

Unleashing the TRUE lessons from COVID?

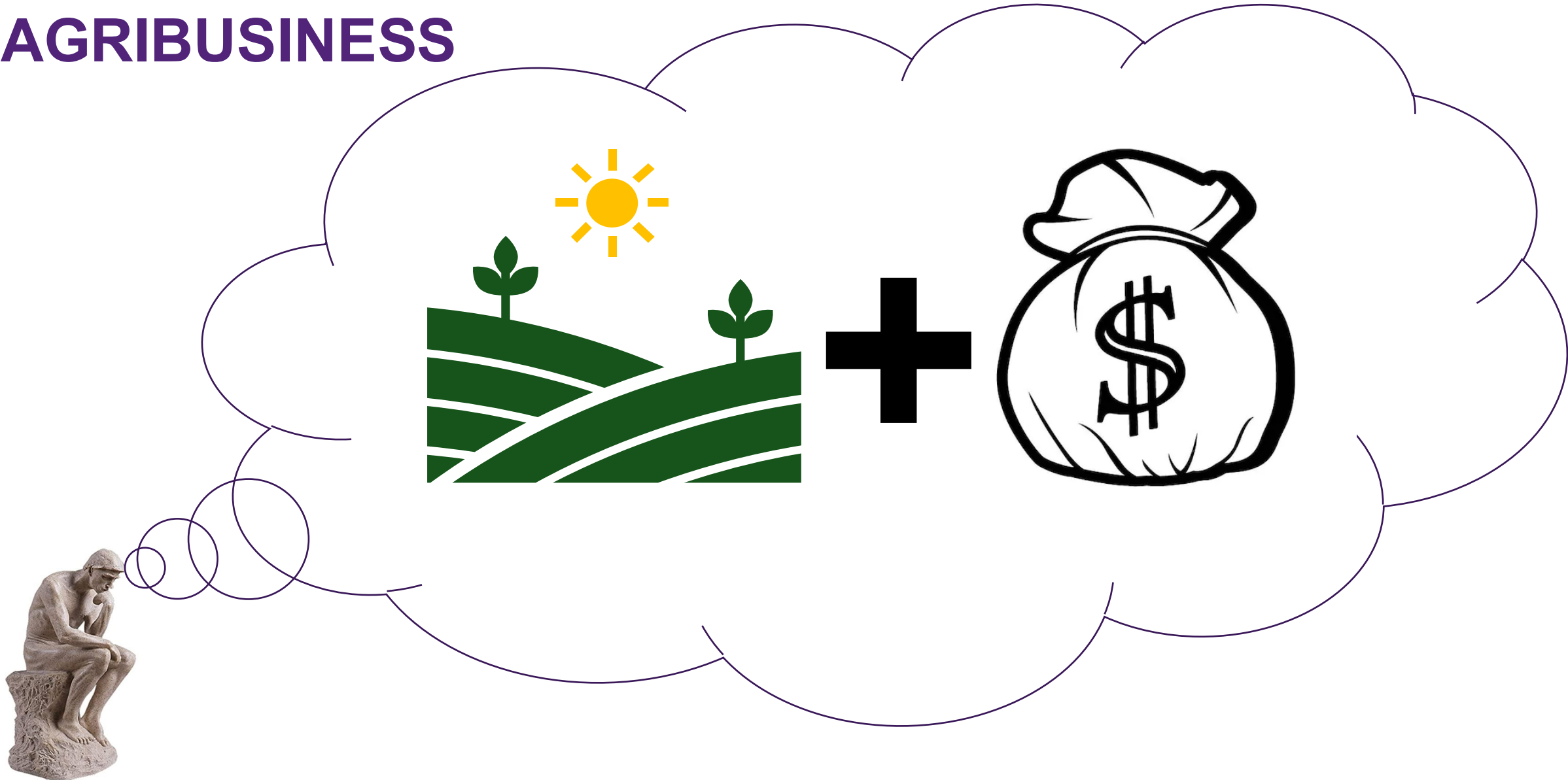
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Presented in the International Seminar on Agribusiness
“Agribusiness and Economic Recovery”

Department of Agribusiness, Faculty of Economics and Management, IPB University, Bogor
19-20 October 2021

AGRIBUSINESS



COVID-19 Pandemic



Review of Reviews

13 REVIEW PAPERS

What are the impact and opportunities of Covid-19 pandemic to agriculture?





Impact



Consumers income (Béné 2020, Picchioni et al. 2021, Cardoso et al. 2021, Éliás and Jámbor 2021, Apostolopoulos et al. 2021, Oyeagu et al. 2021)



Changing on access, availability, and affordability of food (Picchioni et al. 2021, Cardoso et al. 2021, Éliás and Jámbor 2021)



Input, logistic and infrastructure disruption (Cardoso et al. 2021, Oyeagu et al. 2021, Apostolopoulos et al. 2021,



Changing on resilience and vulnerability of producers (Štreimikienė et al. 2021, Oyeagu et al. 2021, Apostolopoulos et al. 2021)



Change in business model (Apostolopoulos et al. 2021)



Changing in food consumption (Éliás and Jámbor 2021, Bakaloudi et al. 2021, Bohlouli et al. 2021, Bennet et al. 2021,)



Opportunities



Digitalisation in production and marketing (Haggag 2021, Apostolopoulos et al. 2021)



Innovation in food (Jyoti and Bhattacharya 2021, Rzymiski et al. 2021)

Connectivity





PALM OIL

U.S. dollars and cents per metric ton Open: ---- Change: +25.00
 Contract Month: OCT21 High: ---- Estimated Volume:
 As of: Wednesday, October 13, 2021 Low: ---- Prior Day Open Interest:
 Source: CME - CME Group Last: ---- Contract Specifications

Palm oil Monthly Price - US Dollars per Metric Ton

Range

Sep 1996 - / Aug 2021: 590.770 (108.40 %)



Description: Palm oil (Malaysia), 5% bulk, c.i.f. N. W. Europe

Unit: US Dollars per Metric Ton

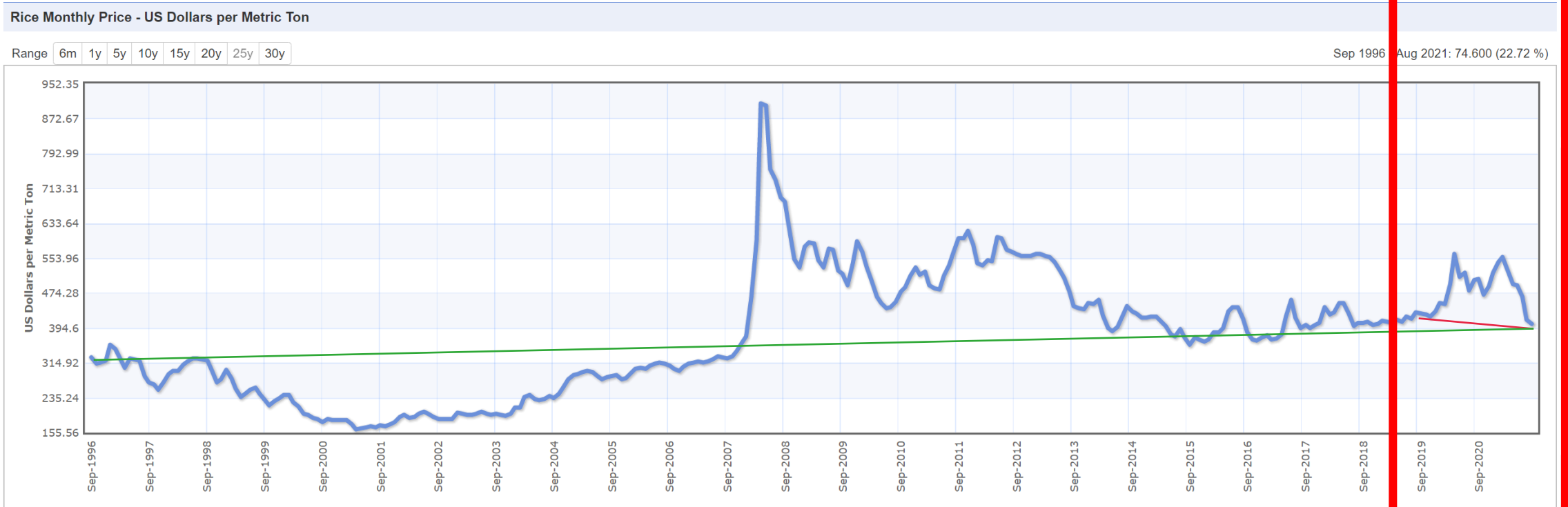
COPRA



Description: Copra (Philippines/Indonesia), bulk, c.i.f. N.W. Europe

Unit: US Dollars per Metric Ton

RICE



Description: Rice (Thailand), 5% broken, white rice (WR), milled, indicative price based on weekly surveys of export transactions, government standard, f.o.b. Bangkok

RUBBER

Rubber, No. 3 Smoked Sheet (RSS3), Singapore Commodity Exchange, 1st contract, US Dollars per kilogram

Price in US cents per kilogram: 177.8

As of: Monday, November 1, 2021

Source: Singapore Commodity Exchange (SICOM)

Rubber Monthly Price - US Dollars per Kilogram

Range 6m 1y 5y 10y 15y 20y 25y 30y

Sep 1996 - Aug 2021: 0.600 (46.15 %)



Description: Rubber (Asia), RSS3 grade, Singapore Commodity Exchange Ltd (SICOM) nearby contract beginning 2004; during 2000 to 2003, Singapore RSS1; previously Malaysia RSS1

Unit: US Dollars per Kilogram



Bloomberg \$ **Sut**

Markets

World's Largest Rubber Glove Maker Posts Record Profit

By [Yantoutra Nguj](#)
December 9, 2020, 4:08 PM GMT+10
Updated on December 9, 2020, 8:03 PM GMT+10


Top Glove Corp., the world's largest rubber gloves maker, posted a record first-quarter profit as the coronavirus pandemic continued to drive demand for protective equipment.

Net income jumped to 2.38 billion ringgit (\$584 million)

Forbes [Subscribe](#) [Sign In](#)

Aug 20, 2020, 06:25am EDT | 9,231 views

Tire Industry: How Goodyear's Revenue Measures Up [Infographic]

 **Niall McCarthy** Contributor
[Business](#)
Data journalist covering technological, societal and media topics

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Business & Industry

World's Largest Rubber Glove Maker Sees 1,646% Quarterly Profit Surge

Mike Hockett | Oct 01, 2020 |

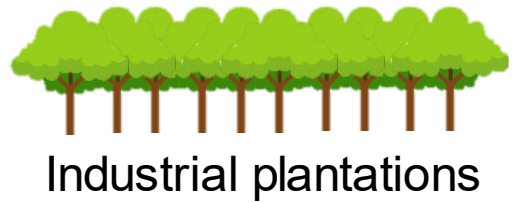
Malaysia-based Top Glove Corporation — the world's largest producer of disposable rubber gloves — reported its fourth-quarter and full-year financial results on September 17, showing that the COVID-19 pandemic has been a windfall for the company.

Top Glove, which is headquartered in Kuala Lumpur and Singapore, [reported](#) a record quarterly profit of RM1.29 billion, or \$310 million, for the three-month period that ended August 31, colossally dwarfing the RM74.2 million (\$18 million) it had a year earlier. The quarterly profit skyrocketed 1,646%.

The profit surge came as fourth-quarter sales revenue hit RM3.11 billion (\$750 million), up 161% year-over-year.

NATURAL RUBBER VALUE CHAIN

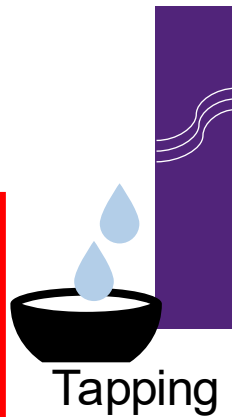
PLANTATIONS



Industrial plantations



Smallholders plantations (Approximately 6 million)



Tapping

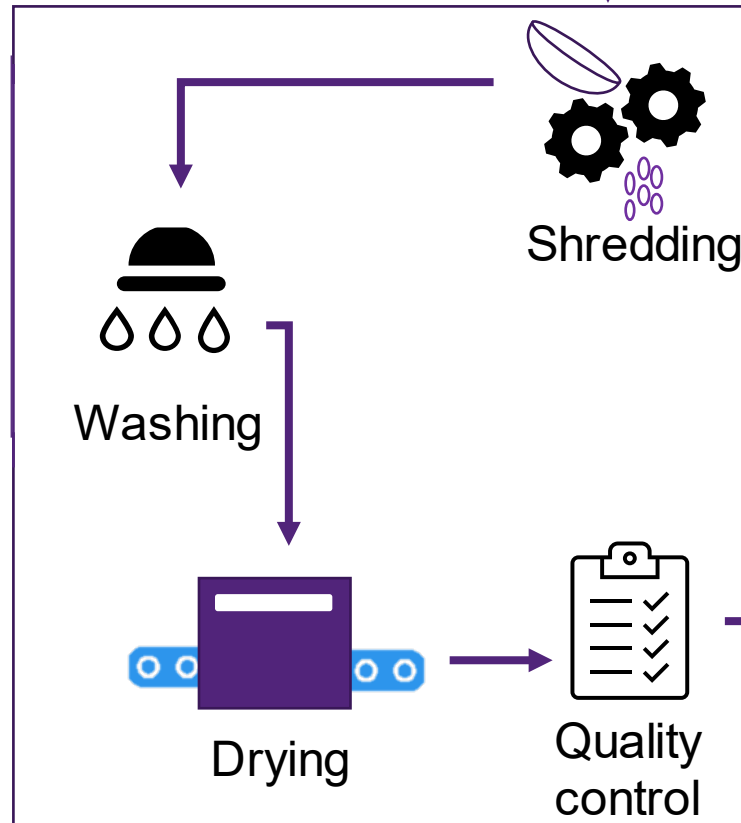


Latex collection cup lumps

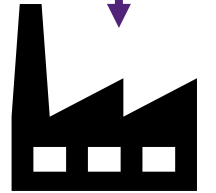


Dealers

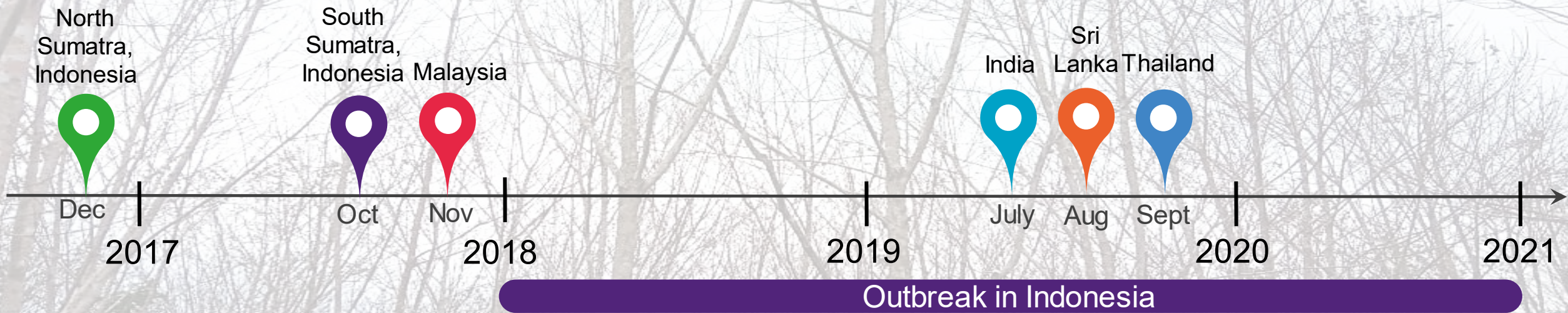
PROCESSING



DISTRIBUTION



Rubber Leaf Fall Disease Occurrence



Disease development and progress

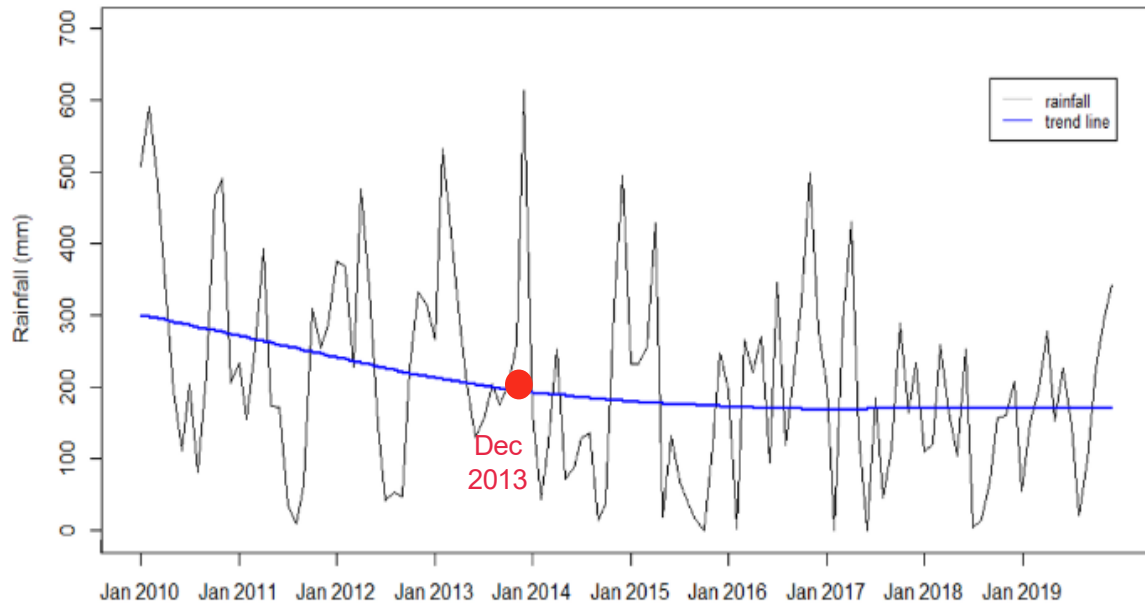


Impacts

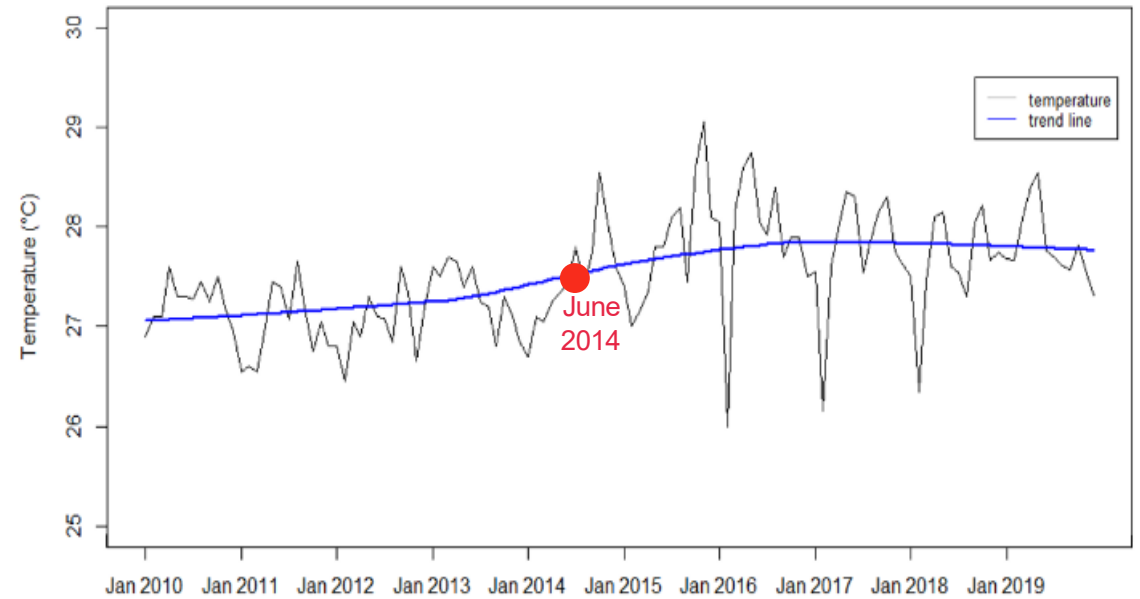


Climate results

Total Monthly Rainfall



Average Monthly Temperature



Azizan et al. (2021). Using multi-temporal satellite data to analyse phenological responses of rubber (*Hevea brasiliensis*) to climatic variations in South Sumatera, Indonesia.

“Sudah jatuh tertimpa tangga”





By Frank Swain 9th March 2021

Climate change, capitalism and disease are threatening to strike a mortal blow to the world's rubber trees. Do we need to find alternative sources of rubber before it's too late?

Natural rubber is a uniquely tough, flexible and highly waterproof material. It puts tyres on our vehicles, soles on our shoes, it makes seals for engines and refrigerators, insulates wires and other electrical components. It is used in condoms and clothing, sports balls and the humble elastic bands. Over the past year it has played a pivotal role in the pandemic in personal protective equipment worn by doctors and nurses around the world.

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FT FINANCIAL
TIMES

THE NEW AGENDA

**WILL THERE
BE A GLOBAL
REOPENING ROOM?**



MARKETS

What the impending rubber ‘apocalypse’ means for the U.S. economy

PUBLISHED FRI, JUL 9 2021 12:56 PM EDT

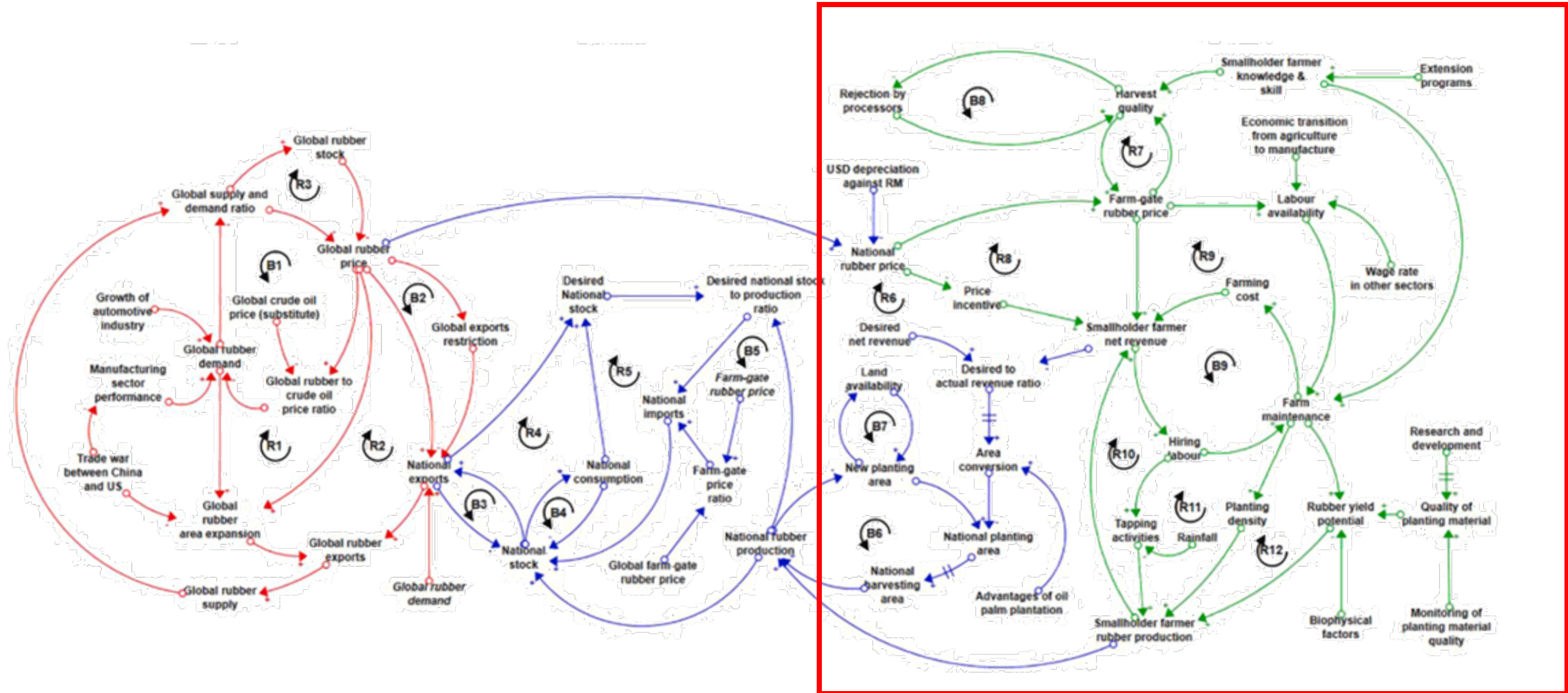


Andrea Miller
@ANDREACNBC

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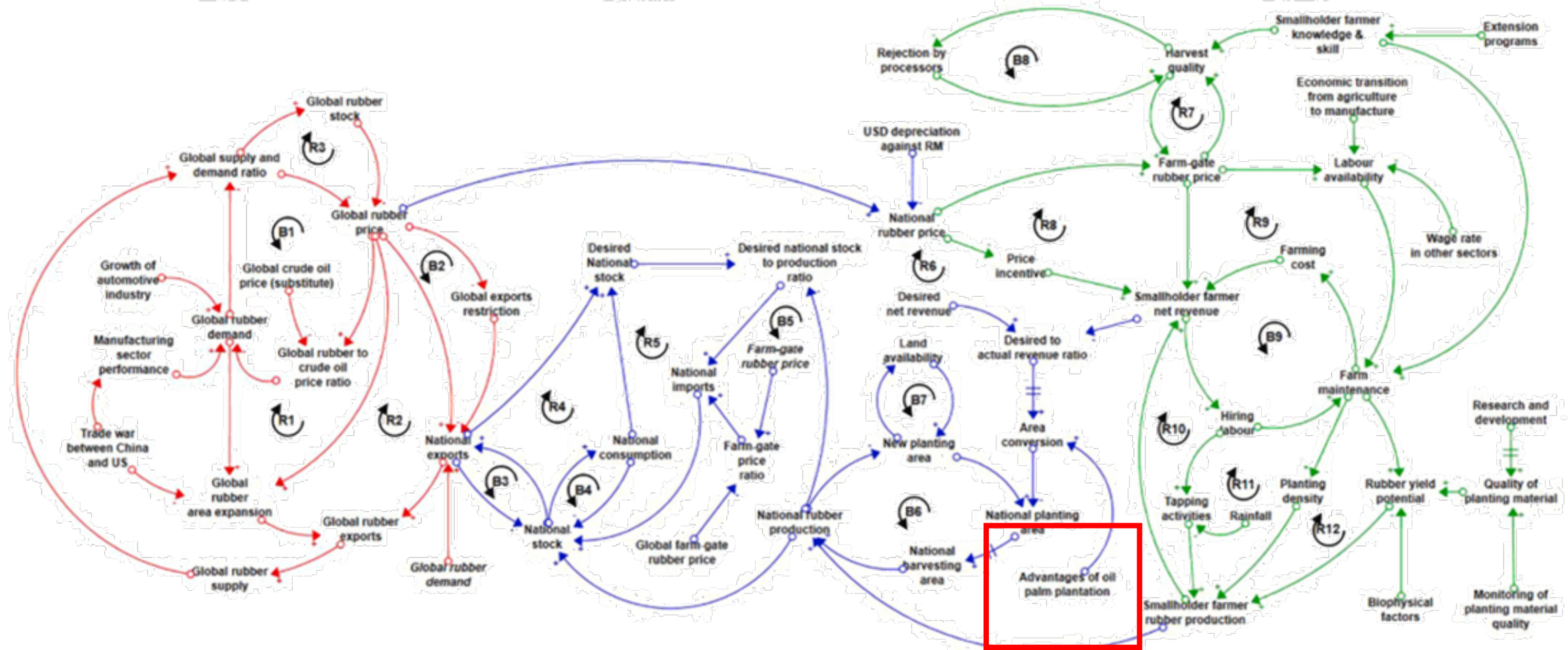


“Low prices force farmers to over-tap their trees to obtain more rubber, weakening the plants and making them more susceptible to disease.”



"Oil palm and natural rubber make the same money per unit of land, but the labour input is higher for rubber,"

"Because the rubber price is falling, farmers are switching from producing rubber to selling the timber for near term profit, and growing oil palm instead."



There are signs of change: many of the large buyers of rubber including Bridgestone, Continental and Goodyear have signed up to the Global Platform for Sustainable Natural Rubber, which forbids buying rubber grown on recently deforested land.



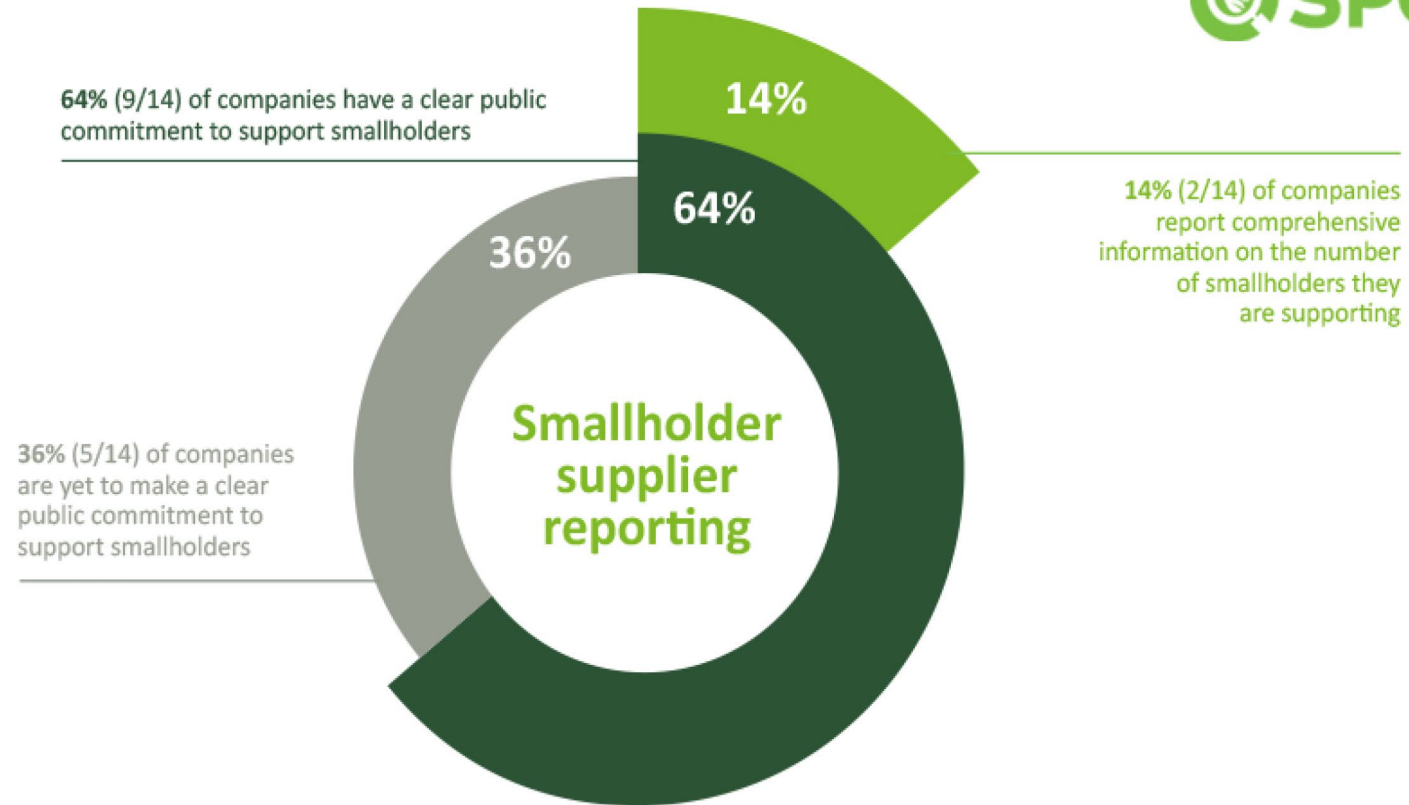
Natural rubber

VS

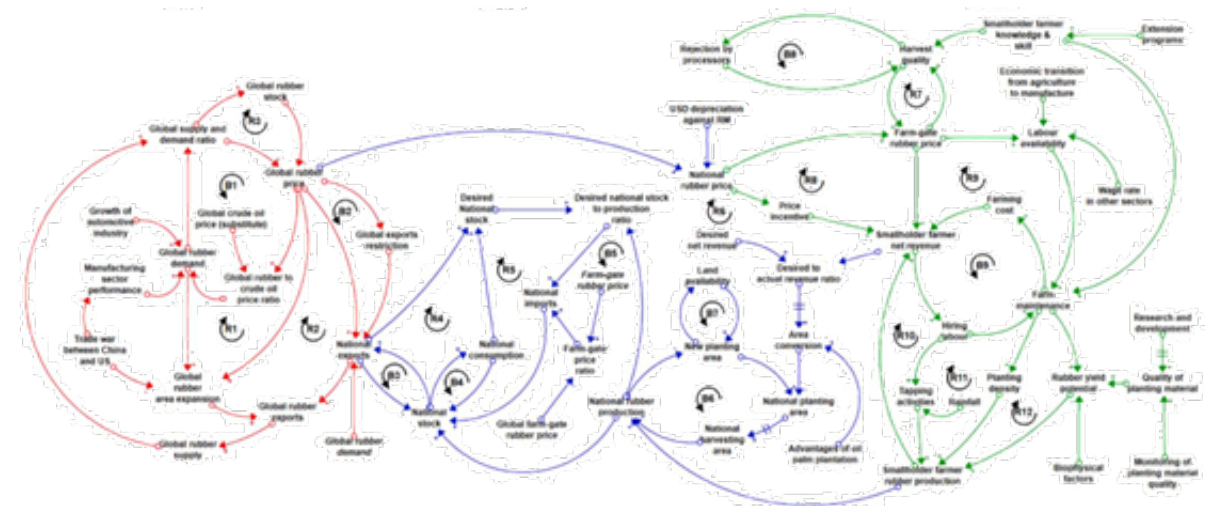


Synthetic rubber

“.....is now campaigning to introduce a fixed minimum price for rubber. Like Fair Trade schemes for coffee and cocoa, this would guarantee the livelihoods of smallholders in developing nations, and help to ensure the supply of rubber was more robust.”



The impact of prolonged low prices on smallholder farmers' decision to convert rubber plantations or to leave farming to pursue non-agricultural jobs. **The smallholder farmer participants further mentioned that the rubber price needs to be above RM3.50/kg to generate income that would enable them to secure the basic necessities and maintain rubber farming.**



Ministry to study proposal to increase scrap rubber floor price, says Zuraida



NATION

Sunday, 17 Oct 2021

6:07 PM MYT



BALING (Bernama): The Plantation Industries and Commodities Ministry will study a proposal to increase the floor price of scrap rubber to RM3.50 per kg to increase the income of smallholders in the country, says its minister Datuk Zuraida Kamaruddin.

She said the ministry would also discuss the matter with the Malaysian Rubber Board and the Rural Development Ministry.

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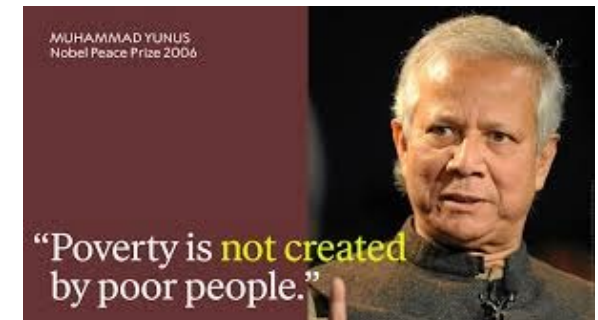
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“We Can Put Poverty in the Museums

I believe that we can create a poverty-free world because **poverty is not created by poor people**. It has been **created and sustained by the economic and social system that we have designed for ourselves**; the institutions and concepts that make up that system; the policies that we pursue.

Poverty is created because we built our theoretical framework on assumptions which underestimates human capacity, by designing concepts, which are too narrow (such as concept of business, credit-worthiness, entrepreneurship, employment) or developing institutions, which remain half-done (such as financial institutions, where poor are left out). **Poverty is caused by the failure at the conceptual level, rather than any lack of capability on the part of people.**”





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