SoilValues

Pursuing carbon finance through the value chain

PRACTICE ABSTRACT 17

Problem encountered and objective

The Polish Testing Ground identified a structural misalignment between the environmental outputs of regenerative agriculture and available financing mechanisms in the sugar beet value chain. The objective was to develop and test **SOILPROFIT**, a **network-level business model aimed at insetting**, with the aim of operationalizing credible MRV, mapping viable financing pathways, and assessing whether carbon finance and value-chain-based instruments could provide a sustainable economic foundation for the transition to regenerative practices.

Main Results and Outcomes

CAP eco-scheme payments currently constitute the most stable and predictable income stream. On the private side, sugar factories (Nordzucker, Pfeifer & Langen, Krajowa Grupa Spożywcza) cofinance advisory services, soil diagnostics, and soil improvement treatments for farmers through the Agripartner platform, while Agreena finances the monitoring, soil sampling, and certification process, recovering these costs through a share of the carbon certificate revenues. Farmers themselves bear the capital costs of equipment investment, including no-till machinery and precision agriculture technologies.

The income generated does not yet offset the MRV costs incurred at the individual farm level. At current certificate prices and farm scales, voluntary carbon market revenues are insufficient to cover MRV costs. Additionally, farms below approximately 100 hectares face capital investment thresholds for no-till and precision agriculture equipment that cannot be met through flat-rate ecoscheme payments alone.

Practical recommendations

- Formalize carbon insetting arrangements with clear contractual terms linking certificate purchases to Scope 3 reporting commitments.
- Design hybrid financing structures that combine CAP ecoscheme payments as a stable baseline with private valuechain contributions
- Engage sugar factories as lead coordinators of the transition, leveraging their existing supply chain relationships and platforms to deliver advisory services, soil diagnostics, and farmer training at scale.
- Establish a national carbon farming regulatory framework with standardized certification criteria to reduce market uncertainty for both farmers and buyers.

ABOUT SOILVALUES

SoilValues is a Horizon Europe project that will contribute to the development of successful soil health business models across the EU to improve soil quality and provide land managers with the necessary incentives.

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USEFUL LINKS

https://soilvalues.eu/

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zenodo https://zenodo.org/communities/heuropesoilvalues

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