

Image: Cattle on a farm (Source: Caaporã)



Blueprint Caaporã

Advisory Program on Structured Finance

Task Force 2: Innovative Pilot Transactions

October 2025

REALIZATION

Nature Investment Lab (NIL)

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About the Nature Investment Lab

The **Nature Investment Lab (NIL)** is a collaborative, innovation-focused initiative designed to **unlock investments in Nature-based Solutions (NbS)**. NIL works to understand disruptive businesses and to develop and test **innovative financial models**, bridging capital with those driving restoration, sustainable use of natural resources, and ecosystem regeneration.

Its purpose is to **close the gap between investors and innovative businesses focused on restoration, bioeconomy, and regenerative agriculture**, by structuring mechanisms that enable impact-driven enterprises to access capital and scale their solutions.

As part of this effort, NIL launched a **public call** to identify and support companies distinguished by their work in Nature-based Solutions, with the potential to contribute both to the country's economic development and to the achievement of emission reduction and carbon removal targets established in Brazil's NDC.

These companies received **technical assistance in financial structuring**, aiming to make their projects viable and to **develop replicable and scalable solutions** that can benefit the broader nature investment ecosystem.

Table of Contents

Introduction	05
Business Model	07
Caaporã's Differentiator: Increasing Productivity and Reducing Carbon Emissions in Livestock	08
Instituto Arandu: Financial Innovation and Knowledge Production	11
Caaporã's Current Scenario and Future Vision	14
The Financing Journey	14
Financial Instruments to Enable Expansion	16
Strategic Recommendations: The Composition of Innovative Guarantees	17
Risk Map	18
NIL's Contribution to Caaporã	20
Lessons for the Ecosystem	22



Introduction

Historically, Brazil's agricultural development has been driven by the expansion of the agricultural frontier and extensive cattle ranching. This model ensured economic growth and positioned the country as one of the world's largest beef producers, but it also generated significant social and environmental impacts: cattle ranching is now one of the main drivers of deforestation in the Amazon and Cerrado, as well as a major contributor to greenhouse gas emissions and soil degradation. The challenge lies in promoting a transition toward more efficient and sustainable livestock systems, capable of reconciling productivity with forest regeneration.

Caaporã Agrosilvopastoril was founded with the purpose of establishing a new business model for responsible livestock production, generating **low-carbon animal protein**. The core of its business lies in the **restoration of degraded pastures** through **Crop-Livestock-Forest Integration (ICLF)** or Agrosilvopastoral Systems, and **Livestock-Forest Integration (LF)** or Silvopastoral Systems, which combine management and reforestation strategies with sustainable livestock production.

The distinctive feature of Caaporã's production model lies in the **integration of precision rotational grazing modules**, which optimize stocking rates (i.e., the number of cattle per hectare) and pasture health, thereby increasing soil carbon accumulation and reducing the need for pesticides. In addition, the company invests in advanced nutritional technologies to **enhance herd productivity and reduce emissions**, while employing well-designed facilities and management practices to ensure animal welfare and a stress-free environment.

In line with its focus on productive diversification and long-term value creation, Caaporã's model transcends sustainable livestock production by integrating **forestry** into its planning strategy. The company strategically plants **native and high-value timber species** intended for future harvesting. This approach not only makes a significant contribution to ecological restoration and above-ground carbon sequestration, but also establishes an **additional medium- to long-term revenue stream** for the business.

MODEL PILLARS		
 Animal Welfare	 Limited Use of Chemical Inputs	 Low Carbon Emissions

Operational excellence and security are ensured through the use of **state-of-the-art traceability, management, and monitoring technologies**, which guarantee zero-deforestation cattle sourcing and provide near real-time protection of biological assets. Finally, the model promotes the **inclusion of small-scale cow-calf producers within the value chain**, thereby expanding the positive impact of sustainable livestock production.



Caaporã operates across six farms in three regions, totaling approximately **17,826 hectares under management**¹. Expansion efforts are concentrated in **northern Tocantins** (at the Amazon–Cerrado biome interface), a region with high growth potential and vast areas of degraded pastures. The farms' strategic location in Tocantins, about 150 km from Araguaína, a key hub with multiple meat processing plants, significantly reduces logistical costs for beef distribution and transport.

¹ The total area includes reserves; productive areas amount to 6,158 hectares.

Business Model

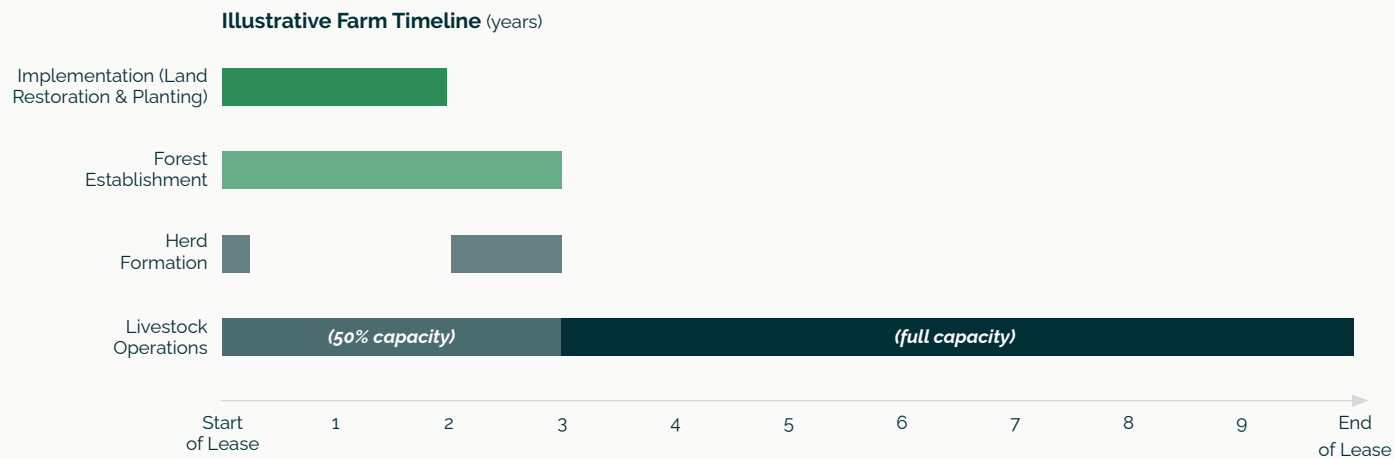
Caaporã's business model is based on **long-term land lease agreements**, typically lasting 10 to 12 years. This strategy proves more advantageous than land acquisition, as it entails **significantly lower operational costs** while ensuring access to a wide range of **degraded pastures and unproductive lands**. It is important to emphasize that these areas were previously exhausted by extensive cattle ranching practices—a model that relied on the exploitation of natural resources, such as soil, for livestock production without regard for environmental concerns.

Caaporã's major differentiator lies precisely in the radical transformation promoted in these lands. Its model is **inherently more sustainable**, not only by focusing on the full restoration of degraded soils, but also by reducing the land area required for cattle rearing and adopting environmentally **responsible and socially equitable production practices**. During the lease period, the company makes significant investments in land rehabilitation, carrying out mechanized operations (including clearing and harrowing), applying lime and fertilizers to improve soil quality, and subsequently planting pastures and arboreal components.

It is worth noting that cattle production through ICLF/LF systems in Tocantins is particularly attractive: beyond offering the opportunity for productive restoration, the **babassu palm**—a native species whose cutting is legally prohibited—**serves as both a natural and legal barrier against the expansion of soy monocultures**. The density and height of babassu groves prevent the efficient operation of large-scale mechanized equipment (such as tractors and harvesters), which are essential for industrial soy production. As a result, the preservation of babassu on the land functions as an indirect territorial protection mechanism, discouraging deforestation for large-scale commodity conversion.

Finally, a key pillar of Caaporã's operations is its farm revitalization service for unproductive properties. The company installs all the necessary physical infrastructure to ensure full operational viability of the farms—improving not only the land's productivity but also the overall real estate asset value.

Figure 1: Implementation Process of the IPF/ICLF System at Caaporã



Source: Caaporã (2025)

Caaporã’s Differentiator: Increasing Productivity and Reducing Carbon Emissions in Livestock

Caaporã’s main differentiator lies in demonstrating that the adoption of ICLF/LF systems not only delivers socioenvironmental benefits but also leads to **superior productive performance indicators**. The company focuses on production intensification with an emphasis on **individual animal weight gain**, significantly outperforming Brazil’s national averages for traditional livestock systems.

In practical terms, the Caaporã model achieves an **Average Daily Gain (ADG) of 600 grams** per animal, a substantial improvement compared to the traditional average of 380 g/day. This efficiency allows for **time optimization**, reducing the complete cattle cycle—from birth to slaughter—to just **24 months, half the time required** in conventional systems. Moreover, by combining a higher ADG with increased stocking density (from 1 to 3 heads per hectare), productivity per hectare rises dramatically—from 3.7 to **22.5 arrobas per hectare per year**—representing up to a sixfold increase in productivity.

Figure 2: Caaporã's Differentiator



Source: Caaporã (2025)

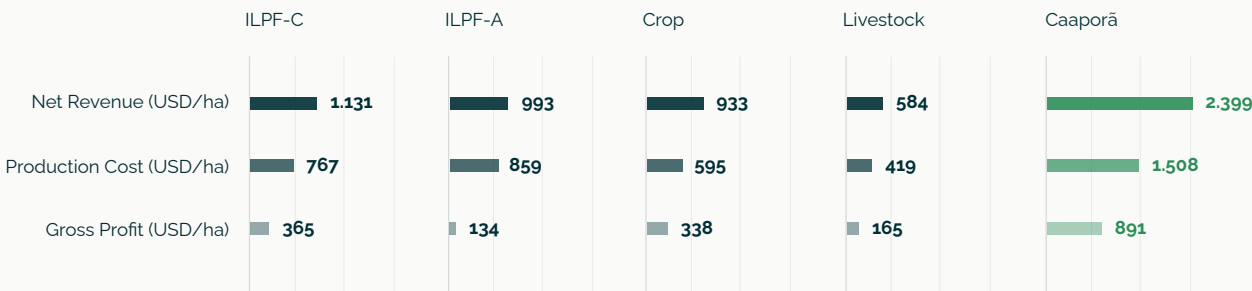
Caaporã's financial results demonstrate the competitiveness of the ICLF model adopted in Tocantins when compared to conventional production systems in the Amazon and Cerrado, according to profitability parameters published by Embrapa (2023).

While the ICLF systems evaluated by Embrapa showed gross margins of 14% (Amazon) and 32% (Cerrado), **Caaporã achieves a 37% gross margin**, outperforming even the average crop margin (36%) and traditional livestock systems (28%).

This performance is a direct result of productive integration—combining intensive pasture management, reforestation with high-value commercial species, and carbon credit generation—as well as the operational efficiency made possible by the regenerative agribusiness model.

As illustrated in the chart below, Caaporã's net revenue of USD 2,399/ha is more than double that of conventional ICLF systems, and its gross profit of USD 891/ha is over 140% higher than the average of the systems analyzed by Embrapa², consolidating the project as a benchmark in sustainable profitability within Tocantins' agricultural frontier.

Chart 1: Comparison of Revenue and Cost Across Different Production Systems
(in USD per hectare)



Source: authors based on Embrapa (2025)

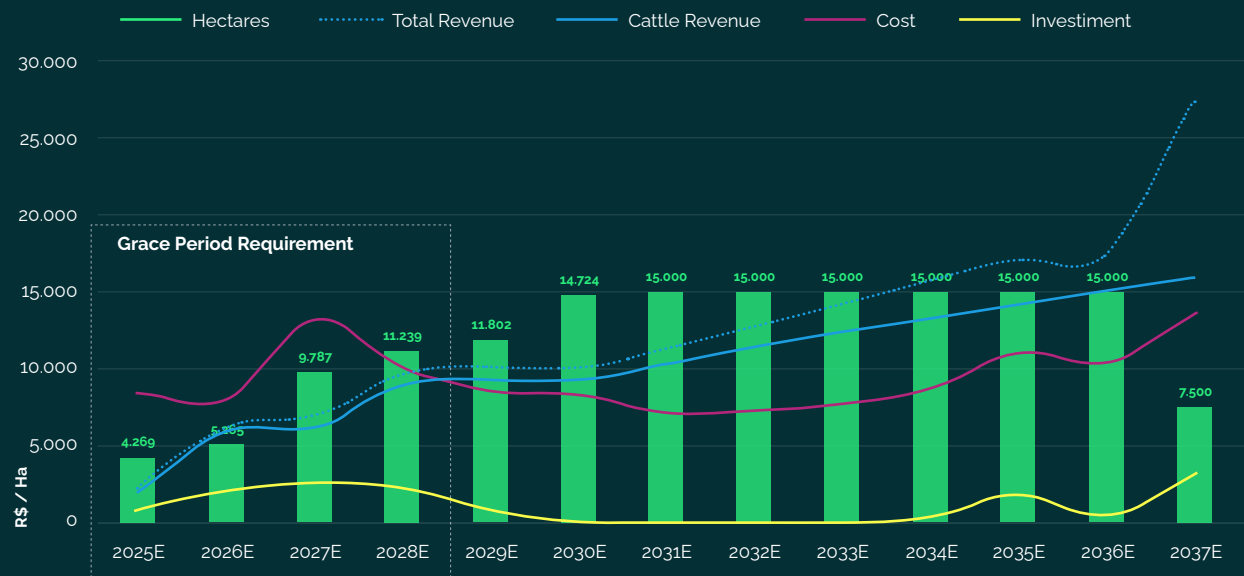
Chart 2 illustrates Caaporã's financial trajectory throughout the maturation cycle of its ICLF systems. Between 2025 and 2030, there is a peak in investment per hectare, reflecting the implementation of the areas included in the company's expansion plan—reaching up to 15,000 hectares during this period. This phase requires grace-period mechanisms and financial guarantees to help the company navigate this capital-intensive stage.

As shown in the chart, starting in 2028, revenues begin to surpass operating costs, marking the break-even point and the onset of positive cash generation. This shift reflects the consolidation of the silvopastoral modules and the increase in the herd's Average Daily Gain (ADG).

From 2030 onward, Caaporã enters its phase of financial performance, with expanding margins sustained by cost stabilization and the monetization of carbon credits. This evolution demonstrates that the ICLF/IPF model is financially resilient and scalable—transforming degraded areas into productive, low-carbon assets.

² Embrapa (2025): Estudos confirmam viabilidade econômica de sistemas sustentáveis de produção na Amazônia e no Cerrado. Available [here](#).

Chart 2: Revenue, Cost, and Investment (in BRL per hectare)



Source: authors (2025)

Instituto Arandu: Financial Innovation and Knowledge Production

The Instituto Arandu, a nonprofit organization founded by the creators of Caaporã Agrosilvopastoril, operates with an agenda focused on **advancing innovative financial instruments** for Nature-based Solutions (NbS). Its main mission is to **establish an innovation hub** dedicated to business models for the restoration of degraded areas, with the goal of driving low-carbon livestock production in Brazil.

Among its core areas of action are **knowledge production** and **innovation incubation**, with a focus on researching and validating **methodologies for carbon measurement in livestock systems**. To strengthen this focus, the Institute plans to expand its **research and development activities** through its spin-off, **CarbonPec**, in partnership with the Instituto Tecnológico Vale (ITV).

CarbonPec is dedicated to **developing projects that generate carbon credits** through sustainable livestock intensification. The main ambition behind the carbon measurement methodology under development is to fill a critical gap in the Voluntary Carbon Market (VCM), which—until recently—had no registered livestock projects in Latin America. Current methodologies are area-based, which penalizes productivity gains, while CarbonPec aims to reward efficiency and regeneration.

The pioneering aspect of the project lies in the application of a **new methodology** under the Voluntary Carbon Standard (VCS) that adopts an **output-based accounting approach** to incentivize the reduction of GHG emission intensity in beef cattle production — a breakthrough that could be crucial for scaling carbon projects in Brazil's livestock sector.

On another front, Instituto Arandu established a multidisciplinary Innovation Committee focused on **assessing the feasibility of low-carbon agribusiness models** and exploring technological frontiers for the sector. This initiative is strategically designed to accelerate scalable sustainable ventures, addressing key barriers such as **high investment costs** and perceived risks associated with intensive and regenerative agricultural systems.

The sustainable intensification model promoted by the Institute has the potential to achieve a **55% reduction in CO₂-equivalent emission intensity** per kilogram of carcass produced, compared to Brazil's current average — particularly when **soil carbon sequestration** is taken into account.

The use of **voluntary carbon market** incentives is crucial to accelerating this transition, as carbon revenues can serve as a **significant incentive** for investments in the fixed assets required for livestock intensification. The development of this **innovative carbon credit methodology** by CarbonPec, together with the work led by the Instituto Arandu Innovation Committee, has the potential to mark a **turning point** in transforming Brazilian livestock into a more productive and low-carbon activity.

Beyond its role in knowledge production, incubation, and the development of new methodologies, the Institute also acts as a structurer of innovative financial solutions. Its work is carried out through strategic partnerships, including philanthropic actors, to **create innovative financial instruments via blended finance**. One of its initiatives involves the use of catalytic capital reserves as guarantees in structured credit operations, unlocking private investment in sustainable livestock and nature-based solutions.

It plays a strategic role in actively seeking solutions to the **structural financing challenges** that have historically limited the expansion of innovative land-use and production systems in Brazil. To overcome

the common barriers to **credit access** — often caused by the lack of traditional guarantees — the Institute focuses on blended finance instruments, leveraging catalytic capital to underpin real guarantees through instruments such as letters of credit.

In practice, this approach materializes through the issuance of **Rural Product Notes (Cédula de Produto Rural – CPR)** and the structuring of **Agribusiness Investment Funds (FIAGRO)**, with the Institute participating as a subordinated quota holder. These mechanisms are specifically designed to **channel development capital toward innovative business models**, providing the liquidity and legal security needed to finance the transition to low-carbon land-use and production systems. This model also serves as a replicable alternative that can be extended to other actors within the ecosystem.

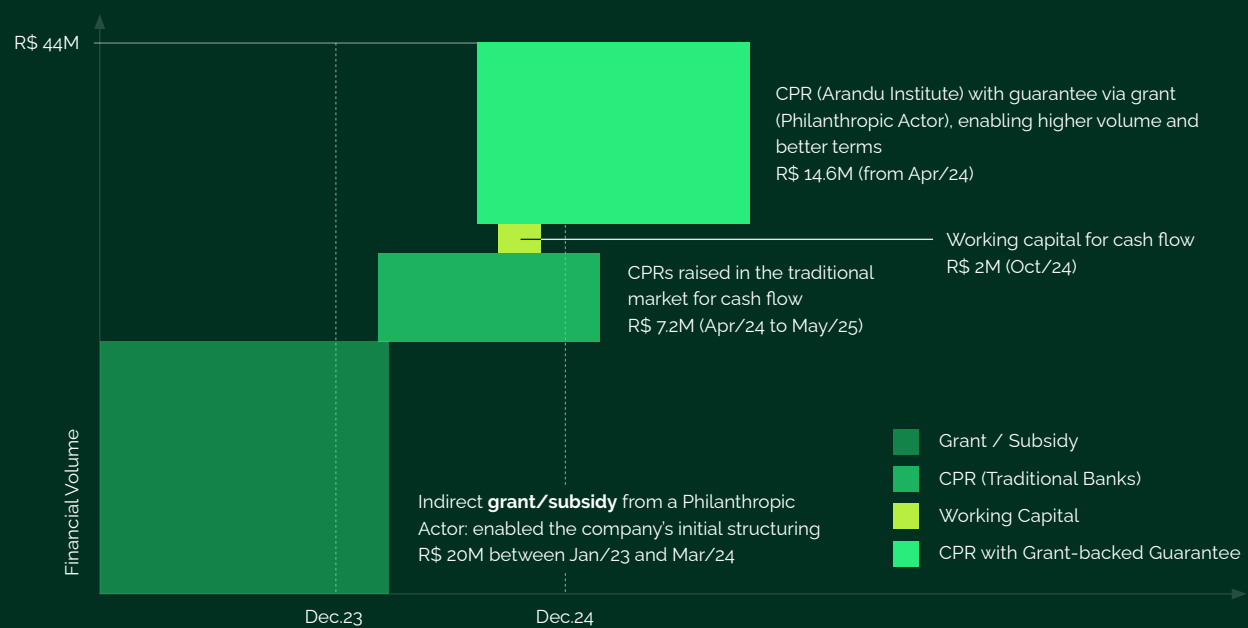


Caaporã's Current Scenario and Future Vision

The Financing Journey

Based on its recent history, Caaporã has evolved its financing strategy through three distinct phases. Initially, funding came from service revenues provided to Fundo Vale, which functioned as an operational grant, as shown in blue in Chart 3. In 2024, the company began diversifying its financing instruments, accessing external debt markets through the issuance of Rural Product Notes (CPRs) and obtaining working capital loans from commercial banks (Banco do Brasil) and credit cooperatives (Sicredi). More recently, Caaporã has adopted an innovative hybrid financing structure, in which philanthropic actors channel grants to the Arandu Institute, which then purchases CPRs issued by the company — effectively blending catalytic capital from historical sources with a formal debt instrument.

Chart 3: Caaporã's Financing History



Source: authors (2025)

Caaporã is currently at a crucial stage of **operational consolidation and acceleration**, having recently entered its financial performance phase. The company now manages approximately **17,826 hectares** and maintains a herd of **7,000 head of cattle**, with an installed capacity to reach up to 15,000 head. Its immediate focus is to strengthen its hub in northern Tocantins, leveraging the region's vast potential for leasing farms with hundreds of hectares of degraded pastures to expand operations.

As illustrated in Figure 3, the company's vision is ambitious: **the goal is to reach 50,000 hectares under regenerative management by 2030**, increasing the herd to **40,000 head** and ensuring the inclusion of local small-scale producers within its value chain.

Figure 3: Caaporã's Impact Ambition

Indicator		2025	2030 Target
	Area under management	17,826ha	50,000ha
	Pasture area	6,158ha	15,000ha
	Families involved	40+	300+
	Estimated VCUs per year	Under structuring, expected by 2027	
	Cattle herd	7,000 head	40,000 head

Source: authors (2025)

To enable this ambitious expansion, Caaporã is focused on **leveraging its financing capacity through real guarantees**. The business model is operationally solid—including audited financial statements—but the main challenge lies in the difficulty of attracting investors to scale up innovative financial mechanisms.

Access to credit, particularly rural credit, remains constrained by the **absence of traditional collateral**, such as land ownership. Since Caaporã operates under long-term lease contracts, it **cannot offer** land as security—a requirement for most lenders, who typically tie financing to land assets.

This lack of guarantees and the difficulty in obtaining working capital (OPEX) have been chronic issues. To date, most of the capital invested in the company has been directed toward CAPEX—the recovery and reforestation of degraded lands—leaving a gap in funding for cattle acquisition needed to fully utilize the restored areas.

There is an immediate need for **working capital (OPEX)** and resources for **cattle acquisition**, aiming to reach peak production and accelerate revenues in farms where infrastructure investments (CAPEX) have already been made but where **productive potential remains underutilized**. The capital raise will support the consolidation of silvopastoral modules and the purchase of livestock. Part of this funding may be complemented by **carbon credit** sales, with a generation potential of **over 1 million tons of CO₂ in credits**. However, it is expected that this volume will only become available through off-take agreements after the certification of the VCS methodology currently being developed by CarbonPec.

Financial Instruments to Enable Expansion

The proposed fundraising strategy for Caaporã is structured into two distinct temporal phases, designed to finance the expansion of its regenerative livestock model and silvopastoral systems in northern Tocantins. In the **short and medium term (2025–2027)**, the goal is to raise **BRL 40 million**. The primary purpose of this capital is to **expand the company's financing capacity**, using real guarantees such as cash reserves and cattle inventory to support the implementation of the ILPF/IPF systems.

This fundraising effort is underpinned by existing structural assets and partnerships. Caaporã benefits from a strategic partnership with philanthropic actors through the Arandu Institute, which holds resources that can be used as **catalytic capital and collateral in structured operations** such as Rural Product Notes (CPRs), thematic Receivables Investment Funds (FIDCs), and blended finance mechanisms. These resources may also serve as guarantee instruments, increasing Caaporã's ability to leverage additional financing from the traditional financial system. In addition to this catalytic capital, the company can use its **operational assets**—including cattle inventory, environmental projects, and existing rural infrastructure—to strengthen its collateral base and enhance the security of new capital raises.

As part of its strategy to optimize fundraising through innovative financial mechanisms, the company is exploring the creation of a **Land Fund (via FIAGRO)**. This fund would enable efficient capital mobilization to support the business model across multiple farms **without requiring land acquisition**, thereby validating the long-term lease model. This structure not only ensures replication of the model in new regions with autonomous operational units but also provides a solution for local producers who individually lack the capital or technical expertise to implement ILPF systems.

In the **long term (from 2028 onward)**, the funding target increases significantly to **BRL 100 million**. This phase focuses on scaling production by an additional 25,000 hectares, **monetizing Verified Carbon Units (VCUs)**, promoting productive inclusion, and expanding to **new operational hubs** across other biomes.

The financial instruments envisioned to achieve this scale include **Agribusiness Receivables Certificates (CRAs)** and **Receivables Investment Funds (FIDCs)**, complemented by structured guarantees backed by **environmental assets** and **long-term carbon off-take agreements**.

Strategic Recommendations: The Composition of Innovative Guarantees

Due to the inability to offer land as collateral, it is essential to develop alternative guarantee mechanisms to enable future capital raises, such as:

CDB as Collateral: Using **Bank Deposit Certificates (CDBs)** deposited in the lending bank as low-risk collateral can help leverage working capital for Caaporã's operations. When such resources originate from philanthropic sources and are placed in escrow accounts, they remain relatively unexplored within the financial ecosystem. Despite their high liquidity, these mechanisms may still face resistance from banking institutions due to the innovative nature of the instrument.

Cattle as Collateral: The herd represents a **more liquid asset than land**, given the strong demand for calves in the region, and can be used as financial collateral—with a potential guarantee value of **up to BRL 15 million** based on current stock levels. Bank acceptance can be enhanced through **Bluetooth-enabled traceability chips**, which provide near real-time location and monitoring of the herd.

Certified Environmental Assets (VCUs): **Future Verified Carbon Units (VCUs)** can be used as **counter-guarantees**. Caaporã has the potential to generate **over 1 million tons of CO₂** in carbon credits, giving these assets substantial value. Assuming an average price of USD 30 per VCU, this represents an estimated USD 30 million in potential collateral value.

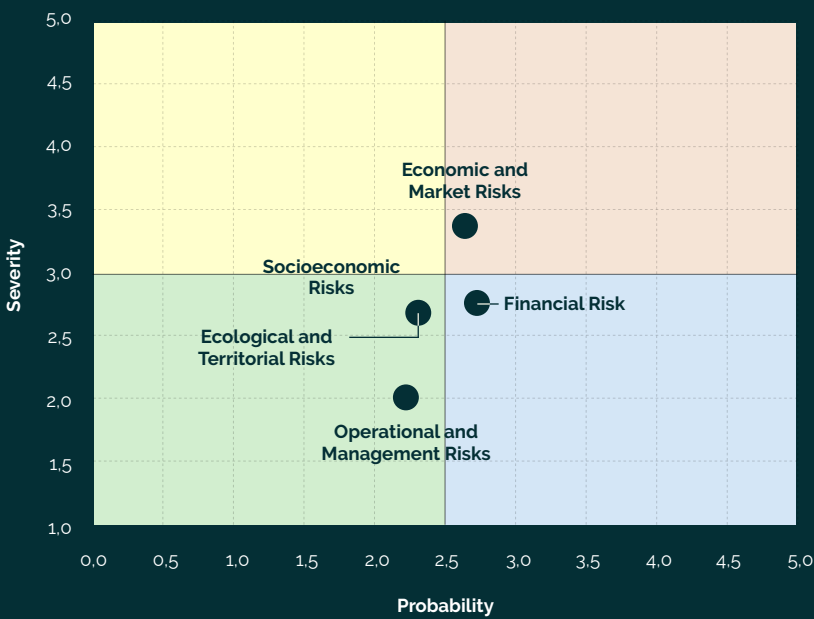
Adherence to a Guarantee Mechanism: Integrating Caaporã into a **Restoration Guarantee Mechanism** would play a strategic role in reducing lenders' **perceived risk**. This fund could guarantee up to 80% of the financing provided, being backed by Caaporã's environmental assets, and thereby increase the company's ability to access credit under favorable conditions.

Risk Map

The risk map is a visual tool that categorizes and quantifies different types of risks — Ecological and Territorial, Socioeconomic, Economic and Market, Operational and Management, and Financial — in terms of their Severity (Impact) and Probability of occurrence. The Severity scale measures the potential impact of each risk, ranging from 1 (Insignificant), representing minimal impact that can be absorbed by day-to-day operations, to 5 (Very High), representing an existential impact that threatens business continuity. Meanwhile, the Probability scale assesses the likelihood of occurrence, ranging from 1 (Very Low) — such as climatic stability or balanced capital structure — to 5 (Very High), as in the case of an extreme weather event or imminent cash crisis.

Risks are plotted on a 2x2 matrix (with a threshold of 2.5) to determine the strategic priority for mitigation: critical risks (high severity and high probability) require immediate attention, while residual risks (low severity and low probability) can be accepted with periodic monitoring. This tool serves as a central element in investor assessments, highlighting the most direct threats to the company's viability and business plan.

Figure 4: Caaporã Risk



The table below summarizes the main risks assessed and the ongoing actions implemented by Caaporã to mitigate the potential negative effects of these risks.

Table 1: Key Identified Risks and Mitigation Actions

AXIS	PERCEIVED POTENTIAL RISKS	ONGOING MITIGATION ACTIONS
Ecological and Territorial Risks	Risk of fire in the region; Low water availability; Degraded lands; Moderate exposure to pests.	Individual and joint fire brigade actions with neighboring producers; expansion of water collection systems for irrigation and fire control; use of hydrogel to retain rainwater; management of all documentation and pending issues from partner farms (CRA registration and other titles); soil liming and nutrient control; chemical and biological pest control (e.g., spittlebugs).
Socioeconomic Risks	Low availability of qualified labor in the area; Political risks in the state.	Workforce formalization and professionalization, fair compensation, and use of technology to attract qualified labor; strong engagement with local governments (municipalities) and high credibility of the founders in the national entrepreneurship ecosystem.
Economic and Market Risks	Exposure to cattle price volatility (commodity risk); Financial leverage and cost of capital; Expansion of soybean cultivation in the region.	Revenue diversification through new products and income streams (timber and carbon off-take contracts); maintaining a high contribution margin to absorb potential cattle price shocks; accessing lower-cost financing lines and balancing financial expenses with operational revenues to ensure stability; selling cattle at premium prices ("China Beef"); natural babaçu barrier prevents mechanization, making soybean expansion less attractive.
Operational and Management Risks	Low water resource availability on farms; Degraded lands and low cattle productivity in the region.	Construction of elevated reservoirs with solar-powered pumping systems; expertise in land restoration and crop rotation to improve soil nitrogen fixation; use of drought-resistant brachiaria grass seeds; strong governance and risk management processes; acquisition of accessible lands with low land tenure risk; operations concentrated in a single state, enabling efficient logistical support between farms.
Financial Risk	Short-term investment needs and limited runway; Dependence on low-cost credit lines; Financial leverage.	Availability of assets for collateral (bank guarantees supported by philanthropic capital, livestock inventory as security); robust financial management; audited financial statements; advanced-stage equity fundraising rounds.

Source: authors (2025)

NIL's Contribution to Caaporã

The first step taken by the Nature Investment Lab (NIL) with Caaporã was to identify the company's main financing bottlenecks. Among the natural challenges faced by an innovative business model, the **lack of traditional collateral** emerged as the most critical issue. Unlike other farms and producers that can offer land as collateral in financing operations, Caaporã — operating under a long-term lease model — faces **chronic difficulties in accessing rural credit for working capital (OPEX)**, essential for cattle acquisition and other inputs necessary for its operations.

Recognizing that overcoming this bottleneck is vital to achieving the R\$40 million short-to-medium-term fundraising goal, NIL's work focused on **enhancing Caaporã's financing capacity through the structuring of alternative guarantee mechanisms**. A diversified composition was designed, including the use of the **cattle herd** (a more liquid asset than land, with low theft risk in the region) and the inclusion of financial guarantees such as **CDBs and catalytic capital from the Arandu Institute** in structured operations.

NIL identified that even with integrated cattle revenue — which improves operational liquidity and shortens the sales cycle — **livestock is still not readily accepted as collateral** by traditional financial institutions. At the corporate level of large financial institutions, there are no formal restrictions on using cattle as collateral. However, in practice, the main obstacle lies in the reluctance of local bank managers, who, due to unfamiliarity and lack of precedent, prefer not to assume the perceived risk.

This persistent challenge — combined with the extended revenue cycles of carbon credits and timber products, which now complement the company's cattle operations — reinforced the need for a structural financial solution.

It is worth noting that during NIL's advisory period, Caaporã made concrete progress in negotiations with two financial institutions regarding the use of cattle as collateral. This demonstrates that, despite the challenges, the possibility exists when financial agents are able to properly assess the real risks of the operation. In this context, the recommendation to adhere to the **Restoration Guarantee Mechanism** is crucial. Representing a **financial innovation** that overcomes illiquidity and the low acceptance of nontraditional guarantees, this mechanism—backed by **Caaporã's environmental assets**—acts as a capital catalyst, providing the security necessary to unlock long-term financing and attract the targeted investment amount.

Additionally, NIL's efforts with financial institutions have positioned Caaporã on the path to securing funding from specialized lines such as Ecoinvest.

As a further contribution, NIL supported Caaporã in preparing for equity investor meetings. Using financial models and risk valuation exercises, the NIL team worked alongside the entrepreneurs to define appropriate financial assumptions and negotiation parameters (investment volume versus business equity share) to guide the initial discussions effectively.



Lessons for the Ecosystem

Within the NIL advisory portfolio, Caaporã has proven to be one of the lowest-risk business models, demonstrating that Integrated Crop-Livestock-Forestry (ICLF) and Livestock-Forestry (LF) systems represent a type of Nature-based Solution (NbS) with high potential for scalability and adoption by traditional financial ecosystem actors.

Caaporã's model relies on well-established, low-operational-risk technologies, and the productivity improvements achieved compared to extensive cattle ranching are undeniable. Furthermore, the company advances through organizational and operational practices that are more sustainable, positioning it favorably in the carbon market and contributing to better water resource management and soil quality preservation.

Part of Caaporã's success is linked to local characteristics, such as the presence of babaçu palms, which serve as a natural barrier against soybean expansion, and logistical efficiency, as its farms are located close to one another, allowing labor and operational scale optimization.

During NIL's advisory support, Caaporã advanced its credit access negotiations using cattle as collateral — the central focus of our work — and benefited from NIL's assistance in establishing negotiation parameters and conducting investment round discussions with potential investors.

Among the key lessons that Caaporã's case offers to the broader ecosystem, the following stand out:



Sustainable land use is smart business for the entire livestock sector

Extensive cattle ranching models are low in productivity, face challenges in maintaining operational margins, and exert constant pressure on land use. Over time, the search for new pasture frontiers occurs not only to expand herd size but also due to the need to find new fertile areas capable of sustaining cattle feed.

In other words, low-productivity extensive ranching inherently drives the progressive degradation of pastures, which could ultimately affect all producers — whether they follow Nature-based Solutions (NbS) models or traditional ones.

The ICLF (Integrated Crop-Livestock-Forestry) model proves that it is possible to increase livestock productivity while maintaining harmony with nature restoration. Caaporã demonstrates that preserving nature means preserving pastures and the very landscapes that enable Brazil to remain a global leader in cattle production and meat exports — the difference lies in doing so sustainably and inclusively for all.



Capacity building for banking agents as a means to facilitate credit operations

Bank branches are generally unaccustomed to granting credit to innovative production models such as ICLF or LF systems. As a result, the lack of training and awareness among bank managers regarding the low-risk profile of these models makes them less likely to assume unfamiliar risks independently and without institutional incentives.

In this context, for an ICLF or LF producer, the relationship manager often becomes more relevant than the financial institution itself. When a manager is willing to understand the real challenges and opportunities of the business, the producer tends to follow that professional's lead throughout their market journey.

There is a clear opportunity to train financial agents on these innovative business models, aligning incentive mechanisms between corporate structures and local branch managers. This alignment would help facilitate credit allocation based on a clearer understanding of risks and opportunities.

Other types of guarantees — such as escrow accounts funded by philanthropic capital — also need to be better understood by both the NbS ecosystem and banking agents, in order to prevent misperceptions of risk.



Real estate opportunities as value drivers for NbS business models

The restoration of degraded lands and their conversion into productive assets have the potential to significantly increase the value of rehabilitated properties. In lease-based models, this becomes an additional incentive for landowners who may no longer wish to manage cattle operations but are interested in enhancing the value of their assets.



Strong business models stand out through local characteristics

The implementation of ICLF systems holds unique potential in northern Tocantins. Due to the environmental protection of the babaçu palm — which naturally spreads throughout the region — large-scale mechanized soybean cultivation becomes impractical.

As a result, babaçu acts as a natural shield against soybean expansion, drawing attention to the viability and advantages of ICLF models. Furthermore, the region has an established timber industry, which facilitates the commercial use of forest components within these systems. These local conditions should be carefully considered when evaluating the attractiveness and scalability of ICLF and LF models across different regions.



