



## Food Value Chain Consultations

### Consultative workshop on sustainable food value chain focusing on Food-related Policies and Policy Instruments

6<sup>th</sup> May 2021

#### WORKSHOP REPORT

##### Attendees:

Full list of attendees is available in the end of the report.

##### Workshop objectives:

- Introduce the value-chain approach, as developed by the UNEA requested [Task Group](#) on *Catalysing science-based policy action on Sustainable Consumption and Production*.
  - Share the key findings on the food sector analysis.
- Improve the understanding of current policies and policy instruments addressing sustainability along the food value chain to:
  - Identify best practices and opportunities for their scale-up and replication.
  - Identify gaps and challenges to be addressed.
  - Identify actions needed by other stakeholders along the food value chain to support decision makers in the promotion of policies that aim at reducing negative environmental impact while improving the socio-economic contributions of the food sector.
- Present messages from actors at all stages of the food value chain, collected as inputs to previous workshops of this consultation series.

Full presentation of the meeting is available [here](#).

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#### MAIN MESSAGES

- The application of the 'Value-Chain Approach' to analyse the food sector showed that the middle stages of the food value chain -- controlled by food companies across processing and packaging, retail and food services -- are structurally powerful and have a disproportionate influence across both primary production and final consumption. Actors at these stages have a huge impact on the activities at either end in determining both what food farmers sell and what food consumers buy.
- Food systems connect both social and environmental sustainability. UN Food Systems Summits is bringing the society together to talk about food systems and gives an opportunity to develop concrete actions aiming at reducing emissions from food systems. For opportunities to engage please visit [the UN Food Systems Summit website](#).
- The analysis of the policies and policy instruments reported under 12.1.1 have allowed to conclude that there is a concentration of policy measures at the two ends of the food value chain. Nearly 60% of the measures proposed at either input/production phase or consumption phase. This highlights a gap in measures at the middle stages of the value chain, the stages that shape how we produce and how and what we consume.



- Inclusive and participatory approach in policy making that is adapted to local circumstances is essential. Policies should take into account the needs and realities of all the actors to understand interdependencies and avoid tradeoffs in order to define adequate measures. Holistic lens can help deploy more integrated food policies - addressing interrelated issues across economic, social & environmental dimensions. Participatory governance mechanisms that bring together different food system actors and connect actors from different food agendas are key.
  - Most policies are sectoral, and there is an urgent need to move away from working in silos towards more integrated policies that deliver simultaneously on economic, environmental, health, climate mitigation adaptation, social and cultural objectives.
  - There is a need to work together towards transformational change of food systems. The current model is built on an industrial model of production based high-input use and economies of scale, which has led us to land degradation and pollution. The transformational change requires a food systems approach encompassing changes in production systems; changes in knowledge generation and transmission, with the emphasis on the co-creation of knowledge; shift in social and economic relations; changes in institutional frameworks and regulatory and financial instruments.
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### SETTING THE SCENE

- Strengthening the science-policy interface by adopting the value-chain approach is one of the key elements in strengthening multilateral cooperation on Sustainable Consumption and Production (SCP).
- As part of this process, the One Planet network has planned a series of multi-stakeholder consultations to take place in 2021, focused on high-impact sectors of food, construction and plastics.
- These consultations build on the findings of [the One Planet-International Resources Panel Task Group](#) on catalysing science-policy action on SCP, presented in this [report](#) “Catalysing Science-Based Policy Action on Sustainable Consumption and Production: The Value-Chain Approach and its Application to Food, Construction and Textiles”.
- This is the first consultations series that is focusing on the food sector and dedicated to “Innovative business and policy solutions” along the food value chain. It consists of 5 workshops focusing on the prioritized stages of the food value chain.
- The outcome document of these workshops developed jointly with the participants will be the basis for the collaborative development of the common agenda for action in the food sector.
- This is the fifth workshop of the series dedicated to food-related policies and policy instruments. Full information on the food value chain consultations can be found [here](#).
- The work on the value chain approach in high-impact sectors will inform further discussions on a post-2022 strategy on sustainable consumption and production lead by the Member States.

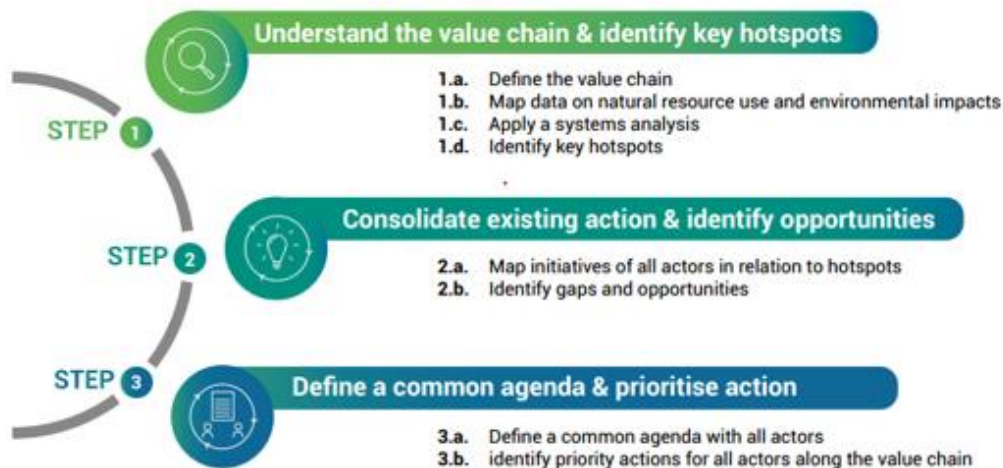
### VALUE-CHAIN APPROACH AND ITS APPLICATION TO THE FOOD SECTOR

- The One Planet-International Resources Panel Task Group on catalysing science-policy action on SCP has been established at [the request the Member States at the 4<sup>th</sup> United Nations Environment Assembly](#).
- The [Task Group](#) aimed to catalyse science-based policy action on SCP, thereby providing actionable insights on the management of natural resources in relation to the 2030 Agenda for Sustainable



Development. To achieve this, the task group took a sectoral focus and applied the ‘Value-Chain Approach’.

- The ‘[Value-Chain Approach](#)’, as developed by the Task Group, is a methodology for catalysing science-based policy action on sustainable consumption and production which identifies key points of intervention within economic systems to reduce natural-resource use and environmental impacts through a common agenda for action.
- By applying a systems lens, the socio-economic drivers and barriers that influence value chain operations of different sectors are identified, taking into account the complex feedback loops influencing the operations and behaviours of actors along the value chain. This approach shows that the key points of intervention are often not the same as where natural resource use and environmental impacts take place, making systems analysis essential.
- The ‘Value-Chain Approach’ identifies where the greatest opportunities for a shift to sustainable consumption and production exist, shapes corresponding actions by building on current knowledge and available data and engages the relevant actors.
- The Approach consists of three main steps:



- The Task Group has applied various steps of the ‘Value-Chain Approach’ to three high-impact sectors: food, construction and textiles.
- When it comes to the sector of food, application of Step 1 has demonstrated that<sup>1</sup>: *“while the majority of natural resource use is taking place at the primary production stage, a systems lens that considers drivers of food systems shows us that primary producers have a limited ability to shape food systems and change their production practices. Analysis shows that the middle of the value chain, controlled by food companies across processing and packaging, retail and food services, is structurally powerful and has a disproportionate influence across both primary production and final consumption. While these stages of the value chain don’t use the most resources themselves, they have a huge impact on the activities at either end in determining both what food farmers sell and what food consumers buy”*.

<sup>1</sup> Full analysis available [here](#)



- The analysis of the food value chain identified three core challenges:
  - 1) How we produce food: The majority of natural-resource use and environmental impacts takes place during production. Changing production practices is critical to using resources more efficiently and sustainably, while causing less damage to the environment.
  - 2) How much food we produce and consume: One-third of all food produced is either lost at the production, transportation or processing stages, or wasted downstream in the food at the retail, food service and consumption stages.
  - 3) What types of food we produce and consume: Different types of food can embody large differences in the natural resources used and environmental impacts caused along the stages of the value chain including production processing, transportation, and disposal.
  
- Initial application of Step 2 of the Approach was based on the reporting data of the One Planet network. The analysis of the policies and policy instruments reported under 12.1.1 have allowed to conclude the following:

VALUE CHAIN STAGE	Inputs			Production			Processing/ packaging			Transport/ Logistics			Retail			Food Service			Consumption			Disposal		
	REG	ECO	VOL	REG	ECO	VOL	REG	ECO	VOL	REG	ECO	VOL	REG	ECO	VOL	REG	ECO	VOL	REG	ECO	VOL	REG	ECO	VOL
Type of measure																								
How we produce	15	5	10	9	5	10	1	2	2				2	2	3	2			1		2			
How much we produce and consume				2		4	3		4	1		4	1		6	3		6	3		12	2	4	
What we produce and consume	3		3	3		0	3		4	1	1		7	4	5	7	1	7	1	2	12	1		

- Concentration of policy measures at the two ends of value chain
- Nearly 60% of the measures proposed at either input/production phase or consumption phase. This highlights a gap in measures at the middle stages of the value chain, the stages that shape how we produce and how and what we consume.
- A good mix of voluntary (e.g. awareness, training, guidance) and regulatory measures (e.g. directives, quotas, mandatory procedures) exist at various stages of the value chain; while economic and financial measures remain more limited, such as the removal of harmful subsidies.
- There are opportunities to scale up measures highlighted on procurement regulations, as they can play a key role in supporting sustainability practices along the food value chain (for example by simultaneously promoting local sustainable products and healthy diets) but are currently proposed on a small scale rather than nationwide.



## EXISTING FOOD-RELATED POLICIES AND POLICY INSTRUMENTS ALONG THE FOOD VALUE CHAIN

The discussions of the workshop focused on existing food-related policies and policy instruments. Through the discussion a number of enablers, challenges & gaps that exist at these stages were identified.

### **Opportunities & enablers**

- There is a need for transformational change as the current food production model is built on an industrial model of production-based high-input use and economies of scale, which has led to land degradation and pollution. The transformational change requires a food systems approach encompassing changes in production systems, changes in knowledge generation and transmission, social and economic relations, changes in institutional frameworks, emphasis on co-creation of knowledge.
- An agro-ecological approach has potential to transform food systems to be more sustainable as it enables us to rethink the food systems and go beyond trying to marginally increase the efficiency of the current food production model.
- ⊖ Value-chain approach is a science-based methodology that can be used to prioritise action within a broader systems approach.
- Food systems policies need to be designed with a holistic approach, linking areas such as agriculture, nutrition, environment, trade, health, etc.
- There is an opportunity in merging climate and biodiversity policies and not to design them separately to optimize impact as well as ensure coherency across all actors in the food value chain. This would reinforce solutions targeting pressure points and accelerate the transition to sustainable food systems
- Minimum price guarantee policies for socio-biodiversity products are important for countries with several biomes, since biodiversity products in these biomes are concentrated among smallholders with limited access to markets.
- Sustainable food public procurement policies are key instruments for the shift to SCP patterns, both in developed and developing countries. It is important to highlight their capacity to achieve multiple benefits to tackle 3 pillars of sustainability: social, economic, environmental and ability to put forward issues of nutrition, health, and biodiversity preservation.
- Food procurement programmes guaranteeing a certain percentage of purchases for smallholders in organic agriculture is another opportunity that has proved important to foster small-holder agriculture. This could also be aligned with various national programmes, such as school feeding programmes.
- In terms of governance, it is important to foster dialogue between food value chain stakeholders, through, for example, technical committees implemented at state or city-level governments. It also important to delineate which actor should be responsible for the leadership of national and multi-stakeholders initiatives, and how to disseminate the practices across municipalities.
- There is an opportunity for increased promotion of agrobiodiversity as the current retail standards discourage consumption of local breeds and crops and have high cosmetic standards.
- Incentives to promote environmental positive investments are an opportunity to increase sustainable production.



- Research and innovation is one of the important enablers for the transition towards more sustainable food systems and circular economy. Its financing would not only enable the availability of scientific information but also the understanding of drivers for social and economic change.
- Innovation and co-creation should be prioritized aimed at fostering circular economy new businesses.

### Challenges & gaps

- Most policies are sectoral, and there is an urgent need to move away from working in silos towards more integrated policies that deliver simultaneously on economic, environmental, health, climate mitigation adaptation, social and cultural objectives.
- Trade policies are very important but also contentious (since trade can be beneficial or harmful for food systems). It is crucial to work towards structural changes to make healthy food a default and making it accessible to everybody. The challenge is to change social norms. Shifting to more sustainable production practices will involve costs, and therefore it is necessary to subsidise good practices.
- Policies need to address lock-ins in industrial logic: policies that are export oriented without considering internal issues and nutritional and food security issues. Currently the focus is on short-term thinking due to difficulties in convincing investors to invest in long-term issues.
- While policy frameworks exist, their implementation remains a challenge. To achieve that, capacity building and collaboration with local communities to promote diversification, sustainable diets and to protect the environment are crucial.
- Harmful policies mentioned during by experts during the workshop include subsidies on fertilisers and pesticides, approval of pesticides, regulations on organic fertilisers and farmers, unfavourable agricultural risk management programmes such as crop failure compensation schemes, GMO crops, unfairly strict food safety requirements, , etc.
- There is a need for a holistic set of sustainability metrics for food systems that allows to assess equity in food systems and elaborate on how food systems policies in developed countries affect food systems in developing countries. A new metrics framework is crucial to be able to monitor the effectiveness of sustainable food system policies and anticipate their impact on actors along the value chain and vulnerable groups that are usually overlooked.
- There is a need for a comprehensive set of indicators to guide countries to transform their food and agricultural systems.
- A challenge in the food procurement programs is to foster locally sourced food products.
- It is critical to integrate food systems transformation in the Multilateral Environmental Agreements (MEAs) given a strong link with biodiversity, climate, desertification, etc.
- For example, Nationally Determined Contributions (NDCs) under the Paris Agreements should consider food systems and their connection to the value chains. This currently presents a gap in NDCs.
- Agricultural input subsidy policies could present a challenge in the transition to more sustainable production, as well as the policies that focus on a single commodity. Reconsidering and repurposing subsidies are entry points towards sustainable food systems.

### Overview of key messages from actors along the food value chain



- Overarching message: Inclusive and participatory approach in policy making that is adapted to local circumstances is essential. Policies should take into account the needs and realities of all the actors to understand interdependencies and avoid tradeoffs in order to define adequate measures.
  - Holistic lens can help deploy more integrated food policies - addressing interrelated issues across economic, social & environmental dimensions.
  - Participatory governance mechanisms that bring together different food system actors and connect actors from different food agendas are key.
- Policy measures appear to be concentrated at the two ends of the value chain (primary production and consumption). At primary production, the policy environment tends to put focus on agricultural inputs, mainly pesticides. There is however a lack of focus on financing and access to market especially when it comes to smallholder farmers.
- In policy development, it is important to consider the balance of power between exporting and importing countries, where government usually tends to play a major role as an exporter of food commodities and private companies are the importer. Policy interventions should therefore consider this context.
- A lot of developing countries are a net exporter of food, especially unprocessed food, which comes from large monocultures managed by companies. These are different realities and challenges, and so is production for the domestic and external markets. In all cases, there are several intermediaries (middle stages of the value chain) between producers and consumers, who do not always have interest in developing sustainable agriculture. Furthermore, they are the ones who keep most of the economic income in the value chain.
- Technology can bring producers closer to consumers and facilitate transparency and make sustainable practices more visible. Focus is often given to the production stage of the value chain, however in developing countries producers are the most vulnerable. It is essential that the rest of the value chain takes co-responsibility.
- The farmers are in a disadvantaged position being restricted by the contractual arrangements that limit the diversity of agricultural input, and place restrictions on farm structures. There is a big challenge in diversifying crops from inputs to production all the way to consumption at different geographical scales. Therefore, there is a strong need to break these binding structures and reach out to markets that are more lucrative for small producers.
- Lack of training and access to infrastructure and sustainable technologies (including digitalization) makes it difficult for the primary producers to shift to sustainable practices. It is important not only to produce knowledge in a participatory way but also make it accessible to the farmers including access to financial support for its adoption.
- Provision of adequate and qualified extension services and access to sustainable agricultural input guaranteed through government policies is crucial.
- Access to finance is a key enabler, especially for small holder farmers. Microfinance programmes can facilitate financial inclusion of farmers and help them to transform and incorporate best practices. This also links to the need to educate the financial sector and bring the understanding of the farmers needs to be addressed through adequate financial offer.
- Sustainability certification costs fall as a burden on both the farmers and the end consumer. Mechanisms aimed to reduce and share certification costs and costs of adopting sustainability practices should be considered where all stakeholders of the value chain take part.



- Retail industry has a strong strategic position (interaction with both farmers, processing/manufacturing companies and consumers). Policy environment that supports, for example, sustainable sourcing/reliable certification schemes, reduction and avoidance of food loss and waste, extended contractual relationship with suppliers and joint action towards raising awareness and education of consumers, is important in order to leverage the retail industry towards sustainable production and consumption along the food value chain.
- Processing/manufacturing companies are in a powerful strategic position and strongly influence what food is produced and consumed. Shift to local processing units that implement soft processing techniques, and able to value local species and seasonal raw materials should be considered. Enabling policy environment that is coherent at national and local levels is important for this shift.
- Middle stages of the food value chain are represented by both consolidated and vertically integrated big companies as well as SMEs. Policy measures adapted to the realities of each that enable the shift to sustainable consumption and production of food should be considered.
- Policy instruments such as taxation and regulation of unhealthy/unsustainable food (e.g. sugar tax), or compulsory indication of levels of certain components that are harmful to health on product packaging can enable sustainable food production and consumption of food.
- Consumer education and awareness alone is not enough. It needs to be complemented with science-based behavior change techniques. Schools are important levers for long-term behaviour change.
- Procurement (both public and private) as a tool is a key enabler to improve the sustainability along the food value chain.
- Coordination of action and actors at local level (e.g. cities) has strong potential in shaping the policies that respond to local needs. Leveraging public-private partnerships and multi-stakeholder collaborations, especially at local level, to avoid fragmentation of solutions is an important aspect to consider.

#### **LIST OF INITIATIVES SHARED AT THE WORKSHOP**

- [Farm to Fork Strategy](#), European Commission
- [NAMA Café](#) and [NAMA Livestock](#) (in Spanish), Costa Rican Ministry of Agriculture and Livestock
- [Policy Toolkit](#), [Future Policy Award](#), [Food Policy Forum for Change](#) and [The World of Organic Agriculture](#), IFOAM Organics International
- [Making better policies for food systems](#) and [Socio-economic and demographic aspects of food security and nutrition](#), OECD
- [Metrofood](#), ENEA
- [Towards a common food policy for the European Union](#), International Panel of Experts on Sustainable Food Systems
- [Inclusive procurement and value chains](#) and [Food Systems Transformation](#), FAO
- [Tool for Agroecology Performance Evaluation \(TAPE\)](#), FAO
- [Outcome Document of the 3<sup>rd</sup> Global Conference of the One Planet network's \(10YFP\) Sustainable Food Systems \(SFS\) Programme](#)





- IPES 13 Principles (link to be added to the final report)
- [The 3rd Global Conference of the Sustainable Food Systems Programme](#) and [its Outcome Document](#)
- [Sustainable Diets for All, Zambia Case Study](#), Hivos

### LIST OF ATTENDEES

	Organisation	Expert's name
1	Asociación Sustentable por la Mujer	Lydia Meade Ocaranza
2	BMU Germany	Ulf Jaeckel
3	BRS Convention	Kei Ohno Woodall
4	Deputy to the Special Envoy for the Food Systems Summit 2021	Martin Frick
5	Ellen MacArthur Foundation	Machi Femiano
6	Embrapa	Gustavo Porpino
7	ENEA- Italian National Agency for New Technologies, Energy and Sustainable Economic Development	Milena Todorova Stefanova
8	ENEA- Italian National Agency for New Technologies, Energy and Sustainable Economic Development	Massimo lanetta
9	Escuela Superior de Economía, Instituto Politécnico Nacional, Mexico	Genaro Aguilar Gutiérrez
10	European Commission	Anne Burrill
11	European Commission	Clara Dubroca Marcos
12	European Commission	Adrian Leip
13	European Commission	Anna Tosetto
14	European Commission	Helene Diane Dage
15	Federal Ministry for Agriculture, Switzerland	Patrick Mink
16	Food and Agriculture Organization of the United Nations (FAO)	Florence Tartanac
17	Food and Agriculture Organization of the United Nations (FAO)	Massimo Pera
18	Food and Agriculture Organization of the United Nations (FAO)	Luana Swensson
19	Fundación Chile	Flavio Araya Mourgues
20	Fundación Chile	Antonia Biggs Fuenzalida
21	German Development Institute	Michael Brüntrup
22	German Institute for International and Security Affairs	Simon Zeiser
23	German Institute for International and Security Affairs	Bettina Rudloff



24	IFOAM Organics International	Xhona Hysa
25	IFOAM Organics International	Gabor Figeczky
26	INRAE	Yuna Chiffolleau
27	Instituto Tecnológico de Costa Rica	Marianela Gamboa Murillo
28	International Institute for Environment and Development	William Chilufya
29	International Panel of Experts on Sustainable Food Systems	Emile Frison
30	Ministry of Agriculture and Livestock, Costa Rica	Roberto Azofeifa
31	Ministry of Agriculture Chile	Daniela Acuña Reyes
32	Ministry of the Ecological Transition, France	Cécile Fèvre
33	National Cleaner Production Centre, South Africa	Lee-Hendor Ruiters
34	National Economic and Development Authority, Philippines	Reichelle C. Celorico
35	OECD	Céline Giner
36	Secretariat of the Environment and Natural Resources, Mexico	Claudia Arely Sánchez Castro
37	Sweden Environment Agency	Andrea Norgren
38	Swedish Environmental Protection Agency	Anita Lundström
39	Swedish University of Agricultural Sciences	Elin Rööös
40	The Consumer Goods Council of South Africa	Matlou Setati
41	United Nations Environment Programme	Rhoda Wachira
42	United Nations Environment Programme	Sheila Kabui Karue
43	United Nations Environment Programme	James Lomax
44	United Nations Environment Programme	Camille Thoumyre
45	United Nations Environment Programme	Robert Mburia
46	Welthungerhilfe	Harry Hoffmann
47	WWF International	Martina Fleckenstein
48	WWF South Africa	Mkhululi Silandela