

'Revitalise livestock industry via partnerships'



Malaysia has seven approved countries for importing beef. FILE PIC

By Arfa Yunus, The Athira Yusof, Sarah Rahim - August 7, 2019 @ 7:26am

KUALA LUMPUR: The livestock industry needs to be revitalised through strategic partnerships with the private sector and existing companies to address the shortage of beef.

In its Market Review on Food Sector report, the Malaysia Competition Commission (MyCC) said the country had been highly dependent on beef imported from Australia (90 per cent of its fresh and frozen beef) and India (80 per cent of its frozen beef).

Such dependency led to price hikes and contributed to higher cost of living, as prices of beef in both countries had been rising.

The report also revealed there were limited number of exporters in these key import countries, which may lead to an oligopoly.

MyCC recommended that the government re-strategise and use a different approach to ramp up domestic beef production, aside from ensuring consistent supply in the market.

"The livestock industry should be revitalised, and this can be done through strategic partnerships with the private sector and existing companies, which have been successful in the local beef farming industry.

"The government should play an active role in encouraging and incentivising local and non-local domestic beef producers and cattle farmers, including potential market players," the report said.

Apart from relying on the two countries for beef supply, it proposed that the government explore other potential exporting countries to ensure supply sustainability and promote better competition in the market.

Compared with Malaysia, which had only seven approved countries for importing beef, Singapore had 17. The seven countries were Australia, New Zealand, India, Brazil, Pakistan, the United States and Japan.

Malaysia is in the process of approving two more countries, namely South Africa and Argentina, but the report pointed out that there was a lack of approved establishments in those countries.

“As such, relevant authorities should actively collaborate with trade agencies from existing and potential key countries to promote and expand the entry of more exporters.

“An increase in competition among exporters will lead to better choices for local importers, as well as ensuring market efficiency and competitive prices.”

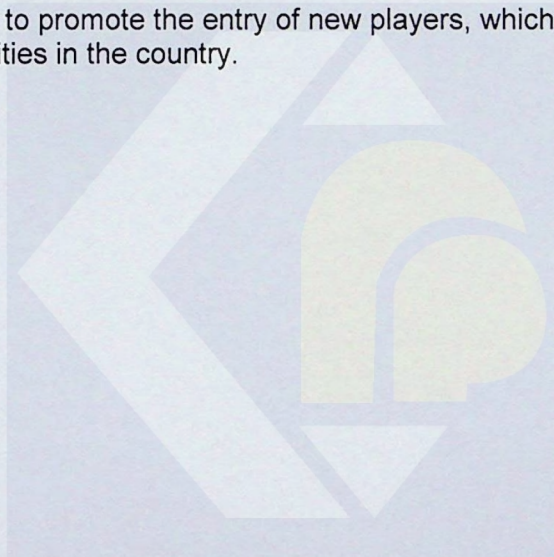
Another issue noted in the report was on the cost of animal feed, which accounted for about 10 per cent of the total production cost per cattle in integrated farming, and about 60 per cent of production for feedlots.

MyCC recommended that the government develop an integrated national animal feed policy to reduce such cost.

“Since Malaysia is not a grain producer, the Palm Kernel Expeller (PKE) and Palm Kernel Cake (PKC), which are produced locally, should be marketed locally and abroad.”

PKE and PKC were made of oil palm by-products after the extraction of oil from the fruit.

It also recommended incentives to promote the entry of new players, which would result in an increase of entrepreneurs and job opportunities in the country.



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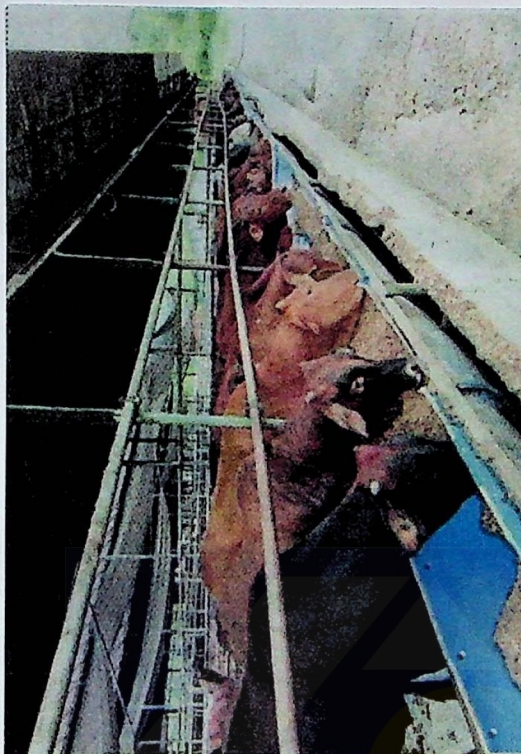
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