

## PM lambasts poultry companies behind chicken shortage and soaring prices

By Nuradzimmah Daim - May 23, 2022 @ 6:44pm



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KUALA LUMPUR: The government today took aim at several poultry producers, whom it said was responsible for the rising prices and supply shortage of chicken nationwide.

Prime Minister Datuk Seri Ismail Sabri Yaakob said the actions of these companies, which are bent on letting market forces dictate the prices of chicken and rejecting government subsidies meant to stabilise prices, were "regrettable and disappointing" and have greatly inconvenienced the people.

He said the government had previously set the ceiling price of standard chicken at RM8.90 per kilogramme. It had also offered subsidies totalling RM729.43 million under the Keluarga Malaysia Price Control Scheme (SKHKM) implemented on Feb 5.

"However, we found that several major companies had no interest in applying for the subsidy and instead, wanted the government to allow chicken prices to be dictated by the free market.

"To date, only RM50 million in subsidies have been given out to companies, many of which are small businesses."

The prime minister said that in the short-term, the cabinet today had decided on several measures to tackle the issue. These, he said, include:

- \* Halting the export of 3.6 million chickens a month beginning June 1 until the prices and production of chicken stabilises;
- \* Creating a database of chicken supply and optimising existing cold storage facilities owned by the Agriculture and Industry Ministry as well as other agencies;
- \* Abolishing the need for Approved Permits (AP) for chicken, including chicken parts, which can boost the chances of importer involvement to create more supply chains;
- \* Simplifying the subsidy application process for poultry producers; and,
- \* Increasing and certifying more overseas processing farms to increase chicken production.

Ismail Sabri said the government is also aware of reports of the existence of cartels among the industry's key players which control the price and production of chicken.

"The Malaysia Competition Commission (MyCC) is currently investigating the matter and the probe is expected to be finalised by June. If any evidence of cartel involvement is found, the government will launch legal action against them," he said.

Ismail Sabri said, at the same time, the government will reduce the role of middlemen which had all this while manipulated supply and prices.

"The government will introduce a 'jihad' to battle middlemen, which I had previously introduced in 2014. The National Farmers Association (Nafas) will be given a role in leading the battle against these middlemen," he said.

Ismail Sabri said the cabinet had also received a number of suggestions from its members on the planting of corn as an alternative source for chicken feed.

The cabinet, he said, also agreed to ask for the cooperation of state governments, government agencies and government-linked companies (GLCs) to prepare Temporary Occupation Licence (TOL) land for the long-term.

The Agriculture and Food Industries Ministry, as well as the Domestic Trade and Consumer Affairs Ministry have been asked to table these plans soon.

Ismail Sabri said the government is also encouraging GLCs, government agencies, farmers associations and cooperatives to get involved in chicken production.

"The government will study the forms of aid which can be given. These are among the long and short-term plans that (the two ministries) will formulate," he said.

Ismail Sabri said the attorney-general, who attended the cabinet meeting today, had advised the cabinet on the use of the the Supply Control Enforcement Act 1961 regarding activities such as hoarding and sabotage concerning the chicken industry.

Action, he said, can be taken against them under the act, with their licences immediately revoked.

"The government has asked (the two ministries) to conduct checks and monitoring as well as take stern action on anyone who breaches the act. Punishment ranges from a maximum fine of RM1 million or three years' jail, or both," he said.

Ismail Sabri said, as an addition to his earlier announcement on the abolishment of food APs, the cabinet today also agreed to abolish the AP for wheat.

"All ministries have been asked to list down APs for other items which can be taken of the list for the benefit of Malaysian consumers.

"I wish to stress that the government will not compromise with any parties which try to negatively affect the people's livelihood.

"I also ask for the people to support the government's action for the sake of those who have been detrimentally affected by the rise in prices and cost of living."