Big Ag Exploiting Carbon Markets to Intensify Grip on Food System: Report

"Corporations are designed to serve their investors, not the public, and that's exactly what these carbon offsetting schemes will do," said one researcher.

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Climate and agricultural policies aimed at bolstering carbon markets will fail to curb planet-heating emissions while enabling powerful agribusiness corporations to greenwash their polluting operations and augment their control over the food system.

That's according to *Agricultural Carbon Markets, Payments, and Data: Big Ag's Latest Power Grab*, a report published Wednesday by Friends of the Earth, an environmental advocacy group, and the Open Markets Institute, an anti-monopoly think tank.

While farmers could play a key role in mitigating the climate crisis by adopting agroecological practices capable of sequestering more carbon in the soil, the report warns that U.S. lawmakers from both major parties have embraced a "market-based" approach—centered around the buying and selling of so-called "carbon offset" credits generated through minor tweaks to industrial monoculture production—that is likely to tighten Big Ag's chemical-intensive stranglehold on the food system and disenfranchise small-scale farmers, all while failing to reduce greenhouse gas pollution.

"Carbon markets have become a top strategy for agriculture and climate, despite a history of fraud, failure to reduce emissions, and corporate greenwashing," report co-author Jason Davidson, senior food and agriculture campaigner at Friends of the Earth, said in a statement. "Such corporate schemes will strengthen the power of the largest agribusinesses, hand over private farm data, and fail to address the climate crisis."

As the report explains: "The idea begins with granting credits to farmers who adopt certain practices, such as planting more trees and cover crops, that are supposed to remove carbon from the atmosphere. Farmers then receive compensation for their efforts by selling these credits to other entities, typically large corporations. These corporations, in turn, use their purchases of such credits to justify claims of environmental responsibility."

Though these corporations "may still be emitting carbon dioxide and other greenhouse gases into the atmosphere, they claim to have 'offset' these emissions by paying others to pollute less or actively sequester carbon, often to the point of asserting that they now have a 'net-zero' climate impact," states the report.

A recent investigation revealed that 94% of the rainforest carbon offsets sold by a leading market player provided no measurable climate benefits, casting further doubt on the very notions of 'net-zero' and 'carbon neutrality' that corporations promote in a bid to maintain or expand their own polluting activities while portraying themselves as green.

Despite mounting evidence of the ineffective or counterproductive nature of 'net-zero' commitments, one-fifth of the world's biggest corporations have made them, meaning that demand for carbon offsets is growing, the report notes. Meanwhile, the federal government is providing key support to such programs, including indirectly through the Inflation Reduction Act and directly through a pair of bills embedded in the Fiscal Year 2023 Omnibus Appropriations Bill.

The first, the Growing Climate Solutions Act, instructs the U.S. Department of Agriculture (USDA) to "list private carbon market facilitators on its website and broadly list protocols for measuring carbon sequestration," the report explains. The SUSTAINS Act, meanwhile, threatens to lend government legitimacy to "fledgling soil carbon offset schemes," which "could influence their value in voluntary exchanges" and "fan the flames of a speculative industry that stands to divert resources from effective pollution reduction and regulation." Moreover, through its so-called Partnerships for Climate-Smart Commodities pilot program, the USDA is poised to offer more than half a billion dollars in grants to several agribusiness giants.

According to the report:

> Big agribusiness corporations are using the system to deepen their own monopolistic power. Programs run by corporations such as Cargill, Bayer, Nutrien, and Corteva pay farmers for adopting specific farming practices that either depend on the companies' proprietary technologies or require farmers to use their digital agriculture platforms.

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Under these private carbon offset programs, agribusiness giants define climate-smart agriculture and promote large-scale, monoculture, chemical-dependent farming methods that can harm the environment in the long run and further entrench their market power. By controlling the same private, unregulated carbon-offset markets in which they trade on their own account and set their own prices, they are also subject to massive conflicts of interest.

"We can't trust the very corporations that got us into this climate crisis to get us out of it on their terms and timeline," said report co-author Claire Kelloway, food program director for the Open Markets Institute. "Corporations are designed to serve their investors, not the public, and that's exactly what these carbon offsetting schemes will do by locking farmers into their networks, protecting product sales, and stalling meaningful regulation."

A joint statement from Friends of the Earth and the Open Markets Institute explained three major pitfalls of private soil carbon credit programs:

- Agricultural carbon markets are jumping ahead of the science to commodify something that cannot be reliably measured. There is no scientific consensus on how long carbon remains in the soil or under what conditions. Carbon sequestered in the soil can be released by changing land management practices or through severe weather events, which fails to sequester carbon on a meaningful timescale to address climate change. Without basic market fundamentals of information exchange and consistent commodities, selling and buying offsets is little more than speculation.
- Carbon sequestration verification programs allow agribusinesses to collect and monetize detailed agronomic data and drive new users to their digital agriculture platforms. This further incentivizes and promotes their products, such as Bayer's Roundup and genetically engineered seeds, entrenching corporate market power and destructive chemical-intensive industrial monocultures. Yet, use of agrichemicals kills soil organisms that support carbon sequestration.
- Carbon payment programs, especially those run by seed and chemical companies, are not designed for smaller and ecologically regenerative farms. Generally, the largest farms stand to profit the most from carbon payments, further marginalizing family-scale farms and driving consolidation. Farmers contractually commit to years, even decades, of more expensive practices that produce credits for Big Ag with minimal payment guarantees.

"There's no doubt that farmers should be supported in shifting to ecologically regenerative methods," the report says. "But the evidence shows that using carbon offsets to do so is a counterproductive and inequitable approach that will let big polluters off the hook and fail the needs of family farmers."

Davidson said that "instead of another handout to Big Ag, the Biden administration and Congress must support farmers in pursuing proven climate solutions."

As Congress debates the next Farm Bill, the report's executive summary calls on lawmakers and the USDA to take the following steps:

- Ensure that USDA programs do not promote private carbon payment programs and reject corporate contributions to conservation programs that require farmers to share ownership of carbon credits with corporate donors.
- Invest in existing programs with a proven track record of funding environmental improvements in agriculture, such as the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP); channel funds toward practices that are demonstrated to enhance on-farm biodiversity, conserve water, improve soil carbon sequestration, reduce the use of synthetic inputs, and enhance farmers' resilience in the face of droughts and floods.
- Encourage tree planting as a part of the Conservation Reserve Program (CRP).
- Regulate air and water pollution from the largest, most polluting farms, including working with the [U.S. Environmental Protection Agency] to set limits on agricultural greenhouse gas emissions.
- Protect farmer data by ensuring the right to port and remove data from digital agriculture platforms. Prohibit the use of farmer data gathered as part of carbon payment programs to speculate in futures markets or target farmers with personalized advertisements.

Notably, a separate report published Wednesday by the Institute for Agriculture and Trade Policy showed that 3 out of every 4 farmers who applied for EQIP and CSP funds in 2022 were denied.

"We do not have time or resources to waste on ineffective approaches to addressing the climate crisis, especially those that greenwash corporate pollution and risk increasing greenhouse gas emissions," wrote Davidson and Kelloway. "Congress and the USDA must channel the billions of dollars that are being invested in climate-smart agriculture toward proven and transformative solutions."

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