



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

檳城消費人協會 பிளாங்கு பயனீட்டாளர் சங்கம்

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Press Statement

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Onions bring tears to the eyes in more than one way

The Consumers' Association of Penang (CAP) is at a loss to understand how the prices of onions can soar to between RM12 and RM15 per kilogramme as compared to the previous RM5 to RM9. The onions were brought in by importers much earlier before any price increase. Therefore, on this basis the existing stock of onions should not be sold at the current price.

We urge the Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) to check if there is any hoarding involved by the importers and wholesalers. It is common for importers to obtain their goods on a futures contract whereby the supplier is still obliged to sell at a predetermined price, quantity, and time period. The objective is to protect themselves against wild price swings – either up or down – such as what happened to the onions from India. KPDNHEP should call for the contracts and scrutinise to see whether there is profiteering involved.

The KPDNHEP should monitor the situation very closely because such price increases can cause food prices to soar and it is going to badly affect the consumers. Price increase will trigger off a snowballing effect on the cost of living.

In the meantime, Malaysia has to source for cheaper onions from other countries such as China, Pakistan, Turkey, Egypt and Afghanistan. Let this eye-tearing experience be a lesson to both the government and the consumers. Malaysia is grossly in need of a holistic agricultural policy which it abandoned when it focused on manufacturing industry and 'development' in the 1980s.

Reliance on food imports from other countries has a serious implications on our foreign reserves. According to the Agricultural and Processed Food Products Export Development Authority (APEDA) of India, for the year 2018, Malaysia imported 332,451 tonnes of fresh onions worth USD74,164,000. Our import of onions from India alone bleed Malaysia of RM1,263,849,430 in foreign exchange.

Onions were also imported from China, Pakistan, Netherland, Thailand, Indonesia, and a host of other countries resulting from outflow of funds.

CAP has been actively advocating sustainable agriculture for decades. Malaysia failed in the agricultural sector because we are highly dependent on imported agricultural produce as compared to Thailand which developed its agricultural sector in the 1960s, utilising underused land and labour.

Subsequently Thai rural poverty fell from more than 60 per cent in the early 1960s to less than 10 per cent in early 2000. Their government supported small farmers with agricultural credit and the agricultural sector grew in tandem with its industrialisation and urbanisation.

Thai agricultural development has contributed towards reducing rural poverty while providing food

security and nutrition to the population. The seed of the agricultural revolution lies with the Thai family farms; more than 70 per cent of its active population was engaged in the sector in 1980s with the poor forming the majority.

On the contrary the Malaysian agricultural sector has been plagued by numerous problems over the decades, currently getting worse.

Being too dependent on imported vegetables, we have to pay more for the produce because of the weakened Ringgit since mid-2014 when the global oil (petroleum) prices started to decline. On 5 January 2017, the International Business Times reported that on 19 December 2016, “the Malaysian ringgit fell to its lowest level since the 1998 Asian Financial Crisis”.

Malaysia was reported to be spending a staggering RM3.2 billion on imported vegetables and fruits in 2016. Our agricultural priority has been misplaced because as in 2012, Malaysia had 5.1 million hectares (ha) of oil palm cultivation as compared to 52,582 ha of vegetable farms and 205,467 ha of fruit orchards. The acreage for both vegetables and fruits is 258,049 ha or a mere 5.1 per cent of that used for oil palm cultivation.

We call upon the government to formulate an agricultural policy with a holistic approach, not forgetting the rural poor who have small plots of land to cultivate. Currently farmers are plagued by marketing problems which have been unaddressed for past decades. Farming land had to make way for property development. Food security becomes a secondary concern as policy makers and consumers do not think beyond the food on their plate and only react when food prices go up.



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