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Enough or Not? Role of Federal Agricultural Marketing Authority (FAMA) as a Focal Point to Deal with Food Security Issues in Malaysia

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ABSTRACT:

There are a few reasons that can lead to food security issues, such as natural disasters, rising food prices, population growth, climate change, and wars between countries. FAMA is one of the government arms under the Ministry of Agricultural and Food Industries (MAFI) assigned to counter this issue. Indeed, FAMA has put forward some initiatives to balance this never-ending issue, but on the other side of the coin, there still exist imperfections that could hamper the initiative earlier if not dealt with carefully. This editorial note intends to examine the initiative and its shortcomings from the grassroots perspective.

KEYWORDS: Role of agencies, food security, Malaysia, MAFI, FAMA

MANUSCRIPT TYPE:

Editorial Notes

PUBLICATION DETAILS:

Received: 22 Sept 2023

Revised: 20 Oct 2023, 20

Nov 2023

Accepted: 01 Dec 2023

INTRODUCTION

Food security issues have become a heavily discussed topic nowadays. First coined in 1974 during the World Food Conference, this term still faces numerous issues forty-nine years after being introduced. Reasons leading to food security issues include natural disasters, rising food prices, population growth, climate change, and wars between countries. With issues increasing with time and becoming more severe with every passing day, this proven with the data from The World Bank shows that due to inflation, domestic food prices were high, with some of the regions recording high prices, with the most affected region being Africa, North America, Latin America, South Asia, Europe, and Central Asia. Southeast Asia (SEA), particularly Malaysia, whose staple food is rice, was also affected. With rice, prices increased by one percent since the last update (The World Bank, 2023).

Natural disasters have a tremendous impact on a country's food security. Being a tropical country, Malaysia experiences the monsoon season, which occurs twice a year from April until December (Southwest Monsoon) and from October to March (Northeast Monsoon). The monsoon season hits some states in Malaysia, such as West Sarawak, Johor, Terengganu, and Pahang. Excessive rainfall causes the loss of crops and livestock, which inevitably affects not just the farmers but the overall food security of these states. In comparison to other Southeast Asian countries like Indonesia and the Philippines (located in the Pacific Ring of Fire that has an active volcanic belt and experiences frequent earthquakes), Malaysia is fortunate not to face these devastating earthquakes.

Secondly, rising food prices happen in almost all the countries in the world nowadays because of the rise in the price of inputs such as chemicals, fertilizers, labour, machinery, and land (Fatimah, 2023). The trend of increasing food prices is always happening, and it is a necessity for the price to go up first before it can stabilize again. However, when the price increases exceed a certain limit, this will cause anxiety for certain categories of groups, particularly the middle and lower-income groups. Certain commodities will have more demand than others (according to the theory of law and demand). This issue of rising food cost is somehow related to the labour workforce, Malaysia has a higher dependency on lower-cost labour, which is effective for the short term rather than solving the efficiency issue, which is a long-term problem that needs to be addressed (Fatimah, 2023).

Malaysia's population is growing at a fast rate. Currently, the population of Malaysia is 33.4 million, projected to increase to 41.5 million in 2040. This population growth represents an additional 8.1 million people in the next 17 years. Malaysia still has a low self-sufficiency level for poultry commodities such as beef, dairy milk, and fruits. Although the country produces rice across a few states, it still imports rice from neighboring countries, such as Vietnam and Thailand (Malaysia Population Research Hub, 2020). If another pandemic lockdown happens again, these countries will prioritize food security. With rice being a staple food in these ASEAN countries, a looming food security risk for Malaysia is possible.

Regarding climate change, Malaysia is one of the most vulnerable countries in Southeast Asia. Climate change has had a considerable impact on Malaysia. According to the 2020 ND-GAIN Index by the University of Notre Dame 2020, Malaysia ranked 42nd out of 181 countries and is considered a vulnerable country to climate change (University of Notre Dame, 2020). The lower score indicates the vulnerability of the country and vice versa. Also, Sabah, as one of the three regions in Malaysia (apart from Peninsular and Sarawak), is expected to be the most vulnerable due to the increase in climate change (Yusuf & Francisco, 2009).

Lastly, the war between countries caused the price of certain commodities to skyrocket. For example, the war between Russia and Ukraine has been prolonged since February 2022, bringing some negative consequences to the world (Lim et al., 2022). Ukraine is the largest producer of seed, oil, and sunflower mills, and the war with Russia caused the price of these two commodities to skyrocket. Similarly, Russia was the world's leading oil producer, producing crude petroleum, petroleum gas, coal briquettes, and gold. The absence of both countries' essential supplies due to the war caused the price of these commodities to rise significantly.

DISCUSSION

Using the Global Food Security Index (GFSI) as the benchmark, Malaysia's performance among 113 countries divided into six (6) regions, namely North America, Sub-Saharan Africa, North Africa, the Middle East, Latin America, Europe, and Asia Pacific, was not entirely convincing. The GFSI investigated the level of vulnerability of the countries to food security based on 58 indicators with qualitative and quantitative measures. These 58 indicators of level of vulnerability are categorized into four (4): natural resource and resilience, quality and safety, availability, and affordability. Since its inception in 2012, from the three editions of GFSI (2020 until 2022), Malaysia placed in the second quarter of the GFSI with 41 places out of 113 countries in 2022, 39 places out of 113 in 2021, and lastly 43 places out of 113 in 2020. Hence, to deal with this upcoming issue of food security, the Ministry of Agricultural and Food Industries (MAFI) is one of the ministries responsible for food security in Malaysia. This Bank Pertanian Malaysia Berhad (Agrobank).

FAMA was established on September 30th, 1965, and is responsible for the marketing of agro-food products such as vegetables, fruits, and flowers as well as food industry and agricultural products. As one of the arms of MAFI, it has played a crucial role and performed some interventions in disseminating staple foods in Malaysia, such as eggs, chicken, and rice, to avoid food shortages during the crisis. It is worth noting that FAMA is also responsible for implementing food price mechanisms for controlled items such as eggs, chicken, meat, and others during the festive season

and when crises arise, such as the issue of inadequate chicken eggs in the market last year. Post-COVID-19, FAMA intensified its role by providing numerous support, such as the introduction of AgroBazaar Online, providing market information, and marketing education plus consultancy services. Not only that, FAMA also provides a space and programs for entrepreneurs and give attention to the younger generation; like AgroBazaar K-Shoppe, Agrobazaar Rakyat (ABR), program Young Agroprenuer, Fresh Fruit Stalls, Direct Sales From Farm, Agro-Caravan program, fresh marketing service, and initiated a contract marketing development division by setting up The Malaysian Agro-Entrepreneurial Club for University Students (MYAGROSIS), MyFARM Outlet, My Best Buy (MBB). Apart from executing a two-way program with entrepreneurs and the younger generation, FAMA also established a collaboration with the Sarawak State Government through the Sarawak Ministry of Housing by creating Medan Niaga Satok at Kuching, Sarawak, a Farmers market, Permanent Farmers Market, providing a program upgrading product packaging image, provision of market channels/access, gazetted The Federal Agricultural Marketing Authority (Grading, Packaging and Labelling of Agricultural Produce) Regulations or known as 3P Regulation. FAMA also caters to the well-being of the farmers by establishing fresh fruit processing and farm collection centres, set-up several Rural Transformation Centre (RTC) such as in Perak and Kelantan. Not only that, but FAMA also established a marketing agency under MAFI known as FAMA Corp, plus other small entities that aim to develop entrepreneurs, such as Agromas Branding, Kopie Satu and MyKopie

Despite all the initiatives, programs, and efforts put forward by FAMA as one of the MAFI arms to counter the issue of food security in Malaysia, it still needs to be improved from the grassroots side. The issue of food security is always present due to FAMA's inability to solve the issue of rice imports from neighboring countries such as Thailand and Vietnam. Although Malaysia is a rice producer and has a few states in Peninsular Malaysia, particularly Kedah, that specialize in producing rice, our dependency on other countries remains high (Fatimah, 2023). The next issue is FAMA, and the farmers need to be aligned in their roles to communicate smoothly between these two parties. FAMA was quite selective and set high standards when choosing the commodities purchased from the farmers. As a result, some farmers cannot sell their harvested commodities. As a government agency, FAMA needs to have specific standards or the highest benchmark in Malaysia that need to be adhered to by the farmers who intend to sell their crops. On some occasions, some of the farmers need more technological infrastructure and technical expertise to meet even the lowest requirements. This group of vulnerable people needs to be identified from the start and assisted in terms of capital and technical expertise. Another issue that happens in the agriculture industry and other industries is the need for more interest and enthusiasm among the young generation to get involved with the agriculture industry. FAMA and related agencies need to think of strategies or initiatives to attract the youth.

CONCLUSION

In conclusion, FAMA needs to move with the times to stay updated with the current trends. The future role of FAMA within Malaysia is indeed crucial and still relevant even after almost 60 years. Nevertheless, there is a responsibility and a need to keep improving. Benchmarking among ASEAN peers, the agriculture industry in Malaysia is still lagging compared to the ASEAN counterparts in Thailand and Indonesia, particularly in certification and quality control, not to mention if the comparison is extended to East Asia, which has Korea, Japan, and China, which have far more advance technological and expertise. Technology was the prime mover for growth (Fatimah, 2023; Malaysia Population Research Hub, 2020). Technology integration into agriculture is taking the world by storm, and FAMA should be part of it. To achieve this goal, FAMA cannot work in the silo, instead working together with other stakeholders to achieve this ambition. Any program initiative must be targeted to all walks of life so no one is left behind.



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ACKNOWLEDGEMENT

The author would like to express his heartfelt gratitude to Dr Hiram Ting, and Dr Mohamad Noor Salehuddin Sharipudin, for their continuous support and for giving the authors a chance to publish this editorial note. Not to forget Dr Ivon Lim Tze Yin from Swinburne University, Sarawak, and Dr Aaron Tham from Sunshine Coast University, Australia, for providing their insightful review to enhance this editorial note further.



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Published by Federal Agricultural Marketing Authority
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