

The true cost of 'cheap' food: a commanding statistic

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Reports about food grab the headlines each week, some predictable, some spurious, some dubious. The attention they get correlates to how attention-grabbing a headline they can generate, rather than the soundness of information therein. They add to the background noise around food issues then pass into oblivion.

But the conclusion of the latest hefty report from the Sustainable Food Trust (SFT) is perhaps just too troublesome, too big for our short attention spans: for every £1 we spend on food we incur extra hidden costs of £1. This is a commanding statistic. We need to sit up and listen.

Food prices as a proportion of income have fallen significantly. But in reality, for every £1 we spend on food, we pay another £1 in hidden ways.

For some time now, the concept of 'true cost accounting' has featured in academic food policy discussions. The basic idea is that the bill at the checkout is only half the story. Now the SFT has quantified how our essentially dysfunctional food system is costing us dear in other ways.

Examining data for 2015, the SFT lists these ignored costs, what economists refer to as 'externalities'. Diet-related disease is the biggest shocker: it adds 37p to every £1 we spend on food. This represents the cost to the NHS of dealing with diet-related cardiovascular disease, diabetes, cancer, dental caries, malnutrition, obesity and hypertension. Another 13p is clocked up by food production-related health costs: antibiotic resistance, food poisoning, colon cancers linked to nitrates in drinking water, and damage caused by organophosphate pesticide exposure. The latter item alone could be costing the UK up to £12bn per year.

Many 'conventional' farming methods are also associated with the degradation of soils, water and biodiversity, and greenhouse gas emissions. Farm support payments and regulation and the hidden costs of food imports also add to the tab.

As Duncan Pollard from Nestlé puts it, true cost accounting could help food businesses to 'incentivise investment in agricultural commodities produced in environmentally sustainable ways'. We urgently need to understand that 'cheap' food is actually ruinously expensive.

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