



GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

**Climate Working Group
Monday, October 30, 2023**

Members Present: Brenna Grant (Canfax), Samantha Werth (USRSB), Justin Sherrard (Rabobank), Jason Sawyer (East Foundation), Nicole Buckley Biggs (AgriWebb), Ana Varsi (LSQA), Hillary Fenrich (McDonald's), Monica Hadarits (CRSB), Leopoldo Estol (MACS), Pablo Cañada, Paulien Denis

GRSB Staff Present: Ruaraidh Petre, Scott Stuart, Katie Ambrose

I. Welcome

Brenna Grant / Sam Werth

Presentation by Dairy Sustainability Framework, who are doing a lot of work with GHG Protocol and getting feedback from its members. GRSB is looking for new ways to share information and engage with members. Goal of the meeting is to highlight current goings-on with this topic.

II. GHG-Protocol Land Sector and Removals Guidance (LSRG) *Brian Lindsay*



The Land Sector and Removals Guidance (LSRG) of the GHG protocol, was reviewed last year by a number of different organizations. Aim was to understand the implications of the land sector and removals guidance for dairy sector. There have been discussions about the LSRG with regards to accusations of greenwashing from other private sectors, recognition for past and future efforts from the dairy sector and other agricultural commodities, double counting within value chains, and selling of carbon credits. The GHG protocols are a good start, but there's a lot of work to do as they cover all industries, not just agriculture. There is a lot of scientific expertise, but somewhat lacking in how to make these protocols practically possible.

The Global Dairy Platform pulled together a task force of different multinational organizations working on behalf of the dairy sector to look at the LSRG and to also share the work being done with the sustainable agriculture initiative dairy working group.

A report was developed with the help of Quantis in 2019 to try and stimulate the dairy sector to start thinking about carbon trading and how to meet their net zero commitments. The report looked at what happens when selling carbon outside the value chain and how does that link into the Science Based Initiative Targets and GHG protocol rules, how does that link into other initiatives like the EU Green Deal, how does the sector get recognition, and how to make sure the accounting rules used are robust and avoid accusations of greenwashing. The 2019 report is freely available on the Global Dairy Platform website.

There was a lot of feedback and concerns upon the release of the first land sector and removals guidance addressed to the GHG Protocol, World Resource Institute (WRI), and World Business Council for Sustainable Development (WBCSD). Major concerns included not being recognized for the work being done in the dairy sector. GHG Protocol is becoming the corporate reporting framework, so it becomes essential to ensure that these new guidelines are accurately representing the dairy sector and other agricultural commodities.

Working with Quantis again, they gave 12 recommendations across three key areas of as a result of reviewing the LSRG:

- 1) **carbon credits and carbon markets** (focusing on credits, double accounting, visibility of credits solid, and sector guidance)
- 2) **regulatory frameworks and legislation** (alignment/flexibility between guidance and policy instruments)
- 3) **within value chain action** (accelerating credible action, clear rules, and alignment with other agricultural sections)

The original 12 recommendations made had six key areas, including:

- 1) **Definitions** (dairy sector needs agreed interpretation and understanding of existing guidance)

Have a list of 94 available definitions already, based on existing models and initiatives (IPCC, UNFCCC, etc.); currently being reviewed and will be published as a dynamic and evolving resource for the sector

- 2) **Mass balance approach** (to develop a robust position to have mass balance approach as acceptable as equivalent under current initiatives, as opposed to pure traceability to individual unit of product)—paper from Global Dairy Platform available and to be shared.

Paper has been put forth to WRI and WBCSD working group to review challenges and changes based on feedback on initial guidelines that received over 3,000 comments; paper has also been shared with other agricultural sectors (sent out by Julie during the meeting).

- 3) **Dairy sector guidance** (understanding at a principal level how to best utilized GHG protocol requirements in relation to required inventory adjustments for offsets and insets—still working on this)

Still working on number 3, but will be important given governmental bodies in Europe are beginning to approach the GHG protocol as a reporting standard

- 4) **Monitoring reporting and verification (MRV) safeguarding** (developing necessary assurances that the Dairy MRV system works and is robust, allowing for mass balance to be adopted)
- 5) **Biogas** (opportunities for farmers identified and shared)
- 6) **Boundaries** (opportunities for farmers with assets tentatively linked to the dairy platform identified and tested)

Recent developments to GHG land sector guidelines have allowed companies to choose between sourcing region and land management unit accounting approaches given reasonable justification for either option

Timeline for GHG Protocol is as follows:

- Workshop participants were discussing the proposal and sending feedback in from September-October.
- The Technical Working Group met in October to report outcomes to the Advisory committee
- By mid-November, the Advisory committee will meet, and any unresolved issues will be addressed by the Secretariat for final resolution.
- By Q1-Q2 2024, Secretariat expected to turn LSRG into a report to be finalized over the summer

Work that remains to be done is developing the appropriate MRV protocol for the dairy sector, combining sector guidance and MRV workstreams, exploring biogas opportunities, and exploring/communicating current boundary rules effectively across a broad collection of farming activities.

Future Global Dairy Platform activities will include strengthening working relationships with key organizations, engaging with aligned sectors to ensure cutting edge development and efficient application, reasonable MRV development, seeking alignment between different reporting frameworks, and developing dairy sector guidance.

Questions/Discussion

Is mass balance approach and full traceability supported by retail and food service groups?

Thus far, everyone seems very supportive of the approach, given they engage with other commodities that require a similar approach.

Will it account for embedded soy emissions for dairy?

Overall embedded emissions will exist at higher levels for accounting, it does not get overly granular. But otherwise not of major concern to Global Dairy Platform.

How is the dairy section thinking about additionality for Scope 3 or insetting programs and why is it needed?

Not dealing with that in this work specifically, but additionality with regards to sequestration is very important and needed for robust work, being discussed with WRI.

Is there any thinking of encouraging everyone to move from mass balance to individual farm accounting employing previous justification or is mass balance simply how our supply chains function?

It's about how we work as an industry but need to ensure robustness and give confidence to customers in claims about their products. The introduction of Scope 3 has led to more awareness but also emphasizes need for practicality.

What level of buy-in or support exists from current membership? Are guidelines too technical?

Taking the entire industry on a journey—everyone is learning and beginning to understand the new information coming from guidelines, that makes definitions work essential to understanding guidelines.

What will MRV look like?

Not sure yet, waiting for feedback from GHG protocol; looking for most robust minimum to provide data without overwhelming. Hoping to draw on what is already in place.

Will there be a risk of getting farmers contractually stuck with specific processors, when selling credits?

That is not the aim. The goal is to create as much value as possible within the supply chain and allow farmers to sell wherever they want to while maintaining insets.

III. Context Scoping Project Update

Brenna Grant / Sam Werth

Context currently summarizing findings from the San Diego workshop to be released as a report; 28 interviews already completed following workshop

Actively talking with other work groups to determine future projects that cover other topics like welfare or nature positive, and what projects are more standalone to the climate working group

What are the next steps with education for the climate working group and looking to collect a list of future education webinars

Also looking for areas/topics that are more sector specific that could benefit from more engagement in order to be pre-competitive and add value to the GRSB membership.