

# Food Data Transparency Partnership Eco working group minutes

Date 19 November 2024

Time 13:00-16:00

Venue 2 Marsham Street / Microsoft Teams

#### Attendance:

Co-Chairs: Judith Batchelar, Food sector expert and Environment Agency Deputy Chair and Toby Nation, Agri-food Chain Director (first hour, standing in for Karen Lepper);

Daniel Zeichner MP, Minister for Food Security and Rural Affairs (first 40 minutes);

Twenty Eco working group members and two Data working group members;

Defra officials (FDTP policy team and two AFC scientists).

The Eco working group is a stakeholder engagement group that provides input on policy development as part of an open policy design process. These discussions do not reflect agreed government policy.

## 1. Welcome and introductions:

- Judith Batchelar (JB) welcomed members to the meeting, recapped Chatham House rules and set out the agenda.
- JB introduced Defra's Minister for Food Security and Rural Affairs, Daniel Zeichner, and Defra's Agri-food Chain Director, Toby Nation.

## 2. Minister Zeichner remarks:

- The Minister made opening remarks to the group, confirming his support for the FDTP's priorities.
- He noted he had heard from many farmers and other stakeholders about the difficulties around farm carbon audits.
- He stressed the importance for a collective approach that people believe in, asking members to continue to speak to their networks about the FDTP's work.
- He also asked that policies continue to be evidence-based and ensure costs distributed fairly across the supply chain.

# 3. Session 1 – Farm carbon audits round table discussion:

- A Defra official gave background on the current farm carbon audit work at Defra exploring options:
  - o to remove divergence of results from farm carbon calculators,
  - o to increase uptake of farm carbon audits.

The official noted requirement to be conscious of value of money.

### • Discussion questions:

- What can government, supply chain and individual businesses do to increase uptake of farm carbon audits? Any lessons to learn?
- What actions should FDTP do, in addition to carbon calculator harmonisation?

#### a) Discussion:

Members discussed several topics and made several suggestions, outlined below.

## Support for farmers

- Farmers need an advisor to:
  - Ensure correct/quality data is inputted into calculator.
  - Provide technical advice to interpret calculator results.
  - o Identify actions appropriate to their farm and understand available finance.
- Members mentioned government, standards bodies, and industry having the potential to provide or fund farming advisors.
- Ensure **existing data** is streamlined and is automatically pre-populated into a carbon calculator before farmer even starts.
- Initial carbon calculator **baseline is just starting point** sectors will need to use the data to create continuous improvement plans.
- Realistic incentives to reward on-farm actions.

#### Communication with farmers

- Collaborate with trusted voices and use understandable language. Explain the benefits. Members mentioned New Zealand's "know your number" and <u>He Waka Eke</u> <u>Noa</u> campaigns.
- Need to support networks for farmers to share lessons and support one another.
- Need to consider farmers who are not currently engaged in this area at all.

# Support for rest of supply chain

- Need to understand and support incentives for the supply chain to contribute private financing. Possible examples:
  - Financial support for farmers to decarbonise as an alternative to paying a carbon tax.
  - o Charge customers a premium for more environmentally friendly products.
- Government should provide guidance on supply chain traceability, transparency, and disclosure to support downstream businesses and financial institutions. Government should consider regulation in this area too.

#### Scope and prioritisation

- Consider deadlines to increase sense of urgency (New Zealand did this). Can set target within a certain number of years to baseline all farms and/or ensure all products have an environmental footprint.
- Consider **prioritisation** of sectors and product groups:
  - o Identify emission hotspots.
  - o Determine readiness (e.g. pork supply chain fairly centralised).
  - o When differences are more tangible, can consider different approaches
- Ensure policies allow **long term planning** (e.g. 30 years ahead). Things like soil carbon have a 5-year process.
- Government must ensure alignment across UK (i.e. with Devolved Administrations).
- Consider approaches taken by other countries and the EU to ensure alignment.

# 4. Session 2 – Agri-food carbon reductions and removals:

## b) Scene setting:

A Defra official gave background.

- While emissions are inevitable in the food system, there are opportunities to store carbon and reduce emissions within the food sector. Scope 3 reporting is encouraging businesses to take action within their own supply chains. This is being referred to as Within Value Chain Mitigation (WVCM).
- We have been reviewing the removals and reductions policy landscape, and eagerly anticipating the publication of the GHG Protocol's Land Sector Removals Guidance.
- There are uncertainties around the science for calculating both the impact of farm removals and allocation benefit between farmers and those supplied by the farm.
   This in part explains the lack of standards for implementing and reporting on projects for carbon action on farms. This results in limited uptake of insetting and removals projects.
- Defra has engaged with EU counterparts working on the <u>Carbon Removals Carbon</u> Farming Certification Framework.
- Defra has commissioned the British Standards Institute to deliver the <u>Nature Investment Standards Programme</u>, providing requirements for the design and operation of high-integrity nature markets. This includes BSI Flex 703, which will focus on enabling a market for UK nature-based carbon projects, generating units for both reductions and removals.
- An official also responded to a query from a member last meeting about agro-forestry
  within the UK Emission Trading Scheme. The UK ETS may offer an appropriate longterm market for high quality nature-based greenhouse gas removals, such as
  woodland carbon. This will be subject to the outcome of the consultation and further
  work regarding permanence, costs and wider land management impacts.
- A Defra official noted that members would be invited to an optional teach-in on agricultural carbon removals to bring people up to speed on latest research.
- A member offered to provide their expertise for this.
- JB said members would be welcome to upskill the group on other subjects too.

## c) 3Keel's Within Value Chain Mitigation project:

3Keel's Catherine McCosker presented on the ongoing WVCM project.

- Collaborative research, co-funded by DESNZ and Defra.
- Responding to current pressures on corporate entities to work with the agriculture sector to reduce Scope 3 emissions and increase the resilience of farming businesses.
- Project goals:
  - Provide guidance for corporate decision makers to aid practical implementation of WVCM.
  - o Set out best practice principles and commodity-specific illustrative scenarios.
  - Ensure interventions provide direct benefits to farmers and do not increase burden.
- WVCM definition = "interventions within a company's value chain that are designed to generate greenhouse gas emission reductions and/or carbon storage, and at the same time create positive impacts and improve resilience of communities, landscapes and ecosystems." (adapted from <u>Abatable/International Platform for Insetting</u>, 2023).
- The project has conducted a literature review and stakeholder engagement (including an Advisory Group).
- Two scenario-specific case studies: UK beef sector and Ghana's cocoa sector.

#### • Three principles:

- Maximise impact target sourcing regions within an organisation's value chain with greatest potential impact. Pre-competitive collaboration within the value chain. Efforts directed toward delivering multiple outcomes (avoid focus on carbon, e.g. biodiversity net gain, climate adaptation and building resilience of farmers).
- Support farmers ensure WVCM activities support farmers to build resilience in a changing climate and provide value to farmers by ensuring they are fairly rewarded for engagement.
- Robust and proportionate MRV sufficient to quantify the outcomes of WVCM activities, whilst taking a balanced, harmonised and proportionate approach.
- The final report will be publicly available early next year and will contain technical and implementation guidance.

## d) Carbon Removals Taskforce:

- Karen Fisher presented on the Carbon Removals Taskforce that is being progress by the BRC (British Retail Consortium) Mondra Coalition.
- The taskforce will look at practical implementation and route to scaling up carbon removals.
- The first year's focus will be on the scope 3 / SBTi use-case. It will likely consider
  product-related carbon removals claims in subsequent years, when there is more
  clarity on the requirements for removals linked to product claims within the
  international standards, or through the work being progressed on product accounting
  standards through the LED 4 Food programme.

- The taskforce will take a practical approach, starting with existing examples for practical implementation of MRV requirements for carbon removals, as set out in the GHG Protocol Land Sector and Removals Guidance.
- It will have a range of objectives including:
  - Developing an agreed, common interpretation of the rules on carbon removals accounting for different practical use cases.
  - Helping to clarify the scale of opportunity for carbon removals in food & drink supply chains.
  - Identifying practical challenges & evidence gaps that need to be resolved to enable scaling of carbon removals accounting.
- KF invited members to get in touch if they, or someone they know, would like to join the taskforce.

#### Discussion:

- JB asked the group what FDTP should we be focusing on in this area, and if there were any concerns.
- Members suggested some possible topics for the taskforce to consider, including:
  - Certifications.
  - o Implications for product advertising (green washing).
  - o Avoiding leakage, especially cross-border.
  - o Blue carbon (storage in coastal and marine ecosystems).
- One member said farmer's carbon removals should be captured in the UK's GHG
  National Inventory as researchers and policymakers will use this, rather than scope 3
  reporting. Potential issue that carbon removals in the inventory sits with DESNZ.
- Another member highlighted the importance of productivity gains and circular economy to bring down gross emissions and said these should also inform the GHG Inventory.

## 5. Session 3 – Data system design discussion:

- KF and a Defra official recapped on September's Eco working group meeting.
- A Defra official updated the group on the FDTP team's recent research of existing data sharing frameworks that describe data system components, including:
  - EU's <u>Common European Data Spaces</u> programme framework often cited as example to build on.
  - Innovate UK's Catapult Network have proposed a data sharing hub for cross-economy.
- The Department for Science, Innovation and Technology is considering the data sharing hub proposal for government funding.
  - Prioritisation of work would in part be determined by the government's upcoming industrial strategy.
  - Members were asked to respond to the <u>government's consultation</u> to feed in views on data.
- The Department for Business and Trade have included agri-food within an upcoming research project into governance models for smart data schemes.

- KF and the FDTP team presented components of a data sharing initiative, indicating current progress for the food and drink sector.
- The delivery summary indicates we are making good progress. While there are some gaps, we are increasingly aware of what they are and can therefore lean into them.
- Need to consider what scope of the UK food system would benefit from governance.
- The Open Data Institute (ODI) have a concept of **data stewardship**. Scale between "data fearing" (people not collecting) to "data hoarding" (people not sharing). In the middle, "positive impact" correct balance.
- Stewarding data describes the foundational activities in the lifecycle or value chain of data – collecting, maintaining and sharing it.
  - Organisations that steward data make important decisions about who has access to it, for what purposes and to whose benefit.
  - How data is stewarded ultimately affects what types of products, services and insights it can be used to create, what decisions it can inform and which activities it can support.
  - Overall, stewarding data involves realising the value and limiting the harm that data can bring.
- The ODI <u>defines</u> **data institutions** as "organisations that steward data on behalf of others, often towards public, educational or charitable aims".
- Need to consider the long-term governance of environmental impact data in the agrifood sector. Data institutions could/should play an important role.
- Suggested new data institution(s) could be developed (with data stewardship governance experts) to address the remaining challenges to enable data sharing.
- Two potential roles include:
  - A data institution for overarching agrifood system data governance that develops and maintains data infrastructure, including standards and identifiers
  - A data institution for farm level data that aggregates sensitive data and grants access, with permission, to other data users.
- Eco working group members are welcome to reach out to the Defra team via email or call for further details or to give feedback.

## **Discussion:**

### Members were asked:

- 1. Do you think that new data institution(s) are needed? (How much progress can be made without this?).
- 2. What could the key roles of each institution be?
- Members asked for broader examples.
  - A Defra official said there were models in banking (Open Banking) and energy sector (Ofgem currently consulting on interim governance for data infrastructure).
  - JB: Smart Data Research UK is looking at credit card and supermarket loyalty card data.
- Members asked whether all use cases had been mapped out.

- KF: It is hard to practically identify the use case of all data will continue to grow. Large number of solution providers have emerged to meet different use
- o A member said it would be useful to run trials on specific use cases.
- Another member added that legislation would determine the use of data includes protections for operational usage.
- There was discussion on the need to protect farmer's IP, and ensure governance maintains trust. Ideally ensure farmers can choose exactly what data they want to share and can approve who it is shared with.
- Another member mentioned the cross-government <u>Integrated Data Service</u>, which is an internal government analytics platform for government data. It is taking a federated approach to approving permissions, making it much easier for ONS to gain permission to access departmental datasets.
- ONS more broadly is looking at data as an asset in sub national accounts, which has parallels with the FDTP's work.
- The FDTP team will get in touch with ONS to learn more.
- Several members agreed that a data institution would be necessary and helpful.
- Some members highlighted further considerations:
  - Would institution(s) be a new third-party, or incubated in Defra or another existing entity?
  - Institution(s) would require long-term funding to maintain and develop standards.
- One member returned to the question of timelines, stating that some farmers were being forced to sign contracts that gave away their data without equity.

# 6. Summary / next steps:

- JB gave a short summary of the meeting's three topics.
- JB thanked everyone for contributions and reiterated invitation to follow up with her or the Defra team (or KF on carbon removals taskforce) to offer further feedback / discuss ideas presented.