

NEAT Working Group on East Asian Food Security

Final Report

**Tokyo
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Introduction

NEAT Working Group (WG) on East Asian Food Security was held in Tokyo, Japan on 1-2 July 2009. 22 experts from all ASEAN+3 member countries, ASEAN Secretariat and the sponsoring organization, the Japan Forum on International Relations, took part in the WG meeting. The WG meeting began with opening introductory remarks by Professor OHGA Keiji, Director of this WG, followed by three Sessions and Wrap-up Session. Topics discussed in each of three sessions are as follows.

Session I: Global Food Crisis and Food Security

- Factors Contributing to the Hike of Food Prices
- Impacts of Biomass Fuel Policy on Food
- Change of Food Supply-Demand Structure
- Lessons Learned from Food Crisis

Session II: East Asian Food Security Cooperation: Reality and Prospect

- Concept of Food Security in East Asia
- East Asia Emergency Rice Reserve (EAERR)
- ASEAN Food Security Information System (AFSIS)
- ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) (Statement on Food Security in the ASEAN Region)
- Assessment and Future Direction

Session III: Proposal for the Achievement of Food Security in the Region

- Policy Cooperation – Development Assistance and Cooperation
- Common Policy on Trade and Tariff including Food Safety
- Demand and Supply Adjustment and Structural Adjustment
- Consultative Organization in the Region including a Permanent Secretariat

Global Food Crisis and Food Security

Food supply and demand structure is now in the midst of major changes on global scale. The global food situation should be also discussed in the East Asian context. In East Asia, traditional rice-based diet has been altered to a diversified/westernized diet symbolized by livestock and wheat products. On the

supply side, small-scale labor intensive farming, which is the common nature of East Asian agriculture, constantly requires structural reforms.

Prices of grains and other food crops declined after soaring to the historical high level. But the food trade embargo and unrest over food shortages shook a number of countries. Under such a rapidly changing situation, food security is one of the most important cross-border issues which countries acting alone are unable to handle and has become the top priority of regional issues in East Asia which have to be urgently addressed.

The food price hike in 2007-2008 was preceded by a long-lasting robust market situation which started in 2001-2002. There are significant causes for the hike such as the promotion of biofuels in some countries and the strengthened linkages between the financial and the commodity markets. However, the persistent increase of food demand in developing countries supports the floor of market prices. The relatively tight situation may continue for some period until the investment in food production recovers. In addition, there is a fear that food price fluctuation would be severer due to economic turmoil on a global scale as well as unexpected climatic events.

Food security is often discussed in relation to individual or family problems. However, it was also a national or regional issue during the food crisis in the early 1970s when the concept of food security was first generated. The global food crisis in 2007-2008 reminded many political leaders that stable food availability has to be one of the most prioritized targets. Low income food importing countries were very vulnerable to price instability. One of the most important lessons learnt from the last food crisis was that measures taken by some exporting countries, such as export restrictions and embargoes, were recognized as inevitable and sometimes acceptable policy options. This special feature of the global food market must be kept in the mind of policy-makers.

Although the East Asian food market cannot be isolated from the global economy, there will be a number of common interests and benefits in taking region-wide collective measures to achieve its food security. Learning from the last global food crisis, it is time to study and prepare regional institutional mechanisms towards a common food market in East Asia.

East Asian Food Security Cooperation: Realities and Prospects

ASEAN+3 countries have already made various efforts to develop the regional cooperation in food security. One of them is East Asia Emergency Rice Reserve (EAERR), which is intended to strengthen food security of the peoples experiencing food shortage due to natural disaster or man-made calamity. The EAERR pilot project started in FY2004.

Another is ASEAN Food Security Information System (AFSIS), which is an ASEAN and Japan initiative with participation open to China and Korea to facilitate food security planning, implementation, monitoring and evaluation in ASEAN countries through the systematic collection, organization, management, analysis and dissemination of food security data and information. Activities of AFSIS started in the early 2003.

The EAERR and the AFSIS are expected to be the two main pillars of East Asian food security cooperation and to supplement with each other.

The core components of activities under the EAERR are programs to release rice reserve to countries/areas that need food. The EAERR actually released stockpiled emergency rice reserve to meet acute and urgent emergency demand as the first emergency food-aid since 2006.

The current food security cooperation in East Asia has some problems awaiting solution. For example, the EAERR heavily depends on Japanese contribution. As for the amount of rice reserve, Japan only provides the stockpile of real rice and declares a large amount of earmarked rice (250,000 ton) in comparison with the total amount of earmarked rice reserve ASEAN countries declare (87,000 ton). The other countries as well as Japan should increase their contribution to sustain the EAERR activities.

The concept of food security contains various components including not only to secure the access to sufficient food but also to achieve food safety, balanced nutrition and food preference. In addition, various factors, such as bio-fuel issues, climate change, research and development (R&D) and regulations, should be considered in order to ensure food security in national and regional level.

Proposal for the Achievement of Food Security in the Region

The 11th ASEAN+3 Summit of November 2007 identified food security issues as one of the areas where the regional cooperation needs to be advanced.

The direction to sustain food security in the region was elaborated in Cha-am, Thailand at the 14th Summit of ASEAN member states on 1 March 2009. The Summit adopted ASEAN Integrated Food Security Framework (AIFSF) and Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS). All experts in the WG meeting generally supported the AIFS and SPA-FS proposal.

However, many participants observed that it is unclear how the current activities of the EAERR and the AFSIS are related to the AIFSF. The AIFSF has potentiality as a comprehensive framework for food security because its scope is broader than those of the EAERR and the AFSIS. Therefore how the AIFSF can utilize activities of the EAERR and the AFSIS at present should be made clearer.

Significant expansion of the EAERR is needed to increase humanitarian and public stockpiles, thereby reducing hunger and poverty and ensuring human security. Many participants emphasized that we should take measures to stimulate agricultural production in developing countries, including policies to improve productivity, to encourage investment, to promote agriculture that preserves ecosystems, to establish logistic system, and to invest in R&D.

For the twin-truck approach to reduce poverty and hunger, we must make efforts to encourage new rural business, green-tourism, micro loans, and rural infrastructure development

An idea of common policy on trade and tariffs including food safety was proposed at the meeting. Many experts expressed interests in this idea and supported the necessity to continue to elaborate the idea and to discuss the possibility of Common Agricultural Policy in the region, which includes;

1. Establishing rules for sensitive items, such as rice, and other important food articles with the WTO to correct imbalances in trade regulations (restriction on food export controls) and to restrict speculative investment. ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement balances trade liberalization and agricultural cooperation and seeks to build a consensus on establishing rules for sensitive items. It also encourages support for poor rural village, joint effort between agricultural cooperatives, and efforts to strengthen food security and bio-energy.
2. Funding the Asian Common Agricultural Policy (ACAP) by profits generated by relaxing restrictions on trade in rice, wheat, and other common staples.

Member countries contribute to this fund according to GDP levels.

3. Direct payment to farmers as a redistribution system, to provide compensation for the multi-functionality of agriculture.
4. Establishing a body to discuss “East Asia Codex Alimentarius” in ASEAN+3 to strengthen the function of FAO/WHO for Asia.
5. Establishing an Asian-version of Good Agricultural Practice (GAP) and dissemination of scientific knowledge.
6. Including (1) Common rules to balance food security and bio-fuels policies, (2) Supply-Demand adjustment in the Asian rice market, and (3) Structural adjustment for farm management growth, in the ACAP.

All participants supported the idea to set up a Consultative Organization in ASEAN+3 countries including a Permanent Secretariat to advance common food security policies in East Asia.

ASEAN+3 countries need to further promote dialogue to share common understanding on the challenges we are now facing and on the prospect of mutual cooperation we should advance in the field of food security.

Policy Recommendations

1. We should promote East Asian Food Security cooperation and build regional institutional mechanisms towards a common food market in East Asia because there will be a number of common interests and benefits in taking region-wide collective measures.

2. We should further develop the regional cooperation in the EAERR and the AFSIS, which are expected to be the two main pillars of East Asian food security cooperation and to supplement with each other. Not only Japan but also the other countries should increase their contribution to sustain the EAERR activities which now heavily depend on Japanese contribution. Significant expansion of the EAERR is needed to increase humanitarian and public stockpiles, thereby reducing hunger and poverty and ensuring human security. How the AIFSF adopted by the ASEAN Summit in 2009 can utilize activities of the EAERR and the AFSIS at present should also be made clearer.

3. We should take measures to stimulate agricultural production in developing

countries, including policies to improve productivity, to encourage investment, to promote agriculture that preserves ecosystems, to establish logistic system, and to invest in R&D. For the twin-track approach to reduce poverty and hunger, we must make efforts to encourage new rural business, green-tourism, micro loans, and rural infrastructure development.

4. We should pursue the possibility of Common Agricultural Policy. In this regard, a Consultative Organization in ASEAN+3 countries should be set up, including a Permanent Secretariat to advance common food security policies in East Asia.