

Expert: Rein in food inflation by rebalancing land use

By KHOO GEK SAN
geksan@thestar.com.my

PETALING JAYA: The government must tackle food inflation through structural reforms that rebalance land use and cut import dependence, say agricultural experts.

Universiti Putra Malaysia

Faculty of Agriculture dean Prof Dr Loh Teck Chwen said Malaysia's reliance on imported food and farm inputs has left the country "structurally exposed" to global price shocks, exchange rate swings and supply chain disruptions.

"Import dependence acts as a transmission channel for global

inflation, making domestic food prices more volatile and less predictable," he said in an interview.

Staples such as rice and wheat, together with proteins like beef, mutton and dairy, are especially vulnerable because self-sufficiency levels are low and imports dominate supplies, he added.

Inputs such as fertiliser, seeds

and animal feed – much of which are imported – also raise production costs and amplify price pressures along the value chain.

Processed food industries that depend on imported ingredients face similar volatility.

Prof Loh said a sustainable response to inflation must start with rebalancing land use and

production priorities.

"Malaysia's agricultural structure remains heavily focused on export-oriented commodities, especially oil palm, which accounts for the largest share of agricultural output and land use," he said.

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Incentives, investments needed to boost local food production

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"Food production has been underdeveloped, contributing to ongoing supply shortfalls and a continued reliance on imports."

Supply-chain resilience should also be improved by diversifying import sources and building strategic reserves for key staples to avoid domestic price spikes.

Farmer incentives and income stability are equally important.

"Targeted subsidies, price support mechanisms and better infrastructure can encourage sustained domestic production," Prof Loh said, adding that existing frameworks such as the National Food Security Policy and Agrofood Policy need "more effective and coordinated implementation".

Agricultural economist Prof Datuk Dr Nasir Shamsudin said investment in food production should also be judged by social

returns, security and stability.

"To ensure a stable supply of safe, quality food at affordable prices, we need an ecosystem that combines food policy, technology and entrepreneurship," he said.

He called for more incentives so that returns on food production would be comparable to crops such as oil palm.

Prof Nasir said more funding was needed for research, adoption and commercial deployment

of modern agricultural systems.

He said that food production should be driven by entrepreneurs who are able to operate on a commercial scale and adopt advanced technology.

Prof Nasir also said agriculture is more exposed to weather, pests and market swings, making risk management and early-warning systems crucial. Price monitoring, better forecasting, irrigation upgrades and flood-mitigation

infrastructure are needed to cushion shocks.

He said Malaysia should continue to leverage platforms such as the Asean Integrated Food Security Framework and the Asean Plus Three Emergency Rice Reserve to manage supply risks.

"Without structural reform, resilience and regional cooperation, Malaysia's food prices will remain at the mercy of global markets," he said.