

Tuesday, 16 June 2020, 15:00-17:00

Informal discussion #5: Markets; Incentives; Agrochemicals; COVID-19

Rapporteur's Summary

Item 1 - Introduction by the Rapporteur

The Rapporteur introduced the background document and underlined the importance of keeping the discussion on COVID-19 focused on points that are relevant to this workstream.

Item 2 - Exchange of feedback by CFS stakeholders on the guiding questions

1. How do you see the relationships between the social, economic, and environmental dimensions of sustainability and the scale of markets (local, national, regional and international)? What are the main policy instruments addressing market failures and challenges that countries should prioritize?
2. A large number of countries currently provide subsidies/incentives for their food systems. According to what criteria should countries allocate subsidies/incentives in the food and agriculture sector to best secure the three dimensions of sustainability and to provide food producers and consumers with appropriate choices?
3. Would it be possible to end agrochemical use in the crop, livestock, fisheries and aquaculture sectors? What would be the risks of ending or of not ending agrochemical use?
4. While new findings about the impact of the emerging COVID-19 pandemic on food systems continues to emerge, does the evidence so far (referring for example to the HLPE Issue Paper), show that COVID-19 impacts how we think about innovative approaches for sustainable food systems that enhance food security and nutrition? If so, how?

Note: Each bullet point below represents views shared by stakeholders as part of the open floor discussion. No attempt is made to reconcile different views or to verify references in order to capture the full diversity of views expressed by CFS stakeholders during the informal discussion.

Markets

- considering the transformative role of territorial markets and their contribution to the social, economic and environmental sustainability of food systems, and their socio-cultural function. Their remunerative role for small scale food producers was also highlighted in the context of their accessibility, particularly by poor people;

- prioritizing policy instruments that promote local and territorial markets, such as increased investment in infrastructure for local and territorial markets, and revised food safety regulations that are suitable for small-scale food producers and cooperatives and can address the actual risks of short-circuit chains;
- recognizing how the COVID-19 has proved that the most resilient food systems are the ones relying on territorial and local markets. In places where these markets were closed due to lockdown and movements restrictions, already marginalized groups were more negatively affected;
- strengthening the importance of investments in short food supply chains and marketing, as well cooperatives and platforms in light of their accessibility to low-income farmers and ability to provide nutritious foods;
- developing public policies and implementing private activities that incentivize markets and food system distribution infrastructure to ensure food access to low income households and vulnerable populations (e.g. elderly, youth, disabled).
- supporting local and regional markets through strengthened linkages between urban communities and food producers by including, for instance, consumer cooperatives and multi stakeholder platform;
- strengthening rural-urban linkages and promoting local, regional and global markets as they contribute to increase productivity and sustainable and resilient food systems that ensure food security and nutrition.
- Using participatory and inclusive territorial management planning to identify and fostering locally sustainable practices to protect and restore the sustainable use of common natural resources, including biodiversity;
- introducing innovative approaches in short/local food supply chains, including adequate infrastructure guarantees systems and compliance with public policy and safety standards and digital technologies with appropriate safeguards;
- developing policy frameworks that support new markets for climate-adaptive approaches that produce quality ecosystem services and that create economic incentives for sustainable management of forests, coastal waters, lakes and rivers and other natural resources;
- highlighting the importance of facilitating access of small scale farmers to local, nation, regional and international markets, and promote equitable and no discriminatory trade for small scale products by taking into account the rights and obligations of WTO members;
- focusing on local and national markets in light of them being the most neglected;
- increasing the resilience of food systems, which build on efficient local markets and short food chains; need to increase multilateral cooperation, especially for the transformation of food systems. The UN Summit represents an important milestone in this regard and agroecological and other innovative approaches should be at the centre of this initiative;
- considering that there is no single model of sustainability. The best scale of market must be defined in each context. The possibility to choose should be given to local people. Local markets

are important, but also international ones, to support food deficit countries. Resilience is supported by having different levels of markets;

Incentives/subsidies

- recognizing the importance of incentives/subsidies to support remote areas, where agriculture provides more than just food but also employment, landscape restoration, etc. They can also be useful to support transitions to sustainable food systems.
- strengthening public policies that address structural barriers by providing positive incentives for diversification, while helping to buffer food producers in the crucial period when they transform their systems;
- ensuring that public policies, budgets and incentives support sustainable and resilient food systems in a coherent manner paying attention to all positive and negative environmental and social externalities;
- considering impact assessment findings as the base for transforming policies and redirecting budgets, incentives and investments;
- considering incentives as part of a strategy to promote appropriate consumer information, including food labelling in line with public applicable national and international standards. Such awareness raising can enable conscious and informed consumer choices, leading to more sustainable healthy and environmental friendly diets;
- establishing criteria to apply subsidies and incentives. These should support agroecology, smallholders, SFS, ecological footprint, public health, public goods, equitable and resilient food systems. Should not be used to support private interests, and should not be tied to collaterals as in many developing countries, which prevents smallholders accessing them. This also requires readdressing power imbalances;
- removing inappropriate subsidies that support unsustainable food systems;
- considering subsidies as a problem for which solutions can only be country specific;
- reforming the incentives systems to eliminate the ones that support unsustainable practices and support the ones which support sustainable practices, focusing on the special needs of smallholders and family farmers. Most of the subsidies are currently directed to large scale farming systems;
- governments providing necessary incentives and subsidies. Farmers' incomes are low in all countries, thus subsidies and incentives are needed to keep them in farming and from migrating. The incentives and subsidies should be focused on innovations;
- developing public policies and regulations to address the key challenges that hold back wide-scale agroecological transitions. Public resources that promote high-input, resource-intensive farming systems, stimulating negative farm practices, should be redirected to create a level playing field for agroecology and other sustainable agricultural approaches that take into consideration the external costs and benefits of food systems;

Agrochemicals

- reinforcing the concept that agroecological approaches could offer ecological alternatives to pest management and plant nutrition management, in order to achieve the 2nd and 3rd level of transition proposed by Gliessman: a) the substitution of conventional inputs and practices with agroecological alternatives; and b) the redesigning of the agroecosystem on the basis of a new set of ecological processes, respectively;
- Incentives for agricultural and fisheries researchers and extensionists are crucial to support shift away from agrochemicals;
- including specific regulations to be applied especially for obsolete pesticides in developing countries;
- combatting antimicrobial resistance, for which responsible use is not sufficient;
- minimizing the use of agrochemicals while recognizing that they cannot be avoided in the short-term, especially in developing countries;
- minimizing the use of agrochemicals for environmental but also economic interests. They are an important tool when properly regulated for safe use. Biotech crops and organic can help us reduce pesticides. Farmer education is also important. They must be regulated for safe use;
- phasing out the use of agrochemicals as soon as possible for human health benefits and because of their devastating impacts on biodiversity, especially insects including pollinators. Destruction of biodiversity by pesticides and over-use of mineral fertilizers has created conditions that favour the pandemic. Therefore, subsidies should be redirected to support agroecological practices and systems. The evidence is abundantly clear that agrochemicals and the other tools of industrialized agriculture are destroying our landscapes, communities, human health and exceeding planetary boundaries; so transformation is essential and Agroecology is the best;
- Some stakeholders felt that the recent locust outbreak demonstrates the need for agrochemicals, while others stated that organizations such as FAO have successfully used biopesticides and beneficial organisms for locust control.
- optimizing the use of agrochemicals and promoting innovative systems that reduce over-usage and dependency, and strengthen and enforce regulations on the use of agrochemicals (including through public-led research and assessments) – for instance, using the International Code of Conduct on Pesticide Management and International Code of Conduct on the Sustainable Use and Management of Fertilizers, in order to protect and improve human and environmental health, by
- ensuring public funding and support for the eventual income losses that could happen during the transition period;
- gradually reducing the use of agrochemical inputs as an important objective towards a more sustainable agriculture;
- considering the risk of reducing agrochemical use, which could result in reduced production in the short term and higher prices;
- strengthening and enforcing regulations on the authorization and use of agrochemicals in order to protect and improve human, animal and environmental health, and disregard antibiotics should

also be subject to structure controls, especially with regard to the emergence and development of anti-microbial resistance and prevented negative impacts on biodiversity;

- considering innovations such as targeted soil analysis as a way to optimize their use. In this regard, the recently adopted FAO Code of Conduct on fertilizers and the voluntary guidelines for sustainable soil management can provide relevant insights to reduce the use of agrochemicals;
- promoting the uptake of non-chemical alternatives and low risk pesticides, and to promote public research to assess the impact of the use of agrochemicals on human animal, plant and environmental health;

COVID-19

- recognizing how the COVID-19 pandemic – itself the result of unsustainable food, land and water systems – is exposing weaknesses in food systems, societies and economies around the world. The global response to the pandemic must be swift and science-based, harnessing new and existing knowledge. Solutions need to be coordinated across sectors to provide immediate response and assistance for those most in need, on-going and inclusive support in recovery and – perhaps most importantly – future resilience to all shocks – including climate extremes. Only highly collaborative work is likely to ensure comprehensive, effective and efficient responses;
- referring to COVID-19 but generally to all epidemics/pandemics and natural disasters. Key is to strengthen the One Health approach and advance the right to food approach;
- considering how the pandemic has refocused the discussion on accessibility and affordability of food, and disruption in food supply chains and transportation of products should not impede or slow down the free flow of food products. Therefore, support for the innovative approaches to address issues of connectivity to ensure accessibility to food;
- adding a reference to the important role of smallholder family farmers, many of whom are currently applying agroecology and other sustainable innovative approaches, demonstrating to be resilient during the pandemic. This is one more reason to provide them with the appropriate support when needed;
- considering how COVID-19 has shown the importance of public-private dialogue and digital technologies. To ensure that users can continue to access markets: 1) Evaluate and incentivize public and private local and regional supply chains, processing and marketing infrastructure; 2) connect local food production to local markets 3) Advocate for advantageous wholesale prices and distribution networks to keep rural financial gains in rural communities; 4) Strengthen access to credit and a safety net for producers exposed to natural disasters, extreme weather and climate disruptions to production, and crop failures;
- highlighting how research is proving evidence on how industrial agriculture is driving habitat loss and creating the conditions for viruses to emerge and spread. COVID-19 has shown that local food systems are the most resilient. Therefore, drawing on these lessons, policies and public investments should support local and resilient food systems. The immediate and most important response to this new food crisis is public support to local production and food systems by supporting small-scale food producers and fisherfolks to foster their food production and ensure their access to markets and the access of consumers to their products. In this sense, local food

systems, agroecology and climate justice, being intimately linked, are an essential basis for resilience.

Other topics

- presenting food safety and sanitary regulations as key elements of sustainable food systems;
- considering sustainability as a non-static concept whereby all food systems can be more sustainable and all three dimensions are equally important when it comes to establishing assessment criteria for food systems. No market structure is de facto more sustainable than any other. Policy recommendations should seek to improve sustainability at all levels, and countries should focus on addressing regulatory barriers that prevent innovations;
- governments strengthening research in environmental indicators and impacts of agroecological production practices. This research is fundamental to develop policies, and without a strong scientific foundation, efforts to develop policy innovations such as true cost accounting risk doing more harm than good;
- highlighting the context-dependent nature of transforming food systems. Each context has a different starting point towards the transformation of food system. Therefore, policies and incentives should be based around evidence and risk based assessment;
- avoiding overlap with the VGFSyN that are already aiming at addressing how consumers and incentives affect sustainable food systems.
- highlighting the vital role of private sector in ensuring that sustainably produced food is affordable and accessible for all.
- It is crucial that technology innovation is customized for small-scale producers to achieve sustainable food production, and this requires strong partnerships and institutionalization at the farmers level, including cooperatives of farmers and fishers;
- promoting a sustainable approach in agricultural and fisheries by taking into account priorities and needs of each country as well as capacities and capabilities. Policy recommendations should not be short-term and address environmentally friendly technologies that are affordable, accessible and available to all small-scale farmers.
- acknowledging the importance of a balance among the three dimensions of sustainability, and consider that the economic viability is a consequence of, and largely determined by policy incentives. To reverse the negative trends, and to make food production more sustainable, appropriate, well designed and evidence based policy incentives are required to promote sustainable and innovative solutions, and discourage unsustainable way of farming;
- developing policies that take into account social, environmental and economic criteria. For instance, the inclusive, responsible and transparent governance of resources; the empowerment of local and community leaders; the inclusion of smallholder farmers, indigenous people, women and youth as beneficiaries of the policies. Policies, investments and practices should be part of a comprehensive framework to guide countries towards resilient and sustainable food systems.

- considering how, in order to achieve several SDGs, diverse agriculture systems have to initiate their transition towards sustainable agriculture and food systems, with different starting points and diverse pathways. These should be guided as much as possible, by agroecological principles.
- strengthening social protection and food producers' and consumers' associations, organizations, and cooperatives that build capacities and create and exchange knowledge;
- establishing mechanisms to address power imbalances and conflicts of interest in relation to production, processing and marketing ensuring a fair distribution of value added along the chain;
- strengthening policy instruments (regulations and laws, taxation and incentives) that internalize ecological, climate, and social (including public health) costs in the prices of food, for example, using true cost accounting and impact on farmers income, which should be assessed and supported by social protection mechanisms;

Item 3) Wrap-up and closing remarks by the Rapporteur

The Rapporteur thanked all stakeholders for their continued engagement, participation, and for allowing a productive process. He reaffirmed the usefulness of these informal group discussions in the development of a well articulated Draft One. He thanked the CFS Secretariat, Technical Consultant and Technical Focal Points for the support provided throughout this process.