

### ASIA

#### Asia is facing a food crisis and needs another \$800 billion in the next 10 years to solve it

Asia is “unable to feed itself” — and needs to invest another \$800 billion in the next 10 years to produce more food and meet the region’s needs, according to a report. The population in Asia is growing, and consumers are demanding safer, healthier, and more sustainable food. Food spending will more than double — from \$4 trillion in 2019 to over \$8 trillion by 2030, said the Asia Food Challenge Report which was released recently.

“If this investment does not materialize, it is believed that the industry will struggle to keep up with demand, resulting in poorer food outcomes for Asia’s population,” according to the report. “Asia is relying on imports flowing through long supply chains from the Americas, Europe, and Africa.”

That’s consistent with research from a 2018 United Nations Conference on Trade and Development report. “In general, countries in Latin America, East Africa, and South Asia are net food exporters, while most of the rest of Asia and Africa remain, net food importers,” the Key Statistics and Trends in International Trade report said. That means Asia relies heavily on other countries to meet one of its basic needs.

Climate change and population growth will also add to the region’s prob-



lems by causing supply issues, as well as price volatility. For one, extreme weather could reduce crop yields and change planting structures said the report. The amount of arable land for each person in Asia is expected to decline by 5% by 2030, it said.

### CHINA

#### EU, China agree to protect 100 of the regional foods

The European Union and China agreed to protect 100 European regional food designations in China and 100 Chinese equivalents in the EU to spur trade, particularly of European food and drinks. The deal will protect the names of such products as cava, Irish whiskey, feta, and prosciutto di Parma, as well as China’s Pixian bean paste, Anji white tea, and Panjin rice.

The pact significantly expands the number of foods protected as “geographical indications” (GIs) from the 10 on both sides that were agreed in 2012 and should help boost trade in higher-value goods.

“It is a win for both parties, strengthening our trading relationship, benefiting our agricultural and food sectors, and consumers on both sides,” EU Agriculture and Rural Development Commissioner Phil Hogan said while on a visit to China.

GIs are on average more than twice the price of non-GI products, a European Commission official said.

The protection system means that GI names can only be used for food or drink from a particular region or country. So “feta” can only be applied to a cheese of a particular type from Greece.

The EU has tangled with other trading partners on the issue, many of whom have domestic producers naming their products “feta” or “parma”, some made by the descendants of European immigrants who wanted to preserve their food heritage.

The new deal is a trade coup for Europe as U.S., Australian or New Zealand producers will no longer be able to use the protected names on their exports to China. There is, however, a transition period for feta, Asiago and Pecorino Romano cheeses, and it would not cancel existing Chinese trademarks.

The EU Chamber of Commerce in China said the agreement would require



updated laws and stronger enforcement. Government agencies often fail to help protect GIs because they are not defined as intellectual property rights under any specific Chinese law, according to the chamber.

The agreement needs to be ratified by the European Parliament and EU government and is expected to enter into force before the end of 2020. It will be expanded to an additional 175 GI names from both sides four years after the current agreement. EU agri-food exports to China were worth 12.8 billion euros (\$14.19 billion) in the 12 months from September 2018 to August 2019, making China the second-largest destination for such products and for GIs after the United States.

### INDIA

#### India Food Processing Market Expected to grow

The food processing industry is expected to expand at a compound annual growth rate (CAGR) of ~11.5% between FY 2018 and FY 2023 to reach a value of INR 15,971.9 Bn in FY 2023.

It is one of the largest industries in India and ranks fifth in terms of production, consumption, and exports. Large availability of food infrastructure and diverse agro-climatic conditions, among other factors, shall make India one of the largest food processing hub. Hindustan Unilever Limited, Pepsico India Holdings Private Limited, Cadbury India, Nestle

India Limited, Mondelez International Incorporation, Pizza Hut (India) Private Limited, and Perfetti Van Melle India Private Limited are some of the major multinational companies (MNCs) that are investing in the Indian food processing industry.

There are 10 segments within the Indian food and beverage industry - breakfast cereals, dairy food, bakery, organic food, confectionery, ready meals, naturally healthy beverages, pet food, ingredients, and savory snacks. These segments are increasingly gaining acceptance in the country, thereby creating immense opportunities for new as well as existing industry players to expand their business operations. Among these, breakfast cereals and savory snacks are the fastest-growing segments and are expected to expand at a CAGR of ~19.23% and ~33.59%, respectively from 2018 to 2023.

In terms of processing levels, India still lags compared to other developed countries, particularly in the processing of agricultural products. Less than ~10% of the total food produced in India is converted into value-added products, as against ~65% in the United States (U.S.) and ~23% in China. Only 2.2% of the fruits and vegetables produced in the country gets processed.

Foreign direct investment (FDI) and several other government initiatives in the Indian food processing industry shall aid the country's food value-chain and also create multiple employment opportuni-

ties, as well as investment opportunities in farming, retail, storage infrastructure, and quality control.

The Indian food processing industry is also well supported by a large number of research institutions like National Dairy Research Institute (NDRI), Central Food Technological Research Institute (CFTRI), National Research and Development Center (NRDC) and Central Institute of Fisheries Technology (CIFT), among others, which in a way is driving the growth of the market.

### INDONESIA

#### Indonesia's food chain turns toxic as plastic waste exports flood in

Plastic waste exports to south-east Asia have been implicated in extreme levels of toxins entering the human food chain in Indonesia. A new study that sampled chicken eggs around sites in the country where plastic waste accumulates identified alarming levels of dioxins and polychlorinated biphenyls long recognized as extremely injurious to human health.

In one location the level of dioxins in eggs collected near an Indonesian factory that burns plastics for fuel were similar to levels in eggs collected near the notorious Agent Orange hotspot in Bien Hoa, Vietnam, which is considered one of the most dioxin-contaminated locations on Earth.

The study is the first to demonstrate food chain contamination in south-east Asia with high levels of hazardous chemicals as a consequence of waste mismanagement and plastic waste imports.

According to the study, an adult eating just one egg from a free-range chicken foraging in the vicinity of the tofu factory in Tropodo would exceed the European Food Safety Authority tolerable daily intake for chlorinated dioxins by seventy-fold.

Researchers collected and analyzed free-range chicken eggs from the Bangun and Tropodo communities in East Java, locations that have been inundated with imported plastic waste since China closed its doors to such waste in 2018.



By contrast, Indonesia's import volume doubled between 2017 and 2018, with residents in some areas burning piles of plastic waste to reduce the volume of clogging streets and piling up around houses. In Tropodo, the waste is used to fuel local tofu factories.

Eggs collected in the communities were found to contain highly hazardous banned chemicals including dioxins, flame retardants, and the toxic "forever chemical", perfluorooctanesulfonic acid (PFOS).

Numerous studies have linked the chemicals found in the eggs with a host of health impacts. Dioxin exposure is linked to a variety of serious illnesses in humans, including cardiovascular disease, cancer, diabetes, and endometriosis. Flame retardant chemicals, short-chain chlorinated paraffin and polybrominated diphenyl ethers disrupt endocrine function and negatively affect reproductive health.

PFOS causes reproductive and immune system damage, and internal company documents indicate that manufacturers knew about its toxicity for decades, but continued making it.

### **MALAYSIA**

#### **Malaysian palm oil to meet new EU food safety levels by 2021**

Malaysia, the second-biggest producer and exporter of palm oil after Indonesia, will enforce regulations to ensure that by 2021 its palm oil meets new food safety standards under consideration by the European Union, a minister said recently.

The EU is considering setting new limits by an as-yet-unspecified date on food contaminants in refined fats and oils and is discussing imposing a safety level for so-called 3-MCPD esters found in palm oil. The European Food Safety Authority has said the esters raise potential health concerns.

"The palm oil industry in Malaysia has been instructed (by the government) to adhere to the EU-prescribed level of 3-MCPDE of 2.5 ppm for food products by 2021," Malaysia's minister of primary



industries, Teresa Kok, told an industry event, referring to contaminants in milligrams per kilo of oil.

"We are now in the process of enforcing several regulations to ensure that palm oil produced meets the acceptable safety level for 3-MCPDE."

The \$60 billion Malaysian palm industry is often blamed for stripping tropical rainforest, and the EU this year introduced a law to phase out palm oil from renewable fuel by 2030 due to deforestation concerns. Malaysia and Indonesia have said they plan to challenge the law at the World Trade Organisation. The EU biodiesel market is worth an estimated 9 billion euros (\$10 billion) a year.

"Despite our best efforts, if certain importing countries choose to impose discriminatory trade barriers against palm oil-producing countries, we must not keep silent nor hesitate to take countermeasures," Malaysian Prime Minister Mahathir Mohamad said at the same event.

Kok said 60% of the country's total oil palm planted area had received the Malaysian Sustainable Palm Oil (MSPO) certification, which requires growers to meet certain standards regarding environmental protection and workers' rights. The Southeast Asian country aims for 70% oil palm areas to have received MSPO certification by February, Kok said. She reiterated the Malaysian Palm Oil Board's warning of legal action or license cancellation if palm mills and growers with plantations of 100 acres and more are not certified by Jan. 1.

### **MEXICO**

#### **First Smart Forest City in Mexico will be 100% food and energy self-sufficient**

Milan-based architecture firm Stefano Boeri Architetti has unveiled innovative designs for a nature-infused smart city in Cancun, Mexico that will serve as a model for resilient and sustainable urban planning. Created for Honduras-based textile conglomerate and property developer Grupo Karim, 'Smart Forest City – Cancun' is a proposed alternative to plans for a shopping district in the area. The masterplan would reforest a 557-hectare site — currently used as a sand quarry for hotels — and create a mixed-use development that would be completely food and energy self-sufficient.

The proposed Smart Forest City – Cancun would house 130,000 residents as well as 7,500,000 plants of 400 different species selected by botanist and landscape architect Lauri Gatti. More than 200,000 trees would be planted to create a ratio of 2.3 trees per inhabitant, while the remainder of the vegetation would be mostly shrubs, bushes, green roofs, and vertical gardens. "Thanks to the new public parks and private gardens, thanks to the green roofs and to the green facades, the areas actually occupied will be given back by nature through a perfect balance between the number of green areas and building footprint," the press release stated.

With help from the German company Transsolar, the mixed-use development would be surrounded by a ring of solar panels that provide enough renewable energy to meet the residents' needs. The city would also include an agricultural field belt that wraps around the urban area. The fields would be irrigated by a water channel fed by an underwater maritime pipe and treated with a desalination tower. Parking for traditional vehicles would be located on the city periphery; a MIC (Mobility in Chain) system would provide internal electric and semi-automatic vehicles to transport residents and visitors throughout the development.

As a testing hub for sustainable urbanism, the Smart Forest City – Cancun proposal includes a center for advanced research large enough to host international organizations, university departments, and companies. The center would include research and development facilities dedicated to sustainability issues and green infrastructure.

### **NORTH KOREA**

#### **North Korea 'facing poor harvest' amid food shortages**

North Korea's harvest is predicted to be worse than usual, exacerbating already severe food shortages in the country, a monitoring group says. Using satellite images, Swiss-based Geoglam said drought had affected crops in an area known as the "cereal bowl". The UN says four in 10 North Koreans need food aid and crop production is at its lowest level in five years.

Shortages are made worse by international sanctions on North Korea over its weapons program. In May food rations - which feed about 70% of the North Korean population - were cut from 550g (19.5 oz) to just 300g per person following poor results in this year's early harvest.

The country's main harvest in the southern provinces of South and North Hwanghae and South Pyongyang was complete but was estimated to have produced a below-average quantity of crops, Geoglam said.

This was due to "irregular rainfall and low reservoir levels during the summer", the organization said, adding that North Korea's overall food situation was not expected to improve. North Korea experienced severe droughts in spring and summer, and in September the country was hit by Typhoon Lingling, which flooded farmland.

Earlier this year a UN team found families surviving "on a monotonous diet of rice and kimchi most of the year, eating very little protein", according to a report by the World Food Programme. The report said some families were eating protein only a few times a year.

### **ZIMBABWE**

#### **Zimbabwe 'facing the worst hunger crisis in a decade'**

Zimbabwe is facing its worst hunger crisis in a decade with half of the population – 7.7 million people – food insecure, according to the World Food Programme (WFP). The alert follows last week's warning from a UN-appointed independent rights expert that the country – once seen as the breadbasket of Africa - is in the grip of "man-made starvation". In Geneva, WFP spokesperson Bettina Luescher said that almost \$300 million was needed urgently to supply some 240,000 tonnes of aid.

"A climate disaster" and "economic meltdown" were to blame for the ongoing crisis, she explained, with normal rainfall recorded in just one of the last five growing seasons.

The increasingly unreliable rainy season affects subsistence farmers in particular as they grow maize - a very water-intensive crop and many of these farmers are still recovering from the major 2014-16 El Nino-induced drought.

In addition, "the crisis is being exacerbated by a dire shortage of currency, runaway inflation, mounting unemployment, lack of fuel, prolonged power outages and large-scale livestock losses, and they inflict the urban population just as well as rural villagers," Ms. Luescher said. WFP has now nearly doubled aid assistance in a bid to reach more than four million of that hardest-hit by the crisis. In total, however, 5.5 million people in the countryside and 2.2 million in urban areas need help, and acute malnutrition has risen to 3.6 percent, up from 2.5 percent last year.

Eight of Zimbabwe's 59 districts have acute malnutrition rates of over five percent, which is unprecedented, Ms. Luescher added. Her comments echo last week's warning from Hilal Elver, Special Rapporteur on the right to food, that women and children are bearing the brunt of the crisis. The majority of youngster she had met on an 11-day official visit to Zimbabwe was stunted and underweight, she said.

Linked to this, child deaths from severe malnutrition have been rising in recent months, Ms. Elver added, and 90 percent of Zimbabwean children aged six to 24 months are not consuming the minimum acceptable diet. ♦

