

# SE35: Food systems transformation – The missing policies on consumers' purchasing power

Organized by: The European Alliance on Agricultural Knowledge for Development (Agrinatura), the European Commission – Directorate General for International Partnerships, Sustainable Agri-Food Systems and Fisheries (DG INTPA F3), and the Food and Agriculture Organization Investment Centre (FAO CFI)

## Summary of the side event

“Do not be afraid to invest in consumers to help farmers.” That was the key message underlining the recent event organized by Agrinatura, the FAO Investment Centre, and the European Union on the sidelines of the 52nd [Committee on World Food Security](#).

To respond to whether “farmers feed consumers or consumers feed farmers,” the hybrid [side-event](#), moderated by Kostas Karantinidis, Professor at the Swedish University of Agricultural Sciences, gathered almost 80 participants on 25 October to discuss how consumption-related policies could contribute to transforming agrifood systems.

In this respect, Mohamed Manssouri, Director of the FAO Investment Centre, gave welcoming remarks on the central role of relevant investment and policy change to address low purchasing power, population growth, dietary needs, and poor infrastructure, as well as other factors hindering food security and nutrition.

Tristan Le Cotty, economist at the French Agricultural Research Centre for International Development ([CIRAD](#)), part of the [Agrinatura alliance](#), introduced the event by stating that supply-driven policies that encourage farmers to produce more and better are widely spread. However, “low food demand stemming from low incomes makes investments in productive technology to increase food production ineffective. If no one can buy additional food products, farmers cannot sell their surpluses, and food insecurity remains even though production capacity increases.” He advocated for a greater focus on policies to drive consumption, and thus demand for food production and higher revenues for farmers.

Martin Bwalya, Senior Food Systems Regional Consultant (Africa), at the [United Nations Food Systems Coordination Hub](#), emphasized this point saying that “in

Africa, despite decades of massive production and productivity-focused investments, agricultural production and productivity has remained well below global averages and has not translated into the reduction of poverty and food insecurity for Africa's populations." The expectation that production and productivity will lead to economic growth and food security has not come true. Interventions that have focused on production (investments in fertilizers, seeds, irrigation, etc.) have not delivered on what they promised to do. Furthermore, some economic growth occurs in Africa but does not translate into poverty reduction. Finally, success in some specific sectors have not translated to success at a system level, bringing systemic wealth or benefits. Taking these points together, a massive shift in our approach is needed.

If investing in production is not enough, is an increase in consumer income enough to ensure food security and healthy diets? Julia Tagwireyi, board director from the Africa Catalyzing Action for Nutrition ([AfriCAN](#)) doubts it. She argued that in Sub-Saharan Africa, current conventional diets cannot deliver healthy nutrition, mainly due to the reduced diversity in crop production. Even with higher incomes, people need to know more about the value of different food. Policies should encourage all types of crops to be produced, including edible insects for example. African countries can better use indigenous knowledge related to growing and consuming native vegetables and insects and integrate indigenous foods and practices into the conventional food system.

Lorenzo Giovanni Bellù, Senior Economist, leading FAO's report on the [Future of Food and Agriculture](#), analyzed growth between 1990 and 2023. He showed that GDP per capita has not grown in Africa, while in other parts of the world it has improved a lot. If the paradigm of economic development is not radically shifted, he predicted that the future will look like the past. He highlighted two actions to trigger transformation in consumers' purchasing power: consumer and citizen awareness on healthy and sustainable diets and better distribution of income and wealth from the agrifood sector in producing countries.

The interesting debate and questions from the audience concurred on the power of consumers to drive the efficiency, effectiveness, and sustainability of agrifood systems. A key objective highlighted by the discussion is to reduce the gap between very high consumption prices in cities and very low production prices in rural areas. Brokers take advantage of this price gap, inspiring a welcome word from a participant from a farmers' organisation: "Do brokers feed farmers or do farmers feed brokers?"

The event was organized in the framework of the [Sustainable Agrifood Systems Intelligence \(SASI\) initiative](#), funded by the European Union and implemented by Agrinatura and the FAO Investment Centre.