

RI to team up with Myanmar, Cambodia



Reposted from The Jakarta Post, March, 15 2012

By Hans David Tampubolon

The Indonesian government plans to strengthen agricultural cooperation with Myanmar and Cambodia as part of the effort to ensure food security in the ASEAN region.

Coordinating Economic Minister Hatta Rajasa told reporters here on Wednesday that he had ordered Agricultural Minister Suswono to visit Myanmar and Cambodia to explore the possibility of opening State Logistics Agency (Bulog) branch offices in those countries.

“We hope that in the future, Bulog will not only ensure our food security, distribution, reserves and stabilization, but will also be able to take part on an international level,” Hatta said.

“Myanmar and Cambodia are well known as rice producers. With the establishment of Bulog and other state-owned enterprises in those countries, we are going to be able to conduct trading there while at the same time expanding our international network. Our food security is also concerned with our capabilities to establish food reserves in various countries,” he added.

Previously, Myanmar Rice Industry Association (MRIA) secretary Ye Min Aung said that Myanmar could export between 100,000 and 200,000 tons of rice to Indonesia a year.

With the price of rice currently around US\$500 per ton on the international market, the deal is potentially worth between \$50 million and \$100 million.

The association reportedly signed a memorandum of understanding with Bulog in Yangon, Myanmar, on Saturday.

Last year, Bulog imported 1.9 million tons of rice from Thailand, Vietnam and India.

However, the government said earlier this month that it had no plans to import rice this year as there were sufficient stockpiles. The government said that it expected domestic production of staple-foods to increase, helped by improved weather conditions and a planned expansion of arable land.

Indonesia is currently the third-largest rice consumer, with a per capita annual intake of 139 kilograms.

Despite being self-sufficient in 2008 and 2009, the country began to import rice in 2010 after stockpiles dropped and harvests failed to meet targets.

Critics have pointed out that the government must be committed to relying on domestic production to achieve food security amid potential declines in international food stocks.

Hatta stressed that the idea to establish Bulog branch offices in Myanmar and Cambodia had nothing to do with the country's dependency on imported rice.

"They [Myanmar and Cambodia] invited Indonesia to develop rice mills, rice processing facilities, seedlings and technology in their regions....Therefore, this idea does not necessarily have anything to do with our domestic rice procurement," he said.

Hatta said that the idea was still at the early stage and the total amount of investment had not been determined.

"During April, we will have an ASEAN summit and one of the main issues to be discussed there is our cooperation to ensure food security. Later on, Indonesia and the Philippines along with Malaysia could also plan to develop food security cooperation, but for now, we are cooperating with Myanmar and Cambodia," he said.

"So, concretely speaking, we are going to talk about the details during the summit in terms of whether Indonesia is responsible for developing seeds and establishing rice mills or whether they are the ones that will come here to invest. All of this will be discussed during the summit, which will be hosted by Myanmar," he added.