

Summary Record of the OECD Global Forum on Agriculture

14 May 2019

The OECD Global Forum on Agriculture took place on 14 May 2019 in Paris around the theme of “*Policy Priorities for the Global Food System*”.

OECD Deputy Secretary General Ulrik Vestergaard Knudsen welcomed delegates and emphasised the scale of the challenges facing the global food system, the importance of developing coherent policies to meet these challenges, and the need for international collaboration to ensure that coherence.

Opening session: Introduction to a food system perspective

The opening session started with a presentation by **Jonathan Brooks**, Head of the Agro-food Trade and Markets Division in the OECD Trade and Agriculture Directorate. The global food system is facing a triple challenge of ensuring food security and nutrition, safeguarding natural resources and contributing to climate change mitigation, while providing livelihoods for 500 million farmers and numerous others involved in the global food system. There are successes and failures across each area and complex interactions (synergies and trade-offs), with instruments to address one objective having important effects on another. This raises several difficult questions. How should competing objectives be balanced? How can coordination across different stakeholders and policy communities be achieved without excessive transaction costs? And how can policy makers deal with political challenges, such as opposition to broadly beneficial reforms from specific groups that may lose? The presentation also provided results from an informal survey among countries participating in the Global Forum on Agriculture, which revealed a difference between priorities at the national level and global priorities, and pointed to differences across countries in terms of what they see to be the main obstacles to reform.

Jannes Maes, a farmer from Belgium and president of the European Council of Young Farmers, provided his perspective on challenges for the global food system. He stressed three major challenges for agricultural producers. The first challenge is related to ensuring that long term objectives, such as climate change mitigation, are not pursued at the expense of short-term needs. He stressed the fact that the interests and views of young farmers do not always coincide with those of established or retired farmers. A second challenge highlighted by Mr. Maes relates to the focus of agricultural policies. Young farmers see farming as part of their identity. They want the support to the profession to focus on its economic viability. The third challenge relates to risks, e.g. around animal and crop diseases, around trade conflicts, around climate change. Risks that farmers face are often not taken into account by pressure groups in their criticisms of agriculture. This may lead farmers to interpret them as personal attacks. On the question of political will and feasibility, Mr. Maes cited a former Flemish minister of agriculture who reportedly said that he knew what needed to be done, but would not get re-elected if he did it.

Sue Davies of Which, the leading UK consumer advocacy group, shared a perspective from the other end of the food chain. While the goal of food production is consumption, consumers should not be forgotten in policy discussions. For instance, two-thirds of the UK population is now overweight. In the United Kingdom, discussions around more coherent food policies are taking place now as part of planning for post-EU policy. This could create the opportunity for a more joined-up approach. One core principle in the discussions is “public money for public goods”, yet at the moment policy proposals do not appear to mention health aspects of food and agriculture including antibiotic use and countering weight-related diseases. Ms. Davies expressed concern that future trade deals will be conducted with countries which often have quite different approaches (e.g. regarding chlorine chicken, or the use of hormones in beef or dairy production). Regarding tariffs, consumers obviously do not want high prices but neither do they want low standards. Coordination will require a joined-up approach, but also should take into account local versus national dimensions of policy.

Katrijn Otten of Cargill echoed the challenges facing the global food system and the need for a transformation of the food system in order to meet the Sustainable Development Goals (SDGs). She highlighted the role of international trade as an enabler of agricultural development, especially in developing countries, but also stressed that trade works best if other policies are in place, such as property rights in land and initiatives to spread knowledge of agricultural best practices. A holistic approach means finding such combinations of policies which reinforce each other. Ms. Otten recognised that if supply chains such as palm oil or soybeans were left only to supply and demand, negative effects on deforestation or human rights could result. As a major player in international markets, Cargill itself is trying to limit externalities in its supply chains. Ms Otten stressed the need for collaboration and coordination between the different food system stakeholders.

Tom Rosser of Agriculture and Agri-Food Canada shared Canadian experiences with developing its first food policy. Even though rich countries typically score well in terms of food security, still some 8% of households in Canada are food insecure, especially among single-parent households, rural areas, and indigenous communities. Hence, even in high-income countries, food security should not be taken for granted. He also stressed the problem of food waste, with about 30% of food being wasted in Canada. In terms of developing integrated food policies, Mr Rosser stressed the importance of improved governance and breaking down traditional siloes. Canada has some 15 ministries or agencies that are involved with some aspect of food (e.g. the food safety agency, the health ministry, the environmental ministry,). In 2015, there was a mandate for a food policy with much broader input than usual, with input from the public sector, civil society and other food system stakeholders. In some cases, these processes can lead to decisive action, e.g. measures to reduce plastic waste in the ocean (in the context of the G7 presidency).

After these interventions the floor was opened to discussion. Participants discussed the role of investments (in particular in infrastructure), for instance in reducing post-harvest losses in developing countries, as well as in technology and innovation to provide continued productivity growth. International trade, too, was considered important - not only for economic efficiency and for allowing agricultural production to take place where environmental conditions are most suitable, but also in stimulating a flow of knowledge.

Regarding the development of better policies, a number of imperatives emerged from the discussion. First, it is important to take all stakeholders on board. For instance, if consumers are not involved there is a risk that they lose confidence in the food system. Second, policies need to be based on science, good data, and a clear understanding of the issues. For instance, discussions of (on-farm) food loss sometimes seem unaware that most “loss” in fact goes into lower-grade uses. Having discussions across policy communities early on can help to exchange important information. Third, there is often a tension between the long-term and the short-term; there is a need for transitional policies.

Participants also discussed the finding of the informal survey conducted by the Secretariat, where delegates rarely mentioned obesity and overweight as a top-3 priority in their country. This could be because primary agriculture is not really the driver of emerging health issues, or it could reflect a need to bridge across policy communities. Agricultural policy is not necessarily the most effective way of addressing health objectives; but having common objectives can help align policies on production and consumption.

Reflecting on earlier work by the OECD Secretariat, Mr. Brooks noted that OECD analysis has suggested that communicating to consumers is typically not enough to improve healthy behaviours; and that measures at the public-private interface on advertising and product reformulation, for example, may also be needed. The causal role of primary agriculture seems doubtful although it is undoubtedly a “food system” issue.

Panel discussion 1: Making tough choices and striking grand bargains: trade-offs and synergies

Following the opening session, the focus of the discussion moved to identifying main trade-offs and synergies.

Mr. **Ed Davey** of the World Resources Institute introduced the “Food and Land Use Coalition”, a modelling effort which includes 24 countries. Food and land use will be a major component of climate change

mitigation. Beef is obviously an important topic given cattle's contribution to greenhouse gas emissions, yet in many places cattle plays a big role in livelihoods and protein supply (e.g. Ethiopia). Nevertheless, many options exist, as outlined in a recent WRI report "Towards a Sustainable Food Future". Possible measures include reducing food loss and waste. In every country there are some positive examples. Mr. Davey expressed his belief that grand bargains can be struck across different policy areas.

Ms. **Martina Fleckenstein** of the World Wide Fund for Nature (WWF) explained how WWF itself has shifted its focus from "agriculture" to "food", with work around three themes: sustainable production; loss and waste; and sustainable diets. There are indeed trade-offs, e.g. the possibility of higher food prices, but there are also synergies, e.g. the hospitality sector could save money by reducing food waste, while better soil health could bring environmental as well as economic benefits. Ms. Fleckenstein also mentioned recent and upcoming initiatives around biodiversity, such as a recent report on Biodiversity and Ecosystems, a forthcoming IPCC report on land use, and several important events in 2020, including the Convention on Biodiversity, the renewal of nationally determined contributions in the context of the Paris Agreement, and some deliverables for the SDGs, e.g. 2.5 on Agrobiodiversity. She asked whether there is a need for more mandatory regulations (e.g. the ban on plastic), and whether sustainability should be embedded in dietary guidelines.

Mr. **Facundo Etchebere** of Danone gave his perspective on consumer trends shaping the global food system. Consumers are looking for products that connect them with the food they eat, e.g. local food. Consumers also say they feel more positive about firms if they are committed to low-carbon production. Concerns for animal welfare are also important, and an increasing group of people is embracing flexitarian diets. What does this mean for the production side? Farmers who want to adopt more sustainable practices often face uncertainty of income, a lack of access to knowledge and capital, and potentially a short-run loss of income during the transition period. Danone has been working with farmers through contracts to minimise risks and sharing Danone's expertise. Danone can also afford to pay a premium for positive externalities produced by farmers, as consumers care about this.

Mr. **Karl Walsh** of the Irish Department of Agriculture, Food and the Marine introduced the challenge for coherent policies in Ireland, especially as it relates to greenhouse gas emissions from its livestock sector. Irish agriculture is exceptionally important relative to other high-income countries, accounting for 8% of gross national income and employment (and about 14% in rural areas). 61% of the land in Ireland is under grass. Agriculture accounts for a large share (one-third) of greenhouse gas emissions in Ireland, even if per-unit emissions in agriculture are low. The Irish strategy is to reduce emissions (e.g. through spreading best practices), aiming for carbon sequestration, and reducing fossil fuel use. However, there is no technical quick fix. Part of the Irish approach is to focus on ten-year agricultural policy strategies at the national level, which are holistic and industry-led. The approach also leverages the CAP and increases afforestation. In the next few months the government will reveal a "whole of government" climate action plan which will step up Ireland's ambition. This will challenge all stakeholders to do more and will need to take into account considerations regarding farmers' competitiveness. Building relationships with stakeholders is essential.

Mr. **Antonio Luiz Machado de Moraes** of the Brazilian Ministry of Agriculture, Livestock and Food Supply explained how agricultural research and Brazil's Forest Law have together allowed a strong increase in agricultural production without massive deforestation. Brazil now often obtains two or three harvests a year, which is also land saving. He stressed the need for market-oriented policies in encouraging sustainability, and for writing environmental compliance into government programmes.

During the discussion following these presentations, Mr. Etchebere explained how Danone had changed its internal mind-set. Two years ago, the decision was made to adopt the "OneHealth" philosophy as vision for the company, a clear "political" commitment at the higher levels of management. But this needs to be embedded in the business plan. Concepts such as circular agriculture are now part of the business plan, and have been discussed at the shareholder meeting. In addition, there are efforts to educate Danone's 100 000 employees.

In response to a question on how NGOs engage with companies, Ms. Fleckenstein gave the example of China and Southeast Asia, where consumers are increasingly concerned about food safety, which creates an opening to talk to companies about using less pesticides. Mr. Davey explained that firms such as Cargill are co-chairs of the Food and Land Use Coalition; Cargill has initiatives to help farmers with replanting.

There are private-sector initiatives around the “triple challenge” which require no public support. Mr. Etchebehere gave an example from Mexico where Danone developed 2 collection centres to collect the milk from some 400 suppliers, including many smaller producers that need to meet certain sustainability criteria. Consumers may in turn be willing to pay more for the product.

Panel discussion 2: Applying a global food system perspective: implications for policy-making

In the afternoon, the discussion moved on to obstacles to better policy-making.

Mr. **Michael Keller** of the International Seed Federation made three main points in this regard. First, he stressed the important role of the private sector and of private-sector research – a role which is not always understood or appreciated by participants in the public debate. Improved varieties have played a major role in raising agricultural yields, and will continue to do so in the future. As public R&D spending has been declining in high-income countries the role of the private sector becomes even more important. Second, he emphasised the importance of predictability, which is essential in an industry where it can take a decade or more to develop a new variety. A good regulatory framework and trust are important in this regard. International frameworks are needed (e.g. on how sanitary and phytosanitary standards will be applied to seed). It is not up to the private sector to write the policy but important to be involved. He stressed the need to make the agricultural sector attractive to young entrepreneurs.

Ms. **Rebeca Fernandez** of FoodDrinkEurope would also welcome a more holistic approach. Policy decisions are complex, and stakeholder involvement early on is essential. Impact assessments can reveal the magnitude of the consequences. Ms. Fernandez referred to a recent OECD publication on [Better Regulation Practices across the European Union](#) which found that many States do not systematically evaluate existing policies. There is a need for an evidence base, which will need to be a joint effort of the public and private sector. But it is important to recognise that science can never be 100% conclusive; there will always be a need for dialogue between science and society. Emotions and feelings may play a big role. A good example of stakeholder collaborations is the EU’s FutureFood 2030 project (Horizon 2020-funded) which aims to set the agenda for future research on food and is based on multilevel multistakeholder consultation.

Mr. **Chris Carson** of the New Zealand Mission to the EU gave insights on both global and domestic approaches. Some topics (e.g. trade) require a global approach; and international agreements provide a framework for coherent domestic policies. A prime example of a good international approach is the **global research alliance on greenhouse gas emissions** (focusing on livestock, rice, and crops). This initiative means that research will have far greater effects on emissions globally than what New Zealand would have been able to achieve by itself. Domestically, Mr. Carson mentioned several initiatives. First, the government of New Zealand has adopted a “wellbeing budget approach” for budget decisions. This requires specifying the impact on natural, human, social, and financial capital of proposed policies. It forces e.g. the agriculture minister to collaborate with others to get agreement. A second and more agriculture-specific initiative is trying to construct a new vision for agriculture (which could then allow the private sector to move faster than governments could do). This “Primary Sector Council” did not include the head of the farmers’ union and other usual interest groups but did invite otherwise underrepresented groups such as Maori, women, and young people, in order to get truly transformative ideas. Mr. Carson added that traditional stakeholders do need to be involved at some point to ensure buy-in. A third initiative is the requirement to “rural-proof” policies coming from other ministries, which involves an assessment of how their policy initiatives would affect rural areas. In general, there is no one answer to the triple challenge. While we will need more international cooperation this does not necessarily involve more international agreements (indeed, it could mean doing more within the existing frameworks). Science will be important, as are consultation and buy-in. Mr. Carson asked whether our current tools are still fit for purpose given the new challenges; and whether

opinions voiced through e.g. stakeholder consultation really represent popular opinion or merely a minority view.

Mr. Nils Øyvind Bergset of the Norwegian Ministry of Agriculture and Food highlighted the role of political processes. In Norway, political dialogue is used to create trust and predictability. For instance, yearly negotiations take place with farmers regarding policies. As a result, changes in policy are more about reform than about revolutions. This fits in a tradition which dates from the end of World War II. In Norway, the goal of a “food policy” has been around since the 1970s; initially the focus was on nutrition and over time the environment and climate, and health, have been added to the concerns. It is still an issue where different ministries have different priorities – but these siloes can have their use: at least they allow discussions to take place in the open. Another example of coordination is the Food Safety Authority, which falls under the Agriculture ministry but coordinates with the Health and Fisheries ministries. Regarding international aspects, Mr. Bergset said there is no “one size fits all” approach. He sees the role of the OECD in helping to clarify policy goals and leading a science-based discussion.

During the open discussion, delegates exchanged thoughts about the challenges in coordinating across different policy communities. While delegates emphasised the importance of involving stakeholders, it was pointed out that it is never clear to what extent stakeholders truly represent the public interest. Experts themselves have usually some “interest” in the topic, and can perhaps be seen as vested interests themselves. To create trust, it is important to create transparency (in science and in the political process) and inclusiveness.

Ms. Fernandez added that the food chain used to have this level of trust by the public but that it has come under pressure. Mr. Bergset agreed with the importance of evidence but added that when events occur, or when media attention suddenly arises, these processes can get derailed. In addition, there is a division of roles between politics and science – for instance, on dietary guidelines it is a political decision whether or not to include environmental criteria but then it is up to the scientists to develop this. For new regulations, there is a systematic process; it is the job of policy makers to sort out the “real” point of view of society amid the opinions heard.

Ken Ash reminded participants of the language in the 2016 Ministerial declaration, which stated that current policies are no longer fit for purpose and that more packages are needed to move towards productive, sustainable and resilient food systems. Politically, there was agreement on the direction in which we should go, but we need to be ready when a window of opportunity opens. He asked delegates what they expect from the OECD to achieve this. Delegates pointed out that the OECD is already doing quite a bit of work in this area, although more work on trade-offs would be welcomed. The OECD would also be well-placed to produce a trusted synthesis document similar to the Stern review on climate change.

Closing panel session: A path forward

James MacDonald of the Economic Research Service of the United States Department of Agriculture reflected on the strengths and limitations of the OECD and how these could impinge on food systems work. A core strength of OECD is to have people who understand both agriculture and economics, which is quite rare. But the staff is limited, which means there are opportunity costs to be considered. The OECD is also a trusted provider of data, although it has very little own data. Analytical strengths of the OECD include the comparative approach, the policy guidance, and the focus on truly transnational issues. For instance, on antimicrobial resistance, the evidence is messy but the OECD has helped to focus the discussion. On competition, this is an emerging literature in economics and may be an issue in US elections as well as in EU policy; OECD work here is valuable. Mr. MacDonald also provided thoughts on some topics mentioned during the day. On contracts, these are common in US agriculture but they also mean that some markets aren't working (e.g. they involve a provision of credit as credit markets malfunction). If the same is true for consumer preferences the question is in which cases markets are working well, or not, to convey consumer

preferences? Regarding sustainable production, the devil is in the details. We need more work on the details of how programs work. On trade, it is interesting to see how some classic issues are coming back.

Michael Scannell of the European Commission's Directorate-General for Agriculture said that the European Union is focused on the "triple challenge" identified by the Secretariat (while historically the focus was on food and incomes). EU citizens are perhaps the most demanding in the world. Regarding policy making, the European Commission has strict procedures to make sure that policies are scrutinised ex ante ("better regulation" policies). Transparent processes, including stakeholder engagement and consultation, are key. Sustainability is likely to be an important issue during confirmation hearings for the new European Commission. Some issues which were not really mentioned during the day: food is relatively cheap (a low share of household budgets), perhaps too cheap? Another question is whether the multilateral framework correctly recognises societal concerns. An increasing movement is suggesting that food proves that trade does not address sustainability concerns. We also need to be cautious to put too much emphasis on specific ideas (e.g. waste, contracts).

Alwin Kopse of the Swiss Federal Office for Agriculture highlighted links with other initiatives at the international level. Switzerland co-chairs the UN Sustainable Food Systems program which includes several countries (including the United States, Argentina, Costa Rica, South Africa), companies, and NGOs such as the WWF. When we talk about "the" global food system, the discussion is complex; we need to narrow it down to landscapes or commodities. Some applications of food systems thinking are sustainable diets, sustainability along food value chains, food loss and waste, and resilience. Multi-stakeholder approaches can help in building a common understanding of issues and trade-offs and can then allow faster action in the field by NGOs and private sector actors. Mr. Kopse also emphasised the role of reporting and measurement; "we manage what we measure". In the SDG context this has led to work on measuring sustainable agriculture, for instance. The OECD is well placed for this type of work as it has health, environment, but it would require also overcoming internal silos. In addition, the OECD could help governments overcome their own siloes; if a data request comes from the OECD it carries more weight. Case studies (on countries and supply chains) would be useful as examples.

Some closing remarks were made by Mr. Brooks, who suggested that the meeting had been useful on its own terms as an opportunity for information sharing and dialogue, while it would also prove helpful to the OECD in helping steer its future work on food system related issues. This would include "mainstreaming" food system issues more methodically into the OECD's work on food and agricultural issues, and informing work on specific topics such as food and health, and food and competition. Mr Brooks noted that the OECD will be producing a broad review of the food system that takes stock of its performance relative to the "triple challenges" (and implicitly the SDGs), and identifies mechanisms for achieving more coordinated policies in the face of complex and inter-connected challenges. The meeting provided useful information on the substantive work that needs to be undertaken, along with reflections on how policymakers can overcome the political obstacles to radical as opposed to marginal reforms. Mr Brooks note that in taking the work forward the staff working on food related issues will seek input from other Directorates (on issues such as investment, competition, health, and the environment) and seek out case study information from member countries – ideally in a form that enables some cross-country comparisons. He also noted that the work will seek to complement and feed into wider global efforts, including FAO's preparations in support of a UN Food Systems Summit in 2021.