Changing food systems

Food systems around the world are changing. Urbanization and income growth are changing food demand, visible in increased demand for vegetables, fruits, meats and dairy products, as well as for processed foods. As the production of all of these food items is more resource-intensive, the change in dietary preferences is increasing pressures on already scarce and depleted natural resources. Urbanization also requires food to be easily stored and transported. Thus, large-scale distribution and food processing have become increasingly important as drivers of the transformation of food systems. This transformation has brought about many improvements in food safety and food availability, but it has also resulted in the standardization of agricultural output and, in many cases, the concentration of primary production and the consolidation of farmland. Many smallholder farmers have become landless agricultural workers, or have migrated to towns and cities in search of employment, thus accelerating urbanization further. Food chains are also becoming longer – with a greater ecological footprint – and there are increasing concerns over the quality of ultraprocessed food and its association with overweight and obesity.

These changes are taking place in different ways and at different speeds across regions and countries. Common features, however, include a shrinking share of agricultural production and employment in the economy, changing food consumption patterns, and a shift from subsistence to more commercial farming. This is changing the way rural and urban development, poverty, and hunger challenges need to be addressed.

The structural transformation of economies, and the food systems within them, can provide an effective way out of poverty and hunger for many. However, this process is not automatic. It tends to be more effective when based on the development of strong linkages between agricultural and non-agricultural sectors and between urban and rural areas. Natural resource constraints and climate change also require the changes to be resource-efficient and environmentally sustainable.

FAO role in promoting sustainable transformations of markets, agribusinesses and rural economies

FAO works towards addressing issues related to sustainable structural transformation of food systems and the associated agricultural and agribusiness transition in a comprehensive manner. This effort brings together expertise on agribusiness development, smallholder farm systems, market-driven value chain development, food and agricultural policy analysis, and climate-smart investment in agriculture.
The tasks covered include analytical and normative studies to better understand realities and trends. FAO supports member country governments in their efforts to develop and implement sound agricultural, agro-industrial and value chain strategies to fight poverty, hunger and malnutrition, while boosting the competitiveness and efficiency of the agricultural and food subsectors in a sustainable way (i.e. commercially viable, inclusive and green). FAO also systematically accounts for the context, opportunities and constraints that are specific to regions and territories.

### Measuring, analysing and improving food system transformation to make an impact

FAO works to create an enabling environment for competitive, market-oriented agricultural and food systems that are environmentally and socially sustainable. Under the SMART programme, this objective is supported through various synergistic areas of work:

- **The Agribusiness and value chains** programme supports the linkages between farms, firms and public entities in the food sector and assesses how these can increase small-actor incomes, decent employment creation and consumer benefits.

- The programme around the **EX-Ante Carbon-balance Tool (EX-ACT)** quantitatively assesses how upgrading along the value chain can mitigate climate change along with achieving economic and social objectives.

- The **Monitoring and Analysing Food and Agricultural Policies (MAFAP)** programme MAFAP works with governments and other stakeholders across fifteen countries in Africa and Asia to monitor the effects of public policies on the food and agricultural sector, and provides assistance for policy reform that strengthens food security, agricultural growth and productivity.

- The **Small family farms** programme develops and analyses data on smallholder agriculture, thus gaining deep insight on how rural areas are affected and can best be supported.

By combining these distinct but complementary perspectives on the structural transformation of food systems, the SMART programme assists public and private sector actors in exploring pathways to more sustainable outcomes based on best practices and lessons learned across territories, countries and regions.

### How SMART contributes to the FAO Strategic Framework

SMART’s work directly contributes to the FAO Strategic Programmes aiming to **Help eradicate hunger, food insecurity and malnutrition** (SP1); **Make agriculture, forestry and fisheries more productive and sustainable** (SP2); **Reduce rural poverty** (SP3); and **Enable efficient and inclusive agricultural and food systems** (SP4).