

Introduction

In 2017, there were 178,000 cattle farmers in France, with 3.75 million dairy cattle, 3.98 million suckler cows and a total of 19 million cattle (2018)—France has more cattle than anywhere else in Europe. The country has 28.9 million hectares of agricultural land.

EARL de 1 a Vallée

Half of the agricultural land is used by the cattle sector, with 13 million hectares utilised for pasture and rough grazing. Over half of the suckler cow population is farmed in the regions of Auvergne, Bourgogne, the Pays-de-la-Loire, the Limousin and the Midi-Pyrénées.

France produces 1.3 million tonnes in carcass weight equivalent (CWE) annually, making it the seventh largest beef producer in the world. Of France's exports, 1.3 million live cattle were exported to 40 countries in 2015, with Italy taking 70%.

The eastern region of Bourgogne-Franche-Comté was created in 2016 due to the unification of the former regions of Bourgogne and Franche-Comté. The region has an a verage annual rainfall of 775mm (30.5 inches) and a changeable climate with warm summers and cold winters, often frequented by snowfall.

From dairy farming and meat production
— of breeds such as the Montbéliard and
Charolais — through to winegrowing and field
crop production, a broad variety of sectors
contribute to the strong agricultural heritage
and international reputation of the region.
The agriculture, winegrowing and forestry sectors
employ 54,500 workers across 28,000 farms
within 250 companies.

Top 10

France is the largest beef producer in the European Union and is one of the top ten beef suppliers into McDonald's

67.12m

Home to 67.12 million people (2017), France is the 42nd largest country in the world at 640,679 km²

Source: Interbev



Vincent Pommery — EARL de la Vallée

After the second world war, Vincent Pommery's grandparents settled at EARL de la Vallée farm in the heart of Burgundy region. Originally farming cattle, along with pigs and sheep — the focus moved to pure cattle production in 1966 when Vincent's father took over operations; increasing the herd from 25 to 160 Charolais cows and fattening steers.

Following his agricultural studies, Vincent joined his parents on the farm in 1991.

Vincent developed a new vision for the farm — focusing on caring for the environment and ensuring economic viability.

Adapting their operation to fit the guidelines set out by Europe's Common Agricultural Policy, the Pommery's increased their cattle herd and built new barns — paying special attention to working conditions and animal welfare. The decision was made to convert all crop land back to pasture, a decision which supported the expansion of the suckler herd.

EARL de la Vallée farm is now home to a herd of 250 Charolais cows and their calves — the animals graze the farm's 440 hectares of pasture from April to December. Each year Vincent sells 125 weanling males at ten months of age; young heifers are reserved for Moy Park/McDonald's contracts. Bulls, used for breeding, are purchased through Cialyn — a cooperative specializing in the sale of livestock, of which Vincent is a member and active representative.

Core Values and Goals:

- Develop and grow the business in a sustainable way to protect and enhance the natural capital and resources
- Continue to grow and develop the business to ensure success for the next generation
- Evolve and grow employment opportunities to support the local community and economy
- Expand farmer-to-farmer collaborations to share resources, knowledge and optimise business and cooperative efficiencies



It's true that farmers are the best people to share ideas about farming and the production of food. I have a real desire to exchange knowledge and share my experience with other farming professionals.

Vincent Pommery EARL de la Vallée



Vincent Pommery — EARL de la Vallée Sustainability Objectives

Economics

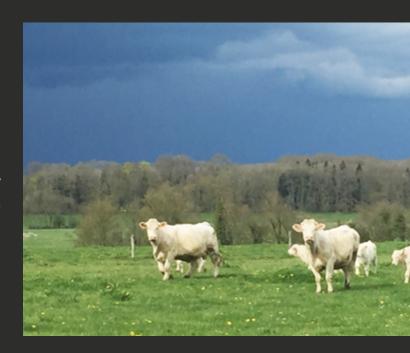
- Diversify income by developing other business opportunities connected to agriculture
- Utilise waste streams (waste wood and green waste) to create alternative income
- Develop farmer cooperatives to share labor, machinery and generate economies of scale to reduce costs
- Supply contracts to secure future cattle sale prices which helps maintain margins and manage costs of production

Ethics

- Improve the land and business for the next generation
- Collaborate with farming cooperatives to improve access to knowledge and share best practice
- Provide employment opportunities to help support local employment and the community
- Focus on improving animal health and welfare in conjunction with the local veterinarian

Environment

- The CAP2'ER Tool is used to monitor and measure the farm's performance to help reduce greenhouse gas emissions and energy use
- Conserve and improve the health of soils by optimising grassland productivity and improving carbon sequestration
- The farm produces more energy than it consumes with the investment in renewable energy sources such as solar panels and wood chip for heat generation
- Increase the farm's ecosystem services such as hedgerow protection and improvement





Collaboration & Partnerships

Collaborating with five local farmers, Vincent co-established an employer's alliance. The business, which now employs four people, provides the opportunity to pool and share labor resources. By using this system, the farmers have reduced staffing costs and optimised workforce efficiency.

Terr'Eau, a farmer cooperative, was later created in 2002. Beginning as a partnership between the same five neighbouring farmers, the cooperative (created to purchase and share farm equipment and machinery) expanded to include 280 members by 2018.

- Four employees working across five farms has helped to reduce staff costs and optimized workforce efficiency
- Local employment created for four people
- Additional employees provide each farm with access to a broader set of skills and expertise
- The Terr'Eau cooperative now has 280 members sharing a wide range of equipment and machinery
- Terr'Eau has help to reduce farm costs, whilst providing access to newer and more efficient machinery

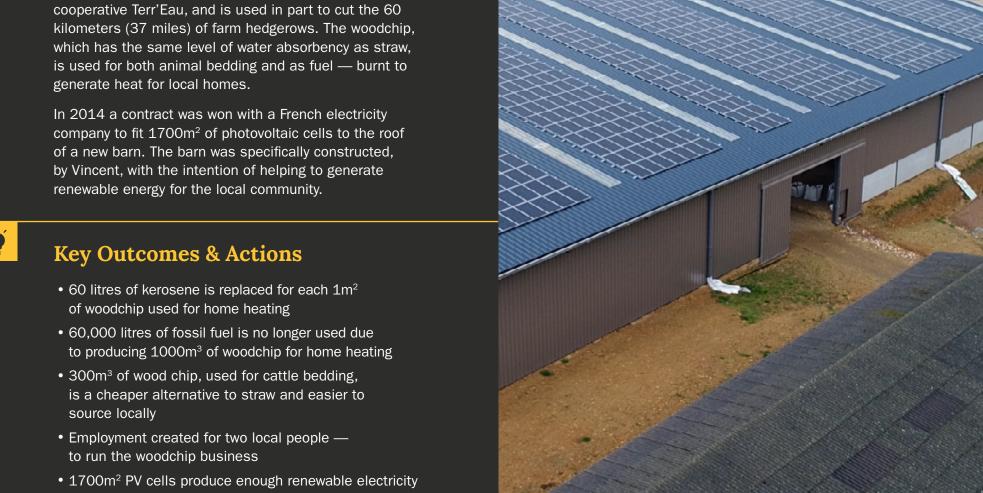




Renewable Energy

The woodchipping equipment was purchased by the

for 60 homes





Animal Health & Welfare

Working closely with the farm's veterinary surgeon, a parasite control plan has been developed. Parasite treatment is determined by faecal testing, if treatment is deemed necessary, the product selection is aimed to limit the impact on dung beetles.

The calves are disbudded at under three weeks of age. At disbudding, local anesthetic and analgesia are administered additionally, a vaccination strategy is put in place to ensure improved immunity and promotion of calf health.

- Parasite control treatments are only used when deemed necessary
- By avoiding the use of long acting anthelmintic products — the impact on dung beetle populations is limited
- Local anesthetic and analgesia are used when disbudding calves
- Vaccination strategy ensures improved immunity and promotion of calf health
- Aiming to reduce antibiotic use by improving animal immunity



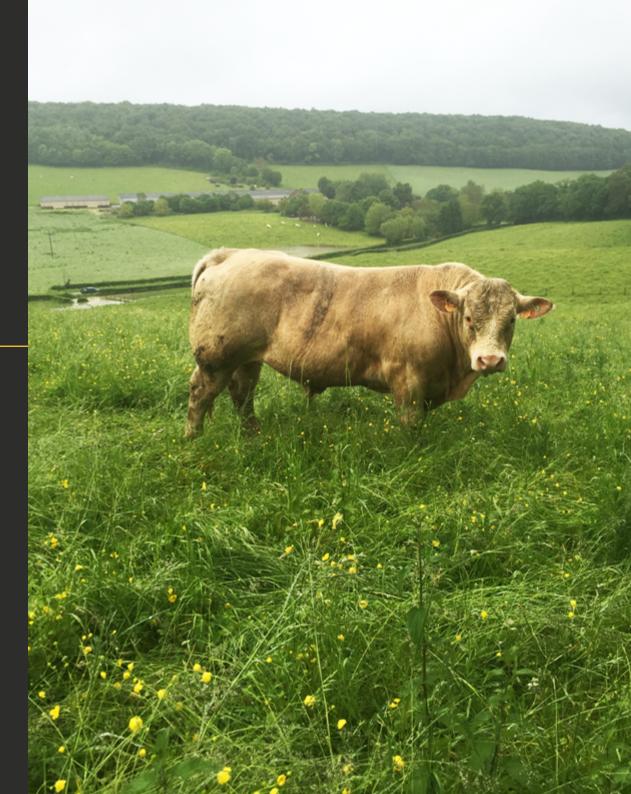


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Pasture Production

In 2002, the farm entered into an agreement to convert all arable land to pasture — with the aim of helping to protect the water source of a nearby village. The additional grazing area provided an opportunity to focus on a pasture-based cattle production system; aiming to optimize grass growth and animal production. The herd is split into groups of 30 cows and calves and rotationally grazed in four or five-hectare (9.8 – 12.3 acres) paddocks for up to five days.

- In 2002, all cropland converted back to pasture to help improve the quality of a nearby water source
- Natura 2000 pastures on farm with specific habitat for protected species such as the Yellow-Bellied toad
- Rotational grazing introduced to optimise pasture efficiency and cattle growth — reducing costs of production
- Rotational grazing is helping to reduce internal parasite challenge by moving stock to fresh pasture every two — five days
- Grasslands are helping to improve the ability of soils to sequester carbon



Cost of Production/Planning

EARL de la Vallée sells cattle in partnership with the local cooperative (SICAREV) and young heifers are sold to Moy Park, on a contractual basis. The contract is agreed and signed six months before the estimated individual animal slaughter date and outlines the carcass specification and agreed price of sale. The price is jointly calculated by Moy Park, the cooperative and the abattoir based on rearing costs and carcass value. By understanding production costs and margins, Vincent is able to run a successful business — producing each heifer to an agreed customer specification and ensuring all parts of the beef value chain can benefit.

- Secured supply contracts provide a guaranteed sale price
- The contracts provide the business with the ability to manage their cost of production and help to maintain a margin
- Provides the farm business with medium-term visibility of sales and cash flow
- Helps the farm to manage risks by avoiding potential price fluctuations





Quality Assurance Programs

The farm is involved in the Charte des Bonnes Pratiques d'Elevage (CBPE). The program covers topics such as legislation, animal traceability, herd health & welfare, animal feed, worker safety and environmental care.

In addition to the CBPE programme topics, Vincent meet the requirements of beef customers including French and Italian retailers, and Label Rouge Charolais. Meeting additional quality assurance and technical specifications is based on implementation of animal welfare, environmental practices, French origin, animal feed, (75% forage based) and stocking density.

The farm also undertakes an environmental assessment with the CAP'2ER tool and a welfare assessment called BoviWell. CAP'2ER calculates the environmental impact of the farm and provides an action plan to help reduce certain impacts. Both these assessment tools are used as part of the agro-ecological strategy of McDonald's France.

Vincent also participates in an economic and ecological group, called Paillobois, with other producers from the Terr'Eau cooperative. The purpose of this group is to reduce the dependence on straw bedding, as it is expensive to purchase and transport to this region, and to replace straw with woodchip produced from the local area.





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The key to success is based on experience, sharing information, discovery, experimentation, and keeping an open mind. Ensure your work, life values and philosophy are consistent and grasp the opportunities that life offers you.

Vincent Pommery

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