Bringing carbon payments to smallholder farmers in the Global South

Emma van de Ven, March 30th, Kigali
Rabobank is world’s leading cooperative Food & Agribusiness bank founded by Dutch farmers

Founded
1898

38 countries
Including the Netherlands

Food Transition

Climate & Energy Transition

Transition to a More Inclusive Society
Acorn realizes carbon payments for smallholder farmers, financing climate adaptation, mitigation & better livelihoods

**Goal**
Help 15 million smallholder farmers and offset 100MT CO₂ annually by 2030

**Method**
Smallholder farmers transition to **agroforestry** – where trees grow among other crops, leading to better soil quality, diversified income and more sustainable farming

**Product**
The biomass increase is measured with **remote sensing** and provides **certified**, nature-based Carbon Removal Units (CRUs), which we offer to **responsible corporates**

**Incentive**
The current CRU price is **EUR 31** of which **80%** goes straight to the farmers, in cash and in kind

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**115,254**
Farmers

**147,990**
CRUs sold

**137,505**
Hectares land

**13**
Projects

**6**
Buyers

**8**
SDGs benefitted
The transition to agroforestry holds various benefits compared to today’s monoculture.

Monoculture
- Depleting soil
- Sensitive to climate change
- Low nutrient diversity
- Low yield per ha
- Income depends on single crop type
- Deforestation / carbon emission

Agroforestry
- Improving soil health
- Climate & weather resilient
- Diverse, high-quality nutrients
- Improved yield per ha
- Income with different harvest streams
- Afforestation / carbon sequestration
Acorn sequesters CO\textsubscript{2} from the air by helping smallholder farmers transition from monoculture to agroforestry.

- Assist smallholder farmers in their transition to agroforestry
- Measure and certify biomass growth and generate CRUs
- Facilitates access to local partners and buyers of CRUs through Rabobank's network
- Ensures a fair share of income for smallholder farmers

Local partners 10%

CRU

Smallholders 80%

Acorn 10%
Carbon farming can hold significant financial and non-financial benefits for an individual farmer allowing for scalable roll out.

**Benefits farmer**\(^1\) [USD/ha]

Agroforestry systems monetized on the carbon market

- 80% of the carbon revenue goes to the farmer
  - Min. 50% of the 80% in cash
  - Max. 50% of the 80% in kind
- 10% goes to the local partner
- 10% goes to Acorn

Carbon farming example

<table>
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<th>Year</th>
<th>Carbon removal unit revenues</th>
<th>Extra food income</th>
<th>Seedlings/Training costs</th>
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</tbody>
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Diverse diet

Healthy soil

Climate resilience

Average +40% annual income

\(^1\) Reference agroforestry project for smallholder farmer based on staple crops (maize) with Faidherbia and Grevillea robusta in Zambia
For all stakeholders this is a win–win–win

**Rabobank**
Support transition to sustainable farming and ensuring food security globally

**Smallholder farmers**
Climate change adaptation and improved livelihoods

**Regional**
Realize food security, biodiversity and land restoration

**Global**
Achieve ‘net zero’ ambition, by realizing additional GHG removals