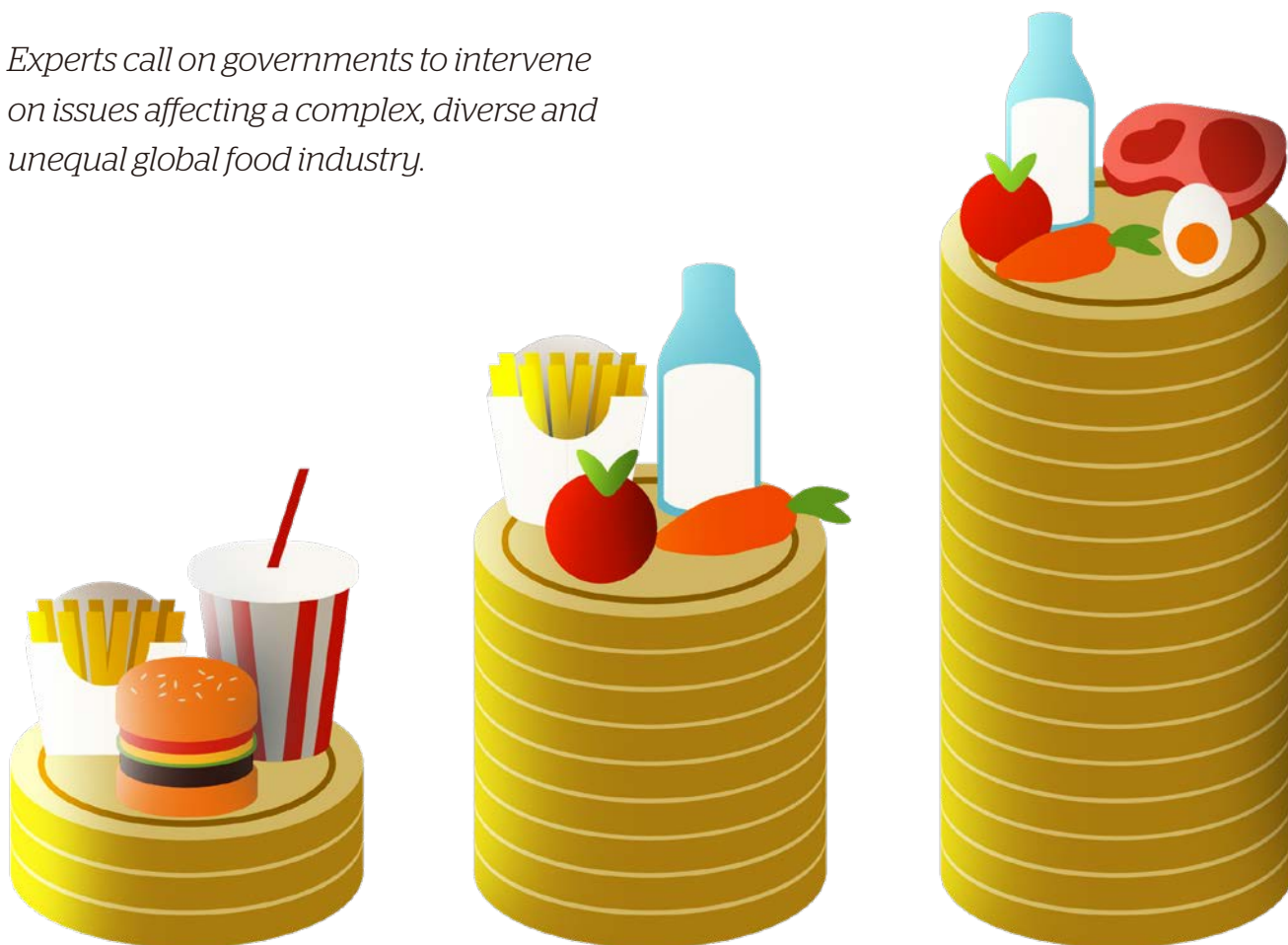


# POLITICAL AND COMMERCIAL FORCES SHAPE WHAT WE EAT

*Experts call on governments to intervene on issues affecting a complex, diverse and unequal global food industry.*



**A**t a typical supermarket in Tokyo, consumers can purchase an array of products, from colourful gummies to frozen Chinese noodles and Mexican taco mix. Corporate global sourcing arrangements mean that many populations have ready access to almost any type of food.

Meanwhile, the absolute number of hungry people has continued to

rise since 2014 and multiple forms of malnutrition remain a major challenge.

Globalization, market deregulation, technological advances, marketing sophistication and the rise of new economies have escalated the power of large corporations to change people's dietary habits. These changes have exacerbated economic and social disparity, while the COVID-19 crisis has

revealed the vulnerability of current food systems by disrupting production and distribution; triggering hikes in food prices.

## **Trends behind food systems**

The food industry has been global for centuries, but the pace of globalization has accelerated following the establishment of the World Trade

Organization in 1995. Many large companies rushed to enter new markets through huge investments and mergers and acquisitions of regional businesses.

One notable trend is the intensified specialization of ingredient supply chains, where large corporations have comparative advantages in specific products, says Jennifer Clapp, a political economist at the University of Waterloo, Canada. Concentration of corporations within these supply chains is also significant: historically, just four companies, the so-called ABCD agribusinesses — ADM, Bunge, Cargill and Louis Dreyfus — controlled 70-90% of global grain trade. In recent years, Asian companies such as Cofco, Olam and Wilmar are rapidly increasing their presence.

“In the agricultural inputs sector, concentrated industry giants have a profound impact on innovation pathways,” Clapp says. “Concentration in the inputs sector is partly a product of government policies, such as intellectual properties protection, that privilege a small number of companies in the market,” she explains. “Technological changes, such as digitalization of agriculture, gene editing and online trading, also enable large corporations to spend billions of dollars on R&D to capitalize on these opportunities.”

This industry consolidation also fosters what Melissa Mialon, a food engineer at Trinity College, Dublin, describes as the “commercial determinants of health” or activities designed to make a profit. This includes ‘Big Food’ lobbying to influence the policy environment, managing information that benefits their activities, such as funding beneficial research or undermining public health policies, or partnering with third parties to assuage their corporate social responsibility. Such activities influence the food system and often ultimately lead to the marketing and consumption of unhealthy food options.

### Ultra-processed foods

Other significant trends include a global spread of ultra-processed foods

(formulations made mostly or entirely from substances derived from foods and additives, with few containing whole foods). These include confectionary, biscuits, savoury snacks, many packaged breads, soft drinks, baby formula and meat substitutes, among others.

Consumption of ultra-processed foods is increasing globally. By 2018, young people (2-19 years) in the US consumed most (67%) of their diet as ultra-processed foods. The UK is not far behind: these foods also comprised the bulk of the diets of British children (63.5%) and adolescents (68%).

The spread of increasingly processed food affects nutrition, but not for all in the same way. Phillip Baker, a specialist in human nutrition at Deakin University, Australia, argues the rising consumption of ultra-processed foods is highly unequal. His 2020 analysis showed sales growth in ultra-processed foods is more significant in upper middle- and lower middle-income countries than high-income countries, with average annual growth rates of 2.8%, 4.4% and 0.4% respectively between 2009 and 2019. “In low-income countries, wealthy people tend to consume ultra-processed foods, but in middle-income and high-income countries, we see a social transition in consumption,” he explains, “and alongside this, we see obesity and diet-related diseases becoming a greater concern for disadvantaged and poorer population groups.”

### Consumer demand for better products

The food industry claims efforts to meet a growing consumer demand for healthier and safer products. A 2021 PricewaterhouseCoopers (PwC) report argues that governments support tighter regulations on food trade through supply chains while companies spend millions to improve safety and traceability. “Food technologies have brought benefits to industry and to people,” says Chenny Feng, senior manager for food services at PwC China. Feng says nutrition will remain a hot topic for the next decade or longer and expects the emergence of

new creative concepts of products, such as diet flavours that promote weight loss.

Shifting expectations by consumers who want more than just good nutrition are forcing companies to consider sustainability as well as public health. For example, in a 2020 stakeholder report, Nestle, the world’s largest food manufacturer, claims to have achieved its target to provide fortified foods and beverages to reduce micronutrient deficiencies in 10 countries.

The same year, both Nestle and French food giant Danone outlined plans for net zero emissions from their activities and moves to more sustainable farming practices. However, business researchers, including Lucian Bebchuck from the Harvard Law School, question the delivery on similar recent corporate pledges. Furthermore, there is a rising call for better regulatory and legislative mechanisms to hold industry to account and for new corporate governance models that go beyond serving the interests of shareholders to also serve the interests of stakeholders.

### Progressive approaches

Corporate social responsibilities alone are not a real solution to address problems of industry concentration, suggest researchers. Clapp says big corporations acknowledge the growing voices against the concentration of current food systems, but their impact is so huge they not only dominate the market but also shape public views and influence policymaking. “Governments should strengthen regulations to reduce corporate dominance, in order to make food systems more open, and also increase public investment in ecological farming to support local and regional marketing, which sell more fresh foods,” says Clapp. “Stronger rules to avoid conflict of interest and excessive lobbying power are also critical.”

Most important of all is for people to be able to have a say in creating the next generation of food systems, says Phillip Baker. “Food systems are not just for the industry and corporate lobbyists. They are for all of us.” ●