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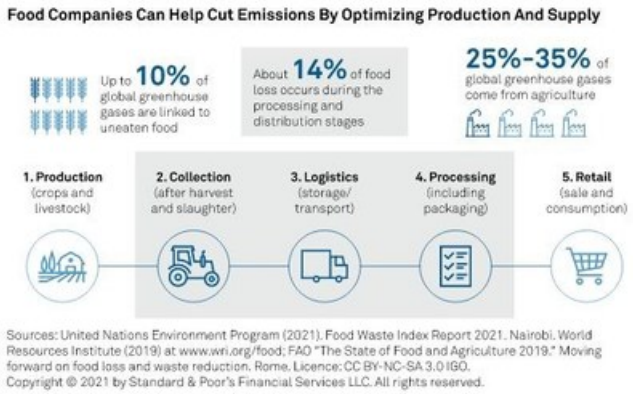
Report Says Food Industry Can Help Cut At Least 10% Of Global Emissions

LONDON, Nov. 17, 2021 /PRNewswire/ -- Studies suggest that the food system is responsible for about one-third of global greenhouse gas (GHG) emissions, including up to 10% from lost or wasted food. In a report published today, "**A Food Industry Reset Can Cut At Least 10% Of Global Emissions**," S&P Global Ratings says it believes agribusinesses can strengthen the food production and supply chain through closer collaboration at every stage, both downstream and upstream. More efficient food systems will help eliminate food loss and waste while reducing the impact on the environment, especially since about 14% of the world's food is lost before reaching supermarket shelves. Food supply disruptions, especially over the past two years due to the pandemic and extreme weather, have brought this issue further into the spotlight.



There are meaningful gains to be had, for example by companies expanding into advanced food ingredient technologies to improve product shelf life, or by integrating transport with processing and sales.

"Some companies are already rethinking their long-term strategies, putting greater emphasis on managing environmental and social risks," said S&P Global Ratings credit analyst Anna Overton. "We believe they stand to achieve a competitive advantage using this approach. The big question is whether they can do enough to have a visible impact on food-related emissions by 2030, the target of the U.N.'s Sustainable Goal 12.3 of halving per capita food waste."

Eliminating food waste is essential for lowering GHG emissions and fostering food security. What's more, with 80% of global primary food production coming from small farms, the U.N.'s road map for food security sees strengthening the food system's climate resilience as an imperative.

Multinational food companies are in a good position to make efficient crop collection and processing more accessible to farmers. Global food commodity traders and processors have already emerged as leaders in upstream food system consolidation, improving their prospects for sustainable growth. This has the added advantage of widening the network for others to join. But there's still a way to go. At the consumer-facing end of the food system, scaling up investments in ingredient technologies should usher in a more diverse range of agricultural inputs, with lower waste and higher nutritional value.

"We believe food companies will likely measure their financial success in the future by benefits from the approaches they are backing today," Ms Overton added.

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