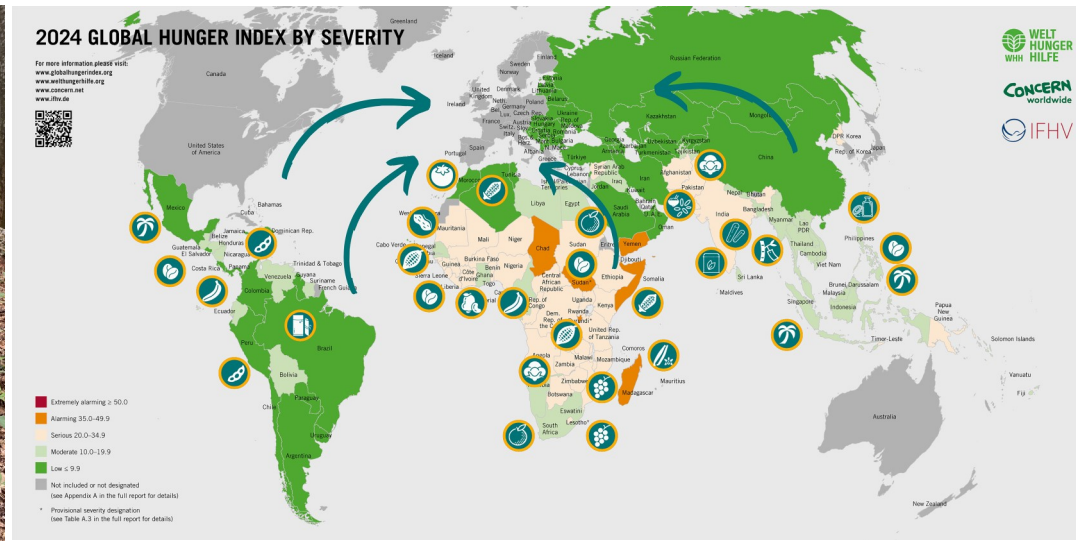




Rubber harvest in Cambodia



Hunger and global trade: Where do our imported goods come from?

Without food security, no sustainability nor economic stability

Germany is the world's third largest importer of agricultural products¹ and sources 65% of these products from non-EU countries, particularly from the Global South. These include coffee, cocoa, coconut and palm oil, and avocados - products that hardly compete with EU goods but are part of everyday life in Germany². However, precarious working conditions and a lack of social standards in the countries of origin, as well as the pressure of expectations to meet new sustainability requirements, place a burden on producers of agricultural commodities and jeopardize the future viability and stability of supply chains. New EU directives address this issue and, for the first time, require proof of compliance with human rights due diligence obligations right down to the production level. Welthungerhilfe (WHH) is committed to ensuring that the right to food is recognized and addressed as a human rights and economic risk. With the Food Security Standard (FSS), it offers a practical instrument for verifying compliance with human rights standards in agricultural production.

Legal framework

A **UN Binding Treaty on Business and Human Rights**³ to level the playing field globally has been under discussion since 2014, but no agreement has yet been reached. The **EU Green Deal**⁴ sets binding standards for the first time and since 2019 has been pursuing the goal of long-term climate neutrality and sustainable growth. Important regulations such as the **Corporate Sustainable Due Diligence Directive (CSDDD)** and the **Regulation on Deforestation-Free Supply Chains (EU Deforestation Regulation—EUDR)** obligate companies to identify and address social and environmental risks along their

supply chains. The CSDDD requires companies to demonstrate that they are committed to respecting human rights. The EUDR goes further: companies must prove that they meet the requirements - otherwise their products may not be imported into the EU. The planned weakening of some of these provisions of the Green Deal through the so-called **Omnibus Initiative**⁵ is not only attracting criticism from civil society, but also from the business community, as it could further unsettle companies and investors.

Food security as a stability factor

If social standards are disregarded, the risk of hunger is high and dissatisfaction within the population increases. The consequences are social and political instability, which can lead to crises and conflicts. This also jeopardizes the resilience of global supply chains and can lead to agricultural commodities from the Global South being more expensive, lower quality, and not as readily available.

Through fair working conditions and social security, agriculture can also contribute to higher incomes in fragile states and create living and working prospects, especially for young people in rural areas, which in turn contributes to greater stability and security.

Food security is the basis for economic growth, particularly in fragile contexts, and opens new market access - including for export products from German companies.

Development cooperation plays a key role here: through programs, training and start-up financing, it supports the necessary structural change - which often begins with the farming operations themselves. A strategic focus of development policy on issues such as food security, the right to food and rural development, com-

combined with private sector investment, can strengthen sustainable economic structures, secure livelihoods and contribute to regional security.

Challenges for agricultural businesses

Certifications play an important role in demonstrating compliance with sustainability requirements. However, the associated obligations are often passed on to producers - they ultimately have to implement the measures to comply with the regulations. It is not uncommon for companies to have to invest in water infrastructure, higher wages or healthcare, for example, and work through crucial land rights issues in order to comply with and demonstrate their human rights due diligence obligations. Companies with an established sustainability management system can meet the require-

ments more easily, while others face high financial hurdles. There are also certification costs to provide evidence to buyers. None of this is covered by higher market prices or financial support from buyers. Many farms bear the higher production costs themselves - for fear of losing business relationships. If they are unable to make these investments and provide proof of sustainability, in the worst-case scenario they could be excluded from the market, which could jeopardize both livelihoods and social stability in the producing countries. More socially sustainable production methods require time, money and structural changes and are important for the stability of supply chains, the supply of Europe and the achievement of fundamental global sustainability goals in the North and South. Close cooperation between producers, companies, governments and local actors is therefore crucial for success.

Political responsibility for sustainable supply chains: Strengthening human rights

Our key demands in a nutshell:

Politics and business should see the realization of human rights as fundamental to stable supply chains. Germany has already set the right course with the **Supply Chain Due Diligence Act (LkSG)** - now further action is needed:

- **Binding instead of voluntary standards** - Germany should not only actively campaign for the preservation of the EU regulations of the Green Deal (e.g. CSDDD and EUDR), but also for a globally binding agreement on business and human rights (UN Binding Treaty).
- **Anchoring the right to food** - The German government should work to ensure that the right to food is included in the EU Green Deal legislation.
- **Reduce bureaucracy in a targeted manner** - Uniform obligations to provide evidence and the recognition of established standards such as the FSS make it easier for companies to implement regulatory requirements. Bureaucracy should be bundled for companies and suppliers for various regulations and reduced where it is not necessary to ensure essential duties of protection and due diligence.
- **Promote sustainable procurement** - Public procurement should at least comply with legal requirements and thus pave the way for investments in the sustainability of supply chains.
- **Strengthen value creation** - Germany and the EU should organize their foreign trade promotion in the Global South in such a way that jobs are created in rural areas. In addition, mechanisms for the fair distribution of the costs of sustainable production along the value chain must be developed in order to secure market access for small businesses.
- **The private sector should increasingly integrate development policy goals into its strategies and actively support them.** - Closer cooperation between the two sectors creates synergies for socially sustainable agricultural and food systems and strengthens human rights in the long term.

Sources:

¹ BMEL—Außenwirtschaftspolitik

² Deutscher Bauernverband—Situationsbericht Agraraußenhandel

³ UN Binding Treaty on Business & Human Rights

⁴ EU Green Deal

⁵ European Commission—Omnibus packages

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