

---

## WILL THE FOOD AND LIVESTOCK INDUSTRY FOLLOW FOSSIL FUELS OVER THE MARKET CLIFF?

BY PAUL GILDING, FELLOW UNIVERSITY OF CAMBRIDGE INSTITUTE FOR SUSTAINABILITY LEADERSHIP

---

It is the natural order of things in markets, that industries and companies come and go. New technologies and business models, along with changing societal and consumer expectations, combine to eliminate laggards. Joseph Schumpeter described this as “[creative destruction](#)” the incessant process of destroying the old and creating the new.

We are generally pretty relaxed about this. Anyone miss Nokia? Kodak? Blockbuster Video? But when the drivers for change become politicised, or worse – ideological – an intense process unfolds to resist the market process.

What economic history shows however is that ultimately, market change marches on, with who wins and loses largely determined by the behaviour of the companies themselves. Some incumbents [read the signs](#) - disruptive technologies, societal need, shifting public sentiment and finance sector movement. They embrace change, adapt and survive. But [most don't](#) and are replaced with nimbler, faster moving, risk taking disruptors.

I've [long argued](#), given this evidence, that advocacy for fossil fuel companies to become green energy companies was illogical and a distraction. While the potential has been leveraged as an effective PR and policy delay tactic for those companies, actually expecting an oil major or coal miner to become a technology driven, distributed energy company was [largely fantasy](#).

This brings me to the food and particularly the livestock industry. Climate change advocacy has long been justifiably focused on CO<sub>2</sub> and the fossil fuel industry. However, we have just as a big a problem with the food and livestock industry - in the short term perhaps even greater. As I've argued in recent papers, the climate emergency is now a [methane emergency](#) - because only rapid methane reduction will slow the rate of warming at the required speed (< decade). Without this we risk runaway climate change and global chaos.

The most effective response is to cut livestock emissions – reduce consumption of beef and dairy and lower methane emissions in production. Given the speed required, this won't happen through voluntary company actions or shifts in consumer preferences. We will need policy, investment, technology and hard-edged activism – as we've seen with fossil fuels.

This means the food and livestock industry, particular beef and dairy, face a truly [existential risk](#). Their future will be decided this decade. If they don't embrace change and recognise its disruptive nature, they will go down the same path as fossil fuels. Denial, resistance, avoidance and delay followed by their collapse. (The fossil fuel industry hasn't collapsed yet, but it [most certainly will](#) – and sooner than most expect.)

Despite the similarities to the decline of the fossil fuel industry, there is one defining difference. Speed. The fossil fuel industry had decades of warning, then more decades for effective avoidance and delay. That's because there wasn't a climate emergency in the 1980's, only a forecast of risk in 30 years. So, they could waffle on about 2030 and 2050 plans, while continuing business as usual.

The food and livestock industry however, faces a dramatically accelerated timeframe. We have to slash methane emissions in the next decade and the most effective method is the food system – particularly beef and dairy. I explored this in a recent [discussion paper](#) with Dr Pablo Salas at the University of Cambridge Institute for Sustainability Leadership. We concluded it's now a race: The disruptive food technologies and businesses that could replace beef and dairy vs the ability of the beef and dairy industry to slash their own emissions. The failure of the fossil fuel industry to act, was a gift to the companies now replacing them.

So far, the signs are that most food and livestock industry players are following the same playbook as fossil fuels, even making the same arguments:

*“Yes the issue is important but we mustn't act too fast. We're crucial to society and people need our products. Many jobs and communities depend upon us. We're investing in the solutions but they are not yet proven or commercial. We need new technology and more government support, not regulation.”*

Such advocacy by the fossil fuel companies was disingenuous – the real objective was delay and distraction. Exxon invested in solar in the 1970s. BP went “Beyond Petroleum” in the 1990s. Today they earn super profits from business (and emissions) as usual.

Today's meat and dairy companies are likewise investing in new food technologies and in reducing their emissions. But does the scale and intensity match the speed of the disruption they face? Do they support policy, including taxes and regulation that actually support their transition?

Consider a [recent example](#) of the livestock industry celebrating their success in avoiding impositions from the Global Methane Pledge: *“Any way you slice it, that outcome from COP26 was a win for us,” ...“Beyond research funding and encouraging technological innovation, there were no additional regulatory proposals.”*

Like the fossil industry they seem to be trading off delay and profits today, for market decline tomorrow. Like the fossil fuel industry, their path from here is predictable. Unless they change paths. But will they?