

FOOD  
CoST

Redefining  
the value  
of food



# From True Cost to True Change

Reflexive insights from 4 years of FOODCoST project

Final FOODCoST Conference

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 UCLouvain



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# Food systems have diverse impacts

**Health impacts**

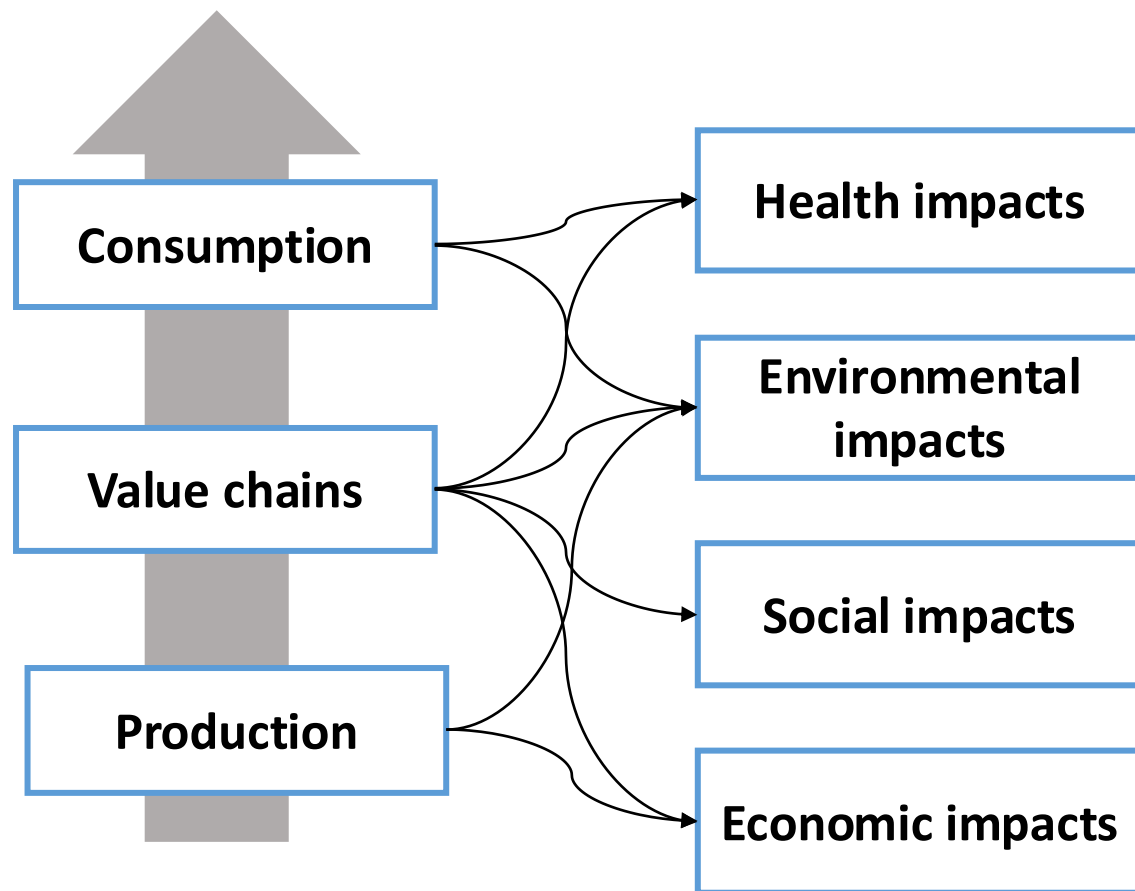
**Environmental  
impacts**

**Social impacts**

**Economic impacts**

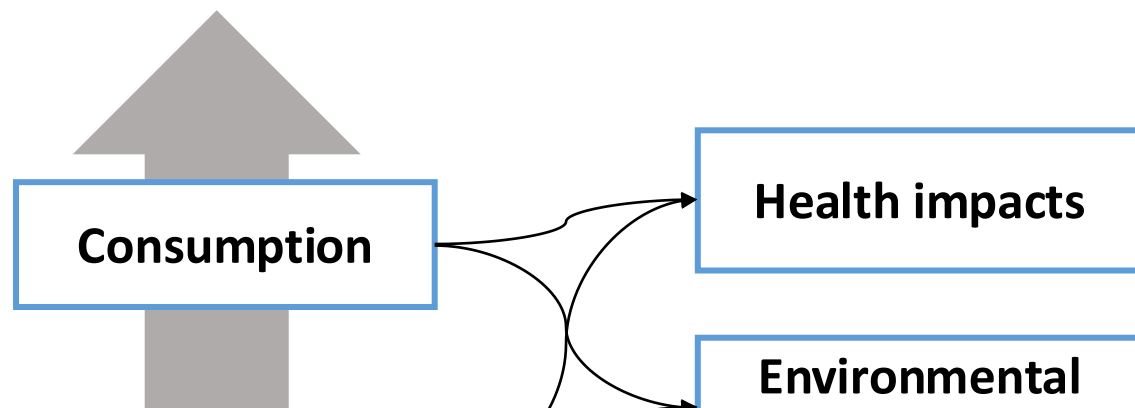
- Beyond their productive function, agricultural and food systems generate positive and negative externalities
- Mapping these externalities is a complex task
- Some externalities are better known and understood than others

# Sources of these externalities



- **Different stages** of the value chain contribute to these externalities
- **Causal chains** are sometimes difficult to reconstruct
- At each level, a **diversity** of production and consumption modes contributes differently to total externalities

# Sources of these externalities

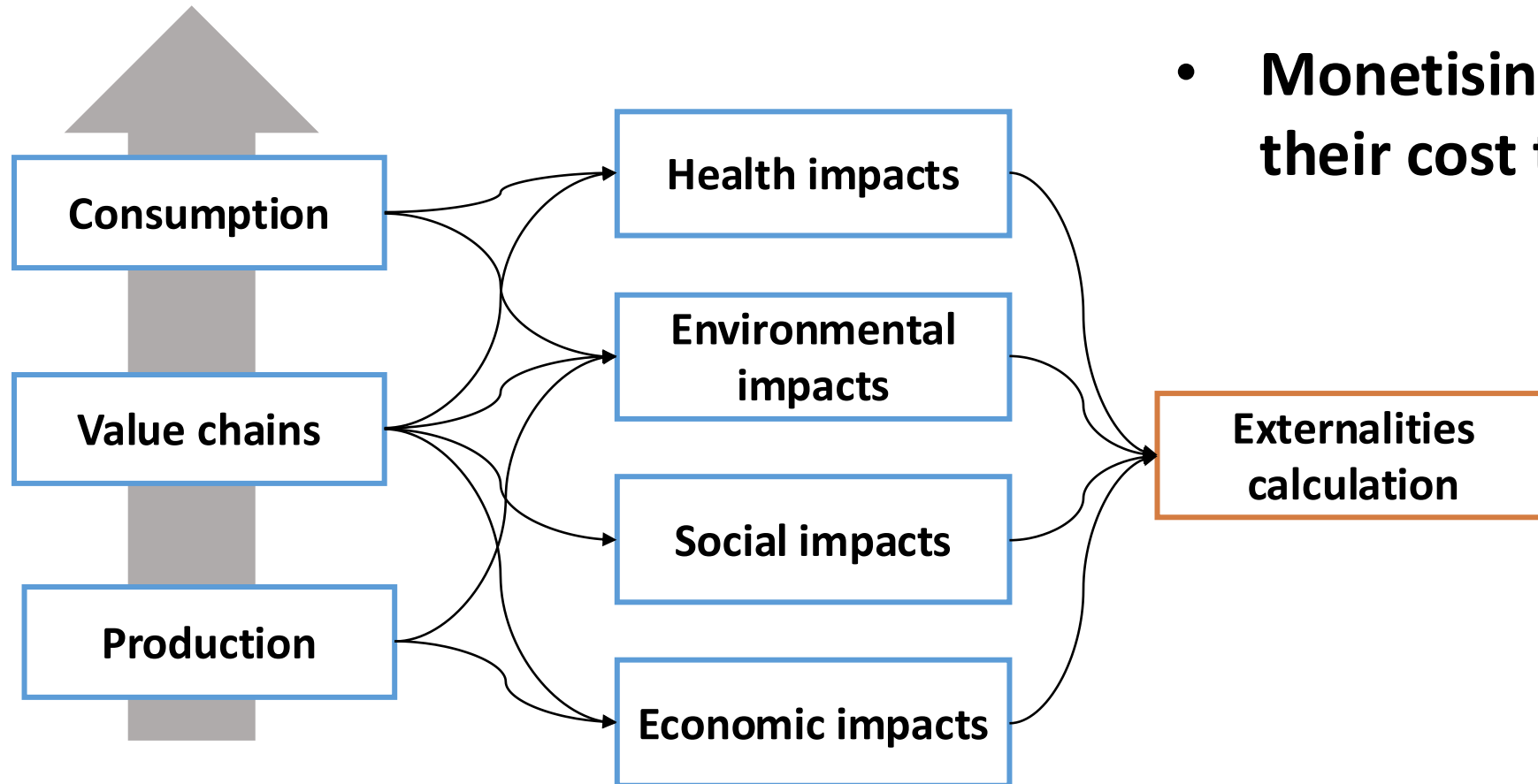


## Ethical consideration

- Holding stakeholders accountable while recognising their diversity
- Within the coexistence of systems, assigning each a share proportional to its impact

- **Different stages** of the value chain contribute to these externalities
- **Causal chains** are sometimes difficult to reconstruct
- At each level, a **diversity** of production and consumption modes contributes differently to total externalities

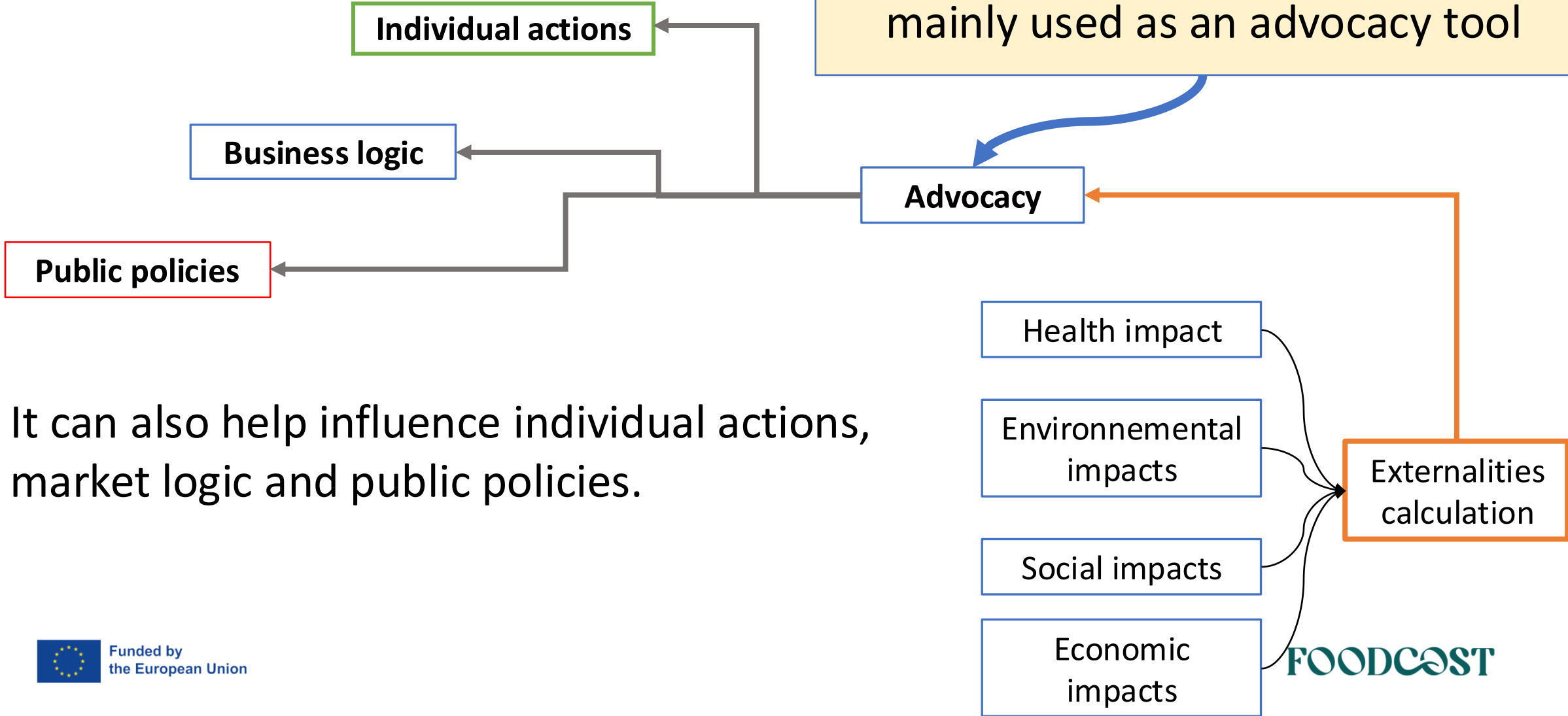
# From externalities to cost



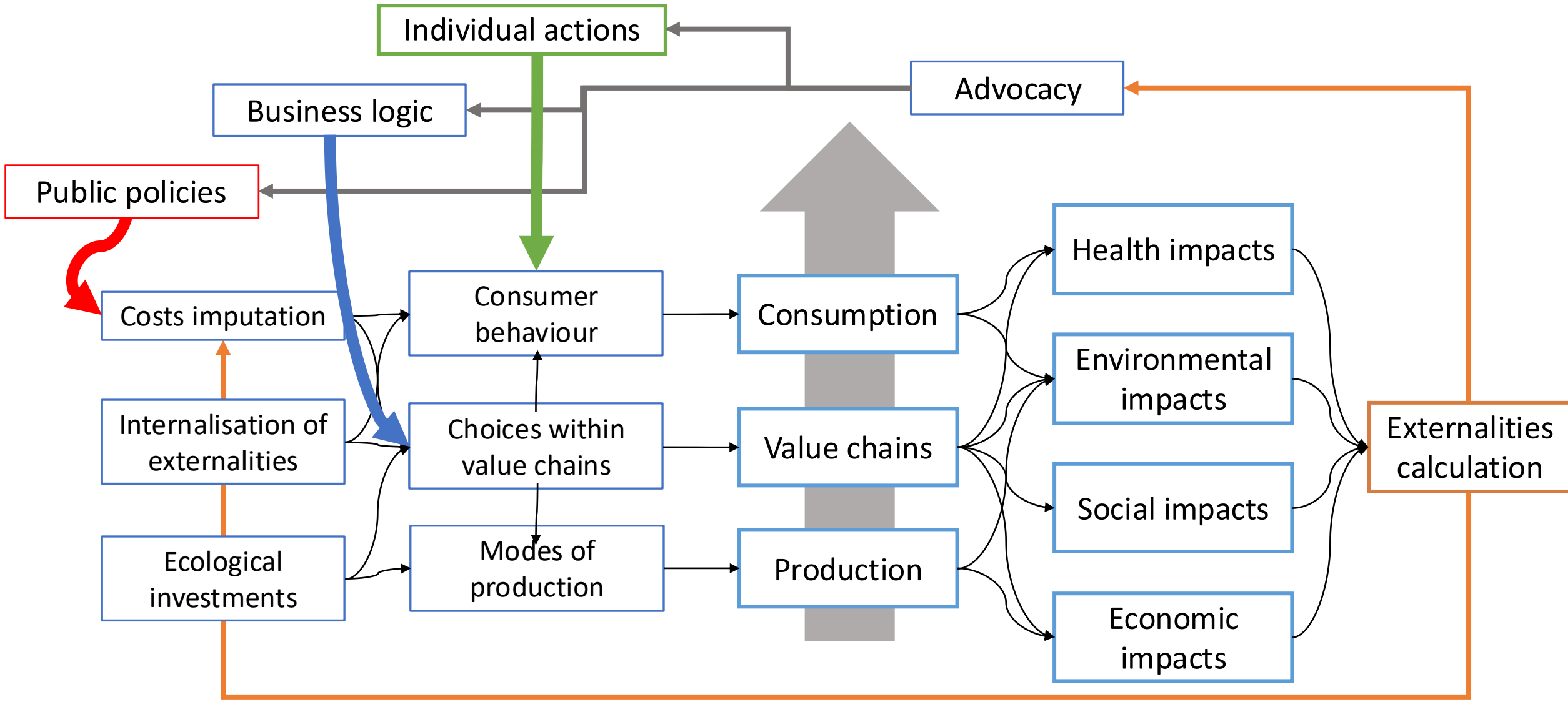
- **Monetising externalities allows their cost to be calculated**

# From cost to action

Today, the question of the cost of agricultural and food systems is mainly used as an advocacy tool

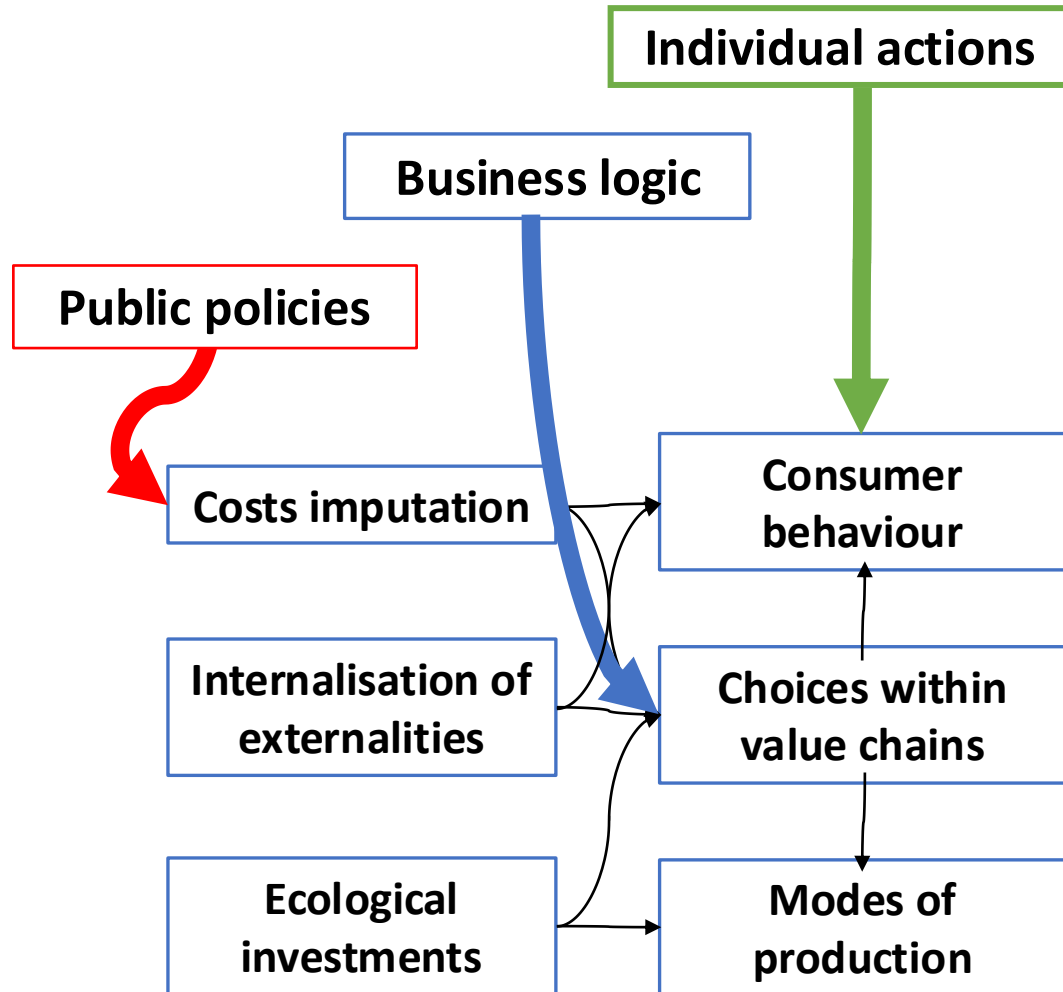


- It can also help influence individual actions, market logic and public policies.

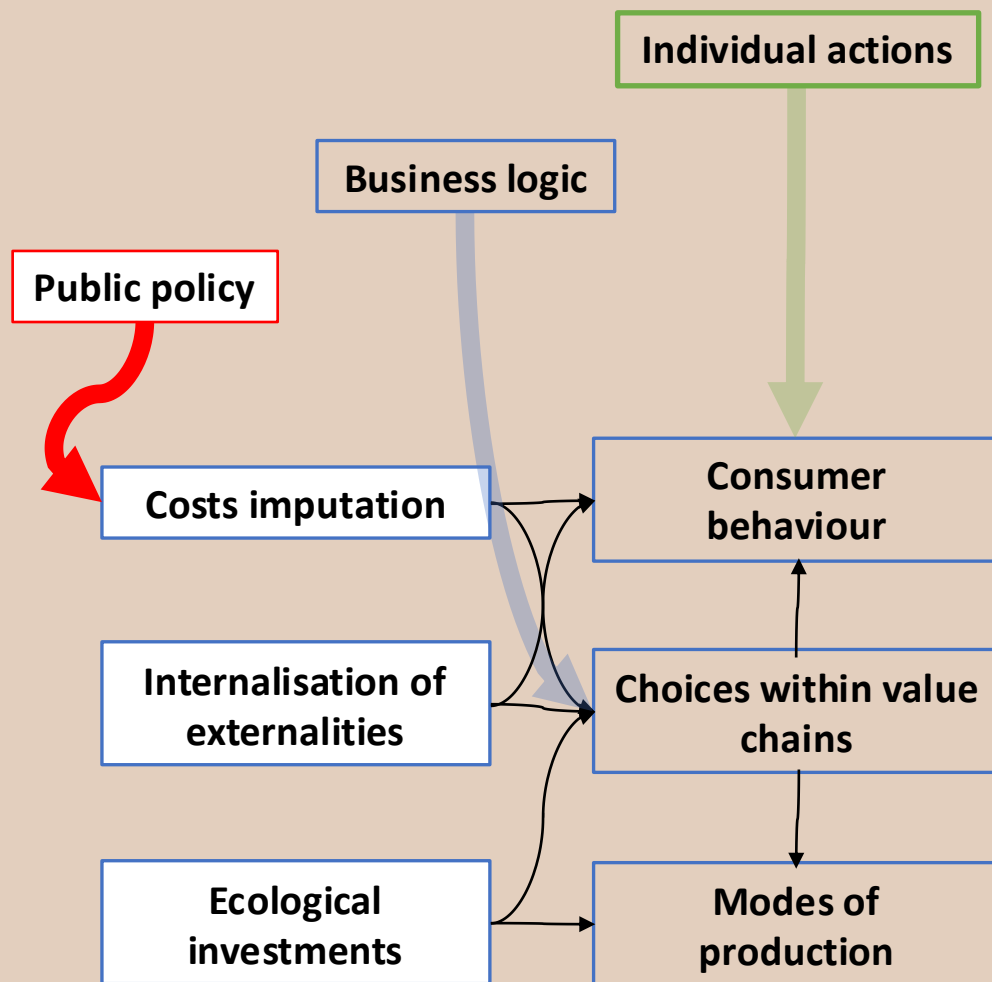


# From cost to action

Addressing environmental, social and public health challenges requires alignment between policies, markets and practices



# Public policies



## Internalizing externalities in public policies

- Taxes
- Regulations
- Public procurements
- Subsidies

[Coinon et al., 2023](#)

# Learn more about policy impacts ?

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## A critical review of EU agri-food policy impacts

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### ARTICLE INFO

**Keywords:**

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Sustainability governance  
Monitoring and evaluation  
Critical review

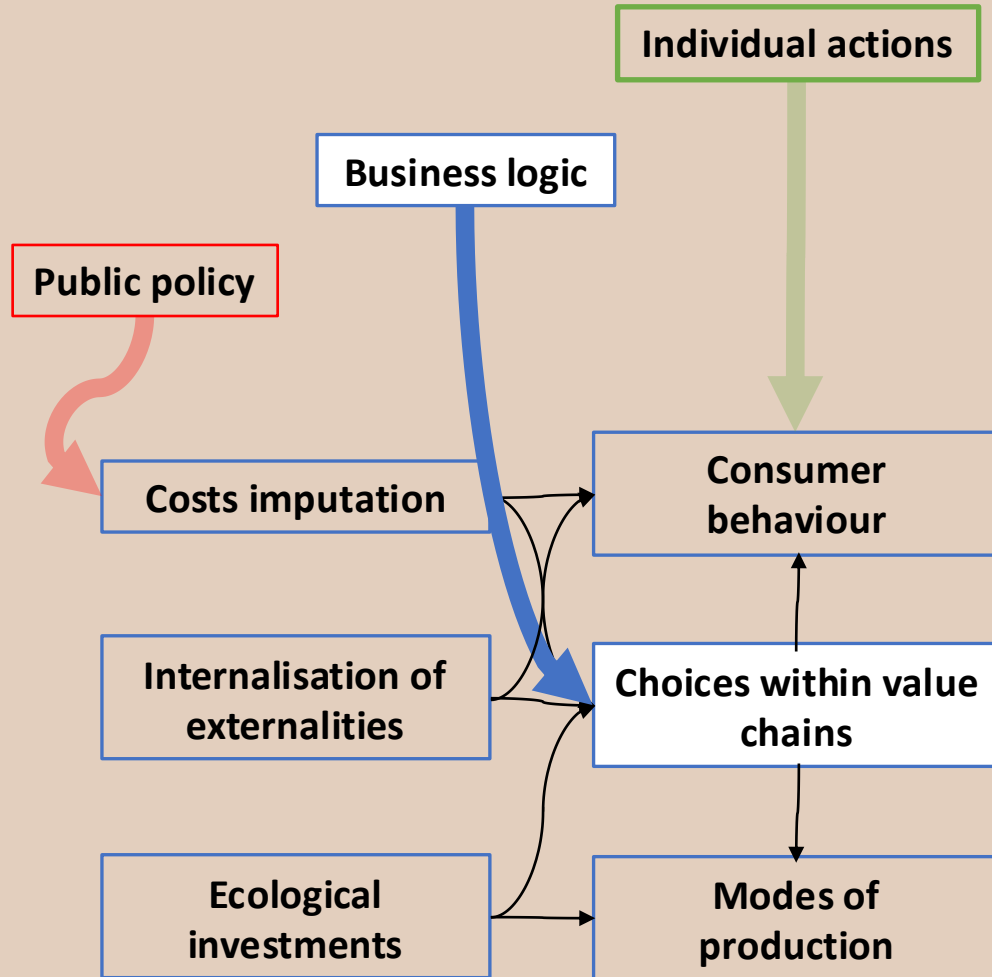
### ABSTRACT

The European Union's agri-food policies aim to balance productivity with environmental, social, and economic sustainability. However, their overall effectiveness remains debated due to fragmented evidence and inconsistent implementation. This study critically reviews the literature on the cumulative impacts of EU policies governing primary agricultural production, focusing on six sectors: the Common Agricultural Policy, genetically modified organisms, pesticide, fertilizers, fisheries, and animal health and welfare.

Using a two-step approach, we first mapped EU-level policies, retaining 38 policies that met predefined criteria (binding EU scope, production-related, impact-oriented, and active since 2000). We then conducted a qualitative synthesis of 97 peer-reviewed studies (from 1.359 retrieved), coding the environmental, social, and economic impacts reported in these studies.

FOODCAST

# Business logic

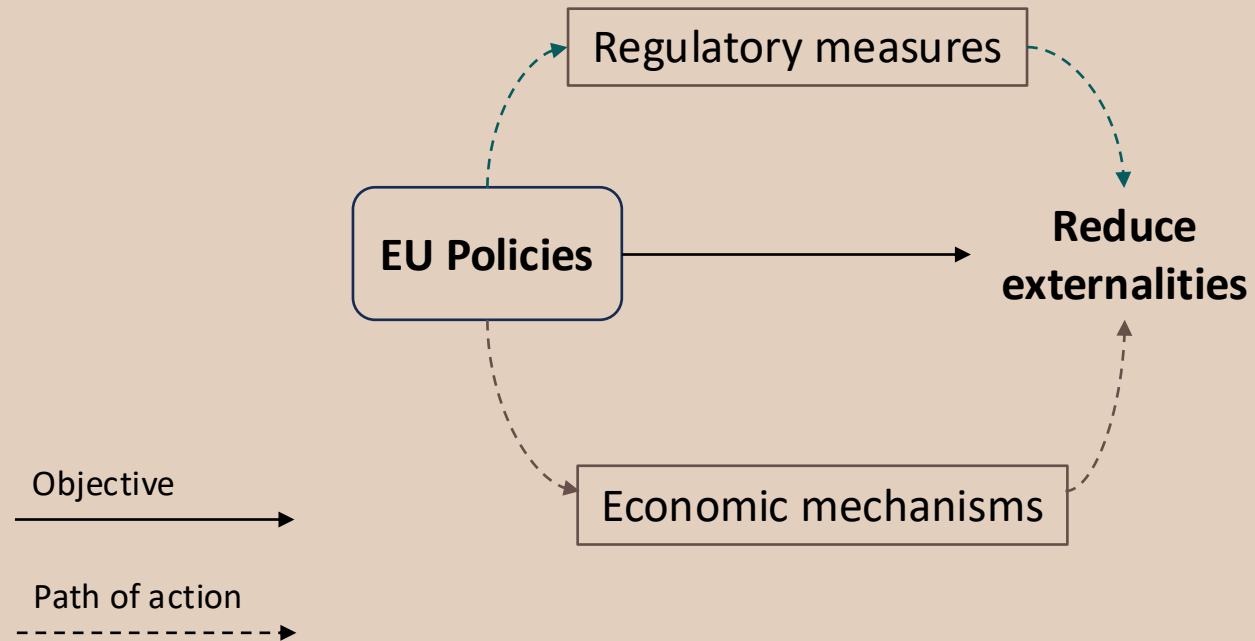


## Internalizing externalities in business models

- Product and process innovation
- Value chain reconfiguration
- Measurement & accreditation tools
- Consumer/market recognition
- Innovative financing

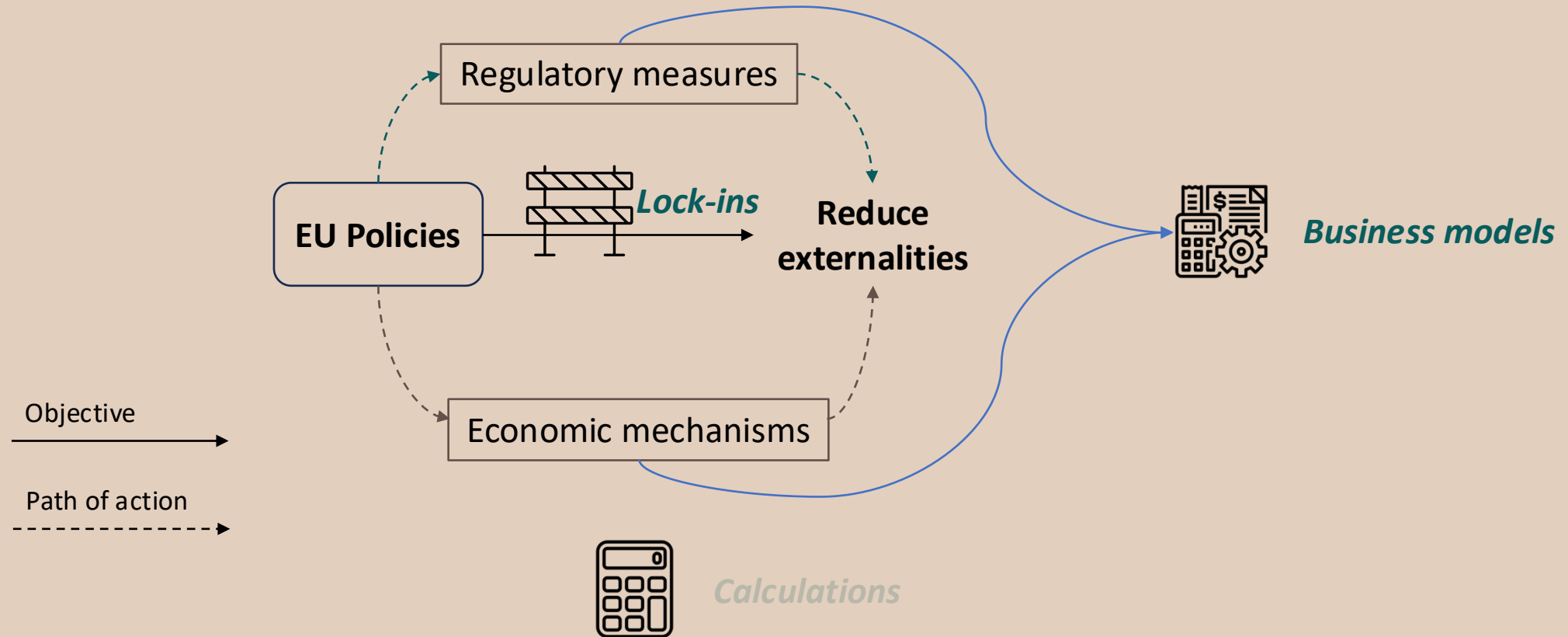
[Mehrabi and Giagnocavo \(2024\)](#)

# Impact pathways

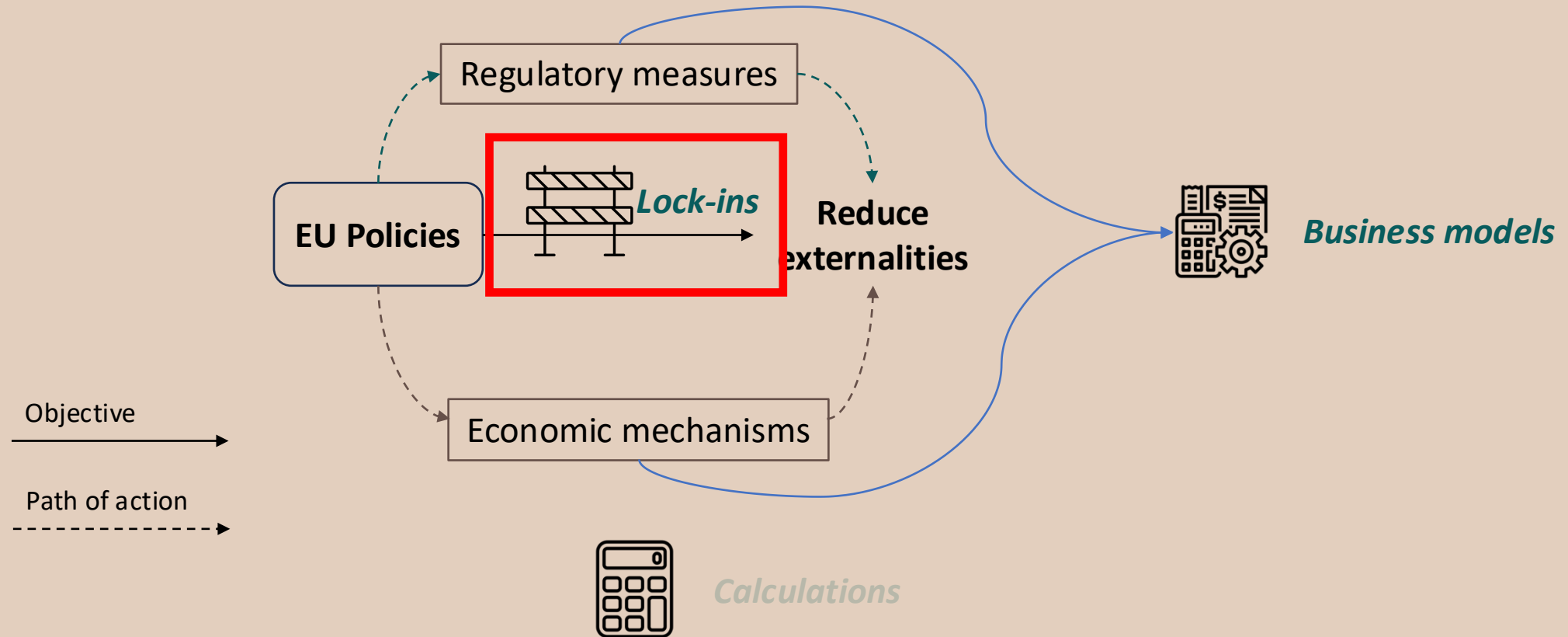


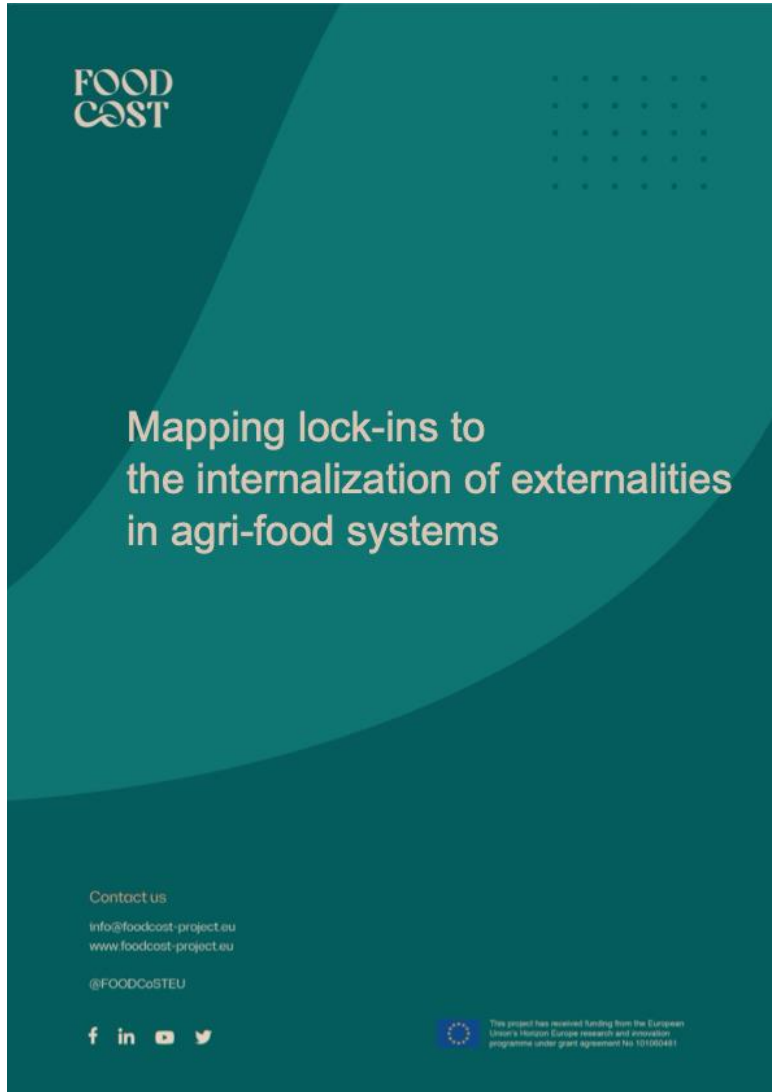
*Calculations*

# Impact pathways



# Impact pathways

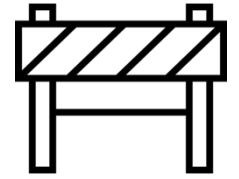




## Result - FOODCoST produced

- A guidebook to map lock-ins
- A checklist of 58 barriers to the internalisation of externalities in food systems



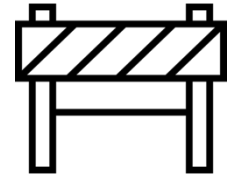


# Lock-in within the policy cycle



## Examples of barriers

- Long-term policy uncertainties
- Lack of EU policy harmonization
- Lack of policy support
  - Opposing lobbying forces
  - Inequal allocation of resources
- Unfavourable regulations
  - Lack of regulatory flexibility
  - Lack of legal recognition of internalization
  - Lack of properly defined property rights
  - Lack of binding rules and sanctions



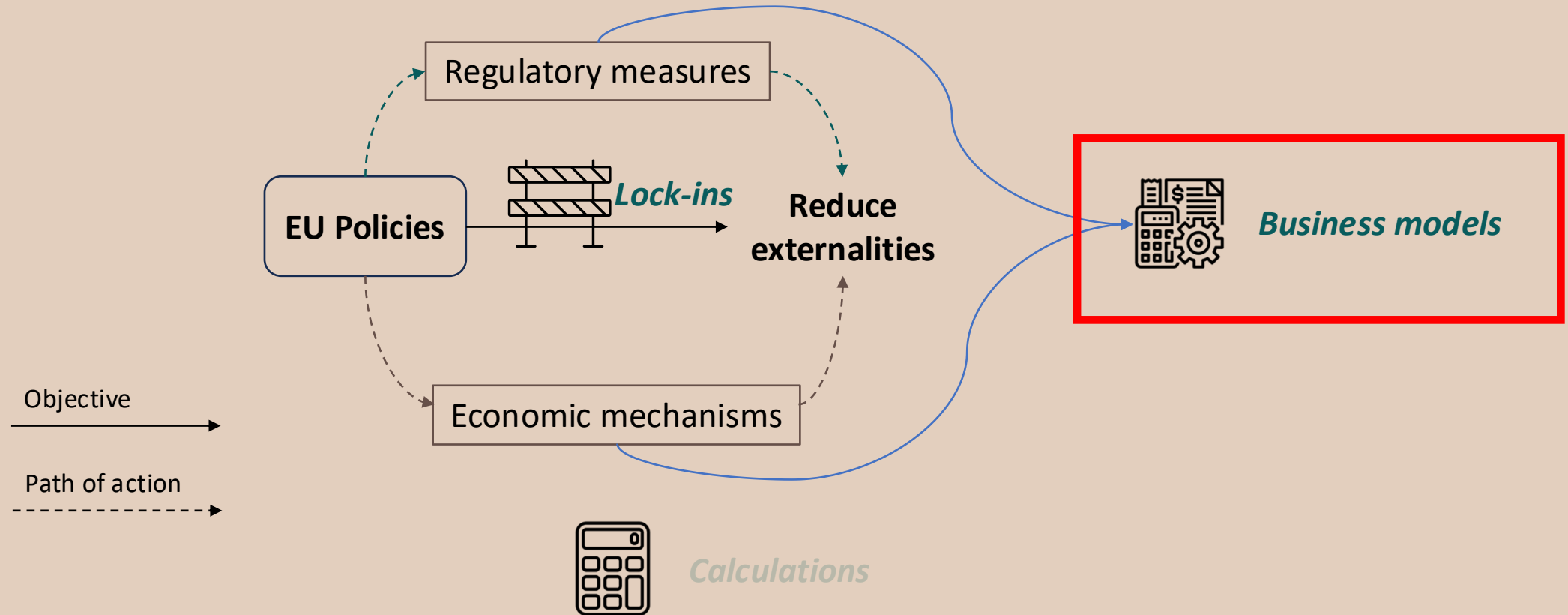
# Lock-in within business logic



## Examples of barriers

- Market misalignment
  - Low willingness to pay for internalized products
  - Competition/uneven playing field with conventional
  - Greenwashing
- Inadequate financial incentives
  - Lack of predictability on returns
  - High upfront investment needs
- Strong re-organization needs
  - Tedious administrative procedures
  - Inadapted management structures
- Socio-cultural resistance to change
- ...

# Impact pathways



**Internalising Externalities in  
Food Systems:  
Recommendations to Support  
Business-Oriented Pathways**

**Deliverable 3.4**

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@FOODCoSTEU



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## Result - FOODCoST produced

**A set of 22 recommendations to support business-oriented actions to reduce/suppress externalities**



*Available in a few days!*

### **Assess**

Identify & measure externalities; explore opportunities for change

### **Prioritise & Set Targets**

Establish strategic orientation

### **Act**

Operationalise change to reduce negative externalities and enhance positive ones

### **Anchor & Diffuse**

Sustain progress and contribute to system change

## Assess

Identify & measure externalities; explore opportunities for change

1. Map your value chain and identify externalities
2. Quantify and monetize key externalities
3. Assess investment needs and identify financial opportunities

## Prioritise & Set Targets

Establish strategic orientation

4. Adopt long-term vision
5. Co-define an integrated purpose
6. Develop corporate sustainability agenda with clear and measurable targets
7. Identify indicators to track externalities and methodologies to assess them

## Act

Operationalise change to reduce negative externalities and enhance positive ones

### ENABLERS

8. Enhance collaboration across the supply chain, industry, and academia
9. Adopt new management tools geared towards positive impact on natural and social capital
10. Reinforce traceability within the value chain

### LEVERS

11. Prioritise responsible sourcing
12. Reduce externalities in own processes and product formulations
13. Foster fair value distribution across value chains
14. Foster risk-sharing across value chains

### SIGNALS

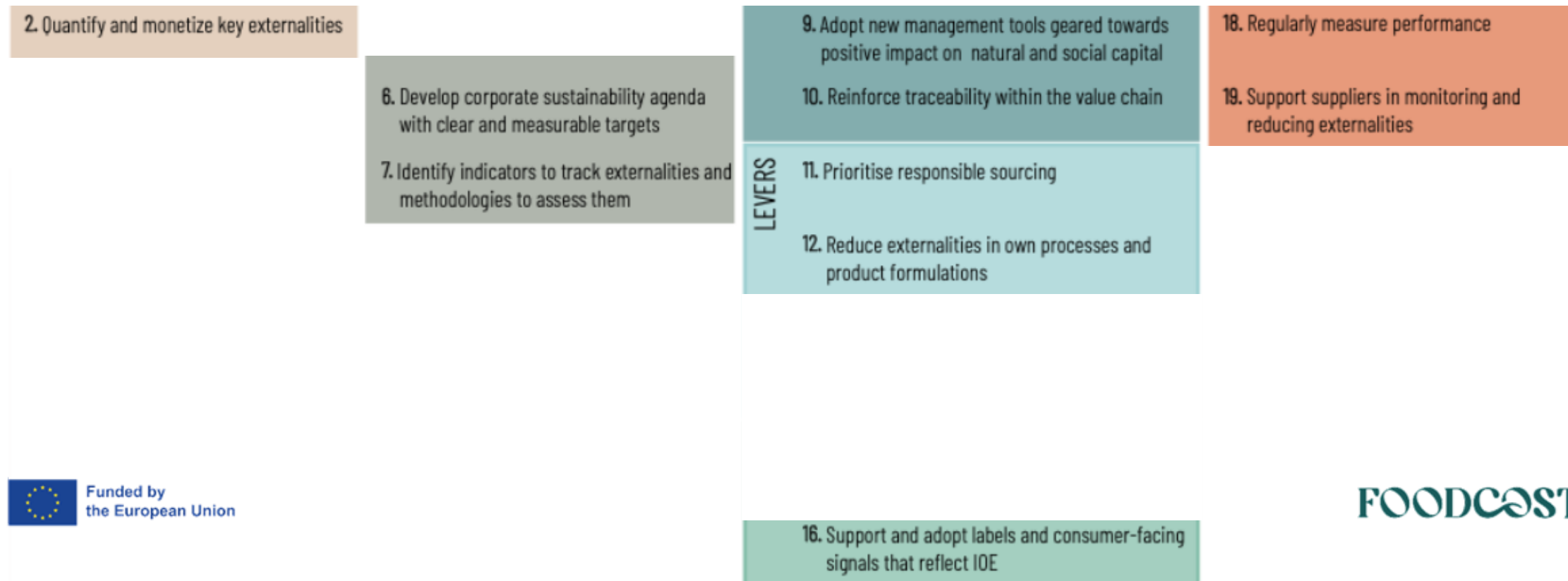
15. Strive for greater transparency
16. Support and adopt labels and consumer-facing signals that reflect IOE

## Anchor & Diffuse

Sustain progress and contribute to system change

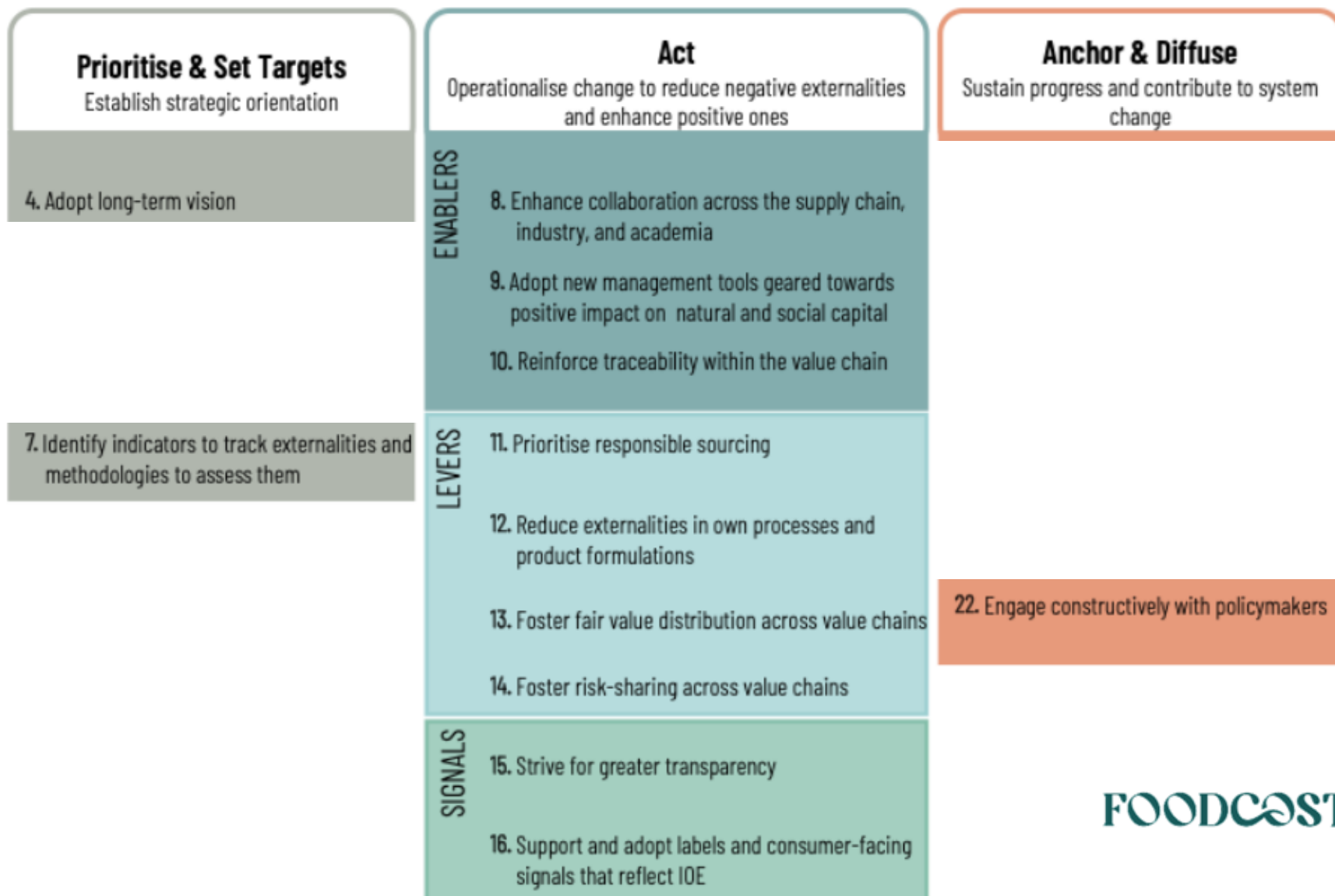
17. Set up impact governance bodies
18. Regularly measure performance
19. Support suppliers in monitoring and reducing externalities
20. Communicate a clear narrative on externalities and long-term impacts
21. Share good practices
22. Engage constructively with policymakers

# Looking at these actions, some are supported by strong calculation methodologies

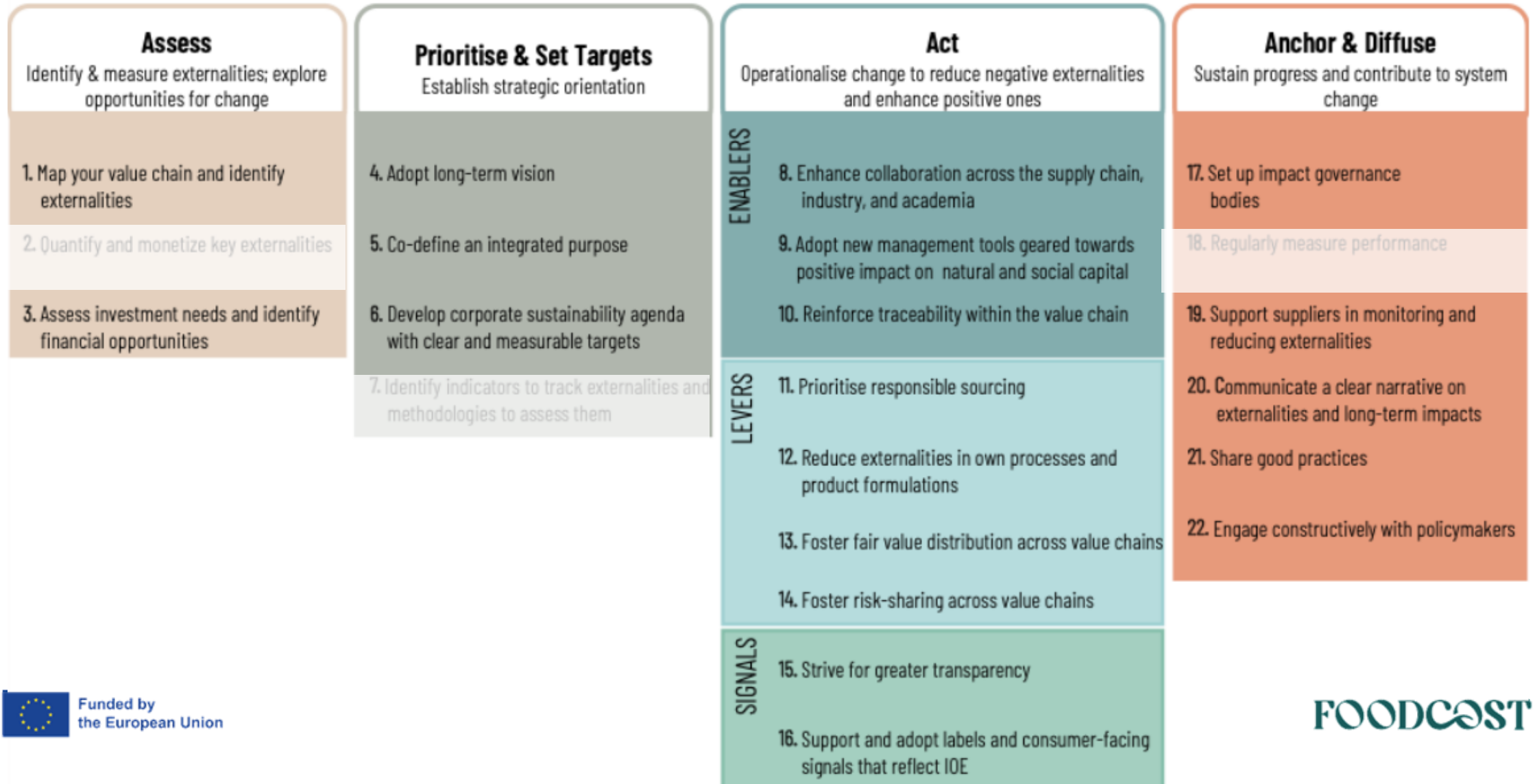




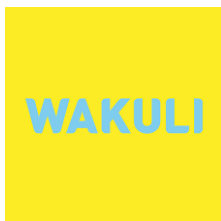
# ... some of these actions are policy-influenced



# ... but most are ready to deploy !



# Examples of business already acting



## 2.3.2 Recommendation 9 – Adopt new management tools (financial and extra-financial) geared towards rigorous preservation of natural and social capital

Integrating IOE within businesses requires adopting management and accounting systems capable of aligning strategic planning, investment decisions, and organisational processes with long-term ecological and social sustainability.

### Example

#### Danone – Incorporating societal impacts into business decisions

Toulouse School of Economics teamed up with Danone to develop a tool for valuating corporate societal impacts (Bonnet et al., 2023). Societal impacts can then be included in financial decision-making tools by specifying how much the decision-maker cares about them, alongside traditional financial variables such as revenues and costs. Ultimately, addressing these societal impacts will depend on both corporate stakeholders' willingness to act, as well as policy incentives such as regulations or taxes on activities that generate high social costs (Delaere et al., 2022). The results of the integrated valuation model can also guide investors toward more responsible investment choices, encouraging them to prioritise companies that achieve the best performance in terms of societal impact (Delaere et al., 2022).

### Tools

The [CARE \(Comprehensive Accounting in Respect of Ecology\) model](#) offers a full operational accounting framework integrating natural capital directly into core financial statements. By combining biophysical assessments with monetary accounts, it enables firms to monitor and preserve natural and human capital with the same rigour as financial assets. CARE's non-substitution principle ensures that preservation of nature or people is not reduced to its financial benefits but becomes a mandatory condition of viable performance.

**We can act now, in parallel to methodological clarifications and policy alignment**

**This radical objective**  
*[suppressing externalities]*  
**remains urgent**



thank you



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the European Union

FOODCOST

# FOODCOST

Redefining the value of food

[www.foodcost-project.eu](http://www.foodcost-project.eu)

consortium



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