February 2025

Soil Health Industry Platform (SHIP)

2024 Progress Report: Conclusions and Priorities for 2025

The Soil Health Industry Platform (SHIP) was established by the Sustainable Soils Alliance (SSA) in March 2022 to foster collaboration and cooperation in the field of soil health among major UK food and drink businesses. Our annual 2024 report outlines our main observations based on our monitoring of government and industry soil-related policies and initiatives and engagement with a range of businesses. Building from this analysis, we outline the Platform's agenda for 2025, organised according to a menu of six action priorities which reflect the different levers participating businesses have to drive the understanding of – and critically, investment in – soil's role in the supply chain.

Further context, including a summary of industry initiatives, government policy developments and background to the Platform is provided at the end of this report.

1. 2024 Analysis

Resilient vs Regenerative

2024 saw discussions about soil crystalise around two terms: Resilient and Regenerative. Resilient is used to describe soil's 'bounce-back ability' - its ability to recover, and return to productivity, from the effects of extreme weather – especially last year's long, wet winter. While regenerative continues to gain momentum as the umbrella term for sustainable, nature-friendly farming with soil at its heart. Of course, these terms are essentially proxies for the same thing - healthy soils that are rich in carbon, well-structured and maintain a high degree of biological activity. A regeneratively managed soil will also be a resilient one.

The difference lies in where these terms are used – and how, especially at a corporate level. Resilience is about preparedness – anticipating the worst circumstances and soil's ability to withstand it and is applied by those responsible for maintaining secure supply chains, informing decisions about yield risk, where to source from, and contracts.

Regenerative meanwhile, is more upbeat - capturing the landscape's ability to improve and enhance soil, carbon storage and biodiversity – not just maintain the status quo. It resonates with consumers and so is used in advertising, marketing campaigns and CSR reports.

What both terms demonstrate is the value to any business of investing in soils – whether it is for short-term branding and growth purposes or long term, sustainable supply. Our work looks to bridge the gap between the two, making an evidence-based case for soils that resonates throughout and

across businesses whether we are engaging with CEOs, sustainability experts or those at the frontline of farmer relationships.

Soils and Growth

There is an equally urgent need to demonstrate to government the importance of investing in soils. Shortly after the election, we wrote to the Environment Minister explaining how soils contribute to the achievement of four of its five environmental goals (clean rivers, lakes and seas, food security, nature recovery, flood protection).

More challenging is how to demonstrate the ways soil contributes to its other great ambition – that of 'Growth'. This need is particularly pressing in the wake of recent weeks where Labour's 'Growth' and 'Environment' agendas have been presented as in conflict with one another.

At a macro, abstract level, it is widely recognised that healthy soils are critical for profitable farms, businesses, regions and countries. However, at a granular level, the business case – especially in the short term – it is not easy to evidence since changes to soils can be slow, unpredictable and hard to quantify. This is particularly evident when soils are pitched against other, more immediate and tangible environmental outcomes.

Nevertheless, a variety of different mechanisms for investing in soils are being trialled by both private and public sectors - county-wide bonds, farming cluster collaborations, Sustainable Farming Incentives, regenerative premiums etc. We will analyse novel pathways for soils finance, trying to understand what impact they are having (economically and environmentally) – learning what success looks like and how this translates into a compelling, universal business case.

Growing corporate interest in soils

2024 saw Soil's 'resilience', and especially its water holding capacity attract a new collection of corporate stakeholders including insurance companies, water companies and transport infrastructure, all of whom see the importance of soil for their bottom line – and are piloting new mechanisms for channelling investment into soils.

In many instances, e.g. through the Environment Agency, catchments or Landscape Enterprise Networks (LENs) projects, this investment is happening alongside that from supply chain businesses, bringing new, potential sources of 'stacked' investment into farming.

This new interest does raise the question of who is paying for what, using what metrics and against what outcomes. Businesses, in particular food and drink, are faced by a complex and rapidly evolving array of policy drivers that dictate how they can – and should include soil within their climate and nature reporting – at both national and global level.

We continue to analyse these different drivers: the Carbon Removals Certification Framework (EU) and the BSI Nature Markets Standards Programme UK, Greenhouse Gas Protocol and SBTi, Taskforce

on Nature-related Financial Disclosures (TNFD) and Taskforce on Climate-related Financial Disclosures (TCFD), and explain what they mean for soils and the businesses that depend on them. We look to align different corporate interests to make them add up to more than the sum of their parts – and make the case for the importance of soil health, not just soil carbon.

Universal understanding of soil health

There is a risk that the different players bringing their different perspectives to soil and a 'silo-isation' of the services soils deliver and the measurements used to evaluate change. Some focus on carbon (for scope three/offsetting purposes), others on water-holding capacity/structure (for resilience), chemistry (nutrient neutrality) and biology (Biodiversity Net Gain).

The Holy Grail for soil understanding is of course all of these characteristics coming together, being understood as interdependent by all the different stakeholders with a vested interest in soil health and 'interpretable' for different soil types and in different climates, geographies and landscapes.

We continue to push for a uniform, consistent approach to soil measurement and interpretation that can be rolled out by a variety of users in a variety of contexts, and look forward to the publication, hopefully later this year, of a DEFRA soil health measurement framework. This should unlock a new era of universal soils appreciation, as well as simplified and standardised data collection.

2. 2025 SHIP Actions

Based on the analysis above, the following are the priority SHIP actions that the SSA proposes for 2025:

1. **Consistent Metrics:** We will continue to drive a universal approach to on-farm soil measurement, following our 2024 mapping of on-farm schemes. This will include engagement with the NFU and DEFRA (on its proposed soil health indicator) to identify the best role for industry in supporting farmers and generating consistent data for reporting etc.

2. **Soil Risk Reduction and Mitigation:** We will look to define 'resilient' soils, the metrics that underpin them and industry's role in achieving them, including via our place on the Food and Drink Council Sector Resilience Roundtable. We will work with the Environment Agency to develop content and messaging on soil risk for communication throughout the supply chain.

3. **Communications:** Working with the ASA and others, we will make the case for evidence-based, regenerative farming, and support businesses looking to use, and evidence the regenerative claim – as it relates to farming practices, outcomes and systems.

4. **Knowledge Exchange:** We will answer many of the critical soils-specific scientific and practical research questions posed by SHIP members – the evidence base for carbon sequestration, soil's water-holding capacity and how to measure and baseline soils, using our role leading the Soils Advisory Group on the Land Use for Net Zero (LUNZ) Hub.

5. **Financial Support:** Through our connections across the Green Finance sector, we will analyse different nature markets under development to understand their role in driving investment into soil health and other outcomes. We will explore the potential of the supply chain to collaborate with other sectors on soil health, and the means for measuring and claiming impact via Beyond the Value Chain, scope 3 and insetting.

6. **Carbon/Net Zero:** We will advise the UK government(s) and BSI on the development of a policy framework for nature markets with soil at their heart. This will include a clear understanding of the approach to removals taken by the GHG protocol, SBTi and EU Carbon Removal Certification Framework.

3. Context

a) 2024 Soil Related Business Initiatives

The actions above look to support SHIP businesses in their efforts to drive improved soil management throughout their supply chains across the six categories of action. The highlights of individual and joint soil related business initiatives from 2024 are as follows:

1) Consistent Metrics

Morrisons launched its new Sustainable Farm Networks programme in partnership with Harper Adams University which will offer farmers within their supply chain training on practices which will reduce their environmental impact, and baselining soil quality.

Arla's six regenerative pilot farms working with FAI are now entering their final year. Arla's 360 Programme continues to pays for soil sampling (no specific metrics are required other than Soil Organic Matter).

Waitrose partnered with Land App to help more than 2,000 farmers across the UK gather real-time data on the environmental health of their land, mapping over 60 sustainability metrics including multiple soil health indicators.

2) Soil Risk Reduction and Mitigation

PepsiCo, Nestlé, Tesco and Waitrose took part in the first meeting of Defra's food resilience group which was set up to support the work of the Food and Drink Sector Council. The first meeting considered the risks of climate change to the supply chain.

Nestlé continues working on their collaborative Landscape Enterprise Networks (LENs) model, which allows different industries and businesses to understand and invest in ways to reverse nature degradation and support farmers in doing so.

Nestlé Waters and First Milk are working with farmers to reduce soil compaction and improve water infiltration on their land, using regenerative practices.

3) Communications

Tesco in collaboration with Harper Adams University, undertook research with over 300 UK farmers on the future sustainability of the industry. 74% of farmers surveyed were concerned about the impact of climate change on their farms. and two-thirds (67%) were already seeing the effects.

Innocent has pledged £1 million in grants to help its suppliers transition to low-carbon practices and boost biodiversity, alongside launching a new promotional campaign which aims to raise awareness of the importance of soil health.

King Arthur Baking Company has launched a new 100% regeneratively grown whole wheat flour in the US. Part of the brand's goal for all its flour to be regeneratively grown by 2030.

4) Knowledge Exchange

Sainsbury's expanded its partnership with The Woodland Trust to support farmers to implement agroforestry while maintaining food production. The programme will give farmers access to land-mapping tools to help them predict benefits such as soil health and biodiversity improvement. The announcement is part of a commitment by the supermarket to plant an extra 1.5 million trees by the end of 2025.

Sainsbury's hosted a Soil Health Action Group meeting, convening their suppliers and advisors to discuss soil health measuring and monitoring, best practices and the policy landscape.

Ocado have teamed up with the Soil Association to set up five demonstration farms which promote nature-friendly farming methods. The five farms will each focus on a different area of farming, and will host training sessions on topics including soil quality and crop rotations to help farmers share knowledge and improve practices.

Unilever has announced its first regenerative agriculture programme in the UK, which will include the use of low carbon fertiliser and the introduction of cover crops on trial farms.

ADM has partnered with the Farmer Business Network to support farmers to adopt regenerative practices. The organisations have come together to expand a platform which provides farmers with the ability to predict the impact of adopting practices, generating data which helps them prove their environmental credentials to buyers.

Mars Incorporated is looking to scale the use of regenerative agriculture practices across its European pet nutrition business.

5) Financial support

Waitrose announced its plans to source all meat, milk, eggs, fruit and vegetables from UK farms which use regenerative practices by 2035. This will include developing mechanisms to help farmers access affordable finance to support their transition, provide a market for regeneratively produced products and enable knowledge sharing and training via a permanent Centre for Excellence.

Tesco partnered with **NatWest** to launch a finance scheme to help its farmers transition to sustainable farming methods.

Lloyds banking group has announced a new project to support nature restoration in England. The bank has donated £250,000 between three nature recovery projects.

Co-op announced a new 'Future Farming Fund' which is designed to support its farmers adopt sustainable farming practices and improve climate resilience. The funding kicks off with projects focusing on key sustainable farming methods. Its soil project, *Better soil for better forage*, includes in-depth soil testing to help shape soil management.

ASDA introduced a sustainable supply chain finance scheme, expanding their partnership with HSBC UK to reward suppliers for their environmental, social, and governance (ESG) efforts.

Barclays issued a paper on Creating New Nature Markets that Work for Farmers, detailing the driving factors behind the farmer and landowner hesitance to issue biodiversity credits and outlining recommendations to UK Government.

6) Carbon/Net Zero

Arla continues rewarding farmers for sustainability actions via their FarmAhead™ Incentive. Through their FarmAhead™ Customer Partnerships, Arla's customers can invest in on-farm sustainability efforts and directly contribute to reducing Arla's emissions.

Tesco announced the accelerated rollout of low carbon fertiliser use across their supply chain.

Co-op announced funding for organisations who pioneer food production without damaging peatlands.

b) 2024 Soil Related Policy Developments

UK agriculture and farming policies:

- Following the election of a new **Labour government** in July, Steeve Reed was appointed as Secretary of State for Environment, Food and Rural Affairs, and was quick to set out the new government's five priorities for the environment. These include cleaning up lakes and rivers, supporting farmers to boost food security and ensuring nature recovery. Daniel Zeichner has been appointed as farming minister.
    - Early September it was announced that the government will be cutting the nature-friendly farming budget in England by £100m in order to help fill a £22bn Treasury shortfall. In November, the **UK's Labour Government's Budget** revealed a freeze on the Defra budget - a cut in real terms. Coupled with a cap on Agricultural Property Relief and a rise in the National Living Wage.
    - The Department for Food, Environment and Rural Affairs (DEFRA) released findings from the **Farming and Countryside Programme annual report** which confirm a £358 million underspend of the promised agriculture budget over the past 3 years. As a result, the National Farmers' Union (NFU) has expressed its doubt over achieving its target for agriculture in England and Wales to reach net zero greenhouse gas emissions by 2040.
    - Alistair Carmichael, Liberal Democrat MP for Orkney and Shetland and farmer has been appointed chair of the **Environment, Food and Rural Affairs (EFRA) Select Committee** - the body responsible for assessing DEFRA's expenditure and policy. Carmichael has promised to give a voice to rural land stewards and communities.
- **In England**, Defra announced further changes to the 2024 **Sustainable Farming Incentive (SFI) scheme**. The updated guidance includes changes to the scheme's terms and conditions, some technical changes to guidance and more detailed information on some of the new SFI actions announced in May. Some farming advisers have expressed concerns that the SFI process is becoming too complex following the announced changes.
    - Defra funded **Future Farm Resilience Programme** is providing farmers looking to adopt more nature friendly farming methods with free expert advice. Run by the Soil Association, the online training sessions will include advice on Environmental Land Management schemes (ELMs) and is open to any farmer.
    - Defra also announced the new **Countryside Stewardship Higher Tier** offer, one of three Environmental Land Management schemes (ELMs) in England. Initial applications will be by invitation and the Forestry Commission will work with farmers and land managers to develop an application.
    - Natural England released new evidence examining the **impact of the government's agri-environment schemes**. It concludes that areas where farmers provide good habitats show an increase in wildlife populations - an average of 25% more birds on land with environmentally friendly schemes, and up to 53% more butterflies.
- Members of the **Scottish Parliament (MSPs)** have voted unanimously to pass a new bill which will see the replacement of the Basic Payment Scheme (EU agricultural subsidy) with a new support system. The Agriculture and Rural Communities (Scotland) Bill will encourage land managers to produce food more sustainably and provides the framework for achieving Scotland's vision of becoming a 'global leader' in sustainable and regenerative agriculture.

    - The Scottish Government has announced new measures which farmers and crofters will need to undertake to qualify for **agricultural support payments from 2025**. Among the changes is the introduction of a Whole Farm Plan, which will require the completion of two baselining activities from a list which includes soil analysis and biodiversity audits. This means Organic farmers will be automatically eligible. Scotland's new agricultural support framework is set to begin in 2027.
- Initial results for **Northern Ireland's Soil Nutrient Health Scheme** have been published, and farmers have been commenting on the value of the scheme. The scheme offers all farmers in Northern Ireland a baseline soil assessment, and over 90% of farms in Zones 1 and 2 have previously registered with the scheme. Registration has now closed for farmers in Zone 3 (North Tyrone and County Londonderry) and participation will be a requirement to receive payments under future farm support schemes.
- **The Welsh Government** announced their **Draft Budget 2025/6**. The Budget includes a pledge to maintain the Basic Payment Scheme ceiling for farmers at £238m, and an uplift in funding for the Climate Change and Rural Affairs departments resulting in an extra £71.95m in capital funding for farmers, up by 31% on the existing budget.
    - The **Welsh Sustainable Farming Scheme** was delayed by a year. The Basic Payment Scheme replacement will begin in 2026 and farmers will no longer be required to have trees on 10% of their land to qualify for payments.
    - In November, five Sustainable Farming Scheme **preparatory phase schemes** were opened to applicants. These schemes will offer £14 million to Welsh farmers for investment in on-farm environmental improvements and actions to benefit water, air and soil quality.
    - The Welsh government's **Integrated Natural Resources Scheme (INRS)** completed its applications phase for farmers in September 2024. The scheme aims to provide funding for regenerative natural resource stewardship, including enhancing carbon-rich soils and natural flood risk management.

Soil health measuring and monitoring:

- **The UK Government** published an assessment of the threats facing **British food security**. Environmental degradation, including soil degradation, nature loss, and increased water insecurity, as well as a long-term decline in natural capital, are identified as pressing threats to UK food production.
- The **Office for Environmental Protection** (OEP) reviewed the sustainable management of agricultural soils in England. It highlights the fact that supply chain pressures are among the factors that impact on soil health, as well as there being a lack of definition of sustainably manged soils in England and metrics to monitor this. The outcome of the project will support the OEP's ongoing monitoring and assessment of government's aim in Environmental Improvement Plan 2023 to bring 40% of agricultural soils into sustainable management by 2028 and increase this to 60% by 2030.
    - In England, the OEP launched an investigation into the government's Statutory Guidance on applying the **farming rules for water** – which aim to reduce water pollution from agriculture through land input regulation. The OEP believe that the Statutory Guidance may be unlawful.

- It was announced in July that the UK Government will undertake a rapid review of the **Environmental Improvement Plan** following the publication of an annual progress report which warned that its goals are out of reach. Environment Secretary Steve Reed said that the government will detail plans for delivering each target in line with its manifesto commitments for nature. The review is to be completed by the end of this year.
- **Environmental Standards Scotland** (ESS) is recommending the Scottish Government bring forward legislative proposals to protect Scotland's soils.
- The Agriculture and Horticulture Development Board (AHDB) and Quality Meat Scotland have announced their new **Environment Baselining Pilot**, with 170 farms chosen to take part. The pilot will include soil sampling and LiDAR scanning using a plane or drone to estimate above-ground carbon stocks and provide run-off water maps.
- EU environment ministers have reached an agreement on their approach to the **EU Soil Monitoring Law,** which was proposed in July last year, however it is still yet to pass. Its aim is to have all soils in the EU in healthy condition by 2050. The agreed approach will include guidance on sustainable soil management, set standards for laboratories testing soil samples and will see the monitoring and assessment of soil by all member states.

Net Zero/carbon ambitions:

- Following the publication of DEFRA's report titled *Harmonisation of Carbon Accounting Tools for Agriculture,* three leading **carbon calculators** have signed a memorandum of understanding which will see greater harmonisation of methodologies for monitoring on-farm emissions. Defra's report found considerable variation in results due to their alignment to different standards and protocols.
- **DEFRA** has published its annual progress update on the Nature Markets Framework as it works to achieve its goal of £1 billion private investment into nature by 2030. The update contains information on the development of standards for nature markets, the launching of **Biodiversity Net Gain (BNG) legislation** and the support available to farmers to access nature markets.
- The **EU** approved the first official **certification framework for carbon removals**. This regulation includes farming which increases CO2 sequestration in soils or which tackles soil-based greenhouse gas emissions, providing routes to EU-level certification for nature-friendly farmers.
- **Denmark** is set to become the first European country to tax emissions from agriculture after a landmark agreement was reached in June. From 2030, farmers will have to pay a tax per metric tonne of emitted carbon dioxide as part of the country's goal to reduce its total emissions by 70% by the same year.

4. Background: About the Soil Health Industry Platform (SHIP)

The Soil Health Industry Platform (SHIP) is a collaborative initiative led by the Sustainable Soils Alliance (SSA) that aims to discuss, harness, align and amplify the efforts of major food and drink businesses (production, retail and manufacture) to improve soil health and address soil damage throughout the UK supply chain The SHIP consists of 12 members: Arla, G's Fresh, Kellogg's, Morrisons, Nestlé, Noble Foods, Nomad Foods, PepsiCo, Sainsbury's, Tesco, Waitrose, Yeo Valley. In March 2023, members signed up to the following commitment:

"By participating in the Soil Health Industry Platform (SHIP) we commit to knowledge exchange, identification and sharing of best practice and the adoption of proportionate and impactful actions that will contribute to the goal of sustainably managed soils in the UK by 2030".

The commitment is broken down into six categories – specific areas where businesses can impact on soil health, through their supply chains, customers, internal audiences and other stakeholders.

We would like to thank all stakeholders and collaborators who helped inform the SHIP in 2024. This includes: AHDB, ASA, Defra's Food Data Transparency Partnership, Environment Agency, Food and Drink Council Sector Resilience Roundtable, IGD, LEAF, Nature Friendly Farming Network (NFFN), NIAB, NFU, Red Tractor, Soil Association Exchange, WRAP, WWF, the UK Farm Soil Carbon Code Consortium and 3Keel.

All past meeting summaries, annual reports and supporting documents on where soil sits within scope 3 emissions and regenerative frameworks can be found here.