

## PepsiCo and TalusAg forge strategic alliance to advance fertilizer decarbonisation through low-carbon ammonia initiative

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In a significant move towards accelerating sustainability across global agriculture, PepsiCo has entered into a strategic collaboration with agricultural technology company TalusAg to advance fertilizer decarbonisation through low-carbon ammonia environmental attributes.

The partnership marks PepsiCo's first executed transactions involving low-carbon ammonia environmental attributes and underscores the company's growing commitment to building climate-resilient and regenerative agricultural ecosystems worldwide.

The initial agreements span PepsiCo's operations across Europe, Sub-Saharan Africa, Asia Pacific, and global business units, collectively representing approximately 30,000 metric tons of low-carbon ammonia, with an option to procure an additional 41,000 metric tons in the future.

The broader collaboration also extends to projects in the United States, including the proposed Blue Earth, Minnesota facility.

Fertilizer production remains among the most emissions-intensive and challenging segments to decarbonise within the global food value chain, with a substantial share of emissions generated upstream of direct supplier relationships. Through this partnership, PepsiCo aims to complement physical low-carbon fertilizer pilots with innovative market-based mechanisms capable of delivering measurable and auditable near-term emissions reductions, while preserving affordability and economic viability for farmers.

Margaret Henry, Vice President of Sustainable and Regenerative Agriculture at PepsiCo, emphasised that decarbonising fertilizer systems is central to advancing climate action at scale, but must be pursued in a manner that remains practical and beneficial for growers. She noted that the agreement sends a strong market signal for low-emissions ammonia while supporting more stable input economics for farmers and accelerating the long-term transformation of the fertilizer industry.

TalusAg's model enables companies to procure verified low-emissions ammonia environmental attributes through a book-and-claim mechanism, under which the environmental attributes are tracked independently from the physical fertilizer supply.

Hiro Iwanaga, Chief Executive Officer of TalusAg, described the collaboration as a compelling example of how credible market-driven mechanisms can strengthen supply-chain resilience, reduce fertilizer costs for farmers, and catalyse investment in low-emissions fertilizer production. He added that PepsiCo's participation would help de-risk the expansion of new production capacity while fostering more sustainable and resilient global food systems.

The initiative will be supported by S3 Markets, which will provide the Environmental Attribute Certificate (EAC) lifecycle management infrastructure for the issuance, tracking, and retirement of what the companies describe as the world's first tokenised ammonia fertilizer EACs originating from TalusAg's Boone, Iowa project.

The companies stated that this framework enables immediate climate action while the broader physical infrastructure for low-carbon fertilizer supply chains continues to evolve and scale globally. Saman Baghestani, Chief Executive Officer of S3 Markets, said the collaboration highlights the growing importance of trusted market infrastructure in enabling credible book-and-claim systems for low-carbon commodities.

He noted that secure and transparent EAC lifecycle management allows innovative producers and sustainability-focused corporate buyers to participate with confidence as environmental attribute markets continue to mature.

Beyond emissions reduction, TalusAg's distributed production model is designed to strengthen fertilizer supply-chain resilience through localised, on-site ammonia production closer to agricultural demand centres.

By reducing reliance on long and centralised global supply chains that are vulnerable to geopolitical disruptions, logistics constraints, and price volatility, the model seeks to improve fertilizer accessibility and reliability in both developed and emerging markets. Localised production also contributes to lower transportation emissions and reduced logistics costs, creating more stable input economics for growers while enhancing long-term food system resilience.

The collaboration further reflects a shared commitment by PepsiCo and TalusAg to champion credible, scalable, and cost-effective environmental attribute markets capable of accelerating fertilizer decarbonisation globally. PepsiCo stated that through partnerships such as TalusAg, the company aims to advance lower-carbon, locally produced fertilizer solutions that can strengthen agricultural supply chains while delivering meaningful climate benefits for the global farming community.