



PREVIEW SUMMARY

AG CARBON MARKETS AND U.S. FARMERS

A Farm Journal Trust In Food™
Discussion Paper

TRUST IN
FOOD
A FARM JOURNAL INITIATIVE

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ABOUT Trust In Food™

Trust In Food™ is a purpose-driven division of Farm Journal dedicated to mainstreaming and accelerating the transition to more climate-smart and regenerative ag practices, making every dollar invested in conservation agriculture more impactful. We bring business intelligence to agricultural production behavior change: helping farmers understand, want and feel capable of undertaking practice change through data science, social research and strategic communications deployed through the omnichannel Farm Journal platform in collaboration with our partners.

AUTHORS

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Visit trustinfood.com to learn more.

INTRODUCTION

FARMERS STRUGGLE TO SEE SHARED VALUE IN CARBON MARKETS

We've witnessed exuberance in both the private sector and the U.S. government for using agricultural carbon markets as a tool to advance climate and food goals. At Trust In Food™, we wanted to better understand how agricultural producers feel about this new opportunity.

We examined Trust In Food research conducted during the past year to see what insights we could glean about U.S. farmer perceptions of ag carbon markets. What we found gave us—pun intended—food for thought.

We hope you find this sneak peek of our forthcoming “Ready or Not: Agricultural Carbon Markets and Farmers” Report enlightening and thought-provoking. In the full report, we'll analyze additional data, analysis and insights based on our Trust In Food Human Dimensions of Change research.

Want the full report? Sign up for the [Trust In Food Newsletter](#) to be sure you don't miss it.



– AMY SKOCZLAS COLE

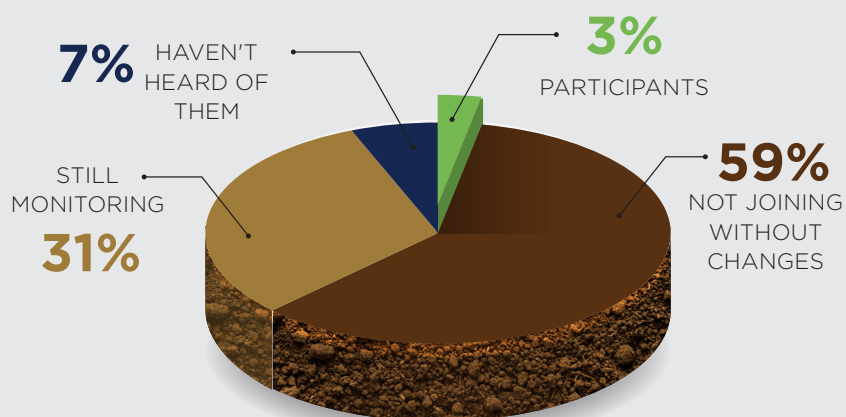
Executive Vice President, Trust In Food™

WARNING SIGNS AHEAD

AS CARBON MARKETS PROLIFERATE, FARMERS ARE AWARE BUT NOT NECESSARILY READY TO ENGAGE

97% OF FARMERS
SURVEYED AREN'T YET
READY TO PARTICIPATE
IN CARBON MARKETS,
ALTHOUGH 93% ARE
AWARE THEY EXIST.

Carbon Market Participation



WHAT IT MEANS:

The farmers who are aware of but not participating in carbon markets are divided into two groups:

- Those who don't want to join at all or won't consider it until something changes to make the offerings more attractive (59%)
- Those who are still interested and monitoring the situation but don't feel the time is right (31%)

In other words, over 90% of farmers surveyed need to see something different to consider participating in a carbon market.

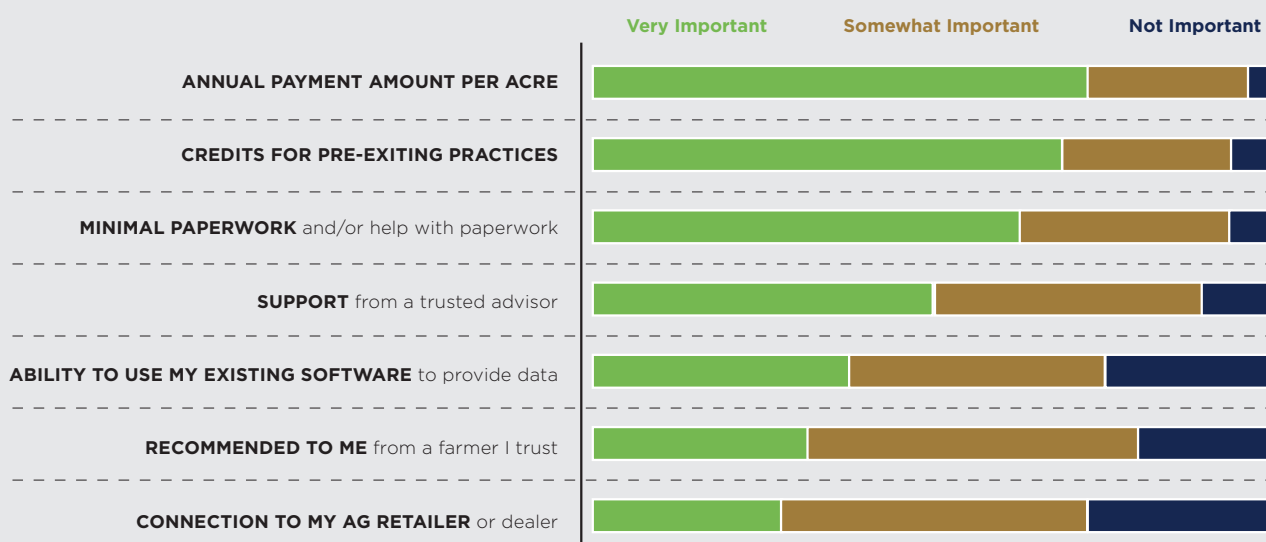
A majority of farmers surveyed report serious concern about overcoming technical and financial roadblocks to success in carbon markets.

FARMERS' EVALUATION CRITERIA

PAYMENTS PER ACRE AND CREDIT FOR PRE-EXISTING PRACTICES ARE MAJOR OBSTACLES

THE CRITERIA AND RESPONSES BELOW REFLECT THE MANY-FACTORED LANDSCAPE FARMERS CONSIDER WHEN EVALUATING THE POTENTIAL ROLE OF CARBON MARKETS ON THEIR OPERATIONS. ANNUAL PAYMENTS PER ACRE RANKED AS FARMERS' MOST IMPORTANT CRITERIA IN OUR SURVEY, REFLECTING THE STRONG ECONOMIC MOTIVATION OF FARMERS.

How important are the following criteria in evaluating your participation in a carbon market?



WHAT IT MEANS:

While price per acre is the largest driver, it is illuminating to look at the priorities that rank almost as highly.

The desire to receive credit for existing practices reveals a deep divide between how carbon buyers and producers are viewing the role and purpose of carbon credits.

Additionally, administrative burdens such as record keeping and paperwork also clearly rise to a high level of concern.

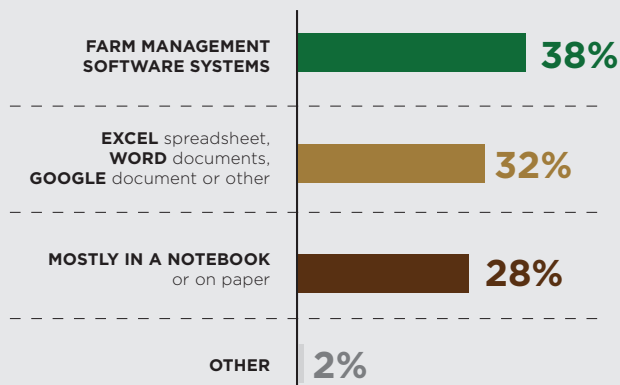
DATA ADOPTION TRENDS

LACK OF DIGITAL INTEGRATION COULD FURTHER INHIBIT CARBON DATA CAPTURE AND SHARING

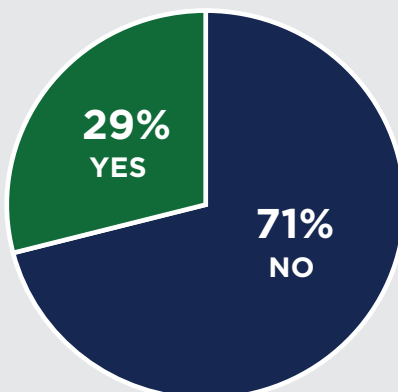
THE ECONOMIC, LOGISTICAL, PSYCHOLOGICAL AND SOCIAL BARRIERS OF PARTICIPATING IN CARBON MARKETS—OR MORE BROADLY IN MANY SUSTAINABILITY INITIATIVES—ARE REFLECTED IN AND COMPOUNDED BY THE BARRIERS BETWEEN FARMERS AND THE ADOPTION OF FARM MANAGEMENT INFORMATION SYSTEMS (FMIS) AND DIGITAL TOOLS. THE RESPONSES FEATURED IN A PREVIOUS TRUST IN FOOD REPORT, [2021 FARMER PERSPECTIVES ON DATA](#), SHOWED SEVERAL TROUBLING INDICATORS ON THE DIGITAL INFRASTRUCTURE REQUIRED TO PARTICIPATE IN MOST, IF NOT ALL, CARBON MARKET OPPORTUNITIES.

Data Adoption And Integration

What is the primary way you store and **MANAGE YOUR OPERATION'S DATA** related to production and management practices?



In 2020, did your operation utilize or participate in any **SOFTWARE-BASED SUSTAINABILITY/CONSERVATION TOOLS**?



WHAT IT MEANS:

According to 2021 Farmer Perspectives on Data, 62% of farmers surveyed are not fully digitally integrated for the purpose of managing farm information. Almost one-third primarily use pen and paper. Furthermore, more than 70% do not use any software-based sustainability or conservation tools at all.

MOVING FORWARD

UNLOCKING THE POTENTIAL OF CARBON MARKETS FOR FARMERS AND THE VALUE CHAIN

At the risk of generalization, our experience is that most farmers view themselves as stewards and caretakers of the land. Failing to account for and connect with psycho-social drivers such as purpose, mission and legacy could inadvertently result in negative perceptions of carbon marketplaces as purely transactional efforts to commodify farmers' hard work. Producers might additionally see such marketplaces as seeking to extract value from their operations at the lowest possible price, while requiring a lengthy and risky up-front investment of time, energy and expert advisers.

Our report demonstrates that farmers need more compelling reasons to join carbon markets. Removing technical barriers will be an important step forward. But makers of carbon markets and related tools must also tailor their products to address the social and cultural dynamics that will help farmers see value and feel capable of making change more quickly.

With these and other challenges ahead, the next question the carbon market ecosystem must answer is how to address them.

In the upcoming full report, join Trust In Food as we unpack what it will take to create carbon markets that will work for farmers.

Sign up for the [Trust In Food Newsletter](#) to be notified when the full Carbon Report is released.

