

## ASEAN-in-Practice Podcast Episode 4 Transcript

**Denis:** A very good morning to all of you, and welcome to the fourth episode of the ASEAN in Practice Podcast series. My name is Denis Hew, and I am a Senior Research Fellow at the Centre on Asia and Globalisation, at the Lee Kuan Yew School of Public Policy, National University of Singapore. ASEAN in Practice is an initiative launched by our centre and it is a podcast which aims to invite practitioners from around the region that spent many years working on ASEAN-related policy issues, particularly experts who have applied knowledge of ASEAN or ASEAN policies in their professions. We hope to gain valuable insights from your experiences which ideally will feed into the policy-making level in the form of policy papers and future research on ASEAN. Today, we will be focusing on food security in ASEAN. What are the key issues and challenges facing ASEAN with regards to food security? And what is the way forward?

We are very fortunate today to have an expert on this field to talk to us. His name is Dr Pushpanathan Sundram, affectionately known as Nathan. Nathan serves as the Chief Executive Officer at PublicPolicyAsia Advisors Private Limited, a strategic and business advisory firm, headquartered in Singapore, with offices in Indonesia and Vietnam. Nathan brings over 30 years of extensive management and leadership experiences across government, international organisations, and the private sector.

Nathan, welcome to our podcast show today. Let me start off with asking you two questions. First, what do you do in your current position, particularly related to the food sector in the ASEAN region? And two, why is food security so important in ASEAN?

**Nathan:** Thank you, Denis, for the invitation to this podcast. Now, PublicPolicyAsia Advisors, where I am a CEO, we are focused on the food and agriculture sector as one of our key sectors. And we assist our clients in terms of looking at specific issues like understanding the landscape of countries in Asia, especially in the food and agriculture sector, looking at policy and regulatory matters that affect their market access, as well as you know, finding ways for them to basically bring their products into the market and grow their market share within the Asian region. And to tap on the opportunities. There's so much opportunity in Asia itself, given the growing population, urbanisation, and in many other aspects. So, this is something that we work very closely with our clients. Now, in terms of food security, I would say for Southeast Asia, it's one of the key issues that we are facing because it has direct link to the well-being of its population and the stability of its economies.

Now, despite the rapid industrialisation, agriculture remains as a vital sector, employing a significant portion of the population, contributing to GDP in many ASEAN countries. For instance, agriculture accounts for about 24 percent of the total employment and 11 percent of GDP in the ASEAN region. Additionally, it provides livelihoods for rural communities and serves as a foundation for food production as well as food security. Now, the sector is important because 40 percent of the ASEAN population reside in rural areas and are directly dependent on agriculture for their livelihoods. Food security plays an important role both in terms of ensuring there's sufficient and affordable food for the people in Southeast Asia, as well as, providing employment and is also livelihood for the majority of the population.

**Denis:** So, what are the main challenges facing ASEAN when it comes to food security, and how much progress has been made to address these challenges?

**Nathan:** I would say ASEAN faces multiple challenges in achieving food security. As you know, the countries have different levels of development and growth. So, they face different challenges. I would say, generally, the challenges will be climate change, limited access to technology and infrastructure, post-harvest losses, and unequal distribution of resources. Now, I would say despite efforts to address these challenges, in some ways, progress has been uneven across the region. For example, while some ASEAN countries have made significant progress in promoting sustainable agriculture and enhancing productivity, for example like Singapore and Malaysia, others continue to grapple with issues such as poverty, land degradation, and inadequate access to market and financial services. Here I would like to mention in particular, countries like Philippines, Vietnam, Cambodia, Laos, and Myanmar. And additionally, I think the COVID-19 pandemic has kind of exacerbated the existing vulnerabilities, highlighting the need for greater resilience and adaptive capacity for the region's food systems.

**Denis:** You mentioned the COVID-19 pandemic. And in many ways, if we observe during that time, there were a lot of supply chain disruptions, particularly in the manufacturing sector. Were there disruptions as well in the food supply chains?

**Nathan:** Yes, I would say the COVID-19 pandemic disrupted food supply chains. As you have seen right now, food shortages, price volatility, and I would say, a lot of logistical challenges. And this was exacerbated by border closures, movement restrictions, labour shortages, disrupted agricultural production and distribution. And at the same time, it highlighted the fragility of global food systems. Now, these challenges were not dissimilar to the manufacturing sector. But I would say the agriculture sector face unique challenges due to the reliance on perishable goods and seasonal labour, and the complex supply chains in the agriculture sector. Some of the things that the pandemic actually exposes, I would say, would be like inadequate storage and distribution infrastructure, unequal access to resources, and limited preparation or resilience to shocks. So, this actually underscores the need for greater investment in sustainable agriculture and food security in ASEAN, which I think, ASEAN realises. And I have seen, in the last two years, they have issued some declaration statements in this regard.

**Denis:** Yes, you mentioned many of these challenges. So how do you see the role of ASEAN as a regional organisation in trying to address food security challenges? We know it has – I think you mentioned – various kinds of statements, strategic frameworks related to food security. I think it is currently implementing its action plan on food security for the next few years, until 2025. So, what have they done? And has it been effective?

**Nathan:** Now, as you know, ASEAN has worked on some of these food security initiatives for quite some time. They have various initiatives in place, the ASEAN Food Security Framework and the ASEAN Plan of Action for Food Security. All these plans are actually looking at improving agricultural productivity, promoting sustainable practices, improving market access, strengthening ASEAN resilience to shocks. But I would say the implementation is somewhat hindered by a number of things. One, is limited resources. Coordination challenges among the ASEAN countries because of their diverse development needs and the progress they are achieving in their own countries. So, in a sense, I think some of these challenges are kind of impacting how the various ASEAN plans are kind of progressing. Like for example, I would say, the ASEAN Plus Three Emergency Rice Reserve (APTERR). Now it has three tiers there. First tier is on commercial contracts. The second tier is on grants and loans. Third is donated rice. So far, I think what has been working in ASEAN is the tier where rice is being donated during emergency situation. So, when it comes to loans and grants, ASEAN countries still prefer to use the international schemes actually, so like the United Nations and so on, instead of going to the ASEAN scheme. And one of the reasons, I would say is, until today, the ASEAN Dispute Settlement Mechanism (DSM) under APTERR is not tested. So, I think here are some areas that ASEAN will have to look at – how to make the DSM system work? How they can do more on the tier one and tier two, in terms of commercial contracts as well as grants and loans? So, I would say the schemes are there, but how it's going to be implemented is the question. I think, here a lot of resources will be needed. So how will ASEAN be able to mobilise those resources to work on some of these issues?

Another area would be ensuring food safety. I think this has come up when you look at food security. What we want is to ensure that the food that is distributed or the food that is circulated within the region is safe. So, I think we will need to do more in terms of ensuring that whatever food is being distributed in this region, through the various schemes, are safe. So, that's another added point to make here. Plus, I would say, of course we want to make sure that whatever food produced in this particular region is also more towards sustainable agriculture. We want to ensure that production is more sustainable in that sense.

**Denis:** As you mentioned Nathan, ASEAN has a rice reserve mechanism called APTERR that acts as kind of a safety net against any food crisis. And I think you highlighted some of the mechanisms under APTERR, that can be improved. I have been told the actual amount of rice reserve is very small. Right now, I heard, it is about 787 000 metric tons, of which 90 percent are actually provided by the ASEAN Plus Three countries right? So, are there opportunities to expand that amount, and also from maybe some of the ASEAN rice-producing countries?

**Nathan:** Yes, so that have always been a challenge actually. How ASEAN countries contribute more to all these rice reserves? And so, I think one of the issues was whether to keep this rice pile centrally, I mean, have a place where we can store it centrally or use a decentralised way of storing the rice. I think it's a challenge between national interest, where some of these countries, even though they are rice-producing countries, they are also countries where there is poverty. So, in a sense, I think their preference is to keep whatever stockpile they have in their own countries. This is an area that I think need to be worked on and how ASEAN can contribute more to the various schemes, especially on its rice reserves.

And I think we cannot just focus on rice itself. Even though rice is a very important cereal, there are other cereals of importance too, like maize for example. There's also wheat and so on. So predominantly, the focus has been on rice, and the reasons are well-understood. But I think we also need to look at other cereals, because I think the population, in terms of consumer preference, actually is shifting to other cereals too. And apart from that, I think animal feed is also taking cereals. So, like soy for example, more and more, as the animal production in this region grows, I think there will be more cereals especially soy, I would say, maize, and corn, and so. So, I think our food security platform should expand to look at other cereals that will be important for us. In a sense, I think, there is a lot of work that is needed. And the contribution of the ASEAN countries will be very important because APTA, as you mention right, the plus three countries are contributing majority of the share. I think ASEAN will also need to look at how best to contribute to the various schemes.

**Denis:** You brought up the point about the challenge between regional and national interests. Do you think that ASEAN food security issues are better managed at the national level or at the regional level, or perhaps a combination of both? And is there a role for international organisations? Perhaps the FAO (Food and Agriculture Organisation of the United Nations) and others to support ASEAN in strengthening food security?

**Nathan:** Yes, I think food security can't just be managed at the national level. So, I think it will require efforts at the national, regional as well as international collaboration. At the national level, I would think it is more about formulating policies and implementing programs. I think at the regional level, there are a lot of opportunities to look at. Cross-border challenges, I mean in terms of needs. Like one cross-border challenge in the food safety part is, of course, the emergence of trans-boundary animal diseases. One area, and especially when you look at food security, is in the use of pesticides in production of cereals. These are some of the cross-border challenges. I think countries can share the best practice and how to mobilise resources to address some of these transboundary kinds of issues. So of course, at the regional level also we have the various schemes right, there's the APTA as well as the ASEAN Food Security Information System (AFSIS). I think the food AFSIS system needs to look at the monitoring to other cereals. I think more effort is needed on that, to monitor the needs, the amount of production we are making in terms of other cereals, and how those other cereals can also be made available through the various support schemes during crisis. So, I would say it requires regional and national kind of collaboration actually, to meet food security.

And on the international side, I think working with organisations like the FAO, World Bank, and the Asian Development Bank (ADB) for technical assistance, financial support, and sharing of knowledge is also very important. I think the ADB is doing good work in the area of food and agriculture. FAO is always there, you know, supporting the ASEAN countries. I think the collaboration will have to continue, specifically in the areas of sustainable agriculture. Rural development would be another one, food safety, and food security. So, some of these key areas will need to be worked on at the international.

**Denis:** Thanks Nathan. Since you are coming from the private sector, what are your views on ASEAN food security, particularly from a private sector perspective? I think you and I know ASEAN can be very top-down. But what are the areas we can find to improve collaboration with the private sector?

**Nathan:** Yes, I think the private sector role is also very critical in terms of advancing food security through investment in technology, innovation, and value chain development. For example, Singapore's initiative of 30 by 30, actually, where they want to have 30 percent of their food requirements produced in Singapore by 2030, right? They are using a lot of technology and innovative ways in terms of food production. So that technology would be very important for countries like in Singapore, Malaysia, and so on.

At the same time, there is another farming method called Agroecology – so how do you maximise land in terms of agriculture? Agroecology is a less expensive way of doing things. So, countries which have less resources, can look at some of these technology in terms of using organic farming – where you can produce your own fertilizers using waste, proper waste management, looking at best ways to maximise your land, preventing soil erosion, and so on. Agroecology is also there. Agri-technology (Agri-tech), of course, I think the main thing is the digital technologies under agri-tech, looking at precision agriculture like now, we are able to ensure like in farming, right, adequate water supply? I mean, we can use digital technology to make sure that sufficient water is provided for farming, so is safe water - in a sense, looking at remote sensing, blockchain, and other ways actually in terms of agri-tech. So, I would say the private sector has all these technologies. So how do you make this technology available to the farmers? I think that the issue is about understanding the technology, one. Second, is the cost involved. So how do we manage both? So, farmers, probably you need to customise the technology to the farmers. How do you customise those technologies to the farmers' needs, one? How do you provide such technology to them at a cost-effective price? So here, some governments will look at subsidies and all that. But, generally in Asia, subsidies are not there, so finding ways to make such technologies cheaper for the use of farmers will be a way to look at. One way to do this, is to simplify the technology, make it cheaper, actually, for the farmers to use. Some ASEAN countries are already having departments looking at that aspect, some of these technologies for farmers are already at much cheaper costs. So, I think, we can use both the digital technologies as well as looking at agroecology going forward.

**Denis:** Let's talk a little bit about the future. What do you see are the emerging challenges facing the ASEAN region? For instance, we have seen recently growing concerns of trade protectionism in the food and agriculture sectors. So what are the challenges in the coming years?

**Nathan:** Yes, I think you know, the challenges are in front of us. Basically, I mean, climate change is a big challenge that Southeast Asia has to really grapple with because we are one of the low-lying areas of the world. If there is an increase in sea levels, some of these regions will go underwater. So, climate change is a very real issue that we have to tackle. Second, of course, population growth. The region, some of the countries like Philippines and Indonesia, and all that, the population is growing. So how do we manage the population growth and make sure that there is sufficient, safe, affordable, and nutritious food. Food here, I want to emphasise the fact that the food has to be nutritious.

Now if you look at food security, they normally talk about food security and nutrition. How do you ensure nutritious food? Then, we also need to take into account the changing dietary patterns – urbanisation and the rise in income of Southeast Asians. So, in a sense, their consumption pattern is also changing. Now we look at it, studies have shown that they are now consuming more meat, poultry, eggs, and so on. So, how do you actually make sure that all these new dietary changes can meet the nutritional needs of the people in a safe way? How do you make sure that animal source food is also safe for consumption? So, on the production side, making sure that the animal production side, there is biosecurity. They are looking at the use of certain chemicals and compounds that they use animal production, making sure that they are safe and to ensure inclusive growth too – where farmers are also benefitting because there are many small holder farmers in our part of the world. I mean, more than 90 percent of all production is small holders. So how do you make sure that they too benefit as the economy of Southeast Asia grow. How do they benefit?

In a sense, I think there's several issues that we will have to work on. So, I think the governments cannot work on this by themselves. They will have to work closely with the civil society as well as the private sector. And at the same time, keep the trade channels open, because as you mentioned right, agriculture products are one of the most protected sectors in ASEAN too. How do you make sure that there is a balance between going to self-sufficiency and making sure that you have sufficient food for all the people. I think trade access is also important. But at the same time, I can understand that for the larger countries, they want to ensure self-sufficiency because the COVID has shown that sometimes logistical challenges will be there. So, I think it will be a combination of many factors, I would say, in terms of looking at food security because it is very complex. Different countries will have to have different ways of handling.

**Denis:** One last question, and this is related to ASEAN economic integration. We know that food security has always been part of the ASEAN Economic Community (AEC) pillar. Since the beginning. And we

know that ASEAN policymakers are in the midst of drawing up the next post-2025 AEC strategic plan. What do you think should be included in that new strategic plan with regards to food security?

**Nathan:** I think we need to tie the food security, some of the key challenges that will affect the region, climate change, for example, increase in sea levels. So, when we look at food security, we need to really look at, how do you mitigate those climate change issues? Also, you look at the 90 percent of the farmers, how do they contribute to the agriculture sector more? The agriculture sector is one of the important sectors in most of the countries. So, empowering the farmers, including the women here, actually. The women role in agriculture is so important, and I think ASEAN will have to give also some emphasis to the role of women in agriculture and all. There are many entrepreneurs in the agriculture sector who are women actually. So, that is another area that I think ASEAN can look at.

Of course, using digital technology as well as agroecology, will be other areas. So, how do you make the best use of technology, innovation, and how do you work with the private sector? Because I think when ASEAN works with the private sector, I think the mindset will have to be, looking at private sector as part of the solution than part of the problem. How do you bring in the private sector? The private sector is interested in many of these initiatives and willing to work with the governments. So, I think a combination of efforts - I think with the private sector, civil society, will be important as ASEAN looks at its new plan. And this agriculture, should be tied into the ASEAN Economic Community more. And look at the practical aspects of what is needed to grow the agriculture sector. There are many other issues that ASEAN, maybe 20 years away, are looking at, some of the bigger issues. Even though the important issues like greenhouse gas emissions, I think, is a big issue ASEAN will have to look at. But I think there are more practical ways, practical issues that ASEAN will have to focus now to address while you look at bigger challenges right now, looking at carbon emissions and greenhouse gases, and so on. What I am saying is, while you look at all these issues, but do not forget your more important, more direct, more practical issues that you need to handle on the ground.

**Denis:** Thank you so much Nathan, for taking the time today to speak with us. I think from this podcast session, we have certainly learned a lot about food security, and why it is so important for the ASEAN region. We also heard from Nathan about the challenges faced by the region and the private sector's perspective on this issue. Thank you again for taking part in the podcast episode, and I hope that all of you will look forward to the coming episodes ahead. Thank you.

\*The podcast was recorded on June 5, 2024.