



*Products of the U.S.A.*

**Monthly Report**

**Trade Servicing**

**March 2023**



*Products of the U.S.A.*

**MONTHLY TRADE SERVICING REPORT**  
**March 2023**  
**Submitted by Lieu Marketing Associates Pte Ltd**

**(i) Executive Summary**

The ASEAN region is beset by rising food prices due to higher input costs and also climate changes. Farmers are seeking help from governments as authorities in turn seek new agriculture innovations to transform the industry. These include lab-grown meats and insect proteins.

**(ii) Market Intelligence Update**

**Burma:**

Poultry and fishery farmers are facing losses due to the higher cost of feed. Broken rice, used as feed for duck farming, increased by 33% over the recent period, with layers being sold to reduce cost and production. Farmers have reached out to the government for help. ([Xinhua](#), 3 March 2023)

Civil unrest due to the 2021 military coup continues to haunt Burma's rice farms. Output is estimated to decrease due to labor shortages, and rising input prices, especially for fertilizers. Due to the combination of factors, the prices of rice are expected to rise in 2023. ([The Irrawaddy](#), 19 Feb 2023)

**Indonesia:**

The outlook for palm oil in 2023 is getting gloomy with expansion slowing down. The two main causes are increasing domestic use of palm oil as a fuel blend and concerns about negative El Nino weather effects. Domestic prices for palm oil are controlled and increased compulsory use as a fuel blend discourages production increases. With El Nino, production is expected to reduce further. Either way, international prices is expected to increase further in 2023. ([Nikkei Asia](#), 8 Mar 2023)

A new report shares that 35% of Indonesian consumer turns to food and drinks as stress relief. Mintel Global Research points out that this finding may help F&B brands rethink their positioning of indulgent food especially to target more at-home consumption. ([RetailAsia](#), March 2023)

Food inflation is hitting provincial consumers hard in Indonesia. The government expects inflation to remain higher than 5% in the first half of 2023. The main increases will be in rice and cooking oil. Prices

are expected to rise further in the Muslim month of fasting in April. For the second half, if dry weather persists, it will result in less agricultural output which will drive up food prices. ([CNBC/Reuters](#), 4 Mar 2023)

The largest tech group in Indonesia, GoTo, posted a \$202 M loss in Q42022. The group includes the biggest food delivery service provider Gojek. After blistering growth during the pandemic, sales have slowed down with restrictions lifted and the economy returning to pre-pandemic norms. The company has responded with cost-cutting and reducing marketing spend. Outlook for 2023 remains strong as e-commerce becomes normalized. ([Today](#), 20 Mar 2023)

### **Malaysia:**

A deforestation law enacted in the EU is threatening the livelihood of Malaysian palm oil and rubber smallholders. In response, these farmers have banded together to appeal against the decision with the support of the Malaysian government. Indonesia and Malaysia are the top producers of palm oil in the world. The law is meant to protect the further clearing of new land for production. However, smallholders account for 26% of the production area in Malaysia and any such law resulting in import bans will affect them badly. ([Reuters](#), 15 Mar 2023)

A local firm has been approved to export insect meal and oil to the EU & UK. This marks an exciting development for Malaysia's nascent insect protein industry since the inclusion of Malaysia on the EU's list of permitted countries to export insects. ([Global AG Media](#), 1 Mar 2023)

Consumers in Malaysia and Singapore are bracing for higher vegetable prices due to massive floods in Johor, southern Malaysia. The affected areas include most of the farms supplying to many parts of Malaysia and Singapore. ([Malay Mail](#), 4 Mar 2023)

### **Philippines:**

After 18 cases of African Swine Fever were detected in the wild boar population of Singapore, the Philippines has temporarily banned imports of Singapore pork products. Pigs are not farmed in Singapore so this is unlikely to have any impact on the pork supply in the Philippines. ([Channel News Asia](#), 11 March 2023)

The Philippine Tariff Commission is conducting a comprehensive review of its most favored nation tariff (MFN) schedule. The deadline for submission of feedback and position papers by concerned individuals and trade organizations has been extended to April 14. As there is no FTA between the US and the Philippines, MFN status applies to most of the trade between the two countries. ([NationalHogFarmer](#), 27 Mar 2023, [FAS Manila](#))

Oil leaking from the capsized MT Princess Empress in the western Visayas region threatens the livelihood of thousands of fishermen and also the rich biodiversity of this region. The ship was carrying a large cargo

of industrial oil when it was lost to foul weather. Over 18,000 people are involved in the fishing industry in this area. ([Rappler](#), 4 March 2023)

The Asian Development Bank (ADB) will invest USD15 in a discount grocery chain to expand the reach of affordable groceries for low-income people. The investment into the DALI Stores chain will also create at least 4,300 jobs to staff the new network of stores, cold chain, and warehousing infrastructures. The overall intent of the investment is to contribute to the Philippines' food security and food safety by increasing availability in rural and also upgrading hygiene practices. ([GMA](#), 9 Mar 2023)

### **Singapore:**

Lab-grown meat is still unable to find a foothold in the Singaporean market. The product has had regulatory approval since two years back. High production costs and the need for specialized equipment to cultivate livestock cells means that only one company so far, the American startup Eat Just, has actually started selling lab-grown meat in the country. There are about 30 companies in the alternative protein industry here. Lab meat is also priced significantly higher than traditionally produced meat and plant-based options, which only further dampens demand. Although the outlook for lab-grown meat seems grim, Singaporean startup Esco Aster plans to expand operations and build another facility to grow meat. ([Bangkok Post](#), 7 March 2023)

After three years of losses, Singapore-based beverage manufacturer Yeo's has finally become profitable again. After losing 1.3 million USD in FY2021, Yeo's made 1.8 million USD in FY2022 as reported in its financial report published end of February 2023. This is thanks to strong growth in ASEAN markets. ([Food Navigator Asia](#), 7 March 2023)

Launched in Singapore in 2021, White Rabbit candy-flavored ice cream has found success in the country. The original White Rabbit candy is made by Shanghai Guan Sheng Yuan Food (SGSY Food), and was temporarily banned from sale in Singapore due to melamine contamination during the 2008 China milk scandal. Bright Dairy has collaborated with SGSY Food to produce this ice cream, which is distributed by Hao Food. Its marketing strategy uses a combination of brand collaborations, White Rabbit-themed merchandise and social media promotion. Hao Food plans to increase distribution beyond Singapore and China to the rest of Southeast Asia and seeks more partnerships to promote the ice cream. ([Food Navigator Asia](#), 27 March 2023)

Local artisanal butter startup Atas Butter is capitalizing on the previously untapped market for Asian-flavored cultured butter. Using imported ingredients, Atas Butter produces a unique variety of flavors inspired by regional tastes, such as kombucha, mala (spicy) and gula melaka (palm sugar). Atas Butter butters are marketed as a luxury item ('atas' is local slang for describing something sophisticated) and sold online and also at pop-up events and fairs. The company intends to build a local supply chain and its own retail operation eventually. ([Food Navigator Asia](#), 30 March 2023)

### **Thailand:**

Thailand's economy is projected to grow larger than last year and perhaps even outperform forecasts. After being ravaged by pandemic travel restrictions, Thailand's tourism industry is slowly recovering. The

country welcomed 11.15 million visitors last year, which is around 30% of pre-pandemic numbers. They estimate 27.5 million tourists will travel there this year. ([Chanel News Asia](#), 25 February 2023)

Chinese demand for Thai durian is not expected to be affected by new durian producers appearing in the region, including China herself. Chinese consumers perceive durian from Thailand to be of superior taste and quality. Thailand is a major producer of durian and Thai growers possess deep knowledge and experience of its cultivation. Thus, despite the higher price, Chinese consumers are willing to pay more for these fruits, which are frequently gifted to loved ones. ([Bangkok Post](#), 19 March 2023)

Thailand is reviving a long dormant potash mining project. This is in response to the disruption caused by the Ukraine war in the supply of fertilizers to farmers. Agriculture is a key sector of Thailand. Although it accounts for only six percent of the GDP, the sector employs about one-third of the country's labor force. The mine has a potential of 1.3 M tons of potash per year. Thailand currently imports 700,000 tons of importer potash yearly. ([Nikkei](#), 18 March 2023)

The next new thing to headline Thailand's tourism may be food trucks. Thailand's Department of Business Development promoted food trucks in a five-days event to attract Thai SMEs to invest in this area. ([Straits Time](#), 13 March 2023)

### **Vietnam:**

A new \$127 million beef cattle farm broke ground in northern Vietnam in March. This is a joint venture between Vinamilk and Sojitz Corporation of Japan. The farm and processing plant is expected to be ready by 2024 and features advance capability to farm 10,000 cows and process 10,000 MT of beef annually. ([Tuoi Tre New](#), 10 March 2023)

Two US DA Undersecretaries visited Vietnam in March to celebrate increased agriculture trade relations. In particular, US grapefruit has gained access to the Vietnam market. Undersecretaries Alexis Taylor and Jenny Moffit met with Vietnam Agriculture Minister for a discussion. ([USDA FAS](#), 19 March 2023)

Vietnam saw record export volumes for dragonfruit, durian, and pepper. These produce accounts for over 50% of the annual \$4 billion worth fruits and vegetables exported in 2022. Major import countries includes China, Japan, Thailand, Europe, and Singapore. ([Vietnam Net](#), 23 March 2023)

Jollibee's Highland Coffee chain saw strong growth in 2022 with the chain opening 73 new stores in Vietnam and Philippines. ([World Coffee Portal](#), 17 March 2023)

### **(iii) Administrative Customs and Other Consideration Updates**

#### **(iv) WUSATA Activities, Generic Events & Next Steps**

FAS Regional Conference-Co-operator Engagement Conference – HCMC, Vietnam, March 16, 2023.

- LMA attended the conference representing WUSATA. A full report has been submitted.

#### **(v) Success Stories**