



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Release

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RISING PRICES OF VEGETABLES

The Consumers' Association of Penang (CAP) views with serious concern about the escalating costs of vegetables. According to a Malay daily report dated 23 August 2018, Malaysia is the dumping ground for substandard quality vegetables as the result of a lack of enforcement on the imported food products from other countries.

Such lack of enforcement resulted in chili imported from Vietnam, China, and Thailand to flood the market at a cheaper price than those cultivated locally. It was estimated that for every 0.4 ha of chili cultivation, a farmer may lose up to RM20,000 per season.

The prices of the common vegetables and fruits have gone up over the past year. It is of urgent concern as we are worried that the high cost is deterring people from including enough fresh vegetables and fruits in their diet.

We have been actively advocating agriculture for decades. Malaysia had failed in the agricultural sector because we are highly dependent on imported agricultural produce. There is much contrast with our immediate neighbour, Thailand, which developed its agricultural sector in 1960, 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 actually contributed towards rural poverty reduction while providing food security and nutrition to the population. The agricultural revolution lies with the Thais themselves; more than 70 per cent of its active population were engaged in the sector in 1980s with the poor forming the majority.

Since 1975 the Bank of Thailand (equivalent to our Bank Negara) instructed all banks to allocate a growing share of all commercial loans to agriculture. On top of that, the loans are given at a lower interest rate than the market rate.

On the contrary the Malaysian agricultural sector has been plagued by numerous problems over the decades, now getting worse. Being too dependent on imported vegetables, we have to pay more for the produce if the Ringgit weakens.

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 has 5.1 million hectares (ha) of oil palm cultivation as compared to 52,582 ha of vegetables and 205,467 ha of fruits. 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.

Malaysia's acreage of fruits cultivated declined over five years (2009-2013) although our vegetable production had gone up, our self-sufficiency in both fruits and vegetables still fall short of Malaysia's needs.

A weak Ringgit has also impacted the cost of production in terms of costlier farming equipment and agricultural chemicals.

Malaysia dependence on foreign labour is a serious setback. Officially we have an estimated 3.2 million foreign workers or about 10 per cent of the country's population in 2017.

To curtail non-documented foreign workers, the Malaysian authorities periodically conducted raids and farmers/plantation owners are facing problems in engaging migrant workers because of the bureaucratic red tape. Moreover, some of the farmlands had been used for property development or non-agricultural purposes.

In 2012, agricultural scientist Mohd Peter Davis warned that Malaysia would risk starvation if it experiences a massive economic meltdown. Unlike food-producing countries such as Thailand and Vietnam, we do not have a self-sustainable food production. In desperate times these countries would be able to feed their hungry population first before selling food to other countries like ours.

We are now heading towards that direction if we do not quickly take adequate measures to rectify the current situation. We may not experience starvation but a disparity of wealth determines a person's access to the quantity and quality of food.

The Universal Declaration of Human Rights (U.N. 1948), Article 25, states that "Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food".

CAP is reiterating its call to revamp the existing agro food strategies with firm government policies such as:

- Helping smallholding farmers to market their produce by providing them links to a comprehensive marketing system.
- Emphasising on research that helps to increase production.
- Legalise foreign workers who turned 'illegal' because of technicalities such as their employers having failed to apply for their working permit. This will help elevate the existing shortage of farm workers as well as those in other sectors.
- The government should set up a food safety and quality centre for produce to ensure that both imported and local produce meet established standards, particularly pesticide residue levels.

CAP hopes that the relevant authorities will rectify the various problems that jeopardises the country's food security.

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