



2023 Regenerative Agriculture Report



Greg Morris
SVP and President,
Ag Services & Oilseeds



Dear Stakeholders,

ADM's purpose is to unlock the power of nature to enrich the quality of life, and we know we cannot achieve that purpose without a strong and unrelenting focus on protecting our planet, our communities and our people. We're scaling up our efforts to enhance the sustainability and reduce the carbon footprint of the value chains in which we operate, and one of the critical pillars of that bold agenda is our leadership in supporting the global expansion of regenerative agriculture practices.

Our value chain stretches from hundreds of thousands of farmers, to our own unparalleled operational footprint spanning six continents, to our relationships with customers spanning food, feed, fuel, industrial and consumer products. And from that vantage point, it is increasingly clear that regenerative agriculture represents an opportunity at every step of that value chain.

It just makes sense.

It makes sense for farmers, who have always been stewards of the land, and who strive to do what's right for their livelihoods, their families and their legacies. Farmers understand that regenerative agriculture is critical to driving new value and securing the future of their businesses and the planet we all share. And ADM knows that we can play a critical role in rewarding farmers that adopt these practices. No two farms are the same, which is why we offer an array of programs that suit all farmers, meeting their varied needs and empowering each of them in the ways that work best for their individual situations. Our regenerative agriculture programs feature direct financial support for farmers; easy processes and cutting-edge technologies to ensure low barriers to entry; and a broad range of support and guidance from third-party experts. That's what allowed us to enroll more than a million acres in 2022 – and will allow us to enroll 4 million acres by 2025.

It makes sense for our downstream customers. Companies across the industries in which we participate are making commitments to more sustainable operations and sourcing, and specifically to reducing their Scope 3 emissions. And they know that regenerative agriculture will help them meet their goals. ADM's [recently published report](#) on the state of regenerative agriculture revealed that almost two-thirds of those retailers and CPG brands that don't currently have some form of regenerative agriculture program in place plan to adopt one in the next 5 years or sooner.

It makes sense for consumers. One of the reasons retail and CPG leaders understand the urgency of expanding regenerative agriculture is that their consumers are loud and clear about their priorities. Our research shows that almost two-thirds of consumers say they would be more interested in purchasing from companies taking part in regenerative agriculture partnerships, and almost three-quarters say they're more likely to trust companies and brands that implement regen ag programs.

It makes sense for ADM. Very few companies touch every part of the value chain, from farmer to consumer, the way ADM does. We are uniquely positioned to enable farmers to adopt these practices, customers to meet their sustainability commitments, and consumers to get the products they want and demand. If our regenerative agriculture goals are ambitious, it's because we understand the opportunity – and we know we can deliver for our partners up and down the value chain.

Transparency is critical to the success of this effort. This report shows how we define and approach regen ag, quantifies our progress and outcomes, details some of our partnerships and successes, and lays out our vision for the future. We're proud of everything we've accomplished, and we're excited to continue to lead the regenerative agriculture revolution around the globe.

Best,
Greg Morris
SVP and President, Ag Services & Oilseeds





Definitions, Principles and Practices

Soil health is critical to life on earth – it feeds people, and it protects biodiversity. Regenerative agriculture focuses on rebuilding and maintaining soil health.

Around the globe, our accelerating regenerative agriculture programs are based on our definition and principles of regenerative agriculture.

ADM defines regenerative agriculture as practices based on Indigenous ways of land management that are adaptive to local physical conditions and culture.

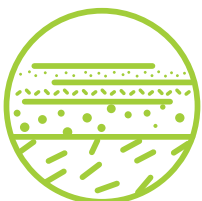
Our global regenerative agriculture efforts are built on five principles:



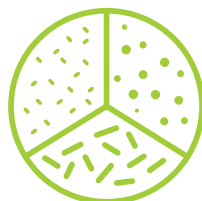
Minimizing soil disturbance



Maintaining living roots in soil



Continuously covering bare soil



Maximizing diversity with an emphasis on crops, soil microbes and pollinators



Responsibly managing inputs, including nutrients and pesticides

Our broad approach centers on partnership, education, financial support and technical innovation.

We work with partners spanning the value chain, connecting farmers to end customers, technology providers and technical experts. All of our partners have a role to play, and all come together with a conservation mindset and an understanding that this work benefits all stakeholders.

At ADM, we often say that everything starts with the farmer. That is certainly true for successful implementation of regenerative agriculture programs. We meet farmers where they live, both figuratively and literally. Our focus is on supporting their efforts, and our offerings include:

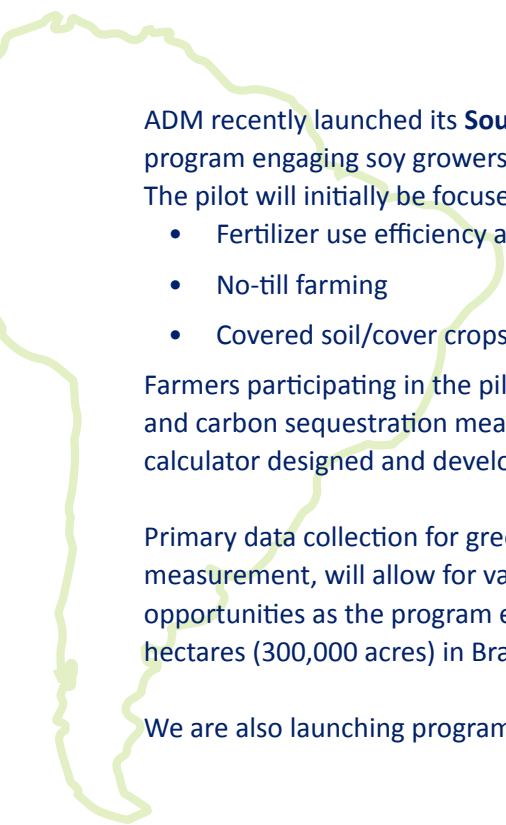
- Flexibility, with farmers able to choose between incentives based on practices or outcomes.
- Ease of entry, with the best digital technology to ensure simple enrollment, and smooth and thorough data collection for farmers.
- Third-party expertise, with an array of expert technical assistance partners to explain program details and qualifications, and provide guidance and education for successful implementation.
- Community, by coordinating peer-to-peer networks, grower workshops and farmer appreciation events that share knowledge with a goal of revitalizing rural communities.

While all of our global efforts will follow our definition, principles and commitment to supporting farmers, we also understand that different parts of the world are facing different environmental challenges, and that one size does not fit all. Thus, our specific program qualifications and practices vary from region to region.

In **EMEA**, we are working with wheat, canola and soy growers in **Poland** and **Serbia**, and wheat, barley and canola growers in the **United Kingdom**. Our efforts there center around:

- Cover cropping
- Conservation tillage
- 4R Nutrient management
- Use of organic manure and crop rotation
- Companion cropping
- Integrating livestock (where applicable)
- On-farm biodiversity





ADM recently launched its **South America** regenerative agriculture efforts with a 2-year, 20,000 hectare pilot program engaging soy growers in the states of Minas Gerais and Mato Grosso do Sul in the **Brazilian Cerrado**. The pilot will initially be focused on:

- Fertilizer use efficiency and increased use of biological inputs
- No-till farming
- Covered soil/cover crops

Farmers participating in the pilot will receive technical assistance, training sessions and soil organic matter and carbon sequestration measurements. All GHG emission calculations for the pilot will be performed using a calculator designed and developed by Bayer S.A. in partnership with Embrapa to be regionally specific.

Primary data collection for greenhouse gas emission calculations, and soil analysis with carbon sequestration measurement, will allow for valuable insight into current environmental impacts and potential reduction opportunities as the program expands, with ADM targeting engagement of 120,000 regenerative agriculture hectares (300,000 acres) in Brazil by 2027.

We are also launching programs with peanut growers in **Argentina**.



In **India**, we are working with more than 25,500 soybean farmers covering almost 90,000 acres in Latur, Beed and Osmanabad. Focus areas for this work include:

- Compliance with law, international conventions and the ProTerra Standard
- Human rights and responsible labor policies and practices
- Responsible relations with workers and communities
- Biodiversity conservation, effective environmental management and environmental services
- No use of genetically modified organisms
- Pollution and waste management
- Water management
- Greenhouse gas and energy management
- Adoption of good agricultural practices
- Traceability and chain of custody

Our efforts continue to expand globally, and we will disclose more detailed qualifications and practices for regions outside North America in future reports.




North America: re:generations™

ADM's North America re:generations™ regenerative agriculture program has a primary focus on carbon reductions and removals to support our Strive 35 goal of reducing Scope 3 emissions by 25% by 2035, from a 2021 baseline. The program also works toward identifying and accounting for other environmental benefits, including improved water quality, improved soil health and improved biodiversity.

All farmers participating in re:generations™ agree to participate in the educational aspects of the program and provide data needed to quantify key metrics.

\$25 / Acre




Direct financial incentives of up to \$25/acre for participating farmers are provided for outcomes and/or practices listed on the following pages. When payment is primarily practices-focused, there is opportunity for farmers to qualify for additional incentives based on outcomes.

Each Acre
Counted
Only Once



Each practice comes with its own unique environmental impact and some farmers will execute multiple practices on the same acre. We only count each acre once toward our overall enrollment goals and reporting, even if a farmer chooses multiple practices.

North America Qualifying Practices

The following qualifying practices for re:generations™ focus on minimizing soil disturbance, covering bare soil and maintaining living roots year-round:

- **Cover crop** – This program is available for farmers planting a cover crop for the first time or maintaining the use of cover crops from previous years. The program quantifies carbon emissions using Field to Market (FtM) metrics and estimates carbon removal (sequestration) using USDA's COMET Planner model via the Farmers Business Network (FBN) Gradable platform.
- **Living root** – This program currently incentivizes double cropping in wheat rotations, but in the future could also be used for alternative oil winter crops. Results are quantified using FtM metrics and carbon removal (sequestration) is estimated using USDA's COMET Planner model via the FBN Gradable platform.
- **No-till/Strip till** – This program, offered for wheat crops, incentivizes farmers to implement no-till/strip till, which reduces emissions from fuel usage and also has positive impacts on carbon sequestration and soil erosion. Results are quantified using FtM metrics and carbon removal (sequestration) is estimated using USDA's COMET Planner model via the FBN Gradable platform.

North America Qualifying Outcomes

Our outcomes programs incentivize growers for the results of practices they have chosen to implement in their operations. These programs do not require specific practices, but growers must demonstrate their reductions and improvements are due to more than just yield fluctuations. These programs focus heavily on responsibly managing inputs to improve soil fertility and organic matter and include:

- **ISCC/Emission scoring** – This program incentivizes farmers to responsibly manage inputs relative to carbon intensity score. It takes ISCC's certification structure and adds education and financial incentive components to encourage farmers to work toward lower carbon intensity. Reduction focus categories include: N fertilizer, P fertilizer, K fertilizer, lime, pesticides and fuel/energy, relative to final production (yield).
- **N-Balance** – This program incentivizes farmers to establish and maintain proper fertility rates in their soil and apply the right amount of nitrogen. The N-Balance calculator was developed by the Environmental Defense Fund and is implemented via the FBN Gradable platform along with the standard FtM metrics.
- **Biologicals** – These programs incentivize farmers for using certain biologicals to responsibly manage inputs by reducing fertilizer use while maintaining yields.



Partners

Partnership is critical to the expansion and success of regenerative agriculture. With reach spanning multiple value chains, ADM brings together partners spanning education, technical assistance and downstream customers.

In the U.S., ADM engages third-party Implementation Assistance Partners to provide technical assistance to growers, including but not limited to:

- Education and resources on regenerative practices
- Peer networks
- Data collection assistance

U.S. implementation assistance partners can be found [here](#), and include: American Farmland Trust, Ducks Unlimited, Flint River Soil and Water Conservation Districts, Kansas Association of Conservation Districts, Minnesota Soil Health Coalition, Practical Farmers of Iowa and the National Black Grower Council. These partners are selected based on geographical experience and availability, and all have a dedication and mission to further sustainable and regenerative agriculture.

Farmers Business Network (FBN) is ADM's primary Data Assistance Partner in the U.S., responsible for data collection, quality control, monitoring and verification, metrics calculation and report development.

To further build our program, we have implemented soil sampling and third-party verification in the U.S. in 2023.

Globally, we are expanding our valued partnerships, working with companies ranging from Map of Ag, to Biospheres, to Ceres Rural, to Bayer S.A.



Spotlight Programs

PepsiCo

In 2022, ADM and PepsiCo announced a 7.5-year strategic commercial agreement to closely collaborate on regenerative agriculture projects expected to encompass up to 2 million acres by 2030. The long-term agreement integrates a range of multi-year farmer-first regenerative agriculture initiatives, including cover crops, reduced tillage, nutrient management, diverse rotations and responsible pesticide use. Currently, the two global companies are sharing resources and collaborating to create value throughout the supply chain by providing participants with technical and financial assistance, offering access to peer regenerative farming networks, hosting educational field days, and tracking results using trusted, third-party measurement systems. This trailblazing effort is striving to achieve ambitious carbon reduction goals and has delivered strong results during its first crop year:

- Nearly 500 farmers enrolled, encompassing 500,000 acres and 66 million bushels of corn, soybeans and wheat.
- Higher productivity shown in enrolled acres versus weighted state benchmarks across all three commodities.
- More than 115,000 metric tons of CO₂e sequestered across more than 230,000 cover crop acres, which is equivalent to removing almost 26,000 gasoline-powered passenger vehicles from the road for the span of a year.

DiGiorno

ADM is working with Nestlé U.S. to help bring regenerative agriculture practices to wheat farms within the DiGiorno pizza brand supply chain. Participating farmers that used cover crops or living roots in 2022 helped to sequester more than 3,800 metric tons of CO₂e – equivalent to taking nearly 850 gas-powered cars off the road for one year.

Carlsberg Marston's Brewing Company

ADM and Carlsberg are partnering to grow an estimated 7,000 metric tons of barley in the UK in 2023. The program has been developed in partnership with agriculture consultancy Ceres Rural in order to create specific and actionable requirements and contexts for UK growers.

Coromandel International Limited

ADM and Coromandel have signed an MOU laying out a common vision for a 3-year program to train 25,500 soybean growers in India in responsible and sustainable agriculture solutions through the ProTerra Foundation, a certification program that assures non-GMO quality and sustainable agriculture production. ADM is helping to organize the trainings, collect soil samples for testing, map soil nutrient indices, and conduct field demonstrations and visits to the selected farm plots. The first phase of training commenced in December 2022 in the Latur, Osmanabad and Beed districts of Maharashtra.

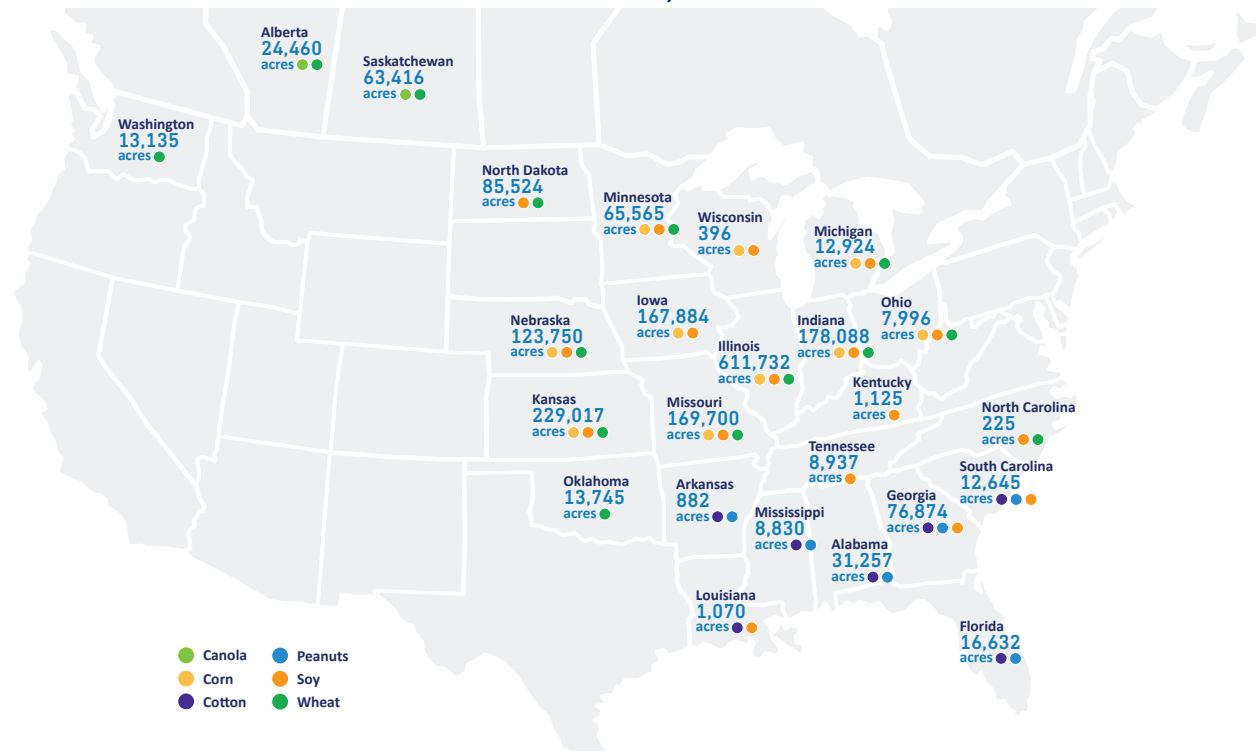


Accomplishments

In 2022, ADM enrolled more than 1 million North American acres in regenerative agriculture programs, engaging 1,900 farmers across 18 states and two Canadian provinces.

For 2023, we've increased our targets to 2 million acres enrolled; as of the beginning of November 2023, we've successfully signed up more than 1.9 million acres, with farmers participating at more than 170 origination locations spanning our unparalleled North American origination network. We expect to reach or exceed our 2 million acre goal by the end of the year.

2023 North American acres enrolled as of November 1, 2023:



Farmer support

Our approach to regenerative agriculture is focused on supporting farmers, who are eager to do the right things to protect their livelihoods and their legacies. Across North America since 2022, ADM and partners have supported farmers with:

- 110 farmer meetings and field days
- Almost 1,400 in-person consultations
- Approximately 6,000 phone consultations
- More than 11,500 views of ADM's re:generations™ web pages

Real Results

These projects delivered significant positive outcomes. In 2022, across North America:

- Our regenerative agriculture acres **emitted 253,000 MT less CO₂e** than the benchmark.
- According to the U.S. Department of Agriculture's COMET Planner, participating acres **sequestered 115,500 MT of CO₂**.
- These numbers are the equivalent to **removing more than 80,000 cars from the road** for a year.

When looking at individual projects, additional metrics provide valuable insight:

- Using the Field to Market **Biodiversity Index** – a metric designed to measure the capacity of a farm to support a diverse community of plants and animals – our corn project acres in Nebraska scored **86%**, which is better than the local non-cover crop benchmark of 76%.
- Another project (multi-state and multi-crop) had a similar result with a **Biodiversity Index** score of **84%**.

- A soy project in Iowa used the Iowa Soybean Association's tile monitoring program to monitor **water quality**, which showed a **26% improvement** through reduced nitrate pollution over fields without cover crops.
- Using the Illinois Nutrient Loss Reduction Strategy county-based load numbers, our Illinois project acres planting cover crops showed **20,200 lbs. less nitrogen** and **1,400 lbs. less phosphorus** runoff to waterways.

Broadening Capabilities

In the U.S., more than 150 ADM colleagues have worked with individual farmers to enroll them in regenerative agriculture programs. And we're doing more to ensure our global team understands the value of this work, and is positioned to enhance it. In 2022, ADM launched its Sustainability Academy, an immersive 2-day training workshop for ADM's customer-facing teams to ensure they fully understand the company's sustainability priorities, promises and programs, including its accelerating work in regenerative agriculture. To date, more than **230** colleagues have completed the training, and **250** are scheduled for upcoming sessions.

Awards and Recognitions

Multiple ADM regenerative agriculture projects have been recognized by third parties, including:

- [Field to Market 2021 Collaboration of the Year](#)
- [Field to Market 2022 Collaboration of the Year](#)
- [2022 SEAL Business Sustainability Award](#)
- 2021 Unilever Partner With Purpose Climate and & Nature Impact Award



It All Starts With the Farmer

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“It worked really well for us. If I had to go back to conventional ways of farming, I wouldn’t do it. Our soil health is so much better. I firmly believe the soil we’re farming today is better than it was 25 years ago.”

Clark Coleman

DJ Coleman Farms, Baldwin, ND

<https://www.youtube.com/watch?v=gsCBhoLCN9M>

“We are very conscious about soil conservation. The upside of being a part of the regen program is that we know we’re doing something good for the environment. And by doing something good for the environment, we’re conserving soil and at the same time, we’re being compensated for doing so.”

”

Tom Leeper

Leeper Family Farms, Decatur, IL

https://www.youtube.com/watch?v=Vi50_P65gHM

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“Conservation practices are super important to the farming industry. We’re seventh generation farmers, and our goal is to be able to make sure we can keep it sustainable for the next generation. You can do what feels comfortable to you, and you can grow with them.”

Derek Martin

Martin Family Farms, Mt. Pulaski, IL

https://www.youtube.com/watch?v=F2_VSPfbXoc



Global Growth and Goals

Any regenerative agriculture program is subject to uncertainties, whether around public policy and regulation, reporting requirements or impact estimates. But we are confident in our ability to bring our integrated value chain and farmer relationships together to rapidly expand our global efforts.

After successfully enrolling more than 1 million acres in 2022 and approaching 2 million in 2023, our goal is to enroll 4 million acres by 2025, which would have the potential of removing and sequestering CO₂ equivalent to what would be emitted by powering 100,000 homes for a full year.

**To learn more about ADM's broad sustainability efforts,
visit <https://adm.com/sustainability>**