

Concept Note



Regional Policy Forum

on

Transforming Agriculture through Value Chain Development,
Brand Building, and Cross-Border Trade

79th Executive Committee Meeting (EXCOM)

and

24th General Assembly (GA)

8-12 February 2026

Bangkok, Thailand

Hosted by: Bank for Agriculture and Agricultural Cooperatives (BAAC)

Co-host: Asia-Pacific Rural and Agricultural Credit Association (APRACA)



CONCEPT NOTE

BAAC-APRACA Regional Policy Forum

Transforming Agriculture through Value Chain Development, Brand Building, and Cross-Border Trade

Date: 09 February 2025; Venue: Centara Grand at Central Ladprao, Bangkok, Thailand

1. Background:

The agricultural sector across Asia-Pacific Region (APR) operates under increasingly volatile, uncertain, complex, and ambiguous (VUCA) conditions. As a foundational pillar of regional economies and a critical source of global food supply, the agriculture sector is experiencing profound vulnerability due to climate change, geopolitical volatility, and chronic structural flaws in investing in this sector. The consequences are already severe, with production losses between 2008 and 2018 attributed to extreme weather events reaching approximately USD 21 billion¹. Furthermore, systemic shocks, exemplified by the COVID-19 pandemic, led to a 3.1% reduction in agricultural output and a 1.4% decrease in regional GDP in 2020, revealing the fundamental fragility of existing global food systems².

This regional Policy Forum is conceived as a necessary strategic intervention to transition the regional agricultural sector from a volume-based commodity exporter to a resilient, high-value producer seamlessly integrated into advanced regional and global markets. The comprehensive transformation requires synchronized action across three strategic pillars: (a) Value Chain Development (VCD) driven by digitalization and Bio-Circular Green (BCG) Economy; (b) Strategic Brand Building and Premiumization utilizing tools like Geographical Indications (GIs); and (c) Cross-Border Trade (CBT) Facilitation achieved through deep regulatory convergence and the measurable reduction of Non-Tariff Barriers (NTBs).

The anticipated outcome of this high-level forum is not merely discourse, but the development of a targeted Policy Roadmap. This roadmap will focus on measurable implementation goals, including establishing robust regional collaboration networks, defining frameworks for inclusive digital technology adoption, and driving public-private partnerships to mobilize essential capital for climate adaptation and market access.

2. Strategic Rationale:

a) Strategic importance of Asian nations in supporting global food system is undeniable, yet its agricultural foundation is threatened by multifaceted risks. Climate change poses an ongoing existential challenge, extending beyond production losses to include environmental

¹Food security in ASEAN: progress, challenges and future – Frontiers.

<https://www.frontiersin.org/journals/sustainable-food-systems/articles/10.3389/fsufs.2023.1260619/full>

² Co-operative Research Programme: Sustainable Agricultural and Food Systems – OECD.

<https://www.oecd.org/en/about/programmes/co-operative-research-programme.html>



degradation. Coastal agricultural communities face increasing threats from sea level rise and storms, leading to erosion, agricultural land losses, and saltwater intrusion that contaminates water supplies³. Moreover, climate impacts threaten fisheries—a major source of livelihood—through warming water temperatures that, coupled with runoff, lead to depleted oxygen levels (hypoxia), harming fish and shellfish populations.

b) The necessity of transformation is underscored by changing regional demographics. Southeast Asia is projected to experience population growth of 8% from 2023 to 2033, coupled with a significant rise in consumer purchasing power, with per capita GDP expected to increase by almost 26%⁴. This growth is particularly driving demand for higher-value, quality-assured food products, presenting an immense opportunity to pivot the sector away from low-margin, high-volume commodity trade, which is highly susceptible to trade volatility and geopolitical tariff wars.

The compounding effect of chronic underinvestment and massive climate-related financial losses creates a self-reinforcing cycle of instability. Although the region's economic promise is high, agricultural growth rates are insufficient to keep pace with rapid national economic and population growth. This lack of growth is directly linked to chronic underinvestment in resilient infrastructure and technology adoption. The structural weakness created by this gap between required investment and available capital means future production losses are likely to persist, undermining food security and economic stability. Therefore, external strategic guidance and cross-national collaborative efforts, potentially led by regional/sub-regional bodies like ASEAN (including ASEAN+3), SAARC, GMS etc. are essential to coordinate funding and technology adoption. The strategic direction must focus on enhancing productivity, reducing waste, lowering labour requirements, and adapting to climate impacts through technological and supply chain improvements. Transformation entails moving toward high margin, branded, and traceable premium products, rather than relying solely on bulk commodity exports⁵ This strategic shift is vital for capturing greater economic value and ensuring sustainable returns for producers.

³ Potential impacts of climate change on agriculture and fisheries production in 72 tropical coastal communities - PMC - PubMed Central. <https://pmc.ncbi.nlm.nih.gov/articles/PMC9256605/>

⁴ Southeast Asia: Growing Potential for U.S. Agriculture | Economic Research Service. <https://www.ers.usda.gov/amber-waves/2025/may/southeast-asia-growing-potential-for-us-agriculture>

⁵ How to Ensure the Quality of Fresh Agricultural Exports - Techmifood, <https://techmifood.com.vn/how-to-ensure-the-quality-of-fresh-agricultural-exports>



3. Key Challenges to Agricultural Transformation in Asia-Pacific region

Challenge Category	Specific Constraint	Impact on Value Chain/Trade
Environmental & Climate Risk	Production losses due to extreme weather; saltwater intrusion; hypoxia.	Reduces supply reliability; increases investment risk; destabilizes smallholder livelihoods.
Value Chain Structure	Chronic underinvestment; labor exodus; growth rates lag behind economic growth.	Limits productivity gains; exacerbates post-harvest losses; hampers resilience building.
Trade Friction & Policy	High Non-Tariff Barriers (NTBs); non-harmonized standards; complex compliance requirements.	Slows cross-border flow; increases costs of compliance; limits intra-regional trade.
Social & Inclusivity	Exclusion of smallholders from certification/traceability; lack of land tenure security.	Constrains ability to meet premium market demands; widens inequality gap; hinders sustainable development goals.

4. Cultivating Resilient and Inclusive Value Chains (VCD)

Traditional agricultural supply chains in the region are often characterized by inefficient resource management, significant post-harvest losses, and high transaction costs⁶.

- Digitalization presents a powerful opportunity to overcome these operational inefficiencies, offering the potential to address fundamental challenges related to productivity, sustainability, and resilience.
- Furthermore, for the region to pivot towards premium exports, robust end-to-end traceability is non-negotiable. This requires compliance with standards like Good Agricultural Practices (GAP), rigorous quality control, and the implementation of efficient cold chain management and reliable logistics.
- The expanded use of harmonized Good Agricultural Practice (GAP) standards should be a core objective of regional policy.

⁶ ASEAN responses to COVID-19 for assuring food security - PMC – NIH.
<https://pmc.ncbi.nlm.nih.gov/articles/PMC10035079/>



5. Smallholder Integration: Policies for Inclusivity

A critical policy challenge lies in reconciling the need for advanced traceability solutions—the "gold standard" for sustainable, high-value certification⁷—with the reality of smallholder operations. The technological and administrative requirements of digital traceability solutions, while efficient and trustworthy, often do not work effectively at the smallholder level. Approximately 500 million farmers in Asia-Pacific region contribute significantly to agricultural production. However, factors such as lack of land tenure security, accountability for intermediaries, and limited access to technologies constrain their ability to ensure their products meet sustainable certification requirements. This situation creates a systemic risk of smallholder exclusion from high-value chains. Policy efforts must therefore move beyond mere endorsement of technology to addressing these fundamental constraints. Small-scale farmers gain higher yields and incomes when they have better access to markets for both inputs and sales, allowing them to produce higher-value crops⁸.

6. Leveraging Geographical Indications (GIs): Protecting Origin and Quality

Geographical Indications (GIs) are among the most powerful tools available for protecting and promoting agri-food products whose qualities, reputation, or other characteristics are essentially attributable to their place of origin. GIs are legal instruments that contribute significantly to sustainable rural development. In developing economies such as Vietnam, GIs are utilized as a cost-effective policy tool to promote agricultural growth and rural development. The GI mechanism encourages socio-cultural linkages and dependency on the regional context, which is mandatory for registration. The use of GIs represents the convergence point for the three pillars of this Regional Policy Forum:

- a) **Value Chain Development:** A successful GI relies entirely on a robust, traceable value chain to legally guarantee that the product's quality and origin are authentic.¹⁷
- b) **Branding:** The GI protection creates and defends the premium reputation, distinguishing the product from generic commodities.²¹
- c) **Cross-Border Trade:** The value of a GI is lost if the designation is not protected and legally enforceable across borders, necessitating strong international trade agreements and mutual recognition frameworks.²²

⁷ Three challenges of smallholder inclusion in sustainable agriculture traceability, Stockholm Environment Institute (SEI), <https://www.sei.org/about-sei/press-room/smallholder-farmers-traceability/>

⁸ Increasing small-scale farmers' access to agricultural markets. <https://www.povertyactionlab.org/policy-insight/increasing-small-scale-farmers-access-agricultural-markets>



7. Facilitating Cross-Border Agricultural Trade

Contribution of some of the Asian countries are significant and proved to be the growing market for agricultural goods, for example, ASEAN countries constitute the third-largest regional destination for U.S. agricultural exports⁹. This growth potential is supported by rapid demographic shifts and increasing consumer wealth. Regulatory barriers pose a significant and growing constraint on deep regional agricultural integration. Indicators suggest that ASEAN has made limited progress in reducing non-tariff barriers on agri-food products.

The success of regional integration hinges on solving the persistent regulatory hurdles. It is expected that the effective regulatory cooperation needs to adopt based on a dual approach—top-down policy mandates coupled with bottom-up convergence efforts—to harmonize product standards or develop mutual recognition agreements for technical regulations, thereby limiting the trade-distortive effects of various country level policies. The Regional Comprehensive Economic Partnership (RCEP) is expected to further boost intra-RCEP trade, particularly benefiting regions that utilize complex global value chains (GVCs), where intermediate goods cross borders multiple times. Trade facilitation is a critical determinant of trade volume. Analysis suggests that trade facilitation levels, especially e-commerce development, have a profoundly positive effect on agricultural trade. Specifically, a 1% improvement in trade facilitation levels is correlated with an increase in agricultural trade volume of 8.397%¹⁰. This underscores the immense economic benefit achievable through regulatory simplification and digital infrastructure investment.

8. Objectives

The Policy Forum is designed to function as a neutral, high-level platform for sharing, learning, and collaboration, with the ultimate goal of ensuring sustainable livelihoods for farmers and contributing to global food security. The key objectives are

- a) To develop well-informed, actionable policy recommendations for climate resilience and digital integration across Asia-Pacific value chains.
- b) To establish collaboration networks and facilitate public-private partnerships (PPPs) that accelerate high-value investment in sustainable agriculture and brand creation.
- c) To formulate effective market access platforms and policy frameworks that explicitly address and measurably reduce existing Non-Tariff Barriers (NTBs) in regional trade.

⁹ Southeast Asia: Growing Potential for U.S. Agriculture | Economic Research Service.

<https://www.ers.usda.gov/amber-waves/2025/may/southeast-asia-growing-potential-for-us-agriculture>

¹⁰ Trade Facilitation and Sustainable Agricultural Trade in the RCEP: Empirical Evidence from China's Heterogeneous Impacts – MDPI. <https://www.mdpi.com/2071-1050/17/17/7640>



9. Expected Outcomes and Outputs

Expected outcomes must include the development of policy recommendations and the establishment of robust collaboration networks. Specific outputs include the dissemination of technologies for sustainable development of high-value products, and the establishment of efficient coordination mechanisms nationwide. Critically, the Policy Forum aims to elevate the centrality of transformed food systems for the achievement of broader sustainable development goals.

10. Target Participants: Mobilizing Key Stakeholders for Systemic Change

The Policy Forum will be convened with a diverse group of high-level participants to ensure relevance and capacity for execution.

- a) **Policymakers and Regulators:** This group includes key decision-makers in government administrators, Central Banks and financial sector and other trade associations involved in trade negotiation and intellectual property (especially GI enforcement) are also essential.
- b) **Agribusiness Leaders and Private Sector Dynamism:** Executives who drive investment and innovation, including CEOs of major regional and global agribusinesses. Their presence is vital to address private sector priorities such as sustainability, supply reliability, food safety, traceability, and consistent product quality.
- c) **Development Partners and Civil Society:** Representatives from international organizations (FAO, IFAD etc.), Regional partners like ASEAN, Mekong Institute and Non-Governmental Organizations (NGOs) are essential.

11. Proposed Streams and Agenda Themes of Policy Forum

The Policy Forum will be structured into three dedicated streams corresponding to the pillars of transformation.

- **Stream 1: Value Chain Development (VCD) and BCG principles:** This stream will focus on applying innovative solutions to address productivity and climate challenges in developing acceptable and efficient value chains in agricultural commodities. Discussions will cover the practical adoption of Bio-Circular Economy principles and high skill requirements that currently act as technology adoption barriers for smallholders in developing the value chains.
- **Stream 2: Value Creation and Global Brand Building:** This stream will explore strategies for moving regional products up the value curve. Key topics include the economic mechanism and successful enforcement of Geographical Indications (GIs); governance models for collective farmer marketing and achieving high-quality



production standards; and compliance with international food safety standards and certifications (GAP) required for premium market access.

- **Stream 3: Regulatory Convergence and Trade Facilitation (CBT):** This stream will focus on reducing market friction and facilitate cross border trade finance. It is expected that this them will tackle the persistent issue of trade barriers and financial products and instruments to support cross border trade. Discussions will center on the necessary regulatory cooperation (top-down and bottom-up) required to deconstruct increasing Non-Tariff Barriers and technical measures.

A Detailed programme for the Regional Policy Forum will be developed based on the above concept Note