

The True Cost and True Price of Food

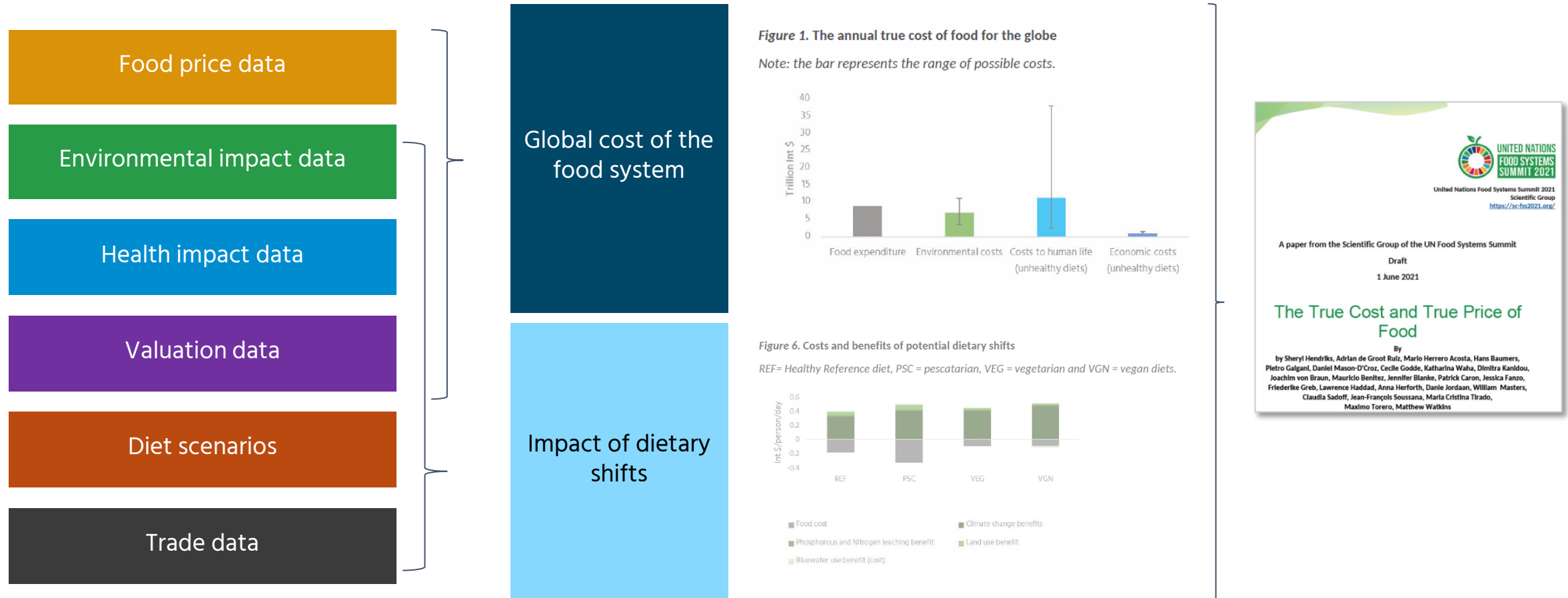
Presented by Pietro Galgani R&D Manager True Price Foundation / Impact Institute
Fifth Policy Forum on NCA for Better Decision Making 15-16 September 2021

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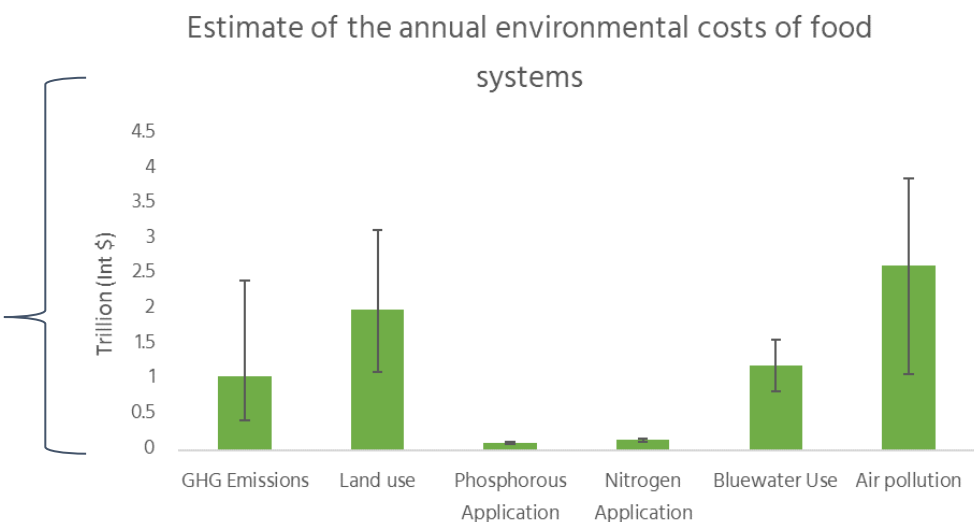
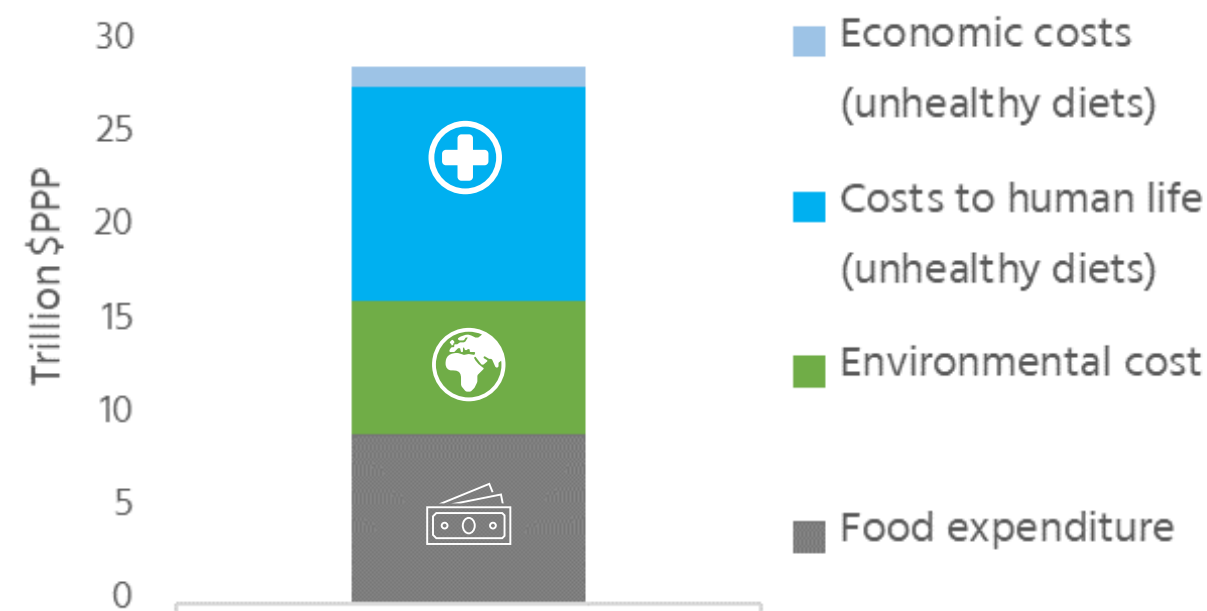
THE TRUE COST AND TRUE PRICE OF FOOD STUDY

Science Group for the UN Food Systems Summit

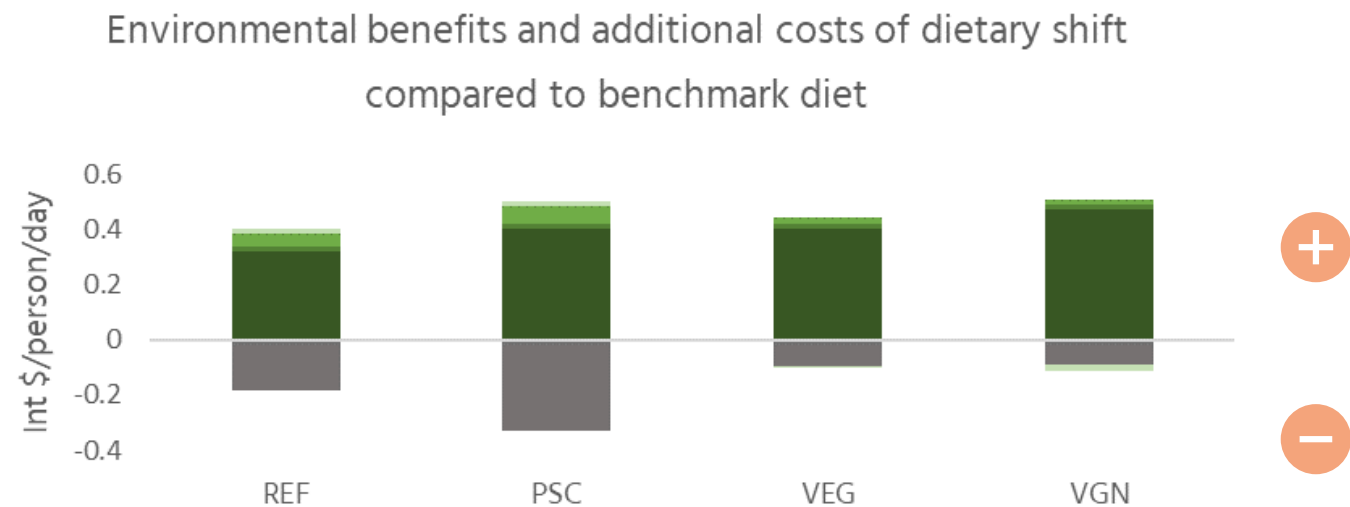


THE STUDY SHOWS HOW MUCH THE CURRENT FOOD SYSTEM ERODES NATURAL CAPITAL AND HEALTH

ESTIMATE OF THE ANNUAL TRUE COSTS OF FOOD



DIETARY SHIFTS CAN REDUCE ENVIRONMENTAL COSTS OF THE FOOD SYSTEM



- Food cost
- Climate change benefits
- Phosphorous and Nitrogen leaching benefit
- Land use benefit
- Bluewater use benefit (cost)

Benchmark	Current average diet
REF	Switch to EAT Lancet reference diet
PSC	Switch to pescatarian diet
VEG	Switch to vegetarian diet
VGN	Switch to vegan diet

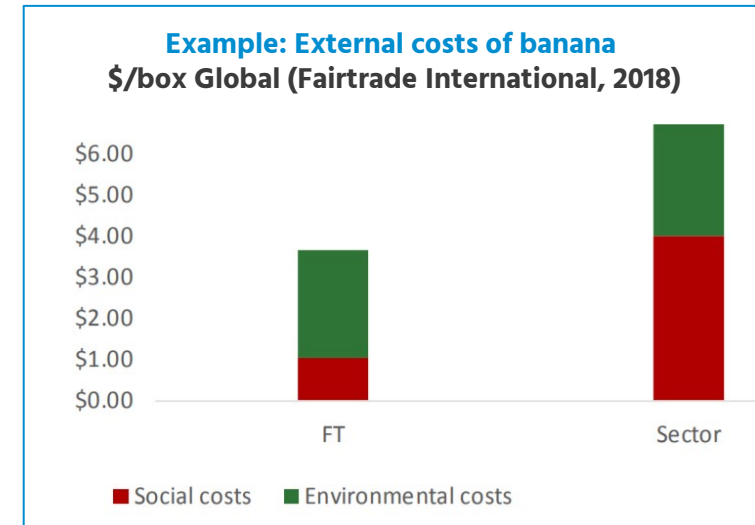


EXTERNALITIES ARE A BARRIER TO HEALTHY, SUSTAINABLE AND AFFORDABLE DIETS FOR ALL

- Food prices do not take benefits of affordable or healthy food into account, nor costs of unhealthy or unsustainable food
- Business' profits do not reflect the value they create or reduce for society
- GDP contribution of food system does not reflect its contribution to welfare

As a result:

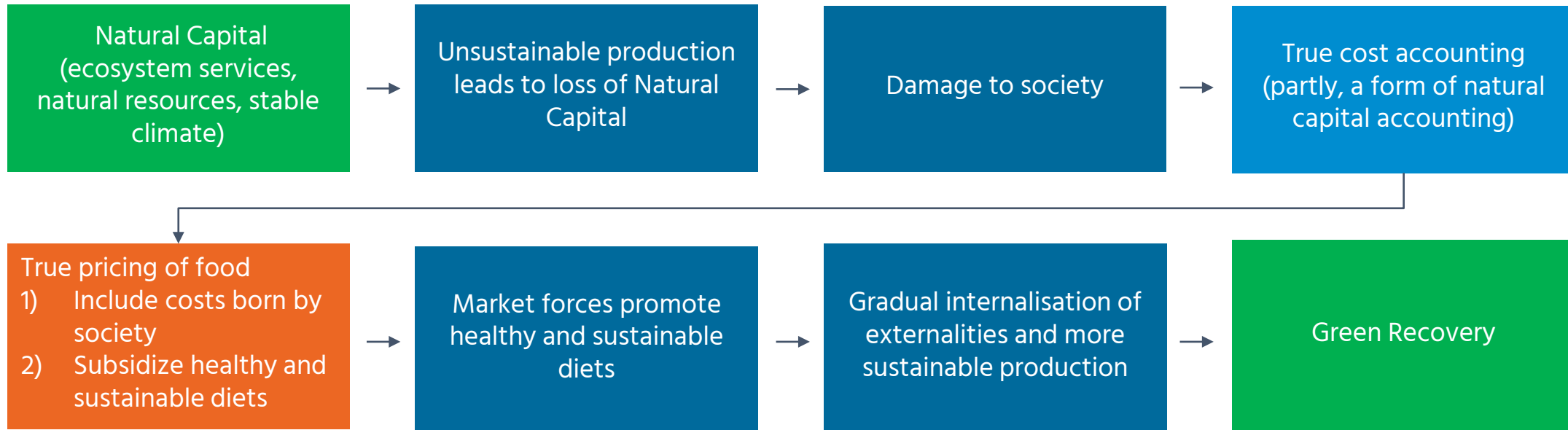
- Sustainable & healthy food is too expensive
- Unsustainable & unhealthy food is too cheap



HOW TO IMPROVE DECISION MAKING?

- Difficult to realize transition to sustainable food system as long as true costs and benefits are externalised.
- Proposed strategy to address externalities:
 - **True Cost Accounting:** Redefine the value of food
 - **True Pricing:** Use TCA to redesign the market economics of food
- This way consumers and business buyers can also improve their decision making through Natural Capital Accounting

TRUE COST ACCOUNTING / TRUE PRICING IN RELATION TO NCA/ GREEN RECOVERY





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