

Padi smallholders deserve policy attention



By [Tan Sri Dr Sulaiman Mahbob](#) - August 4, 2023 @ 12:02am



In terms of food security, it would, on balance, be more effective if we promoted greater production and consumption of other sources of carbohydrate, such as tapioca, sweet potato, sago, potato and maize. - NSTP file pic

The *New Straits Times*' Leader on Tuesday about "[Five Season padi](#)" is an interesting read, as it relates to food security concerns, a topic much talked about lately.

The editorial mentioned the country's reliance on imports to meet 30 per cent of its rice needs and the generally low productivity of padi fields here, about five tonnes

per hectare, with the exception of farms in Sekinchan that yield 11 tonnes per ha. Some isolated areas yield only three tonnes per ha.

The low yields reflect the woes of smallholders, who are grappling with a labour shortage, especially of young people. There is also a lack of planning to increase productivity through mechanisation and use of modern fertilisers.

The lack of interest among the young in smallholdings puts into doubt the sustainability of small-scale agriculture if there's no strong effort to make the sector a lucrative modern enterprise.

Malaysia is a high-cost rice producer compared with Thailand, Indonesia, Cambodia and the Philippines.

However, rice is our staple diet and, as such, padi is a "political crop" that must be produced at any cost to ensure a reasonable level of self-sufficiency. The current sufficiency level of 70 per cent is adequate.

There is heavy government intervention in rice production, involving subsidised inputs and price support.

But consumers pay prices above the world rice market. The somewhat marked disparity in cross-border rice prices in some way encourages smuggling at border areas, such as Golok and Padang Besar.

We could live with a higher level of rice imports although once in a while there may be shortages. However, doing so is quite dangerous politically, hence the present policy of a rice self-sufficiency of about 70 per cent.

Arguing for 100 per cent rice self-sufficiency is not economically sound due to cost.

In terms of food security, it would, on balance, be more effective if we promoted greater production and consumption of other sources of carbohydrate, such as tapioca, sweet potato, sago, potato and maize.

Increasing adoption of farming technology, and better organisation and management can enhance productivity. The differential in productivity between rice farmers in Sekinchan and other parts of the country indicates the potential to improve yields by using the best agronomic practices and continuously improving the sector.

Thus, improvements have to be addressed at the microeconomic level, which is at the factories, firms and farms. Tackling productivity issues at the macroeconomic level, such as ensuring adequate bank credit, liberal import policies, supportive pricing and strong fiscal backing may work, but not sufficient to sustain productivity.

As shown in many studies, productivity is not only the function of greater use of factors of production, but also the residual factors, including better organisation, skills, management and education of workers. Use of these residual factors can make up about 60 to 70 per cent of productivity increases.

To increase production, the focus should be on the management performance of farmers.

This, in a way, explains the marked differential in productivity between Sekinchan rice farmers and those in Kemubu and Muda.

Here, agencies such as the Department of Agriculture, Malaysian Agricultural Research and Development Institute and Farmers' Organisation Authority, have vital roles in helping the planning and management of resources and planting activities at the farm level.

The officials of these agencies, who are more technocratic than those in the ministry, should be in constant touch with farmers to build a new culture of good planning and management to enhance productivity.

Let me conclude by saying that smallholder agriculture, including rice farming, deserves special policy attention to improve its role in the nation's economy, especially in relation to food security.