



Transforming food systems for rural prosperity

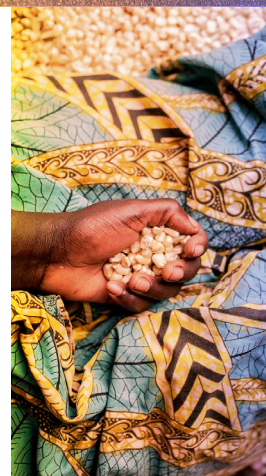
KEY RECOMMENDATIONS FROM THE
RURAL DEVELOPMENT REPORT (2021)

Food systems need to be changed dramatically, even disrupted, so that a new food system may deliver available, accessible, adequate, and nutritious food for all in a sustainable manner. The new food systems must focus on increasing investments and policies for local midstream businesses and provide decent livelihoods for all who grow, process, store and market our food. They must aspire to become fair, inclusive and sustainable.

What can governments do?

A failure of food systems is a failure of governance. National governments play a central role as drivers and implementers of change, yet global markets and geopolitical considerations also play a crucial role. Policymakers, governments and stakeholders can support this transition by:

- **Providing incentives** that reward responsible investments, nature-based solutions and agroecological strategies, and low carbon and climate-resilient techniques. Investments in food markets need to be fair: food markets need to be accessible to rural people and farm/non-farm small and medium-sized enterprises (SMEs) on fair terms. Increasing investments in infrastructure can help with this.
- **Building and strengthening responsible investment principles** and practices related to labour conditions, gender equality, the environment and climate.
- **Ensuring opportunities for large numbers of smaller-scale producers**, supporting the marketing of their products and developing the entrepreneurial skills of rural people, particularly youth.
- **Spurring scalable innovation among local, small, food system actors** by investing in digital technologies and in production techniques that, once tested, are also suitable for scaling up, such as those related to nature-based solutions and agroecology.
- **Developing pricing systems** that reflect the true cost of production, including the benefits of nature-based solutions and environmental costs.
- **Overcoming market constraints** and constraints related to missing markets by having clear regulations, incentives and innovation programmes to support poor people's food purchasing power and women's bargaining power – and enable them to make better-informed food choices through training, labelling, and communication that reduces transaction costs and reflects fair pricing.
- **Building partnerships:** governments, civil society, the private sector, academia and representatives of rural people need to come together with innovative governance mechanisms that give a real voice and influence to poor rural people.



What else is needed to transform food systems?

The 2021 RDR identifies three key ways to ensure rural people benefit from a food systems transformation:

Create new employment opportunities and invest in local midstream food businesses

- Local SMEs provide new ways to access both markets and non-farm employment opportunities, while supplying healthier foods to meet consumer demand.
- Local SMEs generate jobs. Youth and women particularly who run SMEs can use their connections with local small farmers, and in turn drive changes in food systems that also make them more inclusive and equitable.

Invest in agricultural systems by helping small farms become more productive and profitable

- To feed a growing population, agricultural production must increase by 20 to 30 per cent by 2050.
- Local small farms are more productive and contribute a greater diversity of food compared to larger farms. Farms of up to 2 hectares produce 31 per cent of the world's food on less than 11 per cent of the farmland. They also tend to produce greater richness and diversity of nutrition compared to larger-scale farms.
- Investments are needed in small-scale farmers, especially those that build synergies with midstream SMEs linking them with essential services and markets, as well as providing them with opportunities to diversify into off-farm employment. Local farms and businesses should focus especially on local foods and neglected species and varieties of food crops.

Focus on social protection measures that encourage better diets and livelihood opportunities

- Social protection mechanisms – including targeted social safety nets and cash transfers to poor people, as well as support for women's empowerment – can all help improve decision-making with respect to food and livelihoods.

- Empowering poor people, including women, who make better nutrition decisions, to earn better incomes and have more options and autonomy regarding the food they choose to eat will be central to building a food system that works for all.

In case we are forgetting: Why do we need to transform food systems?

Unfair

Small-scale farmers, rural workers and entrepreneurs produce, process and distribute much of the world's food, yet many are unable to earn a decent living or to access or afford a nutritious diet.

Inadequate

Despite unprecedented economic growth globally, food systems – the production, processing, retailing, delivery and consumption of food – are failing, globally, nationally and locally, to deliver outcomes that increase incomes for the producers, nourish us and protect us and the world in which we live from disruption.

Inefficient

Food systems contribute to 37 per cent of greenhouse gas emissions and are major sources of water and environmental pollution, deforestation, soil erosion and biodiversity loss, with an increasing environmental footprint.

Undesirable results

Up to 811 million people are hungry and 2.4 billion are food-insecure, while obesity and micro-nutrient deficiencies are growing at a speedy rate.



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