TRAILS 4 SOIL

From soil health to farm resilience: Policy, finance and risk-sharing for scaling regenerative and conservation agriculture practices

Alizée Kuhn & Melanie Muro (IEEP)

Funded by the European Union

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Education, Research and Innovation SERI

Institute for European Environmental Policy
CELEBRATING 50 YEARS

People Planet Prosperity
MEP Group on Climate Change, Biodiversity & Sustainable Development

Funded by the European Union. Views and opinions expressed are, however, those of the author(s) only and do not necessarily reflect those of the European Union or the European Research Executive Agency (REA). Neither the European Union nor REA can be held responsible for them.

Science4Policy Briefing – 09 June 2026

From soil health to farm resilience: Policy, finance and risk-sharing for scaling regenerative and conservation agriculture practices

This TRAILS4SOIL briefing event, co-organised by project partner IEEP – Institute for European Environmental Policy and the MEP Group on "Climate Change, Biodiversity and Sustainable Development", explored how regenerative and conservation agriculture practices (ReCAP) can contribute to soil health, climate resilience, biodiversity protection and long-term farm viability. Bringing together policymakers, financial institutions, researchers, farmers, civil society and private sector representatives, the discussion focused on the conditions needed to scale up these practices across Europe.

While evidence increasingly demonstrates the environmental and economic benefits of healthier soils, uptake remains limited. Participants examined the barriers preventing wider adoption, including financial risks during the transition period, policy uncertainty, insufficient advisory support, and market structures that fail to reward sustainable practices. Discussions also considered how the future Common Agricultural Policy (CAP), financial institutions and value chains can help create an enabling environment for long-term farm transitions.

Moderator

Melanie Muro, Director for Nature and Food Systems, Institute for European Environmental Policy (IEEP)

Speakers

- Christina Guarda, Member of the European Parliament
- Emilio González-Sánchez, University of Cordoba, TRAILS4SOIL coordinator
- Jane Mills, Countryside and Community Research Institute (CCRI), TRAILS4SOIL contributor
- Tim Schmid, Research Institute of Organic Agriculture (FIBL) & TRAILS4SOIL contributor
- Christian Hofstätter, Austrian farmer & TRAILS4SOIL contributor
- Jan de Keyser, Head of Agriculture, BNP Paribas Fortis
- Emmanuel Petel, Policy Officer, Directorate-General for Agriculture and Rural Development, European Commission

Key highlights

- **Transition requires a whole-farm and outcome-based approach:** Regenerative and conservation agriculture should be understood as a long-term transition rather than a collection of individual practices. Effective support frameworks should focus on environmental and economic outcomes while allowing some flexibility in how these are achieved across different farming contexts.

- **Scaling regenerative agriculture requires an enabling environment:** The discussion showed: technical solutions already exist, creating the conditions that enable their widespread adoption is the main challenge. Risk-sharing mechanisms, long-term policy certainty, advisory support, peer learning and value-chain adjustments were identified as essential components of a supportive framework.

- **Financial risk remains the central barrier to transition:** Financial viability remains a precondition for change. While many farmers recognise the long-term benefits of investing in soil health, transition often involves upfront costs, temporary yield reductions and uncertain returns. Banks and investors face similar challenges. Financial institutions require evidence of short-term economic viability, while many soil-health benefits materialise only over longer time horizons.

- **But knowledge, advisory support and peer learning are equally important:** A significant knowledge gap continues to hinder adoption, not just among farmers but also advisors and public administrations. Additional training and support are needed to implement and assess conservation and regenerative approaches effectively.

- **Policy stability and well-designed CAP instruments are essential:** The future CAP is expected to play a critical tool for supporting farm transitions; agri-environment schemes and the proposed transition-based payments must be adequately funded, predictable and designed around long-term outcomes to incentivise farmers to make long-term investments in soil health and system redesign.

- **Market structures and value chains must evolve:** Farmers often bear the costs and risks of transition while broader environmental and societal benefits remain uncompensated. However, achieving large-scale transformation requires changes across the entire food system, not only at farm level.

Summary of the discussion

The discussion opened with a reminder of the urgency of addressing soil degradation, noting that more than sixty per cent of European soils are currently degraded. Participants stressed that soil health lies at the intersection of multiple challenges, including food security, biodiversity loss, climate resilience, farm profitability and market volatility. While effective solutions already exist, the challenge lies less in identifying new practices and more in creating the economic, financial and policy conditions necessary for their widespread adoption. Importantly, participants also stressed that soil health should not be viewed solely as an environmental objective. Healthy soils contribute directly to farm productivity, economic viability and long-term resilience, reinforcing the business case for regenerative and conservation

agriculture. However, the discussion also emphasised the importance of developing and implementing context-specific solutions, recognising that successful implementation of regenerative and conservation agriculture practices depends on local environmental, economic and social conditions rather than a one-size-fits-all model. This flexibility was considered essential for ensuring that transition pathways remain relevant across diverse farming systems and regions.

Insights from stakeholder engagement activities and farmer surveys carried out within the context of the TRAILS4SOIL project highlighted a range of barriers limiting wider uptake: a persistent mismatch between policy objectives and practical implementation, compounded by fragmented legislation, administrative complexity and regulatory uncertainty. Economic insecurity remains a significant concern, particularly when the environmental and societal benefits delivered by farmers are not adequately reflected in market returns. Beyond financial constraints, social and cultural barriers continue to influence adoption. For instance, participants identified demographic factors as a challenge during the discussion. An ageing farming population can make large-scale system redesign more difficult, particularly where farmers face significant investment requirements and limited succession prospects.

Limited awareness, insufficient advisory services, resistance to change and a lack of practical demonstrations were all cited as important obstacles by stakeholders and farmers surveyed by TRAILS4SOIL. This point was also touched upon repeatedly in the discussion, with participants highlighting the importance of farmer-to-farmer learning and demonstration activities, noting that many farmers prefer to observe successful examples in practice before committing themselves to change. Strong advisory services and applied research were therefore considered essential components of any scaling strategy, noting that capacity-building should extend beyond farmers: advisors, extension services and public administrations responsible for implementing and assessing transition measures also require adequate training to ensure consistent interpretation and effective support.

Another recurring theme throughout the discussion was the importance of long-term certainty, closely tied to the economic realities facing farmers. Regenerative and conservation agriculture were widely understood as transition processes rather than collections of isolated practices. Building soil health requires sustained effort over many years, while many of the associated environmental and economic benefits only materialise over longer time horizons. Yet, participants highlighted that many farms remain trapped in cycles of short-term profitability pressures that constrain investment in such long-term improvements. Market incentives for sustainable production remain weak, and consumers are often unwilling to pay significant premiums, meaning that farmers frequently bear the upfront costs and risks of transition while receiving limited compensation for the public goods they provide. In this context, participants stressed the need for stable policy frameworks, predictable support mechanisms and planning horizons that better align with both the temporal realities of agricultural transitions and the financial constraints farmers face.

Crop diversification was identified as a clear example of this challenge. Although many farmers recognise the agronomic benefits of incorporating legumes and more diverse rotations, limited market demand and inadequate value-chain development often restrict these opportunities. Participants therefore stressed that achieving large-scale transformation requires changes across the entire food system, including stronger market incentives, improved supply-chain coordination and greater recognition of environmental outcomes.

These economic constraints are also reflected in persistent barriers to accessing finance. Participants noted that transition periods typically involve upfront costs, investment in new machinery and equipment, temporary reductions in profitability and uncertainty regarding future returns, all of which make it difficult for farmers to secure appropriate financing. In particular, the timing of investments often does not align well with agricultural production cycles, further complicating access to capital. This creates a mismatch: financial institutions require confidence in the economic viability of transition pathways, while farmers need financing instruments that recognise the long-term and uncertain returns associated with soil-health investments. As a result, participants highlighted the importance of developing public-private partnerships, blended finance approaches and risk-sharing mechanisms that can reduce uncertainty and better align financial flows with the realities of agricultural transitions.

Participants highlighted the political significance of the ongoing reform of the Common Agricultural Policy (CAP), particularly the shift from compliance-based approaches towards more incentive-based support mechanisms. While the proposed transition support tool was welcomed, concerns were raised regarding the absence of a dedicated financial envelope for environmental and climate measures and the lack of a clear definition of agricultural transition. Without clear criteria and minimum requirements, participants noted the risk that concepts such as regenerative agriculture could become vulnerable to greenwashing and inconsistent implementation. Concerns were also expressed about increasing reliance on national co-financing and the potential implications for maintaining environmental ambition across Member States.

The discussion concluded with reflections on the broader systemic changes required to scale regenerative and conservation agriculture across Europe. Participants agreed that widespread adoption will require long-term commitment, coordinated governance, supportive market conditions and effective risk-sharing arrangements. Successful transition policies should be developed in close collaboration with farmers, advisors, researchers, financial institutions and other stakeholders to ensure that policy objectives remain grounded in practical realities. While regenerative and conservation agriculture offers a promising pathway towards healthier soils and more resilient farming systems, overcoming the multi-dimensional barriers that continue to constrain adoption remains a critical priority.