



## A MULTI-BILLION-DOLLAR OPPORTUNITY

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Hope all of you had great Diwali, the festival of lights.

In D-Talks 4, we talked of Billion Dreams Question. In this issue, we talk about **A MULTI-BILLION-DOLLAR OPPORTUNITY**, a recent report from Food and Agriculture Organisation (FAO), with a sub-title, **'Repurposing agricultural support to transform food systems.'** We have introduced this report in our October 2021 issue of EcoThink, a monthly bulletin on Indian economy and agriculture compiled by young minds in DEAR. You may read detailed report here: (<https://www.fao.org/3/cb6562en/cb6562en.pdf>).

The main point the report drives home is that the way governments around the world are supporting agriculture, besides draining limited public resources, is counter-productive for the food systems and is a factor for environment challenges we face. The report recommends repurposing the agricultural support for healthy lives, nature, and climate. I list here the main messages of the report:

1. Repurposing agricultural support can be a game changer as it is not giving desired impact at present. It helps to optimize the use of scarce public resources to transform food systems to be more supportive of the SDGs.
2. Globally, support to agricultural producers currently accounts for 15 percent of total agricultural production value, i.e., USD 540 billion a year (likely to scale up to USD 1.8 trillion in 2030 i.e., by 3.3 times). Such support tends to distort (thus leading to inefficiency), unequally distribute, and be harmful for the environment and human health.
3. Producer support (i.e. price incentives and fiscal subsidies tied to the production of a specific commodity) need to be phased out and the resources be redirected towards investments in public goods and services for agriculture (i.e. research and development and infrastructure) and to decoupled fiscal subsidies.
4. Repurposing strategy should involve policymakers and all relevant stakeholders while ensuring policy coherence and protection to the vulnerable groups like small producers and women.
5. Six steps for repurposing include: estimating the existing support and its impact; designing the approach for repurposing agricultural producer support, including needed reforms; estimating the future impact of the repurposing strategy; reviewing and refining the repurposing strategy, prior to implementation; and monitoring the outcomes of the new agricultural producer support.
6. A few countries have begun repurposing and reforming agricultural support, but action needs to be broader, bolder and faster worldwide. The United Nations Food Systems Summit 2021 and other subsequent forums present a momentous opportunity to spearhead action in this direction.



**Happy reading.....**

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