EMISSIONS IMPOSSIBLE EUROPE

How Europe's Big Meat and Dairy are heating up the planet

Institute for Agriculture & Trade Policy

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Dairy Factory Farm in Caparroso, Spain.
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Executive Summary

At a time when governments must dramatically reduce greenhouse gas emissions, global meat and dairy giants in Europe are increasing emissions by ramping up production and exports.

IATP has calculated the emissions of 35 of the largest meat and dairy corporations with headquarters in the European Union (EU) and Switzerland. Most are still not reporting their greenhouse gas (GHG) emissions. Of the 20 companies we examined in detail, only three have committed to reducing their overall emissions from livestock. None of the companies we examined have expressed an intention to reduce the number of livestock in their supply chains, where 90% of meat and dairy emissions originate.

In our *Emissions Impossible* series, we have examined the agricultural emissions of multinational livestock and dairy companies. In 2018, in a joint report with GRAIN, we showed the scale of those emissions, which rival those of Big Oil. In 2020, our *Milking the Planet* report exposed the continued rise of emissions from global dairy companies. In this latest iteration of the series, we focus on companies based in Europe. We show how — rather than reducing livestock emissions — Big Meat and Dairy are employing narratives and strategies that result in a green smokescreen over the industry's contribution to climate change. This report explains why, instead, they must be held to account and contribute to urgently needed action to reduce emissions this decade.

Only 10 of the top 20 meat and dairy corporations have announced climate targets with a few declaring net-zero plans. However, these voluntary plans rely on a range of strategies to dress up their climate action. These include:

- co-opting the narrative on regenerative and agro-ecological agriculture;
- focus on reductions of emissions per kilo of meat or litre of milk (emissions intensity reductions), which are drowned out by the companies' continued expansion of overall production;
- development of and plans to use impermanent soil and grassland carbon offsets sold on carbon markets;
- utilisation of unproven feed additives that claim to reduce methane; and last but not least,
- government-led incentives that perversely valorise large-scale animal agriculture through the capture of methane for "biogas" from livestock manure (see Box 3, p.15).

Offsets and improvements in efficiency will mainly fall on farmer suppliers to pay for and implement, even though these corporations set the terms for production. Offsets rely on uncertain pledges to reduce emissions elsewhere, replacing actual cuts to emissions. The trends are clear: Big meat and dairy companies in the EU, Switzerland and the United Kingdom (U.K.) are moving in the wrong direction.

No European government holds these companies accountable for their supply chain emissions, even as agriculture emissions have risen in the last decade. As the EU prepares to launch a Carbon Farming Initiative as part of its carbon removal plans in the EU Green Deal and as it sets rules more broadly for climate and agriculture, governments must require Big Meat and Dairy to commit to a reduction in their absolute emissions.

The EU must not certify the use of impermanent and unreliable carbon offset schemes, which enable corporate polluters to delay climate action and hide their emissions.

Just 20 European meat and dairy companies combined produce the equivalent of more than half of United Kingdom, France and Italy's emissions. They produced 131% of the Netherlands', 73% of Spain's and 29% of Germany's total emissions.

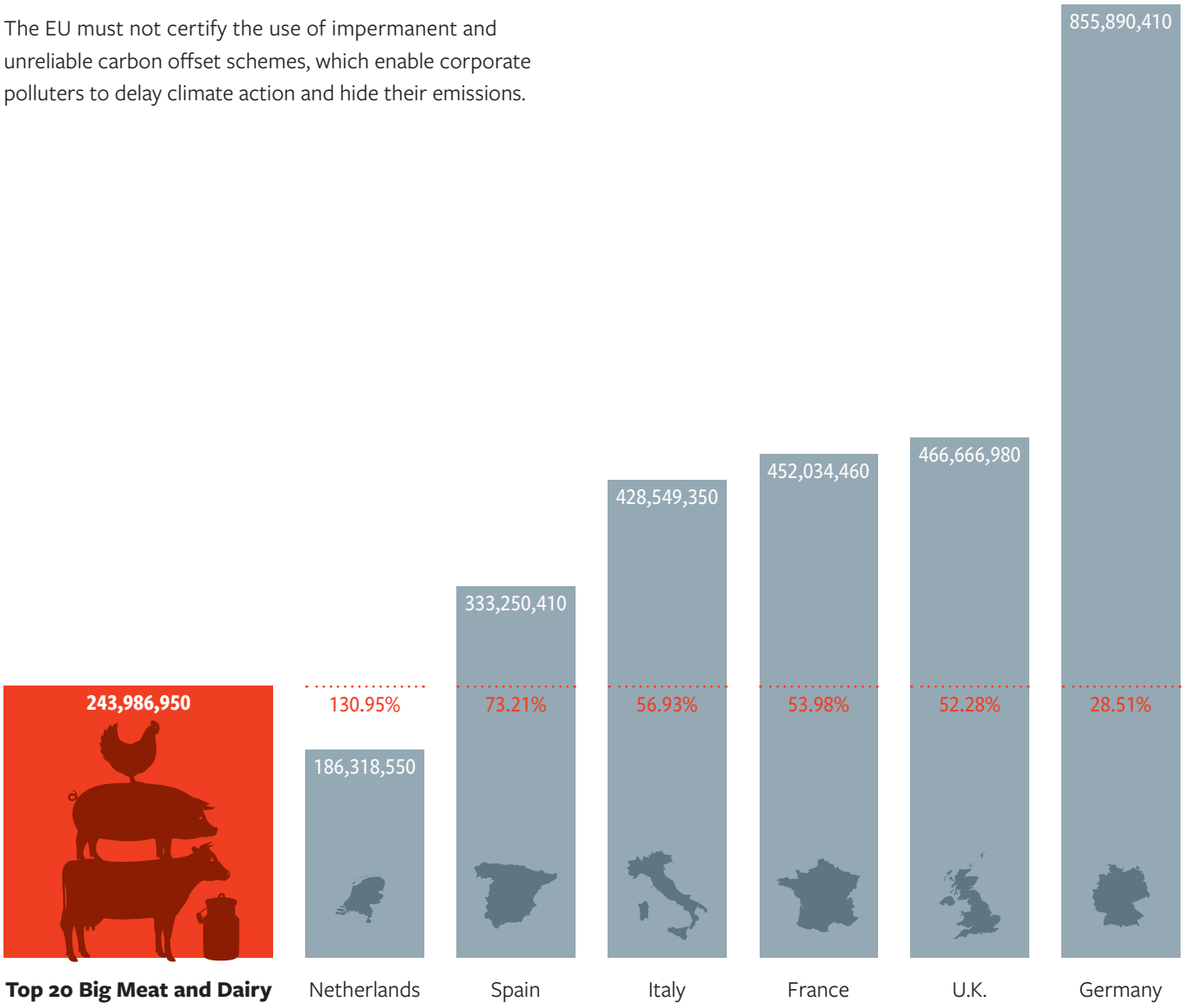

Figure 1: Comparing the combined CO_2 equivalent emissions (tonnes) of the top 20 Big Meat and Dairy companies to national emissions of EU countries. Source: IATP based on UNFCCC, National Inventory Submissions, 2020, see Methodology Note, p.42, section E.

Key findings from our new research

1 Just 20 European meat and dairy companies combined produce the equivalent of more than half of the United Kingdom, France and Italy's emissions. They produced 131% of the Netherlands', 73% of Spain's and 29% of Germany's total emissions (Figure 1).

2 The same 20 companies' total emissions rival those of fossil fuel giants, close to Eni's entire emissions, equivalent to two-thirds of Glencore and Total's emissions, over half of Chevron's (55%), 42% of ExxonMobil's, 44% of Shell's and of BP's, and more than either RWE or ConocoPhillips' emissions (Figure 2).

3 Their combined emissions are also equivalent to 48% of the coal consumed in the entire EU (2018)[1] or more than 53 million passenger cars driven for one year.[2]

4 The combined emissions of 35 of the largest beef, pork, poultry and dairy companies headquartered in Europe equal nearly 7% of total EU28's 2018 emissions (see Annexe 4, p.48).

5 Only four (Arla, Danone, FrieslandCampina and Nestlé) out of the 20 companies assessed report their total supply chain emissions. Even then, just two, Nestlé and Danone, provide their livestock supply chain emissions with any detail. Only three (Nestlé, FrieslandCampina and ABP) have announced plans to reduce their total, also known as absolute, supply chain emissions. There is no public evidence that any of these companies are considering major changes to their model of large-scale livestock production and processing.

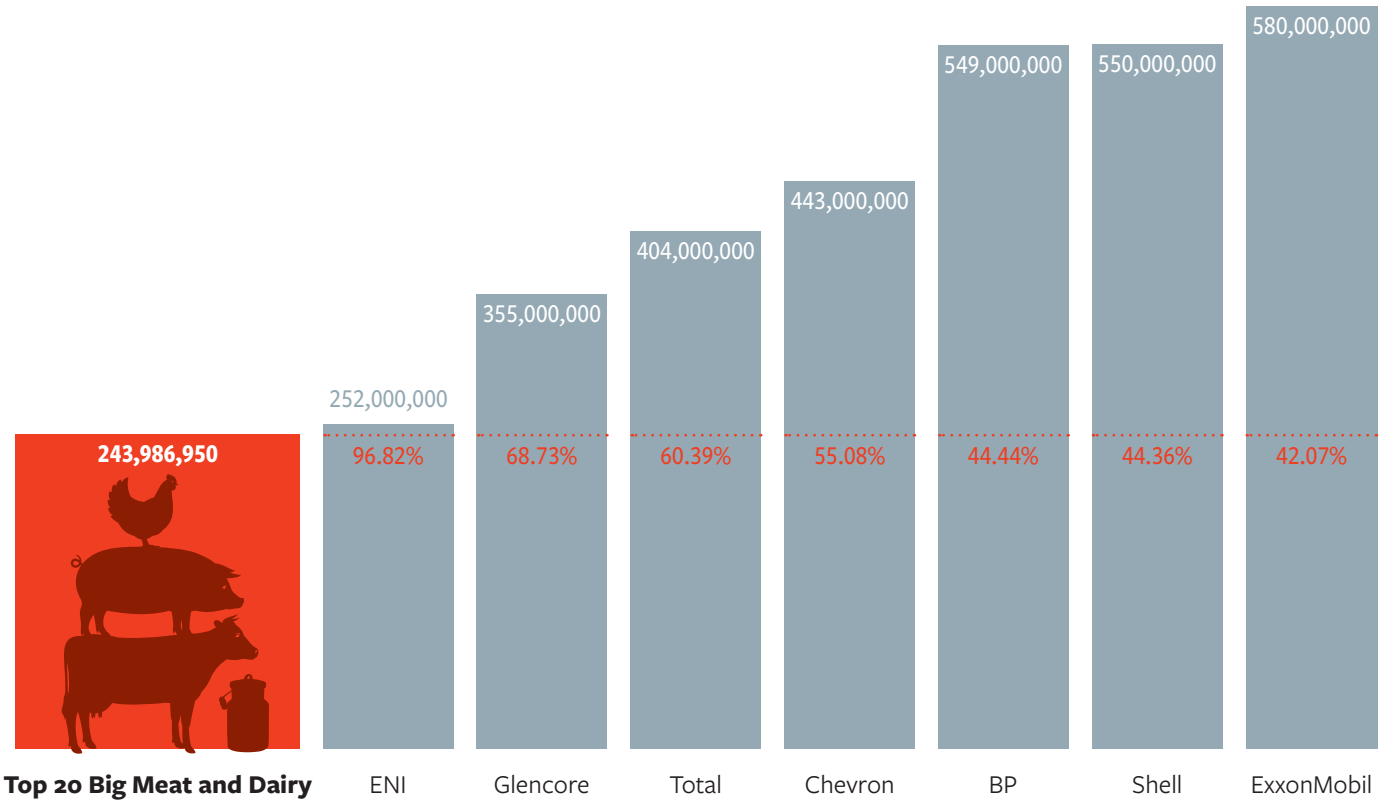

Figure 2: Comparing the combined CO_2 equivalent emissions (tonnes) of the top 20 Big Meat and Dairy companies to some major fossil fuel companies. Source: IATP based on Carbon Majors emissions estimates (Richard Heede, Climate Accountability Institute), see Methodology Note, p.42, section E.

Key findings (continued)

6 ABP, the Irish beef processor, which set a voluntary target with the Science-based Target Initiative (SBTi), increased its emissions by 45% between 2016 – 2018. German meat processing giant Tönnies increased its emissions by 30% in the same period. Danish Crown, a company headquartered in Denmark, is one of the world's largest pork processors. It increased its GHGs by 2% over this period, although it has pledged to become a net-zero emitter by 2050 (Figure 3).

7 Though Germany's agricultural emissions are some of the highest in the EU, none of the companies examined that are headquartered in Germany report their emissions let alone have a climate target.

8 Several companies like France's Groupe Bigard and Spain's Coren have failed to exhibit even minimal transparency about their operations, including the number of animals they slaughter annually, making it impossible to calculate trends in their annual emissions.

9 The five poultry companies we examined in detail emit the equivalent of 20% of total EU poultry sector emissions, yet only three partially report their emissions and none have emissions reduction targets.

10 EU exports of poultry, dairy and pork increased by 93%, 45% and 58% for poultry, dairy and pork, respectively, between the years 2005 and 2018. The rise in exports dwarfs imports of poultry, beef and pork, although imports, too, rose significantly between those years.

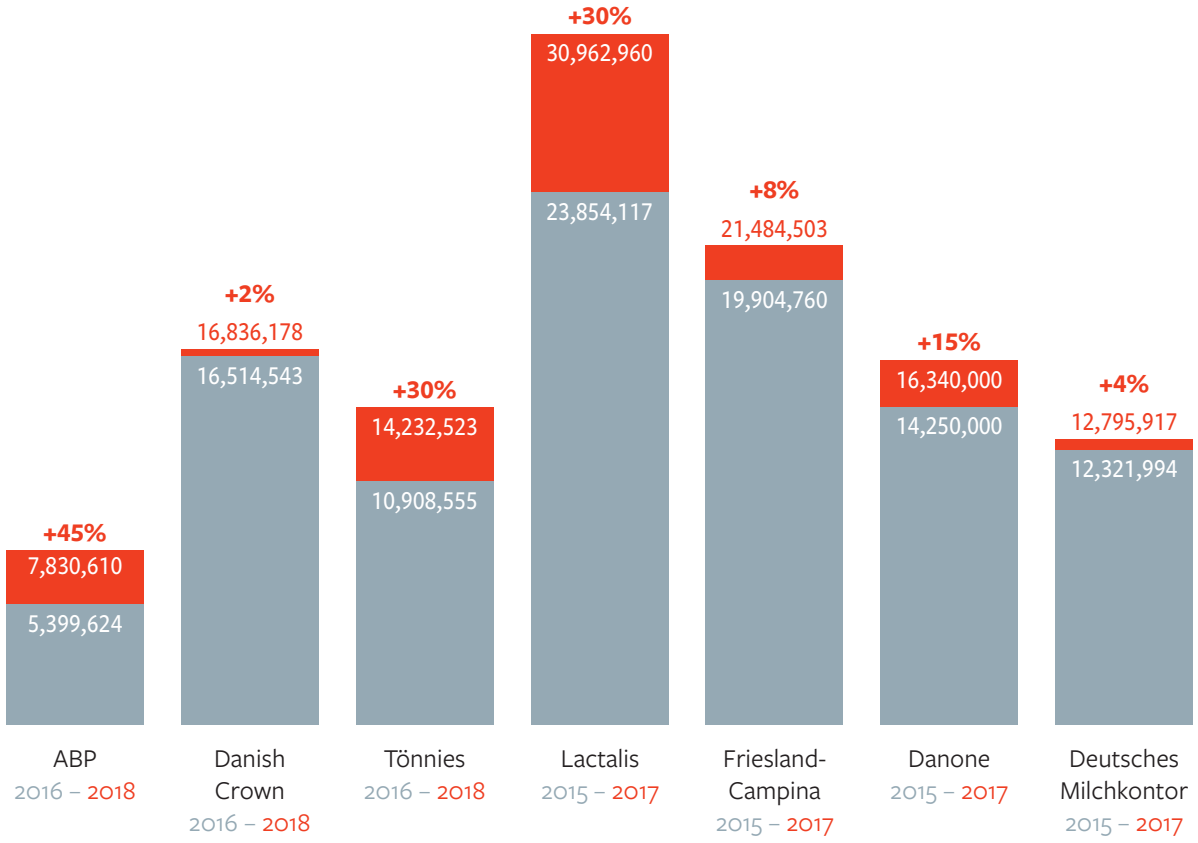

Figure 3: Change in seven of the top 20 Big Meat and Dairy companies' CO_2 equivalent emissions (tonnes) over a two-year period. Companies say they are taking voluntary measures to reduce their emissions, but the number of livestock in their supply chains is increasing and so are their absolute annual emissions. Source: IATP, see Methodology Note, p.42, section E.

EU trade and consumption trends show that a narrow focus on reducing meat and dairy consumption in Europe will have a limited effect in curbing livestock emissions as long as the region's outsized influence on global dairy and meat exports and EU trade policy is ignored.

Eighty-six percent of all meat and dairy in the EU plus U.K. comes from 10 European countries: Germany, France, Spain, Poland, Italy, Netherlands, Denmark, Ireland, Belgium and the U.K. (see Annexe 3, p.48). The companies featured in this report are either headquartered or process livestock in these 10 countries. For a transformative change in European agriculture, these 10 countries, in particular, and the EU as a whole must regulate meat and dairy companies.

farmers already practicing agroecology and to transition European farming to a holistic agroecological approach.

Six years after the Paris Agreement and 18 years after the Kyoto Agreement that mandated governments to reduce GHG emissions, decision-makers still lack basic foundational data such as emission volumes from the largest meat and dairy emitters in the EU. In the absence of governments setting up accountable regulatory regimes, voluntary initiatives are proliferating. The resulting targets are, at best, unaccountable, lacking clear and harmonised benchmarks and indicators and robust third-party verification. At their worst, they are platforms for corporate greenwashing.

We need all hands on deck to transform both public funds and climate and agriculture policy in supporting a transition to agroecology.

The industry must not be allowed to profit while conferring the costs of the extractive system of mass production of animal-sourced foods to the public. EU policymakers have just agreed to another industry handout in the business-as-usual Common Agriculture Policy (CAP) for the period 2023 – 2027. This was a devastating decision for climate action. National CAP strategic plans can still be turned into an opportunity to align EU and global climate goals with concrete action on agriculture that ties country-level financing to a transition towards agroecology. The 2027 CAP must be rewritten to be truly transformative for the climate and biodiversity, redirecting predictable and stable public finance to support frontline rural communities for a just transition.

Speculative carbon markets for agriculture as envisioned by the European Commission (EC) in its forthcoming Communication on Sustainable Carbon Cycles are the wrong solution. Public funds, such as the CAP eco-schemes and state aid, should not be diverted to carbon consultants to support costly monitoring, reporting and verification of carbon credits for impermanent land-based carbon sequestration. These public funds should instead be used directly to support

The Intergovernmental Panel on Climate Change (IPCC)'s latest indictment on our prospects for limiting warming to 1.5°C requires a total systemic shift of every sector, including agriculture. This is feasible if governments act quickly and decisively on the climate crisis, as they have with enacting policies to limit the COVID-19 pandemic. The IPCC singles out methane as a key gateway emission to cut to buy time for eliminating fossil fuel emissions over time.

The U.S. and EU have responded with a proposal for a Global Methane Pledge that sets an aggregate 30% cut in methane emissions by 2030 between all countries willing to do so.

We need all hands on deck to transform both public funds and climate and agriculture policy in supporting a transition to agroecology. It won't happen if Big Meat and Dairy continues to co-opt governments and civil society's narratives on regenerative agriculture and agroecology. It will only happen when governments wake up to our existential crisis and begin regulating agribusiness.

Endnotes

1. See calculation in the full dataset for the report, link in the methodology section.

2. Converted from 243,986,950 tonnes CO2eq using U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator, for more information see United States Environmental Protection Agency, "Greenhouse Gas Equivalencies Calculator," March, 2021, https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator (accessed October 5, 2021).