

INCEPTION REPORT

Advancing Agricultural Transformation and Market Integration in the ASEAN and BIMSTEC Regions



4-5 August 2025



Jakarta, Indonesia



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ACRONYMS

ASEAN	Association of Southeast Asian Nations
ATMI	Agricultural Transformation and Market Integration
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
FTA	Free trade agreement
GAP	Good agricultural practice
GDP	Gross domestic product
GVC	Global value chain
HS	Harmonized system
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
ISPAE	Institute of Strategy and Policy on Agriculture and Environment
MoU	Memorandum of Understanding
NePAA	Network of Policy Advisors and Analysts
OSRM	Open-Source Routing Machine
PRI	Policy Research Institute of Bangladesh
RSAA	Regional SEARCA Alumni Association
SEARCA	Southeast Asian Regional Center for Graduate Study and Research in Agriculture
SPS	Sanitary and phytosanitary
TiVA	Trade in Value Added

1. Executive Summary

The Policy Round Table and Inception Workshop, held over two days in Jakarta, Indonesia during 4-5 August 2025, brought together national partners from Bangladesh, India, Nepal, and the Philippines; officials from the International Fund for Agricultural Development (IFAD); representatives from the Association of Southeast Asian Nations (ASEAN) and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Secretariat; policymakers; researchers; and development practitioners from ASEAN and BIMSTEC countries and secretariat to chart the way forward for the second phase of the Agricultural Transformation and Market Integration (ATMI-II) project. This event marked a milestone in regional cooperation by bringing together ASEAN and BIMSTEC under the ATMI-II framework through a network of policy advisors and analysts (NePAA). The collaboration aims to translate policy dialogue into tangible outcomes, with NePAA serving as a platform for sustained engagement, capacity building, and evidence-based policy dialogue.

Building on the success of the first phase of ATMI (ATMI-I), this initiative under NePAA expands its geographic and thematic scope to examine transformation driven by value chain transformation and market integration through new partnerships and global value chains (GVCs). ATMI-I surpassed traditional conceptions of transformation to examine it through crop diversification, productivity, and related aspects. This new phase aims to mutually strengthen the institutional capacity of selected ASEAN and BIMSTEC countries (the Philippines, Viet Nam, and Thailand, and Bangladesh, Bhutan, India, and Nepal, respectively) to formulate and implement inclusive, sustainable, and climate-resilient agrifood system policies.



Day 1 focused on the themes of agricultural transformation and trade and market integration, with national partners presenting perspectives, challenges, and strategies. Discussions on agricultural transformation highlighted shifts from subsistence farming to market-oriented production, the development of value chains, and the need for enabling policies that address inclusivity, climate resilience, and diversification. On trade and market integration, participants discussed the opportunities and constraints in engaging with GVCs, promoting value-added agrifood products, and aligning national trade policies with regional and global market trends. The session featured country-specific situational analysis from both national and regional perspectives. The discussion centered on identifying gaps as part of the way forward. Participants also shared reflections on IFAD's thematic priorities across seven focus countries under ATMI-II to ensure strong alignment between IFAD's overarching priorities and ATMI-II's policy research agenda. Reflections and forward-looking discussions emphasized the importance of aligning research, capacity building, and policy engagement outputs with policy needs; leveraging partnerships; and ensuring tangible benefits for smallholders, women, and youth.

Day 2 of the Inception Workshop for building capacities for ATMI-II engagement focused on analytical frameworks for agricultural transformation and trade and market integration, providing structured approaches for policy research and impact assessment. The discussion focused on both methods and incumbent data needs. Presentations on analytical frameworks for agricultural transformation emphasized the need for measuring transformation through productivity, diversification, inclusivity, off-farm activities, and sustainability, with particular attention to the contours of value chain transformation. The analytical framework for trade and market integration outlined approaches to assess participation and positioning in GVCs (including domestic and regional value chains), trade performance, and policy linkages. The session on NePAA explored its potential as a platform for sustained engagement, policy dialogue, and capacity strengthening. The workshop concluded by setting a clear path for NePAA to function as a mechanism for research, capacity strengthening, and policy engagement; fostering collaboration between ASEAN and BIMSTEC countries; and embedding food systems transformation within their development agendas.

2. Day 1: Policy Roundtable

2.1 Inaugural Session

2.1.1 Welcome Address

Dr. Shahidur Rashid, Director, International Food Policy Research Institute (IFPRI) South Asia, welcomed participants and highlighted the significance of bringing ASEAN and BIMSTEC together under the ATMI-II framework. He reflected on the achievements of ATMI-I in generating evidence, fostering policy dialogue, and building networks, while emphasizing that ATMI-II must go further by focusing on actionable policy reforms and investments. Stressing that current agricultural transformation extends beyond farm productivity to



encompass processing, logistics, and market systems, he called for inclusive strategies centered on women, youth, and marginalized communities. Dr. Rashid reiterated IFPRI's commitment to supporting governments with high-quality research, policy tools, and capacity building to strengthen value chain competitiveness and market integration in both regions.

2.1.2 Opening Remarks

Dr. Mercedita A. Sombilla, Director, Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA), emphasized the critical role of evidence-based policymaking in driving agricultural transformation and market integration across ASEAN and BIMSTEC countries. Drawing from the Philippines' experience, she highlighted how targeted investments in infrastructure, value chain development, and market access can unlock rural economic growth and resilience. She stressed the need for stronger regional collaboration to



address cross-border challenges such as climate change, biosecurity, and trade barriers. Dr. Sombilla commended ATMI-II's multi-stakeholder approach, which links research with policy action, and underscored that sustained engagement between policymakers, researchers, and the private sector is essential to ensuring that agricultural and trade reforms deliver inclusive and sustainable outcomes across both regions.

2.1.3 Keynote Address

Dr. Reehana Rifat Raza, Regional Director (Asia Pacific), IFAD, reaffirmed IFAD's commitment to advancing inclusive and sustainable agricultural transformation in ASEAN and BIMSTEC regions, with a clear focus on women, youth, and marginalized groups. She emphasized that transforming agrifood systems requires moving beyond productivity gains to create equitable opportunities along the entire value chain, from production to processing and market access. Highlighting IFAD's thematic priorities, she called for embedding climate resilience, digital innovation, and enterprise-driven approaches in policies and investments. Dr. Raza urged that the outputs from ATMI-II be made actionable and investment-oriented, enabling governments to implement targeted interventions that both strengthen competitiveness and deliver tangible livelihood improvements for smallholders across the two regions.



2.1.4 Remarks by Guests of Honor

H.E. Mr. Indra Mani Pandey, Secretary General, BIMSTEC, underscored the strong convergence between BIMSTEC and ASEAN priorities in climate-resilient agriculture, trade, and food security, noting that both regions face common challenges such as climate change, food insecurity, and supply chain disruptions. He emphasized BIMSTEC's role as a bridge between South and Southeast Asia, representing 1.8 billion people and a combined gross domestic product (GDP) of more than US\$ 5 trillion, while also highlighting its Bangkok Vision 2030 and cooperation across 16 priority sectors. He further noted that promoting intra-BIMSTEC trade and investment remains a core objective for member states. Since the signing of the BIMSTEC Free Trade Area Framework Agreement, negotiations have progressed on six constituent agreements covering trade in goods and services, investments, trade facilitation, customs cooperation, and dispute settlement. He stressed that the successful conclusion of these agreements will significantly boost intraregional trade and investment, particularly in agriculture and allied sectors. He welcomed ATMI-II as a timely initiative to translate research into actionable policies that can deliver tangible benefits for farmers and consumers across both regions. He also expressed appreciation for IFPRI's commitment to implementing the



Memorandum of Understanding (MoU) with the BIMSTEC Secretariat and reaffirmed BIMSTEC's dedication to advancing joint priorities in agriculture, trade, and climate change—an area of vital importance given the centrality of agriculture and related sectors to sustainable development and food security in BIMSTEC member states.

H.E. Dr. Kao Kim Hourn, Secretary General, ASEAN, highlighted ASEAN's renewed commitment to inclusive, sustainable agrifood systems under the ASEAN Community Vision 2045 and the forthcoming Economic Community Strategic Plan 2026–2030, which positions agriculture as a driver of green growth and supply chain decarbonization. He emphasized three strategic priorities: promoting sustainable and regenerative farming; accelerating science, technology, and innovation; and mobilizing sustainable finance to tackle persistent food insecurity, climate change impacts, and volatile trade dynamics. Underscoring the urgency of climate-smart agriculture, digital innovation, and trade facilitation, he called for deeper regional collaboration and strong partnerships, strengthened resilience, enhanced market integration, and delivery of shared prosperity across ASEAN and BIMSTEC.



2.1.5 Overview and Context Setting

Dr. Devesh Roy, Senior Research Fellow, IFPRI, provided a conceptual overview for the policy roundtable and inception workshop, highlighting the evolving dynamics of agricultural transformation and trade and market integration in today's global context. He noted that the classical model—in which subsistence farming and low productivity shifts to high-productivity commercial crops—is no longer sufficient, as much of the value is now generated off-farm through processing, logistics, branding, and retail. On trade and market integration, he emphasized the importance of GVC participation, positioning, and upgrading, particularly the shift from raw commodity exports to value-added products. He underscored the need for supportive policies, infrastructure, and institutions that enable countries to capture greater value domestically, build resilience, and ensure equitable benefits for smallholders, women, and youth. Given the project mandate and earlier IFPRI work with BIMSTEC and ASEAN, he highlighted the role and application of an integrated approach that includes interconnected economic, social, and environmental linkages.

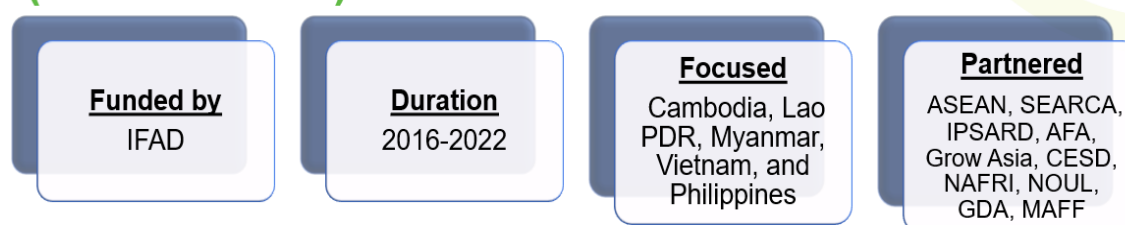


2.1.5.a IFPRI's Engagement with BIMSTEC and ASEAN

Dr. Roy highlighted IFPRI's longstanding engagement with both ASEAN and BIMSTEC through [ATMI-ASEAN](#) and [Regional Trade and Agricultural Transformation in the Bay of Bengal Countries](#), two initiatives which have provided a unique platform for evidence-based policymaking, capacity development, and regional cooperation. Under ATMI-I, IFPRI led studies on agricultural transformation, market integration, and commodity-specific value chains such as maize, pulses, and processed pork, while also building institutional platforms such as the NePAA to facilitate dialogue and knowledge sharing (Figure 1).

Figure 1: IFPRI's Engagement in ASEAN (ATMI Phase-I)

IFPRI's Engagement in ASEAN (ATMI Phase-I)



- Led studies on agricultural transformation, market integration, and commodity specific value chains – Maize, Pulses, Processed Pork.
- Established institutional platforms - NPSC, RPSC, and NePAA.
- Convened HLPFs and PRTs to foster dialogue on food security and value chains.
- Technical support for roadmap development on regional agri-food value chains
- Strengthened capacity through trainings, workshops, and thesis grants on inclusive agricultural development.
- Workshop – Mainstreaming Gender Equality
- Facilitated knowledge exchange via regional workshops, policy briefs/DPs, and NePAA webinars.

Source: Roy et al. 2025. “Overview and Context Setting” Presentation at Policy Round Table, Jakarta, Indonesia, August 4.

In BIMSTEC, IFPRI's engagement was formalized through a 2023 MoU that enabled collaborative work on integrated frameworks for social linkages (poverty alleviation and food security), economic linkages (trade and investment, agriculture and related activities, and fisheries), and environmental linkages (energy, water, and land use) (Figure 2). Dr. Roy emphasized that ATMI-II is the first platform to bring ASEAN and BIMSTEC together under a single structured policy dialogue, creating opportunities to leverage complementary strengths such as ASEAN's regional integration agenda and BIMSTEC's focus on food security and climate adaptation toward shared priorities in resilience, inclusiveness, and competitiveness.

Figure 2: IFPRI's Engagement in BIMSTEC

IFPRI's Engagement in BIMSTEC



- IFPRI signed a MoU with BIMSTEC Secretariat in 2023, to advance sustainable and inclusive food, agriculture, and trade transformation in the region.
- Developed Conceptual Framework on Integrated Approach: Food Security & Poverty (social-arm), Trade & Investment (economic-arm), and Environment and Climate Change (environmental-arm).
- Conducted research on GVCs, informal trade (India–Bangladesh–Nepal), competitiveness in specific commodities viz edible oils, maize, coffee.
- Technical support to BIMSTEC Secretariat for JWG in strengthening the PoA on ECC.
- Developed BATM+ dashboard to monitor Trade Patterns and Policy
- Utilized disaggregated and high frequency level trade data – port data.
- Developed Policy Discernment Manual (PDM) for capacity development.

Source: Roy et al. 2025. “Overview and Context Setting” Presentation at Policy Round Table, Jakarta, Indonesia, August 4.

2.1.5.b Agricultural Transformation: Value Chain Transformation

Dr. Roy explained that agricultural transformation is evolving beyond the classical model in which low-productivity subsistence crops shift to high-productivity commercialized ones. Today, much of the value is generated off-farm in processing, logistics, branding, and retail, making value chain transformation the central focus. He stressed that policies and investments must target midstream and downstream segments, including agro-processing, cold chains, quality certification systems, and integrated production-processing-marketing hubs. These interventions must be rooted in inclusivity, ensuring women, youth, and marginalized groups are active participants and beneficiaries of the transformation. He noted that transformation should also embed climate resilience, digital technologies, and sustainable practices to address climate change, market shocks, and environmental degradation, in line with IFAD’s thematic priorities.

2.1.5.c Trade and Market Integration: GVC and Value-Added Products

On trade and market integration, Dr. Roy highlighted the growing importance of GVC participation and positioning, and the shift from raw commodity exports toward processed, branded, and certified products and trade at all levels in an integrated system that can command higher value in regional and global markets. He outlined the main barriers

limiting competitiveness, including sanitary and phytosanitary (SPS) compliance gaps, high logistics and domestic trade costs, limited harmonization of standards, and high tariffs, as well as the interplay of factors that determine different trade margins (extensive and intensive). He emphasized that aligning trade policy with agricultural transformation will allow countries to capture greater value domestically, while ensuring that benefits are equitably distributed among smallholders and vulnerable communities. He stressed that these efforts require strong institutional cooperation between ASEAN and BIMSTEC, positioning both regions to respond effectively to emerging global trade dynamics while advancing sustainable and inclusive food systems.

2.2 Session I: Agricultural Transformation

The first session focused on exploring pathways to inclusive agrifood systems transformation across ASEAN and BIMSTEC countries. National partners from Bangladesh, India, Nepal, Bhutan, the Philippines, Viet Nam, and Thailand presented their country experiences, highlighting both progress and challenges in transitioning from subsistence-based systems toward more market-oriented, value chain–driven agriculture.

Guiding Questions: Pathways to Inclusive Agricultural Transformation

The guiding questions for deliberation included:

- How are agricultural value chains transforming in your country, particularly with respect to shifts beyond primary production? What roles do midstream segments such as food processing, food services, and retail play in this transformation?
- How are your country's national strategies addressing the inclusion of women and youth in agricultural value chains, and what policy interventions or programs have proven effective in promoting their participation and empowerment?
- What are the key climate-related risks facing your agrifood systems (floods, droughts, etc.), and how are these being integrated into agricultural transformation strategies at both national and subnational levels?
- What types of national data systems, surveys, or analytical tools are currently being used to monitor trends in food systems transformation, and how reliable or accessible are these datasets in informing inclusive and evidence-based policymaking?
- How are current agrifood strategies and policy frameworks addressing broader transformation themes such as crop diversification, productivity enhancement, and postharvest value addition, and to what extent are these linked to national development goals and rural livelihoods?

2.2.1 Bangladesh

Dr. Zaidi Sattar, Chairman and Chief Executive, Policy Research Institute of Bangladesh, outlined Bangladesh's progress and challenges in agricultural transformation, noting the sector's significant role in poverty reduction and rural livelihoods. He emphasized the shift from subsistence farming toward greater commercialization, supported by policy reforms, investments in irrigation, and improved access to technology. However, productivity growth has slowed in recent years, constrained by fragmented landholdings, limited mechanization, and inadequate value chain integration. Dr. Sattar



stressed the importance of expanding agro-processing, strengthening cold chain infrastructure, and enhancing market linkages to capture more value within the country. He also highlighted the need for policies that promote export diversification into higher-value agrifood products, while addressing climate resilience and sustainable resource use.

2.2.2 India

Dr. A. S. S. Reddy, Advisor-Agriculture, DAKSHIN, highlighted India's diverse agricultural landscape and the country's ongoing efforts to transition from traditional farming systems to market-oriented, value chain-driven agriculture. He emphasized the role of targeted interventions in high-value commodities such as fruits, vegetables, dairy, and pulses, alongside policy support for crop diversification and sustainable intensification. India's approach integrates production with processing and marketing through initiatives such



as agro-industrial clusters, food parks, and farmer-producer organizations. Despite these advances, challenges remain in addressing postharvest losses, improving logistics and cold storage, and ensuring quality standards for export markets. Dr. Reddy also pointed to the potential of digital technologies and precision agriculture in enhancing productivity, efficiency, and farmer incomes, particularly for smallholders, while stressing the importance of inclusivity and resilience in transformation strategies.

2.2.3 Nepal

Dr. Uttam Sharma, Senior Research Fellow, Institute for Integrated Development Studies, discussed Nepal's gradual shift from subsistence-based farming toward more commercial and market-linked agriculture. He noted that while agriculture remains a key source of livelihoods, productivity is hampered by small and fragmented landholdings, low mechanization, and limited access to quality inputs. The government has prioritized value chain development in high-potential commodities such as vegetables, fruits, dairy, and spices, alongside the promotion of contract farming and cooperatives to strengthen farmer–market linkages. Infrastructure constraints, particularly in storage, transportation, and processing, remain a major bottleneck, limiting competitiveness in both domestic and export markets. Dr. Sharma stressed the need for integrated policy measures that combine production enhancement with investment in postharvest management, agro-processing, and quality certification, thereby enabling Nepal to capture greater value in regional value chains while ensuring smallholder inclusion and climate resilience.



2.2.4 Bhutan

Mr. Lhaksam Chedrup, Senior Economic Development and Marketing Officer, Department of Agricultural Marketing and Cooperatives, Ministry of Agriculture and Livestock, Royal Government of Bhutan, described Bhutan's agricultural transformation pathway within the context of the country's unique geography, small domestic market, and strong emphasis on sustainability. Agriculture in Bhutan is still largely subsistence-based, with low levels of mechanization and productivity. The government's strategy focuses on moving toward niche, high-value commodities such as organic fruits, vegetables, spices, and dairy products to leverage Bhutan's pollution-free environment as a branding advantage in regional and international markets. Key priorities include strengthening value chains through improved infrastructure for storage, processing, and transportation, as well as enhancing market access through cooperative development and producer groups. Mr. Chedrup highlighted challenges such as rural–urban migration, labor shortages, and vulnerability to climate shocks, underscoring the



need for integrated policies that balance commercialization with environmental stewardship and inclusivity for smallholder farmers. Overall trade facilitation was the core need for Bhutan.

2.2.5 Philippines

Ms. Tisha Pia E. De La Rosa, Chief of the Macro-Economic Policy Division, Policy Research Service, Department of Agriculture, Republic of the Philippines, outlined the Philippines' efforts to advance agricultural transformation in a context marked by high exposure to climate risks, fragmented landholdings, and infrastructure gaps. She emphasized the government's focus on integrating smallholders into value chains for priority commodities such as rice, maize, coconut, livestock, and fisheries, with a view to enhancing competitiveness and market access. Programs are being implemented to promote mechanization, digital agriculture, and improved logistics, alongside initiatives to reduce postharvest losses and strengthen cold chain systems. Ms. De La Rosa stressed the importance of scaling up agro-industrial clusters and public-private partnerships to attract investment in processing and value addition. She also highlighted ongoing reforms to align production with market demand and improve farmers' incomes, while ensuring resilience to climate shocks and inclusivity for women, youth, and marginalized producers.



2.2.6 Viet Nam

Ms. Bui Thi Viet Anh, Head of the Consulting, Center for Agricultural Policy, Institute of Strategy and Policy on Agriculture and Environment (ISPAE), presented Viet Nam's agricultural transformation journey, highlighting its transition from a subsistence-oriented system to a globally competitive agrifood sector. She emphasized the country's strong integration into regional and global markets, driven by high-value exports such as coffee, rice, seafood, fruits, and processed products. Viet Nam's strategy focuses on deepening value chain development through modernization of production, expansion of agro-processing, adoption of advanced technologies, and strict quality and safety standards to meet international market requirements. Key initiatives include promoting



contract farming, strengthening farmer cooperatives, and enhancing logistics and cold storage infrastructure. Despite these achievements, Ms. Anh acknowledged challenges such as fragmented supply chains, limited branding for premium products, and climate change impacts. She underscored the need for sustainable, climate-resilient practices and diversification into higher-value segments to secure long-term competitiveness and inclusive growth.

2.2.7 Thailand

Mr. Sidtan Chompookaew, Agricultural Research Officer, Senior Professional Level, Office of Agricultural Research and Development Region 1 (Chiang Mai), Department of Agriculture, described Thailand's agricultural transformation as a process centered on modernizing production systems, integrating farmers into high-value value chains, and enhancing competitiveness in both domestic and export markets. He noted the government's focus on priority commodities such as rice, cassava, fruits, vegetables, and livestock, with strategies to strengthen agro-processing, quality



assurance, and branding under national and regional certification schemes. Thailand is investing in digital agriculture, precision farming, and mechanization to boost productivity and reduce labor dependence, while promoting sustainable and climate-smart practices to address environmental challenges. Mr. Chompookaew highlighted the importance of coordinated policies that link production, processing, and marketing, supported by strong public-private partnerships. He also pointed to the need for continued investment in logistics and cold chain infrastructure to reduce postharvest losses and enable greater participation in regional and GVCs.

2.2.8 Agricultural Transformation: Discussions and Key Highlights

Discussants

- Dr. Theingi Myint, Director, Department of Planning, Ministry of Agriculture, Livestock and Irrigation, ASEAN Member State Official, Myanmar
- Mr. Si Thu Aung, Director, Agriculture and Food Security Division, BIMSTEC Secretariat
- Dr. Ir. Asdi Agustar, Professor, Andalas University, Indonesia, and President, Regional SEARCA Alumni Association (RSAA)

- Dr. Weerapon Thongma, President, Maejo University, Thailand, and Vice President, RSAA
- Dr. Mercedita A. Sombilla, Director, SEARCA

Key Highlights

- The discussion emphasized value chain transformation, recognizing that much of the value is being created beyond the farmgate, particularly in processing, branding, logistics, and marketing
- Participants noted that agricultural transformation should prioritize smallholders, women, and youth, ensuring they are not left behind in the shift toward commercialization
- Discussions highlighted the importance of moving beyond staple crops into diversified farming systems and developing commodity-specific value chains
- There was a strong call to balance productivity gains with resilience-building, particularly in the face of climate change, market shocks, and environmental challenges
- Speakers stressed the need for supportive policies, infrastructure, and institutional mechanisms to enable transformation at scale
- It was noted that empirical evidence and data-driven research should guide policymaking and program design for agricultural transformation
- Participants agreed that cross-country learning within ASEAN and BIMSTEC can accelerate progress by sharing best practices and lessons from diverse contexts

2.2.9 National Pathways for Agricultural Transformation: Aligning with IFAD's Priorities

Dr. Mamata Pradhan, Research Coordinator, IFPRI, presented IFAD's thematic priorities on the seven focus countries under ATMI-II. She highlighted that across the diverse national experiences presented, there is strong alignment with IFAD's overarching priorities for agricultural transformation, namely fostering an inclusive, climate-smart, enterprise-driven, and value chain-focused agrifood system. The strategies shared by Bangladesh, India, Nepal, Bhutan, the Philippines, Viet Nam, and Thailand consistently emphasize moving beyond subsistence production toward higher-value, market-oriented agriculture, underpinned by investments in infrastructure, agro-processing, and technology.



These national approaches reflect IFAD's call for integrated value chain development, while also addressing climate resilience, sustainable resource use, and competitiveness in domestic, regional, and global markets. Importantly, the discussions underscored the centrality of IFAD's cross-cutting focus on women, youth, and marginalized groups, ensuring that transformation benefits are equitably shared and vulnerable populations are empowered to participate meaningfully in evolving agricultural systems.

2.3 Session II: Trade and Market Integration

This session focused on pathways to strengthen agricultural trade and market integration across ASEAN and BIMSTEC countries. National partners from Bangladesh, India, Nepal, Bhutan, the Philippines, and Viet Nam shared country perspectives, examining how evolving trade demands, policy reforms, and regional partnerships are shaping their agrifood sectors.

Guiding Questions: Pathways to Market and Trade Integration

The guiding questions for deliberation addressed:

- How are agricultural value chains in your country evolving in response to both domestic and international trade demands, and what policies are being developed to strengthen their global and regional competitiveness?
- What are the most significant national and regional trade policy changes, such as tariff adjustments, free trade agreements (FTAs), or SPS regulations, affecting agrifood trade flows and smallholder access to regional markets?

- How are evolving regional trade partnerships (such as the Regional Comprehensive Economic Partnership and bilateral FTAs) shaping agrifood trade patterns and policies in your country?
- What are the key market and trade-related costs, such as in logistics, compliance, border delays, or quality standards, which currently hinder cross-border agrifood trade in your country, and what policy efforts or infrastructure investments are addressing these costs and how long trading takes?
- In what ways are regional platforms such as ASEAN and BIMSTEC being leveraged to enhance policy coordination, knowledge sharing, and South-South learning in agrifood trade, and how can these partnerships be strengthened further to support inclusive and climate-resilient market integration?

2.3.1 Bangladesh

Dr. Sattar emphasized that Bangladesh's agricultural exports remain limited in diversity, with a narrow concentration in shrimp, frozen fish, and some processed food items. The domestic agrifood market is expanding, yet export growth is constrained by supply-side bottlenecks, weak compliance with international standards, and inadequate branding of products. He highlighted the importance of diversifying both products and markets, particularly by strengthening high-value agrifood chains such as horticulture and processed foods. Regional integration, especially within BIMSTEC and ASEAN, could offer significant opportunities if complemented by investment in quality infrastructure, harmonization of standards, and streamlined customs procedures.

2.3.2 India

Dr. Reddy underlined India's substantial agri-trade potential, which is driven by diverse agro-climatic zones and large production capacity. However, market integration faces structural constraints including fragmented supply chains, logistical bottlenecks, and compliance gaps in SPS and technical barriers to trade. India is focusing on integrating smallholders into value chains, scaling up digital platforms for market linkages, and promoting export-oriented clusters for commodities such as spices, fruits, vegetables, and dairy. He stressed the role of bilateral and regional trade agreements in unlocking new market opportunities while ensuring inclusive benefits for women and youth through targeted capacity-building and financial access.

2.3.3 Nepal

Dikshya Singh, Programme Coordinator, South Asia Watch on Trade, Economics and Environment, Nepal, presented Nepal's agri-trade profile, noting that agriculture contributes 24 percent to GDP and employs more than 57 percent of the population. Current exports are dominated by edible oils (soybean, palm, and sunflower), tea, cardamom, juices, and medicinal/aromatic plants, with more than 99 percent of agri-trade occurring with India. However, much of the edible oil trade is based on tariff differentials under the South Asian Free Trade Area rather than deep value chain integration, resulting in minimal backward linkages. Barriers include non-recognition of certifications, lack of accredited labs, SPS non-harmonization, and procedural delays. She proposed diversifying markets beyond India, harmonizing regional quality standards, fostering regional certification systems, and investing in input value chains, mechanization, and innovation (such as dairy-based dog chew products and foreign direct investment in meat processing).



2.3.4 Bhutan

Mr. Chedrup noted Bhutan's niche potential in high-value, organic, and climate-resilient agri-products such as quinoa, buckwheat, mushrooms, and horticulture. While Bhutan benefits from preferential trade arrangements, market integration is limited by small production volumes, high transport costs, and SPS compliance challenges. Strengthening producer cooperatives, upgrading postharvest infrastructure, and linking farmers to regional buyers were identified as key priorities. Regional cooperation could help address Bhutan's logistical isolation and create market channels for premium organic products.

2.3.5 Philippines

Ms. De La Rosa's presentation stressed that agricultural trade integration is shaped by high domestic production and trade costs, fragmented value chains, and infrastructure gaps that limit competitiveness. Priority commodities include coconut products, bananas, pineapple, and emerging high-value crops. The country aims to strengthen regional trade ties by aligning SPS measures with partners, improving cold-chain facilities, and expanding access to digital market platforms. Inclusive integration will require targeted support for smallholders, particularly women and youth, to meet export quality standards and participate in value-added processing.

2.3.6 Viet Nam

Dr. Bui Thi Anh, Head of the Consulting, Center for Agricultural Policy, ISPAE, highlighted Viet Nam's strong integration into global agrifood value chains, especially in rice, coffee, seafood, and fruits. The country has leveraged multiple FTAs to expand export markets but now faces tightening quality and sustainability requirements from importing countries. She stressed upgrading value chains through digitalization, traceability systems, and climate-smart practices. Domestic institutional coordination, particularly between trade and agriculture ministries, was seen as essential for aligning production with market demands. She also underscored the importance of fostering women-led agri-enterprises and ensuring equitable access to trade benefits.

2.3.7 Trade and Market Integration: Discussions and Key Highlights

Discussants

- Dr. Theingi Myint, Director, Department of Planning, Ministry of Agriculture, Livestock and Irrigation, ASEAN Member State Official-Myanmar
- Mr. Si Thu Aung, Director, Agriculture and Food Security Division, BIMSTEC Secretariat
- Dr. Ir. Asdi Agustar, Professor, Andalas University, Indonesia, and President, RSAA
- Dr. Weerapon Thongma, President, Maejo University, Thailand, and Vice President, RSAA
- Dr. Mercedita A. Sombilla, Director, SEARCA

Key Highlights

- The discussion emphasized the importance of regional integration for strengthening agrifood trade, particularly through harmonizing standards, addressing non-tariff barriers, and improving cross-border connectivity
- Participants highlighted that value addition and diversification are critical to making agrifood products more competitive in regional and global markets
- The need to align national trade policies with regional frameworks was stressed to reduce policy fragmentation and facilitate smoother intraregional trade flows
- Discussants underscored the role of infrastructure, logistics, and market linkages, including cold chains and storage facilities, to improve efficiency and reduce postharvest losses
- The discussion also pointed to the importance of an integrated policy framework across agriculture, trade, and environmental sectors, ensuring that smallholders and women farmers are integrated into value chains

2.3.8 National Pathways for Trade and Market Integration: Aligning with IFAD's Priorities

Dr. Pradhan presented IFAD's thematic priorities on the seven focus countries under ATMI-II. She emphasized that across all presentations, there is strong alignment with IFAD's thematic priorities for trade and market integration. The focus on inclusive integration, ensuring women, youth, and marginalized groups benefit from expanded market opportunities, and export competitiveness was evident in national strategies.

Competitiveness is being addressed through value chain upgrading, SPS compliance, infrastructure investment, and product diversification. Digitalization emerged as a cross-cutting enabler, enhancing traceability, market information systems, and smallholder linkages. While each country faces context-specific challenges, ranging from Nepal's dependency on a single trade partner to Bhutan's small-scale production and Bangladesh's branding gaps, the shared agenda reflects IFAD's vision of market integration as a pathway to resilient, equitable, and sustainable agrifood systems.

2.4 Session III: Reflections and Way Forward for ATMI-II

- Sustain engagement with ASEAN and BIMSTEC, aligning objectives and sharing resources to enhance the overall impact of the project and achieve inclusive and sustainable agrifood systems
- Strengthen direct engagement with smallholders, especially women and youth, to gain a better understanding of on-the-ground realities and ensure interventions are responsive to their needs
- Foster multisectoral collaboration, recognizing that systemic changes in agriculture cannot be achieved in silos
- Continue designing and implementing relevant capacity-building activities at both national and regional levels, including rapid value chain assessments, translating research into policy, and roadmap development
- Build regional consortiums to bridge gaps between science, policy, and society, facilitating strategic collaborative actions toward evidence-based policymaking and agricultural transformation
- Leverage NePAA as a critical platform for policy dialogue, knowledge exchange, and technical cooperation across member countries to strengthen agricultural transformation and market integration

3. Day 2: Inception Workshop

3.1 Building Capacities for ATMI-II Engagement

3.1.1 Analytical Framework: Agricultural Transformation

Dr. Roy presented the analytical framework for agricultural transformation and emphasized that structural change in agriculture is not limited to farm-level productivity gains or other changes but extends deeply into value chains that could be integrated at different levels. The session highlighted the dual role of supply chains, both upstream (production) and downstream (processing, retail, and distribution), and stressed that the “midstream” segment (aggregators, processors, logistics, and food services) has become a critical driver of transformation. In addition to revolutions in supermarkets and food service, this midstream revolution, also called the “quiet” revolution, shows that most value creation now occurs off-farm. Therefore, agricultural transformation must be understood as part of a broader food systems transformation, where enterprises, innovation systems, and evolving consumer demand jointly shape outcomes.

Figure 3: Three Stages of Agri-food Value Chain Transformations

Three Stages of Agri-food Value Chain Transformations



- Barrett et al (2020) argue it is comparatively rapid-It took roughly a century to transform the food supply chains of North America and Western Europe from spot market-based exchange with limited food processing or consumption outside the home;
- comparable change in LMICs is now taking place in the space of just a couple of decades. For example, Reardon and Berdegue (2002) argue that the spread of modern retail (in particular, supermarkets) in Brazil in one decade (the 1990s) was equivalent to the retail expansion over half a century in the USA.
- Three stages
 1. Traditional Stage: high cereal share, chains short, spot markets, labor intensive and low base of non-price attributes
 2. Transitional Stage: elongate chains, high value products demand, some differentiation mostly based on public standards, spot markets important but vertical coordination emerging
 3. Modern Stage: mostly cater to urban demand, consolidating, non-price attributes dominant including private standards
- Stages coincidental with stages of development

Source: Roy et al. 2025. “Analytical Framework- Agricultural Transformation” Presentation at Inception Workshop, Jakarta, Indonesia, August 5.

The analytical framework stressed that transformation is not just about changing crop patterns or increasing yields but about reconfiguring how the entire food system functions, addressing both on-farm and off-farm components, market linkages, and inclusiveness. The process involves identifying gaps and opportunities in the value chain, understanding the enabling environment, and building partnerships. The focus is on designing pathways

that deliver environmental benefits, improve nutrition outcomes, enhance market access, and ensure that women, youth, and marginalized groups are active participants in the transformation process.

Key Points from the Discussion

- Transformation should be analyzed through the entire value chain, not just farm-level production, recognizing the many processes between production and consumption (that is, a complete food system pathway)
- Agricultural transformation should explicitly address inclusiveness, ensuring participation and benefits for women, youth, and marginalized communities
- Partnerships, enabling policies, and institutional frameworks are critical for effective transformation
- Transformation pathways must integrate both on-farm productivity improvements and off-farm value addition and market integration

3.1.2 Analytical Framework: Trade and Market Integration

Dr. Roy presented the analytical framework for trade and market integration. He emphasized the dynamics of agrifood trade in both formal and informal settings, with a particular focus on cross-border trade in agrifood commodities, including inputs such as fertilizers and agri-machinery. The framework underscores the interplay between agricultural productivity trends, often skewed toward developed economies and the movement of food to meet the needs of growing populations in developing regions. It further highlights gaps in international trade law, especially the weak enforcement on export bans and tariffs, which can significantly affect food security.

At the same time, the framework recognized the role of informal cross-border trade, particularly in the India–Nepal and India–Bangladesh contexts, as both a livelihood source and a gap in formal integration. It called for deeper analysis using more disaggregated product codes, port-level trade data, and GVC participation indicators to capture the dynamics of agrifood trade both domestically and across borders.

Figure 4: Share of FVA in Gross Exports: Backward GVC Participation in 2020

Share of FVA in Gross Exports: Backward GVC Participation in 2020

Viet Nam is highly connected to global agri-food value chains — both in farming and food processing.



Source: Roy et al. 2025. “Analytical Framework- Trade and market Integration” Presentation at Inception Workshop, Jakarta, Indonesia, August 5. (**Note:** FVA = Foreign Value Added.)

Key Points from the Discussion

- **Staple food trade patterns:** Rice, wheat, and maize dominate calorie intake globally, with changing demand patterns due to nutrition transitions; biofuels are adding new layers of demand pressure
- **Trade policy constraints:** Weak disciplines on export bans and taxes in international trade law limit the predictability and stability of global food supply chains
- **Role of GVCs in agrifood trade:** Viet Nam stands out as a highly connected player in global agrifood value chains, especially in farming and processing
- **Informal trade significance:** The India–Bangladesh and India–Nepal corridors show substantial informal agrifood trade, requiring formalization strategies to maximize benefits
- **Data granularity:** Moving to more disaggregated harmonized system (HS) code analysis (6–8 digits) is essential to understand and act on commodity-specific trade opportunities
- **Flagship product approach:** The BIMSTEC Agricultural Trade Monitor Plus is a crucial tool for policymakers and researchers that provides high-frequency, disaggregated data (HS 8-digit level) on trade patterns and policies. It was identified as a dynamic product with the potential to drive integration in agrifood trade, and it can be leveraged and expanded to other ASEAN countries

3.1.3 NePAA Policy and Network Engagement

Bernice Anne C. Darwin-De Torres, Program Coordinator, Research and Thought Leadership Department, SEARCA, presented an overview of NePAA, as well as its way forward (Figure 5). She mentioned that NePAA was conceptualized as a sustainability mechanism for the ATMI-I, which aimed to foster collaboration among key stakeholders to provide evidence-based policy options for sustainable and inclusive agrifood systems. Initially covering ASEAN countries, NePAA is now being expanded under ATMI-II to include both ASEAN and BIMSTEC regions. The network builds on outputs from ATMI-I, ensuring continued dissemination of research, capacity-strengthening materials, and knowledge-sharing platforms. Its operational plan involves establishing a secretariat, national chapters, technical advisory committees, and thematic working groups to address agriculture and market integration issues.



Figure 5: What is NePAA?

What is NePAA?

A platform that will bring together key stakeholders to foster collaboration and mobilize collective strengths to provide evidence-based policy options and recommendations to ASEAN and BIMSTEC countries towards sustainable and inclusive agri-food systems.



NePAA was designed as a sustainability plan for the ATMI-ASEAN Project.

- *Sustained dissemination and uptake of research, capacity strengthening, and knowledge management activities produced during the implementation of the ATMI-ASEAN project and facilitate scaling up.*



**The ATMI-II
Project 2025**

Source: Bernice et al. 2025. “NePAA Policy and Network Engagement- Way Forward” Presentation at Inception Workshop, Jakarta, Indonesia, August 5.

3.1.3.a NePAA Scope of Work

- Provide evidence-based empirical policy analysis aimed at fostering a cooperative environment among member states
- Disseminate research and capacity strengthening materials to ATMI-II stakeholders
- Facilitate knowledge-sharing, research, and evidence-based dialogue among members
- Facilitate the alignment and engagement of all relevant stakeholders from government, civil society, research and academia, farmers' associations, and the private sector, and provide a venue to disseminate the results of national-level policy studies
- Engage more widely by organizing an annual forum to discuss agriculture and its challenges and opportunities in both the ASEAN and BIMSTEC region and to identify relevant pro-smallholder policy recommendations
- Develop and publish communications and publications/outreach products

3.1.3.b NePAA: Next Steps and Ways Forward

Given that the ATMI-II has expanded its geographical base:

1. There is a need to refine the concept of NePAA as a platform, including its:
 - Vision, mission, and objectives
 - Conceptual framework
 - Theory of change and impact pathways
 - Structure and governance
 - Membership and criteria
 - Resource mobilization strategy
 - Overall research agenda and activities
2. Map out existing related/similar platforms
3. Relaunch and institutionalize the platform
4. Establish the Technical Advisory Committee and Secretariat
5. Identify and consolidate members and partners

Key Points from the Discussion

- Participants emphasized the importance of institutionalizing NePAA and situating it within ASEAN and BIMSTEC frameworks to ensure long-term sustainability and policy impact
- There was strong support for positioning NePAA as a platform for structured and sustained policy dialogue, technical cooperation, and peer learning across countries
- Several members highlighted the need to link NePAA's activities with ongoing national and regional programs to avoid duplication and enhance relevance
- Calls were made for greater engagement with policymakers, researchers, the private sector, and development partners to broaden the network's influence

It was agreed that clear thematic priorities and workplans should be developed for NePAA to guide activities and measure progress.

4. Planned Work under ATMI-II

This matrix outlines IFPRI's planned work under ATMI-II in each of the seven focus countries and demonstrates alignment with IFAD's thematic priorities and policy needs.

Country	IFAD's Priority Themes/Areas	IFPRI's Planned Work for the ATMI-II Target Countries	Common Planned Work Across All Countries
Bangladesh	Policy development on food and agriculture systems transformation; introduction of good agricultural practices (GAPs) in the livestock sector; support for small-scale fish processing and marketing for the domestic market	<ol style="list-style-type: none"> 1. Trade cost and time estimation (port-level, OSRM): Use the Open-Source Routing Machine (OSRM) to estimate travel times and distances from production zones to major ports/markets to calculate the domestic trade cost using secondary data 2. GVC participation analysis for agriculture and related sectors: Assess how Bangladesh's agriculture and allied sector is positioned within global value chains (GVCs) using OECD's Trade in Value Added (TIVA) dataset 	<ul style="list-style-type: none"> • Finalize the concept note for NePAA (covering its design, structure, research agenda, and standard approach) along with identification of original members from the ATMI-II target countries • Develop analytical framework for food systems transformation to bridge linkages between food

Country	IFAD's Priority Themes/Areas	IFPRI's Planned Work for the ATMI-II Target Countries	Common Planned Work Across All Countries
		<p>3. Household food enterprise participation analysis: Use the Bangladesh Integrated Household Survey (BIHS) panel data to identify and assess household-level participation in food enterprises.</p>	<p>systems transformation, inclusiveness, and sustainability</p> <ul style="list-style-type: none"> • Create a repository for available datasets, methodology, and analytical resources for food systems transformation
Bhutan	<p>Climate-resilient agriculture; agroecological transformation; integrated value chain; positioning of Bhutanese high-value agri-products for domestic and international markets under the “Bhutan Brand” (including dairy, mushrooms, vegetables, fruits, ginger, quinoa, turmeric)</p>	<p>1. Conduct situation analysis for identification of constraints hindering the ease of trade facilitation in Bhutan.</p>	<ul style="list-style-type: none"> • Organize annual webinar (virtual-three); invite regional policymakers and stakeholders to participate and prompt them to join the NePAA network
India	<p>Transformation of agriculture and climate resilience; market-led production systems; GAPs; diversification into high-value crops; and support for improved market access and value chain development</p>	<p>1. Trade cost and time estimation (port-level, OSRM): Use the OSRM to estimate travel times and distances from production zones to major ports/markets to calculate the domestic trade cost using secondary data</p> <p>2. GVC participation analysis for agriculture and related sectors: Assess how India's agriculture and allied sector is positioned within GVCs using the TiVA dataset</p> <p>3. Food system transformation analysis: Use enterprise survey data to examine the role of agri-</p>	<ul style="list-style-type: none"> • Organize one capacity strengthening program on trade policy evidence, including GVC and trade in value data

Country	IFAD's Priority Themes/Areas	IFPRI's Planned Work for the ATMI-II Target Countries	Common Planned Work Across All Countries
		<i>food enterprises in driving India's food system transformation.</i>	
Nepal	Market-led agribusiness and value chain development; prioritization of high-value commodities (maize, vegetables, fruits, lentils, dairy, tea) with integrated production-processing-marketing hubs; agricultural trade and export competitiveness; strengthening of capacity for trade negotiation; and application and compliance with SPS, anti-dumping, and countervailing duties measures	<ol style="list-style-type: none"> Trade cost and time estimation (port-level, OSRM): Use the OSRM to estimate travel times and distances from production zones to major ports/markets to calculate the domestic trade cost using secondary data 	
Philippines	Inclusive, resilient, and competitive value chains (such as cacao, coffee, coconut, processed fruits and nuts, fisheries, and upland rice) through capacity-building of farmers, small and medium enterprises, and farmer organizations	<ol style="list-style-type: none"> Trade cost and time estimation (port-level, OSRM): Use the OSRM to estimate travel times and distances from production zones to major ports/markets to calculate the domestic trade cost using secondary data (subject to data availability of the data, to show South-South learning for understanding trade costs) Situation analysis for food systems transformation: Review national strategies, policies, and institutions, and develop a situation analysis report that links food systems transformation to policy priorities, ensuring alignment 	

Country	IFAD's Priority Themes/Areas	IFPRI's Planned Work for the ATMI-II Target Countries	Common Planned Work Across All Countries
		<p>with NePAA and national objectives</p> <p>3. GVC participation analysis for agriculture and related sectors: Assess how Philippines's agriculture and allied sector is positioned within GVCs using the TiVA dataset</p>	
Thailand	<p>Increased resilience of smallholder farmers to climate change and environmental challenges; dissemination of best practices in support of small-scale agribusiness through cooperation between Thailand and other Greater Mekong Sub-region countries</p>	<p>1. GVC participation analysis for agriculture and related sectors: Assess how Thailand's agriculture and allied sector is positioned within GVCs using the TiVA dataset</p> <p>2. Situation analysis for food systems transformation: Review national strategies, policies, and institutions, and develop a situation analysis report that links food systems transformation to policy priorities, ensuring alignment with NePAA and national objectives</p>	
Viet Nam	<p>Market-oriented value chains; improvements to market access, quality standards, and fair pricing for smallholder farmers; promotion of capacity-building initiatives to enhance farmers' ability to meet international quality standards and certifications</p>	<p>1. GVC participation analysis for agriculture and related sectors: Assess how Viet Nam's agriculture and allied sector is positioned within GVCs using the TiVA dataset</p> <p>2. Situation analysis for food systems transformation: Review national strategies, policies, and institutions, and develop a situation analysis report that links food systems transformation to policy priorities, ensuring alignment with NePAA and national objectives</p>	



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