



Trends, Tech, and Truth: Food at the Crossroads of Health and Wealth

Natasha Ledlie 00:00

Welcome everyone. Thank you so much for making the time to be here today. I'm Natasha Ledlie, a director on the Feeding Change team at the Milken Institute. Feeding Change is our team of food systems experts that sits within the health pillar. We activate social and financial capital. We engage with policymakers and industry leaders, and we convene key stakeholders to catalyze a more equitable, more nutritious, more resilient, and sustainable food system. I cannot be more excited to be moderating this panel today. Food is at a real inflection point. We are living through crisis, stacked on crisis. We've heard it in the last two days: climate change, geopolitical fragmentation, and we have more people going hungry and falling into poverty than we had a decade ago. On the other hand, we are also very well poised with awe-inspiring innovation. Some of which we've heard today: increasingly sophisticated companies and institutions, and the promise of collective action. Because of this, food is having a moment that it has not had in 20 years. On this stage, we have leaders who field this issue every single day, not just in theory, not just in policy, but from the farm, the balance sheet, and the supply chain. I would love to introduce my panelists: Ren Hua Ho, CEO of Thai Wah; Beverley Postma, executive director of Grow Asia; Rishi Kalra, the chief financial officer of ofi; and Winfried Wicklein, director general, the Asian Development Bank. What I want this panel to get at today is really simple to say and very difficult and hard to do. How do we get better food to more people? We have the capital, we have technology, and we have the institutions. But how do we translate that into real change? We're sitting in Singapore today, so let's make this more concrete. ASEAN is home to 100 million smallholder farming families. There are hundreds of agritech start-ups and over \$1.7 billion of investment in agrifood technology in Southeast Asia. So, what are you all actually seeing? What is one shock or stressor that is disrupting the food system from where you sit? And what is one technology or innovation that you believe is genuinely changing the equation? Ren Hua, I'll start with you. You operate across Thailand, Vietnam, Indonesia, Cambodia, and China, actually. You've seen disruption in tapioca supply. What does that mean at the farm level and for the business? And what is one thing that you all are doing that's making you respond differently?

Ho Ren Hua 02:56

Thank you, very good afternoon to see everyone here. I think—we think—take a step back about food and food security. Food happens to be one of the longest supply chains in the world. For Thai Wah today, I think, 70 percent of our food, entire food supply chain comes within the region, probably about 30 percent we import from Europe and other places in the world. Post-COVID, I think one of the biggest shocks we see is, you have probably parallel shocks in entire food supply chain, namely starting with three main areas. First, obviously, in terms of weather, which ultimately affects harvesting and crops. Second of all, in terms of actually logistics and supply chain. So, how

do you actually move things from A to B to C? And because we are pan-Asian company, that break in any supply chain also affects and has downstream effects on how it affects our consumers and our customers. And thirdly, differing price signals, right? So, how we think about, oh, the variation in prices of different crops. So, essentially, I think the way we think of our business is that a food business is, in essence, a supply chain business. It's how do we get the most amount of food, at the best possible amount of time, distributed through our supply chain. The way we've primarily overcome that is really through building probably one of the strongest distribution networks of our category in tapioca and rice-based and noodles. So, today we distribute across to eight different countries. We've got direct offices. And we're really focusing on speed to get things from A to B. So, that's really been one big push. At the downstream to really mix the price signals from the customers, to make sure that we can push our food supply chain as fast as possible from the farmer to the consumer. The second part, I would say, is really focusing on the farm. I think that's where, particularly with El Niño, emerging and unfolding in certain variations, will definitely be significant in the coming months, a lot of farmer programs around resilience, education, awareness. But ultimately, I think it's beholden on the producers and companies ourselves to really build that visibility of the supply chain. I tell my team, you can't control the weather, but you can control what you tell the farmer. And that's something very passionate to us, right? That as much as we do to the best we can, the way we work on the ground with the smallholder farmers across Thailand, Cambodia, and Vietnam is to provide visibility. We have no idea if it's going to rain or drought or flood tomorrow, but they know two weeks from now, Thai Wah will be there. They know one month from now, the high season will be there. So, those are the kind of things we're doing. And I think next year will certainly be challenging. So, I think it's beholden on all of us in this space to really come together and think more comprehensively what we can achieve in coming years.

Natasha Ledlie 05:20

Yeah. So, you're seeing this disruption right at that farm level. And Rishi, I'm going to come to you next. Your colleague who's in the audience, I believe, said something that stuck with me. He said that volatility is now the norm. It's no longer an isolated shock. Something that—and it's also not uniform. A climate shock that impacts cocoa and West Africa may have a different impact in a different region. From where you sit across these supply chains and across countries, where are you seeing the strongest sort of business case for investing in more resilient and sustainable food systems?

Rishi Kalra 05:56

Thanks and good afternoon, everybody. I'm glad to be here. And you're right, my colleague, when he would have spoken to you. Volatility is no longer only for one thing. It is actually very interconnected. If you look across the value chain, whether it is geopolitics, it is climate change, it is prices, supply chain disruptions, everything is becoming interconnected. And all that leads to volatility. And being a global food business, we get impacted as much as anybody else who is participating in the same. Technology does have a role to play, so, it will be unfair to say technology doesn't have a role to play. But if he—if I touch upon El Niño, which when you all talked about. El Niño could have a different impact, different regions as well. So, we are seeing West Africa cocoa being impacted differently to coffee—robusta—in Vietnam, to other origins, which probably might even benefit by a higher production as well. The need for technology is not as much of being able to tell us how bad will El Niño be. It's probably about trying to prepare both the farmers and the businesses to better handle it, which I think where the gap is right now. It's not as much being aware. It is about how to handle and actually help improve the value chain across, from farmers through to customers.

Natasha Ledlie 07:16

And this regional diversity and impact, Winfried, you are sitting across sort of Asia and the Pacific, and the Asian Development Bank has a \$40 billion agenda to transform food systems by 2030. So, what are you seeing? What's a change that you're seeing in Asia that could fundamentally transform food systems? It's a pretty big bet that you all have.

Winfried Wicklein 07:43

Well, thank you. Thanks, Natasha, for having me. And good afternoon everyone. Firstly, on the risk environment that has shifted—your disruptions in climate, markets, and geopolitics—I find it quite remarkable that it has not led to any widespread food shortages. But what it has done, and Ren Hua mentioned, it has been painful for farmers' incomes, affordability, volatility, and we are seeing nutrition and the quality of nutrition is going down and increasingly vulnerabilities. And that is something we have to worry about. I see the technologies which are providing fantastic opportunities, but I don't see them come to scale. What does it take to take them to scale—bring them to scale? I suppose I can see three levers; there may be others. One is the infrastructure to make the technologies work. The other one is the economics to make the farmers or farmer groups adopt them. And the other one is enabling environment to support the business cases, et cetera. So, where we, as ADB, where do we come in? There was your question. We probably come in as a connector. We are moving across all these different pieces, across the policy, the infrastructure, the public sector investment, the private sector investment, technology, and finance. And we can help bring these bits and pieces together, but it is quite a—we will discuss this more. It is not a—it's a bit of an uphill battle sometimes.

Natasha Ledlie 09:39

Absolutely. And we'll go into each of those pieces. And Bev, I bring you in last on this question only because at Grow Asia, you're seeing this from a different vantage point than our other three panelists. You're sitting across the ecosystem. What are you seeing that individual actors inside the system may not be seeing?

Beverley Postma 09:59

Thank you very much. It's great to be back, and always an honor to share the stage with these captains of industry and banking. I think what we're seeing is hope. I'm going to start there. I think we've come through a very, very difficult few years where volatility has tested food more than any other sectors. I know that humans are good in a crisis. And what we're seeing is the preparation for what's being labeled a "polycrisis." Food security is back on heads of state agendas for the first time in probably two decades, and it should never have come off. I mean, we cannot ignore the fact that we still have hundreds of millions of people not getting enough food every day. But food security is more than just getting enough food. It's about having the resilience built into the system so that we don't keep repeating these food shocks. So, the reason I have hope is because we do have good data now. We're able to predict what's coming down the track. Maybe not with the accuracy to pinpoint exactly where we'll see crop failure at a village level, but enough for businesses to prepare for that volatility in their distribution systems. We're seeing financing being re-engineered to match the crisis that's coming. We're seeing organizations like ADB leading on that re-engineering, and the richness of the conversation we're seeing gives me hope. Because the problem we have is not any single lack of technology or data or people or even finance. It's the lack of the connective architecture that gets that finance, the technology, and the people to the farm gates where the producer—who is usually a low-income farmer, as you said, between 100 million and 400 million of them, the numbers tend to oscillate—but we know that 80 percent of all food in this region is produced by a very small business, operating on usually less than a couple of thousand dollars a year. It's a very, very low-income business. We know that ticket size of investment for agriculture and food is usually either too big for a commercial—too

small for a commercial bank or too big for a microfinance scheme. So, we've got to curate the architecture, to de-risk each other, to redesign how that money gets to the farmer. And I think we're seeing hope. But we have to go a bit faster because this crisis is coming.

Natasha Ledlie 12:58

Yeah, and that's really helpful. So, we've understanding from you all what's changing. But I think there's another level to this. I think that food is also being, and food systems specifically are being asked to deliver more things for more people, at the same time. We want reliable supply chains, we've heard. We want farmers to have viable livelihoods. As consumers, we want healthier and more affordable food. Companies need commercial returns, and I see Rishi nodding. And investors need risk-adjusted returns as well. We're doing this at a time when the environmental and climate pressures are increasing. I do believe these objectives can align, but they don't always. So, I really want to dig into where these incentives really add up for you all and where you see priorities diverge. Rishi, I'll start with you. You spoke to me a little bit about moving beyond minimum wages for farmers to more living kind of incomes and living incomes for farmers. But how does that work for a company like ofi? Does it create tension when you also need a reliable supply chain, when you're also looking for commercial returns?

Rishi Kalra 14:13

Yeah. So, Natasha first—yeah, you're right. So, we were very clear that as part of our sustainability strategy, which includes certain priorities, living income is one of those. And we have taken a target to have 200,000 farmers who work directly with us, by 2030, to be above the living income, not minimum wages: this is living income. And it is not easy. Having said that, I think it is, it's not fair to say that ensuring that the farmers are getting a fair value for what they do, and the suppliers and the customers get what they want, are opposing in any form. They're not actually. It is seen like that because it's always felt that there is one value chain, and only some participant can make more than the others. It's actually not. If you are able to bring in the right practices on the ground, what the farmers can get is better yield and productivity. So, what—and as a corporate ourselves, for us, it is not about trying to make more money. A bigger, better supply is so much more valuable to us than the price that we are paying. And consumers, also, because then the whole ecosystem, the whole supply chain, is benefiting from farmers getting more, producing more, and the whole ecosystem benefiting one way or the other. And, when you talk about microfinancing, I can tell you, as a corporate, we probably are the largest microfinancers in the world. And people won't even know it. And we don't charge interest for it. We fund, we provide farming inputs ahead of time, so that farmers can produce timely and properly. We give them inputs, not only from a financial standpoint, also give them right practices, so they can get better yields and productivity. What we need is a supply back from them. So, I think it can be very well connected. It's always felt that there is a single pie to share and somebody will make money. Actually, everybody can benefit if you do the right things.

Natasha Ledlie 16:10

And, Ren Hua, you work with farmers, sort of different types of crops and different products. But does that resonate from your side as well? When you're thinking about farmers and businesses, what are you optimizing for, and where do you see priorities maybe diverging, if at all?

Ho Ren Hua 16:25

I mean, there are two parts of our supply chain that we actually care about the most. And I think it's imperative that we operate with a love of speed and skill. So, if you think about Thai Wah's footprint today across Southeast Asia, in Thailand, Cambodia, and Vietnam, we probably operate on the largest tapioca networks in the sense that

smallholder farming. And as I talked about earlier, the price signal from when the farmer harvest the crop to when we book in the shipment to when it will reach Walmart in the US or Costco in China, that really matters a lot to us. So, we really care a lot about the entire supply chain. And it does have that symbiotic relationship as to when the customer receives it on the shelf to when the farmers plant the crop. So, that's been a big part of it in terms of really driving the supply chain and meeting the twin strategic objectives. The thing about weather, and particularly I think about climate resilience, is that a large part of it is somewhat unpredictable. But I do really take heed from Bev's point that we are in a very important point where we can adapt and mitigate as much as we can. Specifically, as we think about 2027 and El Niño in the region, I think different governments are doing what they can and adapting and trying to prepare for, particularly, first quarter, second quarter next year. If we can get anywhere from a 70, 80, 90 percent accuracy visibility, we then create that learning adaptiveness. So, the point about data is also creating an adaptive culture where, producers, leading companies, governments, you're never going to get 100 percent accuracy about weather. But if we can create ecosystems where farmers and producers, there is that in-built sense that, okay, let's be 70 percent accurate, 80 percent accurate, and let's learn from that. I think that would be something very important. The second point, I guess, about strategic/conflict objectives is around cost and particularly energy cost. Food is one of those things where the natural resources—be it water, power, heat, and particularly now with this ongoing data center drive—is relatively vulnerable. You see that in different regions where you think about freshwater supply, you think about grid connections, you think about how much you get from the PA. So, what we've done, at least in our space, is really to see how much of Thai Wah's own supply chain can be as renewable as possible. Today in Thailand, we're probably, hopefully, near the edge at the forefront of our entire supply chain: biogas, heat, wastewater. We are roughly about 65 percent. So, the entire company is 65 percent renewable powered. We hope to get it to about 75 to 80 by 2030. So, that's another issue that I think, as the world, as a food company, is ultimately reliant on energy systems, right? Water, heat, electricity. The ability of companies to really think as hard as possible, to see what we can do to make our systems more sustainable, will certainly, I think, be at least both a strategic objective and also sustainable in the long term.

Natasha Ledlie 19:13

Great. And so, Bev, you, again, have sat on different, have had different hats as far as sitting in the food system. You've been on the corporate side, the non-profit side, investor, convener. When you look across the system, where do you feel that the system is optimizing well across these, and where there might be a gap?

Beverley Postma 19:38

Oh, good question. I mean, I think again, it's not about any single sector being optimal. It's about working together. Food is the only large sector that has no ministry. There is no ministry of food in any country, to my knowledge. There's a few that have slipped the word food into their acronym. But there is a ministry of agriculture, and there's a ministry of health, and there's a ministry of finance, and food straddles all of those. And the challenge is, is because we don't have the architecture coming from the public sector, the architecture itself underserves the private sector. Because the private sector cannot take the full risk. As you explain, Rishi, it is businesses. It's off-takers that are funding at the moment the debt finance for small businesses. There is very little commercial debt finance or even DFI debt finance in that model. And businesses can't take that full risk alone. They can definitely help with their vertically integrated supply chains. If you've got a locked-in contract and you know there's a good chance that that supplier will sell their crop to you at the end of the season, which is not a guarantee, then you can use some of your P&L to take that risk. But there are at least 70 percent of small businesses that are not locked into any of those vertically integrated supply chains or even into a formal supply chain. Those farmers, those businesses are unable to get any form of debt finance. They can't go to the bank and get a loan. They can't upgrade their business to buy better, more drought-resilient seed. They can't upgrade to better irrigation systems. They

can't do all of this fancy regenerative agriculture that the world wants them to do because they don't have a loan mechanism. So, de-risking that bit cannot fall to business alone. It has to be a group effort. And the thing that I've seen, the newest thing I've seen, that gives me hope—Grow Asia's community continues to amaze me in its diversity. This year alone, we've brought in insurance companies for the first time. We've brought in space tech companies. We're now working with satellite companies that are looking for use cases for satellite data. We've always had the big tech firms, but they're now really investing. So, we're running an AI training program to reach 200,000 rice and coffee growers, teaching them how to use AI skills to make better decisions using this data that's available. So, again, I have hope because we have all the components of the system, but there are still too few people who wake up in the morning and their job is to connect that architecture together.

Natasha Ledlie 22:50

Yeah. And, Winfried, when we, it sounds like there's a lot of effort to try and make sure that all of these are moving in the same direction at the same time. But where objectives do conflict, there's a cost. And who should be absorbing the cost? And particularly what is the role of development finance in coming in to kind of support that whole agenda?

Winfried Wicklein 23:16

Yeah. No, good question. Difficult question. But there are real trade offs, that's for sure, between your farmer who wants to earn a decent income and your investor, appropriate returns, and so forth. Nutritious food that, you know. And these objectives, they may be in the longer term; they can and should align, but not automatically and not immediately. Right? So, how do you align them? If we had the answer to that, we wouldn't be sitting here. But one is risk allocation, I suppose. And, yeah, who should bear the cost, you're asking. I mean, it should not be, cannot be the farmer and very difficult for the companies to do that. So, it's probably, you go a bit higher up on the policy level. But you also can change and should change the underlying economics. Right? Better policies, distortionary incentives, institutions, standards, et cetera. You can improve productivity. Right? Water efficiency technologies, etc. And smarter financing, bringing in innovative finance, blended finance, risk mitigation products, etc. So, that's where, I suppose, where the catalytic development finance can come in. Right? It's important, though, and that I think in the past we have seen some bad examples of concessional finance, public or even from MDBs, distorting the market as well. Right? Crowding out private sector commercial finance. So, what really should be done is use the leverage by concessional finance bringing the risk down in order to attract more, bring in more commercial finance rather than the other way around. But, I suppose the good news is—and Bev, you made a good point about— who is the ministry of food system. Right? I think this is so important that we all stop seeing agriculture as a sector. Right? It is not a sector; it is a whole system. It is water. It is energy. You mentioned the energy. So, really fundamentally, I think what food system transformation is connecting farmers to the consumers and strengthening everything else along the way, as it were, right along the value chain. And the different players in between, how do we connect them? That's the big point or the big challenge that we are facing.

Natasha Ledlie 26:10

Yeah. And that actually leads me really well to my next theme. So, we're saying we have capital, we have technology, we have companies, farmers, governments, and institutions. We're all part of doing their part in the food system. We've discussed that some of these capabilities, though, are operating on different timelines, with different incentives and different appetites for risk. Rishi, when we spoke ahead of this, of today, you told me something that I want to put back on the table for everyone. And it's come across multiple times on this panel. A corporate cannot do this alone. An NGO cannot do this alone. Customers cannot do this alone. So, what actually

connects these pieces? Bev, you've been looking across the region at exactly this question in Grow Asia. What happens between a promising solution and whether it reaches scale? Could you start by giving us a headline from your research?

Beverley Postma 27:02

Okay. I mean, I'm well known for saying I hate "pilotitis." The biggest problem we have is that we have no shortage of pilots. We've got proof of concept coming out of our ears. We have to move away from the three-year grant cycle. We've got to stop funding things for three years, reporting, writing a nice report, telling everyone it's worked, and then stopping the funding. Where did the three-year grant cycle even come from? I mean, patient capital is a lot longer than three years. And yet for food and agriculture, we seem to be locked in a three-year grant cycle. And so, the headline is we're about to launch a three-year research program project that has yielded some insights. We've spent \$1.5 billion of capital in this region on agritech over the last four years. There's no lack of investment in agritech, thanks to the Singapore ecosystem and many of you in this room, probably. The challenge is we have a delivery gap. We don't have the ecosystem that can get that technology into the hands of the smallest businesses. And in this region, it is the small businesses. We can't get away from that. It's expensive. Transaction cost is high. But we have to confront that. Address the aggregation systems that are needed to reduce those transaction costs, which is possible, blended finance can aggregate around the intermediary. Ren Hua works through cooperatives and farmers and has done a good job, same as ofi. We know where those aggregate models are. We can go beyond a three-year pilot that reaches 10,000 farmers and focus on a 10-year program that reaches 100 million farmers. It is possible, but we've got to challenge the definition of scale. Scale in agriculture and food in Southeast Asia is reaching 100 million businesses with affordable finance and with technology that works in a commercially viable way, not a perpetual funding of concessional capital. It is possible because we've done the proof of concept. We just have to move beyond the three-year grant cycle.

Natasha Ledlie 29:24

So, the challenge really isn't the solutions, it's the architecture, delivery mechanisms, and the ecosystem of getting those solutions to work at scale, and questioning what scale is. Ren Hua, you mentioned to me before this call that only about 5 percent of Thailand's tapioca farmers were really building deep relationships with other farmers until a crisis pushed about 70 percent of them into an alliance. That's a remarkable example of coordination under pressure. What do you think that it would take to get that same kind of coordination working before the next crisis? Maybe even tapping into national extension services and things like this that we've been talking about through our—

Ho Ren Hua 30:15

Yeah. So, first of all, I think at the ground level, we work as extensively as possible to connect the concept of the tissue across the different parts. So, in Thailand, I think it's roughly about anywhere between half a million households to a million households. In Cambodia, it's roughly about 30,000, 50,000. And in Vietnam, probably, it's slightly less. And because tapioca as a crop works across different parts of the region, what we try to do in our part is really create the demand signals across, and the supply chain across Thailand, Cambodia, and Vietnam. So that at any one point in time, if there's a weather crisis or an El Niño, when it falls, we can help to mitigate that in different parts. Because when climate hits or when weather hits and droughts and floods, the saying goes, it comes, but it all doesn't come at the same time. So, even in Thailand, it wouldn't be at different parts of Thailand. Right? So, we know, okay, north, south, east, west, we have a very extensive network. Similarly in Cambodia. Similarly in Vietnam. So, I think the ability of corporates to help to so-called mitigate climate risk by virtue of giving consistent

demand signals to different points in time. I think that's one clear thing that we're trying to do. The other thing is also working, I guess, across the ecosystem within the local governments. Another big operational challenge to work with last year was a war.

Natasha Ledlie 31:28

Yeah.

Ho Ren Hua 31:29

The Cambodia war. So, there's, I mean, we forget that there's ongoing border war between Cambodia and Thailand, which is shut down. Again, we operate well across Cambodia, Thailand, Vietnam. And the border wall, we had to then skirt around because then you had issues around energy, electricity. Our teams couldn't fly in. But we were very clear that, okay, in the first 60 days after the war, of course, we took care of our staff. We locked up all the gates and we had to, actually, the bombs were like literally 15km away. But after 60 days, once we made sure that our staff were fine, no one's getting hurt, we had a responsibility to get back to work. So, I told the team, okay, once we the war is kind of subsided, we have to get back to it because there's a supply chain to fulfill. Right? You got to get the farmers back. So, we got back 100 farmers, and then we got back 200 farmers. And then we finally got back the supply chain of our Cambodia tapioca supply all the way to China. So, I think, as Bev said, it's different pieces of the value chain. And I think for corporates like us, I think what motivates us the most is to really play a meaningful role, to create the demand signals that really allow the entire system to flow. It's kind of like, how do you create flow? How do you create flow in a system where the farmers' hard work, to the producers, to the supply chain, to the consumers, can trickle through the system? Over the next five years, I think I share the optimism that Bev has mentioned about. I do think there's a lot more that is being done. A lot more can be done. The so-called philosophical benefit of having to face El Niño as a community is that we're going to learn a lot from it. There's going to be a lot of tough time within the next 12–14 months. But food is one of those things that you have to be optimistic, by nature, because you're connecting across different ecosystems. You're connecting across food, energy, water, and extremely unpredictable weather. So, I think next few years, I think it'll be extremely exciting. I do think El Niño will be challenging. But I think there is, we are still in the ecosystem, creating much more of an adaptive mindset, where both companies, founders, and producers are working towards that.

Natasha Ledlie 33:29

Well, that gets me into a really interesting, actually, segue for you, Rishi. These kinds of changes, these kinds of ecosystem adaptations and change: it comes at a cost. Right? What makes it investable? This coordination, all the changes we're speaking of, has a cost. I think, Bev, your report speaks, the Grow Asia report speaks to three things that can help unlock some of the capital: lower cost to serve, manageable early stage risk, and a credible pipeline. From a CFO's perspective, what needs to be true for a company to really justify investing beyond just its own supply chain?

Rishi Kalra 34:08

And it's a great question. And probably before I address it, and I quite liked the point which Bev made on horizons. Three years is actually a very short period. And if I was to use an example, we have a global partnership with Nestlé on agroforestry that extends across countries. So, it is for Brazil, Côte d'Ivoire, and Nigeria. There is a five-year implementation covering 75,000 farmers across 70,000 hectares. So, it is big. But the monitoring will continue through to 2055. So, it is not that pilots and at-scale pilots are not happening. And none of this can be seen in the lens of short-termism. It doesn't work. Because any inputs that you provide, any focus that you have, takes time

for it to really embed and start showing the fruits that you want to see. And everybody wants to see a different. Like I said, there is enough scale when you look at from a finance standpoint, as a CFO myself. But we also see that the company is for the long term; we are not there for the short term. The farmers communities that we're working with, they can't be left to fund for climate change. They cannot and they should not. Like Bev was saying, they are really smallholder farmers. They hardly have income to sustain themselves. So, they can't be the ones funding, and they are looking for the right economic incentive to drive the change. They can make the change, but they first have to be shown the economic incentive. There are obviously financial institutions, like ADB, who can come along to provide this support, because it's not about lack of capital. The capital is available. It is probably not going to the right places. So, I think there is a need for the aspect that you touched upon, making it interconnected. Value can be demonstrated easily. There is no lack of value. If we are doing the right thing, and I have always been a very strong propagator of the fact that doing good and creating value actually coexist. As a company, we not only make financial accounts and financial statements, we call our global internal reviews on all capitals, beyond financial capitals. So, when you're measuring all reporting, you're able to see the value come through far beyond what the world wants to see today. So, there is hope, like Beverley says. But beyond that, there is also ways of making it happen.

Natasha Ledlie 36:21

So, it sounds like even where the opportunity may exist, the economic value may be different from what the financeable sort of aspect is. And, Wini, that brings me to you. You were talking about blended finance, catalytic finance as a lever to close some of that gap, to try and bring in more private capital, particularly where the social or system-wide return is clear, but the commercial risk is still quite difficult to absorb. We've seen a lot of experimentation. You mentioned some that may have worked and some that haven't, but it's not at the scale that we have hoped for. Where do you see sort of the role of multilateral banks? The hardest part of trying to get that private capital and private funds to actually flow in.

Winfried Wicklein 37:12

Yeah. Thanks. A couple of things. One, I can't agree more with everything really what has been said, but I like the "pilotitis," Bev, your point and how to bring pilots to scale, 1,000 farmers to a million farmers, basically. Right? So that really requires connecting the public sector investment and the policy stuff, the private sector, the finance, the technology, all the partners around farmers. Right? How does ADB come in here? We can finance the public sector, public goods. We can finance policy. We can finance infrastructure, etc., which is required for food systems transformation. We can finance private companies, we can—for processing, for logistics, for working capital. And we can finance everything in between. That's your blended finance, innovative finance, catalytic finance, risk mitigation, etc. Maybe a couple of examples, and particularly since Rishi is sitting next to me, if I may. We worked with ofi, Olam, at that time, a few years back. We provided commercial finance to Olam/ofi to support smallholders that are feeding into the value chain. We also provided, in addition to the finance, technical assistance. Technical assistance to the farmers. I think it was, if I'm not mistaken, Indonesia, Timor-Leste, Vietnam, maybe Papua New Guinea was there as well. We provided a support around I think climate-smart approaches and techniques. But we also provided assistance. That was before my time, but I read up on it. We provided assistance also for your farm information, system information. Right? Which helps map your farmers and thereby help design the extension services, etc. So that was, I thought, a very powerful example. On the innovation side, we have a small venture capital fund, ADB Ventures, it's called, which can support AI and technology, cutting-edge small start-ups, relatively small ticket sizes in agriculture space, but also in other spaces. To support their production and market access. Another interesting example, the last one I'll mention, is working with AIM for Scale. That's the Gates and UAE-initiated initiative, which takes established technologies to the millions of farmers they are

focusing on. We are focusing with them through our agricultural innovation fund that we are programmed, that we are setting up, around AI-supported weather services and livestock productivity. We support those. And then they're connected to public—to government services. For example, there's no—on the weather services, they won't set up their own apps, but they use government apps, which are existing. So that you don't reinvent the wheel, but you scale up quickly. So, these are some examples where we come in and hope to do more of that and make a difference.

Natasha Ledlie 41:06

Yeah. Thanks for sharing that. So, we've talked about the shocks. We've talked about the opportunities and what it takes to really connect the pieces. And we have a room full of people with the ability to move capital, to build businesses, influence policy, and to form partnerships. So, I want to end with a very quick, one practical question for each of you. What is one specific change that you would like to see happen in the next 2–3 years that would materially improve how food systems deliver for people? I'll go backwards. I'll start with you and Winfried, and literally 30 seconds, because we have that clock.

Winfried Wicklein 41:43

If more people and decision makers can see food systems, food system transformation, not as an agriculture sector issue, but as a much larger issue across water, energy, and other sectors. Health as well.

Natasha Ledlie 42:00

Rishi.

Rishi Kalra 42:01

Well, I think, like we're discussing today, there is no lack of either pilots or the willingness to make a change. It is really about the interconnectedness of everybody to make it happen, now. And I think one thing also, is important is that there is no one shoe fits all. There are different regions, different geographies, and every scalable model can't be replicated. But every capable model can be installed and replicated there on.

Natasha Ledlie 42:28

Bev.

Beverley Postma 42:30

I think we have to use this moment in time. It's a very rare moment. It may be not for the right reasons, but it's a rare moment. We have ASEAN, chaired by Singapore next year. We have G20, chaired by the UK next year. We've got G7, chaired by Korea next year. Food security is top of every single one of those agendas because it's national security. So, let's use it. Let's focus minds. Let's make sure we take the conversation out of the ministry of agriculture, into ministry of finance, into ministries of planning, heads of state decisions. And let's solve the biggest problem in the room, which is blended finance that's curated to de-risk the right ticket size that can allow lending to happen to small businesses.

Natasha Ledlie 43:15

Thank you. Ren Hua.

Ho Ren Hua 43:17

I think the benefit of being based in Asia is that we are a beneficiary of a rising middle class in terms of consumers. I would say, focus on kind of intra-ASEAN and intra-Asia food supply chain flows, particularly as we think about Southeast Asia to China, Southeast Asia to Japan, where there's cross-demand signals, partnerships, collaborations. I think the ability for us to drive relationships intra-ASEAN, intra-Asia, will certainly create a lot more resilience in this part of the world.

Natasha Ledlie 43:44

Well, thank you all. And thank all of you in the audience as well. What I heard today gives me hope. Food is on the agenda. Now is the time. We are all here. This is larger than agriculture. It's larger than health. It's larger than water. It really is taking an integrated approach. Of course, we want local, regional, sort of solutions, but we can learn from infrastructure capabilities, models that are happening more globally. So, we have a lot of people here who are already finding ways to connect them. And I hope we can take that forward in the rest of the conference and beyond. This is how we move from individual pieces towards a food system that can deliver better food for more people. So, thank you to our panel for such an honest and very hopeful conversation. And thank you to everyone.

Ho Ren Hua 44:37

Thank you. Thank you.

Rishi Kalra 44:41

Thank you.

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