

THE CHALLENGE

Sustainable agrifood systems are expected to ensure food security and nutrition for all, while balancing economic, social, and environmental objectives. Yet in many countries, food costs much more than the price paid by the consumer, with “hidden costs” from impacts on human health, the environment, and social and economic imbalances. [Recent estimates](#) suggest that these unaccounted-for costs exceed US\$11 trillion annually and represent nearly 10% of global GDP. Reshaping agrifood systems requires a clear understanding of these costs to inform policies that consider the true cost of food production.

True Cost Accounting (TCA) provides a holistic view of these costs by measuring and economically valuing the environmental, health, and social impacts of agrifood systems. TCA is a powerful tool to support decision-making for governments, businesses, farmers, financial institutions and donors, and consumers. Evidence shows that TCA is a critical lever to align agrifood systems with climate, health, and equity agendas, but challenges remain, with the risk that policy conclusions drawn from incomplete or overly generalized analyses will misrepresent the true picture of agrifood systems.

WHAT WE DELIVER | *Tools, Evidence, and Partnerships*

IFPRI's [Research Program on the True Value of Food](#) bridges the critical gap between recognizing hidden agrifood system costs and acting to reduce them. By using TCA to uncover hidden costs, IFPRI's research informs policies that incentivize sustainable practices and promote accountability, including measures to foster economic fairness across the value chain and support investments for equitable outcomes.

Through robust methodologies that capture environmental, health, and social externalities alongside economic outcomes, IFPRI generates context-specific evidence and translates these findings into actionable tools and policy dialogues, helping to reduce negative externalities and align incentives with sustainability, equity, and resilience. To advance TCA, IFPRI offers a combination of methodological innovation, location-specific information, policy engagement, and global reach:

Methodological development: IFPRI applies TCA frameworks and integrates them with other approaches, micro-level analysis, and economy-wide modeling to ensure that both negative and positive externalities are captured.

Context-specific evidence: IFPRI generates country-level evidence, especially in low- and middle-income settings where data gaps are most acute, which is relevant across scales.

Policy integration: IFPRI's strength lies in linking research outputs directly with 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 proven record of strategic partnerships, IFPRI provides the credibility and convening capacity needed to harmonize methodologies, mobilize adoption, and scale TCA across diverse contexts.

Proven Track Record in TCA

IFPRI's work on TCA is grounded in strong local partnerships, which help contextualize research, engage stakeholders, and ensure findings reach relevant audiences for greater policy impact. From 2022 to 2024, IFPRI partnered with the Impact Institute—among others—to assess the environmental and social costs of [coffee in Kenya](#). Working with colleagues from 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. These findings were widely disseminated through country consultations and attracted interest from a diverse range of stakeholders. [Ongoing work](#) focuses on the true price of banana/plantain in Colombia and an assessment of agrifood system externalities in Colombia and Peru. By combining rigorous research with policy engagement, IFPRI is helping to establish TCA as a credible and practical tool for decision-makers seeking to transform agrifood systems.

Benefits to Partners

TCA research provides evidence and actionable data on health, social indicators, the environment, and agriculture for decision-makers to measure what matters in agrifood systems.

Governments can 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 can apply TCA to identify and mitigate harmful impacts, while amplifying positive contributions along different stages of the value chain.

Financial institutions can integrate TCA into risk assessments and investment decisions, making externalities more visible and actionable.

Farmers can use TCA findings to better understand the economic, environmental, and social implications of their current agricultural practices and technologies.

Consumers can gain greater awareness of the hidden environmental and social costs embedded in their food choices, enabling more informed and responsible consumption.

WHY INVEST

Strategic engagement: IFPRI's local and national operations offer opportunities to engage stakeholders more effectively and reinforce integrated policy solutions.

Strong partnerships: Through coordinated efforts with diverse actors, IFPRI enhances the value of our TCA work to leverage research expertise and outreach capabilities.

Robust knowledge: IFPRI offers expertise in both micro- and macro-level analysis and modeling of stakeholder behavior across agrifood value chains for broader development outcomes.

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