

Healthy Soils, Strong Returns

INCLUDING SOIL HEALTH IN THE CONVERSATION

Let's be clear; bankers and investment professionals don't need to be soil health experts. However, when any professional can talk thoughtfully about soil with their clients, they foster shared awareness of the importance of sustaining its health – and that can lead to decisions that build resilience in the farming and agricultural finance sector.



Crimson clover: One of many cover crops that helps to build soil health.



HELPFUL Conversation Tips

Learning some of the fundamentals of soil health is the first step toward informed conversations with clients; and it's essential for building sustainable, resilient communities. These 4 tips can help you engage with your clients and help connect the conversations to broader corporate priorities.

TIP 01

RECOGNIZE SOIL HEALTH ACTION IN PRACTICE

Recognize that farmers are investing in soil health when they:

- Rotate what is planted every year (diverse crop rotation)
- Plant crops to feed and protect soil (cover crops)
- Minimize how much they disturb the soil (reduced or no tillage)
- Keep leftover plant material in the field after harvest (residue management)
- Feed soil with manure (organic amendments)
- Avoid squishing or packing down soil (compaction reduction)

Recognize that good management of soil health can be further supported when farmers:

- Use digital tools to farm more accurately (precision agriculture)
- Track and monitor changes (soil sampling/mapping)
- Improve field drainage (tile drainage/water and sediment control basins)

TIP 02

FOCUS ON PRINCIPLES, NOT LABELS

A few decades ago, people talked about soil quality. Today, we talk about soil health – a shift that reminds us soil is a living, dynamic ecosystem. The principles that support healthy soils are shared across many agricultural approaches, including regenerative, conservation, climate-smart, agroecological, and sustainability frameworks.

5 principles of soil health:



- 1 Build Soil Organic Matter
- 2 Minimize Soil Disturbance
- 3 Keep Soil Covered
- 4 Keep Living Roots throughout the Year
- 5 Diversify Crops

TIP 03

RECOGNIZE HOW SOIL HEALTH ADDS VALUE

Healthy soils perform many functions that provide value to our communities in the short and long-term.

ON-FARM Productivity



- Crops do better in extremely dry or wet weather
- Risk of crop damage from insects and diseases is lower
- Soil lost through erosion is lower
- Crops are better able to optimize available nutrients

OFF-FARM Social Benefits



- Help meet climate targets through carbon storage and reduced emissions
- Improved water filtration and storage
- Wildlife and biodiversity is supported
- More climate resilient agricultural sector

Soil health isn't a single, measurable trait. It's a big-picture view of **how well the soil ecosystem performs its essential functions.**

Learn More from this Series:

- **Healthy Agricultural Soils:** A Conversation Guide
- **Healthy Soils, Sustainable Future:** Farmland, Local Governments, and the SDGs
- **Healthy Soils, Healthy Waters:** How Farmers and Local Government are Partners in Water Management

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Visit our website for additional information

Soils at Guelph: Advancing and mobilizing knowledge so soils are optimally managed in Ontario and beyond.

TIP 04

CONNECT SOIL HEALTH TO EMERGING BUSINESS PRIORITIES

Healthy soils play a critical role in carbon storage and reducing greenhouse gas emissions. When agriculture is part of a company's value chain, **soil management practices influence their Scope 3 emissions.** As a result, companies need to understand how soil management practices align with ESG* commitments and meet GHG** reduction targets.



SCOPE 1: Direct Emissions

Emissions from sources (On Site)



SCOPE 2: Indirect Emissions

Emissions from energy/utilities



SCOPE 3: Indirect Emissions

Emissions from a company's value chain

* ESG = Environmental, Social, and Governance
** GHG = Greenhouse Gas

WHAT'S NEXT?

► Ag-Finance and Investment professionals can:

- **Recognize soil as a living, dynamic ecosystem** that supports vital ecological functions and underpins the social and economic well-being of both rural and urban communities.
- **Invite soil health educators** to your conferences, meetings, or seminars.
- **Invest in incentives** that reward farm operations for implementing management practices that build and sustain healthy soils.