

Reforming Agricultural Policies to Support Food Systems Transformation

Co-organized by the International Food Policy Research Institute (IFPRI), Indian Council for International Economic Research (ICRIER), and Academy of Global Food Economics and Policy (AGFEP)/China Agricultural University

[UNFSS Science Days Side Event: Reforming Agricultural Policies to Support Food Systems Transformation](#)

According to the OECD's recently released 2021 [Agricultural Policy Monitoring and Evaluation Report](#), governments of some 54 countries provide transfers to agriculture totaling about \$720 billion annually. The report, presented at the side event by Jonathan Brooks of OECD, notes that "Overall, most current support policies are not serving the wider needs of food systems."

This substantial spending could offer a way to finance food systems transformation, including reducing the carbon footprint of food systems while gaining resilience, improving food security and nutritional outcomes, and enhancing poverty reduction and equity. The proposition for restructuring or repurposing agricultural support has been put forward as a game-changing solution for the UNFSS.

Rob Vos presented recent IFPRI [research](#) on the potential for repurposing agricultural subsidies to finance both mitigation of greenhouse gas (GhG) emissions and enhancement of agricultural productivity. Simply removing distorting agricultural support is not sufficient to reduce GhG emissions, according to the study. But emission-reducing agricultural productivity growth could be boosted by shifting current spending on agriculture toward more appropriate R&D and compensating farmers for any losses they incur from subsidy removal and for the upfront costs of adopting more sustainable technologies and production practices.

A discussion among Marie Ruel, Ashok Gulati, and Leann Jackson and engagement with the audience was expertly summarized by Shenggen Fan:

Food systems face new challenges that require rapid, significant transformation of existing policies

- ▶ There is a great need for better data, deeper analysis, and strong propositions for transforming food systems.
- ▶ Marginal improvements are not enough. A food systems approach must be embraced by actors from different sectors (agriculture, health, nutrition, trade, environment, etc.) who recognize synergies and trade-offs and propose a package of policy options that can achieve all goals together.

Global and national-level coordination mechanisms and coalitions are required

- ▶ Efforts must be harmonized across different sectors, and those who benefit from food systems transformation must find ways to compensate "losers" in order to move the transition forward.
- ▶ In the absence of ministries for food systems, greater coordination among policymakers involved with the diverse aspects of food systems can contribute to improving synergies and investments and better management of political economy considerations.
- ▶ Current agricultural support policies do not address the "triple challenge" facing food systems. Reforms are needed to (1) stimulate sustainable productivity growth and resilience, including phasing out price interventions and other distorting producer support; (2) target income support to farm households in need; and (3) reorient public expenditures toward investments in public goods.

Repurposing existing support is not a panacea, but it is an important piece of the puzzle

- ▶ Efficiency gains in use of funds are key. Smart repurposing of subsidies will help achieve important societal gains, including reductions in poverty and GhG emissions and improvements in diets.
 - ▷ Nutritious diets are critically important to health and well-being, and repurposing subsidies to support (*not subsidize*) production and consumption of nutritious foods is urgent. Additionally, national dietary guidelines should take both nutrition and environmental health into account.
 - ▷ Research and development should be well targeted and complemented by efforts to improve infrastructure, education, and food value chain integration needed for food systems transformation.
 - ▷ In sub-Saharan Africa, where support to farmers is limited, broader efforts to transform food systems are vital.

Trade is critical for optimizing food production globally

- ▶ Trade must be made more inclusive. As part of this effort, the next round of WTO agricultural negotiations on nutritional and environmental health should focus on inclusion.