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## **Food Security Beyond Borders: Securing ASEAN's Food Supply Chains**

*By Jose Ma. Luis Montesclaros and Paul S. Teng*

### **SYNOPSIS**

*Regional trade and economic integration will be increasingly important in future ASEAN food security discussions post-2025. A shift is needed going beyond the traditional focus on country-level food security towards a truly integrated regional approach based on interlinked food supply chain security.*

### **COMMENTARY**

Food security within ASEAN is usually seen on a country basis, wherein [each ASEAN member state](#) ensures for itself stable access to nutritious food at affordable prices. States often benchmark themselves against an announced level of food self-sufficiency based on domestic production and import when faced with shortfalls in production.

From the country-focused viewpoint, trade policy is relegated to a supporting role: improving international and regional trade integration to achieve greater access to affordable food supplies. The preferred situation in reality is to plan, at the outset, on using trade as an integral part of assuring food sufficiency by recognising the limits of domestic production. In this regard, [securitising food supply chains](#) is important, as important as domestic production.

### **Beyond Country-Level Food Security: Securing Regional Supply Chains**

While the region would be more food secure if each ASEAN country were also food secure, it begs asking whether regional food security may entail more than just the sum total of country-level food security among ASEAN member states.

There are limits to the types of commodities a country can produce and, in turn, the

extent to which [self-sufficiency](#) can be attained. These and the global supply chain disruptions from the COVID-19 pandemic and Russia's war on Ukraine necessitate an assessment of how much more can be done in the trade components of food security and the consideration of a truly regional rather than country-based approach across the regional supply chains.

One element of a holistic regional supply chain approach to food security requires securing the regional base for food production inputs, such as fertilisers, seeds, and pesticides for crops, or feeds for livestock. Amid the Ukraine war, global prices for fertilisers [peaked in April 2022](#), with an increase in the costs of different fertilisers ranging from 205 per cent to 399 per cent above the annual average for 2020.

Vietnam's experience shows how even rice-self-sufficient countries remain vulnerable to the impacts of global supply chain disruptions. On the ground, fertiliser prices in Vietnam reportedly increased by [300 per cent](#) on average. The impact on farmers was discernible from their summer-autumn crop, traditionally planted from [April to June](#), which was reduced significantly by [20,000 hectares](#). This led to a drop of 13,000 tonnes in rice production in the southern region alone.

### **Trade Vulnerabilities for Financially Squeezed Farmers**

Such disruptions in global food supply chains have further impacted farmers caught in cycles of debt. Farmers are reportedly squeezed financially because they cannot simply pass on fertiliser price increases to consumers through higher food prices. Hence, they are unable to pay off loans taken to obtain seeds, fertilisers, and pesticides.

In the worst case, farmers who become bankrupt or insolvent owing to higher input costs may eventually have no choice but to sell off or mortgage their land, thus causing a further blow to domestic food security. An article in the *Mekong Eye* tells another tale where [40 per cent of farmers](#) in Thailand lie below the poverty line, and where over 62 per cent of farmlands were either mortgaged, sold or leased in 2020 alone, and more than 300,000 civil cases involved the seizure, eviction or auctioning of land.

Apart from the impact of disruptions on farming input prices, trade disruptions can also impact farmer productivity, as was seen during the [COVID-19 pandemic](#). The lack of timely access to productivity-enhancing inputs means that when the time for harvesting comes, the crop yields per hectare will likely suffer. This, in turn, contributes to reduced food supplies. Food supply chain security, therefore, is critical from the viewpoint of ensuring stable flows not only of food products but of inputs as well.

### **Dilemmas of Intra- and Extra-Regional Food Trade**

Food distribution is another aspect of food supply chain security that requires attention. At the country level, there is a dilemma between keeping food for domestic consumption and exporting food. The latter increases trade-derived revenues, given that food exports are important contributors to the economies of many ASEAN countries. At times, food exporters may export too much food, which causes domestic food shortages, leading to inflation in domestic prices.

This dilemma also applies at the regional level between increasing trade within the region (intra-regional) and beyond the region (extra-regional). Intra-regional trade makes up only [20-30 per cent](#) of total ASEAN trade in food and agricultural products while the remaining 70-80 per cent is exported beyond the region.

While extra-regional exports provide a larger source of income for ASEAN countries, especially if these are to higher-income countries – such as ASEAN’s vegetable oils for the [European Union](#) – they potentially leave fewer supplies to meet the needs within the region, leading to higher intra-regional food prices, and, in turn, lower food affordability among ASEAN countries. Today, the decisions between these two options are mostly left to the market; in most cases, they favour increasing incomes through extra-regional exports over domestic food affordability.

### **The Increasing Role of Regional Trade in Food Security**

Regional food supply chain security – whether due to the region’s vulnerability to input supply and price shocks or the high share of extra-regional ASEAN trade – therefore requires renewed attention. Instead of leaving such decisions to the markets alone, it behoves the ASEAN Ministers on Agriculture and Forestry (AMAF) and the trade ministers to look into such questions in future meetings on the [post-2025 ASEAN Economic Community agenda](#).

Striking a delicate balance is key to achieving an integrated market and a single production area as part of the ASEAN Economic Community, which also caters to the needs of the region’s poorest populations.

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*Dr Jose Ma. Luis Montesclaros and Professor Paul Teng are Research Fellow and Adjunct Senior Fellow, respectively, at the Centre for Non-Traditional Security Studies (NTS Centre), S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore.*

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