



Design Contracts That Ensure Adoption: Economic Incentive and Flexibility Are Key

The adoption of practices to improve soil health (such as no-till farming or cover crops) is hindered by the perception of high initial risk and transition costs. If the compensation offered does not outweigh the initial investment and yield risk, the farmer will choose not to participate. Implement hybrid payment models that use public incentives (like CAP Eco-schemes) as a base payment (floor) to cover investment costs and initial yield loss (action-based scheme), supplemented by a private bonus (complement) linked to verified soil health results. Compensation per hectare is the most decisive factor for participation. Contracts should be short and flexible (recommended 3 to 5 years) to reduce long-term commitment and the bureaucratic barrier. This allows farmers to test the practice without crippling financial risk. For Advisors: Ensure that the compensation logic is designed to exceed the farmer's risk threshold. For Farmers: Look for schemes that offer transparent payments, preferably with a fixed upfront support that allows you to cover the purchase of new equipment (e.g., direct seeding drills).

