

Regional Cooperation for Food Security in East Asia

**From Rice Reserve APTERR and Information System AFSIS
to Common Agricultural Policy**

7 t h ASAE Conference, Hanoi, 2011

Takashi Toyoda* and Opal Suwunnamek**

(*Professor of Development Policy, IEAS, Tokyo University of Agriculture and Technology TUAT, Tokyo Japan)

(**Lecturer of Administration and Management College, King Mongkut's Institute of Technology Ladkrabang, Bangkok, Thailand)

1.Introduction

Food crisis, Regional cooperation(APTERR,AFSIS),Policy proposal

- The economic growth and the diversion of food to **biofuels** depleted food supplies, kept rice prices high, and resulted in a food crisis in the region.
- The Network of East Asian Think Tanks (**NEAT**), ASEAN+3 , Working Group on East Asian Food Security discussed : (1) **Food crisis** (global warming, export control and funds flow); (2) **regional cooperation** to achieve food security(stocking food **EAERR**:Chap2 and sharing information **AFSIS**:Chap3), (3) proposals related East Asian **food security policies**.
- Chapter 4 advances proposals for **Asian Common Agricultural Policy (ACAP)**, including trade and tariffs, food safety, supply-demand and structural adjustments.

2. Food Security Regional Cooperation in East Asia: Structure and Prospects of East Asia Emergency Rice Reserve EAERR

- 1) **Historical Background of EAERR; From AERR to EAERR(Fig1)**
- The ASEAN Emergency Rice Reserve (**AERR**) was established in *1979*, AERR has not been utilized effectively applied. The ASEAN ministers agreed to launch the **East Asia Emergency Rice Reserve (EAERR) Pilot Project** (JICA,02) .
- Launched in March *2004*, **EAERR** pilot project was envisioned as a three-year pilot program to be completed by February *2007*. However, the project was extended twice.
- The government of **Japan** MAFF provides financial support, whereas **Thailand** provides in-kind support to the project.
- Japan and Thailand coordinate the EAERR Pilot Project (See Figure1)

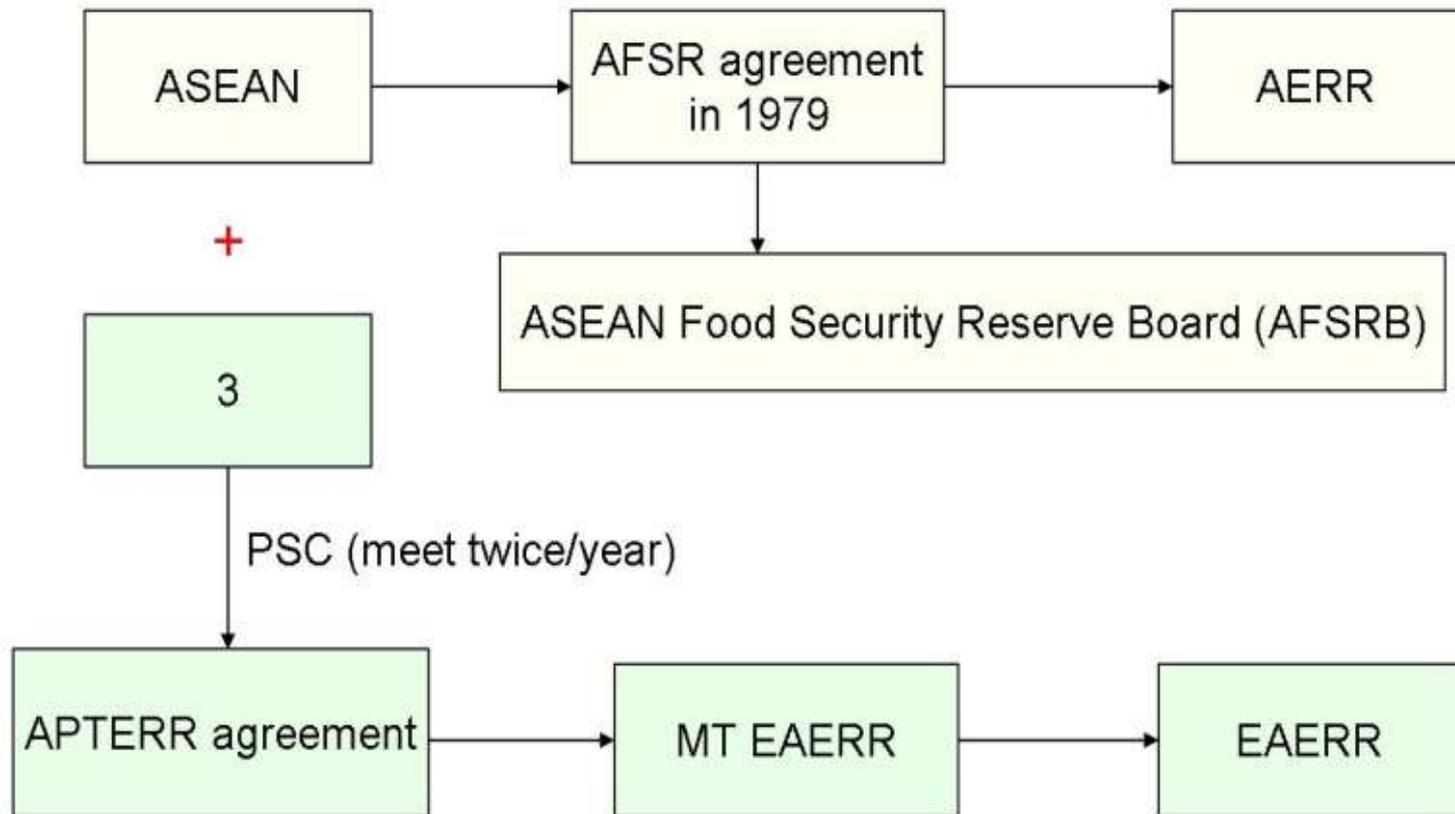


Figure1 Historical Background of the East Asia Emergency Rice Reserve EAERR

2) Differences between AERR and EAERR

- The EAERR membership consists of **ASEAN plus 3** ;China, Japan and South Korea (AERR being only ASEAN). There are some additional differences.
- (1) Types of stocks: EAERR has two types of stocks, **earmarked emergency rice reserves** and **stockpiled (physical) emergency rice reserves**.
- (2) Release mechanism: EAERR has various **rice release programs** (Tier 1, 2, 3 and Poverty Alleviation PAME).
- (3) Crisis response: The earmarked stock has reached **787,000 MT**. The release quantity of stockpiled stock from the Japanese Government has reached nearly **1,500 MT**. (4) Office management

3) EAERR Rice Reserve System

- (1) The **earmarked rice reserve** stored in each member state is actually is part of the national rice reserve of each member state. Costs for purchasing, storage, maintenance rice are the responsibility of member states.
- The total quantity has reached *787,000 MT*, including *87,000 MT* from ASEAN and *250,000 MT* from Japan. In 2009, China announced a pledge *300,000 MT* and Korea pledged *150,000 MT*.
- (2) The **stockpiled emergency rice reserve** is the quantity of rice voluntarily donated by member states such as Japan for use as emergency stock to provide emergency relief in times of disaster.

4) EAERR Rice Release Mechanisms

- EAERR has developed guidelines for releasing its stocks under various programs: **Tier 1, 2, 3 and Poverty Alleviation.**
- The **Tier 1** program is to release **earmarked stock** based on a supply-demand matching process. EAERR arranges and establishes a match between supplying countries, Vietnam and recipient countries, the Philippines. Tier 1 adheres to the basic elements of *commercial rice trade* (price, quality, payment, times and ports) and reflected in a Memorandum of Agreement (**MOA** signed by ministers) and a Purchase Contract (**PA**).
- **Tier 2** is to release earmarked stock based on **long-term loan** agreement, after an **appeal** from a member states, and/or an international organizations such as the **WFP**.

Tier 3 and PAME program release stockpiled emergency rice reserves

- **Tier 3** is a program to release **stockpiled rice reserves** upon request or automatic triggering system, as the **first emergency food aid** after a disaster.
- **The Poverty Alleviation and Malnourishment Eradication (PAME)** program will release stockpiled rice reserves if the stockpiled reserves are not used during its period(12 months).
- **5) EAERR Prospects:** The ASEAN Integrated Food Security (**AIFS**) and **SPA** have provided support converting EAERR into *ASEAN Plus Three Emergency Rice Reserve (APTERR)* as a permanent organization. The APTERR finance modality needs to be clarified in accordance with individual member countries' **self-motivation schemes**(self help and mutual help).

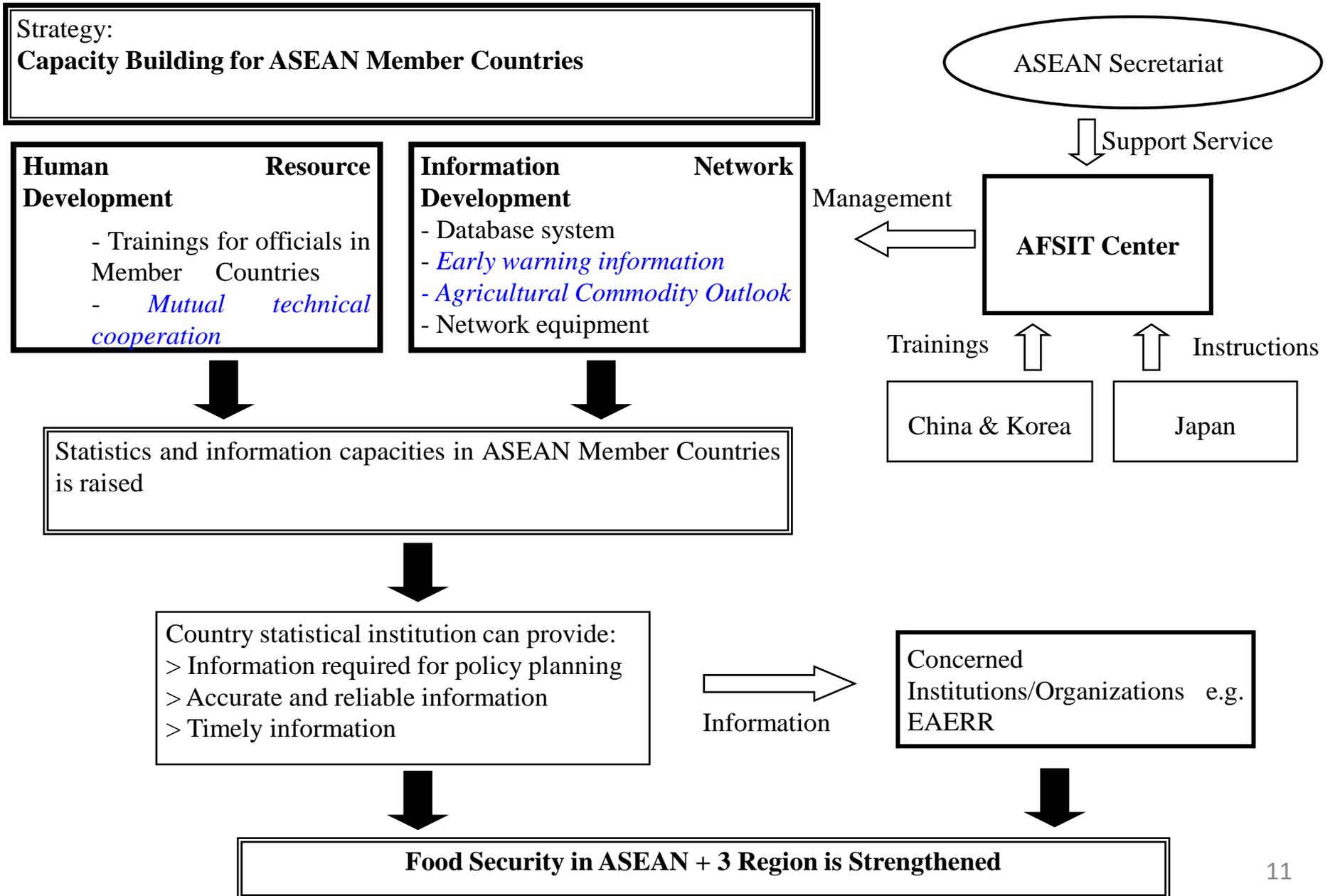
3. Current State and Prospects of ASEAN Food Security Information System (AFSIS)

- **Phase I** of the AFSIS project(03-07) established basic structures in the areas of **information network development (IND)** and **human resource development (HRD)**.
- **Phase II** of the AFSIS project (08-12) paired each early starting country with a late starting country(Cambodia, Laos etc) and led to the transfer of agricultural information technologies through **South-South cooperation (MTC)**.
- The second phase also established systems for **Early Warning Information (EWI)** and **Agricultural Commodity Outlook (ACO)**, improving food security indicators and statistical precision. The AFSIS project will be succeeded by a sustainable ASEAN+3 Food Security Information System Center/Network (**NAFSIC**).

1).Background of the AFSIS project

- The AFSIS project is an initiative of the **AMAF+3**, which is coordinated by Thailand, the Office of Agricultural Economics (**OAE**) ,**MOAC**. The Statistics Department (**SD**), **MAFF**, Japan is the donor through ASEAN Trust Funds.
- **Objectives** of AFSIS are to facilitate food security planning, implementation and evaluation through the dissemination of **food security information**. (Fig2)
- There are four specific objectives; (1)To improve the **capacity** of human resources. (2) To improve the **systems** for collection of food security information. (3)To develop reliable **methodologies** for forecasting the food supply-demand situation . (4)To develop an information **network** system .

Figure 2 Overall Concept of AFSIS II Project



2) Major components in AFSIS

- **Phase I** consisted of: (1) **Human Resource Development**; a) Activities ;workshops and seminars, b) Expectation; personnel with skills in statistics.(2)**Information Network System Development**; a) Activities are AFSIS NET, AFSIS Database. b) Expectation is communication network to facilitate the data.
- During **Phase II**, (3) **Mutual Technical Cooperation (MTC)**; The advanced members are requested to help capacity of the others. (4) **Early Warning Information (EWI)** indicates supply side damage and weather condition. (5) **Agricultural Commodity Outlook (ACO)** analyzes supply-demand, trade and price, including *self-sufficient rate*(Domestic Pro./Use) or *food security rate*(Reserve/U).

Table1 ASEAN Rice Supply-Demand and Food Security Indicators

Country	Production	Export	Import	Reserve	Self-sufficient rate	Food security rate
ASEAN	125,723,100	16,918,433	3,529,765	20,792,403	117.13	19.37
Brunei	891	0	31,708	15,505	2.8	48.78
Cambodia	4,592,303	1,471,000	0	128,000	156.89	4.37
Indonesia	40,656,136	2,601	250,225	1,172,435	105.68	3.05
Lao PDR	1,886,880	16,416	48,683	30,168	105.08	1.68
Malaysia	1,585,708	0	1,086,995	475,899	65.45	19.64
Myanmar	20,196,456	817,068	nil	4,345,208	103.92	22.36
Philippines	10,633,234	177	1,755,184	2,638,287	85.77	21.28
Singapore	0	33,000	280,000	55,000	0	20.99
Thailand	20,889,417	8,619,871	76,970	6,251,800	185.4	55.49
Vietnam	25,282,075	5,958,300	nil	5,680,101	137.94	30.99

3) Discussion on the AFSIS project

- AFSIS project has impact to *strengthen food security* as it can provide information and *improve the capacity of staff* in ASEAN plus 3. To be more considered; **Firstly**, as each member has different in commodity, definition, methodology, and potential of staffs, so that **standardization** is necessary.
- **Secondly**, some data, related to undernourishment, income, and poverty imply the ability of **food access**. Data on demographic dimensions may be useful to be **analyzed together** with economic data of IRRI, WFP and FAO.
- **Thirdly**, AFSIS should be transformed into a **permanent mechanism** that is sustainable and more self reliant.

4. Proposal for Common Food Security Policy in East Asia (Fig3)

- 1) **Policy Cooperation: Development Assistance and Cooperation**
- (1) Food crisis, we propose Common Food Security Policy
- (2) **Regional security**(FAO/SPFS) and **development aid** for food, agriculture, and farming villages(JICA)
- (3) Full-scale expansion of the East Asia Emergency Rice Reserve (EAERR) towards **APTERR** (Chap.2 and Oct.7,2011)
- (4) Development Assistance for production growth through productivity and **agricultural investments**(UN Food Summit)
- (5) **Twin-track approach** to reducing *poverty and hunger* through support for rural villages, we encourage rural business, green-tourism, micro loans, community activities.

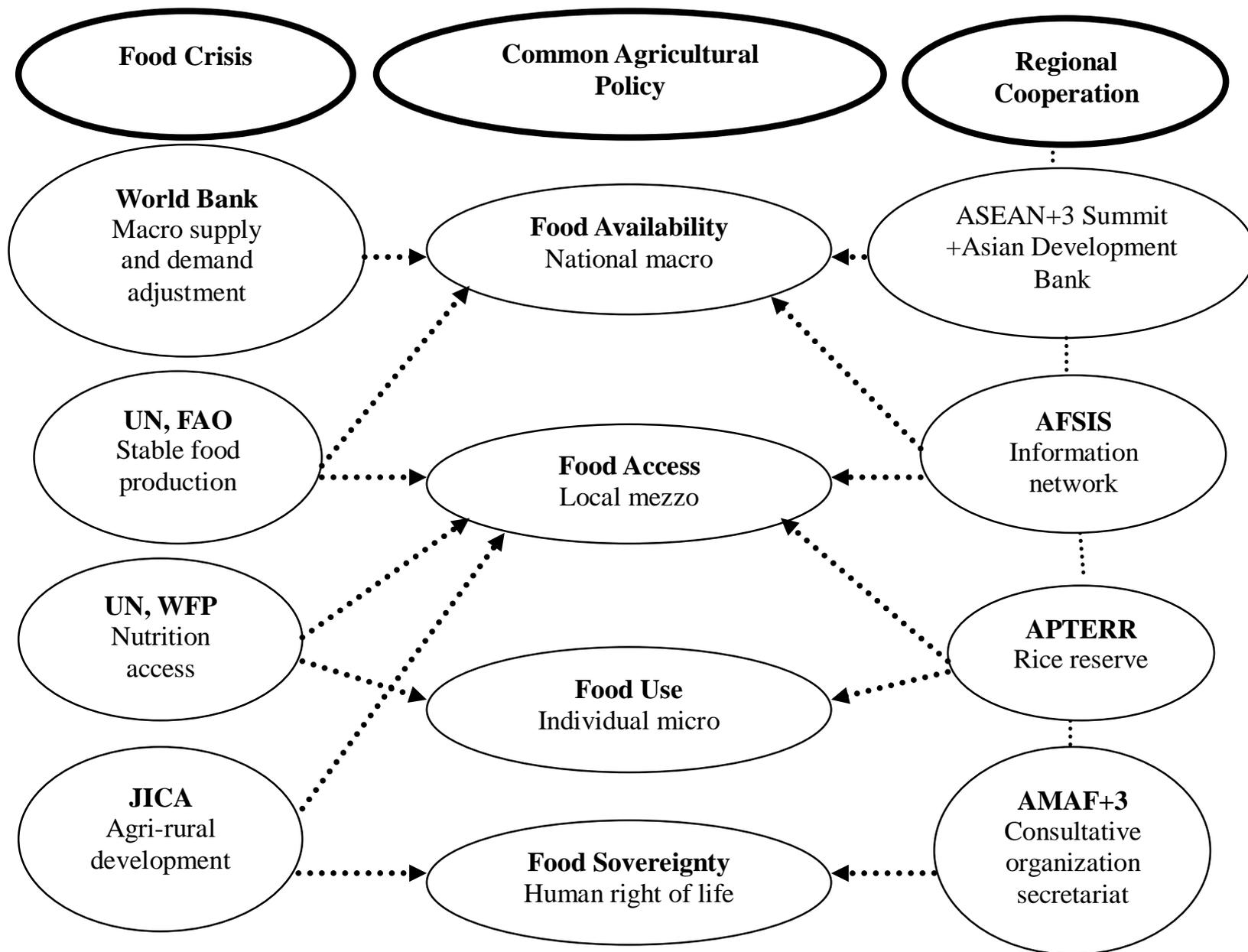


Figure 3 Framework for Food Security Cooperation

2) Common Policy on Trade and Tariffs including Food Safety

- **(1) Agricultural negotiations by the World Trade Organization (WTO), we proposed *multifunctional roles* for agriculture, established rules for **sensitive items**, such as rice ,as a shared policy and restriction on food *export controls*.**
- **(2) Green Asia: EPA Promotion Strategy; working together with Asian nations,** seeks to establish safe food imports, import diversification, **exports** of Japanese products, fight poverty, and environment. East Asian economies are becoming **integrated**, forming a *de facto* Food Production Community. The ASEAN-Japan Comprehensive Economic Partnership Agreement (**AJCEP**) balances trade *liberalization* and agricultural *cooperation*(support poor, agri-cooperatives, bio-energy).

(3) Asian Common Agricultural Policy (ACAP) – common funds and redistribution system

- Proposal; *ACAP* will be funded by **profits** generated by relaxing restrictions on trade in rice, wheat, and other common staples. Member countries **contribute** to this fund according to GDP levels.
- These funds are used to **offset income losses** attributable to tariff cuts and to create a safety net. The ACAP supports agriculture that conserves the community's resources (water facilities and farmlands), and meets **multifunctional agricultural roles** (Suzuki, 2007).
- ACAP Common funds will be enabled when an *East Asian common currency* is widespread among the ASEAN+3 (The Chiang Mai Initiative have made progress in 1997 Asian financial crisis; lesson).

(4) Common Program for Food Safety – establishing the **FAO/WHO coordinating Committee for Asia (CCASIA)** and the **Asian-version Food Safety Traceability system (ISO22000)**

- We must comply with regional standards for food safety. We propose establishing the **CCASIA** in Codex Alimentarius Commission(CAC;chair Mr.S.DAVE) to strengthen common program in Asia.
- We must strengthen **traceability** to make food safety standards meaningful even at the level of farm production. Asian Productivity Organization(**APO**) promote Human Resource Development(seminar/training and E-learning) of **food safety supply chain** from *GAP/Organic, HACCP/ISO22000, TQM* for Asian LDC.
- These efforts will lead “sustainable maximum” Asian **Green Growth** through green productivities.

3) **Supply-Demand and Structural Adjustments in Common Agricultural Policy**

- **(1) Supply-demand adjustments for Food and Biofuels;** Establish the common **rules to balance** Food Security and Biofuels Policies; 1) Set limits on *areas*, 2) Set caps on the *amount*, 3) Avoid damage to the *environment*.
- **(2) Supply-demand adjustments in the Asian rice market;** Japonica rice(*Oryza sativa*.L.) growers serve a *niche market* (16mt/386mt).
- **(3) Structural adjustment for farm management growth;** Paddy cultivation in monsoonal Asia consists of *small-scale farming*, founded in the ecological system. New programs are needed to help synergic growth of *diversified farms*, adjusting to” ***Condensed Economic Growth***” in densely populated Asia.

4) Consultative Organization in the Region including a Permanent Secretariat

- We propose installing **AMAF+3 Permanent Secretariat** to advance common food security policies, which represents the *cornerstone of the activities* of regional cooperation in East Asia.
- Our goal is to reduce regional conflict over resources and inequalities in wealth on the goal of building a **common Asia home**; *a peaceful food and energy community*, based on this primary industry, thereby making the most of the *sun's bounty*.

5. Conclusions

- We discussed *regional cooperation* efforts, Chap. 2 explored the stockpiling and releasing the East Asia Emergency Rice Reserve (EAERR/APTERR). Chap.3 discusses the ASEAN Food Security Information System (AFSIS). Chap. 3 advances proposals Asian Common Agricultural Policy (ACAP); trade and tariffs , food safety, and supply-demand adjustments.
- We hope paper will contribute toward a vision for regional cooperation and ACAP helps advance an *East Asian Community*. ISAC(The International Academic Society for Asian Community) symposium “*Agriculture will pave the way forward for the East Asian Community*” presented these vision. Our hope is that discussions will eventually lead to a consensus.

EAERR PAME in Vangki village ,Laos



Thank you for your attention

