

## Building the Local Food System: Lessons from the German Experience

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Globally, 54% of the population resides in urban areas currently. By 2050, this will increase to 66%. As the world continues to urbanise, sustainable development challenges will be increasingly concentrated in cities, and especially so in developing countries. And as the biggest contributor to CO<sub>2</sub>-emissions, the food sector will face the biggest challenge in urban sustainable development. For our society to become sustainable, the centres of food production will have to shift from the current land-based model of agriculture to a futuristic model where food is produced, distributed and consumed in urban spaces. Such a system of producing and consuming food would be able to tackle the three biggest problems in agriculture today:

- Wastage of food in supply chains
- Excessive use of chemicals and pesticides
- Business-unviability of the small-landholding

However, the current state of the urban farming sector is nascent and the business viability of urban farming ventures is not yet clearly established. While there has been an increase of venture capital in the sector, long term scalability and profitability of these ventures is unclear. Moreover, plenty of innovation and efficiency still remains to be achieved in the underlying technology as well as in decentralised production and distribution methods.

In view of the above, this project will assess selected urban farming ventures and projects from the point-of-view of profitability, scalability and sustainability. It will analyse them on a business analysis framework, thus enabling comparison between different business models with varying end products. Such an assessment cannot be complete without a study of the state of the sector; namely, the perception of urban citizens towards sustainable food (the demand), policies and civic initiatives furthering the cause of local food (push from the government), and scientific assistance available to businesses to take the innovations to market (technology).

The aim of the study is to map the transition from land-based agricultural systems to sustainable urban-farming economies. Such a roadmap can be especially useful for developing nations where the next biggest challenges are going to be materialise in the agricultural sector.

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