



Special Issue: Mapping the Global Food Landscape

Section VIII

Financialization in the food system

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There is growing concern about financialization in the food sector, which refers to the increasingly important role played by financial actors, markets, and motives in decisions along agrifood supply chains. Financial actors have long been intertwined in the agriculture and food sector, but their activities have intensified and have become more complex in recent decades. Seeking financial returns, these investors are engaged across entire agricultural value chains, from production to retail. As their engagement in the sector expands, their presence has shaped and reshaped the agrifood system from production to retail and all activities in between. The papers in this section provide important angles on the implications of greater financial activity within the agricultural sector.

With a focus on the rise of finance across entire agricultural value chains, Myriam Vander Stichele shows that this trend has had a profound impact on the global food system in ways that inhibit its ability to provide adequate nutrition for all. She makes the case that financial regulation should be on the menu of food system governance. Oane Visser takes a closer look at the role of financial investment in farmland and argues that such investments have had the effect of locking in large-scale industrial farming methods that have enormous social and ecological implications. But, as he shows, such investments often fail, and it is important to examine these cases if we wish to fully understand the financial dynamics in the sector. Focusing on the rise of index insurance schemes, S. Ryan Isakson shows how these financial tools have gained in

popularity as a strategy to mitigate the risks of farming. His analysis shows that such schemes have not delivered, and have had the effect of increasing farmer vulnerability, rather than reducing it.

A number of themes are common across the papers, as Sarah Martin highlights in her synthesis essay. The mismatch between short-term financial imperatives and long-term farming needs demonstrates that the relationship between finance and food is fragile, fostering vulnerability when not kept in check, highlighting the need for state regulation as opposed to voluntary governance mechanisms. Alternative finance and investment instruments, if properly supported, may hold promise as means by which to mitigate risks.