



CACCI

Food & Agriculture Newsletter

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Message from the Chairman

As Chairman of the Asian Council on Food and Agriculture (ACFA), I am pleased to present the seventh issue of the Newsletter of ACFA to all our colleagues in the food and agriculture sector.

This issue highlights the trends, the latest news and interesting reports on food and agriculture in the Asia-Pacific region. I hope that you will find the articles included in this Newsletter of great value, and look forward to your contribution to the Newsletter in the future.

Since assuming the Chairmanship in 2011, I have found this Council a valuable platform for information exchange and networking for all representatives from the region's food and agriculture industry. Therefore, all CACCI members are encouraged to take advantage of the Council and the Newsletter as channels to voice their opinions and viewpoints.

My Best Wishes

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

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Asian Council on Food and Agriculture Holds Successful Breakout Session in Hong Kong

In conjunction with the 29th CACCI Conference held on October 29-30, 2015 in Hong Kong, the Asian Council on Food and Agriculture (ACFA) organized a successful breakout session under the chairmanship of CACCI Vice President and Former Federation of Nepalese Chambers of Commerce and Industry (FNCCI) President Mr. Pradeep Kumar Shrestha.

Following the self-introduction by session participants, Mr. Shrestha delivered a presentation on “Ensuring Food Security and Food Safety in the Region.” Citing a report entitled “Undernourishment Around the World in 2015” released by the Food and Agriculture Organization of UN, he analyzed the status of hunger in the world and shared with the audience what steps Nepal had taken to improve local poverty and hunger. In addition, Mr. Shrestha also explored possible strategies to strengthen food security in the Asia-Pacific region as well as elaborated the key challenges and opportunities for Asian countries in the regard. Other issues raised in Mr. Shrestha’s presentation also

included: the role of government in social safety nets, major food security programs in South Asian countries and role of private sector to overcome the challenge of food security.

The second speaker of the Food and Agriculture Session was Ukraine Chamber of Commerce and Industry President Mr. Gennadiy Chyzykyov. Stressing Ukraine as the “Bread Basket of Europe,” Mr. Chyzykyov introduced to the participants the history of the agriculture sector in his country as well as the latest development in the food sector. By attending the CACCI Conference and the Breakout Session, Mr. Chyzykyov expressed his hope that CACCI member countries will get a further understanding on Ukraine, and the two sides will be able to forge cooperation ties in the future, especially in the agriculture field.

At the Q & A Session, the discussions between the invited speakers and the audience involved exchanging of views on ensuring food security and food safety in the region. ■



CACCI Vice President Mr. Pradeep Kumar Shrestha chairs the Breakout Session on Food & Agriculture.



Mr. Gennadiy Chyzykyov from Ukrainian CCI reports on the latest development of the agriculture sector in Ukraine.



The participants of the Food & Agriculture Session exchange views with invited speakers during the Q & A Session.



Speakers and participants of the Breakout Session pose for a group photo after the productive discussions.

Connexion in the NFP Sector

Australian SMEs are focussed on ending global food losses

A case study by Mitchell Westra

What if I told you that the global phenomenon of 'Food Loss' in grain and forage products could be eliminated using products from two Australian Small to Medium Enterprises (SMEs)? And what if I then told you that the two products I mentioned were already on the market and available for use?

Food Loss is defined by the Food and Agriculture Organisation of the United Nations (FAO) as “the decrease in quantity or quality of food”; that is, any agricultural or fishery product produced for human consumption that is ultimately not eaten or that has a reduction in quality reflected in its nutritional value, economic value or food safety.

While much has been made in the media of 'Food Waste' in industrialised nations, where more food is purchased than can be used and a large amount is then discarded, it seems that most people in those industrialised nations are blissfully unaware of statistics from a study which found that 20-50% of all food is lost before it ever reaches the market.

The report, released by the FAO at the packaging industry's annual conference in 2011 at Dusseldorf,



Germany, found that approximately one third of the food produced for human consumption is lost or wasted globally. This amounts to about 1.3 billion tons per year; enough to feed the world's 870 million hungry people four times over. Every. Single. Year.

The causes of Food Loss are many and varied. They've been the subject of media attention and university studies across the world, including by Deakin University here in Australia, but so far no one has come up with a solution.

That was until two Australian small businesses decided to work together in 2014. On the one hand, a software solution produced by Canberra based business, Connexion, with the capacity to track any commodity around the world from a .Net enabled interface that can be accessed from any standard web browser; and, on the other hand, an enormous tri-layered, hermetically sealed plastic bag from Silo Bags Australia, that can use GPS locators and RFID tags to store grains and forage products for up to 24 months. Silo Bags' unique seal prevents pests, such as rodents and insects, and other common spoilers, such as mould and fungus growth, from 'breathing'; in effect this kills them off and prevents them from causing damage to the grain. Meanwhile, Virtual Warehouse allows growers, aggregators and distributors to undertake stock rotation processes, predict shortages or surpluses, and track transport needs well in advance.

No solution currently on the market can match Virtual Warehouse for its end-to-end functionality. Using state of the art software development, the team at Connexion has produced a solution that is capable of not only tracking commodities post-harvest but also predicting market trends, keeping records of import and export values, and providing proof of origin for any amount of any commodity.

Connexion, the Canberra business behind Virtual Warehouse, has been in touch with governments and private sector organisations around Australia to discuss the potential benefits of implementing the solution both in Australia and in developing nations. Consultation has been undertaken relating to various markets, including Victoria's medicinal cannabis industry, fisheries, oysters, logging and timber products, domestic and international grain, and even live export.

The solution works by allowing large scale aggregators, including governments, to track the origin of a commodity, separate quantities of boutique commodities, record quality test results, review global supply and demand, and predict shortages and surpluses.

Meanwhile, Silo Bags can be used to store up to 275 tonnes of grain, forage, dried fruit or other commodity in a pest free environment for 24 months without the need for permanent infrastructure or costly individual

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Australia SMEs

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packaging. The bags can then be emptied completely or in sections as demanded by the market.

Combined, these solutions are capable of providing transparency and trade certainty to domestic and international commodity markets. Flexible storage solutions allow aggregators to maintain stock levels appropriate to their local markets, confident in the knowledge that the commodity is safe, dry and sustainable.

Eliminating food losses could also have other positive effects. Utilising land currently used exclusively for food production for other uses will assist developing nations to find more land for residential and commercial use. That land could also be used to keep livestock,

enable reforestation activities, or for a range of other alternative uses.

Providing semi-subsistence farmers in developing nations such as Fiji with a local aggregation site could assist them to increase their technical efficiency from the current level of 72%. This would improve the livelihoods of those farmers and their families while ensuring that the food does not go to waste.

While there is a long way to go before food losses are completely eliminated around the world, these two SMEs are leading the way in their fields and have taken large steps towards that eventual outcome.

For more information about Virtual Warehouse go to www.cxxvirtualwarehouse.com.au.

For more information about Silo Bags go to www.silobagsinternational.com. ■

PhilRice develops cheaper irrigation for small-scale farms

The Philippine Rice Research Institute is developing a cheaper alternative to drip irrigation system to help small-scale farmers cope with the extreme impact of El Niño.

Drip irrigation system is a method that involves water delivery through a pipe distribution network consisting of a main pipe, sub main, manifold and lateral pipes.

The water is emitted through small outlets of drippers or emitters into the soil to be irrigated.

However, the system is costly for ordinary farmers and they also encounter problems when it is used in sub-surface irrigation.

Researchers from PhilRice recommend a capillary-based irrigation the farmers can easily fabricate and install.

Ricardo Orge, lead researcher, said the technology is a farmer-friendly system that has a simple do-it-yourself design which will significantly reduce farmer expenses on irrigation.

“As a cheaper, cost-efficient alternative to drip irrigation system, our study uses a water distribution system similar to drip irrigation system. However, it is equipped with emitters that make use of the capillary principle to deliver water through a wick,” Orge said.

Under normal field conditions, the water flows from



the water source towards the capillary pipes, and through gravity, the water is introduced directly to the crops through the wick.

Because it operates at near-atmospheric pressure, the system can be made from cheaper or even recycled materials other than the conventional plastic pipes.

As for the wick, the cotton yarn has the most ideal traits.

According to Orge, aside from the uniform water discharge rate (WDR), it is also biodegradable, readily-available, and can last for at least two cropping seasons.

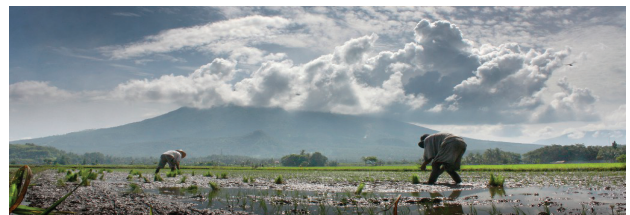
Initial results of the study showed that despite changes on ambient air temperature, the WDR of the system was not affected.

Under 36- 37° C, the WDR is consistent at 32 ml/hr.

Orge added the distance between the water level and the tip of the wick also didn't affect the WDR.

He said further testing would be conducted to harness the system's full potential. ■

Source: *The Philippine Star*, September 27, 2015





APEC members agree on regional plan to ensure food security

By Philippine News Agency

Member economies of the Asia-Pacific Economic Cooperation (APEC) agreed on a food security plan contained in a declaration following the two-day meeting on food security.

The policy declarations, which will be forwarded to the APEC economic leaders in November, have four priority areas: stock-take and food security roadmap toward 2020, sustainable development of agriculture and fishery sectors, facilitation on investment and infrastructure development and enhancing trade and market.

“Food security has come to be one of the most urgent and important challenges confronting the world, especially APEC economies,” said Undersecretary for Fisheries Asis Perez, the chair of the APEC Policy Partnership on Food Security (PPFS) Meeting here.

The Philippines, a predominantly agricultural country, has focused on attaining food security and rice self-sufficiency in the last five years under the Aquino administration.

This government goal coincides with APEC PPFS goal of attaining an institutionalized food system structure by 2020, that will ensure sufficient food supply for the entire region.

But having a secured supply of food goes beyond increasing production, Perez said, adding it also involves enhancing producers’ competitiveness and having fair policy regimes that promote sustainable growth and



recognize the participation of women, farmers and fisherman in the value chain.

Among the major agenda during the meeting is the major role that the private sector will play in assisting micro, small and medium enterprises (MSMEs) production process, which is part of the PPFS 2015 work plan.

To push this regional agenda, the Philippine government has been working to bridge the gap between the public and the private sectors, especially in the agriculture and fishery sectors so that small entrepreneurs receive the necessary support as they become part of the value chain.

The Bureau of Fisheries and Aquatic Resources, under the Department of Agriculture hosted the APEC 2015 PPFS meeting in Iloilo City.

Source: Manila Bulletin, October 4, 2015

Japan to help Vietnam with agricultural production through consumption

Japan and Vietnam on August 12, 2015 adopted an action program involving assistance from Japanese public and private sectors to help boost production in agriculture, forestry and fisheries, and food industries in the Southeast Asian nation.

Starting this year, the five-year program is aimed at establishing a food value chain of production, processing, distribution and consumption that serves to add value to agricultural, forestry and fishery commodities, and increase farmers’ incomes.

Japanese farm minister Yoshimasa Hayashi said at a meeting of government and business representatives from the two countries that it is important to deliver products that meet consumer needs and that this would lead to helping to increase farmers’ incomes.

The action program sets goals for each model region. For provinces with outdated irrigation facilities, it calls for improving productivity through equipment repairs. It calls for improving distribution networks in Hanoi, Ho Chi Minh City and their suburbs through the construction of cold — and frozen-storage warehouses by companies.

Japan’s official development assistance and private-sector investments are eyed for these projects.

Japan and Vietnam will hold regular meetings to follow up on the program.

Source: Japan Times, August 13, 2015



P12.58 billion allotted for agriculture projects under PRDP, says DA



The Department of Agriculture (DA) in the Philippines said on August 24, 2015 that a total of P12.58 billion has been allotted for various agriculture-related projects under a World Bank-funded initiative.

Of the amount, the DA said P10.96 billion has been approved for infrastructure projects funding under the Infrastructure Development component of the Philippine Rural Development Project (PRDP) as of August 14.

The DA also said in a statement that a total of P1.62 billion has been allocated for production, processing and marketing activities of agri-fishery products under the Enterprise Development (I-REAP) component.

Ten infrastructure projects worth P297.61 million are already being implemented and are over 50-percent complete, while 33 other infrastructure projects worth P2.02 billion are below 50 percent in progress.

Sixteen subprojects worth P616.85 million have been approved for implementation following the issuance of No-Objection Letter 2 (NOL-2) and 124 subprojects, amounting to P8 billion have been approved for funding and have been given NOL-1.

Under the I-REAP component, 10 subprojects worth P78.65 million have been approved for funding, including the calamansi marketing and trading project of the Naujan Farmers' Association in Oriental Mindoro. In June the



PRDP also transferred P20 million worth of checks to the Polo Samahang Nayon Cooperative to jumpstart their cassava granules production and marketing project.

Agriculture Secretary Proceso J. Alcala said the DA has introduced “modern tools” to help identify, validate and monitor subprojects under the PRDP. The Expanded-Vulnerability and Suitability Assessment Tool, for instance, a user online tool takes account of socioeconomic indicators to help target interventions under the project.

The DA also rolled out the Applied Goetagging (AGT) to validate and monitor progress of subprojects under the PRDP. Through the use of Global Positioning System technology in smartphones, photographs of proposed and implemented sub-projects can be laid out in Google Earth and be viewed online.

With AGT identifying the exact location of projects, Alcala said ghost and overlapping projects will be avoided.

The DA has also implemented the Grievance Redress Mechanism (GRM). Through the GRM, the PRDP is ready to accept and address grievances, complaints and suggestions of the public to improve the implementation of the subprojects.

Several projects being implemented under the P27-billion PRDP will be visited by a team from the World Bank. The World Bank team, led by Task Team Leader for PRDP Samik Sundar Das, met with DA officials on August 24.

Officials from World Bank and DA-PRDP will visit projects in Palawan for the South Luzon cluster, Isabela for the North Luzon cluster, Misamis Occidental and Lanao del Norte for the Mindanao cluster, and Bohol for the Visayas cluster.

Source: Business Mirror, August 24, 2015



Hong Kong's taste for seafood putting oceans in danger

A seafood lunch in Hong Kong is enjoyed by locals and visitors alike, but with threatened species on the menu and fishing practices that endanger marine life, campaigners want to change the city's appetite.

Hong Kong is the second-largest consumer of seafood per capita in Asia — an average resident consumes 71.2 kilograms (157 pounds) of seafood each year, more than four times the global average, according to the World Wide Fund for Nature Hong Kong.

Yet the city of 7 million has been forced to become one of the biggest seafood importers in the world as local waters are depleted of fish stocks.

Whether in high-end restaurants or waterside eateries, seafood is ubiquitous in the southern Chinese city, where customers often choose their fish live from a tank.

Baked lobster with noodles in cheese and deep-fried prawns in salted egg yolk are among local favorites.

But a “fish tank index” compiled by WWF Hong Kong found that more than 50 percent of the species available in the city's traditional restaurant tanks were from “highly unsustainable” sources.

“Overfishing is driving the collapse of the world's ocean fish stocks and edging many types of fish toward extinction, yet they are still on our menus,” WWF Hong Kong conservation director Gavin Edwards told AFP.

“Hong Kong has a special responsibility to turn the tide as one of the biggest consumers of seafood.”

Unsustainable fish include those caught by controversial fishing practices, such as using cyanide poison, or from overfishing already depleted species.

Popular, threatened seafood in Hong Kong include grouper, wild sea cucumber and humphead wrasse — a coral reef fish.

The WWF has launched a new online seafood guide for Hong Kong detailing which types are deemed unsustainable.

It also recently held a “Sustainable Seafood Week” asking restaurants to provide ocean-friendly options.

But there is still a way to go to change consumer habits.

Visiting Hong Kong for a post-graduation trip, Japanese student Ted Machizawa, 22, has just finished lunch in the coastal town of Sai Kung, famous for its seafood.

He says he had no idea whether his meal — steamed grouper and shrimp — could pose a threat to the ocean.

“We're just trying to see what it's like here. We are probably not too keen on knowing what kind of fish it is,” he said, sitting meters away from tanks packed with live crabs and reef fish.

Hong Konger Janice Fung said restaurants rarely



Customers eat seafood at the Chuen Kee restaurant in the Sai Kung district of Hong Kong. | AFP-JJJI

gave information on sourcing.

“If you go to an expensive restaurant or a specialized seafood shop they might tell you. Otherwise the information is not comprehensive,” she said as she waited for a meal at Cafe Deco on the city's famous Peak, which serves a wide range of seafood.

“If you tell me what I am eating is not sustainable I will try to avoid it,” she added.

Cafe Deco has opted to provide an alternative sustainable menu as part of the WWF push — shunning the controversial delicacy shark fin, for example.

“You can't necessarily tell the difference (in flavor) ... if you don't use shark fin to make dumplings,” senior chef William Chang said as he put the finishing touches to ocean trout-stuffed ravioli, a dish on the sustainable menu.

Chang says restaurants should “take the first step” to change people's eating habits.

Some suppliers are also trying to help.

Banker-turned-fish farmer Mark Kwok hopes that by farming groupers, which are on the decline in the ocean, he can help stem the crisis.

His farm in the northern hillside town of Yuen Long was accredited as sustainable by the WWF in 2013.

“We have about 35,000 fish. Even if you were to eat all of them, it wouldn't make a dent in the ecosystem because these are farmed fish that have never seen the ocean,” he said.

Environmentalists in the Philippines say stocks of grouper are dwindling near the island of Palawan, a major source for Hong Kong.

“We have fishermen who say they used to catch them near the coast. But now, they have to go further out to sea,” said Melo Ponce De Leon, spokeswoman of the government's Palawan Council for Sustainable Development.

Some Hong Kong restaurateurs worry that changing their menus would dent their incomes.

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Sri Lanka earns more from fruit and vegetable exports during 2014

Sri Lanka's earnings from exports of fruits and vegetables during the year 2014 have increased, compared to the previous year's income, a study conducted by the Ceylon Chamber of Commerce finds.

According to the study, which is titled as 'Fruit and Vegetable Sector Statistical Analysis 2014', earnings from fruit exports has seen the biggest jump, accounting for a 51% rise, while earnings from vegetable exports

have gone up by 25% during the same period.

Exports of fruits from Sri Lanka to countries such as UAE, India, Saudi Arabia, Qatar, Maldives and Germany all have gone up during the year under review. The above mentioned countries are also the biggest buyers of the fruits produced in Sri Lanka. Sri Lanka's export earnings from vegetables has mainly come from markets such as, Maldives, UAE and UK, which are the biggest buyers of the Sri Lankan vegetables.

The Ceylon Chamber's latest study on the fruit and vegetable sector has analyzed the performance of both the local and the global fruit and vegetable sector during the year 2014. Accordingly, the report has analyzed areas such as the global fruit and vegetable production by variety, world export and import markets of fruit and vegetables and world export and import products of fruit and vegetables etc. It also has a separate analysis on Sri Lanka's fruit and vegetable sector.



Source: Ceylon Chamber of Commerce, September 9, 2015

Hong Kong's taste

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"Many of our customers are from mainland China and they want to get something they have never seen before," says Ng Wai-lun, one of the owners of Chuen Kee Seafood Restaurant on Sai Kung's promenade.

"They like to pick the colorful ones . . . or something caught fresh from the wild," said Ng, pointing out a tank of humphead wrasse and groupers.

Ng says he would have to scrap 70 percent of the menu to make it ocean-friendly, something he fears would drive customers away.

But campaigners say progress has been made.

"We found in a recent survey that 80 percent of customers would not buy unsustainable seafood if they knew it was unsustainable," says Edwards.

"There is more awareness, but we still have much further to go."

Source: Agence France-Presse (AFP)-JJI Press, August 12, 2015



Iran eyes buying more PH bananas

By *Madelaine B. Mirafior*

Iran has expressed interest to import more bananas from the Philippines and possibly invest in this sector, Iranian Ambassador to the Philippines Ali Asghar Mohammadi said.

During his recent meeting with the Pilipino Banana Growers and Exporters Association (PBGEA) members, Mohammadi expressed the need to deepen the trade relations between the Philippines and Iran.

“We want an open international market. We can’t supply our own market. Iran is a demanding market because we always import,” Mohammadi said. “The food industry is always in demand.”

In particular, Mohammadi is interested in Philippine bananas.

In 2008, the export of fresh bananas to Iran was as high as 510,642 metric tons, but because of the United Nation’s trade restrictions due to Iran’s nuclear activities, it went down to as low as 148,892 metric tons last year.



But Mohammadi is optimistic that country’s banana export to Iran would recover due to the strong demand.

He also said Iranians may also invest in the local banana industry.

“The image of the Philippines has a positive element. Maybe the Iranians would also like to invest in the Philippines,” Mohammadi said.

Meanwhile, Mohammadi proposed for the review of the existing bilateral trade agreement between Manila and Tehran following the lifting of trade restrictions imposed by the UN.

But in order to increase Philippines’ banana export to Iran, Mohammadi said “loopholes” in the trade agreement should be reviewed and improved first.

He, however, did not specify what needs to be improved in the existing agreement.

PBGEA, meanwhile, admitted that the country’s banana industry is still facing several natural and man-made threats, citing a pending bill in Congress involving banana production.



Ali Asghar Mohammadi

“While we can’t prevent natural calamities, these man-made threats to the banana export industry can be solved or eliminated if legislators involved will fully understand how the industry works,” Stephen Antig, PBGEA executive director, said.

“At the local level, some ordinances tend to prevent the industry to grow and prosper while at the national level, a

House Bill waiting for deliberations might even kill the industry,” he added.

Antig noted that House Bill (HB) 5161, a proposed act to regulate the establishment and implementation of agribusiness ventures arrangements (AVAs) in land reform areas.

According to him, HB 5161 will unnecessarily allow interference by the government in purely private commercial transactions.

“Involving the government in AVAs will further increase the presently cumbersome regulatory requirements for investments in the Philippines, including investments in agribusinesses in tandem with ARBs [agrarian reform beneficiaries],” Antig said.

“This will definitely spoil Iran’s potential investments in the banana industry and other food-related businesses in the Philippines,” he added.

The Philippines is the second largest banana exporter in the world, making the banana industry a consistent top dollar earner.

Aside from Iran, the Philippine fresh bananas are also exported to Japan, the Gulf countries of UAE, Saudi Arabia, Oman, Kuwait, Qatar and Bahrain; China; South Korea; Hong Kong; Singapore; Russia; and New Zealand.

Philippine bananas are also exported to Mongolia; Ukraine; Turkey; Iraq; Egypt; and in the neighboring countries of ASEAN such as Brunei, Malaysia, Thailand and Indonesia. There are also niche markets in Europe.

Source: Manila Bulletin, August 17, 2015 ■



Food security can't be measured in rice cups

By Cielito F. Habito

I'm convinced that a crucial reason we have fared so badly in agriculture relative to our neighbours has been the way too many among us, including past and present policymakers, confuse and equate food security with rice self-sufficiency. To be sure, there are other culprits as well, like the massive leakages of huge sums from the farm budget into private pockets, overcentralized management of the sector, and others. Still, some of those other reasons appear to have been an offshoot of longstanding distortions resulting from our rice self-sufficiency policy.

It's often said that the success of a Philippine secretary of agriculture -- and even of a Philippine president, to some extent -- is measured on the basis of our rice production performance. Sadly, for as long as we actually believe that, the less likely it will be that we will achieve the success in agriculture that most of our neighbours have.

I earlier wrote of four ironies associated with the country's traditional drive for rice self-sufficiency. One, our annual farm budgets have always been inordinately skewed toward rice, even as our avowed goal of self-sufficiency in the commodity consistently eludes us. Two, the government's rice budget mostly benefits those who need the least help -- that is, the more productive (hence better-off) rice farmers. Three, Malaysia, much richer than us but similarly naturally disadvantaged in rice production vis-a-vis the rice-surplus Mekong river delta countries of Thailand, Vietnam and others, had deliberately not targeted 100-per-cent rice self-sufficiency. This way, they freed substantial resources that allowed them to strengthen their farm sector overall, and can now raise their rice targets more rationally and realistically over time. Four, the more we pursued 100-percent rice self-sufficiency, the more we made most Filipinos less food-secure by making the commodity unnecessarily more costly, hence less accessible, to the



lesser endowed among us.

The last point is very important. It seems to me that many of those mouthing "food security" may be seeing it from an aggregate national perspective of food availability -- but missing the critical aspect of accessibility, hence cost, of food at the level of families and communities. One could say outright that Thai, Vietnamese and people from the other Greater Mekong Subregion (GMS) countries are more food secure than Filipinos -- not so much because their countries can produce much more rice, as because Filipinos must pay two to three times more for their rice than their ASEAN neighbours do. And the reason for this is that unlike the vast fertile plains of the Mekong Delta, many of our rice lands can attain comparable yields only through more intensive application of high-cost inputs, including irrigation, fertilizers and mechanization. And when our farm yields range from as high as 200 cavans (50-kilogram sacks) per hectare to as low as 10 cavans, production cost averages out nationally to be quite high -- indeed up to two to three times that in our better-endowed neighbours.

No Less Competent

Note that some Filipino rice farmers, through no fault of their own, are inherently less productive or end up with more costly yields because of land and agro-climatic conditions less suited to rice -- certainly not because they are less competent. The GMS countries are rice-surplus countries not because they have better farmers, but because of the vast, rich and fertile river deltas they possess, making them naturally more richly endowed with rice-conducive lands than Malaysia, Indonesia and the Philippines. As with Indonesia, our archipelagic nature deals us an even greater handicap. Worse, we have allowed domestic shipping costs to be high, owing to the lack of competition due to cabotage rules. Is it any wonder that there's strong impetus to (illegally) ship in already cheaper rice from our neighbours, when even the cost of shipping it from abroad is also much lower?

It will probably help all Filipinos if we help those farmers who can only squeeze 10-50 cavans per hectare out of their marginal rice lands to shift to crops more

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Food security

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suiting to their lands -- crops that will earn them higher incomes and finally get them out of poverty. It makes no sense to keep them producing rice while staying poor as they do. Once our rice production is focused on our inherently more productive rice lands, then the overall average cost of production of rice in the country will fall, and we can begin to approximate the costs of imported rice. Then we would also help our Filipino poor, as their purchasing power would grow as rice prices go down.

Asean as a region is not only self-sufficient in rice; it produces a surplus and can continue doing so for a time. The Philippines need not aspire to grow all the rice it needs, in the same way that Benguet would be foolhardy to try to grow all the rice it needs, and produce as much rice as, say, Nueva Ecija. In ASEAN, food security would be best pursued at the regional level, through a stronger regional buffer stock mechanism where the rice-surplus countries can fill the deficits of the rest. That way, rice could be cheaper for all, and ASEAN peoples, particularly in the rice-deficit countries, would generally



be much more food-secure. This, among other things, is what the ASEAN Economic Community should be about.

Meanwhile, we in the Philippines can take better care of the rest of our agriculture, and address not only the calorie side of food security, but also meet our people's need for protein- and other nutrient-rich foods as well. We could then do a much better job at pursuing true food security for all.

Source: *Philippine Daily Inquirer, Asia News Network, July 9, 2015*

Mandatory sugar label starts 7/31

By Anita Yang

Coffee, tea and other beverages made on the spot at chained tea vendors, convenience stores and fast-food chains must show the sugar content of the drink as well as calorific content and other information such as place of origin starting July 31, 2015 in Taiwan.

For instance, other than showing the amount of caffeine, if the tea or coffee are from more than one place, vendors need to label the places of origin according to the quantity found in each beverage.

Caffeine labels are divided into three levels: red, yellow and green. If the caffeine level exceeds 201 milligrams, it should be labeled red; from 101 milligrams to 200 milligrams, yellow; and green is for those less than

100 milligrams.

The new regulation also applies to juices. The amount of actual fruit juice must surpass 10-percent of the beverage to be called "juice," else it can only be called a "flavored" drink.

According to the Food and Drug Administration, the regulation requires sellers to give explicit explanations of beverages available. If labeled on the menu, the font must be at least 0.2 cm; while 2 cm is required for labels on a sign board.

Companies will display the calorie content for drinks containing full-sugar; consumers will need to calculate the calories for half-sugar, light-sugar, etc. Lee Wan-chen, a section head at the agency's Division of Food Safety gave an example, saying, every gram of fructose has 4 Kcals; if a shop uses 20 grams of fructose for a drink of full-sugar, then it should be labeled with 80

Kcal; for 70-percent sugar (56 Kcal), 50-percent sugar (40 Kcal) and one-third sugar (approximately 27 Kcal). Consumers will need to do the math.

She further mentioned that the amount of sugar can be labeled with the numbers of sugar cubes. Each sugar cube is five grams and has 20 Kcals. If

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Mandatory sugar

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a full-sugar beverage requires five cubes, then it should display five sugar cubes, 100 Kcal, on the label.

According to local media, the new rule received negative feedback from the companies and vendors who said it is not easy to provide all the required information.

Nonetheless, Consumers' Foundation Chairman Alan Lu stressed that the regulation is something that "should" be done and is not outrageous.

"Other than requesting that companies follow the new rules, the government should also be stricter in implementing them and do random inspections," said Lu. "Consumers should also purchase from stores with good reputations and watch out for their own health," he suggested.

The new regulation will kick off on July 31 and departments of health in all cities will start inspections.



Those who do not follow the new rules will be fined between NT\$30,000 and NT\$3 million. A higher fine of NT\$40,000 to NT\$4 million will be given to those who falsely label products.

Source: China Post, July 22, 2015

Halal 'good business,' says head of Japan advisory group

By Takuya Hatakeyama

Learning more about Islamic customs is just good business for Tomohiro Sakuma.

"It would be ridiculous to miss out on a chance to do business" with Muslim countries because of a lack of familiarity with Islam, the 50-year-old head of the Halal Japan Business Association said.

Sakuma, who set up the association in 2012, said that while he believes Japan generally has a favorable image in Muslim countries, Japanese have a tendency to associate the term "Islam" with terrorism.

Sakuma admits that he only learned about the term "halal," or items and actions permissible under Islamic law, six years ago.

He recalled the time he was told by a Malaysian acquaintance, "You need to learn 'halal' if you want to do business with Islamic nations." I was like, 'halal? What is that?' I hope companies across Japan will be interested in halal businesses in a wide range of fields, from food to tourism."

With 1.6 billion Muslims



Tomohiro Sakuma, chairman of the Halal Japan Business Association, speaks of the need to learn about halal if Japanese businesses want to engage with Islamic nations.

around the world, Muslim markets offer great potential for Japan, but however good Japan's food or other service products may be, without knowledge of halal, there will be no customers, Sakuma said.

Sakuma decided to build his own support organization after learning that neither the Foreign Ministry nor the Agriculture, Forestry and Fisheries Ministry were prepared to take any steps in support of one particular religion.

As chairman of the association, Sakuma, who hails from Gifu Prefecture, currently takes a three-day trip abroad almost each month to study local halal markets.

He also organizes support seminars to help companies conduct market research and facilitate business in Muslim nations while offering know-how to obtain halal certification from international authorities.

As proof that many companies are already showing a high level of interest in halal businesses, he was invited to hold 120 seminars across Japan in the year through March 2015.

At one of his seminars, former Malaysian Prime Minister Mahathir Mohamad told participants he wanted to try halal Japanese beef.

Source: Japan Times, July 14, 2015

Tycoon wants to make Indonesia global player in food supply

Peter Sondakh, the Indonesian billionaire, made his fame and fortune turning around sickly state-owned enterprises into hugely profitable companies.

He launched in 1986 Indonesia's first private television company and rolled out Asia's first prepaid telecommunication services in 1997 — at the onset of the Asian financial crisis.

He rescued a cigarette maker from the brink of bankruptcy and made Semen Gresik — now Semen Indonesia — the number one player in the country's cement industry.

Now, the Rajawali Group chairman and chief executive officer has set his sight on making his company a global giant in the palm oil business.

His game plan may even help Felda Global Ventures Holdings (FGV) reverse its own waning fortune.

"I am hoping that FGV will make a lot of money from this deal," he told StarBiz at his office in central Jakarta's business district recently.

He talks about the potential synergy between the two companies. Rajawali's Eagle High Plantations Tbk has a lot of land, 425,000 hectares, scattered across Indonesia, while FGV had the experience in the downstream side of the business.

"If not in Indonesia where else can it (FGV) grow?" Sondakh asked.

He also dismissed claims that proceeds from the exercise — FGV is paying close to 2.8 billion ringgit (US\$740.4 million) for a stake in Rajawali's plantation business — will be used to purchase assets from 1Malaysia Development Bhd (1MDB) projects.

"I am not investing in new property projects in Malaysia. Maybe in other things, but not property," he said.

His focus is to build in Indonesia.

In Jakarta, near its headquarters, the Rajawali Group is completing work on its latest luxury hotel — the St Regis Jakarta — which is scheduled to open next year.

Sondakh is ranked sixth richest in Indonesia by Forbes with an estimated net worth of US\$2.3 billion.

That gave him a lot of clout in a region where business and politics often mix.

"I always work with an institution in my joint ventures," he said.

FGV on June 12 announced it had entered into heads of agreement with Sondakh's Rajawali group to acquire a 37 percent stake in PT Eagle High plantations Tbk for US\$680 million.

It is also buying Rajawali's sugar cane plantation for US\$67 million.

Eagle High has a total land bank of 425,000 hectares — in Kalimantan, Papua New Guinea (PNG) and

Sulawesi. About 160,000 hectares of its land had been planted.

Sondakh sees PNG as the game changer for the industry.

It's huge land mass and proximity to China — the biggest market for palm oil products — makes the area the hottest plantation spot for global players.

Sime Darby Bhd in October last year bought New Britain Palm Oil Ltd, which has 135,000 hectares of plantation land in PNG for US\$1.74 billion.



Peter Sondakh, the Rajawali Group chairman and chief executive officer, has set his sight on making his company a global giant in the palm oil business and sees PNG as the game changer for the industry.

It was a missed opportunity for FGV.

The company, which had seen its profits tumbling in recent quarters, said the partnership with Rajawali will transform the company into one of the world's largest fully integrated oil palm plantation companies.

Presidential Blessing

Sondakh said he had met President Joko "Jokowi" Widodo over the deal with FGV, and he said the president was keen on the tie-up as an opportunity to improve the living standards of more than 2 million Indonesia farmers.

Sondakh's close relationship with the top office in Indonesia goes back a long way since the days of Sukarno.

"I know Megawati Sukarnoputri since we were younger," he said. Megawati was Indonesia's fourth president and a daughter of Sukarno.

Sondakh came from a family that had been in the commodity business since the 1960s.

They were first in the coconut business, which Sondakh took over in 1984.

Later in 1986, he started Indonesia's first private television network Rajawali Citra Televisi Indonesia (RCTI) with Bambang Trihatmodjo, one of the sons of then President Suharto.

Sondakh no longer owns RCTI, but he is making a

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