



# WORLD SUSTAINABLE DEVELOPMENT SUMMIT 2023

MAINSTREAMING SUSTAINABLE DEVELOPMENT AND CLIMATE RESILIENCE FOR COLLECTIVE ACTION

February 22-24, 2023  
New Delhi



## True Value of Food: A Call to Action to Solve Climate Change and Other Crises

### THEMATIC TRACK SUMMARY

Venue: Silver Oak II

Date: February 23, 2023

Time: 4:00 PM – 5:30 PM (IST)

#### Suggested Citation

World Sustainable Development Summit (2023), True Value of Food: A Call to Action to Solve Climate Change and Other Crises, Thematic Track Summary (Rapporteurs: Divyansh Sharma and Rishab Kabra), New Delhi: The Energy and Resources Institute.

## Actionable Messages

**Message 1:** The price paid for food does not reflect its true cost. Thus, true cost accounting is one way of identifying the true value of food. It helps to identify areas in the food system with highest costs, but its aim is not to increase the price.

**Message 2:** Scattered data and data unavailability are major hindrances in TEEB's framework. Data is housed in different departments of organizations. Thus, to have an efficient TCA, there is a need to develop capacity of institutions to strengthen the data.

**Message 3:** Unless the invisible inputs (biodiversity services, etc.) and outputs (human health issues) are measured, it is difficult to address the challenge of performance measurement for businesses and corporations.

**Message 4:** There is a need for a push for policies to start incentivizing those stakeholders who are working positively to minimize the impacts of food on health and the environment.

**Message 5:** There could be an emphasis on the production of pulses, millets, and horticulture, and developing these systems by making them available through safety nets and reimagining the entire structure.

## Narrative

The thematic track session titled, “True Value of Food: A Call to Action to Solve Climate Change and other Crises” was conducted as part of the World Sustainable Development Summit (WSDS) – an initiative of The Energy and Resources Institute (TERI). The session aimed at explaining the concept of the true value of food and true cost accounting (TCA) of food, and further explored the applications and challenges involved in adopting TCA frameworks into rational policy actions and practices. The proceedings of the session were conducted by **Ms. Deepali Khanna, Vice President, The Rockefeller Foundation (Asia Regional Office)**. She mentioned the commitments of the foundation by investing over 100 million dollars to improve the dietary quality of food and for equitable and regenerative food systems. The moderator for the session was **Mr. Rituj Sahu, Consultant (Food Systems Policy), The Rockefeller Foundation (Asia Regional Office)**. Discussions on various topics unfolded, which included: looking into the meaning of the true value of food and how it is measured, the inferences that can be drawn from true cost accounting (TCA) of food in the US and India, frameworks of TEEB, and ultimately the applications and challenges involved in TCA for food systems and translating TCA findings into actual policy action.

The session started with the keynote address by **Dr. Raghav Puri, Postdoctoral Associate, Tata-Cornell Institute** (*Dr. Puri gave the keynote address on behalf of Dr. Prabhu Pingali*), who highlighted the meaning of the true value of food and its importance and application in India and the world. He emphasized that the true cost of food might be different from the price that we pay for it; that price we pay must include the positive and negative costs which do not get reflected in the price that we pay. For example, positive impacts of agriculture include the employment it generates which leads to a reduction in malnutrition, while on the other hand, its negative impact might include the emissions of greenhouse gas emerging from crop production. He further explained the applicability of true cost accounting in the real world by giving an example of the social cost of greenhouse gas emissions generated by India. He also presented the findings of a study conducted by the Rockefeller Foundation in the US, which found that the true cost of food can be as high as three times the current expenditure for food that citizens of the US incur annually. He then briefly discussed Tata Cornell Institute’s study on TCA in India to find the actual pricing of subsidized food. Finally, he concluded that TCA’s aim is not to increase the price but to identify the hidden costs of food, which could be attributed to several factors.

Following the keynote address, **Mr. Reuben Gergan, Biodiversity Consultant, UNEP** further proceeded with the discussion by explaining the concept of “The Economics of Ecosystems and Biodiversity (TEEB)” which uses the concept of true value accounting to measure the ecosystems and biodiversity, and the services provided by them to society in economic terms and ultimately using them for decision-making. He further stressed on the importance of data in formulating the TEEB framework. He emphasized the need of strengthening and accelerating data collection and reporting by improving the capacities of institutions for efficient accounting. He mentioned the TEEB assessment on agroforestry, a study conducted in Indonesia, which highlighted that with adequate data and properly addressed

factors, agri-food outputs can be increased by 27% and can also contribute to local food security and availability of nutritious food.

Following Mr. Gergan's address, the discussion steered toward understanding the challenges in true value accounting in the corporate sector. **Mr. Anupam Ravi, Senior Vice President, GIST Impact**, pointed out that currently, the performance measurement for a financial institution, a corporation, or the food system only takes into account the aspect of wealth, which is a financial valuation. It totally ignores all the other stocks and flows of capital which should be taken into account when looking at the volume of profit or the revenue generated by the business. He stated that unless we start measuring the invisible inputs (biodiversity services, etc.) and outputs (human health issues), we will not be able to address the challenge of performance measurement for businesses and corporations. Following this, he went on to explain the four capitals (natural, social, human, and produced) approach which kicks in to expand the horizon of the performance measurement beyond the benefits of shareholders to the benefits of all stakeholders. He stressed on the need for evaluation of these four capitals to efficiently measure the performance. Mr. Ravi gave the example of Indian IT companies such as TCS, Infosys, etc., which add a massive human capital value to the Indian economy. He talked about the PB Agrifood framework and its four key categories, namely, Inputs, Outputs, Invisible Inputs, and Invisible Outputs. He emphasized the challenge in the agrifood system, where very little attention has been given to the evaluation of the size of the free value of the invisible inputs. He spoke about the three 'Ds' of internalization, which entails designing through regulations, or through decree, i.e., policies, or through disaster. He concluded by drawing attention to the fact, that if the companies do not start measuring all forms of their capital, they would not be able to manage them.

Following Mr. Ravi's address, **Dr. Shariqua Yunus, India-Head of Unit and Programme Officer (Health and Nutrition), World Food Programme** talked about translating on-ground findings into policies and program data aimed at improving the nutritional status among the masses. She talked about how when the average consumer goes to buy food, they just look at the consumer cost. They don't take the environmental cost or its impact on health into account. She stated that in no way the cost of the food can be increased, it's what one can do around the intervention so that one minimizes the cost of the intervention on the environment and the health-related aspects of it. She then addressed the concern of unawareness of the government in the context of the externality of the costs and how there are several schemes that the government has introduced to promote organic farming, such as the Paramparagat Krishi Vikas Yojna. She then suggested on how the government could push for policies to start incentivizing those stakeholders who are working positively to minimize the impacts of food on health and the environment. She concluded by stating how there could be an emphasis on the production of pulses, millets, and horticulture, and developing these systems by making them available through safety nets and reimagining the entire structure.

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“	<p>The price we pay for food does not reflect its true cost. Thus, true cost accounting is one way of identifying the true value of food. There is a growing concern over the negative environmental and health impacts of intensive rice and wheat cultivation in India. Farmers' suicide is a major issue in India and people do put a value to people's lives. TCA helps to identify areas in the food system with highest costs, but its aim is not to increase the price.</p> <p style="text-align: right;"><b>Dr. Raghav Puri</b> <i>Postdoctoral Associate, Tata Cornell Institute, Cornell University</i></p>
“	<p>TEEB presents you with a method for TCA of measuring the true value of ecosystems and the benefits that it provides for society. Thus, TEEB's main objective is the mainstreaming of the value of biodiversity services and the ecosystem services for decision-making. TEEB agrifood framework would be most relevant in studying policy intervention on organic farming and agroforestry. Scattered data and data unavailability are major hindrances in TEEB's framework. Data is housed in different departments of organizations. Thus, in order to have an efficient TCA, there is a need in developing the capacity of institutions to strengthen the data.</p> <p style="text-align: right;"><b>Mr. Reuben Gergan</b> <i>Biodiversity Consultant, UNEP</i></p>
“	<p>Unless we start measuring the invisible inputs (biodiversity services, etc.) and outputs (human health issues), we will not be able to address the challenge of performance measurement for businesses and corporations. The four capitals (natural, social, human, and produced) approach kicks in to expand the horizon of the performance measurement beyond the benefits of shareholders to the benefits of all stakeholders. There is a need for evaluation of these four capitals to efficiently measure the performance. If we do not start measuring it, we cannot manage it.</p> <p style="text-align: right;"><b>Mr. Anupam Ravi</b> <i>Senior Vice President, GIST Impact</i></p>
“	<p>We could push for policies to start incentivizing those stakeholders who are working positively to minimize the impacts of food on health and the environment. There could be an emphasis on the production of pulses, millets, and horticulture, and developing these systems by making them available through safety nets and reimagining the entire structure.</p> <p style="text-align: right;"><b>Dr. Shariqua Yunus</b> <i>India-Head of Unit &amp; Programme Officer (Health and Nutrition), World Food Programme</i></p>