

**“Food prices and the economics of food system transformation:  
Making markets work for inclusive growth, sustainability, and health”**

Highlights from a UN Food Systems Summit Science Days side event

Wednesday, 7 July 2021, 12:00-13:30 GMT

**Participation**

A total of 159 unique attendees joined the event out of 368 registrants. All registrants were asked optional questions about their age group and gender. Based on registration responses, about 35 percent of attendees were female, 54 percent were male, and another 11 percent either did not respond to the question or selected “Other/Prefer not to say.” The majority of attendees who provided demographic information were in the age range of 31-50 years (53%), followed by 19-30 (20%), 51-65 (14%), 66-80 (2%), and 0-18 (<1%). Eleven percent of registrants who attended the webinar did not specify their age group.

Of the 159 attendees, 74 completed the attendance poll conducted at the beginning of the event to gather information about dialogue participants (Table 1).

Table 1. Demographics of participants who responded to the webinar poll (N=74).

<b>Age group</b>	<b>Number of participants</b>
19-30	9
31-50	50
51-65	14
66-80	1
<b>Gender</b>	
Female	31
Male	42
Other/prefer not to say	1
<b>Sector</b>	
Agriculture/crops, agro-forestry	32
Communication	3
Education	8
Environment and ecology	3
Food processing	2
Food retail, markets	3
National or local government	3
Nutrition	18
Trade and commerce	2
<b>Stakeholder group</b>	
Government and national institution	16
Indigenous people	1
International financial institution	2
International NGO	20
Local non-governmental organization (NGO)	1
Private Foundation / Partnership / Alliance	6
Regional economic community	3
Science and academia	29
Small/medium enterprise, artisan, or farmer	7
United Nations	5
<b>Total*</b>	<b>74</b>

Note: The number of observations for all categories is 74, except for stakeholder group, for which participants could select more than one response. Sector and stakeholder group response options were adapted for use in a Zoom webinar poll format.

## Method and Principles of Engagement

The Science Days side event was a moderated panel, followed by a discussion period. The webinar had an open chat and an open question-and-answer forum for participants to engage with the panelists and one another.

A panel of speakers from diverse perspectives started off the discussion:

- Dr. Uma Lele, President-elect of the [International Association of Agricultural Economists](#) (IAAE)
- Dr. Guy Blaise Nkamleu, President of the [African Agricultural Economics Association](#) (AAAE)
- Dr. J.V. Meenakshi, Professor, Delhi School of Economics, University of Delhi
- Dr. Daniel Sarpong, Associate Professor and Dean, School of Agriculture, University of Ghana
- Dr. Anna Herforth, Co-Principal Investigator, [Food Prices for Nutrition](#)
- Moderator: Dr. Will Masters, Professor, Tufts University and Principal Investigator, Food Prices for Nutrition

Having economists and non-economists on the panel served the principle of embracing multi-stakeholder inclusivity and complemented the work of others involved in food systems transformation, such as nutritionists or agronomists. The panel highlighted the work of organizations such as the [International Association of Agricultural Economists](#) (IAAE) and the [African Agricultural Economics Association](#) (AAAE). The [Agriculture-Nutrition Community of Practice](#) (Ag2Nut), a professional community of over 7,500 members from 130 countries, was also represented and highlighted.

Concerning the principles of being respectful and recognizing complexity, panelists spoke about the need to evaluate tradeoffs, for food sovereignty, and for collaboration across disciplines. Dr. Meenakshi talked about the need for appropriate analytical tools to assess tradeoffs. Dr. Herforth emphasized that we cannot externalize the actual costs of food in the quest to make healthy diets more affordable.

## Dialogue Focus & Outcomes

The focus of the side event was what economists can contribute to the UN FSS and food systems transformation more broadly. The side event aimed to link economists working on food and agriculture in universities, governments, and civil society with practitioners in other disciplines and institutions on the way forward for agriculture, food, and nutrition.

**Key message 1: *Economists can analyze both market and non-market costs and benefits, in collaboration with other disciplines -- for example, how food prices relate to nutrition and health, or climate change and social stability.***

The conversation focused mainly on how the private and public sectors interact to determine food prices, which in turn affect nutrition and health. Panelists also highlighted the role food prices play in broader development dynamics, environmental conditions and social stability.

Dr. Meenakshi highlighted the role agricultural economists can play in looking at market prices in relation to non-market costs and benefits by analyzing externalities and the limits of markets (for example, people who cannot afford to buy a healthy diet and are therefore excluded from the market for healthy foods). For each of these topics, economic analysis of market behavior needs to be combined with environmental and agricultural science about natural resources, as well as nutritional and health sciences about diet quality and human health, or other social sciences that inform understanding of human behavior and institutions.

Dr. Sarpong and Dr. Herforth furthered the discussion of how agricultural economists can collaborate with policymakers about food markets and prices, sharing their experiences with the [IANDA](#) and [CANDASA](#) projects in Ghana and the current global focus of the successor project, [Food Prices for Nutrition](#). Dr. Sarpong explained the collaboration of government officials, namely those at the Ghana

Statistical Service and the Ministry of Food and Agriculture, with economists, nutritionists, and other stakeholders to better track the cost of nutritious foods and diets in Ghana and to inform policy and programmatic responses to bring healthy diets within reach. Dr. Herforth showed how existing food price data can be used to inform progress towards food security goals.

**Key message 2: *Food market data can inform social protection, using food prices and the cost of healthy diets as basic needs to measure poverty and target safety nets.***

Analysis of food markets reveals not only how buyers and sellers respond to price changes, but also how many potential buyers are excluded from the market because prices are too high relative to their incomes.

Dr. Herforth emphasized that the high cost of nutritious diets relative to incomes should be addressed by targeting safety nets to those who cannot afford healthy diets and lowering the real cost of healthy foods by investment in innovations that improve production and distribution of those foods, rather than the artificial lowering of market prices at the expense of real costs to the environment or other people such as food system workers. The goal of food system transformation must be to bring healthy diets within reach without externalizing the true cost of food. Work on true cost accounting should consider the distributional and health consequences of price changes, as well as environmental harms and benefits of different food production systems.

The discussion addressed how poverty lines relate to hunger and food insecurity, and the potential to use least-cost healthy diets as part of a basic needs basket. Dr. Lele suggested that we need to reassess baselines being used for poverty and hunger and rethink what is considered “acceptable”; Dr. Herforth emphasized that healthy diets must be considered a basic need. Participants noted that basic needs cannot always be met by a household’s farm production or market earnings and purchases, so households must rely on social insurance and public assistance at times of crisis. Dr. Meenakshi described the example of how free rations of key staples in India during COVID provided a lifeline for several millions of households, and possibly freed up resources to buy perishable foods, conditional on functional supply chains. Expanding the diversity of foods and the variety of sources from which foods are obtained can help improve the resilience and stability of the food system. Dr. Herforth added that even in remote rural areas people obtain diverse foods from a variety of origins, complementing their own household production of staples with home gardens and forests or fisheries, and need market purchases to diversify and stabilize consumption beyond what each household can produce at each time and place. Those market purchases come from a wide variety of locations, with long-distance trade for some items that can be stored and shipped, while more perishable often nutritious items circulate locally in season. To make healthy foods accessible everywhere around the year, food systems need better connectivity so people can successfully access diversity and recognize that wild and home-produced foods as well as regional and long-distance trade are important in the longer-term agenda of food system transformation.

**Key message 3: *Make food security and poverty measurement consistent with shared aims.***

Dr. Herforth emphasized that global food security measurement has been partial until very recently, focusing on access to calories with the Prevalence of Undernourishment indicator, and the experience of food security with the Food Insecurity Experience Scale indicator. The percentage of people who cannot afford a least-cost healthy diet has been calculated and included in the two most recent United Nations State of Food Security and Nutrition in the World (SOFI) reports ([2020](#) and [2021](#)). This is a crucial indicator to measure “economic access to nutritious food to meet dietary needs”, to measure progress toward long-standing goals for food security.

**Key message 4: *Unhealthy foods can displace healthy items, and should be regulated accordingly.***

In the chat box and Q&A, participants noted that the discussion's focus on healthy foods ignored the problem of unhealthy foods that are increasingly being sold everywhere around the world. Participants noted examples in middle-income countries such as grocery stores in the Philippines, and in very low-income areas such as periodic markets in rural Africa. Economic and public health and nutrition analysis reveals that nutritional harms when unhealthy foods displace healthy options are analogous to food safety or other dangerous products, and is typically addressed by regulation such as restricting use of industrial trans fats. This led to a discussion of regulatory options, including voluntary certification as well as mandatory labeling and product standards like fortification. Much of this discussion concerned lobbying by the private sector, where companies' incentives and resources to pay for political activities far exceed those of individuals who might invest their time and attention in public health advocacy. That imbalance between food industry and nutritional aspects of public health highlights the need for governments to engage with civil society, as is being done through the food system summit.

**Key message 5: *Associations and communities of practice can convene people from different fields to transform understanding and create change.***

Dr. Lele and Dr. Nkamleu opened the discussion with the ways that the international association (IAAE) and African association (AAAE) bring agricultural economists together with policymakers and civil society. Dr. Lele described the program of the IAAE's upcoming 31<sup>st</sup> triennial [International Conference of Agricultural Economics](#) (ICAE), which will be held online and aims to foster an unprecedented level of dialogue around the economics of agriculture and food systems. Dr. Nkamleu spoke about the AAEE's work to advance research on the continent, disseminating results and translating research into practice through the [African Journal of Agricultural and Resource Economics](#) (AfJARE) to inform policymakers and develop African agriculture and food systems.

Dr. Meenakshi described how economics can help connect diverse fields and expand understanding, for example by analyzing water use and seeing how agricultural production and trade is not just about investments in land and labor but also about differences and change in water supplies and water quality. Water use drives many aspects of agriculture and diets across the world, and is central to resilience in the face of climate change. Dr. Sarpong described how analysis of food prices brought economics research from the University of Ghana into closer collaboration with the Ghana Statistics Service and data analysts in the Ministry of Food and Agriculture, thereby transforming the evidence base about food markets and diet costs.

Dr. Herforth described a large global effort to bring together researchers and practitioners across agriculture and nutrition in the Agriculture-Nutrition Community of Practice, to connect people from different disciplines to improve food systems. For large-scale impact, Dr. Herforth noted the value of omitting disciplinary labels entirely and focusing directly on problems and solutions with subject-matter expertise. In the chat box, participants shared a variety of links to resources that highlighted current work being done to link economic policy and research across the agriculture, food and nutrition spectrum such as [Ag2Nut](#), the [Agriculture, Nutrition and Health Academy](#), and the [UN Food System Summit](#) itself.