

General Comment 3

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The third session has been convened to examine what can be done to reduce the technological and structural constraints on further development of the food industry in each Asian country. Some of the technological problems were discussed in Sessions 1 and 2, and it appeared that the mere solution of these problems may not result in the development of the food industry.

Changes in agricultural policy and shifts in the balance of international trade have radically altered the outlook for the food industry. Furthermore, global competition for agricultural products is intensifying as trade barriers are being dismantled. As a result, many food industries are forced to broaden their horizons and to become international or even global players.

Over much of the world, agribusiness has changed dramatically from an industry that is production-driven to one that is consumer-driven. Consumers have become very discriminative about the availability, diversity, quality and delivery of their food. They are paying more attention to the effect of food on their health and are demanding that commodities be produced without negatively affecting the environment. The market is becoming less transparent; not only is consumers' buying behavior becoming more unpredictable, but also demand is becoming more fragmented. Companies in the food and agribusiness sector are facing tighter constraints, because of increasing manufacturer's product liability and stricter environmental legislation.

Mr. K. Tsubota, Director of Research Information Division, JIRCAS, outlined very clearly how the technological problems and other constraints so considerably changed, influenced and became interrelated, as the social system changed.

The food industry and agriculture can not be considered separately for sustainable development. They depend on many factors and face many constraints as shown in Fig 1. Furthermore it should be noted that the food industry can be compared to a watch, which is composed of various gears, and rightly ticking away, if the gears are well engaged with each other and are well designed and synchronized. As shown in Fig. 2, the gears are the metaphor for the necessary technologies, external circumstances and conditions for sustainable development of the food industry.

There is a large and growing interdependence between firms and industries in agribusiness and agriculture. It will not be easy to find solutions for further development of the food industry and agriculture. However, we should exchange views in Session 3 to identify some ways to promote their development and to supply better food products to our nations.

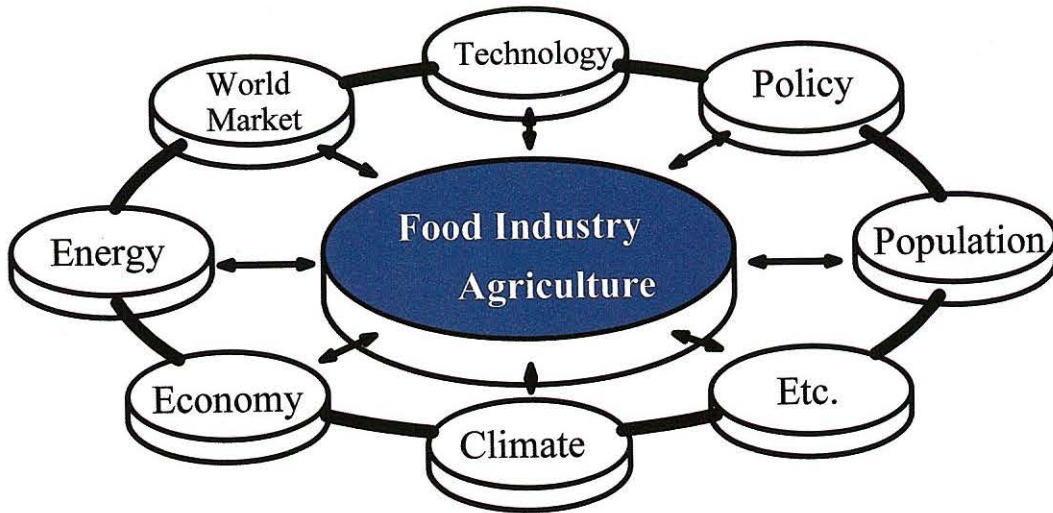


Fig. 1 Factors and constraints related to the development of food industry and agriculture

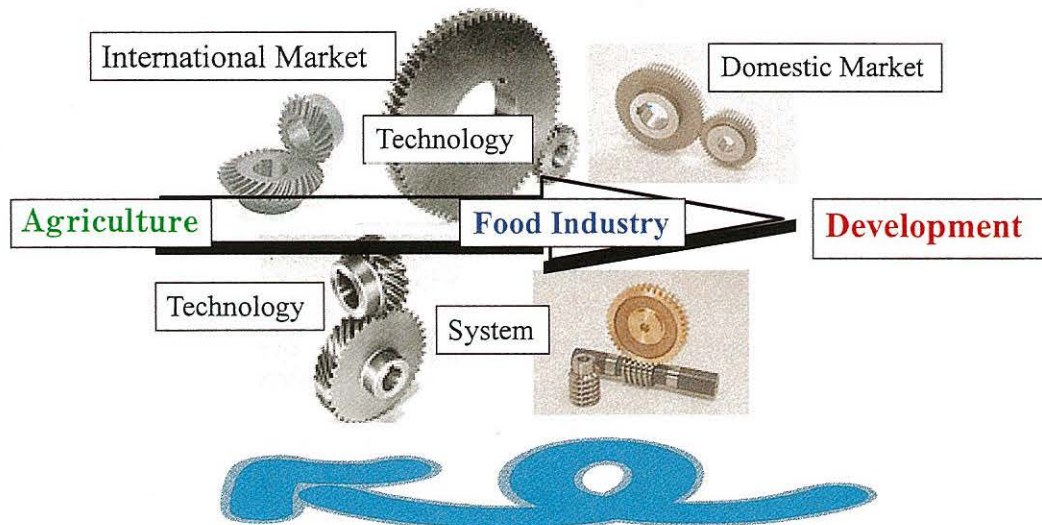


Fig. 2 Schematic diagram of some factors influencing the flow from agriculture to the food industry