

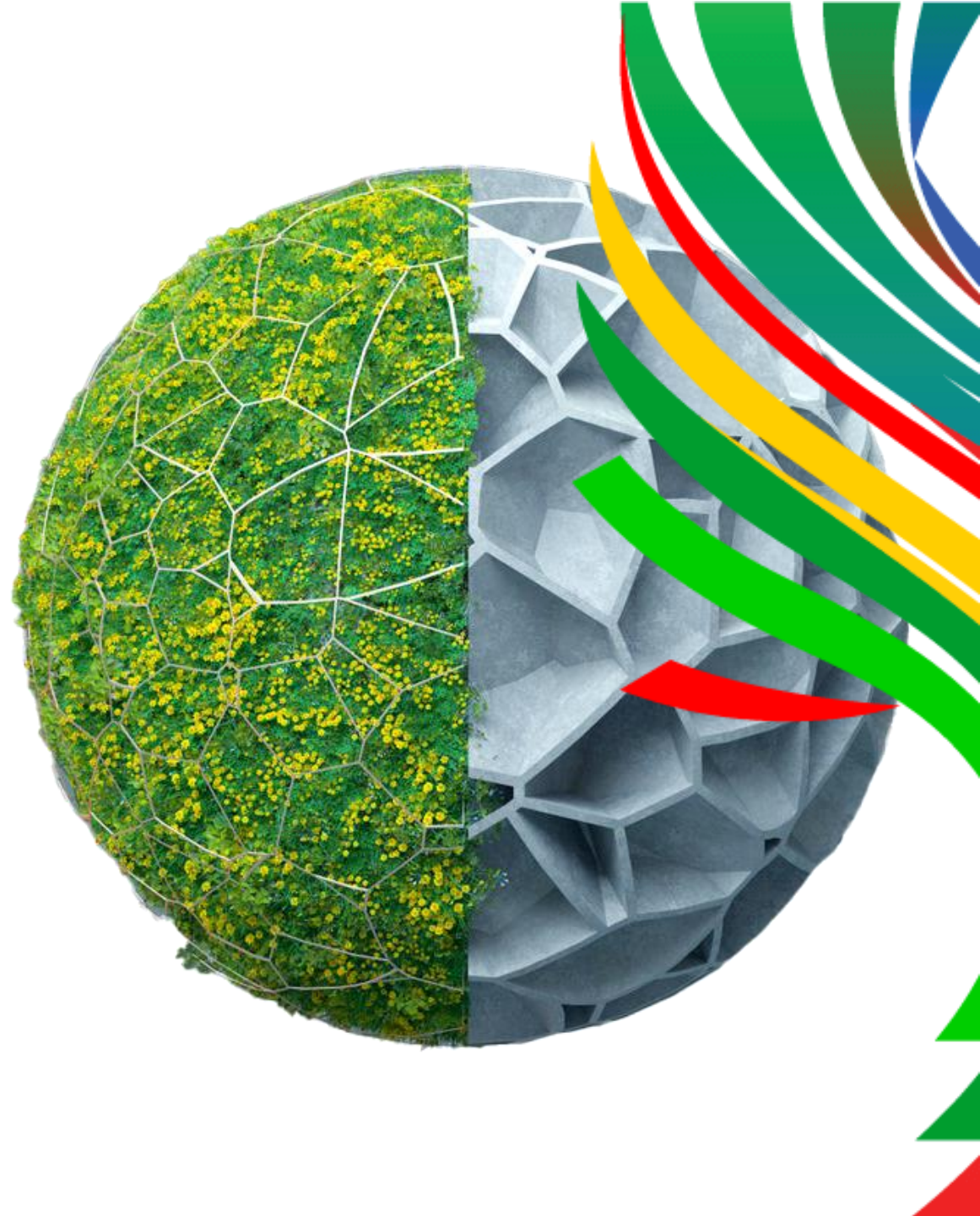


B20 Brasil

Sustainable Food Systems & Agriculture Taskforce

G20 Agriculture Working Group Meeting

June 2024



Agenda

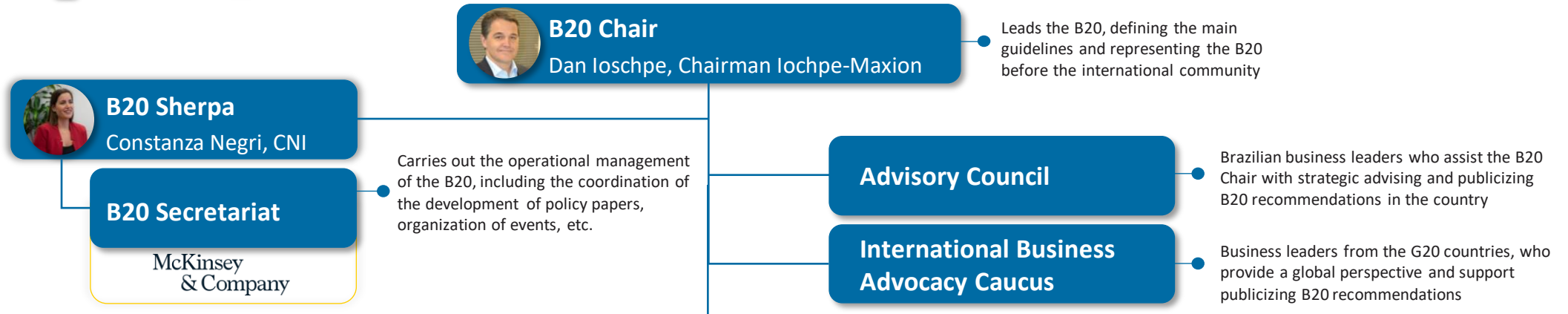
Introduction & B20 Organizational Structure

Policy Paper & Recommendations B20











B20 Brasil follows the structure of previous editions, with 8 Task Forces/Action Council

Knowledge Partner
 Network Partner
 Main Partner



Task Forces and Action Council

<p>Trade & Investment</p>  <p>Francisco G. Neto CEO e Presidente Embraer</p> <p>BCG</p>	<p>Employment & Education</p>  <p>Walter Schalka CEO Suzano</p> <p>accenture</p>	<p>Energy Transition & Climate</p>  <p>Ricardo Mussa CEO Raízen</p> <p>McKinsey & Company</p>	<p>Digital Transformation</p>  <p>Fernando de Rizzo CEO Tupy</p> <p>BAIN & COMPANY</p>	<p>Finance & Infrastructure</p>  <p>Luciana A. Ribeiro Founder eB Capital</p> <p>Deloitte.</p>	<p>Integrity & Compliance</p>  <p>Claudia Sender Board Member</p> <p>Deloitte.</p>	<p>Sustainable Food Systems & Agriculture</p>  <p>Gilberto Tomazoni CEO JBS</p> <p>BAIN & COMPANY</p>	<p>Women, Diversity and Inclusion in Business (AC)</p>  <p>Paula Bellizia President, Global Payments EBANX</p> <p>McKinsey & Company</p>
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Members (~150 by Task Force/Action Council)

Sustainable Food Systems & Agriculture

Task Force

 Deputy Chair  Co-chair

Task Force's Chair



Gilberto Tomazoni
CEO
(JBS)



139 Members



Jason Weller
JBS



Marcela Rocha
JBS



Agnes Kalibata
AGRA



Pelerson Penido Dalla
Vechia
Roncador Group



Greg Heckman
Bunge Global SA



Ramon Laguarta
PepsiCo



Livio Tedeschi
CroLife



Rodrigo Santos
Bayer



Lyu Jun
Cofco



Sanjiv Puri
ITC Limited



Miguel Gularte
BRF



Sulaiman Al-Rumaih
SALIC



Summary of priorities under discussion

Sustainable productivity growth



- Foster scalable **innovation** and improve access to **new technologies** to address food security
- Support sustainable productivity growth in least developed countries through knowledge sharing, technology dissemination, and international financing

Models for financing and collaboration



- Ensure sufficient, efficient, and inclusive capital for a rapid transition
- Monetize ecosystem services from sustainable agriculture

Sustainable practices and food security



- Create a practical, science-based trade and cooperation framework for sustainable practices and improved food security
- Implement measures for compliance with the Sustainable Trade and Cooperation Framework

The expected long-term impact of B20 Brasil is guided by principles and initiatives along 3 dimensions

B20 Brazil impact



Positive impact on society and economies for inclusive and sustainable growth



Continuity of B20 recommendations over the years



Presence of the Brazilian agenda, incorporated into the global agenda

Principles

1 Policy Paper

- > **Simplification:** 3 recommendations and 2 policy actions
- > **Measurement:** up to 3 indicators
- > **Maximizing synergies and scalability**
- > Structured, inclusive and paced timely process

Initiatives

- Taskforce guide
- Workspace
- Management tools

2 Communication and *advocacy*

- > Engagement of **B20 Leaders** in advocacy
- > **Local and global reach**
- > Engagement of the **business community**
- > **G20** alignment
- > Strengthening G20 and B20 collaboration

- Communication plan and toolkit
- Side events guidelines
- Advocacy guidelines
- G20/ B20 communication strategy

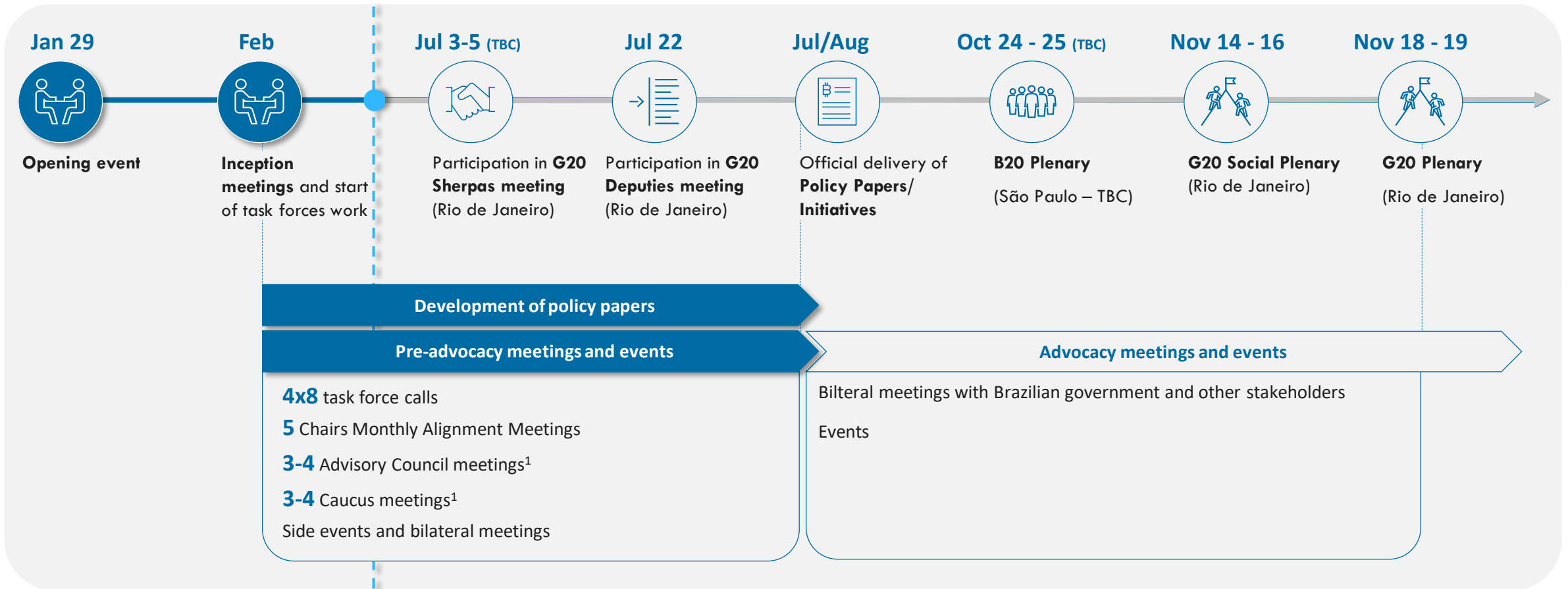
3 Legacy Program

- > Impact tracking
- > Improved **business collaboration**
- > **Continuity** between B20 editions

- Handover to continue impact and governance of B20
- Action-oriented initiatives
- Post-B20 agenda for private sector entities in Brazil

B20 Timeline and where we are now

Key milestones Started To be started We are here



1. Virtual meetings

Agenda

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Food system's paradox



The case for transforming our food system is clear and urgent

The global food system is an impressive human accomplishment...

35%

of jobs are in the food system worldwide

10%

of Global GDP are in the food system worldwide

18%

of Global Commodities traded are agricultural-related

~8 B

rely on the food system for food and nutrient security

150%

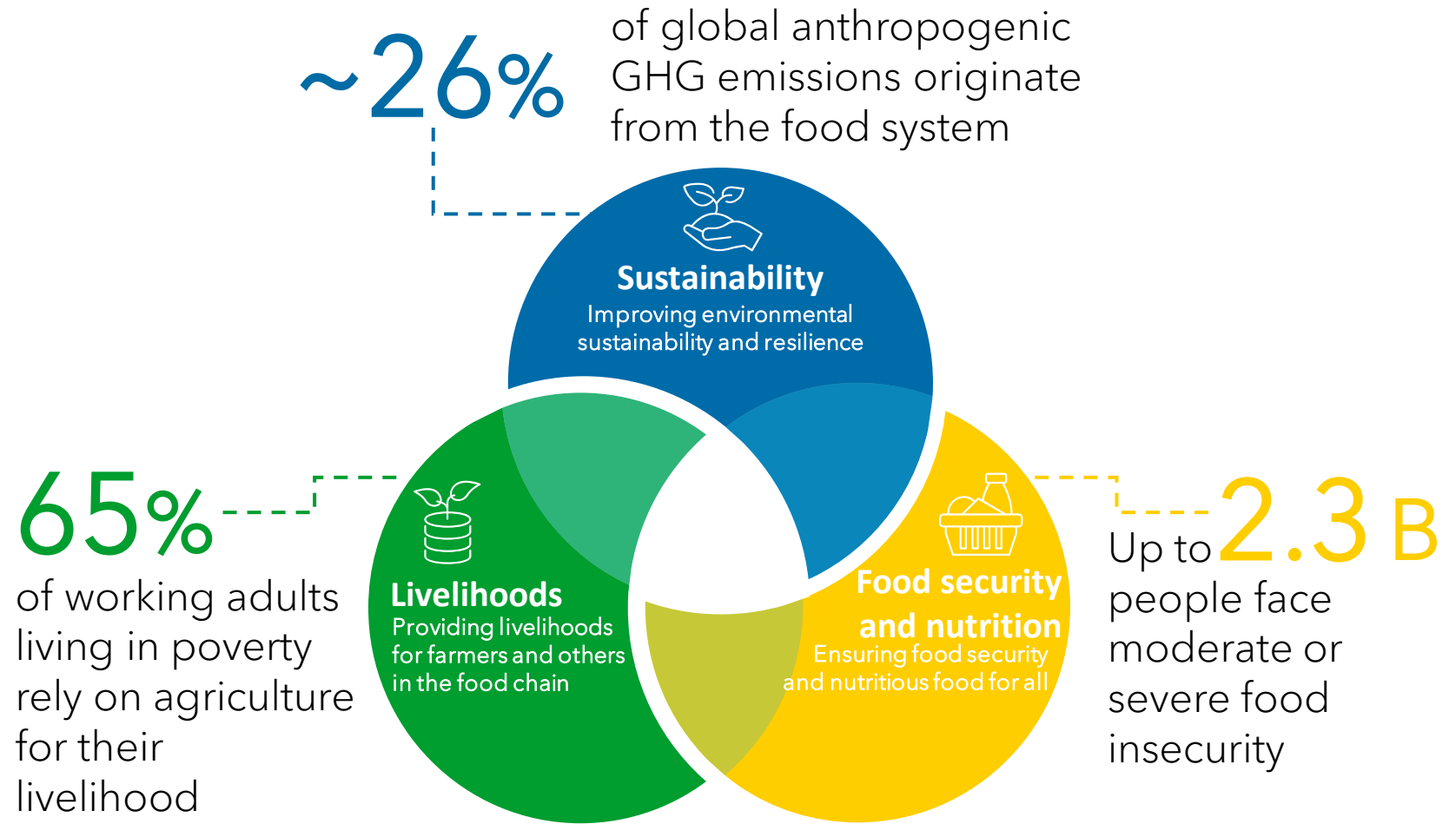
increase in productivity from 1961 to 2009, while global cropland expanded by 12%

Food system's paradox



The case for transforming our food system is clear and urgent

...but current practices challenge global environment and society, as shown by the food systems triple challenge





As people around the world came together around food systems, they reaffirmed that **People, Planet, and Prosperity** are at the heart of the 2030 Agenda for Sustainable Development. In the wake of the impacts of the COVID-19, **transformative action through food systems can play an essential role in driving the global recovery**

Secretary-General's Chair,
Summary and Statement of
Action at the UN Food Systems
Summit

When transformed, food systems are uniquely positioned to solve some of the world's toughest problems, and the G20 can play a pivotal role in addressing these challenges



People

Nourishing Everyone for
Health and Wellbeing

Food systems provide **safe and nutritious** food, addressing **hunger and malnutrition**, and improving health outcomes globally



Planet

Producing in Harmony
with Nature

Sustainable food systems can **mitigate climate change** and **conserve natural resources**



Prosperity

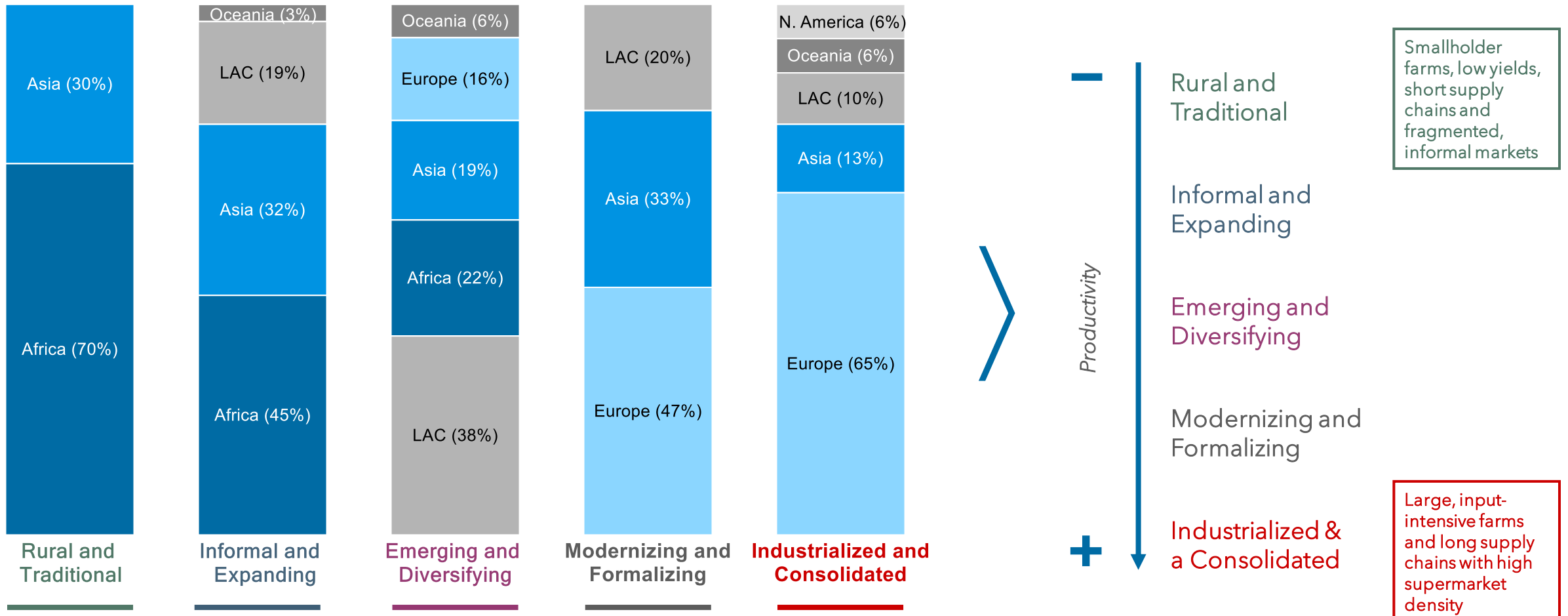
Inclusive, Transformative,
and Equitable Recovery

Inclusive food systems **boost economic resilience, create jobs, reduce poverty, and support recovery from economic shocks**

Despite the global nature of the issue, the Food System transformation must account for the unique challenges each country faces

Five archetypes of food systems have different characteristics and productivity levels

Percent of countries per Food System Type (in %)



Moving forward,
we must invest in
three pillars for a
**comprehensive,
sustainable and
inclusive
transformation of
the Food**

Productivity growth



Enhance productivity through advanced, sustainable technologies and agronomic assistance, ensuring the inclusion of least developed countries.

Breakthrough financing models



Develop innovative financing and collaboration models to aid farmers in transitioning to resilient and sustainable food systems.

International Trade



Support the rules-based multilateral agricultural trade system, encouraging sustainable practices and improving global food security.

Based on those pillars, the B20 Sustainable Food System & Agriculture taskforce has proposed 3 key recommendations



Foster productivity growth through the development and scaling of **advanced, sustainable and resilient technologies** as well as **agronomic technical assistance to producers** that combined tackle the nexus environment, resilience, food security and affordability/ access, **securing the inclusion of least developed countries.**



Build **breakthrough models for financing and collaboration** to support farmers' transition to resilient and sustainable food systems.



Strengthen the **rules-based, non-discriminatory, inclusive and equitable multilateral agricultural trading system** to foster the adoption of sustainable practices and improve food security.

Based on those pillars, the B20 Sustainable Food System & Agriculture taskforce has proposed 3 key recommendations



Recommendation

Foster productivity growth through the development and scaling of **advanced, sustainable and resilient technologies** as well as **agronomic technical assistance to producers** that combined tackle the nexus environment, resilience, food security and affordability/ access, **securing the inclusion of least developed countries.**



Recommendation

Build **breakthrough models for financing and collaboration** to support farmers' transition to resilient and sustainable food systems.



Recommendation

Strengthen the rules-based, non-discriminatory, inclusive and equitable **multilateral agricultural trading system** to foster the adoption of sustainable practices and improve food security.

B20 Recommendations

Sustainable Food Systems and Agriculture



Foster productivity growth through the development and scaling of **advanced, sustainable and resilient technologies** as well as **agronomic technical assistance to producers** that combined tackle the nexus environment, resilience, food security and affordability/access, **securing the inclusion of least developed countries.**

Policy Actions

- ①.1 Foster scalable innovation, facilitating producers' access to new technologies and agronomic technical assistance, to tackle the nexus environment, resilience, food security and **affordability/access**. G20 members should invest and cooperate to foster innovations, facilitate access to the benefit of scientific progress, and promote adoption at a global scale.
- ①.2 Promote a more equitable sustainable productivity growth cycle. G20 members should support least developed countries productivity growth incentivizing sustainable and resilient innovations through knowledge sharing, technology dissemination, capabilities building and international financing schemes to ensure a more inclusive global food system transformation, improve livelihoods and increase food security.

1.1

G20 members must foster innovation and technology adoption to address environmental concerns, affordability, and food security

Technology and innovation will continue to be critical in food systems transformation

85% of the increase in crop production in the next decade is expected to come from yields and cropping intensity

Key technologies and practices include, but are not limited to:



Biotechnologies

Advancements in crop and livestock varieties are expected to **enhance productivity and profitability**



Digital Technologies and AI

Digital technologies such as precision farming, AI, and remote sensing-assisted irrigation systems **enhance farmers' efficiency in input usage, optimize farming processes, reduce food waste, and increase production**



Regenerative Agriculture

Combining regenerative agriculture practices with digital solutions can **boost profitability and improve sustainability within food production**



1.1 There are systemic barriers that must be addressed for full farmer adoption of enabling technologies

Barriers to farmer adoption



Economic

- Affordability
- Timing of value
- Risk and uncertainty



Technical and operational

- Access
- Farm data and metrics
- Autonomy



Social

- Trust
- Social dynamics

Integrated Solutions



Farmers at the center

Multiple stakeholders must be aligned to deliver on the 4As of farmer adoption



Government alignment

Innovations tend to succeed when aligned with government priorities



Farmer-allied enterprise enablement

A key role as trusted intermediaries and reduce farmer risk concerns



1.2

LDCs face additional barriers that must be addressed to promote a more equitable sustainable productivity growth cycle globally

Low productivity is a vicious circle that contributes to poverty and hunger. Rural and Traditional food systems present:

40%

median **productivity** of most developed markets

90%

of the population living on **less than \$5.50 a day**

70%

median prevalence of moderate and severe **food insecurity**

Solution requires **government alignment and international cooperation:**



Government alignment

Broader and foundational role, ranging from elaborating sizeable and targeted public investment to fostering global cooperation



International cooperation

Ensure appropriate resources, technical knowledge sharing and capability building

Based on those pillars, the B20 Sustainable Food System & Agriculture taskforce has proposed 3 key recommendations



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Build breakthrough models for financing and collaboration to support farmers' transition to resilient and sustainable food systems.



Strengthen the rules-based, non-discriminatory, inclusive and equitable multilateral agricultural trading system to foster the adoption of sustainable practices and improve food security.

B20 Recommendations

Sustainable Food Systems and Agriculture



Build breakthrough models for financing and collaboration to support farmers' transition to resilient and sustainable food systems.

Policy Actions

- 2.1 Secure sufficient, efficient and inclusive capital allocation for a rapid, large-scale transition. G20 members should repurpose agricultural support, use blended financing mechanisms and improve financial capabilities and offerings to de-risk and incentivize investments that accelerate the transition.
- 2.2 Monetize the value of relevant ecosystem services delivered by regenerative and sustainable agriculture practices, including improved resilience and environmental outcomes. G20 members should develop a regulatory framework to accelerate the development of high-integrity, interoperable credits for ecosystem services (e.g., carbon sequestration, healthy soils, freshwater use and pollution reduction, biodiversity preservation, etc.).

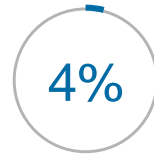
2.1

The urgent food systems' transformation will require significant financial investments (USD 300-350 B yearly until 2030)

To guarantee farmers can overcome the economical barrier for the food systems transformation, it is imperative to solve the funding challenge

The funding challenge encompasses amount, source and quality

Amount



The AFOLU sector receives **less than 4% of overall climate finance** even though it contributes close to 1/4 of all GHG emissions



in financial investments yearly **until 2030 needed for food systems' transformation**



Investment must **rise by 15x** through the decade to meet costs

Source

Transformation will require engagement from **governments, international organizations, financial institutions, philanthropy and food value chain companies**

Quality

Governments should redirect agricultural support to invest in services including but not limited to **infrastructure, R&D and biosecurity and provide payments for ecosystem services.**

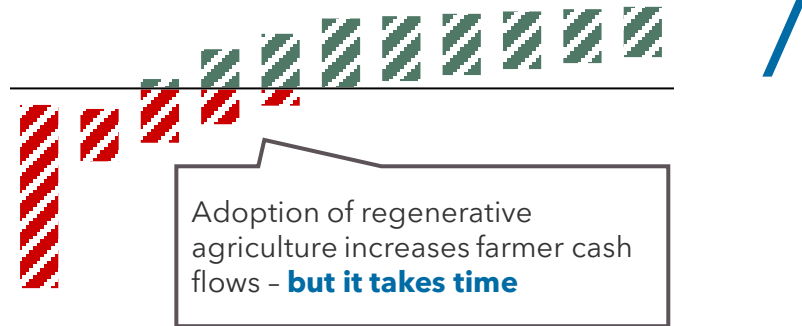
Monetizing ecosystem services can revolutionize agriculture, benefiting both farmers and the environment.

Monetization of ecosystem services is crucial to scaling sustainable solutions and making them economically viable

Systemic Transformation of Farmer Productivity is **expensive** and can have **long payback periods**, increasing financial risks

Payment for ecosystem services can address economic barriers for farmers and channel resources to increase productivity sustainably

Farmer (owner-operator) net cash impact from adoption of Regenerative Agriculture - Example (\$ / acre)



Increases profitability, enabling investment in modern inputs and equipment.



Reduces payback periods and mitigates long-term risks and uncertainties.

Challenges and Opportunities

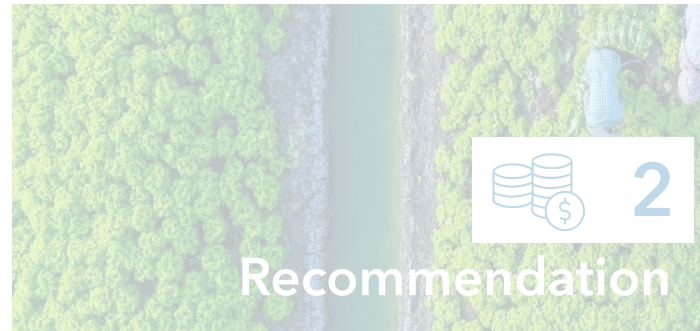
Carbon outcomes have seen more progress in monetization compared to other services. Markets for **water conservation and biodiversity** enhancements are still in **early stages** of development.

G20 members should accelerate the development of **high-integrity, interoperable credits for ecosystem services**, utilizing standardized metrics that account for **variations between temperate and tropical climates**.

Based on those pillars, the B20 Sustainable Food System & Agriculture taskforce has proposed 3 key recommendations



Foster productivity growth through the development and scaling of advanced, sustainable and resilient technologies as well as agronomic technical assistance to producers that combined tackle the nexus environment, resilience, food security and affordability/ access, securing the inclusion of least developed countries.



Build breakthrough models for financing and collaboration to support farmers' transition to resilient and sustainable food systems.



Strengthen the rules-based, non-discriminatory, inclusive and equitable multilateral agricultural trading system to foster the adoption of sustainable practices and improve food security.

Recommendations

Sustainable Food Systems and Agriculture



Strengthen the rules-based, non-discriminatory, inclusive and equitable multilateral agricultural trading system to foster the adoption of sustainable practices and improve food security.

Policy Actions

- 3.1 Advance the WTO's rules-based multilateral agricultural trading system, eliminating market distorting barriers, while orchestrating sustainable practices adoption over time. G20 members should foster a science and outcome-based sustainable food trade framework and promote food security, anchored on the international trading system with WTO at its core.
- 3.2 Support actionable, science and rules-based measures to enable sustainable practices adoption while facilitating market access within the advancements of the WTO's multilateral agricultural trading system. G20 members should foster sustainable practices adoption and facilitate access to markets by ensuring coordinated and transparent approaches to traceability, environmental certification schemes and border measures.

International agricultural trade has become highly relevant to global commerce, and it will be inexorable in the future; It has a key role in guaranteeing food security, while promoting climate resilience and better use of natural resources



Food Trade has key role to **alleviate and better allocate use of natural resources globally**, while promoting **sustainable agricultural practices adoption worldwide**

Agriculture is **highly related to the use of land and water withdrawal:**



70% of the freshwater withdrawal



40% of global land area

3.1 Trade Barriers, including Tariff and Non-Tariff barriers may negatively impact food security and affordability



Tariff

Taxes or duties imposed on imported and, in some cases, exported goods



Non-Tariff

Various restrictions, other than tariffs, that countries may impose on international trade (e.g., sanctions, licensing requirements, quality and safety standards)



approximately of food and agricultural imports are subject to NTMs compared to an average of 40% for all other sectors



yearly increase in global non-tariff barriers between 2011 and 2018

A rules-based multilateral international food trading framework is key to promote food security and climate resilience

Strengthen the rules-based, non-discriminatory multilateral agricultural trading system, enabling inclusive and equitable trade and removing market-distorting barriers

Endorse a sustainable food trade framework to guarantee alignment between sustainability and food security



WTO-Aligned: Compatible with WTO rules



Practical: Easy to integrate into existing trade agreements



Science-based: Aligned with latest climate science



Measurable: Progress can be measured over time



Predictable: Offers stability and clear expectations for members

Work to enhance market access and guarantee the inclusion and adaptation of developing countries and LDCs into proposed Sustainable Food Trade Framework

Based on those pillars, the B20 Sustainable Food System & Agriculture taskforce has proposed 3 key recommendations



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The logo features a stylized 'B' composed of multiple curved, overlapping lines in shades of green, yellow, red, and blue. To the right of the 'B' is the number '20' in a large, bold, blue sans-serif font. Below these elements, the words 'BRASIL 2024' are written in a smaller, bold, blue sans-serif font.

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