

**Strengthening urban and peri-urban food systems to achieve food security and nutrition in the context of urbanization and rural transformation**

**Priority issues to be addressed during the CFS policy convergence process.**

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**I. Introduction**

The changing pattern of population agglomerations across this rural–urban continuum is driving changes throughout agrifood systems (SOFI 2023), creating both challenges and opportunities to ensure everyone has access to affordable healthy diets. Urban and peri-urban food systems offer unique solutions as they provide increased access to food in urban areas by developing shorter and more resilient value chains. The future lies in policies that enable flexibility, foster entrepreneurial initiatives, and address food system inequities. Policy frameworks that empower cities to act decisively while ensuring that local initiatives are supported and scaled.

It is also important to note that the concept of a rural–urban divide is no longer useful to understand the growing links across urban, peri-urban and rural areas. The CFS workstream recognises the importance of the linkage and context of ‘rural transformation’ and this growing connectivity across the rural–urban continuum is a key aspect to understand the functioning of value chains.

It is important to integrate Urban Planning with agrifood systems at the Core. This approach means not only ensuring land-use zoning for agriculture but integrating food access with housing, public transport, rural agrifood systems and economic hubs. In this regard, the CFS policy product needs to recognise the role of Degree of Urbanization (DEGURBA) classification.

**2. Policy Bridges for Rural-Urban Linkages**

As noted by the HLPE Report, cities’ foodsheds involve “a mix of local, regional and distant sources, from national production to international trade”. Therefore, strengthening U-PU food systems must not isolate U-PU areas from their rural counterparts but rather position them as conduits that connect rural agricultural productivity with urban markets. A rural–urban continuum framework is therefore critical to understand the links between urbanization and agrifood systems changes.

This also recognises the importance of small and intermediate cities and towns (SICTs), and that investing in these (as noted by SOFI 2023) can have a more significant impact on healthy diets for their populations compared to the benefits that trickle down from growth in large cities.

This requires incentives (including both tax & subsidy incentives) that bolster these linkages through robust infrastructure and cooperative logistics models. Such linkages can enhance food supply chains, increase the diversity of available produce, and create opportunities for smaller rural producers to access larger markets.

As noted by the HLPE report, this involves “facilitating the flow of various resources across rural, peri-urban and urban areas, including commodities, production, people, capital and income, and information”. The degree of connectivity between rural and urban areas shapes agrifood systems, and thus the availability of affordable healthy diets, and the livelihoods of urban and rural primary producers, processors and traders.

PSM endorses the HLPE recommendations for addressing the midstream activities (storage, processing, transportation and wholesale) in urban food supply chains and that national and local government and private-sector actors should work together to:

- encourage both public and private investments in infrastructure, logistics, innovation and technology and capacities in the intermediary sector of urban food value chains, particularly for fresh and perishable foods;
- foster diversity of midstream food actors through mechanisms to support small-scale and informal-sector actors, including the development and maintenance of public food infrastructure (for example wholesale, traditional and digital markets), and ensuring fair supply-chain practices to redistribute value;
- ensure that food-system planning codes and regulations include informal processors operating in U-PU areas; and
- support wholesale markets to strengthen connections with small-scale producers, leveraging them to increase access to affordable, diverse and healthy diets.

**3. Create policy environments that encourage innovation and technology adoption and investment to effectively leverage the opportunities that urban and peri-urban food systems provide.**

It is important to ensure that governance and regulatory frameworks are fit for purpose, encourage innovation and adaptability, are uniform across countries and regions and are targeted towards engaging women, youth and marginalized peoples. It is recommended to:

- Establish policy frameworks that facilitate innovative financing models for individuals and businesses investing in urban and peri-urban food systems including the development of locally based agreements between multiple administrative zones and multistakeholder platforms and networks;
- Incentivize agricultural R&D, including R&D supported by farm groups, cooperatives, and the private sector;
- Encourage innovative uses of technology throughout urban and peri-urban food systems to capitalize on the strengths of market proximity. For example, vertical farming requires only a small plot of land and can be carried out indoors, allowing for the cultivation of food in urban and industrial spaces, and leading to shorter supply chains;
- Promote tax incentives for the installation of on farm renewable energy;

- Integrate renewable energy systems to power urban farm operations, such as lighting, irrigation, and climate control;
- Promote cross-border knowledge sharing and collaboration to capitalize on the unique strengths and opportunities of member countries, as their policy and regulatory environments can allow for more appropriate, context-specific innovation and adaptation. Policies should facilitate partnerships that encourage knowledge transfer and learning from cities with successful U-PU strategies, showcasing successful models like climate-resilient urban farms in the Middle East or peri-urban community gardens in Latin America.

CFS policy recommendations should include the SOFI recommendation that the implementation of these solutions requires that the agrifood systems governance mechanisms and institutions cross sectoral and administrative boundaries and rely on subnational and local governments.

#### **4. Support farmer and community markets**

The HLPE report emphasizes that ‘assembly markets, storage facilities, processing and food transport are particularly delicate functions’ and that inefficiencies in executing them and providing the necessary services can escalate costs. Issues include collection and transport costs, storage, cold-storage facilities, appropriate processing technology, infrastructure and facilities, management skills and marketing strategies, transporting food within cities and urban centres (especially for perishable products).

This requires the development and support for community-driven food hubs that combine local production with education, social support, and direct market access. Policies should prioritize public-private partnerships that develop these hubs, aligning food production with community needs and stimulating local economies. This supports both producers and consumers, creating a circular economy within U-PU settings.

This includes the need to:

- Provide financial incentives to create rural urban linkages to support farmers to participate in urban food systems;
- Facilitate investment in urban farmers and thereby creating local employment; and,
- Support food banks through direct linkages to urban farmers and community markets.

#### **5. Facilitate value added processing and SMEs**

As indicated by the HLPE, urbanization is leading to a growing demand for packaged and pre-prepared foods. Innovations in food packaging can maintain the quality, safety and nutritional value of food products, meet consumer needs and preferences, reduce food loss and waste, and reduce the cost of nutritious foods, especially across longer distribution chains. This includes the need to:

- Facilitate agricultural product aggregation systems in urban contexts, allowing numerous small producers to access markets, processing and branding services they normally would not produce enough volume for.
- Disseminate technical assistance related to cooperative management, marketing, and logistics.

- Provide financial incentives for urban farmers to access processing and branding.

Tailored, localized technologies tailored to unique U-PU contexts can enhance the resilience of urban farms and improve local food access which needs a policy emphasis on localized research, development, and scalable pilots would make such initiatives actionable. This includes incentivizing innovation that adapts to city-specific challenges, such as water-efficient hydroponics in arid regions or vertical farms designed for compact urban spaces.

This also requires a focus on small and intermediate cities and towns and addressing some of the challenges faced by the U-PU areas to allow agrifood systems to be the driver of inclusive rural development and create development opportunities for efficient, small and medium enterprises (SMEs). The expansion of the services provided by SMEs can also contribute to gains in production of nutritious foods, and a parallel reduction in the cost of food for consumers.

## **6. Utilize public spaces for the creation of urban and peri urban food systems**

- Accelerate the safe conversion of land use from non-agricultural to agricultural purposes, for example by making the land use histories of urban spaces publicly available and making soil testing resources more easily accessible.
- Build multistakeholder councils to consider spatial dimensions and strategic use of public spaces in the context of urban and peri-urban food systems
- Establish clear legal frameworks for the use and transfer of vacant lots and public land for agriculture.
- Facilitate investments in the unique needs of urban agriculture, including sustained soil remediation and improvement processes.

## **7. Promote urban and per-urban food systems as an exciting and attractive business and career prospect**

- Policies should integrate urban agriculture curricula into schools, positioning agriculture as an appealing career path that intersects with technology, environmental science, and social impact. This approach not only nurtures future leaders but reshapes public perceptions about the value of urban and peri-urban agriculture.
- Advocate national strategies that incentivize entry into the field, especially those that support fair compensation to farmers, work to alleviate stigmas against agricultural professions, simplify access to markets, and mobilize government resources for knowledge sharing between countries and sectors.
- Showcase the diversity of career options within urban and peri-urban food system to attract talented people with demonstrated interest in such areas as biology, environmental science, urban planning, agricultural engineering, plant science, politics, economics, marketing, business, sales, robotics and more.

## **8. Create school based agricultural systems**

- Create school based agricultural systems to reframe agriculture as a rewarding, relevant professional choice in where young people can have an incredible impact on issues such as climate change, hunger and malnutrition, population displacement, poverty alleviation, and more.
- Create innovative partnerships and collaborations with industries, businesses, and organizations to expose youth to urban farming and agriculture in ways that integrate academic and production-focused learning opportunities.
- Invest in tertiary education with a focus on numeracy and finance; robotics; artificial intelligence; agronomics; communications and marketing; agriculturespecific business management; supply chain management; logistics; food processing and value addition; and innovative retail.

## **9. Retail markets and food outlets**

The HLPE has identified that “wholesale markets have not kept pace with growing food demand in cities, as many of them were constructed decades ago and are now situated in areas transformed by urban expansion into densely populated central locations. This exacerbates traffic congestion and hinders market expansion. Furthermore, on-market storage facilities, especially cold storage, are both inadequate and poorly managed. Revenues generated from market fees are not reinvested in upkeep, expansion or improved services”.

The “midstream” policy recommendations proposed by HLPE are a welcomed but not sufficient but a broader analysis of ‘modern convenience stores’ which are, as noted by HLPE, substantially shaping urban food environments and supermarkets is required. Issues of food quality, safety, convenience, employment opportunities and the concomitant issues of consumer behaviour, preferences, price and availability warrant further study. It is disappointing to note that the discussion in the HLPE draft report that supermarkets are “widely acknowledged to have higher safety standards” is not included in the final report which would have been useful to explore the dynamics of that and opportunities for knowledge transfer to other retail outlets/convenience stores.

As noted, with appropriate food system related policy, investment and innovation in functional rural and urban spaces, new economic and employment opportunities can emerge depending on how the food system is structured from production through to consumption.

## **10. Data & Definitions**

CFS policy recommendations needs to recognise the lack of substantive evaluations of interventions and a lack of aggregated data beyond specific cases. For example, as noted by HLPE, the lack of ‘midstream’ data and awareness frequently results in policy gaps and/or policies and of private and public investments addressing the midstream section.

The HLPE report Table 3 includes some broad descriptions of the food-retail and food-service sectors including traditional channels (usually more informal), modern channels (usually formal), online food retail and delivery services. While HLPE acknowledges that this is not globally comprehensive or fixed it

is, nevertheless, overly simplistic, posing a binary choice between 'traditional' and 'modern' and defining traditional markets as sellers and traders operating across different degrees of informality, and excluded from the financial system. Those traders operating in local council market stalls, paying a fee and using telephone banking apps could reasonably be considered to be formal and, as such, open to training, advice and other services. It is also likely that small shops and stores are formally registered in town and small cities, and could even be classified as 'modern' if, as several do, operate cold storage facilities. CFS policy recommendations should acknowledge both local context and existing regulatory practices.