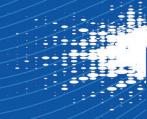


# CHINA COUNCIL FOR INTERNATIONAL COOPERATION ON ENVIRONMENT AND DEVELOPMENT

### 中国环境与发展国际合作委员会



## **CCICED Sustainable Food Dialogue**

#### SUMMARY REPORT<sup>1</sup>

June 18, 2021

On June 18, 2021, CCICED organized an expert meeting on sustainable food systems to discuss opportunities and challenges. More than 30 experts representing academic institutions, the business sector, civil society organizations, and think tanks participated in the discussion. The overarching focus of discussions was a system-wide approach to food systems and how different components of that system interact. Topics discussed include agro-ecological green development, natural and human capital, regenerative food systems, freshwater stewardship, supporting carbon neutrality, and protecting natural assets.

The meeting was structured around three themes: 1) features and trends of China's food systems, 2) main synergies and challenges of China's food systems, 3) synergies between the upcoming COP25, COP15, and UN Food Systems Summit. The opening session identified the key features of modern food systems and low-carbon pathways, and briefly introduced CCICED's ongoing work on the <u>sustainable sourcing of soft commodities</u>. Prior to the meeting, the organizer circulated a <u>background note</u> which highlighted the achievements of China's food self-sufficiency and food security in the past decade. The background note also pointed to the mounting sustainability challenges that came with prioritizing outputs, with hope that the upcoming UN Food Systems Summit will provide an opportunity to prioritize these challenges and develop pathways forward.

#### THEME 1: FEATURES AND TRENDS OF CHINA'S FOOD SYSTEM

Participants shared system-wide issues in China, including agricultural modernization and intensification, retail diversification, dietary transitions, food waste, and transboundary supply chains. Academic participants from China identified five main issues to prioritize when developing pathways towards sustainable food systems in China: 1) sustainable agriculture, 2) food security, 3) international trade, 4) consumption trends, 5) major food policies (i.e. redline protection, strengthening arable land production).

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<sup>&</sup>lt;sup>1</sup> The meeting was conducted under the Chatham House Rule. Full participant list can be found at the end of the report.



In the context of trade in food, participants noted China's transformational impact on a global scale from the demand side of the supply chain. These impacts include the economy and livelihood and land-use patterns in supplier countries. The scope of China's carbon pledges has yet to extend beyond its national borders, therefore emissions from the supply chain in third countries are not yet accounted for. In the case of soy imports (which accounted for 80% of 2019 grain imports), challenges include the lack of urgency in managing demand when faced with growing domestic consumption. Participants from China noted that with the objective of carbon peaking by 2030, there need to be more discussion on measuring and managing footprints from imported products.

In the context of balancing trade and carbon and nature footprints, participants discussed ways in which China may permute its sourcing to reduce pressure on supplier regions where environmental limits are being reached and divert to alternative suppliers. As the discussion moved to policy implications, talk shifted to potential legislative instruments for the Chinese government to modulate its demand.

Participants also highlighted several on-going initiatives that focused on using their industrial assets to accelerate systemic change throughout the supply chain. There was consensus among the participants that private enterprises play a complementary role to both government and civil society in building and shifting cultural trends and consumer mindsets. Noting multinational companies have the resources and capacity to work with stakeholders across their entire supply chain, participants stressed that economic growth and nature friendly initiatives are not mutually exclusive.

Several participants called for additional support and incentives for small-scale stakeholders in the supply chain as they often need to prioritize revenue and growth due to lack of capacity and awareness.

Other participants shed light on the challenges of modernizing food systems, as well as the need to categorize the different food systems. Mindful of the varying emissions levels from different food systems, it was recognized that there needs to be room for emissions to sustain human livelihoods, thus policy makers and stakeholders in the agri-food business needs to envision what food systems of the future will look like.

#### **THEME 2: SYSTEM SYNERGIES**

Framed by the five action tracks of the UN Food Systems Summit, participants discussed the main synergies and challenges of China's food system transformation and opportunities for domestic innovations and international cooperation.

From an academic perspective, synergetic pathways in China's food system transition include: 1) innovative production technology, 2) a reduction in food waste, 3) shifting diets. Participants recommended that the <u>Chinese Dietary Guidelines</u> could be modified in their next iteration to integrate both human health and environmental factors, including green dimensions of food available to consumers.

Participants noted opportunities to reform governance systems across sectors to develop an integrated food system strategy. Several levers have been recommended to mobilize action, including China's spatial-planning policies (recognized internationally to be uniquely successful). Participants



recommended further EU-China collaboration and knowledge exchange in relation to land-use management and planning frameworks. They also recommended providing incentives to shift farming trends (i.e. <u>Farm to Fork</u>). Participants agreed that trade can be one way to ensure China and the rest of the world reach carbon neutrality concurrently.

For regions without nationwide spatial planning and management strategies, participants pointed to emerging opportunities in national statistical accounting to support more holistic, sustainable food systems. Such opportunities could measure beyond farm yields and available arable land, to measure the ecological quality of soils, broader ecosystem and natural capital, and other indices. Fortunately, the UN Statistical Commission recently recognized an accounting system for ecosystem assets, which can collect data on the agricultural system from an ecosystem perspective. In the context of comprehensive wealth management, it was recommended that ecosystems are categorized as assets to be managed for long-term benefits, and these assets needs to be measured properly to understand their limits and sustainability. Participants suggested CCICED facilitate international technical exchange among national statistical offices to support sustainable food systems. Participants noted China's outdated statistical system for tracking greenhouse gas emissions, water quality, food waste, and soil pollution, and welcomed pilot projects for an accounting system to integrate ecosystems.

#### THEME 3: CONFERENCE SYNERGIES

Participants noted growing momentum in linking biodiversity protection and climate neutrality in the lead up to the UNCCC COP26 and CBD COP15. References were made to the importance of utilizing spatial planning in transforming food systems, the need to reform the financial system for more nature positive initiatives, and shifts required in the current diet.

Participants noted that the FAO Food Price Index has <u>tracked a 40% increase</u> in most food prices. China's growing demand coupled with other factors – such as tightening supplies from other countries linked to COVID 19 and the effects of climate change – are factors increasing food insecurity. Though China's achievement in food security is undeniable, to avoid the next food crisis, challenges noted included short-term market speculation, rising use of export restrictions on staple foods, ongoing agriculture subsidies, and other stressors. One clear linkage with the upcoming UN Food Summit is the action to end hunger. In this regard, participants noted the important role and scarcity of private investments needed to end hunger, support smallholders, and drive down emissions in agriculture.

The role of voluntary sustainability standards was discussed, with participants noting the need for stronger criteria, due diligence, traceability, and assurance systems to stop deforestation, biodiversity loss, water, and soil contamination, etc.

Participants noted the vital cultural importance of food in the Chinese livelihood and shared several <u>food-focused initiatives</u> that engaged the private sector, education sector, civil society, and youth. Participants noted the growing problem of food and package waste stemming from the trend amongst Chinese millennials and generation Z of eating out and ordering delivery on a daily basis.

In closing, participants suggested CCICED continue to examine sustainable food systems, including following the September 2021 UN Food System Summit.



Meeting Participants	
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David Cleary	Global Agriculture Director, TNC
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Guido Schmidt-Traub	CCICED Advisory Expert; Executive Director, UN Sustainable Development Solutions Network; Partner, SYSTEMIQ LTD
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This summary has not been previously reviewed by the speakers and does not reflect CCICED official opinions.