

3I: Agriculture

Preamble

There are two categories of agriculture production in Malaysia: commodity and food. The former falls under the Ministry of Plantation Industries and Commodities (MPIC); the latter, the Ministry of Agriculture and Food Industry (MAFI). Commodity production is largely operated by large companies—for example, only 40% of oil palm is cultivated by small farmers. On the other hand, approximately 90% of producers in the food sector are smallholder farmers.

Despite improvements in food production, Malaysia continues to be a net importer of food, as 100% self-sufficiency is still impossible due to poor policies and implementation. Some of the imports are for the local industry to add value and export later. The main food imports are temperate fruits and vegetables, wheat, sugar, salt, beef and mutton.

Locally, the demand and need for agricultural produce are growing as consumption patterns change, especially among the urban population. When the COVID-19 pandemic broke out, local food production and distribution were disrupted due to the limited supply of raw materials and inputs, shortages in labour and market access, hindrances in global supply chains and exports, as well as an overall slowdown in agriculture services due to lockdowns and transport restrictions. In 2020, we imported food products worth RM55.5 billion compared with exports worth RM33.8 billion. This resulted in an increased trade deficit in food products amounting to RM21.7 billion, a difference of 24.9% from the previous year.

I. Food Security & Sovereignty

Many reports conclude that the root causes of the country's low agricultural backwardness stems from the lack of use of modern technology and unproductive smallholder farmers due to uneconomical farm size. Rarely discussed are the major problems of farmers, such as subsidy leakages largely enjoyed by supplier companies and contractors (non-farmers), market exploitation of input and yield prices, oppressive corporate monopolies, debt traps, and entry of low-quality foreign products that are cheap, unregulated and

exploit stakeholders. Our failure to identify real problems in the field will only exacerbate the situation when new technologies and control systems are introduced.

1. Give farmers freedom over seeds, agricultural inputs and market choices.

- i. Loosen overly formal controls in our agricultural ecosystem.
- ii. Repeal laws governing the freedom of farmers, such as the Seed Quality Act and the Amendment to the Protection of New Plant Varieties Act 2004.
- iii. Break up the monopoly of supply of agricultural inputs and the market of agricultural products, whether by agencies or the private sector.

(NurFitri Amir Muhammad, Forum Kedaulatan Makanan Malaysia, Proposal 3L-1)

2. Do not sign any free trade agreements (FTAs).

FTAs will remove import controls on agricultural products, leading to the flooding of cheap and low-quality products from supplier countries, which will affect the local market.

(NurFitri Amir Muhammad, Forum Kedaulatan Makanan Malaysia, Proposal 3L-1)

3. Decentralise the agricultural ecosystem—i.e. create a new ecosystem based on local nature.

Decentralisation will reduce costs and the risk of logistical failure, especially in the event of a crisis.

(NurFitri Amir Muhammad, Forum Kedaulatan Makanan Malaysia, Proposal 3L-1)

4. Empower the Federal Agricultural Marketing Authority (FAMA) to buy farmers' products through cold storage systems in each locality.

Through this system, FAMA can also help local farmers sell their produce at affordable prices for both the local and export markets.

(Ku Nurasyiqin Ku Amir, activist/Ph.D. student, Proposal 3L-2)

5. Implement modest economies of scale through the establishment of local cooperatives or companies that are confined to the area.

(Bawani K.S., Jaringan MARHAEN, Proposal 3L-3; NurFitri Amir Muhammad, Forum Kedaulatan Makanan Malaysia, Proposal 3L-1)

6. Limit farm areas.

Prevent large-scale estate farming which leads to monopoly and more harm to the environment and farmers' welfare.

(Bawani K.S., Jaringan MARHAEN, Proposal 3L-3)

7. Change the current subsidy system to direct assistance to farmers.

Rather than benefiting farmers, the current subsidy system is exploited by vendors. Direct assistance would be better, such as coupon systems or metric cards to buy agricultural inputs.

(NurFitri Amir Muhammad, Forum Kedaulatan Makanan Malaysia, Proposal 3L-1)

8. Help small and medium agricultural entrepreneurs to compete at a higher level without involving established corporate companies.

Government assistance in the form of finance or support for established corporations will only help them expand their monopoly, to the detriment of smallholder farmers and consumers in the long run.

(Bawani K.S., Jaringan MARHAEN, Proposal 3L-3)

II. Farmers' Rights

Smallholder farmers are faced with greater risks of falling into poverty when their income is unstable, which in turn affects dimensions of well-being such as health and food security. Environmental changes such as weather uncertainties and disease attacks, the COVID-19 pandemic and rising costs of living have created greater precarity for farmers, making their work all the more challenging. Although the National Agro-Food Policy aims to increase production every year, this will be difficult to achieve if the rights of farmers are not upheld.

9. Upgrade the farmers' rights component as part of the MAFI policy.

(Ku Nurasyiqin Ku Amir, activist/Ph.D. student, Proposal 3L-2)

Smallholder farmers need several support systems such as social safety nets that will guarantee their income during periods of bad weather or disease attacks. They also need assistance from extension officers, who may offer advice and guidance on improving agricultural practices in order to get better yields or income. At the same time, there should be an assessment of intergenerational poverty in peasant families. The direct impact of the COVID-19 pandemic on the lives of these farmers also needs to be taken into account, especially with regard to nutrition, education and mental health. Collectively, smallholder farmers need to understand their rights and be allowed to participate in the decision-making process at government level.

III: Access to Land

Land is the lifeblood of agriculture. Agriculture is the nation's backbone, as it provides food and generates job opportunities, particularly in the rural areas, and serves as a foundation for the development of the country. The government should therefore exercise strong political will in providing farmland to smallholder farmers and ensuring land security for them. The real value and conditions of land for agriculture should be maintained and preserved, and priority should be given to smallholders and farmers before a piece of land is parcelled out to a third party for development.

10. Maintain agricultural areas for food cultivation.

(Vijayagandi Ramasamy, Gabungan Penternak/Jaringan MARHAEN, Proposal 3L-4; Bawani K.S., Jaringan MARHAEN, Proposal 3L-3; Tan Tean Chee, Persatuan Pertanian Moden Chemor, Proposal 3L-5)

Only about 10% of available land area designated for agricultural purposes is used to grow vegetables and fruits. This is largely disproportionate, compared with the amount of land (over 80%) that is used for oil palm, rubber and other commodities. If it is absolutely necessary to redevelop land that was previously secured for agricultural purposes, the government must ensure that the tenant smallholder farmers and farm animal breeders are duly compensated with a

suitable area of farmland before being evicted, to allow them to carry on with their agricultural activities.

11. Give smallholder farmers a lease of 20 years.

(John Ku, Activist, Proposal 3L-6; Tan Tean Chee, Persatuan Pertanian Moden Chemor, Proposal 3L-5)

With enough time, farmers will have confidence that their investment in developing the land will pay off. Leases on agricultural land should come attached with the condition that the land can only be used to supply foods.

12. Modify state government standard operating procedures related to land disposal (alienation of land) to reflect the approach of farmers' rights to access to land.

(Vijayagandi Ramasamy, Gabungan Penternak/Jaringan MARHAEN, Proposal 3L-4; (Bawani K.S., Jaringan MARHAEN, Proposal 3L-3)

Improve state land regulations by creating a committee to monitor the handling of government-leased land used by small farmers. Land that is found to have been changed for non-agricultural related purposes should be reclaimed and given to other farmers.

Concluding Remarks

The potential value of the agricultural sector should not be measured purely in terms of business and commodities; it should also be calculated in terms of its contributions to food security, improving livelihoods in rural areas, farmers' welfare, and its potential to generate revenue and release resources into other strategic sectors to propel the nation's socioeconomic development. The government needs to acknowledge that this sector will not be able to survive without implementing important land reforms that serve to regulate competing land use issues arising from land development, and curb the unscrupulous actions of certain land developers, especially those from the housing and manufacturing sectors, who have placed tremendous pressure on the smallholder farming community. Without food security, the future of the country will not be guaranteed.