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# **THE BUSINESS OF FOOD SECURITY:**

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# No more business as usual for food security and nutrition: our shared responsibility

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## Abstract



To produce 70% more food by 2050 to feed the expected 9 billion people, it can't be business as usual. We simply don't have the energy or water to sustain such an increase. A world without hunger is within our reach if we are smarter in the way that we use the resources, tools, and technology available to us, and if we are willing to move away from working in silos and embrace a crosscutting and multi-stakeholder approach. There is growing global attention/recognition on the need to transform agriculture and food systems. The way to do this means that each and every stakeholder must play their role and at the same time open up to collaboration with other stakeholders – from big companies, to family farmers, advocacy organisations, research institutions etc. The Committee on World Food Security (CFS) and the World Economic Forum's New Vision for Agriculture are leading the charge on this transformation by bringing together governments, private sector actors, civil society representatives, leading research organisations, financing institutions and many others in order to contribute to the birth of a diversity of solutions to feed the 1 billion people still living in extreme poverty and the 2 billion suffering from malnutrition. Now more than ever, as we are set to agree on the Sustainable Development Goals (SDGs), exploring how we can *intensify* our existing collaboration and *expand* the opportunities to build on each other's strengths is necessary if we are to be successful at bridging the projected annual investment deficit of \$2.5 trillion. Addressing food security and nutrition has at times been a minefield of polarising debates, when in fact the best solutions are often found when we can combine and build on ideas and options from across the spectrum. Not shying away from addressing contentious issues in a multi stakeholder dialogue – like the role of genetic engineering, or the role for smallholders in intensification, how to optimize land use, or how we can combine traditional knowledge with innovation and technology – is the only way to build consensus and truly create food systems, where sustainability and profitability are inextricably linked.

Let me start by saying how honoured I am to be here with you to provide an international perspective, based on my experience as the Chair of the Committee on World Food Security and the Chair of the World Economic Forum's Global Agenda Council on Food and Nutrition Security, on how to achieve a vision where sustainability and profitability are inextricably linked and the world is without hunger and malnutrition. I'd like to acknowledge the original inhabitants of this land where we meet today, and one of the world's oldest cultures, the First Australians – a group of people whose strength,



resilience and capacity provide lessons for all of us as we discuss how to face the challenges of today.

The challenges we're here to discuss today are well known – feeding the growing population by 2050, as caloric demand rises by 70%, with fewer and fewer resources:

- agriculture uses over 70% of the world's freshwater resources and the world faces a global water deficit of 40% if we continue consuming as we are;
- globally soils are being depleted at 10–40 times faster than they can be replenished.

While the challenges are daunting, they also present a tremendous opportunity for those willing to tackle them and to come up with truly disruptive solutions, to transform agriculture and food systems into sustainable systems that are able to feed the world. I'm honoured to share a few of our ideas on how we think this can be achieved today.

I am not only honoured but excited to be here as this marks my first visit to Australia and the region as a whole. While the Netherlands may be far away in distance – which I can definitively attest to after the flight here – I've learned that we are actually quite close in terms of the way we have confronted challenges and our approach to agriculture as a result.

As many of you are probably aware, the Netherlands has faced considerable challenges to keep flooding at bay – which required us all to work together to reclaim land from the sea by investing in innovation and technology to build the dune, dyke and drainage systems which we have today. Here in Australia I understand that you faced a different challenge – how to bring water to the dry but mineral-rich lands, and that the solutions were found only by partnering together on how to make irrigation more efficient in some areas while drought-proofing others. The lessons illustrated in these examples of the Netherlands and Australia are present in so many scenarios and locations around the world and stress the necessity of: 1) partnership; 2) shared responsibility; and 3) tackling adversity.

How can these lessons help us as we face increasing resource challenges so that we can witness the end of hunger and malnutrition in our lifetimes? To start with, it means assessing the evidence of what these lessons have taught us on the ground. I cannot tell you that we have all the answers, but I can tell

you that these lessons have been embraced by the *Committee on World Food Security (CFS)* and the *World Economic Forum's Global Agenda Council on Food and Nutrition Security*, both of which I am proud to Chair. Both the CFS and the WEF have prioritised a focus on multi-stakeholder collaboration, acknowledging that it will take each and every one of us to truly end hunger and malnutrition. I will share with you a bit of our experience in these three areas, my reflections on what this means at the global level in coming up with disruptive solutions, and where I see the opportunities for Australia within this context.

## **Partnership**

Partnership is one of the buzz words of the last decade, but what are we really talking about when we talk about partnerships – formal or informal?

Wikipedia tells me that we're talking about 'two or more individuals pooling resources or skills' and/or where 'partners agree to share risks and rewards proportionately'. My own experience tells me that partnership means trust, weathering the rough spots, and a focus on the long-term – all of which require considerable time and patience – but also produce a better end result.

As a result of our experience in the Netherlands, a consensus-driven approach comes naturally and we have seen the value of working hand-in-hand with businesses to achieve environmental and social development goals. This is not the case for all stakeholders – many governments and civil society organisations still maintain a large degree of scepticism about 'partnering' with the private sector. While at the same time, I've heard from a number of private-sector institutions that they think the UN is just interested in their wallet when talking about partnering. So the point is, we all come with preconceived notions about what we think a certain 'partner' might be like. But as Ernest Hemingway once said, 'The best way to find out if you can trust someone is to trust them'.

And in fact, we have many examples of successful partnerships at CFS and the WEF, where this leap of faith has provided benefits to each party and enabled us to move closer to ending hunger and malnutrition:

- We recently heard about *Cargill's partnership with CARE International* at a CFS event discussing how to connect smallholders to markets. This partnership has spanned multiple decades and numerous countries, but was renewed in 2013 to focus more on food security and nutrition and to fill a dual need. For example, in Vietnam Cargill has worked with CARE to

train farmers on how to grow sustainable cocoa – Cargill has secured a more sustainable supply and CARE has gained knowledge related to quality seed and animal feed that they can extend to more and more communities. Together they have advocated at the policy level, for greater government support for innovative business models like theirs.

- Mars Incorporated, a participant in CFS, is partnering with the World Food Program and others, including leading research institutes, to advance knowledge and capacity to manage food safety, particularly in the Asia-Pacific region. Mars' supply chain is threatened by aflatoxins, found in peanuts and maize, as is the food that UN agencies deliver in humanitarian efforts. By combining their resources to address this shared challenge, they hope to build the capacity of actors in supply chains to control these risks and ensure food safety.
- In identifying best practices in how to engage youth in agriculture, we recently heard about a new partnership from the government of the Philippines, which has struggled to provide remote rice farming communities with the information and extension support that they need to improve productivity. They have partnered with local research institutes and high schools to enable youth to serve as 'info-mediaries', where they receive the latest information and research via mobile phones and then pass this information on in their communities. This has served as an inexpensive way for the government to facilitate productivity increases while also providing youth with a way to contribute to the food security and nutrition of their communities.

I was just in Manila discussing the *Grow Asia Initiative*, where I was thrilled to learn that after just launching in April, the partnerships between government, private sector, civil society, and research institutions have already resulted in launching 26 projects aimed at improving the efficiency and sustainability of value chains throughout the region. The target is to reach 10 million farmers in ASEAN, enabling them to increase their yields and profits by 20%, with 20% less environmental impact.

What each of these partnerships illustrates is that the key to unlocking sustainable innovation is in looking outwards to identify areas of shared value and win-win opportunities.

## Shared responsibility

As we think about creating shared value, we also need to think about shared responsibility. Too frequently we think about what other people aren't doing enough of, or who is to blame for the fact that we still have 1 billion people living in extreme poverty and 2 billion suffering from malnutrition. While we look outwards to identify and build strength by working together, we must also look inwards and accept our role and responsibility, in order to identify where we can add value.

I grew up on a dairy farm with 10 siblings, so I know just how challenging it can be to embrace differences and explore alternate perspectives. I also know that there was no way that we could all stay on the farm carrying out the same duties, if we wanted the farm to be successful long into the future. This meant sometimes making tough decisions, and also needing to be very frank when looking in the mirror about which role would allow us to contribute most effectively to our collective goal of keeping the farm in the family and flourishing.

Just as with each of my 10 siblings carrying out our shared responsibility through different roles, different stakeholders each have an integral and complementary role to play in ensuring that we can produce more with less:

- *Consumers:* I'm beginning with consumers largely due to the sheer magnitude of their role, which is often only discussed as a side note. The consumer influence is twofold – that of rising demand in emerging markets, particularly towards greater calories, protein and processed foods; but also a shift worldwide towards healthier and sustainably produced foods. Over the last decade, consumers have started demanding more responsible investment practices, wanting to know where and how their food is produced, and even willing to pay higher prices for products which meet these characteristics. This trend is also having a growing impact, as consumers call for greater regulation, related to environmental and social sustainability.
- *Private sector:* Companies that have seen this trend growing and headed for the front have already reaped the benefits of this growing market. Witness *Whole Foods Market* in the U.S., now worth over \$8 billion dollars, founded in the 80s on the idea of 'conscious capitalism' – the idea of running a business not just for profit but for purpose, which was highly

criticised at the time. Now Walmart, Pepsi and others are all rushing to catch up. The private sector has the ability and often the incentives to do much more and anticipate or react on changes. The challenges that I identified up front represent tremendous opportunities for the private sector, particularly for those who get out front in emerging markets. For example, one way to do more with less is to reduce waste, which represents a huge value-creating investment opportunity. In China, the cold storage and transportation market generates approximately \$15 billion in revenues. Where the private sector has been able to embrace change and push for innovation, including a supportive policy environment, there are increasing opportunities for achieving transformation.

- *Civil society organisations:* The role of consumers is closely linked with that of civil society organisations, as it is often their advocacy and awareness campaigns that influence consumer preference, and through this there is opportunity for partnerships with the private sector. For example, civil society has been extremely successful in influencing the purchasing habits related to seafood. In Japan – which consumes 6% of the world's fish harvest – the largest supermarket chain has partnered with the Marine Stewardship Council, an NGO, to work together on anticipating consumer preferences and raising awareness about more sustainably harvested fish. Civil society organizations also advocate on behalf of people, who themselves often don't have the possibility to be heard directly. The role of civil society to date is not fully developed in all countries around the globe. In some it may be too adversarial to create an opening for constructive collaboration. There is a tremendous opportunity for civil society organisations to play a much greater role in capacity development, awareness raising, and facilitating the participation of those most vulnerable and marginalised. For example, Oxfam, through its 'behind the brands' program, is playing a leading role working with companies like Unilever and Cadbury in identifying how inclusive business models can help support effective supply chain development.
- *Governments:* The finger is often pointed at governments as having the primary role in achieving food security and nutrition – and their role is significant. But we can also probably all agree that governments are not always the best investors or the best innovators. What governments can



do and should focus on are the areas where they can have a significant influence: 1) providing safeguards for the most vulnerable; and 2) providing a guiding hand and an enabling environment for activities and investments by all stakeholders, which will foster innovation and sustainability. Governments can also provide stable and predictable environments, through longer-term policymaking for stakeholders to engage more deeply.

- *Research and academic institutions:* When we talk about the need to do more with less, research and testing of new approaches and technologies are cornerstones. Despite all the talk about innovation in recent years, productivity growth rates of major crop yields have halved since the 1970s, currently growing at only 1% per year. But we shouldn't only talk about increasing the use of innovative technologies. We also need to focus on the distribution of knowledge, skills and inputs in emerging markets and in communities where productivity is low. Unfortunately, cutting-edge research is often only available to a few; better dissemination and implementation at grassroots is needed to facilitate faster and broader uptake and results.

As I've illustrated it is not the role of one actor to end hunger, nor could it possibly be done by one actor or one stakeholder group.

The anticipated Sustainable Development Goals are projected to face an annual investment deficit of \$2.5 trillion in developing countries. To bridge this deficit, full engagement from all sectors and actors will be critical, and will take the concerted and coordinated effort of each and every one of us if we want to improve access to both safe and nutritious food and improve income for the most vulnerable families worldwide. One question is: how this can be done in a targeted and collaborative way when views on priority areas for investment or types of investment to pursue are so divergent?

### **Tackling adversity**

One of the main obstacles in achieving food and nutrition security in the past has been our approach to the problem. Achieving food and nutrition security touches almost every aspect of our lives and is impacted by decisions and events in almost every sector – from energy, to water, to climate change, to health, infrastructure, technology, transport, and I could go on. We need to stop approaching food and nutrition security in a silo, stop bickering and

fighting among sectors and stakeholders, and instead fully embrace the inter-linkages and understand the trade-offs in order to facilitate the multi-dimensional actions required.

Within the Committee on World Food Security (CFS), we regularly tackle these trade-offs. Most recently we negotiated and agreed on *Principles for responsible investment in agriculture and food systems*, which represent the first global consensus on defining how investment in agriculture and food systems can merge profitability and sustainability. The divergence of views on topics such as climate change, water, genetic diversity, labour rights etc. was vast, but by working together we were able to achieve more than we could have apart. Addressing food security and nutrition has at times been a minefield of polarising debates, when in fact the best solutions are often found when we can combine and build on ideas from across the spectrum. This doesn't end with just agreeing to what words should be written down on paper as solutions, but in the actions taken afterward. The G20 and the recent 3<sup>rd</sup> Financing for Development Conference in Addis have taken up the *Principles for responsible investment in agriculture and food systems* as one of the foundations for their work to facilitate not just more investment but better investment.

What we often find is that our objectives are similar, it is our approach that varies. To illustrate my point, over the past few years we've faced a number of contentious issues within the CFS and within the context of the WEF discussions, including access to land and tenure rights, the role of biofuels, rights related to genetic resources, and the role of advanced technologies like drones for precision agriculture. In each case, the diversity of viewpoints and subsequent debate and decision-making has created a new more durable solution than one developed unilaterally.

To use the tenure case, we started from a debate with divergent views that foreign land leases should be capped, big investors were a negative, and on the other side of the table were those who saw investment bringing much needed jobs and know-how. And yet everyone could agree that secure tenure and increased investment were important for both large and small investors. The eventual result was globally agreed guidance on improving the security of tenure –the *Voluntary guidelines on the governance of tenure of land, fisheries, and forests* – thereby providing security for farmers to invest in yield improvements, banks to lend to smaller actors based on land titles to serve as collateral, and larger investors understanding the risks of operating in areas

with communal or customary tenure. Since the CFS agreed on these guidelines just three years ago we have witnessed powerful partners come together, to work at seeing them take form in the laws and policies of actors like the World Bank and Coca Cola. We've also seen civil society organisations develop capacity-building materials, to facilitate greater understanding of land rights and land transactions among rural communities. Bearing in mind that these guidelines aim to achieve long-term behavioural change, this is tremendous success in such a short period.

Increasing the opportunities, like we have in the CFS and WEF, and that we have here today, to face challenges together, listen to various approaches, and debate what solutions may work best is the recipe for sustainable food systems for the future.

### **So what does this all mean for Australia?**

As I started out by saying today, Australia and the Netherlands have learned similar lessons in the challenges that we've faced. However, Australia occupies a unique position as a mature economy, with a strong agricultural sector, surrounded by developing countries in a region with many emerging economies where food demand is expected to double. Australia's future is intimately linked to broader events in the world.

As we reflect on the lessons that I've outlined here today, I would encourage Australia and Australian stakeholders to continue to apply these lessons in turning the challenges of today into opportunities:

- *More responsible and nutritious food systems:* Australia is unique in that its main trading partners are both developed 'rich' economies and emerging economies. This presents an opportunity that while identifying how to produce 'more' to export to meet the growing demand, that there is also an opportunity to create 'better' products. This would position Australia to respond to the growing consumer demand for more responsibly produced and more nutritious products in richer economies, while identifying how this model can also be translated to more developing economies. The Pacific, for example is already demanding more nutritious imports as they struggle with growing non-communicable diseases such as obesity and diabetes. If Australia is willing to invest in a long-term vision, there is the opportunity to gain first-mover status particularly in these emerging economies.

- *Growing youth unemployment and the aging agricultural workforce:* Australia's growing youth unemployment crisis with about 400,000 youth out of work and not in school, presents an opportunity to engage at the global level. There may be a tendency to think that the problems discussed in Europe or Africa are not Australia's problems, and yet, youth unemployment and the aging agricultural workforce are shared globally. I would encourage Australia to contribute the lessons learned in confronting this crisis and to take advantage of the solutions being discussed at the global level, such as the use of information and communications technologies to encourage youth to serve as drivers of change and remain in the agricultural sector.
- *Water and climate change:* Australia has confronted drought and water management issues for hundreds of years. As a result, significant knowledge and innovation have been developed here that could benefit countries who are just beginning to confront these challenges as a result of climate change and growing demands for resources. There is a tremendous opportunity to export this knowledge, technology and experience and for Australian businesses to help build the capacity of others.

As we're gathered here today to discuss how to achieve sustainable intensification where sustainability and profitability are inextricably linked – I have to say that in many ways we've already answered our own question. There can be no sustainability without profitability. And profits will only be sustainable in the long term if they are achieved responsibly.

Food and agribusiness have an enormous impact on every aspect of our lives – environmentally, socially, and economically – a \$5 trillion industry which represents 10% of consumer spending, 40% of employment, and 30% of greenhouse gas emissions globally. Actions taken or not taken in this sector will make or break how successful we are at sustaining ourselves into the decades to come. It will take ambitious game-changing action by all of us.

The game-changers of the last decades – those who have transformed a sector or disrupted the business as usual – have all shared a few key traits: 1) exposure to diverse groups of people and diverse thinking; 2) a willingness to venture outside their expertise; and 3) an ability to reduce a problem to its essential characteristics to target actions. Let us all become game-changers by



exposing ourselves to more multi-stakeholder debate and collaboration, and finally disrupt the trend of hunger and malnutrition forever.

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Since 1 July 2011 H.E. Gerda Verburg has been the Netherlands' Permanent Representative to the UN food organisations in Rome (the FAO, WFP and IFAD). She was elected Chair of the Committee on World Food Security (CFS) in October 2013 and, since 2014, is also chairing the Global Agenda Council on Food and Nutrition Security of the World Economic Forum. From 2007 to 2010 she was the Dutch Minister of Agriculture, Nature and Food Quality. In 2007-2008 she was Chairperson of the UN Commission on Sustainable Development (CSD). CSD's theme that year was agriculture, food security and climate change; it reached a broad consensus on these issues, thus laying a basis for the elaboration and implementation of policy on climate-smart agriculture.