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Agro sector a main gainer with RM6bil allocation

THE agriculture sector remains one of the top recipients with a RM6bil allocation:

·RM137mil will be for upgrading and improving drainage and irrigation infrastructure in padi fields involving 180,000 farmers;

·RM70mil has been allocated to implement the Paya Peda Dam project in Terengganu, which will increase water supply capacity to the Padi Irrigation Scheme in Besut next year;

·RM82mil to modernise the aquaculture industry and implement entrepreneurship training scheme for aquaculture breeders with focus on the production of fish fry and ornamental fish;

·RM149mil to develop food farming industry such as fruits, vegetables, organic farming, herbs, seaweed and swiftlet nests;

·RM58mil to develop basic infrastructure of livestock farms and establish supply chains for production of beef and mutton; and

·Agriculture and Agro-based Industry Ministry, Youth and Sports Ministry, Universiti Putra Malaysia, Agro Bank and Regional Economic Corridors to jointly implement incubator programmes to train youths and graduates to be successful agro-entrepreneurs.

Under Budget 2010, the Government would also provide subsidies, incentives and assistance of almost RM2bil to farmers and fishermen.

Among the subsidies and incentives are padi price subsidy of over RM400mil and padi fertiliser subsidy of almost RM300mil. In addition, incentives to increase padi yield, production and rice subsidy account for almost RM220mil while RM170mil is allocated to provide the cost of living allowance and incentives to fishermen.

Malaysian Palm Oil Board chairman Datuk Sabri Ahmad told *StarBizWeek* that local big plantation companies should respond to the Government's call to strengthen the national food security.

“They should embark on planting padi on an active scale especially on land which is not suitable for oil palm,” he added.

Budget 2010 focuses strongly on padi, which is the country's staple. “This reflects the Government's seriousness to maintain a high level of self-sufficiency in rice,” he said.

Malaysia encountered a serious rice shortage last year when its major suppliers in Thailand and Vietnam were caught

in a similar situation.

Under the Ninth Malaysia Plan, a target has been set to raise Malaysia's rice self-sufficiency level to 90% by 2010 from about 70% currently. Sime Darby Bhd recently announced its interest to invest in mechanised padi farming starting with the Northern Corridor Economic Region (NCER) and later, in Sarawak.

The group's RM12.5mil padi farm in Gedong in the Kerian-Sungai Manik rice bowl is expected to bear yields of eight to 10 tonnes per hectare a cycle and later 12 tonnes per hectare.

In NCER alone, small-scale farmers currently cultivate some 168,000 ha, harvesting three to four tonnes per hectare annually.

National Smallholders Association president Datuk Aliasak Ambia said the agriculture sector would remain a significant contributor to the income of people in the rural areas and the country's economic growth.

He concurs that the transformation of the sector needs to be intensified from the cultivation to marketing the products, thus creating new entrepreneurship spirit among farmers to cultivate food products for export, from boosting food production under the national food security policy.

However, Aliasak was disappointed that there were no further subsidies or incentives for rubber smallholders.