

IPC Second Semester Conference 2019

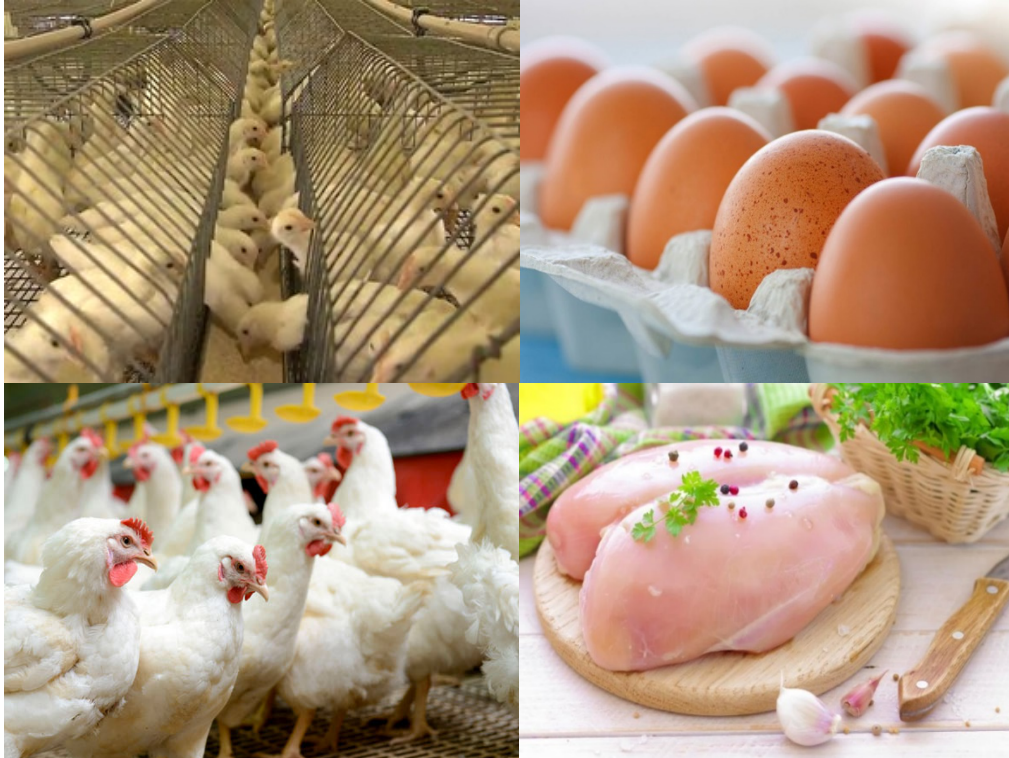
The Role of International Trade in Promoting Sustainable Development



São Paulo
29/08/2019

AGROICONE 

Setting the scene

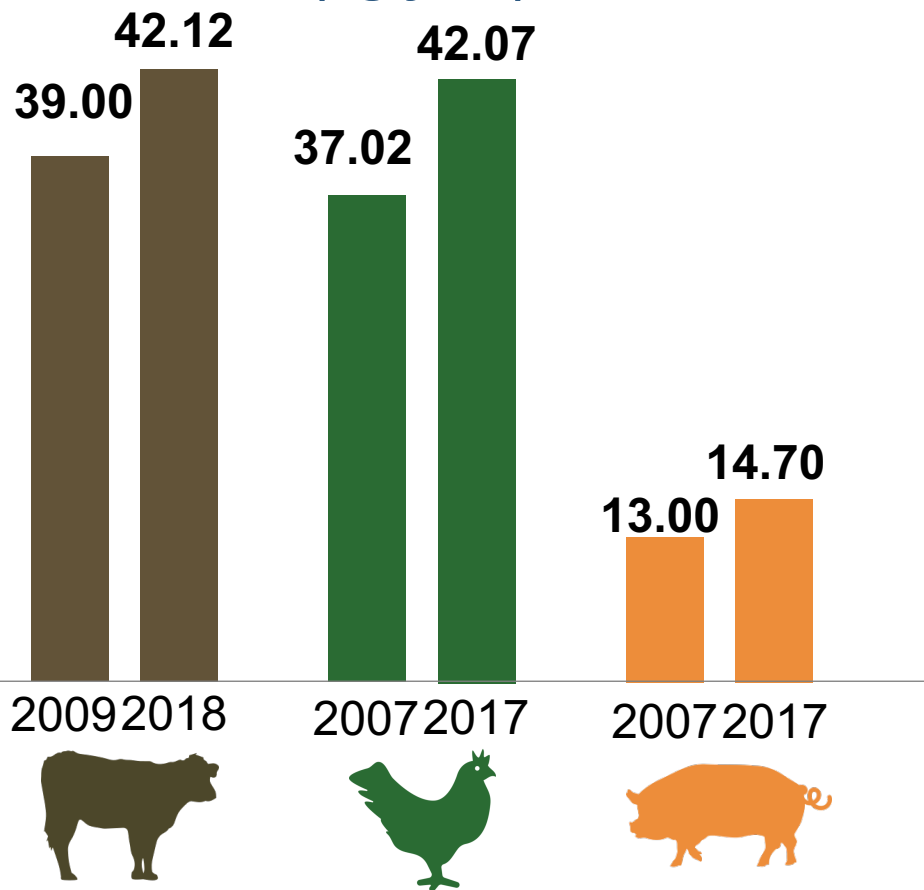


- Sustainable development is at the core of the WTO foundation and is mandated at the Doha Round;
- There is no specific Agreement regulating environmental and social issues; Article XX(b) and TBT regulates “environmental measures” on a broad perspective;
- The Committee of Trade and Environment advanced views and ways of integrating sustainable agenda at the WTO, but did not reach concrete effects up to now;
- The debates concerning voluntary sustainability standards – VSS), specially at the SPS and TBT Agreements point to a gap/weakness of the WTO system;
- Environmental demands, such as GHG emissions, play a critical role when it comes to trade of goods;
- International trade and sustainable development can be mutually supportive?



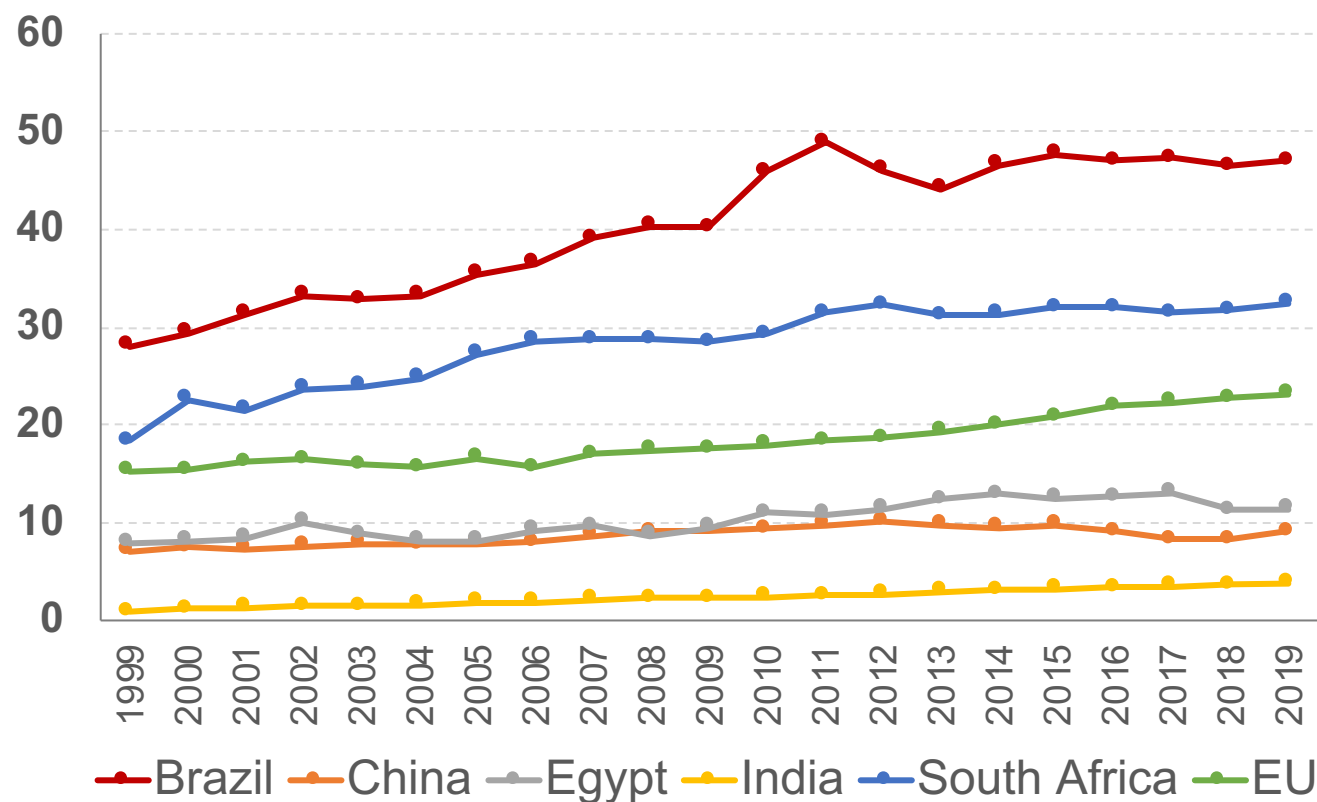
Meat per capita consumption

Brazilian *per capita* consumption (kg/year)



Source: ABIEC; ABPA

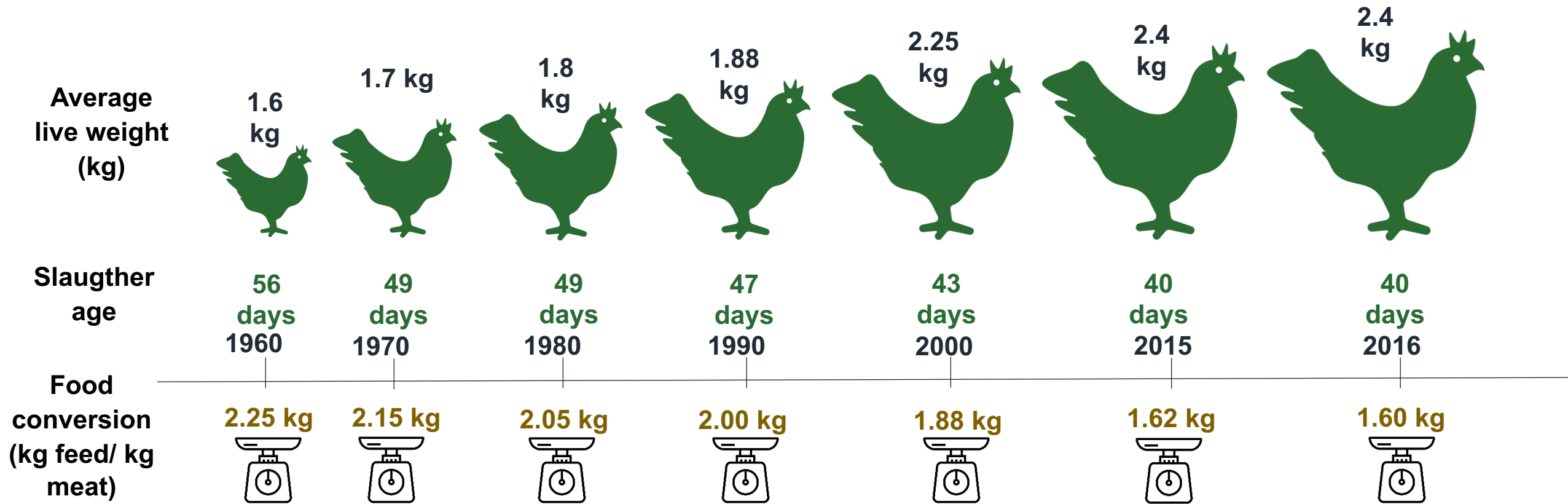
Chicken meat *per capita* consumption in key countries (kg/year)



Source: USDA; IMF
Note: estimated for 2019



Productivity in chicken meat production



Brazil presents expressive productivity gains, both in food conversion and in slaughter age.



Global average feed conversion ratios and efficiencies for animal products

Animal Product	Feed conversion ratio (kg feed/kg EW)	Percentage edible (% EW of LW)	Energy feed conversion efficiency (%)	Protein feed conversion efficiency (%)	Direct energy for housing or processing (MJ/kg EW)
Poultry	3,3	70	13	19,6	4,5
Pork	6,4	55	8,6	8,5	1,8
Beef	25	40	1,9	3,8	0,08
Other meat	15	55	4,4	6,3	0,09
Eggs	2,3	-	19	25	1,3
Whole Milk	0,7	-	24	24	0,22

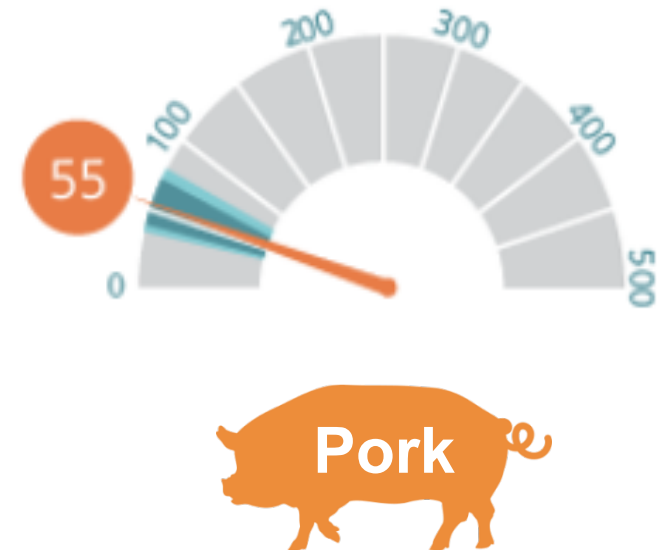
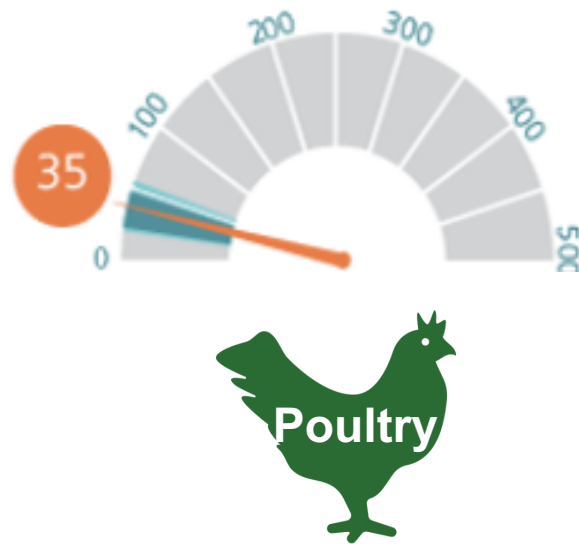
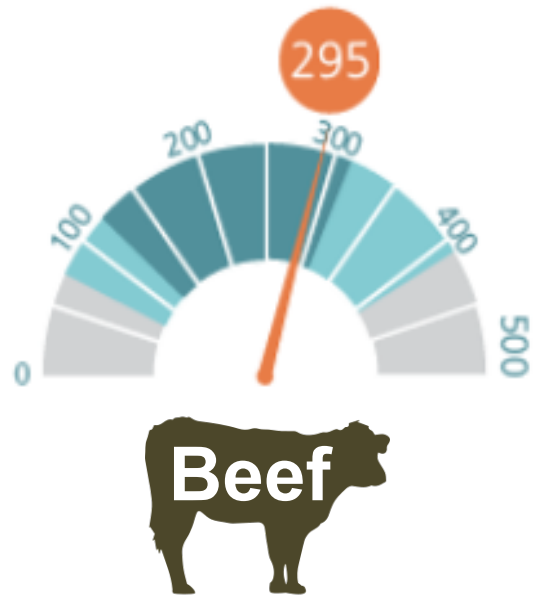
Source: Alexander et al. (2016)

Note: EW (Edible Weight) / LW (Live Weight)



Brazilian feed relies on corn 2nd crop, representing lower GEE emission

Global emission in kilograms of CO₂eq. per kilo of protein produced



GHG emission from beef production is higher when compared to poultry and pork production.



Meat production has been improving production practices

- Efficiency gain: Produce more product (meat, milk, eggs, etc.) per unit of input (water, feed, fertilizer, etc.)
- Waste treatment: Waste collection, storage and disposal, which in addition to reducing GHG emissions, are important for water, soil and air quality.
- Energy efficiency: greater efficiency in lighting, heating and cooling systems.
- Carbon capture: Capture and store carbon in the soil as cover crops, no tillage, and low carbon agriculture practices.
- Risk reduction: production diversification, integration of crop-livestock-forest, lower productivity variation and reduction of the marginal cost of the producer.
- Market and consumer demands pushes continuous improvement.



Agriculture and the SDGs



SDG 2 and 17 indicators

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

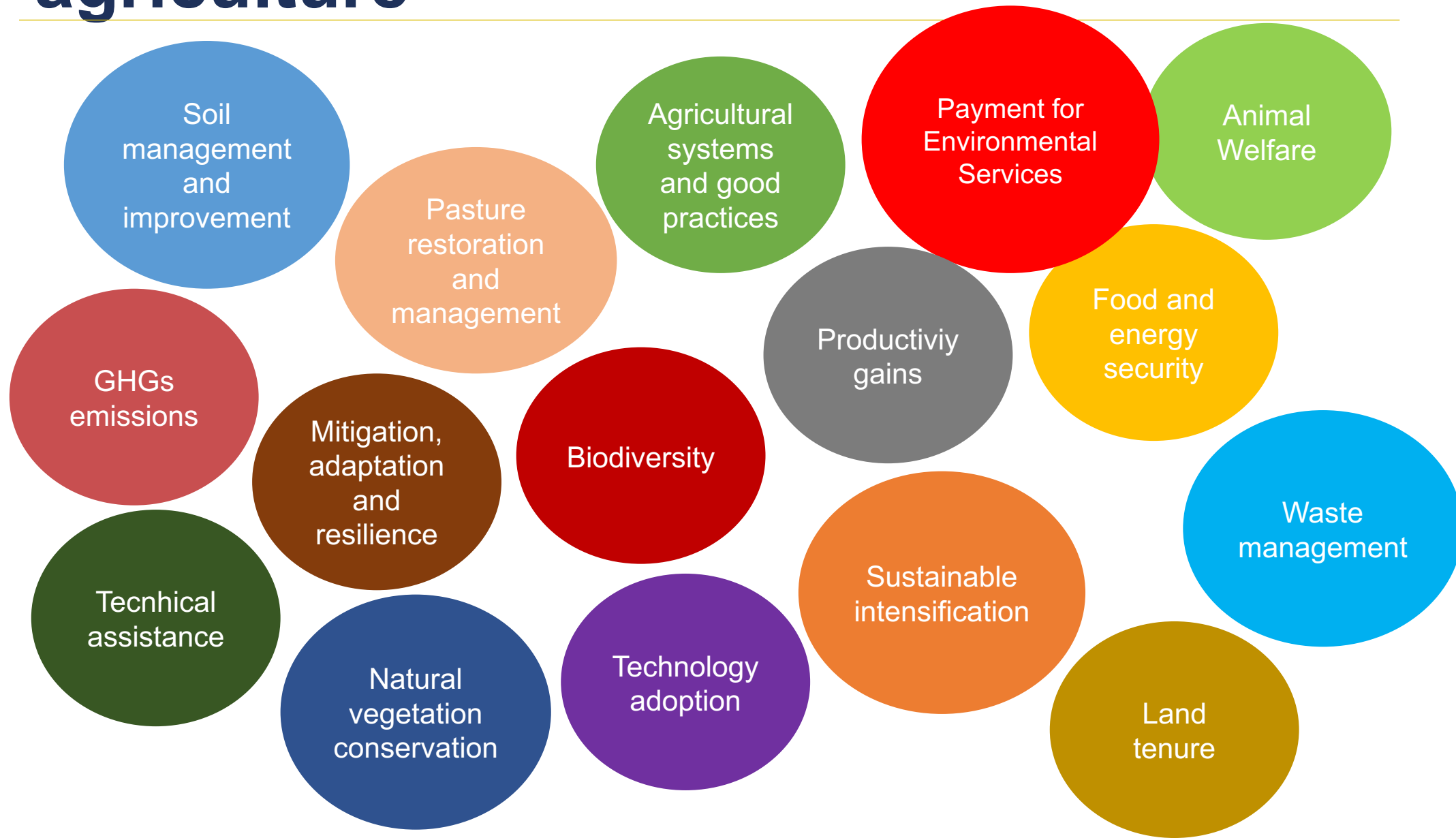
2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

2.B Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round

17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda



Indicators towards sustainable and resilient agriculture



EU-Mercosur Trade Agreement

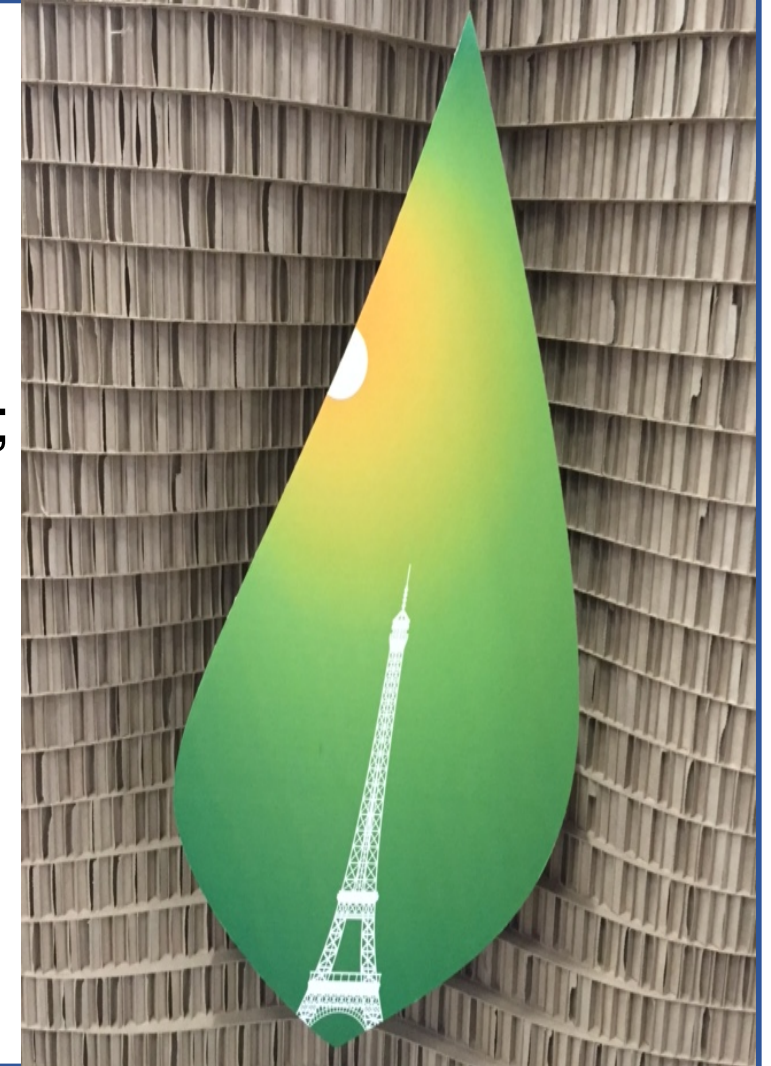
Trade and Sustainable Development Chapter

- The new regional trade agreements expand the traditional WTO scope;
- Environmental and Social agendas as a core goal of the EU on its trade agreements;
- In a nutshell, the Chapter states that countries must comply with their obligations on international treaties and should promote sustainable development;
- What this means to Brazil and, consequently, to the private sector:
 - Paris Agreement;
 - Biodiversity targets (future Post-2020 Global Biodiversity Framework).
 - Social and Labor ILO Conventions.



Brazilian NDCs at the Paris Agreement (Land Use and Agriculture)

- Zero illegal deforestation in the Amazon by 2030;
- Full implementation of the new Forest Code;
- **Compensate emissions from legal deforestation;**
- Restore 12 million hectares of forests for multiple uses;
- Promote sustainable forest management;
- Improve the Low carbon agriculture policy;
- Restore 15 million hectares of degraded pastures;
- Encourage 5 million hectares of ILPF;
- 18% of biofuels in the energy matrix.



EU and its stance over meat consumption

- Native vegetation conservation and restoration: Forest Code compliance;
- Transparency about illegal deforestation, policies and strategies;
- Legal Deforestation can be proved and transparently communicated;
- Grass fed beef;
- Pasture restoration;
- Integration of crop, livestock and forest;
- Adoption of good practices;
- Animal welfare practices;
- High sanitary control and status;

- ▶ The EU can argue breach of the Paris Agreement compromises?
- ▶ Any EU member can block Brazilian imports if the sectors can prove they comply with the regulations?
- ▶ Brazil has the instruments and evidences to qualify this debate?



The Consumer Goods Forum - CGF



Sustainable Supply Chain Initiative

- ▶ Benchmarking & Recognition of Standards
- ▶ Scheme Management Criteria
- ▶ Social Criteria

Trust in sustainability standards worldwide

Building a robust programme to benchmark and recognise sustainability standards.



Food Safety GFSI

- ▶ Harmonised Standards
- ▶ Capability Building
- ▶ Public-Private Partnerships

Safe food for consumers everywhere

Bringing together key actors of the food industry to collaboratively drive continuous improvement in food safety management systems around the world.



Non-Food Safety

- ▶ Transparency
- ▶ Preservatives

Consumer trust in the health and safety of non-food products

Working together to find new ways to improve consumer and value chain transparency, and thus create trust.



Environmental Sustainability

- ▶ Deforestation
- ▶ Food and Solid Waste
- ▶ Refrigeration

Sustainable value chains and business practices globally

Acting together to position the industry as a leader in protecting against climate change and reducing waste.

- ▶ More than 400 members worldwide: agricultural and beverage companies, industries, retailers, wholesalers, services, education, the World Economic Forum and the International Monetary Fund.
- ▶ 15 strategic partnerships;
- ▶ Food Waste Resolution;
- ▶ Deforestation Resolution;
- ▶ Social Resolution on Forced Labour;



Voluntary Sustainability Standards - VSS

- VSS becomes an increasing demand that affects international trade;
- WTO TBT and SPS Agreements regulates the adoption of criteria but there are no consensus of Parties about WTO mandate over private standards;
- Countries promote and sponsor the establishment of VSS;
- VSS as a tool that assures key social and environmental requirements and manage reputational risks;
- VSS can promote improvements on the producing chain; it may pose stricter requirements and raise trade restrictions;
- For poultry and eggs there are 54 VSS;
- For agricultural products 131 VSS;



Trending sustainability subjects connected to trade

aviNews
avicultura.info

A revista global avicultura

PÁGINA INICIAL BIOSSEGURANÇA INCUBAÇÃO REPRODUÇÃO E GENÉTICA LEGISLAÇÃO EVENTOS

TENDÊNCIA 08 nov. 2017



Nestlé admitirá apenas ovos livres de gaiolas em 2025

Faça o download em pdf > Share

Escrito por: María de los Angeles Gutiérrez

Contenido disponible en: [Español \(Espanhol\)](#)

Em nota enviada à imprensa, a **Nestlé**, maior empresa alimentícia do mundo, anunciou a meta de só utilizar ovos livres de gaiolas em toda sua cadeia de abastecimento até 2025. Isto inclui todos o



- Cage free and Free range eggs;
- Animal welfare standards;
- GHG footprints (Global Feed LCA Initiative);
- Energy and water use;
- Embodied deforestation;
- New breeding techniques;
- Animal genetic resources;
- Hormones and antibiotics;
- Antimicrobial resistance;
- Sanitary status.



Useful Thoughts

- Trade regulations at the WTO cannot address key sustainability agendas;
- Qualifying what is sustainable is challenging: there is no single recipe;
- Every agricultural system can be sustainable and can evolve: creating a level playing field for all key players is critical to push some agendas;
- What would be the international trade role on promoting the SDG, Paris Agreement and future Biodiversity Framework?
- Equivalence could be a way to promote win-win environmental and trade measures?
- Standards can promote sustainable trade and/or raise barriers?
- Continuous improvement in the poultry sector is critical to avoid disguised restrictions;
- WTO, OIE and FAO are important places to be; meanwhile, CBD, UNFCCC, CGF and other fora as well.





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Questions?

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