THE BUSINESS CASE for a REGENERATIVE TRANSITION

The future of American business depends on the Farm Bill. Regenerative agriculture is a clear path forward.

America's food, fiber, and fuels depend on healthy soils that are the source of vitality for farming and ranching communities, yet we're losing topsoil 10 times faster than it can be replenished, contributing to reduced economic and ecological resilience. In an increasingly uncertain economy, disrupted by erratic climate conditions and global supply chain instability, building local and regional supply chains is an issue of national security.

With its focus on soil health and regional food systems, regenerative agriculture is essential to increase on-farm resilience, improve farm viability, and ensure productive agricultural lands - all key components of a food- secure and prosperous nation. In turn, regenerative agriculture helps businesses meet the rapidly increasing consumer demand for products with ethical and environmental attributes while building more resilient supply chains.

Today, 60% of U.S. consumers want to be able to choose a product that is better for the environment.[1]

Across the country and across industries, businesses of every scale seeking to transition to regenerative supply chains have faced the following challenges:

- Severely limited supply and inconsistent availability of regenerative product;
- Lack of sufficient aggregators, processors, manufacturers, and quality controls;
- Burdensome, multi-source financing models that are prohibitive to developing and securing domestic supply chains dedicated to products produced with regenerative attributes.

Regenerative agriculture offers a solution at both ends of the supply chain, providing more financial stability for producers - currently, just 14% of every food dollar goes to the farmer - as well as a larger market of preferred options for businesses looking to source regenerative products domestically.

The U.S. market for regenerative products is poised to grow quickly in the next 10 years. It is crucial that the next Farm Bill support farmers and ranchers in the early stages of transitioning to regenerative practices - studies show that the first 3-5 years of the transition phase pose the greatest financial risk, but that in the long-term, producers can see as high as a15-25% 10-year return on investment[2].

Greater investment in infrastructure is also needed. Processing, aggregation, and manufacturing in the US has been severely eroded over the past century. Congress must write a Farm Bill that restores U.S. infrastructure and addresses gaps and barriers to rebuild the 'missing middle' of our supply chains.

[1] FMI, 2021. "The Power of Meat 2021". https://www.fmi.org/forms/store/ProductFormPublic/power-of-meat-2021

[2] Petry, D., Avanzini, S., et al. 2023. "Cultivating farmer prosperity: Investing in regenerative agriculture". https://www.wbcsd.org/Projects/OP2B/Resources/Cultivating-farmer-prosperity-Investing-in-regenerative-agriculture

American Sustainable Business Network

REGENERATE AMERICA™

KEY BILLS AND PROPOSALS TO INCLUDE IN THE FARM BILL

1. **Support a proposal to** Streamline the Conservation Practice Standards to ensure producers across the country can have more practice options within NRCS programs.
2. **Support a proposal to develop a** Soil Health and Regenerative Agriculture Equipment that includes direct grants and encourages equipment sharing.
3. **Support a proposal to develop a** Training for Regenerative Agriculture in NRCS program that would ensure USDA personnel and third party providers are knowledgeable about the latest science on how to regenerate soils.
4. **Pass the** COMPOST Act to establish grants and loan guarantees to expand food waste composting.
5. **Pass the** COVER Act to provide a $5/acre insurance premium subsidy to incentivize soil health by planting cover crops.
6. **Pass the** Strengthening Local Processing Act to support small meat and poultry processors with grants.
7. **Pass the** Local Farms and Food Act of 2023 to increase funding to the LAMP program and improve accessibility for the VAPG program by reducing the matching requirement from 50% to 25%.
8. **Support the** Deferments to Expedite Financing of Essential Resilience (DEFER) proposal to allow FSA loan holders to have the dollars they spend on soil health practices to be eligible for FSA loan deferment.
9. **Support a** Alternative Lender Pilot Projects **proposal** to establish pilots within the FSA Cooperative Lending Pilot Projects to provide patient, flexible capital needed for underserved farmers and ranchers to access new markets.
10. **Support a** Reforms to FSA Loan programs **proposal** that provides basic farmer borrower protections, strong institutional oversight, and flexible lending terms so that farmers do not face predatory lending practices, discrimination, and an extractive relationship with their lenders.
11. **Pass the** Agriculture Resilience Act to give farmers the tools they need to become net zero by 2040.
12. **Pass the** Opportunities in Organic Act to help farmers pursue organic agriculture by offering technical assistance, tools, and financing to underserved producers.
13. **Pass the** Strengthening Organic Agriculture Research (SOAR) Act that increases funding for the Organic Agriculture Research Initiative and authorizes a competitive grant program for organic transition.
14. **Pass the Food Supply Chain Capacity and Resiliency Act** that codifies the American Rescue Plan's Food Supply Chain Guarantee Loan Program to support new investments in aggregation, processing, transporting, wholesaling, and distribution of food.