Global Food Hub

CAFEO-37
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Global Growth

Factors affecting World Food Trends by 2030

Food demands:
21%

Middle Income Class:
1.1 billion

Rural Population decrease
300 million

Global Decline

Strong need for the development of new+existing Global Food-hubs!
Regional Food Demand Trends

**CHINA**
- Increase in meat imports by 2050: 35x

**INDIA**
- Increase in vegetable & fruit imports by 2050: $100 Billion

**Middle East & North Africa**
- Increase in ALL food imports in the 2020 decade: 31.5 Million Tonnes

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**Sumatra as Global Food Hub**

- President Jokowi’s **Global Maritime Fulcrum** recognizes these trends
- Enormous growth potential of Sumatera: land, water, people
- Optimal location of key port **Kuala Tanjung** on Straits of Malacca

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Need for diversification towards a balanced agro economy given the predominance of palm oil production
Kuala Tanjung to serve 33 out of top global 100 ports in the region
BASIC FACTS OF SUMATRA

Population: 55,272,900
Area: 473,481 square kms
21.58% of national GDP (2018)
Productive Population (2017): 27,036,466
Workforce in Agriculture (2017): 10,410,433

Main Agricultural Products
- RUBBER
- COCONUT
- CHILI
- BANANAS
- PINEAPPLE

Main Husbandry Products
- CHICKEN
- PORK
- LAMB
- BUFFALO
But... very dependent

**Palm Oil**

$12.1 Billion

Exports (2017)

**All Exports**

$20.1 Billion

60% of Sumatra’s exports!

Maritime Silk Routes
2nd - 8th centuries
Consolidated exporting

- 50 Ports across the island:
  - 42 Small/special use ports
  - 8 Designated GMF ports
  - Export concentrated through Kuala Tanjung international hub
  - SSSS (Short Sea Shipping System)
"How did a country as small as the Netherlands manage to fulfil global food demand?"

Dutch Agricultural Success Factors

- Good institutional and physical infrastructure
- High and well enforced sanitary standards
- High technology through top notch research and education institutions
- Strong cooperative movement
A Holistically Integrated Approach for a Sumatra Agro-Infra Study Is Needed!

Further Researches Needed on Competitiveness

More refined demand studies in export markets

Future cost studies for agro products in Sumatra in case of large scale production

Transportation cost development as the infra projects and institutional reforms are being carried out
Top 5 Food Exporters

<table>
<thead>
<tr>
<th>Country</th>
<th>Export Value (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$150 Billion</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$92.4 Billion</td>
</tr>
<tr>
<td>Germany</td>
<td>$86 Billion</td>
</tr>
<tr>
<td>Brazil</td>
<td>$79 Billion</td>
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<tr>
<td>France</td>
<td>$74 Billion</td>
</tr>
</tbody>
</table>

Agricultural Exports

Netherlands vs Sumatera

- **Total Population**: Netherlands - 17 Million, Sumatera - 55.2 Million
- **Value per Capita**: Netherlands - $5,410, Sumatera - $365

1/3rd the Population, 14x more productive!
How if… Sumatera can be like Netherlands?
No need to go full-in… just assuming 50% of Dutch export productivity

<table>
<thead>
<tr>
<th>Current Export Values</th>
<th>Scenario: 50% Dutch Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat &amp; Dairy</td>
<td>$5.5 Billion</td>
</tr>
<tr>
<td>Veggies &amp; Fruits</td>
<td>$3.9 Billion</td>
</tr>
<tr>
<td>Total</td>
<td>$150 Billion</td>
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<tr>
<td>$375 Million</td>
<td></td>
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<tr>
<td>$264 Million</td>
<td></td>
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<tr>
<td>$20.1 Billion</td>
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</tbody>
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AN OPTIMISTIC NOTE FROM THE PAST: IT CAN BE DONE!