



Scaling the Soil Health Value Chain: Managing Risks of Costly Inputs, Capital Intensity, and Human Resources

Value Chain business models often struggle to scale up due to significant resource constraints and operational risks. These include the dependence on costly inputs, the need for capital-intensive monitoring technology, and a lack of human capital dedicated to the complex control and verification mechanisms required for certification. Prioritize economies of scale and resource pooling among key partners to mitigate high operational costs. This involves centralizing monitoring and control mechanisms through digital platforms and focusing on creating a system that is robust enough for certification but streamlined enough to reduce the reliance on external human auditors. The key to viability is achieving large-scale participation from farmers, as cost savings are typically realized only with upscaling. Key risks identified include high administrative costs associated with complex food labelling processes and a lack of human capital to manage the labour-intensive quality control mechanisms. Solutions include developing an integrated management system where data collection is automated (e.g., using digital field records) to reduce the strain on personnel and capital investment in control technology is shared among Value Chain partners. For Farmers: Group together. Value Chain schemes are more financially rewarding when done collectively, as it allows for the sharing of expensive monitoring equipment and the centralized purchasing of specialized inputs. For Private Actors: Budget generously for human capital and technology (MRV). The control and monitoring mechanism is inherently capital and technology intensive; underfunding this area is the most significant threat to the credibility and longevity of the scheme.

