

Scottish Mortgage Stock Stories – Indigo Agriculture

June 2023

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Claire Shaw: There are few industries that affect the health of our planet more than agriculture. With 40 per cent of land mass dedicated to growing crops and raising livestock, and around 70 per cent of our freshwater supply used for agriculture, the whole system needs to evolve to become more beneficial for the planet.

This is where Indigo Agriculture comes in. They are leveraging science and technology to improve both the sustainability and profitability of the industry.

Indigo has designed a system using innovative agricultural practices which allows carbon dioxide to be removed from the atmosphere and put in the soil as carbon. The company's programme, known as Carbon by Indigo, works by measuring the difference between the amount of carbon in the soil before a farmer makes a change to their growing practices, and the amount a year after.

From this measurement, farmers generate what are known as 'carbon credits' which attaches value to the amount of carbon removed. This credit can then be sold by farmers and purchased by organisations looking to offset emissions.

Though this is still nascent technology, Indigo's first crop of verified carbon credits equated to around 19,000 tonnes of carbon dioxide removed from the air. This key milestone proved that farmers can quantifiably put carbon in the soil at scale.

By enrolling millions of acres of farmland into their programme, Indigo's vision is to give farmers the tools to make a positive environmental impact, and to increase profitability. Cash crops such as corn and wheat can be sold at a premium, because they've been grown with specific sustainability attributes.

And via their Market+ Source programme, Indigo connects farmers to globally recognised companies such as ABInBev and North Face who are looking to influence the climate impact of their supply chains.

Indigo Agriculture is planting the seeds of a revolution, that will progress both the sustainability and profitability of this industry. This is not going to happen overnight, but our approach at Scottish Mortgage has always been focused on the long term. We are patient supporters of Indigo Agriculture as they drive forward sustainability in the agriculture sector for decades to come.

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