

Transforming food systems: the FOODCoST project

From June 2022 to July 2026, an innovative initiative funded by Horizon Europe is set to redefine how food systems operate. The FOODCoST project focuses on harmonising methods to uncover hidden costs of food production and consumption. These hidden costs encompass environmental, social and economic impacts.



From hidden costs to sustainable systems

Early findings suggest that globally, the social costs that are not paid for by food producers or consumers can amount to twice the market value of food. Current food systems generate significant environmental, social and health costs while failing to provide affordable, nutritious diets for all. One of the main issues is that these costs are externalised, meaning they are not reflected in market prices and are thus not considered in decision-making processes within food value chains. Sustainable foods for healthy diets remain more expensive and less profitable than their unsustainable counterparts, hindering the implementation of sustainable food systems. To address this, it is essential to measure these externalities and to weigh their importance and to compare the damage that they cause with the costs of abating them. To do that, True Cost Accounting aims to express externalities in monetary value. All actors in the food value chain must be aware of the true cost of food. Internalising these externalities with accurate cost and price information is crucial for enabling market-based responses and fostering more sustainable production and healthier consumption patterns.

The methodology

The FOODCoST methodology focuses on developing a stakeholder platform to enhance sustainable food systems. This platform integrates diverse perspectives from industry, government, civil society,

and academia, ensuring a holistic approach to addressing food system challenges. Recognising that food systems impact all aspects of society, this multi-actor initiative aims to create a unified vision and devise effective methods for transitioning towards sustainability.

Key stakeholders are actively engaged throughout the project's lifecycle, from initial research to the final implementation of results. Their continuous involvement is vital for the project's progress, ensuring that each stage benefits from their expertise and insights. The stakeholder platform includes representatives from farming, the agri-food business, education and research institutions, civil society and governmental bodies. This diverse and representative group plays a crucial role in shaping the FOODCoST methodology and driving its successful execution.

This stakeholder platform supports three main pillars.

Valuation pillar

The valuation pillar focuses on documenting available methods and data for measuring impacts (e.g. based on life cycle assessment LCA) and pricing databases to ensure consistent valuation. It aims to create a valuation database grounded on the marginal cost principle, distinguishing between damage cost and abatement costs. This approach highlights the benefits of taking action and developing the FOODCoST EU-Global database for monetisation costs for externalities. The expected output is a Valuation Guide for

policymakers, business actors and other stakeholders, a method to measure the degrees of internalisation of externalities and an agenda for future research and innovation (R&I) to further operationalise the calculation of externalities of food.

Internalisation pillar

The internalisation pillar addresses the integration of externalities through policy interventions, alternative business models and value chain strategies. It will create the FOODCoST Policy Modelling Framework for Internalisation and develop business and value chain internalisation tools. These tools will be used in case studies to assess the impact of various strategies. By engaging policy and value chain stakeholders, this pillar ensures the feasibility and effectiveness of measures, promoting sustainable practices and informed decision-making throughout the food value chain.

Impact pillar

The impact pillar focuses on defining scenarios that combine various internalisation strategies. By involving all stakeholders and using project results, it evaluates the welfare and sustainability impacts of various policy measures, business models and strategies (defined within scenarios). The outcome will be the integrated FOODCoST toolbox for impact analysis and the FOODCoST Roadmap, a guide for policymakers and business managers on applying specific combined policy recommendations and strategies. This approach ensures effective and informed decision-making for sustainable food systems.



Figure 1: FOODCoST methodology.



https://www.youtube.com/watch?v=Ob8Gw_vpdvQ

Strategic steps

Through this strategic action plan, FOODCoST aims to impact decision-making and transform food systems. The project has established a stakeholder platform to facilitate the transition to sustainability. It will create a harmonised methodology for valuing externalities and develop an EU-global database of this data. Next, it will develop a framework for the internalisation of externalities through policies, business models and strategies. Finally, FOODCoST will assess the impact of these internalisations and outline the FOODCoST Roadmap, providing clear guidance for sustainable food practices.

Diverse expertise: the FOODCoST Consortium

The FOODCoST Consortium is a diverse team of 22 partners from 12 EU countries and the UK, including the Netherlands, Italy, Belgium, France, Germany, Portugal, Denmark, Slovakia, Sweden, Spain, Romania and Hungary. It also includes two associated partners from Germany and the United Kingdom. This well-rounded group brings together a wide range of skills, experience and resources. Working collaboratively, they ensure a coherent and complementary approach to achieving the project's goals, leveraging their collective expertise to drive sustainable food system transformations.



Figure 2: FOODCoST Consortium.

Important milestones

Community of practice (CoP) and first meeting

A decisive milestone for FOODCoST was the creation of a community of practice (CoP), an expert platform facilitating continuous dialogue with stakeholders across the food system. The CoP, comprised of 30 members from diverse sectors, including farmers, food business operators, financial institutions, academia, NGOs, policymakers and media, which plays a vital role in co-creating project outcomes and discussing the feasibility of a harmonised EU approach for assessing and internalising externalities of food.

The initial CoP meeting in May 2023 in Bratislava offered valuable feedback and recommendations. There were important discussions focused on applying true cost accounting, particularly carbon taxes, climate and ecosystem management. The CoP will reconvene three more times during the project's duration to continue this crucial work.

Mobilisation and mutual learning workshops (MMLs)

FOODCoST facilitates dynamic dialogues among researchers, policymakers and industry leaders to advance sustainable food practices. This collaborative approach is embodied in the 14 'mobilisation and mutual learning workshops' (MMLs). MMLs target specific issues and groups, such as method development for researchers, internalisation of externalities by policy for policymakers, etc.

Five of these workshops have already been conducted, and others will be organised throughout the project's lifecycle.

Food survivors: how to make food production more sustainable

On 9 May 2023, the first MML workshop brought together 42 participants to discuss the FOODCoST project's role in promoting food system sustainability. Held online and organised by project partner APRE, the workshop introduced the project's work packages and outlined the main objectives of each phase to stakeholders from diverse backgrounds. This lively session fostered engaging discussions on enhancing sustainability practices within the food sector.

Separating local external effects of agricultural production from national average estimations: illustration for the impact of fine particulate on health

The second MML workshop took place on 18 October 2023 with 24 participants. Held online using the MIRO Board tool for interactivity, the session featured presentations by Michiel van Galen and Will Hennen on true cost accounting (TCA) and the impact of fine particulate matter on health. Participants discussed the localised effects of fine particulate emissions and other forms of disaggregation in TCA that are currently unavailable or poorly developed. They also thought of ways to localise external cost estimations better, moving beyond national average data.

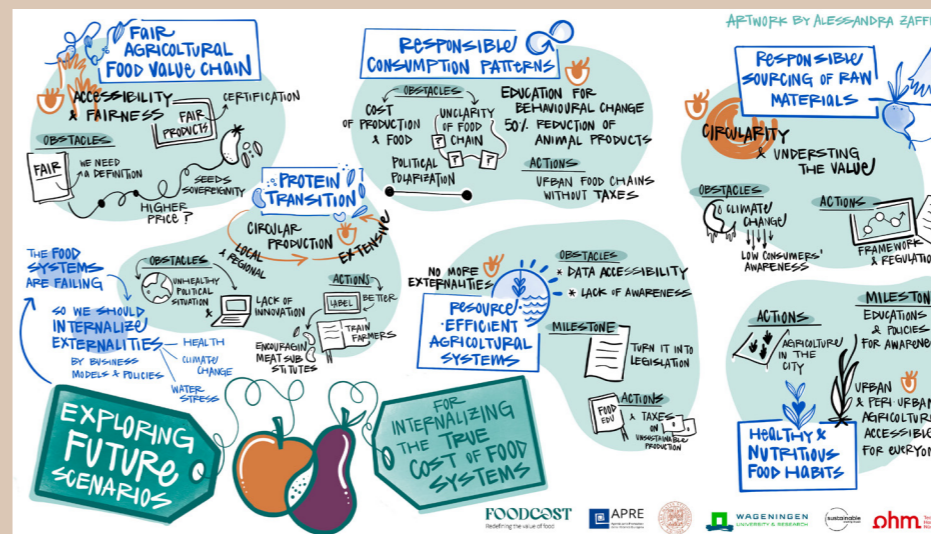


Figure 3: Outputs from the fourth and fifth FOODCoST mobilisation and mutual learning workshops.

Public policies that internalise externalities of the food market

Held online on 18 October 2023, the third MML workshop focused on public policies that internalise externalities of the food market. Led by Dr Céline Bonnet from INRAE, it gathered 27 participants to explore new public policy solutions and instruments. The session began with Dr Bonnet explaining the concept of internalising externalities in food pricing, emphasising the need to consider complete costs and benefits. Participants then discussed nine proposed policy instruments, exploring their potential barriers, unintended effects and possible solutions using the interactive MIRO Board platform, following the methodology from previous workshops.

Fair food systems: internalising environmental and social costs in the price of food

On 13 June 2024, the fourth and fifth MML workshops of the FOODCoST project took place in Bologna, Italy. The workshops focused on the TCA approach,

addressing how to internalise externalities in food systems and communicate these to consumers through labelling. Participants, including stakeholders and specialists, engaged in dynamic co-creation activities, promoting collaboration and innovation. The event aimed to identify pathways towards fair food systems and achieve 'true' pricing led by UBO.

Final reflections

FOODCoST is setting new standards for sustainable food systems through innovative methodologies and collaborative approaches. Uncovering externalities of food production and consumption and engaging a diverse consortium is driving meaningful change. Significant milestones, including the CoP and the MML workshops, demonstrate the project's progress and impact. As FOODCoST continues, its strategic action plan and collective expertise will guide the way for a healthier and more sustainable future for all.

PROJECT NAME

FOODCoST: FOOD Costing and Internalisation of Externalities for System Transition

PROJECT SUMMARY

The FOODCoST project is focused on creating a harmonised method to uncover the externalities of food production and consumption. These hidden costs encompass environmental, social, and economic impacts. Thus, the objective is to redefine the value of food through tools, policies, and business models that point towards sustainable production and consumption in the food system.

PROJECT PARTNERS

The FOODCoST Consortium is a diverse team of 22 beneficiaries from 12 EU countries and the UK, including the Netherlands, Italy, Belgium, France, Germany, Portugal, Denmark, Slovakia, Sweden, Spain, Romania and Hungary. The coordinator is Wageningen Research.

PROJECT LEAD PROFILE

The newly appointed coordinator, Michiel Van Galen, is an economist with a background at Wageningen Research. His research interests include pricing in agri-food chains, cooperation, and market functioning, with a focus on making these chains fairer and more sustainable. The FOODCoST project integrates these themes while adding the critical aspect of sustainability measurement and the valuation of externalities.

PROJECT CONTACTS

Michiel Van Galen, Project Coordinator

✉ michiel.vangalen@wur.nl

Project Coordination Team

✉ foodcost@wur.nl

✉ info@foodcost-project.eu

🌐 foodcost-project.eu

📘 [FOODCoSTEU](https://www.facebook.com/FOODCoSTEU)

🐦 [@FOODCoSTEU](https://twitter.com/FOODCoSTEU)

🌐 [FOODCoSTEU](https://www.linkedin.com/company/foodcost-project)

📺 [@FOODCoSTEU](https://www.youtube.com/channel/UC...)



FUNDING

FOODCoST is funded by the Horizon Europe Framework Programme under grant agreement No. 101060481.