

Strategies In The Formulation
Of A National Food Policy
For Malaysia

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Presented at ASAIHL Seminar
Yokjakarta, Indonesia
8 - 10 July, 1985

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INTRODUCTION

Malaysia is still considered to be a predominantly agricultural economy despite making rapid progress in the manufacturing sector along the road to industrialization. The economy is still dependent on exports of primary commodities namely rubber, oil palm, petroleum, cocoa and timber. The combined value of agricultural exports to total value of exports in 1983 amounted to 32.4 percent, while the contribution of the agricultural sector to the Gross Domestic Product in 1983 was 22.4 percent. In terms of employment, the agriculture sector accounted for 37.0 percent of the total in 1983.

In 1984 the National Agricultural Policy (NAP) of Malaysia was formulated specifying the role of agriculture sector in national development. The objective of the NAP is to maximize income from agriculture through efficient utilization of the country's resources (Anon 1984). The process of maximizing farm income is to be achieved through the expanded production of traditional export crops such as rubber and oil palm ; and the development and promotion of potential export crops such as cocoa and pepper. The basis for the production of all those crop is on economic returns. Hence under the NAP food production in Malaysia will remain largely dependent on imports.

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What is meant by food production in Malaysia can be classified as shown below :

- 1) padi and rice production
- 2) livestock production - beef, poultry, pork, egg, milk and milk products.
- 3) fisheries - marine fish and aquaculture
- 4) fruits
- 5) vegetables
- 6) food production for fresh market
- 7) food production for processed market
- 8) production of export crops - oil palm, cocoa, pepper.

Local production of food is insufficient for the food processing industry to survive. Processed fruits and vegetable from local produce is insignificant in Malaysia. Pineapple is about the only one being processed but it is in the state of decline and is facing a bleak future (Idrus et. al. 1982). Therefore large volume of food is being imported every year, both processed food and raw materials.

Availability of land for the purpose of food production is not a problem but priority of cultivation is given to oil palm, rubber and cocoa instead of padi, fruits and vegetable. Malaysia concentrated and make so much progress in these areas of crop productions that little importance was attached to the production of fruits and vegetable. Currently there is no serious effort in producing fruits and vegetables interms of quality, quantity required and at the right price.

Food is our basic need and the government is responsible for assuring its adequate supply at reasonable price. In order for the government to implement programmes and make careful planning to ensure enough food for the entire nation, there should be a food policy to guide and direct the planners. At the moment, Malaysia do not have a national food policy.

WHAT IS A NATIONAL FOOD POLICY (NFP)

Malaysia should have a NFP consisting of a well-defined objectives and programmes, so that the planners, the implementers, the researchers and the policy makers are able to understand and put into effect. A NFP can be defined as various integrated programmes and plannings launched or implemented by the government with the ultimate objectives of solving the food and nutrition problem of the nation. NFP can consist of both short-term and long term plans.

According to Levinson et. al. (1975), food policy is defined as a complex of educational, economic, technical and legislative measures designed to reconcile food demand, food supply, nutritional requirement and nutritional status at a level judged feasible by the policy makers ; to ensure adequate nutritional well-being of the population within a specified time.

NFP therefore must be based upon :

- 1) Food demand ,
- 2) Food supply, and
- 3) Its biological utilization.

A NFP for Malaysia must be carefully drawn up taking into considerations those aspects pertaining to our need as well as through integration with the existing policies. However, economic and political factors do influence any government in making decision and formulating a policy.

RATIONALE FOR THE NEED OF NFP

As mentioned earlier, aspects on food production and planning are briefly drawn up under NAP, but the emphasis is on agricultural export crops such as rubber, oil palm, cocoa and pepper. The broad goal of NAP is for agricultural development and geared towards primary production. The NAP should not be considered as part of a food policy. A separate policy should be formulated for the development of food industry, ensuring national food security and improving nutritional status of the people.

Improving the level of nutrition and reducing food import problems requires changes in food habits as well as food supply. Economists and planners normally are concerned with demand and supply. While it is true that food supply can either be obtained locally or from import, the amount to import and the level of self-sufficiency would depend on the national policy of the country. Currently, in the absence of a NFP, Malaysia is importing large volume of food every year. Many food industries depend on imported raw materials to turn into processed food. According to statistic, Malaysia's dependence on food import is increasing at a fast rate. During the period from 1975 to 1982 food imports had double, as shown in Figure 1. The trade deficit situation in Malaysia involving food is getting serious. In 1983 as indicated in Figure 1, we imported \$ 1.75 billion more food than we exported.

This trend should not be allowed to continue unchecked. Demand for food is expected to increase, therefore a NFP is urgently needed for our

country to ensure a balanced growth in food import and local production.

OBJECTIVES OF NFP

The main objective of a food policy is to ensure adequate food supply for the country's population. Another objective is to prevent against shortage of food at any time which when happens could lead to inflation problem. The price of food must be kept stable, if and when necessary, the government must intervene. The main concern should be the protection of the consumers' welfare.

The long term objective is to increase food supply to equate with the demand. Surely no one would like to have rationing of food or price control imposed upon the people. Under the long term objective of the NFP, the primary producers such as farmers and fishermen must be able to receive reasonable level of income. Only then their development and modernization of the farming sector can be achieved.

Beside raising agricultural productivity, a food policy should also be able to create favourable environment for economic and social development, and in short developmental growth with social justice (Ayob 1980). Thus, a national food policy should be designed in such a manner that it takes considerations not only the nutritional requirement of the nation but also give greater attention to the welfare of the households in the lower income groups.

PAST, PRESENT AND FUTURE TREND OF MALAYSIA'S DEVELOPMENT PLANS

Malaysia's effort to improve the standard of living in rural areas started after its independence in 1957. Programmes to develop the rural community were included as part of the Government's Rural Development Plan which covered the period of 1961 to 1965.

In the First Malaysia Plan (FMP) which covered the period of 1966 to 1970 the government adapted an integrated approach in tackling the problems of poverty, illiteracy and malnutrition at grass root level through "Gerakan Maju". In 1969 an Applied Nutrition Programmes (ANP) was launched in Kuala Langat district in Selangor. The main objective was at improving the nutritional status of special target group, namely schoolchildren. It is part of the project on community service. Later the programme was extended to other states and the name had been changed to Food and Nutrition Programmes.

The success of these programmes were difficult to measure and are overshadowed by the nature of their inter and intradepartmental coordination (Lassim 198).

In 1974 Tun Razak's Green Book Plan was launched to ensure the efficient use of available land resources and to generate self-sufficiency in food production. The plan was not successful due to two main misconceptions namely :

- 1) it emphasized on short term return and lack emphasis on long-term benefit,
- 2) it aimed at money-saving instead of money-making.

The farmers, therefore, could not market or commercialise their produce due to inadequate marketing facilities (New Straits Times 1983). Much emphasis was given to increased food production but neglecting other important aspects such as post-harvest handling, storage, packaging, transportation and marketing outlets.

Some programmes aiming at raising the standard of living were incorporated in the Third Malaysia Plan (TMP) which covered the period from 1976 to 1980. These were mainly the health and family planning programmes and the community service programmes.

For the period between 1980 to 1985, the food production and rate of increase for the major crops and livestock products are as shown in Figure 2. The traditional primary crop, i.e. natural rubber, shows insignificant change during the period as compared to oil palm, cocoa, pepper, milk, eggs and poultry. Padi output also show declining trend, decreasing by 11.4 per cent over 1981/83. The fisheries sector too did not show marked progress. Major food import for 1983 consists of rice, wheat, raw sugar and dairy products as shown in Figure 3 ; while Figure 4 shows the hectarage of major crops for the period 1980-1985.

In future, unless NFP is formulated to guide and direct the private sectors, the farmers, Ministry of Agriculture, Ministry of Rural Development and Ministry of Trade and Industry, the food import will continue to increase and cause deficit in the balance of payments. It is interesting to note the concern shown by the Government, the political leaders and the business community over the deficit in the

current balance of payment accounts. The outflow has been at a very significant level that many recent development projects have been designed with the primary aim of reducing the outflow and improving the balance of payment. As such development strategies must be devised to ensure balance of payment and enough food for nutritional need and national security.

STRATEGIES AND CONSIDERATIONS IN FORMULATING NFP

A number of strategies and considerations must be put forward when formulating a viable food policy for Malaysia. The most important considerations are :

- 1) level of domestic food production
- 2) import and export situations
- 3) food security and level of self-sufficiency
- 4) nutritional needs and health problems
- 5) changing food habits
- 6) population increase
- 7) standard of living and social justice.

These strategies combined with various existing government policies are vital in drawing up a NFP.

Domestic food production

Under the NAP, the target for domestic rice production is to achieve a level between 80-85 per cent of the domestic requirements. Between 15 to 20 per cent will be dependent on import. It is possible that this import figure can be further reduced through prevention of

loss and wastage due to deterioration and mishandling. Programmes directed towards better post-harvest handling and storage facilities should be implemented.

For livestock, the local production of beef in 1982 contributed about 57 per cent of the domestic requirement. Efforts are being intensified to increase production through various programmes and government schemes (Babjee, 1982). One hundred per cent sufficiency in meeting the domestic requirement has been achieved in poultry, pork and eggs production in 1983. Domestic requirement for fresh milk will be met through local production while other forms of milk and milk products will depend on imports.

Fish and fishery products will continue to be imported to meet the demand. Inshore fisheries resources is depleting and therefore aquaculture production should be widely encouraged.

Fruits and vegetables production decreased over the years due to agronomic and economic factors. Drastic measures must be taken to improve the situation.

Import and export situations

Figure 5 shows the individual food imports for 1981. Malaysia imports almost all kinds of food from onions and garlic to apples and durian. The import and export situations as shown in Figure 1 indicates that the deficit keeps on increasing. In order to import food we must have the necessary foreign exchange. The foreign exchange earnings can only be obtained through export, currently from industrial crops.

Malaysia must aim at diversification of export goods, since it is risky to be dependent on a few export crops. Suggestions to ensure increased food production are put forward as shown in Figure 6.

Food security and level of self-sufficiency

For meeting the national food security needs the basic food requirement such as rice and processed food, should be aimed at self-sufficiency or near self-sufficiency. Food security is necessary for emergency purposes. Stockpile of food must be properly monitored and controlled to prevent wastage during storage. Proper procedures on stockpile of food should be made available since it is form of food insurance in preventing social disorder and starvation which is happening in many countries now.

Nutritional needs and health problems

Malnutrition is one of the major health problems, which is caused by improper food distribution, lack of education and knowledge, and uneven income distribution. The common problem faced by the rural population and urban poor is protein energy-malnutrition. It affects the labour productivity and labour supply. The key to this problems is to provide better income to farmers, and progressive modernization of the rural economy. As income rises, there will be an upward increase in protein intake. A NFP must therefore take into consideration the nutritional requirement of people in the lower income group, since the average calorie intake per head given in the official statistics is rather high.

Changing food habits

In Malaysia the development of fast food restaurants in the cities is very rapid. These fast food chains which originate mainly from America, serve dishes such as fried chicken, burgers, hotdogs and potato chips. These foods are very popular-especially among children and younger generation that the local hawkers have started selling these types of foods made locally and at a cheaper price. Local type of fast food selling satay, noodles, fried rice, chicken rice are also flourishing. These type of food have tremendous impact on the food habits of the population. The food habit is changing such that rice is no more considered as the main food ; instead, secondary products from rice such as meehoon can replace rice meal for the day. The trend in the consumption of protein is also changing towards the better.

Demand for processed food, instant food and convenient food in the form of canned, frozen, precooked or dehydrated has also increased and gained popularity among the working women. A NFP should be considering this fact and encourage towards production of better quality processed foods to keep pace with increasing demand.

Population increase

Due consideration should be give to the existing government policy on population growth which aim at 70 million by the year 2100. As mentioned earlier, food policy should be a long term planning, looking ahead and anticipate the future. If this is an accepted population growth for Malaysia, then the expected population increase every year must be ensured of sufficient quality food.

Developing countries are experiencing a rapid increase in population mainly due to a fast decline in mortality rates. Increase in population means greater demand for food which is also due to growth in personal income. A NFP should be sensitive to this population growth, and programmes for increased food availability must be planned accordingly.

Standard of living and social justice

As industrial and service sectors developed, a drift from rural to urban occurs. This has led to gradual reduction in labour force at the farm level which form a major constraints in our efforts to increase food production. Since number of farmers is getting less, therefore family type of labour is going to die a natural death. The government should encourage contract forming, estate management and go for contract labour. This definitely will add cost to food but the quality and availability are assured. Improving the standard of living and the quality of life should be for all.

The "Buy Malaysia" concept - The "Buy Malaysia" concept is the government's effort to promote the use and consumption of locally produced goods and hence, to reduce Malaysia's dependence on imports.

A NFP should be sensitive to this campaign and in line with the need for better quality local products, quality control of food must be given greater emphasis. Only then locally processed food can compete fairly with imported foods. To penetrate into wider and highly

competative markets, the Malaysian food processors must go beyond traditional methods and simple product presentation. Local products must be properly packed, labelled and rigorously promoted. Standard of identity of products which meet the Malaysian food law and regulations 1985 should be emphasized. Malaysian standard certification Marking scheme endorsed by SIRIM should be encouraged.

WHO SHOULD BE INVOLVED IN FORMULATING A NFP

There should be a committee at the national level set up to discuss, identify and analyse the existing food problems and determine programmes priorities. This committee is made up of decision makers, planners, researchers, academicians, food processors and political leaders. Effective cooperation in the formulation of a policy, planning, programmes and implementation of a NFP requires an understanding of nutritional and health aspects, economic implications, agricultural practices, food science and technology, statistics and politics (FAO, 1969). The formulation of a NFP must involve representative from food scientist, technologist, the nutritionist, economist, agriculturalist, statistician food processors, researchers, in addition to senior government officials and political leaders.

RESEARCH AND DEVELOPMENT PRIORITIES IN FOODS

Research and development cooperation between the private sectors, the public sectors and institutions of higher learning can play an important role in the areas of primary food production, food processing and their related fields. Both basic and applied research for commercial

purposes must be intensified. Research priorities in foods which need urgent attention are :

- 1) post-harvest technology
- 2) agronomic practices including quality seedling and new clones
- 3) better processing techniques including irradiation
- 4) diversification of raw materials usage
- 5) storage
- 6) prevention of wastage and loss
- 7) packaging
- 8) marketing.

These recommended areas of priority research include both basic and applied. Research should be mission-oriented which, when successful would contribute to the improvement of the nation's food and nutrition problem.

CONCLUSION AND RECOMMENDATION

Cultivation of food crops by the smallholders sector has been shown to be unsuccessful in meeting the demand for food. The level of food imports keeps increasing every year. These and coupled with problems of variety, quality and price indicate their direct cause which is due to the absence of a policy, guideline and directions. Malaysia, therefore, is in urgent need for a National food policy to ensure sufficient food for present, future and in time of emergency. It is recommended that a specific food policy be formulated by the relevant personnel with Ministry of Agriculture providing the leadership. It is also recommended that the name "Ministry of Agriculture" be changed to "Ministry of Agriculture and Foods" to give emphasis to the appropriate field and need.

Year	Export	Import	Balance
1975	621	1,521	- 900
1978	888	2,163	- 1,275
1979	1,103	2,137	- 1,134
1980	1,042	2,666	- 1,624
1981	1,164	3,197	- 2,033
1982	1,175	3,192	- 2,017
1983	1,217	2,969	- 1,752

Figure 1 : The Food, Beverages and Tobacco Account in
M\$ Million

Source ; Treasury Economic Report 1983/84

	1980	1981	1982	1983	Percentage change 1981-83	1984	1985	Percentage change 1984-85
Rubber	1,530.0	1,525.5	1,517.0	1,530.0	0	1,550.0	1,570.0	2.6
Crude palm oil	2,575.9	2,824.5	3,511.1	3,015.0	17.0	3,473.0	3,938.0	30.6
Palm kernel oil	247.5	255.0	409.5	403.7	63.1	438.8	479.7	18.8
Pepper	31.7	28.8	25.2	23.5	25.9	25.0	28.0	19.1
Cocoa	32.9	48.0	62.0	65.0	97.6	72.3	81.0	24.6
Sawlog (thousand Cu. metres)	27,915.0	30,653.0	32,824.0	34,231.0	22.6	32,862.0	31,548.0	-7.8
Padi	2,052.9	2,021.1	1,872.7	1,818.1	-11.4	1,854.5	1,891.6	4.0
Pineapple	185.3	153.6	153.0	153.0	-17.4	153.0	153.0	0
Fisheries	743.7	766.6	693.6	713.3	-4.1	740.5	725.2	1.7
Livestock :								
Beef	13.0	12.1	13.7	14.0	7.7	14.4	14.8	5.7
Mutton	0.8	0.6	0.6	0.6	-25.0	0.6	0.6	0
Poultry	114.3	115.3	115.9	121.7	6.5	127.8	134.2	10.3
Egg (million)	2,296.3	2,307.6	2,379.5	2,498.5	8.8	2,623.4	2,754.6	10.3
Pork	122.6	130.8	126.7	130.5	6.4	134.5	138.5	6.1
Milk (thousand litres)	8,193.0	14,920.0	16,740.0	18,910.0	130.8	24,510.0	27,280.0	44.3

Figure 2 : Malaysia : Agricultural Production, 1980-85 in ('000 tonnes)
 Source : Mid-term review of Fourth Malaysian Plan 1981-1985

	(Hectares)					
	1980	1981	1982	1983	1984	1985
Rubber	2,010,000	2,006,488	1,966,400	1,990,000	2,000,000	2,012,000
Oil Palm	1,069,507	1,140,538	1,212,486	1,226,585	1,306,000	1,400,000
Pepper	12,720	13,405	12,800	11,362	11,007	10,800
Cocoa	108,556	150,030	190,000	205,000	211,000	237,000
Timber	383,000	391,197	486,950	585,907	560,000	560,000
Padi	735,215	767,640	758,400	764,200	769,750	775,220
Pineapple	12,101	11,685	9,734	8,170	7,177	7,003
Tobacco	12,535	12,970	13,610	14,160	14,955	15,749
Vegetables	18,367	15,330	16,106	18,278	20,745	23,546
Orchards	93,000	87,800	89,000	90,000	92,000	94,000

Figure 4 : Malaysia : Crops by hectareage, 1980-1985

Source : Mid-term review of Fourth Malaysia Plan 1981-1985

Status and Prospect	Food item
1. Food imports with significant domestic production.	Rice
2. Food imports with intermediate domestic production.	Raw sugar, meat, live animal, tobacco.
3. Food imports with insignificant domestic production.	Maize, tomatoes, onions, cabbages, mushroom, chilli, groundnut.
4. Food imports with past attempts at large-scale production but failed.	Sugar
5. Food imports with attempts at large scale production by estates and succeed.	Cocoa
6. Food imports with attempt at increased local production by smallholders and succeed.	Tobacco
7. Food imports with possibilities for domestic production	Maize, onions, oranges, coffee, chilli, soybean, groundnuts, meat and live animals.
8. Food imports with no possibilities for domestic production	Wheat
9. Food/fruits/vegetable production requiring improvement in domestic production.	Durian, manggis, rambutan, pineapple, oranges, sugarcane, bananas, langsung, mangoes, cempedak, nangka, coffee, chilli, tomato, mushroom.

Figure 6 : Present status and prospects for increased domestic food production.

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