



Towards a state of the food system report for Australia

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Executive summary

Australia's food system includes all the processes involved in producing, distributing and consuming food and ingredients. It is worth around \$800 billion, and feeds approximately 100 million people (including 27 million Australians), with food produced by around 100,000 farmers and delivered through more than 2500 supermarkets. However, in addition to production and export, we also want Australia's food system to provide equitable access to safe, nutritious, and healthy food produced sustainably.

Australia is transitioning towards more holistic coordination of our food system to meet a broader set of sustainability, equity and health goals. We routinely manage systems with similar complexity, including economy-wide systems where significant public leadership balances sectoral interests with broader societal goals. A critical step is being able to monitor and report on the food system.

This report aims to help build a robust evidence base to explore the directions we want our future food system to take, highlighting gaps and biases in reporting, and developing practical strategies. The overview, 'Towards a state of the food system', summarises our current understanding, including recognising the state and features of the food system, allocating responsibility for managing it, and enabling interactions across the food system.

The report presents expert insights from across the food system, in 11 Insights organised into three parts: Insights 1 to 5 present the food system's diverse goals in nutrition and health, food retail, food safety, Indigenous food systems, and food policy; Insights 6 to 8 present food system sustainability, life cycle assessment, and a circular economy; Insights 9 to 11 present food production and its unintended environmental and health impacts.

Managing Australia's food system

This report makes the case that the food system needs to be managed through interventions that improve its performance and future trajectories of development and that better reporting has a key role to play. This type of system management is best implemented in a distributed way through inclusive deliberation and genuine partnership between government, industry and community. Examples include emergency management, air traffic control, maritime safety, the road transport system, the pharmaceutical system, the Australian Defence Force, multiple state and Commonwealth police forces and criminal justice systems, the social welfare system and the health system.

We also know how to balance sectoral interests with wider societal interests when managing systems similar to the food system. Central agencies such as Treasury, Finance, Defence and Departments of Prime Minister/ Premier and Cabinet have evolved as mechanisms for elevating important societal goals above conflicting sectoral interests. Other nations, such as Canada and the United Kingdom, already have food portfolios for managing food system interactions.

The analysis of the state of Australia's food system has been organised around the three linked steps we need to take to move from analysing Australia's food system to managing it better:

1. Recognise the food system

The insights in this report suggest that better recognising the food system would help us to agree on the goals that Australians have for it and help us to understand the interactions



across the system that need to be managed to meet these goals. A priority is breaking free from a siloed, sectoral view of the food system. Seeing the food system as more than producing and exporting agricultural commodities is likely to enable a strong complementary regional food manufacturing sector that complements ongoing commodity exports. It will enable Australians to recognise the impact that food environments have on dietary choices and health, and to work with governments and retail businesses to shape preferred food futures. It could enable new food technologies to shift some of the burden of meeting sustainability goals away from farming businesses.

2. Allocate responsibility

Allocating responsibility is essential for moving from abstract conceptualisations of the food system to proactively managing it. Key to this is recognising the degree of public leadership necessary to prioritise a more balanced mix of sustainability, equity, nutrition and health goals, alongside ongoing economic goals. We already have well-developed mechanisms enabling the public sector to initiate action to address the unintended environmental and health impacts that the private sector lacks commercial incentive to address. Public sector leadership can be enabled through efforts to improve the coherence of food policy across local, state and federal governments, and by broadening innovation strategies to make important connections across the food system.

3. Enable interactions

Much of the potential to proactively manage food system challenges and opportunities lies in enabling interactions between previously disconnected or misaligned components of the

food system, such as human nutrition and farming. To date, these connections tend only to be made during affordability and climate-related crises – or when there are threats to commodity export markets, such as the re-emergence of tariffs. Strategic processes could enable communities, governments and industry to explore the degree of policy coherence and reporting necessary to proactively manage the food system. Priorities include analysing and reporting on the impact of food environments on dietary choices and health to support the proactive design of healthier and more affordable future food environments. Progress on





sustainability and food security requires processes for agreeing on goals, supported by reporting that acknowledges and brings together diverse perspectives.

Insights from across the food system

The collective knowledge used in the report's overview to analyse the state of Australia's food system is organised into three categories.

Goals

Insights into nutrition, retail environments, food safety, Indigenous food systems and policy coherence reveal how competing perspectives of the food system can obscure or de-prioritise important societal goals for Australia's food system. Key points from Insights 1 to 5 are listed below.

- The overarching purpose of Australia's food system is to nourish Australians and contribute to the diets of millions of other people around the world in nations that import food from Australia.
- A reporting focus on agricultural production and exports has distracted from the perception that agricultural commodities are food, obscuring and de-prioritising nutrition and health outcomes.
- Lack of recognition of the impact that food environments have on dietary choices and health outcomes is impeding processes for designing better future food environments.
- Australia's strong reputation for producing

safe food needs constant investment to protect against threats emerging with new food technologies and distribution pathways.

- Recognition of Indigenous food systems goes hand-in-hand with recognition that local Indigenous food practices, products and human–food interactions are difficult but important to incorporate into national food policies and priorities.
- **Australia's public sector** has mechanisms for coordinating food policy, but the goal of coherent food policy goes beyond coordination to reconciling goals and reinforcing action across the food system.

Sustainability

Insights into the sustainability of Australia's food system are complemented by insights about the circularity of the economy and life cycle assessment. These reveal the multiple perspectives and scales from which food system sustainability can be assessed and managed. This, in turn, reveals how viewing sustainability from any single sectoral or methodological perspective can obscure our understanding of the overall sustainability of Australia's food system. Key points from Insights 6 to 8 are listed below.

- It is not yet possible to make definitive statements about the sustainability of Australia's food system because indicators are patchy and provide insights into the sustainability of only some food system components – some of which are improving, while others are in decline.



- A focus on the sustainability of individual products or iconic indicators like greenhouse gas emissions has also distracted from more holistic views of sustainability.
- Understanding the overall sustainability of Australia's food system requires processes for agreeing on sustainability goals, actions and measures for tracking progress towards those goals.
- Circular economy thinking is emerging as a promising strategy for improving the sustainability of Australia's food system. Regulatory reform is needed to recognise that historically hard-won protections on human health can be maintained in a more circular economy.
- The sustainability of individual food products does not guarantee the sustainability of Australia's food system – system-wide assessments of sustainability are needed.
- Reporting on sectoral economic goals has crowded out reporting necessary to pursue a broader mix of longer-term sustainability, equity, food safety, nutrition and health goals.
- New business models are emerging with potential to enable thriving regional food manufacturing industries to complement bulk commodity exports, and reporting is needed to help shape these.
- Identifying and measuring the hidden costs of our food system, including malnutrition, diet-related diseases, animal welfare and environmental degradation, are important steps towards addressing and even avoiding these costs.

Next steps

This report begins to consolidate an evidence base for negotiating the goals we need to manage across Australia's food system and agreeing on actions for pursuing these goals. Embedding regular food system reporting into institutions that have a mandate to recognise and enable food system interactions is likely to be a necessary first step towards being able to 'see', understand and manage the food system. This will, in turn, support communities, governments and industries in working together to decide what Australia's future food system should look like and what actions are needed to achieve it.

Food production and its impacts

A focus on narrow economic measures has prevented us from recognising the success of Australia's food system and caused us to overlook environmental and health impacts that affect the longer-term economic potential of the food system. Revealing the hidden costs of the food system helps us to identify opportunities for avoiding and managing them. Key points from Insights 9 to 11 are below.

- Australia's food system is worth \$800 billion – almost eight times the size of agriculture – but focusing on this economic narrative alone limits our view of the food system's value and what it does for Australian society.

FOOD SYSTEM HORIZONS

Catalysing a sustainable, nutritious and equitable
food system futures

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For further information

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