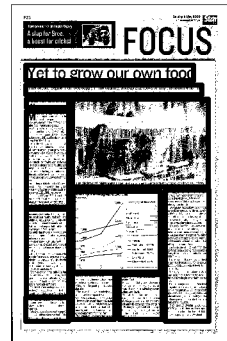


Headline **Yet to grow our own food**  
 Date **11. May 2008**  
 Media Title **Sunday Star**  
 Section **Focus**  
 Circulation **320964**  
 Readership **1072000**

Language **ENGLISH**  
 Page No **F23,24**  
 Article Size **1246** cm2  
 Frequency **Weekly**  
 Color **Full Color**



# Yet to grow our own food

In the second segment on food supply in the country, *Sunday Star* looks at why the nation which has the highest biomass production in the world is still not self-sufficient in food production.

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**M**ALAYSIA spends 70.4% more on food imports compared to the value of its exports.

We are a net importer of food and our major food imports are cereals (RM4.5bil), cocoa beans (RM2.6bil), dairy products and bird's eggs (RM2.2bil), sugar, molasses, honey (RM1.6bil), vegetables (RM1.4bil), and fresh, chilled and frozen fish (RM1.1bil).

Ironically, Malaysia has the highest rate of biomass production in the world and "almost anything can grow here", yet the country is not able to grow enough to be self-sufficient, says Mohd Peter Davis, an agricultural scientist attached to UPM's Institute of Advanced Technology.

"Malaysia should be self-sufficient in food production. The great contradiction is that we are the biggest producers of palm oil, and before this, rubber. Yet we can't seem to grow our own food," he says.

According to data from the Malaysian Industrial Development Authority (Mida), the nation's food import bill stands at a staggering RM21.3bil (January to November 2007), up 19.7% from the 2005 figure of RM17.8bil. Food exports for January to November last year was RM12.5bil, up 16.8%, from RM10.7bil in 2005.

Says the Federation of Malaysian Consumers Association (Fomca) president Datuk Marimuthu Nadeson, "The inability to sustain our food production to cater for national demand continues to inflate our food import bill and leads to the increase in food prices."

He adds that Malaysia has been relying heavily on imports to cater to growing food demand and that countries such as the United States, Australia, New Zealand, China, Thailand and Indonesia dominate the food market shares of the country.

Citing the example of Vietnam, which has been flattened by two wars and was biologically destroyed after the deadly chemical agent orange was sprayed all over the country, Davis says it has achieved so much more.

"The war ended in the mid-70s, but they have recovered and are big food exporters now, especially of rice," says Davis, adding that the nation of 100 million is almost self-sufficient.

"The level of technology used here is very low," he says, describing the level of agriculture in Malaysia as "glorified backyard farming".

"We urbanised the population successfully and have a good standard of living. Malaysia is the role model for developing countries.

"We should be able to feed a population of 27 million when we look at the level of technology we have in other fields," he says.

## Poultry farmers cry foul

Malaysia does, however, have three food industries which can be considered world class – the poultry, pork and egg industries.

"The price of chicken is unbelievably low and can be compared with fish, which is now a luxury food," says Davis.

However, he warns that these industries can crumble overnight because corn – which is imported from Thailand, China, Argentina and America – is a major component of animal feed.

"Everybody is concentrating on rice but we have to realise that without corn,

we lose half of our protein intake," explains Davis.

He says that Malaysia must ensure that there is a constant supply of corn and wheat. This could be solved by barter trading, says Davis.

"The situation is far from hopeless if we act fast. Malaysia's friends in Asean and Asia produce the wheat and corn we need and will exchange it for our palm oil. By doing this, we will outflank speculators in emergencies," says Davis, adding that this kind of trading could be open to continual review.

At ground level, all is not well.

According to Dr Khaw Eng Sun, technical advisory committee member to the Federation of Livestock Farmers' Associations of Malaysia, the poultry industry is in dire straits.

He explains that Malaysia did not have any problems providing the needs of the nation's poultry needs, and has always been self-sufficient in this regard.

However, this all changed when price controls were introduced in 1998.

"Up to the late 90s, it was very conducive to invest in the industry. Malaysian consumers were never short of, nor paid exorbitant prices for chicken. Prices were determined by the supply and demand mechanism – but this has not happened since then."

Currently, the ceiling price of chicken (ex-farm) is RM4 per kg, but according to Khaw, this is below the production cost of RM4.53 per kg.

The reason for this is obvious – feed prices have increased by 70% to about RM80 per 50kg bag, which feeds 14 birds to maturity.

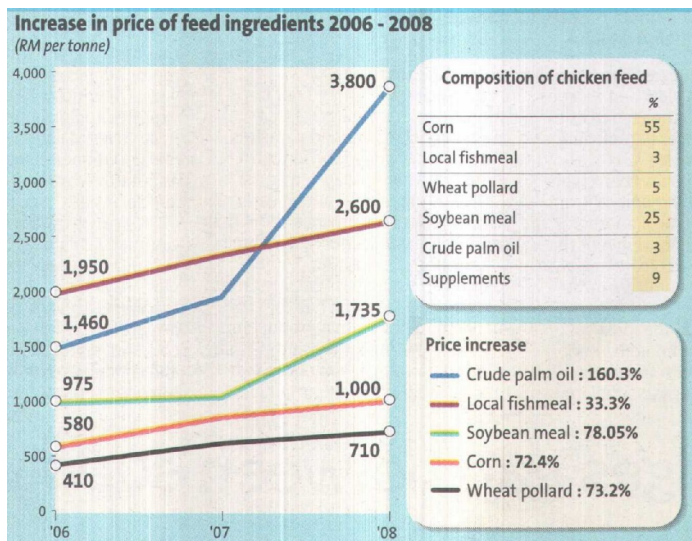
"Going by feed prices alone, costs have gone up by about 35%," he explains, without factoring in other farm operating costs.

The main ingredient in chicken feed is corn, informs Khaw, and this has risen 72.4% since January 2006. Prices of other ingredients such as soybean, wheat and palm oil have gone up as well (see chart).

Khaw goes on to describe the dire situation of the industry.

"Right now, chicken farms lose about RM1.20 per bird. There are five crops per year, and for a farm that has a 50,000 chicken capacity, it will lose about

> TURN TO PAGE 24



Source: Federation of Livestock Farmers' Associations of Malaysia (FLFAM)



**It's no chicken feed:** Malaysia must ensure there is a constant supply of corn and wheat to keep the poultry industry thriving. One way to do this is through barter trading.

# New policies needed to boost food supply

> FROM PAGE 23

RM300,000 annually. How long can they last?" asks Khaw, adding that Malaysia produces about 40 million birds a month.

The solution to the woes of the chicken industry is simple, Khaw says. "We are not asking for subsidies. All we ask is for the government to remove the ceiling price and let it be determined by market forces. And if they are not willing to remove the ceiling price, at least raise it."

All parties can benefit from this. For example, in times of glut, he says, prices should drop. Consumers will benefit by lower prices and buy more. This increase in demand will in turn diminish excess stocks and chicken farmers will be able to sell their produce.

"But consumers will not see a lower price. Prices will remain at the set ceiling price because retailers can sell less, yet make the same margin of profit," Khaw notes.

More importantly, he believes increasing the ceiling price now will ensure the continuity of the industry.

"It does not just affect the farmers. It affects the feed millers, the service providers who give veterinary care, and more.

"The situation is very critical now. We are not talking about years – we are talking about a matter of months. If nothing is done by the end of the year, the whole industry is going to collapse," warns Khaw.

## To graze or not to graze

While we are self-sufficient in poultry, pork and eggs, about 80% of the country's supply of beef and mutton is imported. We also produce only 51 million litres of milk per year, which is 4.7% of the nation's total consumption of 1.1 billion litres. (see chart)

According to Davis, Malaysia has made the mistake of venturing into European-style farming, which essentially leaves animals to graze in the open.

"We are repeating same old mistakes by leaving the animals out to graze. It might be good for Europe or temperate countries but it is a failure here," adding that they are plagued by problems of heat stress, poor nutrition of grass and diseases. He says that the nation should look into modern animal production.

N. Yogendran, the executive director of Genetic Improvement

and Farm Technologies Sdn Bhd (Gift) echoes this view and reckons that Malaysia has the resources to be a world producer of milk and meat protein.

"What Malaysia has been trying to do is genetically modify the animals, but this will take another 300 years. We should not reinvent the animal, but instead create an environment that is conducive for it," says Yogendran.

He believes that the most suitable breed of animals should be imported and placed into temperature-controlled buildings to simulate their place of origin.

These animals should not be allowed to graze on grass that might contain ticks and parasites. Instead, they should be fed nutritious fresh cut 35-day-old grass.

According to Yogendran, early indications of his projects show that milk and meat production is three times more per hectare per year compared to the best grazing farms in New Zealand, which is the benchmark for animal production.

However, Yogendran admits that modern farming is not cheap and about 30-50% of higher capital is

needed to start with.

"There is a need for high input but you get high output," says Yogendran, adding that it was more profitable in the long run.

Another area to look at is feed production, which is the foundation of the industry; without this, other efforts of the government will not amount to much.

He also believes that a free market should determine prices of food. "And if the government is not subsidising the industry, why should they put their finger into it (by capping prices)?" asks Yogendran.

## Not greener in Malaysia

Chay Ee Mong, the secretary for the Federation of Malaysian Growers Association (PPSM), says that Malaysia produces 700,000 metric tonnes of vegetables every year – of which 170,000 tonnes are exported to Singapore.

To cover Malaysia's needs, 500,000 tonnes of vegetables such as potatoes, carrots, celery, onions and salads are imported.

"We can grow them, but the commercial value is low. It is much cheaper to import these vegetables," says Chay.

However, the prices of these imports are rising because of higher cost of transportation, packaging and chemicals. For instance, the price of chemical fertiliser has



increased by 130% since the end of 2007.

A solution might be to plant these vegetables locally, but Chay says that land for such purposes is not sufficient. He estimates that almost 70% of vegetable farmers in Malaysia do not work on their own land, but are instead either squatting on, or renting.

"As a result, many farmers do not see the point of investing heavily," says Chay, adding that there is a tendency for vegetables to be overlooked, and cash crops like oil palm, cocoa and rubber preferred.

Chay urges the government to look into this matter urgently and to give farmers incentives in terms of financial back-up or loans.

Locally, farmers are coping with higher prices of inputs. For instance, the price of old newspapers used for packing vegetables has gone up by almost 40%.

As for now, Chay says that the prices of local vegetables have increased as the supply from overseas has declined due to bad weather.

### Feed the future

Davis believes there is no shortage of people who want to go into modern farming.

"At a recent agricultural fair, almost half a million people turned up from all over the country," he says.

Support in the form of land should be given to farmers – whether it is for vegetables or meat. Yogendran says that land is gazetted for farming in Germany and Australia. He adds that 90% of land in Germany is in the hands of farmers.

"In the past few decades we converted agricultural land for industrial use, but they were never replaced," he says.

Davis says that all the scientists and agriculturists should be retrained and should adopt a mind-set change.

"We should capture the imagination of people who want to get into agriculture. The people of today do not want to be doing the farming their fathers did yesterday by toiling in the sun," says Davis.

*In the third segment on food supply, Sunday Star will look at how consumers can cut down on waste and stretch the ringgit.*



**Chay:** '70% of vegetable farmers do not work on their own land'

**Davis:** 'No shortage of people for modern farming'

