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## Meat production: Perspective of a sustainable investor

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- Mindfulness is a crucial element not only when shopping for food, but also when taking investment decisions
- Conscious consumption: reduction of greenhouse emissions and deforestation – increase in animal, and ultimately, human welfare

Global meat consumption is a core investment topic not only for sustainable investors: the demand for products from livestock breeding has been on the rise in world food affairs.

The so-called [food revolution](#), which concerns our dietary habits, is happening in particular in developing countries, which account for the majority of global population growth. According to surveys by the Food and Agriculture Organization (FAO), meat consumption increases by an annual 5 to 6%.

### Meat production has quadrupled since 1965

According to the FAO, global meat production almost quadrupled since 1965 from 84mn tonnes to 335mn tonnes. Both meat consumption and production could rise by 120% by the year 2050.

The large-scale cultivation of animal feed displaces first-growth forest, which provides crucial CO<sub>2</sub> storage. In addition, the use of chemical fertiliser is both CO<sub>2</sub>- and energy-intensive and is a burden to other eco systems such as flowing waters. Also, it is worth pointing out that 15% of the greenhouse emissions caused by man are a direct consequence from livestock breeding.

“Due to the heavy [use of antibiotics in industrial agriculture](#), bacteria have also become increasingly resistant to them. If you like to eat meat, you might therefore want to cut down on quantity and instead go for higher quality in production” says Walter Hatak, Head of Responsible Investments with Erste Asset Management (Erste AM).

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### Mindfulness in investment decisions

Curbing the detrimental consequences of the increased consumption of animal products is a matter of urgency. Investors can contribute significantly to this goal.

“Sustainable investors start their analysis where traditional ones often end theirs. The economic assessment is a basic condition for us to classify an asset as investable. But in addition, the issuer also has to convince us in terms of its sustainable criteria,” as Hatak points out.

Therefore, the following questions emerge in meat production: how does the company fare in the way it deals with its employees and the local community? These questions are crucial in addressing the ESG sustainability criteria (environment, social, governance)

How do breeding farms treat their animals, and how do they dispose of wastewater and animal faeces? “The goal of the [ESG analysis](#) is to identify risks and opportunities. To this end, we have an experienced team of ESG analysts who can critically scrutinise topics,” explains Hatak.

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