

Analysis of Meat and Milk Supply in Malaysia

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Abstract

Meat and milk supplies are food products in Malaysia and are wrong an agenda for the National Agrofood Policy (2010-2030) and the National Agricultural Policy (1984- 2010) government and private guidelines to develop the agricultural sector. However, the focus is on realizing it to reach a level of self-sufficiency increased. This study aims to analyze meat and dairy agricultural products in Malaysia. The methodology of this study uses a content analysis research design, The collected data were analyzed through a descriptive approach with a combination qualitative approach which is to analyze text including analyzing document- documents such as official reports, circular letters, annual reports, reports departments, financial plans, agency reports, and transcripts. The results of the study found that the demand for milk and meat will increase and the source of supply will also sufficient to meet the needs of the people based on current demand. Implications studies suggest that meat and milk products should be increased in quantity and prioritized compared to other commodities. The Ministry of Agriculture and Security should give serious attention is then expected to play its role in promote the growth of the agricultural sector in accordance with Sharia.

Keywords: Meat and Milk Supply in Malaysia

Introduction

The National Agro-food Policy (DAN) and the National Agricultural Policy (DPN) are Government Transformation Programs, the New Economic Policy Model (DEB) and the Economic Transformation Program are the main pillars of the country's development towards achieving Vision 2030, which is to become a developed country with high income. In addition to maximizing the income of the agricultural sector through the efficiency and effectiveness of the use of national resources in order to revitalize the contribution of the agricultural sector to the national economy. This goal requires a more significant contribution from all sectors including the Agro-food industry to ensure the country achieves the targeted economic growth (National Commodity Policy, 2011-2020). Therefore, the effort to guarantee a sufficient, safe and affordable food supply will continue through a program to

increase production and productivity. The food supply guarantee initiative will be focused on the livestock industry, especially ruminant livestock which is currently still small-scale and has the potential to be developed to guarantee food supply in the country and reduce imported meat and milk.

The Ministry of Industry and Agro-Based Industry targets the meat production rate is projected to increase from 1.6 million metric tons in 2010 to 2.1 million metric tons in 2020 with a growth of 2.7% per year. This is because meat demand is expected to increase from 1.4 million metric tons in 2010 to 1.8 million metric tons in 2020 with a growth of 2.4% per year. While milk production is targeted to increase from 67 million liters to 118 million liters with a growth of 5.8% per year in the same period as the demand for milk is expected to increase by 3.2% per year from 1.4 billion liters to 1.9 billion liters.

Milk and Meat Production

The consumption of meat and milk is expected to increase in 2021 to. The Ministry of Trade and Welfare Affairs (KPDNHEP) also increased the amount of meat imports to control prices so that they do not rise due to high demand post-covid due to the effects of economic recovery. People started shopping and in addition to some celebration days that the government allowed to celebrate in a simple manner (Harian, 2021).

Local milk production will also be increased to meet demand. The government's assurance that dairy products will be sufficient and the government is always committed to controlling the price of goods so that the increase is not sudden and burdens the people. Any shortfall in local production will be covered by imports including entering into long-term contractual agreements with exporting countries through palm oil or oil export agreements and reciprocal investment (National Commodity Policy, 2011-2020). The effect will be seen if there is a lot of demand and the occurrence of excess demand and lack of supply. This will cause dairy and meat producers to take the opportunity to raise prices dramatically.

According to the statistical data of milk and meat production by state in 2018-2020. The state of Kedah produced 285664 liters of milk and 50.00 metric tons of meat in 2018, then milk production decreased to 284364 liters while meat production increased by 60.00 metric tons in 2019 and in 2020 milk production increased to 295364 liters while meat production decreased by 28.37 metric tons. The state of Kelantan produced 112336 liters of milk while meat production was 245 metric tons in 2018 and in 2019 milk production decreased by 111126 liters while meat production increased by 394.31 metric tons and in 2020 milk production increased by 38093.12 liters while meat production decreased by 305.675 million metric tons. This means that the average production of milk by state including Peninsular Malaysia, Sabah, Sarawak was 5639,202 liters while meat production was 100.37 metric tons in 2018 and continued to decrease in 2019 by 435,170 liters while meat production increased by 120.88 metric tons and in in 2020 milk production was 6264,121 liters while meat production decreased by 110.21 metric tons.

Table 1

Meat by state, 2015-2020

State	2015 Average yield (kg/ha)	2015 Average yield (kg/ha)	2018 Average yield (kg/ha)	2019 Average yield (kg/ha)	2020 Average yield (kg/ha)
Johor	1030	1182	1854	2006	2381
Kedah	2442	2724	2377	2734	2985
Kelantan	2081	2397	983	1373	1863
Melaka	1660	1876	1725	1903	2162
N. Sembilan	2217	2472	1971	2410	2880
Pahang	1894	2011	2168	2489	2605
Perak	2302	2461	1759	1807	2390
Perlis	1753	1607	1942	2417	2781
Pulau Pinang	2865	2983	2052	2589	2866
Selangor	2997	2706	1740	1756	2179
Terengganu	2543	2669	2169	2332	2457
Sem. Malaysia	2563	2524	2412	2259	2774
Sabah	2886	2891	967	853	1081
Sarawak	1792	1809	1365	1486	1494
Malaysia	2316	2117	1895	2205	2541

Analysis Of Country Meat And Milk Issues

In 2010, the agro-food industry contributed as much as RM 18.8 billion or 46.4% to GDP. Of that amount, the agricultural sector contributes as much as RM 40.6 billion or 100.0% to GDP. This contribution increased to RM 29.8 billion or 51.1% in 2020 (Economic Planning Unit, Prime Minister's Department). The agro-food industry has recorded a higher value-added growth rate of 5.3% per year in the period from 2016 to 2020 compared to the annual growth target. This achievement was contributed by increased productivity and the food and beverage and fat industries.

The agro-based industry also grew in the same period as shown by the increase in the value added of the food and beverage industry from RM 2.3 billion to RM 2.9 billion and fats, vegetable and animal oils from RM 1.6 billion to RM 2.0 billion. The contribution of the agro-food industry to the country's total exports has increased from 1.5% in 2015 to 4.1% in 2020. The increase in the country's export contribution is also shown by the agro-based industry whose food and beverage products have contributed as much as 3.0% in 2015 to 3.3% in 2020 (National agro-food policy, 2011-2020). The total contribution of food exports and food products to the country's total exports has increased from 2015-2020 ie 4.5% to 4.7%.

Table 2

Projected Added Value of the Agro-food Industry and Farming, (2015- 2020)

Details	2015		2020	
	RM million	%	RM million	%
Industry food	23,005	100.0	29,809	100.0
Plants Industry	7,488	32.4	10,055	33.7
Livestock	5,791	25.2	8,424	28.3
Beef/Buffalo	643	2.8	993	3.3
Goat/Sheep	128	0.6	387	1.3
Chicken/Duck meat	3,785	16.5	5,320	17.8
Pork	261	1.1	317	1.1
Eggs	927	4.0	1,332	4.5
Milk	47	0.2	75	0.3
Agro-based Industry	16,954	100.0	20,842	100.0
Fats, Oils Vegetables and Animal	6,229	36.7	7,857	37.7
Food and drinks	10,725	63.3	12,985	62.3
TOTAL VALUE ADDED	39,959		50,651	

Beef production in the country is still at a low level with the Self-Sufficiency Rate of beef production estimated at only 23% in 2010. Therefore, the country is still dependent on sources of meat supply from abroad. The demand for beef is constantly increasing to meet the demand of the domestic local market and the needs of the meat processing industry. The Ministry of Agriculture and Agro-Based Industry (MOA) has held a National Beef Production Policy aimed at increasing the cattle population to 1.3 million by 2010 and increasing beef production from 18% to 28% of the self-sufficiency rate (SSL) with a production of 45,000 tm. meat in 2010.

The domestic demand for halal beef products that is increasing from year to year shows the potential of halal beef in the domestic market. The demand for beef products rises sharply during the Hari Raya Korban festival season which causes the supply of local meat products to be unable to meet the demand and this situation will cause beef imports to increase from year to year. In 2010, the domestic consumption of halal meat products amounted to 194 thousand metric tons compared to the local meat production of 47

thousand metric tons. Meanwhile beef imports in 2010 amounted to 153 thousand metric tons.

Looking at these statistics, the potential to increase the supply of halal beef in the domestic market is very wide. To compete in the domestic and international markets, many production factors are involved such as production costs, prices, technology used, expertise and other factors. Among the constraints faced in the development of this industry are the lack of quality breeds, the high price of livestock feed and the lack of expertise and manpower. In order to overcome the lack of halal beef and reduce imports from other countries, the government has established NFC to increase supply in the domestic and international markets. Looking at the potential. After almost 5 years of operation, from 2007 to 2012, the establishment of this national feedlot center has not been able to meet domestic demand and has not been able to reduce the import of beef products from other beef producing countries.

Table 3

Projected Production of Major Food Commodities, 2015-2020 (Ton metric)

Details	2015	2020	Annual Growth Rate Average (%)
			<u>2016-2020</u>
Plants	4,929	6,102	4.4
Livestock	2,540	2,956	3.1
Beef/Buffalo	59	76	5.0
Meat Goat/Sheep	4.8	11.9	20.0
Chicken/Duck meat	1,505	1,746	3.0
Pork Meat	231	231	0.0
Eggs			3.5
Milk			5.8
Fish Food	1,626	2,117	5.4
Sea Fishing	1,141	1,323	3.0
Aquaculture	485	794	10.0
TOTAL	9,095	11,175	4.2

Source: Ministry of Agriculture and Agro-based Industry. (t.th)

The livestock industry is important in supplying high quality protein feed and raw materials for the food processing industry. For the past 10 years, beef production has been stable at 17,000 metric tons. Per capita consumption of beef is expected to continue to increase from 4.7 kg/year in 1999 to 6.7 kg/year in 2005. Currently 80% of the domestic requirement for beef is imported. 73,000 metric tons worth more than RM 260 million. The

potential to further develop the animal industry to meet local needs and export markets is encouraging. With the increase in per capita income, the consumption of these livestock products is expected to increase. For the meat industry sub-sector, DPN3 identified that dependence on imported meat is a weakness for this industry. The government has identified a total of 1.2 million hectares of oil palm and rubber plantation areas that have the potential to be used as integrated cattle breeding areas. As is well known, the demand for halal food is increasing due to the current taste of the people who value quality and cleanliness in their food sources. Based on the Ninth Malaysia Plan, halal food products have a very high potential where it is estimated that the market is as much as.

Conclusion

The agro-based industry also grew in the same period as shown by the increase in the value added of the food and beverage industry from RM 8.2 billion to RM 13.0 billion and fats, vegetable and animal oils from RM 4.5 billion to RM 7.9 billion. Production of the main food commodities has recorded encouraging growth at a rate of 3.7% per year despite facing several crises at the global level including the oil and financial crises that have increased the cost of food production. Rice production by state in 2018-2020 has recorded encouraging growth despite facing various crises at the global level.

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