

21 July

His Excellency Zhang Zhu

Chair, APEC Food Security Ministerial Meeting
Minister of Agriculture and Rural Affairs
People's Republic of China

Dear Minister Zhang,

The need for coordinated action has never been more urgent to address the interrelated challenges that the global food system faces: policy uncertainty, climate change, pressures on natural resources, economic fragmentation, protectionism, supply chain disruption, and increasing food demand. At the same time, rapid advances in artificial intelligence, biotechnology, precision agriculture, and bio-manufacturing offer unprecedented opportunities to build a more resilient, sustainable, and inclusive food system.

APEC is uniquely positioned to lead this transformation. Policymakers and the private sector must work hand-in-hand to accelerate investment, enable innovation, reduce trade barriers, and ensure that sustainability practices are embedded through the entire value chain. ABAC calls upon APEC Food Security Ministers to redouble their efforts to achieve an open, fair, transparent, productive, sustainable and resilient APEC food system, as envisaged in the APEC Food Security Roadmap Towards 2030.

Reducing Non-Tariff Barriers to Strengthen Food Trade

Food markets across the APEC region continue to be distorted by tariffs and non-tariff barriers (NTBs). The simple average applied MFN tariff on agriculture products remains nearly three times that on non-agriculture goods. As for NTBs, a recent report commissioned by ABAC estimates that the cost of non-tariff measures (NTMs) in APEC is more than US \$133 billion per annum; food industry feedback affirms that NTBs make up a considerable share of this total. While some NTMs may be imposed to achieve legitimate objectives, they can become trade barriers when they are discriminatory, add unwarranted costs, or shield domestic producers from fair competition. NTBs not only distort trade but also undermine food security by making food less affordable and available and may be produced in a way that has negative biodiversity and other environmental impacts. Reform of food NTBs will deliver outsize benefits for trade, food security and sustainability.

ABAC calls on APEC Food Security Ministers to:

- **Prioritize the application of the APEC Cross-Cutting Principles on NTMs to the food sector**, utilizing the APEC Best Practice Guidelines to mitigate frictions in existing measures and avoid the creation of new NTBs.
- **Support greater transparency in food trade**, by adopting mechanisms for notification and consultation in the development of food-related NTMs.
- **Prioritize 'systems recognition' and 'equivalence'** for measures or products, to reduce the compliance burden on both exporters and regulators.
- **Provide targeted capacity building for meeting technical and SPS requirements**, and for universal adoption of paperless trade, including electronic certification, through the APEC Centre of Excellence for Paperless Trade (ACCEPT), particularly for MSMEs.

Accelerating Technology and Innovation to Enhance Water Access and Efficiency

Climate change impacts, population growth, and increasing production needs are threatening food security by stressing water systems and availability for human access. According to the United Nations Water, agriculture accounts for approximately 72 percent of global freshwater withdrawals, making it the highest demand sector. APEC economies should integrate consideration of water access and utilization efficiency into all priority areas, including infrastructure, agri-tech, and management systems.

ABAC calls on APEC Food Security Ministers to:

- **Promote investments in efficient and climate-smart technologies to modernize existing systems** including sensor-based irrigation, precision agriculture, satellite monitoring, advanced breeding techniques, and early-warning systems, among others, to improve agricultural productivity and optimize water management.
- **Coordinate regulatory pathways for agri-tech innovation** by implementing science-based, risk-proportionate frameworks that accelerate commercialization of new technologies.
- **Foster inclusive digital transformation across the whole food value chain** through technology exchange, scientific cooperation, and capacity building programs.
- **Promote community and nature-based solutions to strengthen water resilience and access** including wetland restoration, reforestation, watershed protection, and wastewater treatment to help preserve the natural water cycle and increase resilience to climate change

Advancing Sustainable Bio-Manufacturing and Circular Food Systems

APEC Leaders adopted the Bangkok Goals on Bio-Circular-Green (BCG) Economy in 2022, with the aim of shifting to a sustainable model where resources are regenerated and optimized alongside economic growth. While the transition toward sustainable bio-economies presents significant opportunities, it also raises important considerations, including the “food versus materials” dilemma and the need to ensure food availability and affordability across the region. As economies develop and capitalize on the benefits of the bio-economy, it is important to continue to integrate the circular and green economy model throughout the policymaking process.

ABAC calls on APEC Food Security Ministers to:

- **Support the development of bio-manufactured solutions and bio-refinery infrastructure** that advance circular economy practices and resource efficiency by incentivizing the adoption of biofertilizers, biopesticides, and sustainable bio-packaging materials, while encouraging investment in bio-refinery clusters that convert agricultural residues into high-value products, bioenergy, and organic fertilizers.
- **Implement standardized APEC agricultural carbon credit mechanisms** to encourage biogenic carbon sequestration through regenerative agriculture practices, focused on safety through the value chain including occupational, environmental, food and feed safety.
- **Foster circular economy principles** by developing frameworks and policies that promote circularity in the food system, from sustainable input sourcing (e.g., bio-manufacturing) to waste valorization.

Strengthening Public-Private Partnerships and Innovative Finance

A major constraint facing agricultural modernization is the insufficiency of appropriate financing mechanisms for long-term investments and the uneven adoption of innovation, particularly among smallholder farmers and MSMEs. To realize food security, substantial and patient capital is necessary – and this will require the continued cooperation between all actors along the food value chain.

ABAC calls on APEC Food Security Ministers to:

- **Establish innovative financing mechanisms** such as blended finance and de-risking instruments, to mobilize private capital for investment in agri-tech, climate-smart agriculture, water-efficient technologies, and bio-manufacturing.
- **Facilitate meaningful Public-Private Partnerships** to foster dialogue and include private sector actors throughout the policymaking process and incentivize private sector investment in agricultural innovation.
- **Support the functioning of international standard-setting bodies** including the UN Codex Alimentarius system underpinning fair trade in safe food.

Enhancing Disaster Resilience

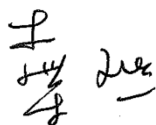
APEC economies are increasingly exposed to natural disasters and climate-related events, which have significant impacts on agricultural production, food supply chains, critical infrastructure, and rural livelihoods, posing growing risks to regional food security. According to the United Nations Office for Disaster Risk Reduction, global disaster-related losses exceeded US \$202 billion in 2025, while indirect and cascading impacts generated substantially higher economic costs. For agriculture, one of the sectors most affected by natural disasters, strengthening disaster resilience across food systems is therefore not only a risk management priority, but also an economic imperative as preparedness can significantly reduce recovery costs while safeguarding production and trade.

ABAC calls on APEC Food Security Ministers to:

- **Promote greater cooperation among APEC economies on disaster preparedness and resilience** through capacity building, training programs, best practices sharing, technology exchange, and private-public dialogue.
- **Expand the use of disaster risk financing and insurance mechanisms**, including innovative tools such as parametric insurance, to support farmers, agribusinesses, and rural communities affected by disasters.
- **Support the development of practical resilience and business continuity tools for MSMEs** operating throughout food and agricultural supply chains.

These challenges require coordinated regional solutions – and indeed APEC is well placed to demonstrate global leadership in ensuring that economic growth and food security advance together. We welcome efforts to develop the Principles for Strengthening Food Systems Resilience in the APEC Region through innovation and digitalization and look forward to the opportunity to discuss this letter with you during the APEC Food Security Ministerial and related meetings in August.

Yours sincerely,



Li Fanrong
ABAC Chair 2026