

# A Case Study: Guayakí Yerba Mate



Advancing agroforestry and empowering communities  
in the South American Atlantic rainforest.

Written and produced by



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## INTRODUCTION

Six years ago, a group of friends gathered in Ryland Engelhart's living room in Venice, CA, to learn more about how healthy soil microbes work in concert with plants and animals to sequester carbon from the atmosphere. Over time, these weekly meetings inspired us to launch the nonprofit Kiss the Ground.

Our first "aha" moment was understanding the power of soil carbon sequestration. As we explored further, we discovered that communities around the world have practiced regenerative land stewardship for generations. In fact, many indigenous communities have upheld a reciprocal relationship with the land for thousands of years.

Before we began meeting in Ryland's living room, Carol Sanford, The Regenesi Group, Terra Genesis International, and others had been working on bringing regeneration into mainstream Western consciousness. When we met them, we recognized that global regeneration could grow into a global movement with truly transformative power. Today, regeneration is an integral part of our mission and life's work: inspiring participation in global regeneration, starting with soil.

- ***Kiss the Ground***

## **REGENERATION: A DEFINITION BY TERRA GENESIS INTERNATIONAL**

*Regenerative Agriculture* is a system of farming principles and practices that increase biodiversity, enriches soils, improves watersheds, and enhances ecosystem services. Regenerative Agriculture aims to capture carbon in soil and aboveground biomass, reversing current global trends of atmospheric accumulation. At the same time, it offers increased yields, resilience to climate instability, and greater health and vitality for farming and ranching communities. The system draws from decades of scientific and applied research by the global communities of indigenous people, organic farming, agroecology, Holistic Management, and agroforestry.

## **A NOTE: CASE STUDY SERIES**

Each case study that we publish reflects an individual business' exploration of what a commitment to healthy soils and regeneration looks like at a specific moment in time. This study should be read as a snapshot associated with its publish date. Our hope is that each brand in this series will continue to evolve their understanding of regeneration over time and continue to improve as a result. Regenerative agriculture is always context specific (dependent on the region, climate, business model, etc.) and it can't be reduced to a checklist or a prescribed set of practices. Rather, regenerative agriculture is guided by several key principles adaptable to a variety of situations and ecosystems. Regenerative agriculture can be most appropriately viewed on a continuum, with dimensions and layers added over time. Please refer to the [Levels of Regenerative Agriculture](#) to learn more.

\*Kiss the Ground is a 501c3 nonprofit and the purpose of this series is to report on businesses engaging in healthy soils and regenerative agriculture. These reports are not meant as an endorsement.\*

## ABOUT GUAYAKÍ

(Pronounced “whey-a-key”)

In 1996, Alex Pryor (an Argentinian student at Cal Poly University in San Luis Obispo) introduced his friend and classmate, David Karr, to yerba mate for the first time. Before long, it was clear that Pryor and Karr shared a common passion for the drink, and they agreed to embark on a mission to introduce yerba mate to people far and wide. Three additional partners (Michael Newton, Steven Karr, and Chris Mann) soon joined them, and the group started out on a journey that would eventually catalyze the launch of what is today an internationally-recognized brand.



Guayakí’s group of five took to the road in a mix of VW vans, pickups, and RVs in an effort to foster human connection around yerba mate. Together, they channeled their activism and visionary mindsets into the creation of a thriving U.S. company centered around what Guayakí calls its Market Driven Regeneration™<sup>1</sup> business model. Utilizing commerce as a way to generate funds for positive change, Guayakí funnels every customer purchase into protecting the South American Atlantic rainforest, supporting indigenous producers, and empowering local communities.

## A JOURNEY TOWARDS REGENERATION

Guayakí began sourcing shade-grown yerba mate as a way to incentivize land conservation and financially support the communities that live and steward the South American Atlantic rainforest. Working with indigenous yerba mate producers, Guayakí continues to play an important role in helping to defend one of the most biodiverse regions in the world. By conserving the land, Guayakí also preserves essential ecosystem services, including carbon storage, climate stabilization, water filtration, and the regulation of local water cycles.

<sup>1</sup> A business model that empowers customers to drive tangible [positive] change with every purchase

Committed to regenerating ecosystems and partnering with rural communities, Guayakí is publicly dedicated to several key tenets, including: regenerative agriculture, nurturing tradition, values-aligned suppliers, zero emissions, conscious leadership, sharing the gourd, and zero waste. Creating focus for all of this is Guayakí's mission: to steward and restore 200,000 acres of South American Atlantic rainforest and create over 1,000 living wage jobs by 2020.

## GUAYAKI'S GUIDING PRINCIPLES

### Regenerative Agriculture

Every purchase of Guayakí Yerba Mate supports producers who grow yerba mate under the shade of tall native trees. Funds infused into producer communities generate rural economic growth and help maintain indigenous food and land sovereignty.

Rather than selling their trees for timber or clearcutting the rainforest for conventional agricultural production, Guayakí producers are provided with an appealing economic alternative: earn money by growing and harvesting shade-grown yerba mate while simultaneously fostering a healthy forest ecosystem and protecting the land's long-term vitality.

Guayakí's efforts to regenerate the fragmented South American Atlantic rainforest are part of a holistic approach to improving whole agroecosystems. Guayakí pays shade-grown yerba mate producers and indigenous communities a price premium. The brand also contributes to producer communities through food sovereignty programs, the building of schools, the implementation of agriculture workshops, and improvements to healthcare and drinking water systems.

To date, the brand has created long-term partnerships with over 1,100 yerba mate producer families. Guayakí's partnerships are improving standards of living, offering a reliable source of



income to producers, decreasing urbanization, and stopping deforestation—all major issues affecting much of South America.

### Sugar Production

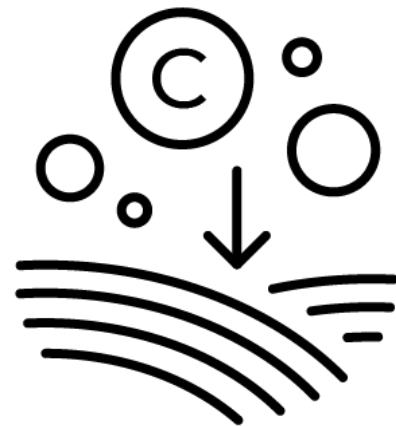
After yerba mate, cane sugar is Guayakí's second most purchased ingredient. Guayakí's sugar supplier is organic, certified Fair for Life, and carbon neutral from fields to customer. Production practices include biodynamic pest control, riparian ecosystem restoration, and the use of biomass and liquid byproduct on harvested fields as fertilizers.

By avoiding conventionally grown sugar, in just one year Guayakí avoided:

- The application of 70,000 pounds of synthetic fertilizers that would have polluted soil and waterways
- The application of 820 pounds of pesticides, insecticides, and herbicides that would have harmed nearby natural ecosystems
- The emission of 306,000 pounds of CO<sub>2</sub>

### Nurture Tradition: Sustainable Harvesting & Production

Guayakí works with yerba mate producers in South America to hand harvest the leaves and stems of shade-grown yerba mate. The brand helps producers develop sustainable harvest plans that allow trees to fully regenerate between harvests. By sourcing hand-picked plants grown under diverse rainforest canopies, Guayakí reduces its carbon footprint and over time has developed a premium consumer product.



### Stages of Development

Producers employed by Guayakí must meet organic, Fair for Life, and shade-grown standards. However, Guayakí develops long-term, mutually beneficial relationships with its yerba mate producers that encourage a process of continuous improvement. In the first stage, on-the ground teams of Guayakí employees visit the yerba mate producers regularly to ensure that they are pursuing certification

standards and processes and that producers have adequate access to the resources, education, and support that they need.

After that, Guayakí works with producers to identify and launch community and agricultural projects, including: increasing food sovereignty, building tree nurseries, creating water catchment devices, developing waste management infrastructure, improving healthcare access, and investing in schools. Funding for these projects is provided by Guayakí, Fair Trade premiums, and the Guayakí Foundation. Over time, biodiversity has increased and communities have flourished.

### **Values-Aligned Suppliers**

Guayakí actively seeks out values-aligned suppliers who share the company's mission to leverage business as a force for good, regenerate ecosystems, and uplift communities. Guayakí's manufacturing partners engage in initiatives such as repurposing byproduct and incorporating reusable materials. Guayakí educates its partners about B Corps standards and best practices, while also seeking to understand their unique challenges.

Closer to home, Guayakí sources 100% of the electricity used at its Sebastopol, California office from renewable energy sources through a Community Choice Aggregation option offered by the local utility provider. The brand is in the process of installing a 60 kW PV solar installation at its Sebastopol facility to further invest in renewable energy.

*"Our vision holds that yerba mate culture will power our Market Driven Regeneration™ business model to regenerate ecosystems and create vibrant communities."*

- Guayakí

### **Zero Emissions**

Guayakí tracks greenhouse gas emissions produced across its supply web, including:

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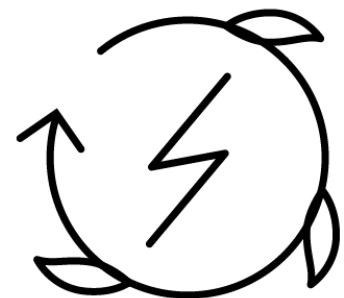
- Energy usage at its offices (and the percentage derived from renewable sources)
- Emissions from processing and manufacturing
- Transportation emissions from its fleet of vehicles
- Employee travel (including business trips and commuting to and from the Sebastopol office)
- Packaging emissions and savings from packaging redesigns
- Carbon sequestration from agroforestry

Guayakí is actively pursuing several initiatives to reduce these emissions. Most notably, the brand's DSD distribution company (The Yerba Mate Co.) has a fleet of all-electric Chevy Bolts. Guayakí has also put together a fleet of electric tricycles for organized gatherings and events. And finally, the brand provides incentives for carbon-friendly commuting—including traveling to work via carpool, public transportation, hybrid and electric vehicles, bicycles, and even by foot.

Guayakí participates in the UPS Carbon Neutral Shipping program in an effort to offset the greenhouse gas (GHG) emissions produced by web order shipping—funding reforestation projects, riparian and river ecosystems restoration efforts, wastewater biogas, and landfill gas capture in California. In addition, Guayakí works to limit its carbon footprint by working with large-scale distribution partners to consolidate loads, shift to train transport, and optimize product packaging ratios, product pallet configurations, and product ordering.

#### **Quantitative Impact (2017 - 2018)**

- 16% of Guayakí yerba mate dried using low-emission methods
- 71% of the energy needs for Guayakí's Sebastopol office and two international offices produced by renewable sources
- 17 MT CO<sub>2</sub>e offset from UPS carbon neutral shipping
- 52 MT CO<sub>2</sub>e prevented by using Smartway long-haul carriers
- 30% of Guayakí workers commuted to offices by bike, public transit, carpool, or electric vehicles.



#### **Conscious Leadership**

Guayakí employees take part in company gourd circles and receive education and training. The brand is committed to justice, equity, diversity and inclusion, and it pays all its employees and producers living wages. With the distribution arm of the business growing rapidly, The Yerba Mate Co. brought on an anti-recidivism activist to manage the hiring of new Hacedores, or front-line sales and delivery employees. To date, The Yerba Mate Co. has hired over 100 Hacedores impacted by the prison system. These individuals face enormous barriers to finding meaningful employment. Providing them living wage jobs allows them to begin rebuilding their lives.

Guayakí became a founding B Corporation in 2007. As a triple bottom line corporation, Guayakí is committed to rigorous environmental and social standards, improvement targets, supply web transparency, and a willingness to share best practices with partners and suppliers. Concurrently, the brand created the Guayakí Foundation to provide educational opportunities and community development funds for their producers. Guayakí also regularly donates product to local causes, and many Sebastopol employees participate in company-sponsored biannual service projects.

### **Share the Gourd**

Guayakí supports education and advocacy around the principles of regeneration through a variety of means, including: Participative Workshops with indigenous communities and smallholder producers, case study collaborations with universities, partnerships with nonprofits and communities, educational student trips to South America, and their participation in trade associations. Currently, Guayakí is building an educational “Life Regeneration Center” in Argentina at the Fundación Agroecológica Iguazú. This center will be focused specifically on shade-grown yerba mate cultivation techniques and regeneration education.



Today, Guayakí also manages *Come to Life*, a collective of conscious artists and musicians who support positive social and environmental change through music and film. This new endeavor seeks to unite and amplify the voices of those who are bringing attention to some of the most pressing humanitarian and environmental issues around the world.

## **Zero Waste**

Dedicated to working towards zero waste, Guayakí currently diverts 73% of discarded materials from its Sebastopol facility away from the landfill. Employees are trained on reducing waste, reusing resources, sustainable consumption, recycling, and composting.

Nearly all of Guayakí's product packing and shipping packaging is recyclable, with a portion made from post-consumer recycled materials. Although single-use packaging remains the primary beverage delivery system for Guayakí, the brand also sells reusable gourds and loose-leaf yerba mate contained in home-compostable bags.

Guayakí is engaging in sustainable packaging coalitions to support the advancement of sustainable packaging technologies and collective change across the industry. The brand has also implemented a policy to guide Cebadores (employees) in understanding environmentally-preferred packaging and supplies.



## **Quantitative Impact (2017- 2018)**

- Cubic yards of byproduct diverted annually from landfills by a partner manufacturer: 288
- Percentage of employees trained on zero waste and the concept of regeneration: 100%
- Percentage of waste diverted from landfills at offices via recycling, reusing, and composting: 76%
- 77% of units sold were cans made with 60-70% post-consumer recycled aluminum
- 33% of packaging (by weight) contained post-consumer recycled material
- 44,000 pounds of packaging was reduced in one year through packaging redesign
- 92% of packaging was recyclable
- 5% packaging was home-compostable
- 3% of packaging was made from plastic

## PARTICIPATION IN STANDARDS

Guayakí sources organic ingredients from suppliers certified by a USDA-accredited and authorized certifying agent. To address workers' rights, the brand became the world's first accredited Fair Trade certified yerba mate handler in the world through Fair for Life\*. Guayakí has publicly committed to fair sourcing practices, working conditions, and the traceability of all certified products from sourcing to sales.

Guayakí is a benefit corporation as certified by B Lab, a nonprofit organization. B Lab certifies companies based on their commitments to employees, the local community, and the environment. Benefit corporations are guided by a fundamentally more expansive governance philosophy than traditional shareholder-centered corporation.

In 2018, Guayakí was selected to participate in the pilot program for Regenerative Organic Certification (ROC). Managed by NSF International and overseen by the Regenerative Organic Alliance, the goal of the ROC pilot program is to monitor, observe, and test how to practically implement ROC standards on farms and ranches. Adhering to the ROC's pillars of soil health and land management, animal welfare, and farmer and worker fairness, participants in the ROC pilot program (including Guayakí) are providing information and on-the-ground experience that will inform the design and development of certification training materials, audit tools, and guidance documents.

\* Fair For Life is an internationally recognized, independent third-party certification that assures human rights are safeguarded at every stage of production. Fair for Life relies on a key baseline of reference standards, including International definitions of Fair Trade, ISO 26000, ILO conventions, and the social criteria of IFOAM to certify its members.

## QUANTITATIVE IMPACT (2017 - 2018)

### Trees & Reforestation

- Acres of rainforest stewarded: 81,066 (40% of the brand's goal)

- Acres producing certified Biodynamic Guayakí Yerba Mate: 27
- 5,300 saplings cultivated at native tree nurseries in Paraguay and Argentina
- 2,500 native trees planted at the Fundación Agroecológica Iguazú

#### Community Development

- 670 living wage jobs created
- 1,126 indigenous families and smallholder producers growing yerba mate
- 60 Aché families served by a newly built school with native language instruction (funded by the Guayakí Foundation)
- 22 acres dedicated to food sovereignty programs for the Guarani, Kaingang, and Aché Guayakí indigenous people.

#### Production

- 390 students educated about shade-grown yerba mate at Guayakí education and research non-profit Fundación Agroecológica Iguazú
- \$130,000 in Fair Trade premiums raised to enrich yerba mate producer communities
- 91% of purchased ingredients certified Fair Trade
- 99.9% of purchased ingredients certified Organic



#### Employees

- Average number of training hours received by Guayakí workers: 37
- Percentage of Guayakí owned by employees: 59%
- Percentage of female managers: 41%
- Percentage of workers in Sebastopol who supported their local community through volunteer work: 90%
- Funds donated by Guayakí in 2017 (in both product and as charitable contributions): \$341,000



- Guayakí's B Impact Score: 120 (more than twice the average for businesses who have completed the assessment)
- Volunteer hours spent delivering \$41,000 of Guayakí Yerba Mate to firefighters, police, and volunteers responding to the devastating 2017 California wildfires: 140
- Number of music events and films produced by *Come to Life*: 12



## COMMUNICATIONS & MARKETING

### Cebadores

Guayakí employs a team of Cebadores (“servers of yerba mate”) to share the brand’s vision while bringing products and materials to customers at stores and events around the nation. The company has also dedicated significant online space to exploring regenerative agriculture and detailing the brand’s commitment to community, fair wages and working conditions, rainforest regeneration, and living systems.

Through the lens of film and music, Guayakí’s *Come to Life* supports artists and activists living out their passions while also creating positive change. *Come to Life* events include musical performances, film screenings, immersive experiences, workshops, and of course, yerba mate. These events focus on building community, and serve as part of a growing “good news network” for the regenerative movement. *Come to Life* has also produced numerous films, including the short documentary *Why B Corps Matter*.

Finally, Guayakí utilizes its social media presence to educate consumers about its efforts around key issues, including biodiversity, community development, composting, recycling, and regeneration. The brand has made its mission public, and encourages consumers to track their impact via Guayakí's "Impact Calculator"—an online tool that translates the purchase of Guayakí Yerba Mate into the number of trees protected, square feet of rainforest protected, and ecosystem services provided.

## FINANCES

Guayakí's products are profitable. The brand achieved \$73 million in revenue in 2018 (a 22% increase from 2017).

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## JOIN THE MOVEMENT!

Are you inspired by Guayakí?

1. Become a Soil Advocate
2. Sign up for the Business Course: Regenerative Sourcing & Supply
3. Read *Kiss the Ground* by Josh Tickell
4. Watch "The Soil Story" on YouTube
5. Donate to the Kiss the Ground Farmland Program
6. Support Guayakí in their mission to advance agroforestry through the power of yerba mate.
7. Find Your Path at [www.KissTheGround.com](http://www.KissTheGround.com)