

POLICY ANALYSIS: FOOD SECURITY IN MALAYSIA

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1. INTRODUCTION

Malaysia is generally food secure in the Global Food Security Index report 2020 which ranked 43rd out of 113 other countries globally (Global Food Security Index, n.d.). Malaysia has achieved relatively impressive growth over recent decades with the agricultural sector making a major contribution to this growth. The agriculture industry has been the backbone of the Malaysian economy for decades, the development of industrial crop commodities such as rubber, oil palm, and cocoa has been a major contributor to its economic growth. Despite these achievements, the agro-food sector has been considerably left behind in comparison to its commodities crop sector (World Bank, 2020). The country's food sector has remained slow to develop, as illustrated by food trade deficits of RM17 million in 2019 (Ministry of Agriculture and Food Industries Malaysia, 2020). It also depends on imported inputs such as feed, fertiliser, agricultural machinery, and labour, and overall productivity remains low, as the food sector in Malaysia is largely driven by its policy formulation, then and now (Fatimah, 2017). Malaysia's agriculture policies have been prioritizing industrial commodities over the food crop industry as it gives a higher return to the economy over the past decades. Thus, it has marginalised the agro-food sector and has resulted in the agro-food industry being left behind in terms of growth and productivity. Domestic food production is inadequate to meet the country's population's need for food. As a result, import substitution is the most straightforward solution to this problem. Food imports are available since supply is assured and comes from many producing nations such as China, India, Vietnam, Myanmar, and Thailand (Fatimah, 2020). For that reason, the imports of food products have increased year after year, thus restricting the growth of agro-food sectors and indirectly does not drive the national food sector to carry out reforms (Fatimah, 2020). Malaysia's food import bills rise dramatically from RM34 billion in 2011 to RM51 billion in 2019, pointing to increased dependency on food purchases (Ministry of Agriculture and Food Industries Malaysia, 2016, 2020).

The less-developed agro-food sector is a significant loss in terms of achieving a higher level of food security and other environmental benefits. Realising the importance of food security, especially after the impact of the food crisis in 2008, the National Agro-Food Policy 2011-2020 (NAP4) was formulated to further enhance the level of food production and to reduce importation of agro-food products to ensure food security and sustainability of the agro-food sector (Ministry of Agriculture and Agro-Based Industry Malaysia, 2011).

The recent Covid-19 pandemic has prompted Malaysia's government to address food security concerns. Further that, the COVID-19 pandemic has alarmed the Malaysian government about the possibility of food supply chain disruptions due to the country's reliance on imported food and raw materials (Flanders Investment and Trade, 2020). Dealing with the unforeseen challenges due to the pandemic has caused the world to close borders and heightened scrutiny certainly led to food supply chain disruptions. According to the High-Level

Panel of Experts report (HLPE), countries that rely on food imports are particularly vulnerable to COVID-19 disruption of international supply chains (HLPE, 2020). The COVID-19 crisis has emphasized the importance of Malaysia's agricultural and food sectors to the achievement of food security. When there is a lack of food security, severe implications towards social and economic impact will happen. Thus, this study is aimed: (1) to understand the reason Malaysia is still highly dependent on food import, and (2) the constraints Malaysia is facing to achieve growth in the agriculture food sector.

2. METHODOLOGY

This study applied a qualitative method as it can go in-depth to understand, explore, and capture through eye-to-eye conversation with the interviewees to gather the answer of this study. For this study purpose, purposive sampling or known as judgemental sampling is used for an in-depth investigation to gain a deeper understanding from experts of why Malaysia is highly dependent on food import. A total number of twelve (12) informants were interviewed, comprised of policymakers, policy implementers, academicians, and farmers. The interviewees were selected according to their position, knowledge, and experience in the coordination and implementation of the policy (Neuman, 2014). This study used semi-structured interviews to collect the data as it is flexible in questioning. Then, the thematic data analysis method is used to analyse data collected as according to (Nowell et al., 2017) thematic analysis illustrates the data in great detail and deals with diverse subjects via interpretations, and (Alhojailan, 2012) stated that it allows understanding the potential of any issue more widely.

3. RESULTS AND DISCUSSION

The findings reveal that the factors that contribute to high import dependency on food are the high cost of input production, consumers' demand for imported food, and the limited supply of staple food. The prices of input for production such as feedstuff, and seeds are expensive. This is because we do not produce the feedstuff, for instance, corn to feed the poultry, as a result, it must be imported and result in high import bills for foodstuff. So, the price of goods is more expensive than to import. Thus, comparatively, import is much cheaper and faster to access rather than to bear the high cost of production for cultivation or breeding. These findings tie well with previous studies wherein (Dardak, 2019) stated that the increase in the cost of production has decreased the competitiveness of local agriculture produce, and has attracted imports from other countries. Hence (Fatimah, 2020) stated that comparably import is cheaper and faster to get rather than to suffer the large expense of production for growing or breeding, and for that reason, the most fundamental solution to this is import substitution.

Consumers' demand is the willingness and ability of consumers to purchase their desired goods or services including food. The country's capacity to produce certain types of food is restricted by its climate, soil, weather, rainfall, and sunlight hours. Thus, certain fruits such as apples, grapes, kiwi, and apricot which have high consumer demand have to be imported to meet the consumption needs. As cited in (Tey, 2008) since the 1997 economic crisis, the Malaysian economy has seen considerable progress, with Malaysians becoming wealthier and food consumption experiencing transitional changes. These findings are in line with the ideas of (Mad Nasir et al., 2010) that Malaysian consumers want and are ready to pay for the safety, quality, and freshness of food such as Basmati rice, imported vegetables, and fruits as their income levels have increased. (Dardak, 2019) and (Dardak, 2017) stated that especially for the

younger generation, their consumption habits have changed slightly, they have higher preferences toward imported fruits and vegetables, particularly those from temperate regions. As a result, the demand for tropical fruits like papaya, watermelon, and durian has declined substantially. Moreover, food that cannot be produced domestically is imported by the majority of countries (SUNWAY Stories, 2020). These findings support the notion that income growth has undoubtedly created the consumption pattern that resulted in consumers willing to pay for a significantly higher demand for quality food in terms of characteristics such as freshness, safety, appearance, and texture.

Rice is Malaysia's staple food which the nations consume regularly which makes up a major part of the population's diet. Rice remains the main source of carbohydrate in Malaysia of which is 2019, the total import value for rice was approximately RM1.87 billion (Department of Statistics Malaysia, 2020). However, the local rice production is insufficient to meet the domestic consumption. (Olaniyi et al., 2013) found that Malaysia, which was nearly self-sufficient in paddy production by 1976, was forced to import rice after discovering that other neighbouring countries had a comparative advantage in agricultural production over Malaysia. In recent decades, Malaysian agricultural policy has prioritized industrial commodities over food crop industries because they provide a better return to the economy. Subsequently, the initial measures taken by the country in formulating agriculture's policy direction had a favourable impact on Malaysia's oil palm sector but negatively affected the paddy subsector. So, as a result, the comparative advantage in industrial crops such as oil palm, rubber, and cocoa has been chosen to be strengthened, thus marginalizing the agro-food sector. As a result, Malaysia imports rice from neighbouring countries, for instance, Thailand, and Vietnam.

The constraints in implementing the agriculture policy by the implementing agencies are because of overlapping functions among agencies under the same ministry, limited funding, lack of strong political will, and limitation of available land for food crops plantation. Due to the duplication of function in the same ministry in providing support and extension services, and production improvement had resulted in a lack of coordination among government agencies because the agencies will tend to work in silos as they focus to concentrate and achieve their objectives. Funding is to provide resources in terms of financial resources to support programs or projects, which includes subsidies, tax, credit facilities, government grants, and incentives that can help in strengthening the economy, and is one of the most important factors in developing a country specially to develop the rural areas. The limitation of the government to provide funding and approve allocations cause development to be disrupted. Major agriculture cultivation areas are in the rural areas, where the local communities are farmers, they need continuous support and maintenance to increase their food production and income. However, without strategic agricultural financing, the fundamentals in agricultural development such as basic infrastructures such as roads, irrigation systems, and water pumps become the constraint in farming activities to increase productivity and enhance performance.

Decision-making is a vital role in any planning process of a country. Leaders play an important part in determining the direction for the country's future development in every aspect which includes economy, social, environment, and others. The implementing agencies have planned for the development and sustainability of food supply and production in the state, but the lack of political support has become one of the major restraints in any development program or projects to be rationalised. Financial support is the fundamental resource in a development

program, without the leader's support, the budget will not be granted to allow activities to be carried out.

Apart from financial, the land is one of the most essential resources required for most agricultural plantations. Since the agriculture sector in Sabah has prioritised oil palm over paddy plantation, so almost 80 percent of the agricultural land has been planted with oil palm in Sabah, of which the land is concentrated with commodity plantation rather than an agro-food plantation. The elements that impact high agro-food plantation output include not only the area of the cultivated area but also the type of land. If a new agricultural entrepreneur wants to enter agriculture but does not own any land, they will be unable to do so.

4. CONCLUSION

The research policy on food security was conducted to explore the reason why Malaysia is highly dependent on the import of food. Although NAP4 had been formulated to further enhance the level of self-sufficiency and to reduce importation of agro-food, the supply of staple food is still insufficient to meet the domestic demand, for instance, the supply of rice. The government should review current policy that is relevant to current needs, and possess strong political will. Malaysia has been emphasizing the importance of the agricultural and food sectors to achieve sustainable food security. NAP4 had focused its attention on enhancing the level of production and reducing the importation of agro-food products. The insufficient production of staple food, especially food that has high domestic demand, for example, rice, is mainly due to the government institution. The agriculture policy mentioned that one of the policy's objectives is to eliminate unnecessary work-related tasks and to improve the efficiency of agricultural agencies to avoid duplication, which might lead to poor resource allocation thus threatening the development of the agricultural industry (Gin Bee, 2019).

Therefore, the institutional framework must be strong with a high level of political will that is the future focus. Malaysia has formulated a comprehensive agriculture food policy that focuses on food security and implementation strategies. However, if the role of the institution does not reform, it will limit the country's ability to achieve a greater degree of development of food security (Zhou & Wan, 2017). For that reason, the agro-food industry requires a structural change to improve productivity and to develop growth. Improving global food security requires better agriculture food policies. So, the country requires setting a new direction for the agriculture sector and formulating new strategies to transform into a dynamic, modern, and diversified industry.

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