Key messages

Re-WIRE Agri-Food Value Chains

25th of September 2025

Why value chain transitions matter

- The future of food depends on value chain transformation. Agri-food value chains are the backbone of our food systems. Transforming them could be one of the fastest ways to deliver lasting gains for people, nature, and economies.
- Climate change could reduce crop yields by up to 35% by 2050. At the same time, many of today's value chains contribute to nature loss, climate breakdown, poverty, and poor health.
- Businesses face growing reputational, legal, and financial risks from unsustainable value chains.
- With public finance under pressure and trade tensions rising, **private sector leadership is essential to safeguard competitiveness and resilience.**
- About USD $9 trillion of private capital sits in the global food economy. The biggest win is to repurpose existing finance flows, not create new funds.

The Re-WIRE framework

- Re-WIRE provides an analytical framework that helps businesses, governments, and civil society get a bird's-eye view of the state of agri-food value chains today, the risks they face, and the state of progress and economic feasibility considerations needed to co-design solutions.
- The insights it generates are designed to help businesses, governments, and civil society organizations understand where - and how - more regenerative and resilient approaches to production and consumption can scale.
- Re-WIRE reveals risks and opportunities, helping stakeholders agree on practical plans to transform food systems.

Global findings (across 8 commodity-country value chains)

Escalating Risks

- Six of eight major value chains—such as beef in Brazil and wheat in India—already face significant to high risks from the impacts of climate change on production.
- Human rights violations remain widespread, e.g., child labor in West African cocoa, unsafe conditions in Brazilian beef, and exploitative migrant labor in Indian wheat.
- Exposure to new regulations is rising, from EU deforestation laws (cocoa) to US tariffs (soy) and Indian export bans (wheat).

Broadening Impacts

- Beef has the most severe footprint across climate, nature, health, and livelihoods.
- Soy does not just have a negative impact on the environment but adds health risks through pesticide use and water pollution in the US and Brazil.

- Cocoa shows persistent social challenges. Child labor remains common, and most farmers earn below a living income despite certification.
- Wheat's environmental impact differs globally: in India, stubble burning drives severe air pollution, while in the U.S., heavy agrochemical use threatens water quality and human health.

Slow Transition

- Adoption of regenerative agriculture remains marginal. Around 1% or less in wheat (US and India) and soy (US).
- Deforestation- and conversion-free (DCF) sourcing has slowed land-use change, but 2025 deforestation-free targets are at risk of not being met. Improvements in farming practices for soy have reached 7-8% of production, lagging far behind progress in achieving DCF supply, which has reached around 33% of production.
- Cocoa certification has grown to around 30% of production. However, it has delivered limited impact relative to the scale of the problems in the value chain.

Five ways value chain actors can re-wire agri-food value chains

- The report surfaces five categories of actions that businesses, governments, and financiers can take together to reshape incentives and finance and re-wire value chains:
    - Demand DCF and regenerative supply by incentivizing and rewarding regenerative and productive practices.
    - Make finance conditional by linking public or private capital flows to environmental and social improvements, supported by robust monitoring of outcomes across a broader range of impacts.
    - Lower or eliminate the cost penalty by reducing the operational costs of regenerative and productive approaches or introducing legislation or standards that level the playing field.
    - Make regenerative inputs and technical assistance available by ensuring farmers have the tools, inputs, and knowledge to transition.
    - Reduce demand for over-consumed products by growing new markets for alternative products with lower social, health, and environmental impacts.
- Businesses can use the Re-Wire framework and findings to understand systemic risks, identify practical procurement and finance levers, spot opportunities, and test the feasibility of transitioning towards resilient value chains that also work for farmers, local communities, governments, and consumers.

Deep dives: insights and lessons for private-sector action

Soy (Brazil–China corridor)

- Soy is one of the world's most strategically concentrated crops. Brazil and the US produce 68% of global supply, while China is the dominant buyer, sourcing 60% from Brazil and 32% from the US. Despite being protein-rich, soy contributes only 3.3% of global calories; ~75% is used in animal feed
    - **Progress:** The five largest soy traders now report 93–99% Deforestation- and Conversion-Free (DCF) sourcing from Brazil, covering at least 37% of national

production. Improved mapping and traceability systems have lowered costs, making verified DCF soy competitive.
    - **DCF** lays the foundation, but lasting impact needs economic incentives in finance, policy, and procurement to drive adoption of regenerative production systems and broader environmental and community benefits.
    - **Risks:** DCF gains are politically fragile. They are also insufficient to address the broader pressures of climate volatility, soil degradation, biodiversity loss, and livelihoods.
    - **Opportunities**: Mid-sized farmers produce one-third of soy but face thin margins and limited access to credit. Redirecting finance to them is the pivot for scaling regenerative systems.
    - Rural credit is a powerful lever for change, but mostly serves the largest producers. Nearly 90% of formal soy finance comes from public credit, with 70% flowing to just 5% of farms. Little of this finance is tied to sustainability. Shifting even part of this toward outcomes that benefit people, nature, and climate could strengthen resilience, sharpen competitiveness, and unlock long-term value across the sector.
- **Commercially viable actions exist to transition the Brazilian soy value chain, and can scale through collaboration and policy:**
    - Businesses can embed traceability into contracts and target finance to mid-sized producers.
    - Governments can align rural credit policies with resilience goals.
    - Civil society can help broker a Brazil–China vision rooted in resilience, sovereignty, and competitiveness.

Beef (Brazil)

- Brazil is the world's second-largest beef producer (15% of global output), with over 80% consumed domestically. The three largest meatpackers control ~57% of slaughter capacity, yet traceability remains weak.
    - **Progress:** Commitments to deforestation-free beef are limited, traceability is still developing, and most indirect suppliers are not covered. Domestic beef demand is high, but sustainability standards remain weak.
    - **Risks:** High consumption of beef is linked to health risks; productivity is expected to decline due to heat stress and pasture degradation; cattle ranching is a key driver of deforestation, methane emissions, and degraded pastures; and finance is misaligned—small and mid-sized producers (98% of ranchers) face limited access to credit.
    - **Opportunities:** Sustainable intensification and crop–livestock–forest integration are viable but require 3–8 year payback periods. Expanding access to sustainability-linked rural credit to small and mid-sized ranchers could support the shift towards sustainable production. Linking finance between value chain actors to traceability would accelerate this even further.
- **Commercially viable actions exist to transition the Brazilian domestic beef value chain, and can scale through collaboration and policy:**
    - Businesses can demand traceability from suppliers and co-invest in rancher productivity.

- Governments can redesign rural credit to reward compliance and resilience.
- Civil society can help frame the transition around public health, modernization, and rural prosperity.

The bottom line

- Protecting nature, raising productivity, and strengthening farmer livelihoods are not trade-offs. They can—and must—advance together.
- Companies now face a choice: continue investing in brittle models or redirect capital into regenerative systems that build resilience, competitiveness, and human capital.
- Re-WIRE offers a practical, holistic framework and fact base to help businesses, governments, and civil society strengthen agri-food value chains for people, nature, and climate.

Next steps include:

- FOLU and its partners are now consulting businesses, farmers, and food systems experts to test and refine the Re-WIRE approach.
- To support ongoing work in food and agriculture value chains, FOLU and partners will over the coming months invite feedback on the framework and its value to decision makers and identify how Re-WIRE can complement and strengthen existing initiatives.
- Throughout the consultation period, FOLU and partners will explore opportunities to expand the Re-WIRE framework to cover a broader set of value chains and geographies. We will also explore opportunities to deepen the analysis to subnational territories and unpack the economics of the transition in priority value chains.