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New U.S. Policy connects regenerative farming with expanding biofuel demand

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With billions of bushels of corn and soybeans already used in biofuel production, the new policy could significantly expand market opportunities for producers adopting regenerative practices



The Trump administration has moved to strengthen the connection between regenerative farming and the expanding biofuels sector, with President Donald Trump signing an executive order to advance regenerative agriculture and the U.S. Department of Agriculture (USDA) introducing a new framework aimed at creating premium markets for lower-carbon feedstocks.

At the centre of the initiative is the USDA's newly finalised Regenerative Feedstock Rule, which establishes a national system for certifying and marketing agricultural commodities produced using regenerative practices. The framework is designed to enable producers of corn, soybeans, sorghum and spring canola to supply lower-carbon-intensity feedstocks to biofuel manufacturers, thereby creating an economic incentive for the adoption of climate-friendly farming practices.

The administration has positioned the policy as a market-driven approach that rewards farmers for improving environmental outcomes rather than relying on regulatory mandates. By creating differentiated markets for feedstocks with lower carbon footprints, the programme seeks to provide producers with opportunities to secure premium pricing while simultaneously supporting domestic biofuel production and improving farm profitability.

The new rule introduces standards governing crop eligibility, field-level carbon intensity measurement, traceability requirements and chain-of-custody protocols. It also establishes guidelines for auditing and verification to ensure that claims regarding regenerative practices and emissions reductions can be independently validated.

Alongside the rule, the USDA has released an updated Feedstock Carbon Intensity Calculator that allows farmers to estimate the emissions benefits associated with various regenerative practices, including cover cropping, conservation tillage and improved nutrient management. The tool is intended to help producers quantify the carbon performance of their crops and

demonstrate their eligibility for premium biofuel markets.

The initiative could have significant implications for the U.S. agricultural and biofuels sectors given the scale of feedstock production already linked to renewable fuel manufacturing. According to USDA estimates, around 6 billion bushels of corn are used annually for ethanol production in the United States. The agency also noted that a majority of corn growers already employ at least one regenerative farming practice, suggesting that a substantial portion of existing production could potentially qualify under the new framework.

Similarly, soybean production for biofuel applications represents another major opportunity. Approximately 1.8 billion bushels of soybeans are produced each year for biofuel markets, and a large share of soybean producers already utilise at least one regenerative practice. USDA expects participation in the programme to expand as producers increasingly seek access to premium markets for lower-carbon feedstocks.

The policy forms part of a broader effort by the administration to strengthen domestic biofuel supply chains while encouraging agricultural practices that improve soil health, reduce input requirements and enhance long-term farm resilience. By linking regenerative agriculture directly with biofuel demand, the framework seeks to create a commercial pathway through which environmental stewardship can translate into additional revenue opportunities for U.S. farmers.