

Investing in Regenerative Agriculture: Shaping a Livable Future

Summer 2023 | Project Report | Josh Cavanaugh + [Larklea](#)

Overview

\$8.1 trillion of investment in nature is needed by 2050 according to the UNEP. In a year of devastating heat, fire, and flood, regenerative agriculture offers a promising solution – illuminated by the wisdom of indigenous practices, the potential of innovative technology, and the collective power of conscious choices. This transformation requires substantial investments, collaborative efforts, and strategic shifts.

Over the summer, I embarked on a research project with Tad Cooke at Larklea to uncover investable solutions tackling the barriers to regenerative agriculture. Through 25 structured interviews with operators, farmers, investors, and funders, I delved into the capital needs and constraints of our agricultural sector. Visiting Larklea's home region in Vermont gave place-based context through a week of meetings, site visits, and field walks with food hubs, community farms, housing initiatives, investors, foundations, and food distributors working to support a regenerative economy. These combined interviews and field days shed light on key hurdles, paving the way for actionable solutions.

The Urgency:

Time is of the essence. The degradation of soil and farmland, intensified by chemical inputs, threatens water and food security. While the notion of only 60 harvests of topsoil may be too general (1), the need for action is undeniable. Regenerative agriculture not only bolsters soil organic matter but also fosters a more resilient food system. However, this transformation hinges on widespread shifts in sentiment, public funding, and consumer behavior.

Engagement at Every Level:

Whether you're an institution, an accredited investor with substantial resources, or an individual with limited means, you hold the power to catalyze change. While significant capital inflows can create monumental shifts, even individual actions, such as supporting local producers, contribute to meaningful change over time. To reverse the current system, we need engagement to ensure access to locally-produced food for marginalized communities, bridging gaps and promoting equity.

Scaling with Purpose:

In a world driven by returns, we must rethink how we scale initiatives without perpetuating the status quo. Instead of merely scaling, let's embrace a replicable approach. By learning from one another's successes and tailoring strategies to local ecosystems, we can foster thriving food systems tailored to specific communities' needs.



Challenges and Solutions:

My conversations consistently identified three significant challenges facing farmers: supply chain services, land access and transition financing, and housing and labor access. While these pose a significant barrier to unlocking the success of regenerative agriculture, there are investable solutions ranging from grantmaking and concessionary loans to venture capital

How can you shift your investment to support regenerative? Consider these opportunities that tackle the largest barriers in the system.

Supply Chain Services: The efficiency and resilience of our supply chains are essential to maintaining a sustainable food system. By enhancing and diversifying supply chain services, we can minimize disruptions and foster better collaboration among stakeholders, particularly in bolstering the local and regional level systems. To meet the demands of regenerative agriculture, place based engagements allow for the consideration of community needs. Opportunities that support the process of transporting, packaging, and branding for small to medium farmers provide an outsized impact. One example is 4P Foods, a hub-and-spoke model distribution company delivering locally grown produce from small farms to homes, schools, grocery stores, and food banks, among others. For philanthropic capital? Consider your local food hub working to deliver locally grown produce more equitably, or a donor advised fund directed to unlock a pinch point in the local supply chain. A regional example from my visit to Vermont, where Larklea is based, includes non-profits CAE, Food Connects, limited profit Vermont Way Foods, and for profit Myers Produce, all coordinating to expand market access for regenerative farms. Supply chain needs are inherently local within the regenerative system, so the best place to start is in your own community!

Land Access and Transition Financing: Empowering farmers with access to agricultural land and facilitating their transition towards more sustainable practices is a fundamental step forward. Innovative financing models can play a pivotal role in facilitating this transition, often capitalizing on value added certifications like organic. Dirt Capital, SLM Partners, Mad Capital, Perennial Fund, and Farmland LP are tailored to support farmer needs in specific regions across the country. These investments can provide a natural asset to a diversified portfolio that is consistent with the goals of regenerative agriculture. Concessionary direct investments, such as forgivable loans or first-loss capital, offer hands-on opportunities to provide incentive-aligned capital that actively shares risk, opening access to financing that young, new, and BIPOC farmers often cannot access traditional secured loans. In the philanthropic space, consider engagements with land trust efforts like Black Farmer Fund, Foodshed Capital's LND (Loan-Not-Debt) initiative, and the Agrarian Trust.

Housing and Labor Access: One of the cornerstones of addressing these challenges is ensuring equitable access to housing and labor for our farmers. Providing safe living conditions and fair compensation is vital for a thriving agricultural community. Creative solutions that work within a community to understand the needs of multiple farms and food businesses can provide solutions for the broader system – an example in Vermont includes four individual farms partnering with the Vermont Land Trust to develop shared farmworker-first housing. Philanthropic capital can also work to change laws that limit farmer wage and overtime pay. Further, acknowledging the significant impact of migrant labor in the food system, and working on solutions to tackle barriers to accessing dignified wages, aligns with the goals of regenerative agriculture, and creates a more equitable food system.



Programs like Milk with Dignity from Migrant Justice provide livable wages and workers rights considerations to dairy workers by aggregating products across farms to sell to values-aligned businesses, in this case, Ben & Jerry's.

Together, we can amplify impact across all levels – from individual consumers to forward-thinking investors and foundations. By aligning values with investments, we don't just achieve returns; we cultivate a world where growth is symbiotic with nature, community, and health.

So – who is missing? If you're aware of other organizations working in these spaces, I would invite you to highlight their great work and keep the conversation going!

#RegenerativeAgriculture #SustainableFarming #InvestInChange

Thank you to all the participants who provided invaluable insight, experience, and guidance that led to the conclusions in this report.

