

## **INTERACTIVE: Why are we paying more for food?**

PETALING JAYA: With RM150 or less, M. Angela used to be able prepare a nutritious spread of meat, fish and vegetable dishes, for an entire week.

Barely six months on and the mother of two is reeling from how much her weekly trips to the wet market is costing her.

"I used to spend RM150 - at most. It doesn't cost much to cook for the family.

"Now, I have to fork out RM400 a week to feed the family - that's almost a three-fold increase.

"I had to forego what used to be our 'staple' like squid and prawns which are favourites of my husband and two children.

"We've had to cut back on seafood to make sure that they have enough greens everyday," she told StarPlus.

Angela's story is shared by many other Malaysians who are feeling the pinch as the prices of raw food continues to soar.

The price inflation of meat, rose from 9.5% to 11.9% from May to June this year, while consumers paid 8% more for vegetables in that same period, recent **Department of Statistics (DOSM)** data revealed.

Both items topped the list of increase in price percentage as compared to these food groups - milk, cheese and eggs; fish and seafood; oils and fats; fruits; rice, bread, and other cereals; and sugar, jam, honey and confectionery.

Yes, food is expensive, but we aren't the only ones struggling to cope with rising prices - it's a global phenomenon brought on by the Covid-19 pandemic, soaring fertiliser prices, oil price hikes, and geopolitical tensions.

The problem in Malaysia, however, is made worse because of our a dependence on imports, overemphasis on cash crops, and the under utilisation of technology in agriculture, stakeholders say.

Prohibitive production costs, compounded by high production risks, have constrained expansion of fruit and vegetable production, the "Achieving Food Security for all Malaysians" report stated.

The Khazanah Research Institute (KRI) research paper, published in 2019, also found that generally, food prices have been rising faster than average incomes.

The food price index has also been rising faster than the general consumer price index.

The consumer price index (CPI) for food and non-alcoholic beverages hit 5.2% , the highest in over 10 years.

In comparison, the CPI for food and nonalcoholic beverages was 1.5% in May last year.

The CPI, explained agriculture economist Prof Datuk Dr Mad Nasir Shamsudin, measures the changes in consumer price over time of a market basket of goods typically consumed by a country.

In Malaysia, the weightage for food in overall CPI is 29.5%.

"This means on average, households in Malaysia spend 29.5% of their expenditures on food," he said.

There are many factors that have led to the food price crisis the world - including Malaysia - is currently facing, KRI deputy director of research Dr Sarena Che Omar pointed out.

"If you look at the Food and Agriculture Organisation of the United Nations global food price index, the 2022 food price index scored one of the highest in history!

"This is due to several factors, such as the pandemic, global fertiliser and oil price hikes as well as geopolitical tensions.

"Malaysia is not spared mainly because we rely on the importation of animal feed (corn and soybean) as well as fertilisers to feed and grow our livestock and crops," she said in an email interview.

And with fertilisers now costing more, it is inevitable that food in Malaysia is pricier, said Prof Mad Nasir, who is attached to Universiti Putra Malaysia (UPM).

With India and China, the biggest exporters of fertiliser component nitrate, banning exports of the product in 2021, the production of corn dropped drastically as the crop is heavily dependent on fertilisers, he added.

The Russia-Ukraine conflict also played a big part in rising corn prices.

Although Malaysia imports corn from Brazil and Argentina, when the war began, Ukraine - a major grain supplier for the world - could not export its corn leading to a drop in the supply of grain globally, Prof Mad Nasir explained.

"Malaysia's chicken farmers feed corn and soybean to the livestock.

"When the price of corn increased, our chicken production cost spiked, leading to a drop in supply of local chicken as farmers could no longer cope with the rising costs," he said, adding that chicken feed eats up a whopping 70% of the cost of production for chicken.

He also noted that in 2019, Malaysia imported corn at RM900 per tonne to be processed into feed. The price has now doubled to RM1,800 per tonne.

Echoing Prof Mad Nasir's views were Agriculture and Food Industries Ministry deputy secretary-general (policy) Azah Hanim Ahmad, Academy Professors Malaysia president Prof Datuk Dr Mohd Saleh Jaafar and Penang Consumers Association (CAP) president Mohideen Abdul Kader.

The stakeholders were speaking at a food crisis virtual seminar on June 23.

Fertiliser is a key component in food production and if its cost rises, food prices also rise, said Azah, while Prof Mohd Saleh lamented how the country's agriculture and food sector was among the most backward industries in Malaysia in terms of technology and innovation use.

“If this situation is not solved, this crisis (food shortage) will become worse and cause serious social distress,” he warned.

Penang Consumers Association (CAP) president Mohideen Abdul Kader said Malaysia is depends a lot on food imports and this is posing a problem.

On top of that, the country’s agriculture policy has placed too much priority on cash crops such as oil palm and rubber, said Mohideen.

It is time, he suggested, to revise the policy and make food crops a priority so that Malaysia can attain self-sufficiency for food that can be grown locally.

<https://www.thestar.com.my/news/nation/2022/08/08/interactive-why-are-we-paying-more-for-food>