



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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Consumers living beyond their means

Consumers are living beyond their means because of the escalating food prices. The Consumers' Association of Penang (CAP) has been highlighting the astronomical increase in food prices for decades but the calls have fallen on deaf ears.

We are now experiencing high cost of living caused by multiple factors and one reason is that we have been too dependent on imported food which negatively impacts on the outflow of our Ringgit, particularly when our currency is weak.

In mid-2018, a report revealed that our liquid milk produced nationwide is sufficient to meet only 5% of domestic needs, the rest of which had to be imported. This is obvious as we can see in the table below:

Market size of edible agricultural products comprising grains, processed food and beverages, sugar confectionary, vegetables, fruits, meat and poultry, cereals, and aquaculture products in Malaysia.

Unit (RM millions)	2015	2016	2017	2018 (est)
Total local production	4,099	4,250	4,261	4,316
Total imports	48,581	47,906	49,612	51,579
Total exports	29,305	30,371	30,422	30,823
Total market size	23,385	21,792	23,456	25,074

CAP has been actively advocating agriculture for decades. Malaysia miserably failed in the agricultural sector because we are highly dependent on imported agricultural produce. There is so much contrast with our immediate neighbour, Thailand, which developed its agricultural sector in 1960, utilising underused land and labour.

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.

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

In all, we do not have a self-sustainable food production policy which makes us highly vulnerable in times like now. Moreover, food supply chain from the farm-to-the-table is grossly inefficient thereby

allowing multi tiers of middlemen profiteering from the process. There were also claims of syndicates controlling food supply and prices.

For fisheries, fishermen, especially the trawlers, have been indiscriminately depleting marine resources. It was predicted that the waters around the country would be depleted of fish by 2048. The declining fish population was attributed to the used of banned equipment such as *rawa sorong* (drag nets), harvesting more the sustainable level.

Besides over-fishing, the use of non-selective gears also hauled the non-commercial fishes, juveniles of commercial fishes, and other marine species as well. Instead of releasing the non-commercial fishes and juveniles of commercial fishes back into the sea, they send these for processing into animal food. When the food chain is broken from indiscriminate fishing, it will affect the entire aquatic ecosystem. With a depleting wealth of marine resources, we can expect fish prices to skyrocket. Big Jawed Jumber (*ikan serumbu*), East Asian Fourfinger Threadfin (*ikan kurau*), Sleeper Goby (*ikan ubi*) and the Greenback Mullet (*ikan kedera*) can hardly be found in the market.

We would suggest fishermen to stop fishing during the breeding season so as to allow the replenishment of the aquatic stock besides refraining from the use of banned fishing gear.

We urge the government to revamp the entire agricultural policy, the various relevant government agencies, the food supply chain, and also the fishery sector which are all non-sustainable. Without a total overhaul, it is impossible to reverse the damage that had been done close to four decades.

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