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Does carbon labelling inform or confuse consumers?

The current rush by major retailers, processors and environment groups into carbon labelling seems more likely to confuse consumers than give them useful product information, according to papers included in the latest edition of the Australian Farm Institute Farm Policy Journal: 'Its easy being labelled, but not easy being green'.

Carbon labelling is a new aspect of ecolabelling, an initiative that has been gaining momentum in wealthy markets as a means of informing consumers about the environmental credentials of the products they are contemplating purchasing. Major global retailers, including Tesco and Walmart, have implemented programs to have ecolabels which include greenhouse emission data included on products, and are requiring suppliers to provide that information.

"But a lack of agreement on what emissions should and should not be counted, how they should be counted, and where a particular production system starts and stops means that there is little standardisation of greenhouse emission assessment methodologies, and the resulting information may be of very limited value to consumers," according to Mick Keogh, Executive Director of the Australian Farm Institute.

"There is also a risk that the carbon credentials of a product could override other impacts that a production system may have had on the environment, creating distorted information for consumers.

"Adding to the complexities of this issue is the fact that there are very strong moves underway to introduce greenhouse emission status into international trade regulations, via various measures that it seems could comply with World Trade Organization rules. Given the uncertainty surrounding carbon labelling, this brings very real risks that carbon will become an excuse for protectionism, and set back progress in freeing up world trade in agricultural products."

Papers included in the Journal include the following:

- * Gaetane Potard, a researcher with the Australian Farm Institute, provides a broad overview of current international developments in relation to carbon labelling;
- * Charlotte Hebebrand, Chief Executive of the International Food and Agricultural Trade Policy Council, provides a broad overview of the vexed issue of environmental regulations and trade rules;
- * Tracey Epps, from the Faculty of Law at the University of Otago, analyses the intersection between international trade rules and climate change policy;
- * Olivier Bonroy, Research Fellow at the French National Institute for Agricultural Research, examines the relation between labelling and market behaviour of consumers and producers, highlighting the strengths and weaknesses of public and private labelling systems;
- * Christian Fischer, from Massey University New Zealand, looks at the relationship between labels and supply chains, arguing that what is likely to occur is the development of a 'super label' that incorporates a wide range of desirable attributes;
- * Professor Harald von Witzke, Steffen Noleppa and Gerald Schwarz, from Humboldt University Berlin and Agripol, looks at the relationship between food security and carbon labelling, making the point that the two issues can be in direct conflict. The paper concludes that major increases in research investment will be required to maximise future agricultural productivity growth while constraining greenhouse emissions.