



Bringing Impact to Light: The AgroForte Case

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Introduction

When credit fits the producer's reality, can it also raise ESG performance?

In Brazil's poultry and dairy sectors, small and mid-sized producers often face barriers to accessing credit that truly meets their operational needs. AgroForte was created exactly to close this gap, offering financing tailored to the dynamics of animal protein chains. Its model suggests that when credit enables the right kind of investment, it can drive improvements not only in production, but also in sustainability. **But how can those effects be measured and demonstrated?**

With support from Credit Saison Brazil and The Yield Lab Latam, a technical assistance initiative was built to answer that question. Developed around an ESG and Impact monitoring system, the project focused on translating what was already felt in the field into measurable indicators of sustainable production. As a result, it not only validated the impacts of AgroForte's model but also established a framework to demonstrate how accessible, well-structured credit can contribute to more resilient and sustainable value chains.

1 Sector Context

1.1 Animal Protein in Brazil: Poultry & Dairy

Brazil is a global reference in animal protein, with poultry and dairy standing out as essential components of the country's food production.

In 2025, poultry output reached 15.4 million tons, a 3% increase over the previous year. The country maintained its position as the world's top exporter, shipping 5.2 million tons (34% of total volume) to over 150 markets. The remaining supply continued to meet strong domestic demand, which remains a key driver for the industry.

Dairy also showed solid performance. National milk output totaled an estimated 25.4 billion liters in 2024. In the second quarter of 2025 alone, production rose 9.3% year over year. The sector is driven by close to one million farms operating across nearly every municipality. However, while supply continues to grow, domestic consumption has remained relatively stable, leading to a more competitive environment for producers.

Both sectors are evolving in response to shifts in consumer preferences, regulatory frameworks, and production technologies. Growing demand for high-quality and traceable food, along with increasing attention to sustainability and animal welfare, is opening new possibilities for producers. At the same time, structural challenges such as input

cost volatility, climate variability, and infrastructure gaps continue to shape the sector's outlook.

In this context, **producing more is no longer enough**. The future of the sector depends on the ability to produce better, with quality, efficiency, and adaptability to new demands. Ensuring that producers can access the resources they need to invest in these improvements is key to maintaining and strengthening the sector's long-term competitiveness.

1.2 Credit Access Challenges

For many small and mid-sized producers, turning necessary investments into reality remains a challenge. Between 2021 and 2023, only 15% of family farmers accessed rural credit, and 38% had never received formal financing (Climate Policy Initiative-CPI/Brazilian Confederation of Agriculture and Livestock-CNA). Yet, these producers consistently demonstrate strong repayment capacity. In the last quarter of 2024, their default rate was the lowest in the sector - 6.9%, compared to 10.2% among large producers. Small rural and agro-industrial producers were also the only group to show growth in average loan size between 2023 and 2024, with a 1.6% increase, while medium and large producers saw declines of 4.4% and 7.1%, respectively (Serasa Experian).

Traditional credit channels often require guarantees, documentation, and approval timelines that are hard to meet, especially for those leasing facilities or lacking formal financial records. Production cycles add another layer of complexity. Poultry producers typically face high upfront costs for inputs like energy and services, while payment comes only at the end of the cycle. Dairy producers receive income more regularly, but must manage price volatility, feeding expenses, and lactation timing, which creates constant financial pressure.

In both cases, sector dynamics and external factors demand better planning and flexibility to respond to unexpected shocks. Climate variability has introduced new challenges, with high temperatures and irregular rainfall affecting pasture quality, animal health and overall productivity. In poultry, prolonged heat can reduce feed intake and growth rates. In dairy, hotter and drier conditions tend to lower milk yields and push production costs higher. When financing is not timely or suited to these challenges, producers may postpone essential upgrades, operate with tighter margins and weaken the resilience of the entire value chain.

1.3 AgroForte's Approach

AgroForte was created to close the credit gap left by traditional financing. By

aligning its solutions with the dynamics of animal protein production, it allows small and mid-sized poultry and dairy producers to access the financial resources they need at the right time.

To date, nearly 2,000 producers have accessed credit through AgroForte. The model offers two main credit lines: **working capital**, to support costs throughout the production cycle, and **investment credit / CAPEX**, for improvements in infrastructure, animal welfare, and operational efficiency. Disbursements can take place in as little as 48 hours, helping producers respond within the timing of their activities.

Rather than requiring land titles or physical guarantees, AgroForte evaluates credit using data shared by agro-industrial partners. These records include production volumes and commercial history, offering a more accurate and accessible basis for analysis. Repayments are deducted from future deliveries, which reduces bureaucracy and lowers the risk of default.

AgroForte had long believed in the impact of its credit model, but how could that be measured? With the support of Credit Saison Brazil and The Yield Lab Latam, the company began leveraging data to turn assumptions into evidenced outcomes.

“As the leading impact-finance solution for smallholder protein producers, we deliver intelligent and sustainable access to credit. With the AgroForte ESG System, developed in partnership with Credit Saison and The Yield Lab, we can now measure the connection between lending and real-world impact, improving governance between producers and industry, and enabling projects that increase household income and strengthen the broader ecosystem.”

Felipe D’Ávila, CEO at AgroForte

2 Joint Investors’ Contribution

AgroForte’s model brought together two impact investors with complementary profiles: [Credit Saison Brazil](#), a financial company that combines capital, partnerships, and technology to develop resilient financial solutions with positive impact, often working closely with investees to accelerate implementation and learning; and [The Yield Lab Latam](#), a venture capital platform focused on early-stage agrifood and climate solutions across Latin America, backing companies that strengthen agricultural value chains through innovation in technology, finance, and operations.

Both investors aligned around a common premise: **if credit is designed around production realities, it can strengthen ESG performance while also improving income and productivity**. This shared view became the basis for a joint effort with AgroForte to test the idea in practice and generate actionable learning.

From this starting point, a technical assistance initiative was structured, with **Credit Saison Brazil leading the design and financing of the work** and **The Yield Lab Latam supporting implementation through strategic and operational guidance**. The initiative combined quantitative analysis and stakeholder engagement: a partner consultant led the comparative statistical analysis and supported the development of the ESG and Impact monitoring system, while Credit Saison Brazil conducted stakeholder interviews and brief online surveys to gather evidence, refine the framework, and interpret results. AgroForte’s internal team played an active role throughout, coordinating engagement with producers and agroindustry partners, enabling data access, co-developing the monitoring system and results dashboard, and contributing operational insight to the interpretation of findings.

As the work progressed, scope and execution were adjusted through an iterative process. Shared ownership and trust across AgroForte, Credit Saison Brazil, and The Yield Lab Latam were essential to maintaining momentum and keeping the effort focused on

learning. The result was a clearer view of AgroForte's impact and a practical foundation for how tailored credit, data, and partnership can jointly strengthen ESG performance in animal protein value chains.

3 Key Learnings

3.1 Material ESG Themes

Consultations with producers and agroindustry partners helped validate the desktop research, indicating ESG themes that matter most at the farm level, areas where sustainability, resilience, and performance intersect. These themes also highlight where credit can most effectively drive improvements.

Animal welfare and housing - Many producers, especially in poultry, see better housing and climate control as essential to keeping animals healthy and productive. During hot or cold spells, ventilation, bedding, and temperature regulation help reduce stress and losses. In dairy, clean and well-ventilated shelters were also mentioned as key to herd health. These priorities are reflected in planning too: 68% of poultry and 41% of dairy producers said they want to invest in infrastructure that improves animal comfort. For agro-industries, healthier animals mean better performance and fewer quality issues, making this a shared concern across the value chain.

Productivity and resource efficiency - Producers consistently linked productive performance with cost management, especially in periods of higher energy use or feed pressure. In poultry, some interviewees mentioned using working capital credit to cover electricity and heating expenses, while others pointed to solar energy as a way to reduce long-term costs and improve barn conditions. In dairy, improved nutrition and feeding management were associated with better yields, with a few mentions on how it is also relevant for reducing GHG emissions per liter. Among survey respondents, 32% of dairy and 38% of poultry producers selected production efficiency as a top priority for future investment.

Compliance and integration - For both sectors, meeting technical and legal requirements is essential to remaining integrated with the agroindustry. Agroindustry representatives highlighted that credit access helps producers meet evolving standards on hygiene, record keeping, and environmental performance. In this way, finance becomes not only a tool for productivity, but also a bridge to maintaining access to markets and bonus structures. Several producers described credit as essential to upgrading facilities or making targeted improvements that would otherwise be delayed.

These themes reflect shared priorities across the value chain and reinforce the role of tailored credit in enabling more sustainable, efficient, and resilient production.

“Being part of this project gave us a much closer look at the realities of smallholder producers in Brazil. Through conversations with farmers and the agro-industry, we saw how critical access to credit is, not only for sustaining their operations, but also for enabling modernization and efficiency gains. The experience also helped us deepen our understanding of ESG dynamics in the dairy and poultry chains, while supporting a key strategic partner in measuring impact and ESG performance to inform future decisions.”

Andressa Esteves, CSBR ESG & Impact Officer

3.2 Main Sector Performance Indicators

The ESG monitoring system developed in this project is anchored in a focused set of indicators already integrated in the routine of producers and agroindustry partners. For dairy producers, key indicators include:

- **Milk yield per cow per day**, a critical measure of productivity and feed efficiency.
- **Milk quality parameters**, such as somatic cell count (SCC), total bacterial count (TBC), and fat/protein content, which determine pricing and alignment with buyer standards.
- **Feed conversion efficiency**, reflecting the relationship between nutrition, cost, and animal health.

For poultry producers, main indicators are:

- **Mortality rates**, used to evaluate climate control and management practices.
- **Feed conversion ratio (FCR) and final weight**, which directly affect payment and performance ranking.
- **Daily growth performance**, often tracked using tools provided by agroindustry integrators.

These metrics serve not just as benchmarks for performance, but also as signals of resource efficiency, animal welfare, and sustainability outcomes.

Efficiency in production is closely linked to how well key resources are used. For instance, thermal comfort systems directly affect mortality in poultry; feed efficiency influences both cost and emissions; and higher milk yield per cow reduces GHG per liter. These relationships guided our identification of core indicators.

Energy and water use were also mentioned by producers in both chains, primarily in relation to cost and performance. In poultry, water availability was seen as crucial for feed conversion and bird health. In dairy, energy was cited in connection with milking operations and barn comfort, even if not always tracked formally.

These indicators provide a practical foundation for monitoring and decision-making.

3.3 Impact on Performance Indicators

Results from the ESG & Impact monitoring system confirm that tailored credit not only supports investment but drives measurable improvements in productivity, product quality, and environmental efficiency – especially when aligned with the specific realities of different types of producers.

The analysis compares the performance of credit users with that of similar producers who didn't access credit, looking at their evolution over time. This allows a better understanding of the effects of credit while considering seasonal and regional dynamics. The results are also broken down by producer size, gender, age, and type of loan, offering a broader view of how credit supports different paths of growth and sustainability on the ground. Two contract perspectives were analyzed: Only First Contract, capturing the immediate effects of a borrower's first exposure to credit and All Contracts, reflecting the average effect across repeated credit relationships, including renewals and subsequent loans.

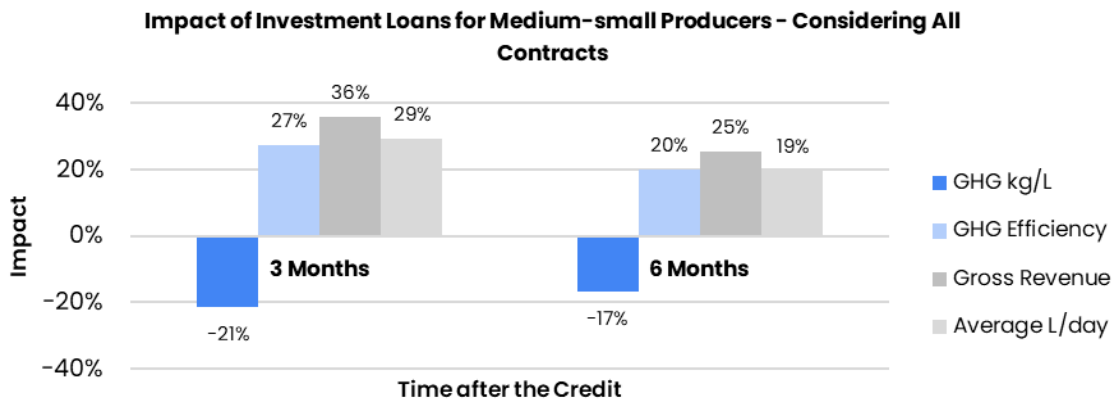
3.3.1 Dairy

Performance by Production Scale

The system classifies dairy producers based on their average daily milk production, ranging from small herds (under 300 liters/day) to larger operations (above 1,500 liters/day). Each group shows distinct responses to investment (CAPEX) and working capital loans.

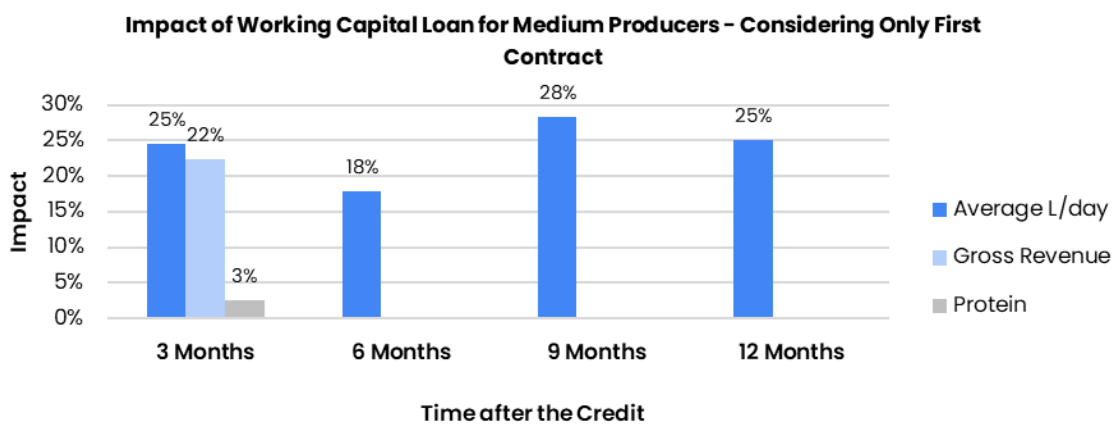
For [medium-small-scale producers](#) (size 2: 300 to 600 liters/day), [investment loans](#) generated the most consistent and structural improvements. For this group, milk output rose by up to 29%, gross revenues by 25% to 36%, GHG emissions per liter decreased by 17% to 21%, and GHG efficiency improved by 20% to 27%, based on all loan contracts. When only the first contract is considered, a 37% reduction in Somatic Cell Count (SCC) was observed after three months. These results likely reflect productivity gains and health

improvements driven by better infrastructure, improved herd management, and more efficient use of resources.



Among [small](#) (size 1: up to 300 liters/day) and [medium producers](#) (size 3: 600 to 1 500 liters/day), [investment credit](#) appears to have supported improvements primarily in environmental indicators. For both groups, the main impact was observed in GHG indicators, with approximately 20% reduction in emissions and 24% improvement in GHG efficiency considering all contracts. For [medium-scale producers](#), additional gains were observed in milk composition, including a 3% increase in fat content. These outcomes may be attributed to improvements in animal welfare and production stability enabled by the financed interventions.

Meanwhile, [working capital loans](#) delivered fast operational benefits, especially among [medium producers](#). Within three to nine months, producers experienced milk volume growth of 18% to 28% and revenue increases of 22%, with small improvements in protein content (~3%). These loans helped stabilize feeding cycles, avoid stockouts, and sustain production during periods of tight cash flow.



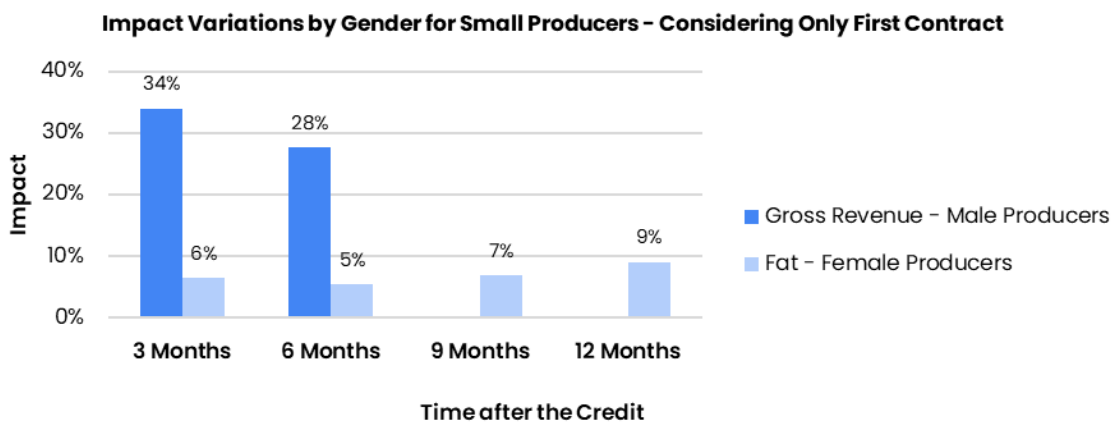
Conducted interviews suggest that producers used credit for a range of improvements, including shelter upgrades, ventilation systems, feeding adjustments, and livestock acquisition. These investments support animal comfort, nutrition, and herd renewal, and are reflected in system indicators: lower TBC and SCC suggest better hygiene and health conditions; higher fat and protein content point to improved feeding practices; and reduced GHG emissions per liter result from healthier, more efficient herds with greater output per animal.

Differences Across Profiles

Across all sizes, producer profiles also shaped outcomes.

Among small female producers, access to credit was consistently associated with improvements in milk quality and environmental efficiency, rather than scale growth. After the first contract, GHG emissions per liter dropped by 14%, and milk fat content rose by 6% to 9%. These effects held steady across multiple loans, reinforcing a pattern of gradual, qualitative progress.

In contrast, small male producers tended to prioritize growth in output and revenue. Within just three months of their first credit, gross revenue increased by 34%, for small producers. For larger producers, results were observed within six months, with daily milk volume increasing by up to 25%. In contrast to the female trajectory, repeated borrowing does not significantly alter the direction of impacts but reinforces steady revenue growth and productivity consistency.

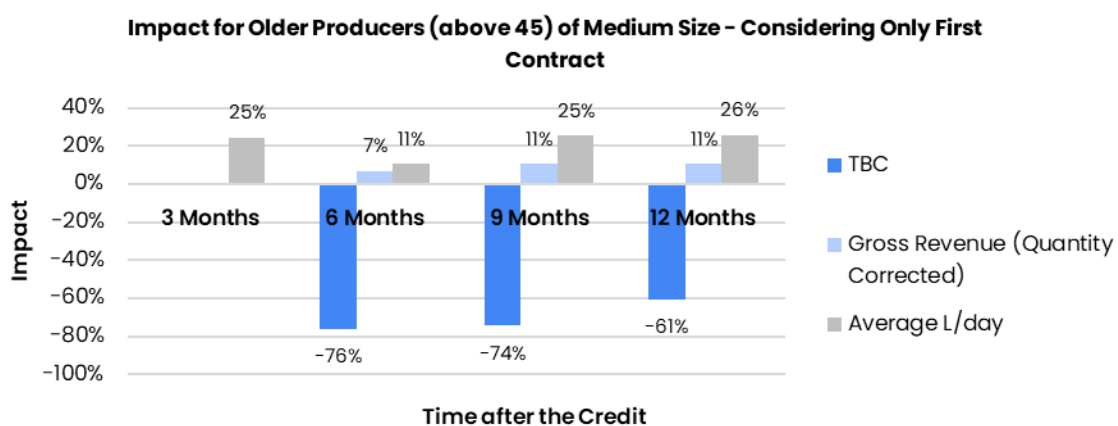


Age-based contrasts show strong differences in both magnitude and nature of impacts.

Younger producers (under 45) combined income growth with environmental gains. GHG per liter fell by up to 36%, GHG efficiency rose by 41% to +56%, and gross revenues grew by 22% to 29% (for small producers, considering only the first contract). These effects

remain stable when all contracts are considered, suggesting that continued borrowing supports the diffusion of improved practices rather than generating diminishing returns.

For [older producers](#) (above 45), the impact pattern differs, with initial loans primarily driving improvements in milk hygiene and production stability. Among [medium-scale farmers](#), milk hygiene indicators improved significantly, with Total Bacterial Count (TBC) reductions of up to 76%, while milk output increased by approximately 25% and revenues by around 24%, considering only the first contract. When all contracts are taken into account, the results point to a process of operational consolidation, with sustained gains in quality indicators and efficiency stabilizing at moderate levels.



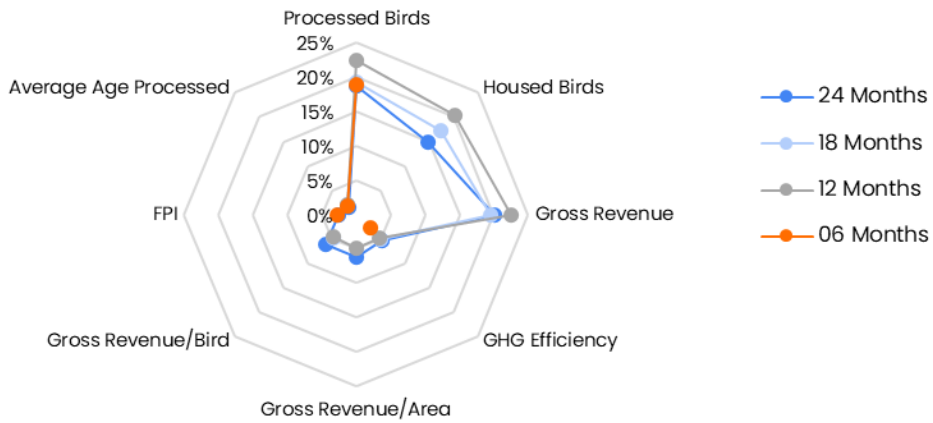
3.3.2 Poultry

Performance by Production Scale

The system classifies poultry producers according to their average number of birds housed in the twelve months prior to credit access, distinguishing smaller operations (under 40,000 birds) from larger ones (above 40,000). Each group shows distinct responses to investment and working capital loans, reflecting differences in management capacity, infrastructure, and production efficiency.

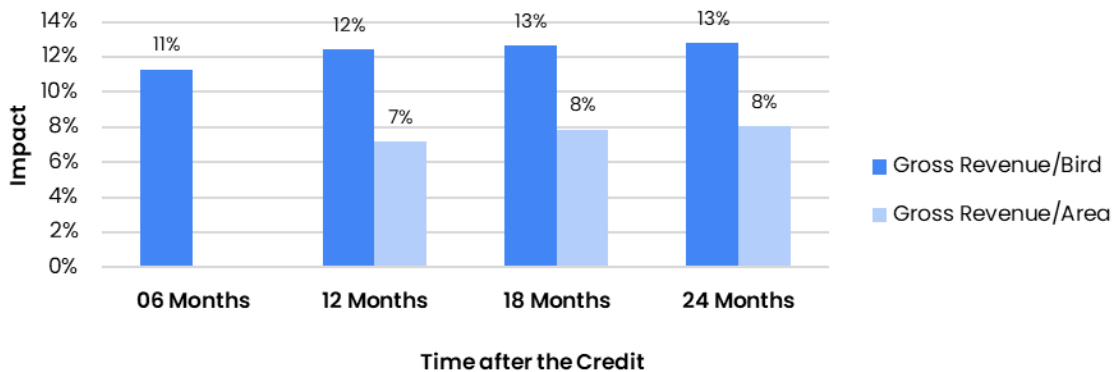
Among [larger producers](#) (size 2), [CAPEX loans](#) were tied to the most significant scale gains. Within 6 to 24 months of disbursement, processed birds increased by 19% to 23%, and gross revenues rose by 20% to 23%. At the same time, GHG efficiency improved by up to 5.3%. These effects reflect facility improvements that enhanced thermal control, automation, and mortality rates. One interviewed agro-industry reported that credit helped reduce performance gaps between producers by improving housing uniformity and climate conditions, which are key factors for bird health and comfort.

Impact of Investment Loans on Larger Producers – Considering All Contracts



Smaller producers (size 1) saw gains mainly in unit efficiency. Working capital loans supported the continuity of production by covering key variable costs between cycles, resulting in increases of up to 13% in gross revenue per bird and 7-8% in gross revenue per area. These outcomes suggest that short-term credit helps stabilize liquidity for essential inputs such as feed, chicks, and energy, improving productivity without triggering structural transformation.

Impact of Working Capital Loans on Smaller Producers – Considering All Contracts



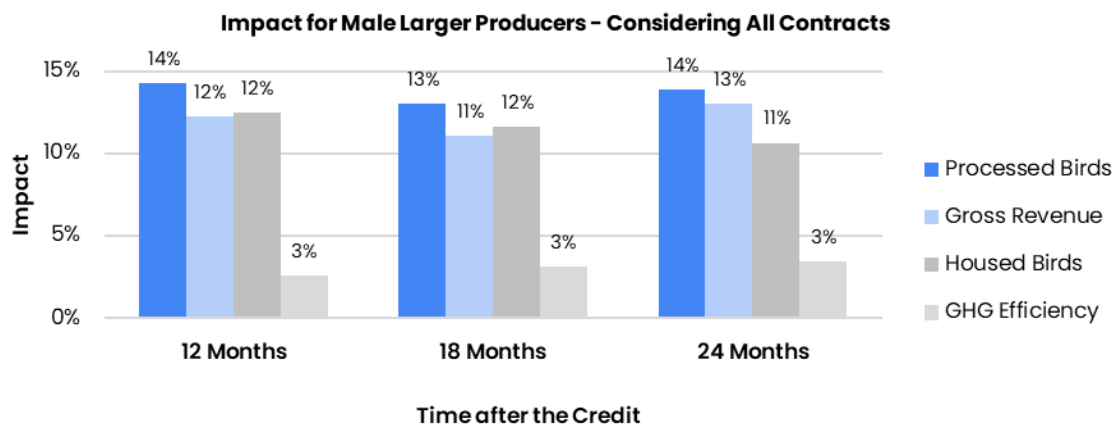
For larger producers, working capital showed a more modest impact. System data indicate that the Flock Performance Index (FPI) increased by up to 4.3% within six months of receiving the credit.

In both groups, interviewees emphasized the importance of securing thermal comfort during early stages. One producer noted that temperature control was essential to avoid bird stress and uneven development, especially during colder months. These accounts, while anecdotal, help illustrate how access to credit can reduce operational gaps that affect both productivity and animal welfare.

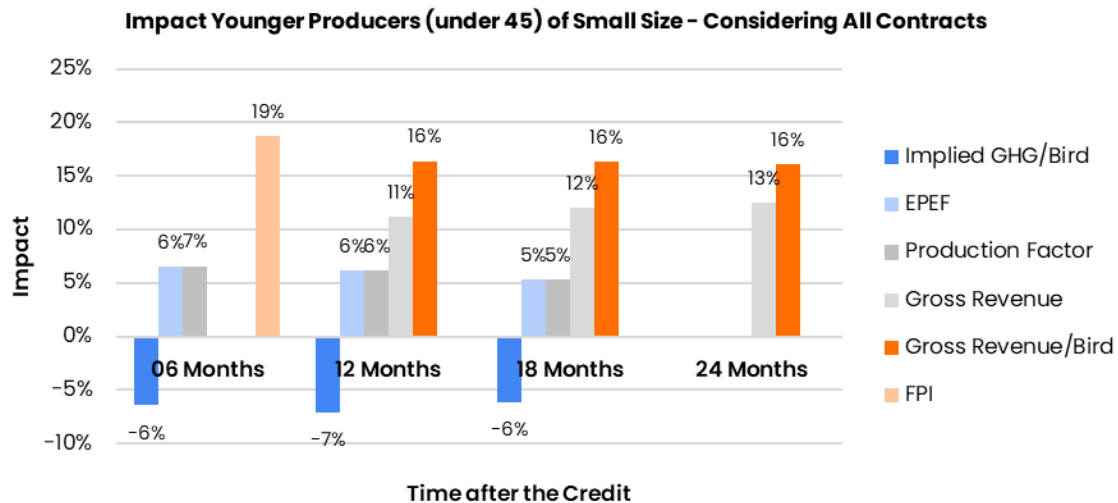
Differences Across Profiles

Gender and age influenced how producers translated credit into outcomes. [Female producers](#), particularly in [larger operations](#), saw dual benefits: processed birds increased 13% and GHG per bird dropped by 4% after the first loan. Among [smaller female producers](#), Feed Conversion Ratio (FCR) increased moderately (around 4% in the first contract, stabilizing near 3% across all contracts). This indicates a short-term reduction in feed efficiency that is often associated with learning effects during early adoption of credit-financed inputs.

[Male producers](#) focused more on volume and revenue. In [large operations](#), housed and processed birds rose 11–14%, and gross revenue by 11–13%, considering all loan contracts. Environmental outcomes also improved: FCR dropped slightly (1%), and GHG efficiency increased 2.5–3.5%. For [smaller male producers](#), the impact was also observed in gross revenue (total, per area, and per bird) with increases ranging from 5% to 9%, primarily between 12 and 24 months after credit access, considering all contracts.



Age also shaped outcomes. [Younger producers](#) (under 45), when considering all contracts, GHG emissions per bird dropped by approximately 6–7%, while both the European Production Efficiency Factor (EPEF) and the production factor increased by around 6.5%. These gains were accompanied by a 11–13% increase in gross revenue and a 19% rise in the Flock Performance Index (FPI), indicating that younger producers are more likely to translate credit into both efficiency and profitability.



Older producers (above 45) exhibited a different pattern. Among smaller operations, GHG efficiency increased by approximately 4–6% following the first loan, with a similar trend observed when considering all contracts. Over the same period, gross revenue per bird and per area rose by 5–8%, also considering all contracts. Larger older producers experienced moderate improvements in both efficiency (3–4%) and flock performance (FPI 3–4%). In these cases, credit appears to primarily reinforce stability and flock quality, rather than driving significant expansion.

3.3.3 Cross-cutting Insights

Looking across both dairy and poultry, the findings point to three main shared themes:

- ✓ **Investment loans generated the strongest structural effects across both sectors.** Among small and medium producers, they enabled infrastructure upgrades—such as improved barns, ventilation, and milking or housing systems—that translated into measurable gains in productivity, animal comfort, and environmental efficiency. In dairy, this meant better hygiene and herd stability; in poultry, greater control of temperature and ventilation helped reduce mortality and improve flock uniformity.
- ✓ **Working capital loans provided shorter-term support.** They helped small producers sustain operations between production cycles and allowed larger ones to maintain stability during periods of high cost or tight liquidity. The resulting improvements were mainly operational, such as steadier output, fewer disruptions, and more consistent animal management.
- ✓ **Environmental performance improved primarily as a byproduct of higher efficiency and better animal welfare conditions.** In both dairy and poultry, investments in ventilation, temperature control, and hygiene helped reduce

animals' stress and illness, supporting better feed conversion and lowering emissions per unit produced.

These patterns reinforce the importance of matching credit type to producer profile and context. By doing so, financial tools can unlock both individual and systemic gains, strengthening performance across the value chain.

3.4 Impact of Credit

Access to tailored credit played a transformational role for producers – not only by enabling investments, but also by enhancing confidence, stability, and stronger links with partner agro-industries.

In poultry, 21 of 22 producers said the credit “helped a lot” in giving them peace of mind to keep producing. In dairy, 33 of 39 respondents said the same. In both chains, producers emphasized that the simplicity and agility of AgroForte's model stood out, especially when compared to traditional financing.

“Without this credit, I wouldn't have been able to invest or keep production going. It made a big difference.”

Poultry producer

For many, the absence of AgroForte's credit would have meant delayed payments, reduced investment, or even selling animals. In poultry, 68% said they wouldn't have invested without it. In dairy, 54% said the same, with 41% stating they would have needed to reduce herd size.

Importantly, the credit model brought benefits to both producers and agro-industries. For agro-industries, it helped ease short-term cash flow pressures by reducing the need to advance funds to suppliers, something often outside their core business. On the producers' side, over 75% of respondents across both chains said that access to credit significantly increased their willingness to remain integrated with the partner agro-industry. This closer integration fosters trust and continuity in the relationship, while also reinforcing the adoption of governance, regulatory compliance, and ESG practices.

Looking ahead, producers expressed interest in further investing in animal welfare, infrastructure, feed, and environmental solutions – key areas for sustainability and resilience. By helping unlock these investments, credit not only supports individual producers, but also reinforces the stability and sustainability of the entire value chain.

4 Final Reflections

Can credit tailored to producers' realities improve ESG performance? In the animal protein sector, this case suggests **it can**.

By financing what matters on the ground, AgroForte enabled producers to invest, adapt, and improve. Gains in productivity, animal health, and sustainability reflected changes aligned with real operational needs.

For AgroForte, the experience reaffirmed the value of proximity and trust. For Credit Saison Brazil, it showed that aligned credit can go beyond farm-level improvements, contributing to the resilience of a sector that is both essential and exposed to systemic risk.

Technical assistance was critical to turning this into evidence. By measuring outcomes and identifying priorities at farm level, it clarified how credit supports not only individual results, but also stronger alignment between producers and industry.

With the support of Credit Saison Brazil and The Yield Lab Latam, the initiative also demonstrated the importance of embedding learning into execution. Continuous engagement, iteration, and shared interpretation of results helped translate field-level insights into a clearer understanding of how tailored credit and data can inform scalable, impact-oriented financial models.

More than a financial instrument, credit associated with technical assistance became a lever for building a more stable, sustainable, and connected value chain.