



Farming for the Future: The State of Regenerative Agriculture Program Adoption

November 2023



Contents

- 3 Introduction
- 4 Key findings: Sustainability-minded consumers are driving demand
- 7 Key findings: Adopting regenerative agriculture practices could boost consumer perception, bolster trust and increase purchase consideration
- 10 Key findings: Retail and CPG executives see the opportunity and understand the urgency
- 18 Conclusion
- 19 Methodology
- 20 Appendix

Introduction

To feed our growing global population for generations to come, we need to build resiliency into the land we farm and improve the health of the water and soil we depend on. Simultaneously, consumer demand for sustainably sourced products is growing, driven by a desire to see meaningful progress from the companies that serve them.

Across the food and agriculture value chain, companies are increasingly focusing on meeting consumer demand and securing a better future by scaling and promoting practices that both help safeguard the longevity of the food systems that we depend on and protect the planet that we live on. Regenerative agriculture supports that critical work by focusing on rebuilding and maintaining soil health, which is critical to life on earth. The focus and opportunity are significant: Industry-wide, revenue from regenerative agriculture is expected to grow from \$8.70 billion in 2022 to \$32.29 billion by 2032¹.

Now, data from ADM's proprietary consumer insights platform, Outside VoiceSM, is helping us better understand the business urgency driving this rapid growth among U.S. consumers and CPG and retail executive-level decision-makers.

This report provides a distillation of the research ADM has undertaken on these business-critical programs, including an analysis of consumer perceptions on sustainability as well as the state of play for regenerative agriculture partnerships among retailers and CPG brands. It reaffirms the promise and potential of regenerative agriculture practices to help meet growing consumer demand for sustainably sourced products while building business resilience for the companies that meet those needs. It shows that consumers are more interested in products that come from companies involved in regenerative agriculture, while retail and CPG executives understand the urgency to be one of those companies and the importance of the right partners to implement and advance their regenerative agriculture plans.

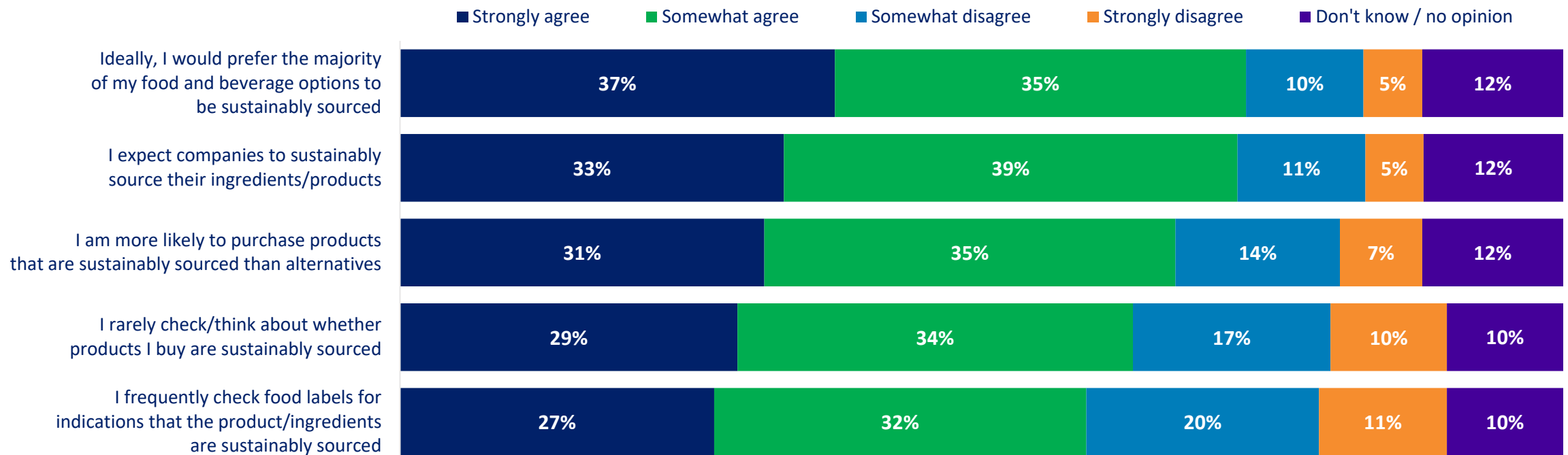
¹[Global Regenerative Agriculture Market Size to Reach USD \(globenewswire.com\)](https://www.globenewswire.com)

**Sustainability-
minded
consumers are
driving demand**



Consumer demand for sustainably sourced products is high: Nearly three-quarters of U.S. consumers agree that the majority of their food and beverage options would ideally be sustainably sourced, and they expect companies to sustainably source their ingredients and products.

How much consumers agreed with the below statements related to sustainably sourced ingredients/food products:



U.S. consumers say ideally more than half of the grocery items they purchase would be sustainably sourced.

How many of the 10 items in their cart consumers say would typically be “sustainably sourced” vs. their ideal:

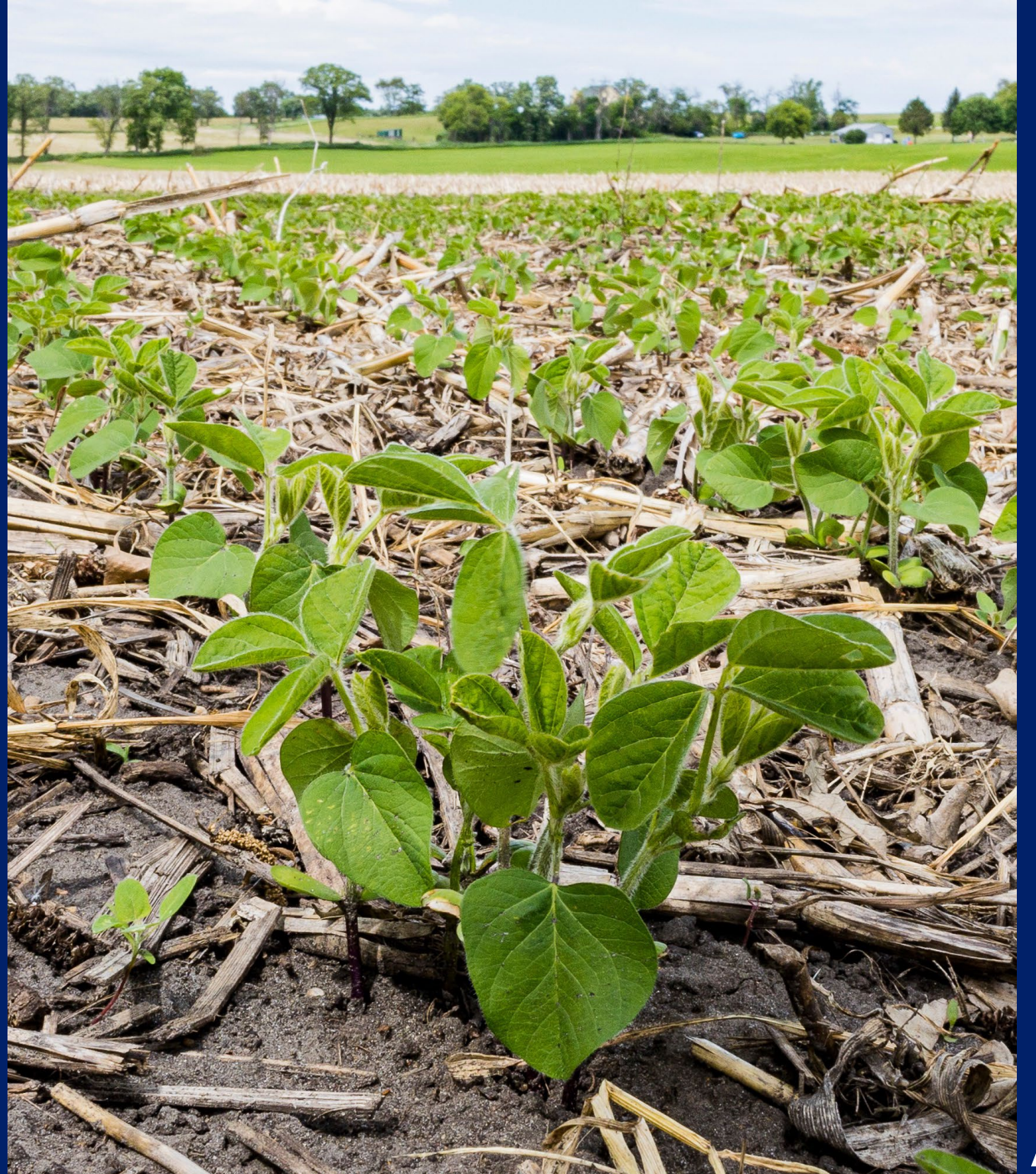
Sustainably sourced items out of a cart of 10 total items

Typically: 5.0

Ideally: 5.7



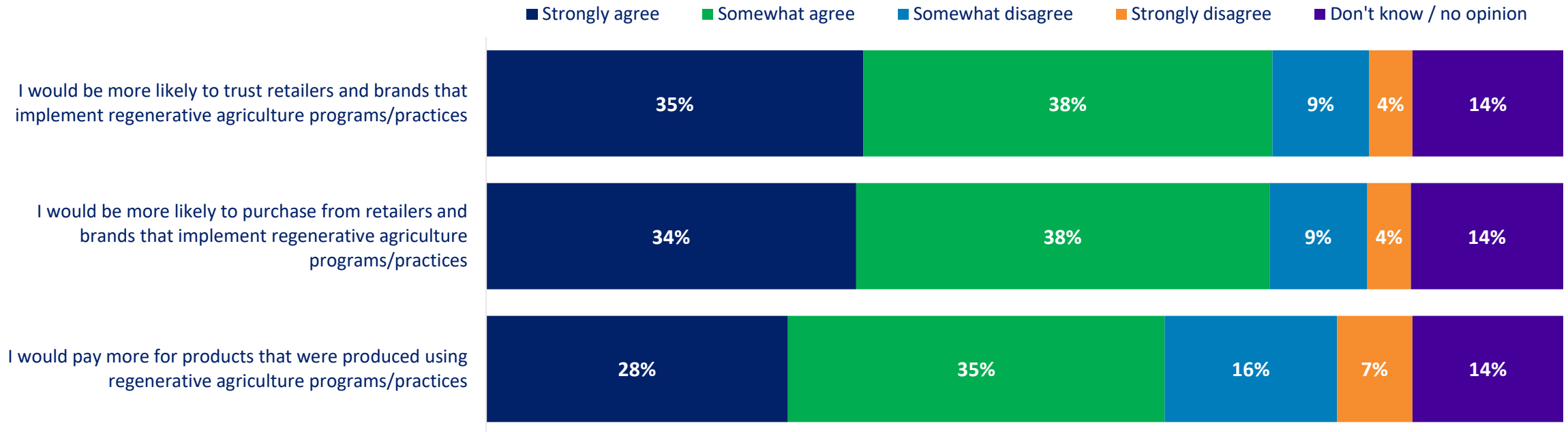
**Adopting
regenerative
agriculture
practices could
boost consumer
perception,
bolster trust and
increase purchase
consideration**



Regenerative agriculture programs could build loyalty and trust with consumers:

When provided a definition of regenerative agriculture¹, most U.S. consumers agree that they would be more likely to trust and purchase from companies and brands that implement regenerative agriculture programs/practices.

How much consumers agree or disagree with each of the following statements related to regenerative agriculture:

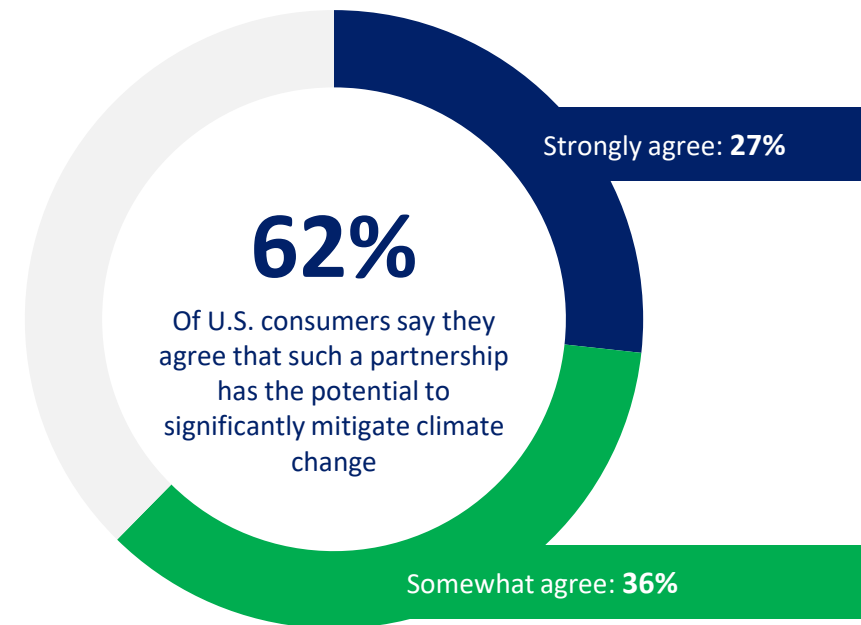
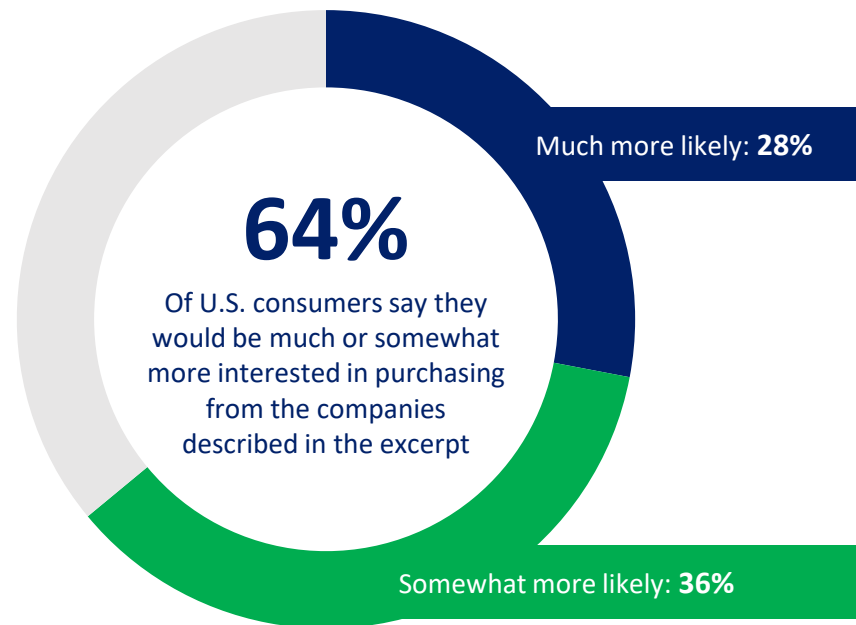


¹ "Regenerative agriculture describes farming and grazing practices that, among other benefits, address climate change by rebuilding soil organic matter and restoring degraded soil biodiversity – resulting in both carbon drawdown and improving the water cycle."



Regenerative agriculture, in practice, can boost perceptions and purchase consideration among consumers:

Presenting a hypothetical regenerative agricultural partnership¹ was effective in swaying consumers' purchase interest and their perception of the impact on mitigating climate change.



¹ "A global leader in sustainable agriculture and nutrition, and a multinational food, snack, and beverage corporation recently announced a 10-year strategic commercial agreement to closely collaborate on projects that aim to significantly expand regenerative agriculture across their shared North American supply chains. This strategic partnership is expected to reach farmers who manage up to 1.5 million acres of farmland by 2033."

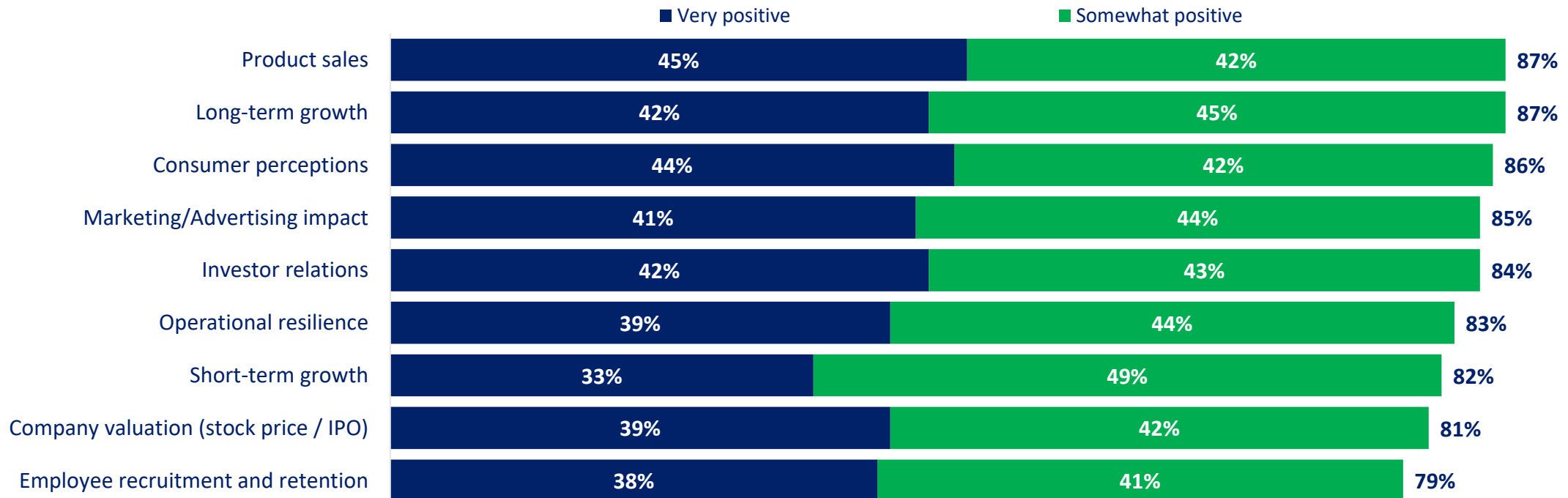
Retail and CPG executives see the opportunity and understand the urgency



Companies understand the opportunity:

An overwhelming majority of retail and CPG decision-makers believe that the impact of a regenerative agriculture program would be positive for sales and long-term growth.

What type of impact decision-makers think a regenerative agriculture program has on each of the following aspects of their company's reputation and performance:

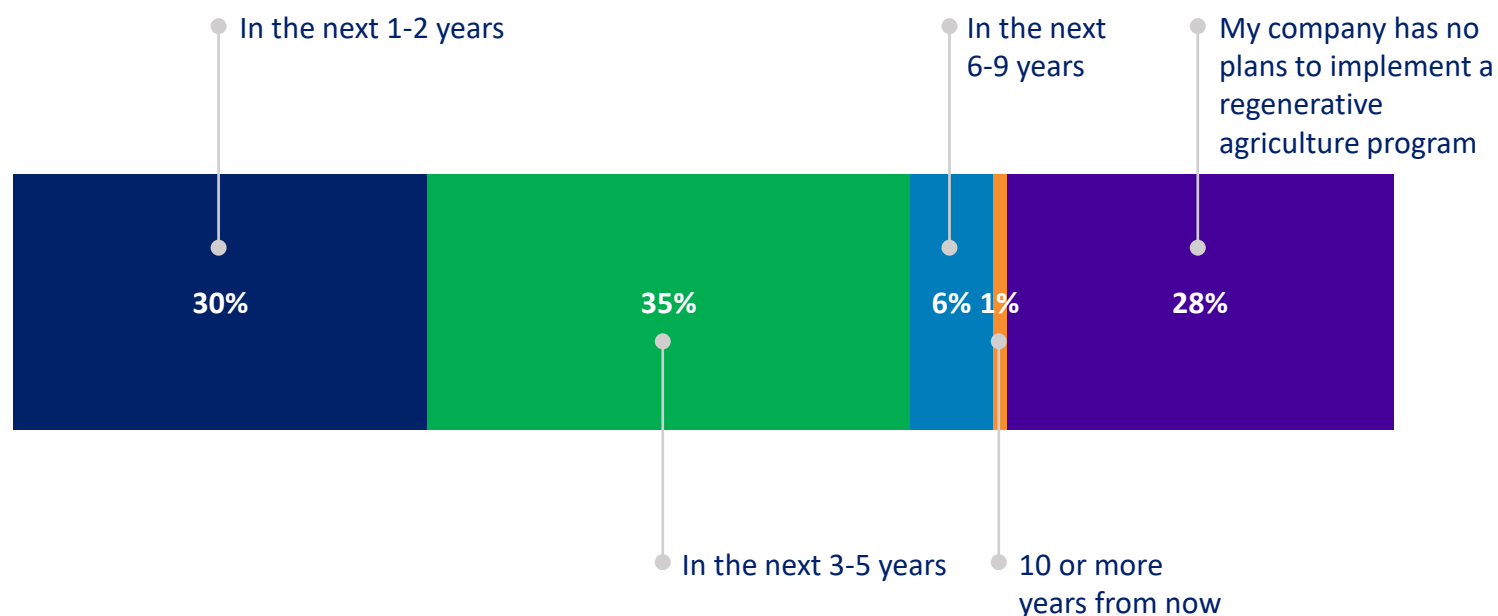


CPG brands and retailers are eager to move forward:

Most decision-makers whose companies don't have a program in place say they have plans to implement one in five years or less.

When, if ever, does your company have plans to implement a regenerative agriculture program? (N=109)

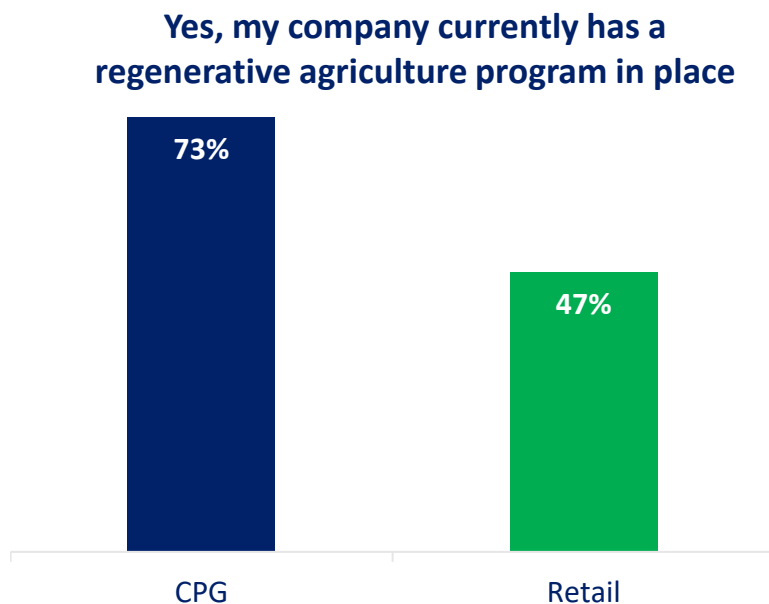
**among those who said their company does not currently have a regenerative agriculture program in place*



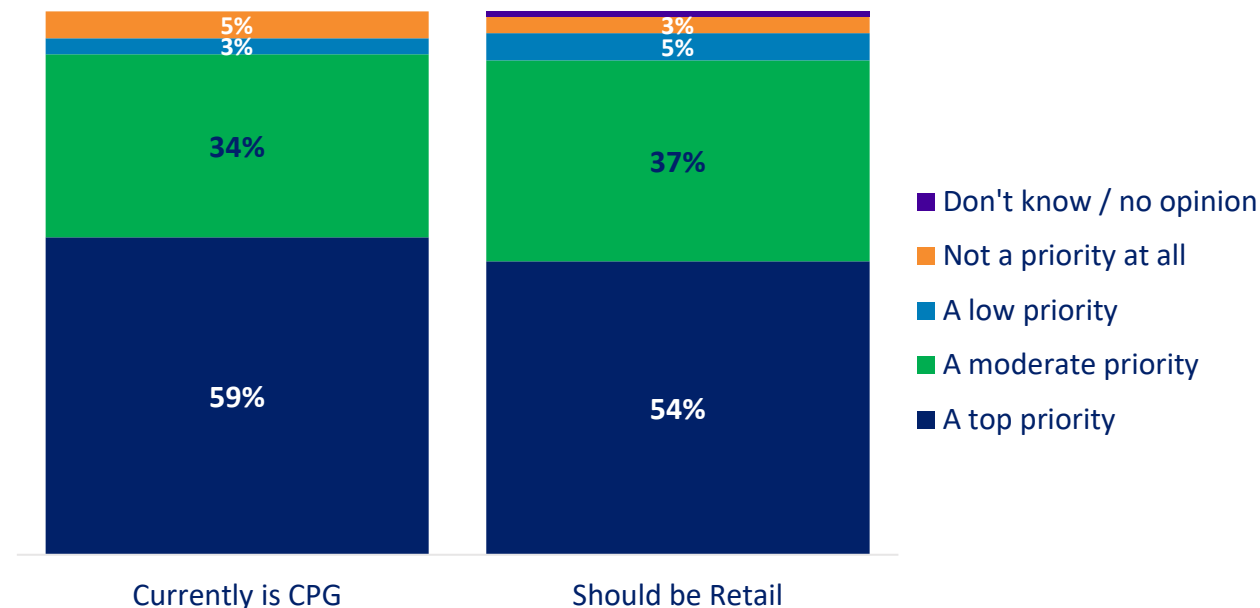
Program adoption is lopsided:

Most CPG decision-makers say their company currently has a regenerative agriculture program in place, while retailers lag. Retail decision-makers are more likely to believe that their company is not prioritizing regenerative agriculture as much as it should be.

The number of decision-makers who say their company currently has a regenerative agriculture program in place:



How much of a priority decision-makers think regenerative agriculture is for their company vs. how much it should be:

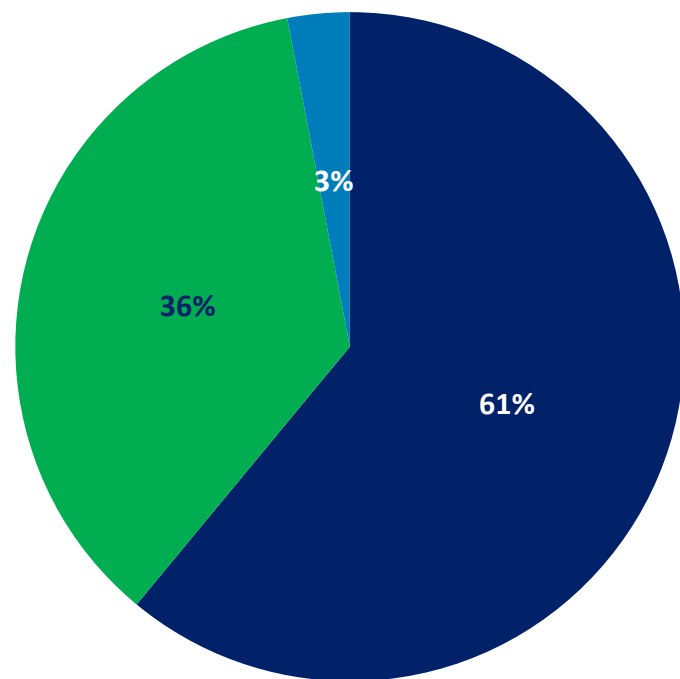


Early adopters see a competitive edge:

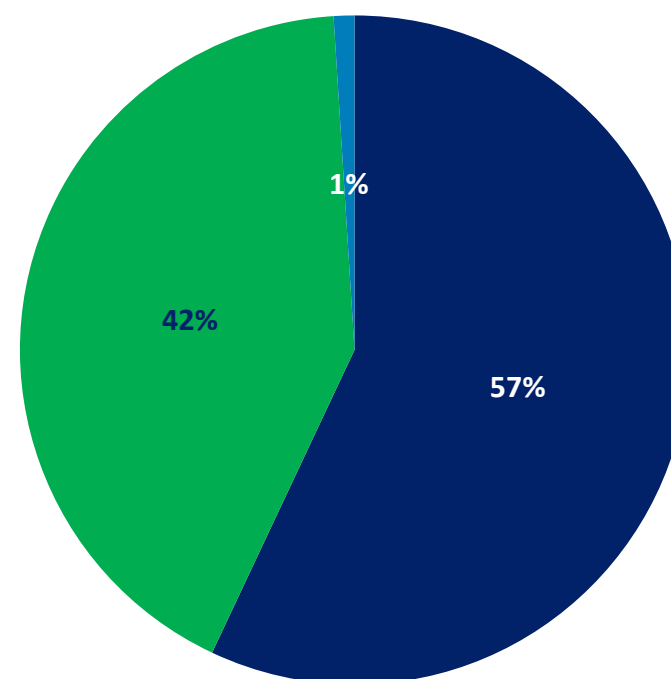
Those whose companies already have a regenerative agriculture program in place strongly agree that it is keeping them ahead of the competition and helping their company reach all or some of its sustainability and climate commitments.

How much decision-makers agree or disagree with each of the following statements:

“Implementing a regenerative agriculture program is keeping my company ahead of the competition.”



“Regenerative agriculture is helping my company reach some or all of its sustainability and climate commitments.”



- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know / No opinion

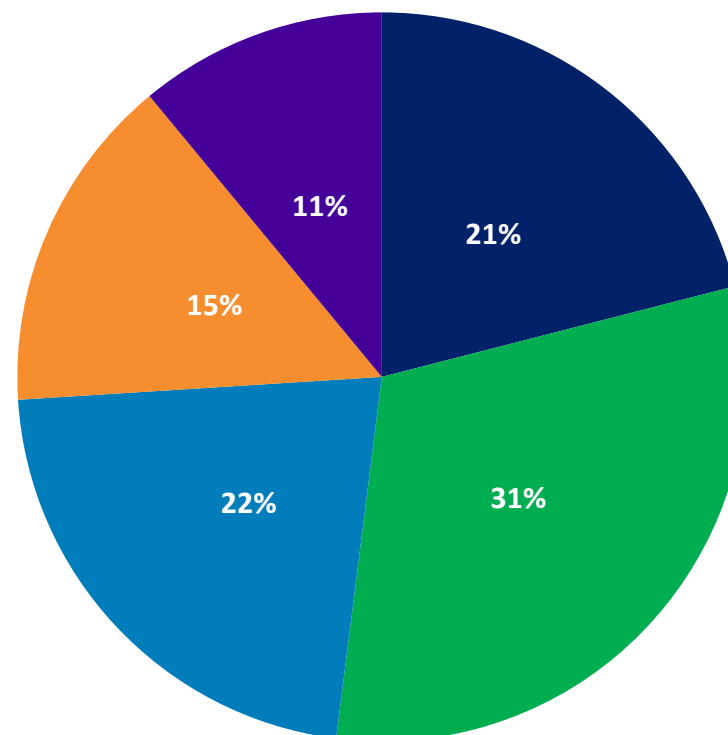
Late adopters sense they're falling behind:

Over half of those CPG and retail decision-makers whose companies don't currently have a regenerative agriculture program in place agree that their company isn't moving fast enough to implement a program.

How much decision-makers agree or disagree with the statement below:

**among those who said their company does not currently have a regenerative agriculture program in place*

"My company is not moving fast enough on implementing a regenerative agriculture program."



Strongly agree	Total Agree: 52%
Somewhat agree	
Somewhat disagree	Total disagree: 37%
Strongly disagree	
Don't know / No opinion	

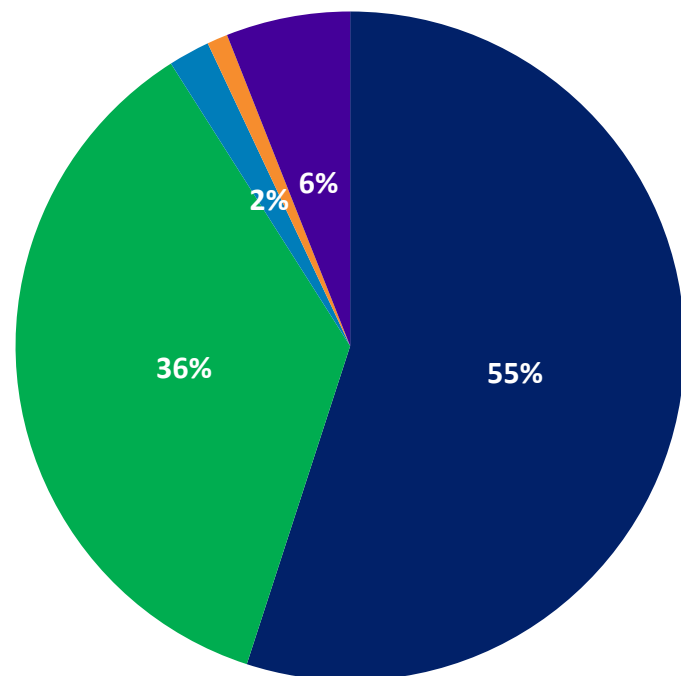
A good partner is worth the investment:

Most CPG and retail decision-makers agree that finding the right industry partner is key to effectively and efficiently implementing a regenerative agriculture program.

How much decision-makers agree or disagree with each of the following statements:

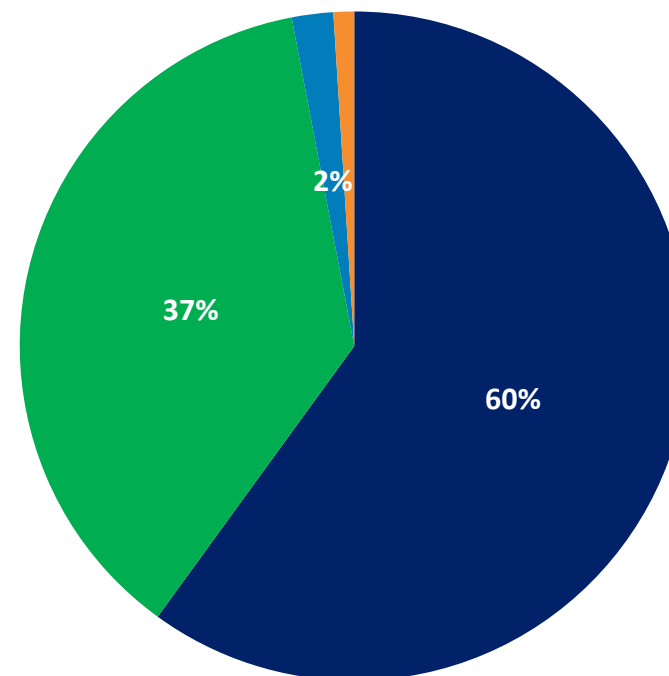
**among those who said their company does not currently have a regenerative agriculture program in place*

“Finding the right industry partner is key to advancing regenerative agriculture programs efficiently.”



**among those who said their company currently has a regenerative agriculture program in place*

“Partnering with the right industry partner was key to effectively implementing a regenerative agriculture program at my company.”

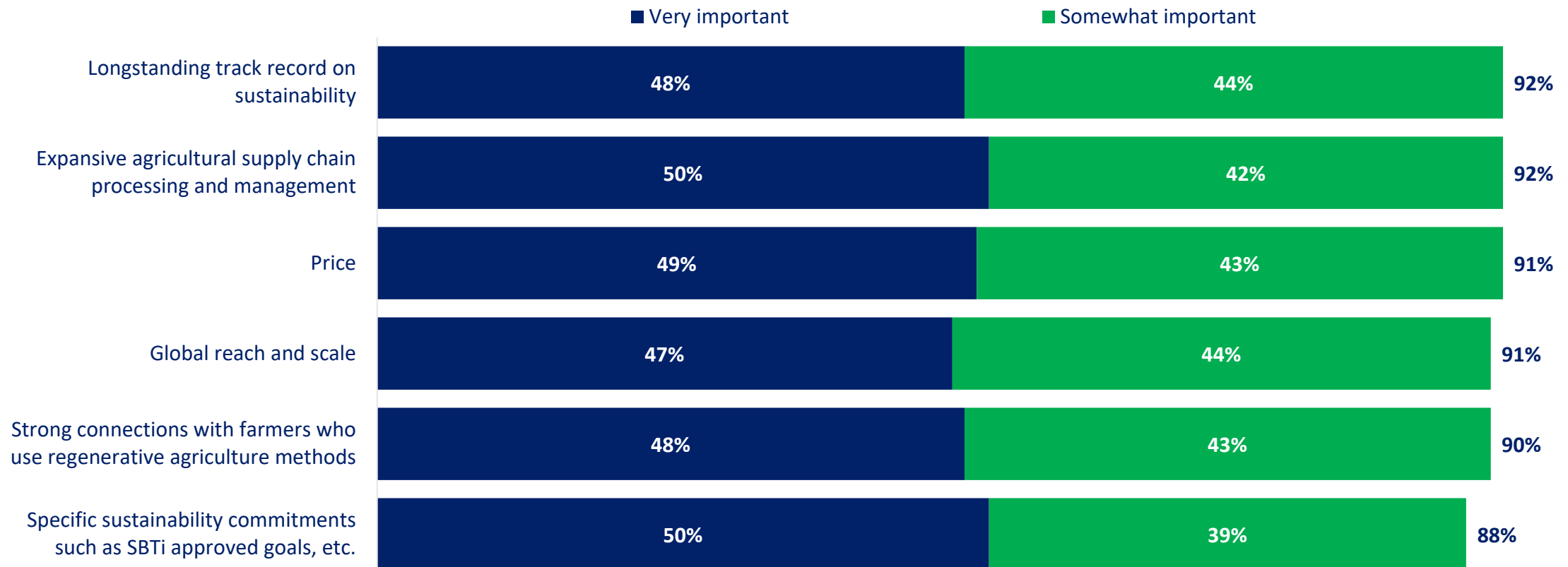


- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know / No opinion

Companies are doing their homework:

The right partner must check all the boxes – from track record to global reach and scale.

How important decision-makers find each of the following criteria when considering the right industry partner for implementing a successful regenerative agriculture program:



Conclusion

Sustainability is fundamental to future growth for companies across the food and agriculture value chain. The demand for more transparent, sustainable products is clear, underpinning the urgency for food brands and retailers to take action. Equally critical, companies must adapt their operations and ways of doing business to ensure their resilience for the future.

Our research shows that retailers and CPG brands understand the opportunity and urgency around adopting regenerative agriculture programs. But many fear they're not moving fast enough, and they are eagerly in search of turnkey solutions and experienced partners that can help build a climate-smart future while reducing both partners' collective environmental footprint.

ADM is scaling up its sustainability efforts by investing in the expansion of regenerative agriculture programs across millions of acres, resulting in a climate-smart portfolio of products that meets modern consumer demand.

Together, we work with growers to identify and implement regenerative farming practices that reduce GHG emissions, improve soil health, protect water quality, sequester carbon, and increase farm resiliency – and put more products on the shelf that consumers feel good about buying. With a value chain that stretches from hundreds of thousands of growers to downstream customers spanning food, feed, fuel, industrial and consumer products, ADM is using its unique position within the value chain to lead the charge in scaling regenerative agriculture practices and building climate-smart solutions around the globe.

Methodology

ADM Proprietary Outside VoiceSM

Consumers

This poll was conducted between July 11-July 13, 2023, among a U.S. sample of 1503 Adults. The interviews were conducted online and the data were weighted to approximate a target sample of Adults ages 18+ based on gender, educational attainment, age, race, and region. Results from the full survey have a margin of error of plus or minus 3 percentage points.

CPG + Retail Decision Makers

This poll was conducted between July 12-July 19, 2023, among a U.S. sample of 301 CPG and Retail Decision Makers. The interviews were conducted online. Results from the full survey have a margin of error of plus or minus 6 percentage points.

Appendix



Respondents were provided the below definition of regenerative agriculture:

Regenerative agriculture describes farming and grazing practices that, among other benefits, address climate change by rebuilding soil organic matter and restoring degraded soil biodiversity – resulting in both carbon drawdown and improving the water cycle.



Respondents were shown this excerpt that describes a hypothetical regenerative agriculture partnership.

“A global leader in sustainable agriculture and nutrition, and a multinational food, snack, and beverage corporation recently announced a 10-year strategic commercial agreement to closely collaborate on projects that aim to significantly expand regenerative agriculture across their shared North American supply chains. This strategic partnership is expected to reach farmers who manage up to 1.5 million acres of farmland by 2033.”

