

Off Course: Carbon Pricing Myths and Dirty Truths

Polluters are pushing carbon pricing scams as “solutions” to the climate crisis. Meanwhile, recent efforts in the United States and the European Union would bring more farmland and forest into emission trading programs.¹ But over a decade of carbon pricing schemes have failed to meaningfully reduce emissions. Instead, these greenwashing opportunities allow industries to “pay to pollute,” pushing the goal of remaining below 1.5 degrees Celsius of warming out of reach.

Instead, we need to stop the expansion of new fossil fuel infrastructure and production, as well as factory farming, while helping communities transition off these destructive industries.

The many pitfalls of carbon pricing

Carbon pricing is sold as a way to address greenhouse gas emissions by putting a price on carbon to capture its environmental and public health impacts. Polluters then choose between reducing emissions or paying a carbon tax / purchasing carbon credits.²

In reality, these “pay-to-pollute” offset schemes result in little to no reduction of net greenhouse gas emissions — and in some cases, they increase emissions. Carbon pricing fails for a number of key reasons:

- **Carbon pricing often leads to net increases in greenhouse gas emissions.** Polluters are purchasing offsets for practices that would likely have been adopted in the absence of carbon pricing schemes. This includes the majority of offsets purchased under mechanisms provided by the Kyoto Protocol, as well as those issued under California’s cap-and-trade program.³

This is especially relevant to agricultural offsets, since many practices that sequester carbon are beneficial in and of themselves. In fact, a 2014 study from the U.S. Department of Agriculture estimated that if conservation tillage and fertilizer reduction practices were incorporated into carbon pricing programs, most offset credits would be non-additional and would result in increased aggregate emissions.⁴

- **Agriculture offsets are no substitute for eliminating fossil fuel combustion.** Fields and forests are only temporary carbon sinks and can re-release carbon back into the atmosphere over the course of a few decades, or even in a matter of hours. The most important carbon sinks are the slow-exchange ones like fossil fuel reservoirs where, if left undisturbed, carbon is trapped for millennia.⁵ Offsets confuse this basic science by wrongly treating the Earth’s biosphere as an endless source of carbon storage.
- **Carbon pricing schemes are rife with fraud and manipulation.** The value of offsets depends on calculations made by private companies selling offsets, third-party verifiers and regulators. This creates an environment conducive to speculation and manipulation.⁶ Big companies with more information about offset project parameters stand to gain the most through fraud and data manipulation, which are long documented in carbon pricing schemes.⁷

For example, companies may deliberately increase their emissions prior to participating in an offset scheme, in order to raise their additionality baselines (and therefore the value of their offset credits). According to a coalition of environmental groups, up to a third of offset credits sold under the Kyoto Protocol could be fraudulent, with some companies opting to “produce gas just to burn it.”⁸





- **Carbon pricing perpetuates environmental injustice.** Communities located near “pay-to-pollute” facilities will continue to bear the burden of toxic air and contaminated water, and in some instances, they will experience pollution increases.⁹ Offset payments to

farmers could also fall into the same trap as other farm subsidies, which have disproportionately benefited the largest farms over smaller ones and farmers of color.¹⁰ This could fuel even greater consolidation of agribusinesses and farmland — while perpetuating unsustainable practices like pesticide use and factory farm gas (greenwashed as “biogas”).¹¹

Food & Water Watch recommends that governments:

- Reject carbon pricing schemes in any form, and instead focus regulatory efforts on eliminating carbon emissions at the source;
- Transition to 100 percent clean, renewable energy by 2030 through an investment in a New Deal-scale green energy public works program that fosters a rapid transition to clean energy like solar and wind, accompanied by wide-scale deployment of energy efficiency; and
- Boost existing farm programs that incentivize holistic transformation away from monocropping and factory farms and toward agroecological and regenerative farming systems.

Endnotes

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- 11 Syngenta. “Syngenta Public Policy Position on Diverse Agricultural Systems.” November 2019 at 5; Bayer. “Benefits and Safety of Glyphosate.” At 5 and 13; FWW. [Press release]. “Smithfield’s deceptive sustainability claims slammed in FTC complaint.” February 2, 2021; Demeneix, Barbara A. “How fossil fuel-derived pesticides and plastics harm health, biodiversity, and the climate.” *Lancet Diabetes & Endocrinology*. Vol. 8. June 2020 at 462 to 464.