

OFFICIAL FEEDBACK FORM

DIALOGUE DATE	Tuesday, 8 June 2021 10:00 GMT +08:00
DIALOGUE TITLE	The Best Small and Medium-Sized Enterprise Dialogue (Greater China and Overseas Mandarin-speaking Enterprises) to Provide Quality Food for All
CONVENED BY	联合国粮农组织 (FAO) 国际商会 (ICC) UNFSS-AT2 工作组
DIALOGUE EVENT PAGE	https://summitdialogues.org/dialogue/14615/
DIALOGUE TYPE	Independent
GEOGRAPHICAL FOCUS	China

The outcomes from a Food Systems Summit Dialogue will be of use in developing the pathway to sustainable food systems within the locality in which they take place. They will be a valuable contribution to the national pathways and also of interest to the different workstreams preparing for the Summit: the Action Tracks, Scientific Groups and Champions as well as for other Dialogues.

1. PARTICIPATION

TOTAL NUMBER OF PARTICIPANTS

101

PARTICIPATION BY AGE RANGE

0 0-18 21 19-30 59 31-50 17 51-65 2 66-80 2 80+

PARTICIPATION BY GENDER

54 Male 47 Female Prefer not to say or Other

NUMBER OF PARTICIPANTS IN EACH SECTOR

20	Agriculture/crops	7	Education	2	Health care
0	Fish and aquaculture	0	Communication	2	Nutrition
5	Livestock	7	Food processing	5	National or local government
9	Agro-forestry	7	Food retail, markets	2	Utilities
7	Environment and ecology	18	Food industry	2	Industrial
2	Trade and commerce	2	Financial Services	4	Other

NUMBER OF PARTICIPANTS FROM EACH STAKEHOLDER GROUP

55	Small/medium enterprise/artisan		Workers and trade union
8	Large national business		Member of Parliament
	Multi-national corporation		Local authority
	Small-scale farmer		Government and national institution
	Medium-scale farmer	11	Regional economic community
	Large-scale farmer	2	United Nations
10	Local Non-Governmental Organization		International financial institution
	International Non-Governmental Organization	5	Private Foundation / Partnership / Alliance
	Indigenous People	10	Consumer group
	Science and academia		Other

2. PRINCIPLES OF ENGAGEMENT

HOW DID YOU ORGANIZE THE DIALOGUE SO THAT THE PRINCIPLES WERE INCORPORATED, REINFORCED AND ENHANCED?

The UNFSS-AT2 China Action Hub used the same method as recommended by the Convenors Reference Manual, with minor adjustments according to the local circumstances.

HOW DID YOUR DIALOGUE REFLECT SPECIFIC ASPECTS OF THE PRINCIPLES?

Commit to the Summit: SMEs became familiar with the five action tracks of the Summit and looked forward to join any future UNFSS related events. Act with urgency/ Be respectful/ Embrace multi-stakeholder inclusivity/ Complement the work of others: SMEs who attended the dialogue would like to establish a food system network to promote communication and cross-functional understandings. Recognize complexity: Through conversations both on the main stage and in the breakout rooms, SMEs agreed that the change can't be made by one's power or by few people's power. The food system is complicated, which needs collaborations from the initial step to harvest to production and to transportation, and even the not necessarily related the areas such as the AI and computer sciences are also needed in order to transfer into a sustainable mode. Build trust: Proposed to have cross sector conversations more often.

DO YOU HAVE ADVICE FOR OTHER DIALOGUE CONVENORS ABOUT APPRECIATING THE PRINCIPLES OF ENGAGEMENT?

Follow the recommendations by the main organizer with adjustments to the local environment would work the best for the regional/ national dialogues.

3. METHOD

The outcomes of a Dialogue are influenced by the method that is used.

DID YOU USE THE SAME METHOD AS RECOMMENDED BY THE CONVENORS REFERENCE MANUAL?

Yes

No

4. DIALOGUE FOCUS & OUTCOMES

MAJOR FOCUS

The main focus of this dialogue is to pinpoint the challenges SMEs in China are facing, and how to tackle the challenges and boost their roles in providing good food for all.

Small and Medium-sized Enterprises (SMEs) are vital to our food economies, from bakeries to farm suppliers, coffee co-ops to digital start-ups. Each country is different, but SMEs often make up over 90% of businesses in the agri-food sector, creating half the economic value, providing more than half the sector's jobs, and handling more than half the food consumed. Through the COVID pandemic, their tenacity and agility have sustained food supplies and access. Frequently overlooked, these everyday businesses make billions of decisions that shape our food systems. Only hand-in-hand with SMEs, can the world deliver good food for all.

What pathways will enhance the contribution of SMEs to the food system? We asked this question of SMEs, their supporters and food system leaders. To prompt discussion, Wasafiri, curator of the Dialogues, offers six promising pathways to boost the impact of food SMEs. Which are most important in your context? What is missing? What actions will advance them? How are they interdependent?

These pathways are:

1. Elevate the voice of SMEs
2. Reduce the cost of doing business
3. Reward positive outcomes
4. Target support at food SMEs
5. Democratise the digital food revolution
6. Make good food matter

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- Finance
- Innovation
- Human rights
- Women & Youth Empowerment
- Policy
- Data & Evidence
- Governance
- Trade-offs
- Environment and Climate

MAIN FINDINGS

The findings are two-part.
The first part revolves around current challenges SMEs are facing

- 1.Lack of government support targeting directly to SMEs.
- 2.Lack of regulation regarding new food products and their exporting rules.
- 3.Lack of public understanding of the potential positive impact of a plant-based diet and lack of appreciation of better-quality food.
- 4.Discrepancy between the sporadic, inconsistent and often low supply from small-scale farmers and large demand.
- 5.Low education and lack of decent business practice from the small-scale farmers.
- 6.Policymakers are hesitant about new trends and practices that are nature-positive or help provide good food for all.
- 7.Inability to acquire sufficient funding or complete financial services.

The second part is about how to better build these pathways and boost their role in providing good food for all. The pathways that were brought up the most are:

- 1.Target support at food SMEs
- 2.Elevate the voice of SMEs
- 3.Make good food matter

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OUTCOMES FOR EACH DISCUSSION TOPIC - 1/4

All SMEs participants are assigned to 4 different groups, the background of these SMEs were categorized as Agriculture, Food education, Plant-based protein, Animal Welfare, Hospitality, Food Processing, and Production. Each group has a host of SMEs in different streams within the food systems. And the discussion is carried out by answering the questions: Which pathways are most important in the participants' context? What is missing? What actions will advance them? How are they interdependent?

Key points from SMEs in Agriculture and Food Education:

1. Increase the visibility of SMEs

a. Leverage national policies and relevant government departments to support eco-healthy food, food education, and SMEs

2. Reduce the cost of SMEs

a. The price of food products is unstable because small-scale farmers have low productivity. The farmers could establish agriculture cooperates and supply their products in big amounts to SMEs.

b. SMEs need more financial services and support

c. Since farms are in remote areas, infrastructure needs to be improved to reduce operation costs.

3. Increase public awareness in terms of the sustainable food system

a. single SMEs are not able to change consumer awareness on their own

b. Promote food education

4. Promote cooperation and communication among SMEs in the food system.

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OUTCOMES FOR EACH DISCUSSION TOPIC - 2/4

Key points from SMEs in Agriculture and Hospitality:

1. Support from a wide range of institutions and sectors is important
 - a. from the top down: policy support and the development of regulations in the relevant markets are important
 - b. from the bottom up: the promotion of food-related education and advocacy at a societal level is also important
 - c. In addition, financial support is also needed in some cases

* Although the focus of each SME is different within the framework of the food system; it is possible that through various forms of collaboration and the flow/exchange/sharing of resources across regions and sectors, SMEs may have a greater impact and also have the opportunity to have their voices heard by a wide range of authoritative and influential groups, government agencies, etc.

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OUTCOMES FOR EACH DISCUSSION TOPIC - 3/4

Key points from SMEs in Alternative Protein and Animal Welfare:

1. Target support at food SMEs

- a. Most SMEs participants in our breakout room believe that with more direct and practical support from the government agencies and international NGOs, they can purchase equipment and expand their production, and maybe offset some of the inherent problems with agriculture such as high initial capital input, long payback period and unpredictable risk factors.
- b. These supports can come in various forms such as infrastructure improvement, funding, business consulting, and technology know-how, but they must be direct, feasible, and easily accessible.
- c. Although China has made a tremendous effort in the past decades to focus on sustainable development. As a developing country, we still have a long way to go in terms of building a better food system, not only for the 1.4 billion people but the whole globe as well. SMEs in China are thriving, and they need more target support more than ever.

2. Make good food matter

- a. There are many SMEs in China making effort to build a better food system, whether it's regenerative agriculture, eco-agriculture, animal welfare, or plant-based protein, we can see a significant increase in the number of SMEs in these fields, however, consumers are still speculating and not willing to change their behaviors right away, and contrary to popular belief, the Chinese market can be quite complicated and challenging.
- b. Consumers in China are often hesitant towards products from SMEs, and when it comes to food and agri-products, we are extremely price-sensitive. Good Food can be expensive, and we need to better guide them to make that justification. We need to keep educating the public, make sure the government is on board as well from kids to senior people.
- c. We need more endorsement from the official authorities and researchers to further help the public change their eating habits and make better choice.

3. Reduce the cost of doing business

- a. Education is a luxury for a great number of farmers in China, therefore, they lack basic business knowledge, and doesn't really understand or go along with a contract, this makes working with them almost like a gamble, which would result in a highly inconsistent and volatile supply chain for a lot of the SMEs who simply don't have the scale and capital needed for a better solution.

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OUTCOMES FOR EACH DISCUSSION TOPIC - 4/4

Key points from SMEs in Agriculture and Processed Food Innovation and Production:

1. Increase more social education for biodiversity and biotech.
2. Call for more responsible capital to invest in long-term impact projects.
3. Bridge to corporations and build up trust in order to form alliances.
4. Co-develop the human welfare agriculture system in diverse groups. More technology should be involved in product design.
5. Data and industrial insights should be transparent at some level. More independent research needs to be conducted.
6. Help SMEs get financial support from the government. Compared with large businesses and government-owned enterprises, SMEs have limited access to finance because many banks prefer to allocate their resources to large enterprises rather than to SMEs.
7. Create opportunities to communicate with other SMEs in the fields. This will help tackle difficulties on lack of information. With close collaboration, SMEs can have open innovation to ensure long term growth.
8. Increase market competition by working with NGOs or International organizations that promote public good. It will be a great strategy to highlight works done by SMEs while attracting potential customers.

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AREAS OF DIVERGENCE

When talking about ways to make good food matter, participants raised questions and concerns about the definition of good food, as there were some clashes between plant-based manufacturers and agribusinesses who produce food the traditional way (in the sense of following ancient Chinese nature-positive methods). They believe that the concept of Good Food is rather arbitrary without a given context, and we need different voices in the market as well as more sound research and education regarding different products and their corresponding practices in the full value chain.

There are also some different views about the role of government when it comes to aiding SMEs. While most participants agree that they need more practical and implementable policies targeting directly and exclusively to SMEs, some participants urge that as companies, they shouldn't be relying on assistance from the government. SMEs should focus mainly on strengthening their business acumen and participate in fair market competition, the mentality of waiting for positive external factors can be detrimental to the long-term growth of SMEs and the market as a whole. That being said, they do believe that the policymakers can and should do a better job at creating an equitable environment and leveling the playing field for SMEs and large corporations.

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