

Higher subsidy for padi farmers

By Zulkifli Talib 3 17/8/90

SHAH ALAM, Thurs. — Padi farmers will receive a 50 per cent increase in padi subsidy with immediate effect.

Prime Minister Datuk Seri Dr Mahathir Mohamad said their income had more or less remained the same for the past 10 years because padi was a controlled item.

Rubber and oil palm smallholders, however, had benefited from the rise in commodity prices, he said.

"We feel that padi farmers should benefit too. It was either raising the price of padi which would affect the consumers or increasing the subsidy," he said when launching the national-level Farmers, Livestock Breeders and Fishermen Day celebrations at the Bukit Cherakah Agricultural Park here.

With the increase, padi planters will get a subsidy of \$24.81 for every 100kg compared with the \$16.54 previously.

The subsidy is only for farmers who sell their padi to mills operated by the National Padi and Rice Board (LPN) or private mills or firms licensed by it.

The increase will cost the Government an extra \$135 million a year. It had been paying out \$270 million a year.

Dr Mahathir said although the increase took immediate effect, the LPN might take some time to implement.

He said the increase had nothing to do with a possible general election.

The Government's decision was reinforced by a report on LPN's performance submitted to the Cabinet yesterday, he said.

He said although the report did not propose any subsidy increase, it had together with earlier representations by Agriculture Minister Datuk Seri Sanusi Junid, convinced the Government of the need for the increase.

In his speech, Dr Mahathir urged farmers, breeders and fishermen to come out with innovative ideas and employ modern methods to increase their production.

"This is necessary because fewer people are getting involved in farming and fishing. Youths are leaving the fields for work in factories.

"With modern technology, even a country which only has five per cent of its population producing food will be able to produce enough for the remaining 95 per cent," he said.

Dr Mahathir later presented prizes to this year's top farmers, livestock breeders and fishermen.