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# Transforming the Food Service Sector to Combat Climate Change

Thailand, with a population of around 69 Million people, went through an export-driven industrialization in the 1980s and 1990s that led to high growth rates and fundamentally changed the country's economic and social structure. However, after years of declining poverty levels, the trend reversed. The poverty rate increased from 7.2 percent in 2015 to 9.8 percent as of 2018<sup>1</sup>. With a rapidly aging population and one-third of the working population employed in agriculture, poverty and equity remain relevant issues for Thailand despite its status as an upper middle-income country. The growth in agricultural production has led to an increase in conversion of forest land to agricultural land. This has also driven the replacement of traditional peasant farming by monoculture systems, entailing high social and environmental impacts.

# **Challenges and Objectives**

An increase in demand for cash crops, meat and animal feed across the globe has led to a variety of environmental and social issues in Thailand. The cultivation of maize, used mostly in animal feed, has driven out forest cover in northern Thailand, causing erosion and soil degradation and agrochemical pollution. The monocropping of maize has also brought socio-economic challenges, such as vicious debt cycles for vulnerable peasants<sup>2</sup>. Farmers that switched to maize cultivation are dependent on bulk buyers that define their mode of production. With little power to negotiate prices, the revenue they receive is not enough to cover the cost of production itself<sup>3</sup>. The country's political instability throughout the whole project period and global market price variability have rendered farmers yet more vulnerable. The primary aim of the project is to address the interrelated environmental impacts associated to unsustainable farming practices by promoting and integrating sustainable practices in both consumption and production activities through a value chain approach.

### **Trade-offs and Synergies**

Changing eating habits such as incorporating less and "better" meat into diets reduces the need for land – for grazing and for feed cultivation - significantly. However, changing behavior is particularly challenging in Thailand, where meat has become an important part of the local cuisine. Transitioning from monoculture cash crops to mixed agricultural systems involves uncertainty, particularly with regards to finding access to new markets. Further, environmental, social, and economic benefits of transitioning to sustainable agricultural systems are usually not felt immediately by those who carry the costs and risks. For consumers there are also trade-offs that are difficult to navigate. The price of sustainably produced food may be higher compared to 'conventional', deterring its demand.

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## **Quick Facts**

- Location: Thailand
- Duration: 2017 2021
- Organization: WWF Thailand



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#### Strategy

Following a systems-based framework, which requires working with actors and their activities from production all along to consumption, the project took a three-pronged strategy, tackling several leverage points at once: working with businesses to adopt sustainable practices and business models; raising awareness and mobilizing the public; and supporting government with developing transformative policies.

- Business Sector: Two pilot farming areas were selected at the beginning of the project that proved suitable for the conversion of monoculture maize farming to a diversified system of perennial trees, fruits and vegetables, using agroecological principles. Through an agreement with an agricultural lending bank, several farmers were able to restructure debt repayments. A financial mechanism, FLR349, was created in 2018 with partners, aimed at supporting farmers transitions for 6 years. Key project partners such as the Thai Organic Agriculture Foundation provided training on agroecological approaches, and with the verification of production methods through the Participatory Guarantee Systems (PGS) for organic certification, which poses less barriers to small farmers. A major Thai retailer partnered with the project to support farmers accessing the market.
- Consumers: The project aimed at leveraging the power of consumer choice to influence corporate and government decisions regarding sustainable product policies. Insights gained through a consumer survey at the beginning of the project supported the development of a communication campaign strategy, with a focus on making consumer information more accessible and defining calls to action for different cohorts of the Thai population. A focus on farmers markets was particularly emphasized to promote responsible consumption patterns among urban consumers and to foster the direct exchange between producers and consumers.
- Government: The project sought to pursue strong partnerships with relevant government departments, advocating for a stronger presence of sustainable practices within government policies related to the agri-food sector, including across a range of interrelated challenges such as climate change and the country's Nationally Determined Contributions (NDCs), Climate Change Master Plan, and National Adaptation Plan.





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#### Tools

Various types of engagement platforms were established such as social media platforms and consumer forums to encourage changes in consumer behaviour.

- Workshops at the project sites facilitated the incorporation of local stakeholders, particularly small farmers. By partnering with academic institutions, scientific topics, findings, and challenges were discussed with them during field visits.
- The '<u>Eat Better</u>' campaign was created as an awareness-raising initiative to encourage consumers to think about the value of food and how it is produced. The campaign was also designed as a convening and mobilization process with other civil society stakeholders.



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#### Lessons Learned

- Policymaker engagement proved challenging a due to changing, unstable policy arena. The focus was shifted to cooperating with government research institutions, which proved to be a good lever for policy advocacy. Partnering with academic institutions helped in planning and implementing activities. Using the evidence base produced by scientific institutions proved effective in stimulating government actors to engage with the project and become more receptive to policy recommendations.
- At production level, farmers' concern over profitability still tended to outweigh environmental benefits, which explains why many are still reluctant to transition. The project's focus on market access and the close cooperation with famers cooperatives was very important to encourage a number of farmers. Alongside, accommodating SCP principles to the local context, such as through localspecific certification schemes, allowed for a strong sense of ownership on the side of the producers.
- While surveys indicate that consumer awareness on the themes of SCP increased, findings also show that the willingness to buy sustainable products was not as high in 2020/ 2021 as compared to data from 2018. This was specifically linked to the COVID-19 pandemic, as consumers became more concerned over their financial situation, cutting back on buying the more expensive sustainable options.

#### Results

The project aimed to find common ground and effective ways to create synergies with a wide range of stakeholders to contribute to the shift to sustainable food systems. The FLR349 mechanism was implemented in two northern provinces of Thailand, Chiang Mai and Nan. A total of 600 hectares of maize plantation were converted away from monoculture, of which 118 hectares were dedicated to forest restoration. A policy briefing platform was organized to inform the government and other stakeholders about mitigation opportunities through actions in the food system. In the collaboration with one of the largest retail conglomerates in the region, Central Group, the project promoted sustainable supply chains, raised consumer awareness through information tools, supported landscape restoration through a traceability platform, and supported farmers' markets across many provinces as key transformation catalyzers. Various activities such as workshops, farm trips, and farm-to-table dining events were developed, aimed at building an organic food network by connecting producers and consumers. Until September 2020, 40 workshops with more than 200 participants took place.



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#### Conclusions

The project convened a wide range of stakeholders along the agri-food value chain for the challenging goal of transforming practices that cause environmental and socio-economic impacts - and to transition to more sustainable production and consumption. At production level farmers shifted away from monoculture systems to mixed, diverse systems that mitigate carbon emissions, restore land and protect biodiversity, while fostering community resilience. Through a better understanding of consumers current knowledge on how ecosystem degradation relates to their food choices, the project was able to design a tailored communication campaign to trigger behavior change. By partnering with major retail companies, which have the capacity to shape sizeable food environments as well as define agri-food sourcing policies, a growing demand in sustainable products could be met with both better provision of consumer information and a greater supply of sustainable produce. For the smallholder farmers challenging effort transitioning away from harmful monoculture practices, the project piloted the FLR349 fund, together with governmental, civil society and private organizations.

<sup>&</sup>lt;sup>1</sup> Yang, Judy et al. 2020. Taking the Pulse of Poverty and Inequality in Thailand. Washington, D.C.: World Bank Group.
<sup>2</sup> Arunrat, N. (2017. Farmers' Intention and decision to adapt to climate change: A case study in the Yom and Nan basins, Phichit province of Thailand. Journal of Cleaner Production, 143, 672-685.
<sup>3</sup> Rivthong, S. 2017. Agricultural commercialization: Risk percentions, risk management and the role of participation in the Yom and Nan basins. Frang, Judy et al. 2020. Faking the Pulse of Powerly and mediating in Frainand. Washington, Doc. World Bank Group. Arunrat, N. (2017, Farmers' intention and decision to adapt to climate change: A case study in the Yom and Nan basins, Phichit province Thailand. Journal of Cleaner Production, 143, 672-685. Riwthong, S. 2017. Agricultural commercialization: Risk perceptions, risk management and the role of pesticides in Thailand. Kasetsart Journal of Social Sciences, 38(3), 264-272.



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