

13/03/2004

Stimulus package bears fruit

Hamisah Hamid

THE Agriculture Ministry and its agencies are implementing projects from the allocation given by the Government under Budget 2004 and the stimulus package.

The Government, in November, had approved an allocation of RM1.82 billion for the ministry to implement developmental projects under Budget 2004.

The amount includes a RM130 million allotment under the economic stimulus package.

"The Agriculture Ministry has targeted RM14.3 billion in sales of agricultural produce this year.

"At the same time, efforts will be continued to improve productivity, quality and safe food production through programmes such as farm accreditation, implementation of Good Agriculture Practice, Veterinary Health Mark, Good Manufacturing Practice, Hazard Analytical Critical Control Point and Halal certification," a ministry official said.

According to the ministry, these projects were aimed at helping producers and suppliers to prepare for competition from foreign agricultural products in local and global markets.

For this year, the ministry, including its departments and agencies, has planned programmes and activities for a comprehensive development of the agriculture sector involving production enhancement, marketing, downstream processing, value-added activities and training.

Under Budget 2004 projects, some RM680 million has been earmarked for flood mitigation projects nationwide.

Another RM441 million will be used for drainage, farm structures and port construction; while RM74 million will be channelled to the enhancement of food production programmes such as the 10 tonne-padi project, Permanent Food Production Garden, group farming and other farming projects.

About RM46 million will be spent on improving agriculture produce, aquacultural industrial zone and livestock activities.

Some RM36 million will be used for research and development, machinery and technology transfer activities.

About RM13 million has been earmarked for training and incubator programmes, while another RM15 million will be spent on marketing.

Some RM388 million will be used for other activities such as expansion plans, new technologies, development of idle lands, the production of padi and other plant seedlings, pesticide control, improvement of farm infrastructure, plantation roads, and accreditation.

Meanwhile, the RM130 million allocation under the economic stimulus package will be spent on, among others, delivery system, post harvest and marketing.

Among the projects include collection centres for farm produce, jetty construction, seaweed farming, construction of "unjam" or artificial reefs, improvements of drainage infrastructure to support the 10-tonne padi project, and halal food hub.

Former Prime Minister Tun Dr Mahathir Mohamad had said the Government viewed the value-added activities in the agricultural sector as important, in line with the Government's goal to increase the country's food production.

To achieve this target, the Government has proposed several incentives

be granted to locally-owned companies involved in these activities, as announced in Budget 2004.

The incentives include giving pioneer status with tax exemption of 70 per cent of the increased income from reinvestment for five years; and investment tax allowance of 60 per cent on the additional investment, also for five years.

He also said the Government would continue to modernise the agricultural sector, with emphasis on programmes to increase food production.

Towards this end, large-scale mixed farming will be promoted, including animal husbandry, intensive farming and the use of modern technology and management.

Activities such as processing, logistics, packaging, developing brand names and securing new markets would also be supported and encouraged, he said.

Companies providing cold storage chain facilities for perishable agricultural products are also encouraged to use venture capital funds available from agencies such as the Malaysian Technology Development Corp.

Additionally, new companies providing this facility will also be given pioneer status or investment tax allowance.

The Government had earlier established the Fund for Food programme with a fund size of RM1.3 billion under Bank Pertanian Malaysia to finance the production and processing of food products.

Individuals and corporations that are involved in the crop, fisheries and livestock sectors are eligible to apply with the maximum loan amount set at RM5 million.

The fund received overwhelming response and has been fully used.

Thus, the Government has provided an additional RM1 billion under the package of new strategies, bringing the total fund to RM2.3 billion.

Under an efficient delivery system, the money will be disbursed directly to farmers, entrepreneurs and fishermen who will adopt the latest technology.

To further stimulate rural economic activities and help small-scale entrepreneurs in villages, the Government has also established the Village Micro-Credit Scheme amounting to RM1 billion under Bank Pertanian.

To ensure efficient and effective implementation of this programme, the credit under the scheme is provided on a group basis through the Village Development Committees for villages that are involved in the "One Product One Village" programme.

The implementation of this scheme will be supervised by the District Development Committee and the Implementation and Co-ordination Unit of the Prime Minister's Department.

This credit scheme aimed at providing easier accessibility to loans for small entrepreneurs, such as farmers, cattle rearers, night market traders and hawkers.

The response to the scheme has been overwhelming, while loan repayment was encouraging.

This credit scheme aimed at providing easier accessibility to loans for small entrepreneurs, such as farmers, cattle rearers, night market traders and hawkers. The response to the scheme has been overwhelming, while loan repayment has been encouraging.