



Engaging with Sustainable Farmers: A Guide for Agribusinesses

Understanding the Landscape

The 2022 USDA Agriculture Census highlights a gradual shift towards sustainable farming practices. As an agribusiness, it's crucial to understand this evolving landscape to effectively engage with farmers committed to sustainability.

www.dtn.com/ecofield-data

Key Trends to Consider

1. Slow but steady adoption: No-till practices and cover crop usage are increasing, but at a slow pace. No-till has only increased 1.1% since 2017, but cover cropping has grown by 17% in the same time period. Finding farmers who are already bought into the value of sustainability is key. But be prepared to discuss long-term strategies and benefits around additional services and inputs that also lower carbon emissions.

Cover cropping
has grown by

17%
since 2017

2. Renewable energy integration: A growing number of farms are incorporating renewable energy systems, with solar being the most popular. Farms have seen a 15% increase in the use of renewable energy sources since 2017. Consider how your products or services can accommodate, complement or enhance these efforts.

Farms have increased
the use of renewable
energy sources by

15%
since 2017

3. Input providers hesitancy: Ag retailers engaged in selling inputs have a mixed bag of low-carbon solutions, and many are hesitant to fully commit to sustainable solutions. This is based on unclear financial benefits for farmers and difficulty in finding farmers who may be interested. The key is finding farmers who have shown interest through other practices like no-till or cover cropping are ideal candidates for other low-carbon practices, allowing sales efforts to be more targeted and successful.

4. Aging farmer population: With the average farmer age at 58.1 years, there's a need to attract younger generations. More environmentally conscious generations such as Gen Z and Millennials see

The average farmer age is

58.1 years

sustainability as a key draw to engage in farming, although they sit at ~10% of the overall farmer population. But that number is expected to grow over the next decade as farm transition rates increase. It's important to build relationships with younger farmers as soon as possible, as trust and familiarity will be a major factor in third parties they engage.



Engaging with Sustainable Farmers

1. Emphasize long-term benefits

Highlight how sustainable practices can improve soil health, reduce input costs, and potentially increase yields over time. And most importantly, farmers and grain traders can charge a premium for sustainably grown crops as demand increases for these grains.

2. Offer technical assistance

Many farmers need support in implementing new practices. Provide guidance on proper implementation of sustainable techniques and ensure an honest point of view of potential trade offs.

3. Discuss financial incentives

Be knowledgeable about USDA programs, carbon markets, and other financial incentives for sustainable practices. Help farmers navigate complex enrollment processes. This may include credit programs, such as the 45Z program created to incentivize low carbon biofuels manufacturing.

4. Showcase technology integration

Demonstrate how your products or services can work with or enhance sustainable farming technologies. Ideally, a case study or overview of realistic before and after impacts will help farmers understand actual impact.

5. Address generational differences

Tailor your approach based on the farmer's age and experience. Younger farmers may be more open to innovative practices and technologies while maintaining a pragmatic approach to their efforts, as sustainable farming actions can be resource intensive and costly. Younger farmers may be more willing to take the longer view, but with caution.

6. Provide data-driven insights

Use objective, measurable data to show the impact of sustainable practices on farm profitability and environmental outcomes. This is likely to be measured in Green House Gas (GHG) emissions and carbon scoring. Carbon scoring is already the most measured and useful statistic driving sustainable agriculture as a whole.

7. Discuss renewable energy options

Be prepared to discuss or at least understand how renewable energy can fit into farm operations and potentially provide additional income streams. Farmers already using such solutions are more likely to be open to other sustainable actions.

8. Focus on holistic sustainability

Remember that sustainability extends beyond soil health. Discuss water management, sustainable inputs, biodiversity, and energy efficiency.

9. Highlight market demand

Inform farmers about growing consumer interest in sustainably produced food and how this might affect market opportunities. While driven by consumers, environmentally focused food products are often driven by Food Companies who are seeing a financial premium in such products.

10. Be patient and supportive

Recognize that transitioning to sustainable practices takes time and may involve trial and error. Cover cropping, for example, is a multiple year effort and takes time to show results. This can be similar for other sustainable solutions such as ROI on low-emission equipment or inputs that reduce carbon. Offer ongoing support and resources.

By understanding these trends and approaching sustainable farmers with informed, supportive strategies, agribusinesses can build strong, mutually beneficial relationships that contribute to a more sustainable future.

How can DTN help?

DTN is at the forefront of sustainable farming, providing the measurement and analysis of the wide variety of farming practices that lead to lower carbon emissions grain. Let a DTN expert share more about our EcoField™ data solution to help you prepare for this fast-growing part of the grain market.

www.dtn.com/ecofield-data



DTN°

