

## Asia's Food Future: A fresh perspective geo-political issues affecting Asia's agri-food sector

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2017 brought big surprises in terms of ideological “U” turns. A relatively recent entrant into the global trade, which remained a close economy for a long time, voiced its ardent support for a more globalised world. Contrastingly, one of the foremost and founding members of several global, multilateral and inter-governmental organisations started turning inwards, shunning free trade and stepping back from several agreements. It is even more surprising to see those in the highest echelons of politics in the country being selectively and shockingly oblivious of this simple

fact: A massive amount of its agricultural production is exported. For example, nearly half of all agricultural exports from the State of Illinois go to the countries that were negotiating the TPP (Trans Pacific Partnership).

### Macro-Level Geo-political Issues

Nevertheless, leaving trade statistics to the number crunchers, I wish to touch upon a few other macro-level geo-political issues that could have significant impacts on the global milling and commodity trade sectors.

Although diets across Asia, driven by growth in incomes over the last few decades, are moving towards higher intake of animal protein, recent geo-political developments pose significant challenges to existing trade arrangements. Firstly, the rise of a new breed of leaders in South East Asia with seemingly nationalistic dispositions has already reflected itself in barriers erupted for grain trade, although its impact was felt higher in consumer prices. This trend is likely to persist however at least until the next change of guard. Interestingly, as the erstwhile progressive West starts retreating from free trade, collaborative efforts are becoming more pronounced, particularly among the Asian neighbours led by some of the fast growing BRICS countries. This will be likely to result in altering free trade agreements between countries and blocks not only within the Asia region but with others that subscribe to free trade. In China, the merger of commodity giants such as Chinatex and COFCO signals the intent to downsize inventories (nearly half for global corn and cotton) and huge appetite for grains such as wheat and rice that once seemed insatiable to the exporters.

### Shifts in the Geo-Political Equation

Furthermore, one of the fast growing and most populous South East Asian countries, while electing its leader seemed to have voted prioritising issues such as curbing crimes and anti social elements over plain-vanilla poverty reduction and economic growth propaganda. It is clear that crime and poverty are closely related and nourish each other, but the shift in perception entails it is a significant shift in geo-political equation between the West (donors) and East (recipients). This might at least temporarily impact aid money that is being spent on large-scale procurement and distribution of food at subsidised rates to the vulnerable sections of the society. However, there does seem to be a growing emphasis on nutrition and public health by the Asian governments as recently India has issued a new regulation on fortification of food products. It sets out to mandate companies to give an undertaking and ensure quality in terms of minimum and maximum levels of nutrients, such as vitamins or iodine, fortified in products like wheat flour, rice, oil or milk.

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