



Ag-CBAM Critical to Meet Net Zero Goals

Executive Summary

Agriculture accounts for nearly one-third of global greenhouse gas emissions. Under the Climate Convention, countries have committed to net zero targets to reduce these emissions.

However, there is a growing risk of carbon leakage, where agricultural production—and its associated emissions—shifts to countries with weaker climate policies. This occurs because emissions are measured where food is produced, not consumed, undermining mitigation efforts.

An Agricultural Carbon Border Adjustment Mechanism (Ag-CBAM) can help address this issue by ensuring fairer competition for domestic producers, subject to carbon pricing while discouraging the export of unregulated emissions-intensive products to regulated regions.

This policy brief highlights why Ag-CBAM should be part of international climate agreements and provides key recommendations for COP29 policymakers to effectively mitigate carbon leakage in the global food sector.

Policy Recommendations

- **Incorporate Ag-CBAM into climate agreements:** Ensure Ag-CBAM is formally recognized to support global net zero efforts.
- **Target high-leakage sectors:** Focus on emissions-intensive products like livestock and fertilizer-intensive crops, where carbon leakage is greatest.
- **Use transparent carbon pricing benchmarks:** Implement sector-specific benchmarks to assess GHG emissions in imports, ensuring fair competition and incentivizing low-emission practices abroad.
- **Foster global collaboration:** Harmonize carbon pricing mechanisms across countries to prevent market distortions and ensure fair competition.
- **Support developing countries:** Provide assistance and differentiated benchmarks to help them transition to lower-emission practices.

Professor Paul Wilson's expertise in sustainability metrics is delivering new thought-leadership approaches to how we balance food production and environmental protection.

✉ paul.wilson@nottingham.ac.uk

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Ag-CBAM is critical to achieving climate goals

Agriculture is a major contributor to global GHG emissions, responsible for about 30% of the total. However, the sector faces challenges in global climate mitigation due to carbon leakage—where emissions shift to countries with weaker regulations.

This occurs when stricter national climate policies disadvantage domestic producers, prompting emissions-intensive agricultural production to relocate. While the EU has implemented CBAMs in energy-intensive sectors, agriculture lacks a similar mechanism.

Leakage rates in agriculture can reach up to 153%, necessitating urgent action. An Ag-CBAM could address this by imposing carbon tariffs on imports from countries with higher emissions, targeting high-leakage products like beef and fertilizer-intensive crops.

Aligning Ag-CBAM with the Paris Agreement and WTO rules can ensure fairness while encouraging lower-emission practices globally.

Researchers

Paul Wilson, Director
Centre for Food Policy and Foresight
University of Nottingham
Paul.Wilson@Nottingham.ac.uk

Jack Bobo, Director
Food Systems Institute
University of Nottingham
Jack.Bobo@Nottingham.ac.uk

Ag-CBAM at CFPF

Introducing an Ag-CBAM supports global climate goals, including the Paris Agreement and the UN Sustainable Development Goals (SDGs), particularly SDG 13 (Climate Action) and SDG 2 (Zero Hunger).

At the University of Nottingham, we are engaging with policymakers and farm groups to develop data for better decision-making to support sustainable agricultural practices.

We promote low carbon innovation and help ensure that national mitigation efforts result in real global emission reductions.

An Ag-CBAM would protect domestic producers from competitiveness losses, maintaining economic stability in agriculture while contributing to global climate resilience.

Further reading

- [Carbon leakage in agriculture: when can a carbon border adjustment mechanism help?](#)
- [Food Systems Institute](#)
- [Centre for Food Policy and Foresight](#)



@UoNFoodSystems



bb-food-systems@nottingham.ac.uk