



Mobilizing luxury brands' value added as investment in rangelands

Baker, D¹; Burkat, S²; Bravo, A²; Dhehibi, B³; Wane, A⁴; Flintan, F⁵

¹ Independent researcher - Australia, ² Alliance - Cali, Colombia, ³ ICARDA-Tunisia, ⁴ILRI-Senegal, ⁵ILRI – Addis Ababa, Ethiopia.

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Abstract

Rangelands generate a multitude of products and services. Some pass into value chains delivering branded luxury products. Luxury value chains are stakeholders in rangeland restoration. The juxtaposition of their perceived excess and exclusivity with the harshness of subsistence production in adverse environments is widely recognised. Luxury also conveys uniqueness, quality and provenance. Ongoing efforts at “fast fashion” and “affordable luxury”, have demonstrable impacts on rangelands. In the STELARR (Sustainable Investments for Large-scale Rangeland Restoration) project we argue that product differentiation using rangelands' provenance is established across products as diverse as meat, cosmetics and clothing. We identify models for luxury brands' investment in rangelands directly and investigate the entry points available for that investment. Context for these models' operation includes rapidly developing functionality of standards and certification relating actions in the rangelands to sustainability indicators and onwards to support claims at the retail level. Technology that enables information capture, transmission and visualisation offers opportunities for product differentiation and a product story that supports a luxury price. Global trade's move to products' verified sustainability credentials offers a convergence of value chain actor's interests and capabilities. Owners of luxury brands then have the opportunity both to advance and support their own claims by appropriate investment in rangelands; and to exclude competition all along the value chain from brands not achieving the markups associated with luxury sales. Seven investment models are identified, with entry points for deal structures to engage luxury value chains. Across the Americas, Central Asia, and Africa we identify on-going initiatives that enable the investment models, including the Rangeland Stewardship Council, and industry- and national-level actions, on the interface between sustainability and value chains. We call for a broader embrace of value chain development which aligns the high retail margins of luxury brands with the incentive to invest in rangelands.

Introduction

Rangelands support numerous value chains which deliver food, fibre and industrial products within and beyond the rangelands' geographic reach. Rangelands also deliver ecosystem services across a variety of spatial, functional and organisational contexts to deliver public and private goods (Fisher, Turner, & Morling, 2009). From the concept of “Land Value Chains” (Raschio, 2017), networks extending into international markets enable rangeland products to be sold and re-sold, transformed and marketed far from their rangeland origins. Some rangeland products find their way into luxury value chains. The current study identifies and examines links between the value added and branding of these products, and the rangelands.

The mobilisation of sustainability is not a new concept for delivery of value addition in supply chains and social development outcomes. Rangelands have in the past successfully attracted investment into value chains (De Groot et al., 2013; Ferwerda, 2015), including programs for Payments for Environmental Services (PES) which have had a variety of orientations around environmental degradation (Pappagallo, 2018), but have occurred at limited scale.

Method

This paper is a synthesis of current knowledge on the connection between luxury brands and rangelands, to identify models and entry points for investment by brand owners under the STELARR (Sustainable Investments for Large-scale Rangeland Restoration) project.

Results

Estimates of the extent of degradation of the World's rangelands vary, but up to one third of their area is reckoned to be either degraded or under threat of degradation (Herrera Calvo, 2024), with some estimates much higher (Ding et al., 2017). Rangeland degradation has numerous symptoms, causes and consequences, both public and private. Knight and Overbeck (2021) conclude that restoration cost estimates per hectare are highly variable and context specific but can extend to the tens of thousands of dollars.

Rangeland preservation is widely acknowledged as requiring a convergence of stakeholder interest supported by organisational models and community. The STELARR project addresses rangeland restoration, for which associated models are less well documented. Pastoralists' enterprises and associated value chain and environmental actors might represent a convergence of stakeholder interest (Reij et al., 2020; Shames & Scherr, 2020), but cost levels are such that Leake (2021) remarks on "a significant need for restoration ... that can seldom be paid for by the land manager or farmer of that land".

Opportunities for value chain-related financing of rangeland restoration have been examined by Teno (2022) in the context of the large scale Great Green Wall initiative. Recognition of business more generally as a stakeholder in rangeland restoration is taken up in UNCCD's business sector engagement strategy (Voigt, 2013). The STELARR project sets out to design, demonstrate and support rangelands' products and provenance as a basis for luxury brands' investment in rangelands directly, and at the landscape scale which has evaded investments at the level of value chains. Enhanced mobility of communications and preferences across national and cultural boundaries have produced a recent "democratisation of luxury" which has enhanced access to luxury.

This access has affected the rangelands: the much discussed "cashmere crisis" is presented by some as the increased demand (often in blends and in lower quality products) implicating animal welfare and overgrazing (Darbalaeva et al., 2023; Lauesen, 2019). Jones and Jones (2018) describe "sustainable luxury", and an "ideological product", mobilised to include employment conduct and conditions, animal welfare and other sustainability concerns by Cavender (2018) to state that brands express "core values" through their stance on sustainability, but despite luxury brands' embrace of information technology as a means of communicating with consumers, they do not use these channels to "tell a story" featuring sustainability. Further, provenance plays a significant role in branding: cashmere's provenance and its associated "heritage" and "spiritual home" are central to customers' perception of a cashmere brand (Collins & Weiss, 2015). "Product integrity", "craftsmanship" and "relationship to place" are also central to cashmere marketing (McLaren-Hankin, 2013), as are "authenticity, heritage and craftsmanship" (Towers, Perry, & Chen, 2013). However, these communications of provenance refer to the place of manufacture, and not the place of origin of raw materials: the rangelands.

Value chains exhibit differing relationships to their rangelands resource base, and stakeholder systems reflect this. Mobility of pastoralists requires particular resource governance forms; customary access and non-private ownership requires others; grazing and cultivation pressure across public/private boundaries accentuate pressure on public rangelands and on the bodies administering them. The demanding logistics and quality

requirements of luxury products impose high costs along these lengthy value chains. Beyond storytelling, certification and standards are playing a role. Some 35% of global cashmere production, 42% of mohair and increasing proportions of luxury camelid fibres, are certified for sustainability, animal welfare and social functions (TextileExchange, 2023). Little peer-reviewed research reports on certification within the supply chain for high value brands, but a study of CSR actions by Towers et al. (2013) found that procedures were informal and based on trust, rather than documentation. Danka, Grochowska, and van Rijt (2017) identify barriers to use of certification as complexity of the supply chain, problems with traceability, and a lack of universally accepted standards. Further, they have limited informational links to unified guidelines on land degradation neutrality (Chasek et al., 2019).

Discussion and conclusions

Luxury brands increasingly extol their sustainability credentials in publicly available reports featuring targets and verification procedures. Mixed farm production systems, and a plethora of product standards and certifications, have provided a limited foundation for investment in rangeland restoration related to single products' value chains. Textile Exchange certification and its promotion throughout the South African mohair industry, broad based standards for cashmere, and whole-of-chain initiatives in fine wool, have all developed over time. In different settings, precisely targeted sourcing arrangements for high valued beef branded as promoting rangelands (Lerma, Díaz Baca, & Burkart, 2023), and the vicuna species-preserving actions of luxury fibre brands in the Andes (CITES, 2019) have also played a role.

With regard to land-based investment such as rangeland restoration, clear benefits to investors have been elusive, even where tightly geographically defined (Bourne, Muller, de Villiers, Alam, & Hole, 2017). The best-known large scale private sector engagement program is “Business4Land”, from which projected private sector benefits (drawn from several sources) are presented in table 1.

Table 1. Private sector incentives for rangeland investments

Private sector benefit	Mechanism
Risk mitigation	Improved delivery of both environmental services and marketable products and raw materials Access to scarce or unique raw materials
Enhanced productivity	Production generated from concentration of effort on several aspects of productivity (sustainable intensification)
Corporate responsibility	As able to be demonstrated along value chains
Brand value	Product differentiation based on credible claims Identification with International Year of Rangelands and Pastoralists Inclusion of rangelands and pastoralists in product provenance
Innovation in processes	Improved focus based on reliable volumes and qualities of product Scale of operation
New markets	Attracting new consumers to differentiated products. Carbon markets
Regulatory compliance	Addressing local, national or international requirements for access to resources, raw materials and markets
Government incentives	Tax and resource access incentives Climate related incentives

Source: Authors' compilation; (Herrera Calvo, 2024)

From the juxtapositions of luxury, sustainability and issues of high value branding, several models emerge which provide entry points for investment in rangeland restoration by the owners of high value brands. several are proposed as a source of finance for rangeland restoration:

- location-based investments (planting, soil and water management) which facilitate access to raw material supply from that location and support from communities and policy actors
- brand promotion by social investments (schools, community assets)
- attachment of brand identity to investments in rangelands which support endangered species
- strategic partnerships with high profile actors in rangeland conservation

Information flows are central to this process, and along with associated stakeholder actions, are presented in annex 1. Synthesis of reporting on high value apparel brands using rangelands-based natural fibres reveals difficulties in recording of investments, quantification of baselines and progress in rangeland productivity, and the establishment of value chain performance metrics which reconcile public and private benefits.

At the pastoralist level, mixed enterprises and multiple uses of rangelands across varied landscapes obviates the need for holistic rangeland standards rather than a 20th Century- product and process standards. A Rangeland Standard is under development in association with the STELARR project. Data and its collection and curation has represented a barrier to change by value chain actors including policy makers, resource managers, as well as the owners of high value brands investing in rangelands' restoration. An information platform combining remote sensing with ground-based verification is under development in association with the STELARR project. is targeting three luxury value chains for investment by high value brand owners, using a variety of entry points: cashmere in Mongolia and Afghanistan; mohair in South Africa; and vicuna in Peru and Argentina.

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