



Food and Agriculture Organization
of the United Nations

Global Forum on Food Security and Nutrition • FSN Forum

TEMPLATE FOR SUBMISSIONS

05.12.2023 – 29.01.2024

➔ <https://www.fao.org/fsnforum/call-submissions/hidden-costs-and-benefits-agrifood-systems>

CALL FOR SUBMISSIONS:

How can the hidden costs and benefits of agrifood systems be effectively incorporated into decision-making for transformation?

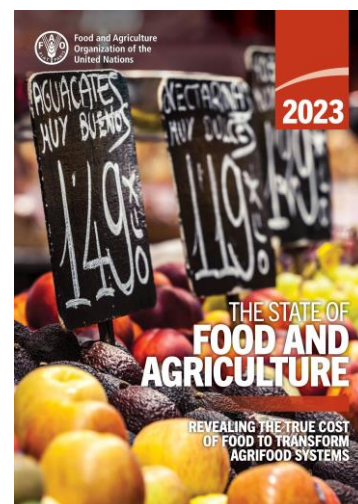
Template for submissions

The 2023 edition of *The State of Food and Agriculture (SOFA)* provided a preliminary assessment of the hidden costs of agrifood systems for 154 countries, finding that these amount to about 10 trillion 2020 PPP dollars or more. For national-level data and costs broken down by category, see the online Interactive Story [here](#).

For the first time ever, **FAO is dedicating two consecutive issues to the same theme**. Therefore, next year's edition will build on SOFA 2023 and aim to catalyse action towards agrifood systems transformation by providing concrete examples of targeted true cost assessments and their role in agrifood systems transformation. Notably, it will provide insights into how true cost accounting (TCA) can be a useful complementary tool to support decision-making across a range of value chains and countries, even in data- and resource-constrained contexts.

For this purpose, the SOFA team is collecting **case studies** from different world regions and income categories to help showcase how TCA assessments can drive transformation within agrifood systems.

Please utilize the provided submission template to share relevant examples, case studies, and best practices regarding TCA assessments. Please keep the length of submissions limited to **2,000 words**.



In identifying and documenting case studies, please consider that:

- TCA is defined as a holistic and systemic approach to measure and value the **environmental, social, health and economic costs and benefits generated by agrifood systems** to facilitate improved decisions by policymakers, businesses, farmers, investors and consumers.
- TCA is **not a new concept**. Rather, it is an evolved and improved approach that goes beyond market exchanges to account for all flows to and from agrifood systems, including those not captured by market transactions.
- This broad definition allows **a variety of methods** to be adopted, depending on a country's resources, data, capacity and reporting systems.
- These can include cost-benefit or cost-effectiveness analysis, multi-capital accounting, scenario analysis, multi-criteria analysis, among others.
- The case studies should have **clear policy implications** for the sustainability of agrifood systems through the assessment of one or more type of hidden costs and benefits among the three main dimensions (i.e. environmental, health and social).

To take part in this Call for submissions, please [register](#) to the FSN Forum, if you are not yet a member, or “sign in” to your account. Please download the submission template in any of six UN languages (English, French, Spanish, Russian, Arabic and Chinese) and upload the completed form in the box “Post your contribution” on this [webpage](#). For any technical support downloading or uploading the submission template, please send an email to fsn-moderator@fao.org.

The Call for Submissions is open until 29 January 2024.

Template for submissions

1. Proponent (name and surname, country, e-mail address)

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2. Name of organization and organization type (such as Academia and research; Government; IGO; Independent Consultant; NGO; Private Sector; Standard Setting; Trade association)

Dutch Food Transition Coalition, NGO,
TAPP coalition, NGO

3. Gender

Female
Male x
Other
Prefer not to say

4. Have you had the opportunity to read/watch the following **SOFA 2023** material?

	Yes	No
a) SOFA 2023 curtain raiser video	x <input type="checkbox"/>	<input type="checkbox"/>
b) Interactive story	x <input type="checkbox"/>	<input type="checkbox"/>
c) SOFA 2023 Policy Brief	x <input type="checkbox"/>	<input type="checkbox"/>
d) SOFA 2023 In Brief	x <input type="checkbox"/>	<input type="checkbox"/>
e) Executive Summary	x <input type="checkbox"/>	<input type="checkbox"/>
f) Any chapters of the SOFA 2023 report	x <input type="checkbox"/>	<input type="checkbox"/>

5. If you said yes to any of the above, can you please tell us your **impressions** of the report SOFA 2023? Considering that next year's report will be on the same theme of true cost of food for sustainable agrifood systems and aim to showcase the flexibility of the TCA approach through case studies, do you believe there are unexplored issues that can facilitate more widespread use of the approach to guide sustainable agrifood systems policies?

We are very grateful for SOFA 2023. The issue is really import for debating the external costs of the current food systems. Awareness of these hidden costs is essential to develop policies to reduce these hidden costs.

6. *Do you have any suggestions (e.g. data or methods) that can contribute to the **validation of the preliminary assessment** of hidden costs in SOFA 2023?*

See our attachments.

In addition, the EU Commission subsidised universities in 13 EU countries in the FoodCost project to validate and harmonise 'true pricing' in food systems with fiscal incentives to reduce external environmental and health costs: <https://www.foodcost-project.eu/>. This project started 1.5 year ago and runs another 2.5 years.

The organisations True Price and Impact Foundation also have done wonderful work on hidden costs in food systems: [Home - True Price](#) (tab: organisations/true price outlets for cases). There also is a lot of work done by them and others (CE Delft for instance and political party D66 in the city of Amsterdam) on public procurement and true pricing of food to give catering companies an advantage when they can prove hidden costs of food are minimalized.

7. *In the context of contributing to the content of SOFA 2024, are you aware of, or were you involved in, any **projects, initiatives or case studies** designed to assess the hidden (environmental, social, health) costs and benefits within agrifood systems?*

*If so, can you please provide a brief **overview of the project/study**, including its title, the author(s) and, if applicable, the names of other stakeholders who participated, such as government entities, research organizations, private institutions, or businesses. If you have a hyperlink to any documentation on the project/study that would be appreciated as well.*

See our attachments.

8. *Could you please tell us **when** the assessment took place and **which years were considered** in the analysis?*

The last five years we commissioned several studies and started actions such as coalition building, communication/awareness raising and policy interventions on the basis of these analyses. See attachments.

9. *Could you kindly provide the main characteristics of the **scope of the analysis**? This includes the agrifood system(s) or component(s) that were the focus of the assessment, such as national agrifood systems, a local diet, a public investment, or specific value chains.*

See attachments. Mostly national agrifood systems for specific food products.

10. Could you describe the **specific hidden costs and benefits** associated with this agrifood system(s) or component(s), and **why the assessment was necessary** to uncover and address them?

See the attachments.

11. Can you provide a concise description of the **methodology** employed in the assessment to uncover hidden costs and benefits?

See the attachments.

12. Was the assessment complemented by additional methodologies, such as **quantitative or qualitative policy or scenario analysis**? Did these supplementary methods yield interesting results, such as identifying synergies or trade-offs to inform context-specific policy actions? If yes, please provide concise description of the additional methodologies and their main results.

In our attachment we described 4 quantitative studies and one qualitative study.

13. Please describe the **data used in the assessment**, including their source and nature (e.g., primary or secondary, microeconomic or macroeconomic, numeric or categorical...). Additionally, if there were challenges related to the data availability, kindly elaborate on those challenges.

See the attachments.

14. Could you please highlight the **key findings** and outcomes of this assessment?

See the attachments

15. Please explain whether and how the assessment informed decision-makers and other stakeholders. Include any insights into priorities that emerged and possible policy entry points. If the assessment did not influence any transformative action, kindly share any observations about the reasons behind this outcome.

We had many discussions with the ministries, Members of Parliament and stakeholders.

The Ministry of Finance is open for taxes on hidden costs. The Ministry of Agriculture is stimulating pilots to reduce hidden costs.

TAPP Coalition also engaged with members of the EU parliament. This led to a huge majority in the EU parliament for 'true pricing' of food and fiscal VAT reforms on food, in an amendment for the EU Green deal on food (Farm to Fork Strategy), see:

<https://tappcoalition.eu/nieuws/16969/eu-parliament-majority-asks-for--true-pricing-food-products--and-highest-vat-tariff-for-products-like-meat> . However, the EU commission and EU member state ministers did not really do something with it , except of allowing a 0% VAT rate for vegetables and fruit. TAPP Coalition presented a report on EU meat taxes in the EU parliament in 2021. Now Denmark is planning a beef tax and CO2 eq tax for livestock. The German agriculture Minister wants to introduce a tax on meat, dairy and eggs (animal welfare tax) but the Finance minister is blocking it, unfortunately. The former Dutch agriculture minister also wanted to start a study on how to tax meat, but a majority in Dutch parliament rejected it. Then a new agriculture minister developed a plan with the agri-sector (Landbouwakkoord). This draft plan included a consumer tax on meat to finance 600 mln euro/year subsidies for farmers for ecosystem services. The deal was not signed in the end.

TAPP Coalition asked the EU Commission to start implementing the polluter pays principle in the agrifood sector since 2020 to reduce hidden costs of GHG emissions. In November 2023 the Commission finally published a report how this can be done, by an ETS system for agri-food. TAPP Coalition supports this, see: <https://tappcoalition.eu/nieuws/21281/new-eu-commission-report-on-a-emission-trading-system-in-agriculture---report-summary-and-position>. TAPP Coalition also invited Climate Ministers from G77 low income countries to sign a letter, urging high income countries to start taxing meat or start GHG emission taxes in agri-food sectors, using tax revenues partly to finance the UN loss and damage fund. Three ministers from Nigeria, Congo and Uganda, representing 30% of Africans signed, see: [African countries urge rich countries to tax meat at COP28 - True Animal Protein Price Coalition \(tappcoalition.eu\)](https://tappcoalition.eu/nieuws/21535/german-supermarket-penny-true-price-week-successful-in-reducing-meat-dairy-sales). TAPP Coalition scientific partners in Germany started a project with a large German supermarket Penny/ REWE with a True Price week in all 1250 shops, with a higher, true price of 9 food products like meat and dairy including environmental and health costs, making meat and dairy nearly 100% more expensive <https://tappcoalition.eu/nieuws/21535/german-supermarket-penny-true-price-week-successful-in-reducing-meat-dairy-sales>

16. Could you please describe the **main challenges** encountered during the assessment process and your suggestions on what can be done to overcome them?

Netherlands is part of the European Union. To realize policies on hidden costs with 27 Member States is more complicated (unanimity vote on fiscal issues). For some issues there is room for defining own actions, for others countries need to cooperate.

17. What are the key **lessons learned** from this project/case study on the hidden costs and benefits of the agrifood system/component in question? Were there any **effective practices or methods** that you found particularly valuable?

Politicians often shy away from environmental taxes on food (that could reduce hidden costs of food) because of fear for populist parties and negative feedback from consumers/voters. Low income groups can be harmed. But part of the tax revenue can be used to compensate low income groups and reduce taxes for healthy food. Overall food prices could go down (eg 0% VAT on healthy food), even when some food prices (eg meat) will become more expensive. Hidden costs can also reduced by legislation, raising

environmental standards for the sector or obligating supermarkets only to sell food with high environmental standards or labels.

18. *Based on the assessment, are there any **recommendations** for improving future research efforts in this area?*

Also plan research on consumer polls on reducing hidden costs in all countries. Explain and study the benefits like reduced health care costs. And discuss where in the chain taxation and rewarding would be optimal.

19. *Is there **any other information** or comments you would like to include that haven't been covered in the previous questions? Please also provide any useful links or supplementary materials.*

<https://foodsystemeconomics.org/> report published 30 Jan 2023.

<https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0204139>

20. *If the submission has relied on **unpublished documents or data**, could you please share these documents and data, if possible?*

Not relevant