

NEAT Working Group on East Asian Food Security

Final Report

Tokyo

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Introduction

The global food crisis in 2007 and 2008 reminded many political leaders in East Asia that food security is a top priority issue to be urgently addressed. NEAT Working Group (WG) on East Asian Food Security was held in Tokyo, Japan on 8-9 July 2010 for the second year to propose policy recommendations in this area. 21 experts from all ASEAN+3 member countries, ASEAN Secretariat and the sponsoring organization, the Japan Forum on International Relations took part in the meeting, 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 topical sessions and a wrap-up session. Topics discussed in each of three topical sessions are as follows.

Session I: Emerging Issues on Food System in East Asia

- Impacts of Basic Food Supply Volatility on Food Security
- Implication of Declining Trends of Agricultural Investment
- Increasing Weight of Processed, Livestock and Fishery Products in Food Consumption and Trade
- Impacts of Increasing Public Interests in Food Safety on Food System

Session II: East Asian Food Security Cooperation

- Progress of ASEAN Plus Three Emergency Rice Reserve (APTERR)
- Progress of ASEAN Food Security Information System (AFSIS)
- Present situation of 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 of East Asian Food Security Cooperation
- Prospect of Future Direction

Session III: Aspects of Food Safety in East Asian Food Security

- Institutional Efforts toward Common Regional Standards and Certification
- Seeking Harmony with International Standards and Regulations
- Coping with Zoonosis (e.g. Avian Flu, BSE), and Other Animal Diseases

Proposal for the Achievement of Food Security in the Region

1. Emerging Issues on Food System in East Asia

Food system in East Asia is keep changing fast its shape. The major drivers of the changes are, among others, integration to the world economy and fast growing economy. Major developments include increasing exposure to shocks in international market, increasing volume of fresh and processed foods, and livestock products trades and consumption, changing contents of food basket and increasing inter-regional food trade, and increased food insecurity of low income households.

Food systems in East Asian countries are far more integrated into international commercial markets and exposed to constantly re-shaping “cross bordered network or web” effects. East Asia, as a group, exhibited its insufficient risk handling capacity. Food supply chain needs to strengthen its capacity to minimize food supply volatility.

Declining rate of production growth and vulnerable resistance to weather change of basic food production are resulted from the insufficient public investment in food sector over the past decades. We should not be looking at only agricultural investment in production but also be in the infrastructure of the entire food supply chain. Investment in agriculture has a long gestation period for payback. Development of new higher yield varieties tolerant to climatic change and environmental stress must be accelerated. Strong political will and concerted regional efforts are necessary to accelerate public investments.

Consumption and trade of fresh and processed foods, particularly of livestock products are fast increasing. Import demands from cost-sensitive food industry, wholesale, and retail outlets grow fast too. The longer the food supply chain extends, the more share of food are wasted. People and food industries throw away food.

Increased trade of fresh and processed food products must be associated with the well functioning sanitary and phyto-sanitary (SPS) measures to assure food safety. Incidents of food poisoning, manipulation of food labeling or outbreaks of animal disease raised public concerns for food safety. But whether people want to pay or are able to pay for food safety differ from country to country.

Progressing integration in regional food system stimulate the food complex to produce foods by mixing ingredients sourced from multiple number of countries of different level of processing. For the public regulators, coordinated international framework under a unified rules and standard is required to assure food safety.

2. East Asia's Food Security Cooperation: APTERR and AFSIS

In order to address food security in the region, ASEAN Plus Three Emergency Rice Reserve (APTERR) and Asian Food Security Information System (AFSIS) are in the process of formation under the framework of the ASEAN Integrated Food Security and Strategic Plan of Action.

The APTERR, whose preparatory stage initiated in March 2010, is intended to take over the activities of EAERR pilot project that started in FY2004. APTERR will be the first of working international food reserve system though reserved amount is minimal and falls short of eliminating food insecurity and malnutrition. Indonesia, the Philippines, Cambodia, Laos and Myanmar received stockpiled rice under the EAERR pilot project schemes when they damaged by natural disasters.

One of significant expected roles of APTERR is financial modalities. New financial modalities have been examined and member countries commonly acknowledge importance that APTERR's finance burden should be borne by all members. Another important expected role of APTERR is the effective management of stock especially triggering or releasing the earmarked rice reserves at the time when it is needed.

Activities of AFSIS started in the early 2003 and now it is at the 2nd phase which will end in 2012. The APTERR and AFSIS are expected to be the two main pillars of East Asian food security cooperation and their activities are expected to supplement with each other. AFSIS is the project to strengthen food security in the region through the systematic collection, analysis and dissemination of food security related information. The AFSIS already finished the 1st phase of the project (2003-2007) and implemented various activities. The AFSIS constructed the foundation of a regional food security information network while developing the Early Warning Information and Commodity Outlook.

It is still vague how current activities and discussion of the APTERR and the AFSIS are related to the ASEAN Integrated Food Security Framework (AIFSF) adopted by the ASEAN summit in 2008. The AIFSF has potentiality as a comprehensive framework for food security. The scope of it is broader than those of the APTERR and AFSIS.

It should be pointed that the scopes of the both schemes are so narrow in view of food security. 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, bio-fuel issues, climate change, R&D and regulations, should be considered in order to ensure food security in national and regional

level.

3. Aspects of Food Safety in East Asian Food Security

Food safety has been traditionally treated separately from the concept of food security. Food safety was thought a matter of quality whereas food security concerns mainly about quantity. However, by experiencing major food-related diseases such as BSE and toxic contamination cases which drastically damaged international food trade, people start to perceive that food safety is a core component of food security. This is a consequence of the globalization of food market, and food safety issues are thought to be more and more critical as food items are globally marketed in the form of processed food.

Food safety issues are quite diverted according to the economic and social situations. In traditional subsistent food consumption, edibility or sanitation is an important component of food security, and in some country the contamination of genetically modified crop is a food safety issue. Generally speaking, the more the market develops the severer the regulations. Thus, regulations and standards are determined based on the requirement of local producers and consumers, and regional/global harmonization has not yet been successful.

East Asian food market is ever expanding by increasing mutual reliance. As urbanization continues and the diversification of food intake goes on, the needs for a common system to assure the food safety are strongly recognized. In the field of industrial sectors, international standards and regulations play major roles in this region as major trading partners are outside of the region, i.e. European countries and U.S. In case of food market, however, traditional production methods still occupy the major portion, and there are local food items of which international regulation cannot be directly applied.

In order to create the common regional food system which enables a smooth expansion of regional food trade, it is essential to first agree with the common food safety concept based on the understanding of regional food system or the uniqueness of food chain in the region. As diversified interests co-exist and regulations often define the competitiveness, it is not an easy task to harmonize the region's conflicting interests.

Various attempts are going on at international organizations. FAO/WHO's Codex (CAC: Codex alimentarius commission) is playing the key role in defining international standards, e.g. in the area of pesticide residues. WTO's SPS (Agreement on the Application of Sanitary and Phyto-sanitary Measures) and TBT (Agreement on Technical Barriers to Trade) are effective measures to prevent the regulations from being used for protecting the

domestic markets. ISO (International Organization for Standardization) is also influential in regulating food industry.

However, there are many layers of voluntary and mandatory standards in each country, in addition to so-called private standards which are often the most regulatory in the business transactions. On top, there have already existed the examples to create common regional standards in the area of food. In Europe, CEN (European Committee for Standardization) tries to make methodological standards. The food safety issue requires the holistic views on the whole food chain starting from consumers as well as multi-ministries policy approaches. Four discussion items were raised by the organizer/moderator.

Policy Recommendations

1. Accelerate regionally public investments in food sector in the infrastructure of the entire food supply chain including R&D to develop technologies to resist climatic change and environmental stress.
2. Establish a clear mechanism in managing the regional rice reserves for emergency circumstances; this mechanism should be cost-effective and sustainable with stable financing arrangements among countries involved.
3. Enhance food security information system (AFSIS) that looks at short-term and long-term food supply and demand situations and price fluctuations and projections.
4. Improve partnerships with private sectors to increase direct investments so as to create more job opportunities and thus contribute to economic development.
5. Take stepwise approach toward establishment of common regional standard and/or regulations, thereby improvement of national food safety is to be promoted first and integration to the regional/global system is to be gradually pursued. In early stages of implementation, such common regional standards, if needed, are better to be flexible and simple.
6. Encourage exporting countries to harmonize themselves to international systems so that they can conform to the global standards and contribute to expanding international trade. While it takes some periods to be able to follow them because of subsistent agricultural systems in the region, private food chain can play a critical role

for introducing the standard through the setup of corporate standards or contract farming, in addition to public interventions.

7. Integrate effectively efforts made by various organizations to tackle animal disease issue, which has become more and more critical as globalised economy prevailed in the region. In this connection, the region can learn a lot from Singaporean experiences as the quasi-perfect protecting system has been implemented there.
8. Promote capacity building in the country where food safety has not yet been a prioritized policy target. Knowledge is not enough, and infrastructure and technical facilities must be provided together to make the capacity building practical. The issue should be incorporated into the common umbrella of regional information exchange program, such as APTISFS, as specific areas of collaboration on this issue must be initially identified and studied by member countries.

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