MIDWEST ROW CROP COLLABORATIVE

2022 IMPACT REPORT

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GROWING MOMENTUM IN THE REGION

MIDWEST ROW CROP COLLABORATIVE

The calls for a more regenerative agricultural system have grown louder since the Midwest Row Crop Collaborative (MRCC) was formed eight years ago. In 2022, there were historic investments from the public and private sectors to positively transform the U.S. food and agricultural system. The growing attention and resources to the cause reinforce the vision that guides MRCC's work: an agriculture system that supports a healthy environmental ecosystem and is economically viable for all. MRCC members continue to leverage their collective resources to develop initiatives focused on building positive farmer sentiment and de-risking practice adoption. Much has changed since MRCC's inception, and members have maintained their shared focus while evolving to meet the moment.

MRCC is reaching more farmers and expanding regenerative practice adoption across the Mississippi River Basin as we progress towards our 2030 goals. We engaged 2,650 farmers in 2022 and supported regenerative agriculture practice adoption on 723,356 acres. We are more than two-thirds of the way to our goal of demonstrating multiple measurable regenerative outcomes on 1 million acres. We still have far to go, but we are committed to testing and implementing collaborative solutions to drive systems change. MRCC grew its membership in 2022 with the addition of Neste, bringing perspective from a new industry and a commitment to positively transform the agriculture system.

MRCC is rooted in the foundation that more can be done when companies and organizations come together to work toward a collective vision. The collaborative had key successes in 2022 including:

- Launching a research-based communications campaign with Trust in Food™, a Farm Journal initiative, to test messaging tactics and engage farmers on the benefits of regenerative agriculture.
- Leveraging members' roles in the value chain to develop policy priorities to drive greater private-public collaboration.
- Expanding the acres with regenerative practices and the number of farmers engaged in these programs with a $1.6 million investment in MRCC through the nature-based solutions work stream in HSBC's **Climate Solutions Partnership**.

MRCC member companies operate at a significant scale, but their influence alone isn't enough to drive landscape-level change. The USDA's Partnerships for Climate-Smart Commodities program and the Inflation Reduction Act's historic investment into agriculture programs and climate mitigation demonstrates the value of agriculture as a nature-based solution to advance climate resiliency and sets the stage for MRCC's **policy engagement work** with federal government leaders on the upcoming farm bill.

We engaged 2,650 farmers in 2022 and supported regenerative agriculture practice adoption on 723,356 acres. We are more than two-thirds of the way to our goal of demonstrating multiple measurable regenerative outcomes on 1 million acres.

There is great momentum underway after this last year, but there is still much to be done as reporting and tracking tools continue to advance, we learn about how to effectively engage farmers with member-led programs and create behavior change, and we build further momentum and connectivity across projects. Our work, partnerships, and learning continue to grow. We invite you to connect with us and join our efforts to improve environmental outcomes and increase climate resiliency throughout the Mississippi River Basin.

Challey Comer
MRCC Co-Chair
The Nature Conservancy

Emily O'Halloran
MRCC Co-Chair
Kellogg Company

ABOUT THE MIDWEST ROW CROP COLLABORATIVE

MIDWEST ROW CROP COLLABORATIVE

Catalyzing Impact Through Collaboration

The Midwest Row Crop Collaborative (MRCC) is an innovative partnership of leading industry supply chain companies and nonprofits aligned to drive positive environmental change across the Midwest and Mississippi River Basin. Members span the full food and agriculture value chain and are driven by a shared ambition for system-wide impact beyond the footprint of its members. MRCC membership is small by design to enable more flexible decision-making, while leveraging members' resources and roles in the value chain to drive change.

Within MRCC, members collaborate to tackle systematic barriers to the scaling of regenerative agriculture across the landscape. MRCC members view regeneration as the outcome of a holistic approach that achieves measurable impact, pushing beyond the adoption of any individual practice. Members collaboratively develop and test innovative solutions to improve soil health and climate resiliency while supporting farmers and reducing the environmental impacts of row crop production. A uniquely sized group with a sizable agricultural supply chain footprint, MRCC is small enough to be nimble in decision making, while the makeup of membership creates opportunities to test impactful solutions and pave the way for broader change in the agricultural system.

Environmental Initiative has served as the administrator for the Midwest Row Crop Collaborative since 2019, bringing decades of experience developing powerful partnerships between business and environmental interests with a focus on integrating impacted communities into solution-building.

Promoting Regenerative Outcomes in the Midwest

MRCC's work is rooted in the Midwest and Mississippi River Basin, a productive and economically vital landscape with more than **127 million acres of agricultural land**. Row crop production is the dominant use of this land—corn and soybeans are planted on 75% of these acres, and the region is also a key production area for wheat and rice.

Over the past century, farming practices supported by an unsustainable food system have deteriorated soil health, polluted waterways, contaminated and depleted groundwater, and negatively impacted the climate through loss of soil carbon and increased greenhouse gas emissions. These impacts pose a threat to the future of row crop production and to the communities who rely on the region's food, water, and ecosystem functions.

MRCC members recognize the urgent need to halt and reverse the negative outcomes farmers are facing and are pursuing efforts to help reduce these impacts while simultaneously creating a more resilient landscape.

2030 Goals

The Midwest Row Crop Collaborative members developed goals aligned with their shared ambition for a regenerative agricultural system with recognition of the scale and urgency needed to achieve it. The goals have served as a guiding light as members implement projects that test innovative ways to scale the adoption of regenerative agriculture practices.

By the end of 2030, MRCC will:

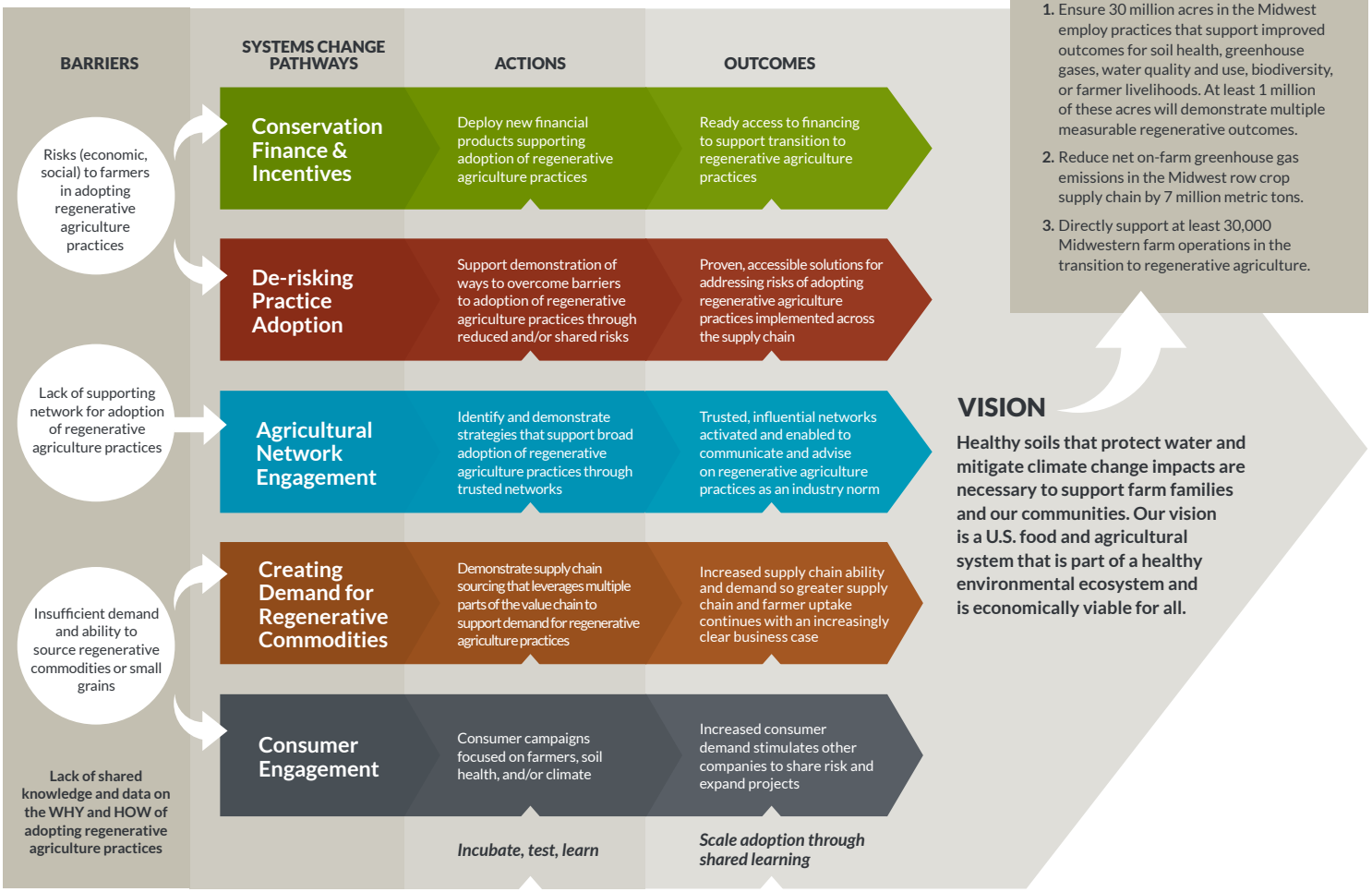
1. Ensure that 30 million acres in the Midwest employ practices that support improved outcomes for soil health, greenhouse gases, water quality and use, biodiversity, and farmer livelihoods. At least 1 million of these acres will demonstrate multiple measurable regenerative outcomes.
2. Reduce net on-farm greenhouse gas emissions in the Midwest row crop supply chain by 7 million metric tons.
3. Directly support at least 30,000 Midwestern farm operations in the transition to regenerative agriculture.

As a partnership, MRCC helps to catalyze impact across its members' work in the region. The goals reflect the shared commitment and desire of each member to improve water quality and soil health, reduce emissions, and increase climate resilience in agriculture. As MRCC works towards these ambitious goals, we measure progress and regenerative outcomes using industry-standard tools, such as the Greenhouse Gas Protocols (GHGp), Science Based Targets Initiative (SBTi) guidance, and the Fieldprint® Calculator. Tools and standards are evolving, and MRCC members continue to advocate for improvements in measurement, monitoring, reporting, and verification.

MIDWEST ROW CROP COLLABORATIVE

THEORY OF CHANGE

Mission: Test and demonstrate solutions that promote the widespread adoption of regenerative, science-based approaches which benefit the environment, and share learnings that support scaled adoption across the supply chain.



Theory of Change

The Midwest Row Crop Collaborative embraces a systems approach to driving transformation in row crop agriculture, and its members collaboratively identify barriers to positive change, develop and test solutions for removing those barriers, and catalyze scaled adoption through shared learning. The members seek to influence the agricultural system by leveraging their prominent roles in the food and agriculture value chain to accelerate the transition to a regenerative agriculture system.

MRCC developed a theory of change to be foundational guidance for the collaborative and to help address member-identified key barriers to change, including:

- Risks, both economic and social, to farmers in adopting regenerative agriculture.
- Lack of networks and technical assistance to support adoption of regenerative agriculture.
- Insufficient demand and ability to source sustainably produced commodities or small grains.

Members organize their efforts into five systems change pathways, which provide direction for the development of new collaborative projects and serve as a structure for integrating opportunities into members' projects.

- **Pathway 1: Conservation finance and incentives**
- **Pathway 2: De-risking practice adoption**
- **Pathway 3: Agricultural network engagement**
- **Pathway 4: Creating demand for regenerative commodities**
- **Pathway 5: Consumer engagement**

For consistency and to accurately track impact and progress, members agree to report on outcomes from their investment and engagement in each MRCC project. MRCC members are responsible for working with growers and on the ground partners to manage data collection and outcomes reporting for each project. Examples of metrics include greenhouse gas emission reductions, irrigation efficiency improvement, reductions in nutrient loading, new acres using regenerative farming practices, and farmers reached. Reported impacts for select projects in 2022 are offered in the following pages and demonstrate the broader impact of the Midwest Row Crop Collaborative.

SUMMARIES OF PROJECTS IN THE FIELD

MIDWEST ROW CROP COLLABORATIVE

Members of the Midwest Row Crop Collaborative are committed to expanding regenerative and positive environmental outcomes within their supply chains. MRCC member-led projects are used to support the sustainability goals of member companies, while also working to deliver financial, technical, and social support for producers to make the transition from conventional to conservation farming practices.

Members invest directly into collaborative projects, providing cost share and technical assistance for producers. Members also contribute significant in-kind investment of resources to advance research, incubate new approaches, and share expertise and lessons learned.

MRCC members utilize a diverse portfolio of projects to influence different aspects of systemic change. There is no one-size-fits-all approach that applies across each of MRCC's individual projects. While goals and impacts vary, common key metrics are used to understand the direct impact of this work and its role in catalyzing broader change.

From 2020 to 2022, members collaboratively engaged 2,650 farmers, resulting in the adoption of regenerative practices on more than 723,356 acres across its portfolio of projects.

From 2020 to 2022, members collaboratively engaged 2,650 farmers, resulting in the adoption of regenerative practices on more than 723,356 acres across the portfolio of projects. Projects are improving soil health, sequestering carbon, and increasing biodiversity, delivering benefits to companies by building climate resiliency in their supply chains and to farmers through reduced nitrogen application, water use, and soil erosion.

As MRCC continues to expand its membership and project portfolio, measurement of key metrics continues to be refined. The ability to measure impact is expected to improve as reporting technology and guidance continue to advance. The following case studies shed more light on the impact and learnings from selected MRCC member collaborative projects.

HSBC OVERVIEW

MIDWEST ROW CROP COLLABORATIVE

HSBC is helping expand projects and build a more resilient agriculture system

HSBC committed a five-year $1.6 million grant to MRCC in 2021 to accelerate conservation and the adoption of regenerative practices such as cover crops, nutrient management, reduced tillage, and prairie strips on large-scale farms across MRCC's collaborative projects.

Nature-based Solutions for Catalyzing a More Resilient U.S. Food System is the only U.S.-based project included as part of HSBC's Climate Solution's Partnership. The initiative aims to address barriers to scaling sustainable projects and to bring climate solutions to commercial viability, while also delivering for people and nature. Teaming up with World Resources Institute (WRI) and World Wildlife Fund (WWF), the global initiative is backed by $100 million of philanthropic funding from HSBC over five years.

In the first two years of implementation, HSBC funds have helped expand MRCC member-led projects and provided additional cost share, technical, and peer support to more farmers in member's supply chains. Details on how HSBC funds are catalyzing change are included in project updates.

Iowa and Eastern Nebraska Regenerative Agriculture Cover Crop Program

Overview

PepsiCo and Unilever partnered with Practical Farmers of Iowa (PFI) in 2018 to provide financial and technical support to farmers and promote shared learning to remove barriers to the adoption of regenerative practices. The two companies created a cost share program to help farmers add cover crops, reduced tillage, diverse crop rotation, and advanced nutrient management to their operations. Farmers in Iowa growing soybeans for Unilever's Hellman's mayonnaise and farmers in Iowa and Eastern Nebraska growing corn and soybean-based products for PepsiCo's supply chain are eligible. By adding practices to more acres, MRCC members and PFI aim to improve soil health and water quality, sequester carbon, reduce greenhouse gas emissions, improve climate resilience, and strengthen farm economics.

Goals

There are numerous on-farm benefits to regenerative practices, but barriers limit widespread implementation. This program aims to increase conservation practice adoption within MRCC member's supply chains by providing farmers with cost share, economic analyses, and shared learning as incentives for their initial use of cover crops, reduced tillage, and nutrient management.

Approach

The program provides financial incentives for farmers to add cover crops into their rotations, thereby reducing a large barrier to adoption. For implementing fall cover crops in 2022, the program provided a cost share of $10 per acre on 200 acres (or 10% of farmed acres, whichever was larger) and $5 per acre for any acres over the first 200. PFI agronomists connect farmers to the program and develop a farming plan tailored to their operations.

In addition to cover crops, farmers can also receive incentives for implementing

GEOGRAPHY

South-central Iowa and eastern Nebraska

TIMELINE

2020-2030

MRCC MEMBERS

Cargill, PepsiCo, Unilever

PARTNER

Practical Farmers of Iowa

MRCC SYSTEMS CHANGE PATHWAYS

De-risking Practice Adoption, Creating Demand for Sustainable Commodities

Member Reflections

"Unilever works closely with farmers to implement regenerative agriculture practices like cover crop cost share programs. In listening to our farmers, we heard that we were asking for some of the same information as other customers. That gave us an opportunity to collaborate with others in the industry like PepsiCo to better support farmers with one program, which streamlines information sharing and saves time. Collaboration is key to creating a support system for our farmers and continuing to futureproof our food ecosystem."

– **Stefani Millie Grant**, senior director, external affairs and sustainability, Unilever

other practices that build soil health. A cost share of $20 per acre on up to 200 acres is available for farmers adding small grains plus legume cover crops into their corn and soybean rotations. In future iterations of the program, there will be opportunities for farmers to receive additional funding per acre for cutting fertilizer in their corn rotation following a small grain crop. Using their decades-long experience supporting farmers in the region, PFI staff can meet

Enrolled producers seeded an average of 53% of their fields with cover crops, and 17% of farmers seeded all their fields with cover crops, exceeding the program's goals.

farmers where they are in their conservation journey and help them adopt practices that move them into the future of agriculture. PFI recruits farmers to the program and provides assistance to make the on-farm practice changes needed to reduce greenhouse gas emissions and achieve sustainable sourcing. The program is designed to ensure farmers are supported throughout the process and that data is collected to measure impact.

Throughout the program PFI provides technical assistance, compiles data, and monitors practice adoption. Monitoring and evaluation are crucial to ensure practice adoption supports positive environmental outcomes. Data on each participating farm is entered into the Fieldprint® Calculator to capture the impact. Insights are being used to develop short-term and long-term financial cases for stakeholders in the value chain.

To help develop a peer-support network among farmers, PFI hosts at least one field day per year for farmers to share knowledge and learn from each other. These events are in addition to ad-hoc site visits and participation in other on-the-ground events.

Impact

In 2022, 2,172 farmers within eligible regions partnered with Cargill, PepsiCo, and Unilever to plant 513,674 acres of cover crops. The farmers received financial and technical support through enrollment.

According to a program survey, 71.8% of Iowa participants reported that cover crops support their farm's financial goals.

Most participants reenrolled in the program this year in addition to 23 new participants (9%). Enrolled producers seeded an average of 53% of their fields with cover crops, and 17% of farmers seeded all their fields with cover crops, exceeding the program's goals.

According to a program survey, 71.8% of Iowa participants reported that cover crops support their farm's financial goals. The most attributed reasons for the positive impact on farm finances include decreased weed pressure, increased long-term yield stability, and additional grazing or forage.

Using estimates of greenhouse gas emissions from the Fieldprint® Calculator and carbon sequestration from the Cool Farm Tool models, cover crops planted in this program resulted in a 23% net reduction in metric tons of carbon dioxide equivalent emissions compared to conventional farmed acres without cover crops.

Lessons

The collaborative program is part of a multi-partner intervention strategy with a broad focus on improving soil health and water quality. The merging of the Iowa cover crop and the eastern Nebraska full supply chain collaboration programs creates a stronger, more consistent program for farmers in overlapping regions. It demonstrates the value of partnership within MRCC because members can reach more farmers and boost the value of the program's outcomes. Cargill, PepsiCo, and Unilever continue improving this cost share model to encourage and support on-farm practices that build soil health and climate resiliency. Member companies intend to build upon lessons learned and apply them to other regenerative sourcing efforts within their value chains.

The merging of the Iowa cover crop and the eastern Nebraska full supply chain collaboration programs creates a stronger, more consistent program for farmers in overlapping regions.

Strong reenrollment in this work in 2022 indicates a positive participant experience. Based on survey responses and in consultation with PFI, partners added additional compensation for farmers who were early adopters of regenerative practices and those who continually utilize cover crops. Additionally in 2022, partners raised the available cost share for the adoption of small grains plus legume cover crops from $15 per acre to $20 per acre.

The program is continuously adapting to meet farmers' needs and ensure they are receiving adequate support for participation. In 2022, PFI improved available technical assistance in response to farmer feedback, including hosting field days to facilitate additional peer-to-peer knowledge sharing and offering one-on-one meetings with producers. Consultations between PFI specialists and farmers allow for the rapid exchange of ideas, help address the specific needs of each farm, and build trust with participating producers. Additional program benefits include verification of practice adoption and field-level data capture.

In 2023 the program will also expand innovative finance solutions for farmers, providing a crop warranty for farmers growing corn who can reduce their nitrogen with lower risk to their operations.

HSBC Grant Innovation

Partners leveraged an additional $75,000 in grant funding from HSBC to expand the program and engage more producers. The funds build upon the $455,000 in member investments in the program. Sixty-four farmers were paid for their small grain and legume cover crop cost share with the combined funding. As a result, expanded practice adoption reduced an additional 1,164 metric tons of CO_2e emissions.

This funding provided cost share to improve ecological function, catalyzing the management of 6,111 acres with increased biodiversity, such as pollinator habitat and nesting cover for animals. Out of a possible score of 100 through the Fieldprint® Calculator, the quality of the biodiversity support on these acres was 70.4.

Precision Conservation Management in Illinois

Overview

PepsiCo partners with Precision Conservation Management (PCM), a program of the Illinois Corn Growers Association, to improve soil health in row crop production in east-central Illinois. The project helps growers reduce greenhouse gas emissions and sequester carbon on their operations through reduced tillage, reduced fertilizer inputs, and the implementation of cover crops. To promote these soil health interventions, enrolled farmers are provided with technical support, peer-to-peer networks, and access to cost share for new acres.

Goals

PepsiCo is working to make the business case for regenerative agriculture by developing and implementing targeted cost share programs for farmers and acres in its supply chain. The PepsiCo and PCM program offers producers financial and technical resources to engage with in-field practices such as nutrient management, reduced tillage, cover crops, and diverse crop rotations. PCM also provides expert economic analysis for farmers to help them understand the financial impact of practices they can choose to implement and how those have impacted their neighbors who have tried them.

These practices have demonstrated benefits to soil health and water quality. Program goals include reduced greenhouse gas emissions, improved soil carbon, increased biodiversity, and decreased water and nutrient runoff on participating acres while strengthening farm profitability in PepsiCo's corn and vegetable oil supply chains.

Approach

PepsiCo partners with its regional suppliers to recruit farmers into the program. Illinois Corn Growers Association's PCM program specialists work with PepsiCo originators or suppliers in different geographies to engage farmers.

GEOGRAPHY

East-central Illinois

TIMELINE

2018-2030

MRCC MEMBERS

Cargill, PepsiCo

PARTNERS

Illinois Corn Growers Association - Precision Conservation Management, Sustainable Food Lab, Bunge, and Foundation for Food and Agriculture Research

MRCC SYSTEMS CHANGE PATHWAY

De-risking practice adoption

Member Reflections

"Data that offers evidence on how these regenerative practices have positive benefits for farm finances and soil health is key for this work. This program has shown that producers want to pursue these interventions when we can demonstrate the business case for it."

– Margaret Henry, director of sustainable agriculture, PepsiCo

Interested farmers speak with PCM program specialists enroll farmers in the program and analyze the economics of a range of potential regenerative agricultural practices, such as reduced tillage, nutrient management, and cover crops. PCM program specialists then produce a report on field-by-field performance with environmental metrics and provide cover crop and cost share advice and analysis. In addition to advisory support, Illinois Corn Growers Association administers the cost share program and provides overall tracking and greenhouse gas emissions reporting.

Foundation for Food and Agriculture research co-funds a portion of the work focused on water and carbon innovation in Nebraska. Cargill and Bunge both participate on different geographically based portions of the work in Illinois.

Impact

In 2022, program participants grew to a total of 215 farmers and included 155,121 acres — an area larger than the city of Chicago. The program's geographical range expanded in 2022 to include the communities of Paris, Danville, Sidney, and Decatur, Illinois, opening the opportunity to engage more producers in the companies' supply chains.

Using the Field to Market's Fieldprint® Calculator, PCM recorded that the project reduced a total of 22,429 metric tons net of CO2e improvement in 2022.

Lessons

The program's results reveal a strong appetite from producers for soil health-building interventions when the economic case for soil health is demonstrated to provide farmer benefits and enable substantial greenhouse gas reductions.

Recruitment of producers was strong in 2022. PCM attributes the personal connections local producers have with PCM specialists and previous enrollment in other programs to the successful engagement and enrollment.

The PCM program is helping successfully demonstrate how an incentive and technical support model can capture environmental outcomes, creating a foundation so tactics can be replicated and scalable. To meet project goals, project partners will continue strategizing and learning from growers on how to meaningfully engage and provide compensation to farmers for reduced greenhouse gas emissions, nitrate application, and nutrient runoff.

HSBC Grant Innovation

Funding from HSBC is being matched by partners including Cargill, PepsiCo, Illinois Corn Growers Association, and the Illinois Soybean Association. Participating farmers also have access to an exclusive pool of $4 million funding through Natural Resources Conservation Service's Regional Conservation Partnership Program (RCPP). This partnership matches the $74,000 per year provided by HSBC with an additional $57,000 per year from private partners on top of the financial support available through RCPP.

In 2022, approximately 20,000 acres and 22 farmers were enrolled in the program, with all participants delivering grain to the Cargill facility in Paris, Illinois. At the end of 2022, 2,712 acres of cover crops had been planted by five participating producers. Additionally, there were 2,132 recorded no-till acres and 2,878 acres where nitrogen fertilizer application was reduced. Farmers captured more than a thousand metric tons of greenhouse gas emissions reductions and improved biodiversity on 1,132 hectares.

Verified Outcomes in Illinois

Overview

MRCC members Nutrien and PepsiCo collaborate with Ingredion and the Soil and Water Outcomes Fund to provide financial incentives and agronomic advisory to build on-farm conservation for producers growing corn. The program has been underway since 2020 and helps producers add cover crops, no-till, and nutrient management into their operations.

Goals

The goal of this project is to catalyze farmer adoption of practices that generate measurable carbon reductions. Reduction targets were set for the program relative to the entire joint sourcing footprint of Ingredion and PepsiCo and the GHG opportunity.

The established reduction targets are:

- 0.5 – 0.9 metric tons carbon dioxide equivalent (CO_2e) sequestration per acre per year.
- 15 – 18 pounds nitrogen reduction per acre per year.
- 1.1 – 1.5 pounds phosphorus reduction per acre per year.

Approach

The Soil and Water Outcomes Fund staff identifies and engages with farmers in priority locations around core regenerative agriculture practices. Once recruited and enrolled into the program, farmers are paid to incorporate tactics that improve water quality and sequester carbon in the soil. Payment to the farmer is tied to the volume of outcomes produced. The environmental outcomes on each acre are independently quantified, monitored, and verified. Environmental attributes are marketed and sold to customers after they have been produced.

GEOGRAPHY

Argo, Illinois, and surrounding area

TIMELINE

Ongoing since 2020

MRCC MEMBERS

Nutrien, PepsiCo

PARTNERS

Ingredion, Soil and Water Outcomes Fund

MRCC SYSTEMS CHANGE PATHWAYS

Conservation Finance & Incentives, De-risking Practice Adoption, Agricultural Network Engagement, Creating Demand for Sustainable Commodities

Impact

This program enrolled 17,497 acres of land. Fifteen farmers enrolled and received payment for implementing conservation practices on their land, reducing a recorded 15,625 metric tons of net GHGs were reduced or removed in this program.

The program will be expanded significantly in coming years to reach more farmers and acres as the Soil and Water Outcomes Fund receives additional financial support through the USDA's Partnerships for Climate-Smart Commodities program.

Lessons

Since farmers have varying experiences with cover crops and other sustainability programs, robust and proactive farmer engagement is key. To reflect this need, the program enrollment period will be extended in 2023 and farmers will have the option to sign up earlier in the season.

Farmer payment has been a core part of project implementation. To cover the full cost of practice change, and effectively de-risk new practice adoption for the farmer, larger payments were needed to properly incentivize growers. Additionally, project partners found cultural and systemic barriers that an increased financial incentive could remedy. For example, due to issues of program cost and risk, farmers can be generally resistant to practice change and can be skeptical of environmental programs. Several reasons for this inherent skepticism include cost, risk, not being properly incentivized for practice change, previous bad experiences with carbon programs, preference for types of farming, perceived misalignment with their farm goals and program goals, and judgement by peers for participation. However, according to participant surveys, there are instances where farmers are more open to participation. In keeping farmers at the core of this program, implementing one-year contracts, up-front payments, and expanding qualifying farmers can increase a farmer's flexibility while decreasing risk.

Engaging Agricultural Retailers to Advance Regenerative Outcomes

GEOGRAPHY

Mississippi River Basin

TIMELINE

April – December 2022

MRCC MEMBERS

All MRCC Members

PARTNERS

Trust In Food™, Sustainable Food Lab

MRCC SYSTEMS CHANGE PATHWAYS

Agricultural Network Engagement

Overview

The Midwest Row Crop Collaborative identified agricultural retailers as a crucial player in the efforts to scale adoption of regenerative practices. Agricultural retailers represent a key stakeholder in the food and agriculture supply chain, both in the inputs and services they provide to farmers, as well as in their larger role as trusted advisors to their farmer customers.

About half of MRCC members engage with the agriculture retail sector on conservation and regenerative agriculture projects to drive farmer enrollment in member-led programs and provide training on the benefits of regenerative practices.

To inform MRCC's efforts in the ag retailer sector, MRCC partnered with Trust In Food, with funding from the Sustainable Food Lab, to research efforts to promote and normalize regenerative agriculture practice adoption through ag retailers. This effort involved analyzing current company and NGO-led projects and academic studies along interviewing ag retailers. Interviews were conducted with 12 staff from 11 agricultural retailers and co-ops, ranging from small regional co-ops to large international private retailers. Several key themes and potential actions were identified that can guide MRCC's work to reduce barriers to practice adoption and to build a supportive peer network for farmers in this transition.

Lessons

Farmers and ag retailers can drive change

For conservation to be incorporated, the demand needs to come from farmers. Tensions arise because ag retailers reported that their guidance plays a significant role in farmers' decision making. While farmers can influence retailer offerings from the bottom up, co-ops and retailers also hold power from the top down in the products and services they prioritize, as well as the trusting relationship they have with their customers. The dual power dynamics serve as both opportunities and barriers to the broader adoption of regenerative agriculture practices. MRCC

members operate projects to drive regenerative outcomes in their supply chains, and enrolled farmers could be a link to encourage ag retailers to devote more resources to conservation. Member-led on-the-ground programs should work to connect participating farmers to retailers in their geography. This would allow information to spread locally to trusted advisors, who then share it with coworkers and feel more equipped guiding farmers in new practices

Inconsistent technology and reporting create confusion, slow progress

Multiple ag retailers shared the challenges of the software landscape with different companies requesting data from different platforms and sustainability platforms not always linking directly with existing field data platforms. The messiness of the software options, inconsistencies across reporting needs, and time intensiveness of data input emerged as challenges for ag retailers when determining the value of participating in sustainability programs. These recorded insights can be used to inform efforts to standardize reporting and identify key metrics to track.

There is no consistent approach to conservation within the supply chain

Interviewees shared that there is a disconnect between ag retailers and stakeholders further down the supply chain. Sustainability objectives from other supply chain companies are not well known or integrated into individual soil and water conservation structures or plans due to the lack of connection. Additionally, there is no standardized approach to training or staffing models around soil and water conservation. MRCC has identified increasing touch points between ag retailers and others in the food and ag supply chain, through a range of interlinking opportunities, is a key step in its sustainability efforts.

There's a need and demand for more training on regenerative practices

Service providers, such as certified crop advisors (CCAs), agronomists, and others, rely on education opportunities to stay updated on science and agronomics and provide the best service to their farmer customers. MRCC member The Nature Conservancy (TNC) is working with Purdue University to help ag retailers identify the risk and opportunity in making conservation services a bigger part of their business models. Purdue has developed a tool that helps businesses identify how their profits and losses will evolve as they offer more conservation services, helping inform their decision.

Member Reflections

"Ag retailers are needed to expand regenerative outcomes across the agriculture landscape, but they need support to make changes to the agronomic practices they promote. Through our work with Purdue and other partners, we are working to mitigate some of the risk that an "early adopter" retailer may face in this transition."

– **Challey Comer,** senior corporate engagement advisor, agriculture, The Nature Conservancy

Opportunities exist for better connection between ag retailers' businesses and supply chain sustainability initiatives. MRCC identified several ways supply chain companies can bring ag retailers into their work.

- Connect farmers enrolled in projects to local ag retailers so they can share information on regenerative agriculture with trusted advisors. Advisors can then share that information with their networks and feel more empowered to help farmers navigate conservation practices.
- Invite local ag retailers to producer site visits and introduce them to practices in the supply-shed and create an opportunity for direct communication between ag retailers and companies.
- Develop training on supply chain programs and sustainability commitments that provides continuing education credits for service providers including CCAs.
- Design programs in collaboration with ag retailers and ensure fair compensation for ag retailers and farmers in these programs to help build trust between supply chain companies, retailers, and farmers.

Producer-First Communication: Creating Meaningful Engagement

Overview

The Midwest Row Crop Collaborative launched a partnership with Trust In Food™, a Farm Journal initiative, to design and deploy a research-based communications campaign focused on listening to the wants, needs, and goals of "priority producers" in Iowa, Illinois, and Nebraska. At the outset of the project, producers in the region were asked to share who they are and how they see themselves. We learned that priority producers self-report that they include regenerative practices on their farms or are interested in learning about available opportunities, and they will move forward with change when they perceive it to be a proven path. Developing and testing solutions for removing barriers for producers is a critical step in developing a supportive network for the uptake of regenerative farming. Priority producers are themselves community leaders and uniquely positioned to lead by example when armed with information and proven experience.

Goals

- Build producer awareness of the benefits of regenerative agriculture.
- Expand its cultural acceptance in farming communities.
- Encourage participation in regenerative agriculture programs.

Approach

MRCC developed a project scope with Trust In Food to identify key value propositions to convey in messaging and to track and test with row crop producers in selected geographies. The intent was to strike a balance between

GEOGRAPHY

Illinois, Iowa, Nebraska

TIMELINE

April – December 2022

MRCC MEMBERS

All MRCC Members

PARTNERS

Practical Farmers of Iowa, Precision Conservation Management, Trust In Food™

MRCC SYSTEMS CHANGE PATHWAY

Agricultural Network Engagement

Learn more on the blog

messaging that is not too broad it reduces effectiveness and that messaging is applicable to diverse audiences.

The first step was gathering data from more than 80,000 producers in the test geographies. Producers opted to participate in a pre-campaign survey and provided psychographic insights that were used to build and test advertising campaigns.

Three distinct campaign visual sets were built — classic, relaxed, and progressive. The classic look is a nod toward the traditional imagery farmers experience in classic agricultural content, such as machinery, crops, and producers at work. The relaxed look incorporates imagery not tied specifically to agriculture — children playing and intergenerational relationships. Progressive imagery veered away from traditional colors of agriculture campaigns and the call to action was shaped as a promise. Listening to what farmers told us, we focused messaging on leaving a legacy for the next generation, demonstrating community leadership, and managing risk and protecting assets.

Each campaign includes several versions of messaging creative with supporting blog posts, podcasts, text messages, postcards, and other collateral to encourage farmers to sign up for conservation agriculture programming.

While leads into on-the-ground programs are not the primary measure of campaign success, we were able to partner with Practical Farmers of Iowa (Iowa and Nebraska) and Precision Conservation Management (Illinois). Each organization accepted leads and provided follow-up communication to producers who expressed interest in learning more about regenerative practices.

The campaigns were designed to measure:

- How each campaign performed compared to the others.
- Optimal combination of content.
- Effective delivery tactics.
- Where the most engagement occurred.

These answers lead to the ultimate question of what insights can be applied to future campaigns to activate and engage farmers in programs that support regenerative practice adoption and shift perceptions of regenerative agriculture through information and experience.

Lessons

The test campaign's visuals and written content intentionally do not include references to "regenerative" because the pre-campaign research revealed a strong negative connotation with the term. However, the campaign maintained its commitment to supporting regenerative agriculture adoption through robust content and case studies about regenerative agriculture practices, references to sustainability, and the broad theme of conservation agriculture.

Additional lessons will be shared in 2023 as data is analyzed and insights are gained.

Next Steps

The three campaigns will continue into March 2023 and will be followed by a nurture campaign designed to reconnect with producers who partially engaged in the campaign. Data analysis of the themes and delivery tactics will be completed in early fall. MRCC members will collaborate with Trust In Food, Environmental Initiative staff, and additional stakeholders to define and design a web-based, interactive playbook with the findings, this tool will be widely available to help conservation professionals apply the findings in their own efforts to listen to and engage producers.

The systems change we need across the landscape will only be achieved when farmers understand, see value in, and feel equipped to make that change, and the Midwest Row Crop Collaborative is excited to share what we are learning.

With the USDA investing more than $3.1 billion into 141 projects through the climate-smart commodities grants, including projects where MRCC members are leaders and partners, there is a significant opportunity to use the campaign's insights to drive success in this once-in-a-generation investment.

Working Lands Lead the Way

Overview

Members of MRCC know they are in a defining moment for policy designed to invest in agriculture as a climate solution. The 2023 farm bill is a significant opportunity to encourage the U.S. Congress to invest in a resilient and climate smart agricultural system ahead of the deadline for companies to meet their 2030 science-based targets. Additionally, for companies, farmers, consumers, and communities to experience the benefits of a more resilient food and agriculture system, there is a dire need for increased focus and resources for climate and the environment beyond the conservation title alone.

Policy Goals

- Reduce economic and social risks to farmers in adopting regenerative agriculture.
- Create and support networks for the adoption of regenerative agriculture.
- Increase demand for and ability to source a greater diversity of sustainably produced commodities, including small grains.

Approach

MRCC's policy work group continued its momentum in 2022 by identifying avenues for greater impact through more effective leveraging of public and private resources. Paired with insights gained from operating on-the-ground supply chain projects in the Mississippi River Basin, members convened to highlight important opportunities for systems change that maintain economic and environmental viability for all in the value chain. An outcome of the process was **Working Lands Lead the Way: Policy Priorities for Regenerative Agriculture**, a report designed as the basis for conversations with Congressional and federal agency leaders.

Since its publication, MRCC members and administrative staff have used the policy report in meetings with federal policy makers to discuss pairing the once-in-a-generation USDA Partnerships for Climate-Smart Commodities grants and Inflation Reduction Act with landscape-level policy change through the 2023 farm bill.

GEOGRAPHY

Mississippi River Basin

TIMELINE

June – December 2022

MRCC MEMBERS

All MRCC members

MRCC SYSTEMS CHANGE PATHWAYS

Conservation Finance and Incentives, De-Risking Practice Adoption, Creating Demand for Regenerative Commodities

Read the report

Policy Priorities

Support healthy ecosystems and farm resilience through place-based practices

MRCC supports policy that incentivizes and removes barriers to the widespread adoption of farming practices that build soil health in row crop systems, including incentive structures beyond government cost share for climate-smart practices. Climate-smart farm management should be rewarded, meaning that public incentives are designed with flexibility for farmers to choose the practices that work best for their operations and local ecosystem.

Systems change requires collaborative approaches

MRCC supports policy that scales proven programs at the landscape level and targets funding to aspects of the agricultural system that are complementary to corporate supply chain projects, including basic and applied research and the conservation of acres providing habitat and ecosystem services.

Equity and economic viability for all in the value chain, especially farm families and historically underserved farmers

MRCC supports policy that encourages a beneficial economic system for farmers and rural communities, building long-term economic stability, supporting a wide diversity of crops, and farming operations, enhancing the quality of life for farm families and rural communities, and creating opportunity for historically historically excluded farmers, agricultural workers, and community members.

Agriculture as a solution for climate change

MRCC supports policy that helps farmers achieve resilience through climate-smart practice adoption, including market-based approaches such as value chain partnerships and mechanisms that encourage carbon sequestration and/or greenhouse gas mitigation through agricultural practices.

Promoting regenerative outcomes

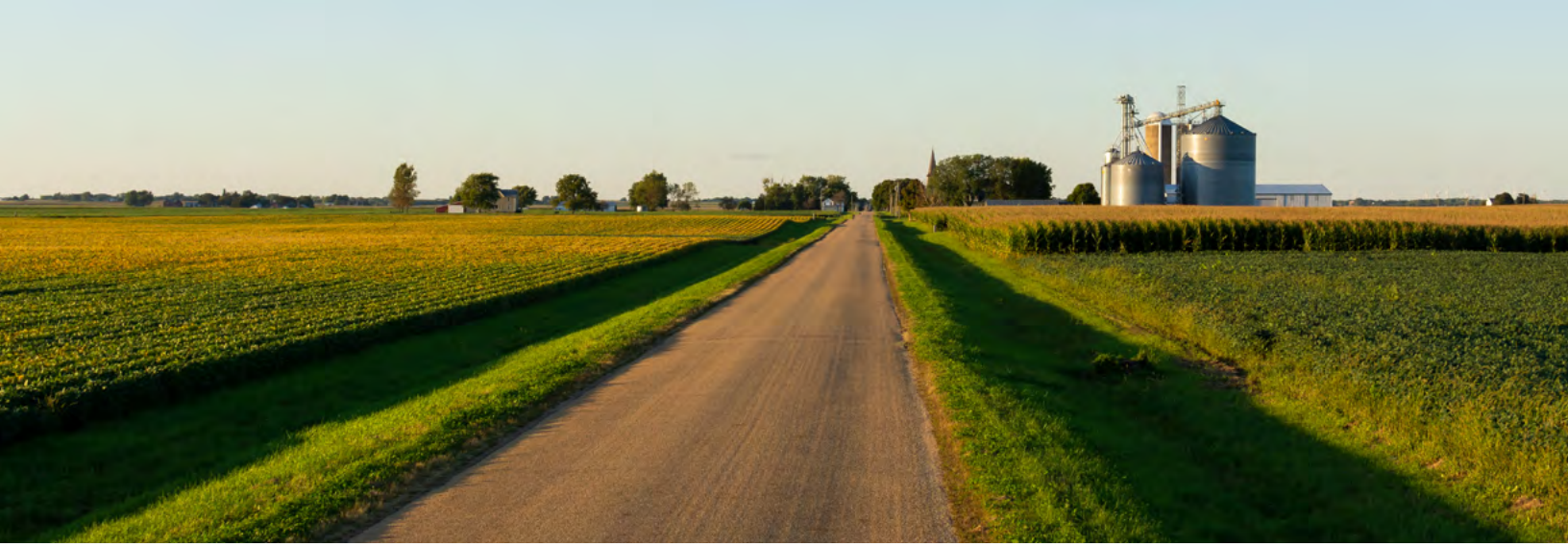
MRCC supports policy that promotes its developed principles and pushes beyond practice adoption to verifiable regenerative outcomes on the landscape.

Lessons

Trust between partners and policy makers is needed to share knowledge and build effective climate-smart policy. MRCC members seek to bring regenerative agriculture to scale and expand their current efforts by supporting public policy that prioritizes farmers and makes our agricultural system and landscapes more resilient, healthy, and productive. Members are committed to collaborating with policy makers to accelerate progress and demonstrate the value of their collective vision and impact. The challenges associated with finding common ground among diverse corporate and nonprofit members, each with specific interests in the agricultural system, speaks to the power of their shared priorities.

Next Steps

Encouraging policy that supports robust partnerships and tactical investments in the 2023 farm bill and engaging with USDA and the Administration on advancing shared climate smart and resilient agriculture goals are priorities for members. As farm bill negotiations continue, the Midwest Row Crop Collaborative will continue to engage and advocate for our recommendations and positions related to greater expansion of public-private collaboration and recognizing the value of partnership and capacity building in agriculture. We also will work with USDA to pursue opportunities to advance our priorities in collaboration with the agency.



Growing Opportunity

Overview

The Midwest Row Crop Collaborative, with funding from the Walton Family Foundation, sought to understand opportunities for row crop agriculture that reflects equitable, positive outcomes for people. With a focus on Latino farmers and farmworkers, the report, **Growing opportunity: Building social equity into row crop agriculture**, explores needs and barriers facing this large and fast growing community in the agriculture sector.

Latino farmers and farmworkers face numerous hurdles to access land and resources, but many possess diverse knowledge, skills, and experiences including holistic farming techniques and familiarity with practices associated with regenerative agriculture. For many agricultural workers, their personal knowledge derived from previous experience in their home countries offer lessons and insights on how to grow and manage crops.

Goals

As regenerative agriculture is understood to enhance the well-being of people in the food system and the environment, MRCC seeks to advance approaches that deliver benefit to communities impacted by Midwest row crop agriculture. The goal of this study was to better understand the needs and barriers facing Latino farmers and farmworkers, focusing on agricultural workers in row crop production in the Midwest, not inclusive of other types of agricultural workers such as those working in the dairy or meat processing industries.

Approach

Lacy Consulting Services served as primary consultant for this project, bringing significant experience conducting research in BIPOC (Black, Indigenous, and people of color) agriculture within the United States. A literature review on BIPOC farming and row cropping in the Midwest and across the U.S. was the first step. Grounding the project with an analysis of the historical conditions contributing to the current state of agriculture and research highlighting current obstacles and future projections was a high priority for MRCC members.

GEOGRAPHY

Mississippi River Basin

MRCC MEMBERS

All MRCC members

MRCC SYSTEMS CHANGE PATHWAYS

Conservation Finance & Incentives, De-risking Practice Adoption, Agriculture Network Engagement

The team assessed key identity groups for engagement, ultimately resulting in a focus on Latino farm owners and farmworkers, an underrecognized group who have a vital role in agricultural production in the region. Following the initial steps, interviews in English or Spanish with Latino farmers served as the basis for qualitative analysis and as a guide for future activities for MRCC and its members.

Lessons

Socioeconomic stability

Latino farmers and farmworkers emphasized the pursuit of socioeconomic stability and providing for their families through agriculture when describing their goals during interview for this report. This mentioned stability in life includes sustaining families in the U.S. after immigrating, as well as supporting families in their home countries.

Equal opportunities

A shared goal among Latino farmers and farmworkers is the desire for equal opportunities: rights for equal pay, healthy and safe working and living conditions, and access to markets.

Generational legacy

As with generations of Midwestern farmers from the European continent, the opportunity to maintain and pass down their family's farming tradition is a strong value of Latino farmers and farmworkers.

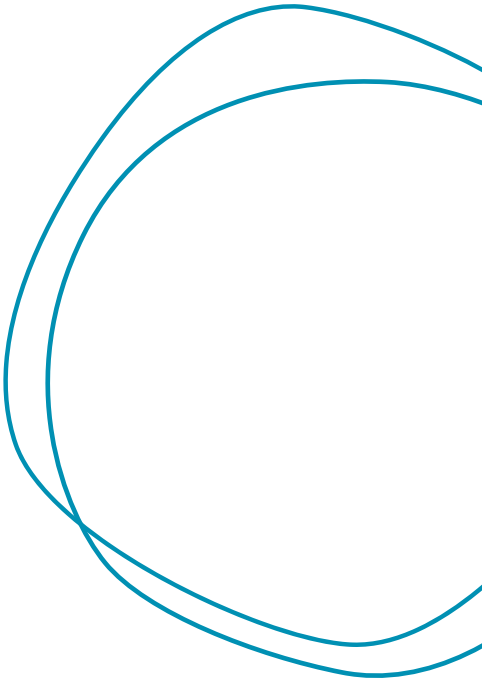
Opportunities for action

Rural areas are well-positioned for further economic growth, and agricultural-based communities that have successfully reversed ongoing trends of population decline have typically experienced diversifying demographics and a notable growth in immigrant communities. Building a trust and support is important when making a safe and welcoming environment in Midwestern farming communities.

There are many opportunities to build and sustain trust between Latino farmers and other stakeholders in the Midwestern agricultural landscape. Although trust may be lacking between many institutions and Latino farmers and farmworkers, there remains opportunity for relationship-building underpinned by meaningful action. The Midwest Row Crop Collaborative members in their relationships with farmers, implementing partners, and policymakers, are working to support landscape-level change and ensure access and support for those implementing regenerative agriculture practices. They seek to aid planning that contributes to the success of historically underserved and emerging farmers entering row crop agriculture, reinforce the well-being of rural communities through local ownership and stewardship of working lands, and provide opportunities to support a resilient, regenerative future for farming.

Supply chain, nonprofit, and government stakeholders are encouraged to consider farming operation transitions as an opportunity to scale regenerative agriculture within wider farming communities. This will support the next generation of farmers and their land access opportunities. The ability of companies and non-governmental organizations to engage in this work directly may vary, but partnership-focused models hold promise.

Midwest Row Crop Collaborative members are committed to sustaining this conversation and will continue exploring ways to meaningfully contribute to advancing equity within the agriculture system.



SHARED LEARNING AND CATALYZING CHANGE

MIDWEST ROW CROP COLLABORATIVE

The Midwest Row Crop Collaborative is built on the recognition that collaboration is needed to drive positive systems change. Each member is committed to sharing lessons and learning from one another's experiences to strengthen collective efforts. This model is one of the most powerful opportunities to overcome barriers and make projects more scalable and effective.

There are numerous opportunities within MRCC for shared learning, such as internal member learning and discussion opportunities, as well as external opportunities for public engagement.

Examples of internal opportunities that build on the trusted relationships between members include member monthly learning calls, webinars, and other convenings.

Topics explored in 2022 include:

- Carbon and ecosystem markets.
- Public-private collaboration to advance regenerative outcomes.
- Possibilities for growth and consistent tracking with Science-Based Target Initiative's Forest, Land, and Agriculture Guidance.
- Soil carbon and nitrogen storage.
- Scaling soil health practices with financial data.
- Flexible support for practice adoption.
- Measurement for regenerative agriculture.

MRCC helped share learnings about how to build farmer sentiment around regenerative agriculture and connect them to programs through engagement with ag retailers at the Sustainable Ag Summit in November. MRCC moderated a panel with The Nature Conservancy, Nutrien Ag Solutions, and Purdue University about their insights and the identified needs and gaps to support ag retailers in promoting regenerative practice adoption.

Members also connected with leaders and players across the food and agriculture value chain at Field to Market's Plenary Assembly and at the Upper Mississippi River Basin Association conference on conservation agriculture practices in November.

The success of MRCC's goals is dependent on the collaborative efforts of members and implementing partners across the value chain. Whether it's farmers making decisions to implement regenerative practices in their fields, or a multinational retailer working to reduce their environmental footprint, those with similar priorities are not alone in their endeavors. By joining MRCC, members commit to sharing their experiences, lessons, and the risks of transitioning to regenerative approaches with others in service of an agricultural system that benefits farmers, nature, and communities.

Learn more

LOOKING AHEAD: PURSUING GROWTH OPPORTUNITIES

MIDWEST ROW CROP COLLABORATIVE

MRCC strengthened its portfolio of collaborative work in the past year, as it progresses towards its 2030 goals, and worked to increase climate resiliency and reduce environmental impacts in the agricultural system.

Numerous MRCC members are involved in implementing projects supported by the USDA's Partnerships for Climate-Smart Commodities (PCSC), a once-in-a-lifetime funding opportunity for partnerships to support the production, measurement, reporting, and marketing of climate-smart commodities. The PCSC program supports agriculture as a climate solution best realized through collaborative approaches, and MRCC has shown the value and effectiveness of this model. There are opportunities to leverage collaboration across MRCC to advance learnings and knowledge sharing with the intent to improve the reach of these USDA-funded programs and expand regeneration across the landscape.

As MRCC looks ahead to 2023 and beyond, we are excited for further engagement with the public sector as we seek prioritization of regenerative agriculture programs and public-private partnerships in the upcoming farm bill. After building a targeted media campaign to positively change farmer sentiment towards regenerative agriculture and engage with relevant practices, we are excited to analyze the findings and make them available to others seeking systems change. Our members will continue defining and building innovative financing and practice adoption programs to meet the ambitious goals we set for our collaborative.

Work with us for a better food and agriculture system

The Midwest Row Crop Collaborative relies on the perspectives, insights, and on-the-ground expertise of its valued members to achieve its ambitious goals for systems change. If you see opportunities to align our work with yours, we're eager to hear from you.

Jenny Kramm
Partnership Director
jkramm@environmental-initiative.org

MIDWEST ROW CROP COLLABORATIVE

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