

Govt going after middlemen, cartels responsible for rise in prices of essential goods [NSTTV]

By Adib Povera - August 6, 2022 @ 12:26pm



The warning was issued by Prime Minister Datuk Seri Ismail Sabri Yaakob when he launched the Malaysia Agriculture, Horticulture and Agrotourism exposition here today. - Bernama pic

SERDANG: The government has declared an all-out war against middlemen and cartels responsible for the rise in the prices of essential goods and inflation.

The warning was issued by Prime Minister Datuk Seri Ismail Sabri Yaakob when he launched the Malaysia Agriculture, Horticulture and Agrotourism exhibition here today.

"The government is in the process of addressing manipulation by 'middle persons' and 'cartels' in the agriculture sector as well as the food supply chain, who are responsible for the increase in the prices of goods and inflation.

"In fact, the Malaysia Competitive Commission (MyCC) on Friday has issued its proposed verdicts against five chicken feed millers suspected of being accomplices in raising the price of poultry feed.

"This should serve as a warning against cartels trying to manipulate prices and the market," said Ismail Sabri in his speech at the event, which coincided with the Farmers, Livestock Breeders and Fishermen's Day.

Also present was Agriculture and Food Industry Minister Datuk Seri Dr Ronald Kiandee.

It was reported yesterday that MyCC found five companies engaged in anti-competitive agreements, which included increasing the price of poultry feed, that had soya bean and maize as the main ingredients. These companies were suspected to have been practicing this between early 2020 and the middle of this year.

Ismail Sabri said in 2014, when he headed the Agriculture and Agro-based Industry Ministry, he had launched a 'jihad' (war) against middlemen for exploiting farmers and fishermen. These middlemen had also manipulated prices of food items in the market.

"The ministry should continue this 'jihad' with other agencies under it and formulate a strategy to strengthen the food supply chain.

"This can be done by setting up a padi procurement centre, fruit collection centre, and increasing the number of agro- and fishermen-markets," he said.

He said the government has implemented several measures to strengthen the country's food security, which included doing away with approved permits (APs) for Malaysians to import food abroad, and establishing stockpiles for poultry and fish.

"The government had also provided RM1.1 billion subsidy to alleviate the burden of poultry breeders which in turn ensures sufficient supply of poultry and chicken eggs as well as stabilising prices of these items.

"The measures taken were effective — there was extra supply of chicken in the market and poultry was sold below the ceiling price," he said.

Ismail Sabri also announced that the government would increase the allocation for the Keluarga Malaysia Agro-Food Financing Fund (DPAKM) to RM1 billion from the initial RM800 million.

The DPAKM was introduced by the Ministry of Agriculture and Food Industries (MAFI) through Agrobank to increase food production in the country.

"Due to encouraging response, the government has decided to increase the fund for the benefit of agro-food and agriculture community.

"Agrobank will also set-up an investment entity soon for the agriculture sector to increase investment for the country's agro-food sector," he said.