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POLICY & TRENDS IN REGENERATIVE AGRICULTURE

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We are still learning the practical lessons of Regenerative Agriculture and its impact on specific crops in specific climates and regions. But with more farmers making the switch every year, our knowledge-base is always growing. Correspondingly, we are seeing increased funding opportunities, certification options, and policy frameworks to support farmers on the journey. In particular, there are several ways in which the EU is supporting farmers in the transition, from policy and advice to funding and research opportunities. In this chapter, we'll explore some of the latest trends in regenerative agriculture, and how you can benefit from them.



01

Policy and Funding Resources

Across the EU, there is recognition that our conventional agriculture system is on the verge of collapse, while also threatening the health and availability of our natural resources.

Consequently, the EU and its member states are taking action to create policy and funding schemes to support farmers in a shift towards a more sustainable model. In fact, at the heart of the EU's New Green Deal is a new Common Agricultural Policy, specifically designed to make European farming more environmentally-friendly. The policy aims to minimize the environmental footprint of European farms and protect local ecosystems, by offering farmers more sustainable opportunities. And with the Green Deal receiving 34.5% of the entire EU budget¹, this new Common Agricultural Policy is sure to receive significant investment.



Agenda of the European Green Deal, the European framework to tackle long-term sustainability issues.

Source: <https://www.weforum.org/agenda/2020/05/the-european-green-deal-must-be-at-the-heart-of-the-covid-19-recovery>

1. <http://capreform.eu/agriculture-in-the-european-green-deal-from-ambition-to-action/>

The objectives of this new Common Agricultural policy are as follows:



The 9 specific objectives of the new CAP (https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap_en)

Other elements of the New Green Deal designed to promote more sustainable food systems in Europe include the The Farm-to-Fork strategy (F2F) and the 2030 Biodiversity strategy.

Farm To Fork Strategy (F2F)

The Farm To Fork strategy focuses on 5 key goals:

1. Ensure Europeans have access to healthy, affordable and sustainable food.
2. Tackle Climate Change.
3. Protect the environment and preserve biodiversity.
4. Ensure a fair economic return in the supply chain.
5. Increase organic farming.

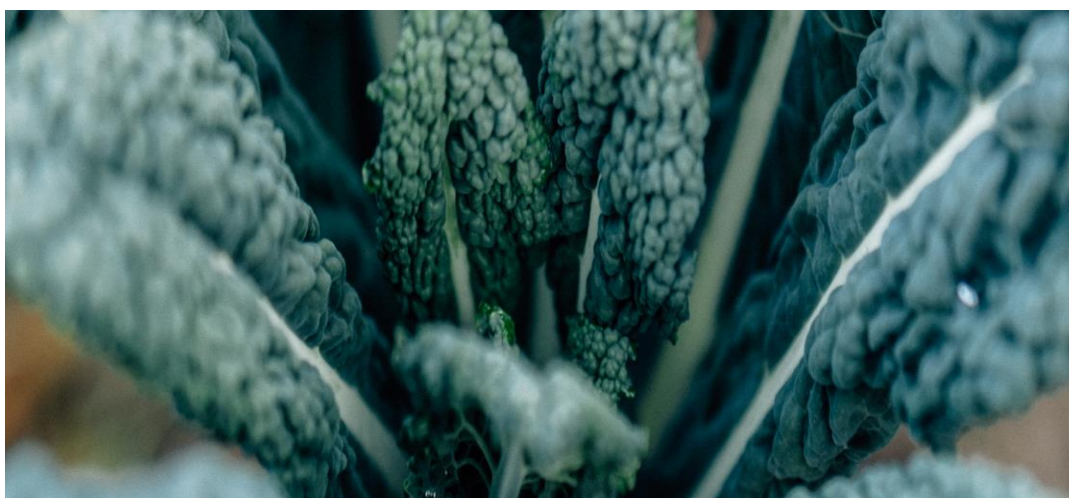
In order to profit from the available funding, farmers must either reduce their use of pesticides and fertilizers or transition to organic practices.²

2. https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_885

The EU Biodiversity Strategy

The EU biodiversity strategy is concerned specifically with protecting and rehabilitating biodiversity across Europe. Its focus is protecting the ecological system, our natural capital and natural resources - and keeping them in balance. Key concerns include decreasing pesticide use, re-building pollinator populations, promoting organic farming and introducing biodiversity-rich features on agricultural land. This strategy unlocks €20 billion for activities that promote biodiversity, drawing on EU, national and private funding.³

Source: https://ec.europa.eu/commission/priorities/jobs-growth-and-investment/investment-plan-europe-juncker-plan/whats-next-investeu-programme-2021-2027_en



Farm Advisory Systems

Every EU country has a farm advisory system (FAS). Their aim is to help farmers meet the EU rules for environment, public and animal health, animal welfare and the Good Agricultural and Environmental Condition (GAEC). As such, these services can advise you on the best way to implement the standards and recommendations of the EU's new, sustainable vision.



3. https://ec.europa.eu/commission/presscorner/detail/en/fs_20_906.

Farm Advisory Services (FAS)⁴ offer advice on the following matters:

- > Cross compliance: the obligations of each farm to meet certain EU standards and statutory management requirements.
- > Greening: ways for farmers to introduce agricultural practices that are beneficial for the climate and ecosystem, and vital for the maintenance of local agricultura.
- > Implementing the measures provided for by rural development programmes: including farm modernisation, competitiveness building, sectorial integration, innovation, market orientation and entrepreneurship.
- > Requirements for water protection and efficient, sustainable water use.
- > Use of plant protection products.
- > Integrated pest management.

4. https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/income-support/cross-compliance/fas_en



Invest EU

The Invest EU programme is another way of supporting your transition. Building on the successful Investment Plan for Europe, this programme is designed to boost investment, innovation and job creation in Europe through €650 billion in additional funding. It will make EU funding simpler to access and more effective for everyone, supporting investment plans in four key areas:

2021-2027



**SUSTAINABLE
INFRASTRUCTURE**



**RESEARCH, INNOVATION
AND DIGITALISATION**



**SMALL AND MEDIUM-
SIZED COMPANIES**



**SOCIAL INVESTMENT
AND SKILLS**

Horizon 2020

As Regenerative Agriculture is an innovative approach to farming, the EU is spending a lot of resources on researching this transition – including through the Horizon 2020 Programme.⁵ One feature of the programme is the Caring For Soils And Caring For Life initiative, which aims to ensure that by 2030, at least 75% of all soils in the EU are healthy for food, people, nature and climate.⁶ The initiative combines research and innovation, education and training, investment and practical demonstrations using “living labs” (lab experiments and innovation) and “lighthouses” (places to showcase best practice). Find out how you can get involved here: https://ec.europa.eu/info/horizon-europe/missions-horizon-europe/citizen-events-and-specialised-missions-conferences_en

Member States’ Strategies

Parallel to the EU, member states like Spain and Italy are devising their own strategies to support sustainable agriculture development. In Italy, for example, the new organic strategic plan (2020) supports organic farming, and promotion of Italian Organic products.⁷

5. <https://ec.europa.eu/programmes/horizon2020/what-horizon-2020>

6. <https://op.europa.eu/en/publication-detail/-/publication/4ebd2586-fc85-11ea-b44f-01aa75ed71a1>

7. <https://www.reterurale.it/flex/cm/pages/ServeAttachment.php/L/IT/D/c%252F1%252F9%252FD.fe29a65a2328f7d196f9/P/BLOB%3AID%3D16148/E/pdf>

To help you understand your country's approach to the CAP and the Green Deal, the EU has produced factsheets on the objectives and focus areas of individual EU member states. ⁸

These national and EU policies guarantee that a real revolution in our food system is underway. The EU Commission recognizes that the successful implementation of regenerative practices across Europe will require significant direct investment, large scale training and education programs, research and development spending and deeper structural policy changes (e.g. agricultural subsidies). By providing funding and financial support to farmers, these policies pave the way for a more sustainable future, with a lasting impact on those biodiversity, climate change and organic agriculture.



8. https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/performance-agricultural-policy/agriculture-country/cap-specific-objectives-country_en

02

Market Trends

Consumer Demand

Echoing (or perhaps driving) policy interventions is the increased consumer demand for sustainable products. Over the past few decades, we've witnessed a marked increase in demand for organic products - and while 'regenerative' and 'organic' are not the same, organic agriculture is often the first step towards becoming regenerative. It's also a useful indicator of the future market opportunity for regeneratively farmed products, as buyers of organic products are likely to be the first to adopt regenerative products.

So it's helpful to consider trends in organic produce; but in recent years, we have also begun to see consumers develop an interest in the "step beyond organic".⁹ Awareness of Regenerative Agriculture is growing steadily, as evidenced by the increase in Google searches of the term. As consumers become increasingly educated and concerned about the climate, much of the interest in regenerative farming stems from a growing awareness of its environmental benefits. For example, the public are increasingly waking up to issues like biodiversity in farmland, the enrichment of soil and the conservation of ecosystem services.

Regenerative practices help eco-conscious consumers to reduce the negative impact of their consumption, and might well be the 'next big thing' in the search for a more sustainable lifestyle. And with sustainability at the top of the global agenda, farmers have an opportunity to become a leader of sustainable production, just ahead of the curve.

9. <https://trends.google.nl/trends/explore?date=2014-02-01%202020-11-20&q=%2Fm%2F011qbh30>



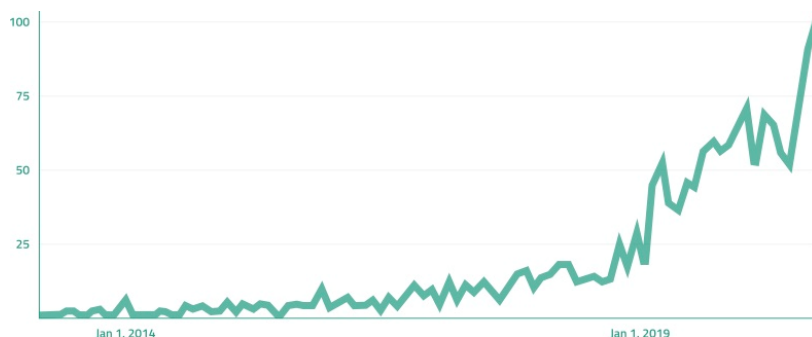


Figure. Interest over time in search term 'Regenerative agriculture', Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. As shown on the chart, regenerative agriculture has had a huge surge in interest over the past six years. (Source: Google Trends)

Corporate Commitment

Some of the world's biggest corporations have started committing themselves to regenerative agriculture. One example is Lush, an international cosmetics company that invests in regenerative farms in Peru, Guatemala, Arizona and Uganda.¹⁰ Another is Danone, who announced in 2018 its ambition to source 100% of ingredients produced in France from Regenerative Agriculture by 2025.¹¹ Moreover, General Mills announced a much-publicised commitment to bring regenerative agriculture practices to 1 million acres of farmland by 2030.¹² Patagonia is also an advocate, as one of the corporate allies of the Regenerative Organic Alliance. This group was established in 2017 by a group of farmers, business leaders, and experts in soil health, animal welfare, and social fairness.¹³ Their mission is to promote regenerative organic farming as the highest standard for agriculture around the world, and they have useful short films on the topic, designed for farmers in Southern Europe.¹⁴

With leading global companies setting ambitions to source or switch to regenerative agriculture, demand for regenerative farmers and products will only grow. For now, although increasing globally, regenerative agriculture is still practiced on a small-scale basis within Europe. Mostly, these are small-scale pilots leading to "limited edition" products; 'proof of concept' projects designed to explore commercial opportunities, rather than supply regenerative goods to the market at scale. There is therefore a real opportunity for early-mover regenerative farmers to fill that gap.

10. <https://www.lushusa.com/stories/article-what-is-regenerative-farming.html>

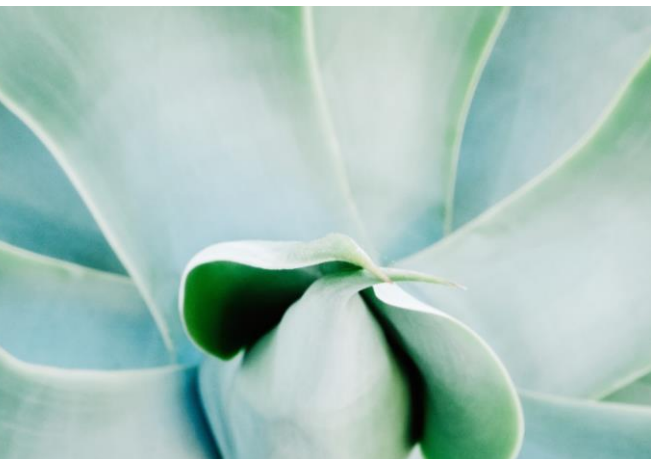
11. <https://www.danone.com/impact/planet/regenerative-agriculture.html>

12. <https://www.generalmills.com/en/Responsibility/Sustainability/Regenerative-agricultura>

13. <https://www.patagonia.com/regenerative-organic/>

14. <https://regenorganic.org/>

Certifications



Certifications are often the easiest way for potential buyers to verify that a product meets certain production standards - be it regenerative, organic, fair-trade or anything else. As regenerative products become increasingly common, certification will play a crucial role in setting and communicating that standard. Although a certification is not yet developed in the EU, a regenerative organic farming certification scheme has recently been launched in the USA.

The first regenerative organic certification in the USA

The Regenerative Organic Certification (ROC) was established by the Regenerative Organic Alliance in the USA. The first certification of its kind in the world, its mission is to promote holistic agriculture practices in an all-encompassing certification. The ROC is built on three pillars: Soil Health & Land Management, Animal Welfare, and Social Fairness. Each of these pillars requires that specific criteria be met, and the scheme builds on existing certifications, such as USDA Organic (or its international equivalent). To qualify for certification, farmers must demonstrate:

- > An existing organic certification (e.g. USDA).
- > A documented Regenerative Organic System Plan, which includes implementation, and acknowledges all the relevant pillars. Criteria include:
 - > Tillage action plan.
 - > Soil lab test results & in-field soil testing results.
 - > Record of native flora and fauna on farm.
 - > Key performance indicators as required per pillar.
- > At least 3 Regenerative Practices (e.g., Agroforestry, Forage & Biomass Planting, Grassed Waterways, etc.).
- > Further standards on Soil Health & Land Management, Animal welfare, Farmer & Worker Fairness.

More information on ROC can be found through: www.regenorganic.org

Although ROC is the first and most comprehensive, a number of efforts are underway to develop other regenerative agriculture certifications (e.g. Certified Regenerative by AGW). In future editions of this manual, we expect to be able to include certifications that also cover the EU market.

Branding

When it comes to Regenerative Agriculture, branding is crucial. With consumers increasingly concerned with the story behind their product, regenerative products can command higher prices when they are branded well. As regenerative farming gains momentum and awareness, it will become a recognised marker of quality and sustainability. For now, the term ‘regenerative’ – unlike ‘organic’ - is new to many people. And if people don’t understand what it means, then certification isn’t the reassuring standard it should be. To harness the true brand power of Regenerative Agriculture, we need to educate ordinary consumers about its many social, economic and environmental benefits.

One way to do this is through storytelling. In recent years, consumers have become increasingly interested in the story of a product and its producer – particularly when it comes to food. Regenerative products already in the market often make use of their farmer’s personal story, helping consumers connect with the journey of their food from field to fork. Media coverage (traditional and social) can also play a part in raising awareness of regenerative practices, and connecting growers with the buyers happy to pay a price premium for quality, sustainable produce. Again, the farmer’s story attracts progressive companies, brands and consumers, enabling farmers to charge fairer prices than conventional, anonymous, bulk growers.

Many of the regenerative products in the market also celebrate their sustainability credentials. For example: ‘These oats help save the planet’ and ‘We support farming practices that help reverse climate change’ and ‘Farmed for the future’. In tandem with certification, these statements will help consumers understand and value what regenerative agriculture has to offer, and encourage them to alter their buying behaviour.



Price Premiums

As we know, consumers are prepared to pay higher prices for food with additional health and environmental benefits. Even now, regenerative products are able to take advantage of other, more widely-recognised certifications (e.g. 'organic') to command fairer prices. Once consumers understand the benefits of regenerative agriculture, this 'price premium' will play a vital role in supporting the transition.

Those who make an early transition to regenerative stand to benefit the most. Based on expert input, Commonland & KPMG estimate price premiums for regenerative products of +130% in the first years, declining overtime due to expected increase in supply. A gradual decrease in price premium from +130% to +20% over 20 years is assumed.¹⁷



16. <https://www.foodandlandusecoalition.org/wp-content/uploads/2019/09/Regenerative-Agriculture-final.pdf>

17. <https://assets.kpmg/content/dam/kpmg/nl/pdf/2020/services/commonland-true-value-report.pdf>

Other Revenue Streams

As well enabling you to charge higher prices for your crops, regenerative agriculture can unlock several other potential sources of revenue. Financial income models are addressed fully in Chapter 4, but here we'll explore some of the alternative income sources possible for a regenerative farm.

Increasingly, there are many initiatives that assign monetary value to the benefits of regenerative agriculture, and reward land owners (like farmers) who maintain their land in such a way that supports:

- > Carbon uptake.
- > (Other) Ecosystem services.
- > Conservation of biodiversity (sometimes specific species, sometimes more general).

Let's look at those revenue streams in more detail.

- > **Carbon Credits:** These are credits that can be traded by individuals and organizations to offset their CO2 footprint. There are many organizations trading these credits (online market places), though few are currently equipped to help smaller landowners benefit. One initiative that is working to create easy access to this market is the Climate Clean-up <https://climatecleanup.org>. Their methodology aims to make it easy for farmers to sell carbon credits, with little cost or hassle.
- > **Payment for Ecosystem Services:** is a concept gaining a lot of traction. The idea is that stakeholders (for example local governments, households or businesses) pay for the ecosystem services provided by the local land. For example, a municipality might pay local hill farmers to maintain forests, as this secures water supply for the local population. Other examples could include farms that charge for bird-watching and nature photography (like Vivencia Dehesa)¹⁸ or farms that provide land for tree-planting, as part of an carbon offsetting scheme run by Ecosia or similar organizations.¹⁹

18. <https://www.vivenciadehesa.es/>

19. <https://www.ecosia.org/?c=en>

- > **Conservation of biodiversity:** is another potential revenue stream, as well being a key pillar of regenerative agriculture. There are already many examples of governments or environmental organizations paying farmers to maintain biodiversity on their land, and these type of initiatives are only expected to proliferate. Not only that, but it is widely expected that some form of biodiversity credits (linked or parallel to carbon credits) will emerge in the coming years.
- > **Agrotourism:** could also drive revenue on your regenerative farm, as well as bringing wider economic benefits and opportunities to the local economy. Agrotourism also reinforces the cultivation of healthy and 'beautiful' landscapes that tourists will enjoy. Of course, agrotourism does require the farmer or landowner to diversify into a business beyond food production – but support is available. For example, Rewilding Europe provides entrepreneurs with financial, technical and promotional support to develop an ecologically-minded new business.

These revenue streams are still developing, and not yet fully established. But while they may not yet be feasible for smaller landowners, they represent a real opportunity in the near-future. Further financial information can be found in Chapter 4, where we'll look in more depth at funding opportunities, and review some case studies on alternative revenue streams on the farm.

20. <https://rewilding-europe.com/rewilding-in-action/nature-based-economies/>





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