

Managua, October 22/2020

Laurie Bryant, Stephen Sothmann

Meat Import Council of America, Inc. - MICA

1150 Connecticut Avenue NW, 12th Floor

Email: lauriebryant@micausa.org; steve@usleather.org

Dear Laurie:

Given recent publications about the origin of Nicaraguan beef, we would like to inform you of the following:

We have attached the **AGREEMENT OF INTENTION TO PROMOTE MECHANISMS THAT GUARANTEE ZERO AGRICULTURAL & LIVESTOCK ACTIVITY IN PROTECTED AREAS AND ZERO DEFORESTATION IN BUFFER ZONES, ESPECIALLY IN THE BOSAWÁS BIOSPHERE RESERVE AND THE INDIO MAÍZ BIOLOGICAL RESERVE**, which is signed by cattle growers, dairy producers, agriculture producers and indigenous associations and the Nicaraguan Chamber of Beef Exporting Plants (San Martin, Nuevo Carnic, Macesa and Novaterra) and became effective from its signature on May 29, 2020.

We wish to express that we guarantee the traceability of the cattle that is processed in our establishments and also we guarantee that these animals DO NOT originate from protected zones and/or forest or biological reserves. Similarly, our traceability system does Not allow for the registry of establishments located in areas Not legally zoned to produce cattle.

Furthermore, our establishments have invested in improving their production systems in order to reduce reliance on fossil fuels and substituting with environmentally friendly sources of energy. San Martin now has energy generation by biogas (1.6 MB), Nuevo Carnic has solar energy (1.2 MB).

We kindly request that MICA make available this information among its members and to whichever meat processor or public or private institution that so desires it and might need it to clarify doubts arising from publications on land conflicts and isolated violent acts in zones in which the members of CANICARNE does not operate, given that our rules and national laws do not permit it.

Appreciating your support, sincerely,



Jose Daniel Nuñez Melgara
Executive President



Juan Sequeira Ulloa
Vicepresident

Members: Industrial Commercial San Martin, Nuevo Carnic, Matadero Central, Novaterra.

W.c. File

AGREEMENT OF INTENTION TO PROMOTE MECHANISMS THAT GUARANTEE ZERO AGRICULTURAL AND LIVESTOCK ACTIVITY IN PROTECTED AREAS AND ZERO DEFORESTATION IN BUFFER ZONES, ESPECIALLY IN THE BOSAWÁS BIOSPHERE RESERVE AND THE INDIO MAÍZ BIOLOGICAL RESERVE

WE,

The Nicaraguan Chamber of Beef Exporting Plants (Industrial Comercial San Martin, Novaterra, Nuevo Carnic and Macesa), known by its acronym in Spanish and heretofore in this document as CANICARNE; the Nicaraguan Dairy Industry Chamber, known by its acronym in Spanish and heretofore in this document as CANISLAC; the National Livestock Commission of Nicaragua, known by its acronym in Spanish and heretofore in this document as CONAGAN; the Agricultural Producers Union of Nicaragua, known by its acronym in Spanish and heretofore in this document as UPANIC, the Federation of Livestock Associations of Nicaragua, known by its acronym in Spanish and heretofore in this document as FAGANIC, and The Nicaraguan Alliance of Indigenous and Afro-descendent People known by its acronym in Spanish and heretofore in this document as APIAN

CONSIDERING

FIRST: In Nicaragua the agricultural sector represents one of the main economic activities. Notwithstanding, in parts of the country environmental problems prevail, which could be mitigated with environmentally responsible and sustainable agricultural and livestock production practices.

SECOND: Of the five large forests of Mesoamerica, two are found in Nicaragua: the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve. These two forests represent large carbon stocks and are currently threatened by deforestation and land use change.

THIRD: We recognize the climate crisis and the accelerated deforestation of the primary forest in Nicaragua and consider there exists an opportunity for the productive sector to continue being an agent of change regarding conservation. Therefore, we wish to direct the effort to create a country brand in dairy, meat and other agricultural products originating from sustainable systems.

FOURTH: We recognize the Autonomy Statute of the Nicaraguan Caribbean Coast Autonomous Regions and the right of its inhabitants and communities to work plots on communal property and to the usufruct of the assets generated from the work performed.



Handwritten signatures of the signatories, including the acronym 'APIAN' and a signature with a superscript '1'.

Therefore,

WE AGREE TO:

FIRST: Sign this agreement with the aim to promote mechanisms that guarantee zero agricultural and livestock activity in protected areas and zero deforestation in buffer zones, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve.

SECOND: Establish a unifying strategy of the efforts of the participating parties to accomplish the zero livestock and agricultural activities in protected areas and zero deforestation in buffer zones, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve.

THIRD: The representatives of afro descendent and indigenous communities, the agricultural sector, the livestock guilds and the dairy and meat industry, undertake to acquire the following responsibilities:

- Afro-descendent and Indigenous communities:

Identification, monitoring, communication and prevention of livestock and agricultural activity in protected areas and of cases that report increased agricultural and livestock activity in buffer zones, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve.

- Livestock and agriculture organizations and Meat and Dairy Industry agree on continue their support and promote:

1. Zero livestock and agricultural activity in protected areas and zero deforestation in buffer zones, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve.
2. Alternatives like forest plantations, silvopastoral and agroforestry systems in buffer zones, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve.
3. The creation of communication channels between local associations, indigenous associations and the other members of the chain to promote zero agricultural and livestock activity in protected areas and zero deforestation in buffer zones, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve
4. Mechanisms that guarantee the non-acquisition of raw material from protected areas, especially in the Bosawás Biosphere Reserve and the Indio Maíz Biological Reserve.


FOURTH: The legal representatives of CANICARNE, CANISLAC, CONAGAN, UPANIC, FAGANIC and APIAN agree to act as negotiators and guarantors of the support established by this agreement.



FIFTH: This agreement will be effective from its signature and any modification will be made through a formal Addendum to this agreement.

In faith of the previously stated and manifesting that this agreement is of our full acceptance, we sign five copies of the same tenor and effect on this day May 29th of 2020 in the city of Managua.

Representing the Nicaraguan Chamber of Beef Exporting Plants (Industrial Comercial San Martin, Novaterra, Nuevo Carnic and Macesa) **(CANICARNE)**



Juan Velásquez Pereira
Executive Director

Representing the Nicaraguan Dairy Industry Chamber **(CANISLAC)**



Wilmer Fernández
President

Representing the Agricultural Producers Union of Nicaragua **(UPANIC)**




Michael Healy
President

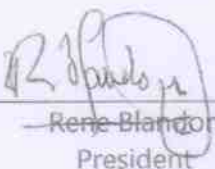
Representing the Federation of Livestock Associations of Nicaragua **(FAGANIC)**



Alvaro Vargas
President

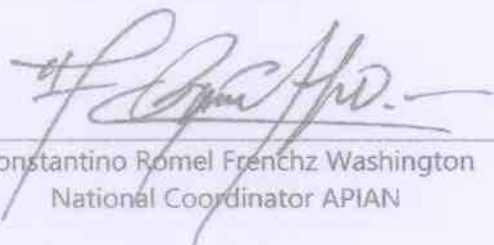


Representing the National Livestock Commission of Nicaragua **(CONAGAN)**



Rene Blandon
President

Representing the Nicaraguan Alliance of Indigenous and Afro-descendent People **(APIAN)**



Constantino Romel Frenchz Washington
National Coordinator APIAN