

NFCorp says can use RM250m for property investments

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By Debra Chong

KUALA LUMPUR, Feb 9 — The National Feedlot Corporation (NFCorp) said today it has the right to use the government's RM250 million soft loan as it sees fit, based on its 2007 deal with Putrajaya.

The National Feedlot Centre (NFC) was a government project to turn Gemas into Malaysia's Beef Valley and cut down foreign beef imports.

The company would also have met its production targets if the government had completed building an abattoir as promised, NFCorp chief executive Wan Shahinur Izmir said after landing on the back foot over its role in the cattle-raising scheme.

The son of senior Umno minister Datuk Seri Shahrizat Abdul Jalil said in a media statement today that the funds awarded to the company had been put into a special account and that NFCorp had been given a free hand to manage its business so long as it repaid the two per cent interest in full.

"The issue of NFC managing its loan monies amounting to RM250 million is the company's responsibility to administer and utilise... NFC retains the prerogative to invest the funds in the best interests of the company," Izmir said.

"It is not a grant or free money but a repayable loan," he stressed.

He added, "The loan agreement does not stipulate any expressed prohibitions on investments."

The private firm that was entrusted by the government to manage the National Feedlot Centre (NFC) in Gemas, Negri Sembilan, has come under public scrutiny following PKR's series of exposes that the family-run business had taken out millions from the government fund and parked it in high-end condominiums in Malaysia and Singapore.

PKR revealed more documents yesterday, purportedly from Singapore's Land Authority showing that Izmir's father, NFCorp chairman Datuk Seri Mohamed Salleh Ismail, and brother, Wan Shahinur Izran Salleh who is the company executive director, had purchased two condominiums in the island republic's posh Marina Bay Suites that cost over RM17 million each.

"The property market is sound and secure, more protected, and less volatile than others," Izmir said today in defending the company's decision to invest the money in the property market instead of placing it in money market instruments such as bonds from the government or blue-chip firms.

Izmir said that NFCorp had decided to put the money from the fund to better use during a break in its business operations caused by the government's decision to suspend the construction of an abattoir to be rented to the company.

"With an export quality abattoir capable of 500 heads of cattle a day, the possibility of the

beef production numbers would be achieved.

"The contract farmers under the Entrepreneur Development Programme and NFCorp targets would be able to see 246,000 heads of cattle bred by 2015 and deliver 44,000 metric tonnes of beef," Izmir said.

He added, "We would be a highly successful venture."

The RM250 million publicly-funded cattle-raising scheme was first coined a "mess" after it made it into the pages of the Attorney-General's 2010 Report for failing to meet production targets.

PKR has claimed that Shahrizat and her family used the RM250 million loan to obtain land, property and cars as well as cover expenses worth over RM62 million unrelated to cattle farming.

The company's assets were frozen after investigations were launched by the police and the national anti-graft body following the revelations.

In his report, Auditor-General Tan Sri Ambrin Buang had showed that the NFC set up in 2008 had failed to hit its target of breeding 8,000 cattle last year.

Under the 9th Malaysia Plan, the centre is expected to produce 60,000 cattle by 2015.

"An audit check found production in 2010 was only at 3,289 heads of cattle or 41.1 per cent," the report said.

The audit report also found NFCorp did not finalise the standard operating procedure or implementation agreement in 2010.

It noted NFCorp claimed it could not do so because the government has yet to build an abattoir capable of slaughtering 350 heads of cattle a day.

The audit report said the Treasury completed a study on the slaughterhouse on April 5 last year to be presented to the prime minister.

The audit report noted two factories related to the project have yet to be built, namely the livestock feed factory that was part of the pilot project under the entrepreneur development programme, and a bio-gas factory to process the waste from the abattoir and the feedlot into fuel for the farm.

The report stressed infrastructure upkeep to be the most important factor for the project's success and recommended the MoA devise a "Blue Ocean" strategy to boost its cattle breeding production to meet the original 60,000 target by 2015.

The NFC is a joint-venture between Negri Sembilan and federal government through the Ministry of Agriculture and Agro-based Industry (MoA) to commercially produce more beef domestically and cut down import of the meat.

"The loan is not to be used as we see fit, but to be managed responsibly in the interest of paying back the loan and making the project successful," Izmir said in a subsequent emailed statement to The Malaysian Insider.

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