

# IFPRI's Research on True Cost Accounting

## Unlocking the True Value of Food for Sustainable Agrifood Systems

### THE CHALLENGE

Sustainable agrifood systems must ensure food security and nutrition while balancing economic, social, and environmental objectives. Yet food costs more than the consumer price, due to *hidden costs* to human health, the environment, and social and economic equality. [Estimates](#) suggest that these unaccounted-for costs exceed US\$11 trillion annually, representing nearly 10% of global GDP. Redesigning agrifood systems requires a clear understanding of external costs to inform policies that balance health, economic, social, and environmental goals.

True Cost Accounting (TCA) methods measure and economically value the environmental, health, and social impacts of agrifood systems. By making these externalities visible, TCA supports more informed decision-making for governments, businesses, farmers, financial institutions, donors, and consumers. Without levers like TCA to align agrifood systems with climate, health, and equity agendas, policymakers enact policies drawn from incomplete or overly generalized analyses.

### WHAT WE DELIVER

**TOOLS:** IFPRI's [Research Program on the True Value of Food](#) bridges the critical gap between estimating hidden agrifood system costs and acting to reduce them. Through robust methodologies that capture environmental, health, and social externalities alongside economic outcomes, and by combining the findings with rigorous policy engagement, IFPRI generates context-specific evidence and translates findings into actionable tools and mechanisms. Additionally, IFPRI offers location-specific information, policy engagement, capacity strengthening, and global reach:

- **Methodological development:** We apply the TCA framework and integrate it with other approaches, micro-level analysis, and economy-wide modeling to capture both negative and positive externalities across agrifood systems.
- **Context-specific evidence:** IFPRI generates country-level evidence, particularly in low- and middle-income settings where data gaps are most severe, and produces insights that are relevant and scalable across contexts.
- **Policy integration:** We link research outputs directly to policy processes. By convening dialogues with governments, donors, and private sector actors, IFPRI ensures that TCA findings are not only rigorous but also embedded in policies, procurement strategies, and investment decisions.
- **Global credibility and convening power:** As a trusted CGIAR research institution with a strong record of strategic partnerships, IFPRI offers credibility and convening capacity to harmonize methodologies, mobilize adoption, and scale TCA across diverse contexts and regions.



**EVIDENCE:** IFPRI has a proven track record in advancing TCA research and generating actionable evidence on externalities that helps decision-makers to measure what matters in agrifood systems:

- IFPRI partnered with the Impact Institute to assess the environmental and social costs of [coffee production in Kenya](#).
- Working with colleagues across CGIAR, IFPRI researchers evaluated the true costs of [food production in Kenya and Viet Nam](#) and the [gender dimensions](#) of the true costs of food in Kenya. Stakeholder dialogues in these countries generated strong interest from government, private sector, and civil society stakeholders.
- [Additional work](#) focuses on the true price of bananas/plantains in Colombia and assesses national-level agrifood system externalities in Colombia and Peru.

**PARTNERSHIPS:** IFPRI's work on TCA is grounded in strong local partnerships that help contextualize research, engage stakeholders, and ensure that findings reach the audiences best positioned to drive policy change. IFPRI also works closely with international organizations and global initiatives to mainstream TCA in food system decision-making by 2030.

## BENEFITS OF INVESTING

### Strategic engagement

IFPRI's country-level presence and national partnerships offer opportunities to engage stakeholders more effectively and reinforce integrated policy solutions.

### Strong partnerships

Through coordinated collaborations with diverse actors, IFPRI enhances the value of TCA work by leveraging research expertise and outreach capabilities.

### Robust knowledge

IFPRI offers extensive expertise in both micro- and macro-level analysis and modeling stakeholder behavior across agrifood value chains to inform broader development outcomes and inform policy design.

### Governments

Leverage TCA metrics to inform policy choices, evaluate trade-offs, and design budgetary interventions that reduce negative externalities while enhancing societal benefits

### Food system businesses

Apply TCA to identify and mitigate harmful impacts across operations and supply chains, while amplifying positive contributions at different stages along the value chain

### Financial institutions

Integrate TCA into risk assessments and investment decisions, making externalities more visible, measurable, and actionable within portfolios

### Farmer organizations

Draw on TCA findings to better understand the economic, environmental, social, and health implications of current agricultural practices and technologies, supporting more sustainable and profitable decisions

### Consumers

Gain greater awareness of the hidden environmental, social, and health costs embedded in food choices, enabling more informed and responsible consumption

## CONTACT

**Kristin Davis** | Senior Research Fellow,  
International Food Policy Research  
Institute (IFPRI) | [K.Davis@cgiar.org](mailto:K.Davis@cgiar.org)

**Rui Benfica** | Senior Research Fellow,  
International Food Policy Research  
Institute (IFPRI) | [R.Benfica@cgiar.org](mailto:R.Benfica@cgiar.org)

## INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

*A sustainable world free of poverty, hunger, and malnutrition*

IFPRI is a CGIAR Research Center

1201 Eye St, NW, Washington, DC 20005 USA | T. +1-202-862-5600 | F. +1-202-862-5606 | Email: [ifpri@cgiar.org](mailto:ifpri@cgiar.org) | [www.ifpri.org](http://www.ifpri.org) | [www.ifpri.info](http://www.ifpri.info)

© 2026 International Food Policy Research Institute (IFPRI). This publication is licensed for use under a [Creative Commons Attribution 4.0 International License \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).

Photo credits: Sk Hasan Ali/Shutterstock; Billy Miaron/Shutterstock