

Regenerative Agriculture Financing Program: Environmental Defense Fund/Farmers Business Network Announce Results of 2022 Pilot



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The Environmental Defense Fund and Farmers Business Network (collectively, “EDF”) issued on July 19th a report titled:

Regenerative Agriculture Financing Program

Results of the 2022 Pilot (“Report”)

The Regenerative Agriculture Financing Program (“RAF”) was established in January 2022 by EDF to provide certain financial incentives to farmers that achieve standards for soil health and nitrogen management practices.

2022 is stated to have been a pilot year of the program involving 48 corn, wheat, and soybean farmers that gained access to lower interest rates on operating loans upon achieving certain standards.

The Report states that 83% of participating farmers completing program requirements met environmental standards for fertilizer efficiency and soil health practices.

A major barrier in developing financial solutions that support regenerative agriculture is stated to be the lack of fund data connecting their financial and environmental performance.

The Report notes that:

Agricultural lenders, who are farmers’ closest financial partners, typically do not collect financial information about the connection between regenerative practice adopting, financial performance and risk associated with their loans.

EDF describes the RAF program as one of the first United States agriculture financing programs to reward farmers meeting specified environmental standards for regenerative agriculture. The standards are paired with the farmer’s operating line of credit. As the Report notes:

The environmental standards are paired with the farmer’s operating line of credit, which farmers typically renew annually and use for common expenses such as seed and fertilizer. Upon completing their loan repayment, implementing soil health practices and operating with an efficient level of N fertilizer, farmers in the RAF program are rewarded with an incentive equal to a 0.5% reduction in their operating loan interest rate.

2022 is described as the pilot year in which EDF determined the efficacy of the program through participants' experiences. Questions to be addressed included:

- Whether farmers would be interested in enrolling
- Farmers' ability to meet the environmental standards in order to receive the rebate
- Insights on the relationship between farms' environmental performance from the analysis of the pilot data

Results discussed in the Report include:

- Farmer enrollment
- Overall participation in rebate results
- Crop-specific environmental results
- Soil health practice implementation
- Quantifying environmental outcomes
- Lessons learned from the pilot year of the RAF program
- Path forward

A copy of the Report can be downloaded [here](#).