



NUU Pão de queijo & Empraba

Business Context

NUU is a production company that depends on farmers. An important product the NUU makes is “pão de queijo, a typical cheese bread. With 100% supply from small rural producers from the Serra do Salitre (Minas Gerais) in Brazil, the company uses a traditional recipe, connecting the countryside and urban consumers.

The company workforce is 90% women, and the owner wants the whole production to be sustainable. As NUU depends on the farmers, there is an intention to start a fund to pay the farmers that agree to start a transition to regenerative livestock production. A factory is also under construction and aims to receive the milk and cheese from the suppliers and produce the “pão de queijo” in a sustainable way.

This assessment has been supported technically by EMBRAPA, the Brazilian Agricultural Research Corporation.

Assessment

WHY? What was the objective of the assessment?

As NUU is an agribusiness that operates across the whole food system – production, manufacturing, distribution – it is important to understand how the capitals interact along the value chain, assess possible trade-offs and value these in order to take better decisions.

The aim of the assessment is to understand the risks and opportunities of soil management at the farm level to attract funds to support the transition to a sustainable production chain and make the NuU Pão de Queijo 100% sustainable. The aim is that this will lead to improved stakeholder engagement.

WHAT? What was the scope of the assessment?

The assessment will focus on the product level, on milk production specifically and its upstream value chain. It will assess the impacts and dependencies of livestock land use through quantitative and if possible monetary valuation. Baseline and scenario interventions are considered for this assessment.

One impact and one dependency pathway are considered as potentially material. The impact pathway that is considered is land use change, leading to land degradation and degraded pastures that lead to a change in land tenure contracts, due to soil degradation, soil erosion, water shortages, habitat and pollination loss.



The dependency pathway that is considered material is that of traditional supplier loss. These suppliers are increasingly dependent on external inputs such as fertilizers, pesticides and irrigation for their production, leading to a necessity to find new suppliers and/or start a commercial relationship with the new landowners.

HOW? What was measured and valued?

Based on the material pathways, the following material issues are being assessed: land use, fertilizer dependency, GHG emissions, and food security. The valuation of these material impacts and dependencies is currently being completed.

WHAT NEXT? What were the results of the assessment?

The aim is to relay the results of the assessment to the business. Nuu Pão de Queijo started a voluntary carbon compensation, and the idea is to make TEEBAgrifood methodology part of NUU business plan.

In June 2021, the project submitted to “Sustainably rurality Cerrado” has been approved. This multi-stakeholder prize is led by IASB – The Brazilian Institute of Sustainable Development. The project will have additional financial support for data analysis. On the 79 applications, 20 were selected, and only four are led by women, including the NUU case.

Synergies

In June 2021, EMBRAPA organized an online event to promote low carbon initiative in Brazilian agriculture sector and have invited Liv Up as a speaker. The same month, Nuu Pão de Queijo owner presented the case in a webinar on Foodtech opportunities in Brazil.