be defined in 2023 once baseline is available

What is Regenerative Agriculture?

- Protecting and **enhancing biodiversity** at and around farms
- **Improving or preserving carbon and water retention in the soil**, leveraging the power of plants, livestock and agricultural practices
- Supporting the **livelihoods** of farm communities
- Enhancing the resilience of crops and nature, while **decreasing pesticide and fertilizer usage** (by optimizing nitrogen use efficiency)

There is much debate about how to pinpoint and define regenerative farming. We believe it should not be defined too narrowly and that energy will be better spent in agreeing common outcome metrics rather than chasing a concrete definition. For the purpose of our work, we have adopted OP2B and SAI's principles.

Lessons learned from project's implementation in Asia and Africa

Vietnam

Developing models of sustainable landscape in coffee plantations aiming to reduce soil degradation, conserve water and improve resilience to climate change

Since 2016

Central Highlands

+7,000 farmer beneficiaries

Indonesia

Regenerating Coffee Ecosystem in Sumatra

Since 2016

Aceh, North Sumatra, Lampung

+16,000 farmer beneficiaries

+500,000 shade trees planted

Ethiopia

Empowering communities to sustainably manage coffee ecosystems

Since 2019

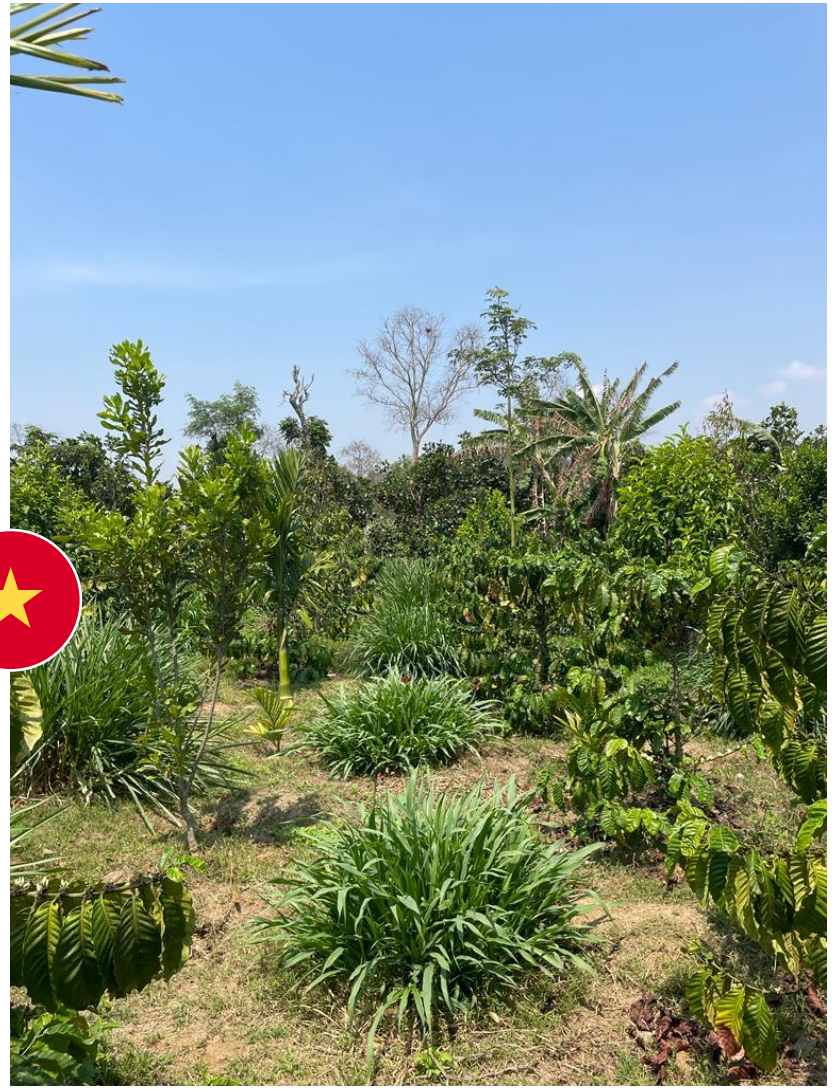
Sidama, Southern Nations, Nationalities, and Peoples' Region

+3,500

+40,000 shade trees planted

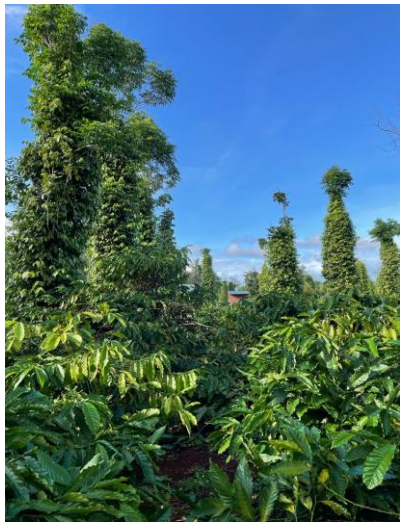
Focus on Regenerative Agriculture Practices promoted

Vietnam



Livestock on farm

Intercropping



Pepper intercropping

Shade trees

Focus on Regenerative Agriculture Practices promoted

Indonesia

Compost pit

Banana for temporary shade trees

Intercropping

Compost

Intercropping

Mechanical weeding

Focus on Regenerative Agriculture Practices promoted

Ethiopia

Biological control for pest

Mulching

Cover cropping

Terracing

Compost application

Temporary shade tree

Mulching

Animal on farm

4 Main Benefits of Regenerative Agriculture

- **Ensuring soil health**
- **Preserving and enhancing Biodiversity**
- **Improving carbon footprint**
- **Improving farm’s productivity**

Wrap up

Business Case: Regenerative Agriculture in Coffee

Proposing an alternative model of agricultural development for smallholder farmers

From the past and current initiatives implemented, we observed ***good preliminary results*** from the implementation of Regenerative Coffee practices in Vietnam, Indonesia and Ethiopia:

- **Healthier soil**
- **Comparable or higher yield**
- **Lower cost of inputs**
- **Diversified income**
- **Reduced carbon footprint**

If sustained, these good results will contribute to:

Increase farm profitability, Ensure food security, Improve farmer's resilience and Make coffee farming a more attractive profession

Business Case: Regenerative Agriculture in Coffee

LDC. Louis Dreyfus Company

A farming model that is not exempt from risk(s)

- increased labor needs
- time is required to see impacts; short term needs to be addressed to ensure long term commitment
- mortality of trees represent a big risk of investment
- no one-size-fits-all approach, context specific
- perceptions/beliefs need to be deconstructed

Only a holistic support to coffee smallholders will enable the change to Regenerative farming

Thank you