



Products of the U.S.A.

Monthly Report

Trade Servicing

January 2023



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

(i) Executive Summary

With the last of the pandemic finally behind us, both governments and corporations are aggressively looking at food security and venturing into alternative proteins, lab-grown, and urban farming. Adding urgency to the efforts are the continued supply chain issues and rising food prices in all Southeast Asian economies.

(ii) Market Intelligence Update

Burma:

An opposition news outlet reported that within Mon state in Myanmar, rice prices soared in January. Mon is a major rice-producing region of Burma. This increase was attributed to limited supply, power failures during the military coup, and higher production costs. Rice is now nearly double its original price, with ordinary consumers hurting. ([BNI Online](#), 28 January 2023)

Indonesia:

Indonesian agritech (agricultural technology) start-ups like Pitik are modernizing chicken farming to raise farm efficiency. With over 500 business partners, Pitik equips chicken farmers with the necessary skills and knowledge to operate farming technologies. Examples include sensors, feed hoppers, heaters, and fans. These can be controlled using smartphones, providing convenience and time savings. These technologies reduced chicken mortality rates and raised feed conversion efficiency, enabling chicken farmers to expand their businesses. Aside from Pitik, other agritech start-ups include Eratani and eFishery specializing in rice and fish farming respectively. ([Channel News Asia](#), 8 January 2023)

The world's biggest seaweed exporter, Indonesia, is considering the use of seaweed for biofuel production. It is hoped that the increase in production and use of biofuels will reduce Indonesia's dependence on crude oil imports, which are more expensive. Relative to other plants like corn and cassava, seaweed is a more sustainable source for biofuel production. However, data has shown that the productivity of current seaweed farms cannot be increased due to diminishing nutrient levels in the seas surrounding the farms. In addition, seaweed production in Indonesia remains low and its current supply

is insufficient for research and development projects. Insufficient funding further limits seaweed's potential as a renewable energy source. ([The Star](#), 28 January 2023)

The International Fund for Agricultural Development (IFAD) of the United Nation is funding agriculture development in Eastern Indonesia. On Flores Island, villagers are working producing candlenuts and vegetables for export. This is part of the Indonesian government's plan to help villages develop the local economy and retain young people in their region. A total of 1,110 villages are supported under this IFAD program. ([UN News](#), 25 January 2023)

Malaysia:

It seems that Malaysian consumers are not getting a bang for their buck. Despite spending more on groceries, consumers are getting less in return. One interviewee mentioned that due to the small size of the chickens, he has to purchase two chickens instead of one, which increased his weekly grocery expenditures. Others lamented saying they have switched from consuming fish to eggs as a cheaper protein alternative, but even eggs are costly. ([Free Malaysia Today](#), 11 January 2023)

The prime minister of Malaysia has declared food security to be one of the key priorities in the new budget plan. This is to counter the rising cost of imports and also to secure for the nation, vital food supplies, in times of pandemic. Businesses will be given support in their digitization efforts to remain competitive and productive, which will in turn contribute to the local economy. ([Malay Mail](#), 28 January 2023)

A major newspaper reported that Malaysia's chicken supply will be impacted by a bird flu outbreak in Europe. Malaysia imports much of its breeder stock and chicken forms 80% of the meat consumed. In response, the government assured everyone that the supply is stable and the external bird flu outbreak will not interrupt Malaysia's local chicken supply. Consumers can continue to access and purchase chickens that are safe for consumption. ([Channel News Asia](#), 25 January 2023)

Philippines:

Prices of onions have tripled in the Philippines. Onions now cost more than meat and exceed the country's daily minimum wage amount, making them a luxury good. High onion prices can be attributed to extreme weather conditions like recent storms, and inflation. As a staple food item used for cooking, onion scarcity affects both households and businesses. ([BBC News](#), 27 January 2023)

In the Philippines, an underdeveloped agricultural sector and high consumer demand have led to high prices of agricultural products. For years, the country has struggled to meet consumer demand for basic food commodities like sugar, salt, onions, and eggs due to weak import policies, cartels, and adverse weather conditions. As food prices continue soaring, the country looks towards importing more agricultural products this year. It is hoped that food prices will stabilize by early 2023. ([Straits Times](#), 24 January 2023)

Meat processors in the Philippines are calling for more regulations on processed meats. This includes: following the World Organization for Animal Health's guidelines on cordoning off disease-stricken areas

in countries, stricter border inspection policies, and creating a cold inspection facility. This ensures food safety and keeps processed meats affordable for consumers. ([Phil Star](#), 27 January 2023)

The cold chain industry in the Philippines will likely see a 10% growth this year, mainly due to the increase in imported food products. With more cold storage facilities, the country can better mitigate food security risks from extreme weather conditions and animal disease outbreaks. ([Phil Star](#), 30 January 2023)

Singapore:

Local beverage companies have demonstrated support for plans by the Singapore government to implement a container return initiative. If implemented in 2024, collection areas include supermarkets, convenience stores, and common areas in residential estates. Consumers will receive a deposit value when they return their empty beverage containers, encouraging them to take part in this recycling initiative. This initiative paves the way for Singapore's sustainability efforts. ([Food Navigator Asia](#), 18 January 2023)

Singapore has introduced new industry standards, to guarantee food safety in food-related e-commerce supply chains. Online food and beverage (F&B) businesses, platforms, and delivery firms will need to label food items and ensure product traceability from procurement to its point of sale. Unsafe food products will be recalled. It is hoped that such efforts will contribute to safer eating experiences for consumers. ([Channel News Asia](#), 13 January 2023)

By early 2024, lab-grown unagi fish cakes and fillets may be available in local supermarkets and restaurants. Scientists at Nanyang Polytechnic (NYP) have recently cultivated unagi cell lines grown in a plant-based serum. Upon continuous cell multiplication, these unagi cell lines will eventually become unagi fish cakes. The cell multiplication process to become edible fish cakes is faster than the usual seafood life cycle, leading to time savings. Furthermore, growing unagi and fish cell lines in plant-based serums are more ethical, sustainable, and less costly. Through a partnership between NYP scientists and Singapore food-tech start-up Umami Meats, the company intends to make lab-grown fish meats affordable for consumers. It also intends to launch its products in three to four countries by end of 2026. ([The Straits Times](#), 7 January 2023)

Thailand:

Protein giant CP Foods, based in Thailand, aims to utilize blockchain technologies for all its products. This follows its chicken and pork product success. The company realized that blockchain technologies enabled product traceability throughout food supply chains, which guaranteed food quality and safety. Greater value can be provided to consumers through information transparency, as consumers can access all food product-related information upon scanning the QR code on its packaging. CP Foods hopes that greater consumer confidence in its products will lead to higher demand for them. ([Food Navigator Asia](#), 23 January 2023)

In line with global trends, an increasing number of consumers in Thailand are demanding healthy and sustainable food products. Already familiar with traditional vegetarian food, more consumers have turned to modern plant-based diets and are consuming fewer sugars, salts, and products high in saturated fats.

A recent delivery trend report released in 2022 by food delivery provider Grab stated that every few days, Thai consumers would order plant-based dishes. ([Thai BPS world](#), 5 January 2023)

To curb sodium overconsumption, the food industry in Thailand has called for more alternate solutions rather than outright salt taxes by the government. Examples of such solutions include gradual product reformulations and innovations and the use of natural salt alternatives like potassium chloride. Using salt alternatives like herbs and spices in cooking and public education are also possible solutions. Manufacturers face technical challenges with reformulation. Salt also plays a large part in food safety and the extension of shelf life. ([Food Navigator Asia](#), 17 January 2023)

Vietnam:

Vietnam's agricultural industry aims to increase its exports to new markets. This year, Vietnam has seen its agricultural products enter new countries. Some successes include exports of durians, sweet potatoes, and bird's nest products to China, pomelos to the United States, longans to Japan, and lemons to New Zealand. Vietnam hopes not only to retain but further increase its current market share of agricultural exports in these countries. ([Vietnam Plus](#), 3 January 2023)

It is hoped that Vietnam's livestock industry will face fewer challenges this year, following China's ease in its zero-COVID policy. As Vietnam is China's biggest trade partner within Southeast Asia, Vietnam may see significantly higher pork exports to China this year. Grain prices will likely be lower as exporting nations increase grain supply to Vietnam. It is also likely that local animal feed prices will reduce this year. ([Vietnam Net](#), 9 January 2023)

As China reopens, Vietnam's seafood exports to China are set to increase exponentially. In particular, exports of premium seafood products like live crabs, lobsters, vannamei shrimps, and black tiger shrimps will likely peak. ([The Star](#), 11 January 2023)

(iii) Administrative Customs and Other Consideration Updates