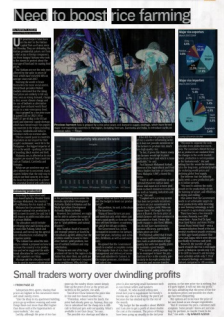


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# Need to boost rice farming

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**U**N peacekeepers have been on the alert in the Haitian capital Port-au-Prince since last Monday. They are defending the Haitian presidential palace, not from a rebel army or foreign trespassers, but from hungry Haitians who took to the streets to protest about the shortage of food and its soaring food prices.

The Haitians are not the only ones affected by the spike in prices of food, which have rocketed 40% on average since mid-2007.

Warning the world to brace themselves for more social unrest, World Bank president Robert Zoellick reiterated that the rising food prices are unlikely to fall any time soon as strong demand, change in diet, severe climate change and the use of biofuels as alternative energy have reduced world food stocks to a near-emergency level.

Asia is gripped by a rice price scare (it gained 2.4% to US\$21.50 or RM67.67 per 45.4kg in the US last week) and domestic supply shortage, which have forced major rice-exporting countries in the region, including Vietnam, Cambodia and India, to introduce curbs on overseas sales.

This has caused panic in countries dependent on rice import for their people's sustenance; worst hit is the Philippines – the biggest importer of rice in the world – sparking incidents of hoarding, black market and theft.

Malaysia, too, is affected as its rice supplies are sourced from countries such as Thailand, Cambodia and Vietnam.

While we are nowhere near red alert where rice is concerned, many experts believe that the only way to ensure our food security is to raise the local rice production to achieve the essential level of self-sufficiency.

## Enhancing productivity

According to Agriculture and Agro-based Industry Minister Datuk Mustapa Mohamed, the country's self-sufficiency for rice stands at 73%.

Malaysia has the potential to increase national rice production to 90% to meet its needs, he said, but it will require an additional allocation of at least RM6bil.

The allocation would include developing new padi farming areas in states like Pahang, Sabah and Sarawak, and increasing the agricultural infrastructure, including the irrigation system.

"The Cabinet has asked the ministry to submit a proposal on how to increase the country's rice production and we've suggested the additional allocation for such purpose," he told reporters on Friday.

Mustapa said the allocation would also be used to improve infrastructure

in the padi farming areas under the Kemubu Agriculture Development Authority (Kada) in Kelantan and the Muda Agriculture Development Authority (Mada) in Kedah.

However, he cautioned, we might not be able to achieve the target of increasing rice production to 90% due to "land problems and natural disasters".

Irfan Sungkar, head of research and strategic projects at KasehDia Consultancy agreed, adding that the problem could be traced to three other factors: yield problem, low use of nutrient fertiliser and crop substitution.

"Malaysia was one of the large producers of rice in the region in the Sixties but, since then, our yield per hectare has not improved compared to our neighbours. Why did that

happen when we have the potential and the budget to boost our productivity?"

One problem, he said, is the abuse of the incentives.

"Many of these farmers are poor and need fast cash, while others just want a quick profit, so there are those who sell their fertilisers or nutrients," he said of the old-age problem.

The Government has, in fact, increased its incentives for farmers over the years, including cash subsidies, fertilisers, as well as soil nutrients.

He opined that the Government needs to conduct a complete review of the supply chain of rice, from the management and delivery of incentives and subsidies for farmers, to the output processes, distribution and sale of rice.

Irfan felt that the pricing system of rice is another influencing factor, as it does not provide incentives for the farmers to produce rice, much less high quality rice.

"In fact, if given the chance, many rice farmers would opt to plant palm oil on their land which is more profitable," he said.

Prof Fatimah Mohamed Arshad, director of the Agricultural and Food Policy Studies Institute at Universiti Putra Malaysia (UMP), shared his views.

"There is stiff competition on agricultural resources such as land, labour and input as it is more profitable to divert resources to non-rice use such as housing, industries and so on," she said.

"Coupled with a pricing system that does not provide incentives, farmers are just unmotivated to produce a higher yield. Who can blame them? Although the retail price is floated, the farm price (at which farmers sell their produce) is guaranteed or fixed. Hence, the profit margin is also fixed. Millers, too, do not have incentives to increase efficiency, particularly when prices are low."

Prof Fatimah added that it leads to various inefficient market practices such as adulteration of high quality rice with low quality grains to maintain a good margin.

"The current policy package has to be revamped to boost the production of rice in the country, particularly to decouple production incentives and income transfer.

"We need to separate the cash subsidies from production incentives. The incentives distort the market as producers are insulated from the changes in the world market; hence, production is not responsive to the fundamentals," she said adding that this would be detrimental in the long term, particularly with the rocketing world prices and declining global food supply.

She believes that the industry badly needs a new production policy to induce growth.

"We need to address the static growth in the productivity of rice, the farming structure, and efficiency in drying and milling."

Irfan added that the Government needs to set achievable targets to boost productivity while investing in new farming technology as well as research in agricultural sciences.

There have been a few research successes. Recently, two UPM researchers – Assoc Prof Dr Syed Omar Syed Rastan and Assoc Prof Dr Ahmad Husni Mohd Hanif – won a Commercialisation Award at the university's excellence awards ceremony for their agro-based products Vita-Grow and Zappa, which were devised specifically to increase padi yield.

However, the number of agro-based research like this is still inadequate as Malaysia spends only 1.5% of its GDP on research and development activities while only 3.5% of its research findings are commercialised, compared to 10% overseas.



**Precious harvest:** Asia is gripped by a rice price scare and domestic supply shortage, which have forced major rice-exporting countries in the region, including Vietnam, Cambodia and India, to introduce curbs on overseas sales. — Filepic

