

2 August 2022

H.E. Dr. Chalermchai Sri-on

Chair, APEC Food Security Ministerial Meeting
Minister of Agriculture and Cooperatives
Thailand

Excellency:

On behalf of the APEC Business Advisory Council (ABAC), I am writing to share ABAC's observations and recommendations on the development of a sustainable, safe, secure and inclusive food system in the APEC region.

It is deeply troubling that, against a backdrop of looming challenges including food insecurity, population growth and harmful climate change impacts, the world is facing a severe food crisis. Although there are signs of falling prices in recent months, there are shortages and sharp price increases for grains, oilseeds, fertilizers, and other important products. The World Bank's Food Commodity Price Index peaked in March this year, at more than 80% higher than two years ago.

Regrettably, many economies are resorting to restrictive, beggar-thy-neighbor approaches in response: according to the International Food Policy Research Institute, as at the end of June, 18 economies have implemented food export bans on 31 products, and a further five economies have imposed restrictive export licensing on six products. Distorting agriculture subsidies are also on the rise.

This growing food insecurity is not only reversing years of development gains, but also threatening the achievement of the UN Sustainable Development Goals by 2030, and more broadly, undermining progress towards APEC's goals of a resilient, sustainable and inclusive region.

APEC economies must act to address both the short-term food crisis and the longer-term prospects for food security in the region.

In the short term, we call on APEC Food Security Ministers to affirm the commitments they made in the recent WTO Ministerial Declaration on the Emergency Response to Food Insecurity, which recognizes that trade, along with domestic production, plays a vital role in improving global food security, and commits to facilitate trade and ensure that any emergency measures minimize trade disruptions as far as possible, and reaffirm the importance of not imposing export prohibitions or restrictions in a manner inconsistent with relevant WTO provisions. These measures should complement ongoing reform work in the WTO, and support the UN and other international organizations (including the World Food Program (WFP) and the Food and Agriculture Organization (FAO)) with a mandate to address food assistance and food security. ABAC welcomes and encourages constructive and responsible efforts to address these challenges and promote inclusive, sustainable agriculture, innovation and open trade.

Longer term, despite the daunting challenges, APEC is well placed to help ensure people in our region have stable access to sufficient, safe, affordable and nutritious food to meet their dietary needs and food preferences, thanks to the goals set out in the Food Security Roadmap Towards 2030.

Within that framework, and as elaborated further below, ABAC places a strong emphasis on the development and implementation of the Food Security Digital Plan, to support the adoption of new technologies in agricultural production, distribution and trade; on innovation, including promoting innovative food processing approaches for nutritious ‘future food’; and on sustainability, including the adoption of a Bio-Circular-Green (BCG) Model and regenerative agricultural practices. We also emphasize the need for ambitious trade reform, including to non-tariff barriers and to distorting and environmentally-harmful agriculture subsidies.

These measures could help cushion the impact of the current crisis on economies in the region – for example, by facilitating more seamless trade – but equally importantly, will foster a sustainable and resilient food system in the Asia-Pacific region in the longer term. It will accordingly be critical to implement the new APEC Food Security Roadmap Towards 2030 as quickly as possible.

Enhanced strategic engagement and collaboration between the public and private sector will be critical to this, as will continued work together under the auspices of the APEC Policy Partnership on Food Security (PPFS). However, ABAC is eager to see the completion of a comprehensive review of the functioning of PPFS, as agreed by all APEC economies in paragraph 18(b) of the Food Security Roadmap. This is fundamental to ensuring that there is a meaningful partnership with the private sector, one which “better reflects the priorities and the interests of the private sector and seeks to optimize their involvement.”

Recommendations

1. Take all possible steps to avert a worsening of the current food crisis

- Support the facilitation of trade (including through innovative tools such as paperless trade, interoperable digital single windows, and digital supply chain management); refrain from WTO-inconsistent export prohibitions and restrictions; and ensure that any emergency measures minimize trade disruption, are temporary, targeted and transparent; and are notified and implemented in accordance with WTO rules.

2. Coordinate and collaborate with global efforts to address food insecurity

- Engage with and support the work of the UN and other international agencies (including the WFP and the FAO) with a mandate to address food assistance and food security, and responsible financing and support initiatives by multilateral development banks (such as the ADB) and corporate partnerships, for example seed funding or programs, that address inclusion, sustainability, innovation and open trade facilitation to address these increasingly challenging issues.

3. Continuing to work towards less distorted global markets

- Support the reduction of non-tariff barriers to agriculture and food trade (paragraph 12(c) of the Roadmap) and distorting agricultural subsidies (paragraph 11 of the Roadmap).

4. Enabling Cross Border Collaboration among all parts of the food ecosystem

- Work with all parts of the ecosystem, including food producers and manufacturers, distributors and traders, and relevant academics including economists and technical experts – noting, in that regard, the provisions of paragraph 12 (f) of the Food Security
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Roadmap, which mandates close cooperation with private sector actors in the food system, to identify policy barriers which impede progress on hunger and malnutrition, including measures to increase productivity and access to markets, and reducing food loss and waste.

- Encourage and promote sharing and exchange of information on cross-border research collaborations and partnerships (public, private and academic) on digitalization and innovation in the agri-food sector via the Asia Pacific Information Platform on Food Security (paragraph 8 (e) of the Roadmap).
- Private sector, public sector and academia must work together to scale up practices region-wide, and member economies and relevant enterprises are encouraged to share resources, propose policies and cooperate at an international level to mobilize agricultural transformation.

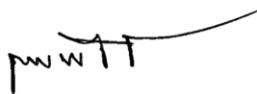
5. Fully develop and implement the Food Security Digital Plan foreseen in the Roadmap, including Adoption of New Technology and Innovation

- Leverage Big Data, Artificial Intelligence, and other innovative digital technologies for modernizing agricultural production, distribution and trade, to better manage the entire agricultural and food sector value chains.
E. g. “Smart” or “precision” farming, enabling more targeted fertilizer or herbicide application, complemented by big data analytics of production, saves cost, time, and production input, thus contributing to greater efficiency, higher yields and lower environmental impacts; and support for better access to fintech, digital trade facilitation measures and e-commerce channels can increase inclusion, efficiency and resilience.

6. Adoption of Bio-Circular-Green (BCG) Model and Promoting Innovative Food Processing Production

- Manage whole production process for preventing food loss and food waste and to enhance overall sustainability of production.
E. g. Expand Regenerative agricultural practices including: low or no-till; cover crops between seasons; more crop rotation; and adopt latest technologies and tools.
- Value nutrition for future food such as alternative protein, plant-based protein as well as insect-based protein.

Yours sincerely,



Kriengkrai Thiennukul
ABAC Chair 2022