



## EXECUTIVE SUMMARY

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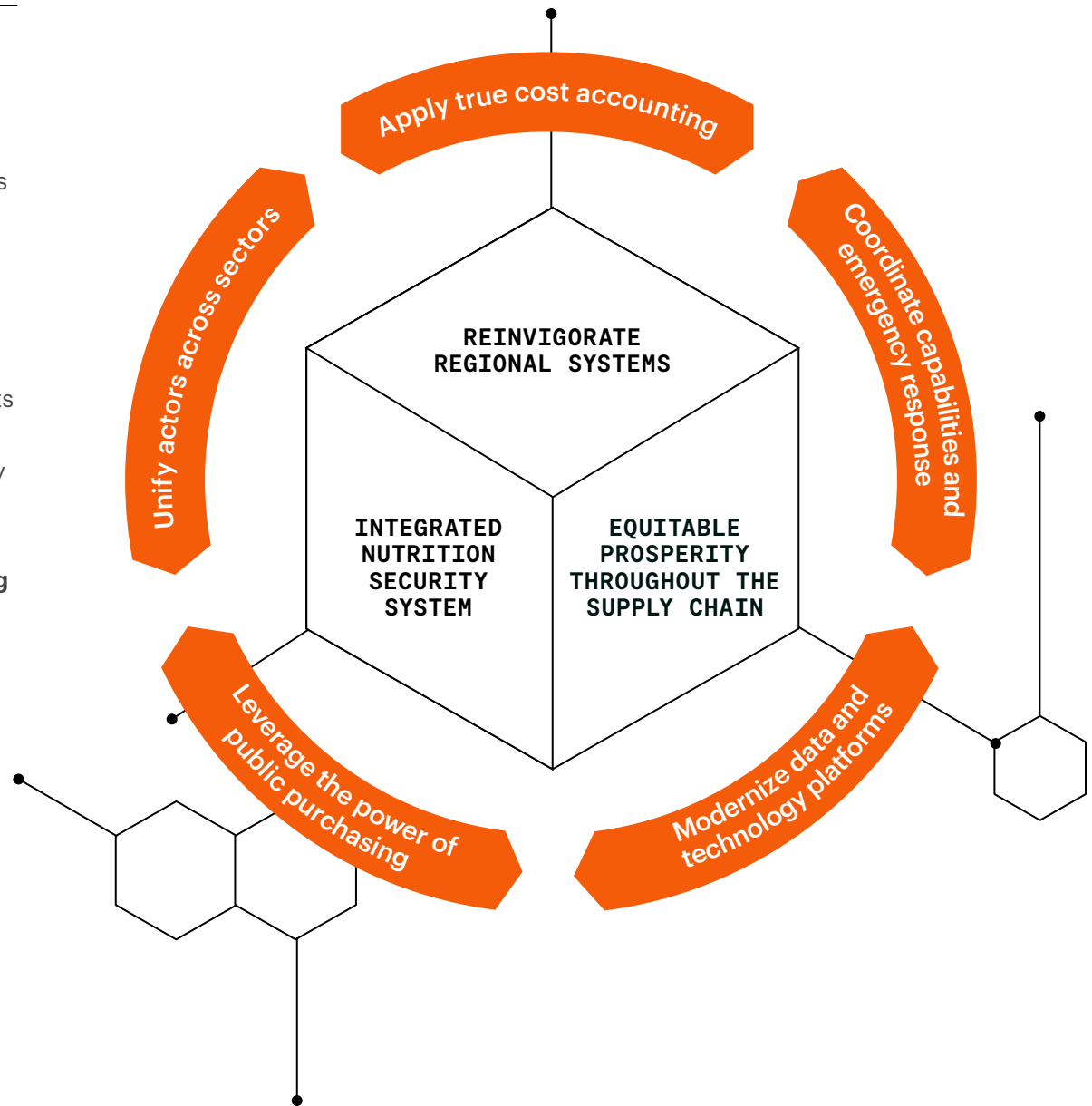
# True Cost of Food Measuring What Matters to Transform the U.S. Food System

# Answering the Call to Reset the Table

Over the past year, the Covid-19 pandemic exposed significant weaknesses in the U.S. food system, and America faced a food and nutrition crisis unlike any this country has seen for generations. As we emerge from this crisis, there is a unique opportunity to transform the U.S. food system.

The Rockefeller Foundation's previous report [Reset the Table: Meeting the Moment to Transform the U.S. Food System](#) (published in 2020) identified three required shifts to make the U.S. food system more equitable, resilient, and nourishing: moving to an integrated nutrition security system; reinvigorating regional and local food systems, and ensuring equitable prosperity throughout the supply chain. **The report identified five necessary cross-cutting capabilities to make these shifts, including the use of true cost accounting.**

Recommendations from Reset the Table (2020) on the capabilities and shifts needed to transform the U.S. food system



Understanding the true cost of the food we consume is a first and necessary step towards remaking the incentive structure that drives our food system today and, ultimately, transforming it. Applying true cost accounting ensures that all food system stakeholders understand the full benefits and costs of the current system. It allows for more informed decision-making and helps to ensure that the public and private sectors are getting the maximum value from limited resources. When applied across the food system, true cost accounting helps identify and address inequities in our food system.

This report, *True Cost of Food: Measuring What Matters to Transform the U.S. Food System*, draws on the insights from dozens of experts and is one of the first true cost analyses of the U.S. food system.

# The True Cost of Food is Three Times Higher Than Originally Thought

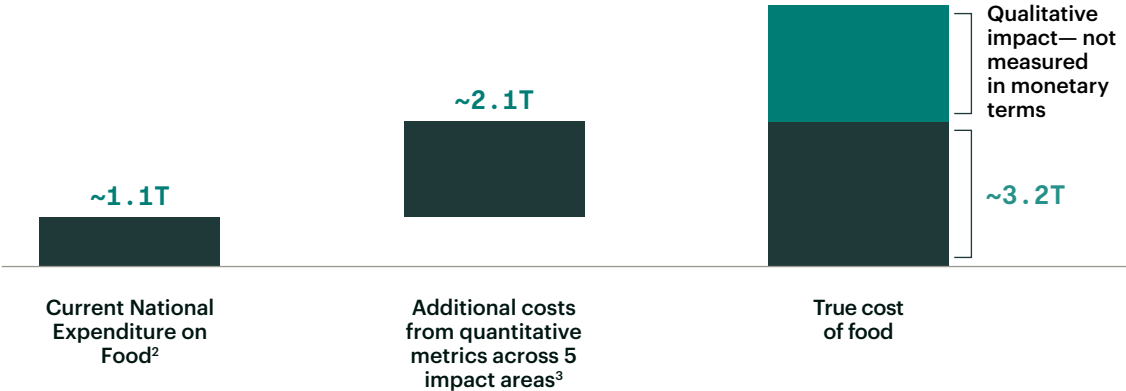
As a country, we spend a total of \$1.1 trillion a year on food. When we applied a true cost accounting framework, the current cost of our food system grew to more than \$3 trillion per year. When we consider the impacts and food-related costs on our health care system, environment, and biodiversity, it is clear that communities of color are disproportionately affected.

ESTIMATED TRUE COST OF FOOD IN THE U.S., ANNUAL (T USD)

1 The analysis of the U.S. Food system discussed in this report includes the production, processing, distribution, retail, and consumption stages of the supply chain. It does not include food service or hospitality in cost analyses. Exports are included at the production level, and imports are included for consumption.

2 Total spent by U.S. consumers, businesses, and governmental entities on food and beverages in grocery stores and other retailers and on away-from-home meals and snack.

3 Equity impact assessed for each area individually.



**Of the impact areas we assessed in our study, the costs related to human health were by far the most significant driver of unaccounted-for costs, at roughly \$1.1 trillion per year.** That figure alone nearly doubles the cost of our food system—our national ‘bill’ for the diet-related disease is equal to all the money we currently pay for the food itself.

**The unaccounted costs of the food system on the environment and biodiversity add up to almost \$900 billion per year.** These costs are mainly attributable to two areas: greenhouse gas (GHG) emissions and biodiversity costs. GHG emissions directly contribute approximately \$400 billion in additional costs of the food system, primarily due to GHGs from food production and plastic.

There is considerable evidence that food workers and producers—who are overwhelmingly from marginalized communities, and in particular from communities of color—bear the burden of these impacts. **We estimate that the unaccounted livelihood costs are approximately \$100 billion of the true cost of food.** This includes costs of child labor, unlivable wages, a lack of standard employment benefits (such as healthcare) for producers and workers across the value chain, and occupational health and safety costs.

## Applying True Cost Methodology Leads to Better Policies and Practices

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These findings point to an enormous opportunity for a collective reimagining of our food system. We need holistic and transformational change to build a food system that provides healthy and affordable food for all consumers. **We also need a system that delivers fair, livable wages, safe working conditions for workers and producers, viable farming options for rural communities, and sustainable use of our natural resources.**

Without true cost accounting, decisions made by public and private entities often prioritize short-term, direct costs while failing to consider the long-term and indirect costs that might have led to a different decision or justify a long-term investment. Applying a true cost accounting framework to the food system and individual interventions and investments helps to build the case for critical changes and better inform solution design.

**For example, the recognition that we are incurring \$1.1 trillion per year in food-related human health costs supports the recommendation to expand Food is Medicine programs that provide nutrition incentives as a part of healthcare delivery.** This data on the true cost of food strengthens the economic case to invest in equitable access to Produce Prescription programs, medically tailored meals, and other programs that enable health

care providers to connect patients with healthy food. Even if only a portion of the \$1.1 trillion in human health costs could be prevented, it would likely be well worth the upfront investment needed to scale these interventions. Successful application of true cost methodology can also inform the best ways to ensure nutrition security for all, including an improved, evidence-based assessment of return on investment for critical public nutrition programs such as school meals, SNAP and WIC.

**Seeing how marginalized communities and in particular communities of color bear disproportionate costs across issue areas provides support for expanding programs specifically designed to address these disparities.** We should direct the purchasing power of large institutions along a values-based (equitable, ethical, healthy, sustainable) supply chain by incentivizing, requiring, or otherwise enabling institutions' food procurement to prioritize a diversity of producers and suppliers that embody these values. In addition, we should explore investments in economic development; labor policy changes; wage structures that reflect the value contributed by workers; and infrastructure funding to support local supply chains.

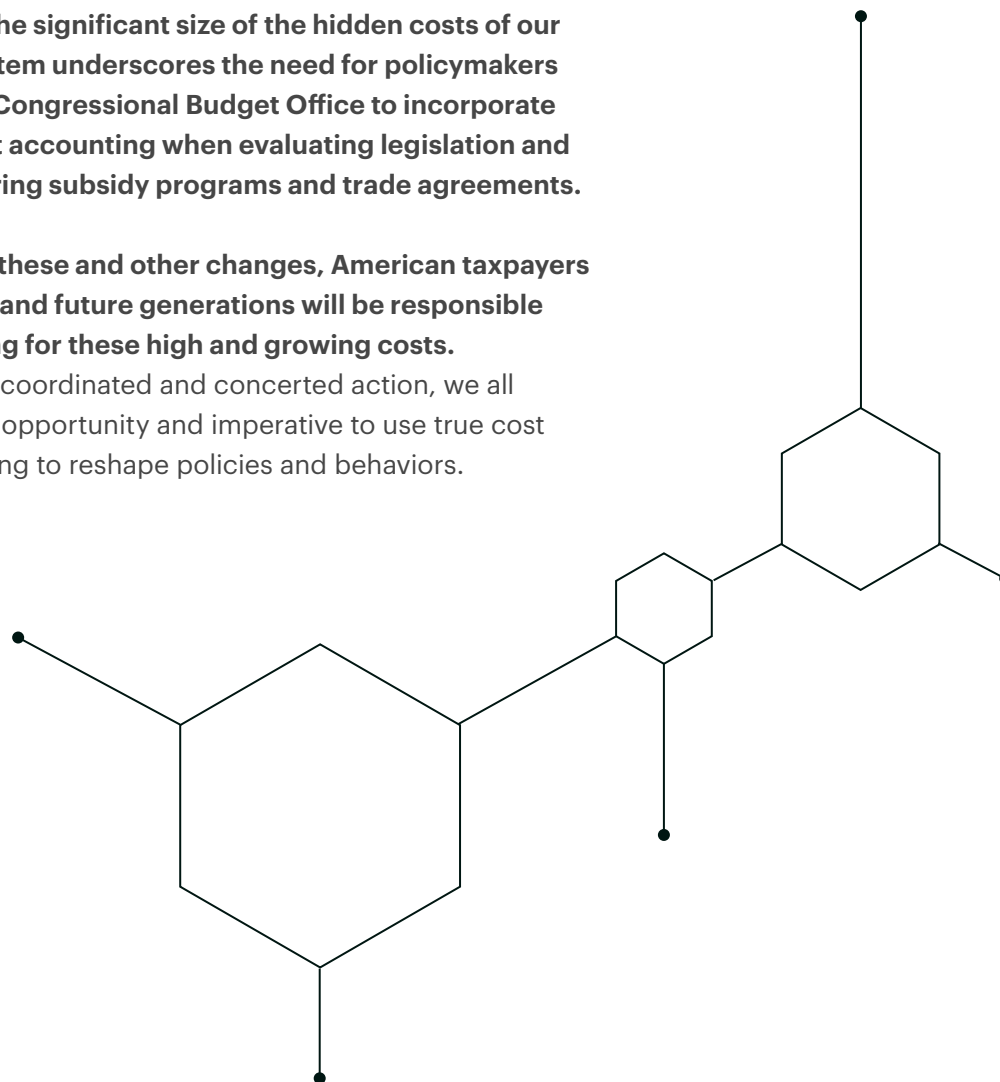
**This analysis can also inform how private sector companies and investors incorporate true cost accounting practices into their own long-term strategy and reporting. Such changes can support environmental, social, and governance (ESG) goals and help demonstrate to shareholders and stakeholders a company's sustainable business growth.** This could include new financial markets related to natural capital, including carbon, water, soil nitrogen, and biodiversity,

and deeper engagement from companies and investors on human health. It might also encourage a deeper investment in Food is Medicine programs by healthcare providers and the implementation of value-based purchasing and contracting.

**Finally, the significant size of the hidden costs of our food system underscores the need for policymakers and the Congressional Budget Office to incorporate true cost accounting when evaluating legislation and considering subsidy programs and trade agreements.**

**Without these and other changes, American taxpayers of today and future generations will be responsible for paying for these high and growing costs.**

Through coordinated and concerted action, we all have the opportunity and imperative to use true cost accounting to reshape policies and behaviors.





[Read the full report](#)  
[rockefellerfoundation.org](https://rockefellerfoundation.org)

