The Rockefeller Foundation

Title: True Value of Food: A Call to Action to Solve Climate Change and other Crises

Date: 23rd February 2023, 4:00 pm - 5:30 pm

Venue: Room: TBD, India Habitat Centre

Background

Transforming food systems is critical to address climate change and other global crises. The convergence of the four crises of climate change, COVID-19, conflicts and associated high costs ("4 Cs") more urgent than ever require agri-food systems to be sustainable and resilient. Current approaches to assess the success or profitability of food production, processing, and consumption do not reflect the full costs of these activities on such areas as health, climate, and equity. This leads to uninformed decision-making that further entrenches and exacerbates global challenges. Even amongst players that actively consider the effect on these areas, the economic and regulatory incentives to address them often do not exist, leading to misaligned incentives, asymmetrical rewards and benefits and losses for the ecosystem of food systems. To accelerate the development of technological innovations; facilitate the adoption of new revenue streams for environmental or nutrition services; change incentives for farmers, ranchers, and food producers; and shift consumer preferences towards a more sustainable, equitable, and nourishing food system we need a clear and transparent understanding of those costs and benefits and how they are allocated in/by the system.

(i) State of play - what is the present situation; here you can highlight some trends/ facts/ policy directions and target groups (2 paragraphs)

India is currently the world's third-largest emitter of greenhouse gases at the national scale. About 18% of these emissions come from agriculture, including livestock. Approximately a quarter of crop residues generated annually in India are burned in the fields, emitting 1.12 MT of mixed particulate matter, elemental carbon and organic carbon, along with methane and nitrous oxides. With the increasing dominance of wheat and rice based on a foundation of the complex interplay between policies of Minimum Support Prices (MSP), and Public Distribution System (PDS), the area under 'coarse' grains such as millets, sorghum, maize and barley has declined. Such over dependence on a few crops has resulted in a regional imbalance in cropping patterns, excessive water table depletion, increased methane emissions, soil infertility and nutrition available to people. A high amount of fertilizer subsidy further exacerbates the situation by often encouraging farmers to use unscrupulous amounts of fertilizers in hopes of getting better yields but this in turn degrades both soil and food quality without any sustainable long-term improvements in the yield.
In this backdrop, a few important trends stand out:

- The government provides highly subsidized food grain to over 800 million people through the PDS, a true cornerstone of India's food security. Yet, we are increasingly seeing the ill effects of its emphasis on high calorie staple grains over protein rich food items such as pulses or nutrient dense foods like fruits, vegetables, whole grains or proteins.
- A regional imbalance in cropping patterns as most food grain for the PDS is procured from a few states that are primary producers of staple grains (Pingali et al. 2019) exists despite efforts by the government to encourage decentralized (or local) procurement of PDS food grain
- Costs associated with leakages and administrative inefficiencies in the PDS system have been an area of study in the last few years; and yet, the discussion has eluded the quantum of hidden costs- those associated with negative externalities allied with production, transportation, storage, and retail of PDS food grain.
- The retail prices fail to capture the true cost/value of the system. For e.g., pesticide-laden grain may be "cheaper" in purchasing price, but in fact, it adds to externalized collective costs that are much higher than that for sustainably produced grain. This contrast alludes to the inability of market dynamics to solve this problem alone.
- The current debate on the PDS is framed as a status quo versus cash transfer debate; there has been mixed evidence for the latter's impact, reach and feasibility for implementation.

Objectives of the thematic track

The track will explore from a policy angle the importance and application of the concept of True Value of Food. Anchored around True Cost Accounting (TCA) framework for analysing food systems, the track will showcase examples of the application of TCA (and similar frameworks such as TEEBAgriFood) illustrating how TCA can serve as a tool (a) for crisis management of transboundary threats, (b) to better understand the interlinkages between pressing issues such as climate change and biodiversity loss, (c) to improve food production systems by making them more resilient and (d) to establish pathways towards healthy, sustainable and affordable diets. Translating calculated environmental impacts in costs with TCA broadens the perspective and enables effective policy design to transform food systems , making an important contribution to the 1.5 degree target.

True Cost Accounting (TCA) as a tool to transform food systems under the conditions of and as a response to climate change. TCA is an innovative tool that provides a holistic understanding of the relationships between agriculture, food, climate change, biodiversity, and human well-being and provides a systemic approach to assess, measure, and value the positive and negative impacts of food systems interventions. TCA helps to better manage the complexity of today's challenges and enables the identification of what

needs to change in food systems to allow a nutritious, socially just, sustainable and climate-friendly diet for all.

Guiding Questions

- What is meant by the true value of food, and how to measure it?
- How might we use the true value/cost of food lens to shift how we design public policy and/or spend public dollars on food?
- What kind of data would we need to apply TCA in India? What data sources do we know of that exist already?
- What have we learnt from TCA-India so far, and what is the way forward?
- What are the applications of TCA for futuristic food systems, and what are its limitations?

About the World Sustainable Development Summit (WSDS)

The World Sustainable Development Summit (WSDS) is the annual flagship Track II initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades for making 'sustainable development' a globally shared goal. The only independently convened international Summit on sustainable development and environment, based in the Global South, WSDS strives to provide long-term solutions for the benefit of global communities by assembling the world's most enlightened leaders and thinkers on a single platform. The 22nd edition of the annual flagship event is being held from 22-24 February 2023 in New Delhi. The Summit deliberations will focus on the umbrella theme: Mainstreaming Sustainable Development and Climate Resilience for Collective Action.