

Speech by Minister Lawrence Wong at AVA's Food Industry Convention

29 October 2015

I am very happy to join you at the second AVA Food Industry Convention. I'm just 1-month-new in MND. Over the past few weeks in MND, I've been focusing on infrastructural issues such as housing and urban planning, matters that Singaporeans care deeply about.

2 But there's one area under MND which is not infrastructure related which affects the lives of Singaporeans every day, and that is the work that AVA does in ensuring food security for all of us.

3 Singapore may be a small island state, but the food we consume is not insignificant. Every year, on average, each one of us consumes over 300 eggs, 300 bowls of rice, 70 packs of leafy vegetables, 30 whole fish and 20 whole chickens. It is not insignificant. Our per capita income has increased, and with rising income levels, the food we consume is also more. In the past, meat was considered a luxury, and the entire family would share one chicken during festive occasions. Today, we not only enjoy more food, but also a wider variety of food. Even seasonal food items are available here, all year-round. I think the fact that we enjoy such a wide variety of food so easily here in Singapore is all due to the efforts of everyone here in the food industry, including the pioneer companies. I want to thank and acknowledge each one of you for your contributions.

4 It is easy to take for granted the fact that we get our food so easily. But in fact, food supply chains stretch worldwide and are made up of highly complex production and consumption networks. Each link in a food supply chain is interconnected and has the ability to affect the availability, affordability, safety and quality of food here.

5 Given our high reliance on overseas food sources, we are highly vulnerable to any potential disruptions in the global food supply. Climate change, geopolitical risks and economic slowdowns are all potential threats that can impact our food supply.

6 Within Singapore, there also industry issues we have to tackle. Our top 10 meat importers account for just over half of our import volume, with the other half

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being spread over more than 300 smaller players. It is an industry with market fragmentation, and coupled with our physical constraints in land and manpower resources, are some issues we face as an industry.

Achieving food security

7 These challenges, however, are not insurmountable. We have overcome similar constraints in strategic areas like water. Through our ingenuity and hard work, we have become self-sufficient. Likewise, we can strengthen our food supply chain through government-industry partnership, and continuous innovation. Let me share some ideas.

Safeguarding our overseas food supply

8 First, our food importers should continue to diversify their overseas food sources. Currently, items like leafy vegetables, fish and eggs are largely sourced from a few price-competitive countries within the region. While this simplifies the logistics and lowers costs, it also makes businesses, and Singapore's food supply as a whole, more vulnerable to disruptions. For example, in 2004, the supply of eggs from Malaysia was suspended due to bird flu, leading to a spike in the price of eggs. Over-dependence on narrow range of sources also narrows choices for consumers.

9 So, food importers should actively seek out alternative sources and grow them into new lines of business. By forging and maintaining close links with new markets, importers will be better able to rebalance their sources of supply, should there be disruptions. This will not only safeguard Singapore's food supply, but also safeguard your businesses by increasing resilience.

10 AVA and IE Singapore are ready to help in this area. They are jointly conducting food sourcing missions to new markets with the greatest potential for Singapore. These missions have yielded some results – we now enjoy a greater variety of food, including apples from Poland, frozen chicken from Denmark, vegetables from Yun Nan in China as well as pomegranates and persimmons from South Africa. These are some examples where businesses have worked with AVA

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and IE Singapore in these different countries to diversify their food supply. I would encourage the importers amongst you, if you have not done so, to join these missions, to discover new business opportunities.

11 A second way to secure our access to food is for the industry to invest in overseas farming, distribution and processing. Growing an overseas wing can help overcome local constraints, and will give companies greater control and access to food from abroad. IE Singapore is already helping some companies to achieve this in countries such as Brunei, Myanmar, and Saudi Arabia. If you have any interest, please approach IE Singapore to find out more.

Increasing regional bargaining power

12 Third, we can do more with our neighbouring countries. By pooling purchases with others, companies can achieve more bargaining power, so as to buy with greater ease, more assurance and lower costs.

13 For example, you can save time and money by aggregating demand and tapping on the expertise and global networks of third-party logistics service providers. Today's convention will highlight how some of these logistic providers can play this useful role in the supply chain. We will profile some success stories in demand aggregation so that the companies here can learn from these success stories and potentially adapt some of the lessons for your own businesses.

Optimising the home front

14 Finally, I think we can do more at home. Our local farms and food manufacturers can continuously improve output, productivity, safety and quality. By investing in automation through innovative technologies, and streamlining business operations, you can enhance your competitiveness and increase the appeal for Singapore-grown and manufactured food products.

15 For its part, the Government remains committed to supporting you. In 2013, AVA had shared with the industry its food security strategies and we are

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continuously updating these strategies to ensure that they remain relevant for Singapore and for the industry. I will give some examples of what we are doing.

Boosting local production

16 To boost local production, our farms need to be high-tech, automated and highly productive, so as to make full use of our limited land and labour resources. AVA has launched a \$63 million Agriculture Productivity Fund (APF) in August last year, which supports farmers' purchase of equipment and improvements to their farming systems. To date, AVA has awarded some of these funds to 20 farms, coming from 17 companies, supporting projects such as the building of taller growing houses at vegetable farms for better ventilation, heat removal and automated shading of crops.

17 If we continue to ramp up our local production in cost-effective ways, we can become more self-reliant over time. We can't be fully self-reliant for all sources of food as that would be very hard, but we can certainly do so for some areas, such as leafy vegetables. At present, local farmers are producing around 10% of our demand for leafy vegetables, and we can increase this percentage because there are technologies that can enable us to raise our local vegetable production greatly. For example, Sky Greens' vertical rack method produces at least five times more vegetables per hectare than conventional vegetable farming methods. That is just one farm with new methods and new technologies. Imagine if this happens across all our vegetable farms in Singapore! Certainly our local produce can increase significantly, and will go some way in enhancing our resilience and supply self-sufficiency.

Investing in new solutions

18 Beyond helping to transform farms, the Government will also provide support to pilot other industry solutions, and undertake R&D. For instance, SPRING has helped Ban Choon Marketing Pte Ltd to pilot the use of air purifiers in its cold room. These have been successful in prolonging the shelf-life of items like strawberries and romaine lettuce, which has helped therefore to reduce wastage and save costs.

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19 Likewise, AVA is collaborating with food companies to test-bed cold chain systems, such as precoolers and advanced freezing systems, to reduce food wastage. It is also exploring how we can recycle by-products, like okara and fish trimmings, and these can be recycled into value-added food and animal feeds. These are ways in which we are investing in new solutions, in technology and R&D to help us enhance our food resilience.

Staying ahead of the curve

20 Besides our efforts on the home front, it is also important for Singapore to safeguard our food security interests overseas in international markets and platforms. This is why Singapore continues to participate and remain plugged into regional and global forums, to keep abreast of pertinent developments. By doing so, we are better able to anticipate potential supply developments, supply disruptions and strengthen our preparedness for food-related crises.

21 For example, last year, AVA obtained the World Organisation for Animal Health (OIE)'s endorsement of its Veterinary Public Health Centre (VPHC) as Southeast Asia's first OIE Collaborating Centre for Food Safety. This is an international endorsement that AVA has obtained for food safety. This status will enhance our understanding of emerging challenges in food safety, emerging disease threats, and also help us stay abreast of new developments in international standards and regulations. This will position AVA to extend its technical expertise, its laboratory testing services and its training programmes to other countries in the region, enhancing food safety levels across our main food import markets.

22 On the food security front, Singapore signed a Memorandum of Understanding (MOU) with the Food and Agriculture Organisation (FAO) of the United Nations in June earlier this year. The MOU will enable more opportunities for collaboration with FAO across a wide spectrum of areas including food and nutrition security and fisheries.

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23 There are different areas in the international circuit which AVA is plugged into, and will continue to participate. This will help AVA grow its expertise, thought leadership, and engagement with local and international stakeholders, to bring Singapore's food safety and security to greater heights.

Conclusion

24 Working together, we can do a lot to further strengthen our food security. In fact, we have been doing so and our efforts so far have been recognised. The Economist Intelligence Unit publishes a Global Food Security Index. In the latest index, it ranked Singapore as the second-most food secure country in the world, only behind the United States. It is quite an achievement. This is a significant result, considering our high dependency on food imports. It's a testament to the success of our collective efforts working towards food security, and it is also an encouragement and motivation for us to press on for a more food-secure future in Singapore.

25 Ultimately, our food supply chain is only as strong as its weakest link. Because of our interconnected system, any disruption in any one link can disrupt the entire system. No matter what role we play in Singapore's food supply chain, you may be a farmer, a food importer, a food manufacturer, whatever role you do, all of us, individually and collectively, must do it to the best of our abilities.

26 Today's convention is an opportunity for us to come together, to network with one another, to strengthen our ties and get to know each other better in the industry. If we continue to share ideas with one another, if we strengthen our industry as a whole, I am confident that we ensure food security for Singapore for many more decades to come. On this note, I wish you all a fruitful convention ahead. Have a very good morning, thank you very much.