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## Trade deals, agribusiness and the climate crisis

*The climate talks in Paris in December this year are viewed as a last chance for the world's governments to commit to binding targets that might halt our march towards climate chaos. But in the countdown to Paris, many of these same governments have signed or are pushing a raft of ambitious trade and investment deals that would pre-empt measures needed to deal with climate change.*

What we know of these deals so far, from the few texts that have leaked out of the secretive negotiations, is that they will lead to more production, more trade and more consumption of fossil fuels and that they will be used to reverse popular measures that impinge on the profits of polluting industries (1).

Less has been said about how the provisions dealing with food and agriculture in these deals will affect our climate. But the question is vital, because food and farming figure hugely in climate change (2). We see seven main ways through which the food and agriculture components of today's trade and investment deals will make the climate crisis worse.

### **1. Increasing production, trade and consumption of foods that are big emitters of greenhouse gases**

In terms of agricultural production, meat and dairy are the biggest contributors to climate change. Only 11% of all meat produced is traded internationally, but globally speaking, meat production and consumption are projected to rise by 17% by 2024 and outright double by 2050 (3). Increased trade is expected to play a role in that growth and some of this will come from the newest trade agreements, which could shift current meat trade dynamics quite a bit (4). Of course, we cannot predict how much trade and consumption will grow as a direct result of these deals, but the tariff cuts and lower standards are expected to lead to increased supplies and therefore consumption in importing countries. That, after all, is what the industry lobbies are aiming for. Markets are also expected to grow for certain agribusiness companies and their investors due to the watering down of food safety regulations and labelling laws as a result of these new deals (5).

### **2. Promoting industrial farming for export over local farms and food systems**

Expansion of markets for European poultry and milk powder has long been a key facet of the EU's trade liberalisation agendas, as African farmers and livestock keepers know. They have been mobilising to stop the dumping of highly subsidised chicken and excess dairy from Europe since years. These struggles are now more and more connected to climate change. Industrial poultry, after all, are an important source of greenhouse gas emissions. Broilers, which are raised for their meat, produce seven times more GHG emissions than backyard birds. And layers, which are raised for their eggs, produce four times more (6). Chicken consumption is rising in many countries because it is a low-cost meat, and therefore global poultry trade is expected to increase. All of this trade comes from

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industrial poultry farms, which are higher emitting than backyard or small-scale operations.

### **3. *Boosting global supermarkets and highly processed foods***

The biggest names in food retail are aiming for growth in Asia, as well as Africa and Latin America, through several of today's new trade agreements. The expansion of global supermarkets brings with it the expansion of processed food production, trade and consumption. For example, under NAFTA, processed food consumption has skyrocketed in Mexico, bringing with it serious public health problems, and the country's retail sector has been taken over by large global chains (7).

Processed foods – produced by Mondelez, Nestle, Pepsico, Danone, Unilever and the like – are important greenhouse gas emitters, not only because of all the energy used in packaging, processing and transporting the foods, but also because of the emissions generated on the farm and the deforestation that comes with the expansion of plantations. Processed foods are constructed out of the cheapest raw materials that companies can source from around the globe. One package of standard supermarket food can contain powdered milk from New Zealand, maize from the US, sugar from Brazil, soybeans from Argentina and palm oil from Indonesia – all foods that are high on the emissions scale.

### **4. *Climate cheating: the outsourcing of emissions***

Trade agreements favour food production in countries with low cost and/or heavily subsidised production, with high emissions levels. These countries have powerful industrial agriculture lobbies and are often heavily reliant on agriculture exports for their foreign revenues. It is highly unlikely that these countries will implement any measures to reduce emissions that might impinge on the competitiveness of their agricultural commodities. Already we see these countries moving with their companies to head off any international efforts that might make significant emissions cuts to agriculture, for instance by promoting the agribusiness-dominated Global Alliance for Climate Smart Agriculture.

The emissions imported with the foods are not likely to be accounted for by the importing country either. Even if an importing government were to try, measures to reduce imports of certain high greenhouse gas emitting commodities could be challenged as unfair trade restrictions under the new deals.

### **5. *More biofuels***

Biofuels are another form of polluting energy which, along with fossil fuels, may get a boost from the latest trade deals. This is especially when investment chapters of trade deals try to “level the playing field” for foreign investors by establishing rules on “national treatment” and “most favoured nation”, which makes access to land for the production of biofuels much easier. Already, EU climate policies have bolstered massive land grabbing in Africa for the production of ethanol for European markets.

### **6. *The promotion of local food economies undermined***

“Buy national” or “buy local” programmes are generally considered discriminatory and trade distorting under so-called free trade doctrine. The World Trade Organisation did little to discourage these initiatives, but new bilateral and regional trade deals could go much further. Food sovereignty advocates and practitioners see this as a potential threat to local food economies that groups have been painstakingly building over the last decades (e.g. food policy council initiatives to support the

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use of local foods in public services like schools and hospitals) (8). Any moves to make “go local” or “use local” illegal in the food sector will automatically result in increased climate destabilisation (9). The same is true of initiatives to support “green” purchasing or programmes to require purchasing from small- and medium-sized enterprises in the name of mitigating climate change.

## **7. Food security measures made illegal**

In 2013, some governments tried to make it a WTO rule that public procurement of food stuffs in times of crisis should be considered a form of trade-distorting farm subsidy. Many governments purchase farm products from farmers to stabilise markets, provide guaranteed prices and run stockpiles or distribution systems in the public interest. The ravages caused by climate change in a world of deregulation and corporate concentration make food shocks more common and more threatening. That means these basic food security measures and strong public procurement programme are more and more needed.

### **Time to stop destabilising the climate!**

Food consumption patterns are shifting. The Western diet is spreading, particularly in the global South, bringing with it problems of health but also increasing climate pressure. Commodity traders, agribusiness firms, retail chains, private equity groups and other kinds of corporations that finance and run the industrial food system have a keen interest in expanding business in those very markets, and trade agreements are a great tool for that.

We have to do the math. If we want to deal with climate change, we have to cut consumption of some foods and that means cutting production and trade as well. Luckily, it is quite do-able. But it does require a structural scaling back of “Big Food” and “Big Retail” and those who finance and profit from them. Instead, small- and medium-sized farms, processing and markets, supported by public procurement and financing, could do the job better. It requires a push, and bringing the different struggles around climate change together with the struggles for food sovereignty and against corporate-driven trade agreements.

GRAIN, <http://grain.org/>

*Access the publication here:*

<https://www.grain.org/article/entries/5317-trade-deals-boosting-climate-change-the-food-factor>

- See forthcoming reports from Corporate Europe Observatory (CEO), <http://corporateeurope.org>, as well as previous reports from Sierra Club, the Friends of the Earth network, CEO and others, compiled at <http://www.bilaterals.org/?+-climate-+http://www.bilaterals.org/?+-climate-+>; Peter Rossman, "Against the Trans-Pacific Partnership," Jacobin, 13 May 2015: <https://www.jacobinmag.com/2015/05/trans-pacific-partnership-obama-fast-track-nafta/>
- See La Via Campesina and GRAIN, “Food sovereignty: 5 steps to cool the planet and feed its people”, 5 December 2014, <https://www.grain.org/e/5102>
- See OECD-FAO, *Agricultural Outlook 2015*, 1 July 2015, [http://dx.doi.org/10.1787/agr\\_outlook-2015-10-en](http://dx.doi.org/10.1787/agr_outlook-2015-10-en). Seafood trade has already doubled in the last five years and become the most widely traded protein. For more info, see Rabobank, <http://rabobank-food-agribusiness-research.pr.co/98495-seafood-a-myrriad-of-globally-traded-aquatic-products>
- See the “expanded” meat chapter in OECD-FAO, op cit.

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- See GRAIN, “Food safety in the EU-US trade agreement: going outside the box”, 10 Dec 2013, <https://www.grain.org/e/4846> and FoEE, GRAIN, IATP and others, “EU-US trade deal threatens food safety”, 5 Feb 2015, <https://www.grain.org/e/5129>
  - Data are from FAO Global Livestock Environmental Assessment (GLEAM) report, “Greenhouse gas emissions from pig and chicken supply chains”, 2013, <http://www.fao.org/docrep/018/i3460e/i3460e.pdf>
  - See GRAIN, “Free trade and Mexico’s junk food epidemic”, 2 March 2015, <https://www.grain.org/e/5170>
  - See Karen Hansen-Kuhn, “Local economies on the table: TTIP procurement update”, IATP, 13 November 2014, <http://www.iatp.org/documents/local-economies-on-the-table>
  - Not all “go local” initiatives in the food sector are better for the climate. But a lot are.