September 12, 2024

An open letter to the private banking sector on its role in fueling the climate crisis by financing industrial livestock production

We, the undersigned 105 organizations, urgently call on global private banks to address their role in financing industrial livestock production. This funding accelerates climate change, drives catastrophic biodiversity loss, exacerbates food insecurity,[1] and damages animal welfare and human rights.[2] All financial institutions involved in financing this sector must take immediate and decisive action to halt their contribution to these escalating crises.

Most global food and agriculture emissions come from livestock production, and studies have found that global livestock production will use almost half of the world's 1.5˚C emissions budget by 2030 and 80% by 2050. Industrial livestock corporations contribute substantially to this — the emissions of just the top 56[3] global meat, dairy, and feed corporations are higher than those of Japan,[4] the world's eighth largest emitter.

The actual emissions are undoubtedly higher than their self-reported emissions[5] because meat, dairy, and feed corporations' emissions data is often underreported and Scope 3 impacts are largely undisclosed, even though they generally account for **90% or more** of these companies' emissions.[6] By financing the world's largest meat, dairy, and feed corporations, global banks are prioritizing corporate gain at the expense of people and the planet.[7]

Thus, **we call upon all banks to treat industrial livestock as a high-emitting sector — and to immediately set, publish, and implement agriculture sector-specific 1.5°C targets and action plans**. At a minimum, this includes:

- Halting all new financing that enables the perpetuation or expansion of industrial livestock production.[8]
- Requiring meat, dairy, and feed clients to disclose third party verified 1.5°C targets and action plans that align with the Intergovernmental Panel on Climate Change 2022 (IPCC22) or an equivalent science-based sectoral pathway.[9]
- Addressing the additional social and environmental harms from industrial livestock production.[10]

As the climate crisis deepens and evidence of harm driven by companies and ignored by their financiers mounts, banks are coming under increasing pressure from policymakers, shareholders, and civil society. They are increasingly expected to slash the greenhouse gas (GHG) emissions attributable to their loans, underwriting, investments, and other financial services. This pressure has resulted in climate commitments from financial institutions, including the commitment by signatories to the Net Zero Banking Alliance to set GHG emissions reduction targets for agriculture by the end of 2024.

Despite their climate commitments and the overwhelming evidence that the perpetuation and expansion of industrial livestock production emits significant GHG emissions, recent research conducted by Profundo and Feedback Global shows that global bank financing of corporations involved in industrial livestock production is significant and increasing. Over half a trillion dollars in credit, US$615 billion, have been provided globally to the world's largest meat, dairy, and feed corporations in just over eight years and since the Paris Agreement was signed. From 2019 to 2022, banks granted 15% more credit to the largest meat, dairy, and feed corporations than the previous four years.

Further research in a study by Friends of the Earth U.S. (FOE U.S.) and Profundo titled Bull in the Climate Shop: Industrial Livestock Financing Sabotages Major U.S. Banks' Climate Commitments reveals that of the US$134 billion in loans and underwriting from U.S.-based banks to the meat, dairy, and feed corporations examined, more than half can be attributed to Bank of America, Citigroup, and JP Morgan Chase (the "Big Three").[11]

The Big Three's lending to meat, dairy, and feed corporations results in approximately 11% of greenhouse gas emissions linked to the banks' financing. However, these corporations represent just a tiny fraction (0.25%) of the banks' portfolios — a 44X difference. Thus, by eliminating their financing of high-emitting corporations involved in meat, dairy, and feed production — a relatively small change in how they allocate their capital — these big banks can affect a sharp emissions reduction. The biggest emitters among the Big Three's meat, dairy, and feed clients include Cargill, ADM, Bunge, and Nestlé.[12]

What is worse, of the 58 U.S. banks examined in FOE U.S.' report, up to 70% of the banks' total meat and dairy related financed and facilitated emissions are methane (using GWP20), which has 80X the warming potential of carbon dioxide. Bank of America's underwriting of JBS alone accounted for 87% of its facilitated methane emissions from meat and dairy corporations.

Investing in industrial livestock production is not aligned with safeguarding the stability of life-sustaining systems. Industrial livestock companies' operations are structurally at odds with a sustainable future — they are hardwired to pursue growth in the unsustainable mass production of meat and dairy.

Therefore, banks simply cannot achieve their climate commitments without a significant reduction in their financing to meat, dairy, and feed corporations. Halting bank financing of industrial livestock production would immediately and significantly improve banks' emissions equation, demonstrate a commitment to addressing climate and nature-related impacts, and deliver benefits to the planet, people, and the banks.

We urge banks to take immediate action.

We welcome a conversation with you to discuss this matter in the coming weeks. For questions and feedback, please contact Eryn Schornick at eschornick@foe.org.

Sincerely,

1000 Grandmothers for Future Generations
A Well-Fed World
AbibiNsroma Foundation (ANF)
ActionAid France
ActionAid International
ActionAid UK
ActionAid USA
Aliansi Masyarakat Adat Nusantara (AMAN) Maluku
Angie
Animal Partisan
Animals Asia Foundation
Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE)

Asociación Unión de Talleres 11 de septiembre
Bank Climate Advocates
Bank Information Center
Bank on our Future
BankTrack
Better Food Foundation
Beyond Cruelty Foundation
Brighter Green
Coalition of African Animal Welfare Organizations (CAAWO)
Center for Biological Diversity
Center For Food Safety
Changing Markets Foundation
chilli.club
Churchill Fellowship
ClientEarth USA
Climate Organizing Hub
Colossal
Community Alliance for Global Justice
Community Empowerment and Social Justice Network (CEMSOJ)
Compassion in World Farming International
Concerned Health Professionals of Pennsylvania
COUNCIL OF PROTECTRESSES
Earth Ethics, Inc.
Earth Guardians
Ethical Farming Ireland
Facing Future Library
FacingFuture.TV
Fair Start Movement
FairFin
Family Farm Defenders
Feedback Global
Federation of Indian Animal Protrection Organizations (FIAPO)
Food Revolution Network
Forests & Finance Coalition
Friends of the Earth (England, Wales & Northern Ireland)
Friends of the Earth U.S.
Future Food 4 Climate
Gender Action
Global Vegan Inspiration
Great Plains Action Society
Green America
Green REV Institute
Greenpeace
Habitat Recovery Project
Harford County Climate Action
HEAL (Health, Environment, Agriculture, Labor) Food Alliance
Hive
Housing and Land Right Network- Habitat International Coalition

Humane Investing, LLC.
Humane Society International
Hungry Planet
In Defense of Animals
Independent
Indigenous Environmental Network
Institute for Agriculture and Trade Policy
Instituto Maíra
Jamaa Resource Initiatives
Kenya Small Scale Farmers Alliance
LBH ANGSANA
Lembaga Bentang Alam Hijau
Les Amis de la Terre-Togo
Madre Brava
Mighty Earth
Milieudefensie
Movimiento Rios Vivos/MARBE S.A., Costa Rica
New Roots Institute
North Carolina Environmental Justice Network (NCEJN)
Peace Point Development Foundation-PPDF
Peoples Climate Movement- NY
Planet Tracker
Plant Based Treaty
Plant-Based Health Professionals UK
Profundo
ProVeg International
Rainforest Action Network
Real Food Systems Youth Network
Rethink Your Food
Rinascimento Green
Seeding Sovereignty
Sikkim indigenous lepcha tribal association
Sinergia Animal
Socially Responsible Agriculture Project
Southern African Faith Communities Environment Institute, SAFCEI
Stand.earth
Strategies for Ethical and Environmental Development (SEED)
Stray Dog Institute
Sustainable Holistic Development Foundation (SUHODE Foundation)
The Center for Social Sustainable Systems
The People's Justice Council
Trend Asia
Urgewald
Vegetarian Society of Denmark
World Animal Protection

Endnotes:

[1] Industrial livestock consume roughly 75% of the world's soy and 36-40% of all cereals but provide only 18% of global calories, leading the Food and Agriculture Organization to warn against further use of grain for animal feed.

[2] Harms of industrial livestock production include freshwater depletion, air, water, and soil pollution, violation of land and labor rights, antimicrobial resistance, the spread of infectious diseases and zoonotic pandemics, and animal cruelty. These impacts are catastrophic, and can involve regulatory, reputational, and operational risks for banks.

[3] The financing and emissions-related data contained in this letter has been published in two recent reports: Bull in the Climate Shop: Industrial livestock financing sabotages major U.S. banks' climate commitments, Friends of the Earth U.S., April 2024, available at: https://foe.org/resources/bull-in-the-climate-shop/ and Still Butchering the Planet, The big-name financiers bankrolling livestock corporations and climate change - 2024 update, Feedback, March 2024, available at: https://feedbackglobal.org/wp-content/uploads/2024/03/Feedback-2024-Still-Butchering-the-Planet-Report.pdf. "Bull in the Climate Shop" refers to the world's largest 56 companies involved in industrial livestock production; "Still Butchering the Planet" refers to the world's largest 55. The two sets of companies are identical. "Bull in the Climate Shop" refers to Sanderson Farms as an independent entity; "Still Butchering the Planet" refers to the company as a Cargill subsidiary following its 2022 acquisition by Cargill and Wayne Farms.

[4] The total emissions using self-reported Refinitiv data is 1.14B tCO_2e. Japan's emissions were 1.06B tCO_2e in 2020 using https://www.climatewatchdata.org (viewed February 27, 2024).

[5] Friends of the Earth U.S., Bull in the Climate Shop: Industrial livestock financing sabotages major U.S. banks' climate commitments, April 2024, available at: https://foe.org/resources/bull-in-the-climate-shop/ (researchers calculated that meat and dairy corporations' actual emissions may be up to 4X higher than self-reported figures).

[6] More than half of the 56 largest meat, dairy, and feed corporations do not report their emissions and those that do, do not report all emissions—only 22% report on Scope 3 emissions.

[7] See e.g., Still Butchering the Planet, The big-name financiers bankrolling livestock corporations and climate change - 2024 update, Feedback, March 2024, available at: https://feedbackglobal.org/wp-content/uploads/2024/03/Feedback-2024-Still-Butchering-the-Planet-Report.pdf (Between 2015 and 2022, the biggest global creditors to the top 55 largest livestock companies were Bank of America ($28.8 billion), followed by Barclays ($28.2 billion), and JPMorgan Chase ($26.7 billion). HSBC was the biggest underwriter of bond issuances for the world's largest livestock companies and Rabobank was the biggest provider of corporate loans.).

[8] Specifically, a) no issuance of new corporate or project-based financing or revolving credit facilities to corporations involved in meat, dairy, and/or feed production; b) no renewals of any such exiting loans or facilities; c) no underwriting of bonds, initial public offerings, or secondary offerings; and d) no investment in publicly traded securities.

[9] At a minimum, banks should require that these clients a) disclose 100% of their disaggregated (CH_4, CO_2, N_2O) greenhouse gas (GHG) emissions across all Scopes (1-3); b) set an disclose near- and long-term timebound absolute reduction targets for CH_4, Co_2, and N_2O; c) prioritize the reduction of CH_4 and adopt absolute CH_4 emissions reductions of at least 30% from 2020 levels by 2030; and d) achieve emissions reductions by reducing the number of animals in global supply chains and without reliance on carbon offsets, credits, or similar mechanisms.

[10] This would be done by requiring meat, dairy, animal feed, food processing, and agri-commodity clients (at the corporate group level) to a) halt deforestation and biodiversity loss; b) respect human and labor rights, including the rights of Indigenous Peoples and local communities, as well as the right to Free, Prior, and Informed Consent; c) enact zero tolerance for violence against human rights, land, and environmental defenders; d) establish a robust grievance mechanisms; and e) adopt strong animal welfare criteria.

[11] Financing from the Big Three between 2016 and 2023 totaled at least US$74 billion – equivalent to 27.3 billion pounds of coal burned or the exhaust emissions from 5.4 million cars over the course of a year.

[12] These companies account for the bulk of financed emissions (Bank of America, 76%; Citigroup, 92%; and JPMorgan Chase, 86%).