







**Australian Government** 

**Department of Foreign Affairs and Trade** 



Digital Agriculture in Asia and the Pacific

Strategies for Donor Impact

DIGITAL TECHNOLOGIES FOR
SUSTAINABLE AND RESILIENT FOOD
SYSTEMS IN ASIA

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#ADBSustainableFoodWebinarSeries







### DIGITAL AGRICULTURE IS SHAPING ASIA'S FOOD SYSTEM











Leveraging the innovative digital technology is key for food system transformation in Asia

- Productivity improvement throughout food supply chains
- Integration of smallholders to value chains and various services
- Traceability of environmental and climate footprints
- Reduce food loss and wastes







### DIGITAL AGRICULTURE and E-COMMERCE IN PRC and ROK

- Production: (i) increasing access to extension, financial and marketing services, (ii) reducing transaction costs of contract farming for quality standard and food safety compliance monitoring, (iii) facilitating more demand driven production
- **Distribution**: (i) e-commerce is reducing high transaction costs through traditional markets, and maintained food supply during the pandemic, (ii) ensuring more stable supply and reducing food wastes, and (iii) product standardization
- Consumption: (i) contactless delivery and (ii) increasing access to product information

• Rural welfare: Access to (i) education, (ii) culture, and (iii) health care (e.g., ROK's giga island

project) project









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## GEOTAG AND DRONE FOR FOREST PROJECT MANAGMEENT IN PHILIPPINES

Picture of Abaca Fiber of DAHIL Farmers Association, Bukidnon Province with **GEOTAG** 



**DRONE** Picture of Fruit Plantation of Ili Seedling Growers and Farmers Association in Apayao Province









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## PROMOTION OF DIGITAL AGRICULTURE FACES CHALLENGES IN THE REGION

- Inclusiveness of digital agriculture is a big concern;
  - **Digital infrastructure:** Limited availability of affordable network coverage and logistic infrastructure, and underdevelopment of data governance.
  - **Digital Skill**: missing support for smallholder farmers and agribusinesses to adopt digital applications also depress their demand for e-commerce and precisions agriculture.

    Individuals using the Internet (% of population) IN 2019
- Digital divide persists



Source: World Bank







#### **ADB's Activities**

- Investment projects
  - ✓ Gansu Internet-Plus Agriculture Development Project (PRC): Developing comprehensive information service and management platform together with modernization of agricultural production, processing, storage, and marketing
  - ✓ Agricultural Value Chain Competitiveness and Safety Enhancement Project (CAM): Enhancing digitalization of government's services through an integrated agricultural data platform, multichannel extension services, and piloting of a traceability system as a part of support to develop competitive and efficient value chains, in close coordination with IFAD's ongoing initiatives.
- Knowledge sharing
  - ✓ Knowledge products on ICT application in agriculture in PRC
  - ✓ MOU and Joint Study with Alibaba Group on Digitalization of Foods Supply Chain in PRC
  - ✓ Leveraging from Experiences of Agriculture and Rural Development: Lessons from Korea







#### **CONCLUSION AND WAY FORWARD**

- Digital technologies can address challenges in food systems in Asia but require public actions
  - ✓ Develop both hard and soft digital infrastructure to increase the availability of affordable connectivity and digital applications
  - ✓ Enhance the **digital skill** of the farmers and build a favorable environment to foster a vibrant innovation and startup ecosystem to encourage the context-aware solutions for smallholder farmers.
  - ✓ Make use of traceability technologies to create **new financing channels** for the actions to preserve natural capital and eco-system services.
- Development organizations like MDBs should strengthen financial flow to support digitalization of food systems













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Digitalization of the agricultural supply chain is also an integral part of the new initiative of ADB

Natural Capital Fund: Co-financing projects secured against future incremental income & eco-compensation rewards

**Natural Capital** 

Lab: Building valuation tools, knowledge & best practices; training for better utilization; policy & regulation

Innovative Natural Capital Financing Facility (INCFF)

### Agribusiness Service Platform:

Digitalizing supply chains to assist project sponsors to improve and upgrade value creation in their marketing, procurement and logistics efforts