

China food security law comes into force as Beijing targets absolute self-sufficiency

BEIJING — China's first food security law aimed at achieving "absolute self-sufficiency" in staple grains came into effect on Saturday, reinforcing efforts by the world's biggest agriculture importer to lower its reliance on overseas purchases.

The law provides a legal framework for existing guidance by the Communist Party for local governments and the agricultural industry to raise food production, although it did not give details on how the law will be implemented.

It includes protection of farmland from being converted to other uses, protecting germplasm resources and preventing wastage.

Passed just six months after its first reading, the rush to adopt the food security law reflects China's intent to resolve issues that have curbed production, such as a lack of arable land and water resources, labor shortages and a lack of agriculture technology.

The law holds central and provincial governments accountable for incorporating food security into their economic and development plans, ensuring that food supply remains a top priority in the country that has a painful history of famine.

The party will lead the implementation of a national food security strategy "that puts China first" by importing moderately and using advances in science and technology to boost production, according to a provision in the law.

"It shall adhere to the principle of storing grain in the

ground and using technology to improve grain production," it said, to ensure "basic self-sufficiency in cereal grains and absolute self-sufficiency in staple grains for food use."

It also stipulates the formation of a national grain emergency plan and a food security monitoring system. China expanded the definition of "coarse grains" to include millet and oats, in addition to sorghum, barley, buckwheat, mung beans and potatoes.

Grains refer to wheat, rice, corn, soybeans and coarse grains. Entities who violate the law may face a fine ranging from 20,000 yuan to 2 million yuan, while individual offenders may be slapped with fines between 20,000 yuan and 200,000 yuan.

The law also said China will "strengthen international food security cooperation and allow international grain trade to play its role." It did not give details.

Analysts said the law is worded vaguely and may not have a significant impact on how China boosts food production.

"It doesn't change the realities on the ground for local officials who were already under significant pressure to deliver on food security," Even Pay, agriculture analyst at Beijing-based consultancy Trivium China, said.

"The food security law enshrines existing practices in law, but isn't set to change anything. Food security was already among the top national priorities, and can't go any higher," she added. — **Reuters**

PEZA pins US investment hopes on Luzon corridor

THE PHILIPPINE Economic Zone Authority (PEZA) said it is looking for more US investments in logistics and infrastructure, many of them likely to be tied to the Luzon Economic Corridor.

In a statement on Sunday, PEZA Director General Tereso O. Panga said that the upcoming Luzon Economic Corridor will boost investment in economic zones.

"We also see our investors taking advantage of the upcoming Luzon economic corridor which will support connectivity among Subic Bay, Clark, Manila, and Batangas as well as facilitate strategic, anchor investments within each hub in high-impact infrastructure projects, among others," he added.

The US Trade and Development Agency has said that it will aid the Philippines with feasibility studies for projects in developing the corridor.

The corridor is focused on improving infrastructure such as rail and ports, as well as strategic investments in semiconductors, clean energy, and supply chains.

PEZA has said that it was looking at \$100 billion in prospective investment deals from the US and Japan in electronic manufacturing services, manufacturing and supply chains, clean energy, agri-business, rail, and port infrastructure.

"We cannot pass up on the current developments and opportunities in ally-shoring as the Philippines is still in the sweet spot for attracting investment," Mr. Panga added.

He said Ecozone Logistics Service Enterprises could facilitate the entry of more logistics companies to support upcoming new ecozone locators.

It said that the China+1 location strategy being pursued by many companies, the US CHIPS Act, and the US-Japan-Philippines trilateral agreement could be leveraged to attract more investment.

"PEZA remains bullish in increasing its more than 300 companies with US equity in the Philippines and bring in more investment and jobs," it added. — **Adrian H. Halili**

DA: PHL halal producers will need to ramp up to serve Middle East

THE Department of Agriculture (DA) said that it is gearing up to expand exports of farm goods to the Middle East, which would require the halal industry to raise capacity.

"The Middle East is a sleeper... I think we really have to work on our halal capability... that's an area that I think we're yet to improve," Asis Perez, agriculture undersecretary for Policy, Planning and Regulations told *BusinessWorld*.

In 2018, the DA launched the Halal Food Industry Development Program, seeking to boost the global competitiveness of current and potential exporters of Halal products, processes, and services.

The Department of Trade and Industry's Halal Industry

Development Strategic Plan 2024-2028 hopes to double the country's 3,000 halal-certified products and services to 6,000.

Mr. Perez added the DA is looking at expanding exports of pineapples to the US market.

"For the US. We can still expand our market for pineapple in the mainland US, because now it's a bit restricted where we bring our pineapples," he said.

Pineapple exports are estimated to have increased 5.04% last year to 611,873 metric tons amid higher demand for the crop, the Food and Agriculture Organization said in a report.

The Philippines is the second-largest exporter of pineapple after Costa Rica.

"If only we can have that access to the US market for our pineapple and also our mangoes," he said.

He said that "Manila mango" brand has a large market in the US, but it is not being fully tapped by Philippine mango growers.

"But that Manila mango is from Mexico. If we can only access that market. It is a big market, but we are not developing it," he added.

Agriculture exports increased 10.7% to \$1.72 billion during the first quarter from the \$1.56 billion the same period last year, according to the Philippine Statistics Authority.

Mr. Perez added he will lead a technical working group to

draft guidelines to streamline the application licenses or exempt licensed importers from repeated submissions of registration requirements to comply with Administrative Order No. 20 (AO 20).

AO 20 instructed the Departments of Agriculture, Finance, and Trade and Industry to simplify the administrative procedures for agricultural imports, while removing non-tariff barriers.

Special Order No. 768 requires DA agencies to publish in the *Official Gazette* or in a newspaper of national circulation their respective guidelines on the streamlined procedures, requirements, and policies. — **Adrian H. Halili**

Michigan to start testing dairy workers for prior bird flu infections

MICHIGAN will soon begin testing dairy farm workers for signs of prior infection with avian flu, a county health official told Reuters.

An ongoing outbreak of avian flu in dairy cattle has affected 67 herds in 9 states since March, according to US Centers for Disease Control and Prevention (CDC) data.

Two dairy workers — one in Texas and another in Michigan —

have tested positive for the virus. They both had conjunctivitis, or pink eye, and recovered.

CDC officials have been eager to test blood samples of farm workers for signs of prior infection to help understand the scope of the outbreak.

Michigan county and state officials will collaborate with the CDC on the testing effort, said

Chad Shaw, health officer and environmental health director with the Ionia County Health Department.

The details of the plan for testing have not been previously reported. Ionia County has reported avian flu infections in four dairy cattle herds and four poultry flocks, according to state data.

The goal of the testing is to discern how the virus is spreading from farm to farm, including whether humans have carried the virus asymptotically, Mr. Shaw said.

A CDC spokesman said the agency will be providing technical assistance to the state, which is coordinating the testing. — **Reuters**

Great Britain has a growing black market for food — and it's making the cost-of-living crisis worse

THE UK food sector has faced its fair share of challenges, and issues around supply are not uncommon. In the year to January 2024, overall food prices rose by 7%. To compound this, last year, the UK's Competition and Markets Authority highlighted the issue of "greedflation" among retailers that are thought to be hiking prices at a greater rate than wholesale rises.

All this is helping to fuel a food black market in the UK, a problem that has serious implications for legitimate businesses and is the cause of many of the product shortages consumers see on the supermarket shelves.

The British Standards Institution recently stated that 22% of all thefts from lorries and warehouses last year were of food and drink products.

The stolen goods were then redistributed into illegitimate supply chains and sold on within days. This is an increase from 17% in 2022, as the black market gets bigger.

Black market operators often target products that are easily resold, including food, toys, white goods and perfumes, as opposed to more expensive products. Last year, for example, a heavy goods vehicle (HGV) containing £50,000 of cheese was stolen

from a motorway service station near Worcester.

Reasons for turning to the black market for food are multilayered. But often, it is fueled by those who are hit hard by the cost of living. And it may be that buyers can justify it because, as they see it, they are not shoplifting themselves.

But the trade has real implications for business, tax evasion and supply chain integrity. The rise of food black markets has coincided with the rising cost of living and increased consumer demand for lower prices.

The choice between heating or eating has become common-

place for many UK households. Despite inflation now being close to the government's 2% target, the cost of living continues to rise from its already high level. And access to cheaper food, even illegally, is a choice many are willing to make.

These purchases can take place on back alleys or online, with platforms such as Facebook and Instagram popular for black-market trade. — **Reuters**

FULL STORY
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Danish companies still citing red tape issues

By John Victor D. Ordoñez
Reporter

DANISH companies see potential for improving the Philippine business environment but are still concerned about governance issues and red tape, the Danish Ambassador to the Philippines said.

"The Danish business community is split in the sense they see tremendous potential, they believe the economy will grow, they believe it will remain a strong consumer market, so the potential is there," Ambassador Franz-Michael Mellbin told *BusinessWorld* on the sidelines of the Copenhagen Infrastructure Partners (CIP) launch of a Light

Detection and Ranging (LIDAR) system intended for its planned offshore wind project in Camarines Sur on May 30.

"But they worry about governance issues, they worry about the customs system, and they worry about red tape. So right now, there is a good opportunity in the Philippines to address those things."

Last year, CIP, through its subsidiary Copenhagen Infrastructure New Markets Fund Philippines, became the first fully foreign-owned company awarded wind energy service contracts by the Department of Energy after the Philippines opened up renewables to full foreign ownership.

The planned offshore wind projects are in Camarines Norte

and Camarines Sur, with capacity projected at 1,000 megawatts (MW); Northern Samar (650 MW); and Pangasinan and La Union (350 MW).

CIP last week launched its LIDARs for its 1-gigawatt offshore wind power project in San Miguel Bay in Camarines Sur, which the company expects to be complete by 2028.

The devices use laser technology to measure wind speeds to assess an area's capacity to generate wind energy.

The Board of Investments granted CIP's projects green lane certificates of endorsement to fast-track the processing of permits.

Mr. Mellbin added that more Danish companies involved in

renewable energy are keen on investing in the Philippines.

"Red tape is a big issue for investors, but there's also been a lot of work done to make it easier for people in the renewable sector," he said.

The envoy said the Philippines has the potential to develop robust renewable energy projects due to its diverse natural resources such as wind, solar and biomass.

"But these energy projects, especially on the wind side, are so large and capital intensive that you need a lot of partnerships," he said.

"You need partnerships with the government, both the central government and the provincial government, but you also need Filipino business partners."

Airline recovery, ticket prices holding back PHL travel growth

By Justine Irish D. Tabile
Reporter

SHANGHAI — The airline industry recovery and ticket prices remain constraints on hotel and travel industry growth, according to Singapore travel booking service Trip.com Group.

Trip.com Assistant Vice-President for International Markets Yi Ru said the Philippine hotel industry remains slow due to the limited airline capacity for inbound travelers.

"We still need more flight recovery (in the Philippines). We have the honest demand to be able to bring a lot of travelers from all major countries to the Philippines," she said at a media briefing last week.

"Flights are our bottleneck; if they don't recover first, then hotels won't be able to recover. So I think specifically for the Philippines, maybe flight capacity is the challenge," she added.

She cited the need to add more capacity to and from China to bring more inbound tourism to the Philippines.

"As long as there are few direct flights and limited capacity, that means prices will be high. And customers, during their whole booking journey, always look at how much the cost of the flight is first and then only think about the other expenses," she added.

Trip.com has communicated to airlines and the government the need to add capacity, she said.

Asked about which other countries need to add capacity, she said: "Japan,



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Korea, Thailand, Singapore, Malaysia, Indonesia... we see the huge demand from Vietnam, which is being limited by flight capacity."

She said airlines are nearly there in returning to pre-pandemic capacity levels, at least in the top destinations, led by visa-free entry countries like Singapore, Malaysia, and Thailand.

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