

New green revolution needed

THE right to food is the basic tenet of the food security policy of any nation. The guiding framework is based on the World Food Summit (1996) interpretation, which states: food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

Malaysia has translated its food security drive with a number of policy measures to ensure accessibility, availability and utilisation.

Malaysia uses "self-sufficiency levels" as proxies of the food security situation in the country. It is self-sufficient in some food commodities, such as poultry meat (128 per cent), eggs (125 per cent), and fisheries (98 per cent).

However, we are not self-sufficient in commodities such as rice (71 per cent), fruits (66 per cent), vegetables (41 per cent), beef (29 per cent), mutton (11 per cent) and milk (5 per cent).

However among these commodities, rice is considered the most strategic crop as it is the staple food of the majority of the population and provides employment to the rural poor.

The primary goal of the padi and rice policy is to ensure food security for the nation, to raise productivity and farmers' incomes, and to ensure sufficient food for consumers at reasonable prices.

In the Ninth Malaysia Plan (2006-2010), the target for self-sufficiency of rice was 65 per cent, while under 10th Malaysia Plan (2011-2015) and Agro-food Policy (2011-2020), it has been revised to 70 per cent.

A comprehensive interventionist regime was applied to the padi and rice industry to insulate it from the vagaries of the world market.

With the exception of poultry and pork and fisheries, Malaysia depends on imports for most of its foods, as well as inputs and machinery, which is an indication of a lack of comparative advantage in this sector. The food trade deficit has grown from RM1 billion in 1990 to RM12 billion in 2011.

The need to ensure enough food for the population, reduce import bills and spearhead the growth of the food industry has prompted the government to devise a surplus balance of trade for food at RM1.2 billion in the year 2010.

However, this target was far from



Malaysia has achieved only 71 per cent of rice self-sufficiency. Being the staple food of most of the population, the crop is of strategic importance to the country.

NST 7/11/13 MS 18

being attained as at the end of 2010, the country's food bill deficit stood at RM11 billion. The plan was later abandoned.

Like other developing countries, Malaysia has enjoyed cheap food imports, particularly from developed countries, which subsidised their agriculture sectors heavily. However, this dependence has its price, as it disincentivises the country to seek ways and means to improve productivity and efficiency. The food crisis in 2008 proved this point.

Despite being a "middle-income" country with adequate foreign exchange to source for food, Malaysia almost fumbled in securing adequate rice for her population in 2008. Malaysia cannot afford even the slightest social unrest as its repercussions on political stability can be serious.

The country succeeded in obtaining the supply but whether Malaysia will be able to weather another large-scale crisis in the future is another question.

Unlike the past, the 2008 crisis was the result of a combination of unprecedented multi-dimensional factors including systemic failure (serious under-investment in agriculture and food because of cheaper imports), supply constraints in the face of growing demand, highly responsive speculative market, agricultural resources competing with biofuel production and resource depletion (land, water and energy) and climate change.

All were at work in the 2008 crisis and still are, although to a lesser extent.

With that framework, the "busi-

ness as usual" stance will not be sustainable for Malaysia or other developing countries in the long term. Malaysia's previous policy did not take into account the emergence of these new issues which explains its failure in attaining growth in food production.

With more complex dynamics in the world commodity market, food security matters much more now than ever to Malaysia.

In short, the food security agenda in the 21st century comes with a totally new set of challenges within and without.

Domestically, the competition for resources (land, labour and capital) continues to intensify as urbanisation and industrialisation grow rapidly.

Lack of innovation and technology in food production depletes the sector's ability to compete. Years of neglect and limited investment in food and agriculture have left this sector lagging on all fronts: productivity, efficiency and development, with the exception of palm oil.

The effect of climate change is showing, aggravated by unsustainable practices, such as overuse of chemical fertilisers and poor water management.

However, it is in the international market that the greater challenge, in particular "extreme volatility", to Malaysia's food security lies. The trajectory of the global food system is no longer in the main determined by the resolution of demand and supply fundamentals.

External shocks are emerging from a complex variety of sources

and are having a profound effect in causing vulnerability in food systems. The detrimental impact of volatility is further magnified by structural problems, including poor infrastructure and supply responses, an inefficient market and susceptibility to climatic disturbances.

The conventional fundamental framework is still applicable, as demand is chasing supply because of serious resource constraints. The awakening of the populous Indian and Chinese economies has put pressures on food supply in the world.

The volatility of crude oil prices has increased the demand for bio-fuel feedstock, which has led to fewer resources for food production and competition for land.

The advancement in information communications technology is energising speculative markets, affecting commodity and food price fluctuations and volatility.

The food sector requires a totally new paradigm in doing things.

The Green Revolution of the 1960s has long expired and a new one must be reinvented by way of, perhaps, a second green revolution that is nature-friendly and sustainable.

Larger investments are needed in, among others, infrastructure, research and development.

An effective hedging or risk management system and social safety nets are required to face extreme volatility.

Fatimah Mohamed Arshad, director, Institute of Agricultural and Food Policy Studies, Universiti Putra Malaysia, Serdang, Selangor