

KERATAN AKHBAR

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Fowl price float



Mohamad said the government is confident the move will not lead to a spike in the price of chicken. -BERNAMA/PIIC

Fowl price float

KUALA LUMPUR: The government has agreed that subsidies and price controls on chicken will be discontinued from tomorrow.

However, Agriculture and Food Security Minister Datuk Seri Mohamad Sabu said subsidies for Grade A, B and C eggs will continue according to the existing mechanism.

"The termination of subsidies for chicken is in line with the approach of retargeting subsidies in phases implemented by the government," he told a press conference yesterday.

He said the government had allocated a total of RM3.8 billion in subsidies to cover the costs of chicken and eggs until February this year.

"The rationale for ending subsidies in bulk for chicken is to reduce leakage of subsidies, which are also enjoyed by foreigners and high-income groups," he said.

Mohamad said the termination of chicken subsidies also took into account the current supply and price trends, with farm prices and

production costs beginning to stabilise, leading to current market prices being below the ceiling price.

He added that the government will ensure the price of chicken, once floated, remains at a reasonable rate.

"The government is expanding access to chicken supplies through continuous Agro Madani and Rahmah Sales programmes nationwide to provide options and assurance to the people to obtain chicken at reasonable prices and below the current ceiling price.

"Through an engagement session with industry players on Oct 22, the government secured commitments from the industry to ensure that farmgate prices of chicken will not increase significantly and burden consumers."

Mohamad also said the government is giving an assurance that there will be no further drastic chicken price increase after the chicken price subsidy and control measures are withdrawn.

"This is because traders are selling chicken below the ceiling price of RM9.40 per kg set in February 2022, apart from getting the assurance of suppliers that the supply of chicken will be adequate now and in future.

"As such, we are confident the floating of chicken prices will not lead to a price spike, and if there is a major hike, we want to know why as there is sufficient supply.

"Prices increase when supply is low. Now that the suppliers have given an assurance that there is enough chicken, if there is a shortage,

we are on standby to bring in more from overseas immediately," he said.

Mohamad also urged the people not to make panic purchases in the next few days as the supply of chicken is guaranteed to be sufficient, Bernama reported.

On why egg subsidies and price controls were continuing, Mohamad said if the subsidies are terminated, the price of eggs is expected to rise by approximately 10 sen per egg.

"But the breeders guarantee they will also provide enough eggs in the future and the government will announce its development from time to time," he said.

Meanwhile, Domestic Trade and Cost of Living Ministry Secretary-General Datuk Mohd Sayuthi Bakar said the government can carry out intervention measures under the Price Control and Anti-Profitteering Act 2011 to ensure chicken is sold at a price that does not burden the people.

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Govt to keep tabs on chicken prices

“The ministry will carry out operations under the Price Control and Anti-Profiteering Act, and if there is any violation under the Act, action will be taken.”

However, he said if the price spirals up again, the government can reimpose price controls either via subsidy or non-subsidy measures.

“That may be the final move. But whatever we do, we will monitor it from Nov 1. We are confident that there will be no sudden increase in the price of chicken.

“There may be certain places, especially in supermarkets, where consumers can get prices that may be lower than the previous control prices,” he said.

As an intervention measure, he said the ministry is also planning to carry out more than 3,600 rounds of *Rahmah* sales across the country in November and December to sell essential items at between 10% and 30% lower than the market price.

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