REGENERATIVE AGRICULTURE
AND FOOD SYSTEMS SUMMIT 2022

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ACCELERATING THE TRANSITION TO REGENERATIVE PRACTICES

WHAT WERE SOME OF THE KEY THEMES DISCUSSED DURING YOUR ROUNDTABLE 'HOW CAN IMPACT MEASUREMENT AND DATA MAINSTREAMING ACCELERATE SOCIAL AND ENVIRONMENTAL REGENERATION?'?

Impact measurement (IM) allows us to build alignment across stakeholders with different agendas:

- IM compels supply chain stakeholders to outline their interests and targets to build consensus on key intervention areas to be implemented
- That said, IM should remain transparent and comparable between projects, and thus be aligned with international standards

However, IM largely relies on data collection on the field which has been quasi-non-existent until the recent awareness:

- As of today, this lack of data on smallholders creates uncertainty for corporates and organizations to properly deploy supply chain programs addressing the specific needs of smallholders (training, equipment, intrants...)
- Additionally, it is challenging to ensure the reliability of data collected – due to a structural misunderstanding on what is being assessed.

IT IS CHALLENGING TO ENSURE THE RELIABILITY OF DATA COLLECTED – DUE TO A STRUCTURAL MISUNDERSTANDING ON WHAT IS BEING ASSESSED

The role of IM in the framework of new regulations was also discussed. New regulations – such as the EU CS3D – require corporates to step-up due diligence efforts across their supply chains.

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In that sense, the new EU deforestation regulation requires corporates to provide exact information as to when, where and who generated the products (or raw materials) entering the EU.

WHAT DOES DATA MEAN FOR REGENERATIVE AGRICULTURE AND HOW CAN IT BE USED TO HELP SCALE?

Regenerative agriculture is increasingly popular in northern countries, with large-scale farmers accessing the necessary knowledge, infrastructure, and services. It however appears much more difficult to replicate these approaches and techniques at smallholder level and ultimately scale pilot programs across Southern countries.

With that in mind, public authorities, development agencies, civil society organizations and corporates have developed programs to support smallholders in their regenerative transition.

HOWEVER, THE ABSENCE OF DATA PROFILING MAKES IT DIFFICULT TO ENGAGE FARMERS EFFECTIVELY AND DURABLY.

Indeed, critical questions need to be addressed:

- Who are the first mile farmers in the target supply chain?
- What is the profile of farmers producing the target commodity?
- What are the challenges faced by the target smallholders?
- What is the level of fragmentation of the target supply chain?

Addressing these questions allows us to design effective and context-specific programs. This to provide farmers with the necessary technical training, advisory, and access to services. In that respect, leveraging data, digital tools, and impact measurement at smallholder level can streamline farmers' transition to regenerative agriculture.

KNOWLEDGE

Transitioning to regenerative agriculture requires detailed knowledge on both farmer and farm profiles. Indeed, defining a clear baseline (household income, current practices, farmers' needs) helps tailor a context-specific approach while minimizing productivity losses when shifting cultivation principles. However, as described above, a clear lack of data hinders a fair understanding of smallholders' specificities. As such, leveraging digital tools can help collect data at scale – as opposed to conventional, overly fastidious methods.

LACK OF DATA HINDERS A FAIR UNDERSTANDING OF SMALLHOLDERS' SPECIFICITIES

FIELD-LEVEL DATA

Field-level data can help provide smallholders with both tailored and prescriptive advisory services. With data derived from the specific context of their agronomic system, farmers can tap into better decision-making, improving the efficiency of their farm. For example, in terms of water management or crop productivity.

ACCESS TO MARKET

Access to market is key to making a compelling case for smallholders to transition to regenerative agriculture. Aggregating production data at smallholder level eases the physical aggregation of supply among smallholders and reaching the volume threshold imposed by buyers. Working within coalitions of smallholders, collectors and transformers helps predict volumes, inform buyers on deliveries, ultimately easing certification and providing greater traceability.

INVESTMENT

A major roadblock to smallholders' transition to regenerative agriculture is the investment required to initiate and shoulder the economic impacts of the transition. While smallholders generally cannot rely on financial institutions as their profile is deemed too risky, farm and production digital data collection offers a prime solution. Indeed, aggregation of production and financial data on farms' business models and P&Ls can boost farmers' credit profile. This can in turn be used to solicit a loan from microfinance institutions for example.

A MAJOR ROADBLOCK TO SMALLHOLDERS' TRANSITION TO REG AG IS THE INVESTMENT REQUIRED TO INITIATE AND SHOULDER THE ECONOMIC IMPACTS OF THE TRANSITION

DATA

Data collected during baseline process used comparatively with field data collected regularly from smallholders help program developers in appropriately engaging with smallholders. Indeed, it allows for a finer understanding of smallholders' livelihoods determinants and thus design programs targeting impactful intervention areas. In addition, it informs developers of any course-correction action to be implemented. The same can be said of smallholders' farm management. Using digital tools helps smallholders visualize their performance, for them to assess practices they will have implemented, improving their ultimate effectiveness.

Impact measurement mainstreaming and digital tools can be effective in supporting smallholders' transition to regenerative agriculture. However, implementing data collection processes in the field is proven to be more complex.

HOW CAN DATA COLLECTED BE USED TO MEET ESG GOALS?

Data & impact measurement (IM) should guide organizations' sustainable sourcing strategy:

- If corporates do not measure how they contribute to social and environmental challenges within their supply chain, it is difficult for them to proactively address those topics
- In addition, impact measurement triggers a thinking process which pushes supply chain stakeholders – each with their different agendas – to align on the levers of action to activate
- As such, IM helps align on common interests and push forward key strategies to improve the social and environmental performance of supply chains

> ## IF CORPORATES DO NOT MEASURE HOW THEY CONTRIBUTE TO SOCIAL AND ENVIRONMENTAL CHALLENGES WITHIN THEIR SUPPLY CHAIN, IT IS DIFFICULT FOR THEM TO PROACTIVELY ADDRESS THOSE TOPICS

Indeed, data collection helps tailor program design and measure progress accordingly:

- Data collection documents the first mile of the value chain with the necessary granularity to design tailored programs, targeting farmers' livelihoods and practices
- It also drives real-world impact at the first-mile level, which inherently improves the sustainability of the entire supply chain, thus contributing to achieving the Sustainable Development Goals and corporates' ESG goals.

WHAT PROGRESS WILL YOU BE LOOKING FOR THE INDUSTRY TO HAVE MADE BY THE TIME THE REGENERATIVE AGRICULTURE AND FOOD SYSTEMS SUMMIT RECONVENES NEXT YEAR?

To complement this year's conference, it would be interesting to invite the perspective of southern countries, through the participation and contribution of farmers, NGOs, and project proponents of the Global South.

Besides, many pilots and experiments have been implemented throughout the world, with similar challenges, obstacles, and findings. Sharing best practices – on farmers' engagement, incentivization schemes… – would help build upon and improve previous experiments.

> ## SHARING BEST PRACTICES – ON FARMERS' ENGAGEMENT, INCENTIVIZATION SCHEMES WOULD HELP BUILD UPON AND IMPROVE PREVIOUS EXPERIMENTS

In the same respect, leveraging data collection to build business cases – what works, what doesn't, technical itineraries… – would go a long way to provide a blueprint for scaling-up regenerative agriculture.

Finally, efforts need to be stepped up to scale RA. In that regard, financial players should increase their contribution and role in driving the development and testing of innovative and sustainable financial schemes for the benefit of farmers.

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