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Enabling the business environment for healthy and sustainable food

IFPRI-GAIN/SBN Roundtable Event

Under auspices of the Food Industries for People and Planet (FIPP) program

Summary Report of the Roundtable

November 28, 2018

Objectives of the Roundtable

Food supply systems have changed dramatically over the past half century, with enormous advancements in improving food distribution systems, food processing technologies, and delivery of food services. On November 28, 2018, representatives from private sector companies, government ministries, and research organizations gathered in Bangkok, Thailand to discuss the challenges and opportunities presented by these changes. The **Enabling the Business Environment for Healthy and Sustainable Food** event, co-hosted by IFPRI's Food Industries for People and Planet (FIPP) Program, the Global Alliance for Improved Nutrition (GAIN) and the Scaling-up Nutrition (SUN) Business Network (SBN), had four major goals:

- Gain an understanding of food markets and the issues in these markets that need to be addressed to increase the production and consumption of healthy and sustainable foods;
- Gain an understanding of the conditioning factors that can drive food system outcomes;
- Gain an understanding of the knowledge gaps that exist in terms of food systems, particularly the midstream of those systems (distribution, handling, processing, services), and how the FIPP program can best address these gaps; and
- Forge new partnerships for the FIPP Research Consortium.

Key questions

The roundtable event focused on a series of overarching questions: What can be done to increase efficiency in agricultural markets; what innovations are needed to make these markets more inclusive; and what is needed to ensure they are more sustainable and healthier? Several major themes emerged during the discussion that will be important to focus on as the FIPP program develops.

Discussion

Multiple participants emphasized the critical role that the private sector - both national and multinational businesses and small- and medium-sized enterprises (SMEs) operating in the midstream of food chains – plays in shifting food systems to healthier and more sustainable outcomes, particularly as food systems become more modernized and globalized. Government incentives and legislation regarding the production and marketing of healthy and sustainably-produced food may not exist in some countries or may not be effective when they do exist. There is an urgent need to strengthen such policy and regulatory frameworks. In the meantime, business networks and private sector companies should take their own social responsibility. Many of the companies present at the Roundtable showed how they are trying to incorporate objectives of providing healthy, sustainable foods into their business models. They have set their own business objectives and are setting standards for healthy and/or sustainable food products as part of their marketing strategies. This, however, may not lead to an across-the-board change in company strategy (i.e. healthy foods remain a niche rather than the full market) as long as the true costs of unhealthy and environment-unfriendly food are not incorporated into food market prices and regulation.

Regular interaction with the private sector will be essential for researchers and policymakers gain a clearer understanding of the business environment, food company marketing strategies, and changing market structures, including how value chain integration affects the role of SMEs and how e-commerce is changing how food moves between farm and fork. In light of the importance of the private sector in making the global food system more healthy and sustainable, the FIPP program will need to focus on forming strong partnerships with private sector actors, both large companies and SMEs.

The discussion also emphasized the importance of gaining further clarity on consumer food preferences. This includes understanding how consumers interact with different food value chains (urban markets, online markets, open markets, etc.) and how to make healthy, nutritious foods more appealing and affordable than less healthy but potentially more convenient or affordable staple or processed foods. Many participants stressed the importance of increased education and training for both producers and consumers to increase awareness of the importance of nutrition. Similarly, more research on the effectiveness of food labelling and certification for nutritional content, safety, and environmental impact in influencing both consumer demand and supplier behaviors is needed. The current plethora of standards (set both publicly and privately) is often more confusing than providing adequate guidance. Private food companies themselves pleaded for a stronger regulatory and coordinating role of governments.

Addressing the challenges of a modernizing food system will require increasing investments and financing at various levels. Research will be needed to evaluate the impacts of various food and nutrition policies in order to determine where and what types of investments will be most effective.

The modern food system will also need to take steps to include the world's growing youth population in farming and food processing. The benefits of this will be twofold: job creation and the leveraging of important new ideas and technologies being developed by young people. As with the challenge of influencing consumer choice, increasing youth's involvement in food production will require increased education and training efforts across various levels of the food chain.

Participants also stressed the need to build climate change into any research program looking at food production. It will be crucial to understand the potential climate impacts stemming from efforts to increase the production and consumption of more nutritious foods. Climate risk perspectives need to be built into policy and intervention planning. In addition, research should look at effective climate-smart practices in various contexts, as well as producers' reasons for not adopting these practices. Again, education will be key, as producers need reliable, accessible information about climate trends and how they could impact food production.

Continuous improvements by governments, institutions, and industry actors are needed, particularly in contract systems, traceability, and food quality and safety issues. Finally, it was emphasized that food sovereignty should not be the end goal when discussing the modern food system. Stakeholders must work across countries and across industries in order to truly establish a healthy, sustainable global food system.

Follow up

Twelve new partners signed up for the FIPP Multistakeholder Research Consortium, increasing the total to 28 partners. The FIPP program will seek to organize annual meetings of the consortium to continue the dialogue and share knowledge about changes in the environment and markets for food, policy initiatives, and private-business experiences that help drive food systems to healthier diets and sustainable production. The FIPP program will further seek to develop joint research projects and funding opportunities with members of the consortium.

Agenda

8:00 am	<p>Breakfast (foyer outside President 1&2) Event moderator: <i>David Nabarro, Food Systems Dialogue</i></p>
8:30 am	<p>Welcome and Introduction to Roundtable and the Food Industries for People and Planet Program Welcoming remarks: <i>Shenggen Fan, IFPRI</i> <i>Gerda Verburg, SUN Movement and SUN Business Network</i></p> <p>Introduction to FIPP and the Roundtable: <i>Rob Vos, IFPRI and coordinator of FIPP program</i></p>
9:00 am	<p>ROUND TABLE Panel 1: Changing food preferences: private sector’s role and opportunities in achieving sustainable and healthy food system outcomes <i>Oluwatoyin Onigbanjo, August Secrets, Nigeria</i> <i>Yannick Foing, DSM</i> <i>Serge Selbe, Lao Fresh Meats Co, Lao People’s Democratic Republic</i> <i>Nathan Belete, World Bank</i> <i>Steven Bartholomeusz, Food Industry Asia</i></p> <p>(Panelists will have 5 minutes each to share their organization’s experiences with strategies to promote the production and consumption of healthy foods, followed by a round of moderated questions and an open dialogue session)</p>
10:15 am	<p>ROUNDTABLE Panel 2: Food sector market dynamics: food company business strategies and smallholder inclusion <i>Elia Timotheo, East Africa Fruit Co., Tanzania</i> <i>Ichiro Nishikura, Ajinomoto, Japan</i> <i>Atze Schaap, FrieslandCampina, The Netherlands</i> <i>Marcos Jank, Asia-Brazil Agro Alliance, Singapore</i> <i>Chance Kabaghe, Zambia Agricultural Commodity Exchange and IAPRI, Zambia</i></p> <p>(Panelists will have 5 minutes each to share their organization’s experiences with strategies to promote sustainable agri-industry development, followed by a round of moderated questions and an open dialogue session)</p>
11:30 am	<p>Conclusions and steps for further dialogue <i>David Nabarro, Food Systems Dialogue (tbc)</i></p> <p>(Wrap-up of discussion and conclusions)</p>

Participants

- AFCO Investment, Ayubu Masaki
- Ajinomoto, Ichiro Nishikura, Yuki Yano
- Aquatic Development Center, Ferenc Lavai
- Asia-Brazil Agro Alliance, Marcos Jank
- August Secrets, Oluwatoyin Onigbanjo
- Cornell Agriculture Nutrition Initiative, Prabhu Pingali
- DSM, Yannick Foing
- East Africa Fruits Co., Elia Timotheo
- Food Industry Asia, Steven Bartholomeusz, Sabeera Ali
- Food Systems Dialogue, David Nabarro
- FrieslandCampina, Atze Schaap
- HarvestPlus, Howarth Bouis
- HealthyMaisha, Neema K. Lugangira
- IFAD, Joyce Njoro
- IFPRI, Shenggen Fan, Rob Vos, Teunis van Rheenen, Kevin Chen, Frank Place, Summer Allen
- JUST Inc., Taylor Quinn
- Kemin, Jimmy Wichawet
- Kennie-O Cold Chain Logistics, Ope Olanrewaju
- Lao Dairy Farm Ltd., Parkh Tvesuk
- Lao Fresh Meats, Serge Selbe
- SBN, Hannah Rowlands
- SBN Laos, Martina Lawler
- SBN Myanmar, Marije Boomsma
- SBN Nigeria, Uduak Igbeka
- SME Foundation, Shaheen Anwar
- SNV, Allert van den Ham
- SUN/SBN, Gerda Verburg
- World Bank, Nathan Belete, Maximo Torero
- Zambia Agricultural Commodity Exchange, Chance Kabaghe