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## Food and agribusiness corporations peddle a deadly scam

*Big polluters are making 'net zero' pledges to satisfy the financial players that fund them. So-called 'nature-based solutions' are at the core of these pledges –a new corporate brand for offsets. The threat is a massive land grab, particularly in the global South. Food and agribusiness corporations are leading actors in this scam.*

After years of having done nothing to move towards the already compromised targets established by the 2015 Paris Agreement, dozens of big polluters are now making 'net zero' pledges. These pledges are made mainly to satisfy the public relations needs of the financial players that fund them. Offsets, not reductions of emissions, are at the core of these pledges. And offsets are now mostly hidden under the latest corporate greenwashing brand: 'nature-based solutions,' which risk generating a massive land grab for forests and farmlands, particularly in the global South. Food and agribusiness corporations are leading actors in this deadly scam.

Corporations are, without a doubt, the number one obstacle to meaningful action on the climate crisis. These almighty actors have spent the past two decades undermining scientific consensus, blocking meaningful legislation and greenwashing their own responsibility. Since the signing of the Paris Agreement in 2015, with its lame voluntary commitment to keep the world to a still disastrous 1.5 degrees of warming, and its promise of market-based solutions, few corporations have even done the bare minimum to disclose their emissions, let alone to take actions to reduce them.

Food and agriculture companies are among the worst performers. The latest IPCC report estimates that the food system accounts for up to 37% of total global GHG emissions. This has not prevented these companies from receiving billions of dollars from global financial corporations, including those that claim to be committed to responsible investing

Not a day goes by without the announcement of a corporate initiative or pledge to achieve 'net zero' emissions by 2050. These 'net zero' initiatives and pledges rely on offsets, which are now hidden behind the euphemistic term of 'nature-based solutions'. Many of these corporations are at the same time lobbying hard against government intervention into their financing of polluting companies, insisting that somehow they are best placed to decide how investment in climate solutions should be allocated. This corporate greenwashing, so deeply based on offsets, is shaping up to be even worse than the days of climate denial.

### ***Nestlé's 'net zero' plan is all about offsets***

BlackRock is the world's largest and most influential shareholder of both fossil fuel and agribusiness corporations. Despite its deep integration with the world's worst climate villains, BlackRock has recast itself as a leader for climate action and "expects companies to articulate how they are aligned to a scenario in which global warming is limited to well below 2°C, consistent with a global aspiration to reach net zero greenhouse gas (GHG) emissions by 2050". Corporations are now collectively referring to the offsets under the 'net zero' pledges as 'nature-based solutions'.

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One of the corporations that BlackRock is heavily invested in is Nestlé, the world's largest food company and one of the worst corporate GHG emitters outside of the energy sector. **BlackRock is Nestlé's largest shareholder** and, despite Nestlé's massive climate footprint, the company is an easy fit with the actions BlackRock 'expects' from the companies it invests in. In December 2020, Nestlé launched its "Net Zero Roadmap", committing to reduce its emissions by 50% by 2030 and to 'net zero' by 2050. The majority of these emissions occur in the sourcing of dairy, meat and commodity crops (coffee, palm oil, sugar, soybeans, etc). Nestlé's annual emissions in these sourcing activities are roughly double the total emissions of its home country, Switzerland.

Nestlé's climate plan does not involve a reduction in its sales of foods based on dairy, meat and other highly-emitting agricultural commodities. To the contrary, **its climate plan is based on a projected growth of 68% for both its sourcing of dairy and livestock products and of commodity crops between 2020 and 2030.**

Part of Nestlé's plan to achieve this is a commitment to invest US\$1.2 billion over the next ten years in "regenerative agriculture practices". To put this into perspective: Nestlé paid out a dividend of around US\$8 billion to BlackRock and its other shareholders in 2020. From adding feed additives to cutting the methane produced by animals to introducing agroforestry practices and soil management in crop plantations, these plans remain unclear on how suppliers will implement these practices, on what they exactly mean and on who will pay for that to happen.

In the absence of any serious plan to reduce its emissions, Nestlé is banking on offsets to salvage its 'net zero' ambitions. "We see enormous potential for the removal of GHG emissions from the atmosphere as a way to counterbalance those emissions that we cannot reduce directly," says Nestlé in its Roadmap.

The precursor to today's 'nature-based solutions' is the UN's Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme, which not only failed to reduce deforestation or emissions over the past twelve years, but also badly affected local communities, especially by cutting off their access to agricultural lands and forests and contributing to land conflicts.

**One of the early promoters of REDD+ was a Swiss company, South Pole Group, which is now working for Nestlé on its offset plan.** South Pole led the huge Kariba REDD+ project, covering 784,987 hectares in northwestern Zimbabwe. That project, which was structured to channel money through several companies registered in tax havens, failed to bring material benefits to peasant communities and worse, prevented them from accessing the lands they depend on for food production, hunting and gathering. It did succeed, however, in providing the French energy giant Total with offsets to make its liquid natural gas shipments to China 'carbon neutral'.

Nestlé, an offset buyer, paid South Pole to develop a model for it "to calculate the GHG mitigation potential of agricultural land." At the same time, South Pole contracts with potential offset sellers, like the UK's Miro Forestry, which hired South Pole to certify the carbon absorption of its massive tree plantations in West Africa and help it sell offsets. South Pole, described as "one of the largest traders in carbon credits", gets paid making the calculations for companies on both sides of the ledger and then, if all goes well, arranging the trades.

Nestlé estimates it will need to offset 13 million tonnes of CO<sub>2</sub>e per year by 2030, an amount roughly the size of the total annual GHG emissions for a country like El Salvador. But this number could be even higher if the 'regenerative agriculture' plans do not materialise. Although Nestlé does not detail

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its offset plans, it has already launched projects based on planting trees in locations where Nestlé sources its ingredients - such as planting three million trees in Malaysia, three million trees in key sourcing locations in the Americas, and a protected area in Ivory Coast. By saying that it intends to remove GHGs from the atmosphere "using natural solutions", its annual projected offsets would require the equivalent of zoning off or planting trees on at least 4.4 million hectares of lands every year.

If the rapidly growing number of corporate net zero plans move to implementation, even only partially, it will result in a massive grab of lands, forests and territories of Indigenous Peoples and rural communities in the global South. As stated in a recent report by La Via Campesina and a coalition of NGOs and social movements, the corporate net zero plans that are coming fast and furiously make it crystal clear that *"there is no desire or ambition on the part of the largest and richest in the world to actually reduce emissions. 'Greenwashing' hardly suffices as a term to describe these efforts to obscure continued growth in fossil emissions – 'ecocide' and 'genocide' more accurately capture the impacts the world will face."*

### ***FOLU: Yara and Unilever's new clothes***

One of today's most sophisticated and covert lobbies for the food and agribusiness corporations is the Food and Land Use Coalition (FOLU). It was initiated by the Norwegian fertiliser company Yara and the Anglo-Dutch processed-food giant Unilever-- two of the worst climate polluters within the food and agriculture sector. With backing from the Norwegian government, also one of the world's worst climate polluters, they brought together a coalition of the usual suspects of corporate-funded NGOs and business associations. Today FOLU, and the individuals and groups that inhabit it, are ubiquitous in international fora dealing with climate and food.

FOLU's agenda is firmly anchored in the interests of its two founding corporations. Unilever, the world's largest buyer of palm oil, has for years been promoting certification schemes, notably the Roundtable on Sustainable Palm Oil, to provide itself a "sustainable" source for a fundamentally unsustainable agricultural commodity. Yara, as the world's largest producer of nitrogen fertiliser, a product that alone accounts for one in every 50 tonnes of global GHG emissions produced by humans per year, has led a campaign to recast its fertilisers as climate saviours. Yara says its fertilisers have enabled people to produce more food on less land, thereby saving forests and cooling the planet.

Not surprisingly, then, FOLU calls for voluntary certification schemes and more efficient, fossil-fuel-based agricultural production as the main solutions to the food sector's climate emissions. It also puts the focus on reducing tropical deforestation, not eliminating fossil fuels from the food system, and expects this to be paid for by corporations in need of offsets for their net zero commitments, described by FOLU as "making the business case for a nature-based net-zero future".

Both Yara and Unilever have long been united in their desire to maintain and expand the industrial production of agricultural commodities. Prior to FOLU, they initiated the Global Alliance for Climate Smart Agriculture-- launched in 2014. That alliance, which had a similar membership to FOLU, was a failure in terms of climate action, but that was never its intention. The alliance was conceived to block efforts to push real solutions like agroecology and food sovereignty in the international fora dealing with food, agriculture and climate.

### ***The climate revolution will not be financed***

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Corporations are simply not going to take actions that impede their profits, and they will fight against any actors, be they governments or frontline communities, that stand in their way. They will only change when forced to. Corporations will not and cannot be part of the solution.

This is particularly important to keep in mind with the financial industry. Financial corporations like BlackRock and even the corporations that manage pension funds are built to finance corporations. If money is left in their hands, it will always flow to corporations. Corporations may have to make net zero pledges that will enclose massive areas of land as 'nature-based offsets' to access that money, but this is not going to drive down emissions and will take a huge toll on communities that have done nothing to contribute to the climate crisis. There is no victory for people or the climate if a financial company is shamed into shifting its holdings from Exxon to Nestlé.

Solutions must be developed and defined by people, not corporations. When it comes to food and agriculture, peasants and other small-scale food producers have already articulated a vision for food sovereignty and solutions to the climate crisis that excludes these huge corporations altogether. There is no place in this vision for Nestlé's Roadmap or BlackRock's empty environmental promises. The big challenge is to take back control over the funds, resources and governments that are currently captured by corporations in order to stop the real causes of the climate problem.

We have to confront the rising tsunami of corporate, greenwashed solutions with clarity and solidarity. Offsets must be rejected full-stop, as must any scheme that makes allowance for them, such as "nature-based solutions".

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Read further on this topic on GRAIN's publication ["Corporate greenwashing: "net zero" and "nature-based solutions" are a deadly fraud"](#)