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IMPACT OF COVID-19 ON THE AGRI-FOOD SECTOR IN ASIA
27 April, Monday | 2pm-3pm SGT

- Impact of COVID-19 on macro economy and the path forward
- Findings of McKinsey’s consumer survey on food buying attitudes across APAC
- Impact on agri-food value chain: lessons from China
- Next normal: Implications to CPG companies

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COVID-19: EFFECTS ON FOOD PREFERENCES IN CHINA
28 April, Tuesday | 11am-1145am SGT

- What are the effects of the pandemic on food consumption both during and after the lockdown in China?

Singapore-based company Ai Palette has uncovered some fascinating insights into behavioural changes in food due to the global pandemic. FIA and Ai Palette will be hosting a series of webinars on key markets, starting with China.

REGISTER NOW
China is now entering the recovery phase of post-COVID-19 life, while carefully managing the risk of a “second wave”.

**UPDATES**

- There are still new confirmed cases reported in China. Areas that are considered of medium-risk in China, including two districts in Harbin, the city of Suifenhe in Heilongjiang, two districts in the southern city of Guangzhou and Jiaozhou city in eastern Shandong province.
- In order to contain the further spread, on 22 April, Harbin, the provincial capital of Heilongjiang, starts banning entry of non-locals vehicles. Currently, this province has the largest outbreak of COVID-19 in China, which mainly involved people who travel across the Russian border.

**IMPACT ON FOOD SUPPLY CHAIN**

- In addition to shopping behaviour, the COVID-19 is believed to impact the food consumption behaviour too. In China, people are becoming more careful and rethink of their diet structure, including the consumption of meat and meat products, which might boost the promotion for the plant-based protein. This month, in China, some fast food companies start to offer plant-based meat as an alternative menu option to tap into the new consumption trends.
- Apart from plant-based protein, the demand for health foods has been increased in this period, and it is expected to continue to grow since people are placing more focus to health and disease prevention.
- In addition to food products, a strong demand for fresh produce, including fresh kiwi has been observed amid of the COVID-19.
Updates on 21-day lockdown announcement. The existing 21-day lockdown is extended.

**MEASURES**

- The lockdown is scheduled to expire on 3 May 2020.
- Starting from 20 April, selected additional activities start operate in accordance with the requirements as stipulated in the existing consolidated revised guidelines on lockdown measures. However, the strict restrictions will continue in districts which declared as COVID-19 hotspots.

**IMPACT ON FOOD SUPPLY CHAIN**

- On 19 April, the Ministry of Home Affairs (MHA) has clarified that the clause 14(v) of the consolidated revised guidelines, relating to e-commerce companies has been only excluded for non-essential goods. However, the e-commerce companies should continue to operate for the essential goods to ensure smooth movements of the entire supply chain of essential goods.
- On 21 April, the government has clarified that the supply of essential goods under clause 13 (i) of the consolidated revised guidelines is applied to food processing units such as bread factories, milk processing plants, flour mills, dal mills etc. located in urban areas. These factories which allowed to operate shall fulfill the lockdown measures as specified by the government.
- On 23 April, in the press release from Food Safety & Standards Authority of India (FSSAI), it highlighted the steps taken to ensure uninterrupted food services/supply, and industry facilitation during the lockdown period in India. In addition to ensure a smooth business operation, FSSAI has also initiated online training module for food handlers on the importance of food safety and hygiene practices to prevent COVID-19.

**FIA RECOMMENDATIONS/ACTIONS**

- FIA is working closely with local industry association, Federation of Indian Chambers of Commerce and Industry (FICCI), to monitor the progress of development of the lockdown situation in India. FIA and FICCI also plan to issue a joint press release in the Indian media about the importance of keeping food supply chains open. Currently, FIA is awaiting final input and sign-off from FICCI.
Indonesia temporarily bans all passenger transport to prevent Ramadan exodus

MEASURES

- On 23 April, the Ministry of Transportation issued Regulation No. 25/2020 on Transportation Control During the Eid Mubarak 1441 H¹.
- The Regulation temporarily prohibits the use of public transportation facilities, private cars, and motorbikes to enter and exit areas that have imposed large-scale social restrictions (PSBB), COVID-19 red zones, and agglomeration areas or a collection of several regions that have been designated as PSBB territories.
- The ban will be in force for the following transportation systems:
  - Land vehicles and crossings (from 24 April to 31 May 2020)
  - Rail transportation (from 24 April to 15 June 2020)
  - Sea transportation (from 24 April to 8 June 2020)
  - Air transportation (from 24 April to 1 June 2020)

IMPACT ON FOOD SUPPLY CHAIN

- The Regulation provides an exception to transport vehicles without passengers, those that deliver basic necessities, transportation of essential goods (food and beverages) and cargo transport operations. Therefore, the local industry sees no impact on the food supply chain in the country.

Disclaimer: All information is accurate at the time of distribution. Please understand that the situation is fluid in Asia and is changing rapidly.
MALAYSIA

Updates on the third phase of Movement Control Order (MCO) in Malaysia. The MCO has been extended.

UPDATES

- On 23 April, the Prime Minister announced that the MCO will be extended until 12 May 2020. For businesses which had received approval to operate for the previous MCO phases, the businesses can continue to operate in the extended MCO.
- On 17 April, the Ministry of International Trade and Industry (MITI) has issued the Frequently Asked Questions (FAQ) No. 4 on the General Question on Application Process and Business Operations for the MCO in Malaysia. For employees who are approved to work during MCO, are required to perform COVID-19 screening at Social Security Organisation (SOCSO) panel clinics, where the cost will be covered by SOCSO. It also highlighted that the companies do not need to stop operating while screening is performed for the employees in accordance with the guidelines which will be published by SOCSO.
- The waiver of port storage and removal charges will be continued from 16 April to 23 April, 2020 on case by case basis upon application to the cargoes of non-essential goods at both Northport and Westports.

IMPACT ON FOOD SUPPLY CHAIN

- On 20 April, the FMM (Federation of Malaysian Manufacturers) has submitted a letter to highlight difficulties faced by the manufacturers in MCO phase 3. The new restriction in MCO phase 3 has limited manufacturers’ operation hours from 8am to 8pm. For those who wish to extend operational hours, they shall obtain approval from the authority. However, there is a confusion on which authority ultimately provides the approval for 24-hour operations. On this, the FMM is seeking clarifications from the local authority.
- In addition, it is noted that a Cabinet Committee on Food Security chaired by the Prime Minister will be set up to formulate National Food Security Policy for improving Malaysia’s food security.

FIA RECOMMENDATIONS/ACTIONS

- FIA has written to several Malaysian Government Ministers including Dato’ Seri Mohamed Azmin Ali and Dato’ Sri Ismail Sabri. Currently, FIA is awaiting to finalise dates and times for a telephone call with the Secretary General of MITI and Dato’ Sri Ismail Sabri, which are both likely to be next week, to advocate and promote the importance of food security and uninterrupted supply during this critical period.
Updates on the extended enhance community quarantine (ECQ). The existing ECQ has been extended.

MEASURES

- On 23 April\(^1\), the President Rodrigo Duterte announced that the ECQ will be extended till 15 May 2020 on metropolitan Manila and half of the main island of Luzon. In addition to Metro Manila, 17 provinces (high-risk zones) in Luzon will continue on lock down.
- The movement of people continues to be restricted, and will be only allowed to go out for essential trips.

IMPACT ON FOOD SUPPLY CHAIN

- On 23 April, the Department of Agriculture (DA) Secretary William Dar reiterated that the country has adequate supplies of food, including rice until June amid the COVID-19 pandemic.
- In order to enhance food security concerns amidst the COVID-19 outbreak, various efforts have been putting in by the DA, including
  - The DA will be implementing a P31 billion “Plant, Plant, Plant Program”\(^2\) to raise paddy production to meet 93% of the country’s total demand.
  - On 20 April, the Guidelines on the Expanded Livestock and Poultry Production and Livelihood Project for COVID-19 Response\(^3\) was issued to support the food security through recommended governance of livestock and poultry livelihood in response to COVID-19 situation.
  - On 21 April\(^4\), it was announced that a Task Group on Food Security (TGFS), is created and chaired by the DA to secure adequate food supply during this critical period.
On 21 April, the Prime Minister announced the extension of circuit breaker to 1 June, as well as the implementation of tighter measures and reduction of businesses that are permitted to operate during the circuit breaker.

MEASURES

- Along with the Prime Minister’s announcement, the Multi-Ministry Taskforce also issued the tightened list of essential services and measures for workplaces which are allowed to open

- The tightened list excludes the following as essential services that are allowed to operate:
  - Manufacture of chocolate and chocolate products; manufacture of chips, crackers and other titbits; manufacture of ice-cream; manufacture of cocoa and chocolate powder from beans; manufacture of non-chocolate confectionery and manufacture of cakes and confectionery
  - F&B outlets that sell beverage, packaged snack, confectionery, dessert stores, as well as all F&B outlets in parks (except on Pulau Ubin)

IMPACT ON FOOD SUPPLY CHAIN

- With the rise of infected cases in the dormitories of foreign workers, the Ministry of Manpower has stopped workers in and out of the dormitories.
- Companies who are affected can submit their appeal against the reduction of foreign workers and appeal for additional manpower with the Ministry of Trade and Industry.
- The reduction of manpower capacity due to restriction of foreign workers’ movement and elderly workers on-site to protect them has reduced the output of production. This has greater impact on facilities that is more labour intensive with lesser automation in place.
- Due to the tightened list, manufacturers have to close production lines for the products that are no longer deemed as essential.

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Updates on curfew in Sri Lanka

MEASURES

- On 18 April, the government has decided to relax the curfew imposed to restore the normalcy in the civilian life. Lifting and imposing curfew at different districts and Police Division level within the district will be implemented according to the government’s notice.
- In those areas where the curfew is in force, the main roads can be used only for the purpose of providing essential services.
- On 20 April, it was announced that the curfew imposed in the Colombo, Gampaha, Kalutara and Puttalam districts will be extended until 30 April, instead of 22 April.

IMPACT ON FOOD SUPPLY CHAIN

- On 21 April, the government announced to close down all the Liquor stores until further notice.

FIA RECOMMENDATIONS/ACTIONS

- FIA continues to work closely with the Food and Beverage Sub-Committee of the Ceylon Chamber of Commerce to monitor the progress of development of the curfew situation in Sri Lanka.
The Ministry of Health has proposed exit strategy through a step-by-step approach as the country sees a decline in the number of new infected cases. At the same time, the Decree of Emergency Situation has been extended to end of May with relaxation for existing restrictions.

**MEASURES**

- The proposal for the exit strategy has been submitted to the Centre for COVID-19 Situation Administration (CCSA) for approval. The announcement from CCSA is expected to be out early next week.
- Among the prerequisites that are included in the proposal is the need for private sector to consider the risk of the businesses to be re-opened and to rethink the processes to minimise the risk.
- The level of relaxation and timing will be dependent on the containment of COVID-19 in the various provinces. The nine provinces that have not reported any infected cases and the other nine provinces with no new cases for consecutively 28 days will probably be granted relaxation at highest degree and this is anticipated to take place as early as beginning of May.
- 38 provinces with no new cases for consecutively 14 days will the next group for relaxation whereas Bangkok and its surrounding vicinity, Phuket and the other provinces at the Malaysia border will be the last phase in the relaxation efforts and this will probably begin from 1 June.
On 22 April, the Government made the decision to increase rice export quota from 400,000 tonnes to 500,000 tonnes for the month of April.

MEASURES

- On 28 March, the export ban was lifted and 400,000 tonnes of rice was approved for export for the month of April.
- Further to the earlier approved quantity, the Government increased another 100,000 tonnes to the rice export quota.
- The export plan for May is being drafted by the Ministry of Industry and Trade and will be submitted to the Government by 25 April.

IMPACT ON FOOD SUPPLY CHAIN

- The uncleared rice consignments at the ports remain unresolved and this puts traders with signed contracts at risk if they are unable to fulfil the contracts.
- The Vietnam Food Association have petitioned to the Government to remove the export limit for rice and officials from localities continue to call for actions to allow exporters who have submitted customs declaration forms in March before the export ban to ship their rice and enable traders with rice consignments at the ports to complete customs clearance.
Updates on the state of emergency (7 April to 6 May 2020).

MEASURES

- On 16 April ¹, the government announced that the areas that subject to the measures under the state of emergency are extended to all prefectures in addition to Saitama, Chiba, Tokyo, Kanagawa, Osaka, Hyogo, Fukuoka.
- On 17 April ², the Prime Minister Shinzo Abe held a press conference and explained the decision to extend the areas of emergency declaration. The Prime Minister also mentioned that as areas subject to the measures under the state of emergency have expanded, for businesses (restaurant, tourism, other industry) which are being affected, the government will implement cash payments to these businesses to support them financially.

IMPACT ON FOOD SUPPLY CHAIN

- On 17 April ³, the Minister of Agriculture, Forestry and Fisheries (MAFF) Taku Eto held a press conference and explained the situation regarding the expansion of the emergency declaration. The Minister has reiterated that the MAFF has immediately established local headquarters in all prefectures to continue support the adequate and stable supply of food to the people during the emergency state.
- On 17 April ⁴, the MAFF issued the current food supply status in Japan. For manufacturers, the demand for products had been rising. In order to meet the needs of consumers, the manufacturers (frozen products) have been operating in full production and some of the manufacturers (instant noodles, retort food) will continue to increase their production to support the adequate supply of food. In addition, there are some delays in terms of the shipments of food products too.
- In addition, Japan has temporarily relaxed food labelling rules ⁵ to help manufacturing firms that need to make adjustments to production processes/raw materials in their productions amid of COVID-19.
**TAIWAN**

A few measures were imposed by the government to contain the spread of virus.

**MEASURES**

- Starting from 21 April, all inbound travellers who have visited Southeast Asia in the past 14 days, should complete the COVID-19 Health Declaration and Home Quarantine Notice and confirm if their living place satisfies the requirements of home quarantine practice before boarding.
- On April 23, the Central Epidemic Command Center (CECC) decided to extend the restrictions on direct cross-strait flights and the ban on airline traveller transits through Taiwan. It was scheduled to be lifted on 30 April, however, due to the continuing spread of COVID-19, it has been extended until further notice.

**SOUTH KOREA**

Following the end of Enhanced Social Distancing campaign on 19 April, a slightly relaxed form of social distancing campaign will be continued until 5 May 2020.

**UPDATES**

- On 20 April\(^1\), the Korea Centers for Disease Control & Prevention (KCDC) has extended the social distancing policy for another 15 days with some flexibilities offered to the daily activities.
  - The relatively lower-risk facilities such as national parks, recreation forests, may gradually reopen in phases with the implementation of infection prevention/control policy measures. However, for high-risk facilities (nightlife entertainment venues, fitness/sports venues, religious facilities) are still recommended to refrain from operation.
  - People are still recommended to refrain from non-essential gatherings or events. For people who cannot avoid visiting crowded venues, they should keep at least 2 meters of social distancing from the others, and keep good practice of personal hygiene (wearing facemask, washing hands, using hand sanitizers) to prevent COVID-19. In addition, for people who have suspected COVID-19 symptoms should be tested at the screening center.
AUSTRALIA

Australia retains restrictions on public movement at least for the next four weeks, but plans to ease restrictions as COVID-19 spread slows.

MEASURES

- 16 April: Baseline restrictions on the public, including social distancing, staying home and closing of schools (except for children of essential workers), are set to continue for at least another four weeks.¹
- There are plans to re-open schools. While the re-opening of schools has been a key demand of the federal government (citing medical advice that children carry low risk of transmitting the virus), education is run by state and territory governments. In NSW, students will begin to return to school on 11 May on a staggered basis in preparation for full-time schooling to resume in July.²

NEW ZEALAND

The nation remains cautiously optimistic as they extend the nationwide lockdown by another week.

MEASURES

- On 20 April, the Alert Level 4 nationwide lockdown will be extended by a week, after which it will move to a lower level of restrictions on 27 April. Alert Level 3 will then be held for another two weeks before the situation is reviewed again.
- Under Alert Level 3, businesses can re-open if they are able to provide contactless engagement with customers. Shops, malls, hardware stores and restaurants would have to remain shut, but online and phone purchases will be permitted. Schools can partially re-open (up to year 10), but attendance would be voluntary.¹
- Note: Alert levels and state of national emergency are two distinct and separate things. Alert levels specify the range of measures deployed to protect the nation from COVID-19, while a state of emergency provides authorities access to powers that would not normally be available to enforce those measures.²
On 19 April, Ministry of Labour, Immigration and Population announced that factories are required to go through mandatory government inspections between 20 April to 30 April before businesses can resume.

**MEASURES**

- Factory Inspections are carried out by the Ministry of Labour, Immigration and Population, Ministry of Health and Sports and other relevant groups. Businesses are only allowed to continue with operations after passing the ministries’ requirements.
- Factories that manufacture pharmaceuticals and food, as well as facilities with a workforce of more than 1,000 will be prioritised in the inspections.
- On 22 April, the Ministry of Commerce announced that the country will buy and stockpile 50,000 tonnes of rice and 12,000 tonnes of palm oil as reserves for emergencies.

**IMPACT ON FOOD SUPPLY CHAIN**

- The sudden announcement came as a surprise to businesses as businesses were expecting to resume work on 20 April.
- The further delay to the reopening of businesses add to the financial constraints that businesses are facing.
REFERENCES

INDIA


MALAYSIA


INDONESIA
1. Regulation No. 25/2020 on Transportation Control During the Eid Mubarak 1441 H. Retrieved from: https://foodindustry.asia/documentdownload.axd?documentresourceid=32518

PHILIPPINES


REFERENCES

SINGAPORE

SRI LANKA


JAPAN


SOUTH KOREA

NEW ZEALAND

REFERENCES

AUSTRAILIA