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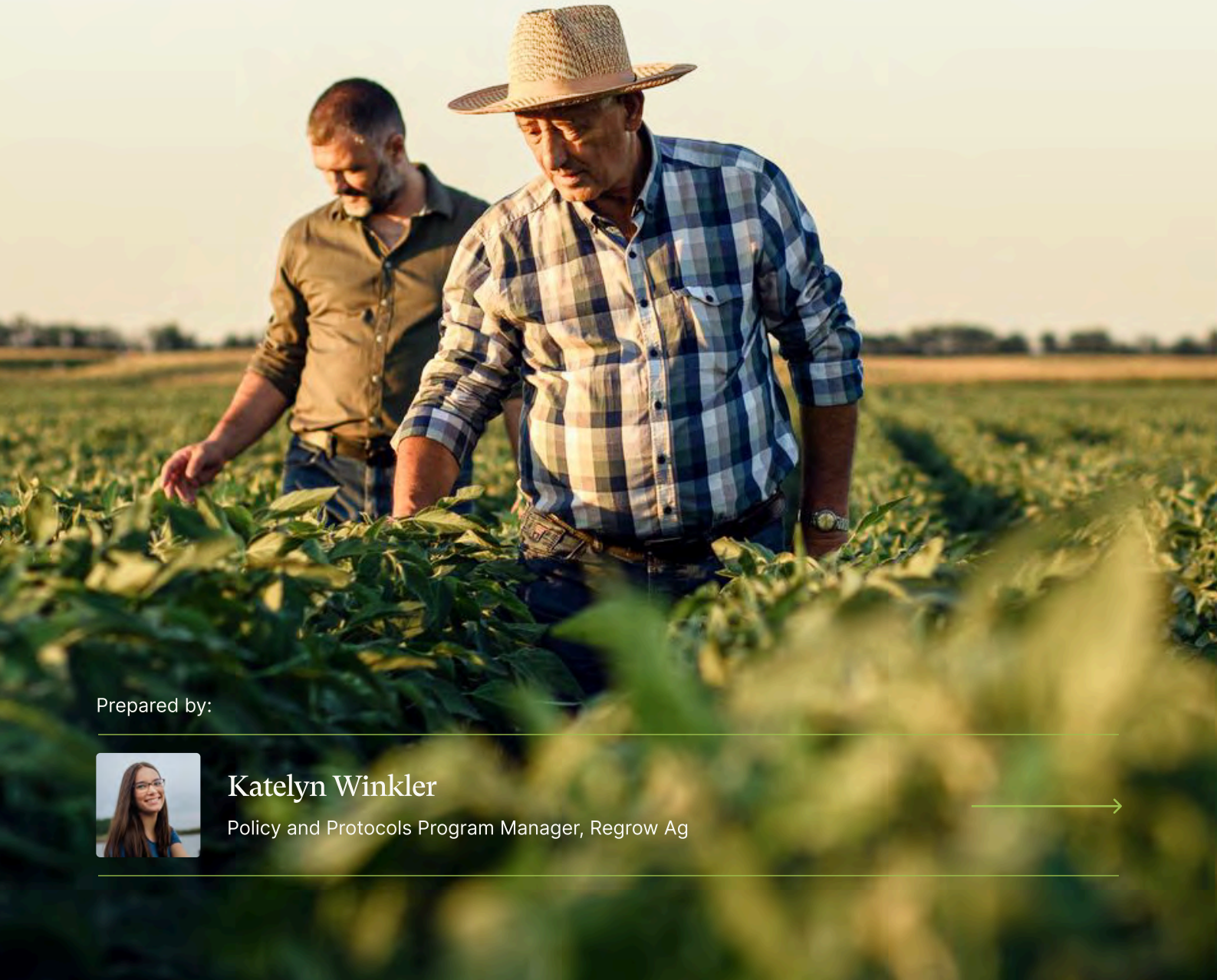
How to Establish Carbon Claims for your Regen Ag Program

A Practical Guide



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A Practical Guide for Credible Claims and Emissions Reporting

The policy landscape for corporate climate action is evolving, and regenerative agriculture program leads must design, build, deploy and scale programs with an eye on the latest guidance and reporting requirements. Companies today must navigate a mix of verification pathways such as offsetting and insetting schemes, regulatory disclosure frameworks like the CSRD in Europe, updates to guidance such as Greenhouse Gas Protocol's Land Sector and Removals Guidance, and evolving methodologies such as the Science Based Targets initiative's corporate net zero draft guidance. Each of these frameworks brings new expectations and approaches for measurement, disclosure, and assurance.

Despite their complexity, these moving pieces are all in service of a common goal: reaching net zero by 2030. For companies, the most urgent question is clear:

How do we achieve these goals, and who do we work with along the way?

This booklet provides a practical roadmap for answering those questions. It explores how to establish credible claims from regenerative agriculture programs by understanding accounting methods, reporting requirements, and traceability systems that enable measurable and transparent progress.

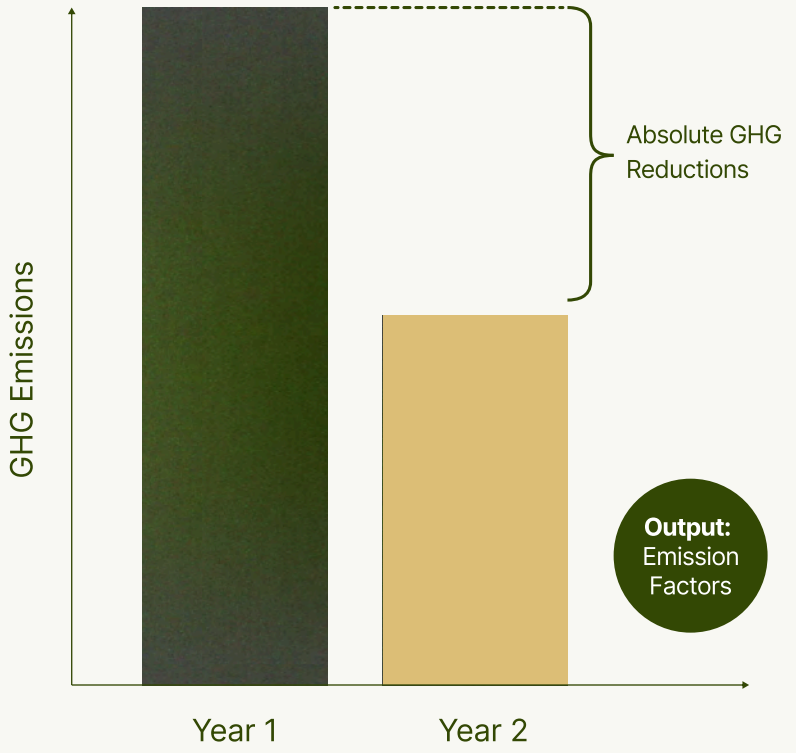
Part 1: Accounting for GHG Benefits

To credibly report on the outcomes of regenerative agriculture programs, companies must first understand the two main approaches to greenhouse gas (GHG) accounting: inventory accounting and intervention accounting. Both methods support decarbonization, but they serve different purposes and lead to different kinds of claims.

Inventory method

Inventory accounting is focused on organizational level reporting. It evaluates annual emissions and removals within a company's inventory boundary. It is required for corporate inventory reporting and in the context of regenerative ag programs, is typically quantified as a commodity emissions factor. These factors (depending upon their scope) can be applied in life cycle assessments (LCAs) or used directly in inventories to compare progress over time. Establishing a base year or baseline period is critical, as it provides the foundation for measuring change and improvement.

This method evaluates annual emissions (and removals) within corporate inventory boundary - ie. 'carbon footprinting,' and is **required for reporting.**



If your company is engaging in inventory accounting, you may be considering the following questions:

01

What is your organization's current base year for reporting?

02

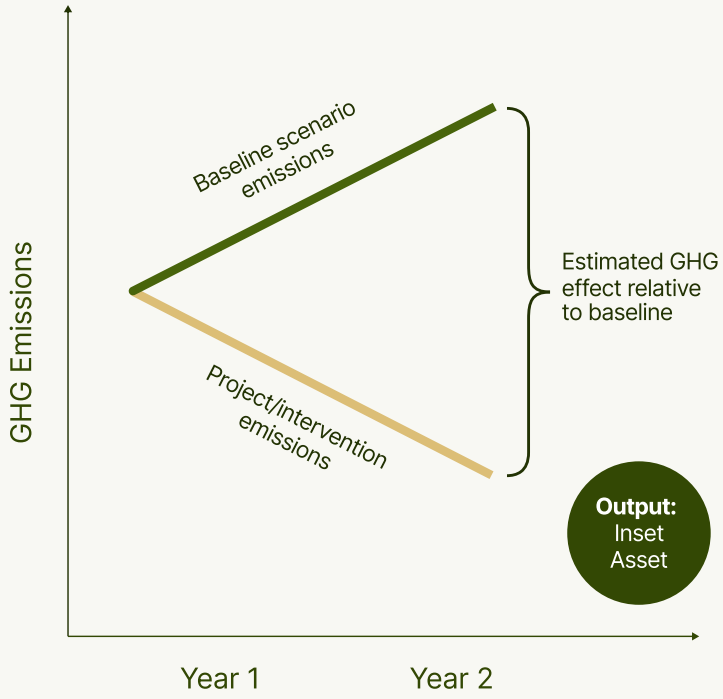
How are you tracking progress against your base year?

Trend watch: Over the last year we've seen a marked shift in interest toward using inventory accounting. With 2030 targets on the horizon, companies need a straightforward way to reflect the impact of supply chain investments in their corporate emissions reporting. Inventory accounting achieves this while also enabling multiple companies in a supply chain to report these impacts via supply shed accounting.

Intervention (project) method

Intervention accounting, on the other hand, focuses on the project level. It quantifies the impact of a specific intervention, such as the adoption of regenerative practices on farms. This approach has long been used in carbon markets for generating offset or inset credits. The resulting asset is the GHG benefit of a particular practice change. Unlike inventory accounting, claims under this method are proportional to the financial investment made and are not tied to volumes sourced. However, these claims cannot be directly inserted into corporate inventories and do not capture every emissions source, so it's critical to understand what data is valuable to your supply chain partners.

This method quantifies the impacts of specific interventions, and is **required for carbon credit generation.** These cannot be used directly in corporate inventory.



If your company is engaging in intervention accounting, you may be considering the following:

01

Has your company funded specific interventions?

02

How do you distinguish these benefits from your corporate emissions inventory?

Taken together, these two approaches offer different but complementary lenses. Inventory accounting helps demonstrate progress at the corporate level, while intervention accounting connects financial investment to tangible project outcomes. Companies pursuing regenerative agriculture programs may benefit from applying both methods strategically, depending on their goals.

You can learn more about inventory and intervention accounting in our recent blog.

Part 2: Reporting Progress of Regenerative Agriculture Programs

Once accounting methods are established, companies must also consider how to report progress in line with emerging standards. The Greenhouse Gas Protocol's Land Sector and Removals Guidance (LSRG) outlines specific requirements for reporting CO_2 removals from land management activities. These include advanced (Tier 3) measurement and modeling, ongoing monitoring of storage, robust traceability of emissions and removals, reliance on primary data, and processes for quantifying and addressing uncertainty and reversals.

For program leaders, this means evaluating whether their systems are already equipped to meet these requirements or whether significant data or monitoring gaps remain. Some companies may already have access to detailed primary data and long-term monitoring, while others will need to build these capabilities internally or in partnership with growers, aggregators, or third-party providers.

By identifying strengths and gaps early, companies can design programs that are not only impactful but also reportable under emerging guidance.

Part 3: Understanding Traceability Requirements in Supply Chains

Traceability is at the heart of credible claims. Without a clear line of sight into the origins and movement of agricultural commodities, it becomes difficult to ensure that claimed benefits are both real and verifiable. The GHG Protocol highlights several levels of traceability, ranging from global averages (which are not compliant for removals reporting) to sourcing region data, farm-level data, or even field-level data (which represent the highest standard of compliance).

Establishing a Claim - Traceability

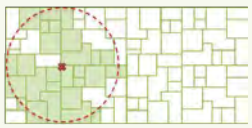
	Spatial boundary	Level of traceability	Data specificity	
	**Global**	No knowledge of region of origin	Global average secondary data	Not Compliant
	Jurisdictional	Known subnational jurisdiction, country, or political region (e.g. EU) of origin	Average national or regional secondary data for attributable managed land in the jurisdiction	
	**Sourcing region**	Known first collection point or processing facility	Primary data on attributable managed lands in the sourcing region(s) or secondary data representative of average management for lands within the sourcing region(s)	Compliant, though this is an open question with GHGP; referenced as 'open question #3 in LSRG Draft Guidance
	**Land management unit**	Known land management units of origin (e.g. forest management unit, farm)	Primary data from producers for the specific land management unit(s)	Compliant
	**Harvested area**	Known field or forest stand of origin	Primary data from producers for the specific harvested area(s)	

Illustration of spatial traceability required to report removals, and the types of data required

In addition to levels of traceability, companies must also consider the systems used to track products across the supply chain (also known as 'chain of custody'). Identity preservation and segregation systems are fully compliant, while mass balance systems are conditionally compliant if managed at the batch, site, or group level within the same sourcing region and the denning period of volumes is known. Book-and-claim systems, while sometimes used in other sustainability contexts, are not considered compliant under current GHG Protocol guidance. However, book-and-claim are anticipated to be compliant under SBTi Corporate Net Zero Draft Standard v2.0. GHG Protocol and SBTi will need to harmonize their perspectives on this to reduce confusion in the marketplace.

Traceability Systems

Traceability System	GHGp LSRG Compliance
Identity Preservation Segregation Controlled Blending	Compliant
Mass Balance	Compliant, so long as it's batch-level, site-level, or group-level in same country and sourcing region
Book-and-claim Mass Balance, other than forms above	Not compliant

*Book-and-claim and mass balance are anticipated to be allowable under SBTi CNZS v.2.0.

Part 4: Allocating Benefits and Establishing Claims Across the Supply Chain

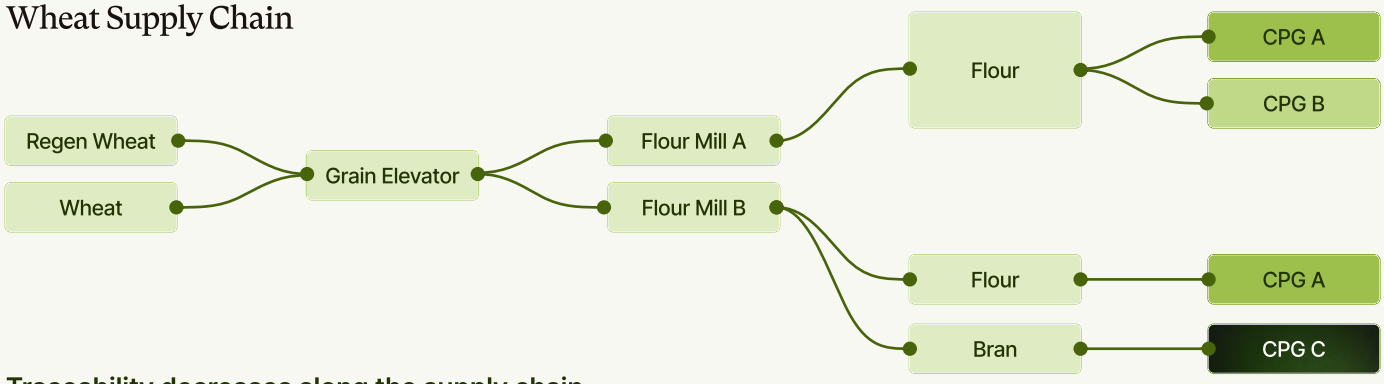
Establishing claims also requires decisions about how benefits will be allocated. It is important to remember that claiming outcomes towards a corporate net zero claim requires using inventory accounting, which means that claims must be proportional to the volumes sourced. Reductions and removals generated by a program that fall outside corporate inventory boundaries may be reported under a dual ledger system. Under inventory accounting rules, the two most common approaches to allocation are:

- **Physical allocation,** which distributes emissions benefits based on physical volumes, such as the number of bushels of regenerative wheat purchased.
- **Economic allocation,** which distributes emissions benefits based on financial value, such as the proportion of total spend directed toward regenerative commodities.

> By clarifying these roles and responsibilities across the supply chain, companies can ensure that claims are both credible and equitable.

While companies can choose their own approach, allocation becomes more complex when multiple actors share responsibility for or benefit from a program. To illustrate this, consider a wheat supply chain:

Wheat Supply Chain



Traceability decreases along the supply chain

Farm	First Point of Aggregation	Processor	CPG

Scope 3 — Scope 3

Aggregators such as grain elevators can claim benefits if they maintain traceability to a sourcing region or farm level. They must also pass data on to processors, ensuring that downstream actors know the volumes purchased and the traceability system used.

Processors and millers depend on the traceability maintained by aggregators and must then consider how to allocate benefits across different byproducts, such as flour and bran. The share of regenerative grain that flows into each product line directly influences the claims that can be made.

Consumer packaged goods (CPGs) rely on processor-provided traceability and product-level LCAs. If a CPG is also funding a regenerative intervention directly, it may be able to claim proportional benefits as a separate line item in its GHG inventory.

Impact Reporting

Establishing credible claims for regenerative agriculture programs requires more than a commitment to sustainability — it requires clarity, rigor, and collaboration. Companies must first determine which accounting method best aligns with their goals, then ensure reporting practices meet evolving policy frameworks. They must also design programs with strong traceability systems and establish fair allocation methods that reflect the realities of supply chain complexity.

The central challenge is to demonstrate progress toward 2030 climate goals while ensuring that claims are accurate, transparent, and credible. By following the roadmap laid out in this guide, companies can not only meet external requirements but also strengthen their own resilience, enhance trust among stakeholders, and accelerate the transition to a more sustainable food system.

Ready to start building resilience in your supply chain?

Regrow helps companies across the value chain get from baseline to pilot program to implementing regenerative ag at scale. Talk with a Regrow expert to learn how you can build your business case for resilience today.

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