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More than RM20mil a month on subsidies to stabilise egg supply, says Annuar Musa

PETALING JAYA: More than RM20mil in subsidies will be spent in a month to stabilise the supply of eggs in the country, says Tan Sri Annuar Musa.

This comes as the Special Task Force on Jihad Against Inflation had asked for a further increase in subsidy for eggs to address the shortage.

"The committee had agreed to increase the subsidy for eggs to 10sen each, which was agreed by the Finance Ministry, involving Grade A, B and C chicken eggs.

"This will mean a subsidy of more than RM20mil will be spent in a month for the purpose," he told reporters at a press conference on Tuesday (Nov 1).

He explained the reason behind the recent egg shortages and the need for a further increase in subsidy by the government.

"The average cost of producing an egg is currently 51sen while the ceiling price is pegged at 41sen.

"The government had initially agreed to provide a subsidy of 3sen per egg.

"This was far from the actual cost of production and the subsidy was further increased by an additional 5sen.

"However, this meant there was still a gap of 2sen," he said.

Owing to this, Annuar said that egg producers were not keen on producing Grade A, B and C chicken eggs.

"They opted to slaughter their egg layers before reaching maturity.

"This affected the supply of eggs and resulted in a shortage of about 100,000 eggs a month," he said.

With the increase in subsidy, he said it is hoped that egg producers, although making marginal profits, would begin production as soon as possible to stabilise supply.

Besides working with the Finance Ministry on the latest subsidy increase, Annuar said

that the Agriculture and Food Industries Ministry must also ensure the distribution of eggs is done accordingly.

He said this is necessary as most egg production was done on the west coast of the peninsula and distributed elsewhere, particularly to the east coast states.

Last month, the Agriculture and Food Industries Ministry announced that retail ceiling prices of grades A, B and C chicken eggs were pegged at 45sen, 43sen and 41sen, respectively, in Peninsular Malaysia.

The ministry said the subsidy for chicken eggs would remain until Dec 31 this year.

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