

31 July 2019

Hon. Antonio Walker

Chair, APEC Food Security Ministerial Meeting
Minister of Agriculture
Chile

Dear Minister Walker:

On behalf of the APEC Business Advisory Council (ABAC), I am pleased to submit our views and present our recommendations concerning our shared goals of achieving sustainable and inclusive growth and prosperity in the region.

Promoting food security, including ensuring access to safe, sufficient and nutritious food supplies, and fostering a sustainable food system, remain critical concerns for all APEC economies. Food insecurity means that our human potential goes unrealized and the challenges of regional economic integration become more daunting. These concerns are increasingly pressing as we face significant population growth, rapid urbanization, growing competition for natural resources, technological change, volatile markets, climate change and other environmental challenges.

When ABAC originally envisaged the APEC Food System twenty years ago, we identified as key priorities the concepts of leveraging technological advances in food production and processing, addressing rural infrastructure, and promoting open trade in food products. Those elements have never been more important than they are today in contributing to a sustainable, inclusive and secure food system.

We believe that addressing the following priority issues would help to achieve our goals, recognizing that the full implementation of the APEC Roadmap on Food Security Towards 2020 would also make a critical contribution:

Exploring Digital Opportunities for Sustainable Process

Digital innovation can potentially play a vital role in boosting sustainable food production, increasing yields and meeting rising food demand, while minimizing environmental impacts. “Smart Agriculture” and mobile connectivity can deliver benefits along the whole value chain and to food security overall.

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Given that the rate of cellphone use in APEC economies is already over 70%, mobile connectivity offers a solid foundation to empower farmers across the region in a number of ways, including by providing readily accessible information, online learning, search engine, e-commerce platform, social media, and operational guidance. Mobile connectivity offers the potential to establish an Innovative Eco-System in Agriculture & Food Value Chain, linking research & development, production, processing, logistics & infrastructure, exports, sales & consumption. Such a system would be transparent, widely accessible and would help to create new business opportunities.

To that end, we call on APEC economies to broaden access to technologies, including in developing and emerging economies and for smallholder producers and MSMEs, and to give consideration to policies aimed at improving agro-industrial processes and the integrity and efficiency of the entire food supply chain. We reiterate our support for the promotion of the value and application of international food standards, through collaborative initiatives involving public and private sectors, to increase the participation of small holders and women in agriculture in developing economies.

Promoting Public-Private Partnership Networks

Entrepreneurship and R&D can generate innovations that help to raise agricultural yields, sharpen resilience and strengthen adaptability to climate change. However, success in these areas requires the right enabling environment; this includes better access to capital and commercialization opportunities, to further implement the APEC Connectivity Blueprint, including to ensure adequate infrastructure, wide access to research centers, sufficient information and means to capacity exchange.

The private sector, working in partnership with policymakers, has an important role in delivering sustainable food security. The APEC Policy Partnership on Food Security (PPFS) has the potential to foster deeper connections and mutually beneficial exchanges of ideas in that regard. It is clear, however, that the full potential of this forum has yet to be realized, and requires a greater level of energetic and effective engagement from the private sector, encouraged and facilitated by APEC policymakers.

Developing Circular Economy in Food Value Chain

To put circular economy theory into practice to capture more resource value lies at the heart of ABAC 2019 agenda, in light of its practical functions. Agriculture and food production have a close link to sustainable environmental management; cooperation on climate-friendly and resilient food systems will be key. Applying the circular economy model to food value chains can mitigate environmental impacts, increase efficiency, and safeguard greater food security through reducing food loss, waste and underutilization, ensuring that production takes place where it makes the most sense to do so from the sustainability perspective, enhancing resilience and lowering carbon emissions from agriculture and food production.

In this regard, we urge APEC to incentivize waste reduction, explore markets for alternative uses of waste, and share best practices to help develop new, more efficient and sustainable production processes.

Forging ahead, post-2020, ABAC will dedicate itself to advocate for the modernization, smartization and sustainability of agriculture in the region, as well as trade facilitation, policy coordination, supply chain optimization, and technology transformation in a larger scope.

Enhancing Food Security and Sustainable Agriculture in Response to Climate Change

ABAC underscores that APEC can play a key role in ensuring food security and sustainable agriculture, aquaculture and fisheries in our region and beyond, particularly in the context of climate change.

Therefore, we urge economies to work together to promote sustainable agriculture, aquaculture and fisheries to assess and reduce food loss and waste, enhance food safety, agricultural productivity and resilience against climate change. To improve fisheries stock sustainability, we reiterate our call for APEC economies to encourage the development and implementation of strengthened resource management regimes through regional and sub-regional initiatives.

Finally, and closely linked to the concepts of the circular economy, we recognize the importance of well-functioning agriculture and food trade not just in improving food security (through increased food availability and better matching of supply and demand), but also in mitigating environmental impacts by reducing distorting and unsustainable food production and processing practices.

In that regard, we highlight the importance of making progress in the World Trade Organization in addressing the distortions in food and agriculture production and trade that have adverse consequences for sustainability and the protection of the environment. These include production-linked agriculture subsidies, and subsidies that contribute to the overfishing of global fish stocks, as well as tariffs and non-tariff barriers. It is a cause for deep concern that there has been little progress in disciplining such measures.

In conclusion, we urge all APEC Ministers to adopt our recommendations. Your continued and timely support is of mounting significance to us, as we are facing greater challenges ahead as we get closer to the Bogor Goals deadline in 2020.

Looking forward to further discussing with you at the upcoming APEC Ministerial Meeting on Food Security in Puerto Varas, on 23-24 August.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. von Appen', with a stylized flourish at the end.

Richard von Appen
ABAC Chair 2019

Key Messages to APEC Ministers Responsible for Food Security on Relevant ABAC Initiatives

1. Popularizing Mobile Internet

Planters' deficient education on cultivation, insufficient risk prediction & prevention, and limited channels for selecting agricultural inputs or planting methods are great hurdles for high productivity and quality management. A premise is that by expanding the use of Mobile Internet among farmers the whole value chain can be revamped, benefiting producers, distribution and consumers, as the Mobile Internet could serve as easily accessible and obtainable information platform, online classroom, search engine, e-commerce platform, social media, and operational guidance. Considering the rate of cellphone use in APEC economies is already over 70%, popularizing mobile Internet should have a solid foundation.

Recommendations:

- Higher speed and better quality of Mobile Internet, encouraging wider use and access to Internet.
- Employing innovative information and communication technology to construct rural mobile Internet infrastructure, provide incentives and other policy support for telecom operators.
- Propelling internet companies to assist in constructing consultation, training and sharing platforms.

2. Promoting Smart Agriculture

The outlook for smart agriculture is to establish an Innovative Eco-System in Agriculture & Food Value Chain, linking research & development, production, processing, logistics, export, sales & consumption in the value chain, so as to ensure easy access to, and use of, necessary data, more business opportunities and wide social acceptability. For instance, using AI can reduce consumption of energy, fertilizers and water; employing soil diagnosis and monitors can detect abnormalities; and mobilizing labor saving robotics can raise productivity. Therefore, smart solution either for generic agriculture or a particular segment, are of great value, deserving to be promoted.

Recommendations:

- Committing to a regionally consistent policy framework to provide opportunities arising from digital innovation.
- Encouraging service providers to develop new and innovative data-utilizing business that can benefit all the stakeholders related to smart agriculture and food-value-chain.
- Recognizing the circumstances resulting in food loss.
- Examining the role of logistics in reducing food loss at each stage of the food supply chain.

- Exploring the potential contributions that IT-based total food supply chain management can provide.

3. Enhancing Engagement between Public and Private sectors

Although ABAC has long been trying to inject more passion and interest of the private sector into PPFS, especially by dispatching a new representative to PPFS to drive reference changes last year, those efforts bore less fruits than expected. As we highly value the significant role of the PPFS and the progress made to date, we sincerely hope that PPFS can allow for more substantive participation by the private sector.

Recommendations:

- Improving the participation of private sector in the PPFS.
- Setting up an open innovation platform across the region to efficiently widen access to investment, innovation and funding.
- Jointly developing mechanisms to consult with ABAC and to substantiate APEC-funded projects which are of interest to the public and private sectors.