LDC uses Agroideal to ensure accuracy in the office and efficiency in the field.

From her desk on the twelfth floor of a building at Avenida Brigadeiro Faria Lima, a financial market hub in São Paulo, Caroline Rolim analyzes a map of Sinop, a municipality in the Brazilian state of Mato Grosso more than 1,500 kilometers away. As a sustainability consultant at chief global agribusiness Louis Dreyfus Company (LDC), she analyzes the area’s production and environmental outlook through satellite images that appear on-screen. She then calls Glaudston Martins, a technical and commercial specialist who lives in Sinop and spends much of the day in the field cultivating contacts with rural producers in the region. They talk and decide together whether they need to discuss mitigation strategies to address the risk of doing business in that area. They thus guarantee the sustainable expansion of a crop that they both know very well: soy.

Since LDC began using Agroideal in the second half of 2017, this scene has become a regular part of Caroline’s routine. The system has been incorporated in many aspects of the company’s commercial analyses and helped set expanded production goals while meeting LDC’s social and environmental commitments.

Before contacting potential new suppliers, technicians such as Glaudston access the online system to identify any social or environmental risks in the region. For example, identifying any Conservation Units (UCs in Portuguese) and Indigenous Lands (TIs). If there are UCs and TIs in the area, the system can identify if there is enough suitable land available to accommodate the necessary amount of soy to meet the company’s sourcing needs, without encroaching on these high-risk areas.

Caroline is alerted when data appear to indicate that there is a risk of violating environmental legislation or of “triangulation,” the practice in which a producer whose property is compliant with environmental regulations sells grain originating from a non-compliant property in an effort to circumvent a government-imposed ban on commercializing non-compliant soy. Often, Caroline jumps in to conduct in-depth verification and contribute to decision-making. She refers to the list of embargoed areas according to the Brazilian Institute of the Environment and Natural Resources (IBAMA), along with figures from other sectors, such as the annual harvest forecast for each region. In addition to these assessment factors, Agroideal allows Caroline to confirm the data by superimposing maps of conserved areas on maps of production zones. Based on the data, Caroline can now approve or reject the proposal.

“By using Agroideal, we can be certain and act quickly because we filter the properties that meet the company’s environmental standards before we even contact the producer,” Caroline explained.

Environmental responsibility can go beyond legal obligations

Prior to Agroideal, LDC had already implemented practices to eliminate the risk of acquiring soy from areas connected to labor analogous to slavery and illegal deforestation. To check for slave labor, the company’s Legal department would verify whether the rural property was on the Ministry of Labor’s list of properties that violated labor laws. In the case of illegal deforestation, the Sales department checked whether the property had been included in the list of blocked areas, produced by the Amazon Soy Moratorium Working Group, responsible for setting the corporate standards for sourcing soy from the Amazon. The agreement, to which LDC is a signatory, ensures accuracy in the office and efficiency in the field.

Visit https://agroideal.org
stipulates that trading companies can only buy soy from areas deforested before July 2008, as a way of discouraging producers from clearing new areas of the forest. LDC still monitors these lists, but Agroideal now allows the company to expand its standards-verification with the addition of many new types of analyses.

“We now conduct risk management,” Caroline commented. “We anticipate problems beyond those we were already monitoring. Another positive aspect is that we manage to better predict regions in which it is worth investing more time and resources. The analysis we conduct is not only so we can be sure we are following the law; it gives us a view of opportunities for profit and that makes us more certain of the strategic choices we make.”

At LDC, Agroideal is used alongside the geographical information system ArcGIS, which is widely used by agricultural companies. Generally, while ArcGIS helps construct analysis scenarios for the Research department and gather information from the database of supplier properties, Agroideal supports sustainable expansion in the commercial area.

Fellype Senna is a Research department employee based in Cuabá. He also uses the two tools in some situations to conduct in-depth research. According to Fellype, one of the highlights of Agroideal is the feature that demonstrates the potential for degraded pasture land to be used in the transition to soy. Fellype explains that it is possible to analyze the areas in a particular region that are more likely to benefit from lending facilities that require the producer to implement environmental-preservation policies. This leads to a clearer understanding of the impact certain types of financing have on the sustainable expansion of production.

“The tool allows users to compare different areas and make more precise choices. Without Agroideal, that comparison would hardly be possible because of the great deal of time and energy it would require,” Fellype pointed out.

The system is contributing to major changes at LDC

The use of Agroideal is one of the main transformations that LDC Brazil has recently promoted to strengthen its corporate responsibility policies, but it is not the only one. Until 2017, the company did not have a Sustainability department in Brazil and divided the responsibilities among several departments. With the arrival of Caroline Rolim, the department was established and started leading actions to support the company’s management.

In less than a year, the Sustainability department introduced Agroideal into the decision-making process, attracting the attention of the department’s global chief, who has been quoted as saying that the system is an important part of the measures that the Brazilian operation put into practice. The tool is also included in the documents that define the company’s global Sustainability Policy. Caroline believes that these are good signs that territorial intelligence will have a permanent place in LDC’s culture.

“The Sustainability department needs to be cautious and carefully analyze risks, and that takes time. So, when we managed to provide other departments with a tool that is easy to use and speeds up the process, we had a major gain. It increased the teams’ commitment to conservation,” Caroline said.

According to Rodrigo Spuri, the coordinator of the soy department at The Nature Conservancy (TNC), the organization that led the development of Agroideal, LDC’s experience shows that the system is so wide-ranging that it adapts to different corporate structures and can be used by different departments of the same company. The free online tool was built in a multisector collaboration process with the participation of agriculture and food companies, financial companies, NGOs, and research institutions. Many of the trading companies that took part in developing Agroideal involved representatives from several of their internal departments, which is credited as a central reason for the system’s wide flexibility.

How LDC is using Agroideal

The system helped consolidate a more robust risk analysis and speed up the process of approving commercial expansion strategies by the Sustainability department.

1. Agility
   It sped up the process of approving new commercial partners by assessing the social and environmental risks of purchasing soy in the areas of interest before signing the contract.

2. Depth
   It integrated the Commercial and Sustainability departments’ vision of the region by superimposing production and conservation data in a single analysis.

3. Efficiency
   It saved time for its teams in the field by using maps to optimize visits to potential suppliers.