



*Products of the U.S.A.*

**Monthly Report**

**Trade Servicing**

**February 2023**



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

**(i) Executive Summary**

Two months into 2023 saw ASEAN countries strengthening bilateral relations in the area of food security, greater adoption of agricultural technologies by farmers, and more plant-based food innovations.

**(ii) Market Intelligence Update**

**Burma:**

The military coup has led to dwindling agricultural productivity in Myanmar. Armed conflicts which had happened in key rice-growing areas, manpower shortages, and higher raw material and production costs inflated local rice prices. Local farmers who could not afford fertilizers left behind uncultivated land. As rice imports were not junta-restricted, new traders entered the rice business. ([The Irrawaddy](#), 16 February 2023)

**Indonesia:**

Both Indonesia and Malaysia announced that they will collaborate in the agro-food sector and in the use of agritech (Agricultural Technology), to ensure food self-sufficiency in their countries for some products. At present, Indonesia has achieved full self-sufficiency in Chilli Padi production, a key ingredient among consumers. The country looks to export grain, corn, and livestock products to Malaysia shortly. ([Malay Mail](#), 15 February 2023)

Besides being the most populous country in ASEAN, Indonesia is also one of Southeast Asia's largest importers of dates and frozen meat products. Two state-owned entities have been given licenses to import 100,000 tons of Brazilian beef and 100,000 tons of Indian buffalo meat. They will likely be sold at controlled pricing. ([CNCB Indonesia](#), 21 February 2023)

The Indonesian government has warned local farmers and plantation companies about possible forest fires, due to conditions caused by El Nino. Companies like Asia Pulp and Paper (APP) and Asian Agri have their guards up against possible fires. APP has ready firefighters and sufficient firefighting equipment to put out fires in hot spots, should they happen. These efforts will help minimize crop damage and destruction by the fires. In the past, plantation fires in Indonesia have caused large areas in Singapore and

Malaysia to be covered with hazardous levels of fine smoke particles. This has strained relationships. ([Straits Times](#), 24 February 2023)

### **Malaysia:**

Key Malaysian stakeholders in Dairy Farm International Ltd, a Hong Kong-owned conglomerate, have decided to exit the grocery market in Malaysia. Dairy Farm has more than a hundred Giant retail stores in Malaysia. However, the retailer was making financial losses over the past 2 years, which led to its strategic decision to exit the market. ([theedgemarkets.com](#), 23 February 2023)

A government initiative in Malaysia was launched to provide inexpensive meals to citizens. Under the initiative, food businesses including fast food chains and food courts offer meals at 5 ringgit (USD 1.15). Over 15,000 food businesses participated and this program has been well-received by Malaysians. Food and Beverage (F&B) joints sold balanced meals consisting of rice, protein, and side vegetables. However, food businesses expressed their concerns about it being unsustainable, due to the ongoing inflation and higher costs of living. Given higher food costs, this initiative would hurt profits in the long term. ([South China Morning Post](#), 13 February 2023)

Malaysian fruit farmers suffered losses as prices of local fruits and vegetables took a nosedive due to lower-priced imports of these products from Vietnam. Examples of fruits and vegetables affected include dragon fruit, chilies, and ciku. The Malaysian government had allowed for more imported fruits and vegetables to meet higher consumer demand during festive seasons, but local farmers suffered from the fall in prices of their produce. ([The Star](#), 19 February 2023)

### **Philippines:**

Within the Philippines, the Board of Investments (BOI) has embarked on research efforts related to plant-based foods. The study effort aims to identify the plant-based food industry's current status, future potential, and key opportunities. These efforts will go towards developing the Philippine Plant-based Food industry. Some key players in this industry include Century Pacific Food Inc. and Monde Nissin Corp, popular for their alternative protein products. ([Phil Star](#), 18 February 2023)

The agricultural sector in the Philippines is currently facing production shortages. Besides shortages in garlic, onions, and key commodities, the fishing sector continues to shrink. Solutions like policy reviews, removal of price ceilings, importing more fish, and development of the fisheries sector may soon be implemented. ([Manila Times](#), 13 February 2023)

WTH Foods Philippines, a fully plant-based food start-up adopted a localization approach to its plant-based foods. Its food items can be easily incorporated into Filipino dishes without changing the dishes' taste or quality. Furthermore, the company aims to encourage healthier eating amongst consumers, with its plant-based foods. These are made from nutritious plant sources like soy, wheat, and microalgae. ([Food Navigator Asia](#), 22 February 2023)

## **Singapore:**

Singrow, a Singapore-based agritech company, has launched the world's first climate-resilient strawberry type. Singrow leveraged genomics technology to produce this strawberry variety. Gene-based technology paves the way for new propagation methods and allows new crop varieties to be produced. In contrast to pesticide-laden strawberries grown in traditional farms, Singrow's strawberries are claimed to be fungicide-free and disease-resistant. These strawberries can be grown and harvested regardless of climatic conditions, and will hence be available to consumers throughout the year. ([Food Navigator Asia](#), 15 February 2023)

Chew's Agriculture, Singapore's largest chicken egg producer, plans to produce 1 million eggs a day by the second half of 2023. Leveraging advanced and modern farming technology, Chew's currently produces 800,000 eggs a day. In its high-tech farm, chicken houses are temperature controlled, water and animal feed are delivered to hens, and egg sorting and collection are automated. Committed to sustainability, Chew's plans to become a net-zero emission farm operating on renewable energy. Chew's farm operates an efficient waste management system, which simultaneously generates electricity for the farm's operations. ([Straits Times](#), 12 February 2023)

OnlyEg, a plant-based egg company in Singapore, plans to step up local production while guaranteeing its nutritional value. These eggs taste like chicken eggs but are cholesterol free, high in fiber, and low in saturated fat content. It is hoped that the trend towards plant-based diets and healthier eating implies greater consumer acceptance of plant-based eggs. While traditional chicken eggs have shells, the yolks and whites of plant-based eggs will be packaged separately. However, they can be assembled before cooking. ([Food Navigator Asia](#), 7 February 2023)

Inflationary pressures and the trend towards food waste reduction have led to businesses in Singapore partnering with local suppliers to sell their unsold food items before expiry. Companies like Unpackt offer discounts on near-expiry food items like groceries. Depending on how close these food items are to their expiry dates, discounts range from 30% to 80%. ([Channel News Asia](#), 4 February 2023)

## **Thailand:**

The Ministry of Agriculture in Thailand has adopted Artificial Intelligence (AI) technologies to help local farmers. Through analysis of historical agricultural data, concise information, and suggestions are provided to farmers, like the best crops to grow and where to sell them. 3 key factors: Price, Cost, and Crop Yield data are analyzed, leading to simple but useful predictions for Thai farmers. ([ictworks.org](#), 22 February 2023)

In Thailand, a rise in consumer demand for cage-free eggs has been observed. Global social enterprise CATALYST and its partners are working closely with the Thai government, food companies, institutions, and egg farmers to prepare for the transition to cage-free egg farming. Facilities will be built within Thailand and farmers will be taught how to use these technologies shortly. ([Bangkok Post](#), 20 February 2023)

Plant-based shrimp by Thai Union has achieved success due to its focus on consumers' sensory enjoyment. The shrimps are produced with a different technology which allows them to look translucent and when

consumers ate them, they have a chewy texture similar to traditional shrimps. Thai Union is the largest shrimp producer in Thailand. ([Food Navigator Asia](#), 8 February 2023)

### **Vietnam:**

Experts in Vietnam have sounded the need to develop national brands for its fruits to increase its export value and competitiveness in global markets. Although Vietnam's fruit export revenue is substantial, it currently has no reputable fruit brands. The lack of branding leads to Vietnamese fruits being sold at lower prices than fruits from competing nations. Some literal low-hanging fruits in this effort could be grapefruit, coconuts, and durians. The branding of Vietnamese can will be accompanied by digitalization which ensures product traceability, registration, and protection of fruit brands in international markets. ([The Star](#), 15 February 2023)

Vietnam's agricultural exports have seen significant success, with the agricultural sector achieving its highest growth in 2022. Its key food exports include walnuts, coffee, and rice. Financial support, government incentives, and free trade agreements are key drivers of Vietnam's agricultural sector success. The future of this sector looks even more promising, with more foreign companies entering the market. ([Vietnam Briefing](#), 22 February 2023)

The focus of the agricultural sector within Vietnam has shifted from volume production to profits, sustainability, and raising farmers' incomes. The country plans to move to low-carbon rice farming, which reduces Methane emissions. The use of sustainable rice farming methods like using certified seeds and reducing the number of sown seeds, fertilizers, pesticides, water, and post-harvest losses will likely raise crop yields, farmers' profits, and lower greenhouse gas emissions. ([Media Outreach](#), 8 February 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.

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

#### **(vi) Trade and ATO Communications/ FAS contacts:**

Karen Richards – FAS KL

Benjamin Petlock – FAS HCMC