

## **Informal Discussion #5: Markets, Incentives, Agrochemicals, COVID-19**

### **CSM Written Inputs**

1. *How do you see the relationships between the social, economic, and environmental dimensions of sustainability and the scale of markets (local, national, regional and international)? What are the main policy instruments addressing market failures and challenges that countries should prioritize?*

Most of the food consumed in the world reaches consumers not through global value chains and supermarkets but through a multitude of territorial markets rooted in local, national and regional food systems. These markets contribute more to the social, economic and environmental dimensions of sustainability. They are inclusive by offering more opportunities for access by women and young people. They perform multiple functions, not only economic, but also social and cultural. They are the most remunerative for small-scale food producers because they can control more the conditions of access and prices. They are an important source of fresh food at affordable prices and so contribute to healthy diets.

Local and territorial markets contribute to circular economy and ensure greater benefit sharing, and the more economic benefits are shared, the more the food system grows. They should, therefore, be at the centre of the transformation we need towards more sustainable food systems. Local markets support more the employment and are more accessible to poor people relying on these markets to get food. They require infrastructures that, at smaller scale, benefit more the environment and the livelihoods of the communities involved. Local markets can adapt better to the local context' needs and settings.

COVID-19 crisis has exposed how the most resilient food systems are the ones relying on territorial and local markets. In places where these markets were closed due to lockdown and movements restrictions, already marginalized groups were more negatively affected.

Since its reform in 2009, the CFS has recognized the agency of small-scale producers as well as the key roles they play in the realization of the right to food and the achievement of food security and nutrition. CFS policy recommendations on "Investing in small-scale farmers" and "Connecting smallholders to markets" have provided guidance on how investment and regulations should be designed to support local and territorial markets. These markets are an important component of agroecology. Therefore, drawing on the CFS work, and along the lines of the current HLPE recommendations, the policy recommendation on "Agroecological and other innovative approaches" should prioritize the policy instruments that promote local and territorial markets such as for example:

- Investing more in infrastructure for local and territorial markets, such as roads, public spaces to host these markets
- Revising food safety regulations so that they are suitable for agroecological small-scale producers and cooperatives and can address the actual risks of short-circuit chains.

2. *A large number of countries currently provide subsidies/incentives for their food systems. According to what criteria should countries allocate subsidies/incentives in the food and agriculture sector to best secure the three dimensions of sustainability and to provide food producers and consumers with appropriate choices?*

Subsidies and incentives are a key public policy tool and should not be demonized. This will surely also depend on how they are being or will be used. We believe it is necessary to recall that the United States and Europe's agriculture was built on subsidies, more in particular export subsidies. Nevertheless, these were used to dump produce in developing world. These subsidies or, for

instance, the ones going to polluters to support their “transition”, should be eliminated. However, subsidies and incentives are policy instruments that can and should be used, if used in the right and adequate way.

In regard to the criteria for subsidies and incentives, we believe that they should be allocated under the criteria of agroecological approaches. They should support small holders and agroecology and ensure the transformation towards SFS. Ecological footprint should also fall under the criteria, as well as subsidies’ contribution to health and public goods, and their link with food systems that are equitable, sustainable, resilient and able to produce and provide healthy food. Subsidies should go towards good practices. They must support the public interest rather than the private one. They should not be tied to bonds and guarantees that prevent many small holders from having access to them. Last but not least, subsidies should address the power asymmetries between actors.

In the transition towards SFS, governments have to incentivize healthy production. In this sense, healthy and sustainable diets should be reclaimed as public goods, to foster and facilitate access to healthy, fresh and locally produced foods, such as fruits, vegetables and legumes, reinforcing the nexus between the rights of consumers and those of small-scale local food producers. However, today, the bulk of subsidies go towards industrial agriculture posing a barrier against the transformation we need. Regulations should address concentration of power and unequal distribution of incentives. Perverse incentives (e.g. government subsidies for chemical inputs) that favour continued dependence on hazardous inputs should be removed and redirected towards agroecology, capable of providing healthy and sustainable diets.

3. *Would it be possible to end agrochemical use in the crop, livestock, fisheries and aquaculture sectors? What would be the risks of ending or of not ending agrochemical use?*

The global evidence clearly indicates that agrochemicals are contributing to, if not driving, the collapse of vital ecosystems, their functions and the interconnected life support services on which humanity depends. The acceleration of today’s biodiversity crises by agrochemical use - including losses in pollinator species as well as total insect diversity and abundance - are having cascading detrimental effects on the functioning of terrestrial and aquatic ecosystems alike - which are critical for healthy crop, livestock and fisheries production. Chemical pesticides are contributing to devastating impacts on human health, especially that of farm laborers and rural communities, while also making these communities more vulnerable to the novel diseases that we are more likely to encounter in the future. Finally, the production & distribution of agrochemicals contributes to release of GHG, accelerating climate change while simultaneously harming the soil biology that in healthy agroecological farming systems is capable of mitigating climate change.

In this sense, the question raised should not be whether it is “possible” to end agrochemical use in every sector and under every circumstance imaginable. **Rather, the important questions to ask** are:

- **Will we as a global community commit to ending these known existential harms and invest in robust biodiversified agroecological systems**, for which we already have substantial on-the-ground evidence of their productivity, profitability and resilience from every major agricultural region of the world?
- **How can governments and institutions support each other in developing the political will to resist pressure to continue with “business as usual” and instead prioritize accountability to the people and to future generations by adopting policies to support a transformation?**

We fully agree with FAO that the risks of *not ending* our dependence on agrochemical use include accelerating the ecosystem collapses and the already disastrous climate, biodiversity, food and health crises that we are facing. “Not ending” agrochemical dependence is simply not an option.

Regarding the “risks” of *ending* agrochemical use: We recognize that the severely depleted soils and polluted waters and landscapes associated with chemical-based agriculture will need some time and care to recover healthy agroecological function - but this can be done through a process of rehabilitation and introducing regenerative agroecological practices that optimize natural synergies and restore ecosystem function.

*So how to make the transition?* The HLPE report specifically mentioned policies to: a) *eliminate dependency* on purchased inputs, b) *remove perverse subsidies* for synthetic chemical inputs that impede change and c) *redirect investments and incentives* towards understanding, developing, adapting and supporting the many agroecological approaches already in practice and continually evolving through ongoing innovation and experimentation, work that is led by farmers around the world, many collaborating in horizontal participatory partnerships with scientists.

These concrete policy measures identified by the HLPE report should be integrated into a revised set of policy recommendations. Currently, the Zero draft includes a misguided focus on “optimizing” agrochemical use and merely “reducing over-usage.” The HLPE Report criticized these “use efficiency” arguments because they fail to account for the ecological footprint or other economic, environmental and social costs (“externalities”) associated with a given approach. The risk here is that we get stuck at Level 1 in Gliessman’s hierarchy of agroecological transformation (minimizing harm), and do not move to the higher levels that are necessary for more meaningful positive change.

Certainly some systems – large scale industrial monocultures, for example, that are not generally producing healthy or culturally appropriate food that will ever be consumed by rural communities but that rather produce commodities for other purposes - these systems are simply not consistent with a sustainable approach to land and resource use, so these will have to be replaced.

To clarify an earlier statement made by the US, we have actually seen a tremendous *increase* in overall pesticide use in the US as a direct result of widespread adoption of GE crops, which include the “herbicide resistant” crops, an approach that goes against basic principles of IPM and has led to extensive herbicide use and drift across much of the country, damaging millions of acres of cropland, trees as well as wild plants needed by pollinators. Since biotech seed & pesticide companies stack multiple GE traits in their proprietary seeds, farmers trapped in these systems become locked into chemical use, with *less* choice or ability to respond flexibly or ecologically to pest challenges as they arise.

Finally, policy recommendations that prioritize the reduction of reliance on purchased chemical inputs and the establishment of agroecological pest management would be consistent with existing international agreements, including the FAO Council’s 2006 recommendations to undertake the progressive banning of Highly Hazardous Pesticides (HHPs), the Stockholm Convention on Persistent Organic Pollutants and others. Accordingly, the immediate phaseout of highly hazardous pesticides should be accompanied by measures to reduce overall system dependency on agrochemicals. Steps in this direction are also consistent with the previous *Informal Discussion on the Right to Food, Agency and Gender*. Human Rights are indivisible, so the Right to Food is closely interrelated with the Right to Health and Right to a Safe Working Environment.

A last point before closing, regarding the locust and fall armyworm (FAW) concerns that were mentioned: FAO itself has a long-standing program of developing and using *biopesticides* to control locusts (Somalia is putting this into practice right now). Regarding the suggestion that existing regulations prevent harmful chemical exposures: what is written on paper often does not protect communities from how these operations actually take place on the ground. Large scale spray operations in Uganda are spraying the neurotoxic brain-harming pesticide chlorpyrifos, already banned in over 30 countries. People are now consuming the dead locusts (while we know that after this kind of spraying elsewhere, locusts were found to contain neurotoxic insecticides at up to 1600 times the EU's maximum residue levels for human food safety). In contrast, China is providing a hundred thousand ducks to Pakistan to aid in locust control there, which scientists state are more effective than pesticides and do not bring the health problems of chemical responses. These kinds of approaches should be prioritized, developed and resourced *before* crises hit.

In terms of FAW, FAO itself has had an established and highly successful program for the *ecological* management of FAW based on decades of research and experience. This commitment to ecological approaches should be renewed and deepened, rather than abandoned or weakened. FAO scientists have reported that the FAW can be readily managed in the small-scale systems that typify African and Asian farms, with a combination of ecological and biological approaches.

Unfortunately, we have too many examples of chemical fixes that go badly wrong in actual practice, that are not as effective as claimed, or that cause future health harms that cannot be reversed. The point is that automatically defaulting to agrochemicals or focusing on a specific example somewhere to justify continued and endless use, is an approach that will not help us get beyond a situation of reacting too late to each emerging crisis. We can and must be smarter than that.

**In sum: what is important is that the CFS guide international institutions and member countries in developing a coherent and coordinated policy approach to reduce and eliminate dependency on agrochemicals and assist countries in adapting and establishing effective agroecological approaches for sustainable outcomes.**

4. *While new findings about the impact of the emerging COVID-19 pandemic on food systems continues to emerge, does the evidence so far (referring for example to the HLPE Issue Paper), show that COVID-19 impacts how we think about innovative approaches for sustainable food systems that enhance food security and nutrition? If so, how?*

The COVID-19 crisis gave and is giving us two major learnings.

Firstly, it exposed how the current intensive and industrial agricultural model has devastated ecosystems and created the enabling conditions for this kind of outbreak. Continuous research is proving evidence on how **industrial agriculture is driving habitat loss and creating the conditions for viruses to emerge and spread**. In addition, the HLPE notes has clearly stated that **“the most affected are the poorest and most vulnerable segments of the population”**, and **“people’s ability to exercise agency over their relationship to food systems is compromised as inequalities are increased”**.

On the other hand, COVID has shown that local food systems are the most resilient. In many countries, especially in regions where internal migrants are primary source of remittance

income, these migrant labourers are going back to rural communities and local food systems, creating a spike in unemployment and challenge to food security.

Parliaments and participative food councils were among the first to spell out the public actions needed in this moment: participative mapping tools for demands and action, continued school feeding and farmers' markets, public funding for community responses, fair prices, protection of workers' and women's rights, showing pathways to strengthening resilience through agroecological transformation, climate justice, solidarity economy and food sovereignty.

Therefore, and drawing on these lessons policies and public investments should **support local and resilient food systems**. The immediate and most important response to this new food crisis is public support to local production and food systems by supporting small-scale food producers and fisherfolks to foster their food production and ensure their access to markets and the access of consumers to their products. In this sense, local food systems, agroecology and climate justice, being intimately linked, are an essential basis for resilience. Local and national governance structures play a fundamental role in acknowledging and acting on this reality.