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Anwar-padi

PADI PRICE UP BY RM5.39 PER 100 KG, SAYS ANWAR

ALOR SETAR, Dec 22 (Bernama) -- The government has agreed to increase padi price by RM5.39 per 100 kg to RM55 per 100 kg with immediate effect.

Deputy Prime Minister Datuk Seri Anwar Ibrahim announced this today when addressing padi farmers at the compound of the Muda Agricultural Development Authority (Mada) headquarters here.

But the new padi price would not affect retail price of rice in the market, said Anwar, who is also Finance Minister.

Anwar said the new padi price would also not incur the government any financial implication as they would be borne by the rice millers.

Farmers can now sell their superior-grade padi to wholesalers and millers at RM55 per 100 kg compared to RM49.61 per 100 kg previously.

As for medium-grade padi, the new price is RM51.69 per 100 kg compared to RM46.30 per 100 kg before.

Anwar also revoked with immediate effect an agriculture ministry's directive last week of a 12 per cent deduction in padi weight for moisture, damaged grains and impurities such as leaves and stalks.

It was now up to the farmers and millers to negotiate the percentage of the weight deduction.

"The directive is withdrawn as we found it to be disadvantageous to the farmers," Anwar told the gathering.

(A 10-per cent weight deduction per 100 kg of padi for moisture and impurities was normally the rate agreed to by farmers and millers).

Anwar announced the new padi price and revocation of the ministry's directive after a closed-door meeting with Agriculture Minister Datuk Amar Sulaiman Daud and representatives of MADA, the national rice company Bernas, millers and padi planters at the same venue.

"The new padi price can go up by RM5.39 up to RM7 per 100kg if farmers sell their grain direct to millers without going through middle-men," he said.

He said millers could not raise the padi price by more than RM5.39 per 100kg because they have to take into account middlemen's cuts for arranging padi delivery from farmers to the mills.

As such he urged area farmers organisations to handle the farm-to-mill delivery of padi to eliminate middle-men.

"As from now all mills are to pay an additional RM5.39 per 100 kg of padi and those refusing to do so will face action," Anwar said.

Farmers in Kedah and Perlis in particular had earlier asked that padi price be increased by RM10 per 100 kg following soaring production costs namely for land, labour, herbicide, fertiliser and harvester rentals.

The existing padi price had remained unchanged since 1990 despite production costs soaring by almost 50 per cent from RM2,009 per hectare in 1995 to RM2,904 per ha now.

"The government had meant to raise padi price by RM7 but could not do so as not all farmers are prepared to sell their padi direct to millers as some are still dependent on middle-men to deliver the grain to the mills," said Anwar.

Because of that the government had to defer the proposed increase in padi price until all farmers were willing to sell theirs direct to the mills.

However, Anwar said, millers had agreed to fork out more than the RM5.39 price increase per 100kg which he announced if farmers could send

their grain direct to them.

"The government does not encourage middlemen. Don't use middlemen. Ideally sell direct to the mills. Middlemen exist because farmers are not willing to sell direct," he said.

Anwar said the government agreed to raise padi price given that farmers' income had declined between six and 12 per cent following soaring production costs.

"What the government can't compromise with is increase in price of rice," he said.

Anwar said he revoked the agriculture ministry's directive on the 12 per cent weight deduction for moisture and impurities because the quantum was higher than the previous percentage (about 10 per cent).

He asked the ministry and area farmers' organisations to report to him millers who ignored the decision on the weight deduction.

"I shall close down those mills ignoring my directive," he said.

(The ministry had, on previous occasions, fixed padi weight deduction for moisture and impurities of between 18 and 25 per cent).

Perlis Menteri Besar Datuk Seri Shahidan Kassim also attended the closed-door meeting with Anwar.

Kedah Menteri Besar Kedah Tan Sri Sanusi Junid is in Mecca performing the Umrah.

When addressing the farmers, including many from Perlis, Anwar also took questions from the farmers and listened to their views during an unscheduled dialogue.

Anwar, who is holidaying in Langkawi, said he had asked permission from Prime Minister Datuk Seri Mahathir Mohamad to "go to the field" to help resolve the padi planters problems.

There are 65,000 padi farming households in the Mada area alone.

-- BERNAMA

JM MAN rn