



The Economics of Sustainable Food Systems

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Introduction

“

Food is the single strongest lever to optimise human health and environmental sustainability on earth”

Source: EAT Lancet report (2019)

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The unsustainability of the current global food systems

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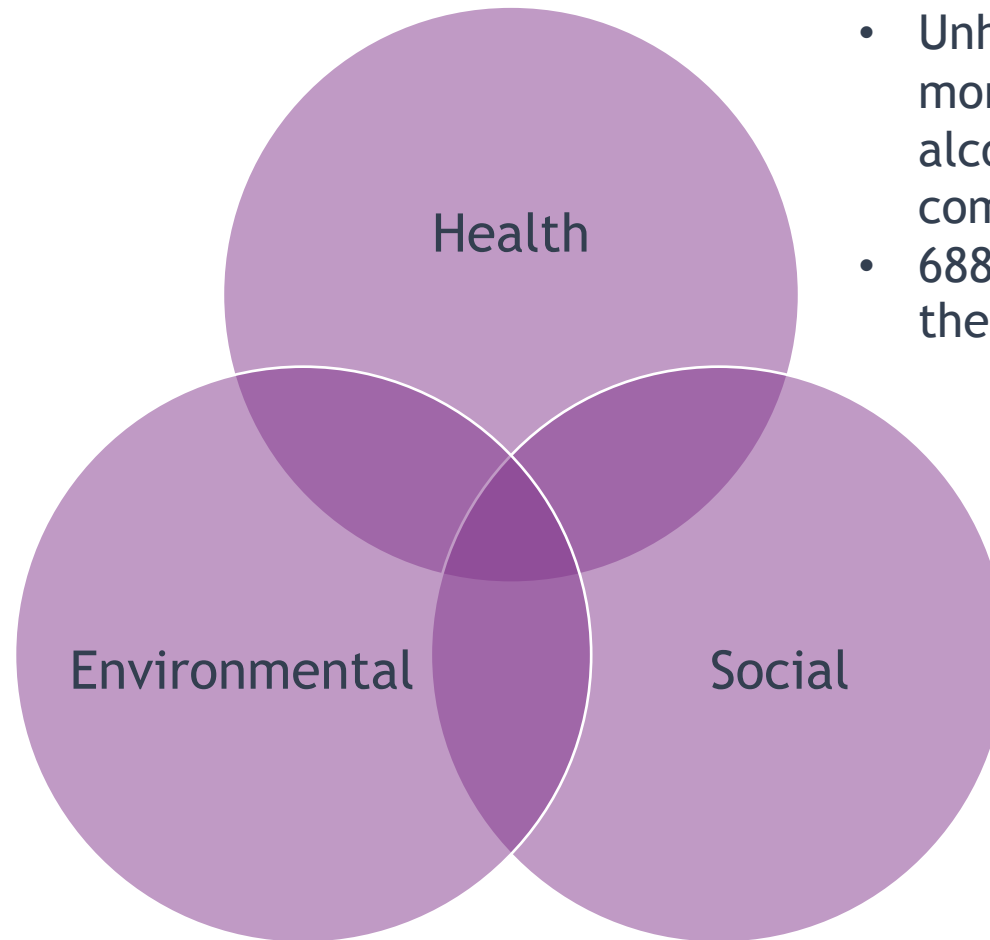
What can be done and what are the economic benefits?

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Deep dive on localisation

The current food system is unsustainable from environmental, health and social equality perspectives

- Food system accounts for around 1/3 of total GHGs
- 20% reduction in abundance of native plant and animal species since 1900, largely driven by food system



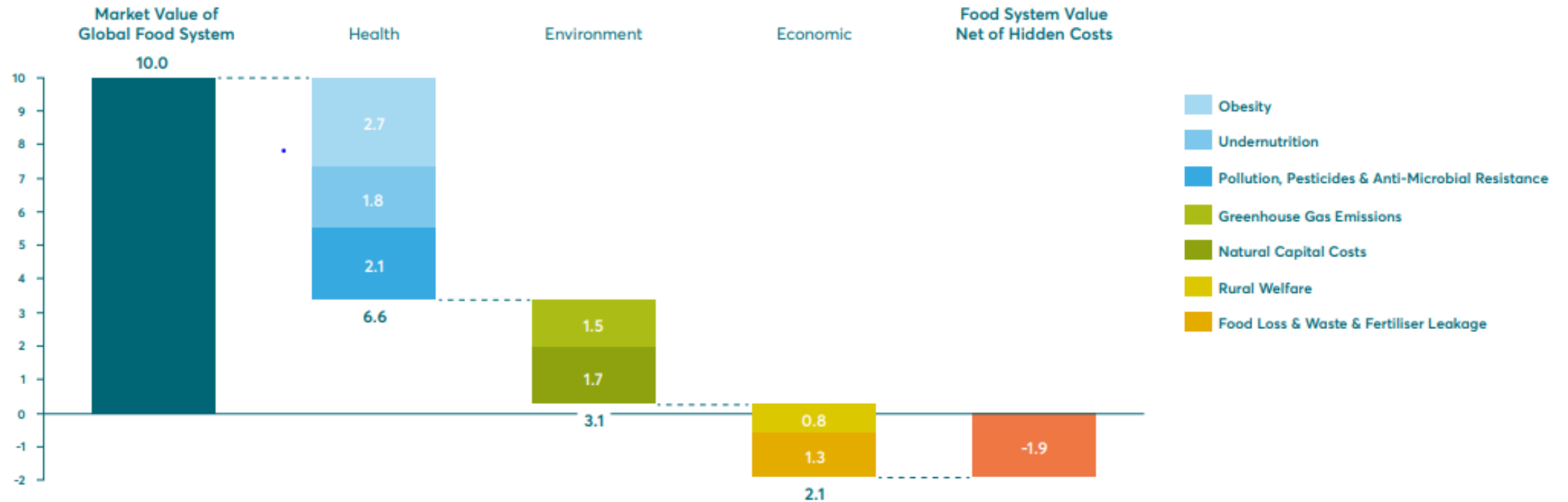
- Unhealthy diets account for more deaths than unsafe sex, alcohol, drugs and tobacco use combined
- 688m undernourished people in the world

- 70% of people living in extreme poverty are employed in agriculture
- Women in agriculture are paid less and more exposed to violence than men

Source: Gaupp et al (2021) and EAT Lancet (2019)

When 'hidden costs' are accounted for, the global food system generates negative value

Trillions USD, 2018 prices



Source: Food and Land Use Coalition (2019) Growing Better

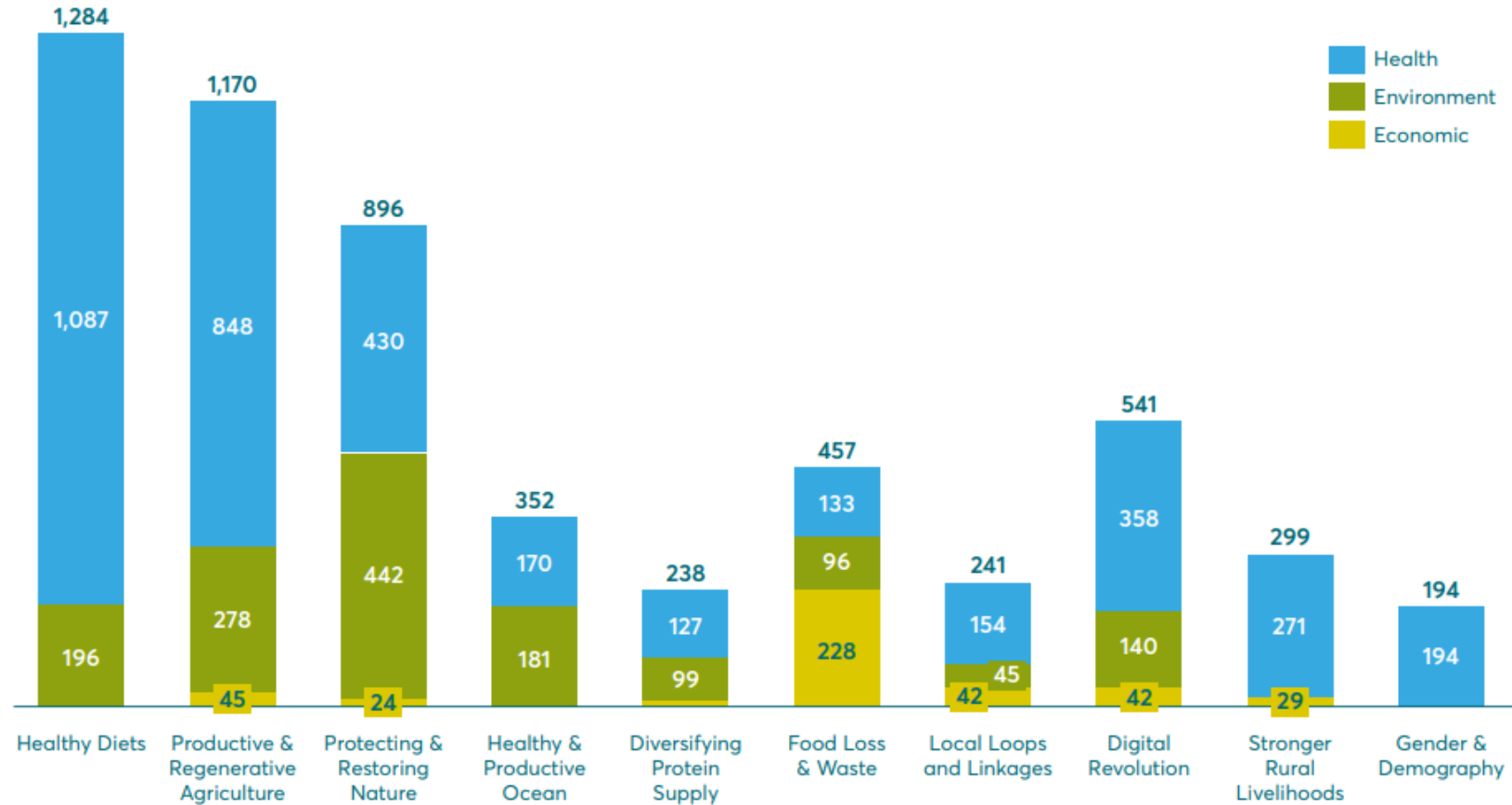
The changes that are needed are well-known and technically feasible: it is possible to both feed 10bn people well and protect the environment



Source: Food and Land Use Coalition (2019) Growing Better

And these changes are economically beneficial

Billions USD, 2018 prices



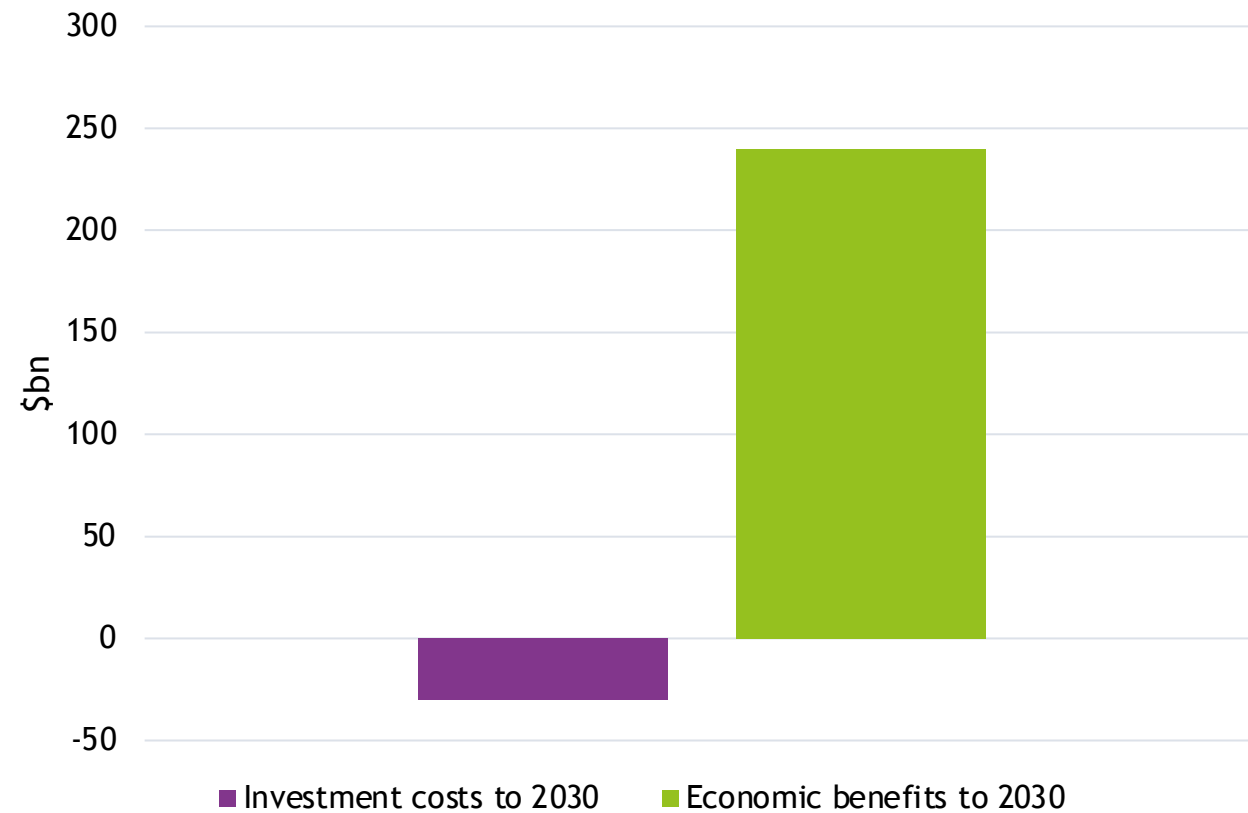
- Benefits can exceed costs by 15:1
- Food prices can fall on account of changing diets and reduced waste

Source: Food and Land Use Coalition (2019) Growing Better

Making food systems more local and more circular will lead to significant economic gains

- One of the critical transformations needed in the food system is to make greater use of local producers and to ensure that these systems are as circular as possible
- Economic analysis suggests benefit: cost ratio of 8:1 in 2030 and a global business opportunity of \$215 billion
- Key policy actions can include:
 - Using local authority procurement power to promote local production
 - Using planning to discourage building on peri-urban farmland and encouraging urban and peri-urban food production
 - Supporting waste management solutions that allow nutrient recovery e.g. composting, anaerobic digestors

Costs and benefits of making food systems more local and more circular



Source: Food and Land Use Coalition (2019) Growing Better