

17 NOV 2001

AGRICULTURE-FOOD

GOVT PLACES FOOD PRODUCTION SECTOR ON STRONGER FOOTING

KUALA LUMPUR, Nov 17 (Bernama) -- With a whopping food import bill of some RM13 billion last year, the government has put in place several measures in the 2002 Budget to get the agriculture sector produce higher value added food products.

Prime Minister Datuk Seri Dr Mahathir Mohamad recently called on plantation companies to produce food crops as well.

To get the companies going even further, the government has now provided a 100 percent allowance on capital expenditure to encourage food production on a large scale for export and import substitution purposes like prawn farming, floriculture and the planting of approved fruits has been given.

Yong Poh Chye, executive director of Tax Advisory and Management Services Sdn Bhd (TAMS), said this incentive has also been extended to other agricultural projects such as vegetable and herb farming, breeding of fish including ornamental fish, cockles and oysters.

He described the incentive as a step in the right direction to place the agriculture sector on a stronger footing.

Livestock, cocoa, padi and miscellaneous agriculture like fruit crops, copra, vegetable, tobacco, tea and flowers are expected expand by 3.1 percent this year and contribute 29.6 percent towards the share of the value added in the overall agriculture sector.

Meanwhile, agriculture minister Datuk Effendi Norwawi said Malaysia can be a net food exporter in nine years from now if all the programmes under the Farmers Organisation Authority's (LPP) "Premier Project" were implemented on schedule.

The Premier Project, now being implemented in 42 Area Farmers Organisations (PPK) nationwide, is expected to transform 1,600 participants into food entrepreneurs.

The Premier Project encompasses various agriculture and aquaculture ventures like padi and vegetable planting, tiger prawn and caged fish rearing, poultry farming and food processing.

To ensure self-sufficiency in poultry, the government has granted the rearing of chicken and ducks in the Eastern Corridor of Peninsular Malaysia, Sabah and Sarawak with Pioneer Status. Yong said this meant that entrepreneurs would have an income tax exemption of 85 percent of statutory income or an investment tax allowance of 80 percent for a period of five years.

During the Seventh Malaysia Plan (7MP) period, the poultry industry registered 8.8 percent growth per annum, whereby production increased from 687,000 tonnes in 1996 to one million tonne in 2000.

Egg production increased from 6.2 billion units in 1996 to 8.2 billion units in 2000, a growth of 5.7 percent annum.

In addition, the commercialisation of research and development (R&D) findings resulted in better quality and cholesterol-free eggs being produced.

Production of fruits saw an increase of 6.2 percent annually from one million tonnes in 1996 to 1.4 million tonnes in 2000 while the harvested area grew by 4.0 percent per annum from 244,500 hectares in 1996 to 297,400 hectares in 2000.

A total of 15 fruit types was promoted for commercial cultivation including banana, papaya, pineapple, watermelon, starfruit, mango, durian,

rambutan, guava and citrus fruits.

The production of vegetables, mainly from leafy, root and fruit vegetables, also increased from 718,000 tonnes in 1996 to one million tonne in 2000, recording a growth of 7.2 percent per annum.

Fishery production increased by 4.0 percent per annum from 1.2 million tonnes in 1996 to 1.5 million tonnes in 2000, of which about 85 percent was from the marine catch and the balance from aquaculture.

Inshore fish landings contributed more than 80 percent of the total marine catch and employed more than 75 percent of the 98,600 workforce in the subsector in 2000.

Aquaculture production, which involved about 19,700 farmers, increased from 133,000 tonnes in 1996 to 255,000 tonnes in 2000, registering an annual growth of 14 percent.

Production of shrimps and brackish-water fish, valued at RM840 million in 2000, involved a total area of 11,000 hectares.

Ornamental fish breeding was introduced as a commercial activity during the 7MP period and its production increased from 253 million in 1996 to 350 million in 2000 with a market value of RM90 million.

Production of beef, mutton and milk recorded high growth, ranging from 5.2 to 10.5 percent per annum, mainly due to the integration of livestock rearing in oil palm and rubber plantations.

The new breeds of Brakmas and Malin will be promoted, particularly through the existing integration programmes with plantation crops to boost the local meat production.

The ostrich and deer population in the country increased from 2,400 birds and 94,300 head in 1995 to 5,000 birds and 165,100 head respectively in 2000. -- BERNAMA

SHY SHY