

# **US-ASEAN Business Council 2017 Business Mission to the 39<sup>th</sup> ASEAN Ministerial Meeting on Agriculture and Forestry**

**28-29 September 2017, Chiang Mai**

## **Mission Report and Notes of Meetings**

### **Overview**

The US-ASEAN Business Council held its third business mission to the 39<sup>th</sup> ASEAN Ministerial Meeting on Agriculture and Forestry from September 28-29, 2017. The mission was led by Food & Agriculture Committee Chair Bruce Blakeman, Vice President, Corporate Affairs, Asia Pacific for Cargill.

The business mission delegation included representatives from six Council member companies: Cargill, DuPont, Elanco Animal Health, Monsanto, Yum and Phillip Morris International.

The delegation focused on the following overarching themes during the mission:

- Support ASEAN governments agriculture development objectives and promote the roles of international trade and foreign investment in improving food security and strengthening the agricultural sector as an engine of growth in the broader economy.
- Offer recommendations for ways to facilitate the growth and development of ASEAN's agriculture, food processing and animal health sectors
- Support the promulgation of new agri-innovation technologies to improve productivity in the agricultural sector and animal health.
- Enhance market access and opportunities for U.S. companies to expand business activities in the food, agriculture and animal health sectors
- Support the harmonization of standards and adherence to international science based standards such as Codex, OIE (World Organization for Animal Health) and IPPC (International Plant Protection Convention).

Please take advantage of the follow up opportunities and let the Council know how best we can support you. If you have not taken the post-mission survey, you may do so [here](#). Thank you for your feedback.

### **Meetings**

The delegation conducted bilateral meetings with the key officials:

- Minister of Agriculture, Forestry, and Fisheries, H.E. Veng Sakhon, Cambodia
- Director General Xaypladeth Choulamany, Ministry of Agriculture and Forestry, Laos People's Democratic Republic

- Minister of Agriculture, Livestock and Irrigation, H.E. Dr Aung Thu, Myanmar
- Undersecretary for Operations of the Department of Agriculture, H.E. Ariel T. Cayanan, Philippines
- **Tran Kim Long, Director General of Int'l Cooperation Dept, Vietnam**

Besides these meetings, the Council was also invited to present during the Preparatory Senior Officials Meeting on 26<sup>th</sup> September and 39th AMAF on 28 September respectively. Chairman Bruce Blakeman reviewed current agricultural trade barriers in the areas of maximum residue limits (MRLs) , standards harmonization and equivalency, and low-level presence regulations.

Key principles advocated during were that regulations should be science-based, transparent and developed with consultation with all stakeholders; if international standards exist, all efforts should be made to adopt those standards, and zero tolerances are impractical, unrealistic and not grounded in science-based risk management. Recommendations were made to work closely with the AMAF leaders to capitalize on best practices from international organizations such as OIE, FAO, CODEX.

The committee may want to explore developing a Memorandum of Understanding (MoU) with ASEAN Secretariat and AMAF that can outline a five-year partnership framework with key action plans in the area of low level presence regulations. Activities can include conducting a workshop to introduce LLP regulations, CODEX LLP Risk Assessment, best practices from other countries, and bringing the resources of the Global Low-Level Presence Initiative (GLI) to ASEAN countries.



Revised USABC  
Presentation Sept 20

## **Thursday, 28 September: Bilateral Meeting with Myanmar Delegation**

*Led by Minister of Agriculture, Livestock and Irrigation, H.E. Dr Aung Thu, Myanmar*

### **Welcome remarks by Bruce Blakeman:**

- Appreciate willingness to meet with USABC and members, looking forward to updates on Myanmar and how we can play a role in the development of agriculture and the country.
- Introduction of members and government official.

### **Opening Remarks from Minister Aung Thu:**

- Appreciate US companies communicate and engage more. strengthen relationship
- Welcomes food processing and animal health companies.
- Challenges of Myanmar currently:
  - i) Market Access for small-scale farmers, sustainability issues that require a diversification of agri-businesses. It is also facing outward and inward labour issues. Myanmar is looking at mechanization, specifically related to contract farming system that is already implemented and welcomes companies to participate actively in. Additionally, it looks forward to a cohesive collaboration of the government, private sector and the farmers.
  - ii) Seed Development Industry.
- Ensuring food safety is a government priority. Informed members of the merger of two ministries.

### **Nattinee Netraumpai, PMI:**

- Introduced the tobacco free future project/product
- International conformation and standards, looking to help Myanmar adopt the same standards

### ***Myanmar's response:***

- Minister supports this and will convey to relevant ministries, he advised to communicate officially with state government / working level

### **Bruce Blakeman, Cargill**

- Considering penetrating Myanmar market
- Challenges are: that
  1. Trading License for foreign companies
  2. Full foreign ownership of business

### **Pushpanathan Sundram, Elanco Animal Health:**

- Introduced themselves as a veterinary medicine company.
- Would like to support the livestock farming industry in terms of innovative solutions
- Expressed interests in areas of aquaculture, dairy and poultry that they hope to introduce technology demonstration projects in the respective areas.
- Elanco hopes Myanmar adheres to Codex MRL's and standards and offered to work in improving legislation infrastructure of the government by observing fellow ASEAN states.

### **Metinee Srivatanakul, Monsanto:**

- Requires regulatory framework established in accordance to international regulations protocols. Thus, this will help address climate change adaptability and the needs of small farmers.

- Has yet to invest in Myanmar, support the regulation compliances and expertise
- Have future interest and willing to share expertise help frame regulations if needed as well as share experiences.

***Myanmar's response:***

- Local governments are lacking in technology sector, hence have great interest in this aspect. Moreover, Myanmar is unfamiliar in the technicalities of law and regulation however, it is willing to cooperate with members who are keen to liaise and consult with them.

**Devi Kusumaningtyas, DuPont**

- Highlighted company's presence in Myanmar since 2014.
- Du Pont aims to collaborate with the government to adopt digital agriculture which consists of 1. Smart, 2. Help in marketing and harvesting products and 3. Manage supply and risk management
- Echoed the importance of a solid regulatory framework.

***Myanmar's response:***

- Ministry to help organize meeting with DuPont to discuss further

**Ann Grappin, Yum**

- Introduction of Yum, 30 KFC chains in Myanmar
- Supply chain teams develop local supplies, sometimes we need to import due to climate and other reason, we need contingency to guarantee supply at all time.
- Both US and Brazil poultry exporters are allowed to import but have nothing in writing no import information and will not export due to chances that product will be withheld. Can this be a written protocol so customs will understand to let in exports.

***Myanmar's response:***

- We will facilitate this issue, Yum to work with government officials write an official letter to HE. He will then speak to the relevant ministries trade and planning.
- Will look into Poultry industry to connect with Yum

## **Thursday, 28 September: Bilateral Meeting with Philippines Delegation**

*Led by Mr. Emmanuel Pinol, Secretary Department of Agriculture, Philippines*

### **Welcome remarks by Bruce Blakeman:**

- Appreciate willingness to meet with USABC and members, looking forward to updates on Philippines and how we can play a role in the development of agriculture and the country.
- Introduction of members and government official.

### **Introductory Remarks by Secretary Emmanuel on Philippines' Priorities and Initiatives:**

- Philippines recognize the lack of propagation of technology and as such is developing its concentration on mechanization aspects of agriculture.
- There are also efforts and recognition towards better implementation of regulations as well.

### **Pushpanathan Sundram, Elanco Animal Health:**

- Introduced companies' specialization as an animal health company with the production of antibiotic and enzymes and highlighted some relevant products and services.
- Highlighted the high potential of the agriculture industry, especially in livestock. Elanco anticipates Philippines to be a large exporter of animal proteins.
- Elanco conducts regular seminars and training workshops in anti-microbial resistance (AMR) that is a top concern along with adhering to International policies/standards to improving productivity in livestock as well.
- Elanco is keen to work alongside the Bureau of Animal Industry (BAI) to work on regulations in better facilitation of businesses in the Philippines as well as support the National Plan. Looks forward to greater and closer engagement in the future. (awareness week 1 day workshop)
- Elanco voiced concerns with regards to Illicit vet products – assurance legal certified products are used

### ***Philippines' response:***

- Request Elanco assist with distinguishing the above issues
- Request to invite BAI to the 1 day workshop

### **Bruce Blakeman, Cargill**

- Introduced company
- Thoughts on SRA Order No. 3
- Would like clarity on President Decree No. 194 (foreign participation in the rice and corn industry)

***Philippines' response:***

- Will update Bruce once they have consulted with the relevant ministries with regards to the SRA Order No. 3 for accurate information
- Will consult with the right ministry for clarity on the extension of Presidential Decree No. 194

**Ann Grappin, Yum**

- Introduction of company
- Import quota for US poultry is a challenge, feed duties are too high 35%

***Philippines' response:***

- Map council regularly meet, review on duties and prices. Rest assured we will raise this at the council meeting. There should be no reason to not be considered.

**Nattinee Netraumpai, Teerasak Tiamdao, PMI:**

- Introduced the tobacco free future project/product
- Interested in sharing their practices and program
- International conformation and standards, look to help Philippines adhere to the same standards

**Devi Kusumaningtyas, Dupont**

- Issues on pesticide with facilities based in Philippines – import issues of samples of pesticide. Requirement is to have a license or certificate, could you assist with this matter.

**Philippines' concluding remarks:**

- We can arrange consultation with Philippines council for agriculture, and invite FDA. Another way is during the cabinet meeting we will be able to tap on the information via cabinet officials.

**Thursday, 28 September : Bilateral Meeting with Vietnam Delegation**

*Led by Tran Kim Long, Director General of Int'l Cooperation Dept, Vietnam*

**Welcome remarks by Bruce Blakeman:**

- Appreciate willingness to meet with USABC and members, looking forward to updates on Vietnam.
- Introduction of members and government official.

**Pushpanathan Sundram, Elanco Animal Health:**

- Sees Vietnam as a very important country that it hopes to have business engagements with.
- In relation to the TPP, where Vietnam is a key beneficiary, Elanco would like to increase its investments in Vietnam.

- Asked for updates regarding the Decree 39, Implementation period and issues faced
- Keen to work on projects related to AMR. It hopes to bring expertise via the USABC and ASEAN network.
- Support the livestock law and would like to assist with shaping

#### **Metinee Srivatanakul, Monsanto**

- Monsanto hails itself as the producer of genetically improved seeds (GIS) of cotton, canola, soybean and vegetable seeds.
- Highlighted Monsanto's good working relationship with the Ministry of Agriculture and Rural Development (MARD) and commended the good scientific development framework that is currently in place. Monsanto's successful collaboration with the MARD in the seed industry has made GIS available to Vietnamese farmers.
- Invite Vietnam officials to witness contribution of biotech

#### **Ann Grappin, Yum**

- Concerned about high duties on products
- Hoping the trade agreement with Vietnam will share the same language as TPP

#### **Devi Kusumaningtyas, DuPont**

- Introduction of company and current project and update
- Du Pont aims to collaborate with the government to adopt digital agriculture which consists of 1. Smart, 2. Help in marketing and harvesting products and 3. Manage supply and risk management

#### **Vietnam's concluding remarks:**

- Recognize and acknowledge the issues brought up
- Working on a new agreement, TPP 11 as well as FTA.
- Decree 39 government officials will follow up and inform Elanco. General process is the start of circulation of final draft that takes 60 days before public consultation and comments from stakeholders, this is not a short process.
- Very interested in the presentation and will contact Dupont and Monsanto
- Have taken note of everything and will report to appropriate leaders

### **Thursday, 28 September: Bilateral Meeting with Cambodia Delegation**

*Led by H.E. Veng Sakhon, Minister of Agriculture, Forestry and Fisheries, Cambodia*

#### **Welcome remarks by Bruce Blakeman:**

- Appreciate willingness to meet with USABC and members, looking forward to updates on Vietnam.
- Introduction of members and government official.

## **Opening Remarks from Minister Veng Sakhon**

- Pleased to meet with US companies, appreciate the support, growth they bring to Cambodia

## **Pushpanathan Sundram, Elanco Animal Health:**

- Introduced company involved in animal protein industry, feed, commercial feed and farm, vaccines production.
- Recognized the gradual proliferation of corporations into Cambodia and as such is keen on working together.
- Look to support in aligning antibiotic use in animal feed policies with Int. policies
- Industry collaboration on residue testing, risk assessments, lab capacity building, promoting innovative technology to raise productivity.

## **Metinee Srivatanakul, Monsanto:**

- Introduction of Monsanto
- Primary interest lies in bringing latest seed technology that is high yield, containing seed varieties, etc. to Cambodia.
- expertise to offer along with the availability of seeds to farmers.
- New tech for farmers (Vietnam & Philippines has adopted this and Monsanto hopes Cambodia does too)
- Compliance to International standards
- With regards to the surplus of rice and limited water, how is Cambodia dealing with this? Is there a plan/program?

## ***Cambodia's response:***

- Have heavy imports of corn to feed its livestock. As such, Cambodia identifies this as a core area of income generation and has worked with Monsanto with regards to this.
- Monsanto to work with DG on new tech for farmer

## **Devi Kusumaningtyas, Dupont**

- Introduction of their business in Cambodia, looking to expanding business in Hybrid seed/rice.
- open to provide information and visit to their facilities.

## **Ann Grappin, Yum**

- introduction of company, 11 KFC in Cambodia
- Concerns on high duties on imported product 35%, need support
- Would like to assist with exporting Cambodian products as been done with other countries like Thailand and Philippines
- Brazil are major meat exporters but face ban on exporting, hope to come to an arrangement of method of export – need delegates assistance on this
- Contingency, option to import is important

## **Nattinee Netraumpai, PMI:**

- Introduced the tobacco free future project/product



- Interested in sharing their practices and program
- To share tech, innovation, sustainable tobacco program

**Bruce Blakeman, Cargill**

- Introduction of Cargill
- What are the priorities/focus of the Cambodian Government?

**Cambodia's concluding remarks:**

- Focus on food production, agricultural products, policy on export such as cassava, guava, corn, sugarcane products and more.
- Acknowledge and pleased to be working with Monsanto
- Request support from Monsanto with regards to question on the surplus of rice and limited water, how is Cambodia dealing with this. (work on a paper to submit).

## **Friday, 29 September: Bilateral Meeting with Laos Delegation**

*Led by H.E. Xaypladeth Choulamany, Director General, Ministry of Agriculture and Forestry*

**Welcome remarks by Sunita Kapoor, Introduction of members,** Elanco, Monsanto and PMI.

**Booyanath Nathwong, Monsanto** – introduction in Thai

**Metinee Srivatanakul, Monsanto**

- Introduction of company and have yet to set up a present in Laos
- Biotech adopted by other ASEAN countries and hopes that Laos would adopt too
- Willing to share programs and details on Farmer education and innovation, compliances and quality assurance
- Follow ASEAN policy for GMO
- Monsanto to send more information to Minister

***Laos' response:***

- What are Monsanto's future plans and how will they expand business into Laos?

**Pushpanathan Sundram, Elanco Animal Health:**

- Introduction of company
- Looking to enter Laos market – visit in Oct-Nov, depend on distributors at the moment
- Work closely with feed meals, production of medicated feed, premix and more
- Looking to promote the technology used by Elanco
- Capacity building, residue testing, risk analysis and adhering to Codex

- Look into assisting with shaping of the national action plan and harmonization of Int. standards
- Dept. DG of Livestock and Fisheries to keep in contact – Elanco to provide technical assistance and in developing PPP scheme and possible workshop

**Nattinee Netraumpai, PMI:**

- Introduced the tobacco free future project/product
- Interested in sharing their practices and program
- International conformation and standards, look to help Laos adhere to the same standards and or share practices

**Lao's concluding remarks:**

- Happy for the interest shown by USABC members and wish to establish more contact and engagement
- Some responses are in Thai/Laotian