

Distinguished guests ladies and gentlemen.

We have been discussing digital technology, high technology,
They are all very high...

Now, I would like to bring everyone from the cloud back on earth,
back to something very basic.

That is our lunch today.

And food is what I am going to talk about.

We all need food. Men and women think about food every 3 hours.
Food is the very basic need for mankind.

Ministry of Agriculture and agrobased Industry is the ministry that
take cares of all food production in Malaysia. If you think food,
think MoA.

Distinguished guests, ladies and gentlemen.

Let me tell you the bad news first. The world is facing 3 major
challenges.

Number 1. The world population today stands at 7.5 billion people.
By 2050, it will reach 9 billion.
FAO estimates that **world food production must rise 60% to
keep pace with demographic change.**

Number 2, **According to Intergovernmental Panel on climate
change (IPCC), crop yield declines of 10-25% may be
widespread by 2050 due to #ClimateChange**

**Rising temperatures are predicted to reduce catches of the
world's main fish species by 40%.**

Number 3, farm Land has become scarce due to development and
farmers are aging. Average farmers age are between 55 years old.

The good news is, Malaysia is well positioned to be the agriculture food production. Malaysia has stable weather 24 hours a day, 365 days a year.

Malaysia is strategically located in Southeast Asia with 750 million population, and China and India of 2.5 billion people combined. All these 3.3 billion people need food, vegetables, fish and fruits everyday.

Malaysia can be major food producing country like Thailand or Netherlands, if we do it well.

The way forward is to transform Malaysia into high tech, modern farming country.

Ministry of Agriculture realised this.

We want to transform Agriculture sector into high tech, high yield, apply mechanization and use big data.

And Agriculture is moving towards that direction.

For example, many farmers are turning into high tech farming, using LED lighting and air conditioning rooms to plant organic vegetable in the city area.

Drones are increasingly used to spray fertilizer and pesticides nowadays.

MoA is starting to invest into Big Data to collect data on all things agriculture, so that in future, we can predict the market demand, plan what to plant in advance, what will be the market price.

Ministry of Agriculture will also transform MoA to be more Business friendly and farmers friendly. We want to attract investments into Agriculture, be it small investments of tens of thousands to large investments of millions of ringgits.

In order to facilitate and encourage investment in agrofood sector, several measures will be implemented by MOA. We know businessmen face various problems. So, government need to facilitate to solve your problems.

The first would be **initiating MOA dialogue** to facilitate bilateral discussions between the government and the stakeholders (farmers, associations, companies, industry players, investors) to solve their problems and facilitate investments.

Next is **setting up a special unit on investment within the ministry** to dedicatedly oversee the investment on agrofood sector to get permits, approvals and make things easier for investors,

and finally the **establishment of district action committee** on agriculture at the district level to help farmers at local district level.

These are great news for investors here.

The Government has outlined 6 sectors that has high investment potential – **Ruminant Industry, Input Industry** (seeds, fertilizers, animal feed, etc.), **Floriculture, R&D, Technology and Mechanisation, Tropical Fruits and Aquaculture.**

MOA encourages participation and investment by the private sector in large scale and high technology agriculture activities with best agronomy practices.

Many people may not know, the Government gives similar or even better incentives to investors who set up factories in Malaysia.

Due to the nature of the agriculture sector which is vulnerable to the weather, volatile market prices, longer maturity period and difficulty in procuring agriculture land, the government has introduced Incentives for Approved Food Production Projects under the Income Tax Act 1967 Section 127 to the **Companies undertaking the projects and Investor in related companies to carry out Approved Food Production Projects.**

The incentives were introduced in 2001 and renewed on a five (5) year period basis. Current tax incentive period from 2016 until 2020. The incentives offered includes 100% tax exemption for the companies undertaking the agriculture projects for a period of 10 years for new project and 5 years for an extension project. As for the investors, they are eligible for 100% tax deduction which is equivalent to the amount of investment for a maximum of 3 years.

The eligible food production projects include - **Crops** (vegetables, fruits, cash crops, industrial crops, herbs, spices, livestock feed), **Livestock** (cattle, goat, sheep, buffaloes, deer), **Aquaculture** including hatchery and seaweed, **Deep sea fishing** and **Apiculture** [honey bee and stingless bee (kelulut)].

Beside the incentives offered by MOA, MIDA and Inland Revenue Board of Malaysia (IRBM) also offers a few other incentives for agriculture activities such as **Export Increase Allowance**, **Special Incentive for Export Increase**, **Reinvestment Allowance** and **Accelerated Capital Allowance**.

Currently, the ministry is in the middle of collecting and centralising all the incentives and financing opportunities provided by various ministries, agencies and financial institutions to provide a one stop center to all agropreneurs venturing into the sector.

Apart from that, Agriculture Development Bank or called Agro Bank can provide good credits and financing. Agro Bank has 40 years of experience in agricultural banking and the bank's financing of the agricultural sector is driven by a policy set forth by the MOA. Agrobank can provide low interest loans to potential investors from RM200,000 to millions for young entrepreneurs, SMEs and also big corporations.

Ladies and Gentlemen,

So, the next time you feel hungry, please start thinking of investing into Agriculture sector.

Thank you.