

26 MAY 2000
Feature-Food
FOOD GALORE ALA MALAYSIA

By: Isabella Hiew

KUALA LUMPUR: It seems all the ingredients are in place for Malaysia to produce more food and it is for the corporate sector to spearhead the industry.

In fact, experts are looking beyond the Malaysian table and are getting excited by the prospects of markets outside Malaysian shores.

They say when one thinks of Malaysia, images of the Petronas Twin Towers, tropical rain forest, beaches and oil palm plantations usually spring to mind. But these "assets" can go beyond national pride and can play a vital role in selling Malaysian-made products like food.

They can be used in the branding of Malaysian-produced goods to great effect in marketing them to the world.

Brazil is doing it. The land of football, samba, carnival and coffee launched its "Cafes de Brasil," project recently. The project is to promote the country's coffee culture and put "designer" coffee in cafes all over the world.

BRANDING TO SELL MALAYSIA

Since agriculture will be Malaysia's next vision, the export of agricultural products must be branded and packaged to make it acceptable to the target markets.

Dr Abdul Aziz Abdul Rahman of Universiti Putra Malaysia's Faculty of Economics and Management says that Malaysia's opportunities in food production are tremendous and must be exploited.

He reckons that branding is one way to sell Malaysian products but producers must first understand the market -- identify them, study consumer preferences and packaging.

Consumers in the developed markets are selective and are concerned about quality, hygiene, nutrition and organically-produced food.

"Products that meet these criteria fetch a high premium in the developed markets in Europe," says Abdul Aziz.

LINKUP WITH MULTINATIONALS

To reach these markets and to compete in the competitive world of agricultural food, the country cannot rely on farmers organisations or agencies, but through a linkup between such agencies and mega companies, he says.

Agriculture Minister Datuk Effendi Nawawi understands this and said in a recent seminar that "the way forward is the successful collaboration between the public and private sectors."

The seminar also generated much interest in agriculture and multinationals were urged participate and this might only be forthcoming if there were incentives.

Abdul Aziz says for one there must be a conducive environment for doing agriculture business such as reducing bureaucratic bottlenecks with regard to land access and providing support in infrastructure and funding.

Dean of UPM's Faculty of Agriculture Prof Mohamed Yusof Hussein says that the country has to look beyond rubber and oil palm.

"We must look into the cultivation of other crops such as corn and tapioca, apart from fruits and vegetables."

Prime Minister Datuk Seri Dr Mahathir Mohamad realised this to be a problem when he said at the same seminar that many companies involved in

agriculture preferred to stick to rubber or oil palm.

Malaysia needs to develop skills and expertise in mixed farming and crop rotation to enable it to produce food for local consumption and for export, he had said.

The prime minister also suggested going into the rearing of fresh and saltwater fish and identified areas suitable for mariculture (breeding of fish in cages).

Apart from fish there is also potential for the breeding of prawns, oysters, mussels and other crustaceans, Abdul Aziz says.

FIZZ IN NON-ALCOHOLIC BEVERAGES

He also sees a big market for non-alcoholic and tropical beverages, such as tea and coffee, in the developed countries in Europe, America and Japan.

Herbs, like "Tongkat Ali," which has medicinal value, as well as spices can be added to beverages. This is to cater to consumers demands for something different in terms of presentation and product.

A well-known tea plantation has made the first move by marketing fruit-flavoured teas under the Seri Songket label. The product is branded after the exquisite "songket" fabric which is quaintly Malaysian.

Abdul Aziz says the livestock industry can be lucrative as the country produces its own animal feed such as palm kernel cake. Pineapple and padi waste can be the feed ration for the animals to eliminate imports of costly animal feed.

He says the "alternative" system or the controlled environment system of breeding livestock is suitable as it does not require pasture.

The demand for the traditional and ethnic food is always there and oven-ready "nasi lemak," "nasi kandar," "satay" and "yong tau foo," will go down well with Malaysians or other ethnic communities living abroad.

Canned or packet "teh tarik" will certainly be a hit among Malaysians residing in foreign lands.

SPECIALISATION IMPERATIVE

A fast growing market, Abdul Aziz notes, is the "halal" food market.

Islamic and non-Islamic countries are keen on "halal" food because the slaughtering and processing methods are hygienic, he says.

"The 'halal' food market is worth US\$20 billion globally but unfortunately Malaysia is not a player," he notes.

However, producers of agricultural food who want to penetrate the global market will have to specialise, he says.

They must work on a limited number of food products where they are globally competitive, he suggests.

"There is also a need to internationalise our products with a brand that will be associated with the country such as 'Sunkist' or 'Kiwi fruit' had done for the US and New Zealand, respectively. We have a variety of tropical fruits with no brand," he laments.

It is not that Malaysia cannot do it, he says, because the country does have an internationally acclaimed name in "Selangor Pewter," noted for its fabulous tableware and craftsmanship.

SCIENTIFIC SUPPORT

This being the case, Malaysia has to tune itself in the right direction or otherwise "we will be working in a vacuum and cannot sell our goods anywhere," Abdul Aziz says.

Compared with other countries, Malaysia is in a good position in marketing its agricultural products, he says.

"We have a strong R&D base with agencies like the Malaysian

Agricultural Research and Development Institute (Mardi), Palm Oil Research Institute Malaysia (Porim), Rubber Research Institute Malaysia and universities.

"These agencies are there to provide the scientific support to create our own international standard for our products," he says.

Abdul Aziz observes that the country has a fairly established trading structure. With the many companies engaged in the agriculture export business Malaysia is well positioned to venture into the global food market with the right tie-up with the multi-nationals, he says.

With the government's commitment and support the country may well be a food supplier in time to come. -- Bernama

IH KGO