AgroSpectrum ASIA
Envisaging Future | Updating Present

Regenerative food systems should work in unison with healthcare to unlock funding potentials

09 February 2024 | News

"New business value, research finds $4.5 trillion per year could be unlocked during a regenerative transformation" Kearney Report



"**New business value, research finds $4.5 trillion per year could be unlocked during a regenerative transformation**" Kearney Report

Global management consultancy Kearney releases a new report revealing how food and healthcare systems can and should work in unison to unlock funding to create a healthy food future. The report, Food for thought: financing the food system transition, highlights the link between how we produce and process our food, and the health of our planet and its eight billion inhabitants.

Compounding crises: ecosystem and human sickness
Kearney highlights the urgency of our current compounding crises. Unhealthy foods drive chronic illnesses, and ecological degradation (soil, air, and water) drives further malnutrition and hunger.

- The four leading causes of death are directly linked to diet: stroke, diabetes, cancer, and cardiovascular disease.
- We produce enough calories to feed everyone on Earth, but 350 million people still experience acute levels of food insecurity.

Transition costs are high, but the cost of inaction is much higher.

The report defines regenerative food systems as outcome-focused, healthy, inclusive, and adapted to local community and crop needs. A regenerative food system can help restore degraded ecosystems; reduce greenhouse gases and sequester carbon; and keep soil healthy, water clean, and foster biodiversity. A regenerative approach also encourages good human health, from the chemicals used to the ingredient choices made by food manufacturers. The report finds that while the transition costs toward a regenerative food system are high, the cost of inaction is even higher and includes.

- $4.3 trillion in health and obesity costs
- $16.3 trillion in hidden environmental and socioeconomic losses
- $3 trillion in economic losses from 4.2 billion people affected by climate disasters since 2000

Playing past a stalemate

The report advocates for transformative initiatives at scale, moving beyond the current financing stalemate. According to Kearneyâ??s expert interviewees, most stakeholders are waiting for someone else to take the lead. Often, they are not acting at scale because of limited, short-term incentive structures. Furthermore, investment capital is unequally distributed.

The report explores how large food, beverage, and agriculture companies can use their influence across the value chain and their financial wherewithal to encourage transformation. They also have a lot to gain, including capitalizing on Kearney Consumer Institute research showing the value of joint healthâ??sustainability products and brands. Companies can also secure supply chains that are poorly prepared for a climate-changed world. Looking at new business value, research finds $4.5 trillion per year could be unlocked during a regenerative transformation.

Meanwhile, healthcare agencies, providers, insurers, and government agencies can scale successful â??food as medicineâ? initiatives while, at the same time, driving market demand and premiums for healthy, regenerative food. Research in the report shows billions in savings if these programs are scaled to national levels.

Rhiannon Thomas, global lead, consumer and retail at Kearney, comments, â??Food and health systems are inexorably linked. Today, too many of the dynamics between these systems incentivize poor human and ecosystem health, costing the public and private sectors trillions in hidden costs. While a scaled transformation to a healthy, regenerative food system is costly, the costs of inaction are higher. By working across intertwined systems, we can overcome the functional stalemate in funding to deliver on a 21st-century food system mission: feeding the world by regenerating human and ecosystem health.â?

Angela Hultberg, global sustainability director at Kearney, comments, â??Too often, we frame global challenges as technology innovation gaps, and spend huge money, time, and energy investing in technology solutions for short-term symptoms without addressing root causes. Instead, we must innovate incentives, technologies, business models, and policies that embrace our fundamental dependence on natural ecosystemsâ??soil, water, microbes, climateâ??all of which can be supported by a regenerative food system.â?