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Show success and others will follow

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THE Agriculture Ministry means business when it comes to transforming agriculture. It has broken away from old formulas, opting for a robust strategy in courting the reluctant.

"Between January 2001 and December 2002, we received applications for investment totalling RM5.47 billion, which is significant if you consider the average figure of RM23 million to RM90 million received annually for the four years before this period," said ministry secretary-general Datuk Abi Musa Asa'ari Mohamed Nor.

"If you can demonstrate that food agriculture can be commercially successful, others will follow."

To prove this point, the Agriculture Ministry partnered up with the Johor State Government to implement a 4,119ha mixed farming project in Johor.

Dubbed Projek Perdana Johor, or the Johor Prime Project, it sought to create an agricultural park not unlike industrial parks, he said.

The ministry would act like a manager and co-ordinate activities, but it would be companies that would carry out the farming, he said.

The project's launch is set for June and 63 applicants from 154 companies have been selected to participate.

As further proof of the project's viability, he said it was the private sector that approached the ministry to invest by coming forth with its proposals.

The companies are given incentives to invest, including attractive rates to lease the land for at least 30 years, and a free hand to operate provided their methods gel with the master plan, but the ministry and State Government are nonetheless selective of their clients.

"If commodities like palm oil and rubber can be converted into lucrative trades, why can't we do the same with food crops?" said Abi Musa.

Efforts like this reflect the ministry's commitment to converting Malaysia from a net importer of food products into a net exporter.

According to ministry estimates, RM2 billion can be shaved off the food trade deficit by replacing the said amount in imports with local produce.

He said teams had been established for nine fruits to come up with strategies on improving market share, positioning and infrastructure.

New products are also being explored for their potential value to the agricultural economy, including a project to create an entire industry for tuna, from harvesting to downstream processing.

This is being spearheaded almost singlehandedly by the Fisheries Development Authority Malaysia, which is building a tuna landing port in Penang and has signed a partnership with the local subsidiary of a Japanese company in creating a national tuna fishing fleet, which has been non-existent till now.

Abi Musa said the ministry was in the finalising process of introducing crop insurance.

However, competitiveness alone will not generate sales without a good salesman, which is why the ministry has directed the Federal Agricultural Marketing Authority (Fama) to involve itself in the early stages of farming projects to furnish farmers with market intelligence.

According to Abi Musa, Fama had collaborated with major supermarkets to supply them with food produce, thus creating an immediate supply-demand chain, while also arranging for exports to other countries.

He also spoke of an agriculture council for representatives of the public and private sector to meet and discuss strategy. The council, chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad, was formed in 2000 following the Third National Agricultural Policy and its 50 members meet annually.

Furthermore, the ministry has set up 18 business councils through its 13 agencies where it receives regular feedback from the private sector. A Business Development Centre has also been created within the ministry's headquarters in Kuala Lumpur where potential investors can gather information to plan their businesses.

While the Agriculture Ministry's business-friendly approach appears to be a step in the right direction, is it good practice and have they made the right decisions?

The New Straits Times approached Kumpulan Guthrie Bhd group chief executive Tan Sri Abdul Khalid Ibrahim, who praised the new strategies as having good vision, but added that the ministry's role should be an assisting one, while the private sector involved must be focused and not reliant on the Government.

He said he saw agriculture of the future as being consumer driven, whereby the moment a crop is planted, the farmer must think about marketing his produce, which included logistics and promotion.