

WiLAT Chat on COVID-19 23 April 2020

Farm to store logistics impact

The first series of WiLAT chat was concluded on 9 April 2020. At popular requests, WiLAT second series of chats commenced on 23 April after a break of two weeks. Through the past session, we have learned that different Territories are developing different ways to contain the virus and this session focuses on Farm to Store Logistics Impact.

Our guest speaker is Dato Mohammad Muhiyuddin Haji Abdullah, CMILT – Founding Chairman, Perak Section of CILT Malaysia. He is currently the Managing Director of Gabungan Pemborong Bumiputera Perak Berhad and the President of the Perak Malay Chamber of Commerce and Industry. He is also the Patron of WiLAT Malaysia. WiLATs attending include: Dorothy Chan, WiLAT Global Chairperson, Vicky Koo, Deputy Global Chairperson, Reshma Yousuf Ghulam, Chair of the session, Amer Badarneh, Kelly Lee, Nizam Mohammad, Mumeka Walumweya and Zawiah Abdul Majid.

Vicky Koo gave an introduction on the topic and shared a short video about the disruption that is happening at the moment with food logistics. Restaurants accounted for a large part of the food and vegetables consumption. With the closure of restaurants and practically locking down of cities, the eating habits have turned to home cooking. With that, home cooking has increased food waste. On the other hand, as farmers are unable to deliver their products to cities, crops are left wasted in the fields and fresh milk is pumped into the drains. According to the report of the US National Sustainable Agriculture Coalition, between March and May this year, the US suffered 1.3 billion on farm loss.

Agriculture hard hit by COVID-19

Maintaining the flow of essential goods is important in retaining the country's strength in the fight against coronavirus. It is soon realized that there are some sectors that are hit hard and would need central government support and co-ordination to overcome the difficulties encountered.

Speaking from Malaysia experience, we learned that early engagement with industry leaders and various chambers would help to understand the problems faced by different sectors and could develop solutions that best fit the industry.

Transporting of agriculture products in Malaysia has been affected by the lock down and to transport products from one place to another could mean going through different restricted counties and it is virtually impossible to get through. Here, government has moved quickly and through three government agencies, a solution has been worked out. These government agencies would buy the products from the farmers and took over the transportation arrangement. Long before COVID-19, through its marketing authority, Malaysia has set the prices of farm products and this is of tremendous help to the farmers as they are guaranteed that they can sell their products at an agreed price.

Malaysia relies on Vietnam on the supply of rice. As Vietnam is no longer exporting rice, a key task of the government is to ensure a steady supply of rice through other countries such as India, Burma, Pakistan and Thailand. The question for Government to examine post COVID-19 is how to build its agriculture capacity. Individual household can also be encouraged to take on hydroponics which do not need a lot of space and no soil is needed for hydroponics. As the world population continues to grow, we have to resort to technology to produce more food and hydroponics is widely considered to be more sustainable than regular farming.

The difficulties in getting through to our customers as experienced under COVID-19 suggests that a direct link should be established between the farms and the consumers without going through a middleman. This will ensure that food products are sent to the right place and where it is needed most. A data platform which facilitate sharing could be a helpful first step.

This will also call for new packaging to be consumer friendly under the concept of connecting the farm to consumers.

Lock down should not mean cutting off essential services

The group shared two questions raised by Dabney Shall-Holma:

1. Micro, small and medium enterprises (MSMEs) are hard hit with logistics disruption in the urban areas resulting in hike in food prices. Can guest speaker advise on policies that would respond to the varied impacts on the value chain-from production, processing and packaging and distribution.

It should be realized that 'lock down' should not mean cutting off all transportation corridors. Essential services should be maintained, these services should be identified and government should make plans to ensure that movements of these essential services are not interrupted but facilitated. In a crisis, it is important to have one command and the community work together from a single point of control. There are some sectors that have done well during COVID-19 through adjusting their mode of operation. In Hong Kong, most restaurants offer take-away meals and there are also home deliveries of groceries and other household items.

Various chambers could also act as the bridge between government and the industry so that timely relief measures could be provided. There are territories that offer wage subsidies, provide one-off relief grant to hard-hit sectors aviation, port, cargo and subsidies to taxi drivers, travel agents, tour coach operators, construction workers etc

2. Any advice on efforts or examples that are underpinned by the principles of unity and proper co-ordination geared towards measure to manage the economic impact of the pandemic on rural farming communities.

To help farmers, it is important that they can sell their products and that their products reach their destinations. In Malaysia, the Ministry of Domestic Trade and Consumer Affairs (Malaysia) amongst other things is responsible for domestic trade, co-operatives, consumerism, price control, consumer rights. A key role is to oversee the production, supply and distribution of goods, price control and food control.



Noted that in Zambia, price of farm products is a constant source of complaint that prices are set too low. In Malaysia, the price of farm products is set by government. Faced with difficulties in transporting their farm products during COVID-19, government agencies helped the farmers by purchasing their farm products and distribute the products down the supply chain to resolve the last mile problem as a short-term measure.

Using the railway to transport farm products is effective as it would be fast and uninterrupted. It requires planning at a national level.

Our guest speaker saw the future in halal supply chain. Halal means supply of clean food and using Islamic form of slaughtering animals. The halal industry encompasses many sectors cutting across the supply chain and covers feed and farm management, ingredients manufacturing/processing, logistic services, R&D and innovation. With increasing awareness on clean and hygiene products, halal could emerge as a standard choice for consumers and manufacturers.

COVID-19 prevention

Since we started our COVID-19 chat sessions, territories continue to face challenges. Singapore is expected to come down from its peak next week but the city has to be locked down and government has imposed tighter measures and only one person can go out of their home at any one time to buy essential things.

Pakistan has allowed construction workers to start work but it may also increase the number of cases. There is a delicate balance between economic recovery and COVID-19 prevention.

Movements in Malaysia is controlled and classified by zones: green, orange and red. Red means the area has the largest number of cases and the intention is that people living in this area would need to take a blood test to determine if they have anti-bodies for COVID-19. People cannot go outside their homes after 8pm at night and offenders are put to detention. Approval has to be obtained to go to office and the person has to carry the approval letter with a bar code. It is however important for people to follow the rules and be united in keeping the city safe.

Zambia has no cases for the past 7 days, but now daily cases were reported. Learning from other territories, control and containment measures can be considered and should be implemented early enough to achieve the intended impact.

Concluding remarks

On behalf of WiLAT, Dorothy Chan thanked Dato Mohammad for his time and insights and all WiLATs attending the session. The next session on 30 April on PPE and hygiene best practices would be of interest to WiLATs who have to look after their families during this critical period.

Dorothy Chan
WiLAT Global Chairperson



Please join our next session:

WiLAT Chat on COVID19: PPE and Hygiene best practices
Thu, Apr 30, 2020 5:00 PM - 6:30 PM (Hong Kong time)

Please join from your computer, tablet or smartphone.

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