

### **The 3<sup>rd</sup> ASEAN Food Trade Forum: Food Security and ASEAN Economic Community**

**Alor Setar, Kedha, Malaysia : 24-25 November**

The ASEAN Food Trade Forum examined the implication of AEC trade and food security in the ASEAN region and identified policy options that deepen and diversify food trade consistent with the AEC framework. The participants were ASEAN governments and trading partners, food value chain actors, academia, NGOs, and development partners.

Session 1 : Situation, outlook, and policy scenarios of food sector in ASEAN.

The Session 1 was an introduction about the situation of the food sector in ASEAN Region. “Agricultural production centres have begun to shift in relative importance; trade has increased faster than in previous decades with an apparent fall in concentration of both exporters and importers; and there has been a significant shift in prices. For agricultural production has been strong and has flowed into an increase in the agro-food net export position. Both producers, for their incomes, and consumers, for food supplies, are becoming increasingly reliant on world markets. The importance for ASEAN members of stable international markets is thus increasing. But with a remaining reliance on rice production, the continued government intervention in these markets regionally puts producers and consumers at greater risk.”

*Jared Greenville, Senior Agricultural Policy analyst, OECD*

### Session 2 : Overview of the food and agriculture sector in the AEC

“The AEC Blueprint consolidated the agriculture and forestry priority areas under the A7 component of the ASEAN single market and production base. The Blueprint bring various opportunities to AMS as it provides full tariff reduction schedule for agricultural commodities , including the removal of non-tariff barriers, rules of origin, trade facilitation, customs, standards and conformance and sanitary and phytosanitary measure.”

*Dr Pham Quang Minh, assistant Director and Head, Agriculture industries and Natural Resources division, ASEAN Secretariat*

### Session 3: Deepening ASEAN trade in rice and key food items

“ASEAN is a net exporter to the world of food items. The average ASEAN’s export of key food items in 2010 to 2014 was \$95.2 billion, while the region imported \$47.7 billion of food from the world. But ATIGA primarily aims to promote more regional trade without sacrificing ASEAN trade with the world. One needs to look at the effect of ATIGA, not of its tariff reduction provisions but of trade costs. Trade costs dampen the flow of cross-border trade and investment. Trade costs may still be high because of several factors including compliance costs of non-tariff measures, remaining non-tariff barriers, logistics cost, information cost, and high cost of doing business.”

*Ramon L. Clarete, professor, University of the Philippines.*

### Session 4: Meeting Product standards of Food Items

“The Agreement on the Application of Sanitary and Phytosanitary measures (SPS Agreement) seeks to strike a balance between the right of WTO members to protect health and need to allow the smooth flow of goods across international borders. The SPS agreement recognizes the right of WTO members to adopt legitimate measures to protect food safety and animal and plant health while ensuring these measures are not applied in an unnecessary for protectionist purpose.”

*Timothy Corrigan, Economic Affairs Officers, World trade Organization.*

### Session 5: Small and medium enterprises (SMEs) in global value chains

"It is important to stress that building food value chains helps food security. At a micro level the food value chain offers farmers and SNEs opportunities to create new business streams and to increase their profits and incomes. By supplying consumers with 'food' farmers and rural SMEs can share in the growth of urban incomes. At a macro level there are large gains in employment, workers' incomes, and value added from growth in the food manufacturing sector. Modern food value chains make very significant contributions to jobs and gross value added in economies and are frequently reported to be the largest single manufacturing sector in an economy. Longer, more complex food value chains require investment in technology, services and management techniques. If farm prices fluctuate the food value chain tries to absorb these fluctuations so that supply and consumer demand are "smoothed"."

*John stark, honorary Professor of food Economics, University of Nottingham, UK*

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