



# FARM FOUNDATION® FORUM

## GLOBAL AG TRADE AND SUSTAINABILITY: GAPS AND OPPORTUNITIES

MAY 14, 2024



Today's webinar is made possible by a grant from Farm Credit

**#FarmFoundationForum**





# MARTHA KING

Vice President, Programs and Projects  
Farm Foundation

# MEET FARM FOUNDATION

A 501(C)(3) NON-PROFIT AT THE INTERSECTION OF AGRICULTURE AND SOCIETY



**Farm Foundation  
is an ACCELERATOR  
of practical solutions  
for agriculture.**

**We accelerate PEOPLE  
and IDEAS into ACTION**



# OUR MISSION AND VISION GUIDE OUR WORK

## **Mission:**

**To build trust and understanding  
at the intersections of agriculture  
and society.**

## **Vision:**

**To build a future for farmers,  
our communities and our world.**





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## IMPORTANT NOTES

- Submit questions by clicking on the **Q&A Button** at the bottom of your screen.
- Please **include your name and company** so questions may be contextually understood.
- Due to **time limits**, we may not be able to ask all questions submitted.
- This Forum is being recorded and will be posted on our website at **farmfoundation.org** as well as the Farm Foundation **YouTube** channel.
- Please take the **short survey** at the conclusion of the Forum.



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# MODERATOR SHARI ROGGE-FIDLER

President and CEO,  
Farm Foundation



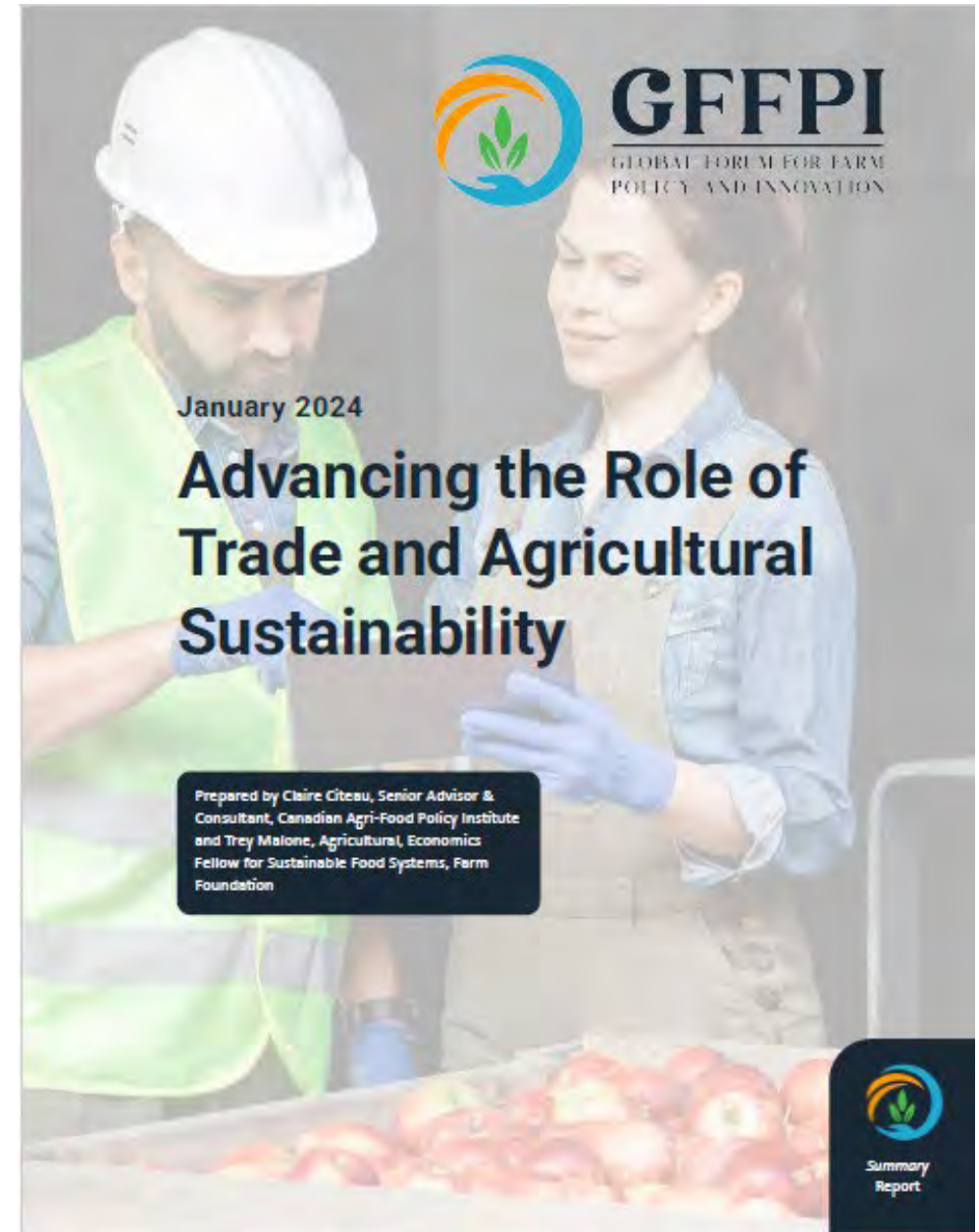
# GFFPI

GLOBAL FORUM FOR FARM  
POLICY AND INNOVATION





# The Advancing the Role of Trade and Agricultural Sustainability report





# KATIE MCROBERT

Executive Director  
Australian Farm Institute





**AASF:**  
an outcomes  
approach to ESG-aligned  
sustainability reporting





*Structure should follow strategy, not vice versa*

**WHY**  
(motivation)

**PURPOSE**

**HOW**  
(process)

**WHAT**  
(product or service)

Purpose / passion / belief

Tech / process / system

Product / actions / tasks

**LIMBIC  
BRAIN:**  
Trust  
Behaviour  
'Gut'

**NEOCORTEX:** Analytical





Values-driven choices

Analytic response gets  
overwhelmed!



How does this  
relate to  
sustainable  
reporting?

CROWDED  
SPACE

PERVERSE  
OUTCOMES

COMPLEX

AMBIGUITY

TRADE-  
OFFS

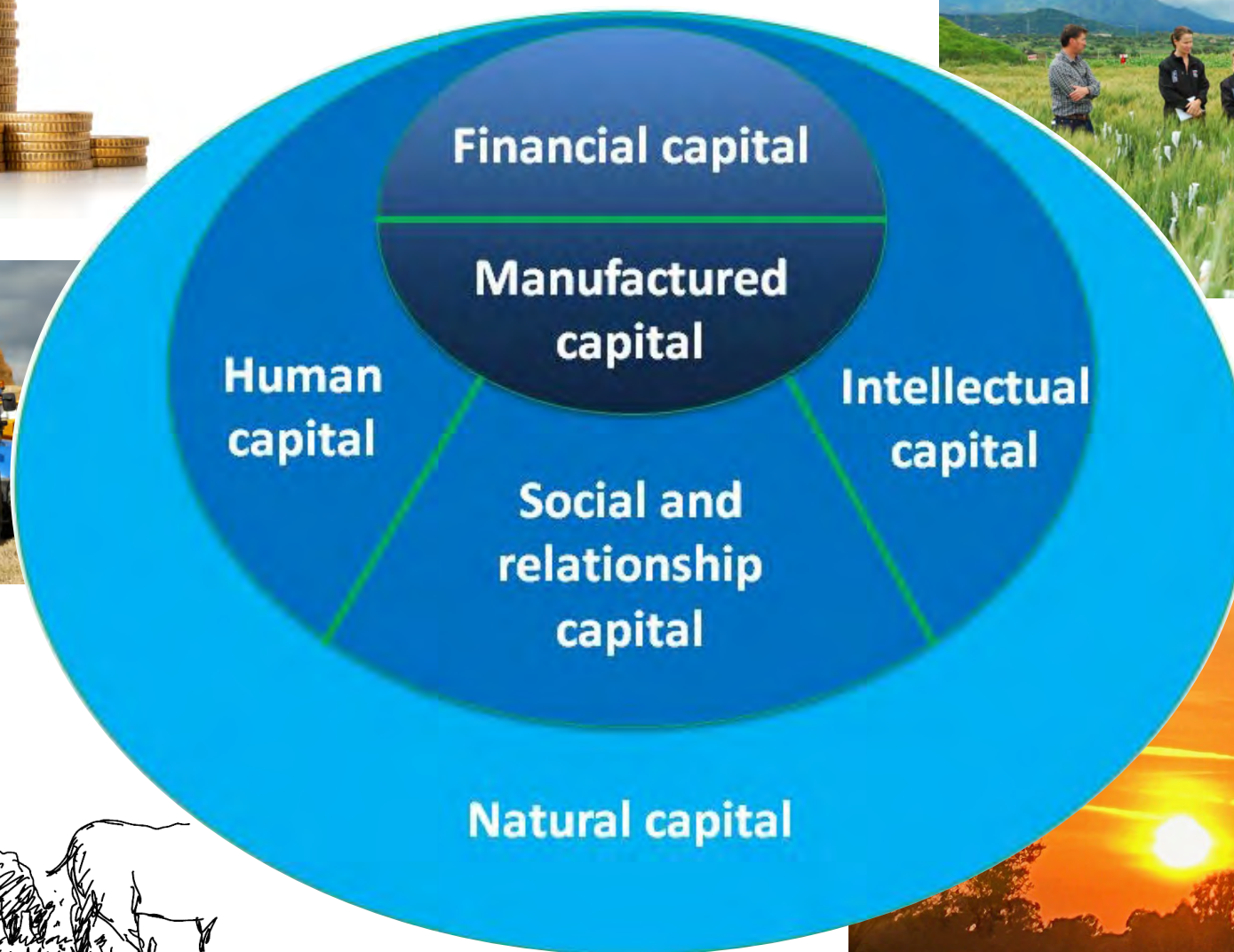
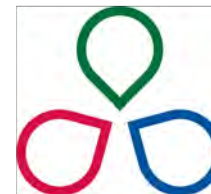
INTER-  
CONNECTIONS





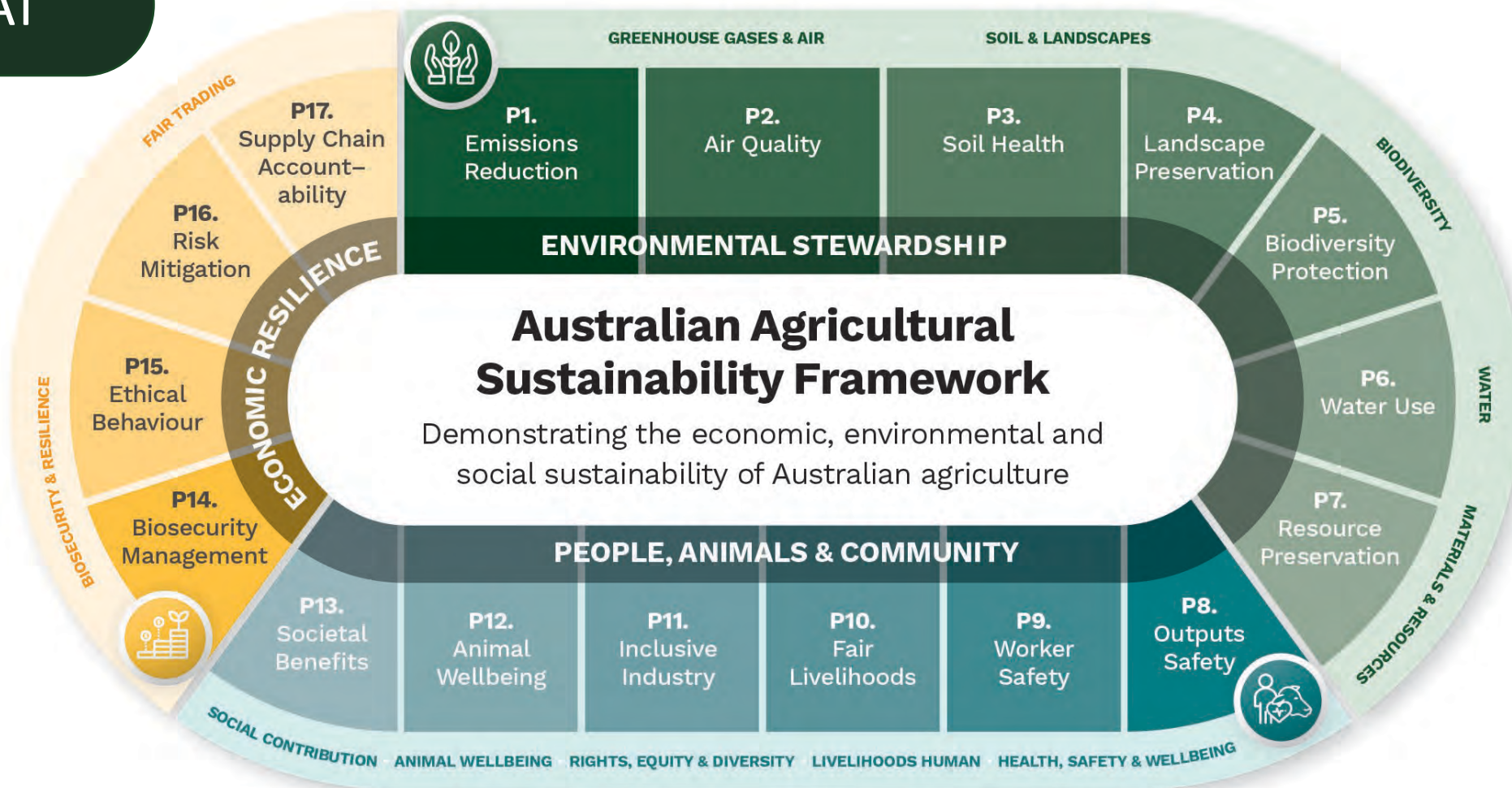
Sustainability is not marketing jargon.

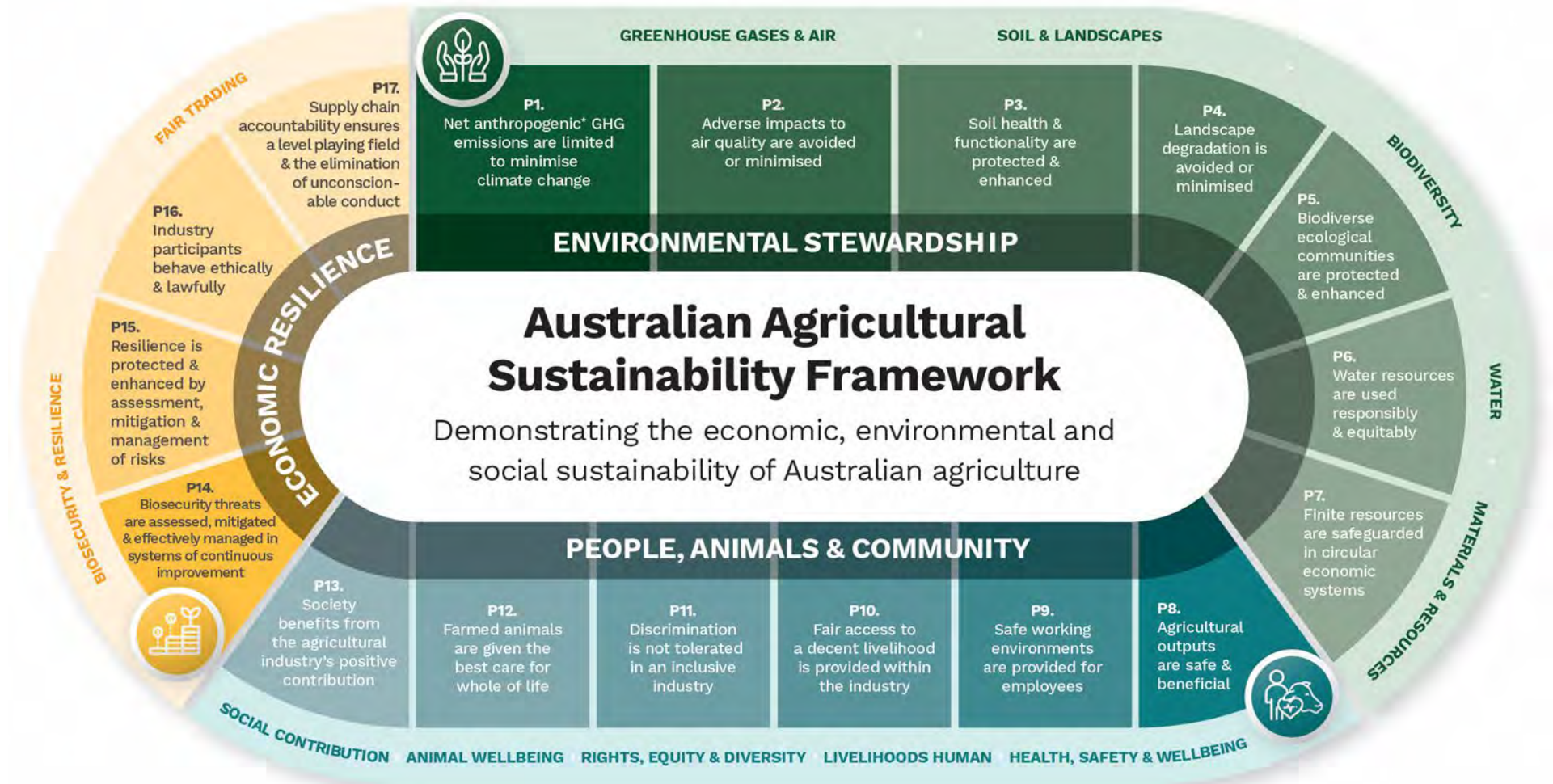
A sustainable farming business is one that's here for the long haul – one that looks to future profitability, productivity and continued stewardship of resources.





# WHAT







# HOW

Informed by Australian sustainability information + related plans / local priorities



Farmers/land managers provide input to inform sustainability objectives



Harmonisation



Informed by global standards/reporting



Informed by market requirements for ESG / sustainability compliance + Govt incentive programs







WHY

Consumer confidence

Communication

Harmonise efforts

Social licence

# Future-proofing

# Australian agriculture

PURPOSE of AASF

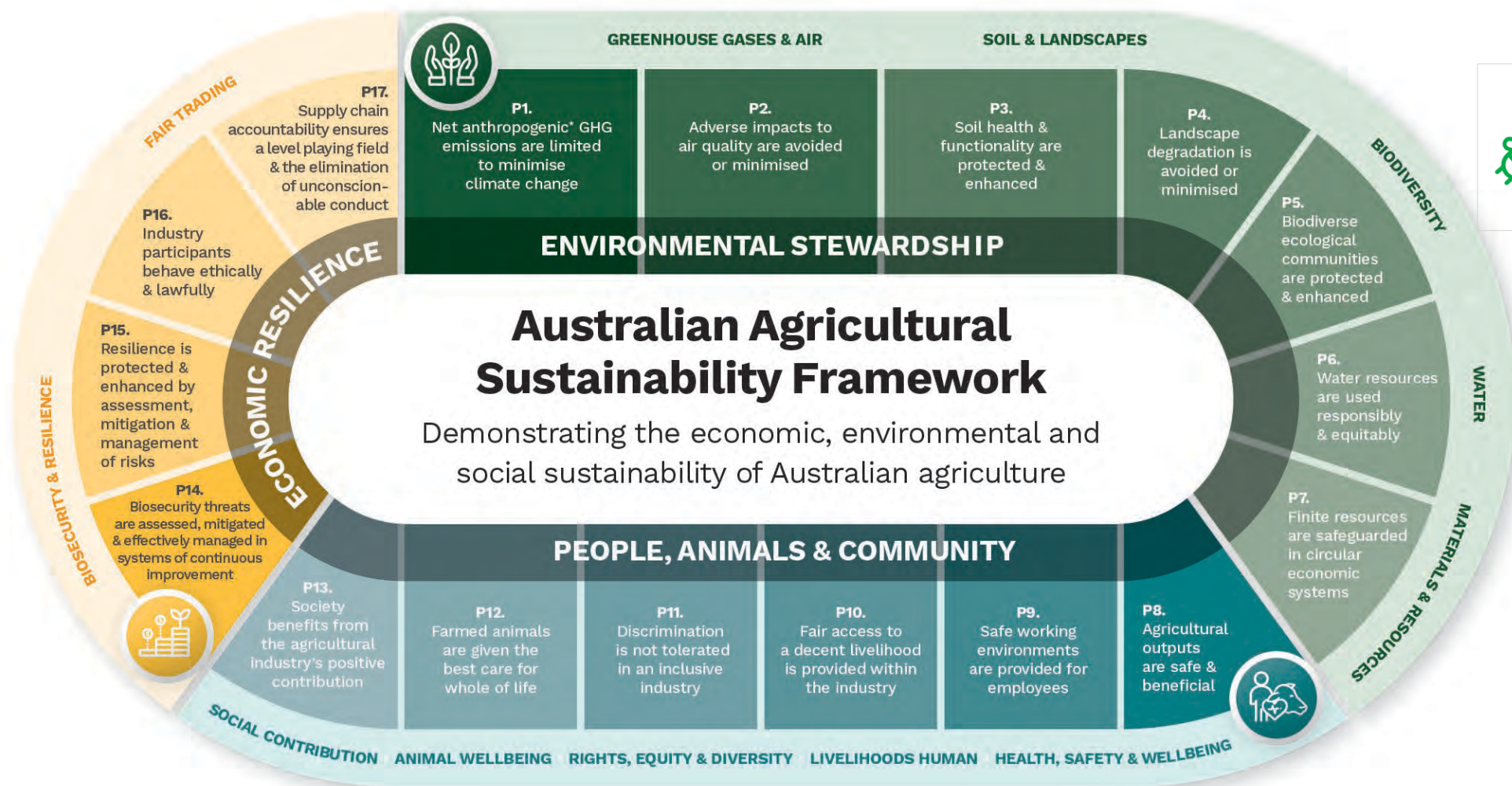
OUTCOMES of AASF  
(not purpose)

Access to finance

Political capital

Trade facilitation





## BIODIVERSITY

**AASF – P5.** Biodiverse ecological communities are protected and enhanced.

### AASF criteria for this principle:

C9. Farms support a diverse range of beneficial flora and fauna species

C10. Farm-related ecosystems are functioning and thriving

## Articulating PRINCIPLES

(not prescribing practices)

*Note: this list includes examples of AASF principle & criteria alignment / relationship to Australian and international sustainability initiatives – it is not a complete list. Exclusion from this list does not reflect lack of alignment.*



|   |   |                      |
|---|---|----------------------|
| AgCarE  | Formal vegetation/biodiversity assessment; biodiversity   | <a href="#">MORE</a> |
| Australian Beef Sustainability Framework                  | Priority Area 5.2 “Balance of tree & grass cover”   | <a href="#">MORE</a> |
| Australian Certified Organic                              | 4.6.1 Management, protection and enhancement of biodiversity and environmental aspects on organic farming operations shall be a priority of certified operators.  | <a href="#">MORE</a> |
| Behind Australian Grain                                   | Priority Area: Conservation– “Increase biodiversity stewardship on farms”   | <a href="#">MORE</a> |
| Cotton BMP  | Sustainable Natural Landscape, Maintain and improve the diversity of native plants and animals in the cotton landscapes   | <a href="#">MORE</a> |
| Dairy Sustainability Framework                            | Commitment 4, Goal 8: “Improve land management”   | <a href="#">MORE</a> |
| GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 | Topic 13.3 Biodiversity: This topic covers impacts on biodiversity, including on plant and animal species, and genetic diversity.   | <a href="#">MORE</a> |
| Horticulture Sustainability Framework                     | R.9: Biodiversity is managed sustainably  | <a href="#">MORE</a> |
| ISO13065:2015 Sustainability Criteria for Bioenergy       | Principle 5.2.5: Biodiversity - Promote positive & reduce negative impacts on biodiversity  | <a href="#">MORE</a> |
| ISO26000: Social Responsibility                           | Issue: Protection of the Environment, biodiversity & restoration of natural habitats.”  | <a href="#">MORE</a> |
| Montreal Process  | Criterion 1: Conservation of biological Diversity, Indicators 1.1 Ecosystem diversity, 1.2 Species Diversity, 1.3 Genetic Diversity   | <a href="#">MORE</a> |
| Roundtable on Sustainable Biomaterials                    | Principle 7: Biomaterial feedstock production and operations shall avoid negative impacts on biodiversity, ecosystems, and conservation values  | <a href="#">MORE</a> |
| Sheep Sustainability Framework                            | 3.3: Environment - Encourage biodiversity   | <a href="#">MORE</a> |
| Smartcane BMP   | Module 6 – Natural Systems Management   | <a href="#">MORE</a> |
| Sustainable Agriculture Initiative                        | Principle, Nature: “An agricultural sector that maintains and enhances the biodiversity of the area as well as surrounding ecosystems, promotes the health of pollinators, ensures diversity of genetic material (commercial and wild) and hinders invasive species.” | <a href="#">MORE</a> |
| Sustainable Winegrowing Australia                         | Priority: Biodiversity  | <a href="#">MORE</a> |
| UN SDG 15 – Life on Land                                  | Protect, restore & promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, & halt & reverse land degradation & halt biodiversity loss  | <a href="#">MORE</a> |



# S PEOPLE, ANIMALS & COMMUNITY RIGHTS, EQUITY & DIVERSITY



**AASF – P11.** Discrimination is not tolerated in an inclusive industry.

## AASF criteria for this principle:

C24. Human rights are respected unequivocally  
C25. Workplace diversity is valued and actively supported

Articulating  
**PRINCIPLES**  
(not prescribing practices)

*Note: this list includes examples of AASF principle & criteria alignment / relationship to Australian and international sustainability initiatives – it is not a complete list. Exclusion from this list does not reflect lack of alignment.*



**Australian Beef Sustainability Framework**

Priority Area 9.2: “Diversity in the workforce”

[MORE](#)

**Australian Certified Organic**

4.6.13 Operators shall provide their employees and contractors equal opportunity and treatment and shall not act in a discriminatory way.

[MORE](#)

**Behind Australian Grain**

Priority Area: Capacity & Leadership

[MORE](#)

**Cotton MyBMP**

WHS & HR: Workplace rights – a process is in place to ensure the fair treatment of employees

[MORE](#)

**GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022**

Topic 13.14 Rights of indigenous people: This topic covers impacts on the rights of indigenous peoples; Topic 13.15 Non-discrimination and equal opportunity: This topic covers impacts from discrimination and an organization’s practices related to equal opportunity

[MORE](#)

**ISO13065:2015 Sustainability Criteria for Bioenergy**

Principle 5.3.2: Labour Rights - Respect labour rights (Criteria 5.3.2.4 - Working Conditions)

[MORE](#)

**ISO26000: Social Responsibility**

Human Rights, Discrimination & vulnerable groups

[MORE](#)

**Roundtable on Sustainable Biomaterials**

Principle 4: Biomaterial feedstock production operations shall not violate human rights or labor rights, and shall promote decent work and the well-being of workers.

[MORE](#)

**SAFA (FAO)**

S4: The enterprise pursues a strict equity and non-discrimination policy and pro-actively supports vulnerable groups.

[MORE](#)

**Sustainable Agriculture Initiative**

Working & Living Conditions: “An agricultural sector that ensures human rights are respected, by providing a pleasant working environment, free from forced or the worst forms of child labour, any type of discrimination and disciplinary practices, work is appropriately compensated and managed, and access to suitable sanitary, housing and transportation infrastructures and services for farmers, farm workers and their families.”

[MORE](#)

**UN SDG 4 – Quality Education**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

[MORE](#)

**UN SDG 5 – Gender equality**

Achieve gender equality and empower all women and girls

[MORE](#)

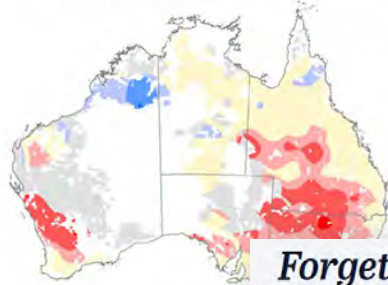


# WHY



## Recent changes in seasonal conditions have affected the profitability of Australian farms

Effect of recent (2001 to 2020) seasonal conditions on farm profit



### Forget military service, Australia needs mandatory farm stints

August 20, 2023 – 4:30pm

Let's all visit the farm

Regional labour should spend a few more months on the farm. It should do a stint in the

From 18 onwards, you should do a stint in the French-door fridges and jury duty – except you



Source: SMH [Forget military service, Australia needs mandatory farm stints \(smh.com.au\)](https://www.smh.com.au)

## Farmers push for public release of community engagement report

The National Farmers' Federation is calling on the federal government to expedite the public release of findings from a review into community engagement on renewables projects and energy infrastructure upgrades as it seeks to improve social license during the transition to renewables.

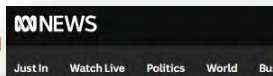
JANUARY 16, 2024 PV MAGAZINE

MARKETS SUSTAINABILITY UTILITY SCALE PV



Victorian farmer Katherine Myers, who says no to overhead power lines, says no to overhead power lines.

Source: PV mag [Farmers push for public release of community engagement report – pv magazine \(pvmagazine.com.au\)](https://www.pvmagazine.com.au)



## AgForce challenges Glencore's Great Artesian Basin carbon capture storage plan in Federal Court

ABC Rural / By Brandon Long  
Posted 23h ago



Leaders from the agriculture industry, politicians, farmers and children were seen waving signs outside court. (ABC News: Lucas Hill)

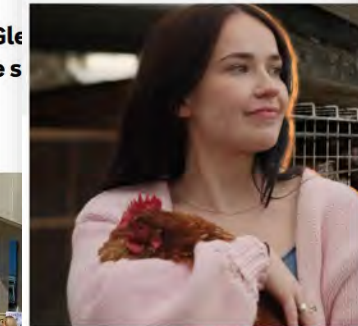
[abc.net.au/news/agforce-federal-court-glencore](https://www.abc.net.au/news/agforce-federal-court-glencore) Copy link Share article

Source: ABC news [AgForce challenges Glencore's Great Artesian Basin carbon capture storage plan in Federal Court - ABC News](https://www.abc.net.au/news/agforce-federal-court-glencore)

## THE FEED

### Sophie has secretly taken over 200 animals. She's risking prison

Some vegan activists have made it their mission to "liberate" animals – and they're willing to go, and how are farmers dealing with the fallout?



Source: SBS news [Sophie has secretly taken over 200 animals. She's risking prison](https://www.sbs.com.au/news/sophie-has-secretly-taken-over-200-animals-she-s-risking-prison)

## GREENHOUSE GASES & AIR

## SOIL & LANDSCAPES

## P3. Soil Health

## Mandatory climate-related financial disclosures

### Policy position statement

The Government is committed to improving the quality of climate-related financial disclosures, providing Australians and investors with greater transparency and more comparable information about an entity's exposure to climate-related financial risks and opportunities and climate-related plans and strategies.

Improving climate disclosures will support regulators to assess and manage systemic risks to the financial system as a result of climate change and efforts taken to mitigate its effects.

A rigorous, internationally aligned and credible climate disclosure regime will support Australia's reputation as an attractive destination for international capital and help draw the investment required for the transition to net zero. It will bring Australia in line with other jurisdictions, including the EU, UK, New Zealand and Japan.

This statement outlines the Government's policy positions related to: the scope of the reform (including entities covered), the content required in reports, the location of reporting, assurance requirements for disclosures, and the application of liability for disclosures. These policy positions reflect Option 1b as outlined in the Policy Impact Analysis.

Climate-related financial disclosures will be mandated through amendments to the *Corporations Act 2001* (Cth) (Corporations Act) and related legislation. Detailed sustainability and assurance standards will be made and maintained by the Australian Accounting Standards Board (AASB) and the Australian Auditing and Assurance Standards Board (AUASB).

### Reporting entities

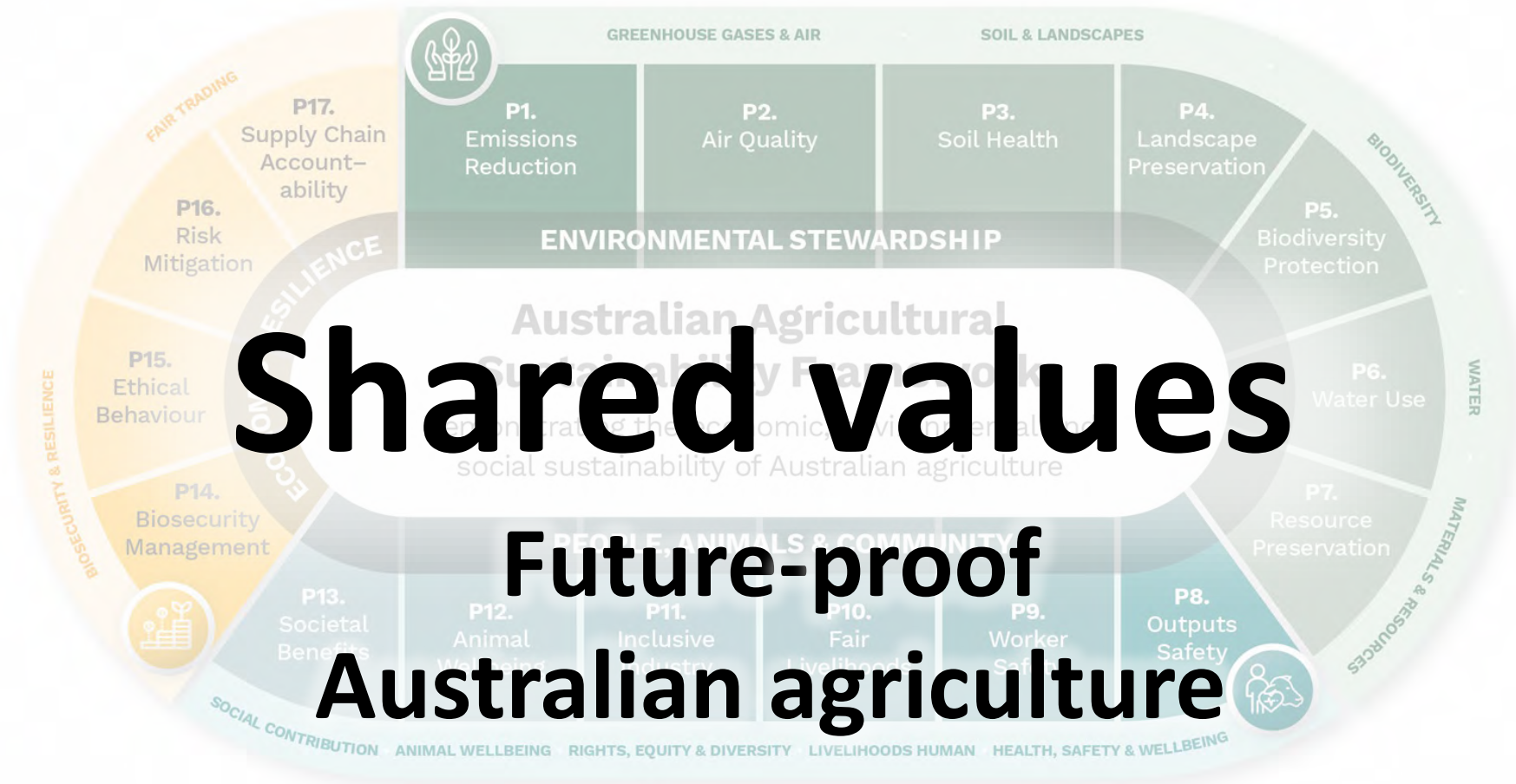
Who will be included?

- Large entities that are required to prepare and lodge annual reports under Chapter 2M of the Corporations Act will be required to disclose information about climate-related risks and opportunities. This includes listed and unlisted companies and financial institutions as well as registrable superannuation entities and registered investment schemes.
  - Large entities are defined using size thresholds equivalent to the existing Large Proprietary Company definition (this threshold will apply to both listed and unlisted companies).
  - Reporting by large entities will provide transparency to shareholders and support the efficient allocation of capital aligned with risks and opportunities.

Source: Treasury [Mandatory climate-related financial disclosures - Policy position statement \(treasury.gov.au\)](https://www.treasury.gov.au)



WHY







Five Oaks, Ungarie NSW





# MARK TITTERINGTON

Co-founder and Director, Forum for the Future of Agriculture  
Co-Head, Global Sustainability & Public Affairs, Indigo



# Trade and sustainability

## Farm Foundation Forum

May 14, 2024



EU Green Deal is key to understanding the EU's approach to agriculture and trade

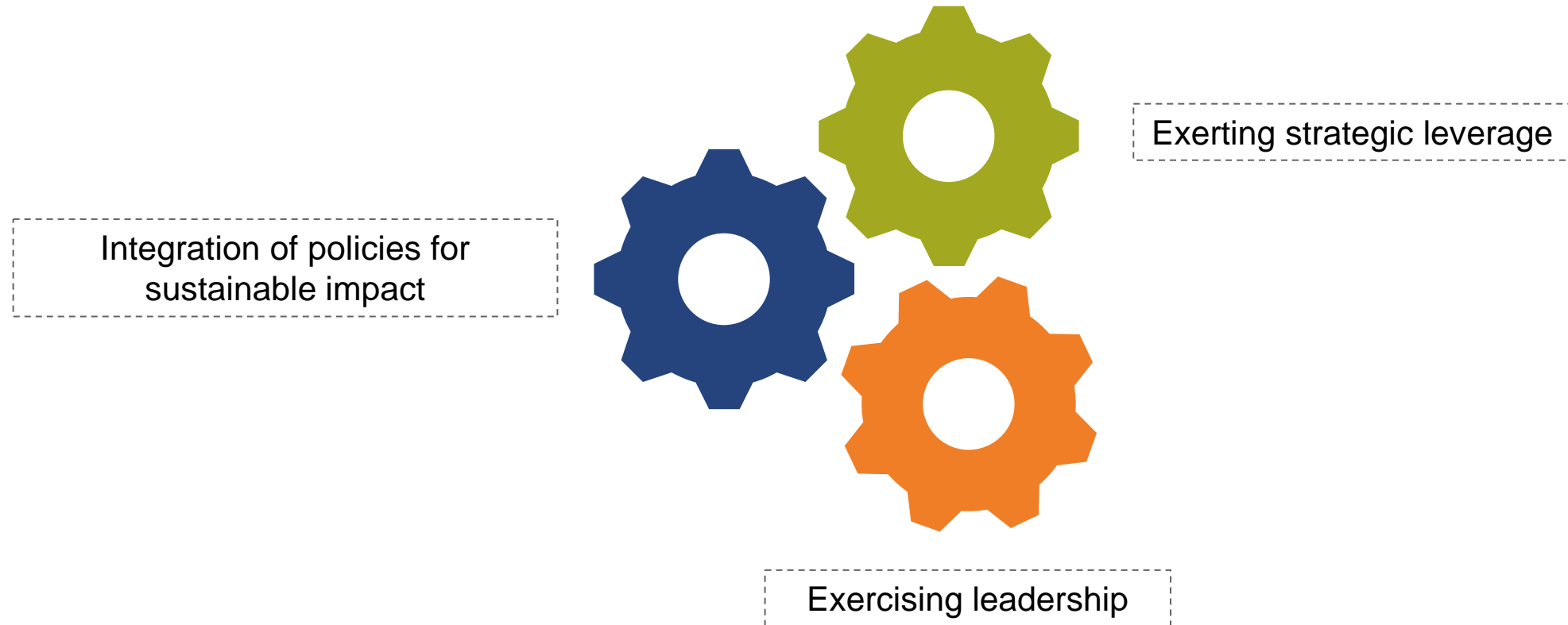


# Farm to Fork Strategy at the heart of the Green Deal...





... and has informed a blueprint for sustainable agriculture markets



Implementation of Farm to Fork has encountered...  
turbulence?



# Leading to the Strategic Dialogue on Agriculture...




“We must work together with the men and women in EU farming to secure our food supply for the future. Our farmers face mounting challenges: that is why we want to launch a strategic dialogue on the future of EU agriculture. I am convinced that agriculture and protection of the natural world can go hand in hand. We need both.”

— **Ursula von der Leyen, President of the European Commission, State of the Union 2023**



... as European elections loom large!





Implications for  
direction of  
policy?

Thank you!









# TYLER MCCANN

Managing Director,  
Canadian Agri-Food Policy Institute



**CAPI**

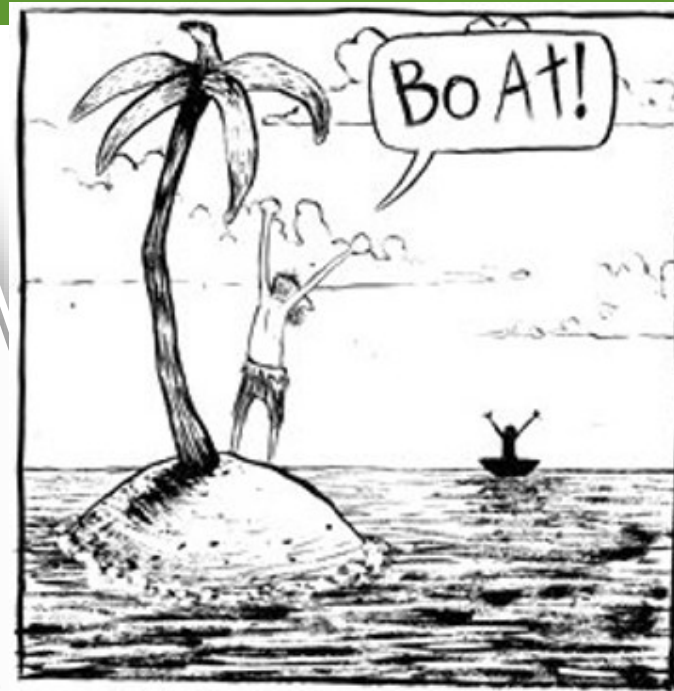
THE CANADIAN AGRI-FOOD  
POLICY INSTITUTE

# Global Ag Trade and Sustainability Gaps and Opportunities



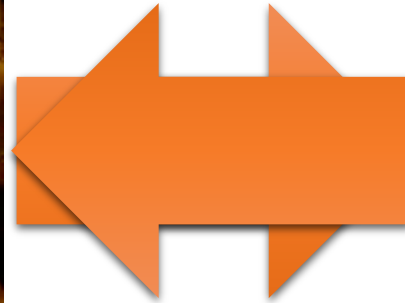


# The Challenge of Perception



# The Challenge of Perception

## Food System Transformation





# National Index on Agri-Food Performance

## Canada's 1st agri-food sustainability index

### What it is:

#### ✓ A systems view of sustainability

- **Holistic:** 20 indicators across 4 blocks of sustainability
- **Sector-wide:** Consolidated national picture from production to retail \*
- **Relevant:** Reflects key Cdn/global agri-food goals & many ESG factors



#### ✓ A framework to align & step-up disclosure

- **Inspire:** Defines how agri-food *ought* to be measured (seeks outcomes-based metrics)
- **Transparent:** Report on areas of leadership, needed progress & the data gaps
- **Leverage:** A tool to enhance trust, enable competitiveness & inform policy, research

### What it is not:

- Not prescriptive
- Not scoring producers, companies or governments
- Not comparative (to other countries)
- Not measuring consumer diets

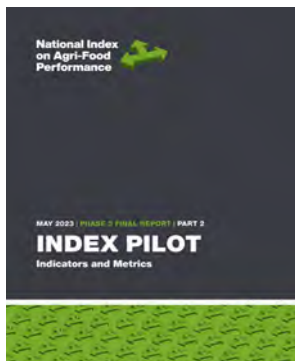
\* Index measures largely what is directly related to and in the control of production (all forms of agriculture and fisheries/aquaculture), processing and food retailing, and bioproducts sectors





# National Index on Agri-Food Performance

- ✓ 4 sustainability blocks
- ✓ 20 indicators
- ✓ Well over 130 metrics (not shown)



[www.agrifoodindex.ca](http://www.agrifoodindex.ca)

| INDICATORS                         | METRICS   |
|------------------------------------|---|
| 1. Climate change & GHGs           | 1. Emissions<br>2. Sequestration/loss<br>3. Mitigation  |
| 2. Soil health                     | 1. Soil cover<br>2. Soil erosion<br>3. Soil organic carbon  |
| 3. Water stewardship               | 1. Water quality<br>2. Water use  |
| 4. Biodiversity & agrobiodiversity | 1. State of biodiversity & habitat change (interim for 3 & 4)<br>2. Conversion of farmland to urbanization<br>3. Composite view: state of biodiversity & habitat change<br>4. Disaggregated views: state of biodiversity & habitat change |
| 5. Crop inputs use / management    | 1. Responsible pest control use (pesticides)<br>2. Responsible nutrient use (fertilizer)  |
| 6. Food loss & waste               | 1. Reduce<br>2. Repurpose   |
| 7. Packaging & waste               | 1. Reduce / recycle<br>2. Reuse   |

National Index on Agri-Food Performance



| INDICATORS                          | METRICS   |
|-------------------------------------|---|
| 14. National economic contribution  | 1. GDP<br>2. Employment<br>3. Trade balance   |
| 15. Financial vibrancy & resiliency | 1. Financial performance<br>2. Investment<br>3. Labour<br>4. Infrastructure<br>5. Supply chain resiliency |
| 16. Innovation                      | 1. R & D<br>2. Regulatory approvals<br>3. Innovation adoption   |
| 17. Sustainable finance             | 1. Market-based sustainable capital / investment<br>2. Government / NGO-sourced climate solutions funding |

| INDICATORS                              | METRICS   |
|---|---|
| 8. Safe food                            | 1. Overall safe food supply<br>2. Recalls & safety alerts<br>3. Compliance with maximum limits for contaminants |
| 9. Health: Nutrition information        | 1. Provision of nutrition information<br>2. Mandatory fortification<br>3. Promoting Indigenous country foods    |
| 10. Health: Antimicrobial stewardship   | 1. Antimicrobial use & resistance   |
| 11. Health: Zoonotic disease mitigation | 1. Risk surveillance: rate of animal disease outbreaks  |
| 12. Traceability implementation         | 1. Traceability scope   |
| 13. Transparency & accuracy             | 1. Labelling of packaged food products<br>2. Health claims<br>3. Food misrepresentation                         |

| INDICATORS                 | METRICS   |
|----------------------------|---|
| 18. Decent work for people | 1. Workplace mental health<br>2. Workplace safety<br>3. Inclusive & progressive workplace<br>4. Attractiveness of sector as a place to work |
| 19. Food security          | 1. Monitoring food insecurity: food affordability<br>2. Increasing access to nutritious foods   |
| 20. Animal care            | 1. Farmed animal codes of conduct   |

Applicable UN Sustainable Development Goals (SDGs)



# Sustainability Policy In Canada

The **Prime Minister's mandate letter** to the Minister of Agriculture and Agri-Food directs the minister to help the sector address climate change and to support the development of clean and sustainable technology.

2015

The **Pan-Canadian Framework on Clean Growth and Climate Change** identifies the need for the federal, provincial, and territorial governments to work together to protect and enhance agricultural carbon sinks.

2016

**A Healthy Environment and a Healthy Economy**, Canada's strengthened climate plan, sets a national fertilizer emission reduction target of 30% below 2020 levels by 2030.

2020

The **Fall Economic Statement** calls for the development of an agri-environmental strategy.

2022

The **2030 Emissions Reduction Plan** includes the Agricultural Clean Technology program, the On-Farm Climate Action Fund, and the Living Labs program.

2023

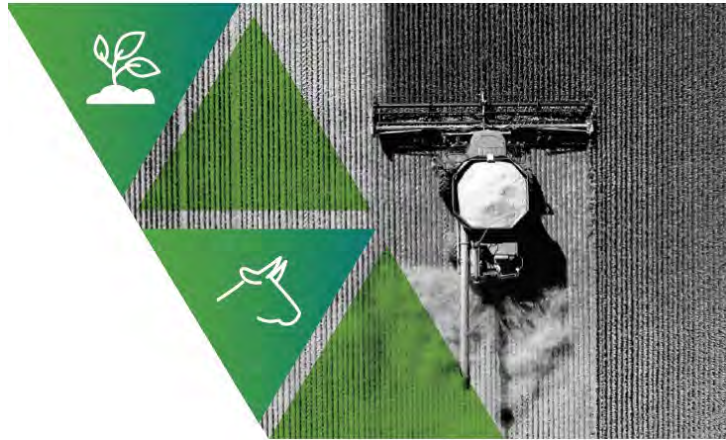
The **Sustainable Canadian Agricultural Partnership** is a 5-year federal, provincial, and territorial agriculture policy framework, with climate change and the environment as a priority area.

**Faster and Further: Canada's Methane Strategy:** agriculture is critical to reducing methane emissions. The strategy listed AAFC's climate change mitigation programs among the measures that are expected to contribute to methane reductions.

Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada

**Agriculture and Climate Change Mitigation—Agriculture and Agri-Food Canada**

Report 5



Independent Auditor's Report | 2024



Office of the Auditor General of Canada

Bureau du vérificateur général du Canada



# Sustainability Policy In Canada

| Programs and departmental activities<br>(fiscal years)                               | Federal<br>allocated<br>funding<br>(\$) | Est permanent<br>emission<br>reductions in<br>2023<br>(Mt CO <sub>2</sub> eq) |
|--|---|---|
| Living Labs<br>(2021–22 to 2030–31)  | \$185 million                           | 1.00  |
| On-Farm Climate Action Fund<br>(2021–22 to 2027–28)                                  | \$704 million                           | 1.61  |
| Agricultural Clean Technology program<br>(2021–22 to 2028–29)                        | \$471 million*                          | 0.77  |
| SCAP— Programs supported under the FPT<br>policy framework (2023–24 to 2027–28)      | \$63 million<br>(federal share)         | 0.83  |
| Resilient Agricultural Landscape<br>Program (2023–24 to 2028–29)                     | \$150 million<br>(federal share)        | 3.50  |
| Efforts toward the government target for<br>fertilizer emission reductions (by 2030) | Partially<br>funded**                   | 3.50  |
| Efforts toward the government target for<br>methane emission reductions (by 2030)    | None<br>identified                      | None<br>identified  |
| <b>Total</b>   | <b>\$1.57B</b>                          | <b>11.21</b>  |

## Findings

- The department had no strategy to meet its expected contributions to reductions of greenhouse gas emissions
- The department had limited results and poor results measurement

## Recommendations

- *“The department should finalize and implement a sustainable agriculture strategy...”*
- *“minimize administrative lag times, enable longer-term project planning, and support the continuity and sustainability of its climate change mitigation programs...”*
- *“achieve the expected reductions of greenhouse gas emissions by 2030, and help achieve greater reductions to 2050, AAFC should...”*
- *“enable the accurate, timely, and transparent assessment of results and the ability to roll up greenhouse gas emission reduction data across its projects and programs, AAFC should implement a results monitoring framework...”*





# Sustainability Policy In Canada

## The Carbon Tax



### How carbon pricing works

#### Agriculture sector

Pollution pricing... exempts all gasoline and diesel... as well as biological emissions so that about 97% of on-farm emissions are not subject to the price on pollution. As well, farmers... can receive a refundable tax credit to help them transition to lower-carbon ways of farming...

**Western Wheel**

HOME > OPINION

### COLUMN: Carbon tax to cost Canadian farmers almost \$1B by 2030

Foothills MP John Barlow says the federal government's budget watchdog has confirmed what Canadians already know – the carbon tax is driving up the cost of food.

John Barlow Foothills MP and Conservative Shadow Minister for Agriculture, Agri-Food and Food Security  
Sep 22, 2023 2:30 PM

**CBC NEWS** Top Stories Local Climate World More

PEI  
**PE.I. agricultural group disappointed at lack of support for carbon tax exemption**  
'This bill was very important to agriculture'

Nancy Russell | CBC News · Posted: Jan 17, 2024 5:00 AM EST | Last Updated: January 17

**CALGARY HERALD**

Columnists

### Opinion: The crushing impact of the federal carbon tax on agriculture

John Van Hierden, Calgary Herald

Published May 06, 2024 · Last updated 6 days ago · 3 minute read

9 Comments

### Feast or Famine:

Impacts of climate change and carbon pricing on agriculture, agri-food and forestry

Senate Committee on Agriculture and Forestry  
The Honourable Diane F. Griffin, Chair  
The Honourable Ghislain Maltais, Deputy Chair

DECEMBER 2018

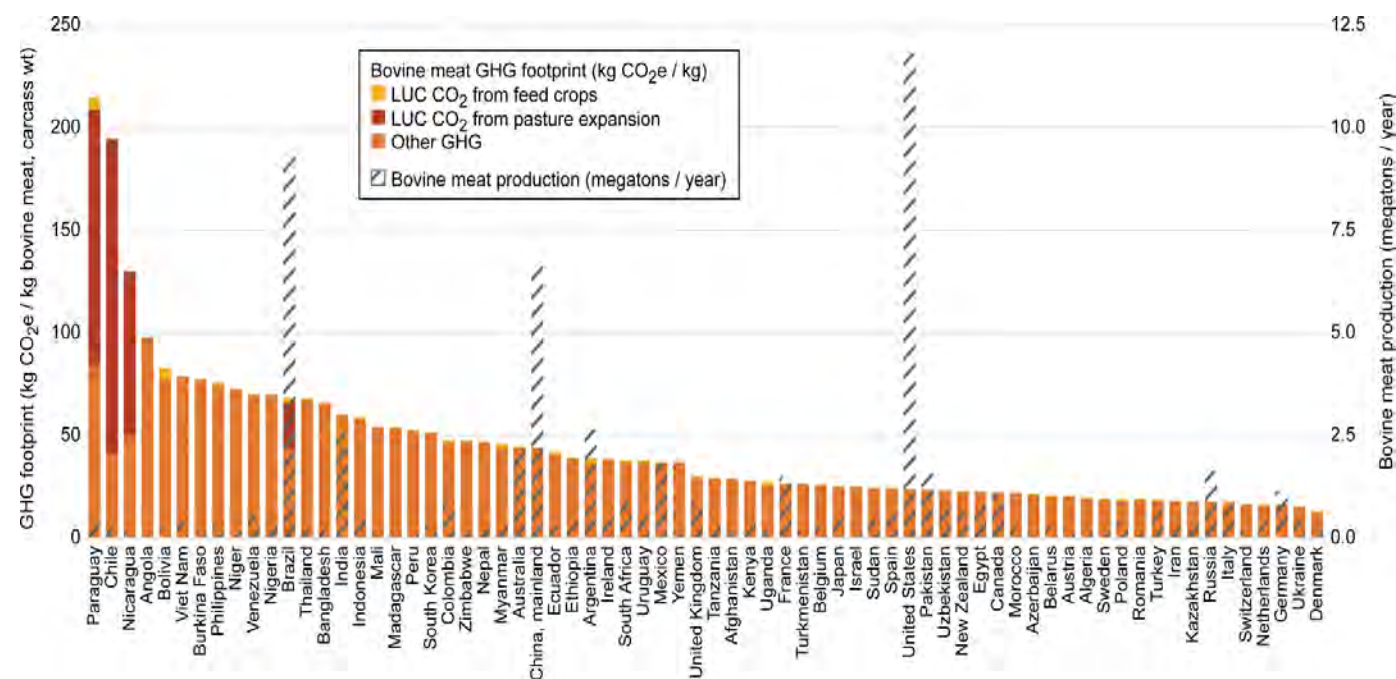
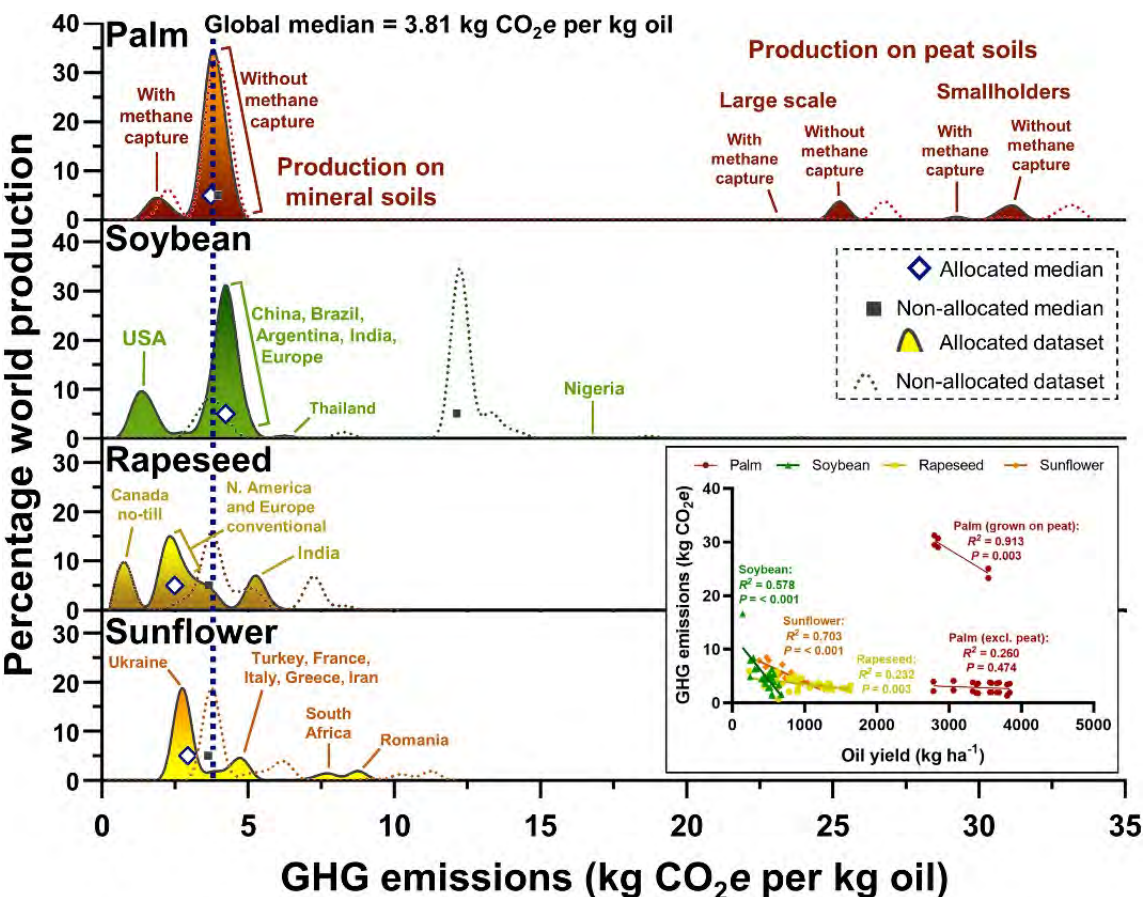


**NATIONAL OBSERVER** Log in Subscribe

### Farmers wait anxiously for verdict on carbon price carve-out bill

By Mia Rabson | News | January 31st 2024

# Not all food is equal



More sustainable vegetable oil: Balancing productivity with carbon storage opportunities <https://www.sciencedirect.com/science/article/pii/S0048969722016321>

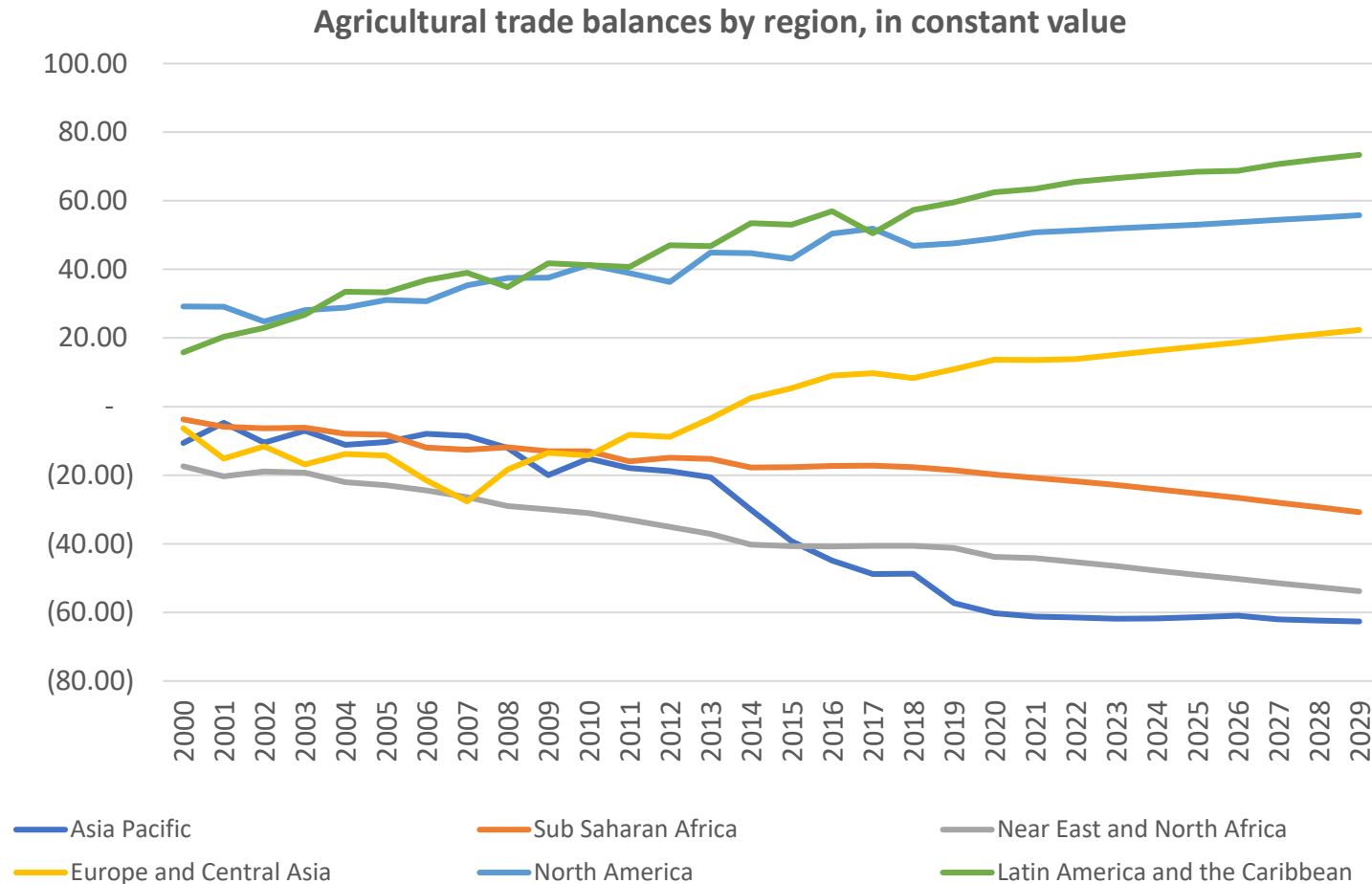
Country-specific dietary shifts to mitigate climate and water crises <https://www.sciencedirect.com/science/article/pii/S0959378018306101>



# The Trade Reality

## Perspectives differ, but...

- Trade continues to increase, but growth is slowing
- Share of production traded is increasing
- # of net food exporters is shrinking



Source: OECD

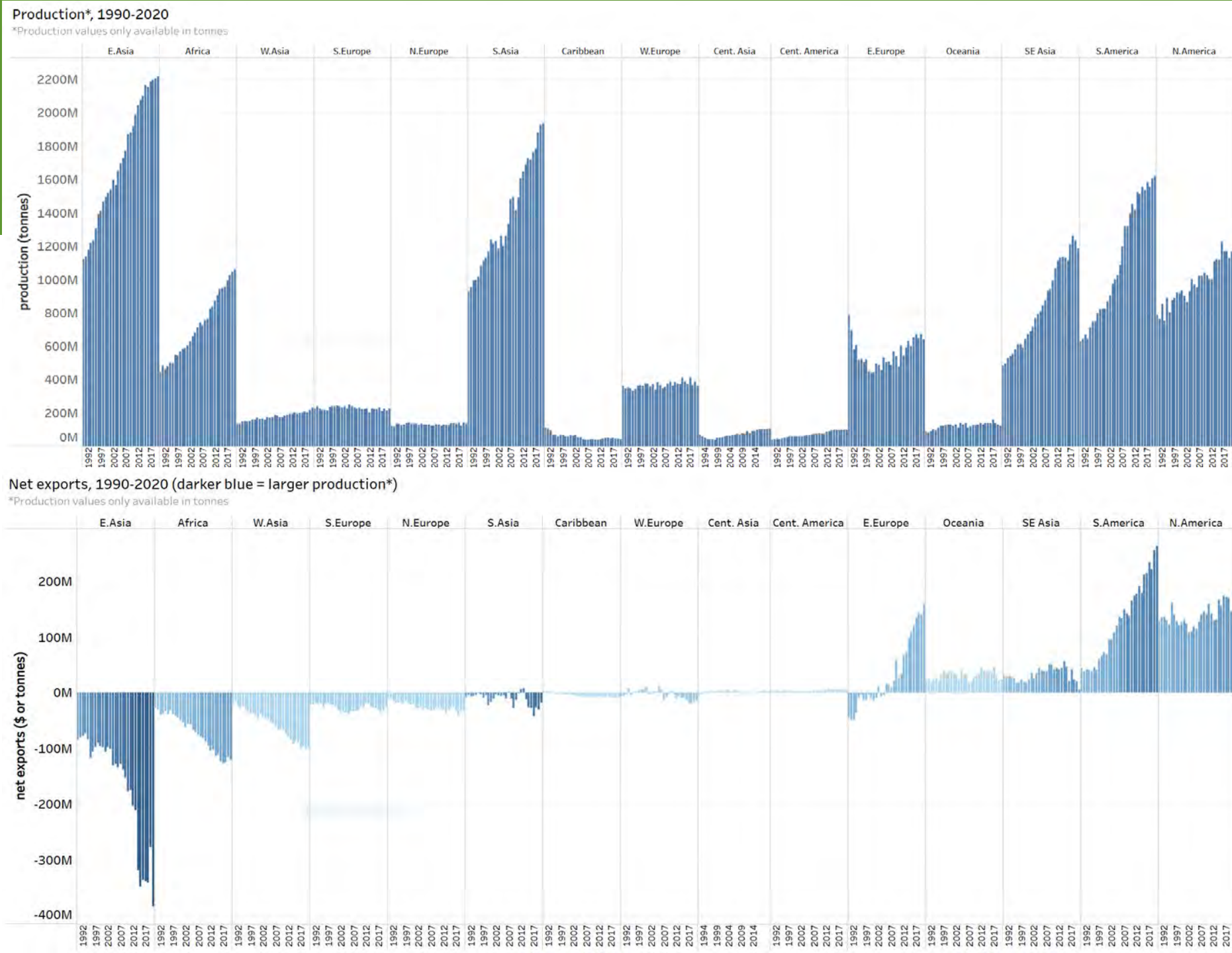




# Trade

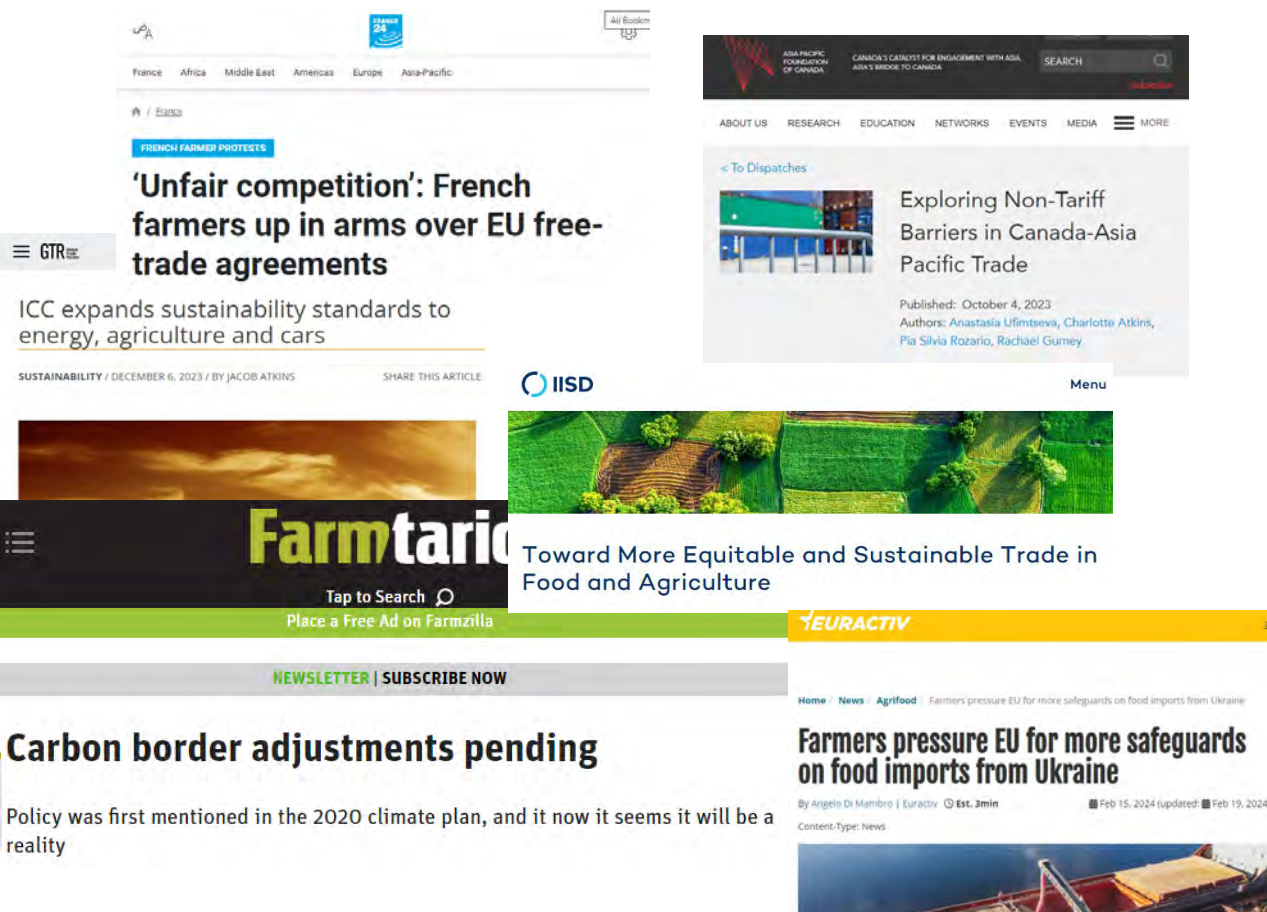
Production is  
diversified, but  
exports are  
concentrated...

Source: FAOSTAT  
Produced by CAPI



# Trade and Sustainability

## Intersection or Collision...



The collage includes several news snippets:

- French Farmer Protests:** 'Unfair competition': French farmers up in arms over EU free-trade agreements. ICC expands sustainability standards to energy, agriculture and cars. SUSTAINABILITY / DECEMBER 6, 2023 / BY JACOB ATKINS.
- Exploring Non-Tariff Barriers in Canada-Asia Pacific Trade:** Published: October 4, 2023. Authors: Anastasia Ufimtseva, Charlotte Atkins, Pia Silvia Rozario, Rachael Gurney.
- Farmtario:** Toward More Equitable and Sustainable Trade in Food and Agriculture. Tap to Search. Place a Free Ad on Farmzilla.
- Carbon border adjustments pending:** Policy was first mentioned in the 2020 climate plan, and it now it seems it will be a reality.
- Farmers pressure EU for more safeguards on food imports from Ukraine:** By Angelo Di Mambro | Euractiv. Feb 15, 2024 (updated: Feb 19, 2024).



Changing Times Require a New Approach to Securing the Future Prosperity of Canada's Agricultural Sector

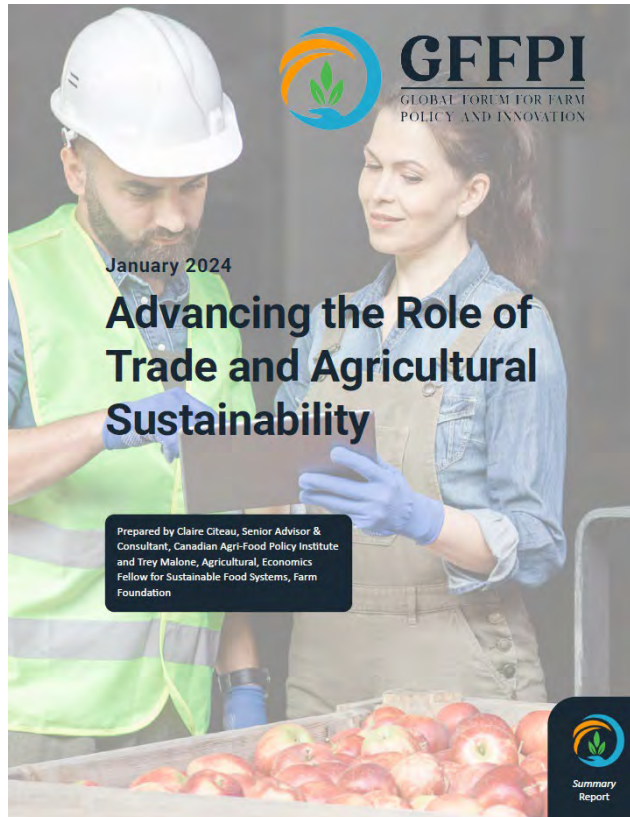
John Weekes, CAPI Board Member

With the right political leadership Canada could take the lead in creating a new group dedicated to the twin objectives of removing remaining impediments to agricultural trade and ensuring that efforts to feed the world are done in an environmentally sustainable way.



# Trade and Sustainability

An increasingly common challenge and opportunity



## Key Conclusions

- Enhancing food systems and trade through outcomes-based approaches to sustainability
- Intensify global cooperation in support of coherent policies and a global framework for sustainable agriculture.
- Optimize trade to make agriculture sustainable and profitable.
- Harnessing data and technology to transform the way we grow and trade food.





# Trade and Sustainability

## Outcomes-based approaches

### Ideas and Areas to Explore

- **Create a platform to advance the dialogue and share information** to better understand how trade and sustainability interact, and identify policy efficiencies, pilot programs, etc.
  - (1) Build on the work of the OECD to gather data and identify information gaps.
- Research and **identify existing** principles and standards that could be used as models to develop an outcome-based framework for sustainable agriculture.
- Build on G20 Declarations to develop a **shared vision** of the intersection of trade and sustainable agriculture.
- Facilitate **public-private dialogues** with international bodies (WTO, OECD, FAO) to explore the idea of a **global trade policy framework** integrating sustainability outcomes as well as **principles, standards and clear, simple metrics**.
  - (1) As a pilot, start with one or two commodities where work or data already exists (wheat, cocoa, coffee).

*"We need outcome-based policies and a definition of sustainability as well as metrics, so we develop measurable policies. We need to be factually correct."  
- Workshop participant*



# Trade and Sustainability

## Looking Forward

The intersection of trade and sustainability can be a wicked problem or a positive opportunity, either way we need to work together to solve it!



OR









# DEVRY BOUGHNER VORWERK

Founder and CEO,  
DevryBV Sustainable Strategies





# Trade and Agricultural Sustainability: *Finding Truth, Synergy, and Accountability in Global Public Policy.*

Presented by Devry Boughner Vorwerk  
Founder + CEO

May 14, 2024



# “Ground Truth” of Public Policy.

- Truth is guiding principle of sound public policy.
- “Ripple effect” of subsidies, border measures, tax incentives, regulatory reporting requirements, emissions standards, etc.
- Take long-term perspective on outcomes and impact.
- It’s difficult to address in the moment, but it’s important for viability of a sustainable food system.





# Four general conversation points for today's discussion.

1. A Trip Down Memory Lane.
2. The “Spaghetti Pot” Is Overflowing.
3. OSFA does not work for SMEs
4. Measurement, Measurement, Measurement, Market.



# A Trip Down Memory Lane.

Remember Red, Yellow, and Green Box? Blue Box?

Market Access, Export, and SPS Commitments?

Marrakesh Agreement?





# Agreement Founding WTO.

“Recognizing that their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services, while allowing for the optimal use of the world’s resources in accordance with the objective of sustainable development, **seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development,...**”



WORLD TRADE  
ORGANIZATION



The “Spaghetti Pot” is  
Overflowing.

1995 Jagdish Baghwati  
“spaghetti bowl effect.”

Lack of accountability  
to commitments.

Plethora of  
uncoordinated  
subsidies, tax breaks...



# At a glance: international climate & sustainability disclosure requirements

## KEY:

- Mandatory CRD in force
- Mandatory CRD proposed

## SECTION OVERVIEW

The global regulatory landscape with respect to ESG reporting is changing at pace. More than 60% of world GDP is now subject to mandatory climate-related disclosures (CRD) measures, either proposed or already in force. This page provides an at-a-glance overview of measures in key markets. These obligations could affect New Zealand companies directly, depending on in-market presence, or indirectly through the supply chain requirements of their customers in those countries. In addition, there is widespread uptake of voluntary reporting under initiatives such as the Task Force on Nature-related Financial Disclosures (TNFD).



### UK & EUROPE

#### United Kingdom

- Mandatory CRD (since 2022)
- Emissions reporting requirements
- Sustainability Disclosure Requirements (since 2023)
- Modern slavery reporting (since 2015)

#### European Union

- Corporate Sustainability Reporting Directive (from 2026)
- Corporate Sustainability Due Diligence Directive (likely from 2026)

### ASIA PACIFIC

#### India

- Listed issuer ESG disclosures (phased in from 2022)

#### China

- Listed issuer ESG disclosures (from 2024)
- Emissions reporting requirements (various requirements since 2006)

#### Taiwan

- Emissions reporting requirements (since 2021)
- Listed issuer ESG disclosures (since 2023)

### Hong Kong

- Listed issuer ESG disclosures (since 2023)
- CRD (from 2025)

#### Korea

- Emissions reporting (amended 2021)
- ESG disclosures (proposed from 2026)
- Human rights in supply chain reporting (from 2024)

#### Japan

- Emissions reporting (since 2021)
- Listed issuer ESG disclosures (since 2021)
- Sustainability disclosures (proposed from 2025)

### Singapore

- Emissions reporting (various requirements since 2012)
- Listed issuer ESG disclosures (since 2023)
- CRD (from 2025)

#### Thailand

- Listed issuer ESG disclosures (since 2021)
- Emissions reporting (proposed 2024)

#### Vietnam

- Listed issuer ESG disclosures (since 2020)
- Emissions reporting (since 2022)

### Malaysia

- Listed issuer ESG disclosures (since 2023)
- Enhanced CRD and sustainability disclosures (proposed from 2025)

#### Indonesia

- Listed issuer ESG disclosures (since 2022)
- Environmental and ESG planning (since 2012)

#### Philippines

- Listed issuer ESG disclosures (from 2025)

### AUSTRALIA

- CRD (proposed from 2025)
- Modern slavery reporting (since 2018)
- Emissions reporting requirements (since 2007)

### NORTH AMERICA

#### United States

- CRD (rule finalised in 2024; currently on hold)
- California Climate Accountability Package, including emissions reporting, CRD and carbon offset disclosures (from 2026)

- New York (proposed) and California (since 2010) supply chain due diligence requirements

#### Canada

- CRD for financial institutions (from 2024)
- Sustainability disclosures (from 2025)
- Human rights supply chain reporting (from 2024)



# CBAM definitive regime (from 2026)



EU importers of goods covered by CBAM will register with national authorities where they can also buy **CBAM certificates**. The price of the certificates will be calculated depending on the **weekly average auction price of EU ETS allowances** expressed in €/tonne of CO<sub>2</sub> emitted.

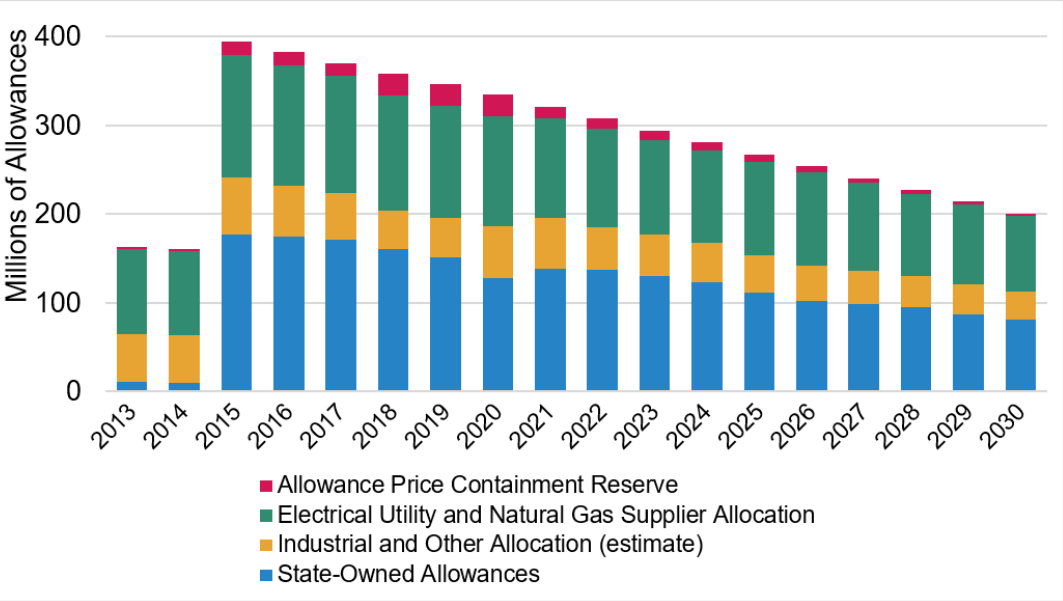


EU importers will **declare the emissions** embedded in their imports and **surrender** the corresponding number of certificates each year.



If importers can prove that a **carbon price has already been paid** during the production of the imported goods, the corresponding amount **can be deducted**.

Source: [https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism\\_en](https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en)



<https://ww2.arb.ca.gov/resources/documents/cap-and-trade-program-allowance-distribution-factsheet>

*“Right now, our existing trade policies and the international rules that govern them don’t pay enough attention to the emissions embodied in tradeable goods ... Instead, we need a smart, 21st century-approach to climate and trade policy that launches a “race to the top” for climate action.”*

John Podesta, Columbia Global Energy Summit, April 16, 2023

Figure 1: How emissions trading works



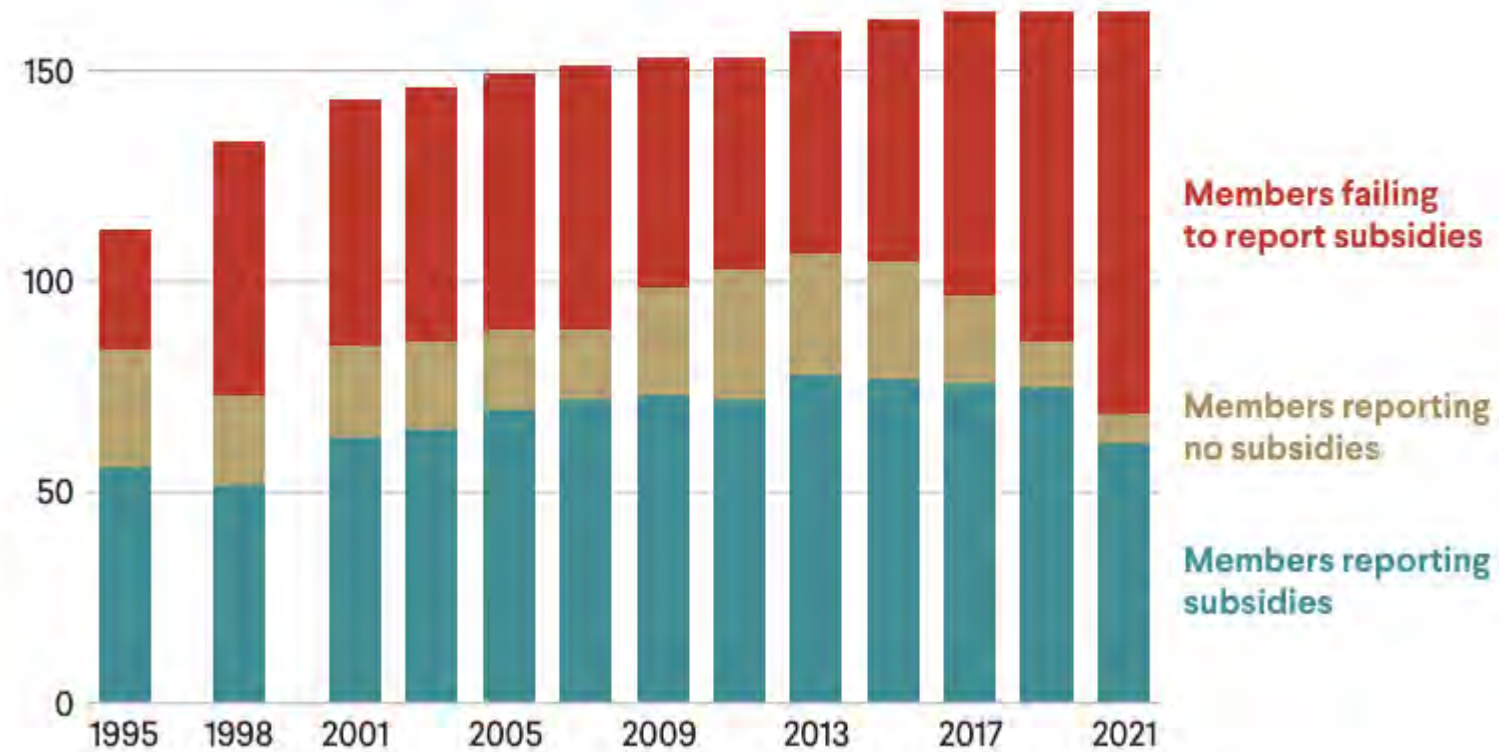
Source: Motu

An ETS translates a regulatory limit on emissions into an emissions price set by the market, which changes people's behaviour to reduce emissions. The limit on emissions is defined by the number of tradable emissions units (i.e., allowances to emit) in the market, which reduces over time. The key players are the **government** which allocates emissions units into the market, **ETS market participants** who trade emissions units and/or surrender emissions units for compliance and **businesses and households** who receive an emissions price incentive to choose lower-emission goods, services and activities. External offset mechanisms and/or international trading may also supply emissions units. Design details vary by system. As of February 2022, the NZ ETS is not directly linked to any ETS in another jurisdiction or any offshore offset mechanisms.



## The Number of WTO Members Failing to Report Subsidies Has Grown

WTO members by subsidy notification status



Source: World Trade Organization.

Chart found at: <https://www.hinrichfoundation.com/research/how-to-use-it/rethinking-international-rules-on-subsidies/>

# OFSA Does Not Work for SMEs.

Small and Midsized Enterprises,  
especially need extensive support.

Public policy must facilitate (not deter)  
capital allocation to greatest areas of  
need.

Requires diversification of policy  
options and harmonization of  
standards.

Estimated number of small and medium sized enterprises (SMEs) worldwide from 2000 to 2021 (in millions)



**Sources**

Statista; Eurostat; OECD; ILO; World Bank  
© Statista 2024

**Additional Information:**

Worldwide; Statista; Eurostat; OECD; ILO; World Bank: 2000 to 2021

# Smallholder farms produce one-third of the world's food

The cumulative share of the world's agricultural land, crop production and food supply, broken down by farm size.

**Agricultural land, in hectares**

**Crop production, in kilocalories**  
(used for food, animal feed and fuel)

**Food supply, in kilocalories**  
(crops used for human food only)

Smallholder farms (farms less than two hectares)...

Up to 1 ha 12%

...use 24% of agricultural land

12%

...to produce 29% of crops

15%

...providing 32% of the world's food

Up to 2 ha 24%

29%

32%

Up to 5 ha 32%

41%

46%

Up to 10 ha 40%

51%

55%

Half of crop production comes from farms less than 10 hectares

Up to 20 ha 49%

54%

59%

Half of agricultural land is on farms less than 20 hectares

Up to 50 ha 57%

59%

63%

Farms between 20 to 50 ha produce 4% of world's food [63% – 59%]

Up to 100 ha 65%

65%

69%

Up to 200 ha 72%

81%

85%

Up to 500 ha 80%

85%

87%

Up to 1000 ha 88%

95%

97%

All sizes 100%

100%

100%



# LANDSCAPE OF CLIMATE FINANCE IN 2019/2020

Global climate finance flows along their life cycle in 2019 and 2020. Values are average of two years' data, in USD billions.

## SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?

PUBLIC

PRIVATE

## INSTRUMENTS

What mix of financial instruments are used?

653 BN USD ANNUAL AVERAGE

Government funds to other public sources are not estimated

## USES

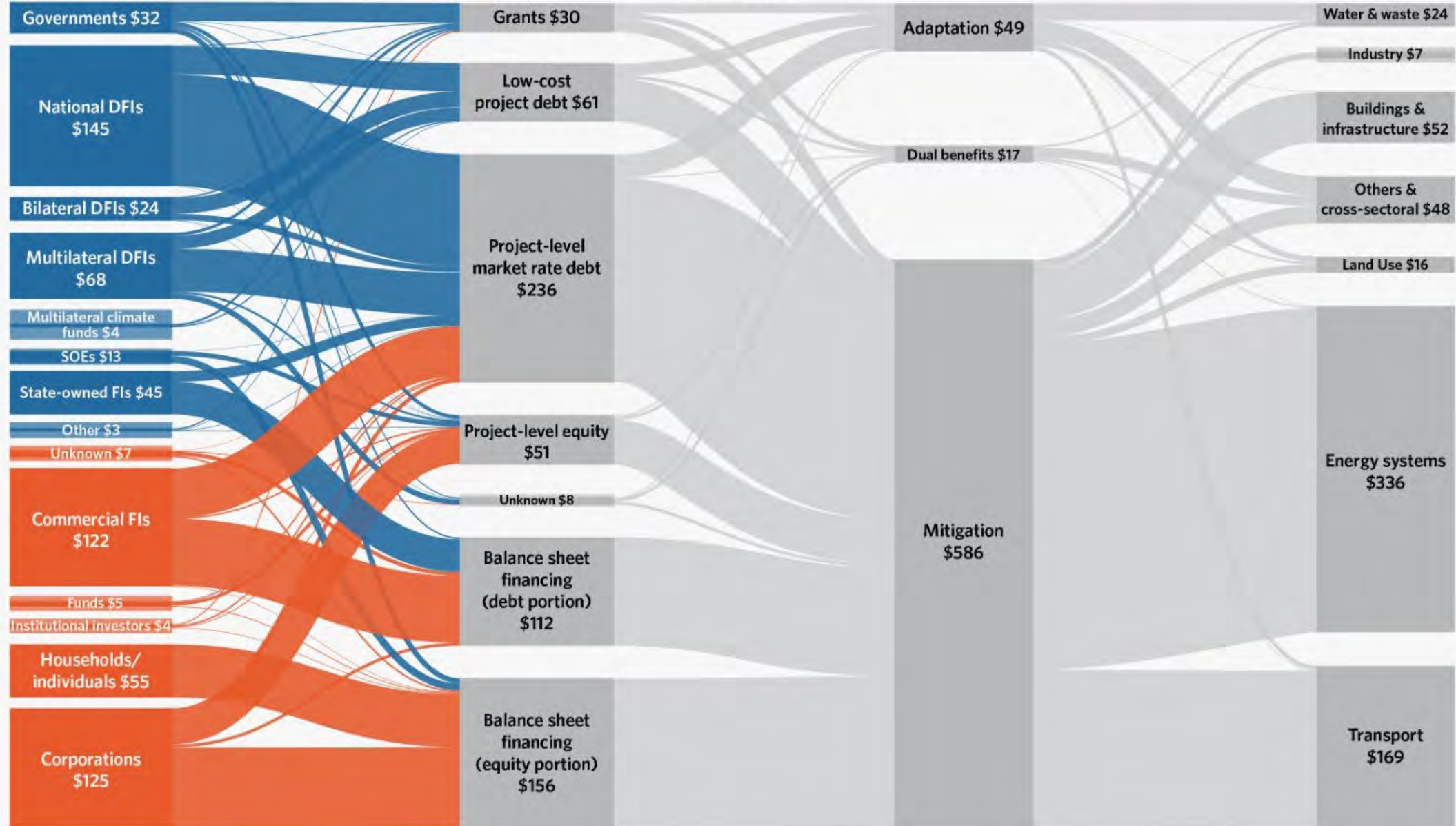
What types of activities are financed?



CLIMATE  
POLICY  
INITIATIVE

## SECTORS

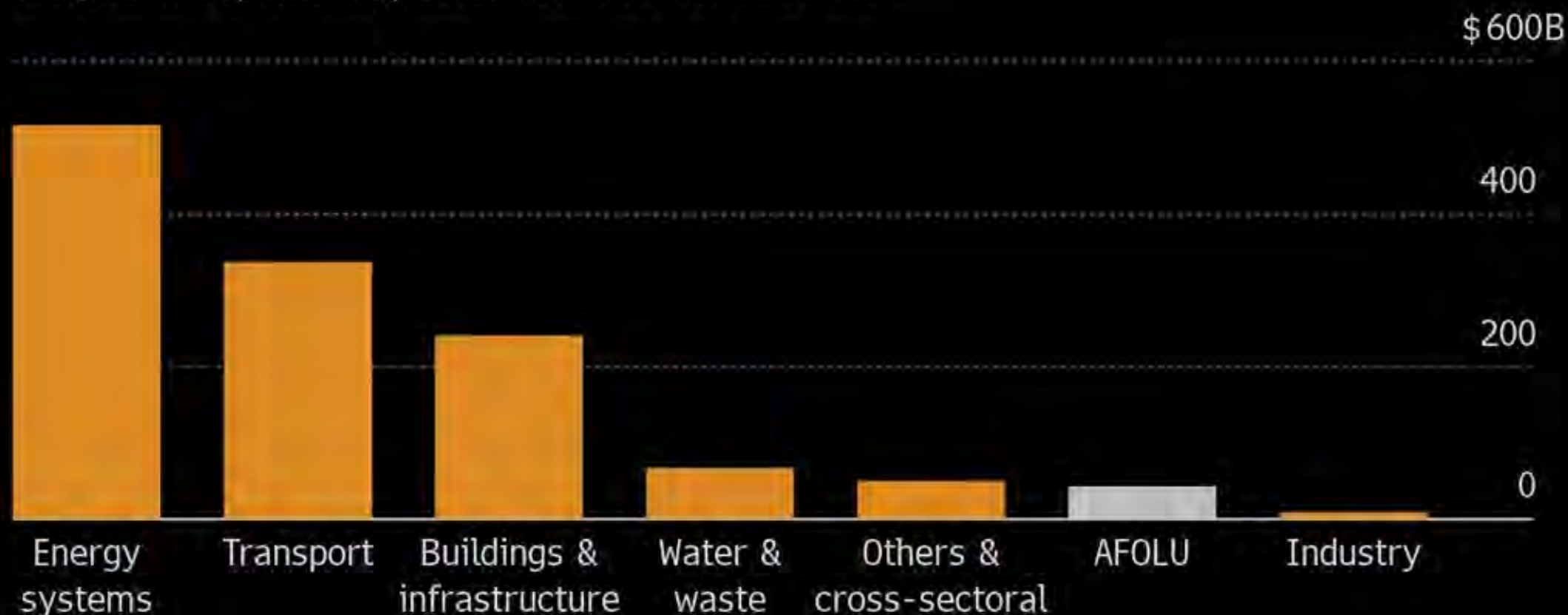
What is the finance used for?



## Agriculture Has Attracted Very Little Climate Finance

Global climate finance flows, average for 2021-2022

■ Agriculture, forestry, other land use and fisheries



Source: Climate Policy Initiative

Bloomberg

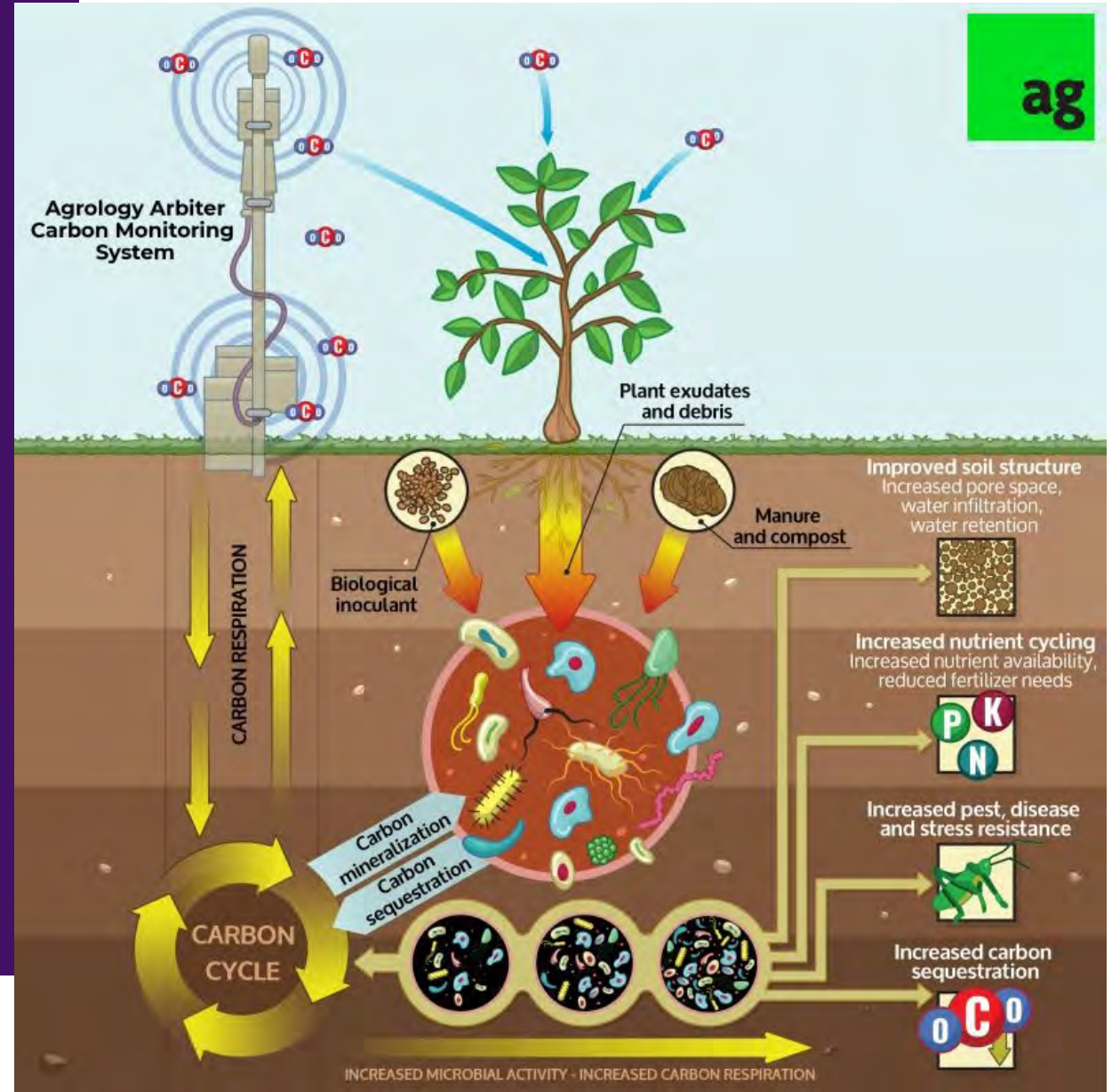


# Measurement, Measurement, Measurement, Market.

The “payfor” for offsets is  
insets.

Modeling is not  
measurement.

Accurate measurement  
= robust markets.







Melding (not welding)  
of Trade, Ag, Energy, +  
Finance, and  
Sustainability  
Agendas

International Effort to  
Restore Global Trade  
Negotiations with  
Agriculture and  
Climate Focus.

Sustainable  
Business Growth and  
Global Food Security.



# Thank you.







# THANK YOU

**Support our Mission**

**Become a Friend of Farm  
Foundation today!**

**[farmfoundation.org/friends](https://farmfoundation.org/friends)**

**#FarmFoundationForum**





# Farm Family Wellness Alliance Webinar



**Tuesday, May 21, 2024**  
**10 a.m. CT on Zoom**

The webinar will cover the following and more:

- What is the Farm Family Wellness Alliance?
- How do you access free services?
- Who should sign up?



**Farm Family**   
**Wellness Alliance**

