



“EU-Asia Dialogue – Shaping a Common Future for Europe and Asia”

Conference Report

“Food Security and Food Safety – Perspectives for Regional and Global Cooperation”

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Brussels, 22nd of March 2012

Report

**EU-Asia Dialogue:
“Food Security and Food Safety – Perspectives for
Regional and Global Cooperation”**

On 22nd March 2012, the first thematic workshop of the new “EU-Asia Dialogue” project was held in Brussels. The workshop was dedicated to the topic “Food Security and Food Safety - Perspectives for regional and global cooperation”. The issue of food security is one of the challenges to be discussed in the context of the “EU-Asia Dialogue”. Bi-regional dialogue forums, policy papers and policy briefings shall contribute to bi-regional understanding on this issue which is of growing relevance for the international community and cooperation.

The phenomenon of an international food crisis with consequences beyond issues of food production, food supply and food distribution requires a closer international exchange on the issue of food security and safety.

The goal of the first workshop was to have a first exchange between policy makers, representatives from think tanks, civil society organizations and the private business sector and to identify those topics that should be addressed by future dialogue forums, policy papers and briefings.

The workshop has been attended by 14 participants from Asia (7) and Europe (7). Each participant gave a short overview on the situation and perception on food security in his/her country and specifically provided a perspective on how to address them in future activities of the “EU-Asia Dialogue” project.

At the beginning of the workshop the “EU-Asia Dialogue” was presented to the participants, the aim of the workshop was explained and some specific aspects of the issue of food security as an essential element for economic and social development were underlined.



Key Note Speeches

The dialogue was opened with a **key note on Rice security in Asia**. Already at the beginning of the Rio-process, food security appeared as one of the important issues, and that during the G 20 meeting in Mexico, the small scale agricultural productivity had been especially underlined as an area of special attention in the context of international cooperation. All in all “green growth” has emerged as a new issue. In Asia, rice is of particular relevance as food for urban and rural consumers. It is the basis of income for farm families and for agribusinesses. However, the production and increase of productivity is closely related to such topics like erosion control, flood control, water purification, maintaining the biodiversity, disease regulation, climate regulation as well as aspects related to recreation and culture. Rice is of particular relevance for the nutrition in Asia and despite of changes in the daily nutrition habit, the average per capita rice consumption has not yet decreased.

In Asia, as well as in other developing areas, the rise of food prices is closely linked to poverty. Some recent developments indicate that the competition for rice and the pressure on its price will be maintained. The migration of farmers to urban areas in China, for instance, resulted in increased demand of China for supply of rice by its neighbors.

To attend new challenges with regard to rice, in November 2011 the *Sustainable Rice Platform* (SRP), had been launched which aims to make rice production and consumption more sustainable. The SRP is a multi stakeholder platform to promote resource efficiency and sustainable trade

flows, production consumption operations and supply chains in the global rice sector.

It specifically aims to develop a set of

global standards for best practices of sustainable rice production (global rice GAP), to develop quantifiable sustainability targets, to develop and promote decision-support tools (such as field or footprint calculators) and to promote the adoption of best practices and sustainability criteria.



Photo: Participants listening to the first key note speech

In general, the production of rice is related to a series of different challenges which are: the increase of productivity & efficiency, progress regarding skilful, precise agriculture, mitigate the effects of rural to urban migration, the integration of value chains, the



promotion of high-value agriculture, improvement of interactive information and the creation of new enterprises and new forms of enterprises.

Serious questions may be raised with regard to the traditional policy tools used by rice growing countries, such as price support, input subsidies (fertilizer subsidy, irrigation subsidy, fuel subsidy, seed subsidy, machinery subsidy), and trade Restrictions (state trading, export quota, import licensing, export ban, etc.)

In the **second key note speech**, it was explained how the Common Agricultural Policy (CAP) of the **EU** has evolved and what has been its contribution to European food security in the past five decades. Then it was touched upon the debate on the ongoing CAP Reform process and the legislative proposals tabled last year to make the CAP even more fine-tuned with tomorrow's realities. Next global food security governance was discussed by referring to some of the main ideas discussed in the framework of G20 process and the FAO.

In Europe, the markets are now the key driver in production decisions, not subsidies paid to farmers. Well over 90% of European agricultural payments are not linked to the requirement to produce one or another product. Furthermore, the application of high production standards allowed to take a more qualitative approach and strengthened the multifunctional character of the EU policy through the provision of public goods. In the current CAP, the role of market intervention mechanisms has been either abolished or significantly reduced to the safety-net level. In the last decade export subsidies have been on a declining trend – coming under 0.5% of the CAP expenditure in 2011. The EU has now become a price taker for almost all agricultural commodities.

All these measures were taken in order to enable the food and agriculture system to respond and adapt to an ever-changing market and policy environment.

As for the future, food security, preservation of natural resources under climate change and balanced territorial development have been identified by the European Commission as the major future challenges. In the European context, this means preserving the capacity to produce efficiently in order to be able to respond to an increasing demand coming from within Europe but also from abroad. This is closely linked to the demand to produce more food from the same area of land but with fewer resources and less pollution. This refers to the necessity to preserve the natural resources as another EU priority.

Actually, the EU is keen to establish a link between advisors, farmers, researchers, and



other stakeholders in the European Innovation Partnerships (EIPs) on "Agricultural Productivity and Sustainability".

As around one billion people remain food insecure and agriculture remains an important source of employment, there is a need to address the four pillars of food security:

- increasing availability of food;
- improving access to food;
- improving nutritional adequacy of food intake; and
- enhancing crisis prevention and management.

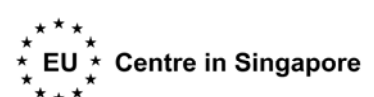
Even if a full set of institutions is involved in food security which ensures a broader involvement of stakeholders, there is still need for improvement in different aspects. Trade is a key part in this regard and should be promoted by open borders.

Biofuels may contribute to the problems of food security, but research needs to be stepped up on low impact, less land-using, or even non-land using biofuels from residues and waste, and energy efficiency. A periodic dialogue with stakeholders on this topical subject was encouraged and future exchanges welcomed.

Country Reports on Food Security

The highly populated country of **Indonesia** faces many challenges with regard to food security. As in most other Asian countries, rice is the most common staple food for Indonesians. The harvesting area has an extension of 13,566,598 ha and the Paddy Production is of about 68,061,751 tonnes/yr. The productivity is 5 tonnes/ha. Although Indonesia has – based on official figures a surplus of 4,715,794 tonnes/yr in 2011 (which is the difference between rice production (38,264,296 tonnes/yr as 56% from paddy to rice) and rice consumption (33,548,502 , about 139.15 kg/cpt/yr for total population 241.09 millions), there is lack of supply and Indonesia still has to import rice from its neighbours. A question difficult to answer, due to the lack of official information, is the whereabouts of the existing surplus. This unresolved question indicates little political considerations with regard to the rice management and in general problems of food safety management. Additional problems because of bad infrastructure for irrigation and land conversion as well as the effects of climate change have impacts on rice production in Indonesia.

Indonesia is still clearly marked as a country of small farmers. There are 14,992,137 farmer households out of 61,164,600 households or approximately 25% of all households



in Indonesia are small farmers. The issue of land ownership is of outstanding relevance: 25% of the households own less than 0.25 ha, 26% between 0.25 – 0.49 ha and 24% between 0.5 – 0.99 ha. As most families work on relatively small plots, there is a tendency of an excessive use of chemical fertilizers. Even so, 18.97 million people on the countryside live in poverty (15.72% of total population).

In recent years there is a continuous increase for almost all kind of food prices of about 10-15 % per year, not at least for rice whose price increased between March 2011 and March 2012 from Rp 7,200 to Rp 8,200 (approx 14%). Nevertheless, the farmers do not profit from this price increase. As a consequence of their low income they can not afford to buy other food and have become net consumers of their own production. The lack of income makes it difficult to reduce their dependency on rice production. Nevertheless, there are projects which, based on local pattern and habits, try to promote the reduction of the dependence on rice by increasing the diversification of food.

Due to the actual problems, there is urgent need in Indonesia for actions related to the areas of food security and rural poverty alleviation. In this context it seems necessary to change and improve the climate for agricultural business, eventually by incentives from the government, to improve the management of rice supply and to promote changing habits with regard the food consumption.

A cross country dialogue between EU – Asia can contribute to design the implementation of policies committed on feeding the people in the future. Relevant issues for this policy dialogue are: food production, food accessibility, price stabilization, advance agriculture technology and mitigation of climate change.

From the **German** perspective, there are three major elements related to the issue of food security: food availability, food access and food utilization. In general, the main challenge nowadays with regard to food security is the shift from food-based to biomass-based agricultural systems; this means a need for sustainable and productivity enhancing systems of bio mass.

In Asia, food security is still a very important issue because of several reasons. There is still a high number of undernourished people (567.8 mio - 15% of the population; Africa: 223.6 - 23%). The overall growth of population as well as the internal migration and urbanization in some countries result in an increasing demand of food in quantity terms. The increase of income and purchase power results in a change of nutrition patterns with respective consequences for food demand. Another set of challenges refers to the change of agricultural practices: from bio- and/ or high-tech production to organic production.



The preservation of natural resource and environment raises concerns because of the degradation of water and arable land (incl. natural disasters), competition for land and water (limited land reserves in Asia), and domestic and foreign direct investments as well as the grabbing of land and water. Food prices increase constantly and are volatile through globalization, financial shocks and speculation. New and changed demands for agricultural products are starting to dominate the production.

These challenges regarding food production are at a local, national, regional and global level closely linked to another set of phenomenon like the demand for feed, for energy use, for chemical industry and other industrial raw materials.

The new developments require a shift from “supply-to-demand” food value chains to “demand-to-supply” biomass value webs. To ensure food and nutrition security in the future, to improve the availability by an increase of biomass productivity, to improve the access to food by means which will add value to the local / national site, to change the procedures of food utilization by improved food quality which may reduce the needed quantity of food, to guarantee stability of food prices by keeping up a constant (high) price level are some of the important challenges that need to be addressed.

For the future promotion of food security it is required to regulate competition between local, national and international demand (purchasing power) at the country level, and to implement and accept clear and transparent rules and regulations of “good” and “bad” exports / imports at the international level.

One possible way for a solution was explained for the case of **Vietnam**. The production of cereal crops achieved a fast growth in Vietnam and created an increasing source of food. Rice and corn are the staple food crops. Nevertheless, there are limitations in production and supply of food in Vietnam, like

- Awareness on food security is still limited and rice land not strictly managed
- High production cost, less sustainable agricultural practices, natural disasters
- Wide variation of food per capita among region with some regions facing severe food insecurity
- Food consumption structure imbalanced in terms of nutrition
- Poor infrastructure, especially irrigation and transport in rural and mountainous areas; poor storage facility for rice, especially in the Mekong River Delta
- Long and inefficient domestic food distribution channel, due to high expenses for middlemen
- Policies on food security still incomplete.

Vietnam is a rice exporter country with a considerable increase in the quantity and the



revenue of its exports. Between the years 2000 and 2010 it doubled the quantity of its exports from 3.476.730 Mt to 6.886.200 Mt, and in the same time the value of these exports quintupled from 667,4 Mio US\$ to 3.247,9 US\$.

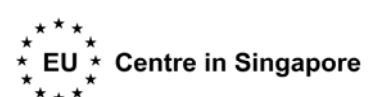
For the future Vietnam faces challenges to its food security because of population pressure, the growing demand of land for infrastructure, service and urbanization. Meanwhile, ability to claim unused land is very limited, and the effects of climate change and global warming, such as the rise of the sea level, will affect agricultural land, mostly paddy, by salinisation or floods. Additionally, the volatility of oil prices results in an unforeseeable variation of agricultural input prices and the use of food for bio-fuel, which limits the access to food and contributes to food price increases.

There is a series of areas in **India** which require attention in the discussion on food security:

- Re-definition of food security: Need to address concerns pertaining to household level food insecurity arising from problems of access, affordability rather than availability
- Food-energy-water nexus
- Transient and chronic food security
- Food security and nutritional security
- Encouraging sustainable food systems
- Institutional framework for improving farm management systems
- Debate on revamping the PDS and associated benefits or problems
- Emerging opportunities from liberalized trade for the diversification of economic activities in rural areas
- Designing safety nets to protect the impacts on domestic food security from international fluctuations
- Nanotechnology in agriculture-possibilities for enhancing food security
- Commodity resource pooling in agriculture
- Gender concerns in food security (could discuss here gender budgeting)
- Role of women in and impact on them of ecological security
- Food security and prospects for achieving the MDG on hunger: effects of globalization and international trade

For future Asia-Europe dialogue on the issue of food security, it is recommended to consider the following aspects:

- Food innovations
- What form of institutional collaborations have been observed between the two regions
- At what levels does policy uptake occur and is technology diffusion enabled?
- Who are the impact actors?



- Knowledge community?
- Civil society?
- Private?
- Sub-national and local governments?
- Win-win mechanisms
- Food security enhancement mechanism on lines of CDM?
- Smart markets for agro-ecological products in Asia – learning from the EU
- Impact actors networks
 - Sub-national level and local policy actors
 - Other major groups and stakeholders including knowledge community and civil society
 - Standards linked to Food-Water-Energy Nexus
- Standards linked to Food-Water-Energy Nexus

The **Welsh** programme on “Food Security in the context of One Planet Living” was presented. As of the agronomic research of the *Welsh Institute of Natural Sciences*:

- Crop establishment is a major problem in marginal, rainfed areas
- Patchy stands due to slow, uneven crop emergence, susceptible to drought, pests & diseases, resulting in low yields
- Low-tech, low-risk and low-cost technologies suitable for poor, marginal farmers.

The **agri-trade sector`s** perspective on the issue of regional and international cooperation on food security and food safety is very important as trading has a huge impact on food security.

Some main challenges envisioned by the agri-trade sector are

- Increase of the demand for food in order to cope with the long term trend of growing population and the structural change in increasing animal protein based diets in emerging economies.
- The FAO forecasts that by 2050 food production has to increase by 70%.
- Extension of arable land is limited. Increases in productivity
- The innovation in productivity has to be accompanied by a sustainable use of natural resources.

The prices of commodities are influenced by many uncertainties, such as weather conditions (droughts, floods), plant and animal diseases, macroeconomic factors, energy prices, agricultural and trade policies worldwide, natural disasters (earth quake, tsunami), trend towards volatility increasing price, water and land use, climate change, Biofuel crops competing with regular food crops, Price volatility making production unsure, tools



of science (also an opportunity!).

With regard to the trade of agricultural products with Asian countries, European producers face a series of restrictions. With regard to China, for instance, different bilateral agreements exist between individual EU-countries and China. China accepts dairy products from most EU-countries but there are also a series of restrictions. In the case of the ASEAN countries, Malaysia applies unjustified inspection conditions on meat exporting establishments product list, there are import conditions related to pork and pork products; Philippines applies restrictions on imports of meat products, South Korea restricts caffeinated beverages products and applies a excessive food quarantine product list, bans imports of beef and other products from EU Member States due to Bovine Spongiform encephalopathy (BSE) related restrictions.

With regard to the international agricultural negotiations, EU has a high level of ambition in the DDA across the three pillars of the negotiations on agriculture offering

- on market access: more than 54% average tariff cut for the EU;
- on export subsidies: 100% elimination of subsidies by 2013 conditional to same discipline for all forms of export support;
- on domestic support: 80% reduction of Overall Trade-Distorting Support for the EU.

Challenges:

- WTO Members shall notify changes and provide information on their SPS measures
- An SPS Contact and Notification Point shall be established for such purpose
- Members shall ensure that all SPS standards are published to enable interested Members to become acquainted with the outcome
- To develop a «Best practice guide» to show useful examples
- The EU pointed out the lack of references to existing international standards on the SPS measures
- The developing countries are not benefiting enough from the system
- Tools available
- Handbook "How to Apply the Transparency Provisions of the SPS Agreement"
- SPS Information Management System
- <http://www.ipfsaph.org/En/default.jsp>

The expectations are:

In the long term harmonisation of standards (SPS measures, technical, social and ethical standards) should be achieved at international level. In the meantime reciprocity and mutual recognition of standards should be the target between European and third countries at bilateral level.



- Improve transparency and understanding of SPS measures and technical standards
- Improve respect and enforcement of existing WTO rules and disciplines reduce trade distorting measures
- Regulation on SPS and technical standards and their amendments have to be transparent and easily accessible for importers and exporters
- Communication and dialogue on European regulatory choices should be fostered with third countries
- Benchmarking of differences in the regulatory set-up should be facilitated
- Reciprocity of procedures and mutual recognition of procedures will facilitate trade relationship

The **European Union**'s project "Technology Transfer for Food Security in Asia" is a regional approach of the **Food Security Thematic Programme** and aims at improving the food security and nutrition of the poorest and most vulnerable in South and South-East Asia. The major activities will be implemented in the countries and states with the highest food insecurity in Asia: Afghanistan, Bangladesh, Burma/Myanmar, Cambodia, Laos, Nepal and Pakistan and several states in India. The main beneficiaries are smallholder farmers who have a minimum of assets and are normally excluded for reasons such as poverty, gender, ethnicity and remote location. They will gain access to livelihood enhancing technologies such as: improved cropping systems, pest control, conservation agriculture, storage, irrigation etc.

The activities concentrate on: facilitating the adoption of productive and environmentally sustainable agricultural technologies, creating and improving market linkages, bringing together farmers and researchers across the region to diffuse lessons into general practice and leverage these lessons for policy and institutional changes.

The programme has two main components: raising agricultural productivity sustainably and promoting effective market linkages; and South-South dialogue and intra-regional learning. EU contributes € 22 millions in the 48 months of the project's duration (ends by 2016)

The expected results are:

- Productivity of beneficiaries increased through improved access to technologies adapted to smallholder households
- The food security and nutrition of rural and urban poor improved through market linkages for technology, inputs, services and production
- Grass roots institutions for technology transfer developed



A vibrant network of change agents will be established and maintained. A portfolio of knowledge and best practices on sustainable agriculture technology options is made available to stakeholders; effective trade facilitation measures for food products are identified and recommended; stakeholders have increased capacity to implement options related to trade and technologies.

Identification of Future Activities in the Cluster Food Security

In a concluding session of the workshop, future activities on the issue of food security and food safety had been discussed. It has been agreed that future activities will focus on the following topics:

- sustainability,
- role of the state / public sector,
- structure of international cooperation regarding food security and food safety.

Some aspects have to be taken in consideration in a special form (keywords):

food and biofuel, hidden hunger, responsible agricultural investment, land efficiency, climate change and food production, food safety management, food governance, competition between countries, role of local governments, empowerment of farmer organizations at a micro level, institutional capacity building, private public partnership, role and regulation of trade, structure of international cooperation, role and function of international forums like G 20 to promote closer cooperation on food security and food safety. .

As a follow up to this workshop discussion, a series of papers will be commissioned to researchers from Asia and Europe. The thematic focus will concentrate a) on public policies and the Role of the State, and b) International Cooperation. The papers will serve for policy briefings and future Asia – Europe dialogue on food security and food safety.



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