

Policy Analysis : Food Security in Malaysia

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Abstract

This paper aims to explore the constraints factor in food sector in Malaysia. Various agricultural policies have been formulated to improve food production and mechanisms for channelling aid to farmers, yet the policy outcome remains abysmal. Despite Malaysia has achieved remarkable growth in its agricultural sector, however, the growth of agriculture sector prioritises the development of industrial crop commodities such as oil palm, rubber, and cocoa as major commodities at the expense of food. Thus, this has resulted in the agro-food sector being considerably underdeveloped. A qualitative study has been conducted with the objective to explore the Malaysia's food sector performance and to examine the constraints on the sector's growth. The findings of this research reveals that mismatch priority, lack of coordination, overlapping functions and the existence of a patronage system are the root causes of the ineffectiveness of policy formulation and policy implementation. Political influence does exist in the process of policy formulation and implementation, of which affecting the direction and allocation of resources for investment in agro-food sector. Overall, this research has shown that Malaysia is facing a food security problem. Thus, the need for a policy paradigm shift towards food first policy to face a challenging future.

Keywords: Food Security; Malaysia; Food Policy; Institutions

INTRODUCTION

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Every country worldwide is looking into the importance of food security. The world's population is expected to reach 9.8 billion people by 2050 (United Nations Department of Economic and Social Affairs Population Division, 2017), with global food demand expected to be at least 60 percent higher than it is now (World Economic Forum, 2016). The United Nations' (UN) Sustainable Development Goals (SDG) clearly highlighted the importance to address global food security. By 2030, SDG2 aims to eliminate hunger, provide food security, enhance nutrition, and promote sustainable agriculture. These are major global issues that no single country can tackle this on its own (FAO, 2020). Food and agriculture are crucial in determining food security. Food is important for all, and agricultural activities produce food to feed the population. Achieving a high level of food security means the population is able to obtain sufficient food from a reliably stable and adequate food supply at affordable prices to meet its consumption needs and nutritional requirements.

The underlying objective of achieving food security according to the World Food Summit is when all people, at all times, have physical and economic access to sufficient

safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (FAO, 2008). According to the Global Food Security Index (GFSI), Malaysia ranked 39th out of 113 other countries globally in 2021, while ranking 7th in Asia Pacific out of 23 countries (Global Food Security Index, n.d.). Malaysia has improved its position compare to previous year, and the index generally shows that Malaysia is food secure. Despite these factors, Malaysia's food imports have been increasing continuously.

Malaysia had formulated several agricultural policies to produce higher food production locally and less dependent on food imports. The policies formulated were namely First National Agricultural Policy (NAP I), Second National Agricultural Policy (NAP II), Third National Agricultural Policy (NAP III) and National Agro Food Policy 1.0 (NAFP 1.0). Recently in 2021, the Ministry of Agriculture and Food Industries (MAFI) launched the new National Agro Food Policy 2021-2030 (NAFP 2.0) to replace the expired National Agro Food Policy 1.0 (NAFP 1.0) with the aim to develop a sustainable, resilient agrofood sector, adopt high technology, improving the well-being of the people and ensuring food security and nutrition.

However, Malaysia's agricultural development focus have been prioritising commodities crop over food crop. Higher investment are allocated on commodities crops such as oil palm, rubber and cocoa that provide higher export value and as input to the manufacturing sectors. This can be shown by the cultivation area on agricultural land which is dominated by commodities crops over food crops. The land that cultivated with commodities crops are approximately 91 percent, meanwhile other food crops are lesser than 10 percent. During mid of 1980s-1990s, due to the government's direction towards industrialised economy, higher concentration were given to the manufacturing sector (Indrani, 2000). They found that agrofood activities require large amount of capital investment, large expenditure of labour, and less productivity. Therefore the agrofood crops are being sidelined. This has resulted in the production of food declining. The level of self-sufficiency of basic food showed minimal improvement and is still low such as rice, vegetables, fruits, beef, mutton and liquid milk. Therefore, food import substitution is the solution to fill the gap. The gap between food export and import is getting wider now. According to the Malaysia Central Bank report (2020) Malaysia's food trade deficit has grown wider in the last decade. Total food imports have amounted to RM482.8 billion

compared to RM296 billion in exports in the last ten years. Thus food import bills is increasing as the demand for food continue to grow.

The agriculture and agrofood policies acknowledged issues and challenges such as high food import bills, lack of labour, limited suitable land available, higher cost of input production, lack of rural infrastructures and machineries, limited financial assistance, coordination and implementation among agencies, and the need to enhance food security however the sector still develop at slower growth and country's food import bills are increasing. The government has implemented various agricultural policies since independence. Despite all the policies development and initiatives, yet the policy outcomes in the agriculture food sector have been suboptimal. This study reveals that mismatch priority and patronage hinder the development of agrofood sector in national and state level policy-making institutions.

Countries that are relied on food imports are particularly vulnerable to crisis such as COVID-19, in terms of disruption of international supply chains (HLPE, 2020). UN reported that the pandemic is an additional threat to global food systems of which the numbers of global population affected by food insecurity before the COVID-19 pandemic was already on the rise (2014:22.4%, 2018:25.9%) (United Nations, 2022). The COVID-19 crisis has emphasised the importance of Malaysia's agricultural and food sectors and food security. Malaysia was affected too, when countries imposed restrictions on movement, closed borders, and banned imports. Following the impact, the situation once again reawakened the government on food supply concerns after Food Crisis 2007-2008 and Asian Financial Crisis 1997-1998. Malaysia was affected negatively by increasing of import bills, currency rate instability, higher demand for food, and an increased in food prices. When there is a lack of focus on food security, severe implications for social and economic impact will happen. Furthermore, high import dependency will leave the country vulnerable to market volatility.

To date, the government has implemented various agricultural policies since independence as well as numerous mechanisms to deliver various information, knowledge, and assistance to the agriculture producers. Despite all the policies development and initiatives, yet the policy outcomes in the agriculture food sector have been suboptimal. There are limited study that examine the problem during the process of implementation of agriculture policies in relation to food sector in the country. Therefore, this study aims to explore the problem that has hindered the development of food sector

that would impact the achievement of food security in the country. This paper is structured as follows. The first section discusses on the development of food policies, the second section explained the development of agrofood sector, the third section explained the methodology, the fourth section examines the factors that impede the sector's development growth, and finally concludes the arguments.

LITERATURE REVIEW

Development of Food Policies In Malaysia

The development of Malaysia's Agricultural policies had been largely influenced by the British Colonial Era (Dardak, 2015). The British emphasized on cultivation of commodities crops such as rubber and cocoa for export purpose. After independence, the policy focused on minimizing inequality by eradicating poverty among societies through the continuing development of commodities plantation activities and paddy cultivation for local consumptions. Presently, Malaysia has formulated five agricultural policies since 1980s namely First National Agricultural policy (NAP I), the Second National Agricultural Policy (NAP II), the Third National Agricultural Policy (NAP III), and recent policies are the National Agrofood Policy 1.0 (NAFP 1.0) and National Agrofood Policy 2.0 (NAFP 2.0).

First National Agricultural Policy (1984-1991) (NAP I)

NAP I was established in 1984 with the goal to enhance the agriculture sector due to its decreasing contribution towards national economic development and to maximize revenue both via effective resource utilization. The sector's performance fell from 59 percent of total production in 1950 to around 24 per cent in 1980 (Gin Bee, 2019). According Arshad (2017), the NAPI policy objective is to maximise income from agriculture through effective and efficient utilisation of the country's resources and revitalisation of the sector's contribution to the national economy. The NAPI was formulated to further address issue of poverty among farmers and underperformance of the agriculture sector (Dardak, 2015). However, NAPI failed to achieve its objective in increasing income among farmers as the level of poverty among farmers stayed high (Indrani, 2000). Food imports continued to rise from RM3.1 billion in 1985 to RM5.1

billion in 1991 and the contribution of Gross Domestic Product (GDP) continued to decline from 20.3 per cent in 1984 to 14.4 percent in 1991(Gin Bee, 2019).

Second National Agricultural Policy (1992-1997) (NAP II)

NAP II was the extension of the NAPI with the aim to address the weaknesses of NAPI. The objectives were to achieved a balance development between agriculture sectors and manufacturing sectors (Arshad, 2017). During this period the country was focusing towards becoming an industrial economy so commodity crops were given priority because of its higher return to the economy whereas the food agriculture sector was seen to be not productive and labour and capital intensive (Indrani, 2000). Therefore the agrofood sector was being sidelined. Despite the fact that NAP II emphasised import substitution for food crops, however imports rose and food production remained low (Indrani, 2000). During the 7th Malaysia Plan, NAP II was reviewed and was not relevant to the current situation (Indrani, 2000).

Third National Agricultural Policy (1998-2010) (NAP III)

NAP III was introduced following the impact of the Asian Financial Crisis 1997-1998 (AFC). AFC served as a wakeup call to the Malaysian government about the importance of agriculture as a source of food for the population. Impact from the crisis includes increasing import bills, currency rate instability, high demand for food, increased in food prices. Moreover higher consumers awareness towards healthy diet, so as a response, appropriate supplies and accessibility of safe, nutritious, and high-quality food at reasonable rates are demanded (Ministry of Agriculture Malaysia, 1999).

Nevertheless, another new issues and challenges have emerged as a consequence of structural changes in the economy, which includes lack of labour, limited supply of suitable land and growing of production cost resulting from intersectoral competition for resources, as well as intense competition in the global market as a result of trade liberalisation (Ministry of Agriculture Malaysia, 1999). Therefore, the main objective of NAP III is to maximise income through the optimal utilisation of resources in the sector. This includes increasing agriculture's contribution to national GDP and export earnings while also increasing producers' income. While the specific objectives were to enhance food security, to increase productivity and competitiveness of the sector, to deepen linkages with other sectors, to create new sources of growth for the sector and to conserve

and utilise natural resources on a sustainable basis (Ministry of Agriculture Malaysia, 1999).

Following that, during the beginning of the global food crisis in 2007–2008, Malaysia formulated a short-term policy to tackle the impact of the crisis, the National Food Security Policy (NFSP), which mainly focused on guaranteeing rice availability by increasing rice production with a new targeted Self Sufficient Level (SSL) of 86 percent (Tey, 2010). Despite FSP and NAPIII, the food sector's structure has largely remained unchanged and growth has been minimal (Fatimah, 2017).

National Agro Food Policy (2011-2020) (NAFP 1.0)

NAFP 1.0 was specifically formulated for the agro food industry. The objectives of the policy were to secure food supply and food safety, to establish a competitive and sustainable agro food industry and to increase income level of agricultural entrepreneurs. Ensure the country's food supply, increase the contribution of the agro-food, establish a comprehensive food supply chain, empowering human capital, strengthen R & D, innovation and technology adoption, creating a private sector-led environment, and strengthen the service delivery system were among the strategies planned to meet the objectives (Ministry of Agriculture and Agro-Based Industry Malaysia, 2011).

The past performance of NAFP 1.0 indicated that the growth rate of the agrofood sector during the period of policy implementation was at an average rate of 3.95 percent annum, which was higher than the average annual growth rate recorded by industrial commodities of 1.35 percent. While the total value added contributed to the agriculture sector had also increased from 41.78 percent in 2010 to 48.02 percent in 2020 (Ministry of Agriculture and Food Industries, 2021).

Both export and import of food increased. During the period 2010-2020, agrofood imports recorded an average growth rate of 6.69 percent per annum, higher than the average growth of agrofood exports. Thus, this resulting in an increase agrofood trade deficit from RM12.09 billion in 2010 to RM21.22 billion in 2020 (Ministry of Agriculture

and Food Industries, 2021). This performance reflected that Malaysia continuing dependence on the global food chain to as the strategy to fill the demand gap.

National Agro Food Policy 2.0 (2021-2030) (NAFP 2.0)

The implementation of NAFP1.0 policy has ended. A Cabinet Committee on National Food Security Policy (FSCC) was formed to strategies and action plans to solve national food security concerns (The Star, 2020). Presently, NAFP2.0 was formulated to provide a new direction in addressing the issues facing the country's agro-food sector by taking into account the impact of global crisis COVID-19 pandemic towards the country's food security. The policy focuses on addressing challenges in the agro-food sector by prioritising on the various dimensions of food security that outlined six objectives which includes increase income growth and quality of life for food producers, increase productivity by improving output production and harvest quality, creating an agile and resilient value chain with a high-value-added activities, improve the population's food safety and nutrition, driving economic, social growth and inclusiveness, promoting sustainable consumption and production (Ministry of Agriculture and Food Industries, 2021).

The NAFP 2.0 shows the government's concern about food security and the sustainability of the food agriculture sector in Malaysia. The policy is holistically formulated to continue the first NAFP 1.0 by focusing on the modernization and development of the agrofood sector as well as improving national food security. NAFP 2.0 serves as a framework to unite all stakeholders to enable greater collaboration and contribution towards the advancement of the agrofood sector while addressing current challenges. To realize the goals of NAFP 2.0, continuous efforts need to be focused on facilitating effective collaboration and participation among stakeholders including government or state authorities and industry's players.

METHODOLOGY

The study aims to understand why Malaysia is highly dependence on imports of foodstuff and to explore the constraints in increasing productivity of local food production. This study applied a qualitative method as it can go in-depth to understand, explore, and capture through eye-to-eye conversation with the interviewees to gather the answer of this study. For this study purpose, purposive sampling or known as judgemental sampling is used for an in-depth investigation to gain a deeper understanding from experts

of why Malaysia is highly dependent on food import. This study gather primary data from elite policymakers, academicians, small medium enterprise owners and farmers. The interviewees were selected according to their position, knowledge, and experience in the coordination and implementation of the policy (Neuman, 2014). This study used semi-structured interviews to collect the data as it is flexible in questioning. Then, the thematic data analysis method is used to analyse data collected as according to Nowell et al. (2017) thematic analysis illustrates the data in great detail and deals with diverse subjects via interpretations, and Alhojailan (2012) stated that it allows understanding the potential of any issue more widely.

The Institutional and Agro Food Sector

The role of institutions is the key component in economic development (North, 1992; Suffian, 2021). The institution is fundamental in policy configuration and implementation. Many scholars have claimed that the role of institution have direct consequences over the policy execution and coordination (Suffian et al., 2022).

The institutions are the rules of the game in a society (North, 1992) or formally known as the human devised constraints that structures the political, economic and social interaction (North, 1991). They consists both formal (includes written constitutions, laws, policies, property rights) and informal constraints (includes customs, traditions, and codes of conduct) (North, 1991). Policies are formal institution that provide direction and set of strategies in providing guidelines for decision making, streamline procedure and processes to be followed in achieving goals. However, policy assessment should not just evaluate the policy document itself. Due to the fact that, the role of institutions determine the performance of the policy, and it is dependent on the policymaker's efficiencies in deliberate, configurate and coordinate (Suffian et al., 2022).

The agriculture industry is one of the major sectors that has contributed to Malaysia's economic growth for decades. The industry provides employment for approximately 1.5 million people or 10.5 percent from country's total labour force (DOSM, 2022a). Official data showed that the industry's contribution to the nation's GDP in 2020 is 7.4 percent, with oil palm as the major commodity contributor (37.1 percent) (DOSM, 2022a). Despite these achievements, the agrofood sector has been considerably left behind in comparison to its commodity crops sector (World Bank, 2020). In 2020, the agricultural land use area for commodity's crops has reached approximately 91 percent, while food crops' area are lesser than 10 percent (DOSM, 2021). The majority of land

used for commodity crops are for oil palm plantations (2020: 5,865,300 hectares), while the food crop is for paddy plantations (2020: 644,800 hectares). The compound annual growth rate (CAGR) for paddy cultivation area is only 0.41 percent while for oil palm cultivation is 2.36 percent. The data mentioned showed that most of agricultural land use area are dominated by industrial crops over food crops. Yet the reduced planted area of food crops is not accompanied by higher yield production (Tey, 2010).

As mentioned earlier, Malaysia is generally food secure compare to other countries (ranked 39th). The index evaluation is based on the food security dimension, which includes factors such as availability, accessibility, quality and safety and natural resources and resilience. Overall of the result showed that Malaysia is underperforming in relation to natural resources and resilience. This rise the concern over the role of institutions to configurate response on the impact of climate change towards food security concern and formulate policies towards enhancing sustainable management of food system (Global Food Security Index, n.d.). However, looking into the perspective of development of the agrofood sector, the issue of high imports dependency are the impact from the problem of underdeveloped agrofood sector.

High Dependency on Food Import

The consequences from underdeveloped agrofood sector causes highly dependent on import of food to meet the population's demand. The output production is limited and causes inadequate supply. Malaysia's food imports have been increasing continuously and this has been demonstrated the gap between import and export is getting wider. Total food imports increased from RM34 billion in 2011 to RM45 billion in 2015 and RM63 billion in 2021. The trend resulted in an increasing of deficit from RM13 billion in 2011, to RM17 billion in 2015 and RM24 billion in 2021. The importation includes foodstuffs and agricultural inputs. Food that are highly dependent on imports are vegetables such as round cabbage, chili, ginger, fruits such as coconut, livestock such as beef, mutton and fresh milk. Furthermore, the importation is not mainly food item, but includes animal feed, fertilisers, disinfectants, machineries (including tractors and parts) which constitute a higher prices of raw materials for production (Ministry of Agriculture and Food Industries Malaysia, 2020).

In terms of food sufficiency, generally 19 out of 45 commodities had a self-sufficiency ratio (SSR) greater than 100 percent (DOSM, 2022b). According to the official report, six food items are still below the country's demand with exception for

pork, poultry, eggs, and fishery products. It is observed that basic food items like rice, vegetables, fruits, beef, mutton, and liquid milk have made minimal improvement in terms of SSL (Ministry of Agriculture and Food Industries Malaysia, 2020). It shows that the development of food crops in the country is still at a slower growth rate. It is odd that essential food such as cabbage (37.5 percent), chilies (30.9 percent) and ginger (18.9 percent) are low in production and are highly depend on import (DOSM, 2022b).

Agricultural land usage in Malaysia was influenced by the execution of policies in Malaysia, from the First Malaysia Plan (1965-1970), Second Malaysia Plan (1971-1975), Third Malaysia Plan (1976-1980) and National Economic Policy (NEP) had a strong focus on agricultural growth (Abdullah & Hezri, 2008). Globalization, on the other hand, had an impact on the country's agricultural land usage, of which the land is concentrated with commodity plantation rather than agro food plantation (Olaniyi et al., 2013). Following the food crisis in 2007-2008, food imports continued to rise as the country relies on imported inputs such as feedstuff, fertilizers, agricultural machineries and labour and moreover the general productivity level remains low.

NAFP 1.0 was formulated to reduce importation of agrofood so that the country will not highly depending on imported food stuff. It was the first agricultural policy that specifically for the development of agrofood sector. Therefore the policy had set new strategic goals to overcome the agricultural sector's occurring issues and problem such as rising of production costs. However, the cost of production is getting more expensive despite the post-pandemic. The cost of buying feed for poultry and livestock is high, thus the cost of doing the activity is higher, comparatively imports are still cheaper as to bear the cost of input production is higher than importing.

For example the cost of buying local beef is more expensive than import beef from India. However, if the policy could support the smallholders and farmers in lowering cost of input production by encouraging the development of animals feed, and agricultural input industry then will encourage more agriculture entrepreneurs venture into particular agriculture sector because the cost of production is lower. The industry will becoming more competitive in terms of quality and pricing.

Arshad (2016) who stated that it is foreseeable that Malaysia's production costs are expected to be high, as agricultural input such as seeds, breeds, fertilisers, pesticides, herbicides, livestock feeds, machinery, and labour are imported. On the other hand, when

producing it locally using available resources, the potential in lowering the production cost is high while creating a competitive agricultural input industry. The import of food from 1990 - 2020 which includes the agricultural input such as fertilizer, pesticides, machineries and foreign labour show increasing trend from RM4 billion in 1990 RM11 billion in 2000, RM30 billion in 2010, and RM55 billion in 2020. The cost of inputs for production like feed and seeds are too high. This is due to the fact that the country do not manufacture the feed ingredients, such as maize for poultry, thus import is the solution, and this has resulting in high import of food costs. Dardak (2019a) stated that the increase in cost of production has decreased the competitiveness of local agriculture produce, and has attracted imports from other countries. Hence according to Fatimah (2020) that comparably import is cheaper and faster to get rather than to suffer the large expense of production for growing or breeding, and for that reason, the most fundamental solution to this is import substitution.

Consumer Demand for Higher Quality Food

Malaysian economy has seen advancing significantly, the people are becoming wealthier, which can be seen changes in food consumption, therefore the food system must adapt to such shifts to fulfil consumer's demand (Mad Nasir et al., 2010). The supply of local fruits is sufficient, however imported fruits such as apple, grapes and kiwi, vegetables such as celery and asparagus are in demand, of which cannot be grown locally, therefore resulting in increasing of import. Furthermore, as the consumers have the ability to spend more, they demand for a safety, quality and freshness of food such as Basmati rice, imported vegetables and fruits. Therefore, domestic food demand has changed due to changes in food consumption habits. Dardak (2019b,2017) stated that, the younger generation's consumption habits have changed slightly, they have higher preferences toward imported fruits and vegetables, particularly those from temperate regions. As a result, the demand for tropical fruits like papaya, watermelon and durian has declined substantially. Moreover, due to lack of local capacity in producing the food, import may be the solution (Porkka et al., 2017).

Limited Supply of Staple Food

Olaniyi et al. (2013) found that Malaysia was nearly self-sufficient in paddy production by 1976, however was forced to import rice after discovering that other neighbouring countries had a comparative advantage in agricultural production over Malaysia. Malaysian agricultural policy had prioritized industrial commodities over food

crop industries in recent decades because they provide a better return to the economy. Subsequently, the initial measures taken by the country in formulating agriculture's policy direction had a favourable impact on Malaysia's oil palm sector, but negatively affected the paddy subsector. So, as a result, the comparative advantage in industrial crops such as oil palm, rubber, and cocoa has been chosen to be strengthened, thus marginalizing the agrofood sector.

Therefore the agrofood sector has lagged behind in terms of development and productivity. The NAFP 1.0 was created with the main focus on improving the production of agrofood industry in Malaysia which include paddy and rice, livestock, fisheries, vegetable, and fruit among the crucial food industry and food securities. The policy was formulated to further increase agrofood production and not depending on import. Based on NAFP 1.0, the targeted national SSL for rice was 70 percent. Among the policy initiatives were to intensify paddy productions in granary areas and the develop suitable irrigation and drainage infrastructure in potential areas. For instance in 2019, the SSL for rice in Sabah is only 27 percent (2011: 27 percent), of which the rice produced is only adequate for the local people within the granary area only. So, the strategy to overcome the shortage is by importing from countries such as Vietnam and Thailand. Findings from Khazanah Research Institute shows that Malaysia might remain as rice importer but this should not be viewed as a failure of the industry (Che Omar et al., 2019), the country may not target to 100 percent self-sufficient of rice but to emphasis on domestic rice to be produced sustainably, responsibly, safely and prioritised farmer's sustainable income.

Overlapping Function

Overlapping functions indicates that each role share the same aspect of responsibility and interest. Therefore, this situation lead agencies tend to work in silos as they are concentrating in achieving their own objectives. Lack of coordination among government agencies was resulted from the duplication of functions within the same ministry and agencies in providing support and extension services. For example, Integrated Agriculture Development Area (IADA) a federal agency that was established with the purpose of increasing paddy production in Sabah but due to a major inefficient coordination among state agencies, there seems to be no significant impact on increasing SSL to date (22.81 percent: 2020). The ministry and the agencies urgently require to restructure and streamline, the role and functions must be defined clearly to prevent

overlaps. As, the issue of overlaps will resulted in substandard productivity level thus impact the performance among ministries and agencies and issues remain unresolve.

Overlapping was mentioned in NAFPP 1.0 strategy of which one of the initiatives was to avoid duplication of functions as what has been mentioned “the role of agricultural agencies will be streamlined and rationalized to enhance functions optimisation and to avoid duplication. This is crucial in ensuring optimising of resources for efficient public service delivery” (MOA, 2011). Gin Bee (2019) identified that several ministries are carrying out similar roles, as there may be duplication of tasks in terms of R&D, development, drainage and irrigation, extension and advisory services such as providing consultation, technical support, advisory support. Even though they are in different sectors, but they have similar support services. Thus this duplication will lead to inadequate and limited allocation to be allocated for development purpose. Based on report published by Economic Planning Unit (EPU) which stated that duplication of functions has been identified as one of the issues that impede the industry’s growth and productivity, therefore, one of the strategy to transform agrofood subsector into modernisation and a high income industry is to eliminate it (EPU, 2016).

Political Will

Malaysia was progressing towards industrialisation when NAP I was firstly introduced in 1984. The country’s economy was witnessing significant structural changes. It had prioritized the growth of the manufacturing and services sectors over the agriculture sector. Focus were given on the importance of industrial crops such as oil palm and rubber towards the development of local manufacturing industry, in order to achieve high export revenues. Industrial crops were getting more attention as output for manufacturing sectors and higher export value. Thus the commodity crops are being prioritised over agrofood crops. This is due to the fact that the political leader is not future looking in enhancing agro food crops plantation and is not regarded as a priority in policymaking. Khalid & Abidin (2014) they argue that, over the past three decades, the role of technocrats in the formulation and execution of Malaysian economic policies has changed. Their functions are becoming less prominent as political leaders have their own plans and strategies for the country’s development while pursuing their personal preferences. The implementing agencies have planned the development and sustainability of the state's food production and supply, but lack of political commitment has become a key impediment to any development program or initiative. Political support and commitment especially in terms

of financial assistance is the most important resources in every development program. Without strong political support, no funding will be allocated to allow activities to take place.

Since 1981, technocrats have played an increasingly important role in Malaysia's growth (Khalid & Abidin, 2014). Undoubtedly the technocrats were given the responsibility in managing the economy at the macro level for instance policy making and implementation, however they were actually bypass at the micro level. They played a critical role in assisting political leaders in achieving their goals. The technocrats with their professional expertise, has been a powerful influence in Malaysia (Khalid & Abidin, 2014). They are responsible and are the key in ensuring the success of policy or program. However, some politician have their own personal interest, if their decision benefitted them directly then they will expedite the approval process. As they are not aligning with the political leaders' interest, the technocrats were occasionally pushed to the side (Khalid & Abidin, 2014). The country needs a strong governmental commitment to accelerate the transformation of its agricultural sector. Bafana (2018) claimed that agriculture can only be transformed if the government creates an encouraging environment and addresses fundamental governance issues, for instance, because of a lack of political leadership, most African countries fail to achieve agricultural economic growth. In the same study it was stated by the head of Alliance for a Green Revolution in Africa (AGRA) that "This requires vision and leadership to create political will among high-level political leaders to implement effective policies for agricultural transformation."

Funding

Limitation in funding from the government in approving allocations for development projects and to provide financial assistance causes development activities to be disrupted. Funding is crucial in providing financial support for any development projects, which includes subsidies, government grants, and incentives. Funding can help strengthening the economy in developing countries especially in developing the rural areas. As major agricultural areas are in the rural, of which the local communities are farmers, they need continuous and support specifically in terms of maintenance to increase their output production. Without a strategic agricultural financing, the fundamental in agricultural development such as basic infrastructure like road, irrigation system, and water pump become the constraint in farming activities to increase production and to enhance performance. Lack of funding will limit the policy implementation.

Programs and activities will be carried out gradually and based on smaller budget allocation from the state or federal government, however the impact is minimal.

A study by Byerlee & Janvry (2009) note that the important role played by agriculture in the early stages of development, related to the occurrence of unskilled labour and the fact that the infrastructure for instance roads, electricity, irrigation and drainage, and institutions will limit the development of the industry. Based on report published by Organisation for Economic Co-operation and Development (OECD), Poulton et al., (2006) as cited in OECD (2012) revealed that in developing countries, markets agricultural inputs and outputs, finance and other services, are often poorly developed (OECD, 2012). Thus overall these findings are in accordance with Gin Bee (2019) that Malaysia agricultural policies lack of consistency and are competing for the same limited resources such as land, financial, and human capital. As a consequences, such policies inconsistency may result in inefficient resource allocation and hinder agricultural development.

Lack of Available Land for Agricultural Activities

The total arable land is dominated by industrial crops plantations (Wong, 2007), so as a result the country's sustainable food crop production has been marginalised. Most of agricultural land in Sabah have been dominated by oil palm plantation with approximately 1.9 million hectares or 87 percent, and large areas of paddy plantation had been converted for development purpose to build houses, road, of which impact from some of the development activities have caused water system (irrigation) being disrupted.

Eventhough most people want to venture into agriculture but do not have land, government assist them by providing them land to start their project. The factors that influence high production of agro food plantation do not just depend on width of the cultivated area but the type of land as well. If a young agriculture entrepreneur wanted to venture into agriculture, but do not owned any land, they cannot pursue the desire to venture into agriculture too. Furthermore, the scarcity of land and capital resources causes limitation for younger generation who wanted to become agriculture entrepreneur (Khulidin, 2014). The findings are directly in line with Aminuddin et al., (1990) that the

implication of economic policies for agricultural land use has significantly decreasing the land use for food crops cultivation.

Limited Supply of Quality Seeds

Seeds are the most significant component in crop production and are essential to agriculture. It is one of the upstream components of the agriculture supply chain that supplies to agricultural input. The demand for food is increasing with the growing population in recent decades, thus demanding the development of food production. The government has emphasized on coconut cultivation, as selected fruits to be grown, but the gap between demand and supply in the seed and planting materials are still wide. The supply of legal paddy seeds is limited to accommodate large scale plantation of paddy (IADA), thus restraint the production. The supply of seeds in agriculture is still low for certain crops, therefore the initiative in collaboration with higher learning institute for instance Universiti Malaysia Sabah (UMS), is for the government to enhance the R&D in producing high quality of seeds and varieties to boost the agriculture production in the state, and at the same time enhancing the R&D sector for the state.

Nizwanshah Karim et al. (2021) have demonstrated that supply of seeds are still insufficient to meet the high demand from the existing farmers and new industry players. According to Stads et al., (2020), during 2013–2017, the reductions in MARDI research funding programs was almost halved, severely affecting its capacity to generate innovative, high-quality outputs. The institute is also struggling to maintain its laboratories and research equipment. This ties well with previous studies wherein Napasintuwong (2014) stated that government support in terms of investment, increasing market demand, and access to internationally recognise genetic materials are one of important factor for Thailand's success as one of the top largest seed exporters in the world and among the advanced and well-developed industries in Asia. Besides contribute to the production of the commodity.

Constraints in Agrofood Growth

Despite all the issues underlined in the policies, the country are still facing low self-sufficiency of certain essentials food, and high dependency on food and agricultural input. The development of agrofood sector is still left behind. This paper identifies that institutional issues such as mismatch priority and patronage are among the main root

cause that hinder the development of the sector. Mismatch priority is the key factor that impede the development of agro food. NAPII started to include food policy strategy which not included in NAPI (Fatimah, 2017), NAPIII was intended to ensure food security, NAFP1.0 was the first document that focused on agrofood policy. However, the country have been prioritising commodities crops for the past decades.

When the government decided to move towards manufacturing sector, the attention focused on commodities crops in plantation activities due to its higher economic return. Thus the agriculture sector started to face challenges. The policy prioritisation towards manufacturing sector, shortage of labour, increase in production cost, competing for land. This has led to the agrofood sector being side lined and the sector's productivity starting to decline. The reason to divert the direction was because the sector was labour and capital intensive that provide a lower produce thus do not seem gave a high impact to the country's economic growth. Therefore, the development of commodities crops are highlighted. This can be shown in majority of the agricultural land are cultivated with commodities crops, which currently occupied approximately 90 percent of the land area (DOSM, 2021). Thus smaller land are planted with food crops. The limitation of land for planting food crops as the reason on lower production. While the policy maker decided for import substitution as the strategic solution to fulfil the consumption demand, and become highly dependent on imports. This has resulted in highly depending on imports, and the rising on food import bills have reached RM63.6 billion in 2021.

Patronage system is another constraining factor towards the development of agrofood sector. Generally patronage is defined as the existence of the relationship between two parties who are known as the patron and client (Bearfield, 2009 as cited in Suffian et al., 2022). Generally, client will give support to patron in exchange for a preferential return. This study found that the connection between politicians, bureaucrats with the state agencies, small medium enterprise and farmers are important. The patronage system mentioned in this setting is associated with the formal and informal institution, for instance approval budget allocation for development of human capital, rural infrastructures development, and the expansion of machineries and technologies in agricultural sector. So, if the client have a good relationship with the patron, they will gain incentives in terms of better monitoring services, subsidies, better infrastructure facilities, machineries to develop their farm. In contrasting with the client who do not have a strong relationship with the patron, they will not be given much attention in terms of financial assistance and monitoring to grow their farm. It clearly shows that patronage

system is lacking of merit-based principles (Bearfield, 2009), as the relationship between patron and client determine the level of development of the agrofood sector. This will resulted to uneven distribution of allocated resources to the beneficiaries and poor policy implementation (Suffian et al., 2022).

CONCLUSION

Overall, this research has shown that Malaysia is facing a food security problem. Thus, the need for a policy paradigm shift towards food first policy to face a challenging future is critical. Governments should periodically carry out policy monitoring and evaluation to ensure effective policy implementation. The key to effective implementation are execution and measurement of the deliverables in timely manner (short, medium and long term). It is important to highlight that lack of priority in development of food crops sector compares to commodities crops, resulting in lower investment in development. It is the role of policymakers to monitor and analyse performance as well as review policies in order to propose new strategies that are relevant to current and future demands in order to improve the sector's performance. Malaysia has been emphasizing the importance of the agricultural and food sectors with the aim to achieve sustainable food security. However the policy outcome yet deficient.

This study discovered that the increasing trend in food imports has created significant uncertainty about food availability, particularly during crises such as the COVID-19 pandemic. The insufficient productions of staple food, especially food that has high domestic demand, for example, rice, are due to the policy is not encouraging the development of the sector. Overlaps and duplication of functions among ministries and agencies might lead to inefficient resource allocation that will threaten the development of the agrofood industry. Political influence does exist in the process of policy formulation and implementation, of which affecting the direction and allocation of resources for investment in development. These are the root causes that impede the development of the sector.

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