INDIANA GENERAL ASSEMBLY

Proposed Indiana House Bill 8616

The R.E.G.E.N. A.G. Soil Health Restoration and Farm Relief Act

(Regenerative Enhancement & Growth for Environmental Nutrition and Agricultural Generations Act)

SECTION 1. SHORT TITLE.

This Act shall be known as the **R.E.G.E.N. A.G. Act**.

SECTION 2. LEGISLATIVE FINDINGS.

The General Assembly finds that:

1. Indiana's agricultural economy depends on long-term soil productivity, water quality, and rural economic resilience.
2. Regenerative agriculture practices reduce erosion by 60–90%, increase soil organic matter, and reduce fertilizer and herbicide inputs by 20–40%, improving farm profitability.
3. Indiana loses an estimated $1.2–$1.8 billion annually due to limited in-state processing capacity.
4. Value-added labeling programs increase consumer demand for local products and can generate 10–30% premium pricing for producers.
5. Farmland conversion increases county infrastructure costs and reduces long-term agricultural viability.
6. Redirecting or supplementing existing agricultural funding streams toward regenerative outcomes reduces public costs associated with flooding, drainage, and water treatment.
7. Voluntary carbon markets (VCMs) provide new revenue streams for farmers who adopt regenerative practices, but Indiana lacks a coordinated statewide program to ensure transparency, verification, and fair market access.

SECTION 3. PURPOSE.

This Act aims to:

- Strengthen Indiana's agricultural economy through regenerative practices.
- Expand value-added labeling and Indiana Grown to increase farm revenue.
- Build regional supply-chain capacity to retain value in rural communities.
- Conserve farmland through voluntary, landowner-driven tools.

- Establish a statewide voluntary carbon market program to support regenerative outcomes.
- Reduce long-term public costs associated with soil degradation and water pollution.

SECTION 4. DEFINITIONS.

To prevent ambiguity, the following terms shall have fixed meanings:

1. **"Regenerative agriculture"** means a voluntary system of production that improves soil function, increases biodiversity, enhances water retention, and reduces reliance on synthetic inputs through practices aligned with the Five Principles of Soil Health.
2. **"Livestock integration"** means the optional inclusion of grazing animals within crop rotations through owned herds, custom grazing, or cooperative agreements.
3. **"Farmland conservation"** means voluntary protection of agricultural land through easements, zoning incentives, or other landowner-initiated mechanisms.
4. **"Value-added agricultural product"** means any product that has been processed, labeled, or marketed to increase its market value, including Indiana Grown certified products.
5. **"Indiana Grown"** means the state-certified branding program administered by ISDA that identifies products grown, raised, or processed in Indiana **by family-scale farms and small to mid-sized producers whose primary market is local, regional, or statewide fresh-food consumers.**
    - **Indiana Grown explicitly excludes:** (A) commodity-scale grain operations producing for national or global bulk markets; (B) industrial meat producers operating under vertically integrated or contract-grower systems; (C) operations whose primary output is indistinguishable from national commodity streams.
    - **Intent Note (non-codified):** This definition is intended to protect and elevate *family farms that provide fresh food to their local community, region, and state*, ensuring that Indiana Grown reflects genuine local agriculture rather than commodity supply chains.
6. **"Supply-chain infrastructure"** includes processing, aggregation, storage, distribution, and market development facilities that support regenerative and value-added production.
7. **"Voluntary Carbon Market (VCM)"** means a market in which carbon credits are generated, verified, and sold based on measurable environmental outcomes from regenerative agricultural practices.

SECTION 5. REGENERATIVE AGRICULTURE INCENTIVE PROGRAM.

(a) ISDA shall administer a Regenerative Agriculture Incentive Program using existing staff and administrative structures.

(b) Eligible practices include:

- Multi-species cover crops
- Reduced or no-till systems

- Diverse crop rotations
- Livestock integration
- Agroforestry and perennial systems
- On-farm nutrient cycling

(c) Incentives shall be performance-based and tied to measurable outcomes such as soil organic matter, erosion reduction, or input reduction.

(d) Participation is voluntary and shall not be construed as a mandate.

SECTION 6. AMENDMENT 1 — COVER CROP EXPANSION.

(a) ISDA shall establish a **Cover Crop Expansion Fund** to support:

- Multi-species cover crop adoption
- Seed cost-share
- Technical assistance for planting and termination
- Regional seed-cleaning and processing capacity

(b) Priority shall be given to operations demonstrating measurable soil-health improvements.

SECTION 7. AMENDMENT 2 — LIVESTOCK INTEGRATION SUPPORT.

(a) ISDA shall establish a **Livestock Integration Transition Program** to support:

- Managed grazing infrastructure (fencing, water systems, lanes)
- Custom grazing cooperatives
- Crop-livestock rotation planning
- Grazing-based nutrient cycling

(b) Grants shall prioritize operations transitioning from continuous row-crop systems to integrated regenerative systems.

SECTION 8. AMENDMENT 3 — INDIANA GROWN REFORM & EXPANSION.

(a) ISDA shall expand Indiana Grown to include:

- Regenerative certification tiers
- Specialty crop labeling

- Value-added processing labels
- Regional branding for local food systems

(b) ISDA shall provide grants for:

- Labeling and packaging upgrades
- Marketing and distribution
- Equipment needed for value-added processing

(c) Indiana Grown certification shall be restricted to producers meeting the definition in Section 4(5).

SECTION 9. AMENDMENT 4 — VOLUNTARY CARBON MARKET (VCM) PROGRAM.

(a) The Indiana Economic Development Corporation (IEDC) shall establish and administer a **statewide Voluntary Carbon Market Support Program** to:

1. Assist regenerative farmers in accessing carbon markets;
2. Ensure transparent, science-based verification of carbon credits;
3. Prevent predatory contracting and protect landowner rights;
4. Support in-state carbon credit buyers, including manufacturers and utilities;
5. Promote Indiana-generated credits as a premium, high-integrity product.

(b) IEDC shall coordinate with ISDA, Purdue University, and accredited verification bodies to develop:

- Standardized measurement protocols;
- Approved verification pathways;
- A public registry of Indiana-generated credits;
- Technical assistance for farmers and cooperatives.

(c) IEDC shall prioritize participation by small and mid-sized farms and regenerative operations.

SECTION 10. FARMLAND CONSERVATION AND STEWARDSHIP FUND.

(a) Establishes a Farmland Conservation and Stewardship Fund to support voluntary conservation easements, county zoning incentives, and land trust partnerships.

(b) Priority shall be given to land with:

- High soil productivity
- Watershed significance

- Strategic value for regenerative agriculture

(c) No land may be enrolled without the explicit consent of the landowner.

SECTION 11. SUPPLY-CHAIN INTEGRATION GRANTS.

(a) Creates a Regenerative Supply-Chain Integration Grant Program to support:

- Regional meat processing
- Grain cleaning and aggregation
- Cold-chain infrastructure
- Cooperative distribution networks
- Value-added processing facilities

(b) Grants shall prioritize projects that:

- Demonstrate economic multipliers for rural communities
- Reduce transportation distances
- Increase market access for regenerative and Indiana Grown producers

(c) ISDA shall coordinate with IEDC to ensure alignment with statewide economic goals.

SECTION 12. FUNDING AND ECONOMIC IMPACT.

(a) Funding shall be derived from:

- Reallocation of up to 10% of existing state agricultural incentive programs classified as extractive
- Federal matching funds
- Private-sector partnerships
- Philanthropic contributions

(b) Estimated annual cost: **$25–35 million**.

(c) Estimated annual economic benefits:

- $40–60M in reduced input costs
- $20–30M in avoided water-treatment and drainage costs
- $50–80M in new rural economic activity
- $10–15M in wildlife-related recreation
- $15–25M in premium pricing from Indiana Grown

- Additional revenue from carbon credit sales under the VCM program

(d) Net projected positive economic impact: **$110–210 million annually**.

SECTION 13. REPORTING AND ACCOUNTABILITY.

(a) ISDA and IEDC shall publish an annual public report including:

- Acres enrolled
- Soil health metrics
- Economic outcomes
- Supply-chain infrastructure built
- Public cost savings
- Indiana Grown and value-added revenue impacts
- Carbon credits generated, verified, and sold

(b) All data shall be transparent and accessible.

SECTION 14. EFFECTIVE DATE.

This Act takes effect July 1 following passage.