

The agriculture in malaysia economics essay



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Amounting to 12 of contribution from agriculture to nations GDP employing 16 of total population of Malaysia, various crops such as rubber, palm oil, cocoa, bananas, coconuts, durian, pineapples, rice, rambutan are grown. Being agricultural dominant country Agriculture Trade liberalization is expected to affect the economical, social and political sectors.

Palm oil being the largest industry contributing higher portion in global liberalization of trade in oil & fats markets as an export oriented industry giving continuous efforts to increase productivity and efficiency still efforts are required to compete with other edible oils. To overcome this, automation, research and development, quality control & diversification are being recommended to enhance the industry. Incidences of poverty in the country have raised the protection of Paddy sub-sector in Malaysia which is one of the most highly protected sub-sector with a high degree of market intervention. Followed by the Paddy is the tobacco industry receiving subsidy, high tariffs and production quotas from government for protection purpose as it is cultivated in the poor regions of the country.

Climate

Located in the peninsula in south-east Asia, Malaysia has agriculture friendly climate. Being a hilly region it has become a disadvantage for cultivation of rice and other produces which require a flat land, which has resulted into import of the same.

Ministry of Agriculture and Agro-Based Industry, Malaysia (MOA)

MOA is Ministry of Agriculture who helps to private agriculture players and gather information, analyze it, do research and development, survey and

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provide required information and expert advice to agriculture, fishing and live stock to producer and farmer.

DEPARTMENT OF AGRICULTURE

Established in the year 1905 DOA handles agriculture sector related legal aspects. DOA has established 'state DOA' & has given responsibility of their respective state and work for their development. In 1926 Rubber Research Institute Malaysia was established realizing the tremendous development potential and immense demand within the rubber industry.

Agriculture: Malaysia's economic and social transformation

In 10th Malaysian plan (2011-15) they missed out agriculture aspect for its future, resulting into economic and social transformation workers, with about half of these being temporary migrants. In spite of this agriculture, along with fisheries and forestry contributes 7-8% in GDP.

Palm oil and Rubber

despite the reliance on migrant labour palm oil and rubber continue to do well as demand of palm oil in food and non-food sectors is high, and demand of rubber as a industrial product is high. With a good backup of R&D in both the products their production is high because of that they are exporting in neighboring countries helping them to gain higher profits.

Rubber based industry: there are more than 500 manufacturers of rubber in Malaysia producing latex product contributing 18. 1 billion to the country's export earnings in 2011. The rubber based agricultural sector is producing a wide range of products such as gloves, condom, catheters, latex thread tyres and tyre-related products mountings, beltings, hoses, tunings, seals, and

sheeting for the automotive, electrical & electronics, machinery & equipment and construction industries on a wide scale.

Rice

Malaysia is continuously facing problems for promoting improvement and change as it is a hilly region. There are many future plans as to innovation and up-gradation of the agricultural equipments.

Food industry

Malaysia's food industry is a multi-cuisine food industry so its expecting to grow more in future and right now its 3rd largest producer of poultry meat. Malaysia has started organic farming in fruits and vegetables and has come up with logo " Organic Malaysia". One of the largest processor in cocoa and 6th largest producer and exporter in spices.

Food & Agriculture Business Development Center

Agri-BDC developed by ministry of Malaysia to support and develop agriculture and food sector. Center of agri-food business development is the sole information center and resource for public and private sector formed by the MOA to assist food and agriculture business community in the country with the objective to attract existing and new investors in agriculture sector.

AGRO FOOD POLICY (2011-20):

A continuation of 1998-2010 Third National Agriculture Policy aims at increase in income and food supply guarantee and production sustainability. Various product based, Agri-forestry approach have been made by the policy.

1) FOOD SECURITY POLICY: With the objective to overcome the food shortage food security policy is formed which aims at increasing production of the agro food sector, supply and quality consumption. MOA planned seven programmes in 2008-10 and five other programmes.

2) ECONOMIC STIMULUS PACKAGE (PRE) YEAR 2009-10: Economic stimulus package undertake project to stimulate country's economy. For this two projects coconut industry development project and abandoned land development project have been entrusted to DOA.

3) 1MALAYSIA CONCEPT : With an idea to bring unity among all the races, Malaysia has brought a concept of 1Malaysia. It aims at the principle of justice for principle. It is envisioned that Vision 2020 is achieved with help of all levels of the society. The vision is to make Malaysia a developed country.

4) NATIONAL KEY ECONOMIC AREAS (NKEA): Government has launched the Economic Transformation Programme to make Malaysia a high income country. ETP emphasis on 12 North State Economic Areas like oil, gas and energy, palm oil, financial services, tourism, health, education, agriculture, IT tec. DOA is involved in two economic drivers project, Entry Point Project EPP 1 which focus on plants and herbs and EPP 7 which focuses on fruits and vegetable crops.