

Ensuring a bountiful harvest

Asiatic Agricultural Industries has since 1972 contributed to food safety through its wide range of trusted agrochemical products that help farmers in the region as well as in Africa, the Middle East and India increase crop yields. BY MAETINI SOON, NG MEI WEI, ZHAO JIAQI, ZHOU SIJIA

MOST of us rarely stop to think about how food reaches our plates, especially in Singapore, where over 90 per cent of the food we consume is imported. Behind the scenes, different groups of stakeholders are involved in the journey of food from farm to table. Asiatic Agricultural Industries (Asiatic), a local manufacturer of crop protection and public health chemicals, is one such stakeholder in the global food value chain.

Asiatic's mission is to contribute towards food security and safeguard public health through its business. It manufactures and distributes a wide range of agrochemical products, such as insecticides, fungicides, herbicides and crop nutrients, which aid farmers in controlling pests and diseases to increase crop yields.

Asiatic's public health arm, Asiatic Specialty Products, was established in 2005 and manufactures products targeted at controlling urban pests and disease vectors.

Since its founding in 1972, Asiatic has grown its extensive distribution network to cover South-east Asia, Africa, the Middle East and the Indian subcontinent. In recognition of the company's commitment to its internationalisation strategy over the years, Asiatic won the Enterprise 50 Award for the first time in 2017.

Going global, growing local

Asiatic began as a local trading company. Its founder, Chan Chik Wai, would travel from farm to farm on his bicycle selling agrochemical products.

From the onset, Asiatic saw greater business potential in other markets as compared to the smaller domestic market in Singapore, which had limited growth opportunities.

In 1977, Asiatic made its first venture overseas into Sabah, Sarawak and India, just five years after the company was established. Since then, overseas expansion has never stopped.

As the company ventured further to other regions, liaison offices were set up in key markets such as Myanmar, Sri Lanka, Vietnam, Rwanda, Kenya, Ivory Coast and Lebanon. These offices helped to expedite the process of obtaining and owning the necessary local certifications and licences to operate in new markets. This allowed Asiatic to establish stronger market presence and gain real-time information to facilitate business decisions.

Mergers and acquisitions are also a key part of Asiatic's growth strategy. In 1982, Asiatic acquired a Norwegian company, which gave them the necessary expertise to begin manufacturing its own products in Singapore.

In 2006, Asiatic directly entered the African market by acquiring a German company that had been Asiatic's African distributor since the 1990s.

This acquisition was instrumental in allowing Asiatic to establish a foothold on the continent, where the company has now established its presence in Ethiopia, Uganda, Kenya, Rwanda, Ghana, and the Ivory Coast.

The company's clear product positioning and value proposition has also contributed to its success in numerous markets.

With its state-of-the-art manufacturing facility in Singapore, it is able to command a higher price premium by providing quality, tailored solutions to meet its customers' needs.



The steering team of Asiatic Agricultural Industries (from left): Andrew Chan, marketing director; Chan Chek Chee, chairman and technical director; Chan Chik Wai, founder and director; and Lawrence Chan, managing director. PHOTO: ASIATIC AGRICULTURAL INDUSTRIES

Building relationships

A crucial part of Asiatic's success formula is its dedication towards building long-term relationships directly with its customers. "Customers appreciate that we are committed to them. By understanding their needs and customising solutions for them, we are able to build strong relationships with them," shares Andrew Chan, Asiatic's marketing director.

The company regularly visits farmers to understand the types of problems they face and provide solutions. Apart from such visits, field demonstrations and farmers' meetings also serve as opportunities to connect with the local farm communities to build brand awareness. Asiatic also organises exchange programmes for its customers in different countries to encourage cross learning and explore new opportunities.

As the spectrum of pests and diseases may vary widely from country to country, Asiatic also partners with local stakeholders to conduct efficacy trials in order to produce the right agrochemical products for the market.

In Myanmar, where the agricultural ecosystem is ideal, Asiatic establishes its own dedicated technical development team to collect mar-

ket intelligence on the ground. The teams gather information on the latest product trends and receive feedback and suggestions from customers.

Embracing innovation

Innovation has played a large role in creating effective solutions for Asiatic's users. The company works closely with government agencies and educational institutions to develop new products as well as refine existing ones. It also utilises its research farm in Myanmar to experiment with methods to harness technology, such as the potential use of drones for chemical applications and crop surveillance.

Asiatic recently launched CropSolv, a mobile app that allows farmers to submit photos or videos of their crop problems and receive real-time technical support. The farmers will be given tailored product recommendations and directions to nearby stores carrying the products. In the longer term, Asiatic hopes to apply data analytics to track trends in the frequency and pattern of pest and disease outbreaks, allowing it to market suitable products for each region in a timelier and more effective manner.

Given the nature of its products, Asiatic places great emphasis on corporate social responsibility and product stewardship. The company ensures that its products comply with international product specifications and safety standards, and frequently conducts farmer education and training, such as instructing farmers on the proper use of personal protective equipment.

Future opportunities

As a growing agribusiness, Asiatic has plans to explore new markets. The company also intends to venture into potential growth areas such as aquaculture and animal health.

In spite of environmental and regulatory challenges, Asiatic remains committed to its company philosophy of building long-term relationships while pursuing its mission of contributing towards food security and public health. Says Mr Chan: "We want to create an Asiatic community of like-minded professionals among our distributors and customers who are dedicated to providing quality products and solutions."

■ The writers are students at NUS Business School.



Celebrating Singapore's
Enterprising Spirit 2018

This series is part of the Enterprise 50 Educational Project between the E50 partners and the NUS Business School. Asiatic Agricultural Industries (Asiatic) was among the winners in 2017. The annual E50 ranking is co-organised by *The Business Times* and KPMG, sponsored by OCB Bank and supported by Spring Singapore, IE Singapore, Singapore Exchange and Singapore Business Federation.

