

# Bunge, Santander Brasil and TNC to Offer Soy Farmers Long-Term Loans to Expand Production without Clearing Native Habitat in the Brazilian Cerrado

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WHITE PLAINS, N.Y., SAO PAULO and ARLINGTON, Va., Aug. 29, 2018 /PRNewswire/ -- Today Bunge S.A., a subsidiary of Bunge Limited (NYSE:BG) ("Bunge"), Banco Santander Brasil S.A. (B3: SANB11) ("Santander Brasil") and The Nature Conservancy ("TNC") announced they have jointly developed a first-of-its-kind financing mechanism for soy farmers in the Brazilian Cerrado.



The program is designed to promote agricultural production without further deforestation or conversion of native vegetation, by providing long-term loans to farmers willing to commit to this approach. Most of the loans currently available to soy farmers are for less than a year to finance their annual crop costs. This new mechanism will offer loans of up to 10 years, recognizing that investments in land acquisition and preparation have a long-term payback.

Soybean production in Brazil nearly tripled between 2001-2017. The Cerrado has supported much of this expansion, adding 9.6 million hectares of planted soy during this timeframe, a significant part of which were in areas with native vegetation<sup>[1]</sup>. Over the next decade, it is estimated that large additional planted areas will be needed in the Cerrado to accommodate forecasted growth<sup>[2]</sup>.

The new financing mechanism is part of a broader effort by NGOs, companies and banks to meet the growing demand for soy beans in a sustainable way. Last year, Bunge, TNC and other organizations launched [Agroideal.org](http://Agroideal.org) – a [planning tool](http://Agroideal.org) to help the soy sector make better decisions about where to expand production. Traders and consumer goods companies have also made commitments to deforestation-free sourcing, but to date little has been done to create incentives for farmers to expand production on land that has been already cleared.

"Currently there are more than 25 million hectares of already cleared land in the Cerrado suitable for soy expansion," said Mark Tercek, CEO, TNC. "We believe that introducing long-term financing will provide a real incentive for farmers willing to produce more sustainably and go beyond compliance with environmental laws and regulation. TNC brings its science-based approach to the environmental framework and monitoring for this mechanism. We will also invest our own capital in the project, together with Bunge and Santander Brasil."

The financing program will be piloted with approximately USD\$50 million in capital, and provide loans to individual, family or corporate farmers in eligible locations. The loans are expected to be offered to farmers beginning in September. Once the model is demonstrated to be financially viable and environmentally sound, Bunge, Santander Brasil and TNC intend to scale the program with additional investors and farmers.

"In 2015, Bunge committed to eliminate deforestation from its agricultural supply chains globally, and developing commercially viable incentives for conservation is an important part of our strategy," said Soren Schroder, CEO, Bunge Limited. "Bunge's extensive farmer relationships and established presence in the Brazilian agribusiness sector, as well as expertise in risk management, will be of great benefit in developing and managing a pipeline of investments for the program, and we look forward to working together with TNC and Santander to achieve our goals."

"As a financial partner and one of the leading banks for farm credit in Brazil, and with a demonstrated commitment to sustainability, Santander Brasil is uniquely suited to help get the program off the ground and position it well for expansion after the initial pilot phase," said Sergio Rial, CEO, Santander Brasil and Co-Chair of the Latin American Conservation Council. "We look forward to playing a game-changing role in sustainable agricultural expansion that benefits farmers and customers while preserving the environment."

**Bunge Limited** ([www.bunge.com](http://www.bunge.com), NYSE: BG) is a leading global agribusiness and food company operating in over 40 countries with approximately 32,000 employees. Bunge buys, sells, stores and transports oilseeds and grains to serve customers worldwide; processes oilseeds to make protein meal for animal feed; produces edible oil products for consumers and commercial customers in the food processing, industrial and artisanal bakery, confectionery, human nutrition and food service categories; produces sugar and ethanol from sugarcane; mills wheat, corn and rice to make ingredients used by food companies; and sells fertilizer in South America. Founded in 1818, the company is headquartered in White Plains, New York.

**SantanderBrasil** Operating in the local market since 1982, Santander Brasil is one of the largest banks in the national financial system and the only international institution with a retail scale. It has more than 22 million active customers, around 48,000 employees and a network of more than 3,400 branches and service stations. It operates in Brazil on two main fronts: the commercial bank, which combines retail banking with services for small and medium-sized enterprises, and wholesale, focused on large companies and operations in the capital markets. It is part of the Santander Group, the largest financial conglomerate in the Eurozone by market capitalization, with a strong presence in Latin America.

**The Nature Conservancy** (TNC) is a global conservation organization dedicated to conserving the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world's toughest challenges so that nature and people can thrive together. TNC is a partner in the Collaboration for Forests and Agriculture- a joint effort of the National Wildlife Federation, TNC, WWF, and the Gordon and Betty Moore Foundation, to eliminate deforestation and land conversion from beef and soy supply chains in the Brazilian Amazon and Cerrado, and the Chaco region of Argentina and Paraguay. To learn more, visit [www.nature.org](http://www.nature.org) or follow [@nature\\_press](https://twitter.com/nature_press) on Twitter.

[1] Agrosatélite. 2016/17 Mapping of soy areas in Cerrado biome.

[2] Carneiro *et al.* 2018. Cerrado: Paths to sustainable territorial occupation, land use and production – Soybeans expansion area.





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