



LITTLEFOOT
VENTURES

BEYOND ENERGY: WHY FOOD SYSTEMS ARE THE NEXT ESSENTIAL FOCUS FOR BLENDED FINANCE

JULY 2025 INSIGHTS REPORT



Foreword

The global food system sits at the heart of both the climate crisis and its solutions. Yet for too long, it has been overlooked in climate finance conversations — underfunded, underleveraged, and underserved by traditional investment models.

Today, we face a powerful paradox: food and agriculture contribute over one-third of global greenhouse gas emissions, but receive less than 3% of public climate finance. Meanwhile, transformative solutions — from regenerative agriculture to food waste innovation — remain stuck at the margins, starved of the capital they need to scale. If we are to nourish nearly 10 billion people by 2050 within planetary boundaries, this must change. This report offers insights on how we can unlock and direct the capital required to transform food systems from a major climate problem into a critical part of the solution — driving resilience, equity, and sustainability at scale.

It calls for a reimagining of capital flows through blended finance: a model that acknowledges both the urgency of climate action and the complexity of food systems. Blended finance enables unlikely partners to share risk, unlock scale, and mobilize catalytic capital where it is needed most, with farmers, food entrepreneurs, frontline communities, and nature itself.

The time to act is now. As federal commitments to climate action falter in the U.S., we must accelerate private and philanthropic leadership. We must design capital that is patient, flexible, and fit for the long game. And we must stop thinking of food waste, deforestation, and malnutrition as separate issues. Instead, we must start treating them as symptoms of the same broken system.

At Littlefoot Ventures, we work with stakeholders across the value chain to turn ambition into action — helping design the partnerships, strategies, and investment frameworks needed to decarbonize, regenerate, and rebuild food systems. This report is a call to all of us: funders, investors, policymakers, and practitioners. The future of food demands nothing less than bold coordination, innovative capital, and systems change at scale.

Let's build it — together.

Yours in partnership,



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Overview

The urgent need for food systems transformation is undeniable. Our current food and agriculture system contributes 34% of total anthropogenic greenhouse gas (GHG) emissions, yet only receives 2.5% of total public climate financing — roughly \$16.3 billion¹ of the estimated \$640 billion per year spent on public climate finance. Even less, about 1.5% (\$9.1 billion), is directed toward interventions explicitly labeled as sustainable and agro-ecological; the remaining 1% may support conventional agriculture, infrastructure, supply chains, and technology targeted towards productivity and efficiency, but not necessarily aligned with sustainability or ecological principles.

From 2018-2022, private finance invested \$702 billion, accounting for 54% of the total private and public funding for climate mitigation activities. Yet, agriculture, forestry, and other land uses, known as AFOLU (which includes food systems), received less than \$200 billion out of the \$702 billion, despite its high mitigation potential.² Similarly, philanthropic giving from foundations for climate mitigation within food and agriculture amounted to \$1 billion, or just 7% of total available funding from foundations, \$15.8 billion.³

In 2019/2020, total global climate funding (including public and private funding for adaptation and mitigation) for agrifood systems was estimated at just \$28.5 billion.⁴ These investment levels are woefully insufficient to address the complexities, scale, and costs associated with our current food system. The urgent need for capital is further intensified by the absence of policies and regulations that support the transformation of sustainable food systems.

This report highlights deficiencies in traditional funding strategies needed to transform food systems, reimagining how blended finance (BF) capital stacks — a financial instrument that combines public and private financing vehicles with varying risk-return profiles — can drive unprecedented mobilization of catalytic capital and bridge these gaps.⁵ By strategically reinforcing capital sources and mitigating risk for private investors, BF can accelerate efforts to decarbonize the food system, support farmers' livelihoods, regenerate ecosystems, and improve access to nutritious, plant-rich diets. It also fosters innovation among entrepreneurs, industry experts, and practitioners at the forefront of food systems transformation.

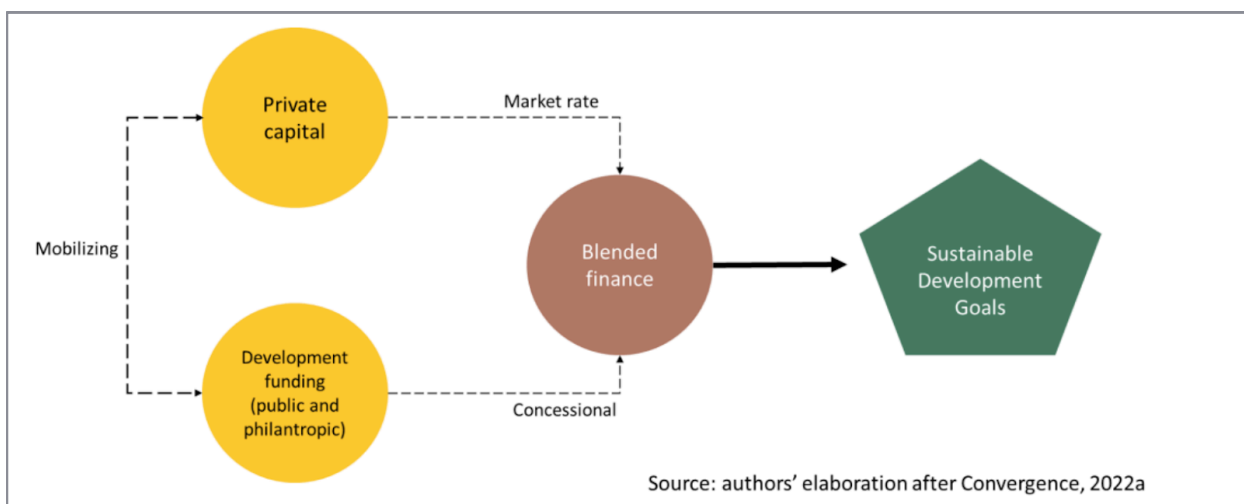


Figure 1. This diagram illustrates how blended finance mobilizes both private capital (at market rates) and development funding (from public and philanthropic sources at concessional terms) to collectively drive investments toward achieving Sustainable Development Goals (SDGs).

The State of Affairs

As food systems leaders scramble to navigate the ramifications of the Trump Administration's newly weakened climate commitments in the U.S., experts agree that the environmental, economic, health, and humanitarian costs of transitioning toward a sustainable food system — currently estimated at \$500 billion per year until 2050 — will escalate with continued inaction, resource extraction, and exploitation of the land and its people.¹

Alarming, most capital flowing into the food and agriculture system fuels unsustainable practices, with subsidies disproportionately favoring conventional agriculture and fisheries. The recent exodus of key U.S. banks from climate commitments further underscores the need for funders to recognize the role of food in fighting the climate crisis and their own responsibility in driving change.⁶ Without financial and

regulatory backing, current investment trends risk perpetuating environmental degradation rather than driving sustainable transformation.

Food's Impact on Climate Change

According to Project Drawdown's 2020 Report, the leading source of greenhouse gas emissions in food and agriculture is tropical deforestation and other land-use changes. Driven largely by the expansion of agricultural land for crops, livestock, and animal feed, these activities release vast amounts of carbon dioxide—contributing roughly 9% of total human-caused emissions.⁷

Following deforestation, methane (CH₄) — a potent greenhouse gas — is produced from livestock production, rice cultivation, and food loss and waste (FLW) across the supply chain. Methane is a greenhouse gas with a warming potential that is 28 times greater than carbon dioxide over 100 years, and 84 times greater over 20 years.⁸ Though it dissipates faster,



its short-term impact on climate change is far greater. Even more powerful is nitrous oxide, which is derived from poor manure management techniques and synthetic fertilizers.

These practices have also led to mass land degradation, soil erosion, reduced water retention and biodiversity levels, poor water quality, increased pollution, and the release of long-stored carbon in the land, all compounding the vulnerabilities farmers face as they navigate more frequent climate-induced weather hazards like floods, droughts, and heatwaves.

Beyond the environmental impacts, our current food and agriculture system's extractive behavior repeatedly undermines and fails smallholder farmers. It also curbs land tenure for women and Indigenous Peoples, limits affordable access to nutritious and plant-rich diets, and perpetuates negative health outcomes — estimated to cost \$8.6 trillion per year by 2050 under a business-as-usual (BAU) scenario.⁹ Finally, the disruptions that are caused to delicate ecological ecosystems as a result of these harmful, extractive activities cannot be understated.



To mitigate these issues and ensure enough food is produced to nourish nearly 10 billion people by 2050 while respecting planetary boundaries, significant investment in holistic, sustainable interventions such as climate-smart & regenerative agriculture practices, FLW innovation, and plant-forward diets is imperative.

Where Capital is Flowing

Despite high mitigation potential, finance remains limited for these interventions. Only 38% of the \$9.1 billion public climate finance dollars for sustainable food systems goes toward these holistic solutions.¹ This misallocation underscores the need for blended finance models that can redirect investment into high-impact food system interventions. Similarly, private sector finance for food and agriculture remains limited, with most investments concentrated on technological solutions rather than systemic transformations. In 2023, plant-rich diets received only 2% of the total investment needed, which is \$165 billion.⁹ Similarly, improving production practices and FLW received 16% of the required \$300 billion and 7% of the needed \$65 billion, respectively.



Food Loss & Waste: An Untapped Opportunity

Food loss and waste (FLW) represents one of the most overlooked, yet highest-impact opportunities for reducing greenhouse gas emissions and improving food security. In the U.S. alone, over 30% of food is wasted, costing the economy approximately \$408 billion annually while contributing to nearly 8%-10% of global greenhouse gas emissions. Despite these staggering numbers, FLW solutions receive only a fraction of climate finance. Between 2019 and 2020, only \$0.1 billion of the \$2.2 billion in venture capital investments for food and agriculture went toward food loss and waste reduction. This oversight ignores FLW's potential to significantly mitigate methane emissions and deliver exceptional financial returns. The trend underscores the need for more holistic investment theses beyond popularized precision Agtech, especially in venture capital (VC).

VC in Food & Ag Mitigation

During the same period (2019-2020), only 20% of VC investments in agrifood tech targeted climate solutions, averaging just \$4.8 billion annually.⁴ While VC investments have increased in energy, carbon tech, and climate data, food and agriculture investments have declined by 25%.¹⁰ To meet even conservative climate transition goals, climate finance for agrifood systems must increase sevenfold, amounting

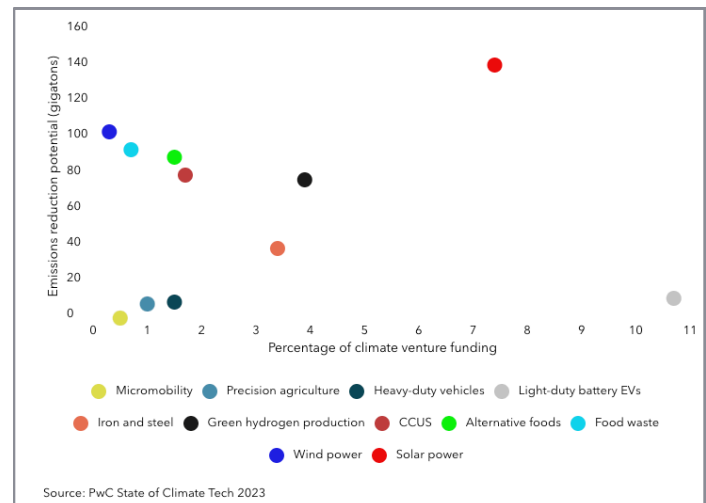


Figure 2. This diagram illustrates innovation inequality, as technologies with high emissions reduction potential do not always attract funding.

to hundreds of billions of dollars annually.¹¹ The competing priorities within the climate space and the current allocation of existing VC capital compounds this issue.

Where Traditional VC Models Fall Short

Traditional VC strategies prioritize high returns within five to seven years, favoring short-term gains over long-term, high-impact investments. This bullish, short-term profit strategy outlook no longer supports climate solutions seeking to upend carbon-leading industries and pioneer, planet-saving supply chains, technologies, and techniques that take more time, resources, and support to succeed. The required paradigm shift requires a new kind of long-term, collaborative, and patient investor-founder partnership, where funders should expect and value long-term ROIs and regenerative planetary outcomes over short-term financial gains.





This is especially crucial when it comes to financing the regenerative agriculture transition. For traditional lenders, financing farms and farmers is risky business. This reality becomes even more apparent as climate-induced weather hazards threaten crop yields and farming conditions, increase pests and crop susceptibility to diseases, and farmers struggle to keep up with the demands of evolving consumer preferences and market price volatilities.¹²

According to The Rockefeller Foundation's 2024 Report, only 17% of total private funding in the food system goes toward upstream producers and traders, while midstream manufacturers and distributors receive 60%, and downstream retailers and food service receive 16%.¹³ The lack of investment in the upstream supply chain highlights the reality that funders perceive food producers as risky investment opportunities, constrained by longer-term partnerships and smaller ROIs.

What's more, farmland fund managers stated that the typical 8 to 12-year time horizon for most funds was not suitable for regenerative farming due to upfront costs and initial yield declines, which negatively impacted the internal rate of return, especially in the early years. Likewise, farm operating loans, usually provided annually, had limited options for repayment deferral or discounts during the transition period.

Yet the research is clear: farmers practicing regenerative agriculture

techniques can assume a higher ROI YoY, upwards of 120% increase, and create opportunities for carbon sequestration (particularly for previously degraded land), while also building climate-resilience against climate-induced hazards, therefore often faring better than their conventional counterparts and de-risking yield variability.¹⁴

The Rockefeller report identifies that the biggest barrier to scaling regenerative agriculture is the lack of assurance that financing meets financiers' risk and reward criteria. Further, a critical gap exists in flexible, blended capital investment vehicles, particularly in concessional capital — financing provided on more favorable terms than the market — to help farmers cover upfront transition costs.¹⁵ This reality limits adoption rates.

Key Takeaways:

- 1. Climate finance is misaligned with food system impact.** Most funding supports conventional practices, while high-impact solutions like regenerative agriculture and food waste reduction remain severely underfunded.
- 2. Venture capital overlooks long-term food system transformation.** Short-term profit models fail to support regenerative farming and upstream solutions that require patient, blended capital.
- 3. Regenerative and FLW solutions offer high ROI and climate impact.** Despite strong returns and emissions reduction potential, these strategies remain underutilized due to outdated funding approaches.





Beyond VC: Closing the Gap with Blended Finance

Currently, 68% of the 9.1 billion public climate-related finance for sustainable food systems is driven by governments via loans and grants.¹ While a significant portion of private funding is fueled by Commercial Financial institutions (FIs) and corporations, there's an incredible opportunity to increase household and individual giving.² With amplified uncertainty for government support around incentivizing and supporting climate-smart agriculture practices, FLW, and sustainable eating habits, private funders such as high-net-worth individuals, family offices, private foundations, VC, and PE must take on more responsibility and lead in closing the financing gap. Capital partners can lead industry change when the government falls short by harnessing a collaborative approach, and unleashing catalytic capital.

To align financial goals and long-term environmental and social outcomes, we must leverage BF models. These models integrate traditional debt and equity financing with concessional capital — such as philanthropic funds, Donor Advised Funds (DAF), and government-backed initiatives — allowing for both financial returns and impactful environmental outcomes. In particular,



philanthropic funding can supercharge this collaborative approach. With its distinct capacity to shape national policy, transform food procurement practices, and drive R&D, each dollar has the potential to leverage \$15 in public and private funding, amplifying large-scale impact.⁹

By layering different financing tools, BF offers flexibility, enabling funders to support businesses that need patient, adaptable capital to thrive. This is particularly crucial for scaling regenerative agriculture as the model allows farmers to access the capital needed to cover the upfront costs of transitioning to regenerative practices, thereby de-risking the process and enabling long-term environmental gains. Additionally, by leveraging concessional capital alongside traditional financing tools, investors can share the risk and provide the patient capital necessary to support these transformations.





Food & Ag Investment Vehicles

Capital Type Examples	Risk Tolerance	Investment Time Horizon	Return Expectations	Typical Investment Size	Role in the blended capital stack	Leverage Potential	Example Capital Partner in Sustainable Food & Ag
Venture Capital	High	Short-term	Financial	Small-medium	High-risk; Early-stage funding	Medium	Terra Regenerative Capital, Dirt Capital, Regen Ventures, Farmhand Ventures
Private Equity	Low-medium	Long-term	Financial	Large	Growth capital; Scale accelerator	High	Grounded Capital
Family Offices	Medium	Short & Long-term	Financial & Impact-driven	Small-large	Flexible, catalytic; Bridge between philanthropy & Private Capital	Medium-High	Builders Vision, The Nest Family Foundation, Schmidt Family Foundation, Incite.org
Foundations	Medium-high	Long-term	Impact-driven	Medium-large	Grant provider; Risk mitigator	Medium	ClimateWorks
Government Grants	High	Short-term	Impact-driven	Small-medium	De-risking; Early-stage funding	Medium-High	USDA, DOE, State Grants
Philanthropic/Concessionary Capital	High	Long-term	Impact-driven	Medium	Catalytic funding	Medium-High	Rockefeller Foundation, Walton Family Foundation
Institutional Investment	Low	Long-term	Financial & Impact-driven	Medium-large	Large-scale financing; Sability provider	Medium-High	BlackRock Impact Fund
DAF (Donor Advised Fund)	Low-high	Long-term	Financial & Impact-driven	Medium	Flexible impact capital; Bridge funding	Medium-high	Tides Foundation, ImpactAssets
Corporate Venture Capital (CVC)	Medium-high	Short & Long-term	Financial & Impact-driven	Medium	Strategic investment; Industry alignment	Medium-high	Unilever Ventures, Cargill Ventures

Key Takeaways:

1. Different investor types span a broad range of risk tolerances, return expectations, and time horizons.
2. Each category plays a unique part in a capital stack. Some (e.g., Government Grants, Foundations) primarily de-risk early-stage projects, while others (e.g., Private Equity, Institutional) typically scale proven ventures.
3. Whether a project requires purely financial returns, purely impact returns, or a mix of both, it's crucial to match it with investors whose goals and time frames align.
4. Combining different sources of capital can create powerful synergies.



Opportunities for Scale

Scaling blended capital investments for a sustainable food system requires strategic partnerships, innovative financial structures, and policy alignment. One key opportunity lies in leveraging public-private partnerships (PPPs) to pool funds that de-risk investments in regenerative agriculture and FLW solutions. For example, initiatives like Mad Capital's Perennial Fund, which blends philanthropic grants with concessional and market-rate capital, helps farmers transition to regenerative practices by covering initial costs and offering revenue-based financing.

Similarly, ReFED's Circular Food Solutions Fund integrates corporate and impact capital to support food waste reduction technologies, demonstrating how pooled funding can catalyze high-impact interventions. Innovative financial structures such as outcome-based financing and revenue-sharing models can further expand the reach of blended finance. Prior to the freeze on USDA funding from Trump's executive orders signed on January 20, 2025, the U.S. Department of Agriculture (USDA)'s Partnerships for Climate-Smart Commodities (PCSC) program offered grant funding to incentivize climate-resilient agricultural practices. This was an example of how targeted public funding can attract private capital.

Additionally, sustainability-linked loans, like those offered by Rabobank's partnership with Agri Fund, provide lower interest rates for food companies and farmers who meet carbon reduction or soil health improvement benchmarks.³ These mechanisms not only unlock more private investment but also align financial incentives with long-term environmental benefits.

To fully scale blended capital investments, regulatory support and market incentives must complement financial innovations. The EU's Farm to Fork Strategy provides a compelling model, where subsidies and policy frameworks prioritize sustainable agriculture, attracting both institutional investors and mission-driven capital. By integrating blended finance into national and global climate agendas, stakeholders can scale regenerative agriculture and food system transformations at the pace required to meet climate goals.





Blended Capital: Anchor Solution Amidst Geopolitical Uncertainty

With ongoing changes currently taking place at the governmental level, a sobering but essential reminder emerges: while the beauty of government-funded programs lies in the breadth of stakeholder engagement and impact it is capable of achieving, the efficacy of government-funded programs is inextricably married to the whims of political fickleness and policy

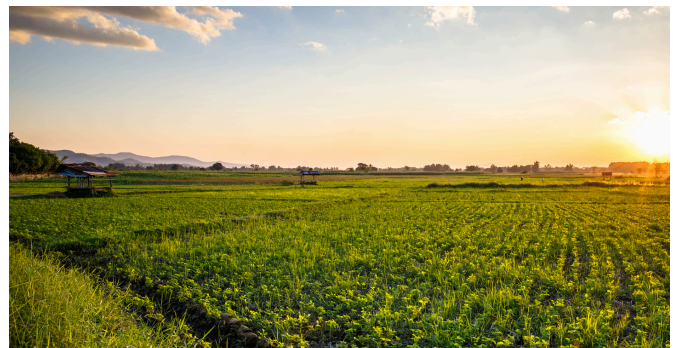
overhauls of any given administration.

This makes the need for blended finance models that much more crucial, as they would not only allow governments to catalyze large-scale investment without over extending public budgets, but also serve as strategic safeguards against the instability that can arise during the volatility of administration changes—as we have seen with the early policy decisions of the 2025 Trump administration.

Blended Finance in Action:

Case Study: Mad Capital by Mad Agriculture – Pioneering Regenerative Finance

Mad Capital, the financing arm of Mad Agriculture, is transforming the financial landscape for farmers transitioning to regenerative agriculture. Its innovative approach, centered on a blended capital stack model, enables farmers to access the financial resources they need while minimizing risks and maximizing both economic and environmental impact. By integrating a range of capital sources—including philanthropic grants, private investments, and government funds—Mad Capital supports farmers in



adopting sustainable practices that improve soil health, biodiversity, and ecosystem resilience.

Mad Capital's Blended Capital Solution

Mad Capital addresses challenges brought about by conventional financing terms through its blended capital stack model, which combines different forms of capital—philanthropic, impact-driven, and market-rate—to create a flexible, farmer-centered financing solution. This approach allows Mad Capital to offer loan products that reduce the financial risks for both farmers and investors while supporting environmental restoration.





Mad Capital's Framework:

- **Philanthropic Grants and Impact Capital:** Mad Capital collaborates with foundations and impact investors who are committed to environmental and social outcomes. These partners provide first-loss capital or grants that absorb early-stage risks associated with regenerative transitions. The de-risking mechanism enables Mad Capital to offer more favorable loan terms to farmers, such as lower interest rates or longer repayment periods, making it easier for them to adopt regenerative practices.
- **Layered Capital Structure for Risk Sharing:** In a layered capital stack, philanthropic and concessional capital (impact-first) forms the first-loss layer, meaning the funds absorb any potential losses before private investors are affected. This provides additional security, encouraging them to support regenerative projects that they might otherwise view as too risky, and makes it possible to finance projects that blend environmental and financial outcomes more effectively.
- **Public/Private Investment Blending:** Mad Capital often brings together public funding from government agencies and private capital from investors looking for long-term returns (Terra Regenerative Capital, Trailhead Capital, Builders Vision, The Schmidt Family Foundation, and more). Public funds are used to provide grants or subsidies for technical assistance, research, and soil health monitoring. Private capital, on the other hand, focuses on scaling the investment in farms with proven regenerative outcomes. This collaboration creates a layered financing structure, where different sources of capital contribute based on their risk tolerance and return expectations.
- **Revenue-Based Financing:** A key innovation enabled by the blended capital model is revenue-based financing. Instead of requiring farmers to repay loans based on fixed schedules, Mad Capital allows repayments to be tied to farm revenues. This approach reduces financial strain during periods of low yields or market volatility, offering farmers the flexibility to invest in their farms without fear of defaulting due to unforeseen challenges. The combination of blended capital and flexible repayment terms helps ensure long-term success for both the farmers and investors.





Case Study: Action Agenda on Regenerative Landscapes (AARL) – Aggregating, Accelerating and Amplifying Efforts

The importance of catalytic capital in accelerating food systems transformation cannot be understated. Recognizing the urgent need to mobilize the momentum of regenerative agriculture, the COP28 Presidency, UN High Level Champions, World Business Council on Sustainable Development, and Boston Consulting Group launched the Action Agenda on Regenerative Landscapes (AARL), an ambitious flagship initiative focused on scaling up regenerative landscapes by bringing together over 35 of the world's leading organizations to break down barriers to a more sustainable and resilient food system.

AARL was created from the understanding that agriculture solutions must be tailored to the unique conditions of each region at a place-based landscape level, focusing on transitioning multiple farms and surrounding ecosystems to regenerative practices, with the entire value chain (farmers, off-takers, financiers) participating. This way, costs and risks are shared while also generating multiple benefits to emissions, soil health, water, biodiversity, and farmers' livelihoods. To drive transformation, AARL has identified five potential regions — Brazil, India, Southeast Asia, Côte d'Ivoire, and North America —



as "lighthouse" candidates. These regions will act as proof-of-concept sites for scalable landscape models, providing real-world insights to help develop a practical playbook that can ultimately be replicated globally.

Beginning In Brazil

In partnership with Brazil's Ministry of Agriculture and Livestock (MAPA), AARL is launching its first landscape accelerator program in Brazil's Cerrado region. The Cerrado — a vast tropical savannah covering nearly 200 million hectares — is one of the world's most critical agricultural and biodiversity hotspots, home to 30% of Brazil's biodiversity and producing 25% of the world's soy. However, nearly half of the Cerrado has already been converted for agriculture, with land conversion rates surging by over 70% in recent years. Fires are now outpacing the ecosystem's ability to recover, and over





130 plant species and dozens of animal species are endangered. Without urgent action, the region risks further degradation, threatening both its agricultural productivity and its ecological integrity. By starting in Brazil, AARL is targeting a region where the stakes are high, but the potential for impact is even greater: protection of 44M hectares, partnering with 1.2M farmers, and potential mitigation of ~44Mt of CO₂e.

Leveraging Catalytic Capital

The Cerrado's global significance, combined with a strong partnership with MAPA and a clear business case for regenerative practices, makes it the ideal launchpad for scaling landscape-level transformation. But philanthropic

capital and multi-stakeholder collaboration is central to AARL's initiative and a key factor for its success. By December 2024, one year after it's starting point, AARL had brought together 35+ participants, who reported investments of 6 billion USD in regenerative agriculture, covering 300+ projects, over 110 countries, 80 commodities, and over 280 million hectares globally. At the time of this report, AARL is actively raising more catalytic capital to complement existing funding from these participants to further aggregate, accelerate and amplify efforts that can lead to a powerful systemic transformation.





Case Study: Systemic Investing to Tackle the US Food Waste Challenge – The Fink Family and ReFED

Recognizing the funding gap to mitigate the economic, environmental, and social consequences of FLW in the U.S., Betsy and Jesse Fink, co-founders of Millstone Farm, launched a systemic investment approach to addressing this issue, catalyzing change through ReFED, a national organization focused on food waste reduction.

ReFED's Data-Driven Investment Strategy

Understanding that data and capital coordination were key barriers to scaling FLW solutions, the Fink Family played a critical role in establishing ReFED's Roadmap to Reduce U.S. Food Waste. This framework prioritized investment in food recovery infrastructure, consumer behavior change initiatives, and supply chain optimization technologies.

By aligning corporate, philanthropic, and public sector stakeholders, ReFED leveraged funding to unlock systemic change. The Circular Food Solutions Fund, a partnership between ReFED and Closed Loop Partners, mobilized \$100 million in blended capital to finance solutions such as surplus food recovery startups, packaging innovations, and waste-to-value processing technologies.

Scaling Impact Through Blended Capital

Blended finance has been instrumental in de-risking investment in food waste solutions by layering grants, concessionary capital, and market-rate investments. Innovative funding mechanisms such as pay-for-performance models and impact-first loan structures have enabled promising ventures to scale. One example is Too Good To Go, an app that connects consumers with surplus food at discounted prices, which expanded into the U.S. after securing impact investment funding. Similarly, Imperfect Foods, a direct-to-consumer grocery service selling surplus and misshapen produce, secured venture backing alongside mission-aligned grants.

Through integrating blended capital approaches, FLW initiatives have proven not only environmentally necessary but also financially viable, paving the way for more scalable, high-impact investments in sustainable food systems.





Key Takeaways:

1. Food systems transformation is severely underfunded. Despite contributing 34% of global GHG emissions, food systems receive only a tiny fraction of climate finance—highlighting a critical funding gap that must be addressed urgently.

2. Current investments reinforce unsustainable practices. Conventional agriculture continues to dominate financing, while holistic, sustainable solutions like regenerative agriculture, food loss and waste reduction, and plant-forward diets are vastly under-invested.

3. Food loss and waste (FLW) is a major opportunity. FLW reduction is a high-impact, underfunded solution for both climate mitigation and food security, yet receives only a small percentage of current investment.

4. Blended finance (BF) is essential for change. By combining public, private, and philanthropic capital with varied risk-return profiles, BF models can unlock catalytic capital, de-risk investments, and drive systemic food system transformation.

5. Traditional venture capital models fall short. Short-term, high-return expectations in VC do not align with the longer, patient investment timelines needed for regenerative agriculture and food systems innovations.

6. Risk-tolerant, patient capital is crucial. Financing regenerative agriculture and other high-impact interventions requires funders willing to accept lower short-term financial returns for long-term environmental, social, and financial gains.

7. Policy shifts underscore the need for private leadership. Amidst political instability and weakened federal climate commitments, private-sector funders must step up to drive and sustain food systems transformation.

8. Successful blended finance models already exist. Initiatives like Mad Capital and ReFED's Circular Food Solutions Fund show that blended capital stacks can de-risk investments, support early-stage solutions, and scale regenerative practices.

9. Catalytic capital can unlock larger systems change. Philanthropy and concessionary capital can play a multiplier role, leveraging private and public dollars up to 15x, amplifying the scale and speed of food systems transformation.

10. The time to act is now. Scaling blended finance approaches is critical to meeting climate targets, ensuring global food security, regenerating ecosystems, and building resilient agricultural economies.





LOOKING AHEAD

As the U.S. retreats from climate commitments the EU and other global leaders are poised to take the lead in structuring financial frameworks that prioritize sustainable food systems. The EU's Farm to Fork Strategy and Green Deal initiatives will likely drive global food finance, reinforcing policies that incentivize regenerative agriculture and climate-smart practices. In contrast, U.S. investors, facing regulatory uncertainty, must turn to private-sector leadership and impact-driven financing to fill the gap left by shifting federal priorities.

The time to act is now. If we are to meet the climate crisis, ensure global food security, and build resilient agricultural economies, we must reimagine capital flows through blended finance models. Investors, policymakers, and philanthropists must collaborate on risk-sharing mechanisms, outcome-based financing, and policy reforms to drive blended finance adoption.

Interested in learning more about how we can help your organization drive food system transformation? Visit littlefootventures.com or contact Eva Goulbourne at eva@littlefootventures.com.





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