

Dialogue B

The participants in group B were looking to achieve a better understanding of the factors and processes involved in food production. Furthermore, they were seeking to outline priorities for the future, and to identify the stakeholders involved and what their responsibilities should entail.

Basic conditions

The discussion began by characterizing the desired changes for both the supply and the demand of global food production. On the supply side, emphasis was placed on the fact that creating a sustainable future for food requires finding solutions that involve all producers, including millions of smallholders in Africa, Asia and Latin America. On the demand side, the discussion highlighted that solutions based on altruism and an enlightened sense of awareness from consumers are bound to fail, as greed and the quest for self-enrichment are usually predominant. Therefore, pragmatic approaches are essential.

Interconnected crises

“The era for addressing one crisis at a time is over. They need to be addressed simultaneously.”

Gordon Conway’s presentation on interconnected crises was well received by participants, who put forward several observations related to the future of food. One of these underlined how population growth is often stressed as the factor behind an increased demand for food, while better nutrition, better education, and lower child mortality are proven factors in reducing population growth. An increased pace of development can have an important effect on long term population growth. Changes in the agricultural production system occur over periods of five to ten years. Financing and investment should reflect these long supply and demand interactions. The current credit crisis forces investors to go short. This resulted in enormous price hikes as the production system is not flexible in it’s supply. A volatile world will make long term investment increasingly difficult.

Including smallholders in the food system, is an issue that is also connected to the financial system. Smallholders do not have access to financial services. Even the microfinance revolution seems to pass over smallholders. According to the bankers present, it is about overall risks, not the financial system itself. Therefore, once the risks are reduced, financing will come available. This argues for more resilience amongst smallholders and improvements to national juridical systems and macro-economic policies.

Consumer demand as the vector of systemic change

According to one expert, in past decades the market for agricultural products was supply-driven, while more recently a major shift toward a demand-driven market has occurred. This type of change requires that a clear distinction has to be made between the notions of production and consumption; in other words between the questions “Can we feed the world?” and “What do its inhabitants want to eat?”. Currently, the key to a sustainable future can be found in the answer to the latter question, which also implies that international agreements, policies, subsidies, education should be more focused on the consumer side of the global food system.

Although greed and egocentrism were mentioned as factors related to consumer demand, the softer notion of “maximum utility” was also put forth. In terms of demand, the possibility for change lies in the dynamic between consumer preference and the supply of sustainable consumer products. It therefore becomes imperative to improve the awareness of consumers, and to channel their demand toward a sustainable food system. In more developed economies this can, in principle, be achieved through education and awareness. However, it is almost impossible to induce change in the consumption patterns of the rising middle classes in growing economies using this method. Therefore, a strategy must be developed to help channel consumer choice through a combination of information, which generates awareness, and adequate pricing, which determines the consumer’s maximum utility of a product. This requires us to redirect the focus of our policies from the supply side to the demand side. This also implies that subsidies become more demand focused.

How to achieve full cost pricing?

Current prices do not reflect the real costs of products, as these do not take into account the many externalities generated by the production process. These externalities often have negative social and environmental effects, which are not included in the final price of products. Therefore, labelling alone is not perceived as adequate, and must be accompanied by readily available information – one of the main enablers of full cost pricing. Information can be generated via a transparent food production chain – that helps to identify and remove externalities, and a sound definition of the term “sustainability”. Indeed, in order to render the entire food system sustainable, a clear meaning of the word must be developed and communicated at all levels, thereby allowing for informed choices and the creation of appropriate policies.

Roundtables can be a good method for achieving mutual understanding, as well as shared policies, choices and practices, as long as these are organised in conjunction between governments, the private sector and societal groups.

In addition to generating change in conventional business practices, the market for sustainable food products is also an opportunity for innovative new businesses to create new product possibilities in response to demand preference. These businesses are perceived as the way of the future, and by creating the right environment for their initiatives, policy making in this area may become less of a priority. Ultimately, it is the creativity of producers that can be a vector of change in the transition to a demand-driven sustainable food system.

Food processors and supermarkets

Food is what comes to you on a plate”

A remark that was heard several times, but was not really addressed in the discussion is on the big gap between agricultural produce like rice, wheat, and soy and the food products that determine consumer choice. The food producers change agri products into food. They add the cultural dimension, decide where to source their input and where to sell their products. The food processing industry and the supermarkets, as has been said, are probably the most important links in the food chain, that translate consumer food demand to a demand for agricultural products. Therefore, in its sourcing policy, the food processing industry can have a substantial impact on biodiversity and on the inclusion of smallholders in the production system.