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Your Opinion

Measure agricultural success by outcomes

BUDGET 2027 allocates RM6.92bil to the Agriculture and Food Security Ministry, comprising RM4.85bil and RM2.07bil in operating and development expenditure, respectively.

Another RM2.62bil has also been allocated for padi farmer assistance and RM1bil in financing through Agrobank, Bank Rakyat and the Malaysian Cooperative Commission to support agricultural entrepreneurs.

These allocations create opportunities to strengthen the agri-food sector. However, the priority must be to translate spending into measurable improvements in productivity, farmers' incomes and food supply resilience.

Department of Statistics Malaysia (DOSM) data for 2025 highlight Malaysia's continued reliance on food imports. The import dependency ratio for goat meat reached 90.7% while beef recorded 82.6%. For crops, the ratios were 82.7% for ginger, 67.9% for chilli and 59% for round cabbage.

Nevertheless, 23 selected agricultural commodities recorded self-sufficiency ratios exceeding 100% in 2025, demonstrating the potential of domestic production.

Malaysia should therefore prioritise commodities with strong production potential, considering climate suitability, production costs, market demand and local capabilities.

For commodities that are less economically viable to produce domestically, diversifying import sources and strengthening supply chain resilience may be more practical than pursuing self-sufficiency at any cost.

The amount allocated for padi farmer assistance and incentives is important for maintaining rice production. However, the effectiveness of financial assistance must be measured not only by the amount distributed but also by changes in yields per hectare, production costs and farmers' net incomes.

Photo: Filepic/The Star



Higher production does not necessarily mean higher profits. If fertiliser, labour and transport costs rise faster than farm-gate prices, farmers may continue to face financial pressure despite producing more.

The same principle applies to livestock and vegetable production. Expansion should be guided by market demand and competitiveness to prevent oversupply that could depress prices and undermine producers' profitability.

The RM1bil financing facility offers opportunities for agricultural entrepreneurs to expand operations, adopt technology and develop new markets. However, access to financing alone cannot guarantee business success.

It should be supported by business management training, technical advice, market access and sound planning. Small-scale producers also need assistance in meeting quality standards and establishing reliable relationships with buyers.

Downstream industries offer another pathway to growth. Food processing, cold storage, packaging and distribution can reduce post-harvest losses, create employment and increase the value of domestic agricultural output.

Stronger collaboration among farmers, cooperatives, small and medium enterprises and industrial buyers can improve market access and income stability.

Agriculture should therefore be developed as an integrated value chain connecting production, processing, logistics and exports rather than merely a supplier of raw materials.

To ensure Budget 2027 delivers meaningful returns in the agriculture and agro-food sector, the government should strengthen transparent, outcome-based monitoring.

Key performance indicators should include agricultural productivity, farmers' net incomes, import dependency ratios for strategic commodities, food loss and waste, and growth in domestic value.

Monitoring should distinguish between budget allocations, actual expenditure and the outcomes achieved. Regular reporting would allow policymakers and the public to assess which programmes deliver results and which require improvement.

This approach does not diminish the importance of subsidies or financial assistance. Instead, it ensures that public support strengthens producers' competitiveness and reduces long-term vulnerabilities in the food system.

Ultimately, agriculture should be viewed not merely as a sector receiving government assistance but as a strategic investment in Malaysia's future.

A successful budget does more than finance agricultural activities: it builds a more secure food system, strengthens farmers' economic viability and supports a productive, resilient and sustainable economy.

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