



# ASEAN ON POINT

26 / 09 / 2022

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**ENSURING FOOD SECURITY IN  
POST-PANDEMIC ASEAN**

# ASEAN ON POINT PUBLIC FORUM SERIES

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In response to the global coronavirus pandemic, the ASEAN Secretariat (ASEC) and the Economic Research Institute for ASEAN and East Asia (ERIA), will co-host a series of public forums – ‘ASEAN on Point’ - to address issues of importance to the advancement of ASEAN. The forums will provide a platform to bring together representatives of diverse stakeholders to share knowledge on the latest research and insights on relevant topics on post-pandemic recovery in order to inform the policy discourse. It is hoped that the insights and recommendations from the forums can contribute to different sectoral work in ASEAN towards recovery. The vision of these Forums is to ‘Build Back Better’ so that the region’s recovery policies result in a more resilient, inclusive, and sustainable region.

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## **SPEAKERS:**

- Dr Ramon Clarete
- Dr Risti Permani

## **MODERATOR :**

Professor Paul P.S. Teng, Ph.D., Hon.D.Sc.,FAAET

# AGENDA

TIME	AGENDA
9:30 – 9:35 AM	Welcoming Remarks  Mr Ahmad Zafarullah Director of ASEAN Intergration Monitoring Directorate, ASEAN Secretariat
9:35 - 10:15 AM	<ul style="list-style-type: none"><li>• Dr Ramon Clarete, Professor, University of the Philippines of Economics</li><li>• Dr Risti Permani, Senior Lecturer in Agribusiness, University of Queensland</li></ul> Moderator: Professor Paul P.S. Teng, Ph.D., Hon.D.Sc.,FAAET, Managing Director & Dean, NIE International Pte Ltd   National Institute of Education
10:15 – 10:25 AM	Open Discussion with Q&A
10:25 - 10:30 AM	Closing Remarks  Ms Lydia Ruddy Director of Communications, ERIA

## PANELISTS AND MODERATOR



### **Professor Paul P.S. Teng, Ph.D., Hon.D.Sc., FAAET**

Managing Director & Dean, NIE International Pte Ltd | National Institute of Education

Professor Teng is Managing Director & Dean, NIE International Pte. Ltd., and concurrently Adjunct Senior Fellow, Centre for Non-Traditional Security Studies, both entities of Nanyang Technological University Singapore. He is also Senior Adviser (AgriFood) to A\*STAR Singapore, and additionally advises, pro bono, several regional organisations (SEARCA - The Southeast Asian Regional Center for Graduate Study and Research in Agriculture; APO – The Asian Productivity Organisation) and Singapore-originated agrifood startups. Paul previously held leadership positions in the Worldfish Centre, the International Rice Research Institute, Monsanto Company and U.S. universities (Minnesota, Hawaii). Professor Paul Teng is internationally recognized for his expertise in tropical agrifood systems, sustainable rural transformation and food security, with a focus on smallholder cropping systems like rice-based ecosystems. He is also expert in AGTECH (Agricultural technology), Biotechnology applications in agriculture, Digitalization in agrifood systems, Smart/Precision farming and Integrated Pest Management. He has researched and taught in North America, Africa and Asia, and has published over fifteen books and over two hundred technical papers. Paul obtained his B.Agric. Sc (Hons) and Ph.D. from Lincoln College, University of Canterbury, NZ. Paul has been recognized for his work through the Eriksson Prize in Plant Pathology, election as Fellow of The World Academy of Sciences, Fellow of the American Phytopathological Society, Fellow of the International Society of Plant Pathology, Fellow of the ASEAN Academy of Engineering and Technology, and other professional societies. For his work on sustainable food security he was conferred an Honorary D.Sc. from Murdoch University, Australia. Prof. Teng maintains a close affiliation with NIE as Adjunct Senior Fellow in the Natural Sciences & Science Education Academic Group.



**Dr Ramon Clarete**

Professor, University of the Philippines of Economics

Ramon Clarete is presently the Chief-of-Party of the B-SAFE Project. B-SAFE project is supported by the US Department of Agriculture and implemented by Winrock International. It provides technical assistance to SPS and food safety regulatory agencies in the Department of Agriculture, and the Food and Drug Administration. It supports the shaping of a policy and regulatory environment conducive for the safe, efficient, and responsible use of modern biotechnology in the country. It assists private sector supply chain stakeholders in food and agriculture meet international food safety and market standards. He was a Professor and former Dean of the UP School of Economics. A Professorial Lecturer at UP, he teaches and researches on trade and industrial policies, agriculture and food, and public sector policies. In his career, he had managed several USAID trade capacity building technical assistance projects and worked intermittently as a consultant for the ADB and the World Bank. He earned his doctoral degree in economics from the University of Hawaii in Honolulu, and taught at the University of Western Ontario in Canada.



**Dr Risti Permani**

Senior Lecturer in Agribusiness, University of Queensland

Dr Risti Permani is a senior lecturer in agribusiness at the School of Agriculture and Food Sciences at the University of Queensland. She has done extensive research on topics such as livestock and seaweed policy, Australia-Indonesia beef and dairy supply chains, agricultural trade, the adoption of agricultural innovations by smallholder producers, and agrifood e-commerce. Prior to her current role, Dr Permani was a senior lecturer at the Department of Economics, Deakin University, an assistant director of the ASEAN Integration Monitoring Directorate at the ASEAN secretariat, and a research fellow/lecturer at the Centre for Global Food and Resources, the University of Adelaide. She currently serves as a member of the CIPS (Center for Indonesian Policy Studies) Board of Directors, the Head of International Collaborations and Overseas Representatives at the Indonesian Society of Agricultural Economics (PERHEPI), and a co-founder of AgLive Indonesia. Dr Permani has a PhD and Master in Economics from the University of Adelaide, and a Bachelor of Science in Statistics from IPB University.

## EVENT OVERVIEW

The global community's transition into a post-pandemic world has been met with additional challenges resulting from climate change, ongoing supply chain disruptions, and international conflicts. At the centre of these problems are food security issues which have prompted policymakers to take swift and effective measures. Implementing the right policies that can answer this pressing issue has become crucial as basic food costs have risen by nearly 50% since the start of 2021. This imposes an additional burden on the world's poorest that are still reeling from the devastating impact of the pandemic where the UN estimates that approximately 118 million people have become chronically hungry since the start of the pandemic. Food security is directly linked to the agriculture and food sector which has been significantly affected during the pandemic. Trade and regional integration as well as trade and sustainable development are influential in ensuring food supply and food security.

The first event of this year's ASEAN on Point Public Forum Series covered the issue of food security in Southeast Asia. The event, hosted by the ASEAN Secretariat and the Economic Research Institute for ASEAN and East Asia, sought to continue the conversation from the first ASEAN on Point discussion on sustainable food and agriculture which focused on agricultural productivity and sustainability ([see report here](#)). This latest forum centred on matters of trade, infrastructure, logistics, and the threat of food nationalism in addition to providing policy recommendations to facilitate the resiliency of ASEAN's agriculture and food sector in overcoming future crises.

## OPENING REMARKS

In his Opening Remarks, Mr Ahmad Zafarullah, Director of ASEAN Integration Monitoring Directorate, ASEAN Secretariat (ASEC) emphasised that food security is a fundamental right of the ASEAN people whereby they are to have access to adequate healthy food that fulfils their dietary requirements and food preferences to living a healthy life. Mr Zafarullah noted that food access problems existed before the pandemic. According to a study released in 2020 by UNICEF and the FAO, around 376 million people in the Asia Pacific faced hunger which was 54 million more individuals than a year earlier. Globally, approximately 1.1 billion people have no access to sufficient food.

To promote healthy diets and nutrition, ASEAN has prioritised food security in its integration agenda as the association strives to build resilience against possible crises. Mr Zafarullah underscored ASEAN's understanding of ensuring its markets remain open during a crisis. Initiatives that demonstrate Southeast Asia's commitment to sustaining normal trade flows concerning food and foodstuffs include the ASEAN Food Security Reserve, ASEAN Food Security Information System, ASEAN Plus Three Emergency Rice Reserve, the ASEAN Integrated Food Security Framework, and the Hanoi Plan of Action.

Mr Zafarullah called for enhanced trade cooperation to achieve food resiliency in the region, particularly in the logistics sector as well as logistics in food value chains. The vulnerability of securing food supply during the COVID-19 pandemic makes the efficacy of logistics in the agrifood sector critical to successfully navigating a crisis. By recognising lessons learned from the pandemic, ASEAN can forge ahead with creating a robust regional food and agriculture sector that is open, secure, and less prone to disruptions.

## PANEL DISCUSSIONS

ASEC and ERIA invited Professor Paul P. Teng, Ph.D., Hon.D.Sc., FAAET, the Managing Director & Dean, NIE International Pte. Ltd | National Institute of Education to moderate a Panel Discussion with two knowledgeable speakers, Dr Risti Permani, Senior Lecturer in Agribusiness, University of Queensland and Dr Ramon Clarete, Professor, University of the Philippines of Economics. Prior to opening the session, Prof Teng explained that food security is based on the premise that sufficient food is produced, and that the food can be moved from its production source to be processed or consumed. Part of achieving food security is to ensure that the food is affordable, safe, and nutritious. However, the process requires the right implementation of policies, regulations, infrastructure, and logistics support. The past few years have particularly demonstrated how integral these factors are given the interconnectedness of the global supply chain.

Sharing insights from the perspective of a food surplus country, Dr Permani stated that ASEAN Member-States (AMS) can learn from Australia how international trade can be harnessed to facilitate regional food security instead of depending on food imports. It is crucial to understand that an equal distribution of food supplies is unlikely to be realised due to variations in climate, weather, capital, technology, land, and human resources. Dr Permani stipulated how 'some countries just do not have enough resources to meet their domestic demand' hence countries like Australia can help fill in the gaps. 'There is a huge supply from Australia to assist the ASEAN region,' she stated.

Despite Australia's success as a food surplus nation, it was not immune to the global shocks that affected food production and food prices, in particular, the Ukraine conflict that sent fuel prices skyrocketing. Southeast Asia thus must consider global or external factors when addressing food security while also realising the four pillars of food security: availability, access, utilisation, and stability.

Dr Clarete highlighted how AMS were once at the forefront of the 'Green Revolution' among developing countries that implemented higher-yielding varieties. Over the years, Southeast Asia gradually lost that advantage. From the viewpoint of a large food-importing ASEAN nation, the Philippines has seen a weakened tradability of its agriculture and food sector. Low productivity trends against the backdrop of relatively high population growth have pressured the Philippines to turn to food imports, namely rice. The country's high dependency on food and agricultural imports makes it vulnerable to international trade disruptions.

Speaking about ways to mitigate disruptions in the new normal, Dr Clarete stressed the need to improve trade given that it helped mitigate the adverse effects of a COVID-related recession. From a logistics and transportation standpoint, bulk shipments of agrifood items such as cereals and oil seeds were less affected by COVID-related shocks, however, perishable goods requiring cold chains and air shipments were severely impacted. By recognising the changes in trade composition, Southeast Asia can move forward in resolving areas that negatively affected the food distribution process. The emergence of e-commerce services may also serve as a complementary transport mode for food distribution and ensure that households have access to primary food products.



Regarding improving in-country logistics to support food distribution, Dr Permani praised ASEAN's numerous commitments to mitigate future crises, however, the challenge for the region is in the implementation phase. The private sector has shown its ability to answer in-country logistics problems throughout the pandemic by adopting novel supply chain designs and promoting innovative marketing channels. In this regard, governments and private sector stakeholders can play a role in solving logistics-related matters. Dr Permani suggests that AMS examine best practices implemented by other countries and regions such as the US, Australia, and the European Union in overcoming logistical challenges during COVID-19. The experience of international partners can serve as the foundation to encourage businesses in the region to apply similar best practices methods including contactless delivery, diversifying the supplier base, and forming an integrated logistics services network with external Parties.

Prof Teng asked both speakers to share their views on possible mechanisms and actions that ASEAN can apply to promote a conducive market and trade in commodities. Dr Permani believes that participation in international platforms, maintaining communication among AMS, central, and local governments in addition to sharing information and best practices are ways to facilitate trade. She further underscored the significance of strengthening engagement with the private sector given that 'food security is not just a domain of public policy' hence they can provide investment opportunities, education, training, CSR, and other solutions.

Dr Clarete concurred with Dr Permani that the implementation of ASEAN's initiatives and programmes will prompt the necessary change to support food security measures. Additionally, the harmonisation of food safety regulations could enhance trade in food and agricultural products in Southeast Asia. Dr Clarete pointed out that while ASEAN has food safety standards, each member-state has a different interpretation of it. He further supported the recommendation to share information which can be done through regular meetings by ASEAN's agricultural ministers that would pave the way for a coordinated response to mitigate shocks in the sector. Dr Clarete finds that the public sector can improve trade facilitation and encourage greater involvement from the private sector which can be realised by offering incentives.

The final question of the Panel Discussion was on harnessing the role of digitalisation to improve the overall food security situation. Dr Permani stated, 'It's impossible to talk food security without including digital transformation in it.' The prominence of the topic is also one of the top priorities of this year's G20 under Indonesia's chairmanship. The private sector has played a notable role as a technology inventor, providing digital technology options for agriculture stakeholders to use. For ASEAN, the emphasis is on inclusivity and working to ensure rural communities, women, and the elderly have access to technology. 'We should take an optimistic view of the digital transformation aspect, but we have to be mindful that there are also unintended consequences of digital agriculture,' Dr Permani stated.

Dr Clarete agreed on the importance of digitalisation, however, called for more investments to raise the productivity of the agrifood sector. He also mentioned the constraint of an increasingly inward-looking view of trade to achieve self-sufficiency among nations. AMS must acknowledge that 'protecting certain industries or producers is not the way forward to attain food security.' 'Let us reflect and appreciate the importance of food and agriculture trade for food security,' Dr Clarete commented.

## **SUMMARY OF QUESTIONS AND ANSWERS**

**How can we address the problems local farmers encounter during the farm-to-retail process, such as food waste and middlemen?**

Dr Clarete suggested creating an organisation comprised of local farmers, such as a cooperative, as a means of reducing negotiations and transaction costs. He suggested that certain AMS remove the cap on how much land can be owned and farmed to facilitate more investments in larger-scale production. According to Dr Permani, e-commerce, upskilling, and reviving extension services are necessary to solve farm-to-retail problems. Incentives for the private sector must be provided to improve extension services given that gaps remain in many sectors that require government involvement.

**What lessons can Australia offer regarding improving the distribution of primary food products, specifically those requiring cold chain logistics, which was heavily affected in ASEAN during the pandemic?**

Dr Permani explained that the Australian government's decision to declare the agriculture and food sector as essential services during the pandemic was vital. To support the transport of principal goods, Australia launched the 'International Freight Assistant Mechanism' programme which enabled air shipments of fresh produce to key export destinations. Although the process was more costly, the measure was backed by the Australian government given that two-thirds of Australia's agricultural production relies on exports.

Based on Dr Clarete's assessment, improvements in Southeast Asia's cold chain system will require private sector investments to attain higher productivity. He warns that the special priority of rice sacrifices the development of other higher-value industries and hence must be corrected to cope with the distribution of primary food products during a future crisis.

## Please share more about policies and practises that drive sustainability and support efforts towards a circular economy in the food production and supply chain sectors.

Dr Permani shared that there is growing pressure from consumers and society on the agriculture sector to deepen their sustainability commitments. An example of the public's demand is to require food and agriculture stakeholders to create programmes focused on sustainability and the circular economy. ASEAN has launched several initiatives that highlights the significance of sustainability and circular economy matters, including the Framework for Circular Economy for the ASEAN Economic Community which was adopted in 2021.

Dr Permani added that the ASEAN Comprehensive Recovery Framework and Implementation Plan is another initiative that has 'identified the development and implementation of the ASEAN Guidelines for Sustainable Agriculture as one of the exit strategies from the COVID-19 crisis.' Moreover, during the 43rd Meeting of the ASEAN Ministers on Agriculture and Forestry, the ministers acknowledged the importance of sustainable development for Southeast Asia's agriculture, food, and forestry sectors. The ministers also expressed their support to further develop and prioritise the 'ASEAN Guidelines on Sustainable Agriculture' as a deliverable in 2022.

## What are the driving factors to ensure a streamlined supply chain operation in Southeast Asia?

Dr Permani explained that the term supply chain entails a strong interconnectedness between countries 'to ensure the flows of products, finance, information, and technology.' Although ASEAN requires improvements in its public policies and programmes to support efficient supply chains, there is a multitude of actors and solutions to facilitate its success. For example, a prominent food manufacturing company can stimulate enhanced supply chain operations in ASEAN through solutions such as new business models or technological breakthroughs. Additionally, standards and practices implemented by international retailers and consumers could also influence Southeast Asia's supply chain sector.

**What message do you have to share for ASEAN to further propel efforts in ensuring food security during a potential crisis and in the new normal?**

Dr Permani praised ASEAN's commendable efforts in responding to the pandemic and addressing food security issues. For the region to better prepare for future crises, it is essential that ASEAN effectively implements its existing range of initiatives. She concluded, 'We should continue to address food security from a food system perspective not just from the social pandemic issues but also the economic and environmental aspects of sustainability.'

Dr Clarete believes that stronger regional cooperation is necessary for ASEAN to effectively carry out its current agreements. The private sector holds a pivotal role should Southeast Asia strive 'towards a better way of improving productivity and trade in the region.'

# POLICY RECOMMENDATIONS

## Issue: Improve the Farm-to-Retail Process

**Recommendation 1:** Organise the local farmers in each ASEAN country through initiatives such as cooperatives

**Rationale:** Southeast Asia's farmers typically face exorbitant costs when attempting to directly sell their products to the market. To avoid high gas prices and food waste, farmers rely on middlemen to ship their crops to the retail market although this process is often very costly. As a result, prices charged to farmers by the middlemen can exceed the actual farming cost.

**Recommendation 2:** Encourage technology adoption among the region's farming community.

**Rationale:** ASEAN's e-commerce industry skyrocketed during the pandemic which has presented numerous opportunities in digital agriculture. The private sector is leading the way for technological innovation and has provided digital options that farmers can take advantage of in promoting their crops to the market. Government can support this transformation by providing a favourable environment such as by improving digital literacy, ensuring equitable internet access, and promoting innovation-oriented regulatory frameworks.

## Issue: Stimulate Greater Private Sector Involvement

**Recommendation:** Governments must acknowledge that food security requires a public and private solutions approach. Offer incentives to encourage private sector participation.

**Rationale:** Food security is not a specific public policy domain and as such, the private sector can contribute as well as offer solutions. Private companies can assist in addressing training, education, CSR, and investment opportunities that governments may be unable to fulfil alone. The COVID-19 pandemic has shown the resilience and adaptability of the private sector during a time of crisis as evidenced in numerous tech inventions, innovative business models, and particularly, their role in digitally transforming the food retail industry.

## Issue: Share Market Information among AMS

**Recommendations:** Promote a regional information-sharing mechanism and encourage ASEAN Ministers of Agriculture and Forestry to host regular meetings to exchange market insights.

**Rationale:** Each ASEAN country has their respective perceptions about the importance of trade and national food security and hence risks adopting inward-looking approaches to achieving self-sufficiency. In the past, countries restricted certain food exports including rice which, overall, disrupts regional trade. Trade has been paramount in minimising the effects of a pandemic-related recession and AMS rely on trade to ensure food security.

AMS, through the ASEAN Food Security Reserve Board, can develop a food trade forum aimed at strengthening cooperation in terms of sharing market information and supporting a collective intervention to avoid disruptions in food trade and stabilise food prices. Through regional information exchange as well as regional cooperation, ASEAN can conduct a coordinated response to mitigate potential shocks in the agri-food sector.

## Issue: Optimise the Implementation of Existing Regional Commitments

**Recommendations:** The public sector is to assess existing agreements, guidelines, and frameworks and put forward measures to facilitate its effective implementation in the region. Provide the private sector with incentives to encourage their participation in regional agreements.

**Rationale:** ASEAN has numerous regional agreements related to food security and concerning relevant policy areas such as trade, investment, connectivity, gender, and public-private partnerships. This reflects the region's commitment to global governance and addressing regional problems. However, ASEAN falls short in the implementation phase and the impact of existing agreements, such as the harmonisation of food standards, has yet to fully transpire. The public sector should assess strategies to effectively support the actualisation of regional agreements while exploring incentives to attract private sector involvement in the rollout stage.

## Issue: Advocate Inclusivity in Regional Digital Transformation

**Recommendation:** Explore strategies that would protect ASEAN's most vulnerable societal groups from the unintended consequences of tech advancements.

**Rationale:** Technology has transformed businesses in Southeast Asia, including food and agricultural players, as evidenced by the massive boom of the e-commerce industry. As ASEAN's digital transformation moves forward, it is essential that vulnerable groups such as women, the elderly, and rural communities attain equal technological access and are not left behind. Uneven IT infrastructure developments in rural and urban areas across AMS require additional attention to realising inclusivity in its tech progress going forward.

## Issue: Boost Productivity of the Food and Agriculture Sector

**Recommendation:** Achieve a balance between local food production and foreign trade of food products through continued open trade, avoiding special preferences of certain food items or crops, and stimulating private sector investment.

**Rationale:** ASEAN was once at the helm of the 'Green Revolution' but has since lost that advantage as AMS often face low productivity in the agriculture and food sector. Furthermore, ASEAN has – in the past – placed greater emphasis on certain food crops such as rice which risks comprising other higher-value industries. Although AMS such as the Philippines has witnessed a strong public sector presence in the agri-food sector, more private sector investments can spur higher productivity.

