



# CACCI

## Food & Agriculture Newsletter

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### Chairman's Message

*I send this message to you when Sri Lanka is hosting the 23rd Commonwealth Heads of Government Meeting and the Commonwealth Business Forum. This is the first high-level international gathering that is being held in Sri Lanka after a gap of more than 35 years.*

*Sri Lanka has been hailed as an example for development by many of the Commonwealth leaders and the theme of the Forum is sustainable and inclusive development. I highlight this as I feel that sustainability and inclusive development has a key role to play in the current commercial environment.*

*Today, as businesses, we become more and more interdependent with the communities around us. Unless we seek sustainable and inclusive solutions, benefitting all stakeholders, the potential damage the downside could have on a business is enormous. In the current years the amount of anti-business violence, whether it is at Davos or any other global business forum, showcases the growing distrust of the public against big business. Today a business should act responsibly to all their stakeholders. If the business community looks at the benefits which is able to give the society at large, the inclusivity and the trust will grow.*

*The Chambers, through the multiple activities they carry out in areas such as knowledge dissemination, building up of trading contacts, and trade promotional activities, should also focus on building trust between business and the community.*

*Inclusivity and Sustainability should be the key words of the future business landscape. The role of the regional and international chambers should be to have this new mantra board-based, thus we will be able to have interdependent business community and society.*

*My Best Wishes*

*Mr. Samantha Ranatunga  
Chairman  
Asian Council on Food and Agriculture*

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# APEC targets greater use of biotechnologies to enhance food security

APEC member economies are seeking to widen the availability of agricultural biotechnologies to help ensure adequate food supplies and boost the livelihoods of farmers.

Agricultural and biotechnology experts from around the Pacific Rim laid the groundwork for increased regulatory and technical collaboration in support of these objectives during a recent joint meeting in Medan. It is one of a cluster of agricultural-focused APEC gatherings that have been held here over the last week and a half and which concluded on July 2, 2013.

“Sustainable economic growth ultimately depends on worker productivity,” said Dr Kasdi Subagyono, who chaired a meeting between the APEC High Level Policy Dialogue on Agricultural Biotechnology and the APEC Agricultural Technical Cooperation Working Group. “For workers to be productive, they must have sufficient access to safe, reliable food supplies.”

“We are focused on improving innovation within the agricultural sector as a path towards greater food security,” Dr Subagyono explained. “This includes cross-cutting support for agricultural biotechnologies to enhance crop yields and reduce losses due to weather, pests or post-harvest transport and handling.” Greater innovation within the sector is needed to mitigate the effects of climate change on biodiversity and food production, he added.

The progress of this effort has important implications for business and socio-economic development.

Participants agreed that biotechnologies can boost production for small, rural farmers and thus play a

role in alleviating poverty. Biotechnologies also have the capacity to lessen the impact of agriculture on the environment by limiting the need for pesticides and irrigation, they said. But their increased development and use require a complementary policy environment.

“When economies deploy varying rules and regulations for agricultural development and management, it becomes more difficult for new ideas and innovations to flow across borders,” said Dr Karden Mulya, representing Chair of the APEC High Level Policy Dialogue on Agricultural Biotechnologies.

“APEC economies are intent on enhancing policy harmonization within the sector,” Dr Mulya explained. “Such harmonization is needed to lower barriers that impact agricultural trade and investment, and foster the co-development and transfer of biotechnology that can benefit small-scale farmers.”

Measures that promote increased transparency and understanding of agricultural sector regulation are key agenda focuses. Providing governing bodies with knowledge and tools that support the implementation of best practices, identified through the sharing of experiences in biotechnologies and biogenetic resource management, is another area of emphasis.

“Coordinated agricultural policymaking and technical capacity building, for example, training on responsible investment principles and crop forecasting technology, can facilitate the more balanced adoption of biotechnologies in the region,” said Dr Tang Huajun, Lead Shepherd of the APEC Agricultural Technical Cooperation Working Group. “This will be an increasingly important element of our work to reduce

business transaction costs, enhance marketing capacity and promote the implementation of agriculture-related provisions in free trade agreements.”

“Science and technology are of great importance in ensuring food security,” Dr Tang concluded. “As biotechnologies become a more integral component of agricultural production and public confidence grows as their value becomes more apparent, there is an opportunity to take significant steps forward in addressing the region’s long-term agricultural demands.”

Source: APEC, 4 July 2013



# Public-private sector cooperation in APEC to reduce food losses



APEC member economies have launched a five-year initiative to boost cooperation with the private sector to reduce post-harvest losses across the supply chain. The goal is to improve food security and promote more sustainable growth in the region.

The initiative recently commenced in Chinese Taipei with a gathering of agriculture officials, researchers and business representatives who described their current efforts to address food losses and waste. The exchange laid a foundation for greater technical coordination on the issue.

“The importance of reducing food losses cannot be overemphasized given increasing population size, limited water resources and arable land, and the effects of climate change on agricultural production worldwide,” said Dr Chen Bao-ji, Minister of the Council of Agriculture for Chinese Taipei.

“Food security requires more than increasing yields alone since a large share of output is lost along the supply chain,” he explained. “This is prompting us to work together with the private sector to identify the key factors behind these losses and develop policy tools that support APEC economies’ pursuit of an integrated food structure system by 2020.”

Based on United Nations research, an estimated one-third of food produced globally, totaling about 1.3 billion tons, is lost or wasted along the supply chain annually, noted Dr Tang Huajun, Lead Shepherd of the APEC Agricultural Technical Cooperation Working Group. Calculations based on energy content or calories are marginally lower but offer a similar industry picture.

“Our ambitious long-term project breaks new ground within APEC and will play a critical role in disseminating innovative technologies, training and policy strategies that support more efficient and sustainable use of agricultural resources,” said Dr Tang. The Agricultural Technical Cooperation Working Group will administer the initiative.

Industry researchers were asked their views on the potential implications of improving food use within the

region and offered a clearer framework for achieving it.

“Globally, there is a fairly even split between food that is lost during production and handling and storage, which is more prevalent in developing economies, and food that is wasted during processing, packaging, distribution, marketing and consumption, as seen more in developed economies,” said Brian Lipinski, an agricultural expert with the World Resources Institute.

“Even modest reductions in the amount of food lost and wasted could save economies, farmers and businesses billions of dollars,” Lipinski added. “It would also reduce greenhouse gas emissions and pressures on land and water, all while helping to meet food demand for the world’s population as it grows to over nine billion people by 2050.”

“Our businesses are pursuing a range of initiatives to better preserve food,” said Pornsil Patchrintanakul, Vice Chairman of the Thai Chamber of Commerce and Board of Trade of Thailand. “This includes the development of damage-resistant seed technology and incentives to encourage farmers to harvest crops during drier times of the year that are more transport-friendly.”

“We are also introducing mechanized factories and prioritizing worker training to improve the production of foods ranging from chicken and shrimp to spring rolls,” added Patchrintanakul. “The exchange of next generation ideas and tactics among APEC economies and the private sector could help our industry take further steps towards greater food security.”

The project will seek to draw on information and experience-sharing to establish a policy development toolkit, datasets on reducing food losses and a consolidated methodology of APEC food losses assessment.

*Source: APEC, 13 August 2013*

# Obesity, malnutrition pose twin threats to Asia-Pacific's healthy food future

Asia and the Pacific's drive for food security has focused too narrowly on quantity, with a surge in obesity and still high levels of malnutrition in some countries highlighting the need for a new approach, says a new Asian Development Bank (ADB) study.

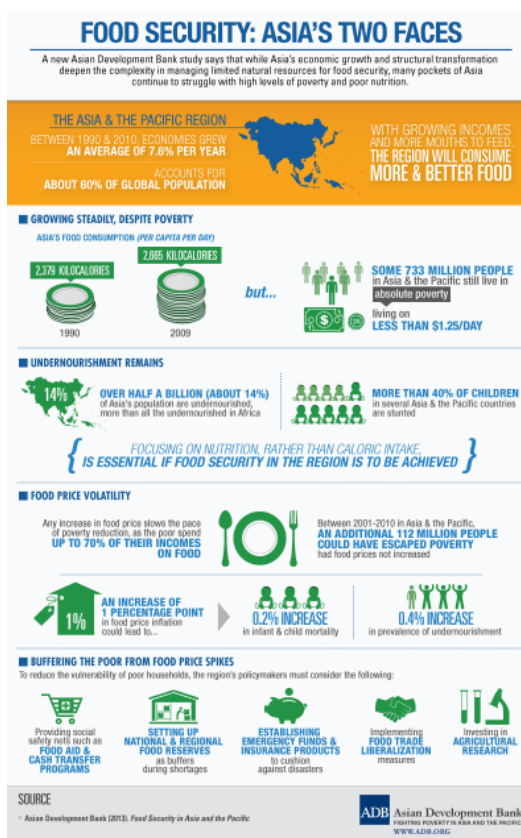
"Many developing countries in the region face the twin burdens of both under and overnutrition," said Cyn-Young Park, ADB Assistant Chief Economist. "Improving nutritional standards rather than just boosting calorie intake is essential if the region wants a secure and healthy food future."

The study, *Food Security in Asia and the Pacific*, says the region's growth boom has been accompanied both by sharp dietary changes and uneven food access. The affluent have developed an appetite for protein rich and processed foods, including more meat and dairy products. At the same time, more than half a billion people remain undernourished—more than the total in Africa. Childhood stunting rates are above 40% in several countries, and there are high levels of vitamin A deficiency in Cambodia, India, Myanmar, Nepal and Pakistan with several other economies close behind.

Obesity, in contrast, has been rising fast both in urban centers and in some Pacific Islands, where the rates are among the highest in the world. The shift to rich, often sugar-based, foods has seen a spike in diabetes and other diet-related diseases. The demand for meat is also changing agricultural land use patterns.

Resolving these challenges goes hand-in-hand with tackling other food security issues such as fast rising populations, strains on land, water and energy, and the growing threat from climate change. Asia and the Pacific currently accounts for 60% of the world's population, and it will have added over 850 million people by 2050, requiring vastly more food, but expanding cultivated land in nearly all countries in the region is no longer a viable option.

The solutions must be wide ranging and sustainable, and include both domestic and broader measures. High yielding crops and other technologies are needed to



produce more food from the same amounts of land, and small poor rural landholders must get support to become more productive with better access to quality seeds, finance and other inputs.

The region's policymakers must find ways of buffering the poor from price spikes in food— which accounts for up to 70% of their income—and ensuring they fully benefit from economic growth. Social safety nets provide a crucial support mechanism for low income groups, and targeted food aid and cash transfer programs among others, reduce the vulnerability of poor households, especially in crisis periods. Currently social protection spending amounts to less than 2% of total GDP in a third of 31 Asian countries.

Setting up national and regional food reserves as buffers during shortages, establishing emergency funds and insurance products to cushion against disasters, food trade liberalization, and investment in agricultural research are other ingredients that must be considered. Tackling both undernourishment and better nutrition, especially for children, requires more public awareness campaigns and targeted investments in health, education, water and sanitation infrastructure.

The study was compiled by ADB in collaboration with Foreign Affairs, Trade and Development Canada, Asia-Pacific Economic Cooperation and the Liu Institute for Global Issues at the University of British Columbia.

Source: Asian Development Bank (ADB), September 5, 2013

# Asia must knock down gender barriers to secure food future – study

Labor and land ownership laws throughout the Asia-Pacific region must change if women are to reach their full potential as farmers and food production workers, says a new report prepared jointly by the Asian Development Bank (ADB) and the Food and Agriculture Organization of the United Nations (FAO).

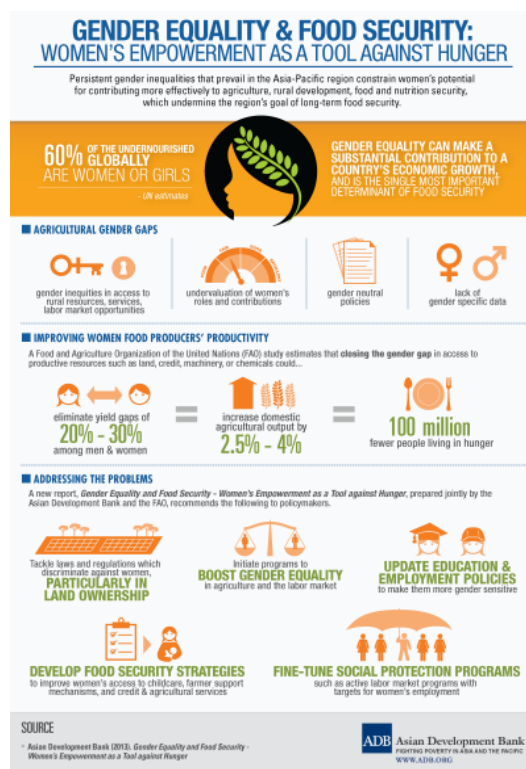
“Removing the barriers women face in their roles as food producers, farm workers, and primary caregivers is achievable and inexpensive,” said Lourdes Adriano, Practice Leader for Agriculture, Food Security & Rural Development in the Regional and Sustainable Development Department at ADB. “Paying women a decent wage, improving their access to tools, fertilizers, and credit, and guaranteeing their right to own and access land will have a huge multiplier effect on food security and hunger reduction.”

The report, *Gender Equality and Food Security – Women’s Empowerment as a Tool Against Hunger*, is authored by UN Special Rapporteur on the Right to Food Olivier de Schutter and takes an in-depth look at women’s role in food production, nutrition, and access to food in the region, and the steps needed to remove the barriers facing them.

Worldwide, around 60% of undernourished people are women or girls, and data shows that giving them



*A new report by the ADB and UN’s FAO takes an in-depth look at women’s role in food production, nutrition, and access to food in the region, and the steps needed to remove barriers facing female farmers and food production workers.*



access to education and employment opportunities has a strikingly large impact on reducing overall hunger and improving child health and education. However, restrictions on female land ownership, limited access to credit and farm advisory services, and a lack of education hamper women’s ability to produce and access more food and earn decent incomes.

An FAO study estimates that closing the gender gap in access to productive resources such as land, credit, machinery or chemicals could eliminate yield gaps of 20% to 30% among women and men, increase domestic agricultural output by 2.5% to 4%, and mean up to 100 million fewer people living in hunger.

Even rural women working off-farm in low-skill jobs in agribusiness face gender discrimination and low wages. To address these problems, the report recommends that policymakers tackle laws and regulations which discriminate against women, particularly in land ownership, initiate programs to boost gender equality in agriculture and the labor market, while updating education and employment policies to be more gender sensitive.

Food security strategies must also be developed to improve women’s access to childcare, farmer support mechanisms, and credit and agricultural services. Social protection programs, such as active labor market programs with targets for women’s employment should also be fine-tuned to incorporate women’s needs.

Source: Asian Development Bank (ADB), July 24, 2013

# Japan seeks to export more high-end food

## Greater Exports of Fruit, Rice, Beef and Sake Pushed

By Mari Iwata

In Japan's high-end food shops, an apple can cost \$15 and a bunch of grapes \$100. Now, Prime Minister Shinzo Abe wants to turn the nation's reputation for expensive but high-quality food products into a new export opportunity.

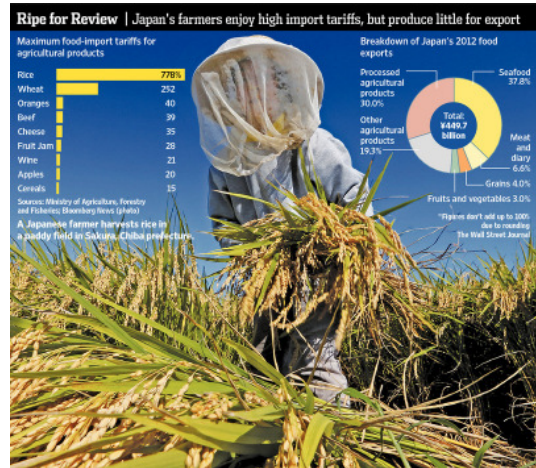
Just as France exports fine wine, backers of Mr. Abe's plan hope Japan will become world famous for its painstakingly cultivated fruit, rice, beef and sake.

For decades Japan's agriculture sector, protected by rice-import tariffs as high as 778%, has done little to reach out to new markets. It has instead lived off a drip-feed of government subsidies that guaranteed a healthy income for the small but politically powerful group farmers. Figures from the Organization for Economic Cooperation and Development show that Japanese farmers now rely on government support for 56% of their total receipts, compared with just 7% in the U.S. and 19% in the European Union.

Mr. Abe now appears willing to overturn the long-cozy relationship between farmers and politicians. As part of his economic program, he is looking to slash import tariffs as part of his commitment to a U.S.-led trade pact for Asia known as the Trans-Pacific Partnership. That could provide a big boost for Japan's big industrial exporters. But the partnership could also provide opportunities for food importers, attracted by Japanese retail prices that are more than double the global average for potatoes and three times higher for apples.

To compensate for the domestic industry's potential loss of market share, Mr. Abe wants Japanese farmers to look abroad. He is aiming to have agriculture exports, which currently account for just 16% of total output, double by 2020. While some items like high-quality beef and rice have found buyers in overseas markets, overall farm-product exports have been flat since 2006, and amount to just one-eighth of those of Italy, a major global exporter of high-end food products.

In addition, the government places a high importance



on improving exports because the domestic market is shrinking. Japan's population is expected to fall by more than 20% to less than 100 million people by 2050, according to official estimates.

The export drive, which was previously restricted to a small band of farmers willing to forego domestic subsidies so they could compete abroad, is now gathering traction with some of Japan's biggest financial houses and global trading firms.

To help kick-start activity, the government has teamed up with major banks to help fund the production of value-added foodstuffs, for both the domestic and international markets, using homegrown products. It has already readied ¥30 billion (\$300 million) and expects banks to provide a further ¥30 billion.

"This is challenging, but we decided it's worth trying to find new borrowers at a time of stagnant demand for new loans," said Kazunobu Takahara, a spokesman for Bank of Tokyo Mitsubishi UFJ, one of the financial institutions taking part.

A subsidiary of Nomura Holdings Inc., 8604.TO +0.26% Japan's largest brokerage firm, has set up two joint-venture farms with local partners in Chiba prefecture, near Tokyo, and in Hokkaido, Japan's northernmost island. While still a small startup, the goal of the project is to learn more about farm operations so the brokerage can better advise corporate clients who may be looking to follow suit.



Workers prepared beef carcasses, which were certified as Kobe beef, in Kobe, Japan, on Sept. 2. Japanese Prime Minister Shinzo Abe wants to turn Japan's reputation for high-quality food into a new export opportunity. Certified Kobe beef. Kobe beef only comes from purebred Tajima steers or virgin cows, which are raised and processed in Hyogo prefecture. The beef must pass certain scores based on a beef-marbling standard.

"Agriculture can be very interesting. Many farmers make good products, but few of them think about how and to whom they will sell them," said Takashi Nishizawa, president of the unit, Nomura Agri.

Trading house Marubeni Corp. 8002.TO +0.40% is also getting involved in exports of agricultural products. In May, Marubeni reached

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## Japan Seeks

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preliminary agreement with Hong Kong Satellite TV International Media Group to promote and export Japanese farm products in the greater China market. Buyers are expected to use the company's television, mobile phone and Internet networks to place orders. The first batch of trial products includes peaches, apples and rice with no artificial additives.

"We are focusing on the rich. We have no interest in commodity markets," said Komei Kondo, deputy general manager of Marubeni's agricultural products department.

But not everyone is on board with the drive for exports. On Japan's remote Sado Island, local officials are pushing new marketing techniques that promote chemical-free rice. But a local official said plans to send a local delegation to a food fair in Singapore attracted just one rice farmer who "wants a challenge."

Such reluctance is understandable, given that the average Japanese farmer is 66 years old and has a farm of no more than two to three acres. In addition, rice destined for the export market isn't eligible for current government subsidies, which makes exportation a riskier proposition.

"Older farmers want to continue growing rice during their lifetime as they have," said Manabu Watanabe, who works for an agriculture cooperative on Sado Island.

The success of Dassai, a brand of sake, provides a potential model for success. The light sparkling rice wine,

which is already widely sought after in Japan, is now being well received in markets including New York, Hong Kong and Singapore.

"From the beginning, we targeted the high-end market," said Hiroshi Sakurai, president of Asahi Shuzo, the producer of Dassai. "We are a small brewer in the mountains. We cannot afford to compete in a volume market."

He began to develop Dassai, which differs from traditional heavy sake, in the 1980s. After establishing the brand in Japan, he tapped the New York market 10 years ago, selling only to high-quality Japanese restaurants. As the brand has become more recognized, sales have expanded to posh wine houses and even French restaurants in the city.

Exports now account for 10% of total sales of ¥2.5 billion, but Mr. Sakurai wants to push that up to 50%.

One banker said the drive for food exports could mirror the country's success in manufacturing. Japanese products are still in demand around the world, despite their higher prices.

"It depends on the strategy, the market being targeted, and what consumer needs you are trying to meet," said Kenichi Yamaoka, deputy general manager of Mizuho Bank's Industry Research Division. "It was the same thing with industrial goods, but we are just starting the push in agriculture."

Source: *The Wall Street Journal*, October 14, 2013 ■

## High time for Pakistan to regulate use of pesticides on food items

The participants of the Workshop on Organic Farming (safe from pesticides and chemicals) demanded of the federal government to immediately come up with policy for promotion of organic food and adoption of international standards such as IFOAM (The IFOAM Standard is an internationally applicable organic standard that can be used directly for certification) that the health conscious can get certified organic and safe food.

Held on October 12, 2013, the workshop was organised by TheNetwork for Consumer Protection with the theme 'Lets Go Organic' at Institute of Environment Sciences and Engineering at National University of Science and Technology (NUST) Islamabad.

There are pockets in Pakistan where organic and safe food is available for consumers. Organic food is the solution of growing food prices and hunger in the world. There is need for federal government to must adopt food certification standards. Policies in support of organic and ecological approaches are important, but need to be supported by a real shift towards sustainable consumption that will support sustainable production, said TheNetwork



for Consumer Protection Executive Coordinator Nadeem Iqbal.

The workshop was attended by academia, environmentalists, agriculture researchers, representatives of World Health Organisation (WHO), Food and Agriculture Organisation (FAO), Oxfam GB and National Rural Support Programme, while speakers Dr Sher Muhammad, National Agriculture and Research Council (NARC), Dr Afzal Ahmed Naseem, Pakistan Environment Protection Agency (EPA), Dr Ghulam

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## High time

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Nabi Qazi, WHO, Dr Shahid Mehmood Zia, Lok Sanjh Foundation and Dr Imran Hashmi, Institute of Environment Sciences and Engineering (IESE- NUST) highlighted the significance and challenges for organic agriculture in Pakistan.

Dr Muhammad from NARC stated that demand is increasing for organic food in Pakistan as 50,000 acres (2007-08) while 240,000 acres in 2012-13 are managed organically.

Dr Imran Hashmi from IESE-NUST said that organic farming uses environmental-friendly inputs and therefore generates safe foods and services. Such farming, therefore, positively contributes to significant reduction in air, soil and ground water pollution.

Dr Afzaal Ahmed Naseem, Pak-EPA said that pesticide use leads to loss of biodiversity and upsets delicate balance of ecosystems. Pesticides use leads to emergence of more destructive pests and, subsequently, increased crop losses. Organic farming and banning pesticides is the only solution for that.

Speakers concluded that the situation is alarming in Pakistan as the country is facing greater threat of losing many international markets after the introduction of World Trade Organisation (WTO) due to over use of pesticides for farming of food items. Currently Pakistan is exporting mainly to Middle East, Sri Lanka and Central Russian States where quality standards are not as stricter and important as compared to developed countries.

It was recommended by the speakers of workshop that Pakistan need to ban highly hazardous pesticides and

introduce legislation on organic certification. A national working group is needed to be constituted at National level to adopt the IFOAM standards.

There are two international worldwide standards, the Codex Alimentarius Guidelines for organic production (FAO) and IFOAM Organic Standard. These form the basis for legislation in the EU, USA, Japan and other countries. Today a total of 110 countries have legislation for organic production, either established or in draft stages. Some of the most important countries with legislation are the USA, Canada, China, India, South Korea, Japan, the EU and its Member States, Argentina and Brazil.

While emphasising the need to promote organic farming and organic-safe food items for consumers, Iqbal said that it is a basic right of consumers to access to safe and healthy food and environment. Moreover, as a responsible consumer it is an obligation to demand for safe food which is certainly organic.

Iqbal made reference of the famous quote of Colin Tudge from his 'Feeding People is Easy, 2007' that 'everyone who is ever liable to be born could be well fed, forever ... to the highest standards of nutrition and gastronomy ... but the food chain we have now is not designed to feed people ... it is designed to produce the maximum amount of cash in the shortest time ... the global free market is disastrous (for farming)'.

The campaign for organic farming in Pakistan is supported by Consumers International (UK) and Swedish Society for Nature Conservation.

Source: Daily Times, October 12, 2013

## ADB \$220 million loan to help Uzbekistan reduce poverty and boost agriculture



*Improved irrigation in Bukhara and Navoi provinces will give households an economic lift and promote crop diversity.*

The Asian Development Bank (ADB) will help overhaul a 45-year-old, inefficient water supply system in Bukhara and Navoi provinces in Uzbekistan, that will secure reliable irrigation to 6,500 farms and provide drinking water access to 725,000 consumers.

More than 70% of the water supplied to farms will be used to enhance their further diversification from cotton into higher value crops, fruits, and vegetables.

"About half the country's citizens live in rural areas where they depend on irrigated agriculture for their livelihoods," said Makoto Ojiro, a Director in ADB's Central and West Asia Department. "Poor irrigation means lower crop outputs and less income, so systems that are modern, energy-efficient, climate-proofed, and well managed will go a long way in helping to reduce poverty in the country."

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## **ADB \$220 million** ... Continued from page 8

ADB's Board of Directors has approved a loan of \$220 million to upgrade irrigation infrastructure across Bukhara and in two districts in Navoi, where almost half the population live below the poverty line. The Government of Uzbekistan has requested co-financing of up to \$100 million from the Japan International Cooperation Agency.

The Bukhara system's increasingly inefficient use of water in the main service area covering 250,000 hectares has caused a steady decline in agricultural productivity in the region. Pump breakdowns and the poor condition of canals mean up to 20% of canal water does not reach farms. Growing pressures on water from a rising population and climate change have given added urgency to the need for an overhaul.

ADB will help fund a new pump station and upgrade four existing ones. The measures will increase energy conservation and reduce greenhouse gas emissions. The planned introduction of a wireless radio communication system along the main canal will help to further reduce wasteful water discharge. To help farmers deal with a changing climate, they would also be taught how to use drought resistant seeds and the latest techniques in growing fruits and vegetables in greenhouses.

One in every four households in the area surveyed by ADB said they no longer used their land for crop production because of the unreliable supply of irrigated water. Improving irrigation will give households an economic boost, promote crop diversity, and will be especially beneficial to women who make up more than half of those working in agriculture in the surveyed areas.

Regarding ongoing concerns surrounding labor issues in Uzbekistan's agriculture sector, the project has strong and comprehensive loan covenants to enforce the government's compliance with core labor standards in relation to the project's implementation. In addition, ADB has sought and received firm assurances from the government that it will respect international labor principles. Uzbekistan has recently agreed to allow a delegation from the International Labor Organization (ILO) to monitor the current cotton harvest. ADB will work closely with the ILO and other development partners to continue a constructive dialogue on improving labor practices.

The project is to be carried out over six years with an estimated completion date of February 2020.

Source: Asian Development Bank (ADB), September 25, 2013



## **Agriculture in Nepal**

Nepal is predominantly an agricultural country. The majority of the population still identifies agriculture as the main occupation. Agriculture provides employment for over 75 percent of the economically active population and contributes about 33 percent of GDP but it is, so far, subsistence based and most peasants derive their living from fragmented plots of land. The average availability of agriculture land is 0.789 ha. The highest availability is in the Terai (0.944 ha) followed by high hills (0.655 ha) and mid hills (0.633 ha). In trying to increase agricultural production and diversify the agricultural base, the government has been focusing on irrigation, use of fertilizers and insecticides, introduction of new implements and new seeds of high-yield varieties, as well as the provision of credit. Although all this helped increase food production to some degree, there still is room for further growth.

There is huge possibility of turning agriculture into commercial venture and starting industrial activities based on agriculture. Nepal produces rice, wheat, maize, millet and barley as the main food crops while sugarcane, oilseeds, potato, tobacco, jute and pulses (lentils, pigeon pea, black gram, soybean, etc) are produced as cashcrops. Rice remains the most important cereal crop. Sugarcane and tobacco showed considerable increases in production from the 1970s to the 1980s. In recent years, export oriented production of vegetables, fruits, tea, coffee, spices (ginger, cardamom, etc), honey, floriculture, mushroom farming, etc are on the rise. There is potential of investing in agro-processing and value addition agricultural commodities. Due to its geo-topography and varied climatic conditions, Nepal is a heaven for medicinal herbs and essential oils. From Yarsagumba to Aloe Vera, about 3,500 different types of medicinal herbs are found in Nepal, which have very good prospects of export to third countries as well neighboring countries.

### **Agriculture & Agro-based Industries Suitable for Foreign Investment**

- Cultivation and processing of vegetables, mushroom, flowers, ornamental plants, fruits, herbs, soya, sugarcane (sugar), fresh and dried ginger, garlic, coffee, etc.
- Production of flowering seeds, vegetable seeds, skimmed milk powder, baby food and nutritious food, animal feed, etc.
- Development of tea industry
- Integrated livestock and dairy industry
- Aquaculture
- Oil seed processing and oil extraction

Source: Federation of Nepalese Chambers of Commerce and Industry (FNCCI)

## GMPDA announces plan to establish platform to ensure safety of all foods

By Joy Lee

Taiwan's Good Manufacturing Practice Development Association (GMPDA) announced on June 26, 2013 that it will found a food testing alliance to provide a platform to examine all food products.

The GMPDA made the announcement on June 27, 2013 at its first summit, which attracted over 150 people from most of the country's leading food and beverage brands, including HeySong Corporation, Wei Chuan Corp., Uni-President and Taisun Enterprise Co., as well as representatives from the government and research institutes.

Wei Ying-chung said that the recent tainted starch scare has impacted the food industry in Taiwan and damaged the image of the country's foods.

"Due to the tainted starch incident," Wei said, "the government revised the Act Governing Food Sanitation which affected over 60,000 food additive business owners to register with the health authority."

"It is important for people in the food industry to strengthen the management of food safety to prevent similar incidents from happening again."

According to the GMPDA, 47 food industry leaders have lent their support to the recent founding of the Taiwan Food Industry Association and also to the planned founding of the food testing alliance so that there will be an official platform for food sellers to examine and certify their products.

Wei said that with the scheduled founding of the alliance, the industry can share food inspection resources, organize educational activities and hold research meetings to prevent industrial ingredients from being added to products again.

Representatives from HeySong Corporation participating in the summit said that all companies in the industry should work together to establish a system for analyzing food risks. A Vedan Enterprise Corp. representative said that the government should mandate more serious punishments for those found guilty of adding illegal ingredients to food products.

Source: *The China Post*, June 27, 2013



## People's leasing & finance PLC embarks on organic farming project

People's Leasing & Finance PLC are embarking on a venture to change the public's view on healthy foods and to promote organic farming amongst the farming community. The project will start off helping existing farmers supplement their income through organic home gardens, with the aim of eventually converting their main farms to produce organic crops.

On August 16th, selected farmers from Avissawella and Kalutara were initiated in the methods of organic and home gardening at the Dilmah Conservation Sustainable Agriculture Research Centre (DCSARC) in Moratuwa, through the patronship of People's Leasing & Finance PLC. Mr. Andy Ratnayake - Senior Manager (Risk Mgt. & Control), Mr. Iresh Dissanayake - Asst. Branch Manager (Avissawella) and Mr. Ranga Hewavithana of Badureliya Branch, accompanied the 17 farmers, whilst Mr. Sarathchandra Fernando, an expert in organic farming conducted the tour of the model farm, ably supported by Mr. Buddhika Jayalath, manager of the DCSARC.

The tour covered areas from non-chemical fertilizers, such as vermicompost created by the secretions of earth worms; natural pollination and insect repellents in the form of bees, birds and other

insects; to various planting methods used to maximize the efficient use of available space and land. The tour was followed by plenty of literature provided to all and then explained in detail. An active question-and answer session ensued with the farmers being able to learn about these novel methods as well as share their own experiences and existing practices, gladly welcomed by DCSARC staff. The learning session was brought to an end by a small exercise in encouraging out-of-the-box thinking, which was enjoyed by all. As one of the farmers said at the beginning of the day, "they had come today to learn something which they did not already know," and the day ended with all believing that this had definitely been accomplished.

Finally, seeds were generously gifted to all visitors by the DCSARC, in order for the farmers to begin on their nurseries. The project will now proceed with PLC supporting these selected farmers in establishing their own home gardens, guided by the experts and monitored throughout, with the aim of eventually



PLC Farmers visiting the Model Organic Farm (DCSARC).

extending the project to their main plots and to other districts under PLC's reach. This project was facilitated by the Sri Lanka Business and Biodiversity Platform, a joint venture by the Ceylon Chamber of Commerce, International Union for Conservation of Nature and Dilmah Conservation.

Source: *The Ceylon Chamber of Commerce*, 23 August 2013

# India passes US\$20 bil. law for food welfare

By Katy Daigle

India plans to subsidize wheat, rice and cereals for some 800 million people under a US\$20 billion scheme to cut malnutrition and ease poverty.

The Food Security Bill, sent in early September 2013 by India's parliament to the president for approval, guarantees citizens a legal right to food.

India has some of the world's worst poverty and malnutrition with two-thirds of its 1.2 billion people poor and half of the country's children malnourished. But the US\$20 billion annual cost of the bill, which consolidates and expands existing subsidies, has drawn renewed attention to strained government finances at a time when India is flirting with an economic crisis as its currency falls and debt mounts.

Food Minister K.V. Thomas called the bill a first step toward improving food distribution in a country where poor transportation and lack of refrigeration mean up to 40 percent of all grains and produce rot before they reach the market.

The legislation, long promised by the governing Congress Party, was passed by India's upper house of parliament on Monday after being passed last week in the lower house.

It allows those who qualify to buy 5 kilograms of rice a month for 3 rupees (4.5 cents) a kilogram. Wheat will cost 2 rupees a kilogram, and for cereals the cost is 1 rupee.



Pregnant women and new mothers will also receive at least 6,000 rupees (US\$90) in aid. In a deviation from India's patriarchal traditions, the scheme designates the eldest woman in each home as the head of the household, hoping to prevent rations from ending up on the black market. This would also help keep subsidy costs from escalating, the government said.

The very poorest families, already receiving subsidized rates for up to 35 kilograms of grains a month, will continue to receive those benefits, the government said.

The expanded spending will increase food subsidies from 0.8 percent of gross domestic product to 1.2 percent.

Moody's credit ratings agency said last week that the food bill would hinder the government's ability to consolidate its finances. The Reserve Bank of India also warned in its annual report that the bill could exacerbate strains on the government budget and limit its room for maneuver in the future.

"Given the macroeconomic situation ... the timing is not right," Bimal Jalan, a former RBI governor, told Press Trust of India, though he acknowledged that the food program is otherwise a "desirable thing to happen."

The government has said it can afford to pay for the 61.2 million tons of grain required, and that recent measures such as a cut to diesel subsidies would help. It said it would cover most of the program's annual US\$20 billion cost, which includes existing subsidies, but it will be up to India's states to decide who will qualify.

With elections looming next year, the opposition has criticized the bill as a gimmick for winning votes while also saying the plan itself was not ambitious enough to improve nutrition.

India has offered free midday school meals since the 1960s in an effort to persuade poor parents to send their kids to school. That program now reaches some 120 million children. The country gives a similar promise of a hot, cooked meal to pregnant women and new mothers — a promise the new bill extends to children between 6 and 14 years old.

Source: Associated Press (AP), September 4, 2013 ■

## ABOUT CACCI

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is a regional grouping of apex national chambers of commerce and industry, business associations and business enterprises in Asia and the Western Pacific.

It is a non-governmental organization serving as a forum for promoting the vital role of businessmen in the region, increasing regional business interaction, and enhancing regional economic growth. Since its establishment in 1966, CACCI has grown into a network of national chambers of commerce with a total now of 29 Primary Members from 27 Asian countries. It cuts across national boundaries to link businessmen and promote economic growth throughout the Asia-Pacific region. CACCI is a non-governmental organization (NGO) granted consultative status, Roster category, under the United Nations. It is a member of the Conference on NGOs (CoNGO), an association of NGOs with UN consultative status.

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