

## Building Our Common Future

Milky Way towards Healthy and Prosperous  
ASEAN Economic Community

### Regional Symposium

January 18, 2014

Seminar room, Valley Garden Resort Hotel  
Muak Lek, Saraburi, Thailand

Although, milk and milk products were not traditional food items in Southeast Asian diets, their consumption has been rising quite rapidly since the late 1990s. The production has risen as well but the consumption has outpaced production and as a result the net imports in the region have been rising even more rapidly. Indeed, the share of Southeast Asia in global net imports of dairy products increased from about 6 per cent in 1990 to almost 10 per cent recently. This shows emergence of ASEAN region as a potentially significant and growing market for dairy products. According to some recent forecasts the region is likely to exhibit the second fastest annual growth rate in the consumption of dairy products, next only to China. Rabobank estimates that, by 2020, the markets of ASEAN-6 (excl Singapore) will consume 3 billion litres more milk than in 2012. At the same time, the region still houses a large numbers of food insecure and undernourished people. Protein-energy malnutrition is persistent and populations generally fall short of recommended nutrient intakes. Calcium, potassium, magnesium, vitamin B<sub>12</sub>, and iodine are nutrients that are often under-consumed even in visibly prosperous nations in the region. These conditions represent huge opportunity for public and private investment in milk production while at the same time contributing to household level food security and nutrition.

On the production side the dairy industry in Southeast Asia is characterized by smallholder production, except in some cases where there has been investment in large scale enterprises such as in Vietnam. Ownership of dairy animals by smallholder farmers typically ranges from 1 to 20 animals and marketing is through various channels (traditional, cooperatives and private sector). Given this structure, farm practices and technology are diverse and range from simple low input-low output traditional systems relying on farm forage resources and family labor to more modern dairy production facilities using in some cases the latest technology, specialized feed rations, and high grade genetics.

A number of governments in the region have prioritized dairy sector for public and private investment in their quest to reduce dependence on imports. Current efforts are producing some results in raising the production levels but the region continues to face a number of challenges including poor farm practices and genetics, variable milk quality, growing scarcity



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A glass of Asian milk a day for every Asian child

of forage and high feed costs, increased competition for land and water and growing environmental concerns. Most countries however lack a coherent policy framework to steer and guide the sector development in a manner that builds synergy between public and private investment and contributes to household level food security, nutrition and environmental sustainability.

Additionally, the region is striving towards increased integration under the auspices of ASEAN Economic Community. Bali Concord II aimed at realizing the ASEAN Vision envisages a stable, prosperous and highly competitive ASEAN economic region in which there is free flow of goods and services and freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities. The ASEAN Economic Community blueprint is structured around four key pillars -(i) a single market and production base; (ii) a highly competitive economic region; (iii) a region of equitable economic development; and (iv) a region fully integrated into the global economy. Under each pillar are economic measures to further ASEAN's goal towards an AEC. ASEAN has also concluded free trade agreements with New Zealand, Australia, China and India.

In the light of the foregoing, this symposium will examine the regional challenges in promoting the development of dairy sector. Representatives from three countries—Thailand, Myanmar and Vietnam will share the experience of dairy development in their respective countries. The presentations will then be followed by a panel discussion to discuss the questions outlined below

1. Considering the diversity of political and institutional structures, experiences with dairy development and given that countries within the region at different stages of economic development, how can countries in the region collaborate and cooperate to evolve a common vision and approach towards dairy development. How can public policy ensure synergy between private and social objectives?
2. There is an ongoing debate in the region about the ability of smallholder dairy producers to respond to a growing market that demands higher quality, consistent and diverse products. Some observers argue that scope of technology infusion on small farms is limited and hence the region must strive towards building and promoting large scale dairy farms. Others however argue that small farmers can very well meet the demands of market but need public policy and organizational support that helps them acquire technical skills, finance and new technologies. Also, large farms could create more environmental problems than they could solve. How can the small farmers and other small and medium enterprises along the value chain leverage the opportunities offered by expanding markets?
3. Dairy markets have recently seen increasing price volatility in international markets. What are the sources of this volatility and what does this imply for investment in the dairy sector in Southeast Asian region?

At the end of the panel discussion, moderator will summarize the discussions. The proceedings of the symposium will be compiled and shared with all participants and will also be disseminated through Asia Dairy Network.



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## Program

08:30-09:00	Registration
09:00-09:30	Opening ceremony Reporting and welcome by Mr. Noppadon Tunvichian, Acting Director, DPO, Thailand Remarks by Dr. Ayuth Harintharanont, Deputy Director General, Department of Livestock Development, Thailand Special Address by Mr. Hiroyuki Konuma, Assistant Director-General and Regional Representative, FAO Regional Office for Asia and the Pacific Opening Address by Dr. Yukol Limlaemthong, Caretaker Deputy Prime Minister and Minister for Agriculture and Cooperatives, Royal Thai Government
09:30-10:00	Group photos and coffee break

## Technical Session I

Session Chairperson: Assoc. Prof. Dr. Suvichai Rojanasthien, Chiang Mai University, Chiang Mai	
10:00-10:30	Overview of dairy industry, dairy development and school milk in Thailand by Dr. Narongrit Wongsuwan, DPO Thailand
10:30-10:45	Dairy development in Myanmar by Dr. Khin Hlaing, Secretary, Myanmar Dairy Association, Yangon
10:45-11:00	Dairy development in Vietnam by Nguyen Quoc Khanh, Executive Director, Vietnam Dairy Products JSC (VINAMILK), Ho Chi Minh City, Vietnam
11:00—11:10	A brief on Milk Vita, Bangladesh
11:10-11:30	Questions and answers

## Technical Session II

11:30-12:30	Panel Discussion: Building Our Common Future: Milky Way Towards Healthy and Prosperous AEC
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Session Chairperson and Moderator: Vinod Ahuja, FAORAP

### Panellists:

Ms. Grace Cenas, Administrator, National Dairy Authority

Dr. Som Pathammavong, FAO National Consultant, Department of Livestock and Fisheries, Ministry of Agriculture and Forestry, Lao PDR

Jan Bouwer, Skyglow Asia (dairy, beef and boat farm and specialist company), Subang Jaya Industrial Area, Senlangor, Malaysia

Dr. Atien Priyanti, Senior Researcher, Indonesian Center for Animal Research and Development, Member National Dairy Consortium, Indonesia

12:30-13:30	Lunch
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