



2025

# SUSTAINABILITY REPORT



# Our 2025 Report



## ENABLE

- Creative capital for unlocking stewardship practices
- PepsiCo's sustainability leadership meets Farm Credit innovation
- A business case for regeneration
- Connecting customers to stewardship grants
- North Dakota dairy turns energy savings into growth



## ENGAGE

- Practical, profitable sustainability through collaboration
- Collars, carbon, and the long view



## EDUCATE

- Advancing soil health together
- From soil health student to stewardship leader



# Advancing stewardship together

Our sustainability program is built on three pillars: **enablement, engagement, and education.**

The 2025 Sustainability Report highlights the work that is happening in each area to help advance on-farm stewardship activities. It was a milestone year.

Those who have followed our work in this space will recall that we surveyed producers to better understand the types of stewardship activities that interested them and the financial barriers to adopting, continuing, or expanding those activities. We put those insights into action last year and have developed two programs that we are piloting in 2026.

Farm Credit's Stewardship Fund is designed to address some of the financial barriers cited by producers. While we continue to test aspects of the fund, asking producers if certain features meet their needs, our goal is to provide more affordable, up-front capital for qualified stewardship projects.

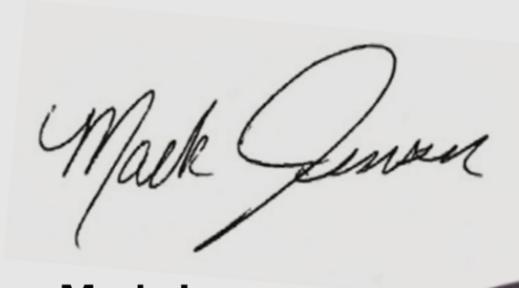
Grant-writing services through an outside provider, Lasso, launched in March as a pilot program. Customers with qualified projects will receive Lasso's end-to-end services—from identifying relevant grant opportunities to preparing applications to managing post-award requirements—at a significantly discounted rate.

You can learn about these programs on the pages that follow. Both represent a significant step in serving producers seeking to adopt or expand sustainable practices and technologies. They are the start, not the end.

For many producers, including those we feature in our annual Sustainability Report, continual improvement is a journey. One change often leads to more. Along the way, there are learnings, adjustments, and when necessary, pivots.

Our path is no different. We have been diligent in our efforts to identify the sustainability priorities of producers, their barriers, and what is needed from lenders in this space. We continue to listen and learn.

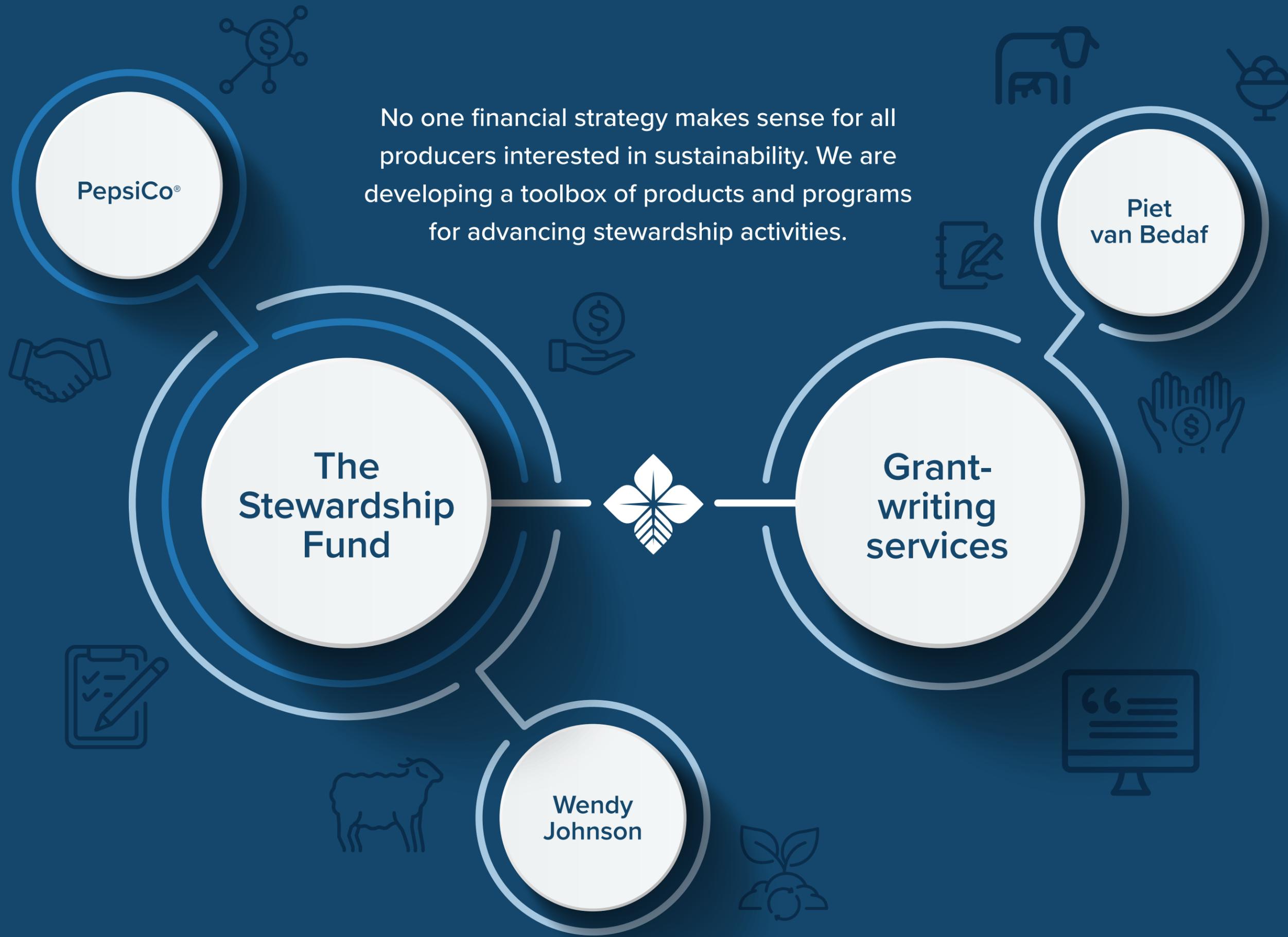
Help us keep the conversation going. If you are interested in our new offerings, reach out with questions, and let us know what you think.



**Mark Jensen**  
President and CEO



# ENABLE



# Creative capital for unlocking stewardship practices



**Farmer Joe** recently took over the family farm and wants to transition from conventional tillage to no-till.

THE CHALLENGE:

**Limited capital.**



**Resilient Foods** needs to both maintain and increase adoption of its no-till oats to back up stewardship claims tied to their cereal, protein bars, and snacks.

THE CHALLENGE:

**No direct access to producers.**

Farmer Joe and Resilient Foods illustrate the types of barriers that, from farm to table, need to be overcome to build a more resilient agricultural industry—one that rewards farmers and ranchers for their stewardship and meets growing consumer demand for sustainably produced food.

THE CHALLENGE WE TOOK ON:

**Providing access to more affordable capital for the adoption, continuation, or expansion of sustainable practices, while also creating potential market opportunities.**

Throughout 2025, our Associations collaborated with others in the Farm Credit System to develop a solution. We took our plan to select food companies and agribusinesses and invited them to be partners. This year, we have gone back to producers, nearly 1,000, for their input to make sure the Stewardship Fund works for our customers.

# How the Stewardship Fund works

Producers apply for funding through the Stewardship Fund to support improvement activities on their operation. This includes adopting new activities, as well as continuing, updating, and expanding stewardship activities.

The financing combines capital provided by food and agriculture companies with a Farm Credit loan. The loan is repaid under normal terms. The capital from the Stewardship Fund is also repaid, creating a self-sustaining program—but without interest. The loan and capital are repaid over the same period.

In return for capital from the Stewardship Fund, a producer may be required to enroll with a participating food or agriculture company and comply with its Measurement, Reporting, and Verification (MRV) process. This requirement would apply only to the agreed-upon number of acres or head of livestock and would expire when the financing is paid back.

For Farmer Joe on a crop operation, this might mean enrolling a set number of acres with Resilient Foods and reporting his field boundaries, planting and harvesting dates, crops, yield, tillage type, use of cover crops, and specifics on input application. All enrolled acres or head would remain eligible for public funding and for environmental stewardship payments. However, simultaneous enrollments of those same acres and head in other corporate inset programs, private incentive mechanisms, or carbon credit trading may not be allowed.

Let's say Farmer Joe in our example above decides to move forward with his stewardship activities.

**He needs a \$300,000 air seeder and qualifies for the Stewardship Fund. Here is what his financing might look like:**

**Stewardship Fund capital**  
for down payment

**Farm Credit**  
**equipment loan**

**\$60,000**

at 0% interest  
Paid back in 5 years

**\$240,000**

at 6% interest  
Paid back in 5 years

## FINAL FINANCING COST

Final interest rate

**4.8%**

Total purchase

**\$300,000**

**Farmer Joe saves more than**

**\$11,400**

in interest costs compared to fully financing at 6% interest.





# Why the Stewardship Fund matters

The barriers to implementing stewardship activities are many, and opinions on how to address them vary. In 2024, we went straight to producers for their perspective and experiences.

This first survey, conducted across 10 states, shaped conversations with partnering companies and the development of the Stewardship Fund. Our second, larger producer survey this year will further inform the direction of the program.

## Producer-reported barriers to stewardship activities

**46%** need different equipment.

**63%** reported that the ROI is unclear or low.

**49%** are uncertain if the investment will work.

**41%** have low capital available to deploy because it's tied up elsewhere.

**29%** struggle to find access to new or additional capital.

[Farm Credit 2024 customer survey.](#)

## Producer-driven financial solution

Using insights from survey participants, additional research, and conversations with stakeholders across the food chain, we designed a financial tool that offers customers a number of benefits:



**Access to upfront, flexible capital, paired with trusted financing.**



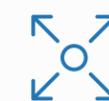
**Derisked transitions to conservation practices.**



**Improved return on investment.**



**Increased operational resilience.**



**Access to new markets.**

# What's next

We plan to roll out the Stewardship Fund as a pilot program later in 2026. The goal is to determine how the fund fits into producers' overall financial strategy for on-farm improvements.

No single financing tool can break down every barrier or meet every need. Even as we listen, learn, and, if necessary, refine the Stewardship Fund, we are focused on what more we can do to enable on-farm improvements for our customers.



# PepsiCo's sustainability leadership meets Farm Credit innovation

PepsiCo® sources around 50 crops and ingredients from more than 60 countries to manufacture its large portfolio of convenient foods and drinks. Midwest and Northern Plains farmers produce some of the sugar beet-based sweeteners for Gatorade, wheat for Stacy's Pita Chips, corn that goes into Doritos, and dairy for the cheese in Cheetos. Products may be baked or fried with a bit of soy oil.

Its family of brands are consumed more than 1 billion times a day in more than 200 countries, and customers increasingly care about the production practices behind those products. PepsiCo aims to help producers adopt or expand regenerative, restorative, or protective practices across 10 million acres by 2030.

When Farm Credit presented its plan for a pilot Stewardship Fund, PepsiCo provided invaluable insights and experience. Together, we are testing the fund's ability to streamline multiple funding sources to make it easier for producers to access capital for stewardship activities.

Margaret Henry, vice president of sustainable and regenerative agriculture for PepsiCo, discusses how a more resilient agricultural industry supports the company's future, and the importance of collaborating with Farm Credit to reduce financial barriers to stewardship activities.

Stewardship Fund





### Why is sustainability in agriculture important to PepsiCo?



PepsiCo is one of the leading food companies in the world. A lot of our interest in sustainability started from potatoes, because Lay's is one of our biggest brands. For Lay's, we have direct contract relationships with some farmers in different regions of the world to grow our proprietary varieties.

We have extended that thinking about farmers into our other brands. For example, we now have direct relationships with growers in Nebraska and Illinois to grow corn for our Doritos.

Most companies our size don't have much farmer touch, and we need more companies to talk to farmers and care about their realities in more than an actuarial kind of way.

Many companies say, 'Oh, if the U.S. doesn't produce enough, I'll go to Argentina and Brazil to buy what I need.' That may not be realistic or viable in today's world.

### How do farmers respond to working directly with PepsiCo?

I've found farmers actually love a connection to the product, because they don't always know where their products go.

Our approach, when working with farmers, is: 'We can't produce these without you, and so we're here to listen to your challenges. We're here to look for mutual solutions.'

Many are surprised by that perspective, and many are excited to have some sort of connection to the end product.

## How should the financial risk of stewardship be shared?

Everyone in the system should be risk-sharing. It shouldn't be on the farmer.

It should be shared with co-ops, traders, consumer packaged goods companies (CPGs), retailers, the financial world. It should also include the NGO (non-governmental entities) world and the government. We all need to work together to share the risk. Anybody who likes to eat should be part of it.

## How does PepsiCo advance stewardship?

Farmers know their farms best, and we're here to support them.

We started with early adopters. Our theory was those early adopters might need a little something to go further. What we've seen is that they've become leaders, and their neighbors get excited when they see success.

When we first started this work in Illinois, one farmer was interested, and he had been doing cover crops for a while. So, we helped him do some more of them on a different farm.

Then, there was a drought, and everybody watched his corn stay green longer than everybody else's. The next year, there was a whole lot of interest. We didn't push it. We were there showing the success and waiting for others to come along.



Stewardship Fund



**What are the big challenges to advancing sustainability?**

Consumer engagement around sustainability is an ongoing challenge. Regenerative is starting to be one of those buzzwords. PepsiCo sees benefits to regenerative ag beyond the buzz. We're trying to secure the future of our company.

Data is a big challenge. You could spend all your money and all your time trying to make the data case. Perfect data versus action is always going to be a continuous challenge. Farmers don't change how they run their businesses based on a calculator with some data that spits out a semi-incoherent spider graph.

**Another challenge is understanding the physical and social challenges that are coming for farming communities.**

At what tipping point do rural communities no longer have a hospital or a school? That's harder to put on a map, but it's really important.

**Why is PepsiCo interested in collaborating with Farm Credit and its Stewardship Fund?**

We started to think strategically about who we would want to work with in the financial sector, and Farm Credit was at the top of that list. Their reach and relationships with farmers are extremely impactful.

We're really excited about making the regenerative transition more financially accessible. Some practices have a longer payback period, and not all farmers can afford that. I'm hoping the Stewardship Fund helps support incremental improvements and long-term resilience for farmers.

By working together, we can start to demonstrate benefits for the rest of the industry. I'm hoping this moves out of the niche and into the mainstream.

# A business case for regeneration

Wendy Johnson once worked in the fast-paced world of Los Angeles fashion. Today, she walks past grazing sheep and heritage pigs beneath rows of chestnut and apple trees at Joia Food & Fiber Farm. Across 130 acres in Charles City, Iowa, cattle rotate through thriving pastures, chickens and guineas forage in orchard alleys, and organic grains ripple in the wind.

“We have some of the richest soils in the Midwest,” she says. “We should be able to grow other things in other ways, and help reduce the need for inputs. We’re really looking at our farm as a whole-system approach to diversification and growing more food, fiber, and energy for Americans and abroad.”

But a decade ago, this Northeast Iowa operation looked far different. When Johnson and her husband, Johnny Rafkin, left Los Angeles in 2010 to return to Johnson’s family land, the farm was strategically specialized. Like most Iowa farms, the operation focused on conventional corn and soybean production. Johnson wanted to return to her roots and secure the future of her family’s land—while also blazing her own trail.

Johnson co-manages her family’s larger, traditional operation, Center View Farms Co., with her father. She and her husband started Joia Food & Fiber Farm as an offshoot of that business. They use their farm to test and implement practices that prioritize soil and water health, biodiversity, and the long-term vitality of farmland and farmers.

In the first few years, Johnson farmed organic row crops. Later, she rotated the land to pasture to increase grazing capacity and address hydrology concerns. They added livestock, small grains, and agroforestry. The farm now markets flour milled from perennial grains, meats, eggs, and wool products directly to consumers through an online store and buying clubs.

“I want to see more farmers growing our food,” Johnson says. “To do that, we need to create space for them. The funnel used to be wide, and now it’s narrowing. I’m proud to be a farmer in America, and I want to see more opportunity for others to grow food and fiber.”

Wendy Johnson has made her own path in agriculture. Some of the relationships she built along the way—from Practical Farmers of Iowa to PepsiCo to her Farm Credit Association—have been vital to advancing her goals.



Customer-provided photos, used with permission.

Stewardship Fund

## Farm storytelling on the screen

In 2025, Wendy Johnson was one of three farmers featured in the [“Food for Tomorrow”](#) series, a collaboration between the National Geographic Society and PepsiCo to shine a spotlight on the global food system.

Johnson, along with farmers in Brazil and Thailand, shared their personal journey in regenerative agriculture.

“After meeting with the team and understanding their angle, I was very excited to be a part of it,” she says. “It created this cohesive space to connect and bring awareness to practices in agriculture that can be our future of growing food.”



## Scalable regenerative practices

Johnson has a unique vantage in agriculture. She can fine-tune production practices on her small farm and then see how they can scale on her family’s larger traditional farm.

“What we’ve learned in the last 10 years during our transition is how we can implement some of these strategies—maybe not all—across our family farm. It’s a slow process, but there is progress.”

Wendy Johnson, owner

For example, Johnson’s father has long practiced no-till soybeans. During Johnson’s tenure, the operation has expanded to 100% no-till across all crops and incorporated cover crops and livestock grazing cover crops. The farm has also integrated small grains into the rotation.

“We are interested in how we can increase profitability per acre rather than relying on intensive tillage and one or two crops,” Johnson says. “I want to do low-stress farming. Farming is stressful enough because we can’t control markets or weather. No-till and cover crops are practical steps producers can take to reduce labor and improve soil health.”

Stewardship Fund

## Capital challenges

Shortly after returning to Iowa, Johnson became involved with Practical Farmers of Iowa. The organization's core mission is to equip producers to build resilient farms and communities.

"They had a strong beginning farmer program focused on farmer-led learning," she says. "I was able to learn directly from farmers implementing practices I was interested in."

A few years ago, Practical Farmers of Iowa began working with PepsiCo, after the multinational organization announced it would invest in regenerative farming practices in the U.S. Johnson is among the producers who advanced their stewardship activities with financial support from PepsiCo.

But access to the right capital is always a challenge. Every stewardship program has its own set of requirements, every improvement project, its unique objectives and risks. The more capital mechanisms a producer can pull, the faster they can advance their stewardship activities.

"Since I'm predominantly a perennial farmer, it's more challenging to find funding that supports perennial agriculture because it's still new," she says. "I've had to think outside the box, but there has been movement with private foundations and organizations that are focused on how perennial agriculture can help reduce costly inputs."

Johnson is encouraged by Farm Credit's pilot Stewardship Fund; it shows an understanding of the barriers to stewardship activities.

More than 40% of producers say they don't have capital for stewardship because it is committed elsewhere; 63% cite unclear or low returns on investment as a barrier. The Stewardship Fund is meant to increase access to capital and reduce the financial risk of adopting, continuing, or expanding practices such as cover crops and rotational grazing. The pilot will help determine if the fund delivers.

“Farm Credit’s fund could be outstanding because it doesn’t really exist anywhere else, and it can make these investments easier for farmers.”

Wendy Johnson, owner

## Future of food

Amid the many day-to-day challenges of farming, Johnson remains optimistic about agriculture's future.

"We're at a prime time because Americans are really concerned about their food quality and how their own health relates to soil health," she says. "I would have never thought a pandemic like COVID would be the major turning point to get people to really see that connection. Now there's more awareness and knowledge about this connection between soil and water and food and ultimately, our health."

Stewardship Fund



# Connecting customers to stewardship grants

We work with customers whose finance packages for on-farm improvements include grants. In many cases, the grants give them a better return on their investment, reduce the risk that comes with any new activity, or simply fill a funding gap. Many of these projects are only possible because of a grant award.

Concurrently, we might work with a customer implementing a similar project—but without grant funding. Grant programs aren't for every farmer or every project. But often, it is due to a lack of awareness, time, and technical grant-writing knowledge.

As part of our effort to develop a range of financial tools for stewardship activities, we spent part of 2025 exploring grant services that would be most beneficial to customers.

We have launched a small pilot in 2026 with Lasso, an agricultural grant-writing company that shares our commitment to advancing on-farm improvements.

Stewardship Fund

## Where good ideas find the **resources to grow**

Customers work directly with Lasso at every stage, beginning with an initial phone consultation focused on a customer’s desired improvement and readiness to move to the next stage. Interested customers can take advantage of this free consultation. Up to 14 operations in the pilot territory will proceed to the full grant submission process based on a high likelihood of success.

Participants will receive help identifying, applying for, and securing grants that protect their natural resources and improve profitability, whether through production, efficiencies, an additional revenue stream, or risk mitigation.

The pilot is exclusive to publicly funded grants, Lasso’s area of expertise. Existing customers in Iowa, Minnesota, and Wisconsin are eligible to apply for grant-writing services during the pilot period.

Eligible grants range from federal programs such as the Value-Added Producer Grant (VAPG) to state-specific opportunities, providing financial help for a wide range of projects, including:



On-farm post-harvest handling, aggregation, processing, manufacturing, storing, distribution, and sale of locally and regionally produced food products



Farm infrastructure improvements and equipment upgrades (labor-saving technology, precision technology, etc.)



Renewable energy systems (solar, wind, anaerobic digester)



Energy efficiency improvements (grain dryer upgrades, replacing diesel generators with solar, lighting, refrigeration, heating, ventilation and cooling)

The Associations cover nearly 90% of Lasso’s costs **while customers pay \$500 after they are qualified as participants and start the grant-writing process.**

Along the way, we will measure the merits of grant services and next steps based on several objectives:

- ✓ **Success rate of grant applications**
- ✓ **Completion of projects**
- ✓ **Value added to participating operations**  
(Example: Did the grant accelerate improvements?)
- ✓ **Customer satisfaction**

Trialing a service takes time, but it is essential to delivering on what you, our customers, need from a lender. Your participation and feedback will help us equip agriculture with the right tools for continual improvement.

# What to expect from Lasso



## CONTEXT:

Every conversation begins with questions about your farm and your proposed project.



## WRITE APPLICATION:

Lasso signs a non-disclosure agreement (NDA) with you and completes your application.



## ELIGIBILITY CHECK:

The grant team ensures you are an Association customer, your planned project aligns to a grant, and you are ready to provide the information needed for an application.



## REVIEW AND PAYMENT:

You review the final application, and complete the discounted grant-writing fee of \$500.



## PRE-SCORE:

Is your project competitive with the grant priorities?



## GRANT SUBMISSION:

Lasso submits application on your behalf.



## PILOT CONFIRMATION:

You are grant eligible, ready, and competitive. Now comes final confirmation that you qualify for the Associations' pilot project.



### Requirements for full grant service:

- Existing customer in Iowa, Minnesota, or Wisconsin.
- Open to government grants.
- Have a stewardship project in mind, with potential installers, vendors, or service providers identified.

Stewardship Fund

### Preparing for a grant

Requirements vary depending on the specific grant program, but the following information is typically needed.

- Details about your farm: size, products, financials, previous grant funding, etc.
- Return on investment: How will the project impact your farm's future?
- Summary of your project and how it aligns with grant program goals.
- Lender letter confirming access to funds for completion of project. Most grants are reimbursement style, meaning a producer pays out of pocket and is paid back. Some grants require a match, with evidence the producer can cover his/her share.
- Project timeline and readiness: Do project and grant cycle timelines align? Do you have the right permits or licenses?
- Project budget: copies of quotes, bids, or estimates for all eligible expenses.

### Interested in learning more?

Reach out to your financial officer in participating territories.  
Or contact Lasso by email [contact@joinlasso.com](mailto:contact@joinlasso.com) or at 276-530-1568.

# North Dakota dairy turns energy savings into growth

When Piet van Bedaf sat down with his accountant, one expense category consistently drew attention: utilities. The van Bedafs not only paid more each year for this critical expense, they paid more than their peers in the dairy industry. The van Bedafs needed a solution for their 1,900-cow dairy.

The family built VanBedaf Dairy in central North Dakota from the ground up in 2008. While much of the milk handling equipment was relatively new, it wasn't as efficient as today's technology. The family also projected a 20% jump in milk production in the next few years.

After evaluating several areas of the farm, van Bedaf and his family chose to upgrade their milk chiller to a system that would accelerate the cooling process and reduce electric and propane use.

With grant-writing services from Lasso, Piet van Bedaf secured funding for a project that cut his dairy's energy use, lowering his costs and positioning his operation for future growth.



Stewardship  
Fund

## Cost control strategy

The dairy installed its new chiller in September 2025. It includes a heat recovery system designed to capture waste heat from the refrigeration compressors and use it to preheat water for the farm's water heaters.

"With our previous setup, we could not get our milk cooled down to 37 degrees just with our plate cooler and our chiller, because it just didn't have the capacity to do it," he says. "This new system lets us reduce our hot water heating needs and helps that compressor run cooler and more efficiently."

Essentially, the van Bedafs replaced their six smaller compressors with two large compressors.

Already, we're seeing about a 25% reduction in heating needs of hot water," van Bedaf says, estimating the dairy is saving roughly \$20,000 a year in electricity and propane costs compared to the previous undersized and less efficient system.



### From the Netherlands to North Dakota

Corne and Conny van Bedaf grew up on dairy farms in the Netherlands. After marrying in the late 1980s and starting a family, they realized they would not be able to build the dairy farm of their dreams in the Netherlands.

"There were a lot of challenges with regulation and a lot of competition for land from residential, commercial, vegetable, and horticulture pressures," says Piet van Bedaf, the couple's oldest son. "They did not see a future in dairy farming there."

In 2001, the family moved to Alberta, Canada, and started a dairy. Over time, they determined that environment also limited the expansion they were seeking. The family relocated again, this time to Carrington, North Dakota.

"We ended up in North Dakota because we wanted to own enough land to be able to grow some of our own forages, and land was a lot more affordable in North Dakota," van Bedaf says. "There was a good location available that had water, three-phase power, good access to a highway, and there was a milk market."

The family founded their current dairy in 2008 with 100 cows. It has since grown to a 1,900-cow operation that raises its own replacement heifers and employs a 24-member team. Piet's brother, Dries, works on the farm. His sister, Maartje, and brother-in-law, Casey, own and operate Cows and Co. Creamery a few miles away.

About 1% of the dairy's milk is processed at the creamery into value-added products, including artisan gelato, authentic Gouda cheese, fresh cheddar cheese curds, European-style yogurt, full-fat A2A2 milk, and full-fat A2A2 chocolate milk.

Stewardship  
Fund



It still took a lot of my own time, but working with Lasso definitely reduced my time and increased the chances of getting the grant.

**Piet van Bedaf, owner**

## Grant funds expansion

While researching equipment options, van Bedaf learned the North Dakota Department of Agriculture offered grants for new or expanding value-added agriculture businesses. Through Midwest Dairy, he was introduced to Lasso to assist with the grant process. Having never written a grant, van Bedaf invested in outside help.

“They’ve done a lot of grant-writing, so they knew which boxes to check and what to have in the business plan,” van Bedaf says.

The grant program focuses on growing North Dakota’s economy through agricultural business expansion. To be competitive, the application needed to demonstrate both increased production capacity and environmental benefits.

“A big part of preparing the grant was to show that through putting this system in place, we’d be able to increase the amount of cows we were milking,” a production increase that van Bedaf was able to show, among other things, requires purchasing more feed from neighboring farmers.

“Another big part of the scoring was based on the system being environmentally friendly,” van Bedaf says. “The heat recapture fit that quite nicely.”

Beyond developing the business plan and project details, van Bedaf presented the proposal to a review panel from the North Dakota Department of Agriculture. Lasso’s assistance in preparing for the presentation gave him confidence throughout the process.

“The new system gives us plenty of capacity for higher milk production per cow or if we decide to milk more cows in the future,” van Bedaf says.

But none of these improvements would have happened in 2025, he says, if the grant had been denied.

The payback period for the investment is about seven years based on utility savings. The grant, which covered about 50% of the project’s cost, cuts that in half, van Bedaf says.



## Sustainability at scale

The chiller project is one component of a broader focus on efficiency and long-term sustainability across the dairy. Cows are milked three times a day and spend the remainder of their time in freestall pens. Each animal's health is tracked using CowManager® sensors that monitor activity, eating time, rumination, and body temperature.

“I’ve been using CowManager since 2017,” van Bedaf says. “Just by the way the cow moves her ears, how much time she spends eating, how much time she spends ruminating, how active she is, and her body temperature, we are able to monitor her health 24/7. We also breed off that data. It has made our reproductive program very successful.”



To me, sustainability means being able to produce a product in a way that **optimizes our resources**. It is also trying to increase the profitability and efficiency of the farm.

Piet van Bedaf, owner

Sand bedding is used throughout the dairy for cow comfort and health. The operation separates sand from manure and reuses it for bedding, reducing input costs. Rainwater collected from building roofs is incorporated into the sand separation process, limiting the need for fresh water and lowering overall resource use.

That sustainable mindset extends to the operation's team. The dairy's 24 employees receive structured training, work with a mentor, and sign a mandatory letter of commitment to ensure animals are treated as humanely as possible.

From the new chiller project to a team committed to animal health, VanBedaf Dairy is committed to supporting both near-term margins and the next generation of expansion.



## Visit the farm, one video at a time

Since founding their North Dakota dairy, the van Bedafs have welcomed visitors for tours. During the disruption and restrictions caused by the COVID pandemic, they had to limit on-site guests. Piet van Bedaf adapted, launching a YouTube channel to provide a first-hand look at the operation.

“People generally want to know where their food comes from, and it seems like that is only increasing,” he says. “The best thing we can do is show them. If they’re not going to hear from us, they’re going to hear from somebody else, and the story might not be told in the right way.”

For the past four years, van Bedaf has posted a weekly video documenting everything from milking cows to repairing equipment to setting farm goals.

The channel allows viewers to see a modern dairy in real time and ask questions directly.

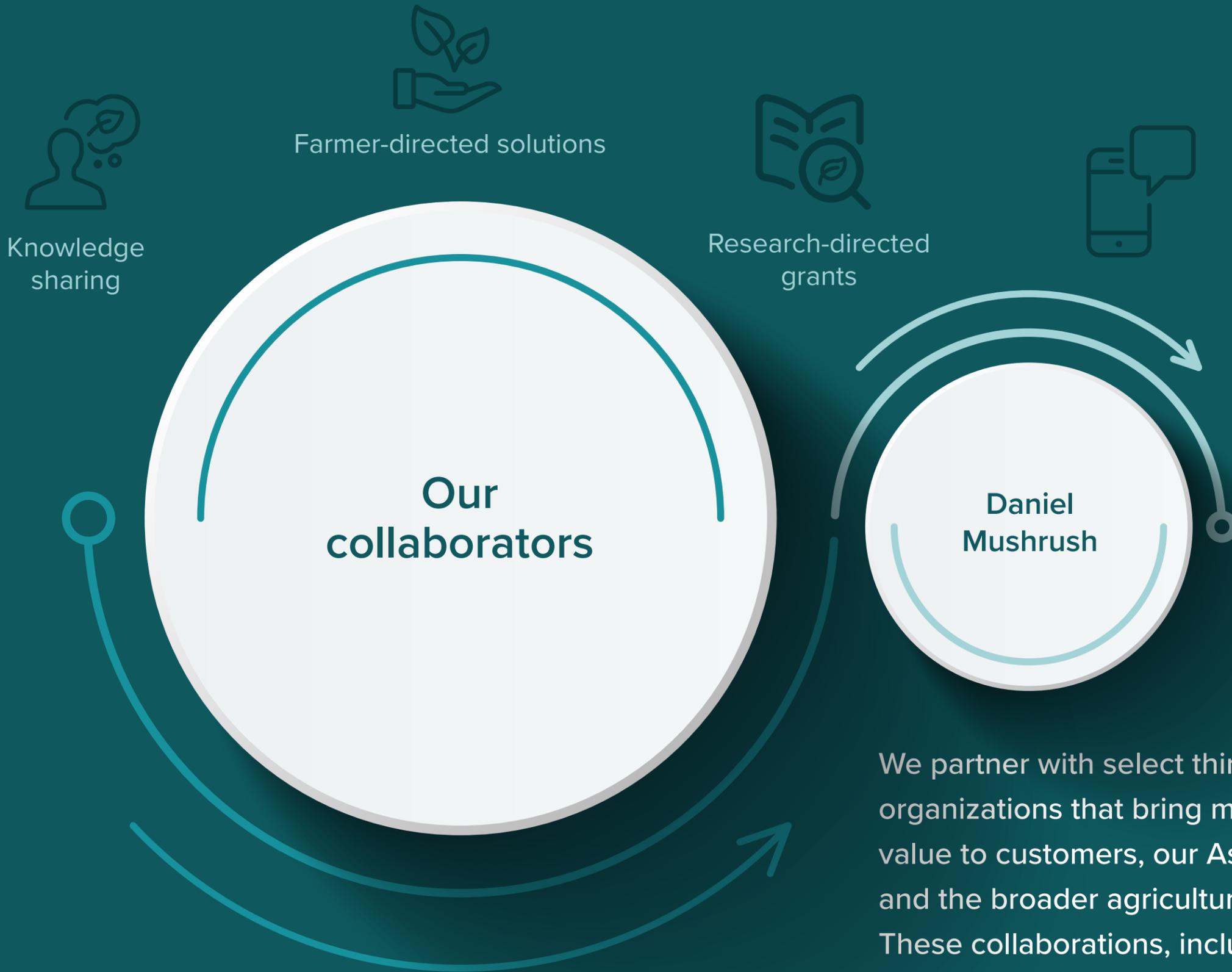
Today, the channel has about

19,500 SUBSCRIBERS



Stewardship Fund

# WE ENGAGE



We partner with select third-party organizations that bring meaningful value to customers, our Associations, and the broader agricultural community. These collaborations, including farmer-led organizations, have an exponential impact that strengthen sustainability across the industry.



# Practical, profitable sustainability through collaboration

Engagement with outside organizations is a pillar of our sustainability program, and for good reason. Together, we can deliver better tools, stronger support, and new opportunities for farmers and ranchers.

The sustainability space is big—and getting bigger. Innumerable organizations are doing good work to support the resiliency of U.S. agriculture. We focus on those opportunities where, through a shared vision, we can make a difference at the farm level.

Funding for research at land-grant universities is advancing water conservation efforts, animal health, and more. Collaborations with farmer-led organizations have opened educational opportunities for customers. Working alongside industry stakeholders has resulted in real-world solutions, including an online marketplace for sustainably produced commodities.

**Every year, we expand our network of collaborators. Here are some of the ways we have engaged with outside organizations since 2022, when we launched our sustainability program.**



## Knowledge sharing

### Field to Market

The Alliance for Sustainable Agriculture—made up of growers, agribusinesses, food, beverage, and apparel companies, conservation organizations and more—works to define, measure, and advance sustainable production in U.S. agriculture.

**How we collaborate:** Sponsorship for new Financing Sustainable Agriculture program.

### Nebraska Soil Health Coalition

Advance producer-centered education, outreach, and adoption of soil health principles for more resilient farms, ranches, and communities.

**How we collaborate:** Grants to stand up coalition and hire a data analyst. Education meeting to help kick off coalition's Southwest Nebraska outreach to area producers.

### South Dakota Soil Health Coalition

Advance land stewardship and profitability by nurturing life from the soil up.

**How we collaborate:** Grant for virtual-fence livestock collars, allowing cattle operators to trial the technology before investing capital.

### Trust in Beef

Help producers access information needed to better manage their ranch and natural resources.

**How we collaborate:** Sponsored Nebraska and South Dakota stops, Farm Journal 2024 Trust in Beef Tour.

Stewardship Fund



## Farmer-directed solutions

### Conservation Technology Information Center

Provides national research tools, demonstrations, and field support to advance on-farm resources, operations, and profitability.

**How we collaborate:** Member of advisory committee for Conservation Connector—a one-stop shop to find and evaluate conservation incentive programs and local technical support.

### Aksarben Full Value Ag Initiative

Connect land stewardship and market demand to give farmers, ranchers, and feeders a competitive advantage.

**How we collaborate:** Seed grants and advisory committee member.

### U.S. Roundtable for Sustainable Beef

Advance, support, and communicate continuous improvement of the U.S. beef value chain.

**How we collaborate:** Working group co-chair and board member. Provided funding to establish baseline acres with grazing plans as part of 2050 Roundtable goals.

### Farmers for Soil Health

Agricultural producers working together to create a market that rewards them for conservation practices.

**How we collaborate:** Member of Corporate Advisory Board for development of Marketplace, where producers sell sustainable practices direct to companies.

Stewardship Fund



## Research-directed grants

### Iowa State University: Egg Industry Center

Provides scientific info and data analysis to producers, processors, and others.

**How we collaborate:** Financial support for center and its research.

### Colorado State University: AgNext

Identify and scale innovations that enhance the health of animals and ecosystems while supporting profitable, vibrant agricultural communities.

**How we collaborate:** Support Climate-Smart Research Facility and related sustainability research in animal agriculture.

### University of Nebraska-Lincoln: Feedlot Innovation Center

Commercial-scale, state-of-art testbed for improving cattle performance and production systems.

**How we collaborate:** Funding for innovation center.

### Kansas State University: Sustainable irrigation/cattle & dairy feed & forage systems

Provides scientific info and data analysis to producers, processors, and others.

**How we collaborate:** Funding to support interdisciplinary work in animal, grain, food, and agronomy systems.

# Collars, carbon, and the long view

No matter where in the world Daniel Mushrush finds himself, he is just a click away from his ranch in Chase City, Kansas. A smartphone app allows him to locate his cows and adjust their pasture access to an area as small as two acres.

The combination of virtual fencing and solar-powered collars has the potential to be one of his most profitable ranch investments.

“If you just let cattle free graze a pasture, you probably have about a 15% harvest efficiency,” he says. “If you add a hot fence and control where they go, you might hit 45%. With collars and really intensive grazing, I figure we’re around 75% harvest efficiency.”

A combination of cutting-edge technology and centuries-old growing practices puts Daniel Mushrush at the forefront of a ranching revolution. His story also shows that collaborating with the right partners can scale innovation for a more resilient future.

“It’s like that piece of ground gets bigger—we essentially expand our acres.

Daniel Mushrush, owner



Stewardship Fund



## High-tech ranching

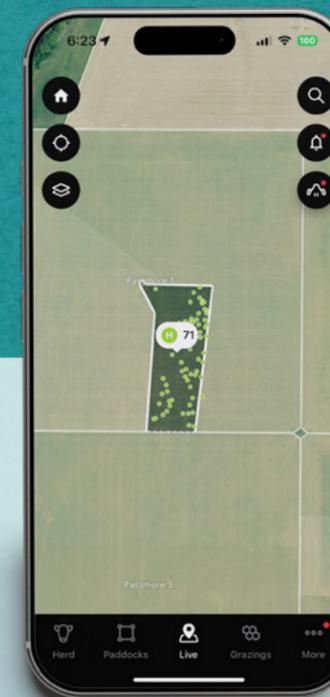
In 2022, Mushrush and his family joined a five-year pilot project involving virtual fencing and grazing with The Nature Conservancy. For this project, geofencing collars are worn by cattle so their movements respect the breeding and nesting patterns of lesser prairie chickens, a threatened species under the Endangered Species Act.

The project appealed to Mushrush because he could help protect the unique wildlife on his farm and become an early adopter of the technology. He can now move cattle two to three times a day without having to drive across the operation's 15,000 rented and owned acres that hold around 3,000 head of cattle.

"Part of sustainability is not just completely burning out all the human capital, meaning you and your family," he says.

“ We get a lot of hours back by controlling our cows with a phone, then going to that middle school basketball game or Thanksgiving dinner. It gives you some of your life back, and you're doing a better job.

Daniel Mushrush, owner



### A new frontier for ranching

When Daniel Mushrush was a college student at Kansas State University in the early 2000s, he was jealous of his crop farmer friends.

They were diving into variable-rate planting, GPS-driven tractors, and more. "But we were basically still doing everything that was done 100 years ago on the ranch," he says.

Now, Mushrush says, virtual fencing and grazing collars are revolutionizing cattle ranching.

"Virtual fence is as big as the internal combustion engine and barbed wire in terms of quantum leaps for the cattle business. It's going to be that big of a change and a lot of fun for us ranchers."

## Solving the feed puzzle

For Mushrush, adopting new management strategies typically starts by addressing a problem on the ranch. For example, they needed more winter feed for their registered Red Angus herd.

Because Mushrush Ranches is 95% virgin prairie, the family understands diverse perennial mixes, how to control weeds with fire instead of chemicals, and the advantage of rotational grazing on plant health and soil quality. To create more of this high-quality pasture, they converted their river-bottom crop acres to perennial grassland.

“That made everybody’s heads explode,” Mushrush says. “But you can’t worry about your neighbors. You have to know what the holes are on your operation, and our hole was cool-season grazing.”

“The pencil says I should never, as a rancher in Chase County, Kansas, buy a native piece of ground again for cattle grazing. I should only buy crop ground. It’s twice as expensive, but it five times as productive,” he says, referring to crop ground.



“

The Flint Hills are an expensive place to have a cow. We wanted to transition from all this grain production for feed to the cattle feeding themselves on a piece of ground with grass.

Daniel Mushrush, owner



Daniel Mushrush gives Aubrey Bettencourt, chief of USDA’s Natural Resource Conservation District, a tour of his operation.

## Win-win partnerships

To achieve their sustainability goals for the ranch, Daniel Mushrush works with many partners. These range from federal agencies, such as the Natural Resources Conservation Service, to environmental organizations, including The Nature Conservancy. These partnerships have provided funding as well as access to the latest science and strategies on production practices.

With any partnership opportunity, Mushrush looks for common ground. “If there’s a special interest—whether it’s a prairie chicken or a grassland conversion issue—you want to become part of the solution,” he says. “That’s an important narrative we need to take as an industry.”

Always know your goals and look for mutual benefit and alignment. Once you find the right partner, Mushrush says it becomes simple.

“It’s just honest communication,” he says. “Be a good neighbor and do what you say you’re going to do.”

Stewardship Fund

## Carbon credit market

Regenerative ranching practices have been part of Mushrush's operation for nearly a decade. Yet, he never seriously considered entering the carbon credit market until his management platform, PastureMap, merged with Grassroots Carbon, a grasslands soil carbon company.

Since he was already implementing several regenerative measures and documenting it all, why not get paid for it? Mushrush entered a Grassroots Carbon contract, which he says hasn't changed how he operates the ranch. It could limit some management decisions in the future, but he says the returns make it worthwhile.

"We're selling carbon, and it's pretty lucrative," he says. "I know some people like to put on their red hat and call that a scam. But the market doesn't ask any of us our opinions. It's what you do with the market that you're presented."

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## The long view

As a fifth-generation rancher, Mushrush is reflective about the past and excited for the future. "I very much see myself as just a placeholder in a set amount of time on this ranch," he says.

Mushrush views sustainability practices as a savings account. For example, he says, increasing the organic matter in your soil increases drought resilience. Increasing dry matter production in your pasture lowers your input costs. Similarly, converting crop ground to perennial pasture lets you offload your large machinery and reduces your depreciation.

"Those are all financial gains, and they may be hard to see. But they provide a buffer. Sustainability is that long-term viability."



# EDUCATE



Soil health



On this shared journey, we continually deepen our knowledge to provide the resources and insights customers seek as part of their stewardship decision-making.



Van Mansheim



# Advancing soil health together

Jake Miller used to pump an average of 8 inches of water a year to support his farm and ranch in Culbertson, Nebraska. With regenerative soil practices, he now uses 2 to 3 inches in a typical year.

Zach Mader recalled the pond he fished on his uncle's farm near Boelus, Nebraska. He estimated that it covered four to six acres. Today, he says, it's transformed, the lowest point traversable with a pair of boots.

“It's not because we have had a bunch of dry years in a row that dried it up. It's because the water infiltration is so much better.

Zach Mader, farmer and producer lead for the Nebraska Soil Health Coalition

Mader and Miller provided real-world benefits of soil health practices for fellow producers attending an educational event hosted by the Nebraska Soil Health Coalition (NSHC) and Farm Credit Services of America (FCSAmerica).

## Farmer-led, producer-centered education

The coalition got its start in 2023 with financial support from FCSAmerica and other donors. It kicked off its work in South-central Nebraska, and this past fall expanded to Southwest Nebraska. Eventually, NSHC will work with interested producers in every corner of the state.

Neighboring South Dakota also has a soil health coalition. FCSAmerica has contributed to the coalition's virtual-fencing project. This

led to a deeper collaboration; producers with the coalition will lead soil health sessions for young and beginning producers attending our Associations' 2026 Side X Side conferences in South Dakota.

Both states' coalitions are farmer-led, providing producer-centered education based on scientifically proven principles of soil health. This includes showcasing on-farm lessons and results.



# Real-world improvements for farmers and ranchers

The Nebraska coalition used some of its funding from FCSAmerica to develop partial budgets for 20 farms and ranches that have used regenerative practices for at least five years in the south-central area of the state. Mader and Miller were among the producers who gave the Soil Health Institute their production information.

The institute compared costs and revenue before and after the implementation of soil health practices to better understand the benefits Nebraska producers might expect.

Improved yields increased revenue for eight participating farms, while grazing cover crops improved revenue for 11. Operations that saw the greatest increase in revenue benefited from both grazing cover crops and higher yields.

Thirteen operations reported increased revenue and decreased costs for such things as water, fertilizer, or amendments. Expenses increased for two operations, largely due to post-harvest herbicide applications.

The institute also reported the percentage of the 20 operators who experienced improvements in the following areas:

Water infiltration	100%
Soil organic matter	100%
Erosion	100%
Soil biology/biological diversity	94%
Crop resiliency	94%
Soil structure	88%
Applied fertilizer (decreased)	88%
Water quality	82%
Public perception of ag	65%

Stewardship Fund

## Building soil, building businesses

When our Associations surveyed producers about their current or desired stewardship activities, soil health ranked high. At the same time, uncertainty about the return on investment was a barrier to implementing any type of improvement.

Long-term sustainability requires profitability, and that starts with understanding how—and which—stewardship activities fit into your operation, says Myriah Johnson, vice president of the Associations' sustainability programs.

NSHC's focus on measuring outcomes aligns with our Associations' goal of providing the knowledge producers need to make informed decisions. Producers in the program have outside support for tracking changes in their costs and revenue.

In South Dakota, the soil health coalition used funding from FCSAmerica to buy virtual collars that operators can trial before investing their own money. Data collected during the trial helps producers determine if virtual fencing works for their operation. The coalition also provides education to reduce the learning curve.

“The more we can do to support and expand knowledge around practices and systems in local areas,” Johnson says, “the better positioned our customers are to make lasting improvements to their operations.”



Stewardship  
Fund

# From soil health student to stewardship leader

On Van Mansheim's farm, tradition doesn't get the final say. He isn't tied to the familiar trope, "That's how we've always done it." He sees that as one of his greatest advantages.

# “

I was not born and raised on a farm, and I think that is one of my strengths in our operation. I didn't become a full-time farmer until 15 years ago.

Van Mansheim, farmer and South Dakota Soil Health Coalition director

Mansheim grew up in Brookings, South Dakota, built a career in sporting goods retail, and spent his weekends making the 3½-hour drive to his family's farm in Colome, South Dakota. His plan was simple: retire at 55 and return to the farm for good.

That timeline changed in 2010 when one uncle suffered a stroke, and the other could no longer keep up with the demands of the large, diversified operation. At 40, Mansheim became a full-time farmer.

"I had no farm education other than what my uncles had taught me," he says. "But I was the type of guy who would always ask lots of questions. My uncles were really diversified with lots of income streams. They taught me a lot of the basics about the farm business."

That business foundation—combined with a willingness to question every practice—has turned what began as a leap of necessity into a blueprint for a more profitable, resilient farm built on living roots, livestock integration, and year-round productivity.

What began with curiosity and a willingness to ask questions grew into a regenerative farming system rooted in living soil, year-round productivity, and measurable environmental and financial gains. Van Mansheim transformed his land and livelihood with the right guidance, resources, and partners.



Stewardship Fund

# Business-driven beginning

Once on the farm, Mansheim began attending workshops and meetings in the area. He kept hearing the same theme: soil health.

He eventually found the South Dakota Soil Health Coalition (SDSHC) and appreciated its focus on research, education, and stewardship. Today, he serves as a SDSHC board member and is now a speaker at many meetings, host for field days, and the farmer on the other end of the phone guiding the curious through soil health practices.

Mansheim’s own practices were shaped by groups such as SDSHC, neighbors, and like-minded producers. Always ready to learn, Mansheim was impressed when he heard a presentation by North Dakota farmer Gabe Brown, who was pioneering many regenerative farming practices.

“He kept talking about signing the check on the back instead of signing the check on the front because of all these practices he was doing,” Mansheim recalls. “Being a businessperson, that really intrigued me.”

Mansheim’s operation was already on a no-till path thanks to his uncles. He leaned into that and began growing cover crops in 2014 while reintroducing cattle to the farm. In 2017, he transitioned to planting into green cover crops, which allowed for more intensive grazing on both cropland and rangeland. In 2020, he started winter bale grazing.

ManBull Farming—a partnership with his brother Kirk Mansheim and nephew Heath Bullington—has evolved to include row crops, cattle production, and a pheasant hunting business.

“So many acres in this country are used for about four months out of the year; they grow a crop and then it sits idle and makes no money,” he says. “We make three different income streams off our land. We do a crop, we have a pheasant hunting business, and we run cattle.”

Mansheim admits he was hesitant to add cattle back to the operation because of the labor requirements, but he says the soil health benefits—along with new efficiencies—quickly changed his mind.

With bale grazing, they arrange hay bales on a grid and allow cattle access to a few bales at a time. This improves the soil by dispersing manure, reduces bale waste, and makes winter feeding much easier.

“We can take care of 500 head of cattle for 90 days in the wintertime and not start a tractor,” he says. “It takes about eight hours to set up 150 bales with two people. And then every time we move our fence, it only takes about an hour.”



Stewardship Fund

# Cut input costs

Mansheim’s crop mix includes corn, winter wheat, oats, soybeans, and alfalfa. With his focus on regenerative practices, he has greatly reduced his input costs.

“When we started this journey, we wanted to cut our synthetic fertilizer and herbicide input costs by 90% in 10 years,” he says. “Well, that’s not going to happen, but we have cut our fertilizer costs by 40% and our herbicide costs in half in 10 years. Plus, we haven’t used an insecticide since 2013, and we haven’t sprayed a fungicide on our farm in seven years.”

They also have reduced their machinery costs on the 2,500-acre operation.



We plant four crops at four different times of the year. This allows us to have smaller equipment and spread out our workload. We plant oats in March or April. We plant corn in early May, and beans in late May. We also plant all the cover crops. We have zero tillage.

**Van Mansheim**, farmer and South Dakota Soil Health Coalition director

For Mansheim, farming is about imitating Mother Nature—not fighting her. He continues to look for ways to limit soil disturbance, diversify crops and livestock, support living plants throughout the year, and build healthier soil.

“We’ve learned a lot about soil in the last 25 years, but there’s still so much to learn,” he says. “I think mankind has done a very good job of understanding what grows above the soil, but very, very little below the soil.”



Stewardship Fund

# Survey shows less stress, more profit

While stress is common in farming, it may be less of an obstacle for farmers who use soil health practices versus those who farm conventionally. That's according to a 2019 survey of farmers and ranchers conducted by South Dakota State University in partnership with the South Dakota Soil Health Coalition (SDSHC). Overall, the survey found those using sustainable production practices are optimistic about their future in farming and expect to be profitable.



I totally agree with the survey results. I have less sleepless nights because our soils are more resilient to weather extremes.

Van Mansheim, farmer and South Dakota Soil Health Coalition director

## Here's a snapshot of the survey results:

	Soil health producers	Conventional producers
Resilience to weather extremes Their systems are more resilient to drought or intense rainfall.	<b>80%</b> agree	<b>60%</b> agree
Satisfaction with farming/ranching	<b>71%</b> satisfied or very satisfied	<b>43%</b> satisfied or very satisfied
Profitability has increased	<b>31%</b> agree	<b>12%</b> agree
Confidence in reducing inputs (next three to five years)	<b>66%</b> confident	<b>28%</b> confident
Operation profitability will increase (next three to five years)	<b>69%</b> agree	<b>36%</b> agree

Our Associations have long offered specialized loan products and services to fill gaps in the marketplace. Our grant-writing and Stewardship Fund pilots are the latest examples.

Throughout 2026, we will be testing, learning, and, where necessary, revising aspects of these offerings. Even as we close our fourth annual Sustainability Report, work is underway on a second producer survey.

The economic landscape has changed since 2024, when we first asked producers about their interest in and barriers to stewardship activities. The need for products that support stewardship activities hasn't gone away. Our goal is to ensure the products and services we deliver work in every economic environment.

Producer feedback is central to our cooperative model and to giving you, our customers, products and services that align with your needs. Every day, we help customers optimize their economic sustainability. Advancing stewardship activities through products, education, and collaboration is one more way we are working for your long-term success.





2025

# SUSTAINABILITY REPORT

